As filed with the Securities and Exchange Commission on April 28, 2021

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 20-F

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the fiscal year ended December 31, 2020
Commission file number: 1-16269

AMÉRICA MÓVIL, S.A.B. DE C.V.

(exact name of registrant as specified in its charter)
America Mobile
(translation of registrant's name into English)
United Mexican States
(jurisdiction of incorporation)
Lago Zurich 245, Plaza Carso / Edificio Telcel Colonia Ampliación Granada, Miguel Hidalgo 11529 Mexico City, Mexico
(address of principal executive offices)

Daniela Lecuona Torras
Lago Zurich 245, Plaza Carso / Edificio Telcel, Piso 16 Colonia Ampliación Granada, Miguel Hidalgo 11529 Mexico City,
Telephone: (5255) 2581-3700 / Facsimile: (5255) 2581-4422
E-mail: daniela.lecuona@americamovil.com
(name, telephone, e-mail and/or facsimile number and address of company contact person)

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

Title of each class:	Trading symbol	Name of each exchange on which registered:
A Shares, without par value	AMOV	New York Stock Exchange
L Shares, without par value	AMX	New York Stock Exchange
3.125% Senior Notes Due 2022	AMX22	New York Stock Exchange
3.625% Senior Notes Due 2029	AMX29	New York Stock Exchange
2.875% Senior Notes Due 2030	AMX30	New York Stock Exchange
6.375% Notes Due 2035	AMX35	New York Stock Exchange
6.125% Notes Due 2037	AMX37	New York Stock Exchange
6.125% Senior Notes Due 2040	AMX40	New York Stock Exchange
4.375% Senior Notes Due 2042	AMX42	New York Stock Exchange
4.375% Senior Notes Due 2049	AMX49	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None
The number of outstanding shares of each of the registrant's classes of capital or common stock as of December 31, 2020:

20,578 million	AA Shares
520 million	A Shares
45,764 million	L Shares

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

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

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

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

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

[X] Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] Emerging growth company

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

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

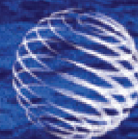
[ ] U.S. GAAP [X] International Financial Reporting Standards as issued by the International Accounting Standards Board [ ] Other

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

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

MOVING FORWARD WITHOUT LIMITS

2020 ANNUAL REPORT FORM 20-F



américa móvil

BROADENING HORIZONS

TABLE OF CONTENTS

(See Form 20-F Cross Reference Guide on page 89)

Selected Financial Data 6

PART I: INFORMATION ON THE COMPANY 9

About América Móvil 10

Our Networks 17

Our Competitors 18

Acquisitions, Other Investements and Divestitures 19

Marketing, Sales and Distribution, Customer Services 20

PART II: OPERATING AND FINANCIAL REVIEW AND PROSPECTS 23

Overview 24

Results of Operations 26

Liquidity and Capital Resources 32

PART III: RISK FACTORS 37

PART IV: SHARE OWNERSHIP AND TRADING 49

Major Shareholders 50

Related Party Transactions 51

Dividends 51

Trading Markets 52

Bylaws 52

Purchases of Equity Securities by the Issuer and Affiliated Purchasers 53

Taxation of Shares and ADSs 54

PART V: CORPORATE GOVERNANCE 59

Management 60

Corporate Governance 64

Controls and Procedures 66

Corporate Sustainability Report 68

Code of Ethics 69

PART VI: REGULATION 71

PART VII: ADDITIONAL INFORMATION 87

Employees 88

Legal Proceedings 88

Principal Accountant Fees and Services 89

Additional Information 89

Forward-Looking Statements 90

Form 20-F Cross Reference Guide 91

Signatures 93

PART VIII: CONSOLIDATED FINANCIAL STATEMENTS

SELECTED FINANCIAL DATA

We prepared our audited consolidated financial statements included in this annual report in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The selected financial information should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements.

We present our consolidated financial statements in Mexican pesos. This annual report contains translations of various peso amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations that the peso amounts actually represent the U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. Unless otherwise indicated, we have translated U.S. dollar amounts from pesos at the exchange rate of Ps.19.9487 to U.S.$1.00, which was the rate reported by Banco de México on December 30, 2020, as published in the Official Gazette of the Federation (*Diario Oficial de la Federación*, or "Official Gazette").

We have not included earnings or dividends on a per American Depositary Share ("ADS") basis. Each L Share ADS represents 20 L Shares and each A Share ADS represents 20 A Shares.

	FOR THE YEAR ENDED DECEMBER 31,										
		2016		2017		2018		2019		2020	2020
	(in millions of Mexican pesos, except share and per share amounts)										(in millions of U.S. dollars, except share and per share amounts)
STATEMENT OF COMPREHENSIVE INCOME DATA:											
Operating revenues	Ps.	975,412	Ps.	1,021,634	Ps.	1,038,208	Ps.	1,007,348	Ps.	1,016,887	U.S. 50,975
Operating costs and expenses		865,802		921,490		898,651		852,507		851,532	42,686
Depreciation and amortization		148,526		160,175		155,713		158,915		164,244	8,233
Operating income		109,610		100,144		139,557		154,841		165,355	8,289
Net profit for the year	**Ps.**	**12,079**	**Ps.**	**32,155**	**Ps.**	**54,517**	**Ps.**	**70,313**	**Ps.**	**51,027**	**U.S. 2,559**
NET PROFIT ATTRIBUTABLE FOR THE YEAR TO:											
Equity holders of the parent	Ps.	8,650	Ps.	29,326	Ps.	52,566	Ps.	67,731	Ps.	46,853	U.S. 2,349
Non-controlling interests		3,429		2,829		1,951		2,582		4,174	210
Net profit for the year	**Ps.**	**12,079**	**Ps.**	**32,155**	**Ps.**	**54,517**	**Ps.**	**70,313**	**Ps.**	**51,027**	**U.S. 2,559**
EARNINGS PER SHARE:											
Basic	Ps.	0.13	Ps.	0.44	Ps.	0.79	Ps.	1.03		0.71	0.04
Diluted	Ps.	0.13	Ps.	0.44	Ps.	0.79	Ps.	1.03		0.71	0.04
Dividends declared per share [1]	Ps.	0.28	Ps.	0.30	Ps.	0.32	Ps.	0.35	Ps.	0.38	U.S. 0.02
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (MILLIONS):											
Basic		65,693		65,909		66,055		66,016		66,265	-
Diluted		65,693		65,909		66,055		66,016		66,265	-

	AS OF DECEMBER 31,										
		2016		2017		2018		2019		2020	2020
	(in millions of Mexican pesos, except share and per share amounts)										(in millions of U.S. dollars, except share and per share amounts)
BALANCE SHEET DATA:											
Property, plant and equipment, net	Ps.	701,190	Ps.	676,343	Ps.	640,001	Ps.	639,343	Ps.	722,930	U.S. 36,239
Right of use assets		-		-		-		118,003		101,977	5,112
Total assets		1,515,042		1,486,212		1,429,223		1,531,934		1,625,048	81,463
Short-term debt and current portion of long-term debt		82,607		51,746		96,230		129,172		148,083	7,423
Short-term lease debt								25,895		25,068	1,257
Long-term debt		625,194		646,139		542,692		495,082		480,300	24,077
Long-term lease debt								94,702		84,259	4,224
Capital stock		96,338		96,339		96,338		96,338		96,342	4,829
Total equity		**271,024**		**260,634**		**245,872**		**226,907**	**Ps.**	**315,118**	**U.S. 15,797**
NUMBER OF OUTSTANDING SHARES (MILLIONS):											
AA Shares		20,635		20,602		20,602		20,602		20,578	-
A Shares		592		567		546		531		520	-
L Shares		44,571		44,901		44,887		44,872		45,764	-

[1] Figures for each year provided represent the annual dividend declared at the general shareholders' meeting that year. For information on dividends paid per share translated into U.S. dollars, see "Share Ownership and Trading—Dividends" under Part IV of this annual report.

SHARING HOPE

PART I INFORMATION ON THE COMPANY

HISTORY AND CORPORATE INFORMATION

América Móvil, S.A.B. de C.V. ("América Móvil," "we" or the "Company") is a *Sociedad Anónima Bursátil de Capital Variable* organized under the laws of Mexico.

We were established in September 2000 when Teléfonos de México, S.A.B. de C.V. ("Telmex"), a fixed-line Mexican telecommunications operator privatized in 1990, spun off to us its wireless operations in Mexico and other countries. We have made significant acquisitions throughout Latin America, the United States, the Caribbean and Europe, and we have also expanded our businesses organically.

Our principal executive offices are located at Lago Zurich 245, Plaza Carso / Edificio Telcel, Colonia Ampliación Granada, Miguel Hidalgo, 11529, Mexico City, Mexico. Our telephone number at this location is (5255) 2581-3700.

BUSINESS OVERVIEW

We provide telecommunications services in 25 countries. We are a leading telecommunications services provider in Latin America, ranking first in wireless, fixed-line, broadband and Pay TV services based on the number of revenue generating units (“RGUs”).

Our largest operations are in Mexico and Brazil, which together account for over half of our total RGUs and where we have the largest market share based on RGUs. We also have operations in 16 other countries in the Americas and seven countries in Central and Eastern Europe as of December 31, 2020. For a list of our principal subsidiaries, see Note 2 a(ii) to our audited consolidated financial statements and “Additional Information—Exhibit 8.1” under Part VII of this annual report.

We intend to build on our position as leaders in integrated telecommunications services in Latin America and the Caribbean, and to grow in other parts of the world by continuing to expand our subscriber base through the development of our existing businesses and strategic acquisitions when opportunities arise. We have developed world-class integrated telecommunications platforms to offer our customers new services and enhanced communications solutions with higher data speed transmissions at lower prices. We continue investing in our networks to increase coverage and implement new technologies to optimize our network capabilities. See “Operating and Financial Review and Prospects—Overview” under Part II of this annual report for a discussion on the seasonality of our business.

ABOUT AMÉRICA MÓVIL

The following map illustrates the geographic diversity of our operations and certain key performance indicators ("KPIs") as of December 31, 2020.

MEXICO TELCEL TELMEX

Licensed Population	126
Wireless Subscribers	77,789
Revenue Generating Units (RGUs)	21,925
Wireless Penetration	99%

Wireless and Fixed Operations

ECUADOR CLARO

Licensed Population	18
Wireless Subscribers	7,929
Revenue Generating Units (RGUs)	420
Wireless Penetration	88%

Wireless and Fixed Operations

PERU CLARO

Licensed Population	33
Wireless Subscribers	10,948
Revenue Generating Units (RGUs)	1,739
Wireless Penetration	120%

Wireless and Fixed Operations

CHILE CLARO

Licensed Population	19
Wireless Subscribers	6,435
Revenue Generating Units (RGUs)	1,377
Wireless Penetration	142%

Wireless and Fixed Operations

UNITED STATES TRACFONE

Licensed Population	329
Wireless Subscribers	20,682
Revenue Generating Units (RGUs)	-
Wireless Penetration	129%

Wireless Operation

AUSTRIA & EASTERN EUROPE A1

Licensed Population	42
Wireless Subscribers	21,864
Revenue Generating Units (RGUs)	6,050
Wireless Penetration	126%

Austria, Belarus, Bulgaria, Croatia, Serbia, Slovenia and Macedonia / Wireless Operation

Austria, Belarus, Bulgaria, Croatia, Slovenia and Macedonia / Wireless and Fixed Operations

CENTRAL AMERICA & CARIBBEAN CLARO

Licensed Population	62
Wireless Subscribers	21,467
Revenue Generating Units (RGUs)	6,805
Wireless Penetration	102%

Wireless and Fixed Operations

COLOMBIA CLARO

Licensed Population	51
Wireless Subscribers	33,009
Revenue Generating Units (RGUs)	8,318
Wireless Penetration	124%

Wireless and Fixed Operations

BRAZIL CLARO

Licensed Population	213
Wireless Subscribers	63,140
Revenue Generating Units (RGUs)	32,648
Wireless Penetration	110%

Wireless and Fixed Operations

ARGENTINA, PARAGUAY & URUGUAY CLARO

Licensed Population	56
Wireless Subscribers	24,234
Revenue Generating Units (RGUs)	1,459
Wireless Penetration	125%

Argentina, Paraguay and Uruguay / Wireless Operations
Argentina and Paraguay / Fixed Operations

Licensed Population in millions
Wireless Subscribers and Revenue Generating Units in thousands

KEY PERFORMANCE INDICATORS

We have identified RGUs as a key performance indicator ("KPI") that helps measure the performance of our operations. The table below includes the number of our wireless subscribers and our fixed RGUs, which together make up the total RGUs, in the countries where we operate. Wireless subscribers consist of the number of prepaid and postpaid subscribers to our wireless services. Fixed RGUs consist of fixed voice, fixed data and Pay TV units (which include customers of our Pay TV services and, separately, of certain other digital services). The figures below reflect total wireless subscribers and fixed RGUs of all our consolidated subsidiaries, without adjustments to reflect our equity interest, in the following reportable segments:

- Mexico Wireless;
- Mexico Fixed;
- Brazil;
- Colombia;
- Southern Cone (Argentina, Chile, Paraguay and Uruguay);
- Andean Region (Ecuador and Peru);
- Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama);
- the Caribbean (the Dominican Republic and Puerto Rico);
- the United States; and
- Europe (Austria, Belarus, Bulgaria, Croatia, Macedonia, Serbia and Slovenia).

	AS OF DECEMBER 31,		
	2018	2019	2020
		(in thousands)	
WIRELESS SUBSCRIBERS			
Mexico Wireless	75,448	76,918	77,789
Brazil	56,416	54,488	63,140
Colombia	29,681	31,104	33,009
Southern Cone	30,971	31,507	30,669
Andean Region	20,344	20,104	18,877
Central America	14,364	15,488	15,044
Caribbean	5,887	6,244	6,422
United States	21,688	20,876	20,682
Europe	21,029	21,296	21,864
Total Wireless Subscribers	**275,828**	**278,025**	**287,497**
FIXED RGUS:			
Mexico Fixed	22,337	21,992	21,925
Brazil	35,285	34,048	32,648
Colombia	7,171	7,613	8,318
Southern Cone	2,199	2,514	2,836
Andean Region	1,856	2,049	2,158
Central America	6,465	4,409	4,247
Caribbean	2,546	2,528	2,558
Europe	6,203	6,143	6,050
Total Fixed RGUs	84,062	81,296	80,740
Total RGUs	**359,890**	**359,323**	**368,237**

PRINCIPAL BRANDS

We operate in all of our geographic segments under the Claro brand name, except in Mexico, the United States and Europe, where we principally do business under the brand names listed below.

COUNTRY	PRINCIPAL BRANDS	SERVICES AND PRODUCTS
Mexico	Telcel	Wireless voice Wireless data
	Telmex Infinitum	Fixed voice Fixed data
United States(1)	TracFone	Wireless voice Wireless data
	Straight Talk	Wireless voice Wireless data
Europe	A1	Wireless voice Wireless data Fixed voice Fixed data Pay TV

(1) We entered into an agreement to sell our United States operations to Verizon Communications Inc. as described under "Acquisitions, Other Investments and Divestitures." We expect the closing to occur during 2021.

SERVICES AND PRODUCTS

We offer a wide range of services and products that vary by market, including wireless voice, wireless data and value-added services, fixed voice, fixed data, broadband and IT services, Pay TV and over-the-top ("OTT") services.

Wireless Operations

In 2020, our wireless voice and data operations generated revenues of Ps.561.5 billion, representing 55.5% of our consolidated revenues. As of December 31, 2020, our wireless operations represented approximately 78.1% of our total RGUs.

VOICE AND DATA. Our wireless subsidiaries provide voice communication services across the countries in which they operate. We offer international roaming services to our wireless subscribers through a network of cellular service providers with which our wireless subsidiaries have entered into international roaming agreements around the world, and who provide GSM, 3G and 4G-LTE roaming services.

The voice and data plans are either "postpaid," where the customer is billed monthly for the previous month, or "prepaid," where the customer pays in advance for a specified volume of use over a specified period. Postpaid plans increased as a percentage of the wireless base from 32.0% in December 2019 to 34.0% as of December 31, 2020, while prepaid plans represented 66.0% as of December 31, 2020.

Our wireless voice services are offered under a variety of plans to meet the needs of different market segments. In addition, we often bundle wireless data communications services together with wireless voice services. Our wireless subsidiaries had approximately 287 million wireless voice and data subscribers as of December 31, 2020.

Prepaid customers typically generate lower levels of usage and are often unwilling or financially ineligible to purchase postpaid plans. Our prepaid plans have been instrumental to increase wireless penetration in Latin America and Eastern Europe to levels similar to those of developed markets. Additionally, prepaid plans entail little to no risk of non-payment, as well as lower customer acquisition costs and billing expenses, compared to the average postpaid plan.

In general, our average rates per minute of wireless voice are very competitive for both prepaid and postpaid plans. On average, rates per minute of wireless voice used in 2020 decreased by approximately 27.1% at constant exchange rates relative to 2019. In addition, the plans we offer our retail customers include selective discounts and promotions that reduce the rates our customers pay.

VALUE-ADDED SERVICES. As part of our wireless data business, our subsidiaries offer value-added services that include Internet access, messaging and other wireless entertainment and corporate services through GSM/EDGE, 3G and 4G LTE networks.

Internet services include roaming capability and wireless Internet connectivity for feature phones, smartphones, tablets and laptops, including data transmission, e-mail services, instant messaging, content streaming and interactive applications. For example, in Mexico, our website for our wireless services (www.telcel.com) through Radiomóvil Dipsa, S.A. de C.V ("Telcel"), offers a wide range of services and content such as video, music, games and other applications, which our subscribers can access from mobile devices. In addition, we offer other wireless services, including wireless security services, mobile payment solutions, machine-to-machine services, mobile banking, virtual private network ("VPN") services, video calls and personal communications services ("PCS").

Fixed Operations

In 2020, our fixed voice, data, broadband and IT solutions had revenues of Ps.284.6 billion, representing 28.1% of our consolidated revenues. As of December 31, 2020, our fixed operations represented approximately 21.9% of our total RGUs, compared to 22.6% as of December 31, 2019.

VOICE. Our fixed voice services include local, domestic and international long-distance, under a variety of plans to meet the needs of different market segments, specifically tailored to our residential and corporate clients.

DATA. We offer data services, including data centers, data administration and hosting services to our residential and corporate clients under a variety of plans.

BROADBAND. We provide residential broadband access through hybrid fiber-coaxial ("HFC") or fiber-optic cable. These services are typically bundled with voice services and are competitively priced as a function of the desired or available speed. As a complement to these services, we offer a number of products such as home networking and smart home services.

IT SOLUTIONS. Our subsidiaries provide a number of different IT solutions for small businesses and large corporations. We also provide specific solutions to the industrial, financial, government and tourism sectors, among others.

PAY TV. We offer Pay TV through cable and satellite TV subscriptions to both retail and corporate customers under a variety of plans. As of December 31, 2020, we had approximately 20.1 million Pay TV RGUs, a decrease of approximately 796 thousand Pay TV RGUs from the prior year.

EQUIPMENT, ACCESSORIES AND COMPUTER SALES. Equipment, accessories and computer sales primarily include the sale of handsets, accessories and other equipment.

OTHER SERVICES. Other services include other businesses such as telephone directories, call center services, wireless security services, advertising, media and software development services.

OTT SERVICES. We sell video, audio and other media content that is delivered through the internet directly from the content provider to the viewer or end user. Our most important service is ClaroVideo, an on-demand internet streaming video provider with more than 18,500 content titles sold across all the Latin American and Caribbean markets in which we operate. We offer bundled packages of ClaroVideo, which may include:

Subscription video on demand, providing unlimited access to a catalogue of over 18,500 titles for a fixed monthly subscription fee;

Transactional video on demand and electronic sell-through, offering the option to rent or buy new content releases; and

Add-on services such as subscription and other OTT services through a platform payment system, including access to FOX, HBO, Noggin and Paramount+, among others.

We also offer an advertised and unlimited music streaming and downloading service in 16 countries in Latin America and Europe through ClaroMúsica, with access to approximately 50 million titles across all music genres.

Services and Products by Country

The following table is a summary of our principal services rendered and products produced as of December 31, 2020 in the countries in which we operate.

	WIRELESS VOICE, DATA AND VALUE ADDED SERVICES[1]	FIXED VOICE, BROADBAND, DATA AND IT SERVICES[2]	PAY TV	OTT SERVICES[3]
Argentina	●	●	●	●
Austria	●	●	●	●
Belarus	●	●	●	●
Brazil	●	●	●	●
Bulgaria	●	●	●	●
Chile	●	●	●	●
Colombia	●	●	●	●
Costa Rica	●	●	●	●
Croatia	●	●	●	●
Dominican Republic	●	●	●	●
Ecuador	●	●	●	●
El Salvador	●	●	●	●
Guatemala	●	●	●	●
Honduras	●	●	●	●
Macedonia	●	●	●	●
Mexico	●	●		● [4]
Nicaragua	●	●	●	●
Panama	●	●	●	●
Paraguay	●	●	●	●
Peru	●	●	●	●
Puerto Rico	●	●	●	●
Serbia	●			●
Slovenia	●	●	●	●
Uruguay	●			●
United States [5]	●			

[1] Includes voice communication and international roaming services, interconnection and termination services, SMS, MMS, e-mail, mobile browsing, entertainment and gaming applications.
[2] Includes local calls, national and international long distance.
[3] Includes ClaroVideo and ClaroMúsica.
[4] Services provided by non-concessionaire subsidiaries.
[5] We entered into an agreement to sell our United States operations to Verizon Communications Inc. as described under "Acquisitions, Other Investments and Divestitures." We expect the closing to occur during 2021.

OUR NETWORKS

Our networks are one of our main competitive advantages. Today, we own and operate one of the largest integrated platforms based on our covered population across 17 countries in Latin America and are expanding our network in Europe.

INFRASTRUCTURE

For the year ended December 31, 2020, our capital expenditures totaled Ps.129.6 billion, which allowed us to increase our network, to expand our capacity and to upgrade our systems to operate with the latest technologies. With fully convergent platforms, we are able to deliver high-quality voice, video and data products.

As of December 31, 2020, the main components of our infrastructure were comprised of:

- ***Cell sites :*** 100,122 sites with 2G, 3G and 4G technologies across Latin America and Europe. Tower space for our cell sites is a combination of towers we own and tower spaces leased from third parties. Additionally, we have been expanding our coverage and improving quality and speed with a number of street cells and indoor solutions. Our Board of Directors has approved a plan to spin off our towers and related passive infrastructure in Latin America into an independent Company. See "Acquisitions, Other Investments and Divestitures."

- ***Fiber-optic network:*** More than 1,081 thousand km. Our network passed approximately 81 million homes.

- ***Submarine cable system:*** Capacity of more than 189 thousand km in submarine cable, including the AM-1 submarine cable that extends 17,500 km and connects the United States to Central and South America with 11 landing points and provides international connectivity to all of our subsidiaries in these geographic areas.

- ***Satellites:*** Six. Star One S.A. ("Star One") has the most extensive satellite system in Latin America, with a fleet that covers the United States, Mexico, Central America and South America. We use these satellites to supply capacity for DTH services for Claro TV throughout Brazil and in other DTH Operations, as well as cellular backhaul, video broadcast and corporate data networks. In 2015 and 2016, we launched the Star One D1 and the Star One C4 to replace two limited capacity satellites.

- ***Data centers:*** 31. We use our data centers to manage a number of cloud solutions, such as Infrastructure as a Service ("IAAS"), Software as a Service ("SAAS"), security solutions and unified communications.

In the United States, we do not own any wireless telecommunications facilities or hold any wireless spectrum licenses. Instead, we purchase airtime through agreements with wireless service providers and resell airtime to customers. Through these agreements, we have a nationwide "virtual" network, covering almost all areas in which wireless services are available.

TECHNOLOGY

Our primary wireless networks use GSM/EDGE, 3G and 4G LTE technologies, which we offer in most of the countries where we operate. We aim to increase the speed of transmission of our data services and have been expanding our 3G and 4G LTE coverage. We have begun our 5G rollout in some countries.

We transmit wireless calls and data through radio frequencies that we use under spectrum licenses. Spectrum is a limited resource, and, as a result, we may face spectrum and capacity constraints on our wireless network. We continue to invest significant capital in expanding our network capacity and reach and to address spectrum and capacity constraints on a market-by-market basis.

The table below presents a summary of the population covered by our network, by country, as of December 31, 2020.

GENERATION TECHNOLOGY*			
	GSM	UMTS	LTE
	(% of covered population)		
Argentina	99%	99%	98%
Austria	100%	97%	98%
Belarus	100%	100%	-
Brazil	94%	95%	87%
Bulgaria	100%	100%	99%
Chile	97%	97%	98%
Colombia	91%	80%	72%
Costa Rica	85%	79%	75%
Croatia	99%	99%	99%
Dominican Republic	100%	99%	97%
Ecuador	96%	80%	76%
El Salvador	91%	81%	66%
Guatemala	89%	88%	82%
Honduras	89%	82%	58%
Macedonia	100%	100%	99%
Mexico	94%	95%	91%
Nicaragua	76%	72%	55%
Panama	82%	88%	82%
Paraguay	76%	74%	70%
Peru	88%	84%	83%
Puerto Rico	82%	97%	98%
Serbia	99%	98%	98%
Slovenia	100%	100%	99%
Uruguay	96%	91%	82%

* As of December 31, 2020, our 5G network covered the following percentages of population in the places indicated: 22.7% in Austria, 16.4% in Brazil and 10% in Puerto Rico.

OUR COMPETITORS

We operate in an intensely competitive industry. Competitive factors within our industry include pricing, brand recognition, service and product offerings, customer experience, network coverage and quality, development and deployment of technologies, availability of additional spectrum licenses and regulatory developments.

Our principal competitors differ, depending on the geographical market and the types of service we offer. We compete against other providers, of wireless, broadband and Pay TV that operate on a multi-national level, such as AT&T Inc., Teléfonica and Millicom, as well as various providers that operate on a nationwide level, such as Telecom Argentina in Argentina and Telecom Italia in Brazil. Competition remains intense as a result of saturation in the fixed and wireless market, increased network investment by our competitors, the development and deployment of new technologies, the introduction of new products and services, new market entrants, the availability of additional spectrum, both licensed and unlicensed, and regulatory changes.

The effects of competition on our subsidiaries depend, in part, on the size, service offerings, financial strength and business strategies of their competitors, regulatory developments and the general economic and business climate in the countries in which they operate, including demand growth, interest rates, inflation and exchange rates. The effects could include loss of market share and pressure to reduce rates. See "Regulation" under Part VI and "Risk Factors" under Part III of this annual report.

ACQUISITIONS, OTHER INVESTMENTS AND DIVESTITURES

Geographic diversification has been a key to our financial success, as it has provided for greater stability in our cash flow and profitability and has contributed to our strong credit ratings. In recent years, we have been evaluating the expansion of our operations to regions outside of Latin America. We believe that Europe and other areas beyond Latin America present opportunities for investment in the telecommunications sector that could benefit us and our shareholders over the long term.

We continue to seek ways to optimize our portfolio, including by finding investment opportunities in telecommunications and related companies worldwide, including in markets where we are already present, and we often have several possible acquisitions under consideration. We may pursue opportunities in Latin America or in other areas in the world. Some of the assets that we acquire may require significant funding for capital expenditures. We can give no assurance as to the extent, timing or cost of such investments. We also periodically evaluate opportunities for dispositions, in particular for businesses and in geographies that we no longer consider strategic. Recent developments related to acquisitions, other investments and divestitures include:

- On September 13, 2020, we entered into an agreement to sell our wholly-owned subsidiary TracFone Wireless, Inc. to Verizon Communications Inc. The consideration for the transaction will include U.S.$3,125 million in cash and U.S.$3,125 million in Verizon common stock (determined based on the pre-closing trading price of Verizon common stock, but subject to a collar on the number of shares, whereby the number of shares constituting the stock consideration will be no less than 47,124,445 and no greater than 57,596,545), subject to customary adjustments, at closing. The agreement also includes up to an additional $650 million in future cash consideration related to the achievement of certain performance measures and other commercial arrangements. The closing of the transaction is subject to customary conditions, including obtaining regulatory approval. Approvals from the Federal Communications Commission and California Public Utilities Commission are still pending. We expect the closing to occur during the second half of 2021.

- In September 2020, we terminated our January 24, 2019 agreement to purchase 99.3% of Telefónica Móviles El Salvador, S.A. de C.V. after careful consideration of the conditions to obtaining regulatory approval.

- In December 2020, our Brazilian subsidiary, Claro S.A. ("Claro"), together with two other offerors, won a competitive bid to acquire the mobile business owned by Oi Group in Brazil. Pursuant to the transaction, Claro will pay R$3.6 billion for 32% of Oi Group's mobile business and approximately 4.7 thousand mobile access sites (representing 32% of Oi Group's mobile business access sites). Claro also committed to enter into long term agreements with Oi Group for the supply of data transmission capacity. The closing of the transaction is subject to customary conditions, including obtaining regulatory approval, and we expect the closing to occur during 2021.

- In February 2021, our Board of Directors approved a plan to spin off our telecommunications towers and other related passive infrastructure in Latin America. This operation will maximize the infrastructure's value, as the resulting entities will be independent from the Company, with their own management and personnel, exclusively focused on developing, building and sharing telecommunications towers for wireless services. We expect to enter into lease agreements with the new entities under which we will continue using the tower space to provide wireless services. The execution of the reorganization plan will comply with applicable requirements under the laws of each applicable jurisdiction, and will be subject to obtaining required regulatory approvals. See note 25 to our audited consolidated financial statements.

For additional information on our acquisitions and investments, see note 12 to our audited consolidated financial statements included in this annual report.

MARKETING

We advertise our services and products through different channels with consistent and distinct branding and targeted marketing. We advertise via print, radio, television, digital media, sports event sponsorships and other outdoor advertising campaigns. In 2020, our efforts were mainly focused on promoting our 4.5G LTE services, leveraging the speed and quality of our networks and our fixed bundled offers, which compete on broadband speed and premium content.

We build on the strength of our well-recognized brand names to increase consumer awareness and customer loyalty. Building brand recognition is crucial for our business, and we have managed to position our brands as those of a premium carrier in most countries where we operate. According to the 2020 Brand Finance Telecom 150 report, Telcel is among the top ten strongest brands in the telecom sector which evaluates marketing investment, customer perception, staff satisfaction and corporate reputation. Also, Claro was named the most valuable brand in the Latin America region. BrandZ's Top 50 Most Valuable Latin American Brands 2020 ranked Telcel among the top five brands in Latin America. In the same year, BrandZ also named Telcel and Claro as two of the highest-ranked telecom brands in Latin America. In addition, a year-end 2020 study by Austrian Brand Monitor found that A1, the brand name behind Telekom Austria, ranked number one in the Austrian telecommunications market for brand awareness, as well as for brand perception as a premium brand.

SALES AND DISTRIBUTION

Our extensive sales and distribution channels help us attract new customers and develop new business opportunities. We primarily sell our services and products through a network of retailers and service centers for retail customers and a dedicated sales force for corporate customers, with more than 490,000 points of sale and more than 2,900 customer service centers. Our subsidiaries also sell their services and products online.

CUSTOMER SERVICE

We give priority to providing our customers with quality customer care and support. We focus our efforts on constantly improving our customers' experience by leveraging our commercial offerings and our sales and distribution networks. Customers may make inquiries by calling a toll-free telephone number, accessing our subsidiaries' web sites and social media accounts or visiting one of the customer sales and service centers located throughout the countries we serve.

PROVIDING TOOLS FOR COMMUNICATING IN YOUR DAILY ACTIVITIES

PART II OPERATING AND FINANCIAL REVIEW AND PROSPECTS

INTRODUCTION

Effects of the COVID-19 Pandemic

The unprecedented health crisis arising from the spread of the COVID-19 pandemic has resulted in a severe global economic downturn and has caused significant volatility, uncertainty, and disruption. We are closely monitoring the evolution of the COVID-19 pandemic in the countries where we operate to take preventive measures to ensure the continuity of operations and safeguard the health and safety of our personnel and customers. Based on the information available as of the date of this annual report, below is a summary of the main effects of the COVID-19 pandemic on our business and results of operations:

- During most of the year, practically all our region of operations was subject to lockdown and other measures implemented to control the spread of COVID-19. These restrictions disrupted commercial activities, resulted in the closure of shops and customer-care centers and imposed constraints on the mobility of our clients. They also disrupted our supply chain for handsets and other equipment. During the second quarter of the year, we disconnected five million wireless clients, including 4.6 million prepaid clients, that were unable to recharge their accounts, and we were unable to disconnect service for a significant amount of other customers as a result of governmental restrictions prohibiting disconnection due to non-payment during the pandemic. As a result, our uncollectible accounts increased temporarily before stabilizing again at pre-pandemic levels. The impact on prepaid revenues was stronger in countries where prepaid services are more prevalent, including Mexico and the Dominican Republic. The impact of COVID-19 was more limited on our fixed-line platform.
- During the second half of the year, the economy recovered throughout most of our regions of operations, with confidence levels increasing in November following the U.S. presidential election and, shortly thereafter, the announcements of the approval of COVID-19 vaccines. Latin American currencies, which had depreciated sharply against the U.S. dollar as the pandemic spread, strengthened notably, with the Mexican, Colombian and Chilean pesos appreciating versus the dollar during the fourth quarter. Other currencies also did well during the fourth quarter, including the euro and the Brazilian real.

Segments

We have operations in 25 countries, which are aggregated for financial reporting purposes into ten reportable segments. Our operations in Mexico are presented in two segments—Mexico Wireless and Mexico Fixed, which consist principally of Telcel and Telmex, respectively. Our headquarters operations are allocated to the Mexico Wireless segment. Financial information about our segments is presented in Note 23 to our audited consolidated financial statements included in this annual report.

The factors that drive our financial performance differ in the various countries where we operate, including subscriber acquisition costs, the competitive landscape, the regulatory environment, economic factors and interconnection rates, among others. Accordingly, our results of operations in each period reflect a combination of these effects on our different segments.

Constant Currency Presentation

Our financial statements are presented in Mexican pesos, but our operations outside Mexico account for a significant portion of our revenues. Currency variations between the Mexican peso and the currencies of our non-Mexican subsidiaries, especially the Euro, U.S. dollar, Brazilian real, Colombian and Argentine peso, affect our results of operations as reported in Mexican pesos. In the following discussion regarding our operating results, we include a discussion of the change in the different components of our revenues between periods at constant exchange rates, i.e., using the same exchange rate to translate the local-currency results of our non-Mexican operations for both periods. We believe that this additional information helps investors better understand the performance of our non-Mexican operations and their contribution to our consolidated results.

Effects of Exchange Rates

Our results of operations are affected by changes in currency exchange rates. In 2020 compared to 2019, the Mexican peso was weaker against some of our operating currencies, including the U.S. Dollar and the Euro.

Since most of our debt is issued by América Móvil out of Mexico, to the extent that our functional currency, the Mexican peso, appreciates or depreciates against the currencies in which our indebtedness is denominated, we may incur foreign exchange gains or losses that are recorded as other comprehensive income in our consolidated statements of financial position.

Changes in exchange rates also affect the fair value of derivative financial instruments that we use to manage our currency-risk exposure, which are generally not accounted for as hedging instruments. In 2020, the Mexican peso weakened against the currencies in which most of our indebtedness is denominated, and we recorded net foreign exchange losses of Ps.65.4 billion and net fair value gains on derivatives of Ps.12.4 billion. In 2019, the Mexican peso strengthened against the currencies in which most of our indebtedness is denominated, and we recorded net foreign exchange gains of Ps.5.2 billion and net fair value gains on derivatives of Ps.4.4 billion. See Note 7 to our audited consolidated financial statements included in this annual report.

EFFECTS OF REGULATION

We operate in a regulated industry. Our results of operations and financial condition have been, and will continue to be, affected by regulatory actions and changes. Significant regulatory developments are presented in more detail in "Regulation" under Part VI and "Risk Factors" under Part III of this annual report.

Comparison of Results of Operations Between 2019 and 2018

Discussions of year-over-year comparisons between 2019 and 2018 that are not included in this report can be found in under Part II, Operating and Financial Review and Prospects of our Form 20-F for the fiscal year ended December 31, 2019.

COMPOSITION OF OPERATING REVENUES

In 2020, our total operating revenues were Ps.1,017 billion.

Revenues from wireless and fixed voice services primarily include charges from monthly subscriptions, usage charges billed to customers and usage charges billed to other service providers for calls completed on our network. The primary drivers of revenues from monthly subscription charges are the number of total RGUs and the prices of our service packages. The primary driver of revenues from usage charges (airtime, international and long-distance calls and interconnection costs) is traffic, which is represented by the number of total RGUs and their average usage.

Revenues from wireless and fixed data services primarily include charges for data, cloud, internet and OTT services and the usage from our data centers. In addition, revenues from value-added services and IT solutions to corporate clients contribute to our results for wireless and fixed data services, respectively. Revenues from IT solutions to our corporate clients mainly consist of revenues from installing and leasing dedicated links and revenues from VPN services.

Pay TV revenues consist primarily of charges from subscription services, additional programming, including on-demand programming and advertising.

Equipment, accessories and computer sales revenues primarily include revenues from the sale of handsets, accessories and other equipment such as office equipment, household appliances and electronics. Most of our sales in handsets are driven by the number of new customers and contract renewals.

Other services primarily include revenues from other businesses, such as advertising and news companies, entertainment content distribution, telephone directories, call center services, wireless security services, network infrastructure services and a software development company.

Seasonality of our Business

Our business is subject to a certain degree of seasonality, characterized by a higher number of new customers during the fourth quarter of each year. We believe this seasonality is mainly driven by the Christmas shopping season. Revenue also tends to decrease during the months of August and September, when family expenses shift towards school supplies in many of the countries in which we operate, mainly Mexico.

General Trends Affecting Operating Results

Our results of operations in 2020 reflected several continuing long-term trends, including:

- intense competition, with growing costs for marketing and subscriber acquisition and retention, as well as declining customer prices;
- developments in the telecommunications regulatory environment;
- growing demand for data services over fixed and wireless networks, as well as for smartphones and devices with data service capabilities;
- declining demand for voice services; and
- growing operating costs reflecting, among other things, higher costs for Pay TV, customer care services and managing larger and more complex networks.

These trends are broadly characteristic of our businesses in all regions in recent years, and they have affected comparable telecommunications providers as well. Our performance in recent years has also been affected by ongoing regulatory changes in Mexico.

CONSOLIDATED RESULTS OF OPERATIONS FOR 2020 AND 2019

Operating Revenues

Total operating revenues for 2020 increased by 0.9%, or Ps.9.5 billion, over 2019. At constant exchange rates, total operating revenues for 2020 decreased by 0.4% over 2019. This decrease principally reflects a decrease in equipment sales and handset financing revenues as well as a decrease in Pay TV services revenues.

SERVICE REVENUES. Revenues services for 2020 increased by 2.8%, or Ps.23.5 billion, over 2019. At constant exchange rates, revenues services for 2020 increased by 1.7% over 2019. This increase principally reflects increases in revenues from our mobile services (both prepaid and postpaid), fixed broadband and corporate networks, which were partially offset by a decrease in revenues from our Pay TV services in Brazil.

SALES OF EQUIPMENT, ACCESSORIES AND COMPUTERS. Sales of equipment, accessories and computer sales revenues for 2020 decreased by 8.1%, or Ps.14.0 billion, over 2019. At constant exchange rates, revenues from sales of equipment, accessories and computer sales for 2020 decreased by 10.7% over 2019. This decrease principally reflects lower sales of smartphones, data-enabled devices and accessories.

Operating Costs and Expenses

COST OF SALES. Cost of sales was Ps.167.5 for 2020, a decrease of 4.0% from Ps.174.5 billion in 2019. At constant exchange rates, cost of sales for 2020 decreased by 8.0% over 2019. This decrease principally reflects lower sales of higher-end smartphones and handset financing plans.

COST OF SERVICES. Cost of services was Ps.302.9 for 2020, an increase of 1.9% from 297.2 billion in 2019. At constant exchange rates, cost of services for 2020 decreased by 0.1% over 2019. We were able to maintain low cost of services in significant part because of the success of our cost savings program.

COMMERCIAL, ADMINISTRATIVE AND GENERAL EXPENSES. Commercial, administrative and general expenses for 2020 decreased by 1.8%, or Ps.3.9 billion, over 2019. As a percentage of operating revenues, commercial, administrative and general expenses were 20.9% for 2020, as compared to 21.4% for 2019. At constant exchange rates, commercial, administrative and general expenses for 2020 decreased by 2.7% over 2019. This decrease principally reflects the success of our corporate cost savings program and better allocation of marketing, advertising, and sales resources, and an increase in the proportion of online sales as compared to sales in physical stores due to COVID-19 restrictions.

OTHER EXPENSES. Other expenses for 2020 decreased by Ps.1.1 billion over 2019.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization for 2020 increased by 3.4%, or Ps.5.3 billion, over 2019. As a percentage of operating revenues, depreciation and amortization was 16.2% for 2020, as compared to 15.8% for 2019. At constant exchange rates, depreciation and amortization for 2020 increased by 2.1% over 2019. This increase principally reflects depreciation and amortization expenses of Nextel Telecomunicações Ltda. And its subsidiaries ("Nextel Brazil") in 2020, which were not incurred in 2019 before our acquisition of Nextel Brazil.

Operating Income

Operating income for 2020 increased by 6.8%, or Ps.10.5 billion, over 2019. Operating margin (operating income as a percentage of operating revenues) was 16.3% for 2020, as compared to 15.4% for 2019.

Non-Operating Items

NET INTEREST EXPENSE. Net interest expense (interest expense less interest income) for 2020 increased by 6.2%, or Ps.2.0 billion, over 2019. This increase principally reflects an increase in interest expense on lease liabilities and a decrease in interest income in Brazil.

FOREIGN CURRENCY EXCHANGE LOSSES, NET. We recorded a net foreign currency exchange losses of Ps.65.4 billion for 2020, compared to our net foreign currency exchange gain of Ps.5.2 billion for 2019. The loss principally reflects the appreciation of some of the currencies in which our indebtedness is denominated, particularly the Euro and the Dollar.

VALUATION OF DERIVATIVES, INTEREST COST FROM LABOR OBLIGATIONS AND OTHER FINANCIAL ITEMS, NET. We recorded a net gain of Ps.1.3 billion for 2020 on the valuation of derivatives, interest cost from labor obligations and other financial items, net, compared to a net loss of Ps.7.1 billion for 2019. The change in 2020 principally reflects a gain on hedging instruments as a result of the appreciation of some of the currencies in which our indedebtedness is denominated. See Note 22 to our audited consolidated financial statements included in this annual report.

INCOME TAX. Our income tax expense for 2020 decreased by 67.9%, or Ps.34.7 billion, over 2019. This decrease principally reflects lower profit before income due to a foreign exchange loss in 2020.

Our effective corporate income tax rate as a percentage of profit before income tax was 24.3% for 2020, compared to 42.1% for 2019. This rate differed from the Mexican statutory rate of 30% and changed year over year principally as a

result of the reversal of certain tax expenses in Brazil, which lowered our income tax expense and our effective corporate income tax for 2020.

Net Profit

We recorded a net profit of Ps.51.0 billion for 2020, a decrease of 27.4%, or Ps.19.3 billion, over 2019.

SEGMENT RESULTS OF OPERATIONS

We discuss below the operating results of each reportable segment. Notes 2. z) and 23 to our audited consolidated financial statements describe how we translate the financial statements of our non-Mexican subsidiaries. Exchange rate changes between the Mexican peso and the currencies in which our subsidiaries operate affect our reported results in Mexican pesos and the comparability of reported results between periods.

The following table sets forth the exchange rates used to translate the results of our significant non-Mexican operations, as expressed in Mexican pesos per foreign currency unit, and the change from the rate used in the prior period indicated. The U.S. dollar is our functional currency in several of the countries or territories in which we operate in addition to the United States, including Ecuador, Puerto Rico, Panama and El Salvador.

MEXICAN PESOS PER FOREIGN CURRENCY UNIT (AVERAGE FOR THE PERIOD)			
	2019	2019/2020 % CHANGE	2020
Brazilian real	4.8907	(14.4)	4.1850
Colombian peso	0.0059	0.00	0.0058
Argentine peso	0.4110	(25.3)	0.3070
U.S. dollar	19.2641	11.5	21.4859
Euro	21.5642	13.7	24.5080

The tables below set forth operating revenues and operating income for each of our segments for the years indicated.

	YEAR ENDED DECEMBER 31, 2020			
	OPERATING REVENUES		OPERATING INCOME	
	(in millions of Mexican pesos)	(as a% of total operating revenues)	(in millions of Mexican pesos)	(as a% of total operating income)
Mexico Wireless	Ps. 232,242	22.8%	Ps. 70,852	42.8%
Mexico Fixed	91,589	9.0	11,204	6.8
Brazil	168,073	16.5	25,204	15.2
Colombia	77,635	7.6	15,112	9.1
Southern Cone	56,705	5.6	1,877	1.1
Andean Region	53,935	5.3	8,699	5.3
Central America	48,195	4.7	4,005	2.4
United States	177,179	17.4	10,579	6.4
Caribbean	38,624	3.8	6,701	4.1
Europe	111,472	11.0	13,160	8.0
Eliminations	Ps. (38,762)	(3.7)	(2,038)	(1.1)
Total	**Ps. 1,016,887**	**100%**	**Ps. 165,355**	**100%**

	YEAR ENDED DECEMBER 31, 2019			
	OPERATING REVENUES		OPERATING INCOME	
	(in millions of Mexican pesos)	(as a% of total operating revenues)	(in millions of Mexican pesos)	(as a% of total operating income)
Mexico Wireless	Ps. 237,840	23.6%	Ps. 67,694	43.7%
Mexico Fixed	96,037	9.5	9,732	6.3
Brazil	181,778	18.0	28,847	18.6
Colombia	74,636	7.4	15,325	9.9
Southern Cone	65,272	6.5	4,008	2.6
Andean Region	55,533	5.5	8,023	5.2
Central America	46,734	4.6	5,712	3.7
United States	155,864	15.5	2,968	1.9
Caribbean	35,718	3.5	5,741	3.7
Europe	98,420	9.8	8,688	5.6
Eliminations	(40,484)	(3.9)	(1,897)	(1.2)
Total	**Ps. 1,007,348**	**100%**	**Ps. 154,841**	**100%**

INTERPERIOD SEGMENT COMPARISONS

The following discussion addresses the financial performance of each of our reportable segments by comparing results for 2020 and 2019. In the year-to-year comparisons for each segment, we include percentage changes in operating revenues, percentage changes in operating income and operating margin (operating income as a percentage of operating revenues), in each case calculated based on the segment financial information presented in Note 23 to our audited consolidated financial statements, which is prepared in accordance with IFRS.

Each reportable segment includes all income, cost and expense eliminations that occurred between subsidiaries within the reportable segment. The Mexico Wireless segment also includes corporate income, costs and expenses.

Comparisons in the following discussion are calculated using figures in Mexican pesos. We also include percentage changes in adjusted segment operating revenues, adjusted segment operating income and adjusted operating margin (adjusted operating income as a percentage of adjusted operating revenues). The adjustments eliminate (i) certain intersegment transactions, (ii) for our non-Mexican segments, the effects of exchange rate changes and (iii) for the Mexican Wireless segment only, revenues and costs of group corporate activities and other businesses that are allocated to the Mexico Wireless segment.

Discussions of year-over-year comparisons between 2019 and 2018 that are not included in this report can be found under Part II, Operating and Financial Review and Prospects of our Form 20-F for the fiscal year ended December 31, 2019.

2020 COMPARED TO 2019

Mexico Wireless

The number of prepaid wireless subscribers for 2020 increased by 1.1% over 2019, and the number of postpaid wireless subscribers increased by 1.3%, resulting in an increase in the total number of wireless subscribers in Mexico of 1.1%, or 871 thousand, to approximately 77.8 million as of December 31, 2020.

Segment operating revenues for 2020 decreased by 2.4% over 2019. Adjusted segment operating revenues for 2020 decreased by 2.4% over 2019. This decrease in segment operating revenues principally reflects a decrease in equipment sales and handset financing plans.

Segment operating income for 2020 increased by 4.7% over 2019. Adjusted segment operating income for 2020 increased by 1.8% over 2019.

Segment operating margin was 30.5% in 2020, as compared to 28.5% in 2019. Adjusted segment operating margin for this segment was 36.7% in 2020, as compared to 35.1% in 2019. This increase in segment operating margin for 2020 principally reflects the success of our corporate cost savings program in operations and lower networks and maintenance costs, which we successfully continue to implement without affecting the quality of our services and coverage.

Mexico Fixed

The number of fixed voice RGUs in Mexico for 2020 decreased by 3.1% over 2019, and the number of broadband RGUs in Mexico increased by 3.3%, resulting in a decrease in total fixed RGUs in Mexico of 0.3% over 2019, or 67 thousand, to approximately 21.9 million as of December 31, 2020.

Segment operating revenues for 2020 decreased by 4.6% over 2019. Adjusted segment operating revenues for 2020 decreased by 7.4% over 2019. This decrease in segment operating revenues principally reflects a decrease in fixed voice revenues of 4.9% and corporate networks services by 0.6%, which was partially offset by higher revenues from broadband.

Segment operating income for 2020 increased by 15.1% over 2019. Adjusted segment operating income for 2020 decreased by 33.6% over 2019. This decrease principally reflects a decrease in services provided, increases in the contractual salary of our employees, higher information technology and customer service costs.

Segment operating margin was 12.2% in 2020, as compared to 10.1% in 2019. Adjusted segment operating margin was 1.8% in 2020, as compared to 2.5% in 2019. The decrease in segment operating margin for 2020 principally reflects reductions in equipment sales and lower revenues from voice services, partially offset by a decrease in segment depreciation expenses.

Brazil

The number of prepaid wireless subscribers for 2020 increased by 1.9% over 2019, and the number of postpaid wireless subscribers increased by 29.6%, resulting in an increase in the total number of wireless subscribers in Brazil of 15.9%, or 8.6 million, to approximately 63 million as of December 31, 2020. The increase in the number of postpaid wireless subscribers is due primarily to commercial efforts aimed at converting prepaid subscribers to postpaid subscribers and additional subscribers as a result of the Nextel Brazil's acquisition. The number of fixed voice RGUs for 2020 decreased by 8.4% over 2019, the number of broadband RGUs increased by 2.8%, and the number of Pay TV RGUs decreased by 5.6%, resulting in a decrease in total fixed RGUs in Brazil of 4.1%, or 1.4 million, to approximately 32.6 million as of December 31, 2020.

Segment operating revenues for 2020 decreased by 7.5% over 2019. Adjusted segment operating revenues for 2020 increased by 1.6% over 2019. This increase in segment operating revenues principally reflects higher mobile data and fixed data revenues in 2020 over 2019. The increase in mobile data revenues in 2020 principally reflects the increased usage of social networking platforms, cloud services and other content, and fixed data revenues increased principally due to an increase in broadband RGUs, which were, in each case, partially offset by a decrease in Pay TV revenues.

Segment operating income for 2020 decreased by 12.6% over 2019. Adjusted segment operating income for 2020 decreased by 0.5% over 2019.

Segment operating margin was 15.0% in 2020, as compared to 15.9% in 2019. Adjusted segment operating margin was 14.1% in 2020, as compared to 15.1% in 2019. This decrease in segment operating margin for 2020 principally reflects a higher amortization and depreciation expense as a result of changes to the useful life of certain assets in Brazil, partially offset by improved cost management as a result of our cost savings program.

Colombia

The number of prepaid wireless subscribers for 2020 increased by 6.3% over 2019, and the number of postpaid wireless subscribers increased by 5.6%, resulting in an increase in the total number of wireless subscribers in Colombia of 6.1%, or 1.9 million, to approximately 33.0 million as of December 31, 2020. The number of fixed voice RGUs for 2020 increased by 7.9% over 2019, the number of broadband RGUs increased by 14.3% and the number of Pay TV RGUs increased by 5.2%, resulting in an increase in total fixed RGUs in Colombia of 9.3%, or 705 thousand, to approximately 8.3 million as of December 31, 2020.

Segment operating revenues for 2020 increased by 4.0% over 2019. Adjusted segment operating revenues for 2020 increased by 5.1% over 2019. This increase in segment operating revenues principally reflects increases in fixed data revenues, mobile data revenues, both in prepaid and postpaid mobile data, and Pay TV revenues. The increase in segment operating revenues was partially offset by a decrease in long distance revenues.

Segment operating income for 2020 decreased by 1.4% over 2019. Adjusted segment operating income for 2020 increased by 1.4% over 2019.

Segment operating margin was 19.5% in 2020, as compared to 20.5% in 2019. Adjusted segment operating margin was 24.7% in 2020, as compared to 25.6% in 2019. This decrease is due to an increase in amortization expenses caused by increased investments in spectrum and submarine cables.

Southern Cone - Argentina, Chile, Paraguay and Uruguay

The number of prepaid wireless subscribers for 2020 decreased by 5.1% over 2019, and the number of postpaid wireless subscribers increased by 1.6%, resulting in a decrease in the total number of wireless subscribers in our Southern Cone segment of 2.7%, or 838 thousand, to approximately 30.6 million as of December 31, 2020. The number of fixed voice RGUs for 2020 increased by 17.4% over 2019, the number of broadband RGUs increased by 29.8%, and the number of Pay TV RGUs decreased by 6.3%, resulting in an increase in total fixed RGUs in our Southern Cone segment of 12.8%, or 322 thousand, to approximately 2.8 million as of December 31, 2020.

Segment operating revenues for 2020 decreased by 13.1% over 2019. Adjusted segment operating revenues for 2020 decreased by 8.3% over 2019. This decrease principally reflects a decrease in adjusted operating revenues in Argentina, Paraguay and Uruguay. In Argentina, we experienced decrease in revenues from prepaid and postpaid wireless voice, corporate networks, and fixed voice, which were attributable to adverse economic conditions and which were partially offset by an increase in broadband. In Chile, we experienced a decline in wireless service revenues due to competitive pressures. For this segment, we analyze results in Argentina, Paraguay and Uruguay in terms of the Argentine peso, because Argentina accounts for the major portion of the operations in these three countries.

Segment operating income for 2020 decreased by 53.2% over 2019. Adjusted segment operating income for 2020 decreased by 16.8% over 2019.

Segment operating margin was 3.3% in 2020, as compared to 6.1% in 2019. Adjusted segment operating margin was 15.7% in 2020, which decreased in comparison to 18.5% in 2019. This decrease in the segment operating margin for 2020 principally reflects a decrease in revenues, as described above, coupled with an increase in costs and expenses, including as a result of inflation or exchange rates.

Andean Region - Ecuador and Peru

The number of prepaid wireless subscribers for 2020 decreased by 4.7% over 2019, and the number of postpaid wireless subscribers decreased by 8.9%, resulting in a decrease in the total number of wireless subscribers in our Andean Region segment of 6.1%, or 1.2 million, to approximately 18.9 million as of December 31, 2020. The number of fixed voice RGUs for 2020 decreased by 4.4% over 2019, the number of broadband RGUs increased by 21.9%

and the number of Pay TV RGUs decreased by 13.6 %, resulting in an increase in total fixed RGUs in our Andean Region segment of 5.3%, or 109 thousand, to approximately 2.1 million as of December 31, 2020.

Segment operating revenues for 2020 decreased by 2.9% over 2019. Adjusted segment operating revenues for 2020 decreased by 9.8% over 2019. This decrease principally reflects a decrease in revenues in Ecuador, partially offset by an increase in Peru. The decrease in revenues in Ecuador reflects a decrease in revenues from prepaid and postpaid wireless and Pay TV services, partially offset by a slight increase in revenues from fixed voice services. In Peru, fixed service revenues increased, and they were partially offset by lower revenues on postpaid mobile services.

Segment operating income for 2020 increased by 8.4% over 2019. Adjusted segment operating income for 2020 decreased by 2.9% over 2019. This decrease principally reflects an operating income increase of 40.0% in Peru and a decrease of 21.0% in Ecuador.

Segment operating margin was 16.1% in 2020, as compared to 14.4% in 2019. Adjusted segment operating margin was 18.4% in 2020, as compared to 17.1% in 2019. This increase in the segment operating margin for 2020 principally reflects a recovery in Peru and reduced costs as a result of our cost savings program, partially offset by a decrease in operating income in Ecuador.

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

The number of prepaid wireless subscribers for 2020 decreased by 1.5% over 2019, and the number of postpaid wireless subscribers decreased by 9.7%, resulting in a decrease in the total number of wireless subscribers in our Central America segment of 2.9%, or 444 thousand, to approximately 15 million as of December 31, 2020. The number of fixed voice RGUs for 2020 decreased by 8.0% over 2019, the number of broadband RGUs increased by 5.3%, and the number of Pay TV RGUs decreased by 5.1%, resulting in a decrease in total fixed RGUs in our Central America segment of 3.7%, or 162 thousand, to approximately 4.2 million as of December 31, 2020.

Segment operating revenues for 2020 increased by 3.1% over 2019. Adjusted segment operating revenues for 2020 decreased by 7.8% over 2019.

Segment operating income for 2020 decreased by 29.9% over 2019. Adjusted segment operating income for 2020 decreased by 32.7% over 2019.

Segment operating margin was 8.3% in 2020, as compared to 12.2% in 2019. Adjusted segment operating margin was 10.1% in 2020, as compared to 13.7% in 2019. This decrease in segment operating margin for 2020 principally reflects a decrease in income, particularly in Panama, partially offset by the cost savings program that continues to be implemented in the operating segment.

Caribbean - Dominican Republic & Puerto Rico

The number of prepaid wireless subscribers for 2020 increased by 3.3% over 2019, and the number of postpaid wireless subscribers increased by 1.8%, resulting in an increase in the total number of wireless subscribers in our Caribbean segment of 2.9%, or 178 thousand, to approximately 6.4 million as of December 31, 2020. The number of fixed voice RGUs for 2020 decreased by 2.5% over 2019, the number of broadband RGUs increased by 6.1% and the number of Pay TV RGUs increased by 2.4%, resulting in an increase in total fixed RGUs in our Caribbean segment of 1.2%, or 30 thousand, to approximately 2.5 million as of December 31, 2020.

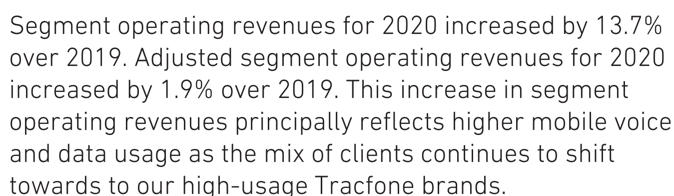
Segment operating revenues for 2020 increased by 8.1% over 2019. Adjusted segment operating revenues for 2020 decreased by 3.3% over 2019. This decrease in segment operating revenues principally reflects exchange rate losses in the Dominican Republic, partially offset by an increase in operating revenues in Puerto Rico. We analyze segment results in U.S. dollars because it is the functional currency of our operations in Puerto Rico.

Segment operating income for 2020 increased by 16.7% over 2019. Adjusted segment operating income for 2020 increased by 2.8% over 2019. This increase principally reflects an increase of 29.7% in Puerto Rico and an increase of 6.2% in the Dominican Republic.

Segment operating margin was 17.3% in 2020, as compared to 16.1% in 2019. Adjusted segment operating margin was 14.9% in 2020, as compared to 14.1% in 2019. This increase in segment operating margin for 2020 principally reflects an increase in service revenues in Puerto Rico, all revenues in the Dominican Republic and the effects of the cost savings program, partially offset by the depreciation of the Dominican Peso.

United States

The number of prepaid wireless subscribers for 2020 decreased by 0.9% over 2019, or 194 thousand, to approximately 20.6 million total wireless subscribers in the United States as of December 31, 2020.



Segment operating revenues for 2020 increased by 13.7% over 2019. Adjusted segment operating revenues for 2020 increased by 1.9% over 2019. This increase in segment operating revenues principally reflects higher mobile voice and data usage as the mix of clients continues to shift towards to our high-usage Tracfone brands.

Segment operating income for 2020 increased by 256.4% over 2019. Adjusted segment operating income for 2020 increased by 58.6% over 2019.

Segment operating margin was 6.0% in 2020, as compared to 1.9% in 2019. Adjusted segment operating margin was 11.0% in 2020, as compared to 7.1% in 2019. This increase in segment operating margin for 2020 principally reflects better controls over commercial, operational and administrative costs.

Europe

The number of prepaid wireless subscribers for 2020 decreased by 6.7% over 2019, and the number of postpaid wireless subscribers increased by 5.1%, resulting in an increase in the total number of wireless subscribers in our Europe segment of 2.7%, or 568 thousand, to approximately 21.9 million as of December 31, 2020. The number of fixed voice RGUs for 2020 decreased by 5.4% over 2019, the number of broadband RGUs increased by 0.4% and the number of Pay TV RGUs almost remained the same, resulting in a decrease in total fixed RGUs in our Europe segment of 1.5%, or 93 thousand, to approximately 6.0 million as of December 31, 2020.

Segment operating revenues for 2020 increased by 13.3% over 2019. Adjusted segment operating revenues for 2020 decreased by 0.3% over 2019. This decrease in segment operating revenues principally reflects a decrease in mobile voice, partially offset by an increase in fixed services.

Segment operating income for 2020 increased by 51.5% over 2019. Adjusted segment operating income for 2020 increased by 32.2% over 2019. Segment operating margin was 11.8% in 2020, as compared to 8.8% in 2019. Adjusted segment operating margin was 11.7% in 2020, as compared to 8.8% in 2019. This increase in segment operating margin for 2020 principally reflects our corporate cost savings program in all countries and improved performance in some countries.

FUNDING REQUIREMENTS

We generate substantial cash flows from our operations. On a consolidated basis, our cash flows from operating activities were Ps.280.8 billion in 2020, compared to Ps.234.3 billion in 2019. Our cash and cash equivalents amounted to Ps.35.9 billion at December 31, 2020, compared to Ps.19.7 billion at December 31, 2019. We believe our working capital is sufficient for our present requirements, and we anticipate generating sufficient cash to satisfy our long-term liquidity needs. We use the cash that we generate from our operations and from borrowings principally for the following purposes:

- **Capital expenditures -** We make substantial capital expenditures to continue expanding and improving our networks in each country in which we operate. Our capital expenditures on plant, property and equipment and acquisition or renewal of licenses were Ps.129.6 billion in 2020, Ps.151.8 billion in 2019 and Ps.151.8 billion in 2018. The amount of capital expenditures can vary significantly from year to year, depending on acquisition opportunities, concession renewal schedules and the need for more spectrum. We have budgeted capital expenditures for 2021 of approximately U.S.$7.5 billion (Ps.152.1 billion), which will be primarily funded by our operating activities. That amount is subject to change as we continue to evaluate our capital expenditure needs and opportunities in light of the ongoing COVID-19 outbreak.
- **Acquisitions -** In December 2020, we entered into an agreement to acquire 32% of Oi Group's Brazilian mobile business for R$3.6 billion. The completion of the acquisition is subject to certain customary conditions, including regulatory approval.
- **Short-term debt and contractual obligations -** We must pay interest on our indebtedness and repay principal when due. As of December 31, 2020, we had approximately Ps.247.6 billion in debt and contractual obligations due in 2021, including approximately Ps.148.1 billion of principal and amortization, Ps.25.1 billion in short-term lease debt, and Ps.74.4 billion in purchase obligations.
- **Long-term debt and contractual obligations -** As of December 31, 2020, we had approximately Ps.267.1 billion in debt and contractual obligations due between 2022 and 2024, including approximately Ps.169.4 billion of principal and amortization, Ps.58.1 billion in long-term lease debt, and Ps.39.6 billion in purchase obligations. On the same date, we had approximately Ps.350.6 billion in debt and contractual obligations due between 2025 and 2026, including approximately Ps.310.9 billion of principal and amortization, Ps.26.1 billion in long-term lease debt, and Ps.13.6 billion in purchase obligations.
- **Dividends -** We pay regular dividends. We paid Ps.9.6 billion in dividends in 2020 and Ps.24.2 billion in 2019. Our shareholders approved on April [26], 2021 the payment of a Ps.0.40 ordinary dividend per share in two installments in 2021. See "Share Ownership and Trading—Dividends" under Part IV in this annual report.
- **Share repurchases -** We regularly repurchase our own shares. We spent Ps.5,241.3 million repurchasing our own shares in the open market in 2020 and Ps.429.8 million in 2019. Our shareholders have authorized additional amounts to repurchase, and as of March 31, 2021, we have spent Ps.4,538.8 million repurchasing our shares in the open market in 2021, but whether we will continue to do so will depend on our operating cash flow and on various other considerations, including market prices and our other capital requirements.

Other than the amounts described above, we had no other outstanding material purchase commitments as of December 31, 2020. We enter into a number of supply, advertising and other contracts in the ordinary course of business, but those contracts are not material to our liquidity. The obligations described above do not include accounts payable, pension liabilities, interest payments or payments under derivatives contracts. See notes 14, 15 and 17 to our audited consolidated financial statements included in this annual report.

BORROWINGS

In addition to cash flows generated from operations, we rely on a combination of borrowings from a range of different sources, including the international capital markets, capital markets in Mexico and other countries where we operate, international and local banks, equipment suppliers and export credit agencies. We seek to maintain access to diverse sources of funding. In managing our funding, we generally seek to keep our leverage, as measured by the ratio of net debt to EBITDA, at a level that is consistent with maintaining the ratings given to our debt by the principal credit rating agencies. Our total consolidated indebtedness as of December 31, 2020 was Ps.628.4 billion, of which Ps.148.1 billion was short-term debt (including the current portion of long-term debt), compared to Ps.624.3 billion as of December 31, 2019.

Management defines net debt as total debt minus cash and cash equivalents, minus marketable securities (including Koninklijke KPN N.V. (“KPN”) shares) and other short-term investments. As of December 31, 2020, we had net debt of Ps.537.8 billion, compared to Ps.556.8 billion as of December 31, 2019. Without taking into account the effects of derivative financial instruments that we use to manage our interest rate and currency risk, approximately 87.5% of our indebtedness at December 31, 2020 was denominated in currencies other than Mexican pesos (approximately 33.9% of such non-Mexican peso debt in U.S. dollars and 66.1% in other currencies), and approximately 10.9% of our consolidated debt obligations bore interest at floating rates. After the effects of derivative transactions and excluding the debt of Telekom Austria, approximately 44.9% of our net debt as of December 31, 2020 was denominated in Mexican pesos.

The weighted average cost of all our third-party debt at December 31, 2020 (excluding commissions and reimbursement of certain lenders for Mexican taxes withheld) was approximately 3.72% per annum.

Our major categories of indebtedness at December 31, 2020 are summarized in the table below. See also Note 14 to our audited consolidated financial statements included in this annual report.

DEBT	
(millions of Mexican pesos)	
SENIOR NOTES	
DENOMINATED IN U.S. DOLLARS	
América Móvil 3.125% Senior Notes due 2022	31,918
América Móvil 3.625% Senior Notes due 2029	19,949
América Móvil 2.875% Senior Notes due 2030	19,949
América Móvil 6.375% Senior Notes due 2035	19,576
América Móvil 6.125% Senior Notes due 2037	7,365
América Móvil 6.125% Senior Notes due 2040	39,897
América Móvil 4.375% Senior Notes due 2042	22,941
América Móvil 4.375% Senior Notes due 2049	24,936
Total	**186,531**
DENOMINATED IN MEXICAN PESOS	
América Móvil 6.450% Senior Notes due 2022	22,500
América Móvil 7.125% Senior Notes due 2024	11,000
América Móvil 0.000% Domestic Senior Notes due 2025	4,911
América Móvil 8.460% Senior Notes due 2036	7,872
Telmex 8.360% Domestic Senior Notes due 2037	5,000
Total	**51,283**
DENOMINATED IN EURO	
América Móvil 3.000% Senior Notes due 2021	24,369
TKA 3.125% Senior Notes due 2021	18,277
TKA 4.000% Senior Notes due 2022	18,277
América Móvil 4.750% Senior Notes due 2022	18,277
TKA 3.500% Senior Notes due 2023	7,311
América Móvil 3.259% Senior Notes due 2023	18,277
América Móvil 1.500% Senior Notes due 2024	20,714
TKA 1.500% Senior Notes due 2026	18,277
América Móvil 0.750% Senior Notes due 2027	24,369
América Móvil 2.125% Senior Notes due 2028	15,840
América Móvil B.V. -0.230% to -0.310% Commercial Paper due 2021	40,941
Total	**224,929**
DENOMINATED IN POUND STERLING	
América Móvil 5.000% Senior Notes due 2026	13,635
América Móvil 5.750% Senior Notes due 2030	17,726
América Móvil 4.948% Senior Notes due 2033	8,181
América Móvil 4.375% Senior Notes due 2041	20,452
Total	**59,994**
DENOMINATED IN JAPANESE YEN	
América Móvil 2.950% Senior Notes due 2039	2,512
Total	**2,512**
DENOMINATED IN CHILEAN PESOS	
América Móvil 3.961% Senior Notes due 2035	4,078
Total	**4,078**
DENOMINATED IN BRAZILIAN REAIS	
Claro Brasil 104.000% of CDI Domestic Senior Notes due 2021	4,222
Claro Brasil 104.250% of CDI Domestic Senior Notes due 2021	5,816
Claro Brasil CDI + 0.600% Domestic Senior Notes due 2021	1,382
Claro Brasil CDI + 0.960% Domestic Senior Notes due 2022	9,597
Claro Brasil 106.000% of CDI Domestic Senior Notes due 2022	7,677
Claro Brasil 106.500% of CDI Domestic Senior Notes due 2022	3,839
Total	**32,533**
HYBRID NOTES	
DENOMINATED IN EURO	
América Móvil NC10 (Series B) Capital Securities due 2073	13,403
Total	**13,403**
BANK DEBT AND OTHER	
DENOMINATED IN MEXICAN PESOS	27,100
DENOMINATED IN CHILEAN PESOS	8,926
DENOMINATED IN PERUVIAN SOLES	17,094
Total	**53,120**
Total Debt	**628,383**
Less short-term debt and current portion of long-term debt	148,083
Total Long-term Debt	**480,300**
EQUITY	
Capital stock	96,342
Total retained earnings	314,718
Other comprehensive income (loss) items	(151,669)
Non-controlling interest	74,235
Total Equity	**333,626**
Total Capitalization (total long-term debt plus equity)	**813,926**

Additional information about certain categories of our indebtedness is provided below:

Mexican peso-denominated international notes. Our 8.46% senior notes due 2036 are denominated in Mexican pesos, but all amounts in respect of the notes are payable in U.S. dollars, unless a holder of notes elects to receive payment in Mexican pesos in accordance with specified procedures.

Mexican peso-denominated domestic notes. Our domestic senior notes (*certificados bursátiles*) sold in the Mexican capital markets have varying maturities, ranging from 2025 through 2037, and bear interest at fixed rates.

Global peso notes program. The global peso notes program was established in November 2012. Since its establishment, we have issued peso-denominated notes that can be distributed and traded on a seamless basis in Mexico and internationally. The notes are registered with the SEC in the United States and with the CNBV in Mexico.

International notes. We have outstanding debt securities in the international markets denominated in U.S. dollars, pounds sterling and euros. We have also issued debt securities in the local market in Japan. On March 31, 2021, we redeemed in full our 3.000% senior notes due 2021 with an aggregate principal outstanding amount of EUR 1 billion.

Hybrid notes. We have outstanding one series of Capital Securities maturing in 2073, denominated in euros totaling €550 million. The Capital Securities are subject to redemption at our option at varying dates beginning in 2023. Our hybrid notes are deeply subordinated, and when they were issued, the principal rating agencies stated that they would treat half of the principal amount as indebtedness for purposes of evaluating our leverage (an analysis referred to as 50% equity credit). Standard & Poor's now treats 100% of the principal amount under the hybrid notes as indebtedness.

Bank loans. At December 31, 2020, we had approximately Ps.53.1 billion outstanding under a number of bank facilities bearing interest at fixed and variable rates. We also have two revolving syndicated credit facilities—one for U.S.$2.5 billion expiring in August 2024 and one for the Euro equivalent of U.S.$2.0 billion expiring in May 2021. We are currently negotiating with the lenders under the Euro credit facility for a 5-year extension and a reduction to the Euro equivalent of U.S.$1.5 billion. As long as the facilities are committed, a commitment fee is paid. As of December 31, 2020, these credit facilities were not drawn. Both facilities include covenants that limit our ability to incur secured debt, to effect a merger in which the surviving entity would not be América Móvil or to sell substantially all of our assets. In addition, both facilities require us to maintain a consolidated ratio of debt to EBITDA not greater than 4.0 to 1.0 and a consolidated ratio of EBITDA to interest expense not less than 2.5 to 1.0. As of the date of this annual report, we are in compliance with these covenants. Telekom Austria has an undrawn revolving syndicated credit facility for €1.0 billion (the "TKA Facility") expiring in July 2026. The TKA Facility includes covenants that limit Telekom Austria's ability to incur secured debt, effect certain mergers or sell substantially all of its assets and our ability to transfer control over, or reduce our share ownership in, Telekom Austria. For more information, see Note 14 to our audited consolidated financial statements included in this annual report.

Options involving TKA shares. The Company has entered into the sale of a cash-settled put option related to TKA shares that will expire in August 2023. See Note 7 to our audited consolidated financial statements included in this annual report.

Bonds exchangeable for KPN shares. On March 2, 2021, our wholly-owned Dutch subsidiary, América Móvil B.V., issued approximately EUR 2.1 billion principal amount of senior unsecured bonds. The bonds will mature in 3 years, will not bear interest and were issued at an issue price of 104.75% of their principal amount. The Bonds will be exchangeable into ordinary shares of KPN and the initial exchange price is EUR 3.1185.

Euro-denominated commercial paper program. At December 31, 2020, debt under our euro-denominated commercial paper program aggregated to Ps.$40.9 billion.

As of December 31, 2020, we had, on an unconsolidated basis, unsecured and unsubordinated indebtedness of approximately Ps.455.6 billion (U.S.$22.8 billion), excluding guarantees of subsidiaries' indebtedness. As of December 31, 2020, our subsidiaries had indebtedness (excluding guarantees of indebtedness of us and our other subsidiaries) of approximately Ps.172.7 billion (U.S.$8.7 billion), and a substantial portion of our subsidiaries' indebtedness is owed by Telekom Austria.

As of December 31, 2020, we had no off-balance sheet arrangements that require disclosure under applicable SEC regulations.

GUARANTOR FINANCIAL INFORMATION

In March 2020, the SEC amended Rule 3-10 of Regulation S-X and adopted Rule 13-01 to simplify disclosure requirements related to certain registered securities, which we have adopted effective immediately. Some of the public securities issued by América Móvil in international and Mexican capital markets are guaranteed by Telcel, a wholly-owned subsidiary. As of December 31, 2020, the aggregate principal amount of debt guaranteed by Telcel was Ps.122,215 million. The guarantees provide that, in case of the failure of the Company to punctually make payment of any principal, premium, interest, additional amounts or any other amounts that may become payable by the Company in respect of the notes, Telcel agrees to immediately pay the amount that is due and required to be paid.

The following table presents summarized unconsolidated financial information for the Company and Telcel after eliminating transactions and balances between them.

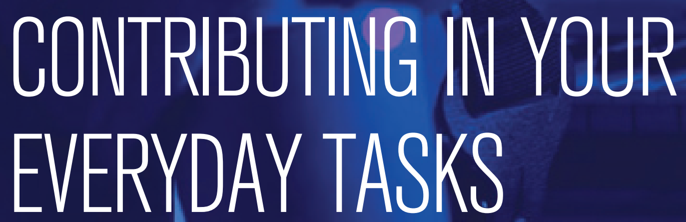
	DECEMBER 31, 2020			
		PARENT		GUARANTOR
Current Assets	Ps.	45,320,066	Ps.	45,909,283
Total Assets		80,095,274		145,711,133
Current Liabilities		93,871,633		41,939,310
Total Liabilities		504,150,282		75,949,203
Total revenues	Ps.	72,124,718	Ps.	132,393,542
Operating Income		18,559,695		3,304,582
Net profit for the year		(37,332,145)		50,569,556

RISK MANAGEMENT

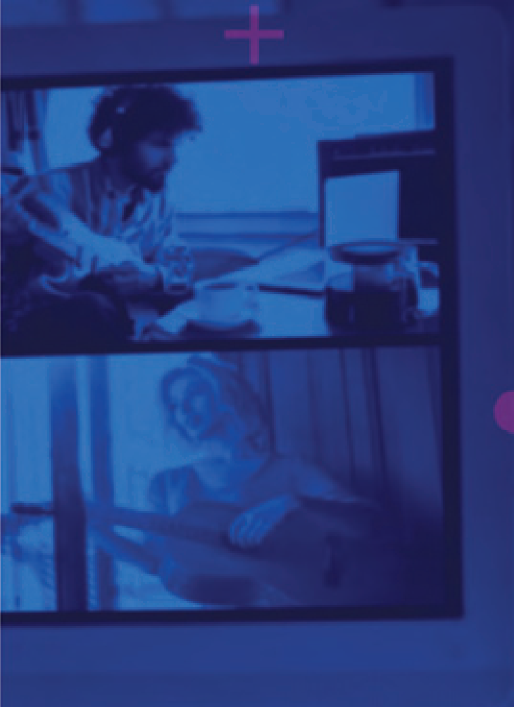
We regularly assess our interest rate and currency exchange exposures in order to determine how to manage the risk associated with these exposures. We have indebtedness denominated in currencies other than the currency of our operating environments, and we have expenses for operations and for capital expenditures in a variety of currencies. We use derivatives to adjust the resulting exchange rate and interest rate exposures. We do not use derivatives to hedge the exchange rate exposures that arise from having operations in different countries.

Our practices vary from time to time depending on our judgment of the level of risk, expectations as to exchange or interest rate movements and the costs of using derivative financial instruments. We may stop using derivative financial instruments or modify our practices at any time.

As of December 31, 2020, we had derivatives positions with an aggregate net fair value asset of Ps.6.7 billion, which are described in Note 7 to our audited consolidated financial statements. For additional information, see Note 2 v) to our audited consolidated financial statements included in this annual report.



CONTRIBUTING IN YOUR EVERYDAY TASKS



PART III RISK FACTORS

RISKS RELATING TO OUR OPERATIONS

Competition in the telecommunications industry is intense and could adversely affect the revenues and profitability of our operations

Our businesses face substantial competition. We expect that competition will intensify in the future as a result of the entry of new competitors, the development of new technologies, products and services and convergence. We also expect consolidation in the telecommunications industry, as companies respond to the need for cost reduction and additional spectrum. This trend may result in larger competitors with greater financial, technical, promotional and other resources to compete with our businesses.

Among other things, our competitors could:

- provide higher handset subsidies;
- offer higher commissions to retailers;
- provide free airtime or other services (such as internet access);
- offer services at lower costs through double, triple and quadruple play packages or other pricing strategies;
- expand their networks faster; or
- develop and deploy improved technologies faster, such as 5G LTE technology.

Competition can lead us to increase advertising and promotional spending and to reduce prices for services and handsets. These developments may lead to lower operating margins, greater choices for customers and increasing movement of customers among competitors, which may make it difficult for us to retain or add new customers. The cost of adding new customers may also continue to increase, reducing profitability even if customer growth continues.

Our ability to compete successfully will depend on our coverage, the quality of our network and service, our rates, customer service, effective marketing, our success in selling double, triple and quadruple play packages and our ability to anticipate and respond to various competitive factors affecting the telecommunications industry, including new services and technologies, changes in consumer preferences, demographic trends, economic conditions and discount pricing strategies by competitors.

If we are unable to respond to competition and compensate for declining prices by adding new customers, increasing usage and offering new services, our revenues and profitability could decline.

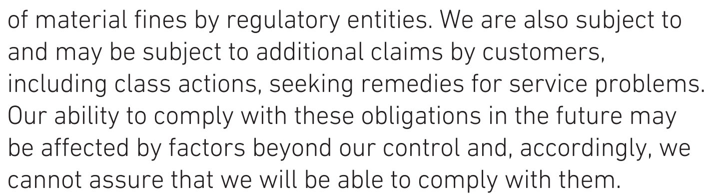
Governmental or regulatory actions could adversely affect our operations

Our operations are subject to extensive government regulation and can be adversely affected by changes in law, regulation or regulatory policy. The licensing, construction, operation, sale, resale and interconnection arrangements of telecommunications systems in Latin America and elsewhere are regulated to varying degrees by government or regulatory authorities. Any of these authorities having jurisdiction over our businesses could adopt or change regulations or take other actions that could adversely affect our operations. In particular, the regulation of prices that operators may charge for their services and environmental matters, including renewable energy and climate change regulation, could have a material adverse effect by reducing our profit margins. See “Regulation” under Part VI for a discussion on the functional separation of Telmex and Telnor wholesale services, “Legal Proceedings” under Part VI and Note 17 to our audited consolidated financial statements included in this annual report.

In addition, changes in political administrations could lead to new regulation and the adoption of policies that could adversely affect our operations, including those concerning competition and taxation of communications services. For example, since 2013, Mexico has implemented reforms to the telecommunications sector that aim to promote more competition and investment by imposing asymmetric regulation upon economic agents deemed “preponderant or dominant.” The asymmetric regulations that are applicable to us, which have adversely affected the results of our Mexican operations, may be reviewed every two years. We are unable to anticipate the effect of an amendment on existing asymmetric regulations, or the imposition of new ones, on our results or operations in Mexico. In other countries, we could also face policies such as preferences for local over foreign ownership of communications licenses and assets or for government over private ownership, which could make it more cumbersome or impossible for us to continue to develop our businesses. Restrictions such as those described above could result in lower revenues and require capital investments, all of which could materially adversely affect our businesses and results of operations.

Our failure to meet or maintain quality of service goals and standards could result in fines and other adverse consequences

The terms of the concessions under which our subsidiaries operate require them to meet certain service quality goals, including, for example, minimum call completion rates, maximum busy circuits rates, operator availability and responsiveness to repair requests. Failure to meet service quality obligations in the past has resulted in the imposition



of material fines by regulatory entities. We are also subject to and may be subject to additional claims by customers, including class actions, seeking remedies for service problems. Our ability to comply with these obligations in the future may be affected by factors beyond our control and, accordingly, we cannot assure that we will be able to comply with them.

Dominant carrier related regulations could adversely affect our business by limiting our ability to pursue competitive and profitable strategies

Our regulators are authorized to impose specific requirements as to rates (including termination rates), quality of service, access to active or passive infrastructure and information, among other matters, on operators that are determined to have substantial market power in a specific market. We cannot predict what steps regulatory authorities might take in response to determinations regarding substantial market power in the countries in which we operate. However, adverse determinations against our subsidiaries could result in material restrictions on our operations. We may also face additional regulatory restrictions and scrutiny as a result of our provision of combined services.

If dominant carrier regulations are imposed on our business in the future, they could likely reduce our flexibility to adopt competitive market policies and impose specific tariff requirements or other special regulations on us, such as additional requirements regarding disclosure of information or quality of service. Any such new regulation could have a material adverse effect on our operations.

We must continue to acquire additional radio spectrum capacity and upgrade our networks in order to expand our customer base and maintain the quality of our wireless services

Licensed radio spectrum is essential to our growth and the quality of our wireless services and for the operation and deployment of our networks, including new generation networks such as 5G LTE technology, to offer improved data and value-added services. We obtain most of our radio spectrum through auctions conducted by governments of the countries in which we operate. Participation in spectrum auctions in most of these countries requires prior government authorization, and we may be subject to caps on our ability to acquire additional spectrum. Our inability to acquire additional radio spectrum capacity could affect our ability to compete successfully because it could result in, among other things, a decrease in the quality of our network and service and in our ability to meet the demands of our customers.

In the event we are unable to acquire additional radio spectrum capacity, we can increase the density of our network by building more cell and switch sites, but such measures are costly and may be subject to local restrictions and regulatory approvals, and they would not meet our needs as effectively.

We have concessions and licenses for fixed terms, and the government may revoke or terminate them as well as reacquire the assets under our concession under various circumstances, some of which are beyond our control

Our concessions and licenses have specified terms, ranging typically from five to 20 years, and are generally subject to renewal upon payment of a fee, but renewal is not assured. The loss of, or failure to renew, any one concession could have a material adverse effect on our business and results of operations. Our ability to renew concessions and the terms of renewal are subject to a number of factors beyond our control, including the prevalent regulatory and political environment at the time of renewal. Fees are typically established at the time of renewal. As a condition for renewal, we may be required to agree to new and stricter terms and service requirements. In some of the jurisdictions where we operate and under certain circumstances, mainly in connection with fixed services, we may be required to transfer certain assets covered by some of our concessions to the government pursuant to valuation methodologies that vary in each jurisdiction. It is uncertain whether reversion would ever be applied in many of the jurisdictions where we operate and how reversion provisions would be interpreted in practice. For further information, see “Regulation” under Part VI of this annual report and Note 17 to our audited consolidated financial statements included in this annual report.

In addition, the regulatory authorities in the jurisdictions in which we operate can revoke our concessions under certain circumstances. In Mexico, for example, the Federal Law on Telecommunications and Broadcasting gives the government the right to temporarily seize our concessions or to take over the management of our networks, facilities and personnel in cases of failures to meet obligations under our concession agreements, imminent danger to national security, internal peace or the national economy, natural disasters and public unrest. See “Regulation” under Part VI of this annual report.

We continue to look for acquisition opportunities, and any future acquisitions and related financing could have a material effect on our business, results of operations and financial condition

We continue to look for investment opportunities in telecommunications and related companies worldwide, including in markets where we are already present, and we often have several possible acquisitions under consideration. Any future acquisitions, and related financing and acquired indebtedness, could have a material effect on our business, results of operations and financial condition, but we cannot provide assurances that we will complete any of them. In addition, we may incur significant costs and expenses as we integrate these companies in our systems, controls and networks.

We are subject to significant litigation

Some of our subsidiaries are subject to significant litigation that, if determined adversely to our interests, may have a material adverse effect on our business, results of operations, financial condition or prospects. Our significant litigation is described in "Regulation" under Part VI and in Note 17 to our audited consolidated financial statements included in this annual report.

We are contesting significant tax assessments

We and some of our subsidiaries have been notified of tax assessments for significant amounts by the tax authorities of the countries in which we operate, especially in Brazil, Mexico and Ecuador. The tax assessments relate to, among other things, alleged improper deductions and underpayments. We are contesting these tax assessments in several administrative and legal proceedings, and our challenges are at various stages. If determined adversely to us, these proceedings may have a material adverse effect on our business, results of operations, financial condition or prospects. In addition, in some jurisdictions, challenges to tax assessments require the posting of a bond or security for the contested amount, which may reduce our flexibility in operating our business. Our significant tax assessments are described in Note 17 to our audited consolidated financial statements included in this annual report.

Failure to comply with anti-corruption, anti-bribery and anti-money laundering laws could harm our reputation, subject us to substantial fines and adversely affect our business

We operate in multiple jurisdictions and are subject to complex regulatory frameworks with increased enforcement activities worldwide. Our governance and compliance processes may not prevent future breaches of legal, accounting or governance standards and regulations. We may be subject to breaches of our code of ethics, anti-corruption policies and business conduct protocols and to instances of fraudulent behavior, corrupt practices and dishonesty by our employees, contractors or other agents. Our failure to comply with applicable laws and other regulatory requirements could harm our reputation, subject us to substantial fines, sanctions or penalties and adversely affect our business and ability to access financial markets.

A system failure could cause delays or interruptions of service, which could have an adverse effect on our operations

We need to continue to provide our subscribers with a reliable service over our network. Some of the risks to our network and infrastructure include the following:

- physical damage to access lines and fixed networks;
- power surges or outages;
- natural disasters;
- climate change;
- malicious actions, such as theft or misuse of customer data;
- limitations on the use of our radio bases;
- software defects;
- human error; and
- other disruptions beyond our control, including as a result of civil unrest in the regions where we operate.

In Brazil, for example, our satellite operations may be affected if we experience a delay in launching new satellites to replace those currently in use when they reach the end of their operational lives. Such delay may occur because of, among other reasons, construction delays, unavailability of launch vehicles and/or launch failures. In addition, our operations have been disrupted by natural disturbances such as hurricanes and earthquakes.

We have instituted measures to reduce these risks. However, there is no assurance that any measures we implement will be effective in preventing system failures under all circumstances. System failures may cause interruptions in services or reduced capacity for our customers, either of which may have an adverse effect on our operations due to, for example, increased expenses, potential legal liability, loss of existing and potential subscribers, reduced user traffic, decreased revenues and reputational harm.

Our financial condition and results of operations may be adversely affected by the occurrence of severe weather, natural or man-made disasters and other catastrophic events, including war, terrorism and other acts of violence, and disease

Our operations can be disrupted by unforeseen events, including war, terrorism, and other international, regional, or local instability or conflicts (including labor issues), embargos, public health issues (including tainted food, food-borne illnesses, food tampering, tampering with or failure of water supply or widespread or pandemic illness such as coronavirus ("COVID-19"), Ebola, the avian or H1N1 flu, MERS), and natural disasters such as earthquakes, tsunamis, hurricanes, or other adverse weather and climate conditions in the countries in which we operate. These events could disrupt or prevent our ability to perform functions and otherwise impede our ability to continue business operations in a continuous manner, which in turn may materially and adversely impact our business and operating results.

The COVID-19 pandemic has had a material impact on the global economy and our business

The COVID-19 pandemic has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate. Governments in jurisdictions where we operate have taken aggressive measures to slow the spread of COVID-19, including quarantines and lock-downs, restrictions on travel, and closing of businesses and public and private institutions. In addition, governments have imposed a wide variety of consumer protection measures that limit how certain businesses, including telecommunications companies, can operate their businesses and interact with their customers. The virus continues to spread globally and cause significant social and market disruption.

There are a number of consequences of the pandemic and its impact on global economies that could have a material adverse effect on our business.

- In 2020, the economic slowdown had an adverse impact on our customers' ability to pay for our services.
- We have been required to change or restrict many of our operations, including customer support, servicing and repairs, network maintenance, retail operations and investment projects. We have also experienced supply chain disruptions for handsets and other equipment. This could have an impact on our costs.
- We have implemented policies, including work-from-home policies and social distancing policies, that could limit the efficiency and effectiveness of our operations and our reporting and internal controls.

The extent of the impact of the COVID-19 on the Company's operational and financial performance will depend on future developments, including the duration and spread of the pandemic, and the availability and effectiveness of vaccines, all of which are highly uncertain and cannot be predicted. If the COVID-19 pandemic continues to spread, the impact on our operations, our clients, our suppliers and financial markets could materially adversely affect our financial condition or results of operations. See "Operating And Financial Review And Prospects—Effects of the COVID-19 Pandemic."

Increases in labor and employee benefit costs may reduce our profitability, increase our funding requirements and could have an adverse impact on our operations

Many of our employees are members of labor unions with which we conduct collective negotiations on wages, benefits and working conditions. We use actuarial methodologies and assumptions such as discount rate, salary increase and mortality, among others, for the determination and valuation of our employee benefits, including retirement benefits. We evaluate from time to time, with the support of specialists, our actuarial methodologies and assumptions, as well as the valuation of the assets related to these benefits.

Our labor costs and the costs of maintaining employee benefits could be affected by several factors, including legislative and regulatory changes, work stoppages, subsequent negotiations, increases in healthcare costs, minimum wages, decreases in investment returns on the assets held in funds to support the payment of certain employee benefits and changes in the discount rate and mortality assumptions. An increase in labor and employee benefit costs could reduce our profitability, increase our funding requirements and have an adverse impact on our operations.

We rely on highly skilled personnel throughout all levels of our business. Our business could be harmed if we are unable to retain or motivate key personnel, hire qualified personnel or maintain our corporate culture.

The market for highly skilled workers and leaders in our industry is extremely competitive. We believe that our future success depends in substantial part on our ability to recruit, hire, motivate, develop, and retain talented personnel for all areas of our organization, including our CEO and the other members of our senior leadership team. Our inability to retain these employees or to replace them with qualified and capable successors could hinder our strategic planning and execution. If key employees depart, our business could be negatively impacted. We may incur significant costs in identifying, hiring and replacing departing employees and may lose significant expertise and talent. As a result, we may not be able to meet our business plan and our revenue growth and profitability may be materially adversely affected.

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

Cybersecurity incidents, and other tactics designed to gain access to and exploit sensitive information by breaching critical systems of large companies, are evolving and have been increasing in both sophistication and occurrence in recent years. While we employ a number of measures to prevent, detect and mitigate such incidents, there is no guarantee that we will be able to adequately anticipate or prevent one. Cybercrime, including attempts to overload our servers with denial-of-service attacks, theft, social engineering, phishing, ransomware or similar disruptions from unauthorized access or attempted unauthorized access to our systems could result in the destruction, misuse or release of personal information or other sensitive data. However, it is difficult to detect or prevent evolving forms of cybersecurity incidents, and our systems, and those of our third-party service providers and of our customers, are vulnerable to cybersecurity incidents.

In the event that our systems are breached or damaged for any reason, we may suffer loss or unavailability of data and interruptions to our business operations. If such an event occurs, the unauthorized disclosure, loss or unavailability of data and the disruption to our fixed-line or wireless networks may have a material adverse effect on our business and results of operations. The costs associated with a cybersecurity incident could include increased expenditures on information and cybersecurity measures, damage to our reputation, loss of existing customers and business partners and lead to financial losses from remedial actions and potential liability, including possible litigation and sanctions. Any of these occurrences may result in a material adverse effect on our results of operations and financial condition.

Failure to achieve proper data governance could lead to data mismanagement

We process large amounts of personally identifiable information of customers and employees and are subject to various compliance, security, privacy, data quality and regulatory requirements. Failure to achieve proper data governance could lead to data mismanagement which in turn could result in data loss, regulatory investigations or sanctions, and cybersecurity risk. We are subject to data privacy regulations in the countries where we operate. Complying with such regulations may expose us to increased costs and limit our ability to transfer data between certain jurisdictions, which may adversely affect our operations.

If our churn rate increases, our business could be negatively affected

The cost of acquiring a new subscriber is much higher than the cost of maintaining an existing subscriber. Accordingly, subscriber deactivations, or "churn," could have a material negative impact on our operating income, even if we are able to obtain one new subscriber for each lost subscriber. A substantial majority of our subscribers are prepaid, and we do not have long-term contracts with them. Our average churn rate on a consolidated basis was 3.8% for the year ended December 31, 2020 and 4.1% for the year ended December 31, 2019. If we experience an increase in our churn rate, our ability to achieve revenue growth could be materially impacted. In addition, a decline in general economic conditions could lead to an increase in churn, particularly among our prepaid subscribers.

We rely on key suppliers to provide equipment that we need to operate our business

We rely upon various key suppliers to provide us with handsets, network equipment or services, which we need to expand and operate our business. Our key suppliers include Huawei, Ericsson and Alcatel. If these suppliers fail to provide equipment or service to us on a timely basis, we could experience disruptions, which could have an adverse effect on our revenues and results of operations. In addition, we might be unable to satisfy requirements under our concessions.

Government or regulatory actions with respect to certain suppliers may impact us. For example, the government of the United States and Canada, among others, are currently conducting a regulatory review of certain international suppliers of network equipment and technologies to evaluate

potential risks. We are currently unable to predict the outcome of such reviews, including any possible restrictions placed on our key suppliers, and as a result we cannot determine their potential impact on our business.

Our ability to pay dividends and repay debt depends on our subsidiaries' ability to pay dividends and make other transfers to us

We are a holding company with no significant assets, other than the shares of our subsidiaries and our holdings of cash and cash equivalents. Our ability to pay dividends and repay debt depends on the continued transfer to us of dividends and other income from our subsidiaries. The ability of our subsidiaries to pay dividends and make other transfers to us may be limited by various regulatory, contractual and legal constraints that affect them.

We may fail to realize the benefits anticipated from acquisitions, divestments and significant investments we make from time to time

The business growth opportunities, revenue benefits, cost savings and other benefits we anticipated to result from our acquisitions, divestments and significant investments may not be achieved as expected, or may be delayed. Our divestments may also adversely affect our prospects. For example, we may be unable to fully implement our business plans and strategies for the combined businesses due to regulatory limitations, and we may face regulatory restrictions in our provision of combined services in some of the countries in which we operate. To the extent that we incur higher integration costs or achieve lower revenue benefits or fewer cost savings than expected, or if we are required to recognize impairments of acquired assets, investments or goodwill, our results of operations and financial condition may suffer.

A downgrade of Mexico's credit rating could affect us

Credit rating agencies regularly evaluate Mexico and its sovereign rating based on various factors including macroeconomic trends, tax and budgetary conditions and indebtedness metrics. If Mexico's sovereign credit rating is downgraded by credit rating agencies, the rating of our securities may also be downgraded, which could negatively affect our financing costs and the market price of our securities.

Changing expectations from stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks

Influential investors and other stakeholders are increasingly focused on the environmental, social and governance ("ESG") practices of companies across all industries. If we do not adapt to or comply with evolving expectations, or if we are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage, and our business, financial condition or stock price could be materially and adversely affected. If we do not meet our stakeholders' expectations or we are not effective in addressing ESG matters or achieve relevant sustainability goals, trust in our brand may suffer and our business or our ability to access capital could be harmed.

RISKS RELATING TO THE TELECOMMUNICATIONS INDUSTRY GENERALLY

Changes in the telecommunications industry could affect our future financial performance

The telecommunications industry continues to experience significant changes as new technologies are developed that offer subscribers an array of choices for their communications needs. These changes include, among others, regulatory changes, evolving industry standards, ongoing improvements in the capacity and quality of digital technology, shorter development cycles for new products, evolving renewable energy and clean technologies, and changes in end-user needs and preferences. There is uncertainty as to the pace and extent of growth in subscriber demand, and as to the extent to which prices for airtime, broadband access, Pay TV and fixed-line rental may continue to decline. Our ability to compete in the delivery of high-quality internet and broadband services is particularly important, given the increasing contribution of revenues from data services to our overall growth. If we are unable to meet future advances in competing technologies on a timely basis or at an acceptable cost, we could lose subscribers to our competitors. In general, the development of new services in our industry requires us to anticipate and respond to the varied and continually changing demands of our subscribers. It also requires significant capital expenditure, including investment in the continual maintenance and upgrading of our networks, in order to expand coverage, increase our capacity to absorb higher bandwidth usage and adapt to new technologies. We may not be able to accurately predict technological trends or the success of new services in the market. In addition, there could be legal or regulatory restraints to our introduction of new

services. If these services fail to gain acceptance in the marketplace, or if costs associated with implementation and completion of the introduction of these services materially increase, our ability to retain and attract subscribers could be adversely affected. This is true across many of the services we provide, including wireless and cable technology.

The intellectual property used by us, our suppliers or service providers may infringe on intellectual property rights owned by others

Some of our products and services use intellectual property that we own or license from others. We also provide content we receive from content producers and distributors, such as ringtones, text games, video games, video, including TV programs and movies, wallpapers or screensavers, and we outsource services to service providers, including billing and customer care functions, that incorporate or utilize intellectual property. We and some of our suppliers, content distributors and service providers have received, and may receive in the future, assertions and claims from third parties that the content, products or software utilized by us or our suppliers, content producers and distributors and service providers infringe on the patents or other intellectual property rights of these third parties. These claims could require us or an infringing supplier, content distributor or service provider to cease engaging in certain activities, including selling, offering and providing the relevant products and services. Such claims and assertions also could subject us to costly litigation and significant liabilities for damages or royalty payments, or require us to cease certain activities or prevent us from selling certain products or services.

Concerns about health risks relating to the use of wireless handsets and base stations may adversely affect our business

Portable communications devices have been alleged to pose health risks, including cancer, due to radio frequency emissions. Lawsuits have been filed in the United States against certain participants in the wireless industry alleging various adverse health consequences as a result of wireless phone usage, and our subsidiaries may be subject to similar litigation in the future. Government authorities could increase regulation on electromagnetic emissions of mobile handsets and base stations, which could have an adverse effect on our business, financial condition and results of operations. Research and studies are ongoing, and there can be no assurance that further research and studies will not demonstrate a link between radio frequency emissions and health concerns. Any negative findings in these studies could adversely affect the use of wireless technology and, as a result, our future financial performance.

Developments in the telecommunications sector have resulted, and may result, in substantial write-downs of the carrying value of certain of our assets

Where the circumstances require, we review the carrying value of each of our assets, subsidiaries and investments in associates to assess whether those carrying values can be supported by the future discounted cash flows expected to be derived from such assets. Whenever we consider that due to changes in the economic, regulatory, business or political environment, our goodwill, investments in associates, intangible assets or fixed assets may be impaired, we consider the necessity of performing certain valuation tests, which may result in impairment charges. The recognition of impairments of tangible, intangible and financial assets could adversely affect our results of operations.

RISKS RELATING TO OUR CONTROLLING SHAREHOLDERS, CAPITAL STRUCTURE AND TRANSACTIONS WITH AFFILIATES

Members of one family may be deemed to control us and may exercise their control in a manner that may differ from the interest of other shareholders

Based on reports of beneficial ownership of our shares filed with the SEC, Carlos Slim Helú, together with his sons, daughters and grandchildren (together, the “Slim Family”) may be deemed to control us. The Slim Family may be able to elect a majority of the members of our Board of Directors and to determine the outcome of other actions requiring a vote of our shareholders. The interests of the Slim Family may diverge from the interests of our other investors.

We have significant transactions with affiliates

We engage in various transactions with Telesites, S.A.B. de C.V. (“Telesites”) and certain subsidiaries of Grupo Carso, S.A.B. de C.V. (“Grupo Carso”) and Grupo Financiero Inbursa, S.A.B. de C.V. (“Grupo Financiero Inbursa”), all which may be deemed for certain purposes to be under common control with América Móvil.

These transactions occur in the ordinary course of business. Transactions with affiliates may create the potential for conflicts of interest.

We also make investments together with related parties, sell investments to related parties and buy investments from related parties. For more information about our transactions with affiliates, see “Related Party Transactions” under Part IV of this annual report.

Our bylaws restrict transfers of shares in some circumstances

Our bylaws provide that any acquisition or transfer of 10.0% or more of our capital stock by any person or group of persons acting together requires the approval of our Board of Directors. You may not acquire or transfer more than 10.0% of our capital stock without the approval of our Board of Directors.

The protections afforded to minority shareholders in Mexico are different from those in the United States

Under Mexican law, the protections afforded to minority shareholders are different from those in the United States. In particular, the law concerning fiduciary duties of directors is not as fully developed as in other jurisdictions, the procedure for class actions is different, and there are different procedural requirements for bringing shareholder lawsuits. As a result, in practice it may be more difficult for minority shareholders of América Móvil to seek remedies against us or our directors or controlling shareholders than it would be for shareholders of a company incorporated in another jurisdiction, such as Delaware.

Holders of L Shares and L Share ADSs have limited voting rights

Our bylaws provide that holders of L Shares are not permitted to vote, except on such limited matters as, among others, the transformation or merger of América Móvil or the cancellation of registration of the L Shares with the Mexican Securities Registry (Registro Nacional de Valores, or "RNV") maintained by the CNBV or any stock exchange on which they are listed. If you hold L Shares or L Share ADSs, you will not be able to vote on most matters, including the declaration of dividends, which are subject to a shareholder vote in accordance with our bylaws.

Holders of ADSs are not entitled to attend shareholders' meetings, and they may only vote through the depositary

Under our bylaws, a shareholder is required to deposit its shares with a custodian in order to attend a shareholders' meeting. A holder of ADSs will not be able to meet this requirement and, accordingly, is not entitled to attend shareholders' meetings. A holder of ADSs is entitled to instruct the depositary as to how to vote the shares represented by ADSs, in accordance with procedures provided for in the deposit agreements, but a holder of ADSs will not be able to vote its shares directly at a shareholders' meeting or to appoint a proxy to do so.

Our bylaws may only be enforced in Mexico

Our bylaws provide that legal actions relating to the execution, interpretation or performance of the bylaws may be brought only in Mexican courts. As a result, it may be difficult for non-Mexican shareholders to enforce their shareholder rights pursuant to the bylaws.

It may be difficult to enforce civil liabilities against us or our directors, officers and controlling persons

América Móvil is organized under the laws of Mexico, with its principal place of business in Mexico City, and most of our directors, officers and controlling persons reside outside the United States. In addition, all or a substantial portion of our assets and their assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under U.S. federal securities laws. There is doubt as to the enforceability against such persons in Mexico, whether in original actions or in actions to judgments of U.S. courts, of liabilities based solely on U.S. federal securities laws.

You may not be entitled to participate in future preemptive rights offerings

Under Mexican law, if we issue new shares for cash as part of certain capital increases, we must grant our shareholders the right to purchase a sufficient number of shares to maintain their existing ownership percentage in América Móvil. Rights to purchase shares in these circumstances are known as preemptive rights. Our shareholders do not have preemptive rights in certain circumstances such as mergers, convertible debentures, public offers and placement of repurchased shares. We may not be legally permitted to allow holders of ADSs or holders of L Shares or A Shares in the United States to exercise any preemptive rights in any future capital increase unless we file a registration statement with the U.S. Securities and Exchange Commission (the "SEC") with respect to that future issuance of shares. At the time of any future capital increase, we will evaluate the costs and potential liabilities associated with filing a registration statement with the SEC and any other factors that we consider important to determine whether we will file such a registration statement.

We cannot assure you that we will file a registration statement with the SEC to allow holders of ADSs or U.S. holders of L Shares or A Shares to participate in a preemptive rights offering. As a result, the equity interest of such holders in América Móvil may be diluted proportionately. In addition, under current Mexican law, it is not practicable for the depositary to sell preemptive rights and distribute the proceeds from such sales to ADS holders.

RISKS RELATING TO DEVELOPMENTS IN MEXICO AND OTHER COUNTRIES

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

Our financial performance may be significantly affected by general economic, political and social conditions in the markets where we operate. Many countries in Latin America and the Caribbean, including Mexico, Brazil and Argentina, have undergone significant economic, political and social crises in the past, and these events may occur again in the future. We cannot predict whether changes in political administrations will result in changes in governmental policy and whether such changes will affect our business. Factors related to economic, political and social conditions that could affect our performance include:

- significant governmental influence over local economies;
- substantial fluctuations in economic growth;
- high levels of inflation, including hyperinflation;
- changes in currency values;
- exchange controls or restrictions on expatriation of earnings;
- high domestic interest rates;
- price controls;
- changes in governmental economic, tax, labor or other policies;
- imposition of trade barriers;
- changes in law or regulation; and
- overall political, social and economic instability and civil unrest.

Adverse economic, political and social conditions in Latin America, the United States, the Caribbean or in Europe may inhibit demand for telecommunication services and create uncertainty regarding our operating environment or may affect our ability to renew our licenses and concessions, to maintain or increase our market share or profitability and may have an adverse impact on future acquisitions, which could have a material adverse effect on our company. In addition, the perception of risk in the countries in which we operate may have a negative effect on the trading price of our shares and ADSs and may restrict our access to international financial markets.

In various countries where we operate, for example, elections took place during 2018, which could lead to economic, political and social changes over which we have no control. Our business may also be especially affected by conditions in Mexico and Brazil, two of our largest markets. Mexican elections in July 2018 resulted in a new president and in a new Congress with a majority of members in both houses representing a different political party from the parties that have been in power in the past. We cannot predict what changes in policy the Mexican administration may adopt, or their impact on our operations. Additionally, in Mexico, economic conditions are strongly impacted by those of the United States. There is continuing uncertainty regarding U.S. policies with respect to matters of importance to Mexico and its economy, particularly with respect to trade and migration.

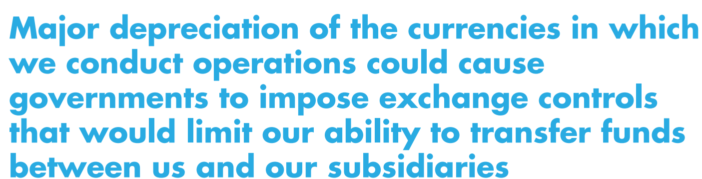
Possible replacement of the LIBOR benchmark interest rate may have an impact on our business

On July 27, 2017, the U.K. Financial Conduct Authority (the authority that regulates LIBOR) announced that it would phase out LIBOR as a benchmark by the end of 2021. The discontinuation date for submission and publication of rates for certain tenors of USD LIBOR (1-month, 3-month, 6-month and 12-month) has been extended by the ICE Benchmark Administration (the administrator of LIBOR) until June 30, 2023. It is unclear whether new methods of calculating LIBOR will be established such that it continues to exist after 2021. Similarly, it is not possible to predict whether LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become acceptable alternatives to LIBOR, or what effect these changes in views or alternatives may have on financial markets for LIBOR-linked financial instruments. Potential changes, or uncertainty related to such potential changes may adversely affect the market for loans with LIBOR-indexed interest rates. When LIBOR ceases to exist, we may need to amend the credit and loan agreements with our lenders that utilize LIBOR as a factor in determining the interest rate based on a new standard that is established, if any. There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could have an adverse effect on our business, results of operations and financial condition.

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

We are affected by fluctuations in the value of the currencies in which we conduct operations compared to the currencies in which our indebtedness is denominated. Such changes result in exchange losses or gains on our net indebtedness and accounts payable. In 2020, we reported net foreign exchange losses of Ps.65.4 billion.

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



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

Major depreciation of the currencies in which we conduct operations may result in disruption of the international foreign exchange markets and may limit our ability to transfer or to convert such currencies into U.S. dollars and other currencies for the purpose of making timely payments of interest and principal on our indebtedness. The government of Argentina has adopted exchange controls and restrictions on the movement of capital and has taken other measures in response to capital flight and the significant depreciation of the Argentine peso. In addition, although the Mexican government does not currently restrict, and for many years has not restricted, the right or ability of Mexican or foreign persons or entities to convert Mexican pesos into U.S. dollars or to transfer other currencies out of Mexico, it could institute restrictive exchange rate policies in the future. Similarly, the Brazilian government may impose temporary restrictions on the conversion of Brazilian reais into foreign currencies and on the remittance to foreign investors of proceeds from investments in Brazil whenever there is a serious imbalance in Brazil's balance of payments or a reason to foresee a serious imbalance.

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

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

MINIMIZING DISTANCE

PART IV SHARE OWNERSHIP AND TRADING

The following table sets forth our capital structure as of March 31, 2021.

SERIES	NUMBER OF SHARES (MILLIONS)	PERCENT OF COMBINED CAPITAL	A SHARES AND AA SHARES[1]
L Shares (no par value)	45,448	68.3%	–
AA Shares (no par value)	20,578	30.9%	97.6%
A Shares (no par value)	515	0.8%	2.4%
Total[2]	**66,541**	**100%**	**100%**

(1) The AA Shares and A Shares of América Móvil, together, are entitled to elect a majority of our directors. Holders of L Shares are entitled to limited voting rights under our bylaws. See "Bylaws—Voting Rights" under this Part IV.

(2) Figures in the table may not recalculate exactly due to rounding.

According to reports of beneficial ownership of our shares filed with the SEC, the Slim Family may be deemed to control us through their interests in a Mexican trust that holds AA Shares and L Shares for their benefit (the "Family Trust"), their interest in Inversora Carso, S.A. de C.V., including its subsidiary Control Empresarial de Capitales, S.A. de C.V. and their direct ownership of our shares. See "Management—Directors" and "Management—Executive Committee" under Part V and "Related Party Transactions" under this Part IV of this annual report.

The following table identifies owners of more than 5.0% of any series of our shares as of March 31, 2021. Except as described in the table below and the accompanying notes, we are not aware of any holder of more than 5.0% of any series of our shares. Figures below do not include L Shares that would be held by each shareholder upon conversion of AA Shares or A Shares, as provided for under our bylaws. See "Management—Share Ownership of Directors and Senior Management" under Part V of this annual report.

SHAREHOLDER	SHARES OWNED (MILLIONS)	PERCENT OF CLASS[1]
AA SHARES:		
Family Trust[2]	10,894	52.9%
Inversora Carso[3]	4,381	21.3%
Carlos Slim Helú	1,879	9.1%
L SHARES:		
Inversora Carso[3]	6,020	13.2%
Family Trust[2]	5,998	13.2%
Carlos Slim Helú	3,072	6.8%
BlackRock, Inc.[4]	2,466	5.4%

(1) Percentage figures are based on the number of shares outstanding as of March 31, 2021.

(2) The Family Trust is a Mexican trust that holds AA Shares and L Shares for the benefit of members of the Slim Family. In addition to shares held by the Family Trust, members of the Slim Family, including Carlos Slim Helú, directly own an aggregate of 3,558 million AA Shares and 9,570 million L Shares representing 17.3% and 21.1%, respectively, of each series. According to beneficial reports filed with the SEC, none of these members of the Slim Family, other than Carlos Slim Helú, individually directly own more than 5.0% of any class of our shares.

(3) Includes shares owned by subsidiaries of Inversora Carso. Based on beneficial ownership reports filed with the SEC, Inversora Carso is a Mexican sociedad anónima de capital variable and may be deemed to be controlled by the Slim Family.

(4) Based on beneficial ownership reports filed with the SEC.

As of March 31, 2021, 15.7% of the outstanding L Shares were represented by L Share ADSs, each representing the right to receive 20 L Shares, and 99.98% of the L Share ADSs were held by 6,532 registered holders with addresses in the United States. As of such date, 37.2% of the A Shares were held in the form of A Share ADSs, each representing the right to receive 20 A Shares, and 99.9% of the A Share ADSs were held by 3,215 registered holders with addresses in the United States. Each A Share may be exchanged at the option of the holder for one L Share.

We have no information concerning the number of holdings or holders with registered addresses in the United States that hold:

- AA Shares;
- A Shares not represented by ADSs; or
- L Shares not represented by ADSs.

RELATED PARTY TRANSACTIONS

Our subsidiaries purchase materials or services from a variety of companies that may be deemed for certain purposes to be under common control with us, including Telesites, Grupo Carso and Grupo Financiero Inbursa and their respective subsidiaries.

These services include insurance and banking services provided by Grupo Financiero Inbursa and its subsidiaries. In addition, we sell products in Mexico through the Sanborns and Sears Operadora México, S.A. de C.V. store chains. Some of our subsidiaries also purchase network construction services and materials from subsidiaries of Grupo Carso. Our subsidiaries purchase these materials and services on terms no less favorable than they could obtain from unaffiliated parties, and would have access to other sources if our related parties ceased to provide them on competitive terms.

We and Telesites have entered into an agreement providing for site usage fees, annual price escalations and fixed annual charges that permit us to install a pre-determined amount of equipment at the Telesite towers and provide for incremental fee payments if capacity use is exceeded. The principal economic terms of the agreement conform to the reference terms published by Telesites and approved by IFT.

Note 6 to our audited consolidated financial statements included in this annual report provides additional information about our related party transactions.

DIVIDENDS

We regularly pay cash dividends on our shares. The table below sets forth the nominal amount of dividends paid per share on each date indicated, in Mexican pesos and translated into U.S. dollars at the exchange rate reported by Banco de México, as published in the Official Gazette, for each of the respective payment dates.

PAYMENT DATE	PESOS PER SHARE		DOLLARS PER SHARE	
November 9, 2020	Ps.	0.19	U.S.$	0.0092
July 20, 2020	Ps.	0.19	U.S.$	0.0085
November 11, 2019	Ps.	0.17	U.S.$	0.0090
July 15, 2019	Ps.	0.18	U.S.$	0.0095
November 12, 2018	Ps.	0.16	U.S.$	0.0080
July 16, 2018	Ps.	0.16	U.S.$	0.0085
November 13, 2017	Ps.	0.15	U.S.$	0.0079
July 17, 2017	Ps.	0.15	U.S.$	0.0085
November 14, 2016	Ps.	0.14	U.S.$	0.0068
July 15, 2016	Ps.	0.14	U.S.$	0.0076

On April 26, 2021 our shareholders approved a cash dividend of Ps.0.40 per share, of which Ps.0.20 per share is payable on July 19, 2021 and Ps.0.20 is payable on November 8, 2021.

The declaration, amount and payment of dividends by América Móvil is determined by majority vote of the holders of AA Shares and A Shares, generally on the recommendation of the Board of Directors, and depends on our results of operations, financial condition, cash requirements, future prospects and other factors considered relevant by the holders of AA Shares and A Shares.

Our bylaws provide that holders of AA Shares, A Shares and L Shares participate equally on a per-share basis in dividend payments and other distributions, subject to certain non-material preferential dividend rights of holders of L Shares.

TRADING MARKETS

Our shares and ADSs are listed on the following markets:

SECURITY	STOCK EXCHANGE	TICKER SYMBOL
L Shares	Mexican Stock Exchange—Mexico City	AMXL
L Share ADSs	New York Stock Exchange—New York	AMX
A Shares	Mexican Stock Exchange—Mexico City	AMXA
A Share ADSs	New York Stock Exchange—New York	AMOV

BYLAWS

We are a *Sociedad Anónima Bursátil de Capital Variable* organized under Mexican law. For a description of our AA Shares, A Shares and L Shares, and a brief summary of certain significant provisions in our current bylaws and Mexican law, see “Description of Securities Registered Under Section 12 of the Exchange Act,” filed as Exhibit 2.1 with this annual report. For a description of our Board of Directors, Executive and Audit and Corporate Practices Committees and External Auditor, see “Management” under Part V of this annual report.

PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

We periodically repurchase at our discretion our L Shares and A Shares on the open market pursuant to guidelines approved by our Board of Directors, using funds up to an amount authorized by our shareholders specifically for the repurchase of L Shares and A Shares. In our 2021 annual ordinary shareholders' meeting, our shareholders authorized an allocation of Ps.25 billion to repurchase L Shares and A Shares from April 2021 to April 2022.

The following tables set out information concerning purchases of our L Shares by us and our affiliated purchasers in 2020. We did not repurchase our L Shares other than through the share repurchase program, and we did not repurchase any A Shares.

PERIOD	TOTAL NUMBER OF SHARES PURCHASED(1)	AVERAGE PRICE PER SHARE	TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS	APPROXIMATE MEXICAN PESO VALUE OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS(2)
January 2020	5,650,000	Ps. 15.34	5,650,000	Ps. 2,664,468,912
February 2020	2,200,000	16.06	2,200,000	2,629,333,277
March 2020	-	-	-	2,629,333,277
April 2020	11,000,000	13.64	11,000,000	5,930,090,256
May 2020	19,975,000	14.99	19,975,000	5,632,443,872
June 2020	22,000,000	15.26	22,000,000	5,298,718,225
July 2020	22,500,000	14.64	22,500,000	4,971,126,848
August 2020	21,000,000	14.14	21,000,000	4,675,982,377
September 2020	32,000,000	13.49	32,000,000	4,246,872,865
October 2020	43,000,000	13.60	43,000,000	3,665,445,685
November 2020	80,000,000	14.40	80,000,000	2,519,753,255
December 2020	106,282,651	14.48	106,282,651	989,494,709
Total L Shares	**365,607,651**		**365,607,651**	

(1) This includes purchases by us and our affiliated purchasers in 2020.
(2) This is the approximate peso amount available at the end of the period for purchases of both L Shares and A Shares pursuant to our share repurchase program.

The following summary contains a description of certain Mexican federal and U.S. federal income tax consequences of the acquisition, ownership and disposition of L Shares, A Shares, L Share ADSs or A Share ADSs, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, hold or sell shares or ADSs.

This discussion does not constitute, and should not be considered as, legal or tax advice to holders. The discussion is for general information purposes only and is based upon the federal tax laws of Mexico (including the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*) and the United States in effect on the date of this annual report, including the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion and the protocols thereto between the United States and Mexico currently in force (together, the "Tax Treaty") and the agreement between the United States and Mexico concerning the exchange of information with respect to tax matters. The Tax Treaty is subject to change, and such changes may have retroactive effects. Holders of shares or ADSs should consult their own tax advisors as to the Mexican, U.S. or other tax consequences of the purchase, ownership and disposition of shares or ADSs, including, in particular, the effect of any foreign, state or local tax laws.

MEXICAN TAX CONSIDERATIONS

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

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

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

This summary does not purport to be a comprehensive description of all the Mexican tax considerations that may be relevant to a decision to purchase, own or dispose of the shares. In particular, this summary (i) does not describe any tax consequences arising under the laws of any state, locality, municipality or taxing jurisdiction other than certain federal laws of Mexico and (ii) does not address all of the Mexican tax consequences that may be applicable to specific holders of the shares, including a holder:

- whose shares were not acquired through the Mexican Stock Exchange or other markets authorized by the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) or the Mexican Federal Tax Code;
- of shares or ADSs that control us;
- that holds 10.0% or more of our shares;
- that is part of a group of persons for purposes of Mexican law that controls us (or holds 10.0% or more of our shares); or
- that is a resident of Mexico or is a corporation resident in a tax haven (as defined by the Mexican Income Tax Law).

Tax Treaties

Provisions of the Tax Treaty that may affect the taxation of certain U.S. holders (as defined below) are summarized below.

The Mexican Income Tax Law has established procedural requirements for a nonresident holder to be entitled to benefits under any of the tax treaties to which Mexico is a party, including on dispositions and dividends. These procedural requirements include, among others, the obligation to (i) prove tax treaty residence, (ii) file tax calculations made by an authorized certified public accountant or an informational tax statement, as the case may be, and (iii) appoint representatives in Mexico for taxation purposes. Parties related to the issuer may be subject to additional procedural requirements.

Payment of Dividends

Dividends, either in cash or in kind, paid with respect to L Shares, A Shares, L Share ADSs or A Share ADSs will generally be subject to a 10.0% Mexican withholding tax (provided that no Mexican withholding tax will apply to distributions of net taxable profits generated before 2014).

Taxation of Dispositions

The tax rate on income realized by a nonresident holder from a disposition of shares through the Mexican Stock Exchange is generally 10.0%, which is applied to the net gain realized on the disposition. This tax is payable through withholding made by intermediaries. However, such withholding does not apply to a nonresident holder who certifies that the holder is resident in a country with which Mexico has entered into an income tax treaty.

The sale or other transfer or disposition of shares not carried out through the Mexican Stock Exchange and not held in the form of ADSs will be subject to a 25% tax rate in Mexico, which is applicable to the gross proceeds realized from the sale. Alternatively, a nonresident holder may, subject to certain requirements, elect to pay taxes on the net gain realized from the sale of shares at a rate of 35%.

The sale or disposition of ADSs through securities exchanges or markets recognized under the Mexican federal tax code (which includes the NYSE) by nonresidents who are residents of a country with which Mexico has entered into an income tax treaty is not subject to income tax in Mexico under the current tax rules. The tax treatment of such transfer of ADSs by nonresidents who are also not residents of a country with which Mexico has entered into an income tax treaty is not clear under the current Mexican tax rules.

Pursuant to the Tax Treaty, gains realized by a U.S. resident that is eligible to receive benefits pursuant to the Tax Treaty from the sale or other disposition of shares or ADSs, even if the sale or disposition is not carried out under the circumstances described in the preceding paragraphs, will not be subject to Mexican income tax, provided that the gains are not attributable to a permanent establishment or a fixed base in Mexico, and further provided that such U.S. holder owned less than 25% of the shares representing our capital stock (including ADSs), directly or indirectly, during the 12-month period preceding such disposition. U.S. residents should consult their own tax advisors as to their possible eligibility under the Tax Treaty.

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

Other Mexican Taxes

A nonresident holder generally will not be liable for estate, inheritance or similar taxes with respect to its holdings of shares or ADSs; provided, however, that gratuitous transfers of shares or ADSs may, in certain circumstances, result in the imposition of a Mexican tax upon the recipient.

There are no Mexican stamp, issue registration or similar taxes payable by a nonresident holder with respect to shares or ADSs.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences to U.S. holders (as defined below) of the acquisition, ownership and disposition of shares or ADSs. The summary does not purport to be a comprehensive description of all of the tax consequences of the acquisition, ownership or disposition of shares or ADSs. The summary applies only to U.S. holders that will hold their shares or ADSs as capital assets and does not apply to special classes of U.S. holders, such as dealers in securities or currencies, holders with a functional currency other than the U.S. dollar, holders of 10.0% or more of our shares measured by vote or value (whether held directly or through ADSs or both), tax-exempt organizations, banks, insurance companies or other financial institutions, holders liable for the alternative minimum tax, securities traders electing to account for their investment in their shares or ADSs on a mark-to-market basis, entities that are treated for U.S. federal income tax purposes as partnerships or other pass-through entities or equity holders therein and persons holding their shares or ADSs in a hedging transaction or as part of a straddle or conversion transaction.

For purposes of this discussion, a “U.S. holder” is a holder of shares or ADSs that is:

- a citizen or resident of the United States of America,
- a corporation (or other entity taxable as a corporation) organized under the laws of the United States of America or any state thereof or
- otherwise subject to U.S. federal income taxation on a net income basis with respect to the shares or ADSs.

Each U.S. holder should consult such holder’s own tax advisor concerning the overall tax consequences to it of the ownership or disposition of shares or ADSs that may arise under foreign, state and local laws.

Treatment of ADSs

In general, a U.S. holder of ADSs will be treated as the owner of the shares represented by those ADSs for U.S. federal income tax purposes. Deposits or withdrawals of shares by U.S. holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes. U.S. holders that withdraw any shares should consult their own tax advisors regarding the treatment of any foreign currency gain or loss on any pesos received in respect of such shares.

Taxation of Distributions

In general, a U.S. holder will treat the gross amount of distributions we pay, without reduction for Mexican withholding tax, as dividend income for U.S. federal income tax purposes to the extent of our current and accumulated earnings and profits. Because we do not expect to maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that distributions paid to U.S. holders generally will be reported as dividends. In general, the gross amount of any dividends will be includible in the gross income of a U.S. holder as ordinary income on the day on which the dividends are received by the U.S. holder, in the case of shares, or by the depositary, in the case of ADSs.

Dividends will be paid in pesos and will be includible in the income of a U.S. holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date that they are received by the U.S. holder, in the case of shares, or by the depositary, in the case of ADSs (regardless of whether such pesos are in fact converted into U.S. dollars on such date). If such dividends are converted into U.S. dollars on the date of such receipt, a U.S. holder generally should not be required to recognize foreign currency gain or loss in respect of the dividends. U.S. holders should consult their own tax advisors regarding the treatment of foreign currency gain or loss, if any, on any pesos received by a U.S. holder or depositary that are converted into U.S. dollars on a date subsequent to receipt. Dividends paid by us will not be eligible for the dividends-received deduction allowed to corporations under the U.S. Internal Revenue Code of 1986, as amended (the "Code").

The amount of Mexican tax withheld generally will give rise to a foreign tax credit or deduction for U.S. federal income tax purposes. Dividends generally will constitute "passive category income" for purposes of the foreign tax credit. The foreign tax credit rules are complex. U.S. holders should consult their own tax advisors with respect to the implications of those rules for their investments in our shares or ADSs.

Subject to certain exceptions for short-term and hedged positions, the U.S. dollar amount of dividends received by an individual with respect to the shares or ADSs will be subject to taxation at reduced rates if the dividends are "qualified dividends." Dividends paid on the shares or ADSs will be treated as qualified dividends if (i) (A) the shares or ADSs are readily tradable on an established securities market in the United States or (B) we are eligible for the benefits of a comprehensive tax treaty with the United States which the U.S. Treasury determines is satisfactory for purposes of this provision and which includes an exchange of information program, and (ii) we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company ("PFIC"). The ADSs are listed on the NYSE, and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. In addition, the U.S. Treasury has determined that the Tax Treaty meets the requirements for reduced rates of taxation, and we believe we are eligible for the benefits of the Tax Treaty. Based on our audited consolidated financial statements and relevant market data, we believe that we were not treated as a PFIC for U.S. federal income tax purposes with respect to the 2019 and 2020 taxable years. In addition, based on our audited consolidated financial statements and our current expectations regarding the value and nature of our assets, the sources and nature of our income and relevant market data, we do not anticipate becoming a PFIC for the 2021 taxable year. Holders of shares or ADSs should consult their own tax advisors regarding the availability of the reduced dividend tax rate in the light of their own particular circumstances.

Distributions of additional shares or ADSs to U.S. holders with respect to their shares or ADSs that are made as part of a pro rata distribution to all of our shareholders generally will not be subject to U.S. federal income tax.

Taxation of Dispositions

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

Gain, if any, realized by a U.S. holder on the sale or other disposition of the shares or ADSs generally will be treated as U.S. source income for U.S. foreign tax credit purposes. Consequently, if a Mexican withholding tax is imposed on the sale or disposition of the shares, a U.S. holder that does not receive significant foreign source income from other sources may not be able to derive effective U.S. foreign tax credit benefits in respect of such Mexican taxes. U.S. holders should consult their own tax advisors regarding the application of the foreign tax credit rules to their investment in, and disposition of, the shares or ADSs.

Information Reporting and Backup Withholding

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

- establishes that it is an exempt recipient, if required, or
- provides an accurate taxpayer identification number on a properly completed Internal Revenue Service Form W-9 and certifies that no loss of exemption from backup withholding has occurred.

The amount of any backup withholding from a payment to a holder will be allowed as a credit against the U.S. holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the Internal Revenue Service.

U.S. Tax Consequences for Non-U.S. holders

DISTRIBUTIONS. A holder of shares or ADSs that is, with respect to the United States, a foreign corporation or a nonresident alien individual (a "non-U.S. holder") will generally not be subject to U.S. federal income or withholding tax on dividends received on shares or ADSs, unless such income is effectively connected with the conduct by the holder of a U.S. trade or business.

DISPOSITIONS. A non-U.S. holder of shares or ADSs will not be subject to U.S. federal income or withholding tax on gain realized on the sale of shares or ADSs, unless:

- gain is effectively connected with the conduct by the holder of a U.S. trade or business or
- in the case of gain realized by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

INFORMATION REPORTING AND BACKUP WITHHOLDING. Although non-U.S. holders generally are exempt from backup withholding, a non-U.S. holder may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

LINKING EMOTIONS

PART V
CORPORATE
GOVERNANCE

DIRECTORS

Our Board of Directors has broad authority to manage our company. Our bylaws provide for the Board of Directors to consist of between five and 21 directors and allow for the election of an equal number of alternate directors. Directors need not be shareholders. A majority of our directors and a majority of the alternate directors must be Mexican citizens and elected by Mexican shareholders.

A majority of the holders of the AA Shares and A Shares voting together elect a majority of the directors and alternate directors, provided that any holder or group of holders of at least 10.0% of the total AA Shares and A Shares is entitled to name one director and one alternate director. Two directors and two alternate directors, if any, are elected by a majority vote of the holders of L Shares. Each alternate director may attend meetings of the Board of Directors and vote in the absence of the corresponding director. Directors and alternate directors are elected or reelected at each annual general meeting of shareholders and each annual ordinary special meeting of holders of L Shares. In accordance with the Mexican Securities Market Law (*Ley del Mercado de Valores*), the determination as to the independence of our directors is made by our shareholders, though the CNBV may challenge this determination. Pursuant to our bylaws and the Mexican Securities Market Law, at least 25.0% of our directors must be independent. In order to have a quorum for a meeting of the Board of Directors, a majority of those present must be Mexican nationals.

At the annual shareholders' meetings held on April [26], 2021, the current members of the Board of Directors, the Executive Committee and the Audit and Corporate Practices Committee were reelected, and the Corporate Secretary and the Corporate Pro Secretary were reappointed, with 11 directors elected by the AA Shares and A Shares voting together and two directors elected by the L Shares. 54% of the members of the Board of Directors are independent and 8% are women.

Our bylaws provide that the members of the Board of Directors are elected for a term of one year. Pursuant to Mexican law, members of the Board continue in their positions after the expiration of their terms for up to an additional 30-day period if new members are not elected. Furthermore, in certain circumstances provided under the Mexican Securities Market Law, the Board of Directors may elect temporary directors who then may be elected or replaced at the shareholders' meetings.

The names and positions of the members of the Board reelected or elected for the first time at the 2021 annual general shareholders' meeting, their year of birth, and information concerning their committee membership and principal business activities outside América Móvil are set forth below:

Directors elected by holders of Series AA and Series A Shares:

CARLOS SLIM DOMIT	
Chairman of the Board and the Executive Committee	
Born:	1967
First elected:	2011
Term expires:	2022
Principal occupation:	Chairman of the Board of América Móvil
Other directorships:	Chairman of the Board of Grupo Carso and its affiliates
Business experience:	Business administration; Chief Executive Officer of Sanborn Hermanos

PATRICK SLIM DOMIT	
Vice Chairman and Member of the Executive Committee	
Born:	1969
First elected:	2004
Term expires:	2022
Principal occupation:	Vice Chairman of our Board of Directors
Other directorships:	Director of Grupo Carso and its affiliates
Business experience:	Business administration; Chief Executive Officer of Grupo Carso and Vice President of Commercial Markets of Telmex

DANIEL HAJJ ABOUMRAD	
Director and Member of the Executive Committee	
Born:	1966
First elected:	2000
Term expires:	2022
Principal occupation:	Chief Executive Officer of América Móvil
Other directorships:	Director of Grupo Carso and Telmex
Business experience:	Business administration; Chief Executive Officer of Compañía Hulera Euzkadi

LUIS ALEJANDRO SOBERÓN KURI

Director

Born:	1960
First elected:	2000
Term expires:	2022
Principal occupation:	Chief Executive Officer and Chairman of the Board of Serinem México (a subsidiary of Corporación Interamericana de Entretenimiento
Other directorships:	Director of CIE; Director of Grupo Financiero Citibanamex
Business experience:	Business administration; Various positions at CIE

FRANCISCO MEDINA CHÁVEZ

Director

Born:	1956
First elected:	2018
Term expires:	2022
Principal occupation:	Chief Executive Officer and Chairman of Grupo Fame, and Chairman of Grupo Altozano
Other directorships:	Director of Banamex Citigroup México and Grupo Chedraui
Business experience:	Real estate; Director of Aeromexico and Mitsui Mexico

ERNESTO VEGA VELASCO

Director, Chairman of the Audit and Corporate Practices Committee

Born:	1937
First elected:	2007
Term expires:	2022
Principal occupation:	Retired. Member of the board of directors and audit and corporate practices, planning and finance and evaluation and compensation committees of certain companies.
Other directorships:	Director of Kuo and its affiliates, Inmuebles Carso and its affiliates, and Industrias Peñoles
Business experience:	Accounting and business administration; Various positions in Desc Group, including Corporate Vice-President

RAFAEL MOISÉS KALACH MIZRAHI

Director and Member of the Audit and Corporate Practices Committee

Born:	1946
First elected:	2012
Term expires:	2022
Principal occupation:	Chairman and Chief Executive Officer of Grupo Kaltex
Other directorships:	Director of Grupo Carso and its affiliates
Business experience:	Accounting and business administration; Various positions in Grupo Kaltex

ANTONIO COSÍO PANDO

Director

Born:	1968
First elected:	2015
Term expires:	2022
Principal occupation:	Vice President of Grupo Hotelero las Brisas, Compañía Industrial Tepeji del Río, and Bodegas de Santo Tomás
Other directorships:	Director of Grupo Carso and its affiliates, Corporación Actinver, and Grupo Aeromexico
Business experience:	Engineer; Various positions in Grupo Brisas and Compañía Industrial Tepeji del Río, S.A. de C.V.

ARTURO ELÍAS AYUB

Director

Born:	1966
First elected:	2011
Term expires:	2022
Principal occupation:	Head of Strategic Alliances, Communications and Institutional Relations of Telmex; Chief Executive Officer of Fundación Telmex
Other directorships:	Director of Grupo Carso and its affiliates, Dine and its affiliates, Grupo México Transportes and Grupo Gigante
Business experience:	Business administration; Chief Executive Officer of Sociedad Comercial Cadena, President of Pastelería Francesa (El Globo) and President of Club Universidad Nacional, A.C.

OSCAR VON HAUSKE SOLÍS

Director

Born:	1957
First elected:	2011
Term expires:	2022
Principal occupation:	Chief Fixed-line Operations Officer of América Móvil
Other directorships:	Member of Telekom Austria's Supervisory Board
Business experience:	Accounting and business administration; Chief Executive Officer of Telmex Internacional, Chief Systems and Telecommunications Operators Officer of Telmex and member of KPN's supervisory board

VANESSA HAJJ SLIM

Director

Born:	1997
First elected:	2018
Term expires:	2022

Directors elected by holders of Series L Shares:

PABLO ROBERTO GONZÁLEZ GUAJARDO	
Director and Member of the Audit and Corporate Practices Committee	
Born	1967
First elected:	2007
Term expires:	2022
Principal occupation:	Chief Executive Officer of Kimberly Clark de México
Other directorships:	Director of Kimberly Clark de México, Grupo Sanborns and Grupo Lala
Business experience:	Law and business administration; Various positions in the Kimberly Clark Corporation and Kimberly Clark de México

DAVID IBARRA MUÑOZ	
Director	
Born:	1930
First elected:	2000
Term expires:	2022
Principal occupation:	Retired
Other directorships:	Director of Grupo Carso and its affiliates, and Grupo Mexicano de Desarrollo
Business experience:	Economist; Chief Executive Officer of Nacional Financiera, S.N.C., and served as minister of Finance and Public Credit of Mexico

Our 2021 annual ordinary general shareholders' meeting determined that the following directors are independent: Messrs. Ernesto Vega Velasco, Pablo Roberto González Guajardo, David Ibarra Muñoz, Antonio Cosío Pando, Rafael Moisés Kalach Mizrahi, Luis Alejandro Soberón Kuri and Francisco Medina Chávez.

Alejandro Cantú Jiménez, our General Counsel, serves as Corporate Secretary and Rafael Robles Miaja as Corporate Pro-Secretary.

Patrick Slim Domit and Carlos Slim Domit are brothers. Daniel Hajj Aboumrad and Arturo Elías Ayub are brothers-in-law of Patrick Slim Domit and Carlos Slim Domit. Vanessa Hajj Slim is the daughter of Daniel Hajj Aboumrad.

EXECUTIVE COMMITTEE

Our bylaws provide that the Executive Committee may generally exercise the powers of the Board of Directors, with certain exceptions. In addition, the Board of Directors is required to consult the Executive Committee before deciding on certain matters set forth in the bylaws, and the Executive Committee must provide its views following a request from the Board of Directors, the Chief Executive Officer or the Chairman of the Board of Directors. If the Executive Committee is unable to make a recommendation within ten calendar days, or if a majority of the Board of Directors or any other corporate body duly acting within its mandate determines in good faith that action cannot be deferred until the Executive Committee makes a recommendation, the Board of Directors is authorized to act without such recommendation. The Executive Committee may not delegate its powers to special delegates or attorneys-in-fact.

The Executive Committee is elected from among the directors and alternate directors by a majority vote of the holders of common shares (AA Shares and A Shares). The majority of its members must be Mexican citizens and elected by Mexican shareholders. The current members of the Executive Committee are Messrs. Carlos Slim Domit, Patrick Slim Domit and Daniel Hajj Aboumrad. See "Major Shareholders" under Part IV of this annual report.

AUDIT AND CORPORATE PRACTICES COMMITTEE

Our Audit and Corporate Practices Committee is comprised of independent members of the Board of Directors, as determined by our shareholders pursuant to the Mexican Securities Market Law and as defined under Rule 10A-3 under the Exchange. The Audit and Corporate Practices Committee consists of Messrs. Ernesto Vega Velasco (Chairman), Rafael Moisés Kalach Mizrahi and Pablo Roberto González Guajardo. The mandate of the Audit and Corporate Practices Committee is to assist our Board of Directors in overseeing our operations and establish and monitor procedures and controls in order to ensure that the financial information we distribute is useful, appropriate and reliable and accurately reflects our financial position. In particular, the Audit and Corporate Practices Committee is required to, among other things, (i) call shareholders' meetings and recommend items to be included on the agenda, (ii) advise the Board of Directors on internal control procedures, related party transactions that are outside the ordinary course of our business, succession plans and compensation structures of our key executives, (iii) select and monitor our auditors, (iv) discuss with our auditors the procedures for the preparation of the annual financial statements and the accounting principles to the annual and the interim financial statements and (v) obtain from our auditors a report that includes a discussion of the critical accounting policies used by us, any alternative accounting treatments for material items that have been discussed by management with our auditors and any other written communications between our auditors and management.

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

SENIOR MANAGEMENT

The names, responsibilities and prior business experience of our senior officers are as follows:

DANIEL HAJJ ABOUMRAD	
Chief Executive Officer	
Appointed:	2000
Business experience:	Director of Telmex; Chief Executive Officer of Compañía Hulera Euzkadi, S.A. de C.V.

CARLOS JOSÉ GARCÍA MORENO ELIZONDO	
Chief Financial Officer	
Appointed:	2001
Business experience:	General Director of Public Credit at the Ministry of Finance and Public Credit; Managing Director of UBS Warburg; Associate Director of Financing at Petróleos Mexicanos (Pemex); Member of Telekom Austria's Supervisory Board; Member of KPN Supervisory Board

ALEJANDRO CANTÚ JIMÉNEZ	
General Counsel	
Appointed:	2001
Business experience:	Member of Telekom Austria's Supervisory Board; Attorney at Mijares, Angoitia, Cortés y Fuentes, S.C.

OSCAR VON HAUSKE SOLÍS	
Chief Fixed-line Operations Officer	
Appointed:	2010
Business experience:	Chief Executive Officer of Telmex Internacional; Chief Systems and Telecommunications Officer of Telmex; Head of Finance at Grupo Condumex; Director of Telmex, Telmex Internacional, Empresa Brasileira de Telecomunicações S.A. ("Embratel"), and Net Serviços de Comunicação S.A. ("Net Serviços"); Member of Telekom Austria's Supervisory Board

ANGEL ALIJA GUERRERO	
Chief Wireless Operations Officer	
Appointed:	2012
Business experience:	Various positions in América Móvil

AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that Ernesto Vega Velasco qualifies as an "audit committee financial expert," and Mr. Vega Velasco is independent under the definition of independence applicable to us under the rules of the NYSE.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate compensation paid to our directors (including compensation paid to members of our Audit and Corporate Practices Committee) and senior management in 2020 was approximately Ps.6.3 million and Ps.79.6 million, respectively. None of our directors is a party to any contract with us or any of our subsidiaries that provides for benefits upon termination of employment. We do not provide pension, retirement or similar benefits to our directors in their capacity as directors. Our executive officers are eligible for retirement and severance benefits required by Mexican law on the same terms as all other employees, and we do not separately set aside, accrue or determine the amount of our costs that is attributable to executive officers.

SHARE OWNERSHIP OF DIRECTORS AND SENIOR MANAGEMENT

Carlos Slim Domit, Chairman of our Board of Directors, holds 647 million (or 3.1%) of our AA Shares and 1,567 million (or 3.4%) of our L Shares directly. Patrick Slim Domit, Vice Chairman of our Board of Directors, holds 323 million (or 1.6%) of our AA Shares and 859 million (or 1.9%) of our L Shares directly. In addition, according to beneficial ownership reports filed with the SEC, Patrick Slim Domit and Carlos Slim Domit are beneficiaries of a trust that owns shares of the Company. See "Major Shareholders" under Part IV of this annual report. Except as described above, according to the information provided to us by our directors and members of senior management, none of our directors or executive officers is the beneficial owner of more than 1.0% of any class of our capital stock.

CORPORATE GOVERNANCE

Our corporate governance practices are governed by our bylaws, the Mexican Securities Market Law and the regulations issued by the CNBV. We also comply with the Mexican Code of Best Corporate Practices (*Código de Mejores Prácticas Corporativas*). On an annual basis, we file a report with the Mexican Banking and securities Commission and the Mexican Stock Exchange regarding our compliance with the Mexican Code of Best Corporate Practices.

The table below discloses the significant differences between our corporate governance practices and those required for U.S. companies under the NYSE listing standards.

NYSE STANDARDS	OUR CORPORATE GOVERNANCE PRACTICES
DIRECTOR INDEPENDENCE	
Majority of board of directors must be independent. §303A.01. "Controlled companies" are exempt from this requirement. A controlled company is one in which more than 50.0% of the voting power is held by an individual, group or another company, rather than the public. §303A.00. As a controlled company, we would be exempt from this requirement if we were a U.S. issuer.	Pursuant to the Mexican Securities Market Law, our shareholders are required to appoint a board of directors of no more than 21 members, 25% of whom must be independent. Certain persons are per se non-independent, including insiders, control persons, major suppliers and any relatives of such persons. In accordance with the Mexican Securities Market Law, our shareholders' meeting is required to make a determination as to the independence of our directors, though such determination may be challenged by the CNBV. There is no exemption from the independence requirement for controlled companies. Currently, the majority of our Board of Directors is independent.
EXECUTIVE SESSIONS	
Non-management directors must meet at regularly scheduled executive sessions without management. Independent directors should meet alone in an executive session at least once a year. §303A.03.	Our non-management directors have not held executive sessions without management in the past, and they are not required to do so.
NOMINATING/CORPORATE GOVERNANCE COMMITTEE	
Nominating/corporate governance committee composed entirely of independent directors is required. The committee must have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.04. "Controlled companies" are exempt from these requirements. §303A.00. As a controlled company, we would be exempt from this requirement if we were a U.S. issuer.	Mexican law requires us to have one or more committees that oversee certain corporate practices, including the appointment of directors and executives. Under the Mexican Securities Market Law, committees overseeing certain corporate practices must be composed of independent directors. However, in the case of controlled companies, such as ours, only a majority of the committee members must be independent. Currently, we do not have a nominating committee, and we are not required to have one. Our Audit and Corporate Practices Committee, which is composed of independent directors, oversees our corporate practices, including the compensation and appointment of directors and executives.
COMPENSATION COMMITTEE	
Compensation committee composed entirely of independent directors is required, which must evaluate and approve executive officer compensation. The committee must have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.02(a)(ii) and §303A.05. "Controlled companies" are exempt from this requirement. §303A.00.	We currently do not have a compensation committee, and we are not required to have one. Our Audit and Corporate Practices Committee, which is comprised solely of independent directors, evaluates and approves the compensation of management (including our CEO) and directors.
AUDIT COMMITTEE	
Audit committee satisfying the independence and other requirements of Rule 10A-3 under the Exchange Act and the additional requirements under the NYSE standards is required. §§303A.06 and 303A.07.	We have an audit and corporate practices committee of three members. Each member of the Audit and Corporate Practices Committee is independent, as independence is defined under the Mexican Securities Market Law, and also meets the independence requirements of Rule 10A-3 under the U.S. Securities Exchange Act of 1934, as amended. Our Audit and Corporate Practices Committee operates primarily pursuant to (1) a written charter adopted by our Board of Directors, which assigns to the Committee responsibility over those matters required by Rule 10A-3, (2) our bylaws and (3) Mexican law. For a more detailed description of the duties of our Audit and Corporate Practices Committee, see "Management" under Part V of this annual report.

NYSE STANDARDS	OUR CORPORATE GOVERNANCE PRACTICES
EQUITY COMPENSATION PLANS	
Equity compensation plans and all material revisions thereto require shareholder approval, subject to limited exemptions. §§303A.08 and 312.03.	Shareholder approval is expressly required under Mexican law for the adoption or amendment of an equity compensation plan. Such plans must provide for similar treatment of executives in comparable positions.
SHAREHOLDER APPROVAL FOR ISSUANCE OF SECURITIES	
Issuances of securities (1) that will result in a change of control of the issuer, (2) that are to a related party or someone closely related to a related party, (3) that have voting power equal to at least 20.0% of the outstanding common stock voting power before such issuance or (4) that will increase the number of shares of common stock by at least 20.0% of the number of outstanding shares before such issuance requires shareholder approval. §§312.03(b)-(d).	Mexican law requires us to obtain shareholder approval for any issuance of equity securities. Under certain circumstances, however, we may sell treasury stock subject to the approval of our Board of Directors.
CODE OF BUSINESS CONDUCT AND ETHICS	
Corporate governance guidelines and a code of business conduct and ethics are required, with disclosure of any waiver for directors or executive officers. The code must contain compliance standards and procedures that will facilitate the effective operation of the code. §303A.10.	We have adopted a code of ethics, which applies to all of our directors and executive officers and other personnel. For more information, see "Corporate Governance—Code of Ethics" under Part V of this annual report.
CONFLICTS OF INTEREST	
Determination of how to review and oversee related party transactions is left to the listed company. The audit committee or comparable body, however, could be considered the forum for such review and oversight. §314.00. Certain issuances of common stock to a related party require shareholder approval. §312.03(b).	In accordance with Mexican law, an independent audit committee must provide an opinion to the board of directors regarding any transaction with a related party that is outside of the ordinary course of business, which must be approved by the board of directors. Pursuant to the Mexican Securities Market Law, our Board of Directors may establish certain guidelines regarding related party transactions that do not require specific board approval.
SOLICITATION OF PROXIES	
Solicitation of proxies and provision of proxy materials is required for all meetings of shareholders. Copies of such proxy solicitations are to be provided to NYSE. §§402.01 and 402.04.	We are not required to solicit proxies from our shareholders. In accordance with Mexican law and our bylaws, we inform shareholders of all meetings by public notice, which states the requirements for admission to the meeting. Under the deposit agreement relating to our ADSs, holders of our ADSs receive notices of shareholders' meetings and, where applicable, instructions on how to instruct the depositary to vote at the meeting. Under the deposit agreement relating to our ADS, we may direct the voting of any ADS as to which no voting instructions are received by the depositary, except with respect to any matter where substantial opposition exists or that materially and adversely affects the rights of holders.

A) DISCLOSURE CONTROLS AND PROCEDURES

We carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of December 31, 2020. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

B) MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

Based on our evaluation under the framework in Internal Control—Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2020.

Mancera, S.C. ("Mancera"), a member practice of Ernst & Young Global Limited, an independent registered public accounting firm, our independent auditor, issued an attestation report on our internal control over financial reporting on April 28, 2021.

C) ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control Over Financial Reporting

We have audited América Móvil, S.A.B. de C.V. and subsidiaries' internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, América Móvil, S.A.B. de C.V. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2020 and 2019, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of three years in the period ended December 31, 2020, and the related notes, and our report dated April 28, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

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

Definitions and Limitations of Internal Control over Financial Reporting

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

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

/s/ MANCERA, S.C.

Mexico City, Mexico

April 28, 2021

D) CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There has been no change in our internal control over financial reporting during 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

CORPORATE SUSTAINABILITY REPORT

Our Corporate Sustainability Executive Committee defines and oversees the implementation of our overall strategy to improve our performance on sustainability matters.

By incorporating sustainability in our daily decision-making, we seek to foster greater efficiencies and operate with the highest sense of social responsibility and environmental care, strengthening our market leadership while contributing to economic, social, and cultural development in the communities where we operate.

Our corporate sustainability reports are available on our website at www.americamovil.com.

CODE OF ETHICS

Our Code of Ethics codifies the ethical principles that govern our business and promotes, among other things, honest and ethical conduct, full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the SEC, compliance with applicable governmental laws, rules and regulations, the prompt internal reporting of violations of the Code of Ethics and accountability for adherence to the Code of Ethics. Our Code of Ethics applies to all of our officers, senior management, directors and employees.

The full text of our Code of Ethics may be found on our website at www.americamovil.com.

ENHANCING FOR A
BETTER FUTURE

PART VI
REGULATION

MEXICO

Legal Framework

The legal framework for the regulation of telecommunications and broadcasting services is based on constitutional amendments passed in June 2013, the Federal Law on Telecommunications and Broadcasting (*Ley Federal de Telecomunicaciones y Radiodifusión*) enacted in July 2014 as amended and the Federal Law on Economic Competition (*Ley Federal de Competencia Económica*) enacted in May 2014 as amended.

Under the framework, the IFT may determine whether there is a "preponderant economic agent" in the telecommunications sector, based on number of customers, traffic or network capacity. In 2014, the IFT determined that an "economic interest group" consisting of us and our Mexican operating subsidiaries (Telcel, Telmex and Telnor) as well as Grupo Carso and Grupo Financiero Inbursa, constitutes the "preponderant economic agent" in the telecommunications sector, based on a finding that we serve more than half of the customers in Mexico, as measured by the IFT on a national basis.

The IFT has authority to impose on any preponderant economic agent a special regulatory regime. The special regime is referred to as "asymmetric" regulation because it applies to one sector participant and not to the others. Pursuant to the IFT's determination that we are part of a group constituting a preponderant economic agent, we are subject to extensive asymmetric regulations in the telecom sector, which impacts our Mexican fixed-line and wireless businesses. See "—Asymmetric Regulation of the Preponderant Economic Agent" and "—Functional Separation of Telmex and Telnor Wholesale Services" under this Part VI. This legal framework has had a substantial impact on our business and operations in Mexico.

Principal Regulatory Authorities

The IFT is an autonomous authority that regulates telecommunications and broadcasting. It is headed by seven commissioners appointed by the President, and ratified by the Senate, from among candidates nominated by an evaluation committee. The IFT has authority over the application of legislation specific to the telecommunications and broadcasting sectors, and also over competition legislation as it applies to those sectors. The Mexican Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes*) retains regulatory authority over a few specific public policy matters.

The Mexican government has certain powers in its relations with concessionaires, including the right to take over the management of an operator's networks, facilities and personnel in cases of imminent danger to national security, public order or the national economy, natural disasters and public unrest, as well as to ensure continuity of public services.

Telecommunications operators are also subject to regulation by the Federal Consumer Bureau (*Procuraduría Federal del Consumidor*) under the Federal Consumer Protection Law (*Ley Federal de Protección al Consumidor*), which regulates publicity, quality of services and information required to be provided to consumers.

Asymmetric Regulation of the Preponderant Economic Agent

We are currently subject to extensive specific asymmetric measures based on the IFT's determination that we, our Mexican operating subsidiaries (Telcel, Telmex and Telnor) and certain affiliates, constitute the preponderant economic agent in the telecommunications sector, and along with Telesites, *Red Nacional Ultima Milla S.A.P.I. de C.V.* and *Red Ultima Milla Del Noroeste S.A.P.I. de C.V.* are compelled to comply with such asymmetric regulation. Below is a summary of what we believe are the most important measures applicable to us.

- ***Interconnection Rates.*** The Federal Law on Telecommunications and Broadcasting provides that we are not permitted to charge other carriers for the termination services we provide in our networks. These provisions were declared unconstitutional by the Mexican Supreme Court (*Suprema Corte de Justicia de la Nación*) in August 2017 with respect to wireless services and in April 2018 with respect to fixed services. As a result, the IFT ruled that, as of January 1, 2018, in the case of Telcel, and as of January 1, 2019, in the case of Telmex, we are able to charge other carriers for terminating calls to our networks at asymmetric rates established by the IFT. We continue to pay such carriers for their interconnection services in accordance with the fixed and mobile rates set by the IFT.
- ***Sharing Of Wireless Infrastructure and Services.*** We must provide other carriers access to (i) passive infrastructure, including towers, sites, ducts and rights of way, (ii) elements of our network that allow other carriers and mobile virtual network operators ("MVNOs") to use our network or resell those services we provide to our customers and (iii) domestic roaming services; in each case, pursuant to IFT pre-approved reference terms (*ofertas públicas de referencia*). If we cannot reach an agreement with other carriers or MVNOs, our rates may be determined by the IFT using a long-run average incremental costs methodology or, in the case of MVNOs, a "retail-minus" methodology.

For mobile services, the IFT has the right to verify, through a replicability test, that carriers using our regulated wholesale services can match our end user rates.

- ***Sharing of Fixed Infrastructure and Services.*** We must provide other carriers access to (i) passive infrastructure, including towers, sites, telephone poles, ducts, manholes and rights of way, (ii) elements of our network that allow

other carriers to use our network or resell those services we provide to our customers and (iii) our dedicated links (either local or long distance). Rates for this access are determined by the IFT using a long-run average incremental cost methodology.

For fixed services, the IFT has the right to verify, through a replicability test, that carriers using our regulated wholesale services can match our end user rates.

- ***Local Loop Unbundling.*** We must offer other carriers access to elements of our local loop network separately on terms and conditions (including rates) pre-approved by the IFT. The IFT has also ordered the legal and functional separation of the provision of wholesale regulated fixed services related to local loop unbundling, local dedicated links and shared access/use of passive infrastructure related with the local loop network. See "Functional Separation of Telmex and Telnor Wholesale Services" under this Part VI.

- ***Certain Obligations Relating to Retail Services.*** Rates for the provision of telecommunications services to our customers are subject to the IFT's prior authorization.

  We are also subject to certain obligations and restrictions relating to the sale of our services and products; one such obligation includes unlocking mobile devices for our customers and regulations on the sale end financing at mobile devices.

- ***Content.*** We are subject to specific limitations on acquisitions of exclusive transmission rights to "relevant" content (*contenidos audiovisuales relevantes*), as determined from time to time by the IFT, including the Mexican national team soccer matches, the opening and closing ceremonies and certain matches of the FIFA World Cup, the semifinal and final matches of the Liga MX soccer tournament and the Super Bowl.

- ***Reference Terms.*** Every year we must submit, for IFT's approval, a proposal of the reference terms for all wholesale services that are subject to asymmetric regulation for the following year. Once approved, we must publish and offer the regulated wholesale services, in the terms approved by IFT.

IFT's Biannual Review of Asymmetric Regulation

The IFT reviewed the measures in 2020 and determined, among other things, to modify and add new asymmetrical regulations for mobile and fixed services.

The measures are transitory and may be amended by the IFT, or terminated if the IFT determines effective competition conditions exist in the telecommunications sector or if we cease to be considered a preponderant economic agent. The IFT reviews the impact of the asymmetrical measures every two years and may modify or eliminate measures or set forth new measures. In March 2017, the IFT issued a resolution that modified and added asymmetrical regulations for mobile and fixed services, including the legal and functional separation of Telmex and Telnor wholesale services, among other measures.

We have challenged the determination that we are a preponderant economic agent and the asymmetric regulations in court. These challenges were denied. We have also challenged further resolutions by IFT concerning the review of certain asymmetrical regulations. However, IFT's determinations are not suspended while legal challenges against them are resolved.

Functional Separation of Telmex and Telnor Wholesale Services

In March 2018, we received notice of an IFT resolution directed to the Company setting forth the terms under which we are required to separate the provision of wholesale regulated fixed services by Telmex and Telnor (the "Separation Plan"). As of the date of this annual report, we have complied with all milestones of the Separation Plan including the following:

- ***New Companies.*** Telmex and Telnor established new subsidiaries, *Red Nacional Ultima Mila* and *Red Ultima Mila Del Noroeste* (the "New Companies"), to provide local wholesale services related to the elements of the access network, including local access dedicated links, as well as those services related to passive infrastructure associated with the access network, such as ducts, poles and rights of way. The main features of the New Companies are as follows:

  - ***Price of Services.*** The prices and terms of the services provided by the New Companies are subject to IFT regulation, which could affect the viability and financial requirements of the New Companies.

  - ***Corporate Governance.*** The New Companies have their own corporate governance, including: (i) a board of directors with at least seven members, of which a majority (including the Chairman) is independent; (ii) a Chief Executive Officer and senior officers appointed by the boards of directors, different and independent from those of our Mexican concessionaire subsidiaries; (iii) an independent external auditor; (iv) an Audit Committee chaired by an independent member of the board of directors; and (v) a Regulatory Compliance Committee entirely composed of independent members. The bylaws of the New Companies were approved by the IFT. Independence for these purposes is used as defined under Mexican Securities Market Law.

- ***Personnel.*** Subject to the discussion under "Services Through Union Employees" below, the New Companies have personnel necessary to provide wholesale services required by the Separation Plan.
- ***Assets.*** The New Companies have the resources necessary to comply with their obligations and provide services.
- ***Systems and Procedures.*** The New Companies have their own procedures, operating and management systems that are independent from those of Telmex and Telnor.
- ***Branding.*** The New Companies have their own branding distinct from América Móvil's concessionaire subsidiaries. The brands must be dissociated from those of Telmex and Telnor by March 2022.
- ***Principal Offices.*** The New Companies have their own principal offices distinct from those of América Móvil's concessionaire subsidiaries.
- ***Services Through Union Employees.*** Certain employees that are members of a labor union provide services to the New Companies. These employees are functionally independent from Telmex and Telnor, and are under the operational control of the New Companies, however, their labor contracts remain with Telmex and Telnor.

- ***Wholesale Unit.*** Telmex and Telnor established a business unit to provide the remaining wholesale services to other concessionaires, including interconnection, co-location for interconnection, inter-city and international long-distance dedicated links, resale of telephone lines, broadband and bundles, as well as certain passive infrastructure services, including shared use of towers.

The implementation of the Separation Plan has been complex, and some features (including those related with the recent IFT revision of Asymmetrical Regulation resolutions) remain uncertain and may require further development. As a result, we are not yet able to identify all the possible consequences, but some of the consequences could have a material adverse impact on us.

We have challenged the resolution in the Mexican courts. However, legal challenges will not suspend the implementation of the Separation Plan and final determinations are pending.

Substantial Market Power Investigations

In 2007, the Federal Antitrust Commission (*Comisión Federal de Competencia Económica*, or "Cofeco") initiated two substantial market power investigations against Telcel and determined that Telcel had substantial market power in the mobile termination services market and in the nationwide wireless voice and data services market. Telcel filed challenges against both decisions, and a final resolution of these challenges is still pending. If upheld, these decisions would allow the IFT to impose additional requirements as to rates, quality of service and information, among other matters. The Preponderance regime has regulated all of these matters.

In 2007, Cofeco initiated various investigations to evaluate whether Telmex and its subsidiary Telnor have substantial power in the markets for termination, origination, transit and wholesale dedicated-link circuits. Cofeco issued final resolutions concluding that Telmex and Telnor have substantial power in all four markets, which were challenged by Telmex and Telnor. The challenges related to each one of these markets have been denied, effectively upholding Cofeco's findings. Consequently, the IFT may impose specific tariff requirements or other special regulations with respect to the matters for which the challenges were denied, such as additional requirements regarding disclosure of information or quality of service. The Preponderance regime has regulated all of these matters.

In the case of the market for wholesale dedicated-link leasing, the IFT's predecessor, Cofetel, published an agreement in the Official Gazette, establishing requirements regarding tariffs, quality of service and information for dedicated-link circuits. Telmex and Telnor have filed petitions for relief against such resolutions, which are still pending. The regulation that could arise from these investigations has been already implemented by the IFT through the special regulatory regime for preponderant agents. However, given the uncertainty of the IFT's actions, we are not able to identify all possible consequences and as a result an adverse resolution could have an impact on the Company's future revenues in this market.

Concessions

Under the current legal framework, a carrier of public telecommunications networks, such as Telcel or Telmex, must operate under a concession. The IFT is an autonomous federal agency that grants new or extends existing concessions, which may only be granted to a Mexican citizen or corporation that has agreed to the concession terms and may not be transferred or assigned without the approval of the IFT. There are three types of concessions:

- ***NETWORK CONCESSIONS.*** Telcel, Telmex and its subsidiary Telnor hold network concessions, granted under the previous regulatory framework, to provide specified types of services. Their ability to migrate to the new regime of unified concessions and, consequently, to provide any and all telecommunications and broadcasting services, is subject to conditions, as described under "Migration of Concessions and Additional Services" below.

- ***SPECTRUM CONCESSIONS.*** Telcel holds multiple concessions, granted under both the previous and current regulatory frameworks, to provide wireless services that utilize frequencies of radio-electric spectrum. These concessions have terms of 15 to 20 years and may be extended for an additional term of equal length.
- ***UNIFIED CONCESSION.*** Each of the New Companies holds a unified concession granted to provide only wholesale telecommunications services. These concessions were issued in March 2020 and have a term of 30 years and may be extended for an additional term of equal length.

Termination of Concessions

Mexican legislation provides that under certain circumstances, some assets of a concessionaire may be acquired by the federal government upon termination of these concessions.

There is no specific guidance or precedent for applying these provisions, so the scope of assets covered, the compensation to the concessionaire and the procedures to be followed would depend on the type of concession, the type of assets and the interpretation of applicable legislation by the competent authorities at the time.

Migration of Concessions and Additional Services

The new legislative framework established the unified concession (*concesión única*), which allows the holder to provide all types of telecommunications and broadcasting services, and a regime under which an existing concession can be migrated to the new unified concession at the end of its term or upon request by the concession holder. A unified concession has a term of up to 30 years, extendable for up to an equal term. Also, under this new framework a current concession may be modified to add services not previously contemplated therein.

However, as a result of our preponderant economic agent status, Telcel, Telmex and Telnor are subject to additional conditions for the migration to a unified concession or the addition of a service, such as Pay TV, to a current concession, including in certain cases (i) payment of any new concession fee to be determined by the IFT, (ii) compliance with current requirements under the network concession, the 2013 constitutional amendments, the 2014 legislation and any additional measures imposed by the IFT on the preponderant economic agent and (iii) such other requirements, terms and conditions as the IFT may establish in the concession itself. We expect the process of migration or additional services to be lengthy and complex. Consequently, Telcel, Telmex and Telnor may not be able to provide certain additional services, such as Pay TV and broadcasting, in the near term.

Telcel's Concessions

Telcel operates under several different network and spectrum concessions covering particular frequencies and regions, holding an average of 280.96 MHz of capacity in Mexico's nine regions in the 850 MHz, 1900 MHz,1.7/2.1 GHz, 2.5 GHz and 3.5 GHz bands. The following table summarizes Telcel's concessions.

FREQUENCY	COVERAGE AREA	INITIAL DATE	TERMINATION DATE
Band A (1900 MHz)	Nationwide	Sep. 1999	Oct. 2039
Band D (1900 MHz)	Nationwide	Oct. 1998	Oct. 2038
Band B (850 MHz)	Regions 1, 2, 3	Aug. 2011	Aug. 2026
Band B (850 MHz)	Regions 4, 5	Aug. 2010	Aug. 2025
Band B (850 MHz)	Regions 6, 7, 8	Oct. 2011	Oct. 2026
Band B (850 MHz)	Region 9	Oct. 2015	Oct. 2030
Band F (1900 MHz)	Nationwide	Apr. 2005	Apr. 2025(1)
Bands A and B (1.7/2.1 GHz)	Nationwide	Oct. 2010	Oct. 2030
Bands H, I and J (1.7/2.1 GHz)	Nationwide	May 2016	Oct. 2030
Band 7 (2.5 GHz)	88% of the population	Jul. 2017	Sep. 2020(1) – Nov. 2028 – Oct. 2040 – May 2041
Band 3.5 GHz(2)	Nationwide	Oct. 2020(3)	Oct. 2038 and 2040

(1) A request for extension has already been filed with the IFT.
(2) On December 18, 2020, Telcel filed a formal request with the IFT to include mobile service in these concessions.
(3) The term of this concession is currently in force and was extended by IFT in favor of Telmex until 2040 and afterwards it was assigned by Telmex to Telcel as of March 11, 2020. Concessions acquired from Axtel were extended by the IFT until 2038.

On August 21, 2020, Claro TV, S.A. de C.V. filed before the IFT a notice of merger with Claro Sat, S.A. de C.V. Likewise, on December 18, 2020, Duono, S.A de C.V., filed before the IFT a notice of merger with Integración de Servicios Empresariales y Corporativos, S.A. de C.V. (ISEC). As result of both the Claro TV, S.A. de C.V. and Duono, S.A de C.V. mergers, these corporations will be the license holders.

Concession Fees

All of Telcel's concessions granted or renewed on or after January 1, 2003 are required to pay annual fees for the use and exploitation of radio spectrum bands. The amounts payable are set forth by the annual Federal Fees Law (*Ley Federal de Derechos*) and vary depending on the relevant region and radio spectrum band.

Telmex's Concessions

Telmex's concession was granted in 1976 and is currently set to expire in 2026. In December 2016, the IFT granted Telmex a 30-year extension of this concession, which will become effective in 2026 and will be valid until 2056. The new terms of this concession will be issued in early 2023.

Telmex's subsidiary, Telnor, holds a separate concession, which covers one state and two municipalities in northwestern Mexico and will expire in 2026. The IFT also granted Telnor a 30-year extension of its concession, which will be effective in 2026 and will be valid until 2056. The material terms of Telnor's concession are similar to those of Telmex's concession.

In addition, Telmex currently holds concessions for the use of frequencies to provide point-to-point and point-to-multipoint transmission in 10.5, 15 and 23 GHz bands.

In 2018, Telmex was notified of a resolution issued by the IFT, through which the IFT imposed a fine of Ps.2.5 billion derived from an alleged breach in 2013 and 2014 of certain minimum quality of service goals for dedicated link services. Telmex has exercised all legal remedies challenging such resolution and a final resolution is pending.

Rates for Wireless Service

Wireless services concessionaires are generally free to establish the prices they charge customers for telecommunications services. Wireless rates are not subject to a price cap or any other form of price regulation. The interconnection rates concessionaires charge other operators are also generally established by agreement between the parties and, if the parties cannot agree, may be imposed by the IFT, subject to certain guidelines, cost models and criteria. The IFT publishes at the end of the year the rates they would impose in the event of a dispute, eliminating all incentives for a negotiation among the parties. The establishment of interconnection rates has resulted, and may in the future result, in disputes between carriers and with the IFT.

As a result of the preponderance determination, Telcel's retail prices are subject to pre-approval by the IFT before they can take effect.

The IFT is also authorized to impose specific rate requirements on any carrier that is determined by the IFT to have substantial market power under the Federal Antitrust Law (*Ley Federal de Competencia Económica*) and the 2014 legislation. For more information on litigation related to the Federal Antitrust Law and the 2014 legislation, see "—Substantial Market Power Investigations" under this Part VI.

Rates for Fixed Service

Telmex's concessions subject its rates for basic retail telephone services in any period, including installation, monthly rent, measured local-service and long-distance service, to a ceiling on the price of a "basket" of such services, weighted to reflect the volume of each service provided by Telmex during the preceding period. Telmex is required to file a survey with the IFT every four years with its projections of units of operation for basic services, costs and prices. Telmex is free to determine the structure of its own rates, with the exception of domestic long-distance rates, which were eliminated in 2015 under the 2014 legislation, and of the residential fixed-line rates, which have a cap based on the long-run average incremental cost. As a result of the preponderance determination, Telmex's retail prices are subject to pre-approval by the IFT before they can take effect.

The price ceiling varies directly with the Mexican National Consumer Price Index (*Indice Nacional de Precios al Consumidor*), allowing Telmex to raise nominal rates to keep pace with inflation (minus a productivity factor set for the telecommunications industry), subject to consultation with the IFT. Telmex has not raised its nominal rates for many years. Under Telmex's concession, the price ceiling is also adjusted downward periodically to pass on the benefits of Telmex's increased productivity to its customers. The IFT sets a periodic adjustment for every four-year period to permit Telmex to maintain an internal rate of return equal to its weighted average cost of capital.

In addition, basic retail telephone services, as well as broadband services and "calling party pays" charges, are subject to a separate price ceiling structure based on productivity indicators. In each case, Telmex is required to submit a survey on productivity indicators to the IFT every two years, including a total factor productivity. The IFT establishes the productivity factor that will apply over the next two years, and, based on this, the IFT will approve the customer prices before they can take effect.

Prices for Telmex's wholesale services are established by the IFT based on the long-run average incremental cost model methodology.

BRAZIL

Legal Framework and Principal Regulatory Authorities

The Brazilian Telecommunications Law (*Lei Geral das Telecomunicações Brasileiras*) provides the framework for telecommunications regulation. The primary telecommunications regulator in Brazil is the Telecommunications Agency (*Agência Nacional de Telecomunicações*, or "Anatel"), which has the authority to grant concessions and licenses in connection with telecommunications services and the use of orbits, except broadcasting, and to adopt regulations that are legally binding on telecommunications services providers.

The Brazilian Congress has approved an updated legislation to modernize the current concession-based model to an authorization-based model. The updated law brings the possibility of allowing fixed-line concessionaires, such as

Claro Brasil, to provide services under an authorization rather than a concession, as long as certain investment-related obligations are met. Under the new legislation, it is possible to extend the current concessions, as well as radio frequency licenses and orbital positions, for more than one period. The legislation also permits the possibility of a secondary market for trading cellphone frequencies. The legislation will be implemented by regulations promulgated by Anatel. We are currently evaluating the potential impact of this legislation on our operations.

Licenses

In 2014, we simplified our corporate structure, and our subsidiaries Embratel, Embratel Participações S.A. ("Embrapar") and Net Serviços were merged into Claro Brasil, with all licenses previously granted to our subsidiaries transferred to Claro Brasil.

In 2018, subsidiary Star One merged into Claro Brasil. As a result, all Brazilian satellite operation rights previously granted to Star One were transferred under the same terms and conditions to Claro Brasil. The satellite operation rights (AMC-12) covering regions outside of Brazil were relinquished by Star One before the merger. In 2020, the satellite operation rights were transferred to Embratel Tysat Telecomunicações S.A. ("Claro TV"), after approval by Anatel.

In December 18, 2019, AMX announced the acquisition of 100% of the shares of Nextel Brazil and Sunbird Telecomunicações Ltda. ("Sundbird"), as well as its correspondent subsidiaries in Brazil. Nextel Brazil had authorizations to provide personal mobile services, specialized mobile services, multimedia communication services, paid fixed telephony services (national and international long-distance) and radiofrequency services in Brazil that were granted by Anatel. Sunbird had authorizations to provide specialized mobile services and radiofrequency services. Derived from the acquisition of Nextel Brazil and Sunbird by AMX, Anatel provided AMX with: (i) a term of 18 months to consolidate and cancel the overlapped authorizations granted in favor of Nextel Brazil and Sunbird; and (ii) a term of 2 months to adjust the radiofrequency thresholds. In 2020, the authorizations and radiofrequencies granted in favor of Nextel Brazil and Sunbird for specialized mobile services were waived. Also in 2020, Nextel's PS licenses were transferred to Claro.

In 2019, the subsidiary Primesys was merged into Claro Brasil. As a result, service authorizations granted to Primesys were transferred under the same terms and conditions to Claro Brasil.

Our Brazilian subsidiaries hold licenses for the telecommunications services listed below and expect to continue acquiring spectrum if Anatel conducts additional public auctions, although Claro Brazil, like all of its peer competitors, is subject to a cap on the additional spectrum it may acquire per frequency band.

SUBSIDIARY	LICENSE	TERMINATION DATE
Claro Brasil	Fixed Local Voice Services	Indefinite
	Domestic and International Long-Distance	2025
	Voice Services	Indefinite
	Personal Communication Services	Indefinite
	Data Services	Indefinite
	Cable TV Services	Indefinite
	Mobile Maritime Services	Indefinite
	Global Mobile Satellite Services	Indefinite
Claro TV	DTH TV Services	Indefinite
	Data Services	Indefinite
Americel S.A.	Data Services	Indefinite
Telmex do Brasil	Data Services	Indefinite
Nextel Brazil	Personal Communication Services	Indefinite
	Domestic and International Long-Distance	Indefinite
	Data Services	Indefinite

In addition, Claro TV has various orbital position authorizations for our satellite operations, which are set to expire between 2022 and 2033. Requests for extensions for 15 more years have been requested from Anatel. Claro TV also has radio frequency licenses to provide PCS, which are set to expire between 2022 and 2032. These grants were transferred from Claro Brasil to Claro TV in 2020, subsequent to Anatel's approval.

Nextel Brazil has radio frequency licenses to provide PCS, which expire between 2026 and 2031.

Concessions

Claro Brasil holds two fixed-line concessions to provide domestic and international long-distance telephone services. The remaining telecommunications services provided by Claro Brasil are governed by a system of licenses instead of concession arrangements.

Concession Fees

Claro Brasil is required to pay a biennial fee equal to 2.0% of net revenues from wireless services, except for the final year of the 15 year term of its PCS authorizations, in which the fee equals 1.0% of net revenues from wireless services.

Claro Brasil is also required to pay a biennial fee during the term of its domestic and international long-distance concessions equal to 2.0% of the revenues from long-distance telephone services, net of taxes and social contributions, for the year preceding the payment.

Termination of Concessions

Our domestic and international long-distance fixed-line concessions provide that certain of our assets deemed "indispensable" for the provision of these services will revert to the Brazilian state upon termination of these concessions. Compensation for those assets would be their depreciated cost. See Note 17 to our audited consolidated financial statements included in this annual report.

Regulation of Rates

Anatel regulates rates (tariffs and prices) for all telecommunications services, except for fixed-line broadband services, Pay TV and satellite capacity rates, which are not regulated. In general, PCS license holders and fixed local voice services license-holders are authorized to increase basic plan rates annually. Domestic long-distance concession-holders may adjust rates annually only for inflation, provided that they give Anatel and the public advanced notice of such adjustments. Claro Brasil may set international long-distance and mobile rates freely, provided that it gives Anatel and the public advance notice.

Regulation of Wholesale Market Competition

In November 2012, Anatel approved the General Competition Plan (*Plano Geral de Metas da Competição,* or "PGMC"), a comprehensive regulatory framework aimed at increasing competition in the telecommunications sector. The PGMC imposes asymmetric measures upon economic groups determined by Anatel to have significant market power in any of the five wholesale markets in the telecommunications sector, on the basis of several criteria, including having over 20.0% of market share in the applicable market.

In 2012, Claro Brasil and three of its primary competitors were determined to have significant market power in the mobile wireless termination and national roaming markets. As a result, Claro Brasil was required to reduce mobile termination rates to 75.0% of the 2013 rates by February 2014, and to 50.0% of the 2013 rates by February 2015. In July 2014, Anatel established termination rates for mobile services applicable to operators with significant market power through 2019, based on a cost model, and in December 2018, Anatel established termination rates for mobile services applicable to operators with significant market power from 2020 to 2023. These termination rates were revised by Anatel in February 2020. Claro Brasil is also required to publish its reference roaming prices for voice, data and SMS on an annual basis, among other measures. These prices must be related to the Anatel reference values and need to be approved by Anatel before they can take effect. The approval of new prices by Anatel took place in January 2021.

In 2018, Anatel approved Claro Brasil's most recent wholesale reference offers with respect to national roaming, telecommunications duct infrastructure, long-distance leased lines, high capacity transport above 34 Mbps, wireless networks interconnection, fixed network interconnection, internet network interconnection and internet links, which are reviewed and approved by Anatel on an annual basis. Anatel also reviews its determination of which operators have significant market power on a quadrennial basis. Anatel began its first review of all telecom operators in 2014 and published the most recent list of operators with significant market power for each of the relevant markets in 2018. In addition to the review, in 2018 Anatel changed some of the asymmetric measures applicable under the PGMC and added two new wholesale markets covering high capacity transport and fixed network interconnection. Anatel has determined that Claro Brasil has significant market power in eight wholesale markets.

Network Usage Fees and Fixed-Line Interconnection Rates

In July 2014, Anatel approved a resolution establishing the reference terms for fees charged by operators in connection with the use of their mobile network and leased lines and set a price cap on fees charged for fixed network usage by operators deemed to have significant market power. Such fees, based on costs of allocation services (*coubicación*), have been applicable since February 2016.

In December 2018, Anatel published reference values for fees network that are applicable from 2020 to 2023.

Fixed-line operators determined by Anatel to have significant market power in the local fixed-line market may freely negotiate interconnection rates, subject to a price cap established by Anatel.

Other Obligations

Under applicable law and our concessions, Claro Brasil has an obligation to (i) comply with certain coverage obligations to ensure universal access to its fixed-line voice services, (ii) contribute to the funding of the country's transition from analogue to digital TV (due to the acquisition of the 700 MHz frequency), (iii) meet quality-of-service targets and (iv) comply with applicable telecommunications services consumer rights.

CADE Anti-Competition Proceeding

On March 9 2021, the General Superintendence at the Administrative Council for Economic Defense ("CADE") issued a non-binding opinion recommending fines against Claro Brasil, Oi Móvel S.A. ("Oi") and Telefônica Brasil S.A. ("Telefônica", together Claro Brasil and Oi, the "Defendants"). The potential fines relate to a complaint filed by British

Telecom do Brasil ("BT") against the Defendants alleging, among other things, that, in connection with a public bid, the Defendants (i) colluded to prevent competition between the leading players in the broadband internet services market in Brazil, which caused anti-competitive effects in the telecommunications sector and (ii) made it difficult for BT to participate in the bid through price discrimination tactics and by refusing to supply communication circuits (specifically, MPLS links) that were required for BT to participate in the bid. The case will be reviewed by CADE's tribunal for a final ruling and CADE's final decision may be challenged in judicial courts. We intend to challenge the final decision if it is not in our favor. The amount of monetary penalty recommended by the General Superintendence at CADE could be substantial, but we cannot reasonably estimate the range of possible loss related to the proceeding.

COLOMBIA

Legal Framework and Principal Regulatory Authorities

The Information and Communications Ministry (*Ministerio de Tecnologías de la Información y las Comunicaciones*, or "ICT Ministry") and the Communications Regulatory Commission (*Comisión de Regulación de Comunicaciones,* or "CRC") are responsible for overseeing and regulating the telecommunications sector. The main audiovisual regulatory authorities in Colombia with respect to Pay TV services are the CRC, the ICT Ministry and the Industry and Commerce Superintendence (*Superintendencia de Industria y Comercio,* or "SIC"). Claro is also subject to supervision by other government entities responsible for enforcing other regulations, such as antitrust rules or those protecting consumer rights.

Concessions

Comunicación Celular S.A. ("Comcel") is qualified to provide fixed and mobile services and was included in the registry of networks and services administered by the ICT Ministry. Such general authorization superseded all of Comcel's former concession contracts, and, consequently, such former concessions were terminated.

As a result of the termination of Comcel's former concessions, the ICT Ministry and Comcel began discussions with respect to the liquidation of the agreements governing those concessions. In light of the decision of the Colombian Constitutional Court (*Corte Constitucional de Colombia*) holding that certain laws limiting the reversion of assets of telecommunications providers did not apply to concessions granted prior to 1998 and, consequently, that reversion of assets under those earlier concessions would be governed by their contractual terms, the ICT Ministry obtained a domestic award ordering Comcel to revert assets under its earlier concessions to the Colombian government. Comcel challenged such award and the Company filed an international arbitration claim against Colombia arising from Colombia's measures.

Licenses and Permits

Comcel holds licenses to provide mobile services in the spectrum frequency bands shown in the table below.

FREQUENCY	BANDWIDTH	TERMINATION DATE
850 MHz	25 MHz	Mar. 2024
1900 MHz	10 MHz	Dec. 2039
	5 MHz	Sept. 2021
	15 MHz	Apr. 2024
2.5 GHz	30 MHz	Aug. 2023
	10 MHz	Feb. 2021[1]
	10 MHz	Mar. 2040
	10 MHz	Mar. 2040
	10 MHz	Mar. 2040
700 MHz	20 MHz	May 2040

(1) Refers to a temporary license, which we renew on an annual basis.

In 2013, Telmex Colombia S.A. obtained permission to provide Pay TV services under any available technology, pursuant to the ICT Ministry's unified licensing system. On May 31, 2019, Telmex Colombia, S.A. merged into Comcel. The permission to provide Pay TV services granted in favor of Telmex Colombia, S.A. was simultaneously transferred to Comcel without modifications in connection with the merger. On July 30, 2019, Comcel's permission to provide Pay TV was incorporated under Comcel's general power to provide Pay TV granted to it under Law 1978 of 2019.

In 2017, the ICT Ministry issued a decree approving a higher cap on spectrum acquisitions by operators in low and high frequency bands. This new cap allows Comcel to participate in future spectrum auctions. The ICT Ministry has released its plan to conduct spectrum auctions in the 700 MHz, 1900 MHz and 2.5 GHz bands. The final resolution containing the auctions' terms and conditions was published by the ICT Ministry during the fourth quarter of 2019. The auction took place on December 20, 2019. A subsidiary of Novator Partners LLP, a London-based private equity firm (the "Novator Subsidiary"), participated in the auction as a new competitor in the market. The Novator Subsidiary was granted a 20MHz license to operate in the 700MHz frequency band and three blocks of 10MHz for the 2,500MHz frequency band. Colombia Telecomunicaciones (Movistar) and Colombia Movil (Tigo) also participated in the auction. Tigo was granted a 40MHz license to operate in the 700MHz frequency band. Colombia Telecomunicaciones was not granted any licenses in the auction.

Subsequently, the Novator Subsidiary resigned and refused to exercise its rights under the license to operate one block of 10MHz for the 2,500MHz frequency band. As a consequence, on February 11, 2020, the ICT Ministry initiated an administrative proceeding to evaluate and decide on the effects caused by such resignation. Comcel was notified by the ICT Ministry and was considered an interested third party in the administrative proceeding. The ICT Ministry imposed a sanction of 42 billion Colombian Pesos, approximately U.S. $12.3 million against Partners as a result of the aforementioned administrative proceeding.

Asymmetric Charges

In January 2017, the Colombian government approved symmetrical access charges among established operators like Comcel, Movistar and Tigo. However, under current regulation, new market entrants continue to receive a higher interconnection rate than incumbent operators and pay lower national roaming fees, in both cases, for a limited period.

In 2017, the CRC issued a resolution updating the list of relevant telecommunication markets by adding the mobile services market (including bundled mobile voice and data services) and by also including the mobile service market in the list of relevant markets subject to ex-ante regulation. In connection with the mobile services market, on January 28, 2021, the CRC determined that COMCEL has a dominant position in the relevant mobile services market, but did not impose particular measures. COMCEL considers that the CRC did not take into account important elements in its determination, which COMCEL has challenged. A resolution is pending.

SOUTHERN CONE

ARGENTINA

The National Communications Agency (*Ente Nacional de Comunicaciones,* or "Enacom") is the main telecommunications regulatory authority in Argentina and became operational in 2016.

Fixed and mobile services providers are prohibited from providing DTH technology, which is currently the fastest way to provide Pay TV services. In 2017, the Argentine government issued a decree allowing telecommunications providers, including AMX Argentina S.A. ("AMX Argentina"), to provide Pay TV services via cable within a limited number of territories as of January 2018 and to the rest of the country as of January 2019. AMX Argentina has obtained the permissions necessary to provide Pay TV services via cable in accordance with the decree.

AMX Argentina holds licenses in the 700 MHz, 900 MHz, 1700/2100 MHz (AWS), 1900 MHz and 2600 MHz frequency bands, some of which expire in 15 years and some of which have no expiration date. Each license also contains certain coverage parameters, reporting and service requirements and provides Enacom a revocation right upon a material breach of the license terms.

All telecommunications providers in Argentina must contribute approximately 1.0% of their monthly revenues to finance the provision of telecommunications services in underserved areas and to underserved persons. All providers must also meet certain quality-of-service requirements.

In 2020, the government of Argentina issued a decree by which it declared information and communications technology (ICT) services and access to telecommunications networks, for and between licensees of ICT services, as essential and strategic public services in competition. It also established that Enacom is the competent authority to approve prices for ICT services and to establish regulations to that effect.

CHILE

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

Claro Chile S.A. ("Claro Chile") holds concessions to provide mobile and fixed-line services in the 700MHz, 850 MHz, 1900 MHz, 2.6 GHz, 3.4 GHz and 5.8 GHz frequency bands. Except for the concession to provide services in the 850 MHz frequency, which has an indefinite termination date, the concessions to provide services in the 700 MHz, 1900 MHz, 2.6 GHz, 3.4 GHz and 5.8 GHz frequencies have termination dates that vary from 2027 to 2045. In 2020, Claro Chile received a 10 MHz license from Movistar to operate in the 1900 MHz frequency band.

Claro Chile also holds license to provide DTH technology services until 2024 and a license with an indefinite term to provide Pay TV services. In 2018, the Chilean Supreme Court (*Corte Suprema de Justicia*) issued a ruling requiring Claro to return 20 MHz of spectrum acquired through a band auction because Claro supposedly exceeded the limit of spectrum any given operator is permitted to hold. The return of such spectrum is currently being implemented before the Competition Court (*Tribunal de Defensa de la Libre Competencia,* or the "TDLC"). In addition, pursuant to the ruling, and in order to increase the maximum limit, SUBTEL initiated a review of such limit of spectrum through a regulatory proceeding. In 2020, the Chilean Supreme Court defined a higher cap for spectrum acquisitions by operators in low, medium low, medium and high frequency bands. This

new cap allows Claro Chile to participate in the current spectrum auctions.

Some of Claro Chile's concessions impose additional requirements, such as coverage, reporting and service quality requirements. The Chilean Transportation and Communications Ministry is authorized to terminate any concession in the event of specified breaches under the terms of such concessions. Additionally, Claro Chile's concession in the 700 MHz band imposes certain obligations to expand mobile and data services in rural areas. In 2017, the Undersecretary of Telecommunication approved Claro Chile's expansion project in connection with its obligations under its concession in the 700 MHz band.

PARAGUAY

The National Telecommunications Commission of Paraguay (*Comisión Nacional de Telecomunicaciones de Paraguay*) is in charge of supervising the telecommunications industry in Paraguay. It is authorized to cancel licenses in the event of specified breaches of the terms of a license.

AMX Paraguay, S.A. ("AMX Paraguay") holds licenses to operate in the 1900 MHz and the 1700/2100 MHz bands. The 1700/2100 MHz band is in the process of being renewed and is expected to be renewed in February 2021. AMX Paraguay also holds a nationwide internet access and data transmission license. In addition, AMX Paraguay holds licenses to provide DTH services and cable TV services. The DTH License is in the process of being renewed for another 5 years (until 2025). Additionally, in January 2018, AMX Paraguay participated in a spectrum auction and was awarded a license to provide telecommunications services in the 700 MHz band. In November 2018, the Telecommunications Commission of Paraguay granted the renewal of spectrum license in the 1900 MHz band. These licenses are renewable, subject to regulatory approval, and contain coverage, reporting and service requirements.

In November 2019, the Telecommunications Commission of Paraguay granted AMX Paraguay a license to provide internet access and data transmission services in the 3,500 MHz frequency band, effective until January 12, 2024

URUGUAY

The Regulatory Unit of Communications Services (*Unidad Reguladora de Servicios de Comunicaciones*) is in charge of the regulation of the telecommunications industry in Uruguay.

AM Wireless Uruguay, S.A. holds licenses to operate in the 1900 MHz, 1700/2100 MHz and 700 MHz frequency bands that expire in 2024, 2033, 2037, 2039 and 2045. Additionally, AM Wireless Uruguay S.A. holds an authorization to do a trial for 5G in the 26, 50 GHz – 26, 85 GHz frequency band that expires on July 2021. Telstar S.A. holds licenses to provide international long-distance communications and international and national data services that have no expiration date.

The license initially granted to Flimay S.A. ("Flimay") to provide DTH technology services in Uruguay has been contested by the government since 2012. In 2017, the executive branch of Uruguay held under a new ruling that Flimay does not have a valid license to provide DTH services in the country. Flimay requested this ruling be voided, but in February 2018, the executive branch of Uruguay, with support from the Administrative Court (TCA), requested the process be closed. As of the date of this annual report, a decision on Flimay's appeal is pending.

ANDEAN REGION

ECUADOR

The primary regulatory authorities for our mobile and fixed-line operations are the National Telecommunications, Regulation and Control Agency (*Agencia de Regulación y Control de las Telecomunicaciones,* or "Arcotel") and the Telecommunications and Information Society Ministry (*Ministerio de Telecomunicaciones y Sociedad de la Información,* or "Mintel"). Arcotel is responsible for the licensing and oversight of radio-electric spectrum use and telecommunications services provisions. Mintel is responsible for the promotion of equal access to telecommunications services.

The Telecommunications Law (*Ley Orgánica de Telecomunicaciones*), adopted in 2015, serves as the legal framework for telecommunications services. It established regulations for operators with significant market power and penalties based on their gross incomes as well as additional fees also based on an operator's gross income, but that can vary depending on the size of their market share. Consorcio Ecuatoriano de Telecomunicaciones, S.A. ("Conecel") has been deemed to have significant market power in the advanced wireless services market, and as a result, such fee payments are made on a quarterly basis on the dates established by Arcotel.

Conecel paid to the Ecuadorian government U.S. $26.1 million, which corresponds to 3.0% of its wireless services revenues generated in the 2020. An arbitration proceeding to partially void the payment by Conecel of such fees was conducted and a decision in favor of the government was reached. Conecel has appealed this decision and, as of the date of this annual report, a decision of the Constitutional Court is pending.

Conecel holds concessions to operate in the 850MHz, 1900 MHz and AWS bands, which include concessions for PCS that expire in 2023. The PCS concession contains quality-of-service requirements for successful call completions, SMS delivery times, customer service, geographic coverage and other service conditions.

Conecel also holds licenses to provide internet value-added services, Pay TV Services (through DTH technology) and bearer services, expiring in 2021, 2023 and 2032, respectively.

Conecel, following the acquisition of Ecuador Telecom, S.A. in 2016, also holds a concession to offer fixed-line voice, public telephone and domestic and international long-distance wholesale services, as well as a license to provide Pay TV (through HFC technology) that expires in 2032 and 2031, respectively.

Recalculation of Concession Fees

Arcotel initiated several proceedings to recalculate the variable portion of the concession fees payable under Conecel's concessions, which, as of the date of this annual report, is equivalent to 2.93% of Conecel's annual subscriber base revenues, in addition to its contribution for Universal Service (*Servicio Universal 1%*). These recalculation proceedings with Arcotel remain ongoing.

In 2018, Conecel paid Arcotel U.S.$11.9 million based on its annual revenues for the 2015 period and was required to pay U.S.$13 million based on its annual revenues for the 2016 period.

For its Universal Service contribution, Conecel was required to pay U.S.$5 million for the 2015 period and U.S.$6 million for the 2016 period. Conocel obtained a judicial order that suspended the collection process for the 2015 and 2016 periods.

These recalculation proceedings mentioned in this section were disputed with Arcotel in arbitration. On April 17, 2020, the arbitration court issued its resolution which was favorable for Conecel. Arcotel was ordered to pay Conecel U.S. $ 32.4 million plus interests.

On January 15, 2021, the Provincial Court of Justice accepted the request to nullify the resolution issued by the arbitration court, thereby declaring it null. However, the annulment of the resolution has not ended the dispute with Arcotel. A new arbitration court must issue a new resolution. At the same time Conecel will enforce its rights by presenting an Extraordinary Action for Protection before the Constitutional Court for the violation of its rights.

PERU

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

América Móvil Perú, S.A.C. ("Claro Perú") holds nationwide concessions to provide wireless, PCS, fixed-line, local wholesale, domestic and international long-distance, Pay TV services (through DTH and HFC technologies), public telephone and value-added services (including internet access). The concessions allow Claro Perú to operate on the 450 MHz, 700 MHz, 850 MHz, 1900 MHz, 3.5 GHz and 10.5 GHz bands. As part of Claro Perú's acquisition of Olo del Perú S.A.C., TVS Wireless S.A.C. and their respective subsidiaries in 2016, Claro has a resale agreement with such companies to operate in certain regions on the 2.5 GHz band.

Spectrum reframing is the process conducted by the MTC to properly order the assignment of a frequency band in order to have continuous coverage nationwide and adequate bandwidth. The MTC issued the final decision on the spectrum reframing for the 2.5 Ghz band, granting 80 Mhz to TVS Wireless, S.A.C. (Lima and Callao) and Olo del Peru, S.A.C. (rest of the country).

Each of the concessions was awarded by the MTC and covers a 20-year period. The concessions contain coverage, reporting, service requirement and spectral efficiency goals. The MTC is authorized to cancel any of the concessions in the case of specified breaches of its terms.

EUROPE AND OTHER JURISDICTIONS

European Legal Framework and Principal Regulatory Authorities

The telecommunications regulatory framework in the EU is based on the European Electronic Communications Code (EECC) that is currently in the process of being transposed into national laws for all EU member states. Austria, Bulgaria, Croatia and Slovenia are EU member states. Macedonia and Serbia, candidates for accession to the EU, are expected to gradually harmonize their regulatory frameworks with the EU's framework.

In each European country in which we operate, we are also subject to a domestic telecommunications regulatory framework and to oversight by one or more local regulators.

Licenses

COUNTRY	FREQUENCY	TERMINATION DATE
AUSTRIA	800 MHz	Dec. 2029
	900 MHz	Dec. 2034
	1500 Mhz	Dec. 2044
	1800 MHz	Dec. 2034
	2100 MHz	Dec. 2044
	2600 MHz	Dec. 2026
	3500 MHz	Dec 2039
BELARUS	900 MHz	Not applicable
	1800 MHz	Not applicable
	2100 MHz	Not applicable
BULGARIA	900 MHz	June 2024
	1800 MHz	June 2024
	2100 MHz	Apr. 2025
CROATIA	800 MHz	Oct. 2024
	900 MHz	Oct. 2024
	1800 MHz	Oct. 2024
	2100 MHz	Oct. 2024
MACEDONIA	800 MHz	Dec. 2033
	900 MHz	Sept. 2023
	1800 MHz	Dec. 2033
	2100 MHz	Feb. 2028
SERBIA	800 MHz	Jan. 2026
	900 MHz	Nov. 2026
	1800 MHz	Nov. 2026
	2100 MHz	Nov. 2026
SLOVENIA	800 MHz	May 2029
	900 MHz	Jan. 2031
	1800 MHz	Jan. 2031
	2100 MHz	Sept. 2021
	2600 MHz	May 2029

OTHER JURISDICTIONS

COUNTRY	PRINCIPAL REGULATORY AUTHORITIES	CONCESSION AND LICENSES
COSTA RICA	Superintendency of Telecommunications (*Superintendencia de Telecomunicaciones*) Ministry of Science, Technology and Telecommunications (*Ministerio de Ciencia, Tecnología y Telecomunicaciones*)	• Concessions in the AWS and 1800 MHz bands that expire in 2032 • Concessions in the 2100 MHz band that expire in 2026 • License to operate Pay TV services using DTH technology that will expire in 2026
EL SALVADOR	Electricity and Telecommunications Superintendency (*Superintendencia General de Electricidad y Telecomunicaciones*)	• Concession of 50 MHz in the 1900 MHz band of which 30 MHz that expire in 2038, 10 MHz that expire in 2041 and 10 MHz that expire in 2028 • Concession to provide public telephone service that expires in 2027 • Licenses to provide Pay TV Services through HFC and DTH technologies have an indefinite term • Concession of 40 MHz in 1700/2100 MHz bands (AWS) that will expire in 2040
GUATEMALA	Guatemalan Telecommunications Agency (*Superintendencia de Telecomunicaciones*)	• Licenses to use 12 MHz in the 900 MHz band and 120 MHz in the 1900 MHz band that all expire in 2033 • Concession of 175 MHz in the 3.5 GHz band that will expire in 2033
NICARAGUA	Nicaraguan Telecommunications and Mailing Institute (*Instituto Nicaragüense de Teleco- municaciones y Correos*)	• Concessions in the 700 MHz, 850 MHz, 1900 MHz and 1700/2100 MHz bands that all expire in 2042 • Concession of 50 MHz in the 3.5 GHz band that will expire in 2042 • Licenses to provide DTH technology that will expire in January 2028 and Pay TV services that has an indefinite term
HONDURAS	Honduran National Telecommunications Commission (*Comisión Nacional de Telecomunicaciones*)	• Concessions to use 80 MHz in the 1900 MHz PCS band and 40 MHz in the LTE-4G 1700/2100 MHz band that all expire in 2033 • Licenses to operate Pay TV services through (i) HFC technology that will expire in 2027 and (ii) DTH technology that will expire in 2030
PANAMA	National Authority of Public Services (*Autoridad Nacional de los Servicios Públicos*)	• License to use 40 MHz in the 1900 MHz and 20 MHz in the 700 MHz bands that all expire in 2028 • Licenses to provide fixed local and long-distance services that expire in 2030 • License to provide internet service that expires in 2033 • Licenses to provide international long-distance, value-added services, interactive television, and Pay TV service through DTH and IPTV technologies, which expire in 2028, 2030, 2037 and 2034, respectively • License to provide Pay TV service through optical fiber that expires in 2037 • License for data transportation, Service No. 200, which expires in 2023
UNITED STATES	The FCC	• International Section 214 Authorization (Claro Enterprise Solutions)
DOMINICAN REPUBLIC	Dominican Institute of Telecommunications (*Instituto Dominicano de las Telecomunicaciones*)	• Concession to provide fixed and wireless services, internet and pay TV services through DTH and IPTV technologies that expire in 2030 • Licenses to use 25 MHz in the 800 MHz band, 30 MHz in the 1900 MHz band, 80 MHz in the 2.5/2.7 GHz band, 30 MHz in the 3.5 GHz band and 40 MHz in the 1.7/2.1 GHz (AWS) band that expire in 2030
PUERTO RICO	Federal Communications Commission (FCC) and the Telecommunications Bureau of Puerto Rico	• Concessions to use the 700 MHz, 1900 MHz and the 28 GHz bands that expire in 2021, 2027 and 2029, respectively • Concessions to use the 800 MHz bands that expire in 2021, 2026, 2028 and 2030 • Concessions to use the AWS-1 and AWS-3 bands (1.7/2.1 GHz) that expire in 2026 and 2028, respectivel. • Concessions to use the 3.5 GHz band that expires in 2030 • Long-term transfer lease concessions to use 35.6 MHz of the 2.5 GHz band that expire in 2022, 2023, 2025, 2026 and 2030 • Franchise to operate Pay TV services using IPTV technology that expires in 2030

BONDING FEELINGS

PART VII ADDITIONAL INFORMATION

EMPLOYEES

Many of our employees are members of labor unions with which we conduct collective negotiations on wages, benefits and working conditions. We believe that we have good current relations with our workforce.

The following table sets forth the total number of employees and a breakdown of employees by main category of activity and geographic location, as of the end of each year in the three-year period ended December 31, 2020.

	DECEMBER 31,		
	2018	2019	2020
NUMBER OF EMPLOYEES	189,448	191,523	186,851
CATEGORY OF ACTIVITY:			
Wireless	77,845	83,091	73,404
Fixed	92,429	87,034	91,460
Other businesses	19,174	21,398	21,987
GEOGRAPHIC LOCATION:			
Mexico	88,613	89,539	88,172
South America	62,500	61,058	59,304
Central America	9,586	10,372	9,936
United States	848	859	843
Caribbean	9,195	11,351	10,647
Europe	18,706	18,344	17,949

LEGAL PROCEEDINGS

In each of the countries in which we operate, we are party to various legal proceedings in the ordinary course of business.

These proceedings include tax, labor, antitrust, contractual matters and administrative and judicial proceedings concerning regulatory matters such as interconnection and tariffs. We are party to a number of proceedings regarding our compliance with administrative rules and regulations and concession standards.

Our material legal proceedings are described in Note 17 to our audited consolidated financial statements included in this annual report and in "Regulation" under Part VI of this annual report.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

AUDIT AND NON-AUDIT FEES

The following table sets forth the fees billed to us and our subsidiaries by our independent registered public accounting firm, Mancera, during the fiscal years ended December 31, 2019 and 2020:

	YEAR ENDED DECEMBER 31,	
	2019	2020
	(in millions of Mexican pesos)	
Audit fees(1)	Ps. 250	Ps. 250
Audit-related fees(2)	17	10
Tax fees(3)	34	19
Total fees	**Ps. 301**	**Ps. 279**

(1) Audit fees represent the aggregate fees billed by Mancera and its Ernst & Young Global affiliated firms in connection with the audit of our annual financial statements and statutory and regulatory audits.

(2) Audit-related fees represent the aggregate fees billed by Mancera and its Ernst & Young Global affiliated firms for the review of reports on our operations submitted to IFT and attestation services that are not required by statute or regulation.

(3) Tax fees represent fees billed by Mancera and its Ernst & Young Global affiliated firms for tax compliance services, tax planning services and tax advice services.

AUDIT AND CORPORATE PRACTICES COMMITTEE APPROVAL POLICIES AND PROCEDURES

Our audit and corporate practices committee has established policies and procedures for the engagement of our independent auditors for services.

Our audit and corporate practices committee expressly approves any engagement of our independent auditors for audit or non-audit services provided to us or our subsidiaries. Prior to providing any service that requires specific pre-approval, our independent auditor and our Chief Financial Officer present to the audit committee a request for approval of services in which they confirm that the request complies with the applicable rules.

ADDITIONAL INFORMATION

We file reports, including annual reports on Form 20-F, and other information with the SEC pursuant to the rules and regulations of the SEC that apply to foreign private issuers.

Any fillings we make electronically will be available to the public over the internet at the SEC's web site at www.sec.gov and at our website at www.americamovil.com. This URL is intended to be an inactive textual reference only. It is not intended to be an active hyperlink to our website. The information on our website, which might be accessible through a hyperlink resulting from this URL, is not incorporated into this annual report.

The following documents have been filed with the SEC as exhibits to this annual report:

1.1 Amended and Restated Bylaws (*estatutos sociales*) of América Móvil, S.A.B. de C.V., dated as of April 16, 2018 (together with an English translation) (incorporated by reference to Exhibit 1.1 of our annual report on Form 20-F File No. 001-16269, filed on April 26, 2018).

2.1 Description of Rights of Each Class of Securities

4.1 Stock Purchase Agreement by and among Verizon Communications Inc., América Móvil, S.A.B. de C.V., AMX USA Holding, S.A. de C.V. and Tracfone Wireless, Inc. dated as of September 13, 2020.

8.1 List of certain subsidiaries of América Móvil, S.A.B. de C.V.

12.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

12.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

13.1 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

15.1 Code of Ethics (incorporated by reference to Exhibit 14.1 of our annual report on Form 20-F, File No. 001-16269, filed on April 26, 2018).

15.2 Consent of independent registered public accounting firm.

17.1 Subsidiary Guarantors

101.INS XBRL Instance Document.

101.SCH XBRL Taxonomy Extension Schema Document.

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document.

101.LAB XBRL Taxonomy Extension Label Linkbase Document.

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.

101.DEF XBRL Taxonomy Extension Definition Document.

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

FORWARD-LOOKING STATEMENTS

Some of the information contained or incorporated by reference in this annual report constitutes "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Although we have based these forward-looking statements on our expectations and projections about future events, it is possible that actual events may differ materially from our expectations. In many cases, we include, together with the forward-looking statements themselves, a discussion of factors that may cause actual events to differ from our forward-looking statements.

Examples of forward-looking statements include the following:

- projections of our commercial, operating or financial performance, our financing, our capital structure or our other financial items or ratios;
- statements of our plans, objectives or goals, including those relating to acquisitions, competition and rates;
- statements concerning regulation or regulatory developments;
- the impact of COVID-19;
- statements about our future economic performance or that of Mexico or other countries in which we operate;
- competitive developments in the telecommunications sector;
- other factors and trends affecting the telecommunications industry generally and our financial condition in particular; and
- statements of assumptions underlying the foregoing statements.

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

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, some of which are discussed under "Risk Factors," include the impact of the COVID-19 pandemic, economic and political conditions and government policies in Mexico, Brazil, Colombia, Europe and elsewhere, inflation rates, exchange rates, regulatory developments, technological improvements, customer demand and competition. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. You should evaluate any statements made by us in light of these important factors.

Forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

FORM 20-F CROSS REFERENCE GUIDE

ITEM	FORM 20-F CAPTION	LOCATION IN THIS REPORT	PAGE
1	**IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**	Not applicable	-
2	**OFFER STATISTICS AND EXPECTED TIMETABLE**	Not applicable	-
3	**KEY INFORMATION**		
	3A Selected financial data	Selected financial data	6
	3B Capitalization and indebtedness	Not applicable	-
	3C Reasons for the offer and use of proceeds	Not applicable	-
	3D Risk factors	Risk factors	37
4	**INFORMATION ON THE COMPANY**		
	4A History and development of the Company	Information on the Company	9
		Note 10—Property, Plant and Equipment, Net	F-38
		Liquidity and capital resources	32
		Additional Information	87
	4B Business overview	Information on the Company	9
		Regulation	71
	4C Organizational structure	Exhibit 8.1	-
	4D Property, plant and equipment	Information on the Company	9
		Note 10—Property Plant and Equipment, Net	F-38
		Liquidity and capital resources	32
		Regulation	71
4A	Unresolved staff comments	None	-
5*	**OPERATING AND FINANCIAL REVIEW AND PROSPECTS**		
	5A Operating results	Overview	24
		Results of operations	26
		Regulation	71
	5B Liquidity and capital resources	Liquidity and capital resources	32
		Note 14—Debt	F-51
	5C Research and development, patents and licenses, etc.	Not applicable	-
	5D Trend information	Overview	24
		Results of operations	26
	5E Critical Accounting Estimates	Not applicable	-
6	**DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**		
	6A Directors and senior management	Management	60
	6B Compensation	Management	60
	6C Board practices	Management	60
		Management	60
	6D Employees	Employees	88
	6E Share ownership	Major shareholders	50
		Management	60
7	**MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**		
	7A Major shareholders	Major shareholders	50
	7B Related party transactions	Related party transactions	51
	7C Interests of experts and counsel	Not applicable	-
8	**FINANCIAL INFORMATION**		
	8A Consolidated statements and other financial information	Consolidated Financial Statements	F-1
		Dividends	51
		Note 17—Commitments and Contingencies	F-59
	8B Significant changes	Not applicable	-

*América Móvil has elected to apply the SEC rules issued on November 19, 2020 which became effective on February 10, 2021, with respect to Item 5 of this Form 20-F. Registrants, including América Móvil, are required to comply with the amended rules for their first fiscal year ending on or after April 9, 2021.

FORM 20-F CROSS REFERENCE GUIDE

ITEM	FORM 20-F CAPTION	LOCATION IN THIS REPORT	PAGE
9	**THE OFFER AND LISTING**		
	9A Offer and listing details	Trading markets	52
	9B Plan of distribution	Not applicable	-
	9C Markets	Trading markets	52
	9D Selling shareholders	Not applicable	-
	9E Dilution	Not applicable	-
	9F Expenses of the issue	Not applicable	-
10	**ADDITIONAL INFORMATION**		
	10A Shareholders' equity	Bylaws	52
	10B Memorandum and articles of association	Bylaws	52
	10C Material contracts	Information on the Company	9
		Results of operations	26
		Related party transactions	51
		Regulation	71
	10D Exchange controls	Additional information	87
	10E Taxation	Taxation of shares and ADSs	54
	10F Dividends and paying agents	Not applicable	-
	10G Statement by experts	Not applicable	-
	10H Documents on display	Additional information	87
	10I Subsidiary information	Not applicable	-
11	**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**	Risk management	35
		Note 2 a)—Basis of Preparation of the Consolidated Financial Statements and Summary of Significant Accounting Policies and Practices	F-8
12	**DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**		
	12A Debt securities	Not applicable	-
	12B Warrants and rights	Not applicable	-
	12C Other securities	Not applicable	-
	12D American Depositary Shares	Bylaws	52
13	**DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**	Not applicable	-
14	**MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**	Not applicable	-
15	**CONTROLS AND PROCEDURES**	Controls and procedures	66
16A	**AUDIT COMMITTEE FINANCIAL EXPERT**	Management	60
16B	**CODE OF ETHICS**	Code of ethics	69
16C	**PRINCIPAL ACCOUNTANT FEES AND SERVICES**	Principal accountant fees and services	87
16D	**EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**	Not applicable	-
16E	**PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**	Purchases of equity securities by the issuer and affiliated purchasers	53
16F	**CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT**	Not applicable	-
16G	**CORPORATE GOVERNANCE**	Corporate governance	64
16H	**MINE SAFETY DISCLOSURE**	Not applicable	-
17	**FINANCIAL STATEMENTS**	Not applicable	-
18	**FINANCIAL STATEMENTS**	Consolidated Financial statements	F-1
19	**EXHIBITS**	Additional Information	87

SIGNATURES

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

Dated: April 28, 2021

AMÉRICA MÓVIL, S.A.B. DE C.V.

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

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

CONNECTING DREAMS
WITH REALITY

PART VIII CONSOLIDATED FINANCIAL STATEMENTS

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

Consolidated Financial Statements

Years Ended December 31, 2018, 2019 and 2020
with Report of Independent Registered Public Accounting Firm

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

Consolidated Financial Statements

Years Ended December 31, 2018, 2019 and 2020

Contents:

Report of Independent Registered Public Accounting Firm F-2

Audited Consolidated Financial Statements:

Consolidated Statements of Financial Position F-7

Consolidated Statements of Comprehensive Income F-8

Consolidated Statements of Changes in Shareholders' Equity F-9

Consolidated Statements of Cash Flows F-11

Notes to Consolidated Financial Statements F-12

AMX Audit Opinion 2020

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

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of América Móvil, S.A.B. de C.V. and its subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 28, 2021 expressed an unqualified opinion thereon.

Change in accounting policy for certain class of assets (Towers)

As discussed in Note 2, item a), i) to the consolidated financial statements, effective December 31, 2020, the Company changed prospectively its method of accounting for its towers using the revaluation model permitted by IAS 16 "Property, Plant and Equipment". As explained below, auditing this change in accounting policy was a Critical Audit Matter.

Basis for Opinion

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

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

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Deferred tax assets, realizability of Net Operating Loss Carryforwards

Description of the Matter	As discussed in Note 13 to the consolidated financial statements, as of December 31, 2020, the net balance of deferred tax assets was Ps.66,303,077 thousand. The Company has recognized deferred tax assets arising from net operating loss carryforwards (NOLs) of approximately Ps.25,121,933 thousand. The NOLs were generated primarily by its subsidiary in Brazil. Auditing management's assessment of the realizability of the deferred tax assets arising from NOLs involved complex auditor judgement because management´s estimate of realizability was based on assessing the probability, timing and sufficiency of expected reversals of taxable temporary differences, future taxable profits and available tax planning opportunities. These projections are sensitive because they can be affected by future operating results and future market and economic conditions.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement related to the realizability of the deferred tax assets. We tested controls over management's analyses of future reversal of existing taxable temporary differences, their projections of future taxable income and related assumptions used in developing the projected financial information and their identification of available tax planning opportunities. Our audit also included the evaluation of controls that address the completeness and accuracy of the data utilized in the valuation models. To test the realizability of the deferred tax assets arising from NOLs our audit procedures included, among other things, the review of management´s estimates of future taxable income in Brazil, the methodology used, the significant assumptions and the underlying data used by the Company in developing the projected financial information, such as the weighted average cost of capital, customer attrition rates, growth rates, and other key assumptions by comparing them with historical, economic and industry trends and evaluating whether changes to the Company´s business model and other factors would significantly affect the projected financial information. We also involved our internal specialists to evaluate the methodologies and assumptions used, and to test the calculations used by the Company. In addition, with the assistance of our tax professionals, we assessed the application of relevant tax laws, including assessing the Company's future tax planning opportunities and tested the Company´s scheduling of the timing and amounts of expected reversals of taxable temporary differences. We also assessed the adequacy of the related financial statement disclosures.

Impairment of goodwill

Description of the Matter	As discussed in Note 2 item iii) i) and in Note 11 to the consolidated financial statements, as of December 31, 2020, the Company's goodwill balance was Ps.143,052,859 thousand. The Company tests goodwill at least annually at the Cash Generating Unit (CGU) level. Impairment exists when the carrying value of a CGU exceeds its recoverable amount, which is the higher of its fair value less cost to sell and its value-in-use. Auditing management´s annual assessment of impairment of goodwill involved complex auditor judgement because the estimations required to determine the fair value and value-in-use of the CGUs, including revenue growth rates, operating margins and weighted average cost of capital, are sensitive to, and affected by, expected economic factors, technological changes and market conditions, among other factors.

How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement related to the determination of the impairment of goodwill, including controls over management's review of the significant assumptions described above, projected financial information and the valuation model used to develop such estimates. To test the impairment of goodwill our audit procedures included, among others, evaluating the methodology used, testing the significant assumptions mentioned above and the underlying data used by the Company. We assessed the historical accuracy of management's estimates and projections by comparing them to actual results and obtaining appropriate explanations for the variances; examined management's support for the current estimates and projections by comparing them to industry and economic trends, including market participant data; evaluated management's methodology on the estimation of the weighted average cost of capital reflecting the economic conditions for each CGU; tested the completeness and accuracy of the underlying data, and evaluated other factors that would significantly affect the projected financial information and thus the fair value and value-in-use of the CGUs. In addition, we involved our valuation specialist to evaluate the methodologies and assumptions used and to test the calculations made by the Company. We also assessed the adequacy of the related financial statement disclosures.
	Discount rates used in determining pension and postretirement benefit obligations in Mexico
Description of the Matter	As discussed in Note 2, item iii), q) and in Note 18 to the consolidated financial statements, as of December 31, 2020, the defined benefit pension obligation balance was Ps.168,230,202 thousand. The Company assessed and updated its estimates and assumptions used to actuarially measure and value the defined benefit pension obligation as of December 31, 2020, using the assistance of independent actuarial specialists. Auditing the defined benefit pension obligation which the majority of it arises from one of its subsidiaries in Mexico and for which this matter is related, involved complex auditor judgement and required the involvement of actuarial specialists because of the highly judgmental nature of the actuarial assumptions, primarily the discount rate used in the Company's measurement process. This assumption was complex because it required a valuation of the credit quality of the corporate bonds used to develop the discount rate and the correlation of those bonds' cash inflows to the timing and amount of future expected benefit payments.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement relating to the determination of the discount rate used in the defined benefit pension and postretirement benefit obligations calculations. We tested controls over management's determination and review of the discount rate provided to the independent actuaries. To test the determination of the discount rate of the defined benefit pension obligation we involved our valuation and actuarial specialists to assist us in evaluating the methodology used to select the yield curve applied on the calculation, assessing the credit quality of the corporate bonds that comprise the yield curve, the timing and amount of cash flows at maturity with the expected amounts and duration of the related benefit payments. In addition, we compared the Company's current projections to historical projected defined benefit pension and postretirement benefit obligations cash flows and compared the current-year benefits paid to the prior-year projected cash flows.

We also evaluated the objectivity and competence of the independent actuaries used by management and management´s qualified persons responsible for overseeing the preparation of the discount rate by the independent actuaries specialists through the consideration of their professional qualifications, experience and their use of accepted methodology.

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

Revaluation of towers due to a change in accounting policy

Description of the Matter

As discussed in Note 2, item a), i) and in Note 10 to the consolidated financial statements, as of December 31, 2020, the balance of the network in operation and equipment was Ps.1,057,592,243 thousand. This includes a revaluation adjustment of Ps.107,152,628 due to a change in the accounting policy adopted by the Company on December 31, 2020 for certain class of assets (towers) from the cost model to the revaluation model.

Auditing management´s revaluation model of towers involved complex auditor judgement because the estimation of the fair value of the towers required the assessment of the valuation technique and the assumptions used, as the future lease income, tenancy ratios, earnings before interest, taxes, depreciation and amortization (EBITDA) and weighted average cost of capital (WACC) that are sensitive to, and affected by, expected economic factors, technological changes and market conditions, among others.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement related to the determination of tower's fair value, including controls over management's review of the significant assumptions described above, the valuation model used to develop such values and the completeness and accuracy of the data utilized in the valuation model.

Our audit procedures included, among others, the evaluation of the tower´s measurement change from cost to the revaluation model, considering the nature of the asset and industry. To test the revaluation model of the towers, we evaluated the methodology used and tested the significant assumptions included in the model and the underlying data used by management. In particular, we assessed the historical accuracy of significant assumptions such as, EBITDA and tenancy ratios by comparing them to actual and expected results, the industry and economic trends, including market participant data, and obtained appropriate explanations for the variances; we evaluated the future lease income by comparing it with actual lease agreements' terms and conditions with external third party companies by geography and assessed management's methodology for determining the WACC used in the model for each country. We involved our valuation specialists to evaluate the methodology and some assumptions, including EBITDA and WACC used in the fair value estimation and tested the calculations.

In addition, we evaluated the objectivity and competence of the external valuation specialists used by management and management´s qualified persons responsible for overseeing the preparation of the determination of the fair value of the towers by the external valuation specialists through the consideration of their professional qualifications, experience and their use of accepted methodology.

Furthermore, we assessed the adequacy of the related financial statement disclosures.

/s/ Mancera, S.C.

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

Mexico City, Mexico
April 28, 2021

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

Consolidated Statements of Financial Position

(In thousands of Mexican pesos)

	Note	At December 31, 2019	2020	2020 Millions of U.S. dollars
Assets				
Current assets:				
Cash and cash equivalents	3	Ps. 19,745,656	**Ps. 35,917,907**	**US$ 1,801**
Equity investments at fair value through other comprehensive income (OCI) and other short-term investments	4	47,718,025	**54,636,395**	**2,739**
Accounts receivable:				
Subscribers, distributors, recoverable taxes, contract assets and other, net	5	204,706,296	**207,977,954**	**10,426**
Related parties	6	1,273,140	**1,391,300**	**70**
Derivative financial instruments	7	6,825,760	**20,928,335**	**1,049**
Inventories, net	8	41,102,012	**30,377,439**	**1,523**
Other current assets, net	9	9,473,434	**8,993,907**	**451**
Total current assets		Ps. 330,844,323	**Ps. 360,223,237**	**US$18,059**
Non-current assets:				
Property, plant and equipment, net	10	Ps. 639,343,370	**Ps. 722,929,631**	**US$36,239**
Intangibles, net	11	125,169,389	**133,456,967**	**6,690**
Goodwill	11	152,899,801	**143,052,859**	**7,171**
Investments in associated companies		2,474,193	**1,829,760**	**92**
Deferred income taxes	13	106,167,897	**115,370,240**	**5,783**
Accounts receivable, subscriber, distributors and contract assets, net	5	15,139,442	**7,792,863**	**391**
Other assets, net	9	41,892,019	**38,415,826**	**1,926**
Right-of-use assets	15	118,003,223	**101,976,844**	**5,112**
Total assets		Ps.1,531,933,657	**Ps.1,625,048,227**	**US$81,463**
Liabilities and equity				
Current liabilities:				
Short-term debt and current portion of long-term debt	14	Ps. 129,172,033	**Ps. 148,083,184**	**US$ 7,423**
Short-term liability related to right-of-use of assets	15	25,894,711	**25,067,905**	**1,257**
Accounts payable	16a	216,112,824	**186,995,472**	**9,374**
Accrued liabilities	16b	52,371,252	**50,291,851**	**2,521**
Income tax	13	33,026,606	**14,644,979**	**734**
Other taxes payable		24,373,400	**27,969,739**	**1,402**
Derivative financial instruments	7	9,596,751	**14,230,249**	**713**
Related parties	6	3,460,419	**3,999,916**	**201**
Deferred revenues		31,391,749	**36,027,383**	**1,806**
Total current liabilities		Ps. 525,399,745	**Ps. 507,310,678**	**US$25,431**
Non-current liabilities:				
Long-term debt	14	Ps. 495,082,444	**Ps. 480,299,772**	**US$24,077**
Long-term liability related to right-of-use of assets	15	94,702,022	**84,259,336**	**4,224**
Deferred income taxes	13	18,093,041	**49,067,163**	**2,460**
Deferred revenues		3,425,738	**2,875,467**	**144**
Asset retirement obligations	16c	15,816,744	**17,887,991**	**897**
Employee benefits	18	152,507,058	**168,230,202**	**8,433**
Total non-current liabilities		Ps. 779,627,047	**Ps. 802,619,931**	**US$40,235**
Total liabilities		Ps.1,305,026,792	**Ps.1,309,930,609**	**US$65,666**
Equity:				
Capital stock	20	Ps. 96,338,262	**Ps. 96,341,695**	**US$ 4,829**
Retained earnings:				
Prior years		213,719,236	**267,865,420**	**13,428**
Profit for the year		67,730,891	**46,852,605**	**2,349**
Total retained earnings		281,450,127	**314,718,025**	**15,777**
Other comprehensive loss items		(199,878,430)	**(160,580,917)**	**(8,049)**
Equity attributable to equity holders of the parent		177,909,959	**250,478,803**	**12,557**
Non-controlling interests		48,996,906	**64,638,815**	**3,240**
Total equity		226,906,865	**315,117,618**	**15,797**
Total liabilities and equity		Ps.1,531,933,657	**Ps.1,625,048,227**	**US$81,463**

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

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

Consolidated Statements of Comprehensive Income

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

	Note	For the years ended December 31			
		2018	2019	**2020**	**2020 Millions of U.S. dollars, except for earnings per share**
Operating revenues:					
Service revenues		Ps. 863,647,642	Ps. 834,365,232	**Ps. 857,860,234**	**US$43,003**
Sales of equipment		174,560,039	172,982,637	**159,026,296**	**7,972**
		Ps.1,038,207,681	Ps.1,007,347,869	**Ps.1,016,886,530**	**US$50,975**
Operating costs and expenses:					
Cost of sales and services		508,822,430	471,736,157	**470,427,476**	**23,582**
Commercial, administrative and general expenses		227,192,478	215,993,865	**212,135,830**	**10,634**
Other expenses		6,923,022	5,862,102	**4,724,630**	**237**
Depreciation and amortization	9,10,11 and 15	155,712,580	158,915,210	**164,243,683**	**8,233**
		Ps. 898,650,510	Ps. 852,507,334	**Ps. 851,531,619**	**US$42,686**
Operating income		Ps. 139,557,171	Ps. 154,840,535	**Ps. 165,354,911**	**US$ 8,289**
Interest income		10,646,169	6,284,672	**5,062,036**	**254**
Interest expense		(31,771,433)	(37,911,339)	**(38,661,740)**	**(1,938)**
Foreign currency exchange (loss) gain, net		(7,261,956)	5,226,071	**(65,366,200)**	**(3,277)**
Valuation of derivatives, interest cost from labor obligations and other financial items, net	22	(10,176,316)	(7,075,342)	**1,291,108**	**65**
Equity interest in net result of associated companies		267	(17,609)	**(287,006)**	**(14)**
Profit before income tax		100,993,902	121,346,988	**67,393,109**	**3,379**
Income tax	13	46,477,079	51,033,533	**16,366,152**	**820**
Net profit for the year		Ps. 54,516,823	Ps. 70,313,455	**Ps. 51,026,957**	**US$ 2,559**
Net profit for the year attributable to:					
Equity holders of the parent		Ps. 52,566,197	Ps. 67,730,891	**Ps. 46,852,605**	**US$ 2,349**
Non-controlling interests		1,950,626	2,582,564	**4,174,352**	**210**
		Ps. 54,516,823	Ps. 70,313,455	**Ps. 51,026,957**	**US$ 2,559**
Basic and diluted earnings per share attributable to equity holders of the parent		Ps. 0.79	Ps. 1.03	**Ps. 0.71**	**US$ 0.04**
Other comprehensive income (loss) items:					
Net other comprehensive loss that may be reclassified to profit or loss in subsequent years:					
Effect of translation of foreign entities		Ps. (64,314,032)	Ps. (35,536,252)	**Ps. (11,515,297)**	**US$ (579)**
Items that will not be reclassified to (loss) or profit in subsequent years:					
Re-measurement of defined benefit plan, net of deferred taxes		757,278	(29,535,672)	**(10,299,558)**	**(516)**
Unrealized (loss) gain on equity investments at fair value, net of deferred taxes		(3,765,688)	883,408	**(1,952,414)**	**(98)**
Revaluation surplus, net of deferred taxes		—	—	**77,230,031**	**3,871**
Total other comprehensive (loss) income items for the year, net of deferred taxes	21	(67,322,442)	(64,188,516)	**53,462,762**	**2,678**
Total comprehensive (loss) income for the year		Ps. (12,805,619)	Ps. 6,124,939	**Ps. 104,489,719**	**US$ 5,237**
Comprehensive (loss) income for the year attributable to:					
Equity holders of the parent		Ps. (11,770,227)	Ps. 5,450,679	**Ps. 86,150,118**	**US$ 4,319**
Non-controlling interests		(1,035,392)	674,260	**18,339,601**	**918**
		Ps. (12,805,619)	Ps. 6,124,939	**Ps. 104,489,719**	**US$ 5,237**

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, 2018, 2019 and 2020

(In thousands of Mexican pesos)

	Capital stock	Legal reserve	Retained earnings	Unrealized (loss) gain 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, 2018	Ps.96,338,508	Ps.358,440	Ps.170,729,158	Ps. (6,047,296)	Ps. (75,080,656)	Ps. 7,866,158	Ps. —	Ps.194,164,312	Ps. 66,469,205	Ps.260,633,517
Effect of adoption of new accounting standards	—	—	19,598,349	—	—	—	—	19,598,349	518,440	20,116,789
As of January 1, 2018 (restated)	Ps.96,338,508	Ps.358,440	Ps.190,327,507	Ps. (6,047,296)	Ps. (75,080,656)	Ps. 7,866,158	Ps. —	Ps.213,762,661	Ps. 66,987,645	Ps.280,750,306
Net profit for the year	—	—	52,566,197	—	—	—	—	52,566,197	1,950,626	54,516,823
Unrealized loss on equity investments at fair value, net of deferred taxes	—	—	—	(3,765,688)	—	—	—	(3,765,688)	—	(3,765,688)
Remeasurement of defined benefit plan, net of deferred taxes	—	—	—	—	652,722	—	—	652,722	104,556	757,278
Effect of translation of foreign entities	—	—	—	—	—	(61,223,458)	—	(61,223,458)	(3,090,574)	(64,314,032)
Comprehensive income (loss) for the year	—	—	52,566,197	(3,765,688)	652,722	(61,223,458)	—	(11,770,227)	(1,035,392)	(12,805,619)
Dividends declared	—	—	(21,134,520)	—	—	—	—	(21,134,520)	(1,850,462)	(22,984,982)
Hyperinflation adjustment	—	—	15,826,934	—	—	—	—	15,826,934	—	15,826,934
Repurchase of shares	(130)	—	(518,633)	—	—	—	—	(518,763)	—	(518,763)
Redemption of hybrid bond	—	—	—	—	—	—	—	—	(13,440,120)	(13,440,120)
Other acquisitions of non-controlling interests	—	—	(170,440)	—	—	—	—	(170,440)	(784,894)	(955,334)
Balance at December 31, 2018	Ps.96,338,378	Ps.358,440	Ps.236,897,045	Ps. (9,812,984)	Ps. (74,427,934)	Ps. (53,357,300)	Ps. —	Ps.195,995,645	Ps. 49,876,777	Ps.245,872,422

	Capital stock	Legal reserve	Retained earnings	Unrealized (loss) gain 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
Net profit for the year	—	—	67,730,891	—	—	—	—	67,730,891	2,582,564	70,313,455
Unrealized gain on equity investments at fair value, net of deferred taxes	—	—	—	883,408	—	—	—	883,408	—	883,408
Remeasurement of defined benefit plan, net of deferred taxes	—	—	—	—	(29,153,554)	—	—	(29,153,554)	(382,118)	(29,535,672)
Effect of translation of foreign entities	—	—	—	—	—	(34,010,066)	—	(34,010,066)	(1,526,186)	(35,536,252)
Comprehensive income (loss) for the year	—	—	67,730,891	883,408	(29,153,554)	(34,010,066)	—	5,450,679	674,260	6,124,939
Dividends declared	—	—	(23,106,823)	—	—	—	—	(23,106,823)	(1,473,290)	(24,580,113)
Repurchase of shares	(116)	—	(427,212)	—	—	—	—	(427,328)	—	(427,328)
Other acquisitions of non-controlling interests	—	—	(2,214)	—	—	—	—	(2,214)	(80,841)	(83,055)
Balance at December 31, 2019	Ps.96,338,262	Ps.358,440	Ps.281,091,687	Ps. (8,929,576)	Ps.(103,581,488)	Ps. (87,367,366)	Ps. —	Ps.177,909,959	Ps. 48,996,906	Ps.226,906,865
Net profit for the year	—	—	46,852,605	—	—	—	—	46,852,605	4,174,352	51,026,957
Unrealized loss on equity investments at fair value, net of deferred taxes	—	—	—	(1,952,414)	—	—	—	(1,952,414)	—	(1,952,414)
Remeasurement of defined benefit plan, net of deferred taxes	—	—	—	—	(10,026,454)	—	—	(10,026,454)	(273,104)	(10,299,558)
Effect of translation of foreign entities	—	—	—	—	—	(13,558,774)	—	(13,558,774)	2,043,477	(11,515,297)
Revaluation surplus, net of deferred taxes	—	—	—	—	—	—	64,835,155	64,835,155	12,394,876	77,230,031
Comprehensive income (loss) for the year	—	—	46,852,605	(1,952,414)	(10,026,454)	(13,558,774)	64,835,155	86,150,118	18,339,601	104,489,719
Dividends declared	—	—	(25,161,564)	—	—	—	—	(25,161,564)	(1,860,300)	(27,021,864)
Stock dividend	4,650	—	17,054,007	—	—	—	—	17,058,657	—	17,058,657
Repurchase of shares	(1,217)	—	(5,209,880)	—	—	—	—	(5,211,097)	—	(5,211,097)
Other acquisitions of non-controlling interests	—	—	(267,270)	—	—	—	—	(267,270)	(837,392)	(1,104,662)
Balance at December 31, 2020	Ps.96,341,695	Ps.358,440	Ps.314,359,585	Ps.(10,881,990)	Ps.(113,607,942)	Ps.(100,926,140)	Ps.64,835,155	Ps.250,478,803	Ps. 64,638,815	Ps.315,117,618

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 2018	2019	2020	2020 Millions of U.S. dollars
Operating activities					
Profit before income tax		Ps. 100,993,902	Ps. 121,346,988	**Ps. 67,393,109**	**US$ 3,379**
Items not requiring the use of cash:					
Depreciation property, plant and equipment and right-of-use assets	10 and 15	129,115,727	138,386,952	**143,691,770**	**7,203**
Amortization of intangible and other assets	9 and 11	26,596,853	20,528,258	**20,551,913**	**1,030**
Equity interest in net (loss) income of associated companies		(267)	17,609	**287,006**	**14**
Loss on sale of property, plant and equipment		664,777	119,272	**257,330**	**13**
Net period cost of labor obligations	18	13,989,100	16,609,565	**18,085,954**	**907**
Foreign currency exchange loss (income), net		6,148,612	(7,250,635)	**59,923,928**	**3,005**
Interest income		(10,646,169)	(6,284,672)	**(5,062,036)**	**(254)**
Interest expense		31,771,433	37,911,339	**38,661,740**	**1,938**
Employee profit sharing		1,500,342	1,618,695	**2,066,066**	**105**
Loss in valuation of derivative financial instruments, capitalized interest expense and other, net		(7,518,445)	(9,202,167)	**(13,678,083)**	**(686)**
Gain on net monetary positions	22	(4,429,145)	(4,267,194)	**(3,262,512)**	**(164)**
Working capital changes:					
Subscribers, distributors, recoverable taxes, contract assets and other, net		(15,420,291)	6,800,942	**3,129,237**	**157**
Prepaid expenses		3,264,685	9,079,931	**20,925**	**1**
Related parties		38,426	476,671	**421,337**	**21**
Inventories		(3,232,136)	(2,095,622)	**11,618,280**	**582**
Other assets		(6,081,740)	(6,597,262)	**(2,613,460)**	**(131)**
Employee benefits		(14,235,549)	(20,224,276)	**(18,795,532)**	**(942)**
Accounts payable and accrued liabilities		23,997,632	(16,811,135)	**11,531,391**	**578**
Employee profit sharing paid		(1,013,799)	(2,187,316)	**(2,436,223)**	**(122)**
Financial instruments and other		5,286,290	(1,774,932)	**2,606,938**	**131**
Deferred revenues		38,243	(636,221)	**3,198,018**	**160**
Interest received		1,215,800	1,008,076	**3,946,110**	**198**
Income taxes paid		(33,713,753)	(42,294,398)	**(60,715,663)**	**(3,044)**
Net cash flows provided by operating activities		Ps. 248,330,528	Ps. 234,278,468	**Ps. 280,827,543**	**US$ 14,079**
Investing activities					
Purchase of property, plant and equipment		(143,888,033)	(132,884,335)	**(108,907,418)**	**(5,459)**
Acquisition of intangibles		(7,933,647)	(18,962,856)	**(20,647,571)**	**(1,035)**
Dividends received	22	2,622,237	1,773,336	**2,122,826**	**106**
Proceeds from sale of plant, property and equipment		178,532	344,924	**162,060**	**8**
Acquisition of businesses, net of cash acquired	12	(310,604)	(13,330,651)	**(152,896)**	**(8)**
Partial sale of shares of associated company		548,484	36,478	**601,509**	**30**
Investments in associate companies		—	(56,985)	**(64,341)**	**(3)**
Short-term disinvestments		—	—	**(8,671,662)**	**(435)**
Net cash flows used in investing activities		Ps.(148,783,031)	Ps.(163,080,089)	**Ps.(135,557,493)**	**US$ (6,796)**
Financing activities					
Loans obtained		155,263,221	118,082,256	**277,515,598**	**13,911**
Repayment of loans		(189,314,144)	(109,808,816)	**(330,607,399)**	**(16,573)**
Payment of liability related to right-of-use of assets	15	—	(26,765,075)	**(29,623,565)**	**(1,485)**
Interest paid		(30,869,017)	(28,046,695)	**(28,421,734)**	**(1,425)**
Repurchase of shares		(511,421)	(435,713)	**(5,076,119)**	**(254)**
Dividends paid		(22,369,793)	(24,248,145)	**(9,592,253)**	**(481)**
Redemption of hybrid bond		(13,440,120)	—	**—**	**—**
Acquisition of non-controlling interests		(115,821)	(83,055)	**(1,104,662)**	**(55)**
Net cash flows used in financing activities		Ps.(101,357,095)	Ps. (71,305,243)	**Ps.(126,910,134)**	**US$ (6,362)**
Net increase (decrease) in cash and cash equivalents		Ps. (1,809,598)	Ps. (106,864)	**Ps. 18,359,916**	**US$ 921**
Adjustment to cash flows due to exchange rate fluctuations, net		(800,913)	(1,807,442)	**(2,187,665)**	**(110)**
Cash and cash equivalents at beginning of the year		24,270,473	21,659,962	**19,745,656**	**990**
Cash and cash equivalents at end of the year		Ps. 21,659,962	Ps. 19,745,656	**Ps. 35,917,907**	**US$ 1,801**
Non-cash transactions related to:					
Acquisitions of property, plant and equipment in accounts payable at end year		Ps. 19,099,066	Ps. 19,673,706	**Ps. 3,063,081**	**US$ 154**
Redemption of exchangeable bond		16,446,262	—	**—**	**—**
Revaluation surplus		—	—	**107,152,628**	**5,371**
Non-cash transactions		Ps. 35,545,328	Ps. 19,673,706	**Ps. 110,215,709**	**US$ 5,525**

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

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 laws of Mexico on September 25, 2000. The Company provides telecommunications services in 25 countries throughout Latin America, the United States, the Caribbean and Europe. These telecommunications services include mobile and fixed-line voice services, wireless and fixed data services, internet access and Pay TV, over the top 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 24 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, Delegación Miguel Hidalgo, 11529, Mexico City, Mexico.

The accompanying consolidated financial statements were approved for their issuance by the Company's Chief Financial Officer on April 26, 2021, and subsequent events have been considered through that date.

II. Relevant events in 2020

a) The Covid-19 is an infectious disease caused by a new virus, was declared a world-wide pandemic by the World Heald Organization ("WHO") on March 11, 2020. The measures to slow the spread of Covid-19 have had

a significant impact on the global economy. Given the evolving nature of Covid-19 and the limited recent experience of the economic and financial impacts of such a pandemic, Companies around the world have had to assess the changes and effects in their financial information. These changes and effects have not presented significant challenges for the Company in the valuation, presentation and disclosure of its financial statement consolidated as of December 31, 2020, considering that the telecommunications industry has been one of the least affected by the pandemic. As part of the actions taken, the Company has evaluated the impact, mainly on the estimates related to the measurement assets and liabilities that may arise in the future, without identifying significant changes in the assumptions used.

b) During the COVID-19 crisis, the Mexican peso fell in value against the U.S dollar, Euro and Great Britain Pound (GBP) by 5.8%, 15.3% and 9.2%, respectively. Given that a significant portion of the Company's debt is denominated in Dollars, Euros and in GBPs, the currency depreciation adversely affected the results of the Company as part of the foreign currency exchange loss, net recognized in the period, which amounted to Ps.65,366,200.

c) In September 2020 the Company announced an agreement with Verizon Communications Inc. to sell the 100% interest in TracFone Wireless, Inc., the largest mobile virtual prepaid service operator in the United States, serving 21 million subscribers. The agreed purchase price payment at the closing is US$6,250 million, of which one-half will be in cash and the other in Verizon stock. In addition, following the closing, Verizon shall pay to AMX: (i) up to US$500 million as an earn-out if Tracfone continues to achieve certain performance measures during the 24 months following the closing, calculated and paid in 4 consecutive 6-month periods, and (ii) US$150 million deferred commercial consideration payable within two years following the closing. AMX continued to benefit from EBITDA generated by Tracfone during fiscal year 2020 and until the closing date of the transaction. The closing of the transaction is subject to customary conditions for this type of transactions, including obtaining required governmental approvals.

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

a) Basis of preparation

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

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

Effective July 1, 2018, the Argentinian 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 Argentinian subsidiaries, we have included, adjustments for hyperinflation and reclassifications as is required by the standard for purposes of presentation of IFRS in the consolidated financial statements.

The preparation of these consolidated financial statements under IFRS requires the use of critical estimates and assumptions that affect the amounts reported for certain assets, liabilities, income and expenses, including the main impact generated by the COVID-19 pandemic and the potential effect on the amounts disclosed in the consolidated financial statements. 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

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no significant impact on the consolidated financial statements of the Company (See Note 15).

Revaluation of telecommunications towers (plant, property and equipment)

As of December 31, 2020, the company changed its accounting policy to record the value of the passive infrastructure (towers) of its subsidiaries. With the change, this passive infrastructure was no longer recognized at historical cost and it began to be recognized under the revaluation model (market value). The company considers that the revaluation model represents the actual conditions of the industry of this class of assets and improves its financial position, this allows its shareholders and stakeholders to have the necessary financial information associated with market expectations about this class of assets. The incremental effect on passive infrastructure is Ps.107,152,628.

The first time application of an asset revaluation policy is a change in accounting policy that must be treated as a revaluation in accordance with IAS 16, this implies that it is not necessary to restructure the book value of previous periods, therefore, the adoption of this method will be carried out prospectively.

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.

On March 6, 2020, in accordance with a resolution of the Federal Telecommunications Institute (Instituto Federal de Telecomunicaciones or IFT), the subsidiaries Teléfonos de México, S.A.B. de C.V. and Teléfonos del Noroeste, S.A. de C.V. created separate companies related to the wholesale services named Red Nacional Última Milla S.A.P.I. de C.V., Servicios de Telecomunicaciones Ultima Milla, S.A. de C.V. and Red Última Milla del Noroeste S.A.P.I. de C.V. The restructuring of Telmex has no impact in the consolidated financial information of the Company.

Changes in the Company’s ownership interests in a subsidiary that do not result in the Company losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the equity attributable to

owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received in the transaction is recognized directly in the equity attributable to the owners.

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

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

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

Associates:

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

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

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

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 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 at December 31, 2019 and 2020 is as follows:

Company name	Country	Equity interest at December 31	
		2019	2020
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%
TracFone Wireless, Inc. (“TracFone”) [b]	USA	100.0%	100.0%
Claro S.A. (Claro Brasil) [b]	Brazil	98.2%	98.2%
NII Brazil Holding S.A.R.L [a]	Luxembourg	100.0%	100.0%
Nextel Telecomunicações Ltda [b]	Brazil	100.0%	100.0%
Telecomunicaciones de Guatemala, S.A. (“Telgua”) [b]	Guatemala	99.3%	99.3%
Claro Guatemala, S.A. [b]	Guatemala	100.0%	100.0%
Empresa Nicaragüense de Telecomunicaciones, S.A. (“Enitel”) [b]	Nicaragua	99.6%	99.6%
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. (“CTE”) [b]	El Salvador	95.8%	95.8%
Comunicación Celular, S.A. (“Comcel”) [b]	Colombia	99.4%	99.4%
Consorcio Ecuatoriano de Telecomunicaciones, S.A. (“Conecel”) [b]	Ecuador	100.0%	100.0%
AMX Argentina, S.A. [b]	Argentina	100.0%	100.0%
AMX Paraguay, S.A. [b]	Paraguay	100.0%	100.0%
AM Wireless Uruguay, S.A. [b]	Uruguay	100.0%	100.0%
Claro Chile, S.A. [b]	Chile	100.0%	100.0%
América Móvil Perú, S.A.C [b]	Peru	100.0%	100.0%
Claro Panamá, S.A. [b]	Panamá	100.0%	100.0%
Teléfonos de México, S.A.B. de C.V. [b]	Mexico	98.8%	98.8%
Telekom Austria AG [b]	Austria	51.0%	51.0%

a) Holding companies

b) Operating companies of mobile and fixed services

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

The operating revenues of foreign subsidiaries jointly represent approximately 73%, 71% and 72% of consolidated operating revenues for the years ended December 31, 2018, 2019 and 2020, respectively, and their total assets jointly represent approximately 73% and 75% of consolidated total assets at December 31, 2019 and 2020, 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 basis of translation for the operations of the subsidiaries in Argentina are described:

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, 2020 is 385.8826, while on an annual inflation for 2020 is 36.1%.

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, 2019 and 2020 were 0.3147 and 0.2371, respectively, per argentine peso per Mexican peso.

The difference resulting from the translation process is recognized in equity in the caption "Effect of translation of foreign entities". At December 31, 2019 and 2020, the cumulative translation adjustment was Ps.(87,367,366) and Ps.(100,926,140), respectively.

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 result is that more equipment revenue is recognized at the moment of a sale and, therefore, less service revenue from the monthly fee are being recognized under IFRS 15.

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

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

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

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

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

c) Cost of sales

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

d) Cost of services

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

e) Commissions to distributors

The Company pays commissions to its distributors different than those that acquire customers. 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. Restricted cash is presented as part of "Other assets" within other non-current financial assets given that the restrictions are long-term in nature (See Note 9).

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

(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, 2018, 2019 and 2020, 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 as of December 31, 2020. 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 periods exceeding six months are capitalized as part of the cost of the asset. During the years ended December 31, 2018, 2019 and 2020, borrowing costs that were capitalized amounted to Ps.2,020,288, Ps.2,233,358 and Ps.1,771,613, 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 will be recorded at revalued value, which is its fair value at the time of revaluation less accumulated depreciation; if there is any loss or impairment, it must also be

considered within its value. The revaluations will be calculated with sufficient regularity to ensure that the book value, every time, does not differ significantly from that which could be determined using the fair value at the end of the reporting period.

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

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

ii) The net book value of property, plant and equipment is removed from the consolidated statements of financial position at the time the asset is sold or when no future economic benefits are expected from its use or sale. Any gains or losses on the sale of property, plant and equipment represent the difference between net proceeds of the sale and the net book value of the item at the time of sale. These gains or losses 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 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, 2018, 2019 and 2020, 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. Licenses are amortized using the straight-line method over a period ranging from 3 to 30 years, which represents the usage period of the assets.

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

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

ii) Trademarks

Trademarks acquired are measured on initial recognition at cost. The cost of trademarks acquired in a business combination is their fair value at the date of acquisition. The useful lives of trademarks are assessed as either definite or indefinite. Trademarks with finite useful lives are amortized using the straight-line method over a period ranging from 1 to 10 years. Trademarks with indefinite useful lives are not amortized but are tested for impairment annually at the cash generating unit level. 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, 2018, 2019 and 2020, 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, investments in associates, 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, 2020. Financial forecasts, premises and assumptions are similar to what any other market participant in similar conditions would consider, including impacts from the COVID-19 pandemic.

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) 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
- 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.
- Pre-tax weighted average cost of capital ("WACC") is used to discount the projected cash flows.

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

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

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

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

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

The most significant forward-looking estimates used for the 2019 and 2020 impairment evaluations are shown below:

	Average margin on EBIDTA	**Average margin on CAPEX**	**Average pre-tax discount rate (WACC)**
2019**:**			
Europe (7 countries)	29.40% - 44.50%	10.90% - 19.30%	5.77% - 14.96%
Brazil (fixed line, wireless and TV)	40.43%	23.50%	11.00%
Puerto Rico	21.94%	17.94%	4.39%
Dominican Republic	47.23%	16.17%	13.84%
Mexico (fixed line and wireless)	38.81%	9.84%	6.94%
Ecuador	44.98%	11.65%	19.85%
Peru	32.51%	18.51%	8.86%
El Salvador	44.04%	25.03%	16.05%
Chile	26.85%	18.00%	4.16%
Colombia	45.58%	19.25%	17.27%
Other countries	7.40% - 52.40%	0.57% - 31.0%	6.41% - 34.75%
2020:			
Europe (7 countries)	**32.20% - 40.76%**	**7.04% - 19.39%**	**3.88% - 12.02%**
Brazil (fixed line, wireless and TV)	**40.67%**	**25.36%**	**9.50%**
Puerto Rico	**23.06%**	**14.57%**	**3.53%**
Dominican Republic	**47.57%**	**13.71%**	**8.27%**
Mexico (fixed line and wireless)	**32.69%**	**11.01%**	**6.03%**
Ecuador	**49.23%**	**11.14%**	**17.50%**
Peru	**38.72%**	**15.43%**	**4.76%**
El Salvador	**45.92%**	**21.19%**	**14.63%**
Chile	**26.34%**	**13.18%**	**3.37%**
Colombia	**43.45%**	**18.19%**	**6.44%**
Other countries	**10.07% - 47.23%**	**0.48% - 31.67%**	**3.42% - 21.85%**

Sensitivity to changes in assumptions:

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

Margin on CAPEX- The Company performed a sensitivity analysis by increasing its CAPEX by 5% and maintaining all other assumptions the same. The sensitivity analysis would require the Company to adjust the amount of its long-lived assets in its CGUs with potential impairment of approximately Ps.62,548.

WACC- Additionally, should the Company increase by 50 base points in WACC per CGU and maintain all other assumptions the same, results without impairment.

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	5 to 12 years
Property	10 to 25 years
Other equipment	5 to 15 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)
- 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, loans 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.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statements of profit or loss 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 continuing 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, including the impact by the COVID-19 pandemic.

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

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

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

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

Loans and borrowings

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

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

Derecognition of financial liabilities

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

Offsetting of financial instruments

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

o) Transactions in foreign currency

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

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

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

Country or Zone	Currency	Average exchange rate 2018	2019	2020	Closing exchange rate at December 31, 2019	2020
Argentina [1]	Argentine Peso (AR$)	0.7311	0.4110	**0.3070**	0.3147	**0.2371**
Brazil	Real (R$)	5.2937	4.8907	**4.1850**	4.6754	**3.8387**
Colombia	Colombian Peso (COP$)	0.0065	0.0059	**0.0058**	0.0058	**0.0058**
Guatemala	Quetzal	2.5591	2.5023	**2.7826**	2.4478	**2.5596**
U.S.A. [2]	US Dollar	19.2397	19.2641	**21.4860**	18.8452	**19.9487**
Uruguay	Uruguay Peso	0.6274	0.5479	**0.5110**	0.5051	**0.4712**
Nicaragua	Cordoba	0.6097	0.5817	**0.6257**	0.5569	**0.5728**
Honduras	Lempira	0.7994	0.7806	**0.8678**	0.7597	**0.8215**
Chile	Chilean Peso	0.0300	0.0275	**0.0271**	0.0252	**0.0281**
Paraguay	Guaraní	0.0034	0.0031	**0.0032**	0.0029	**0.0029**
Peru	Sol (PEN$)	5.8517	5.7708	**6.1483**	5.6814	**5.5046**
Dominican Republic	Dominican Peso	0.3876	0.3737	**0.3766**	0.3542	**0.3416**
Costa Rica	Colon	0.0332	0.0326	**0.0366**	0.0327	**0.0323**
European Union	Euro	22.7101	21.5642	**24.5080**	21.1311	**24.3693**
Bulgaria	Lev	11.6110	11.0257	**12.5284**	10.8076	**12.4594**
Belarus	New Belarusian Ruble	9.4451	9.2159	**8.8172**	8.9420	**7.5721**
Croatia	Croatian Kuna	3.0613	2.9069	**3.2498**	2.8406	**3.2279**
Macedonia	Macedonian Denar	0.3688	0.3504	**0.3975**	0.3431	**0.3950**
Serbia	Serbian Denar	0.1920	0.1830	**0.2083**	0.1795	**0.2071**

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

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.

(2) Includes U.S.A., Ecuador, El Salvador, Puerto Rico and Panama.

As of April 26, 2021, the exchange rate between the US dollar and the Mexican Peso was Ps.19.8695. The appreciation of the Mexican peso against the US dollar represent 0.4% 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, Teléfonos de Mexico, Claro Brasil, and Telekom Austria. Claro Brasil 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, 2020.

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 Brasil 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 retained earnings 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

Employee profit sharing 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.

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 statements 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, 2019 and 2020, 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.

t) Advertising

Advertising expenses are recognized as incurred. For the years ended December 31, 2018, 2019 and 2020, advertising expenses were Ps.26,255,952, Ps.22,810,211 and Ps.19,894,607 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, 2019 and 2020.

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, 2020 increase/(decrease) by 100 basis points and a 5% fluctuation in exchange rates, the net interest expense would increase/(decrease) by Ps.1,476,660 and Ps.(13,417,231), respectively.

Exchange rate fluctuations

Should the Company's debt at December 31, 2020 of Ps.628,382,956, suffer a 5% increase/(decrease) in exchange rates, the debt would increase/(decrease) by Ps.31,429,089 and Ps.(31,429,089), 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 offset the risk of exchange rate and interest rate fluctuations. Additionally, for the years ended December 31, 2018, 2019 and 2020 certain of the Company's derivative financial instruments had been designated, and had qualified, as cash flow hedges. The effective portion of gains or losses on the cash flow derivatives is recognized in equity under the heading "Effect for fair value of derivatives", and the ineffective portion is charged to results of operations of the period.

x) Current versus non-current classification

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

An asset is current when it is either:

(i) Expected to be realized or intended to be sold or consumed in the normal operating cycle.

(ii) Held primarily for the purpose of trading.

(iii) Expected to be realized within twelve months after the reporting period.

(iv) Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

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

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

y) Presentation of consolidated statements of comprehensive income

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

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

z) Operating segments

Segment information is presented based on information used by management in its decision-making processes. Segment information is presented based on the geographic areas in which the Company operates. The management of the Company is responsible for making decisions regarding the resources to be allocated to the Company's different segments, as well as evaluating the performance of each segment. Intersegment revenues and costs, intercompany balances as well as investments in shares in consolidated entities are eliminated upon consolidation and reflected in the "eliminations" column in Note 23.

None of the segments 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, 2020 and the consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended December 31, 2020 were converted into U.S. dollars at the exchange rate of Ps.19.9487 per U.S. dollar, which was the exchange rate at that date. This arithmetic conversion should not be construed as representations that the amounts expressed in Mexican pesos may be converted into U.S. dollars at that or any other exchange rate.

Ab) Significant accounting judgments, estimates and assumptions

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

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

Estimated useful lives of plant, property and equipment

The Company currently depreciates most of its network infrastructure based on an estimated useful life determined upon the expected particular conditions of operation and maintenance in each of the countries in which it operates. The estimates are based on AMX's historical experience with similar assets, anticipated

technological changes and other factors, taking into account the practices of other telecommunications companies. The Company reviews estimated useful lives each year to determine, for each particular class of assets, whether they should be changed. The Company may shorten/extend the estimated useful life of an asset class in response to technological changes, changes in the market or other developments. This results in increased/decreased depreciation expense (See Note 10).

Revaluation of passive infrastructure of telecommunications towers

The Company recognizes the passive structure 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, 2020.

Impairment of Long-Lived Assets

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

Deferred Income Taxes

The Company is required to estimate its income taxes in each of the jurisdictions in which it operates. This process involves the jurisdiction-by-jurisdiction estimation of actual current tax exposure and the assessment of temporary differences resulting from the differing treatment of certain items, such as accruals 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.

Accruals

Accruals 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 financial statements, including the opinion of external experts, such as legal advisors or consultants. Accruals are adjusted to account for changes in circumstances for ongoing matters and the establishment of additional accruals for new matters.

If the Company is unable to reliably measure the obligation, no accrual 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.

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.

4. Equity investments at fair value through OCI and other short-term investments

As of December 31, 2019 and 2020, equity investments at fair value through OCI and other short-term investments includes an equity investment in KPN for Ps.37,572,410 and Ps.50,033,111, respectively, and other short-term investments for Ps.10,145,615 and Ps.4,603,284, respectively, which represents a cash deposit used to guarantee a short-term obligation for one of the Company's foreign subsidiaries and are presented at their carrying value, which approximates fair value.

The investment in KPN is carried at fair value with changes in fair value being recognized through other comprehensive (loss) gain items (equity) in the Company's consolidated statements of financial position. As of December 31, 2019 and 2020, the Company has recognized in equity changes in fair value of the investment of Ps.883,408 and Ps.(1,952,414), respectively, net of deferred taxes, through other comprehensive (loss) gain items in equity.

During the years ended December 31, 2018, 2019 and 2020, the Company received dividends from KPN for an amount of Ps.2,605,333, Ps.1,742,242 and Ps.2,119,668, 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.

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

a) An analysis of accounts receivable by component at December 31, 2019 and 2020 is as follows:

	At December 31, 2019	**2020**
Subscribers and distributors	Ps.184,260,099	**Ps.168,758,386**
Telecommunications carriers for network interconnection and other services	5,079,763	**4,914,094**
Recoverable taxes	23,628,728	**44,557,402**
Sundry debtors	12,084,050	**12,504,566**
Contract assets	34,274,007	**29,588,104**
Impairment of trade receivables	(39,480,909)	**(44,551,735)**
Total net	Ps.219,845,738	**Ps.215,770,817**
Non-current subscribers, distributors and contractual assets	Ps. 15,139,442	**Ps. 7,792,863**
Total current subscribers, distributors and contractual assets	Ps.204,706,296	**Ps.207,977,954**

b) Changes in the impairment of trade receivables is as follows:

	For the years ended December 31, 2018	2019	**2020**
Balance at beginning of year	Ps.(39,044,925)	Ps.(40,798,025)	**Ps.(39,480,909)**
Increases recorded in expenses	(19,535,707)	(16,346,395)	**(19,112,635)**
Adjustment on initial application of IFRS 9	(2,400,783)	—	**—**
Write-offs	15,497,254	17,839,957	**11,953,227**
Business combination		(3,265,490)	**(2,066)**
Translation effect	4,686,136	3,089,044	**2,090,648**
Balance at end of year	Ps.(40,798,025)	Ps.(39,480,909)	**Ps.(44,551,735)**

c) The following table shows the aging of accounts receivable at December 31, 2019 and 2020, 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, 2019	Ps.184,260,099	Ps.76,223,243	Ps.46,083,644	Ps.6,076,281	Ps.4,121,929	Ps.51,755,002
December 31, 2020	**Ps.168,758,386**	**Ps.75,972,811**	**Ps.37,439,995**	**Ps.5,325,264**	**Ps.3,313,835**	**Ps.46,706,481**

d) The following table shows the accounts receivable from subscribers and distributors included in the impairments of trade receivables, as of December 31, 2019 and 2020:

	Total	**1-90 days**	**Greater than 90 days**
December 31, 2019	Ps.39,480,909	Ps.3,948,091	Ps.35,532,818
December 31, 2020	**Ps.44,551,735**	**Ps.4,455,174**	**Ps.40,096,561**

e) An analysis of contract assets and liabilities at December 31, 2019 and 2020 is as follows:

	2019	2020
Contract Assets:		
Balance at the beginning of the year	Ps. 34,718,749	Ps. **34,274,007**
Additions	34,877,851	**27,242,031**
Disposals	(2,658,641)	**(1,397,714)**
Business Combination	576,463	**—**
Amortization	(30,501,315)	**(29,002,995)**
Translation effect	(2,739,100)	**(1,527,225)**
Balance at the end of the year	Ps. 34,274,007	Ps. **29,588,104**
Non-current contract assets	Ps. 1,786,560	Ps. **817,740**
Current portion contracts assets	Ps. 32,487,447	Ps. **28,770,364**

6. Related Parties

a) The following is an analysis of the balances with related parties as of December 31, 2019 and 2020. 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.

	2019	**2020**
Accounts receivable:		
Hubard y Bourlon, S.A. de C.V.	Ps. 172,952	**Ps. 437,231**
Patrimonial Inbursa, S.A.	386,194	**327,985**
Sears Roebuck de México, S.A. de C.V. and Subsidiaries.	228,523	**233,402**
Sanborns Hermanos, S.A.	229,964	**160,116**
Claroshop.com, S.A.P.I de C.V.	91,874	**100,075**
Grupo Condumex, S.A. de C.V. and Subsidiaries	12,018	**10,038**
Carso Infraestructura y Construcción, S.A. de C.V. and Subsidiaries	41,204	**7,679**
Other	110,411	**114,774**
Total	Ps.1,273,140	**Ps.1,391,300**

	2019	**2020**
Accounts payable:		
Carso Infraestructura y Construcción, S.A. de C.V. and Subsidiaries	Ps.1,656,123	**Ps.2,192,405**
Grupo Condumex, S.A. de C.V. and Subsidiaries	905,776	**1,054,526**
Fianzas Guardiana Inbursa, S.A. de C.V.	241,305	**241,898**
Grupo Financiero Inbursa, S.A.B. de C.V.	246,804	**234,954**
Seguros Inbursa, S.A. de C.V.	100,155	**92,173**
PC Industrial, S.A. de C.V. and Subsidiaries	68,189	**44,198**
Enesa, S.A. de C.V. and Subsidiaries	25,076	**22,014**
Other	216,991	**117,748**
Total	Ps.3,460,419	**Ps.3,999,916**

For the years ended December 31, 2018, 2019 and 2020, the Company has not recorded any impairment of receivables in connection with amounts owed by related parties.

b) For the years ended December 31, 2018, 2019 and 2020, the Company conducted the following transactions with related parties:

	2018	2019	**2020**
Investments and expenses:			
Construction services, purchases of materials, inventories and property, plant and equipment (i)	Ps. 7,211,960	Ps. 8,573,894	**Ps. 7,130,769**
Insurance premiums, fees paid for administrative and operating services, brokerage services and others (ii)	4,134,380	4,590,620	**4,375,113**
Rent of towers (iii)	6,168,592	—	**—**
Other services	1,864,017	1,277,404	**1,101,528**
	Ps.19,378,949	Ps.14,441,918	**Ps.12,607,410**
Revenues:			
Service revenues	Ps. 679,220	Ps. 538,110	**Ps. 608,248**
Sales of equipment	1,296,204	944,697	**656,801**
	Ps. 1,975,424	Ps. 1,482,807	**Ps. 1,265,049**

i) In 2020, this amount includes Ps.5,312,845 (Ps.6,809,244 in 2019 and Ps.5,622,791 in 2018) for network construction services and construction materials purchased from subsidiaries of Grupo Carso, S.A.B. de C.V. (Grupo Carso).

ii) In 2020, this amount includes Ps.203,013 (Ps.956,132 in 2019 and Ps.778,191 in 2018) for network maintenance services performed by Grupo Carso subsidiaries; Ps.13,490 in 2020 (Ps.16,161 in 2019, and Ps.13,784 in 2018) for software services provided by an associate; Ps.2,713,370 in 2020 (Ps.2,623,795 in 2019 and Ps.2,541,703 in 2018) for insurance premiums with Seguros Inbursa S.A. and Fianzas Guardiana Inbursa, S.A., which, in turn, places most of such insurance with reinsurers.

iii) Due to the implementation of IFRS 16 amounts related to payments for tower leases are no longer considered rental expenses.

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 2020 was approximately Ps.6,300 and Ps.79,600, 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 2018, 2019 and 2020, none of the individual transactions associated with government agencies or government-owned entities of Austria were considered significant to América Móvil.

7. Derivative Financial Instruments

To mitigate the risks of future increases in interest rates and foreign exchange rates for the servicing of its debt, the Company has entered into derivative contracts in over-the-counter transactions carried out with financial institutions. In 2020 the weighted-average interest rate of the total debt including the impact of interest rate derivatives held by the Company is 3.5% (3.8% and 4.1% in 2019 and 2018, respectively). An analysis of the derivative financial instruments contracted by the Company at December 31, 2019 and 2020 is as follows:

	At December 31,			
	2019		**2020**	
Instrument	Notional amount in millions	Fair Value	**Notional amount in millions**	**Fair Value**
Assets:				
Swaps US Dollar-Mexican peso	US$ 3,290	Ps. 4,420,433	**US$ 3,490**	**Ps.16,806,937**
Swaps US Dollar – Euro	US$ 150	96,967	**US$ 150**	**117,726**
Swaps Yen-US Dollar	¥ 6,500	262,993	**¥ 9,750**	**269,215**
Swaps Pound sterling – US Dollar	£ 100	2,988	**£ 1,010**	**2,237,919**
Forwards US Dollar – Mexican Peso	US$ 100	18	**US$ 240**	**39,607**
Forwards US Dollar-Brazilian real	US$ 83	90,429	**—**	**—**
Forwards Brazilian Real-US Dollar	BRL 5,803	1,620,605	**BRL$4,193**	**1,190,292**
Forwards Euro-Brazilian real	€ 50	4,255	**—**	**—**
Forwards Euro-US Dollar	€ 1,506	204,241	**€ 915**	**266,639**
Forwards Argentinean Peso – US Dollar	ARS$1,388	122,831	**—**	**—**
Total Assets		Ps.6,825,760		**Ps.20,928,335**

	At December 31,			
	2019		**2020**	
Instrument	Notional amount in millions	Fair Value	**Notional amount in millions**	**Fair Value**
Liabilities:				
Swaps US Dollar-Mexican peso	US$ 200	Ps. (33,253)	**—**	**Ps. —**
Swaps US Dollar-Euro	US$ 800	(2,228,287)	**US$ 800**	**(4,811,031)**
Swaps Yen-US Dollar	—	—	**¥ 3,250**	**(14,802)**
Swaps Pound sterling-Euro	£ 640	(2,201,997)	**£ 640**	**(3,122,492)**
Swap Pound sterling-US Dollar	£ 2,010	(3,019,255)	**£ 550**	**(457,559)**
Forwards US Dollar-Mexican Peso	US$ 2,343	(1,398,247)	**US$ 3,494**	**(4,052,852)**
Forwards Brazilian Real-US Dollar	—	—	**BRL$1,762**	**(425,249)**
Forwards Euro – Mexican Peso	—	—	**€ 200**	**(272,274)**
Forwards Euro-US Dollar	€ 1,094	(554,278)	**—**	**—**
Forwards US Dollar – Euro	US$ 20	(3,787)	**—**	**—**
Forwards Euro – Brazilian Real	€ 140	(10,196)	**—**	**—**
Forwards Yen – US Dollar	¥ 6,500	(18,769)	**—**	**—**
Put option	€ 374	(126,569)	**€ 374**	**(1,073,990)**
Call option	€ 3,000	(2,113)	**—**	**—**
Total Liabilities		Ps.(9,596,751)		**Ps.(14,230,249)**

The changes in the fair value of these derivative financial instruments for the years ended December 31, 2018, 2019 and 2020 amounted to a (loss) gain of Ps.(4,686,407), Ps.4,432,023 and Ps.12,378,193. 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	2021	2022	2023	2024	2025 Thereafter
Assets						
Swaps US Dollar-Mexican peso	**US$**		1,600			1,890
Swaps Yen-US Dollar	**¥**					9,750
Swaps US Dollar – Euro	**US$**					150
Swaps Pound sterling – US Dollar	**£**					1,010
Forwards US Dollar-Mexican Peso	**US$**	240				
Forwards Brazilian Real-US Dollar	**BRL**	4,193				
Forwards Euro-US Dollar	**€**	915				
Liabilities						
Swaps US Dollar-Euro	**US$**					800
Swaps Yen-US Dollar	**¥**					3,250
Swaps Pound sterling-Euro	**£**					640
Swap Pound sterling-US Dollar	**£**					550
Forwards US Dollar – Mexican Peso	**US$**	3,494				
Forwards Brazilian Real-US Dollar	**BRL**	1,762				
Forwards Euro – Mexican Peso	**€**	200				
Put option	**€**			374		

8. Inventories, net

An analysis of inventories at December 31, 2019 and 2020 is as follows:

	2019	**2020**
Mobile phones, accessories, computers, TVs, cards and other materials	Ps.43,954,616	**Ps.33,763,086**
Less: Reserve for obsolete and slow-moving inventories	(2,852,604)	**(3,385,647)**
Total	Ps.41,102,012	**Ps.30,377,439**

For the years ended December 31, 2018, 2019 and 2020, the cost of inventories recognized in cost of sales was Ps.180,013,986, Ps.174,543,602 and Ps.167,546,288, respectively.

9. Other assets, net

An analysis of other assets at December 31, 2019 and 2020 is as follows:

	2019	2020
Current portion:		
Advances to suppliers (different from PP&E and inventories)	Ps. 7,718,343	**Ps. 7,600,644**
Prepaid insurance	978,927	**1,300,019**
Other	776,164	**93,244**
	Ps. 9,473,434	**Ps. 8,993,907**
Non-current portion:		
Recoverable taxes	Ps.14,647,726	**Ps.11,559,961**
Prepayments for the use of fiber optics	2,095,556	**2,709,358**
Judicial Deposits [(1)]	19,506,147	**15,402,840**
Prepaid expenses	5,642,590	**8,743,667**
Total	Ps.41,892,019	**Ps.38,415,826**

For the years ended December 31, 2018, 2019 and 2020, amortization expense for other assets was Ps.798,243, Ps.318,824 and Ps.213,833, respectively.

(1) Judicial deposits represent cash and cash equivalents pledged in order to fulfill the collateral requirements for tax contingencies mainly in Brazil. At December 31, 2019 and 2020, the amount for these deposits is Ps.19,506,147 and Ps.15,402,840, respectively for Brazil. Based on its evaluation of the underlying contingencies, the Company believes that such amounts are recoverable.

10. Property, Plant and Equipment, net

a) An analysis of activity in property, plant and equipment, net for the years ended December 31, 2018, 2019 and 2020 is as follows:

	At December 31, 2017	Additions	Retirements	Business combinations	Effect of translation of foreign subsidiaries and hyperinflation adjustment	Depreciation for the year	At December 31, 2018
Cost							
Network in operation and equipment	Ps. 989,665,946	Ps. 68,900,443	Ps. (1,610,246)	Ps.128,246	Ps. (87,888,453)	Ps. —	Ps. 969,195,936
Land and buildings	62,584,189	4,429,433	(3,987,671)	8,874	(5,904,499)	—	57,130,326
Other assets	150,315,807	25,268,252	(13,377,798)	2,578	(12,399,702)	—	149,809,137
Construction in process and advances plant suppliers [1]	74,121,374	92,285,397	(76,978,798)	1,379	(8,336,823)	—	81,092,529
Spare parts for operation of the network	26,591,598	49,380,349	(44,626,488)	1,939	(2,902,869)	—	28,444,529
Total	1,303,278,914	240,263,874	(140,581,001)	143,016	(117,432,346)	—	1,285,672,457
Accumulated depreciation							
Network in operation and equipment	552,345,509	—	(28,712,096)	—	(67,907,227)	104,279,361	560,005,547
Buildings	10,655,285	—	(2,311,442)	—	(2,157,996)	2,625,102	8,810,949
Other assets	63,359,529	—	(2,418,837)	—	(6,579,983)	22,172,785	76,533,494
Spare parts for operation of the network	575,393	—	(160,696)	—	(131,429)	38,479	321,747
Total	Ps. 626,935,716	Ps. —	Ps. (33,603,071)	Ps. —	Ps. (76,776,635)	Ps. 129,115,727	Ps. 645,671,737
Net Cost	Ps. 676,343,198	Ps.240,263,874	Ps.(106,977,930)	Ps.143,016	Ps. (40,655,711)	Ps.(129,115,727)	Ps. 640,000,720

	At December 31, 2018	Additions	Retirements	Business combinations	Effect of translation of foreign subsidiaries and hyperinflation adjustment	Depreciation for the year	At December 31, 2019
Cost							
Network in operation and equipment	Ps. 969,195,936	Ps. 82,992,062	Ps. (13,417,360)	Ps. 9,572,805	Ps.(57,669,840)	Ps. —	Ps. 990,673,603
Land and buildings	57,130,326	1,530,677	(4,025,222)	115,935	(3,950,463)	—	50,801,253
Other assets	149,809,137	26,881,611	(7,594,735)	1,021,051	(7,776,500)	—	162,340,564
Construction in process and advances plant suppliers [(1)]	81,092,529	82,640,305	(76,892,011)	209,790	(5,511,439)	—	81,539,174
Spare parts for operation of the network	28,444,529	44,776,904	(36,525,735)	—	(2,462,605)	—	34,233,093
Total	1,285,672,457	238,821,559	(138,455,063)	10,919,581	(77,370,847)	—	1,319,587,687
Accumulated depreciation							
Network in operation and equipment	560,005,547	—	(24,954,514)	—	(47,778,627)	93,097,695	580,370,101
Buildings	8,810,949	—	(287,072)	—	(1,386,974)	2,330,405	9,467,308
Other assets	76,533,494	—	(695,425)	—	(4,754,982)	19,249,104	90,332,191
Spare parts for operation of the network	321,747	—	(283,986)	—	(79,226)	116,182	74,717
Total	Ps. 645,671,737	Ps. —	Ps. (26,220,997)	Ps. —	Ps.(53,999,809)	Ps. 114,793,386	Ps. 680,244,317
Net Cost	Ps. 640,000,720	Ps.238,821,559	Ps.(112,234,066)	Ps.10,919,581	Ps.(23,371,038)	Ps.(114,793,386)	Ps. 639,343,370

	At December 31, 2019	Additions	Retirements	Business combinations	Revaluation adjustments	Transfers	Effect of translation of foreign subsidiaries and hyperinflation adjustment	Depreciation for the year	At December 31, 2020
Cost									
Network in operation and equipment	**Ps. 990,673,603**	**Ps. 90,387,449**	**Ps. (19,574,391)**	**Ps. 996,974**	**Ps.107,152,628**	**Ps.(62,050,212)**	**Ps.(49,993,808)**	**Ps. —**	**Ps.1,057,592,243**
Land and buildings	**50,801,253**	**570,062**	**(2,853,037)**	**—**	**—**	**—**	**369,300**	**—**	**48,887,578**
Other assets	**162,340,564**	**17,474,218**	**(14,454,598)**	**55,848**	**—**	**—**	**(8,393,187)**	**—**	**157,022,845**
Construction in process and advances plant suppliers [(1)]	**81,539,174**	**59,635,316**	**(68,661,847)**	**1,099**	**—**	**—**	**(5,011,829)**	**—**	**67,501,913**
Spare parts for operation of the network	**34,233,093**	**30,721,413**	**(37,829,818)**	**—**	**—**	**—**	**(2,328,430)**	**—**	**24,796,258**
Total	**1,319,587,687**	**198,788,458**	**(143,373,691)**	**1,053,921**	**107,152,628**	**(62,050,212)**	**(65,357,954)**	**—**	**1,355,800,837**
Accumulated depreciation									
Network in operation and equipment	**580,370,101**	**—**	**(25,726,856)**	**—**	**—**	**(62,050,212)[(2)]**	**(58,055,450)**	**96,729,723**	**531,267,306**
Buildings	**9,467,308**	**—**	**(1,663,796)**	**—**	**—**	**—**	**(622,253)**	**1,906,140**	**9,087,399**
Other assets	**90,332,191**	**—**	**(9,317,821)**	**—**	**—**	**—**	**(5,120,175)**	**16,549,822**	**92,444,017**
Spare parts for operation of the network	**74,717**	**—**	**(176,131)**	**—**	**—**	**—**	**38,898**	**135,000**	**72,484**
Total	**Ps. 680,244,317**	**Ps. —**	**Ps. (36,884,604)**	**Ps. —**	**Ps. —**	**Ps.(62,050,212)**	**Ps.(63,758,980)**	**Ps. 115,320,685**	**Ps. 632,871,206**
Net Cost	**Ps. 639,343,370**	**Ps.198,788,458**	**Ps.(106,489,087)**	**Ps.1,053,921**	**Ps.107,152,628**	**Ps. —**	**Ps. (1,598,974)**	**Ps.(115,320,685)**	**Ps. 722,929,631**

(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) This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

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 flow model (DFC) where, among others, inputs such as average rents per tower were used, contract term and discount rates considering market information.

As of December 31, 2020, date of the revaluation, the fair values of the passive infrastructure of the telecommunications towers were determinated by a valuation specialist with experience in the industry. The complement for the revaluation of the passive infrastructure of the telecommunications towers amounted to Ps.107,152,628 and was recognized in OCI, the change in revaluation did not have an impact on the results of the year due to depreciation effects since the change occurred on effective date 31 December 2020.

The information to be disclosed on the fair value measurement for the revalued telecommunications towers is provided in Note 19.

	2020
Book value as of December 31, 2020 (cost model)	**Ps.615,777,003**
Supplement for change in accounting policy	**107,152,628**
Book value and fair value as of December 31, 2020 (revaluation model)	**722,929,631**

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

	Year ended December 31,		
	2018	2019	**2020**
Amount invested in the acquisition of qualifying assets	Ps.45,456,630	Ps.50,783,957	**Ps.46,528,232**
Capitalized interest	2,020,288	2,233,358	**1,771,613**
Capitalization rate	4.4%	4.4%	**3.8%**

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

11. Intangible assets, net and goodwill

a) An analysis of intangible assets at December 31, 2018, 2019 and 2020 is as follows:

For the year ended December 31, 2018

	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. 247,413,824	Ps.4,227,244	Ps. —	Ps. 1,508,274	Ps. —	Ps.(19,670,368)	Ps. 233,478,974
Accumulated amortization	(134,109,438)	—	—	(1,005,877)	(11,347,089)	16,281,825	(130,180,579)
Net	113,304,386	4,227,244	—	502,397	(11,347,089)	(3,388,543)	103,298,395
Trademarks	28,779,212	159,958	6,631	—	—	(738,635)	28,207,166
Accumulated amortization	(18,841,405)	—	—	—	(4,973,602)	275,046	(23,539,961)
Net	9,937,807	159,958	6,631	—	(4,973,602)	(463,589)	4,667,205
Customer relationships	26,985,714	74,637	15,556	—	—	(1,532,839)	25,543,068
Accumulated amortization	(16,129,495)	—	—	—	(3,754,312)	1,122,270	(18,761,537)
Net	10,856,219	74,637	15,556	—	(3,754,312)	(410,569)	6,781,531
Software licenses	15,055,598	2,004,550	3,006	(905,610)	—	(1,848,286)	14,309,258
Accumulated amortization	(7,815,161)	—	—	2,677,848	(3,491,629)	924,139	(7,704,803)
Net	7,240,437	2,004,550	3,006	1,772,238	(3,491,629)	(924,147)	6,604,455
Content rights	6,717,442	850,779	—	—	—	(18,512)	7,549,709
Accumulated amortization	(4,516,665)	—	—	—	(2,231,978)	(14,949)	(6,763,592)
Net	2,200,777	850,779	—	—	(2,231,978)	(33,461)	786,117
Total of intangibles, net	Ps. 143,539,626	Ps.7,317,168	Ps. 25,193	Ps. 2,274,635	Ps.(25,798,610)	Ps. (5,220,309)	Ps. 122,137,703
Goodwill	Ps. 151,463,232	Ps. —	Ps.334,739	Ps.(1,094,861)	—	Ps. (5,136,613)	Ps. 145,566,497

For the year ended December 31, 2019

	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. 233,478,974	Ps.13,206,877	Ps. 7,844,339	Ps. 7,286,114	Ps. —	Ps.(15,715,442)	Ps. 246,100,862
Accumulated amortization	(130,180,579)	—	—	(2,391,624)	(11,577,160)	9,481,480	(134,667,883)
Net	103,298,395	13,206,877	7,844,339	4,894,490	(11,577,160)	(6,233,962)	111,432,979
Trademarks	28,207,166	53,467	—	(6,012)	—	(835,613)	27,419,008
Accumulated amortization	(23,539,961)	—	—	—	(1,008,483)	618,145	(23,930,299)
Net	4,667,205	53,467	—	(6,012)	(1,008,483)	(217,468)	3,488,709
Customer relationships	25,543,068	20,248	—	5,507	—	(2,693,812)	22,875,011
Accumulated amortization	(18,761,537)	—	—	—	(3,371,924)	2,357,831	(19,775,630)
Net	6,781,531	20,248	—	5,507	(3,371,924)	(335,981)	3,099,381
Software licenses	14,309,258	2,729,480	—	(949,858)	—	(2,984,770)	13,104,110
Accumulated amortization	(7,704,803)	—	—	(1)	(2,479,088)	2,183,149	(8,000,743)
Net	6,604,455	2,729,480	—	(949,859)	(2,479,088)	(801,621)	5,103,367
Content rights	7,549,709	1,427,694	—	1,638,007	—	(455,228)	10,160,182
Accumulated amortization	(6,763,592)	—	—	(8,720)	(1,772,779)	429,862	(8,115,229)
Net	786,117	1,427,694	—	1,629,287	(1,772,779)	(25,366)	2,044,953
Total of intangibles, net	Ps. 122,137,703	Ps.17,437,766	Ps. 7,844,339	Ps. 5,573,413	Ps.(20,209,434)	Ps. (7,614,398)	Ps. 125,169,389
Goodwill	Ps. 145,566,497	Ps. —	Ps.10,869,571	Ps. (843,005)	—	Ps. (2,693,262)	Ps. 152,899,801

	For the year ended December 31, 2020						
	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. 246,100,862**	**Ps.15,079,714**	**Ps. 4,436,313**	**Ps. 1,502,981**	**Ps. —**	**Ps.(14,029,709)**	**Ps. 253,090,161**
Accumulated amortization	**(134,667,883)**	**—**	**—**	**105,892**	**(14,274,497)**	**14,227,424**	**(134,609,064)**
Net	**111,432,979**	**15,079,714**	**4,436,313**	**1,608,873**	**(14,274,497)**	**197,715**	**118,481,097**
Trademarks	**27,419,008**	**162,309**	**12,110**	**4,000**	**—**	**1,534,938**	**29,132,365**
Accumulated amortization	**(23,930,299)**	**—**	**—**	**(4,276)**	**(300,727)**	**(1,119,645)**	**(25,354,947)**
Net	**3,488,709**	**162,309**	**12,110**	**(276)**	**(300,727)**	**415,293**	**3,777,418**
Customer relationships	**22,875,011**	**1,935**	**2,689,718**	**(5,763)**	**—**	**4,018,365**	**29,579,266**
Accumulated amortization	**(19,775,630)**	**—**	**—**	**855**	**(1,654,237)**	**(3,996,593)**	**(25,425,605)**
Net	**3,099,381**	**1,935**	**2,689,718**	**(4,908)**	**(1,654,237)**	**21,772**	**4,153,661**
Software licenses	**13,104,110**	**2,445,784**	**36**	**(2,485,429)**	**—**	**4,236,645**	**17,301,146**
Accumulated amortization	**(8,000,743)**	**—**	**—**	**2,013,617**	**(2,667,870)**	**(3,578,452)**	**(12,233,448)**
Net	**5,103,367**	**2,445,784**	**36**	**(471,812)**	**(2,667,870)**	**658,193**	**5,067,698**
Content rights	**10,160,182**	**1,570,415**	**—**	**(313,942)**	**—**	**619,657**	**12,036,312**
Accumulated amortization	**(8,115,229)**	**—**	**—**	**—**	**(1,440,749)**	**(503,241)**	**(10,059,219)**
Net	**2,044,953**	**1,570,415**	**—**	**(313,942)**	**(1,440,749)**	**116,416**	**1,977,093**
Total of intangibles, net	**Ps. 125,169,389**	**Ps.19,260,157**	**Ps. 7,138,177**	**Ps. 817,935**	**Ps.(20,338,080)**	**Ps. 1,409,389**	**Ps. 133,456,967**
Goodwill	**Ps. 152,899,801**	**Ps. —**	**Ps.(7,014,120)**	**Ps. (537,343)**	**Ps. —**	**Ps. (2,295,479)**	**Ps. 143,052,859**

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

	2019	**2020**
Europe	Ps. 52,950,325	**Ps. 53,388,139**
Brazil	28,062,398	**18,730,686**
Puerto Rico	17,463,394	**17,463,394**
Dominican Republic	14,186,723	**14,186,723**
Colombia	12,124,685	**12,253,743**
México	10,148,380	**10,148,380**
Peru	2,739,947	**2,710,979**
Chile	2,364,816	**2,558,098**
El Salvador	2,499,552	**2,499,544**
United States (Tracfone)	3,220,105	**3,362,900**
Ecuador	2,155,384	**2,155,384**
Guatemala	3,245,613	**2,301,533**
Other countries	1,738,479	**1,293,356**
	Ps.152,899,801	**Ps.143,052,859**

c) The following is a description of the major changes in the “Licenses and rights of use” caption during the years ended December 31, 2018, 2019 and 2020:

2018 Acquisitions

i) In December, Dominican Republic acquired radio spectrum totaling Ps.709,829 (RD$ 1,831,427) with a useful life of 11 years.

ii) Additionally, in 2018, the Company acquired other licenses in Paraguay, Puerto Rico, Europe, Argentina, Chile and others countries in the amount of Ps.3,517,415.

2019 Acquisitions

i) In 2019, Claro Brasil increased its licenses value by Ps.3,457,251 by renewal licenses Anatel and reversion of IRU of Telxus referring to ICMS.

ii) In 2019, Austria acquired licenses to operate certain frequencies for Ps.3,023,732, (3.5 GHz; EUR 64.3 mn), Belarus (2.1 GHz; EUR 9.5 mn) and Croatia (2.1 GHz; EUR 7.2 mn).

iii) In 2019, Telmex increased its licenses value by Ps.459,668 for rights to use IFETEL with a validity of 20 years, and a right to use submarine cable with a validity of 10 years.

iv) In January 2019, Telcel acquired licenses for an amount of Ps.1,649,525 for PC´s 98 concessions titles and September 30, 2019 for 400 MHZ concessions titles.

v) In December 2019, Comcel increased its licenses value by Ps.2,753,768 or (468,511,573,375 Colombian pesos) in accordance with Res.3386 of December 23, granted Claro (Comcel) the 20 years renewal of 10 MHz of spectrum in the 1900 MHz band.

vi) Additionally, in 2019, the Company acquired other licenses in Puerto Rico, Argentina, Guatemala, Panamá and other countries in the amount of Ps.1,862,934.

2020 Acquisitions

i) In February 2020, Comcel increased its licenses value by Ps.9,246,825 for an auction of the 30 Mhz spectrum in the 2,500 band for a period of 20 years in accordance with resolution. 325,326 and 327 of February 20, 2020 issued by the Ministry of Information and Communication (MINTIC)

ii) In 2020, Telcel acquired licenses for an amount Ps.1,806,875 for Axtel and Ultra Vision concession titles valid from 2020 to 2040.

iii) In January 2020, CTE acquired licenses by Ps.620,052 for 12 pairs of frequencies, advance payment of Advanced Wireless Services (AWS) band and complementary payment of AWS band of block 4.

iv) In 2020, TAG acquired licenses for the right of us for Ps.1,704,280, in Slovenia and VIP Movil 1940E.

v) Additionally, in 2020, the Company acquired other licenses in Puerto Rico, Argentina, Uruguay, Honduras, Paraguay, Brasil and other countries in the amount of Ps.1,701,682.

Amortization of intangibles for the years ended December 31, 2018, 2019 and 2020 amounted to Ps.25,798,610, Ps.20,209,434 and Ps.20,338,080, 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.

12. Business combinations, acquisitions and non-controlling interest

a) The following is a description of the major acquisitions of investments in associates and subsidiaries during the years ended December 31, 2019 and 2020:

Acquisitions 2019

a) On January 24, 2019, the Company acquired 100% of Telefónica Móviles Guatemala, S.A (“Telefónica Guatemala”) from Telefónica S.A. and certain of its affiliates. The acquired company provides mobile and fixed telecommunications services, including voice, data and Pay TV. The final purchase price paid for the business acquisition was Ps.5,734,254, net of acquired cash. For the purchase accounting, the Company determined the fair value of Telefónica Guatemala´s identifiable assets and liabilities based on relative fair values. The purchase accounting is completed as of the date of the financial statements and the values of the assets acquired and liabilities assumed are as follows:

	2019 amounts at the acquisition date
Current assets	Ps.1,312,906
Other non-current assets	257,853
Intangible assets (excluding goodwill)	1,354,105
Property, plant and equipment	4,144,334
Rights-of-use	864,046
Total assets acquired	7,933,244
Accounts payable	1,248,470
Other liabilities	1,705,580
Total liabilities assumed	2,954,050
Fair value of assets acquired a liabilities assumed-net	4,979,194
Acquisition Price	6,174,330
Goodwill	Ps.1,195,136

b) On December 18, 2019, after receipt of the necessary approvals from local regulators, the Company completed the previously announced acquisition of 100% of Nextel Telecomunicações Ltda. and its subsidiaries (“Nextel Brazil”), from NII Holdings, Inc. and certain of its affiliates (“NII”) and AI Brazil Holdings B.V. Nextel Brazil provides nationwide mobile telecommunications services.

The aggregate purchase price was Ps.17,992,362, after making adjustments pursuant to the Purchase Agreement. After deducting Ps.9,325,712 of net debt, the net purchase consideration transferred at closing was Ps.6,905,539 net of acquired cash.

The net assets recognized in the 31 December 2019 financial statements were based on provisional amounts, the Company finished the Purchase Price allocation adjusting some values mainly for the spectrum licenses from the provisional goodwill, as a result the final goodwill was Ps.1,912,372.

The final amounts as of the date of the financial statement and the values of the assets acquired and liabilities assumed are as follows:

	2019 amounts at the acquisition date
Current assets	Ps. 6,366,943
Other non-current assets	5,970,810
Intangible assets (excluding goodwill)	12,914,175
Property, plant and equipment	5,147,093
Rights-of-use assets	8,086,655
Total assets acquired	38,485,676
Accounts payable	9,170,230
Other liabilities	22,504,097
Total liabilities assumed	31,674,327
Fair value of assets acquired a liabilities assumed-net	6,811,349
Purchase consideration transferred	8,723,721
Goodwill	Ps. 1,912,372

Acquisitions 2020

a) During 2020, the Company acquired through its subsidiaries, other entities for which it paid Ps.152,896, net of acquired cash.

b) The Company acquired an additional non-controlling interest in its entities for an amount of Ps.1,104,662.

c) In December 2020, the offer submitted by our Brazilian subsidiary, Claro, jointly with Telefónica Brasil, S.A. and TIM, S.A. for the acquisition of the mobile business owned by Oi Group was accepted. The offer is in the amount of R$16.5 billion, of which Claro will pay 22%. In consideration of such amount, Claro will receive 32% of Oi Group's mobile business customer base and approximately 4.7 thousand mobile access sites. The closing of the transaction is subject to customary conditions including regulatory approvals from Anatel and Conselho Administrativo de Defesa Econômica, CADE.

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, 2019 and 2020 of TKA'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,	
	2019	**2020**
Assets:		
Current assets	Ps. 29,516,038	**Ps. 32,775,046**
Non-current assets	137,724,390	**150,747,947**
Total assets	Ps.167,240,428	**Ps.183,522,993**
Liabilities and equity:		
Current liabilities	Ps. 34,608,254	**Ps. 49,942,415**
Non-current liabilities	89,711,288	**82,293,652**
Total liabilities	124,319,542	**132,236,067**
Equity attributable to equity holders of the parent	21,864,132	**26,129,649**
Non-controlling interest [(1)]	21,056,754	**25,157,277**
Total equity	Ps. 42,920,886	**Ps. 51,286,926**
Total liabilities and equity	Ps.167,240,428	**Ps.183,522,993**

Summarized consolidated statements of comprehensive income

	For the year ended December 31,		
	2018	2019	**2020**
Operating revenues	Ps.100,716,444	Ps.98,420,289	**Ps.111,472,191**
Operating costs and expenses	95,984,880	89,732,428	**98,312,325**
Operating income	Ps. 4,731,564	Ps. 8,687,861	**Ps. 13,159,866**
Net income	Ps. 3,809,694	Ps. 5,051,145	**Ps. 7,787,388**
Total comprehensive income	Ps. 5,047,838	Ps. 1,466,783	**Ps. 12,103,406**
Net income attributable to:			
Equity holders of the parent	Ps. 1,942,944	Ps. 2,565,733	**Ps. 3,986,412**
Non-controlling interest	1,866,750	2,485,412	**3,800,976**
	Ps. 3,809,694	Ps. 5,051,145	**Ps. 7,787,388**
Comprehensive income attributable to:			
Equity holders of the parent	Ps. 2,574,397	Ps. 748,059	**Ps. 6,172,737**
Non-controlling interest	2,473,441	718,724	**5,930,669**
	Ps. 5,047,838	Ps. 1,466,783	**Ps. 12,103,406**

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, 2018, 2019 and 2020 is as follows:

	2018	2019	**2020**
In Mexico:			
Current year income tax	Ps.28,572,414	Ps.26,295,431	**Ps.13,407,948**
Deferred income tax	(2,688,727)	208,658	**(9,334,246)**
Foreign:			
Current year income tax	19,898,728	20,843,720	**15,250,218**
Deferred income tax	694,664	3,685,724	**(2,957,768)**
	Ps.46,477,079	Ps.51,033,533	**Ps.16,366,152**

Deferred tax related to items recognized in OCI during the year:

	For the years ended December 31,		
	2018	2019	**2020**
Remeasurement of defined benefit plans	Ps. 408,735	Ps.9,217,320	**Ps. 4,151,600**
Equity investments at fair value	1,613,667	(378,606)	**(665,814)**
Other	(8,922)	—	**(35,670)**
Revaluation assets	—	—	**(29,922,597)**
Deferred tax benefit recognized in OCI	Ps.2,013,480	Ps.8,838,714	**Ps.(26,472,481)**

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,		
	2018	2019	**2020**
Statutory income tax rate in Mexico	30.0%	30.0%	**30.0%**
Impact of non-deductible and non-taxable items:			
Tax inflation effects	7.3%	3.5%	**6.1%**
Derivatives	0.4%	(0.1%)	**(0.7%)**
Employee benefits	1.3%	1.8%	**3.0%**
Other	6.3%	1.8%	**(2.4%)**
Effective tax rate on Mexican operations	45.3%	37.0%	**36.0%**
Tax recoveries in Brazil	—	—	**(9.3%)**
Dividends received from associates Equity	(0.8%)	(0.4%)	**(0.9%)**
Foreign subsidiaries and other non-deductible items, net	1.5%	5.5%	**(1.5%)**
Effective tax rate	46.0%	42.1%	**24.3%**

An analysis of temporary differences giving rise to the net deferred tax liability is as follows:

	Consolidated statements of financial position		Consolidated statements of net income		
	2019	**2020**	2018	2019	**2020**
Provisions	Ps. 17,964,305	**Ps. 19,312,081**	Ps. 1,841,705	Ps. (257,070)	**Ps. 4,458,848**
Deferred revenues	5,820,260	**6,748,101**	3,632,051	(1,077,259)	**897,762**
Tax losses carry forward	26,630,407	**25,121,933**	(5,833,660)	(9,873)	**2,236,244**
Property, plant and equipment [(1)]	(11,962,544)	**(39,459,549)**	453,493	(461,594)	**3,524,761**
Inventories	1,787,065	**(537,404)**	81,270	(291,531)	**(2,393,979)**
Licenses and rights of use [(1)]	(3,399,931)	**(5,177,924)**	961,402	432,403	**344,729**
Employee benefits	41,743,744	**45,467,827**	1,128,209	(1,019,042)	**422,473**
Other	9,491,550	**14,828,012**	(270,407)	(1,210,417)	**2,801,176**
Net deferred tax assets	Ps. 88,074,856	**Ps. 66,303,077**			
Deferred tax expense in net profit for the year			Ps. 1,994,063	Ps.(3,894,383)	**Ps.12,292,014**

(1) As of December 31, 2020 the balance included the effects of hyperinflation and revaluation of telecommunications towers.

Reconciliation of deferred tax assets and liabilities, net:

	2018	2019	**2020**
Opening balance as of January 1,	Ps. 104,573,985	Ps. 86,613,327	**Ps. 88,074,856**
Deferred tax benefit	1,994,063	(3,894,383)	**12,292,014**
Translation effect	(8,854,010)	2,047,915	**375,105**
Deferred tax benefit recognized in OCI	2,013,480	8,838,714	**(26,472,481)**
Deferred taxes acquired in business combinations	(25,827)	(276,568)	**(2,580,552)**
Hyperinflationary effect in Argentina	(4,907,151)	(5,254,149)	**(5,385,865)**
Effect of adoption of IFRS 9	544,628	—	**—**
Effect of adoption of IFRS 15	(8,725,841)	—	**—**
Closing balance as of December 31,	Ps. 86,613,327	Ps. 88,074,856	**Ps. 66,303,077**
Presented in the consolidated statements of financial position as follows:			
Deferred income tax assets	Ps.111,186,768	Ps.106,167,897	**Ps.115,370,240**
Deferred income tax liabilities	(24,573,441)	(18,093,041)	**(49,067,163)**
	Ps. 86,613,327	Ps. 88,074,856	**Ps. 66,303,077**

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

The Company does not recognize a deferred tax liability related to the undistributed earnings of its subsidiaries, because it currently does not expect these earnings to be taxable or to be repatriated in the near future. The Company's policy has been to distribute the profits when it has paid the corresponding taxes in its home jurisdiction and the tax can be accredited in Mexico.

At December 31, 2019 and 2020, the balance of the contributed capital account ("CUCA") is Ps.551,221,490 and Ps.573,362,949 respectively. Effectively, on January 1, 2014, the *Cuenta de Utilidad Fiscal Neta* ("CUFIN") is computed on an América Móvil's stand-alone basis. The balance of the América Móvil's stand-alone basis CUFIN amounted to Ps.320,880,512 and Ps.332,273,039 as of December 31, 2019 and 2020, respectively.

ii) Significant foreign income tax matters

a) Results of operations

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

The effective income tax rate for the Company's foreign jurisdictions was 31% in 2018, 40% in 2019 and 18% in 2020. The statutory tax rates in these jurisdictions vary, although many approximate 10% to 34%. The primary difference between the statutory rates and the effective rates in 2018, 2019 and 2020 was attributable to dividends received from KPN, other non-deductible items, non-taxable income and tax recoveries in Brazil.

a.1) In 2020 the Claro Brasil began to use the tax benefit related to the ICMS Grant on TV based on Complementary Law 160/2017 and art. 30 of Law 12,973, as well as in recent interpretations on the subject, investment grants are not computed in determining actual profit in the amount of Ps.1,721,453 (R$411,336). The Company kicked back the application of the benefit for the years 2018 and 2019, with a total impact of Ps.2,748,084 (R$656,646).

iii) Tax losses

a) At December 31, 2020, 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, 2020	Tax-effected loss carryforward benefit
Brazil	**Ps.44,578,152**	**Ps.15,156,572**
Mexico	**20,523,070**	**6,156,920**
Austria	**11,631,381**	**2,907,845**
United States	**3,023,441**	**786,095**
Peru	**380,770**	**112,327**
Puerto Rico	**5,574**	**2,174**
Total	**Ps.80,142,388**	**Ps.25,121,933**

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.44,578,152 in net operating loss carryforwards (NOL's) in Brazil as of December 31, 2020. In Brazil, there is no expiration of the NOL's. However, the NOL´s amount used against taxable income in each year may not exceed 30% of the taxable income for such year. Consequently, in the year in which taxable income is generated, the effective tax rate is 25% rather than the 34% corporate tax rate.

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.20,523,070 in tax losses in Mexico. The company estimates that there is positive evidence that allows it to use these losses, these should be reduced to the extent that it is considered likely that there will 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.11,631,381 in NOL's in Austria as of December 31, 2020. In Austria, the NOL´s have no expiration, but its annual usage is limited to 75% of the taxable income of the year. The realization of deferred tax assets is dependent upon the expected generation of future taxable income during the periods in which these temporary differences become deductible.

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 implies, pay in January 2020, the deferred income tax for the years 2016-2018. Therefore, from the year 2020, the group will be taxable under the General Regime for Legal Persons.

v) Limiting interest deductions

The Mexican Tax Law establishes for 2020 further new rules related with the limiting interest deductions, in concordance with the action 4 of Base Erosion and Profit Shifting (BEPS) project, by Organization for Economic Co-operation and Development (OCDE), whom Mexico is member.

In general terms, each Mexican companies should calculated a Tax EBITDA, whose amount by the corporate income tax, will be the limit allow to deduct in the tax year it's important to underline the amount that was not deductible could be carryforward in the following ten years.

vi) Revaluation of telecommunications towers

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

14. Debt

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

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

	At December 31, 2019			(Thousands of Mexican pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Senior Notes				
U.S. dollars				
	Fixed-rate Senior notes (i)	5.000%	2020	Ps. 11,774,764
	Fixed-rate Senior notes (i)	3.125%	2022	30,152,320
	Fixed-rate Senior notes (i)	3.625%	2029	18,845,200
	Fixed-rate Senior notes (i)	6.375%	2035	18,493,360
	Fixed-rate Senior notes (i)	6.125%	2037	6,958,119
	Fixed-rate Senior notes (i)	6.125%	2040	37,690,400
	Fixed-rate Senior notes (i)	4.375%	2042	21,671,980
	Fixed-rate Senior notes (i)	4.375%	2049	23,556,500
	Subtotal U.S. dollars			**Ps.169,142,643**
Mexican pesos				
	Domestic Senior notes (i)	8.600%	2020	Ps. 7,000,000
	Fixed-rate Senior notes (i)	6.450%	2022	22,500,000
	Fixed-rate Senior notes (i)	7.125%	2024	11,000,000
	Domestic Senior notes (i)	0.000%	2025	4,757,592
	Fixed-rate Senior notes (i)	8.460%	2036	7,871,700
	Domestic Senior notes (i)	8.360%	2037	5,000,000
	Subtotal Mexican pesos			**Ps. 58,129,292**
Euros				
	Commercial Paper (iv)	-0.230%	2020	Ps. 2,599,128
	Exchangeable Bond (i)	0.000%	2020	60,051,270
	Fixed-rate Senior notes (i)	3.000%	2021	21,131,123
	Fixed-rate Senior notes (i)	3.125%	2021	15,848,342
	Fixed-rate Senior notes (i)	4.000%	2022	15,848,342
	Fixed-rate Senior notes (i)	4.750%	2022	15,848,342
	Fixed-rate Senior notes (i)	3.500%	2023	6,339,337
	Fixed-rate Senior notes (i)	3.259%	2023	15,848,342
	Fixed-rate Senior notes (i)	1.500%	2024	17,961,454
	Fixed-rate Senior notes (i)	1.500%	2026	15,848,342
	Fixed-rate Senior notes (i)	0.750%	2027	21,131,123
	Fixed-rate Senior notes (i)	2.125%	2028	13,735,230
	Subtotal Euros			**Ps.222,190,375**
Pound Sterling				
	Fixed-rate Senior notes (i)	5.000%	2026	Ps. 12,491,541
	Fixed-rate Senior notes (i)	5.750%	2030	16,239,003
	Fixed-rate Senior notes (i)	4.948%	2033	7,494,924
	Fixed-rate Senior notes (i)	4.375%	2041	18,737,311
	Subtotal Pound Sterling			**Ps. 54,962,779**
Brazilian reais				
	Debentures (i)	102.900% of CDI	2020	Ps. 7,013,124
	Debentures (i)	104.000% of CDI	2021	5,142,958
	Debentures (i)	104.250% of CDI	2021	7,083,256
	Promissory notes (i)	CDI + 0.600%	2021	1,683,150
	Promissory notes (i)	106.000% of CDI	2022	9,350,832
	Promissory notes (i)	106.500% of CDI	2022	4,675,416
	Subtotal Brazilian reais			**Ps. 34,948,736**
Other currencies				
Japanese yen				
	Fixed-rate Senior notes (i)	2.950%	2039	Ps. 2,255,663
	Subtotal Japanese yen			**Ps. 2,255,663**

At December 31, 2019				(Thousands of Mexican pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Chilean pesos				
	Fixed-rate Senior notes (i)	3.961%	2035	Ps. 3,562,695
	Subtotal Chilean pesos			**Ps. 3,562,695**
	Subtotal other currencies			**Ps. 5,818,358**
Hybrid Notes				
Euros				
	Euro NC10 Series B Capital Securities (iii)	6.375%	2073	Ps. 11,622,118
	Subtotal Euros			**Ps. 11,622,118**
Pound Sterling				
	GBP NC7 Capital Securities (iii)	6.375%	2073	Ps. 13,740,695
	Subtotal Pound Sterling			**Ps. 13,740,695**
	Subtotal Hybrid Notes			**Ps. 25,362,813**
Lines of Credit and others				
U.S. dollars				
	Lines of credit (ii)	5.500% - 9.020%	2020 - 2024	Ps. 9,359,340
Mexican pesos				
	Lines of credit (ii)	TIIE + 0.050% - TIIE + 0.090%	2020	Ps. 22,000,000
Euros				
	Lines of credit (ii)	0.030%	2020	Ps. 2,113,112
Peruvian Soles				
	Lines of credit (ii)	3.550% - 3.700%	2020 - 2021	Ps. 15,351,211
Chilean pesos				
	Lines of credit (ii)	TAB + 0.350%	2021	Ps. 4,821,222
	Financial Leases	8.700% - 8.970%	2020 - 2027	Ps. 54,596
	Subtotal Lines of Credit and others			**Ps. 53,699,481**
	Total debt			**Ps.624,254,477**
	Less: Short-term debt and current portion of long-term debt			**Ps.129,172,033**
	Long-term debt			**Ps.495,082,444**

At December 31, 2020				(Thousands of Mexican pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Senior Notes				
U.S. dollars				
	Fixed-rate Senior notes (i)	3.125%	2022	Ps. 31,917,920
	Fixed-rate Senior notes (i)	3.625%	2029	19,948,700
	Fixed-rate Senior notes (i)	2.875%	2030	19,948,700
	Fixed-rate Senior notes (i)	6.375%	2035	19,576,258
	Fixed-rate Senior notes (i)	6.125%	2037	7,365,559
	Fixed-rate Senior notes (i)	6.125%	2040	39,897,400
	Fixed-rate Senior notes (i)	4.375%	2042	22,941,005
	Fixed-rate Senior notes (i)	4.375%	2049	24,935,875
	Subtotal U.S. dollars			**Ps.186,531,417**
Mexican pesos				
	Fixed-rate Senior notes (i)	6.450%	2022	Ps. 22,500,000
	Fixed-rate Senior notes (i)	7.125%	2024	11,000,000
	Domestic Senior notes (i)	0.000%	2025	4,911,181
	Fixed-rate Senior notes (i)	8.460%	2036	7,871,700
	Domestic Senior notes (i)	8.360%	2037	5,000,000
	Subtotal Mexican pesos			**Ps. 51,282,881**
Euros				
	Fixed-rate Senior notes (i)	3.000%	2021	Ps. 24,369,332
	Fixed-rate Senior notes (i)	3.125%	2021	18,276,999
	Fixed-rate Senior notes (i)	4.000%	2022	18,276,999
	Fixed-rate Senior notes (i)	4.750%	2022	18,276,999
	Fixed-rate Senior notes (i)	3.500%	2023	7,310,800
	Fixed-rate Senior notes (i)	3.259%	2023	18,276,999
	Fixed-rate Senior notes (i)	1.500%	2024	20,713,932
	Fixed-rate Senior notes (i)	1.500%	2026	18,276,999
	Fixed-rate Senior notes (i)	0.750%	2027	24,369,332
	Fixed-rate Senior notes (i)	2.125%	2028	15,840,066
	Commercial Paper (iv)	-0.230% -0.310%	2021	40,940,477
	Subtotal Euros			**Ps.224,928,934**
Pound Sterling				
	Fixed-rate Senior notes (i)	5.000%	2026	Ps. 13,634,936
	Fixed-rate Senior notes (i)	5.750%	2030	17,725,417
	Fixed-rate Senior notes (i)	4.948%	2033	8,180,962
	Fixed-rate Senior notes (i)	4.375%	2041	20,452,405
	Subtotal Pound Sterling			**Ps. 59,993,720**
Brazilian reais				
	Debentures (i)	104.000% of CDI	2021	Ps. 4,222,597
	Debentures (i)	104.250% of CDI	2021	5,815,668
	Promissory notes (i)	CDI + 0.600%	2021	1,381,941
	Debentures (i)	CDI + 0.960%	2022	9,596,811
	Promissory notes (i)	106.000% of CDI	2022	7,677,449
	Debentures (i)	106.500% of CDI	2022	3,838,725
	Subtotal Brazilian reais			**Ps. 32,533,191**
Other currencies				
Japanese yen				
	Fixed-rate Senior notes (i)	2.950%	2039	Ps. 2,511,701
	Subtotal Japanese yen			**Ps. 2,511,701**
Chilean pesos				
	Fixed-rate Senior notes (i)	3.961%	2035	Ps. 4,078,453
	Subtotal Chilean pesos			**Ps. 4,078,453**
	Subtotal other currencies			**Ps. 6,590,154**
Hybrid Notes				
Euros				
	Euro NC10 Series B Capital Securities (iii)	6.375%	2073	Ps. 13,403,133
	Subtotal Euros			**Ps. 13,403,133**
	Subtotal Hybrid Notes			**Ps. 13,403,133**

At December 31, 2020				(Thousands of Mexican pesos)
Currency	**Loan**	**Interest rate**	**Maturity**	**Total**
Lines of Credit and others				
Mexican pesos				
	Lines of credit (ii)	TIIE + 0.300% - TIIE + 1.000%	2021	Ps. 27,100,000
Peruvian Soles				
	Lines of credit (ii)	1.200% - 1.450%	2021	Ps. 17,094,079
Chilean pesos				
	Lines of credit (ii)	TAB + 0.350% and TAB + 0.450%	2021	Ps. 8,868,181
	Financial Leases	8.700% - 8.970%	2021 - 2027	Ps. 57,266
	Subtotal Lines of Credit and others			**Ps. 53,119,526**
	Total debt			**Ps.628,382,956**
	Less: Short-term debt and current portion of long-term debt			**Ps.148,083,184**
	Long-term debt			**Ps.480,299,772**

L= LIBOR (London Interbank Offered Rate)
TIIE = Mexican Interbank Rate
CDI = Brazil Interbank Deposit Rate
TAB= Chilean weighted average funding rate

Interest rates on the Company's debt are subject to variances in international and local rates. The Company's weighted average cost of borrowed funds at December 31, 2019, and December 31, 2020 was approximately 4.16% and 3.72%, 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, 2019, and December 31, 2020, is as follows:

	2019	2020
Obligations and Senior Notes	**Ps. 88,438,286**	**Ps. 95,007,014**
Lines of credit	**40,722,004**	**53,062,260**
Financial Leases	**11,743**	**13,910**
Total	**Ps.129,172,033**	**Ps.148,083,184**
Weighted average interest rate	**3.31%**	**2.23%**

The Company's long-term debt maturities as of December 31, 2020 are as follows:

Years	Amount
2022	**Ps.112,091,112**
2023	**25,594,561**
2024	**31,721,298**
2025 and thereafter	**310,892,801**
Total	**Ps.480,299,772**

(i) Senior Notes

The outstanding Senior Notes at December 31, 2019, and December 31, 2020, are as follows:

Currency*	2019	2020
U.S. dollars	**Ps.169,142,643**	**Ps.186,531,417**
Mexican pesos	**58,129,292**	**51,282,881**
Euros**	**222,190,375**	**183,988,456**
Pounds sterling**	**54,962,779**	**59,993,720**
Brazilian reais	**34,948,736**	**32,533,191**
Japanese yens	**2,255,663**	**2,511,701**
Chilean pesos	**3,562,695**	**4,078,453**

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

(ii) Lines of credit

At December 31, 2019, and December 31, 2020, debt under lines of credit aggregated to Ps.$53,645 million and Ps.$53,062 million, respectively.

The Company has two revolving syndicated credit facilities, one for the Euro equivalent of U.S. $2,000 million and the other for U.S. $2,500 million maturing in 2021 and 2024, respectively. As long as the facilities are committed, a commitment fee is paid. As of December 31, 2020, these credit facilities are undrawn. Telekom Austria has an undrawn revolving syndicated credit facility in Euros for €1,000 million that matures in 2026.

(iii) Hybrid Notes

We currently have a Capital Securities (hybrid notes) maturing in 2073: a series denominated in euros for a total amount of €550 million with a coupon of 6.375%. The Capital Securities are deeply subordinated, and when they were issued the principal rating agencies stated that they would treat only half of the principal amount as indebtedness for purposes of evaluating our leverage (an analysis referred to as 50.0% equity credit). The Capital Securities are subject to redemption at our option at varying dates beginning in 2023 for the euro-denominated series.

(iv) Commercial Paper

In August 2020, we established a new Euro-Commercial Paper program for a total amount of €2,000 million. At December 31, 2020, debt under this program aggregated to Ps.40,940 million.

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. At December 31, 2020, 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.

At December 31, 2020, the Company was in compliance with all the covenants.

15. Right-of-use assets and lease debt

The Company has lease contracts for various items of towers & sites, property and other equipment used in its operations. Towers and sites generally have lease terms between 5 and 12 years, while property and other equipment generally have lease terms between 5 and 25 years.

At December 31, 2019 and 2020 the right-of-use assets and lease liabilities are as follows:

	Right-of-use assets				Liability related to right-of-use of assets
	Towers & Sites	Property	Other equipment	Total	
As of January 1, 2019	Ps. 94,252,098	Ps.21,075,884	Ps. 4,750,320	Ps.120,078,302	Ps.119,387,660
Additions and release	6,364,508	921,542	729,001	8,015,051	7,437,621
Business Combinations	9,668,507	—	—	9,668,507	10,810,111
Modifications	7,474,469	1,288,974	728,837	9,492,280	8,363,045
Depreciation	(17,286,497)	(4,941,222)	(1,365,847)	(23,593,566)	—
Interest expense	—	—	—	—	7,940,240
Payments	—	—	—	—	(26,765,075)
Translation adjustment	(4,370,636)	(905,808)	(380,907)	(5,657,351)	(6,576,869)
Balance at December 31, 2019	Ps. 96,102,449	Ps.17,439,370	Ps. 4,461,404	Ps.118,003,223	Ps.120,596,733
Balance at the beginning of the year	**Ps. 96,102,449**	**Ps.17,439,370**	**Ps. 4,461,404**	**Ps.118,003,223**	**Ps.120,596,733**
Additions and release	**5,745,869**	**309,576**	**1,514,519**	**7,569,964**	**4,833,959**
Modifications	**8,559,335**	**(3,035,831)**	**1,048,858**	**6,572,362**	**7,769,326**
Depreciation	**(22,064,413)**	**(3,440,428)**	**(2,866,244)**	**(28,371,085)**	**—**
Interest expense	**—**	**—**	**—**	**—**	**9,134,288**
Payments	**—**	**—**	**—**	**—**	**(29,623,565)**
Translation adjustment	**(3,124,365)**	**932,748**	**393,997**	**(1,797,620)**	**(3,383,500)**
Balance at December 31, 2020	**Ps. 85,218,875**	**Ps.12,205,435**	**Ps. 4,552,534**	**Ps.101,976,844**	**Ps.109,327,241**

At December 31, 2019 and 2020, the total of the right-of-use assets include an amount of Ps.22,878,245 and Ps.$18,499,851, corresponding to related parties, respectively and the total of lease liabilities include an amount of Ps.23,805,275 and Ps.$20,016,478 corresponding to related parties, respectively.

The implementation of IFRS 16 required a significant effort due to the fact of the need to make certain estimates, such as the lease term, based on the non-cancelable period and the periods covered by options to extend the lease. The

Company considered the extension of the lease terms beyond the non-cancelable period only when it was reasonably certain to extend it. The reasonability of the extension was affected by several factors, such as regulation, business model, and geographical business strategies.

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

	2020
Short term	**Ps. 25,067,905**
Long term	**84,259,336**
Total	**Ps.109,327,241**

The Company's long-term debt maturities as of December 31, 2020 are as follows:

Year ended December 31,	
2022	**Ps.35,744,268**
2023	**12,778,050**
2024	**9,606,195**
2025 and thereafter	**26,130,823**
Total	**Ps.84,259,336**

During the years ended December 31 2019 and 2020, the Company recognized expenses as follows:

	2019		
	Others	Related parties	Total
Depreciation expense of right-of-use assets	Ps.18,176,521	Ps.5,417,045	Ps.23,593,566
Interest expense on lease liabilities	5,654,721	2,285,519	7,940,240
Expense relating to short-term leases	1,978,403	1,958	1,980,361
Expense relating to leases of low-value assets	25,935	—	25,935
Variable lease payments	1,299,502	—	1,299,502
Total	Ps.27,135,082	Ps.7,704,522	Ps.34,839,604

	2020		
	Others	Related parties	Total
Depreciation expense of right-of-use assets	**Ps.22,404,924**	**Ps.5,966,161**	**Ps.28,371,085**
Interest expense on lease liabilities	**7,081,693**	**2,052,595**	**9,134,288**
Expense relating to short-term leases	**32,238**	**—**	**32,238**
Expense relating to leases of low-value assets	**2,883**	**—**	**2,883**
Variable lease payments	**78,494**	**—**	**78,494**
Total	**Ps.29,600,232**	**Ps.8,018,756**	**Ps.37,618,988**

Impact on accounting for changes in lease payments applying the exemption.

Based on the information available for evaluation as of the date of adoption, the effect of applying this amendment to IFRS 16 in the Company's consolidated financial statements as of December 31, 2020 was Ps.277,680, reflecting an adjustment to accrued liability for leases and recognizing a benefit in the income statement for the period.

16. Accounts payable, accrued liabilities and asset retirement obligations

a) The components of the captions account payable and accrued liabilities are as follows:

	At December 31, 2019	At December 31, **2020**
Suppliers	Ps.113,370,716	**Ps.74,285,881**
Sundry creditors	90,849,195	**101,406,307**
Interest payable	8,057,170	**7,661,762**
Guarantee deposits from customers	1,467,835	**1,386,645**
Dividends payable	2,367,908	**2,254,877**
Total	Ps.216,112,824	**Ps.186,995,472**

b) The balance of accrued liabilities at December 31, 2019 and 2020 are as follows:

	At December 31, 2019	At December 31, **2020**
Current liabilities		
Direct employee benefits payable	Ps.17,991,283	Ps.**18,965,160**
Contingencies	34,379,969	**31,326,691**
Total	Ps.52,371,252	Ps.**50,291,851**

The movements in contingencies for the years ended December 31, 2019 and 2020 are as follows:

	Balance at December 31, 2018	Business combination	Effect of translation	Increase of the year	Applications		Reclassification by adoption of IFRIC 23	Balance at December 31, 2019
					Payments	Reversals		
Contingencies	Ps.40,281,573	Ps.1,378,611	Ps.(2,302,058)	Ps.6,410,975	Ps.(5,483,327)	Ps.(1,833,518)	Ps.(4,072,287)	Ps.34,379,969

	Balance at December 31, 2019	**Business combination**	**Effect of translation**	**Increase of the year**	**Applications**		**Balance at December 31, 2020**
					Payments	**Reversals**	
Contingencies	**Ps.34,379,969**	**Ps.292**	**Ps.(4,290,753)**	**Ps.7,442,292**	**Ps.(3,214,407)**	**Ps.(2,990,702)**	**Ps.31,326,691**

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, 2019 and 2020 are as follows:

	Balance at December 31, 2018	Business combination	Effect of translation	Increase of the year	Applications		Balance at December 31, 2019
					Payments	Reversals	
Asset retirement obligations	Ps.15,971,601	Ps.293,548	Ps.(1,339,033)	Ps.1,600,197	Ps.(128,842)	Ps.(580,727)	Ps.15,816,744

	Balance at December 31, 2019	**Business combination**	**Effect of translation**	**Increase of the year**	**Applications**		**Balance at December 31, 2020**
					Payments	**Reversals**	
Asset retirement obligations	**Ps.15,816,744**	**Ps. —**	**Ps.374,418**	**Ps.2,412,908**	**Ps.(593,644)**	**Ps.(122,435)**	**Ps.17,887,991**

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.

17. Commitments and Contingencies

a) Commitments

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

As of December 31, 2020, the total amounts equivalent to the contract period are detailed below:

Year ended December 31,	
2021	**Ps. 74,446,526**
2022	**37,345,449**
2023	**2,240,297**
2024 and thereafter	**13,555,946**
Total	**Ps.127,588,218**

b) 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) Mexican Tax Assessment and Fine

In 2014, the Mexican Tax Administration Service (*Servicio de Administración Tributaria*) ("SAT") notified the Company a Ps.529,700 tax assessment related to the Company's tax return for the fiscal year ended December 31, 2005, pursuant to which the SAT has determined a reduction of the Company's consolidated tax loss for such year from Ps.8,556,000 to zero. Furthermore, in 2012 the SAT notified the Company's subsidiary *Sercotel, S.A. de C.V.* a tax assessment of approximately Ps.1,400,000. The Company and such subsidiary challenged these tax assessments and once all corresponding instances had been concluded, during the second half of 2020, the Federal Tax Court issued a final judgment annulling such tax assessments.

(2) 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 2017, 2018, 2019, 2020 and 2021, Telcel has challenged the applicable resolutions and final resolutions are pending. With respect to 2021, Telcel will challenge the applicable resolutions.

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* "SCJN"), the IFT has determined asymmetric interconnection rates for the termination of traffic in Telcel's and other operators' networks for 2018, 2019, 2020 and 2021. 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 resolution.

(3) Telcel Class Action Lawsuits

One of the three class action lawsuits that have been filed against Telcel by customers allegedly affected by Telcel's quality of service and wireless and broadband rates continues in process, the remaining two lawsuits

have been concluded without any adverse effect on the Company. 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.

(4) IFT Proceedings Against Telmex

In 2018, the IFT imposed a fine of Ps.2,543,937 on Telmex relating to a sanction procedure triggered by the alleged breach in 2013 and 2014 of certain minimum quality goals for link services. Telmex challenged this fine, and a final resolution is pending.

(5) Brazilian Tax Matters

As of December 31, 2020, certain Company's Brazilian subsidiaries had aggregate tax contingencies of Ps.119,231,362 (R$ 31,060,349) for which the Company has established provisions of Ps.17,643,740 (R$ 4,596,280) in the accompanying consolidated financial statements for eventual losses arising from contingencies that the Company considers probable. The most significant contingencies for which provisions have been established are:

- Ps.41,974,641 (R$ 10,934,598) aggregate contingencies and Ps.3,101,862 (R$ 808,050) provisions related to value-added tax (*Imposto sobre a Circulação de Mercadorias e Prestação de Serviços* or "ICMS") assessments;
- Ps.20,151,371 (R$ 5,249,530) aggregate contingencies and Ps.3,319,251 (R$ 864,681) 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.14,991,233 (R$ 3,905,289) aggregate contingencies and Ps.4,993,865 (R$ 1,300,926) 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.11,476,895 (R$ 2,989,787) aggregate contingencies and Ps.1,428,756 (R$ 372,198) 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.4,410,628 (R$ 1,148,990) aggregate contingencies and Ps.656 (R$ 171) 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 a final resolution is pending;
- Ps.1,688,790 (R$ 439,938) aggregate contingencies and Ps.46,947 (R$ 12,230) 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 a final resolution is pending;
- Ps.4,183,953 (R$ 1,089,940) aggregate contingencies and Ps.108,877 (R$ 28,363) provisions arising, among others, from 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.3,848,354 (R$ 1,002,515) aggregate contingencies and Ps.3,826,631 (R$ 996,856) 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 a fine for Ps.12,921,410 (R$ 3,366,090) imposed for an unpaid installation inspection fee (*Taxa de Fiscalização de Instalação* or "TFI") allegedly due for 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.

(6) 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 Brasil. 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 inflationrelated adjustments resulted in a shortfall of the installment payments. The companies have filed declaratory and consignment actions seeking the resolution of the disputes and have obtained injunctions from a federal appeals court suspending payment until the pending appeals are resolved.

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 2019, Anatel calculated the monetary correction in a total amount of Ps.15,738,670 (R$ 4,100,000). As of December 31, 2020, the Company has established a provision of Ps.2,625,671 (R$ 684,000) in the accompanying consolidated financial statements for the losses arising from these contingencies, which the Company considers probable.

18. Employee Benefits

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

	At December 31,	
	2019	**2020**
Mexico	Ps.116,537,660	**Ps.129,260,355**
Puerto Rico	13,228,592	**14,924,874**
Brazil	9,503,738	**8,913,548**
Europe	12,827,318	**14,392,445**
Ecuador	409,750	**488,161**
El Salvador		**154,422**
Nicaragua		**61,337**
Honduras		**35,060**
Total	Ps.152,507,058	**Ps.168,230,202**

	For the year ended December 31		
	2018	2019	**2020**
Mexico	Ps.12,046,208	Ps.12,788,464	**Ps.14,911,208**
Puerto Rico	686,067	747,755	**664,046**
Brazil	579,432	511,964	**722,412**
Europe	619,039	2,526,957	**1,701,424**
Ecuador	58,354	34,425	**67,402**
El Salvador			**15,751**
Nicaragua			**3,711**
	13,989,100	Ps.16,609,565	**Ps.18,085,954**

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							
	2019				2020			
	DBO	Plan Assets	Effect of asset celling	Net employee benefit liability	**DBO**	**Plan Assets**	**Effect of asset celling**	**Net employee benefit liability**
Mexico	Ps.280,602,176	Ps.(164,910,346)	Ps.	Ps.115,691,830	**Ps.278,434,302**	**Ps.(150,090,481)**	**Ps.**	**Ps.128,343,821**
Puerto Rico	35,803,893	(22,575,301)		13,228,592	**40,240,193**	**(25,315,319)**		**14,924,874**
Brazil	21,412,097	(18,815,174)	4,428,021	7,024,944	**18,568,932**	**(16,143,783)**	**3,393,640**	**5,818,789**
Europe	4,538,543			4,538,543	**5,490,873**			**5,490,873**
Total	Ps.342,356,709	Ps.(206,300,821)	Ps.4,428,021	Ps.140,483,909	**Ps.342,734,300**	**Ps.(191,549,583)**	**Ps.3,393,640**	**Ps.154,578,357**

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, 2018, 2019 and 2020:

	At December 31, 2018			
	DBO	Plan Assets	Effect of asset celling	Net employee benefit liability
Balance at the beginning of the year	Ps.329,113,625	Ps.(227,688,604)	Ps. 6,519,560	Ps.107,944,581
Current service cost	3,322,813			3,322,813
Interest cost on projected benefit obligation	30,185,257			30,185,257
Expected return on plan assets		(20,804,104)		(20,804,104)
Changes in the asset ceiling during the period and others			587,373	587,373
Past service costs and other		157,765		157,765
Actuarial gain for changes in experience	(7,222)			(7,222)
Actuarial loss from changes in demographic assumptions	134,625			134,625
Actuarial gain from changes in financial assumptions	(24,890)			(24,890)
Net period cost	Ps. 33,610,583	Ps. (20,646,339)	Ps. 587,373	Ps. 13,551,617
Actuarial gain for changes in experience	(21,283,470)			(21,283,470)
Actuarial loss from changes in demographic assumptions	68,482			68,482
Actuarial gain from changes in financial assumptions	(1,246,539)			(1,246,539)
Changes in the asset ceiling during the period and others			(1,055,409)	(1,055,409)
Return on plan assets greater than discount rate (shortfall)		23,503,296		23,503,296
Recognized in other comprehensive income	Ps. (22,461,527)	Ps. 23,503,296	Ps.(1,055,409)	Ps. (13,640)
Contributions made by plan participants	173,722	(173,722)		—
Contributions to the pension plan made by the Company		(1,565,792)		(1,565,792)
Benefits paid	(19,546,541)	19,546,541		—
Payments to employees	(10,651,938)			(10,651,938)
Effect of translation	(3,535,477)	3,353,498	(963,981)	(1,145,960)
Others	Ps. (33,560,234)	Ps. 21,160,525	Ps. (963,981)	Ps. (13,363,690)
Balance at the end of the year	306,702,447	(203,671,122)	5,087,543	108,118,868
Less short-term portion	(212,141)			(212,141)
Non-current obligation	Ps.306,490,306	Ps.(203,671,122)	Ps. 5,087,543	Ps.107,906,727

	At December 31, 2019			
	DBO	Plan Assets	Effect of asset celling	Net employee benefit liability
Balance at the beginning of the year	Ps.306,702,447	Ps.(203,671,122)	5,087,543	Ps.108,118,868
Current service cost	2,591,975			2,591,975
Interest cost on projected benefit obligation	31,001,348			31,001,348
Expected return on plan assets		(20,070,037)		(20,070,037)
Changes in the asset ceiling during the period and others			445,743	445,743
Past service costs and others		144,481		144,481
Actuarial gain for changes in experience	(22,599)			(22,599)
Actuarial gain from changes in demographic assumptions	(129)			(129)
Actuarial loss from changes in financial assumptions	36,163			36,163
Net period cost	Ps. 33,606,758	Ps. (19,925,556)	Ps. 445,743	Ps. 14,126,945
Actuarial loss for changes in experience	31,606,323			31,606,323
Actuarial gain from changes in demographic assumptions	(339,657)			(339,657)
Actuarial loss from changes in financial assumptions	7,207,072			7,207,072
Changes in the asset ceiling during the period and others			(712,064)	(712,064)
Return on plan assets greater than discount rate (shortfall)		423,514		423,514
Recognized in other comprehensive income	Ps. 38,473,738	Ps. 423,514	Ps. (712,064)	Ps. 38,185,188
Contributions made by plan participants	155,188	(155,188)		—
Contributions to the pension plan made by the Company		(1,337,610)		(1,337,610)
Benefits paid	(15,836,928)	15,836,928		—
Payments to employees	(16,996,920)			(16,996,920)
Effect of translation	(3,534,509)	2,528,213	(393,201)	(1,399,497)
Others	Ps. (36,213,169)	Ps. 16,872,343	Ps. (393,201)	Ps. (19,734,027)
Balance at the end of the year	342,569,774	(206,300,821)	4,428,021	140,696,974
Less short-term portion	(213,065)			(213,065)
Non-current obligation	Ps.342,356,709	Ps.(206,300,821)	Ps.4,428,021	Ps.140,483,909

	At December 31, 2020			
	DBO	Plan Assets	Effect of asset celling	Net employee benefit liability
Balance at the beginning of the year	**Ps.342,569,774**	**Ps.(206,300,821)**	**Ps.4,428,021**	**Ps.140,696,974**
Current service cost	**2,810,584**			**2,810,584**
Interest cost on projected benefit obligation	**30,482,173**			**30,482,173**
Expected return on plan assets		**(17,655,119)**		**(17, 655,119)**
Changes in the asset ceiling during the period and others			**278,639**	**278,639**
Past service costs and other		**148,253**		**148,253**
Actuarial gain for changes in experience	**(8,945)**			**(8,945)**
Actuarial gain from changes in demographic assumptions	**(270)**			**(270)**
Actuarial loss from changes in financial assumptions	**20,219**			**20,219**
Net period cost	**Ps. 33,303,761**	**Ps. (17,506,866)**	**Ps. 278,639**	**Ps. 16,075,534**
Actuarial gain for changes in experience	**(9,677)**			**(9,677)**
Actuarial gain from changes in demographic assumptions	**(103,987)**			**(103,987)**
Actuarial loss from changes in financial assumptions	**3,475,345**			**3,475,345**
Changes in the asset ceiling during the period and others			**(542,430)**	**(542,430)**
Return on plan assets greater than discount rate (shortfall)		**12,320,777**		**12,320,777**
Actuarial loss from changes in demographic assumptions	**(924,084)**			**(924,084)**
Recognized in other comprehensive income	**Ps. 2,437,597**	**Ps. 12320,777**	**Ps. (542,430)**	**Ps. 14,215,944**
Contributions made by plan participants	**137,947**	**(137,947)**		**—**
Contributions to the pension plan made by the Company		**(1,882,654)**		**(1,882,654)**
Benefits paid	**(19,740,727)**	**19,740,727**		**—**
Payments to employees	**(14,426,720)**			**(14,426,720)**
Effect of translation	**(1,278,392)**	**2,217,201**	**(770,590)**	**168,219**
Others	**Ps. (35,307,892)**	**Ps. 19,937,327**	**Ps. (770,590)**	**Ps. (16,141,155)**
Balance at the end of the year	**343,003,240**	**(191,549,583)**	**3,393,640**	**154,847,297**
Less short-term portion	**(268,940)**			**(268,940)**
Non-current obligation	**Ps.342,734,300**	**Ps.(191,549,583)**	**Ps.3,393,640**	**Ps.154,578,357**

In the case of other subsidiaries in Mexico, the net period cost of other employee benefits for the years ended December 31, 2018, 2019 and 2020 was Ps.(16,347) , Ps.49,050 and Ps.174,994, respectively. The balance of other employee benefits at December 31, 2019 and 2020 was Ps.845,830 and Ps.916,534, respectively.

In the case of Brazil, the net period cost of other benefits for the years ended December 31, 2018, 2019 and 2020 was Ps.98,658, Ps.99,498 and Ps.268,562, respectively. The balance of employee benefits at December 31, 2019 and 2020 was Ps.2,402,285 and Ps.2,111,801, respectively.

In the case of Ecuador, the net period cost of other benefits for the years ended December 31, 2018, 2019 and 2020 was Ps.58,354, Ps.34,425 and Ps.67,402, respectively. The balance of employee benefits at December 31, 2019 and 2020 was Ps.409,750 and Ps.488,161, respectively.

In the case of Central America, the net period cost of other benefits for the years ended December 31, 2020 was Ps.19,462. The balance of employee benefits at December 31, 2020 was Ps.250,819.

Plan assets are invested in:

At December 31

	2019			**2020**		
	Puerto Rico	Brazil	Mexico	**Puerto Rico**	**Brazil**	**Mexico**
Equity instruments	41%	—	64%	**43%**	**—**	**68%**
Debt instruments	58%	94%	36%	**22%**	**95%**	**32%**
Others	1%	6%	—	**35%**	**5%**	**—**
	100%	100%	100%	**100%**	**100%**	**100%**

Included in the Telmex's net pension plan liability are plan assets of Ps.164,910,346 and Ps.150,090,481 as of December 31, 2019 and 2020, respectively, of which 31.9% and 39.6% during 2019 and 2020, 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.34,782,129 and Ps.11,753,416 during 2019 and 2020, respectively, attributable to a change in actuarial assumptions, and also a decline in the fair value of plan investments from December 31, 2019 to December 31, 2020. The decrease in fair value of the aforementioned related party pension plan investments approximated Ps.4,156,919 and Ps.14,820,220 during the years ended December 31, 2019 and 2020, respectively.

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

	2018				2019				2020			
	Puerto Rico	Brazil	Mexico	Europe	Puerto Rico	Brazil	Mexico	Europe	**Puerto Rico**	**Brazil**	**Mexico**	**Europe**
Discount rate and long- term rate return	4.45%	9.10%	11.81%	1.25%, 1.75% & 2.00%	3.23%	7.03%	10.50%	0.75%, 1.00% & 1.25%	**2.34%**	**6.48% & 7.39%**	**10.04%**	**0.25%, 0.50% & 0.75%**
Rate of future salary increases	2.75%	4.00%	3.55%	3.0.%, 3.5% & 4.40%	2.75%	3.80%	3.20%	3.00%, 3.5% & 4.40%	**2.75%**	**3.25%**	**2.84%**	**3.00%, 3.5% & 4.10%**
Percentage of increase in health care costs for the coming year	3.87%	10.50%			3.18%	10.30%			**2.28%**	**9.96%**		
Year to which this level will be maintained	N/A	2029			N/A	2029			**N/A**	**2031**		
Rate of increase of pensions				1.60%				1.60%				**1.60%**
Employee turnover rate*				0.0%-1.51%				0.00%-1.38%				**0.00%-1.31%**

* Depending on years of service

Biometric

Puerto Rico:	
Mortality:	RP 2014, MSS 2020 Tables.
Disability:	1985 Pension Disability Table
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, 2020, the Company conducted a sensitivity analysis on the most significant variables that affect the DBO, simulating independently, reasonable changes to roughly 100 basis points in each of these variables. The increase (decrease) would have resulted in the DBO pension and other benefits at December 31, 2020 are as follows:

	-100 points	+100 points
Discount rate	Ps.29,012,552	Ps.(25,541,956)
Health care cost trend rat	Ps. (665,934)	Ps. 781,238

Telmex Plans

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

Europe

Defined benefit pension plans

A1 Telekom Austria Group provides defined benefits for certain former employees in Austria. All eligible employees are retired and were employed prior to January 1, 1975. This unfunded plan provides benefits based on a percentage of salary and years employed, not exceeding 80% of the salary before retirement, and taking into consideration the pension provided by the social security system. A1 Telekom Austria Group is exposed primarily to the risk of development of life expectancy and inflation because the benefits from pension plans are lifetime benefits. Furthermore, at December 31, 2020 and 2019, approximately 10% and 10%, respectively, of the obligation for pensions relate to the employees of the company Akenes in Lausanne, which was acquired in 2017.

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 of employees who leave service early. 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. A1 Telekom Austria Group paid Ps.54,945 and Ps.66,294 (1.53% of the salary or wage) into this defined contribution plan (BAWAG Allianz Mitarbeitervorsorgekasse AG) in 2019 and 2020, respectively.

Defined benefit plans

Severance benefit obligations for employees hired before January 1, 2003, excluding civil servants, are covered by defined benefit plans. Upon termination by A1 Telekom Austria Group or retirement, eligible employees receive severance payments. Depending on their time in service, their severance is equal to a multiple of their monthly basic compensation plus variable elements such as overtime or bonuses, with 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, 2019 and 2020, the balance of the DCP liability was Ps.76,509 and Ps, 980,014 respectively. For the years ended December 31, 2018, 2019 and 2020 the cost of labor were Ps.2,377, Ps.3,365 and Ps.2,930, 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% that A1 Telekom Austria Group made in 2019 and 2020 to the social security system and the government in Austria, amount to Ps.1,334,713 and Ps.1,474,721, respectively. Contributions of the foreign subsidiaries into the respective systems range between 7% and 29% and amount to Ps.530,888 and Ps.601,476 in 2019 and 2020, 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%. The annual expenses for this plan amounted to Ps.281,693 and Ps.295,567 in 2019 and 2020, respectively.

As of December 31, 2019 and 2020 the liability related to this defined contribution plan amounted to Ps.111,724 and Ps.134,034, 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, 2018	Effect of translation	Increase of the year	Applications		Balance at December 31, 2019
				Payments	Reversals	
Long-term direct employee benefits	Ps.8,111,778	Ps. (518,180)	Ps.2,528,224	Ps.(1,946,055)	Ps. —	Ps.8,175,767

	Balance at December 31, 2019	**Effect of translation**	**Increase of the year**	**Applications**		**Balance at December 31, 2020**
				Payments	**Reversals**	
Long-term direct employee benefits	**Ps.8,175,767**	**Ps.1,256,880**	**Ps.1,729,392**	**Ps.(2,411,436)**	**Ps. —**	**Ps.8,750,603**

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 2019, 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.

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, 2019 and 2020:

	December 31, 2019		
	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	Ps. 10,145,615	Ps. —	Ps.37,572,410
Accounts receivable from subscribers, distributors, contractual assets and other	196,217,010	—	—
Related parties	1,273,140	—	—
Derivative financial instruments	—	6,825,760	—
Total	Ps.207,635,765	Ps.6,825,760	Ps.37,572,410
Financial Liabilities:			
Debt	Ps.624,254,477	Ps. —	Ps. —
Liability related to right-of-use of assets	120,596,733	—	—
Accounts payable	216,112,824	—	—
Related parties	3,460,419	—	—
Derivative financial instruments	—	9,596,751	—
Total	Ps.964,424,453	Ps.9,596,751	Ps. —

	December 31, 2020		
	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	Ps. 4,603,284	Ps. —	Ps.50,033,111
Accounts receivable from subscribers, distributors, contractual assets and other	171,213,415	—	—
Related parties	1,391,300	—	—
Derivative financial instruments	—	20,928,335	—
Total	Ps.177,207,999	Ps.20,928,335	Ps.50,033,111
Financial Liabilities:			
Debt	Ps.628,382,956	Ps. —	Ps. —
Liability related to right-of-use of assets	109,327,241	—	—
Accounts payable	186,995,472	—	—
Related parties	3,999,916	—	—
Derivative financial instruments	—	14,230,249	—
Total	Ps.928,705,585	Ps.14,230,249	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: Variables other than quoted prices in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and

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

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, 2019 and 2020 is as follows:

	Measurement of fair value at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets:				
Equity investments at fair value through OCI and other short-term investments	Ps. 37,572,410	Ps. 10,145,615	Ps. —	Ps. 47,718,025
Derivative financial instruments	—	6,825,760	—	6,825,760
Pension plan assets	185,981,861	20,294,557	24,403	206,300,821
Total	Ps.223,554,271	Ps. 37,265,932	Ps. 24,403	Ps.260,844,606
Liabilities:				
Debt	Ps.582,003,256	Ps.101,667,421	Ps. —	Ps.683,670,677
Liability related to right-of-use of assets	120,596,733	—	—	120,596,733
Derivative financial instruments	—	9,596,751	—	9,596,751
Total	Ps.702,599,989	Ps.111,264,172	Ps. —	Ps.813,864,161

	Measurement of fair value at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Equity investments at fair value through OCI and other short-term investments	**Ps. 50,033,111**	**Ps. 4,603,284**	**Ps. —**	**Ps. 54,636,395**
Derivative financial instruments	**—**	**20,928,335**	**—**	**20,928,335**
Revalued of assets	**—**	**—**	**107,152,628**	**107,152,628**
Pension plan assets	**168,939,091**	**22,589,392**	**21,100**	**191,549,583**
Total	**Ps.218,972,202**	**Ps. 48,121,011**	**Ps.107,173,728**	**Ps.374,266,941**
Liabilities:				
Debt	**Ps.578,712,562**	**Ps.135,645,912**	**Ps. —**	**Ps.714,358,474**
Liability related to right-of-use of assets	**109,327,241**	**—**	**—**	**109,327,241**
Derivative financial instruments	**—**	**14,230,249**	**—**	**14,230,249**
Total	**Ps.688,039,803**	**Ps.149,876,161**	**Ps. —**	**Ps.837,915,964**

Fair value of derivative financial instruments is valued using valuation techniques with market observable inputs. To determine its Level 2 fair value, the Company applies different valuation techniques including forward pricing and swaps models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. Fair value of debt Level 2 has been determined using a model based on present value calculation incorporating credit quality of AMX. The Company's investment in equity investments at fair value, specifically the investment in KPN, is valued using the quoted prices (unadjusted) in active markets for identical assets. The net realized (loss) gain related to derivative financial instruments for the years ended December 31, 2019 and 2020 was Ps.(1,774,932) and Ps.2,606,938 respectively.

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

During the end of the period ended December 31, 2019 and 2020, there were no transfers between the Level 1 and Level 2 fair value measurement hierarchies.

Changes in liabilities arising from financing activities

	At December 31, 2018	At January 1, 2019	Cash flow	Foreign currency exchange and other	At December 31, 2019
Debt	638,922,453	—	8,273,440	(22,941,416)	624,254,477
Liability related to right-of-use of assets	—	119,387,660	(26,765,075)	27,974,148	120,596,733
Total liabilities from financing activities	**Ps.638,922,453**	**Ps.119,387,660**	**Ps.(18,491,635)**	**Ps. 5,032,732**	**Ps.744,851,210**

	At December 31, 2019	Cash flow	Foreign currency exchange and other	At December 31, 2020
Debt	**624,254,477**	**(53,091,801)**	**57,220,280**	**628,382,956**
Liability related to right-of-use of assets	**120,596,733**	**(29,623,565)**	**18,354,073**	**109,327,241**
Total liabilities from financing activities	**Ps.744,851,210**	**Ps.(82,715,366)**	**Ps.75,574,353**	**Ps.737,710,197**

20. Shareholders' Equity

a) Pursuant to the Company's bylaws, the capital stock of the Company consists of a minimum fixed portion of Ps.270,049, (nominal amount), represented by a total of 71,063,212,170 shares (including treasury shares available for placement in accordance with the provisions of the *Ley del Mercado de Valores*), of which (i) 20,578,173,274 are "AA" shares (full voting rights); (ii) 519,948,436 are "A" shares (full voting rights); and (iii) 49,965,090,460 are "L" shares (limited voting rights).

b) As of December 31, 2020 and 2019, the Company's capital stock was represented by 66,862,560,649 shares (20,578,173,274 "AA" shares, 519,926,536 "A" shares and 45,764,460,839 "L" shares), and 66,004,214,830 (20,601,632,660 "AA" shares, 530,563,378 "A" shares and 44,872,018,792 "L" shares), respectively.

c) As of December 31, 2020 and 2019, 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 4,200,651,521 shares (4,200,629,621 "L" shares and 21,900 "A" shares); and 5,058,997,340 shares (5,058,975,440 "L" shares and 21,900 "A" shares), respectively, all acquired pursuant to the Company's share repurchase program.

d) The holders of "AA" and "A" shares are entitled to full voting rights. The holders of "L" shares may only vote in limited circumstances, and they are only entitled to appoint two members of the Board of Directors and their respective alternates. The matters in which "L" shares holders are entitled to vote are the following: extension of the Company´s corporate life, dissolution of the Company, change of Company's corporate purpose, change of nationality of the Company, transformation of the Company, a merger with another company, any transaction representing 20% or more of the Company's consolidated assets, as well as the cancellation of the inscription of the shares issued by the Company at the *Registro Nacional de Valores* and any other foreign stock exchanges where they may be registered, except for quotation systems or other markets not organized as stock exchanges. Within their respective series, all shares confer the same rights to their holders.

The Company's bylaws contain restrictions and limitations related to the subscription and acquisition of "AA" shares by non-Mexican investors.

e) Pursuant to the Company's bylaws, "AA" shares must at all times represent no less than 20% and no more than 51% of the Company's capital stock, and they shall also represent at all times, no less than 51% of the common shares (entitled to full voting rights, represented by "AA" and "A" shares) representing said capital stock.

"A" shares, which may be freely subscribed, must not represent more than 19.6% of capital stock and must not exceed 49% of the common shares representing such capital. Common shares (entitled to full voting rights, represented by "AA" and "A" shares), must represent no more than 51% of the Company's capital stock.

Lastly, "L" shares which have limited voting rights and may be freely subscribed may not exceed, along with "A" shares, 80% of the Company's capital stock. For purposes of determining these restrictions, the percentages mentioned above refer only to the number of the Company's shares outstanding.

Dividends

On April 24, 2020, the Company's shareholders approved, among other resolutions, the payment of a dividend of Ps.$0.38 (thirty-eight peso cents) per share to each of the shares series of its capital stock "AA", "A" and "L". It was approved, that such dividend would be paid in two installments of Ps.$0.19 (nineteen peso cents) each, on July 20 and November 09, 2020 respectively.

On April 9, 2019, the Company's shareholders approved, among other resolutions, the payment of a dividend of Ps.$0.35 (thirty-five peso cents) per share to each of the shares series of its capital stock "AA", "A" and "L". It was approved, that such dividend would be paid in two installments of Ps.$0.18 (eighteen peso cents) and Ps.$0.17 (seventeen peso cents), on July 15 and November 11, 2019 respectively.

Legal Reserve

According to the *Ley General de Sociedades Mercantiles*, companies must allocate from the net profit of each year, at least 5% to increase the legal reserve until it reaches 20% of its capital stock. This reserve may not be distributed to shareholders during the existence of the Company, except as a stock dividend. As of December 31, 2020 and 2019, the legal reserve amounted Ps.358,440.

Restrictions on Certain Transactions

Pursuant to the Company's bylaws any transfer of more than 10% of the full voting shares ("A" shares and "AA" 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. If the Board of Directors denies such approval, however, the Company 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, either in cash or in kind, paid with respect to the "A" Shares, "L" Shares, "A" Share ADSs or "L" 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 2015). Nonresident holders could be subject to a lower tax rate, to the extent that they are eligible for benefits under an income tax treaty to which Mexico is a party.

Earnings per Share

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

	For the years ended December 31,		
	2018	2019	2020
Net profit for the period attributable to equity holders of the parent	Ps.52,566,197	Ps.67,730,891	**Ps.46,852,605**
Weighted average shares (in millions)	66,055	66,016	**66,265**
Earnings per share attributable to equity holders of the parent	Ps. 0.79	Ps. 1.03	**Ps. 0.71**

21. Components of other comprehensive loss

The movement on the components of the other comprehensive (loss) income for the years ended December 31, 2018, 2019 and 2020 is as follows:

	For the years ended December 31,		
	2018	2019	2020
Controlling interest:			
Unrealized (loss) gain on equity investments at fair value, net of deferred taxes	(3,765,688)	883,408	**(1,952,414)**
Translation effect of foreign entities	(61,223,458)	(34,010,066)	**(13,558,774)**
Remeasurement of defined benefit plan, net of deferred taxes	652,722	(29,153,554)	**(10,026,454)**
Assets revaluation surplus net of deferred taxes	—	—	**64,835,155**
Non-controlling interest of the items above	(2,986,018)	(1,908,304)	**14,165,249**
Other comprehensive (loss) income	Ps.(67,322,442)	Ps.(64,188,516)	**Ps.53,462,762**

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

For the years ended December 31, 2018, 2019 and 2020, valuation of derivatives and other financial items are as follows:

	For the years ended December 31,		
	2018	2019	2020
Controlling interest:			
(Loss) gain in valuation of derivatives, net	Ps. (4,686,407)	Ps. 4,432,023	**Ps. 12,378,193**
Capitalized interest expense (Note 10 b)	2,020,288	2,233,358	**1,771,613**
Commissions	(1,901,473)	(2,820,477)	**(1,135,082)**
Interest cost of labor obligations (Note 18)	(9,968,526)	(11,377,054)	**(13,105,693)**
Interest expense on taxes	(555,921)	(516,522)	**(59,032)**
Dividend received (Note 4)	2,605,333	1,773,336	**2,122,826**
Gain on net monetary positions	4,429,145	4,267,194	**3,262,512**
Other financial cost	(2,118,755)	(5,067,200)	**(3,944,229)**
Total	Ps.(10,176,316)	Ps. (7,075,342)	**Ps. 1,291,108**

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, United States, Honduras, Chile, Peru, Paraguay, Uruguay, Dominican Republic, Puerto Rico, Panama, Austria, Croatia, Bulgaria, Belarus, Macedonian, Serbia and Slovenia. The accounting policies for the segments are the same as those described in Note 2.

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

The Company presents the following reportable segments for the purposes of its consolidated financial statements: Mexico (includes Telcel and Corporate operations and assets), Telmex (Mexico), Brazil, Southern Cone (includes Argentina, Chile, Paraguay and Uruguay), Central America (includes Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama), U.S.A. (excludes Puerto Rico), Caribbean (includes 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 Chile, Paraguay and Uruguay. Beginning in 2018, hyperinflation accounting in accordance with IAS 29 was initially applied to Argentina, which results in the restatement of non-monetary assets, liabilities and all items of the statement of comprehensive income for the change in a general price index and the translation of these items applying the period-end exchange rate.

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

	Mexico	Telmex	Brazil	Southern Cone	Colombia	Andean	Central America	U.S.A.	Caribbean	Europe	Eliminations	Consolidated total
As of and for the year ended December 31, 2018 (in Ps.):												
External revenues	207,610,244	86,339,289	188,712,666	89,149,978	75,460,428	55,633,192	44,883,585	153,266,315	36,435,541	100,716,443	—	1,038,207,681
Intersegment revenues	16,946,543	9,741,908	4,593,760	13,200,358	344,517	154,082	149,445	—	204,294	—	(45,334,907)	—
Total revenues	224,556,787	96,081,197	193,306,426	102,350,336	75,804,945	55,787,274	45,033,030	153,266,315	36,639,835	100,716,443	(45,334,907)	1,038,207,681
Depreciation and amortization	17,619,342	18,358,248	42,857,751	13,526,361	13,464,867	8,516,960	8,940,655	1,545,395	5,036,831	26,838,972	(992,802)	155,712,580
Operating income (loss)	57,450,599	8,085,764	23,494,903	16,975,797	14,388,552	5,003,915	4,867,763	2,665,270	5,811,846	4,731,562	(3,918,800)	139,557,171
Interest income	26,578,280	420,380	11,303,888	2,251,474	1,013,839	1,666,879	1,566,086	559,548	1,458,874	122,133	(36,295,212)	10,646,169
Interest expense	32,526,258	1,153,913	20,377,191	4,338,941	2,913,881	1,719,663	509,081	—	561,867	1,973,431	(34,302,793)	31,771,433
Income tax	28,842,505	643,377	4,026,444	1,390,039	2,251,877	2,498,666	2,533,600	810,898	2,774,204	707,093	(1,624)	46,477,079
Equity interest in net income (loss) of associated companies	(5,962)	44,965	(152)	(20,871)	—	—	—	—	—	(17,713)	—	267
Net profit (loss) attributable to equity holders of the parent	23,185,029	(2,201,572)	3,530,653	6,065,703	9,165,801	1,730,933	2,821,733	2,820,505	3,644,697	3,809,694	(2,006,979)	52,566,197
Assets by segment	970,564,314	174,461,398	390,791,480	127,946,573	111,975,598	96,347,779	81,640,157	38,814,907	102,531,547	186,135,358	(851,985,719)	1,429,223,392
Plant, property and equipment, net	56,056,634	103,737,293	173,197,708	62,988,635	51,422,548	35,800,477	37,146,601	1,356,237	38,011,242	80,421,642	(138,297)	640,000,720
Goodwill	27,104,632	215,381	21,388,124	2,796,759	12,770,380	5,242,365	5,466,871	3,328,533	14,186,723	53,066,729	—	145,566,497
Trademarks, net	227,774	243,556	124,910	—	—	—	—	507,033	249,984	3,313,948	—	4,667,205
Licenses and rights, net	10,573,147	—	25,873,910	12,555,496	3,400,235	9,651,582	3,605,416	—	10,294,336	27,344,273	—	103,298,395
Investment in associated companies	5,621,661	563,667	543	20,697	412	—	24,262	—	—	748,674	(3,847,209)	3,132,707
Liabilities by segments	748,965,728	136,993,838	298,308,084	94,550,901	56,211,438	50,064,761	28,592,953	35,552,678	58,716,154	117,214,746	(441,820,311)	1,183,350,970

	Mexico	Telmex	Brazil	Southern Cone	Colombia	Andean	Central America	U.S.A.	Caribbean	Europe	Eliminations	Consolidated total
As of and for the year ended December 31, 2019 (in Ps.):												
External revenues	226,164,232	84,173,980	177,596,077	54,230,682	74,274,684	55,440,675	46,602,036	155,864,392	34,580,822	98,420,289	—	1,007,347,869
Intersegment revenues	11,676,015	11,863,364	4,182,248	11,041,705	361,386	92,249	132,061	—	1,136,879	—	(40,485,907)	—
Total revenues	237,840,247	96,037,344	181,778,325	65,272,387	74,636,070	55,532,924	46,734,097	155,864,392	35,717,701	98,420,289	(40,485,907)	1,007,347,869
Depreciation and amortization	24,742,622	16,346,927	39,424,474	13,847,506	13,439,489	10,256,129	11,045,817	1,396,422	6,322,648	24,975,146	(2,881,970)	158,915,210
Operating income (loss)	67,694,409	9,731,852	28,846,565	4,007,614	15,324,977	8,023,002	5,712,068	2,968,236	5,741,368	8,687,862	(1,897,418)	154,840,535
Interest income	23,713,455	1,839,973	3,155,681	896,256	1,306,571	1,283,788	532,046	324,932	1,478,560	115,359	(28,361,949)	6,284,672
Interest expense	30,972,658	1,439,785	19,021,965	3,849,318	2,952,123	2,422,887	1,406,720	385	1,435,862	2,220,168	(27,810,532)	37,911,339
Income tax	30,000,511	1,528,229	4,251,116	2,022,336	5,405,452	1,681,159	2,355,380	1,119,478	719,774	1,946,255	3,843	51,033,533
Equity interest in net income (loss) of associated companies	(3,732)	46,789	(1,538)	(23,424)	—	—	(28,795)	—	—	(6,909)	—	(17,609)
Net profit (loss) attributable to equity holders of the parent	42,598,946	(1,705,068)	5,618,095	(6,984)	9,571,046	(2,604,646)	2,335,963	2,095,807	4,312,630	5,051,145	463,957	67,730,891
Assets by segment	915,233,048	201,283,526	382,561,753	132,722,497	115,851,227	94,021,632	77,355,732	30,775,893	100,694,650	191,744,924	(710,311,225)	1,531,933,657
Plant, property and equipment, net	54,589,459	106,869,482	174,761,167	60,537,650	50,133,642	39,068,450	38,934,747	1,405,755	38,223,641	75,707,738	(888,361)	639,343,370
Goodwill	27,396,393	215,381	25,379,805	5,241,305	12,124,685	4,895,331	7,289,748	3,220,105	14,186,723	52,950,325	—	152,899,801
Trademarks, net	46,476	212,324	37,207	—	—	—	—	369,950	227,156	2,595,596	—	3,488,709
Licenses and rights, net	11,087,882	452,504	29,324,718	12,103,980	5,530,422	8,064,487	4,390,547	—	7,942,670	25,951,335	—	104,848,545
Investment in associated companies	3,562,323	610,807	111,073	(7,806)	391	—	25,603	—	—	—	(1,828,198)	2,474,193
Liabilities by segments	718,354,229	175,774,964	297,877,328	103,330,525	55,576,253	55,463,339	37,993,180	31,557,816	54,276,868	124,319,541	(349,497,251)	1,305,026,792

	Mexico	Telmex	Brazil	Southern Cone	Colombia	Andean	Central America	U.S.A.	Caribbean	Europe	Eliminations	Consolidated total
As of and for the year ended December 31, 2020 (in Ps.):												
External revenues	214,578,601	77,920,910	163,865,421	55,484,744	77,282,658	53,846,358	48,073,436	177,179,369	37,182,842	111,472,191	—	1,016,886,530
Intersegment revenues	17,663,525	13,668,264	4,207,466	1,220,100	352,694	88,305	121,580	—	1,440,983	—	(38,762,917)	—
Total revenues	232,242,126	91,589,174	168,072,887	56,704,844	77,635,352	53,934,663	48,195,016	177,179,369	38,623,825	111,472,191	(38,762,917)	1,016,886,530
Depreciation and amortization	24,748,756	13,341,479	41,795,397	13,095,004	14,413,760	11,447,356	14,355,899	1,561,284	7,094,331	25,593,204	(3,202,787)	164,243,683
Operating income (loss)	70,851,525	11,204,433	25,203,504	1,877,079	15,111,947	8,698,645	4,004,501	10,579,394	6,701,086	13,159,865	(2,037,068)	165,354,911
Interest income	21,322,406	1,479,021	2,904,430	980,581	822,447	1,049,261	1,130,767	77,235	1,105,420	90,746	(25,900,278)	5,062,036
Interest expense	30,936,195	1,306,867	17,976,227	3,334,966	2,586,708	2,223,478	1,559,917	255	1,658,619	2,546,255	(25,467,747)	38,661,740
Income tax	4,905,863	577,178	(4,442,598)	992,831	2,078,789	3,115,693	1,518,953	2,856,881	2,524,214	2,234,065	4,283	16,366,152
Equity interest in net income (loss) of associated companies	(3,820)	23,955	(2,972)	(15,422)	—	—	—	—	—	(288,747)	—	(287,006)
Net profit (loss) attributable to equity holders of the parent	3,613,907	(1,085,038)	4,963,424	1,456,062	16,579,303	4,649,047	1,919,558	7,797,723	3,294,111	7,777,426	(4,112,918)	46,852,605
Assets by segment	947,396,510	203,081,314	386,982,711	118,266,380	132,210,369	101,717,708	88,690,683	35,083,285	109,914,293	239,583,759	(737,878,785)	1,625,048,227
Plant, property and equipment, net	52,117,395	110,751,083	145,307,497	62,157,797	48,876,853	36,102,261	37,855,227	1,761,595	39,128,447	82,595,077	(876,229)	615,777,003
Revalued of assets	—	—	36,076,207	7,494,408	12,893,284	9,500,708	7,059,247	—	2,572,504	31,556,270	—	107,152,628
Goodwill	26,949,185	215,381	16,048,092	5,436,675	12,253,743	4,866,363	6,345,659	3,362,899	14,186,723	53,388,139	—	143,052,859
Trademarks, net	126,823	181,094	—	—	—	—	—	269,325	219,087	2,981,089	—	3,777,418
Licenses and rights, net	12,017,318	100,623	26,171,345	12,099,873	12,363,039	6,870,531	5,427,857	—	8,616,880	27,963,250	—	111,630,716
Investment in associated companies	51,645	613,449	64,125	(20,970)	395	—	25,413	—	—	—	1,095,703	1,829,760
Liabilities by segments	725,408,198	193,840,756	263,989,566	61,786,265	63,610,642	53,379,366	34,252,511	33,141,315	60,839,340	138,747,621	(319,064,971)	1,309,930,609

24. Recently Issued Accounting Standards

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3, Definition of a Business

The amendment to IFRS 3 *Business Combinations* clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting issued on 29 March 2018

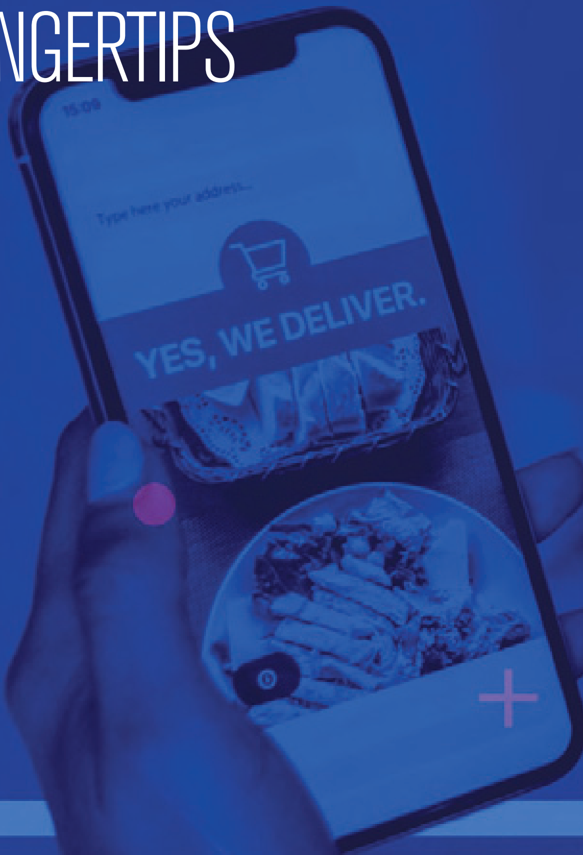
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Company.

25. Subsequent Events

a) In February 2021, The Board of Directors approved a plan to spin-off our towers from América Móvil in Latin América. This spin-off will maximize the value of the infrastructure by becoming an independent entity entirely focused on development, construction and co-location of towers for wireless services and this transaction is consider to shareholders as a new entity. The Company expect to complete the reorganization of assets in 2021.

b) In February, 2021, the Company announces that its wholly-owned Dutch subsidiary América Móvil B.V. (the "Issuer") has completed the placement of approximately EUR 2.1 billion principal amount of senior unsecured bonds (the "Bonds") exchangeable into ordinary shares of Koninklijke KPN N.V. (the "Exchangeable Bond Offering"). The Bonds will have a maturity of 3 years, they will not bear interest (zero-coupon) and will be issued at an issue price of 104.75% of their principal amount, resulting in an annual yield-to-maturity of (1.53)%. The aggregate proceeds from the Bonds will be approximately EUR 2.2 billion. The Bonds will be exchangeable into Koninklijke KPN N.V. ("KPN") ordinary shares and the initial exchange price has been set at EUR 3.1185, a premium of 15 per cent. above the Reference Price of EUR 2.7117 (the volume weighted average price of the KPN ordinary shares on Euronext Amsterdam on 23 February 2021). The Exchangeable Bond Offering is expected to close on 2 March 2021.

DELIVERING SOLUTIONS AT YOUR FINGERTIPS



SHARING PASSIONS

Exhibit 2.1

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

As of December 31, 2020, América Móvil (the "Company," "we," "us," and "our") had the following classes of securities registered pursuant to Section 12(b) of the Exchange Act:

No.	Title of each class	Trading symbol(s)	Name of each exchange on which registered
I.	AA Shares, A Shares and L Shares*	—	—
II.	A Shares ADSs	AMOV	New York Stock Exchange
	L Shares ADSs	AMX	New York Stock Exchange
III.	6.375% Notes Due 2035	AMX35	New York Stock Exchange
	6.125% Notes Due 2037	AMX37	New York Stock Exchange
	6.125% Senior Notes Due 2040	AMX40	New York Stock Exchange
	3.125% Senior Notes Due 2022	AMX22	New York Stock Exchange
	4.375% Senior Notes Due 2042	AMX42	New York Stock Exchange
	3.625% Senior Notes Due 2029	AMX29	New York Stock Exchange
	4.375% Senior Notes Due 2049	AMX49	New York Stock Exchange
	2.875% Senior Notes Due 2030	AMX30	New York Stock Exchange

* Not for trading, but only in connection with the registration of A Share ADSs and L Shares ADSs representing such shares.

Capitalized terms used but not defined herein have the meanings given to them in our annual report on Form 20-F for the fiscal year ended December 31, 2020.

I. AA SHARES, A SHARES AND L SHARES

Below is a brief summary of certain significant provisions of our current bylaws and Mexican law relating to the AA Shares, A Shares and L Shares. It does not purport to be complete and is qualified by reference to the bylaws themselves. An English translation of our bylaws has been filed with the SEC as an exhibit to our annual report.

Shareholders' Equity

We have three classes of outstanding shares: AA Shares, A Shares and L Shares, all without par value, fully paid and non-assessable.

AA Shares and A Shares have full voting rights

L Shares may vote only in limited circumstances as described below under "Voting Rights."

The rights of all series of shares are generally identical except for voting rights and the limitations on non-Mexican ownership of AA Shares and A Shares. The AA Shares must always represent at least 51.0% of the combined AA Shares and A Shares. At least 20.0% of our outstanding shares must consist of AA Shares, and not more than 80% can be A Shares and L Shares.

Each AA Share or A Share may be exchanged at the option of the holder for one L Share, provided that the AA Shares may never represent less than 20.0% of our outstanding shares or less than 51.0% of our combined AA Shares and A Shares.

Any capital increase must be represented by new shares of each series in proportion to the number of shares of each series outstanding.

Voting Rights

Each AA Share or A Share entitles the holder to one vote at any shareholders meeting.

Each L Share entitles the holder to one vote at any meeting at which L Shares are entitled to vote. L Shares are entitled to vote to elect only two members of the Board and the corresponding alternate directors, as well as on the following limited matters: our transformation from one type of company to another; any merger involving us; the extension of our authorized corporate duration; our voluntary dissolution; any change in our corporate purpose; any transaction that represents 20.0% or more of the Company's consolidated assets; any change in our jurisdiction of incorporation; removal of our shares from listing on the Mexican Stock Exchange or any foreign exchange; and any action that would prejudice the rights of L Shares. A resolution on any of the specified matters requires the affirmative vote of both a majority of all outstanding shares and a majority of the AA Shares and the A Shares voting together.

Shares of any series are also entitled to vote as a class on any action that would prejudice the rights of that series and are entitled to judicial relief against any action taken without their vote.

Shareholders' Meetings

General shareholders' meetings may be ordinary or extraordinary. Extraordinary general meetings are those called to consider certain specified matters, including, principally, changes to the bylaws, liquidation, merger and transformation, as well as to consider the removal of our shares from listing on the Mexican Stock Exchange or any foreign stock exchange. General meetings called to consider all other matters are ordinary meetings.

An ordinary general meeting of AA Shares and A Shares must be held each year to consider the approval of the financial statements for the preceding fiscal year, to elect directors and to determine the allocation of the profits. Transactions that represent 20.0% or more of our consolidated assets in any fiscal year must be approved by an ordinary general shareholder meeting of all shareholders, including L Shares. All other matters on which L Shares are entitled to vote would be considered at an extraordinary general meeting.

The two directors elected by the L Shares are elected at a special meeting of L Shares. A special meeting of the L Shares must be held each year for the election of directors.

The quorum for an ordinary general meeting of the AA Shares and A Shares is 50.0% of such shares, and action may be taken by a majority of the shares present. If a quorum is not available, a second meeting may be called at which action may be taken by a majority of the AA Shares and A Shares present, regardless of the number of such shares. Special meetings of L Shares are governed by the same rules applicable to ordinary general meetings of AA Shares and A Shares. The quorum for an extraordinary general meeting at which L Shares may not vote is 75.0% of the AA Shares and A Shares, and the quorum for an extraordinary general meeting at which L Shares are entitled to vote is 75.0% of the outstanding capital stock. If a quorum is not available in either case, a second meeting may be called and action may be taken, provided a majority of the shares entitled to vote is present. Whether on first or second call, actions at an extraordinary general meeting may be taken by a majority vote of the AA Shares and A Shares outstanding and, on matters which L Shares are entitled to vote, a majority vote of all the capital stock.

Holders of 20.0% of our outstanding capital stock may have any shareholder action set aside by filing a complaint with a Mexican court of law within 15 days after the close of the meeting at which such action was taken and showing that the challenged action violates Mexican law or our bylaws. In addition, any holder of our capital stock may bring an action at any time within five years challenging any shareholder action. Relief under these provisions is only available to holders who were entitled to vote on, or whose rights as shareholders were adversely affected by, the challenged shareholder action and whose shares were not represented when the action was taken or, if represented, voted against it.

Shareholders' meetings may be called by the Board, its chairman, its corporate secretary, the Chairman of the Audit and Corporate Practices Committee or a Mexican court of law. The Chairman of the Board or the Chairman of the Audit and Corporate Practices Committee may be required to call a meeting of shareholders by the holders of 10.0% of the outstanding shares. Notice of meetings must be published at least 15 days prior to the meeting.

A shareholder is required to deposit its shares with a custodian in order to attend a shareholders' meeting.

Dividend Rights

At the annual ordinary general meeting of AA Shares and A Shares, the Board submits our financial statements for the previous fiscal year to the holders of AA Shares and A Shares for approval. Once financial statements are approved, the allocation of our net profits is determined, and we must allocate 5.0% of such net profits to a legal reserve, which is not thereafter available for distribution except as a stock dividend, until the amount of the legal reserve equals 20.0% of our capital stock. The remainder of net profits is available for distribution.

All shares outstanding are entitled to participate in a dividend or other distribution. L shares are entitled to a nominal preference with respect to dividends or liquidation, but the preference has no economic significance.

Preemptive Rights

In new issuances of shares, each shareholder has a preferential right to subscribe for a sufficient number of shares of the same series to maintain its existing proportionate holdings, except in certain circumstances such as mergers, convertible debentures, public offers and placement of treasury or repurchased shares. These rights cannot be traded separately from the shares. As a result, there is no trading market for such rights.

Limitations on Share Ownership

AA Shares and A Shares may be owned only by holders that qualify as Mexican investors as defined in the Foreign Investment Law (*Ley de Inversión Extranjera*) and our bylaws. AA Shares can only be held or acquired by Mexican citizens, Mexican corporations whose capital stock is held completely by Mexican citizens or other Mexican qualified investors. Non-Mexican investors cannot hold AA Shares except through trusts that effectively neutralize their votes.

If a foreign government or state acquires our AA Shares, such shares would immediately be rendered without effect or value.

We have a foreign exclusion clause that restricts ownership of our shares to holders that qualify as Mexican investors. It does not apply to the L Shares, and, under transitional provisions adopted by our shareholders, it does not limit foreign ownership of A Shares outstanding as of the date of the shareholders' meeting approving the amendment.

Restrictions on Certain Transfers

Any transfer of 10.0% or more of our voting shares, in one or more transactions, by any person or group of persons acting in concert, requires prior approval by our Board. If the Board denies such approval, however, it shall designate an alternate transferee, who must pay market price for the shares as quoted on the Mexican Stock Exchange.

Restrictions on Deregistration in Mexico

Our shares are registered with the RNV maintained by the CNBV.

If we wish to cancel our registration, or if it is cancelled by the CNBV, we are required to conduct a public offer to purchase all of the outstanding shares prior to such cancellation. Such offer shall exclude our controlling group of shareholders. If, after the public offer is concluded, there are still outstanding shares held by the general public, we will be required to create a trust for a period of six months, with funds in an amount sufficient to purchase, at the same price as the offer price, the number of outstanding shares held by the public that did not participate in the offer.

Unless the CNBV authorizes otherwise, upon the prior approval of the Board, which must take into account the opinion of the Audit and Corporate Practices Committee, the offer price will be the higher of (i) the average of the closing price during the previous 30 days on which the shares may have been quoted or (ii) the book value of the shares in accordance with the most recent quarterly report submitted to the CNBV and to the Mexican Stock Exchange.

The voluntary cancellation of the registration will be subject to (i) the prior authorization of the CNBV and (ii) the authorization of not less than 95.0% of the outstanding capital stock in a general extraordinary shareholders' meeting.

Tender Offer Requirement

Certain significant acquisitions of our capital stock may require the purchaser to make a tender offer.

Other Provisions

EXCLUSIVE JURISDICTION. Our bylaws provide that legal actions relating to the execution, interpretation or performance of the bylaws shall be brought only in Mexican courts.

PURCHASE OF OUR OWN SHARES. We may repurchase our shares on the Mexican Stock Exchange at any time at the then-prevailing market price. Any such repurchase must conform to guidelines established by the Board, and the amount available to repurchase shares must be approved by the general ordinary shareholders' meeting. The economic and voting rights corresponding to repurchased shares may not be exercised during the period in which we own such shares, and such shares are not deemed to be outstanding for purposes of calculating any quorum or vote at any shareholders' meeting during such period.

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

WITHDRAWAL RIGHTS. Whenever a shareholders meeting approve a change of corporate purposes, change of nationality of the corporation or transformation from one type of company to another, any shareholder entitled to vote on such change that has voted against may withdraw and receive the book value of its shares, provided this right is exercised within 15 days following the meeting.

II. AMERICAN DEPOSITARY SHARES

Citibank, N.A. ("the Depositary") serves as the depositary for our ADSs and our American Depository Receipts ("ADR") program. ADS holders are required to pay various fees to the Depositary, and the Depositary may refuse to provide any service for which a fee is assessed until the applicable fee has been paid.

ADS holders are required to pay the Depositary amounts in respect of expenses incurred by the Depositary or its agents on behalf of ADS holders, including expenses arising from (i) taxes or other governmental charges, (ii) registration fees payable to us that may be applicable to the transfer of shares upon deposits to or withdrawals from the ADS program, (iii) cable, telex and facsimile transmission, (iv) conversion of foreign currency into U.S. dollars, (v) compliance with exchange control regulations and other regulatory requirements or (vi) servicing of the ADSs or the shares underlying ADSs. The Depositary may decide in its sole discretion to seek payment either by billing holders or by deducting the fee from one or more cash dividends or other cash distributions.

ADS holders are also required to pay additional fees for certain services provided by the Depositary, as set forth in the table below.

DEPOSITARY SERVICE	FEE PAYABLE BY ADS HOLDERS
Issuance and delivery of ADSs, including in connection with share distributions, purchase rights, sales and stock splits	Up to U.S.$5.00 per 100 ADSs (or a fraction thereof)
Cash distributions	Up to U.S.$5.00 per 100 ADSs (or a fraction thereof)
Surrender, withdrawal or cancellation	Up to U.S.$5.00 per 100 ADSs (or a fraction thereof)
Share distributions other than ADSs or rights to purchase additional ADSs (i.e., spin-off shares)	Up to U.S.$5.00 per 100 ADSs (or a fraction thereof)
ADS services	Up to U.S.$5.00 per 100 ADSs (or a fraction thereof) held on the applicable record date(s) established by the Depositary

Payments by the Depositary

The Depositary reimburses us for certain expenses we incur in connection with the ADR program, subject to a ceiling agreed between us and the Depositary from time to time. These reimbursable expenses currently include legal and accounting fees, listing fees, investor relations expenses and fees payable to service providers for the distribution of material to ADS holders. During the year ended December 31, 2020, the Depositary reimbursed us a total of U.S.$1.98 million for reimbursable expenses.

Shareholders' Meetings

A shareholder is required to deposit its shares with a custodian in order to attend a shareholders' meeting. A holder of ADSs will not be able to meet this requirement, and accordingly is not entitled to attend shareholders' meetings. A holder of ADSs is entitled to instruct the depositary as to how to vote the shares represented by ADSs, in accordance with procedures provided for in the deposit agreements. However, a holder of ADSs will not be able to vote its shares directly at a shareholders' meeting or to appoint a proxy to do so.

Preemptive Rights
In new issuances of shares, each shareholder has a preferential right to subscribe for a sufficient number of shares of the same series to maintain its existing proportionate holdings, except in certain circumstances such as mergers, convertible debentures, public offers and placement of treasury or repurchased shares. These rights cannot be traded separately from the shares. As a result, there is no trading market for such rights. Holders of ADSs may exercise these rights only through the depositary. We are not required to take steps that may be necessary to make this possible.

III. DEBT SECURITIES

Each series of notes listed on the New York Stock Exchange, as set forth on the cover page of América Móvil's annual report on Form 20-F for the fiscal year ended December 31, 2020, has been issued by América Móvil. Some series have also been guaranteed by a subsidiary, as set forth in the descriptions below. Each of these series of notes and related guarantees was issued under an indenture (each a "Base Indenture") and a supplemental indenture (each a "Supplemental Indenture").

The following table sets forth the general information of each relevant series of notes (the "Notes").

Section	Series	Date of Base Indenture	Date of Supplemental Indenture
A	6.375% Notes Due 2035 ("2035 Notes")	March 9, 2004 ("2004 Indenture")	February 25, 2005 ("2005 Supplemental Indenture")
	6.125% Notes due 2037 ("2037 Notes")		October 30, 2007 ("2007 Supplemental Indenture")
B	6.125% Senior Notes Due 2040 ("2040 Notes")	September 30, 2009 ("2009 Indenture")	March 30, 2010 ("2010 Supplemental Indenture")
C	3.125% Senior Notes Due 2022 ("2022 Notes")	June 28, 2012 ("2012 Indenture")	July 16, 2012 ("2012 Supplemental Indenture")
	4.375% Senior Notes Due 2042 ("2042 Notes")		
D	3.625% Senior Notes due 2029 ("2029 Notes")	October 1, 2018 ("2018 Indenture")	April 22, 2019 ("2019 Supplemental Indenture")
	4.375% Senior Notes Due 2049 ("2049 Notes")		
	2.875% Senior Notes Due 2030 ("2030 Notes")		May 7, 2020 ("2020 Supplemental Indenture")

The summary set out below of the general terms and provisions of our debt securities does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the definitions and provisions of the relevant Indenture and the instrument representing each series of our Notes. Certain terms, unless otherwise defined here, have the meaning given to them in the relevant Indenture.

A. 2035 Notes and 2037 Notes

General

The 2035 Notes and the 2037 Notes constitute separate series of notes. The following discussion of the terms of the notes, including without limitation the discussions under “Optional Redemption”, “Defaults, Remedies and Waiver of Defaults,” “Modification and Waiver” and “Defeasance” below, applies to each series separately. References to “notes” and “debt securities” in this section III.A. are to the 2035 Notes and the 2037 Notes.

Indenture and Supplemental Indenture

The 2035 Notes were issued under the 2004 Indenture and the 2005 Supplemental Indenture. The 2037 Notes were issued under the 2004 Indenture and the 2007 Supplemental Indenture. The indentures are agreements among América Móvil, Radiomóvil Dipsa, S.A. de C.V (“Telcel”), as guarantor, and The Bank of New York (as successor to JPMorgan Chase Bank, N.A.), as trustee. References to the “indenture” in this section III.A. are to the 2004 Indenture as supplemented by the applicable Supplemental Indenture.

The trustee has the following two main roles:

- First, the trustee can enforce the rights of holders of the notes against América Móvil if it defaults in respect of the notes and Telcel defaults in respect of the guarantees. There are some limitations on the extent to which the trustee acts on the holders’ behalf, which are described under “Defaults, Remedies and Waiver of Defaults” below.
- Second, the trustee performs administrative duties for América Móvil, such as making interest payments and sending notices to holders of the notes.

Principal and Interest

The original aggregate principal amount of the 2035 Notes is U.S.$1,000,000,000. The 2035 Notes will mature on March 1, 2035.

The 2035 Notes bear interest at a rate of 6 3/8% per year from February 25, 2005. Interest on the 2035 Notes is payable semi-annually on March 1 and September 1 of each year, to the holders in whose names the notes are registered at the close of business on the February 15 or August 15 immediately preceding the related interest payment date.

The original aggregate principal amount of the 2037 Notes is U.S.$400,000,000. The 2037 Notes will mature on November 15, 2037.

The 2037 Notes bear interest at a rate of 6.125% per year from October 30, 2007. Interest on the 2037 Notes is payable semi-annually on May 15 and November 15 of each year, to the holders in whose names the notes are registered at the close of business on the May 1 or November 1 immediately preceding the related interest payment date.

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

Subsidiary Guarantor

Telcel has irrevocably and unconditionally guaranteed the full and punctual payment of principal, premium, if any, interest, additional amounts and any other amounts that may become due and payable by América Móvil in respect of the notes. If América Móvil fails to pay any such amount, Telcel will immediately pay the amount that is due and required to be paid.

Ranking of the Notes and the Guarantees

América Móvil is a holding company and its principal assets are shares that it holds in its subsidiaries. The notes are not secured by any of its assets or properties. As a result, a holder of the notes is an unsecured creditor of América Móvil. The notes are not subordinated to any of América Móvil's other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against América Móvil, the notes would rank equally in right of payment with all its other unsecured and unsubordinated debt.

Telcel's guarantees of the notes are not secured by any of its assets or properties. As a result, if Telcel is required to pay under the guarantees, holders of the notes would be unsecured creditors of Telcel. The guarantees are not subordinated to any of Telcel's other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against Telcel, the guarantees would rank equally in right of payment with all of Telcel's other unsecured and unsubordinated debt.

A creditor of Telcel, including a holder of the notes, which are guaranteed by Telcel, may face limitations under Mexican law in attempting to enforce a claim against Telcel's assets to the extent those assets are used in providing public service under Telcel's concessions.

Form and Denominations

The notes were issued only in registered form without coupons and in denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof.

Except in limited circumstances, the notes will be issued in the form of global notes.

Further Issues

América Móvil reserves the right, from time to time without the consent of holders of the notes, to issue additional notes of either series on terms and conditions identical to those of the original notes of that series, which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the original notes of that series.

Payment of Additional Amounts

América Móvil is required by Mexican law to deduct Mexican withholding taxes from payments of interest to investors who are not residents of Mexico for tax purposes.

América Móvil will pay to holders of the notes all additional amounts that may be necessary so that every net payment of interest or principal to the holder will not be less than the amount provided for in the notes. By net payment, América Móvil means the amount that it or its paying agent will pay the holder after deducting or withholding an amount for or on account of any present or future taxes, duties, assessments or other governmental charges imposed with respect to that payment by a Mexican taxing authority.

América Móvil's obligation to pay additional amounts is, however, subject to several important exceptions. It will not pay additional amounts to any holder for or on account of any of the following:

- any taxes, duties, assessments or other governmental charges imposed solely because at any time there is or was a connection between the holder and Mexico (other than the mere receipt of a payment or the ownership or holding of a debt security);
- any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the debt securities;
- any taxes, duties, assessments or other governmental charges imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of the holder or any beneficial owner of the debt security if compliance is required by law, regulation or by an applicable income tax treaty to which Mexico is a party, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and we have given the holders at least 30 days' notice prior to the first payment date with respect to which such certification, identification or reporting requirement is required to the effect that holders will be required to provide such information and identification;
- any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the debt securities;
- any taxes, duties, assessments or other governmental charges with respect to a debt security presented for payment more than 15 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holders of such debt security would have been entitled to such additional amounts on presenting such debt security for payment on any date during such 15-day period; and
- any payment on a debt security to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the additional amounts had the beneficiary, settlor, member or beneficial owner been the holder of such debt security.

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

Applicable Mexican regulations currently allow América Móvil to withhold at a reduced rate, provided that it complies with certain information reporting requirements. Accordingly, the limitations on its obligations to pay additional amounts described in the third bullet point above also will not apply unless (a) the provision of the information, documentation or other evidence described in the applicable bullet point is expressly required by the applicable Mexican regulations, (b) it cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican regulations on its own through reasonable diligence, and (c) it otherwise would meet the requirements for application of the applicable Mexican regulations.

In addition, the limitation described in the third bullet point above does not require that any person, including any non-Mexican pension fund, retirement fund or financial institution, register with the Ministry of Finance and Public Credit to establish eligibility for an exemption from, or a reduction of, Mexican withholding tax.

América Móvil will remit the full amount of any Mexican taxes withheld to the applicable Mexican taxing authorities in accordance with applicable law. It will also provide the trustee with documentation satisfactory to the trustee evidencing the payment of Mexican taxes in respect of which we have paid any additional amount. It will provide copies of such documentation to the holders of the debt securities or the relevant paying agent upon request.

Any reference in the indenture or the debt securities or guarantees to principal, premium, if any, interest or any other amount payable in respect of the debt securities by América Móvil will be deemed also to refer to any additional amount that may be payable with respect to that amount under the obligations referred to in this subsection.

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

Optional Redemption

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

Optional Redemption With "Make-Whole" Amount

América Móvil will have the right at its option to redeem any of the notes in whole or in part, at any time or from time to time prior to their maturity, on at least 30 days' but not more than 60 days' notice, at a redemption price equal to the greater of (1) 100% of the principal amount of such notes and (2) the sum of the present values of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 35 basis points in the case of the 2035 Notes and 25 basis points in the case of the 2037 Notes (the "Make-Whole Amount"), plus in each case accrued interest on the principal amount of the notes to the date of redemption.

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

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such notes.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by América Móvil.

"Comparable Treasury Price" means, with respect to any redemption date (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer" means (i) in the case of the 2035 Notes, Credit Suisse First Boston LLC , or its respective affiliates which are primary United States government securities dealers and two other leading primary United States government securities dealers in New York City reasonably designated by América Móvil and (ii) in the case of the 2037 Notes, Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., or their respective affiliates which are primary United States government securities dealers and two other leading primary United States government securities dealers in New York City reasonably designated by América Móvil; provided, however, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), América Móvil will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 3:30 pm New York time on the third business day preceding such redemption date.

On and after the redemption date, interest will cease to accrue on the notes or any portion of the notes called for redemption (unless América Móvil defaults in the payment of the redemption price and accrued interest). On or before the redemption date, América Móvil will deposit with the trustee money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued interest to the redemption date on the notes to be redeemed on such date. If less than all of the notes are to be redeemed, the notes to be redeemed shall be selected by the trustee by such method as the trustee shall deem fair and appropriate.

Redemption for Taxation Reasons

América Móvil will have the right to redeem the notes upon the occurrence of certain changes in the tax laws of Mexico as a result of which we become obligated to pay additional amounts on the notes in respect of withholding taxes at a rate in excess of 10% for the 2035 Notes and 4.9% for the 2037 Notes, in which case we may redeem the notes in whole but not in part, at any time on giving not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the notes plus accrued interest to the redemption date and any additional amounts due thereon up to but not including the date of redemption; *provided*, *however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which América Móvil would be obligated to pay these additional amounts if a payment on the debt securities of such series were then due and (2) at the time such notice of redemption is given such obligation to pay such additional amounts remains in effect.

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

- a certificate signed by one of our duly authorized representatives stating that we are entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to our right of redemption for taxation reasons have occurred; and

- an opinion of Mexican legal counsel (which may be América Móvil's counsel) of recognized standing to the effect that it has or will become obligated to pay such additional amounts as a result of such change or amendment.

This notice, after it is delivered by América Móvil to the trustee, will be irrevocable.

Merger, Consolidation or Sale of Assets

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

- if América Móvil is not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States or any political subdivision thereof and expressly assumes our obligations under the debt securities or the indenture;
- immediately after the transaction, no default under the debt securities has occurred and is continuing. For this purpose, "default under the debt securities" means an event of default or an event that would be an event of default with respect to any series of debt securities if the requirements for giving América Móvil default notice and for its default having to continue for a specific period of time were disregarded. See "Defaults, Remedies and Waiver of Defaults" below; and
- América Móvil has delivered to the trustee an officers' certificate and opinion of counsel, each stating, among other things, that the transaction complies with the indenture.

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

Telcel may not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its assets and properties and may not permit any person to consolidate with or merge into it, unless substantially the same conditions set forth above are satisfied with respect to Telcel.

Covenants

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

Limitation on Liens

América Móvil may not, and América Móvil may not allow any of its restricted subsidiaries to, create, incur, issue or assume any liens on its restricted property to secure debt where the debt secured by such liens, plus the aggregate amount of our attributable debt and that of its restricted subsidiaries in respect of sale and leaseback transactions, would exceed an amount equal to an aggregate of 15% of its Consolidated Net Tangible Assets unless it secures the debt securities equally with, or prior to, the debt secured by such liens. This restriction will not, however, apply to the following:

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

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

"Restricted property" means (1) any exchange and transmission equipment, switches, cellular base stations, microcells, local links, repeaters and related facilities, whether owned as of the date of the indenture or acquired after that date, used in connection with the provision of telecommunications services in Mexico, including any land, buildings, structures and other equipment or fixtures that constitute any such facility, owned by América Móvil or its restricted subsidiaries and (2) any share of capital stock of any restricted subsidiary.

"Restricted subsidiaries" means América Móvil's subsidiaries that own restricted property.

Limitation on Sales and Leasebacks

América Móvil may not, and América Móvil may not allow any of its restricted subsidiaries to, enter into any sale and leaseback transaction without effectively providing that the debt securities will be secured equally and ratably with or prior to the sale and leaseback transaction, unless:

- the aggregate principal amount of all debt then outstanding that is secured by any lien on any restricted property that does not ratably secure the debt securities (excluding any secured indebtedness permitted under "Limitation on Liens" above) plus the aggregate amount of our attributable debt and the attributable debt of its restricted subsidiaries in respect of sale and leaseback transactions then outstanding (other than any sale and leaseback transaction permitted under the following bullet point) would not exceed an amount equal to 15% of its Consolidated Net Tangible Assets; or

- América Móvil or one of its restricted subsidiaries, within 12 months of the sale and leaseback transaction, retire an amount of its secured debt which is not subordinate to the debt securities in an amount equal to the greater of (1) the net proceeds of the sale or transfer of the property or other assets that are the subject of the sale and leaseback transaction and (2) the fair market value of the restricted property leased.

Notwithstanding the foregoing, América Móvil and/or its restricted subsidiaries may enter into sale and leaseback transactions during 2004 in respect of which attributable debt is not in excess of U.S.$300 million in the aggregate, and additional sale and leaseback transactions that solely refinance, extend, renew or refund such sale and leaseback transactions, and (a) the restriction described in the preceding paragraph shall not apply to such sale and leaseback transactions and (b) such transactions shall be excluded in determining the aggregate amount of its attributable debt and the attributable debt of our restricted subsidiaries for purposes of the preceding paragraph and also for purposes of the covenant described under "Limitation on Liens" described above.

"Sale and leaseback transaction" means an arrangement between América Móvil or one of its restricted subsidiaries and a bank, insurance company or other lender or investor where it or its restricted subsidiary leases a restricted property for an initial term of three years or more that was or will be sold by it or its restricted subsidiary to that lender or investor for a sale price of U.S.$1 million or its equivalent or more.

"Attributable debt" means, with respect to any sale and leaseback transaction, the lesser of (1) the fair market value of the asset subject to such transaction and (2) the present value, discounted at a rate per annum equal to the discount rate of a capital lease obligation with a like term in accordance with Mexican generally accepted accounting principles, of the obligations of the lessee for net rental payments (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments and similar charges and contingent rents) during the term of the lease.

Limitation on Sale of Capital Stock of Telcel

América Móvil may not, and América Móvil may not allow any of our subsidiaries to, sell, transfer or otherwise dispose of any shares of capital stock of Telcel if following such sale, transfer or disposition it would own, directly or indirectly, less than (1) 50% of the voting power of all of the shares of capital stock of Telcel and (2) 50% of all of the shares of capital stock of Telcel.

Provision of Information

América Móvil will furnish the trustee with copies of its annual report and the information, documents and other reports that it is required to file with the SEC pursuant to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, including its annual reports on Form 20-F and reports on Form 6-K. In addition, América Móvil will make the same information, documents and other reports available, at its expense, to holders who so request in writing. In the event that, in the future, América Móvil is not required to file such information, documents or other reports pursuant to Section 13 or 15(d) of the Securities Exchange Act, it will furnish on a reasonably prompt basis to the trustee and holders who so request in writing, substantially the same financial and other information that it would be required to include and file in an annual report on Form 20-F and reports on Form 6-K.

If any of América Móvil's officers becomes aware that a default or event of default or an event that with notice or the lapse of time would be an event of default has occurred and is continuing, as the case may be, América Móvil will also file a certificate with the trustee describing the details thereof and the action we are taking or propose to take.

Defaults, Remedies and Waiver of Defaults

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

Events of Default

Each of the following will be an "event of default" with respect to any series of debt securities:

- América Móvil or Telcel fail to pay the principal of any debt securities of that series on its due date;
- América Móvil or Telcel fail to pay interest on any debt securities of that series within 30 days after its due date;
- América Móvil or Telcel remain in breach of any covenant in the indenture for the benefit of holders of that series of debt securities, for 60 days after América Móvil receives a notice of default (sent by the trustee or the holders of not less than 25% in principal amount of the series of debt securities) stating that it is in breach;
- América Móvil or Telcel file for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to América Móvil or Telcel;
- América Móvil or Telcel experience a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.$25 million (or its equivalent in other currencies) that constitutes a failure to pay principal or interest when due or results in the acceleration of the debt prior to its maturity;
- a final judgment is rendered against América Móvil or Telcel in an aggregate amount in excess of U.S.$25 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or
- the guarantee of the debt securities of that series is held in a final judgment to be unenforceable or invalid or ceases for any reason to be in full force and effect, or Telcel, or any person acting on behalf of Telcel, denies or disaffirms its obligations under the guarantees of the debt securities.

Remedies Upon Event of Default

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

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

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

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

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

- they must give the trustee written notice that an event of default has occurred and the event of default has not been cured or waived;
- the holders of not less than 25% in principal amount of debt securities of that series must make a written request that the trustee take action with respect to that series because of the default and they or other holders must offer to the trustee indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after the above steps have been taken; and

- during those 60 days, the holders of a majority in principal amount of debt securities of that series must not have given the trustee for such series directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of debt securities of that series.

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

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

Waiver of Default

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

Modification and Waiver

There are three types of changes América Móvil can make to the indenture, the outstanding debt securities under the indenture and guarantees thereof.

Changes Requiring Each Holder's Approval

The following changes cannot be made without the approval of each holder of an outstanding debt security affected by the change:

- a change in the stated maturity of any principal or interest payment on a debt security;
- a reduction in the principal amount, the interest rate or the redemption price for a debt security;
- a change in the obligation to pay additional amounts;
- a change in the currency of any payment on a debt security other than as permitted by the debt security;
- a change in the place of any payment on a debt security;
- an impairment of the holder's right to sue for payment of any amount due on its debt security;
- a change in the terms and conditions of the obligations of the guarantor under the guarantees to make due and punctual payment of the principal, premium, if any, or interest in respect of the outstanding debt securities under the indenture;
- a reduction in the percentage in principal amount of the debt securities needed to change the indenture, the outstanding debt securities under the indenture or guarantees thereof; and

- a reduction in the percentage in principal amount of the debt securities needed to waive our compliance with the indenture or to waive defaults.

Changes Not Requiring Approval

Some changes will not require the approval of holders of debt securities. These changes are limited to specific kinds of changes, like the addition of covenants, events of default or security, and other clarifications and changes that would not adversely affect the holders of outstanding debt securities under the indenture in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture, the debt securities or the guarantees will be required to be approved by the holders of a majority in principal amount of each series of debt securities affected by the change or waiver. The required approval must be given by written consent.

The same majority approval will be required for América Móvil to obtain a waiver of any of its covenants in the indenture. Its covenants include the promises it makes about merging and creating liens on our interests, which are described under “Merger, Consolidation or Sale of Assets” and “Covenants” above. If the holders approve a waiver of a covenant, América Móvil will not have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular debt security or guarantee, or the indenture, as it affects that debt security, that América Móvil cannot change without the approval of the holder of that debt security as described under “Changes Requiring Each Holder’s Approval” above, unless that holder approves the waiver.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the debt securities or request a waiver.

Defeasance

América Móvil may, at its option, elect to terminate (1) all of its or Telcel’s obligations with respect to a series of debt securities and the related guarantees (“legal defeasance”), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the debt securities of that series, the replacement of mutilated, destroyed, lost or stolen debt securities of that series and the maintenance of agencies with respect to the debt securities of that series or (2) América Móvil’s or Telcel’s obligations under the covenants in the indenture, so that any failure to comply with such obligations will not constitute an event of default (“covenant defeasance”) in respect of debt securities of that series. In order to exercise either legal defeasance or covenant defeasance, América Móvil must irrevocably deposit with the trustee money or U.S. government obligations, or any combination thereof, in such amounts as will be sufficient to pay the principal, premium, if any, and interest (including additional amounts) in respect of the debt securities of that series then outstanding on the maturity date of the debt securities of that series, and comply with certain other conditions, including, without limitation, the delivery of opinions of counsel as to specified tax and other matters.

If América Móvil elects either legal defeasance or covenant defeasance with respect to any debt securities of a series, it must so elect it with respect to all of the debt securities of that series.

Special Rules for Actions by Holders

When holders take any action under the indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, América Móvil will apply the following rules.

Only Outstanding Debt Securities are Eligible for Action by Holders

Only holders of outstanding debt securities will be eligible to vote or participate in any action by holders. In addition, América Móvil will count only outstanding debt securities in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, a debt security will not be "outstanding" if it has been surrendered for cancellation or if we have deposited or set aside, in trust for its holder, money for its payment or redemption.

Determining Record Dates for Action by Holders

América Móvil will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the indenture. In some limited circumstances, only the trustee will be entitled to set a record date for action by holders. If América Móvil or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that we specify for this purpose, or that the trustee specifies if it sets the record date. América Móvil or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global debt securities may be set in accordance with procedures established by the depositary from time to time.

Payment Provisions

Payments on the Debt Securities

For interest due on a debt security on an interest payment date, América Móvil will pay the interest to the holder in whose name the debt security is registered at the close of business on the regular record date relating to the interest payment date. For interest due at maturity but on a day that is not an interest payment date, América Móvil will pay the interest to the person or entity entitled to receive the principal of the debt security. For principal due on a debt security at maturity, América Móvil will pay the amount to the holder of the debt security against surrender of the debt security at the proper place of payment. América Móvil will compute interest on debt securities bearing interest at a fixed rate on the basis of a 360-day year of twelve 30-day months.

Payments on Global Debt Securities.

For debt securities issued in global form, América Móvil will make payments on the debt securities in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, América Móvil will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in a global debt security. An indirect holder's right to receive those payments will be governed by the rules and practices of the depositary and its participants.

Payments on Certificated Debt Securities.

For debt securities issued in certificated form, América Móvil will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at the holder's address shown on the trustee's records as of the close of business on the regular record date, and América Móvil will make all other payments by check to the paying agent described below, against surrender of the debt security. All payments by check may be made in next-day funds, that is, funds that become available on the day after the check is cashed. If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to receive payments of principal and interest on their debt securities at the office of our paying agent maintained in New York City.

Payment When Offices Are Closed

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

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

Paying Agents

If América Móvil issues debt securities in certificated form, it may appoint one or more financial institutions to act as our paying agents, at whose designated offices the debt securities may be surrendered for payment at their maturity. América Móvil may add, replace or terminate paying agents from time to time, *provided* that if any debt securities are issued in certificated form, so long as such debt securities are outstanding, it will maintain a paying agent in New York City. América Móvil may also choose to act as its own paying agent. Initially, América Móvil has appointed the trustee, at its corporate trust office in New York City, as a paying agent. América Móvil must notify holders of the notes of changes in the paying agents as described under "Notices" below.

Unclaimed Payments

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

Governing Law

The indenture, the debt securities and the guarantees will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the debt securities, the guarantees or the indenture (subject to the exceptions described below), América Móvil and the guarantor have each:

- submitted to the jurisdiction of any New York state or U.S. federal court sitting in New York City, and any appellate court thereof;
- agreed that all claims in respect of such legal action or proceeding may be heard and determined in such New York state or U.S. federal court and waived, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of the place of residence or domicile of we or the guarantor; and
- appointed CT Corporation System, with an office at 111 Eighth Avenue, New York, New York 10011, United States of America as process agent.

The process agent will receive, on behalf of each of América Móvil and the guarantor, service of copies of the summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City. Service may be made by mailing or delivering a copy of such process to América Móvil or the guarantor, as the case may be, at the address specified above for the process agent.

A final judgment in any of the above legal actions or proceedings will be conclusive and may be enforced in other jurisdictions, in each case, to the extent permitted under the applicable laws of such jurisdiction.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any holder to bring any action or proceeding against either América Móvil or the guarantor or América Móvil or its properties in other courts where jurisdiction is independently established.

To the extent that either we or the guarantor has or hereafter may acquire or have attributed to América Móvil or the guarantor any sovereign or other immunity under any law, each of América Móvil and the guarantor has agreed to waive, to the fullest extent permitted by law, such immunity from jurisdiction or to service of process in respect of any legal suit, action or proceeding arising out of or relating to the indenture or the debt securities.

Currency Indemnity

América Móvil's obligations and the obligations of the guarantor under the debt securities and the guarantees, respectively, will be discharged only to the extent that the relevant holder is able to purchase U.S. dollars with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase U.S. dollars in the amount originally to be paid, we and the guarantor have agreed to pay the difference. The holder, however, agrees that, if the amount of U.S. dollars purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to América Móvil or the guarantor, as the case may be. The holder will not be obligated to make this reimbursement if we or the guarantor are in default of our or its obligations under the debt securities or the guarantees.

Transfer Agents

América Móvil may appoint one or more transfer agents, at whose designated offices any notes in certificated form may be transferred or exchanged and also surrendered before payment is made at maturity. Initially, América Móvil has appointed the trustee, at its corporate office in New York City, as transfer agent. América Móvil may also choose to act as its own transfer agent. América Móvil must notify holders of the notes of changes in the transfer agents as described under "Notices" below. If it issues notes in certificated form, holders of notes in certificated form will be able to transfer their notes, in whole or in part, by surrendering the notes, with a duly completed form of transfer, for registration of transfer at the office of our transfer agent in New York City, The Bank of New York. América Móvil will not charge any fee for the registration or transfer or exchange, except that it may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

Notices

As long as América Móvil issues notes in global form, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If it issues notes in certificated form, notices to be given to holders will be sent by mail to the respective addresses of the holders as they appear in the trustee's records, and will be deemed given when mailed.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

B. 2040 Notes

General

Indenture and Supplemental Indenture

The 2040 Notes were issued under the 2009 Indenture and the 2010 Supplemental Indenture, as supplemented by an additional notes supplement. The indenture is an agreement among América Móvil, Telcel, as guarantor, and The Bank of New York Mellon, as trustee. References to the "indenture" in this section III.B are to the 2009 Indenture as supplemented by the 2010 Supplemental Indenture and the additional notes supplement.

The trustee has the following two main roles:

- First, the trustee can enforce the rights of the holders of the 2040 Notes against América Móvil, if it defaults in respect of the 2040 Notes and Telcel defaults in respect of the guarantees.

- Second, the trustee performs administrative duties for América Móvil, such as making interest payments and sending notices to holders of notes.

Principal and Interest

The aggregate principal amount of the 2040 Notes is U.S.$2,000,000,000. The 2040 Notes will mature on March 30, 2040 and bear interest at a rate of 6.125% per year from March 30, 2010.

Interest on the 2040 Notes is payable on March 30 and September 30 of each year, to the holders in whose names the 2040 Notes were registered at the close of business on March 15 or September 15 immediately preceding the related interest payment date.

América Móvil will pay interest on the 2040 Notes on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity will include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date, if none has been paid or made available for payment, to but excluding the relevant payment date. América Móvil computes interest on the 2040 Notes on the basis of a 360-day year consisting of twelve 30-day months.

Subsidiary Guarantor

Telcel has irrevocably and unconditionally guaranteed the full and punctual payment of principal, premium, if any, interest, additional amounts and any other amounts that may become due and payable by América Móvil in respect of the 2040 Notes. If América Móvil fails to pay any such amount, Telcel will immediately pay the amount that is due and required to be paid.

Ranking of the Notes and the Guarantees

América Móvil is a holding company, and its principal assets are shares that it holds in its subsidiaries. The 2040 Notes are not secured by any of its assets or properties. As a result, by owning the 2040 Notes, the holders of the 2040 Notes will be one of our unsecured creditors. The 2040 Notes are not be subordinated to any of our other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against América Móvil, the 2040 Notes would rank equally in right of payment with all our other unsecured and unsubordinated debt.

Telcel's guarantees of the 2040 Notes are not secured by any of its assets or properties. As a result, if Telcel is required to pay under the guarantees, holders of the 2040 Notes would be unsecured creditors of Telcel. The guarantees are not subordinated to any of Telcel's other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against Telcel, the guarantees would rank equally in right of payment with all of Telcel's other unsecured and unsubordinated debt.

A creditor of Telcel, including a holder of the 2040 Notes, which are guaranteed by Telcel, may face limitations under Mexican law in attempting to enforce a claim against Telcel's assets to the extent those assets are used in providing public service under Telcel's concessions.

Form and Denominations

The 2040 Notes will were issued only in registered form without coupons and in minimum denominations of U.S.$100,000 and integral multiples of U.S.$1,000 in excess thereof.

Except in limited circumstances, the 2040 Notes will be issued in the form of global notes.

Further Issues

América Móvil reserves the right, from time to time without the consent of holders of the 2040 Notes, to issue additional notes of a series on terms and conditions identical to the 2040 Notes, which additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with, the 2040 Notes.

Payment of Additional Amounts

América Móvil is required by Mexican law to deduct Mexican withholding taxes from payments of interest to investors who are not residents of Mexico for tax purposes.

América Móvil will pay to holders of the 2040 Notes all additional amounts that may be necessary so that every net payment of interest or principal or premium, if any, to the holder will not be less than the amount provided for in the 2040 Notes. By net payment, América Móvil means the amount that it or its paying agent will pay the holder after deducting or withholding an amount for or on account of any present or future taxes, duties, assessments or other governmental charges imposed with respect to that payment by a Mexican taxing authority.

América Móvil's obligation to pay additional amounts is, however, subject to several important exceptions. América Móvil will not pay additional amounts to any holder for or on account of any of the following:

- any taxes, duties, assessments or other governmental charges imposed solely because at any time there is or was a connection between the holder and Mexico (other than the mere receipt of a payment or the ownership or holding of a debt security);
- any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the 2040 Notes;
- any taxes, duties, assessments or other governmental charges imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of the holder or any beneficial owner of the 2040 Notes if compliance is required by law, regulation or by an applicable income tax treaty to which Mexico is a party, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and we have given the holders at least 30 days' notice prior to the first payment date with respect to which such certification, identification or reporting requirement is required to the effect that holders will be required to provide such information and identification;

- any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the debt securities;
- any taxes, duties, assessments or other governmental charges with respect to the 2040 Notes presented for payment more than 15 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holders of such 2040 Notes would have been entitled to such additional amounts on presenting such notes for payment on any date during such 15-day period; and
- any payment on the 2040 Notes to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the additional amounts had the beneficiary, settlor, member or beneficial owner been the holder of such note.

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

Applicable Mexican regulations currently allow América Móvil to withhold at a reduced rate, provided that América Móvil complies with certain information reporting requirements. Accordingly, the limitations on América Móvil's obligations to pay additional amounts described in the third bullet point above also will not apply unless (a) the provision of the information, documentation or other evidence described in the applicable bullet point is expressly required by the applicable Mexican regulations, (b) América Móvil cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican regulations on its own through reasonable diligence and (c) América Móvil otherwise would meet the requirements for application of the applicable Mexican regulations.

In addition, the limitation described in the third bullet point above does not require that any person, including any non-Mexican pension fund, retirement fund or financial institution, register with the Ministry of Finance and Public Credit to establish eligibility for an exemption from, or a reduction of, Mexican withholding tax.

América Móvil will remit the full amount of any Mexican taxes withheld to the applicable Mexican taxing authorities in accordance with applicable law. América Móvil will also provide the trustee with documentation satisfactory to the trustee evidencing the payment of Mexican taxes in respect of which we have paid any additional amount. América Móvil will provide copies of such documentation to the holders of the 2040 Notes or the paying agent upon request.

Any reference in the indenture, the 2040 Notes or the guarantees to principal, premium, if any, interest or any other amount payable in respect of the 2040 Notes by América Móvil will be deemed also to refer to any additional amount that may be payable with respect to that amount under the obligations referred to in this subsection.

In the event that additional amounts actually paid with respect to the 2040 Notes pursuant to the preceding paragraphs are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such notes, and as a result thereof such holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such notes, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to América Móvil. However, by making such assignment, the holder makes no representation or warranty that we will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Optional Redemption

América Móvil will not be permitted to redeem the 2040 Notes before their stated maturity, except as set forth below. The 2040 Notes will not be entitled to the benefit of any sinking fund (meaning that América Móvil will not deposit money on a regular basis into any separate account to repay the 2040 Notes). In addition, the holders of the 2040 Notes will not be entitled to require América Móvil to repurchase their notes before the stated maturity.

Optional Redemption With "Make-Whole" Amount

América Móvil will have the right at its option to redeem the 2040 Notes in whole or in part, at any time or from time to time prior to their maturity, on at least 30 days' but not more than 60 days' notice, at a redemption price equal to the greater of (1) 100% of the principal amount of the 2040 Notes to be redeemed and (2) the sum of the present values of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points (the "Make-Whole Amount"), plus accrued interest on the principal amount of the 2040 Notes being redeemed to the redemption date.

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

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the 2040 Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such notes.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by América Móvil.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer" means Citigroup Global Markets, Inc., Goldman, Sachs & Co. and J.P. Morgan Securities LLC, or, their respective affiliates which are primary United States government securities dealers and two other leading primary United States government securities dealers in New York City reasonably designated by América Móvil; provided, however, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), América Móvil will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 3:30 pm (New York City time) on the third business day preceding such redemption date.

On and after the redemption date, interest will cease to accrue on the 2040 Notes or any portion of the 2040 Notes called for redemption (unless América Móvil defaults in the payment of the redemption price and accrued interest). On or before the redemption date, América Móvil will deposit with the trustee money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued interest to the redemption date on the 2040 Notes to be redeemed on such date. If less than all of the 2040 Notes are to be redeemed, the notes to be redeemed shall be selected by the trustee by such method as the trustee shall deem fair and appropriate.

Tax Redemption

América Móvil will have the right to redeem the 2040 Notes upon the occurrence of certain changes in the tax laws of Mexico as a result of which América Móvil becomes obligated to pay additional amounts on the 2040 Notes in respect of withholding taxes at a rate in excess of 4.9%, in which case América Móvil may redeem the 2040 Notes, in whole but not in part, at any time on giving not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the 2040 Notes, plus accrued interest to the redemption date and any additional amounts due thereon up to but not including the date of redemption; *provided*, *however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which América Móvil would be obligated to pay these additional amounts if a payment on the debt securities were then due and (2) at the time such notice of redemption is given such obligation to pay such additional amounts remains in effect.

Merger, Consolidation or Sale of Assets

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

- if América Móvil is not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States or any political subdivision thereof and expressly assumes our obligations under the 2040 Notes and the indenture;
- immediately after the transaction, no default under the 2040 Notes has occurred and is continuing. For this purpose, "default under the debt securities" means an event of default or an event that would be an event of default with respect to the 2040 Notes if the requirements for giving América Móvil default notice and for its default having to continue for a specific period of time were disregarded. See "Defaults, Remedies and Waiver of Defaults" below; and
- América Móvil has delivered to the trustee an officers' certificate and opinion of counsel, each stating, among other things, that the transaction complies with the indenture.

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

Telcel may not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its assets and properties and may not permit any person to consolidate with or merge into it, unless substantially the same conditions set forth above are satisfied with respect to Telcel.

Covenants

The following covenants will apply to América Móvil and certain of its subsidiaries for so long as the 2040 Notes remain outstanding. These covenants restrict América Móvil's ability and the ability of its subsidiaries to enter into certain transactions. However, these covenants do not limit América Móvil's ability to incur indebtedness or require América Móvil to comply with financial ratios or to maintain specified levels of net worth or liquidity.

Limitation on Liens

América Móvil may not, and América Móvil may not allow any of its restricted subsidiaries to, create, incur, issue or assume any liens on its restricted property to secure debt where the debt secured by such liens, plus the aggregate amount of our attributable debt and that of its restricted subsidiaries in respect of sale and leaseback transactions, would exceed an amount equal to an aggregate of 15% of its Consolidated Net Tangible Assets unless América Móvil secures the debt securities equally with, or prior to, the debt secured by such liens. This restriction will not, however, apply to the following:

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

"Consolidated Net Tangible Assets" means total consolidated assets less (1) all current liabilities, (2) all goodwill, (3) all trade names, trademarks, patents and other intellectual property assets and (4) all licenses, each as set forth on our most recent consolidated balance sheet and computed in accordance with generally accepted accounting principles in Mexico.

"Restricted property" means (1) any exchange and transmission equipment, switches, cellular base stations, microcells, local links, repeaters and related facilities, whether owned as of the date of the 2009 Indenture or acquired after that date, used in connection with the provision of telecommunications services in Mexico, including any land, buildings, structures and other equipment or fixtures that constitute any such facility, owned by América Móvil or our restricted subsidiaries and (2) any share of capital stock of any restricted subsidiary.

"Restricted subsidiaries" means América Móvil's subsidiaries that own restricted property.

Limitation on Sales and Leasebacks

América Móvil may not, and América Móvil may not allow any of its restricted subsidiaries to, enter into any sale and leaseback transaction without effectively providing that the 2040 Notes will be secured equally and ratably with or prior to the sale and leaseback transaction, unless:

- the aggregate principal amount of all debt then outstanding that is secured by any lien on any restricted property that does not ratably secure the 2040 Notes (excluding any secured indebtedness permitted under "Limitation on Liens" above) plus the aggregate amount of América Móvil's attributable debt and the attributable debt of its restricted subsidiaries in respect of sale and leaseback transactions then outstanding (other than any sale and leaseback transaction permitted under the following bullet point) would not exceed an amount equal to 15% of its Consolidated Net Tangible Assets; or
- América Móvil or one of its restricted subsidiaries, within 12 months of the sale and leaseback transaction, retire an amount of its secured debt which is not subordinate to the 2040 Notes in an amount equal to the greater of (1) the net proceeds of the sale or transfer of the property or other assets that are the subject of the sale and leaseback transaction and (2) the fair market value of the restricted property leased.

"Sale and leaseback transaction" means an arrangement between América Móvil or one of its restricted subsidiaries and a bank, insurance company or other lender or investor where América Móvil or its restricted subsidiary leases a restricted property for an initial term of three years or more that was or will be sold by América Móvil or its restricted subsidiary to that lender or investor for a sale price of U.S.$1 million or its equivalent or more.

"Attributable debt" means, with respect to any sale and leaseback transaction, the lesser of (1) the fair market value of the asset subject to such transaction and (2) the present value, discounted at a rate per annum equal to the discount rate of a capital lease obligation with a like term in accordance with Mexican generally accepted accounting principles, of the obligations of the lessee for net rental payments (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments and similar charges and contingent rents) during the term of the lease.

Limitation on Sale of Capital Stock of Telcel

América Móvil may not, and América Móvil may not allow any of its subsidiaries to, sell, transfer or otherwise dispose of any shares of capital stock of Telcel if following such sale, transfer or disposition América Móvil would own, directly or indirectly, less than (1) 50% of the voting power of all of the shares of capital stock of Telcel and (2) 50% of all of the shares of capital stock of Telcel.

Provision of Information

América Móvil will furnish the trustee with copies of its annual report and the information, documents and other reports that it is are required to file with the SEC pursuant to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, including our annual reports on Form 20-F and reports on Form 6-K, within 15 days after we file them with the SEC. In addition, América Móvil will make the same information, documents and other reports available, at its expense, to holders who so request in writing.

In the event that, in the future, América Móvil is not required to file such information, documents or other reports pursuant to Section 13 or 15(d) of the Securities Exchange Act, América Móvil will furnish on a reasonably prompt basis to the trustee and holders who so request in writing, substantially the same financial and other information that América Móvil would be required to include and file in an annual report on Form 20-F and reports on Form 6-K.

If any of América Móvil's officers becomes aware that a default or event of default or an event that with notice or the lapse of time would be an event of default has occurred and is continuing, as the case may be, América Móvil will also file a certificate with the trustee describing the details thereof and the action it is taking or propose to take.

Defaults, Remedies and Waiver of Defaults

A Holder of the 2040 Notes will have special rights if an event of default with respect to the 2040 Notes it holds occurs and is not cured, as described below.

Events of Default

Each of the following will be an "event of default" with respect to the 2040 Notes:

- América Móvil or Telcel fail to pay the principal of the 2040 Notes on its due date;
- América Móvil or Telcel fail to pay interest on the 2040 Notes within 30 days after its due date;
- América Móvil or Telcel remain in breach of any covenant in the indenture for the benefit of holders of the 2040 Notes, for 60 days after América Móvil receives a notice of default (sent by the trustee or the holders of not less than 25% in principal amount of the 2040 Notes) stating that it is in breach;
- América Móvil or Telcel file for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to América Móvil or Telcel;
- América Móvil or Telcel experience a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.$25 million (or its equivalent in other currencies) that constitutes a failure to pay principal or interest when due or results in the acceleration of the debt prior to its maturity;
- a final judgment is rendered against América Móvil or Telcel in an aggregate amount in excess of U.S.$25 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or
- the guarantee of the 2040 Notes is held in a final judgment proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or Telcel, or any person acting on behalf of Telcel, denies or disaffirms its obligations under the guarantees of the 2040 Notes.

Remedies Upon Event of Default

If an event of default with respect to the 2040 Notes occurs and is not cured or waived, the trustee, at the written request of holders of not less than 25% in principal amount of the 2040 Notes, may declare the entire principal amount of all the 2040 Notes to be due and payable immediately, and upon any such declaration the principal, any accrued interest and any additional amounts shall become due and payable. If, however, an event of default occurs because of a bankruptcy, insolvency or reorganization relating to América Móvil or Telcel, the entire principal amount of all the 2040 Notes and any accrued interest and any additional amounts will be automatically accelerated, without any action by the trustee or any holder and any principal, interest or additional amounts will become immediately due and payable.

Each of the situations described in the preceding paragraph is called an acceleration of the maturity of the 2040 Notes. If the maturity of the 2040 Notes is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in aggregate principal amount of the 2040 Notes may cancel the acceleration for all the 2040 Notes, provided that all amounts then due (other than amounts due solely because of such acceleration) have been paid and all other defaults with respect to the 2040 Notes have been cured or waived.

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

Except as described in the prior paragraph, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection, known as an indemnity, from expenses and liability. If the trustee receives an indemnity that is reasonably satisfactory to it, the holders of a majority in principal amount of the 2040 Notes may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the indenture with respect to the 2040 Notes.

Before any holder of the 2040 Notes bypasses the trustee and bring its own lawsuit or other formal legal action or take other steps to enforce its rights or protect its interests relating to the 2040 Notes, the following must occur:

- holders of the 2040 Notes must give the trustee written notice that an event of default has occurred and the event of default has not been cured or waived;
- the holders of not less than 25% in principal amount of the 2040 Notes must make a written request that the trustee take action with respect to the 2040 Notes because of the default and they or other holders must offer to the trustee indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after the above steps have been taken; and
- during those 60 days, the holders of a majority in principal amount of the 2040 Notes must not have given the trustee directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of the 2040 Notes.

Holders of the 2040 Notes will be entitled, however, at any time to bring a lawsuit for the payment of money due on the 2040 Notes on or after its due date.

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

Waiver of Default

The holders of not less than a majority in principal amount of the 2040 Notes may waive a past default for all the 2040 Notes. If this happens, the default will be treated as if it had been cured. No one can waive a payment default on any debt security, however, without the approval of the particular holder of that debt security.

Modification and Waiver

There are three types of changes América Móvil can make to the indenture, the outstanding 2040 Notes and guarantees thereof.

Changes Requiring Each Holder's Approval

The following changes cannot be made without the approval of each holder of a 2040 Note affected by the change:

- a change in the stated maturity of any principal or interest payment on the 2040 Notes;
- a reduction in the principal amount, the interest rate or the redemption price of the 2040 Notes;
- a change in the obligation to pay additional amounts;
- a change in the currency of any payment on the 2040 Notes other than as permitted by the 2040 Notes;
- a change in the place of any payment on the 2040 Notes;
- an impairment of the holder's right to sue for payment of any amount due on its debt security;
- a change in the terms and conditions of the obligations of the guarantor under the guarantees to make due and punctual payment of the principal, premium, if any, or interest in respect of the outstanding 2040 Notes;
- a reduction in the percentage in principal amount of the 2040 Notes needed to change the indenture, the outstanding 2040 Notes or guarantees thereof; and
- a reduction in the percentage in principal amount of the 2040 Notes needed to waive América Móvil's compliance with the indenture or to waive defaults.

Changes Not Requiring Approval

Some changes will not require the approval of holders of the 2040 Notes. These changes are limited to specific kinds of changes, like the addition of covenants, events of default or security, and other clarifications and changes that would not adversely affect the holders of outstanding 2040 Notes under the indenture in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture, the 2040 Notes or the guarantees will be required to be approved by the holders of a majority in principal amount of each series of debt securities affected by the change or waiver. The required approval must be given by written consent.

The same majority approval will be required for América Móvil to obtain a waiver of any of its covenants in the indenture. América Móvil's covenants include the promises it makes about merging and creating liens on its interests, which is described under "Merger, Consolidation or Sale of Assets" and "Covenants". If the holders approve a waiver of a covenant, América Móvil will not have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular debt security or guarantee, or the indenture, as it affects that debt security, that it cannot change without the approval of the holder of that debt security as described under in "Changes Requiring Each Holder's Approval", unless that holder approves the waiver.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if América Móvil seeks to change the indenture or the 2040 Notes or request a waiver.

Defeasance

América Móvil may, at its option, elect to terminate (1) all of its or Telcel's obligations with respect to the 2040 Notes and the related guarantees ("legal defeasance"), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the 2040 Notes, the replacement of mutilated, destroyed, lost or stolen debt securities and the maintenance of agencies with respect to the debt securities or (2) América Móvil's or Telcel's obligations under the covenants in the indenture, so that any failure to comply with such obligations will not constitute an event of default ("covenant defeasance") in respect of the 2040 Notes. In order to exercise either legal defeasance or covenant defeasance, América Móvil must irrevocably deposit with the trustee money or U.S. government obligations, or any combination thereof, in such amounts as will be sufficient to pay the principal, premium, if any, and interest (including additional amounts) in respect of the 2040 Notes then outstanding on the maturity date of the 2040 Notes, and comply with certain other conditions, including, without limitation, the delivery of opinions of counsel as to specified tax and other matters.

If América Móvil elects either legal defeasance or covenant defeasance with respect to the 2040 Notes, América Móvil must so elect it with respect to all of the 2040 Notes.

Special Rules for Actions by Holders

When holders take any action under the indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, América Móvil will apply the following rules.

Only Outstanding Debt Securities are Eligible for Action by Holders

Only holders of outstanding 2040 Notes will be eligible to vote or participate in any action by holders. In addition, América Móvil will count only outstanding debt securities in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, a debt security will not be "outstanding" if it has been surrendered for cancellation or if we have deposited or set aside, in trust for its holder, money for its payment or redemption.

Determining Record Dates for Action by Holders

América Móvil will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the indenture. In some limited circumstances, only the trustee will be entitled to set a record date for action by holders. If América Móvil or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that América Móvil specifies for this purpose, or that the trustee specifies if it sets the record date. América Móvil or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global debt securities may be set in accordance with procedures established by the depositary from time to time.

Payment Provisions

Payments on the Debt Securities

For interest due on the 2040 Notes on an interest payment date, América Móvil will pay the interest to the holder in whose name the note is registered at the close of business on the regular record date relating to the interest payment date. For interest due at maturity but on a day that is not an interest payment date, América Móvil will pay the interest to the person or entity entitled to receive the principal of the note. For principal due on a note at maturity, we will pay the amount to the holder of the note against surrender of the note at the proper place of payment.

América Móvil will compute interest on the 2040 Notes bearing interest at a fixed rate on the basis of a 360-day year of twelve 30-day months.

Payments on Global Debt Securities.

América Móvil will make payments on the 2040 Notes in accordance with the applicable policies of the depositary. Under those policies, América Móvil will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in a global debt security. An indirect holder's right to receive those payments will be governed by the rules and practices of the depositary and its participants.

Payments on Certificated Debt Securities.

For debt securities issued in certificated form, América Móvil will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at the holder's address shown on the trustee's records as of the close of business on the regular record date, and we will make all other payments by check to the paying agent described below, against surrender of the debt security. All payments by check may be made in next-day funds, that is, funds that become available on the day after the check is cashed. If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to receive payments of principal and interest on their debt securities at the office of our paying agent maintained in New York City.

Payment When Offices Are Closed

If any payment is due on the 2040 Notes on a day that is not a business day, América Móvil will make the payment on the day that is the next business day. Payments postponed to the next business day in this situation will be treated under the indenture as if they were made on the original due date. Postponement of this kind will not result in a default under the 2040 Notes, guarantees or the indenture, and no interest will accrue on the postponed amount from the original due date to the next day that is a business day.

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

Paying Agents

If América Móvil issues debt securities in certificated form, it may appoint one or more financial institutions to act as its paying agents, at whose designated offices the debt securities may be surrendered for payment at their maturity. América Móvil may add, replace or terminate paying agents from time to time, *provided* that if any debt securities are issued in certificated form, so long as such debt securities are outstanding, América Móvil will maintain a paying agent in New York City. América Móvil may choose to act as its own paying agent. Initially, América Móvil has appointed the trustee, at its corporate trust office in New York City, as a paying agent. América Móvil must notify the holders of the 2040 Notes of changes in the paying agents as described under "Notices" below.

Unclaimed Payments

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

Governing Law

The indenture, the 2040 Notes and the guarantees will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the 2040 Notes, the guarantees or the indenture (subject to the exceptions described below), América Móvil and Telcel have each:

- submitted to the jurisdiction of any New York state or U.S. federal court sitting in New York City, and any appellate court thereof;
- agreed that all claims in respect of such legal action or proceeding may be heard and determined in such New York state or U.S. federal court and waived, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of the place of residence or domicile of we or the guarantor; and
- appointed CT Corporation System, with an office at 111 Eighth Avenue, New York, New York 10011, United States of America, as process agent.

The process agent will receive, on behalf of each of América Móvil and Telcel, service of copies of the summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City. Service may be made by mailing or delivering a copy of such process to América Móvil or Telcel, as the case may be, at the address specified above for the process agent.

A final judgment in any of the above legal actions or proceedings will be conclusive and may be enforced in other jurisdictions, in each case, to the extent permitted under the applicable laws of such jurisdiction.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any holder to bring any action or proceeding against either América Móvil or the guarantor or our or its properties in other courts where jurisdiction is independently established.

To the extent that either América Móvil or Telcel have or hereafter may acquire or have attributed to América Móvil or Telcel any sovereign or other immunity under any law, each of América Móvil and Telcel has agreed to waive, to the fullest extent permitted by law, such immunity from jurisdiction or to service of process in respect of any legal suit, action or proceeding arising out of or relating to the indenture or the 2040 Notes.

Currency Indemnity

América Móvil's obligations and the obligations of the guarantor under the 2040 Notes and the guarantees, respectively, will be discharged only to the extent that the relevant holder is able to purchase U.S. dollars with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase U.S. dollars in the amount originally to be paid, América Móvil and the guarantor have agreed to pay the difference. The holder, however, agreed that, if the amount of U.S. dollars purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to América Móvil or the guarantor, as the case may be. The holder will not be obligated to make this reimbursement if América Móvil or the guarantor are in default of its obligations under the 2040 Notes or the guarantees.

Transfer Agents

América Móvil may appoint one or more transfer agents, at whose designated offices any debt securities in certificated form may be transferred or exchanged and also surrendered before payment is made at maturity. Initially, América Móvil has appointed the trustee, at its corporate office in New York City, as transfer agent. América Móvil may also choose to act as our its own transfer agent. América Móvil must notify holders of the 2040 Notes of changes in the transfer agent as described under "Notices" below. If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to transfer their debt securities, in whole or in part, by surrendering the debt securities, with a duly completed form of transfer, for registration of transfer at the office of our transfer agent in New York City. América Móvil will not charge any fee for the registration or transfer or exchange, except that it may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

Notices

As long as we issue notes in global form, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If América Móvil issues debt securities in certificated form, notices to be given to holders will be sent by mail to the respective addresses of the holders as they appear in the trustee's records, and will be deemed given when mailed.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

C. 2022 Notes and 2042 Notes

General

The 2022 Notes and the 2042 Notes constitute separate series of notes. The following discussion of the terms of the notes, including without limitation the discussions under "Optional Redemption", "Defaults, Remedies and Waiver of Defaults," "Modification and Waiver" and "Defeasance" below, applies to each series separately. References to "notes" and "debt securities" in this section III.C are to the 2022 Notes and the 2042 Notes.

Indenture and Supplemental Indenture

The 2022 Notes and the 2042 Notes were issued under the 2012 Indenture and the 2012 Supplemental Indentures, as supplemented by additional notes supplements. References to the "indenture" in this section III.C are to the 2012 Indenture as supplemented by the applicable supplemental indenture and additional notes supplement. The indenture is an agreement between América Móvil and The Bank of New York Mellon, as trustee.

Neither the 2022 Notes nor the 2042 Notes are guaranteed by any of América Móvil's subsidiaries.

The trustee has the following two main roles:

- First, the trustee can enforce the rights of the holder of the notes against América Móvil if it defaults in respect of the notes. There are some limitations on the extent to which the trustee acts on its behalf, which are described under "Defaults, Remedies and Waiver of Defaults".
- Second, the trustee performs administrative duties for América Móvil, such as making interest payments and sending notices to holders of notes.

Principal and Interest

The original aggregate principal amount of the 2022 Notes is U.S.$1,600,000,000. The 2022 notes will mature on July 16, 2022 and bear interest at a rate of 3.125% per year from July 16, 2012.

The original aggregate principal amount of the 2042 Notes is U.S.$1,150,000,000. The 2042 Notes will mature on July 16, 2042 and bear interest at a rate of 4.375% per year from July 16, 2012.

Interest on each series of notes is payable on January 16 and July 16 of each year, to the holders in whose names the notes are registered at the close of business on January 1 or July 1 immediately preceding the related interest payment date. Purchasers of each series of notes will be entitled to receive the full amount of the first interest payment on January 16, 2013.

América Móvil pays interest on the notes on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date, if none has been paid or made available for payment, to but excluding the relevant payment date. América Móvil computes interest on the notes on the basis of a 360-day year consisting of twelve 30-day months.

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

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

Ranking of the Notes

América Móvil is a holding company, and its principal assets are shares that it holds in its subsidiaries. The notes will not be secured by any of its assets or properties. As a result, by owning the notes, the holder is one of América Móvil's unsecured creditors. The notes are not subordinated to any of América Móvil's other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against América Móvil, the notes would rank equally in right of payment with all of América Móvil's other unsecured and unsubordinated debt.

Claims of creditors of América Móvil's subsidiaries, including trade creditors and bank and other lenders, will have priority over the holders of the notes in claims to assets of its subsidiaries. All of América Móvil's outstanding debt securities that were issued in the Mexican and international markets through mid-September 2011 are unconditionally guaranteed by Telcel. Accordingly, the holders of those outstanding debt securities will have priority over the holders of the notes with respect to claims to the assets of Telcel.

Form and Denominations

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

Except in limited circumstances, the notes will be issued in the form of global notes.

Further Issues

América Móvil reserves the right, from time to time without the consent of holders of the notes of either series, to issue additional notes of a series on terms and conditions identical to those of the notes of that series (except for issue date, issue price and the date from which interest will accrue and, if applicable, first to be paid), which additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with the notes of that series.

Payment of Additional Amounts

América Móvil is required by Mexican law to deduct Mexican withholding taxes from payments of interest to investors who are not residents of Mexico for tax purposes.

América Móvil will pay to holders of the notes all additional amounts that may be necessary so that every net payment of interest or principal or premium, if any, to the holder will not be less than the amount provided for in the notes. By net payment, América Móvil means the amount that it or its paying agent will pay the holder after deducting or withholding an amount for or on account of any present or future taxes, duties, assessments or other governmental charges imposed with respect to that payment by a Mexican taxing authority.

América Móvil's obligation to pay additional amounts is, however, subject to several important exceptions. América Móvil will not pay additional amounts to or on behalf of any holder or beneficial owner, or to the trustee, for or on account of any of the following:

- any taxes, duties, assessments or other governmental charges imposed solely because at any time there is or was a connection between the holder and Mexico (other than the mere receipt of a payment or the ownership or holding of a debt security);
- any taxes, duties, assessments or other governmental charges imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of the holder or any beneficial owner of the debt security if compliance is required by law, regulation or by an applicable income tax treaty to which Mexico is a party, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and we have given the holders at least 30 calendar days' notice prior to the first payment date with respect to which such certification, identification or reporting requirement is required to the effect that holders will be required to provide such information and identification;
- any taxes, duties, assessments or other governmental charges with respect to a debt security presented for payment more than 15 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holders of such debt security would have been entitled to such additional amounts on presenting such debt security for payment on any date during such 15-day period;
- any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the debt securities;
- any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the debt securities;
- any payment on a debt security to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the additional amounts had the beneficiary, settlor, member or beneficial owner been the holder of such debt security;

- any taxes, duties, assessments or other governmental charges that are imposed on a payment to an individual and are required to be made pursuant to European Council Directive 2003/48/EC on the
- taxation of savings income or any other directive implementing the conclusions of the ECOFIN Council meetings of November 26 and 27, 2000, December 13, 2001, and January 21, 2003, or any law or agreement implementing or complying with, or introduced in order to conform to, such a directive; and
- any combination of the items in the bullet points above.

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

Applicable Mexican regulations currently allow América Móvil to withhold at a reduced rate, provided that it complies with certain information reporting requirements. Accordingly, the limitations on our obligations to pay additional amounts described in the second bullet point above also will not apply unless (a) the provision of the information, documentation or other evidence described in the applicable bullet point is expressly required by the applicable Mexican regulations, (b) América Móvil cannot obtain the information, documentation or other evidence necessary to comply with the applicable Mexican regulations on its own through reasonable diligence and (c) América Móvil otherwise would meet the requirements for application of the applicable Mexican regulations.

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

América Móvil will remit the full amount of any Mexican taxes withheld to the applicable Mexican taxing authorities in accordance with applicable law. América Móvil will also provide the trustee with documentation satisfactory to the trustee evidencing the payment of Mexican taxes in respect of which we have paid any additional amounts. América Móvil will provide copies of such documentation to the holders of the debt securities or the relevant paying agent upon request.

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

Any reference to the indenture or the debt securities to principal, premium, if any, interest or any other amount payable in respect of the debt securities by América Móvil will be deemed also to refer to any additional amounts that may be payable with respect to that amount under the obligations referred to in this subsection.

Optional Redemption

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

Optional Redemption With "Make-Whole" Amount

América Móvil will have the right at its option to redeem either series of notes in whole or in part, at any time or from time to time prior to their maturity, on at least 30 days' but not more than 60 days' notice, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present values of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points (in the case of the 2022 Notes) or 30 basis points (in the case of the 2042 Notes) (the "make-whole" amount), plus in each case accrued interest on the principal amount of the notes being redeemed to the redemption date.

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

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the series of notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such series of notes.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by América Móvil.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer" means each of Goldman, Sachs & Co. and Morgan Stanley & Co. LLC or their respective affiliates which are primary United States government securities dealers and two other leading primary United States government securities dealers in New York City reasonably designated by América Móvil; provided, however, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), América Móvil will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 3:30 pm (New York City time) on the third business day preceding such redemption date.

On and after the redemption date, interest will cease to accrue on the notes or any portion of the notes called for redemption (unless América Móvil defaults in the payment of the redemption price and accrued interest). On or before the redemption date, América Móvil will deposit with the trustee money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued interest to the redemption date on the notes to be redeemed on such date. If less than all of the notes of either series are to be redeemed, the notes to be redeemed shall be selected by the trustee by such method as the trustee shall deem fair and appropriate or in accordance with the applicable procedures of DTC.

Tax Redemption

América Móvil will have the right to redeem the notes of either series upon the occurrence of certain changes in the tax laws of Mexico as a result of which América Móvil becomes obligated to pay additional amounts on the notes of that series in respect of withholding taxes at a rate in excess of 4.9%, in which case América Móvil may redeem the notes of that series, in whole but not in part at any time on giving not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued interest to the redemption date and any premium applicable in the case of a redemption prior to maturity and any additional amounts due thereon up to but not including the date of redemption; *provided*, *however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which América Móvil would be obligated to pay these additional amounts if a payment on the debt securities were then due and (2) at the time such notice of redemption is given such obligation to pay such additional amounts remains in effect.

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

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

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

Merger, Consolidation or Sale of Assets

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

- if América Móvil is not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States or any political subdivision thereof and expressly assumes its obligations under the debt securities or the indenture;
- immediately after the transaction, no default under the debt securities has occurred and is continuing. For this purpose, "default under the debt securities" means an event of default or an event that would be an event of default with respect to the debt securities if the requirements for giving América Móvil default notice and for its default having to continue for a specific period of time were disregarded. See "Defaults, Remedies and Waiver of Defaults"; and
- América Móvil has delivered to the trustee an officer's certificate and opinion of counsel, each stating, among other things, that the transaction complies with the indenture.

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

Covenants

Holders of the notes will benefit from the following covenants contained in the indenture and affecting América Móvil's ability to incur liens to secure debt, enter into sale and leaseback transactions, sell shares of capital stock of Telcel, merge or consolidate with other entities and take other specified actions, as well as requiring América Móvil to provide certain reports or information to holders of notes.

Limitation on Liens

América Móvil may not, and we may not allow any of its restricted subsidiaries to, create, incur, issue or assume any liens on our restricted property to secure debt where the debt secured by such liens, plus the aggregate amount of our attributable debt and that of our restricted subsidiaries in respect of sale and leaseback transactions, would exceed an amount equal to an aggregate of 15% of its Consolidated Net Tangible Assets unless it secures the debt securities equally with, or prior to, the debt secured by such liens. This restriction will not, however, apply to the following:

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

"Consolidated Net Tangible Assets" means total consolidated assets less (1) all current liabilities, (2) all goodwill, (3) all trade names, trademarks, patents and other intellectual property assets and (4) all licenses, each as set forth on América Móvil's most recent consolidated balance sheet and computed in accordance with International Financial Reporting Standards ("IFRS").

"Restricted property" means (1) any exchange and transmission equipment, switches, cellular base stations, microcells, local links, repeaters and related facilities, whether owned as of the date of the indenture or acquired after that date, used in connection with the provision of telecommunications services in Mexico, including any land, buildings, structures and other equipment or fixtures that constitute any such facility, owned by América Móvil or its restricted subsidiaries and (2) any share of capital stock of any restricted subsidiary.

"Restricted subsidiaries" means our subsidiaries that own restricted property.

Limitation on Sales and Leasebacks

América Móvil may not, and it may not allow any of its restricted subsidiaries to, enter into any sale and leaseback transaction without effectively providing that the debt securities will be secured equally and ratably with or prior to the sale and leaseback transaction, unless:

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

"Sale and leaseback transaction" means an arrangement between América Móvil or one of its restricted subsidiaries and a bank, insurance company or other lender or investor where América Móvil or its restricted subsidiary leases a restricted property for an initial term of three years or more that was or will be sold by América Móvil or its restricted subsidiary to that lender or investor for a sale price of U.S.$1 million (or its equivalent in other currencies) or more.

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

Limitation on Sale of Capital Stock of Telcel

América Móvil may not, and it may not allow any of its subsidiaries to, sell, transfer or otherwise dispose of any shares of capital stock of Telcel if following such sale, transfer or disposition it would own, directly or indirectly, less than (1) 50% of the voting power of all of the shares of capital stock of Telcel and (2) 50% of all of the shares of capital stock of Telcel.

Provision of Information

América Móvil will furnish the trustee with copies of its annual report and the information, documents and other reports that it is required to file with the SEC pursuant to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), including its annual reports on Form 20-F and reports on Form 6-K, within 15 days after it files them with the SEC. In addition, América Móvil will make the same information, documents and other reports available, at itd expense, to holders who so request in writing.

In the event that, in the future, América Móvil is not required to file such information, documents or other reports pursuant to Section 13 or 15(d) of the Exchange Act, it will furnish on a reasonably prompt basis to the trustee and holders who so request in writing, substantially the same financial and other information that we would be required to include and file in an annual report on Form 20-F and reports on Form 6-K.

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

Defaults, Remedies and Waiver of Defaults

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

Events of Default

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

- América Móvil fails to pay interest on any debt security within 30 days after its due date;
- América Móvil fails to pay the principal or premium, if any, of any debt security on its due date;
- América Móvil remains in breach of any covenant in the indenture for the benefit of holders of the debt securities, for 60 days after it receives a notice of default (sent by the trustee or the holders of not less than 25% in principal amount of the debt securities) stating that it is in breach;
- América Móvil or Telcel experience a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.$50 million (or its equivalent in other currencies) that constitutes a failure to pay principal or interest when due or results in the acceleration of the debt prior to its maturity;
- a final judgment is rendered against América Móvil or Telcel in an aggregate amount in excess of U.S.$50 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or
- América Móvil or Telcel file for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to América Móvil or Telcel.

Remedies Upon Event of Default

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

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

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

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

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

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

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

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

Waiver of Default

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

Modification and Waiver

There are three types of changes América Móvil can make to the indenture and the outstanding debt securities under the indenture.

Changes Requiring Each Holder's Approval

The following changes cannot be made without the approval of each holder of an outstanding debt security affected by the change:

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

Changes Not Requiring Approval

Some changes will not require the approval of holders of debt securities. These changes are limited to specific kinds of changes, like the addition of covenants, events of default or security, and other clarifications and changes that would not adversely affect the holders of outstanding debt securities under the indenture in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture or the debt securities will be required to be approved by the holders of a majority in principal amount of the debt securities affected by the change or waiver. The required approval must be given by written consent.

The same majority approval will be required for América Móvil to obtain a waiver of any of its covenants in the indenture. América Móvil's covenants include the promises it makes about merging and creating liens on our interests, which are described under "Merger, Consolidation or Sale of Assets" and "Covenants". If the holders approve a waiver of a covenant, América Móvil will not have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular debt security or the indenture, as it affects that debt security, that América Móvil cannot change without the approval of the holder of that debt security as described under in "Changes Requiring Each Holder's Approval", unless that holder approves the waiver.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if América Móvil seeks to change the indenture or the debt securities or request a waiver.

Defeasance

América Móvil may, at its option, elect to terminate (1) all of its obligations with respect to the debt securities ("legal defeasance"), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the debt securities, the replacement of mutilated, destroyed, lost or stolen debt securities and the maintenance of agencies with respect to the debt securities or (2) its obligations under the covenants in the indenture, so that any failure to comply with such obligations will not constitute an event of default ("covenant defeasance") in respect of the debt securities. In order to exercise either legal defeasance or covenant defeasance, América Móvil must irrevocably deposit with the trustee U.S. dollars or such other currency in which the debt securities are denominated (the "securities currency"), government obligations of the United States or a government, governmental agency or central bank of the country whose currency is the securities currency, or any combination thereof, in such amounts as will be sufficient to pay the principal, premium, if any, and interest (including additional amounts) in respect of the debt securities then outstanding on the maturity date of the debt securities, and comply with certain other conditions, including, without limitation, the delivery of opinions of counsel as to specified tax and other matters.

If América Móvil elects either legal defeasance or covenant defeasance with respect to any debt securities, it must so elect it with respect to all of the debt securities.

Special Rules for Actions by Holders

When holders take any action under the indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, América Móvil will apply the following rules.

Only Outstanding Debt Securities are Eligible for Action by Holders

Only holders of outstanding debt securities will be eligible to vote or participate in any action by holders. In addition, América Móvil will count only outstanding debt securities in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, a debt security will not be "outstanding" if it has been surrendered for cancellation or if América Móvil has deposited or set aside, in trust for its holder, money for its payment or redemption.

Determining Record Dates for Action by Holders

América Móvil will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the indenture. In some limited circumstances, only the trustee will be entitled to set a record date for action by holders. If América Móvil or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that we specify for this purpose, or that the trustee specifies if it sets the record date. América Móvil or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global debt securities may be set in accordance with procedures established by the depositary from time to time.

Payment Provisions

Payments on the Debt Securities

América Móvil will pay interest on the debt securities on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date, if none has been paid or made available for payment, to but excluding the relevant payment date.

For interest due on a debt security on an interest payment date, América Móvil will pay the interest to the holder in whose name the debt security is registered at the close of business on the regular record date relating to the interest payment date. For interest due at maturity but on a day that is not an interest payment date, América Móvil will pay the interest to the person or entity entitled to receive the principal of the debt security. For principal due on a debt security at maturity, América Móvil will pay the amount to the holder of the debt security against surrender of the debt security at the proper place of payment.

Unless otherwise specified, América Móvil computes interest on debt securities bearing interest at a fixed rate on the basis of a 360-day year of twelve 30-day months.

Payments on Global Debt Securities.

For debt securities issued in global form, América Móvil makes payments on the debt securities in accordance with the applicable procedures of the depositary as in effect from time to time. Under those procedures, América Móvil makes payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in a global debt security. An indirect holder's right to receive those payments is governed by the rules and practices of the depositary and its participants.

Payments on Certificated Debt Securities.

For debt securities issued in certificated form, América Móvil pays interest that is due on an interest payment date by check mailed on the interest payment date to the holder at the holder's address shown on the trustee's records as of the close of business on the regular record date, and it will make all other payments by check to the paying agent described below, against surrender of the debt security. All payments by check may be made in next-day funds, that is, funds that become available on the day after the check is cashed. If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to receive payments of principal and interest on their debt securities at the office of our paying agent maintained in New York City.

Payment When Offices Are Closed

If any payment is due on a debt security on a day that is not a business day, América Móvil makes the payment on the day that is the next business day. Payments postponed to the next business day in this situation are treated under the indenture as if they were made on the original due date. Postponement of this kind will not result in a default under the debt securities or the indenture. If interest on the debt securities is calculated on the basis of a 360-day year of twelve 30-day months, no interest will accrue on the postponed amount from the original due date to the next day that is a business day.

Paying Agents

If América Móvil issues debt securities in certificated form, it may appoint one or more financial institutions to act as its paying agents, at whose designated offices the debt securities may be surrendered for payment at their maturity. América Móvil may add, replace or terminate paying agents from time to time; *provided* that if any debt securities are issued in certificated form, so long as such debt securities are outstanding, América Móvil will maintain a paying agent in New York City. América Móvil may also choose to act as its own paying agent. Initially, América Móvil has appointed the trustee, at its corporate trust office in New York City, as a paying agent. América Móvil must notify holder of the notes of changes in the paying agents as described under "Notices".

Unclaimed Payments

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

Governing Law

The indenture and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the debt securities or the indenture (subject to the exceptions described below), we have:

- submitted to the jurisdiction of any U.S. federal or New York state court in the Borough of Manhattan, The City of New York, and any appellate court thereof;
- agreed that all claims in respect of such legal action or proceeding may be heard and determined in such U.S. federal or New York state court and waived, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of our place of residence or domicile; and

- appointed CT Corporation System, with an office at 111 Eighth Avenue, New York, New York 10011, United States of America, as process agent.

The process agent will receive, on América Móvil's behalf, service of copies of the summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City. Service may be made by mailing or delivering a copy of such process to América Móvil at the address specified above for the process agent.

A final judgment in any of the above legal actions or proceedings will be conclusive and may be enforced in other jurisdictions, in each case, to the extent permitted under the applicable laws of such jurisdiction.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any holder to bring any action or proceeding against América Móvil or our properties in other courts where jurisdiction is independently established.

To the extent that América Móvil has or hereafter may acquire or have attributed to América Móvil any sovereign or other immunity under any law, América Móvil has agreed to waive, to the fullest extent permitted by law, such immunity from jurisdiction or to service of process in respect of any legal suit, action or proceeding arising out of or relating to the indenture or the debt securities.

Currency Indemnity

América Móvil's obligations under the debt securities will be discharged only to the extent that the relevant holder is able to purchase the securities currency with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase the securities currency in the amount originally to be paid, América Móvil agrees to pay the difference. The holder, however, agrees that, if the amount of the securities currency purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to América Móvil. The holder will not be obligated to make this reimbursement if América Móvil is in default of our obligations under the debt securities.

Transfer Agents

América Móvil may appoint one or more transfer agents, at whose designated offices any debt securities in certificated form may be transferred or exchanged and also surrendered before payment is made at maturity. Initially, América Móvil has appointed the trustee, at its corporate trust office in New York City, as transfer agent. América Móvil may also choose to act as its own transfer agent. América Móvil must notify holders of the notes of changes in the transfer agent as described under "Notices". If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to transfer their debt securities, in whole or in part, by surrendering the debt securities, with a duly completed form of transfer, for registration of transfer at the office of our transfer agent in New York City. América Móvil will not charge any fee for the registration or transfer or exchange, except that it may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

Notices

As long as we issue notes in global form, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If América Móvil issues notes in certificated form, notices to be given to holders will be sent by mail to the respective addresses of the holders as they appear in the trustee's records, and will be deemed given when mailed.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

D. 2029 Notes, 2049 Notes and 2030 Notes

The 2029 Notes, the 2049 Notes and the 2030 Notes constitute separate series of notes. The following discussion of the terms of the notes, including without limitation under "Optional Redemption", "Defaults, Remedies and Waiver of Defaults," "Modification and Waiver" and "Defeasance" below, applies to each series separately. References to "notes" and "debt securities" in this section III.D are to the 2029 Notes, 2049 Notes and the 2030 Notes, as applicable.

General

Indenture and Supplemental Indentures

The 2029 Notes and the 2049 Notes were issued under the 2018 Indenture and the 2019 Supplemental Indentures. The 2030 Notes were issued under the 2018 Indenture and the 2020 Supplemental Indenture. References to the "indenture" in this section III.D are to the 2018 Indenture as supplemented by the supplemental indentures relating to each series of notes. The indenture is an agreement among América Móvil, Citibank, N.A., as trustee, registrar and transfer agent, and Citibank, N.A., London Branch, as paying agent and, in the case of the 2030 Notes, authenticating agent.

The trustee has the following two main roles:

- First, the trustee can enforce the rights of holders against us if we default in respect of the debt securities. There are some limitations on the extent to which the trustee acts on behalf of holders, which we describe under "Defaults, Remedies and Waiver of Defaults" below.
- Second, the trustee performs administrative duties for América Móvil, such as making interest payments and sending notices to holders of debt securities.

Principal and Interest

The original aggregate principal amount of the 2029 Notes is U.S.$1,000,000,000. The 2029 Notes will mature on April 22, 2029 and bear interest at a rate of 3.625% per year from April 22, 2019.

The original aggregate principal amount of the 2049 Notes is U.S.$1,250,000,000. The 2049 Notes will mature on April 22, 2049 and bear interest at a rate of 4.375% per year from April 22, 2019.

The original aggregate principal amount of the 2030 Notes is U.S.$1,000,000,000. The 2030 Notes will mature on May 7, 2030 and bear interest at a rate of 2.875% per year from May 7, 2020.

Interest on the 2029 Notes and the 2049 Notes is payable on April 22 and October 22 of each year, to the holders in whose names the notes are registered at the close of business on April 7 or October 7 immediately preceding the related interest payment date (whether or not a business day).

Interest on the 2030 Notes is payable on May 7 and November 7 of each year, commencing on November 7, 2020, to the holders in whose names the notes are registered at the close of business on April 22 or October 23 immediately preceding the related interest payment date (whether or not a business day).

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

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

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

Ranking of the Debt Securities

América Móvil is a holding company and its principal assets are shares that it holds in its subsidiaries. Its debt securities will not be secured by any of its assets or properties. As a result, by owning the debt securities, holders will be one of its unsecured creditors. The debt securities will not be subordinated to any of its other unsecured debt obligations. In the event of a bankruptcy or liquidation proceeding against América Móvil, the debt securities would rank equally in right of payment with all of its other unsecured and unsubordinated debt.

América Móvil's debt securities will not be guaranteed by any of its subsidiaries. Claims of creditors of its subsidiaries, including trade creditors and bank and other lenders, will have priority over the holders of the debt securities in claims to assets of its subsidiaries. Some of its outstanding debt securities that were issued in the Mexican and international markets are guaranteed by Telcel. Accordingly, the holders of those outstanding debt securities will have priority over the holders of the debt securities with respect to claims to the assets of Telcel. In addition, some securities América Móvil has issued in the Mexican and international markets provide for a covenant and events of default relating to Telcel (specifically, relating to its continued control of Telcel and to defaults or insolvency events involving Telcel) that are not included in its debt securities offered by the indenture.

Form and Denominations

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

Except in limited circumstances, the notes will be issued in the form of global notes.

Further Issues

América Móvil reserves the right, from time to time without the consent of holders of the notes of any series, to issue additional notes of a series on terms and conditions identical to those of the notes of that series (except for issue date, issue price and the date from which interest will accrue and, if applicable, the date on which interest will first be paid), which additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with, the notes of that series.

Payment of Additional Interest

América Móvil is required by Mexican law to deduct Mexican withholding taxes from payments of interest to holders of the notes who are not residents of Mexico for tax purposes.

América Móvil will pay to holders of the notes all additional interest that may be necessary so that every net payment of interest or principal or premium, if any, to the holder will not be less than the amount provided for in the notes. By net payment, América Móvil means the amount that it or its paying agent will pay the holder after deducting or withholding an amount for or on account of any present or future taxes, duties, assessments or other governmental charges imposed or levied with respect to that payment by a Mexican taxing authority.

Any references to principal, premium, if any, interest or any other amount payable in respect of the notes by América Móvil will be deemed also to refer to any additional interest that may be payable in accordance with the provisions described herein.

América Móvil's obligation to pay additional interest is, however, subject to several important exceptions. América Móvil will not pay additional interest to or on behalf of any holder or beneficial owner, or to the trustee, for or on account of any of the following:

- any taxes, duties, assessments or other governmental charges imposed solely because at any time there is or was a connection between the holder and Mexico (other than the mere receipt of a payment or the ownership or holding of a debt security);

- any taxes, duties, assessments or other governmental charges imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of the holder or any beneficial owner of a debt security if compliance is required by law, regulation or by an applicable income tax treaty to which Mexico is a party, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and we have given the holders at least 30 calendar days' notice prior to the first payment date with respect to which such certification, identification or reporting requirement is required to the effect that holders will be required to provide such information and identification;
- any taxes, duties, assessments or other governmental charges with respect to a debt security presented for payment more than 15 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holders of such debt security would have been entitled to such additional interest on presenting such debt security for payment on any date during such 15-day period;
- any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the debt securities;
- any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the debt securities;
- any payment on a debt security to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the additional interest had the beneficiary, settlor, member or beneficial owner been the holder of such debt security; and
- any combination of the items in the bullet points above.

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

Applicable Mexican laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law or any substantially similar successor provision, whether included in any law or regulation) currently allow América Móvil to withhold at a reduced rate, provided that it complies with certain information reporting requirements. Accordingly, the limitations América Móvil's obligations to pay additional interest described in the second bullet point above also will not apply unless (a) the provision of the information, documentation or other evidence described in that bullet point is expressly required by the applicable Mexican laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law or any substantially similar successor provision, whether included in any law or regulation), (b) América Móvil cannot obtain the information,

documentation or other evidence necessary to comply with the applicable Mexican laws and regulations on its own through reasonable diligence and (c) it otherwise would meet the requirements for application of the applicable Mexican laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law or any substantially similar successor provision, whether included in any law or regulation).

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

América Móvil will remit the full amount of any Mexican taxes withheld to the applicable Mexican taxing authorities in accordance with applicable law. It will also provide the trustee with documentation satisfactory to the trustee evidencing the payment of Mexican taxes in respect of which we have paid any additional interest. América Móvil will provide copies of such documentation to the holders of the debt securities or the relevant paying agent upon request.

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

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

Optional Redemption

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

Optional Redemption With "Make-Whole" Amount or at Par

Prior to the applicable Par Call Date, América Móvil will have the right, at its option, to redeem the outstanding notes of each series, in whole at any time or in part from time to time, on at least 30 days' but not more than 60 days' notice, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present values of the Remaining Payments, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points, in the case of the 2029

Notes, or plus 25 basis points, in the case of the 2049 Notes, or plus 35 basis points, in the case of the 2030 Notes (in each case, the "make-whole" amount), plus, in each case, accrued and unpaid interest on the principal amount of the notes being redeemed to the redemption date. On or after the applicable Par Call Date, América Móvil will have the right, at its option, to redeem the outstanding notes of each series, in whole at any time or in part from time to time, on at least 30 days' but not more than 60 days' notice, at par plus accrued and unpaid interest on the principal amount of the notes being redeemed to the redemption date.

"Par Call Date" means, in the case of the 2029 Notes, January 22, 2029 (the date that is three months prior to the stated maturity of the 2029 Notes), in the case of the 2049 Notes, October 22, 2048 (the date that is six months prior to the stated maturity of the 2049 Notes) and, in the case of the 2030 Notes, February 7, 2030 (the date that is three months prior to the stated maturity of the notes).

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

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker (as defined below) as having an actual or interpolated maturity comparable to the applicable Par Call Date of the series of notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the applicable Par Call Date of the series of notes to be redeemed.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by América Móvil.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the arithmetic average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the arithmetic average of all such quotations.

"Reference Treasury Dealer" means Citigroup Global Markets Inc., Morgan Stanley & Co. LLC, Barclays Capital Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated or their respective affiliates, in the case of the 2029 Notes and the 2049 Notes, or BofA Securities, Inc., J.P. Morgan Securities LLC, BBVA Securities Inc., BNP Paribas Securities Corp. and Morgan Stanley and Co. LLC, in the case of the 2030 Notes, which are primary United States government securities dealers and at least one additional leading primary United States government securities dealers in New York City reasonably designated by América Móvil; provided, however, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), América Móvil will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m. (New York City time) on the third business day preceding such redemption date.

"Remaining Payments" means, with respect to the notes of a series to be redeemed, the remaining payments of principal of and interest on such notes that would be due after the related redemption date as if the notes were redeemed on the applicable Par Call Date. If the applicable redemption date is not an interest payment date with respect to the applicable series of notes, the amount of the next succeeding scheduled interest payment on the notes will be reduced by the amount of interest accrued on the notes to such redemption date.

On and after the redemption date, interest will cease to accrue on the notes or any portion of the notes called for redemption (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, América Móvil will deposit with the trustee money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued and unpaid interest thereon to the redemption date on the notes to be redeemed on such date. If less than all of the outstanding notes of any series are to be redeemed, the notes to be redeemed shall be selected by the trustee on a *pro rata* basis or by lot (and, in the case of notes in global form, in accordance with the applicable procedures of DTC).

Tax Redemption

We will have the right to redeem the notes of any series upon the occurrence of certain changes in the tax laws of Mexico as a result of which we become obligated to pay additional interest on the notes of that series in respect of withholding taxes at a rate in excess of 4.9%, in which case we may redeem the outstanding notes of that series, in whole but not in part, at any time on giving not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest thereon to the redemption date, any premium applicable in the case of a redemption prior to maturity and any additional interest due thereon up to but not including the date of redemption; *provided*, *however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which América Móvil would be obligated to pay such additional interest if a payment on the debt securities of that series were then due and (2) at the time such notice of redemption is given such obligation to pay such additional interest remains in effect.

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

- a certificate signed by one of our duly authorized representatives stating that we are entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to our right of redemption for taxation reasons have occurred; and

- an opinion of Mexican legal counsel (which may be our counsel) of recognized standing to the effect that América Móvil have or will become obligated to pay such additional interest as a result of such change or amendment.

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

Merger, Consolidation or Sale of Assets

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

- if América Móvil is not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States or any political subdivision thereof and expressly assumes our obligations under the debt securities or the indenture;
- immediately after the transaction, no default under the debt securities has occurred and is continuing. For this purpose, "default under the debt securities" means an event of default or an event that would be an event of default with respect to the debt securities if the requirements for giving América Móvil default notice and for its default having to continue for a specific period of time were disregarded. See "Defaults, Remedies and Waiver of Defaults"; and
- América Móvil has delivered to the trustee an officer's certificate and opinion of counsel, each stating, among other things, that the transaction complies with the indenture.

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

Covenants

The following covenants will apply to América Móvil and certain of our subsidiaries for so long as any debt security remains outstanding. These covenants restrict our ability and the ability of these subsidiaries to enter into certain transactions. However, these covenants do not limit América Móvil's ability to incur indebtedness or require América Móvil to comply with financial ratios or to maintain specified levels of net worth or liquidity.

Limitation on Liens

América Móvil may not, and it may not allow any of its restricted subsidiaries to, create, incur, issue or assume any liens on its restricted property to secure debt where the debt secured by such liens, plus the aggregate amount of our attributable debt and that of our restricted subsidiaries in respect of sale and leaseback transactions, would exceed an amount equal to an aggregate of 15% of our Consolidated Net Tangible Assets unless it secures the debt securities equally with, or prior to, the debt secured by such liens. This restriction will not, however, apply to the following:

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

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

"Restricted property" means (1) any exchange and transmission equipment, switches, cellular base stations, microcells, local links, repeaters and related facilities, whether owned as of the date of the indenture or acquired after that date, used in connection with the provision of telecommunications services in Mexico, including any land, buildings, structures and other equipment or fixtures that constitute any such facility, owned by América Móvil or our restricted subsidiaries and (2) any share of capital stock of any restricted subsidiary.

"Restricted subsidiaries" means América Móvil's subsidiaries that own restricted property.

Limitation on Sales and Leasebacks

América Móvil may not, and América Móvil may not allow any of its restricted subsidiaries to, enter into any sale and leaseback transaction without effectively providing that the debt securities will be secured equally and ratably with or prior to the sale and leaseback transaction, unless:

- the aggregate principal amount of all debt then outstanding that is secured by any lien on any restricted property that does not ratably secure the debt securities (excluding any secured indebtedness permitted under "Limitation on Liens") plus the aggregate amount of its attributable debt and the attributable debt of its restricted subsidiaries in respect of sale and leaseback transactions then outstanding (other than any sale and leaseback transaction permitted under the following bullet point) would not exceed an amount equal to 15% of our Consolidated Net Tangible Assets; or

- América Móvil or one of its restricted subsidiaries, within 12 months of the sale and leaseback transaction, retire an amount of its secured debt which is not subordinate to the debt securities in an amount equal to the greater of (1) the net proceeds of the sale or transfer of the property or other assets that are the subject of the sale and leaseback transaction and (2) the fair market value of the restricted property leased.

"Sale and leaseback transaction" means an arrangement between América Móvil or one of its restricted subsidiaries and a bank, insurance company or other lender or investor where América Móvil or its restricted subsidiary leases a restricted property for an initial term of three years or more that was or will be sold by it or its restricted subsidiary to that lender or investor for a sale price of U.S.$ 1 million (or its equivalent in other currencies) or more.

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

Provision of Information

América Móvil will furnish the trustee with copies of its annual report and the information, documents and other reports that we are required to file with the SEC pursuant to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), including our annual reports on Form 20-F and reports on Form 6-K, within 15 days after it files them with the SEC. In addition, it will make the same information, documents and other reports available, at its expense, to holders who so request in writing.

In the event that, in the future, América Móvil is not required to file such information, documents or other reports pursuant to Section 13 or 15(d) of the Exchange Act, América Móvil will furnish on a reasonably prompt basis to the trustee and holders who so request in writing, substantially the same financial and other information that it would be required to include and file in an annual report on Form 20-F and reports on Form 6-K.

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

Defaults, Remedies and Waiver of Defaults

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

Events of Default

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

- América Móvil fails to pay interest on any debt security within 30 days after its due date;
- América Móvil fails to pay the principal or premium, if any, of any debt security on its due date;
- América Móvil remains in breach of any covenant in the indenture for the benefit of holders of the debt securities, for 60 days after it receives a notice of default (sent by the trustee or the holders of not less than 25% in principal amount of the debt securities) stating that it is in breach;
- América Móvil experiences a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.$50 million (or its equivalent in other currencies) that constitutes a failure to pay principal or interest when due or results in the acceleration of the debt prior to its maturity;
- a final judgment is rendered against América Móvil in an aggregate amount in excess of U.S.$50 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or
- América Móvil files for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to it.

Remedies Upon Event of Default

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

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

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

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

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

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

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

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

Waiver of Default

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

Modification and Waiver

There are three types of changes América Móvil can make to the indenture and the outstanding debt securities under the indenture.

Changes Requiring Each Holder's Approval

The following changes cannot be made without the approval of each holder of an outstanding debt security affected by the change:

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

Changes Not Requiring Approval

Some changes will not require the approval of holders of debt securities. These changes are limited to curing any ambiguity, defect or inconsistency, making changes to conform the provisions contained in the indentures to the description of debt securities contained in the prospectus or an applicable prospectus supplement and making changes that do not adversely affect the rights of holders of the debt securities in any material respect, such as adding covenants, additional events of default, collateral or successor trustees.

Changes Requiring Majority Approval

Any other change to the indenture or the debt securities will be required to be approved by the holders of a majority in principal amount of the debt securities affected by the change or waiver. The required approval must be given by written consent.

The same majority approval will be required for América Móvil to obtain a waiver of any of its covenants in the indenture. Its covenants include the promises it makes about merging and creating liens on its interests, which are described under "Merger, Consolidation or Sale of Assets" and "Covenants". If the holders approve a waiver of a covenant, América Móvil will not have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular debt security or the indenture, as it affects that debt security, that it cannot change without the approval of the holder of that debt security as described under "—Changes Requiring Each Holder's Approval," unless that holder approves the waiver.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the debt securities or request a waiver.

Defeasance

América Móvil may, at its option, elect to terminate (1) all of its obligations with respect to the debt securities ("legal defeasance"), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the debt securities, the replacement of mutilated, destroyed, lost or stolen debt securities and the maintenance of agencies with respect to the debt securities or (2) our obligations under the covenants in the indenture, so that any failure to comply with such obligations will not constitute an event of default ("covenant defeasance") in respect of the debt securities. In order to exercise either legal defeasance or covenant defeasance, América Móvil must irrevocably deposit with the trustee U.S. dollars or such other currency in which the debt securities are denominated (the "securities currency"), government obligations of the United States or a government, governmental agency or central bank of the country whose currency is the securities currency, or any combination thereof, in such amounts as will be sufficient to pay the principal, premium, if any, and interest (including additional interest) in respect of the debt securities then outstanding on the maturity date of the debt securities, and comply with certain other conditions, including, without limitation, the delivery of opinions of counsel as to specified tax and other matters.

If América Móvil elects either legal defeasance or covenant defeasance with respect to any debt securities, it must so elect it with respect to all of the debt securities.

Special Rules for Actions by Holders

When holders take any action under the indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, América Móvil will apply the following rules.

Only Outstanding Debt Securities are Eligible for Action by Holders

Only holders of outstanding debt securities will be eligible to vote or participate in any action by holders. In addition, América Móvil will count only outstanding debt securities in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, a debt security will not be "outstanding" if it has been surrendered for cancellation or if we have deposited with the trustee in trust or the paying agent or set aside (if we act as our own paying agent) in trust for its holder, money for its payment or redemption.

Determining Record Dates for Action by Holders

América Móvil will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the indenture. In some limited circumstances, only the trustee will be entitled to set a record date for action by holders. If América Móvil or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that we specify for this purpose, or that the trustee specifies if it sets the record date. América Móvil or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global debt securities may be set in accordance with procedures established by the depositary from time to time.

Payment Provisions

Payments on the Debt Securities

América Móvil will pay interest on the debt securities on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity will include interest accrued from and including the last date to which interest has been paid or made available for payment or, if none has been paid or made available for payment, from the issue date, to but excluding the relevant payment date.

For interest due on a debt security on an interest payment date, América Móvil will pay the interest to the holder in whose name the debt security is registered at the close of business on the regular record date relating to the interest payment date. For interest due at maturity but on a day that is not an interest payment date, América Móvil will pay the interest to the person or entity entitled to receive the principal of the debt security. For principal due on a debt security at maturity, América Móvil will pay the amount to the holder of the debt security against surrender of the debt security at the proper place of payment.

Payments on Global Debt Securities.

For debt securities issued in global form, América Móvil will make payments on the debt securities in accordance with the applicable procedures of the depositary as in effect from time to time. Under those procedures, América Móvil will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in a global debt security. An indirect holder's right to receive those payments will be governed by the rules and practices of the depositary and its participants.

Payments on Certificated Debt Securities.

For debt securities issued in certificated form, América Móvil will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at the holder's address shown on the trustee's records as of the close of business on the regular record date, and América Móvil will make all other payments by check to the paying agent described below, against surrender of the debt security. All payments by check may be made in next-day funds, that is, funds that become available on the day after the check is cashed. If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to receive payments of principal and interest on their debt securities at the office of our paying agent maintained in London.

Payment When Offices Are Closed

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

Paying Agents

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

Unclaimed Payments

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

Governing Law

The indenture and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the debt securities or the indenture (subject to the exceptions described below), América Móvil has:

- submitted to the jurisdiction of any U.S. federal or New York state court in the Borough of Manhattan, The City of New York, and any appellate court thereof;
- agreed that all claims in respect of such legal action or proceeding may be heard and determined in such U.S. federal or New York state court and waived, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of our place of residence or domicile; and
- appointed CT Corporation System, with an office at 111 Eighth Avenue, New York, New York 10011, United States of America, as process agent.

The process agent will receive, on our behalf, service of copies of the summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City. Service may be made by mailing or delivering a copy of such process to América Móvil at the address specified above for the process agent.

A final judgment in any of the above legal actions or proceedings will be conclusive and may be enforced in other jurisdictions, in each case, to the extent permitted under the applicable laws of such jurisdiction.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any holder to bring any action or proceeding against América Móvil or our properties in other courts where jurisdiction is independently established.

To the extent that América Móvil has or hereafter may acquire or have attributed to it any sovereign or other immunity under any law, it has agreed to waive, to the fullest extent permitted by law, such immunity from jurisdiction or to service of process in respect of any legal suit, action or proceeding arising out of or relating to the indenture or the debt securities.

Currency Indemnity

América Móvil's obligations under the debt securities will be discharged only to the extent that the relevant holder is able to purchase the securities currency with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase the securities currency in the amount originally to be paid, América Móvil has agreed to pay the difference. The holder, however, agrees that, if the amount of the securities currency purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to América Móvil. The holder will not be obligated to make this reimbursement if América Móvil is in default of our obligations under the debt securities.

Transfer Agents

América Móvil may appoint one or more transfer agents, at whose designated offices any debt securities in certificated form may be transferred or exchanged and also surrendered before payment is made at maturity. Initially, América Móvil has appointed the trustee, at its corporate trust office in New York City, as transfer agent. América Móvil may also choose to act as its own transfer agent. América Móvil must notify holders of changes in the transfer agent as described under "Notices." If América Móvil issues debt securities in certificated form, holders of debt securities in certificated form will be able to transfer their debt securities, in whole or in part, by surrendering the debt securities, with a duly completed form of transfer, for registration of transfer at the office of our transfer agent in New York City. América Móvil will not charge any fee for the registration or transfer or exchange, except that it may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

Notices

As long as the notes are in global form, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If América Móvil issues notes in certificated form, notices to be given to holders will be sent by mail to the respective addresses of the holders as they appear in the trustee's records, and will be deemed given when mailed.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Exhibit 4.1

Execution Version

STOCK PURCHASE AGREEMENT

by and among

VERIZON COMMUNICATIONS INC.,

AMÉRICA MÓVIL, S.A.B. DE C.V.,

AMX USA HOLDING, S.A. DE C.V.

and

TRACFONE WIRELESS, INC.

Dated as of September 13, 2020

Table of Contents

		Page
Article I SALE AND PURCHASE		1
1.1	Sale and Purchase of the Shares	1
1.2	Purchase Price	2
1.3	Estimated Closing Statement	2
1.4	The Closing	2
1.5	Deliveries by Buyer	3
1.6	Deliveries by Seller	3
1.7	Closing Cash Consideration Adjustment	4
1.8	Contingent Cash Consideration	7
1.9	Deferred Consideration	8
1.10	Withholding	9
Article II REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY		9
2.1	Organization	9
2.2	Capitalization	10
2.3	Binding Obligation	11
2.4	No Defaults or Conflicts	12
2.5	Governmental Authorizations	12
2.6	Financial Statements; No Undisclosed Liabilities; Internal Controls	13
2.7	Intellectual Property	14
2.8	Compliance with Laws	17
2.9	Contracts	19
2.10	Litigation	22
2.11	Taxes	23
2.12	Benefit Plans	25
2.13	Labor Relations	27
2.14	Environmental Matters	28
2.15	Insurance	29
2.16	Real Property	29
2.17	Affiliate Transactions; Intercompany Balances	30
2.18	Absence of Changes	30
2.19	Brokers	30
2.20	Title to Assets and Sufficiency of Assets	30
2.21	Principal Suppliers and Principal Distributors	31
2.22	Anti-Corruption, Sanctions, Export Control Laws and Anti-Money Laundering	32
2.23	IT Systems; Data Security and Privacy	33

Table of Contents
(Continued)

		Page
Article III REPRESENTATIONS AND WARRANTIES REGARDING SELLER AND HOLDCO		34
3.1	Organization	34
3.2	Binding Obligations	35
3.3	No Defaults or Conflicts	35
3.4	The Shares	36
3.5	Litigation	36
3.6	Brokers	36
3.7	Closing Stock Consideration	36
3.8	Independent Investigation; Exclusivity of Representations	37
Article IV REPRESENTATIONS AND WARRANTIES OF BUYER		38
4.1	Organization	38
4.2	Binding Obligation	38
4.3	No Defaults or Conflicts	39
4.4	Governmental Authorizations	39
4.5	Brokers	40
4.6	Litigation	40
4.7	Investment Purpose	40
4.8	Financing	40
4.9	SEC Reports and Financial Statements	41
4.10	Closing Stock Consideration	42
4.11	Independent Investigation; Exclusivity of Representations	42
Article V COVENANTS		43
5.1	Conduct of Business	43
5.2	Pre-Closing Access	49
5.3	Efforts to Consummate	50
5.4	Insurance	53
5.5	Public Announcements; Confidentiality	54
5.6	Notification of Certain Matters	54
5.7	Employee Benefits	55
5.8	Third-Party Proposals	56
5.9	Non-Solicitation	57
5.10	Non-Competition	57
5.11	Financial Statements; Information; Books and Records	58
5.12	Termination of Affiliate Obligations and Hedging Arrangements	60
5.13	Director and Officer Indemnification and Insurance	60
5.14	Certain Covenants Related to Earnout	62
5.15	Buyer Common Stock Registration	63
5.16	Shared Contracts	64

Table of Contents
(Continued)

		Page
5.17.	Commercial Consideration	65
5.18	Transitional Trademark Use	65
5.19	Further Assurances	66
Article VI CONDITIONS TO THE CLOSING		66
6.1	Mutual Conditions	66
6.2	Conditions to the Obligations of Buyer	67
6.3	Conditions to the Obligations of Seller and Holdco	68
Article VII TERMINATION		69
7.1	Termination	69
7.2	Effect of Termination	70
7.3	Termination Fee	71
Article VIII INDEMNIFICATION		72
8.1	Indemnification by Seller and Holdco	72
8.2	Indemnification by Buyer	74
8.3	Indemnification Procedures	75
8.4	General; Limitations; Successors	78
Article IX TAX MATTERS		80
9.1	Tax Indemnity	80
9.2	Straddle Period Allocation	81
9.3	Refunds	82
9.4	Tax Returns	82
9.5	Tax Contests	84
9.6	Books and Records; Cooperation	85
9.7	Transfer Taxes	85
9.8	Coordination; Other Tax Matters	85
9.9	Tax Treatment of Certain Payments	86
Article X GENERAL PROVISIONS		86
10.1	Survival	86
10.2	Notices	87
10.3	Interpretation	90
10.4	Amendment and Modification; Waiver	90
10.5	Entire Agreement	91
10.6	Fees and Expenses	91
10.7	Disclosure Letters	91

Table of Contents
(Continued)

		Page
10.8	Third Party Beneficiaries	92
10.9	Specific Performance	92
10.10	Assignment; Binding Effect	92
10.11	Governing Law; Venue; Waiver of Jury Trial	92
10.12	Arbitration	94
10.13	Non-Recourse	95
10.14	Severability	95
10.15	Counterparts	95
10.16	Time is of the Essence	95
10.17	Virtual Access	95
10.18	Provision Regarding Legal Representation	96

Article XI DEFINITIONS 97

EXHIBITS

Exhibit A – Accounting Principles
Exhibit B – Key Employees
Exhibit C – Form of Registration Rights Agreement
Exhibit D – Form of Special Power of Attorney

SCHEDULES

Schedule I – Illustrative Calculation of Net Airtime Revenue
Seller Disclosure Letter
Buyer Disclosure Letter

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT, dated as of September 13, 2020 (this "Agreement"), is made by and among Verizon Communications Inc., a Delaware corporation ("Buyer"), América Móvil, S.A.B. de C.V., a *Sociedad Anónima Bursátil de Capital Variable* organized under the laws of Mexico ("Seller"), AMX USA Holding, S.A. de C.V., a *Sociedad Anónima de Capital Variable* organized under the laws of Mexico ("Holdco"), and TracFone Wireless, Inc., a Delaware corporation (the "Company"). Capitalized terms used in this Agreement and not otherwise defined have the meanings specified in Article XI.

R E C I T A L S

WHEREAS, Seller operates the Business in the Protected Territory exclusively through the Company and its Subsidiaries;

WHEREAS, Seller indirectly owns all of the issued and outstanding capital stock of Holdco;

WHEREAS, Holdco owns all of the issued and outstanding shares of common stock of the Company, par value $27.88 per share (the "Shares"); and

WHEREAS, Buyer desires to purchase or otherwise acquire all of the Shares, and Seller desires to cause Holdco to, and Holdco desires to, sell all of such Shares to Buyer, in accordance with and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, Buyer, Seller, Holdco and the Company hereby agree as follows:

Article I

SALE AND PURCHASE

1.1 Sale and Purchase of the Shares. At the Closing, on the terms and subject to the conditions set forth in this Agreement, Holdco shall, and Seller shall cause Holdco to, sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Holdco, all of the Shares, free and clear of any and all Liens, other than Liens on transfer imposed under applicable securities Laws or Liens created or imposed by Buyer.

1.2 Purchase Price. As consideration for the purchase and sale of the Shares, Buyer shall (a) issue and deliver to Seller or its designee the Closing Stock Consideration, which shall be validly issued, fully paid and nonassessable and free and clear of all Liens (other than Liens on transfer imposed under applicable securities Laws), (b) pay to Seller or its designee an amount in cash equal to the aggregate of (i) the Cash Consideration Amount, minus (ii) the amount, if any, by which the Target Working Capital Amount exceeds the Closing Working Capital Amount, plus (iii) the amount, if any, by which the Closing Working Capital Amount exceeds the Target Working Capital Amount, plus (iv) Closing Cash, minus (v) Closing Debt and minus (vi) Company Transaction Expenses (collectively, the "Closing Cash Consideration" and, together with the Closing Stock Consideration, the "Closing Consideration"), in each case calculated in accordance with the Accounting Principles, as applicable, and (c) pay to Seller or its designee any amounts due pursuant to Section 1.8(c) (together with the Closing Consideration, the "Aggregate Consideration").

1.3 Estimated Closing Statement. Not later than three (3) Business Days prior to the anticipated Closing Date and in no event more than five (5) Business Days prior to the anticipated Closing Date, Seller shall prepare and deliver to Buyer a written statement (the "Estimated Closing Statement"), prepared in accordance with this Agreement and the Accounting Principles, setting forth in reasonable detail (a) good faith estimates of (i) the Closing Working Capital Amount (the "Estimated Working Capital Amount"), (ii) Closing Cash ("Estimated Closing Cash"), (iii) Closing Debt ("Estimated Closing Debt") and (iv) Company Transaction Expenses ("Estimated Company Transaction Expenses"), and (b) a calculation of the Closing Cash Consideration on the basis of the Estimated Working Capital Amount, Estimated Closing Cash, Estimated Closing Debt and Estimated Company Transaction Expenses (such amount, the "Estimated Closing Cash Consideration"). Together with the Estimated Closing Statement, Seller shall provide to Buyer and any accountants, counsel or financial advisors retained by Buyer in connection with the transactions contemplated by this Agreement (x) the work papers of Seller, the Company and, subject to customary access letters, their accountants, and all other documentation, information and calculations upon which Seller and the Company based the foregoing calculations and (y) any other relevant information reasonably requested by Buyer (including access to the relevant books, records and personnel of Seller, Holdco and the Company and their Representatives). Seller shall consult with Buyer regarding, and consider in good faith, any comments on the calculation of the Estimated Closing Cash Consideration and the components thereof that are submitted by Buyer on or before the second (2nd) Business Day prior to the Closing Date and, to the extent there are manifest errors in the Estimated Closing Statement acknowledged by both parties, Seller shall correct such errors and deliver an updated version of the Estimated Closing Statement.

1.4 The Closing. The closing of the purchase and sale of Shares hereunder (the "Closing") shall take place (a) at the offices of Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, at 10:00 a.m. Eastern Time on the first date that is seven (7) Business Days after the conditions set forth in Article VI have been satisfied or waived in writing (other than those conditions that by their terms are to be satisfied at the Closing but subject to the satisfaction or waiver of those conditions at such time) or (b) on such other date and place as the parties may agree to in writing. The date on which the Closing actually occurs is referred to hereinafter as the "Closing Date".

1.5 Deliveries by Buyer. At the Closing, Buyer shall:

(a) deliver, or cause to be delivered, to Seller or its designee by wire transfer of immediately available funds into the account(s) designated in writing by Seller at least three (3) Business Days prior to the Closing Date, an aggregate amount of cash equal to the Estimated Closing Cash Consideration;

(b) issue and deliver, or cause to be issued and delivered, to Seller or its designee the Closing Stock Consideration, free and clear of all Liens (other than Liens on transfer imposed under applicable securities Laws) in book-entry form, together with a copy of Buyer's transfer agent records showing reasonable evidence that Seller or its designee is the book-entry holder of the Closing Stock Consideration;

(c) deliver to Seller a counterpart of each Transaction Document to which Buyer or any of its Affiliates is a party, duly executed on behalf of Buyer or such Affiliate; and

(d) deliver, or cause to be delivered, to Seller the certificate to be delivered pursuant to Section 6.3(c).

1.6 Deliveries by Seller. At the Closing, Seller shall deliver, or cause to be delivered, to Buyer:

(a) (i) all certificate(s) (if any) representing certificated Shares, duly endorsed in blank, and (ii) stock powers (or other instruments of transfer) duly executed in blank by Holdco, in each case, in form and substance reasonably acceptable to Buyer to effect the transfer of the Shares to Buyer;

(b) letters of resignation (which need not include a release) in form and substance reasonably acceptable to Buyer from each member of the board of directors of the Company, such resignations to be effective concurrently with the Closing;

(c) a counterpart of each Transaction Document to which Seller or any of its Affiliates is a party, duly executed on behalf of Seller or such Affiliate; and

(d) the certificate to be delivered pursuant to Section 6.2(d).

1.7 Closing Cash Consideration Adjustment.

(a) Within ninety (90) days following the Closing Date, Buyer shall prepare and deliver to Seller a written statement (the "Closing Statement"), prepared in accordance with this Agreement and the Accounting Principles, setting forth Buyer's good faith calculations of (i) the Closing Working Capital Amount, (ii) Closing Cash, (iii) Closing Debt, (iv) Company Transaction Expenses and (v) the Closing Cash Consideration, calculated in accordance with Section 1.2. Seller shall assist and cooperate with Buyer in all commercially reasonable respects in the preparation of the Closing Statement and the calculations of the Closing Working Capital Amount, Closing Cash, Closing Debt, Company Transaction Expenses and the Closing Cash Consideration, including by providing Buyer with reasonable access to any relevant books, records and personnel of Seller or Holdco. If Buyer fails to timely deliver the Closing Statement, Seller shall have sixty (60) days from the original due date of the Closing Statement to elect in its sole discretion to deem the Final Closing Cash Consideration to be equal to the Estimated Closing Cash Consideration or otherwise to prepare and deliver the Closing Statement at Buyer's expense. In the event Seller elects to deem the Final Closing Cash Consideration to be equal to the Estimated Closing Cash Consideration in accordance with the preceding sentence, such determination shall be final and binding on the parties and non-reviewable. In the event Seller elects to deliver the Closing Statement in accordance with the preceding sentence, Buyer shall have the right to review and dispute the Closing Statement pursuant to Section 1.7(b) as if it were Seller.

(b) Seller shall have the later of (i) forty-five (45) days after receipt of the Closing Statement and (ii) one hundred twenty-five (125) days after the Closing Date to review Buyer's calculations of the Closing Working Capital Amount, Closing Cash, Closing Debt, Company Transaction Expenses and the Closing Cash Consideration. During such review period, Seller and its Representatives shall be provided with reasonable access to the work papers of Buyer and its accountants (subject to customary access letters) and to the books and records of Buyer and the Company to the extent reasonably necessary for such review. Prior to the expiration of such forty-five (45)-day period, Seller may dispute any amounts on the Closing Statement, solely on the basis of mathematical errors or failure to adhere to the Accounting Principles or the provisions of this Agreement, by delivering to Buyer a written notice of disagreement (an "Adjustment Dispute Notice"), specifying each item on the Closing Statement that Seller disputes, along with the disputed amounts or calculations, and setting forth, in reasonable detail, the basis for such dispute for each such item. Seller shall be entitled to an adjustment in its favor in respect of Company Transaction Expenses if any stay, retention, transaction, change of control or other similar bonuses and "single-trigger" severance payments that were included in Estimated Company Transaction Expenses were not actually paid by the Company and are no longer payable (other than for termination by the Company without cause) at the time the Final Closing Cash Consideration is ultimately determined pursuant to this Section 1.7. If Seller fails to deliver an Adjustment Dispute Notice to Buyer prior to the expiration of the forty-five (45)-day period, then the calculations set forth in the Closing Statement shall be final and binding on the parties. In the event Buyer receives an Adjustment Dispute Notice from Seller in a timely manner, Seller and Buyer shall attempt in good faith to resolve the disputed items and agree upon the final amounts for

each of the Closing Working Capital Amount, Closing Cash, Closing Debt, Company Transaction Expenses and the resulting Closing Cash Consideration, and any resolution by them shall be in writing and shall be final, binding and conclusive on the parties. If Seller and Buyer are unable to reach a resolution with such effect within fourteen (14) days after the receipt by Buyer of the Adjustment Dispute Notice, Seller and Buyer shall submit only the items remaining in dispute in the Adjustment Dispute Notice for resolution to PricewaterhouseCoopers LLP or such other independent accounting firm of national reputation in the United States that is mutually acceptable to Buyer and Seller (the "Accounting Firm"), which shall, within thirty (30) days after such submission, determine and report to Seller and Buyer upon such remaining disputed items or calculations, and such report shall be final, binding and conclusive on Seller and Buyer. Buyer and Seller may each elect to make a written submission to the Accounting Firm and shall make reasonably available to the Accounting Firm all relevant books and records, any work papers (including those of the parties' respective accountants, to the extent applicable) and supporting documentation relating to the Closing Statement and the Adjustment Dispute Notice, including the calculations of the Closing Working Capital Amount, Closing Cash, Closing Debt, Company Transaction Expenses and the resulting Closing Cash Consideration, and any other items reasonably requested by the Accounting Firm; provided that copies of all such materials and any written submission to the Accounting Firm are concurrently provided to the other party. The fees and disbursements of the Accounting Firm shall be borne by Buyer and Seller in the same proportion as the aggregate amount of the items remaining in dispute that are unsuccessfully disputed by Buyer and Seller (as determined by the Accounting Firm) bears to the total amount of the items remaining in dispute submitted to the Accounting Firm, such that the prevailing party pays the lesser proportion of such fees and disbursements. The provisions in this Section 1.7(b) are not intended to and shall not be interpreted to require that the parties refer to the Accounting Firm (i) any dispute arising out of a breach by any party of its obligations under this Agreement or (ii) any dispute the resolution of which requires the construction or interpretation of this Agreement (apart from the Accounting Principles and the calculation of the Closing Working Capital Amount, Closing Cash, Closing Debt, Company Transaction Expenses and the Closing Cash Consideration and the accounting treatment of Current Assets and Current Liabilities insofar as such treatment affects the calculation of the Closing Working Capital Amount). Seller and Buyer shall jointly instruct the Accounting Firm that the Accounting Firm shall act solely as an expert and not as an arbitrator. The scope of the disputes to be resolved by the Accounting Firm shall be limited to resolving the unresolved items included in the Adjustment Dispute Notice that remain in dispute and correcting mathematical errors. The Accounting Firm's decision shall be based solely on the Closing Statement, the Adjustment Dispute Notice and any written submissions by Seller and Buyer and their respective Representatives and not by independent review and shall be final and binding on all of the parties. The Accounting Firm may not assign a value greater than the greatest value for such item claimed by Buyer or Seller or smaller than the smallest value for such item claimed by Buyer or Seller for each item in dispute.

(c) The Closing Statement and calculations of the Closing Working Capital Amount, Closing Cash, Closing Debt, Company Transaction Expenses and the resulting Closing Cash Consideration shall be deemed final for the purposes of this Section 1.7(c) upon the earliest of (i) the failure of Buyer to deliver to Seller the Closing Statement and Seller's subsequent election to deem the Final Closing Cash Consideration equal to the Estimated Closing Cash Consideration pursuant to Section 1.7(a), (ii) the failure of Seller to deliver to Buyer an Adjustment Dispute Notice in a timely manner pursuant to Section 1.7(b), (iii) the failure of Buyer to deliver to Seller an Adjustment Dispute Notice in a timely manner if Seller elects to deliver a Closing Statement pursuant to the last sentence of Section 1.7(a), (iv) the resolution of all disputes, pursuant to Section 1.7(b), by Seller and Buyer and (v) the resolution of all disputes, pursuant to Section 1.7(b), by the Accounting Firm. The calculation of the Closing Cash Consideration based upon the Closing Working Capital Amount, Closing Cash, Closing Debt and Company Transaction Expenses, as deemed final, shall be referred to as the "Final Closing Cash Consideration". Within five (5) Business Days of the Closing Statement and calculations of Closing Working Capital Amount, Closing Cash, Closing Debt and Company Transaction Expenses being deemed final:

(i) if the Final Closing Cash Consideration is less than the Estimated Closing Cash Consideration, Seller shall pay or cause to be paid to Buyer an amount equal to the excess of the Estimated Closing Cash Consideration over the Final Closing Cash Consideration, by wire transfer of immediately available funds to such bank account(s) as shall be designated in writing by Buyer; and

(ii) if the Final Closing Cash Consideration is greater than the Estimated Closing Cash Consideration, Buyer shall pay or cause to be paid to Seller or its designee an amount equal to the excess of the Final Closing Cash Consideration over the Estimated Closing Cash Consideration, by wire transfer of immediately available funds to such bank account(s) as shall be designated in writing by Seller.

(d) Unless otherwise required by applicable Law, the parties shall treat any amount paid in respect of adjustments to the Closing Cash Consideration pursuant to this Section 1.7, together with any amounts paid pursuant to Section 1.8(c), as an adjustment to the Aggregate Consideration for all U.S. federal, state, local and foreign Tax purposes, and the parties shall, and shall cause their respective Affiliates to, file their Tax Returns accordingly.

1.8 Contingent Cash Consideration.

(a) As soon as practicable after the end of each Measurement Period, but in any event within sixty (60) days after the end of each Measurement Period, Buyer shall cause to be prepared and delivered to Seller a written statement (an "Earnout Statement") setting forth in reasonable detail Buyer's calculations, for such Measurement Period, of (i) Contingent Revenue Consideration (including each input listed in the definition of Net Airtime Revenue), (ii) Contingent Migration Consideration (including the number of Subscriber Migrations) and (iii) the resulting Contingent Cash Consideration, in each case, together with reasonable supporting documentation. Within two (2) Business Days after delivery of the Earnout Statement, Buyer shall pay or cause to be paid to an account designated by Seller an amount in cash equal to the Contingent Cash Consideration set forth in the Earnout Statement.

(b) Seller shall have forty-five (45) days after receipt of an Earnout Statement to review Buyer's calculations of Contingent Revenue Consideration, Contingent Migration Consideration and the resulting Contingent Cash Consideration (such period, the "Earnout Review Period"). During the Earnout Review Period, Seller and its Representatives shall be provided with reasonable access to the work papers of Buyer and its accountants (subject to customary access letters) and to the books and records, management and Representatives of Buyer, the Company and its Subsidiaries (during normal business hours upon prior written notice), in each case to the extent reasonably necessary to review an Earnout Statement or statements delivered pursuant to Section 5.11(d). Prior to the expiration of the Earnout Review Period, Seller may dispute any amounts on the relevant Earnout Statement by delivering to Buyer a written notice of disagreement (an "Earnout Dispute Notice"), specifying each item on such Earnout Statement that Seller disputes, along with the disputed amounts or calculations, and setting forth, in reasonable detail, the basis for such dispute for each such item. If Seller fails to deliver an Earnout Dispute Notice to Buyer prior to the expiration of the Earnout Review Period, then the calculations set forth in such Earnout Statement shall be final and binding on the parties. In the event Buyer receives an Earnout Dispute Notice from Seller in a timely manner, Seller and Buyer shall attempt in good faith to resolve the disputed items and agree upon the resulting Contingent Cash Consideration, and any resolution by them shall be in writing and shall be final, binding and conclusive on the parties. If Seller and Buyer are unable to reach a resolution with such effect within thirty (30) days after the receipt by Buyer of an Earnout Dispute Notice, Seller and Buyer shall submit only the items remaining in

dispute in such Earnout Dispute Notice for resolution to the Accounting Firm, which shall, within thirty (30) days after such submission, determine and report to Seller and Buyer upon such remaining disputed items or calculations, and such report shall be final, binding and conclusive on Seller and Buyer. Buyer and the Company shall make reasonably available to the Accounting Firm all relevant books and records, any work papers (including those of the parties' respective accountants, to the extent applicable) and supporting documentation relating to such Earnout Statement and such Earnout Dispute Notice, including the calculation of Contingent Revenue Consideration, Contingent Migration Consideration and the resulting Contingent Cash Consideration, and any other items reasonably requested by the Accounting Firm; provided that copies of all such materials are concurrently provided to Seller. The fees and disbursements of the Accounting Firm shall be borne by Buyer and Seller in the same proportion as the aggregate amount of the items remaining in dispute that are unsuccessfully disputed by Buyer and Seller (as determined by the Accounting Firm) bears to the total amount of the items remaining in dispute submitted to the Accounting Firm, such that the prevailing party pays the lesser proportion of such fees and disbursements. The provisions in this Section 1.8(b) are not intended to and shall not be interpreted to require that the parties refer to the Accounting Firm (i) any dispute arising out of a breach by any party of its obligations under this Agreement or (ii) any dispute the resolution of which requires the construction or interpretation of this Agreement (apart from the calculation of Contingent Revenue Consideration, Contingent Migration Consideration and the resulting Contingent Cash Consideration and the accounting treatment of any other items insofar as such treatment affects the calculation of Net Airtime Revenue). Seller and Buyer shall jointly instruct the Accounting Firm that the Accounting Firm shall act solely as an expert and not as an arbitrator. The scope of the disputes to be resolved by the Accounting Firm shall be limited to resolving the unresolved items included in an Earnout Dispute Notice that remain in dispute and correcting mathematical errors. The Accounting Firm's decision shall be based solely on written submissions by Seller and Buyer and their respective Representatives and not by independent review and shall be final and binding on all of the parties. The Accounting Firm may not assign a value greater than the greatest value for such item claimed by Buyer or Seller or smaller than the smallest value for such item claimed by Buyer or Seller.

(c) Within two (2) Business Days following the final determination of the Contingent Cash Consideration for the applicable Measurement Period in accordance with Section 1.8(b):

(i) if the Contingent Cash Consideration as ultimately determined pursuant to Section 1.8(b) exceeds the amount of Contingent Cash Consideration paid by Buyer pursuant to Section 1.8(a), Buyer shall pay or cause to be paid to Seller or its designee an amount in cash equal to such excess, by wire transfer of immediately available funds to such bank account(s) as shall be designated in writing by Seller; and

(ii) if the amount of Contingent Cash Consideration paid by Buyer pursuant to Section 1.8(a) exceeds the amount of Contingent Cash Consideration as ultimately determined pursuant to Section 1.8(b), Seller shall pay or cause to be paid to Buyer an amount in cash equal to such excess, by wire transfer of immediately available funds to such bank account(s) as shall be designated in writing by Buyer.

1.9 Deferred Consideration. On each Deferred Consideration Payment Date, Buyer shall deliver, or cause to be delivered, to Seller or its designee by wire transfer of immediately available funds into the account(s) designated in writing by Seller at least three (3) Business Days prior to the relevant Deferred Consideration Payment Date, an amount equal to the then applicable Deferred Consideration Annual Payment. No Deferred Consideration Annual Payment will be subject to any contingency or offset other than, for the avoidance of doubt, as provided for in the definition of "Deferred Consideration Annual Payment".

1.10 Withholding. Except as expressly provided to the contrary in this Agreement, any payment made pursuant to this Agreement shall be made net of any Taxes required to be deducted or withheld with respect to such payment under applicable Law. To the extent that amounts are so withheld, (a) such withheld amounts shall be remitted to the applicable Taxing Authority, (b) such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person receiving the payment with respect to which such amounts were so deducted or withheld, (c) the party making such payment shall provide the other party with a copy of an official tax receipt or other evidence of such deduction or withholding and (d) the party making such payment shall use commercially reasonable efforts to cooperate with the party receiving the payment with respect to which such amounts were so deducted or withheld so that such party may take a credit or other appropriate benefit with respect to the amount so deducted or withheld to the extent permitted by applicable Law. Notwithstanding the foregoing, in the event either party intends to withhold Taxes from any payment made pursuant to this Agreement, other than with respect to amounts treated as imputed interest in respect of any Contingent Cash Consideration or any Deferred Consideration (which is expected to be subject to U.S. federal withholding tax on interest amounts imputed pursuant to section 483 of the Code at the applicable rate under the U.S.-Mexico Tax Treaty), the party making such payment shall have first notified the Person receiving the payment of its intent to deduct or withhold, together with an explanation of the legal requirement for such deduction or withholding, and both parties shall discuss in good faith whether such Taxes can be mitigated and use reasonable best efforts to take such actions (including completing any necessary forms and certifications) to mitigate any such Taxes to the extent permitted under applicable Law.

Article II

REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY

Except as set forth in the Seller Disclosure Letter, each of Seller and the Company represents and warrants to Buyer as of the date of this Agreement and as of the Closing Date (except in the case of representations and warranties which by their terms speak only as of a specific date or dates, which representations and warranties shall be true and correct as of such date or dates) as follows:

2.1 Organization. The Company is a corporation duly formed and validly existing under the Laws of its jurisdiction of incorporation. Each Subsidiary of the Company is a corporation or other business entity, as the case may be, duly formed and validly existing under the Laws of its respective jurisdiction of formation, incorporation or organization (as applicable). The Company and each of its Subsidiaries is in good

standing (or the local equivalent thereof, to the extent applicable) in its jurisdiction of formation, incorporation or organization (as applicable). Section 2.1 of the Seller Disclosure Letter sets forth a true and complete list of the name and jurisdiction of each Subsidiary of the Company. The Company and each of its Subsidiaries has all requisite organizational power and authority to own, lease and operate its respective assets, properties and rights and to carry on its business as presently owned or conducted, except where the failure to have such organizational power and authority would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. The Company and each of its Subsidiaries is duly qualified, licensed or registered to transact business as a foreign corporation and is in good standing (or the local equivalent thereof, to the extent applicable) in each jurisdiction in which the ownership or lease of property or the conduct of its business requires such qualification, license or registration, except where the failure to be so qualified, licensed or registered or in good standing (or the local equivalent thereof, to the extent applicable) would not, individually or in the aggregate, reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, or result in a material adverse effect on the Company's ability to consummate the transactions contemplated by this Agreement. The Company has delivered to Buyer true and correct copies of the Organizational Documents of the Company and each of its Subsidiaries as in effect on the date hereof, and none of the Company or any of its Subsidiaries is in material violation of any provision of such Organizational Documents.

2.2 Capitalization.

(a) Section 2.2(a) of the Seller Disclosure Letter sets forth the authorized, issued and outstanding equity securities of the Company and each of its Subsidiaries and the record owner thereof. Except as set forth in Section 2.2(a) of the Seller Disclosure Letter, there are no other equity securities of the Company or any of its Subsidiaries authorized, issued, reserved for issuance or outstanding and no outstanding or authorized options, warrants, rights, convertible or exchangeable securities, phantom stock rights, stock appreciation rights, restricted stock units, stock-based performance units, subscriptions, calls, commitments, Contracts, arrangements or undertakings of any character whatsoever, relating to the equity securities of the Company or any of its Subsidiaries, to which the Company or any of its Subsidiaries is a party or is bound (i) requiring the Company or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock, or other equity interests in, or any security convertible or exercisable for or exchangeable into any capital stock of, or other equity interest in, the Company or any of its Subsidiaries or any Voting Debt, (ii) requiring the Company or any of its Subsidiaries to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking or (iii) that give any Person the right to receive any economic benefit or right similar to or derived from the economic benefits and rights accruing to holders of capital stock of, or other equity interests in, the Company or any of its Subsidiaries. Neither the

Company nor any of its Subsidiaries has granted any preemptive or similar rights on the part of any holders of any class of securities thereof. Neither the Company nor any of its Subsidiaries has any authorized or outstanding bonds, debentures, notes or other indebtedness the holders of which have the right to vote (or convertible into, exchangeable for, or evidencing the right to subscribe for or acquire securities having the right to vote) with equityholders on any matter ("Voting Debt"). There are no Contracts to which the Company or any of its Subsidiaries is a party or by which it is bound to (A) repurchase, redeem or otherwise acquire any equity securities of the Company or any of its Subsidiaries or (B) vote or dispose of any equity securities of the Company or any of its Subsidiaries. There are no proxies, voting trusts or other agreements or understandings with respect to any equity securities of the Company or any of its Subsidiaries. There are no contractual obligations or commitments of any character restricting the transfer of, or requiring the registration for sale of, any shares of capital stock of or other voting or equity interests in the Company or any of its Subsidiaries.

(b) All of the Shares and all of the equity securities of each of the Company's Subsidiaries are duly authorized, validly issued, fully paid and non-assessable and were issued free of (or in compliance with) any preemptive rights in respect thereto.

(c) Other than its Subsidiaries, the Company does not own, and none of the Company's Subsidiaries own, in each case directly or indirectly, any equity securities of, or equity ownership or voting interest in, any Person.

2.3 Binding Obligation. The Company has all requisite corporate authority and power to execute, deliver and perform the Transaction Documents to which it is or will be a party and to consummate the transactions contemplated thereby. The execution, delivery and performance by the Company of the Transaction Documents to which it is or will be a party and the consummation by the Company of the transactions contemplated thereby has been (or with respect to Transaction Documents to be entered into after the date hereof, will be) duly and validly authorized by all required corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize the execution, delivery and performance by the Company of the Transaction Documents to which it is a party and the consummation by the Company of the transactions contemplated thereby. This Agreement has been, and, at the Closing, each other Transaction Document to which the Company is or will be a party shall be, duly executed and delivered by the Company and, assuming that the Transaction Documents constitute the legal, valid and binding obligations of each other party, shall, when so executed and delivered, constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except to the extent that the enforceability thereof may be limited by the (a) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar Laws from time to time in effect affecting generally the enforcement of creditors' rights and remedies and (b) general principles of equity (collectively, the "Equitable Exceptions").

2.4 No Defaults or Conflicts. The execution and delivery of the Transaction Documents to which the Company is or will be a party and the consummation by the Company of the transactions contemplated thereby and the performance by the Company of its obligations thereunder (a) do not constitute a breach of, conflict with or result in any violation of any of the Organizational Documents of the Company or any of its Subsidiaries, (b) except as set forth in Section 2.4 of the Seller Disclosure Letter, with or without notice or lapse of time or both, do not conflict with, or result in a breach or violation of any of the terms or provisions of, constitute a default under, result in the termination (or right of termination), cancellation, modification, creation or acceleration of any right under, require any consent or notice under, or result in the creation of any Lien (other than a Permitted Lien) upon any of the properties, assets or rights of the Company or any of its Subsidiaries under, any Material Contract or with respect to any Owned Real Property or Leased Real Property or any Business Permit, (c) do not violate any existing applicable Law, judgment, order or decree of any Governmental Authority having jurisdiction over the Company or any of its Subsidiaries or any of their respective properties and (d) will not result in the material loss, impairment or alteration of the rights of the Company or any of its Subsidiaries in any Company Intellectual Property material to the Company and its Subsidiaries, taken as a whole; except, in each case of clauses (b), (c) and (d) above, as would not, individually or in the aggregate, reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

2.5 Governmental Authorizations. The execution, delivery and performance of this Agreement and the other Transaction Documents to which Seller, Holdco or the Company is or will be a party, and the consummation by Seller, Holdco and the Company of the transactions contemplated hereby and thereby, do not require Seller, Holdco or the Company or any of its Subsidiaries to obtain any consents, approvals, authorizations, waivers, permits, licenses, grants, registrations, qualifications, certificates, franchises, variances, exemptions, orders or rights from, or make any registration, declaration or filing with, any Governmental Authority other than (a) compliance with any applicable requirements of applicable Antitrust Laws, (b) the filings with and consents of the FCC set forth in Section 2.5(b) of the Seller Disclosure Letter (the "FCC Consents"), (c) the filings with and consents of applicable State PUCs, if any, and (d) such other consents, approvals, authorizations, waivers, permits, licenses, grants, registrations, qualifications, certificates, franchises, variances, exemptions, orders or rights the absence of which would not, individually or in the aggregate, reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. The FCC Consents are the only such consents, approvals, authorizations, waivers, permits, licenses, grants, registrations, qualifications, certificates, franchises, variances, exemptions, orders and rights necessary to be obtained from, or registrations, declarations or filings necessary to be made with, the FCC in connection with the transactions contemplated by this Agreement.

2.6 Financial Statements; No Undisclosed Liabilities; Internal Controls.

(a) True, complete and correct copies of the Financial Statements are set forth in Section 2.6(a) of the Seller Disclosure Letter. The Financial Statements (i) present fairly, in all material respects, the consolidated financial condition and the results of operations, cash flows and changes in stockholders' equity of the Company and its Subsidiaries as of the dates and for the periods indicated therein, (ii) have been prepared from the books and records of the Company and its Subsidiaries and (iii) have been prepared in accordance with GAAP applied consistently throughout and among the periods covered thereby, except, in the case of each of the foregoing clauses (i) through (iii), as set forth in the notes thereto and subject, in the case of any interim Financial Statements, to normal year-end adjustments.

(b) Except as set forth in Section 2.6(b) of the Seller Disclosure Letter, neither the Company nor any of its Subsidiaries has any Liabilities except for Liabilities (i) fully reflected or reserved for in the Financial Statements, (ii) arising since the Balance Sheet Date in the ordinary course of business consistent with past practice, (iii) incurred in connection with the transactions contemplated by this Agreement, (iv) for future performance under existing Contracts in accordance with their terms (and other than as a result of any breach thereof by the Company or any of its Subsidiaries) or (v) that would not, individually or in the aggregate, reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. Neither the Company nor any of its Subsidiaries is a party to, or has any obligation or other commitment to become a party to, any "off balance sheet arrangement" (as defined in Item 303(a) of Regulation S-K of the SEC).

(c) Except for Seller's indirect ownership of the Company and its Subsidiaries, Seller does not, directly or indirectly, (i) except for Shared Contracts, the arrangements set forth in Section 2.17(a) of the Seller Disclosure Letter and Treasury Services, own any assets (tangible or intangible) or properties used or held for use in the conduct of the Business or any assets (tangible or intangible) or properties reflected on the Financial Statements or (ii) engage in any activities, business or operations that are reflected in the Financial Statements during any period covered by any of the Financial Statements.

(d) Seller has devised and maintains systems of internal controls over financial reporting sufficient to provide reasonable assurances with respect to the Company that (i) are reasonably designed to ensure that all material information required to be disclosed by Seller in the reports that it files or furnishes under the Exchange Act is recorded, processed and summarized and reported in a timely fashion and (ii) all material transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP consistently applied and to maintain proper accountability for items. Since January 1, 2018, none of Seller, the Company or any members of their respective boards of directors (or the audit committees thereof) has received any

notification of any (A) significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting with respect to the Company or any of its Subsidiaries or (B) any fraud that involves management or other employees of the Company or any of its Subsidiaries who have a significant role in the internal controls over financial reporting of the Company and its Subsidiaries.

2.7 Intellectual Property.

(a) Section 2.7(a) of the Seller Disclosure Letter sets forth a true and complete list as of the date hereof of all Company Intellectual Property that is (i) issued, registered or subject to an application for issuance or registration, indicating for each item (A) the current owner (including, with respect to Domains, the current registrant), (B) the jurisdiction where the application, registration or issuance is filed, (C) the application, registration or issue number (as applicable) and (D) the application, registration or issue date (as applicable) or (ii) an unregistered Mark that is material to the Company and its Subsidiaries, taken as a whole. The Company is the exclusive owner of all Company Intellectual Property, free and clear of any Liens other than Permitted Liens, and the Company Intellectual Property constitutes all the Intellectual Property owned, as of the Closing Date, by the Company and its Subsidiaries and used in the operation of the Business. The Company Intellectual Property will be available for use by the Company and its Subsidiaries immediately after the Closing Date on identical terms and conditions to those under which the Company and its Subsidiaries owned or used the Company Intellectual Property immediately prior to the Closing Date. All material items of Company Intellectual Property set forth in Section 2.7(a) of the Seller Disclosure Letter have been duly maintained, are subsisting and such items that are registered or issued are valid and enforceable (including with respect to unenforceability resulting from patent or copyright misuse under applicable Law) and such items that are applications are, to the knowledge of the Company, valid and enforceable (including with respect to unenforceability resulting from patent or copyright misuse under applicable Law). The Company and each of its Subsidiaries have taken commercially reasonable actions to maintain (A) the validity and enforceability of all Company Intellectual Property that is material to the Company and its Subsidiaries, taken as a whole, under all applicable Law (including making and maintaining in full force and effect all necessary filings, registrations and issuances and avoiding naked licensing) and (B) the secrecy of all Trade Secrets included in the Company Intellectual Property.

(b) Section 2.7(b) of the Seller Disclosure Letter identifies the categories (in terms of functionality) of the Software packages owned or purported to be owned by the Company or any of its Subsidiaries ("Company Software") that are material to the Company or any of its Subsidiaries. The Company or one of its Subsidiaries owns or has licenses to (or, with respect to immaterial use, has a right to use) all Software and other documentation and materials necessary to operate the Company Software and IT Systems operated by the Company or under the Company's control.

Neither the Company nor any of its Subsidiaries is a party to a source code escrow agreement related to the Company Software, or has disclosed, delivered, licensed or otherwise made available, or has a duty or obligation (whether present, contingent or otherwise) to disclose, deliver, license or otherwise make available, any source code for any Company Software to any Person.

(c) Neither the Company nor any of its Subsidiaries has granted or is obligated to grant any licenses to any third parties under Company Intellectual Property or Company Software other than pursuant to a nonexclusive license granted in the ordinary course of business by the Company and its Subsidiaries to customers or to contractors for the sole purpose of manufacturing, selling, distributing, importing, marketing or otherwise providing products or services for the benefit of the Company and its Subsidiaries.

(d) Except as set forth in Section 2.7(d) of the Seller Disclosure Letter, all Persons (including current and former employees and contractors) who developed, created or contributed to any portion of Company Intellectual Property that is material to the Company or any of its Subsidiaries have executed enforceable written agreements that (i) validly and irrevocably assign to the Company all of their rights in and to such Intellectual Property, except to the extent that the Company or one of its Subsidiaries owns such Intellectual Property pursuant to applicable Law, and (ii) under which such Persons agree to hold all Trade Secrets that are material to the Company or any of its Subsidiaries in confidence both during and after their employment or retention, as applicable.

(e) The Company owns all right, title and interest in the Protected Territory in the service marks set forth in Section 2.7(e) of the Seller Disclosure Letter (collectively, the "TracFone Marks") with respect to use in commerce in providing mobile telephony services in the Protected Territory free and clear of any Liens (other than Permitted Liens), and, subject to applicable fair use and similar doctrines, the Company and its Subsidiaries have the right, in the Protected Territory, to prevent (subject to, in the event of seeking an injunction, satisfying the requirements for injunctive relief (other than likely or actual (as applicable) success on the merits)) third parties from using without authorization any TracFone Mark and any Mark that is confusingly similar to any TracFone Mark (including, as applicable, composite Marks that, in each case, combine a TracFone Mark with a third-party Mark), in each case, with respect to use in commerce in providing mobile telephony services in the Protected Territory. All TracFone Marks are valid, subsisting and enforceable with respect to mobile telephony services in the Protected Territory and are not subject to any pending or threatened challenge or claim to the contrary. No event or circumstance has occurred or exists that has resulted in, or would reasonably be expected to result in, the abandonment of any TracFone Mark. Except as set forth in Section 2.7(e) of the Seller Disclosure Letter, the Company is not party to any co-existence or other agreement that limits the

rights of the Company to use the TracFone Marks or pursuant to which the Company has granted a third party the right to use the TracFone Marks (other than nonexclusive licenses granted in the ordinary course of business by the Company and its Subsidiaries to customers or to contractors for the sole purpose of manufacturing, selling, marketing, distributing, importing or otherwise providing products or services for the benefit of the Company and its Subsidiaries).

(f) Except as set forth in Section 2.7(f) of the Seller Disclosure Letter, neither the Company nor any of its Subsidiaries has, since January 1, 2018, received any written notice or claim challenging the ownership, use, validity or enforceability of any Company Intellectual Property (other than in connection with ordinary course prosecution that has not resulted in abandonment of Company Intellectual Property material to the Company or any of its Subsidiaries). None of the Company Intellectual Property is subject to any outstanding judgment, decree, order, writ, award, injunction or determination of a Governmental Authority.

(g) Except as set forth in Section 2.7(g) of the Seller Disclosure Letter, (i) since January 1, 2018, to the knowledge of the Company, none of the Company Intellectual Property has been or is being infringed, misappropriated, diluted or otherwise violated by any Person without a license or permission from the Company and (ii) neither the Company nor any of its Subsidiaries has been during the six (6) years prior to the date hereof or is materially infringing, misappropriating, diluting or otherwise violating any Intellectual Property or any moral rights or publicity rights of any Person. Except as set forth in Section 2.7(g) of the Seller Disclosure Letter, since January 1, 2018, neither the Company nor any of its Subsidiaries has received any written notice or claim asserting that any such infringement, misappropriation, dilution or other violation has or may have occurred or inviting the Company or any of its Subsidiaries to take a license under a patent or any other Intellectual Property owned by a third party, nor has the Company or any of its Subsidiaries requested or received any written (or, with respect to any suspected material infringement, oral) opinions of counsel related to the same (except, in each case, for (x) any such assertion that is no longer pending or any such invitation to license that has been resolved and (y) opinions in connection with ordinary course clearance searches and analysis prior to filing new Marks or patents that did not identify any material infringement of third-party Intellectual Property).

(h) Neither the Company nor any of its Subsidiaries uses or distributes, or has used or distributed, any Open Source Software in any manner that would require any source code of the Company Software to be disclosed in source code form or licensed for free, publicly distributed or dedicated to the public, or would grant or cause the Company or any of its Subsidiaries to be required to grant any third party a license (including a contingent license) to Company Intellectual Property. The Company and its Subsidiaries are in material compliance with all terms and conditions of all relevant licenses (including all requirements relating to notices and making source code available to third parties) for all Open Source Software used by the Company or any of its Subsidiaries.

(i) Neither the Company nor any of its Subsidiaries has ever declared to any industry standards body or other industry consortium ("Industry Body") that any Company Intellectual Property is or has ever been required for or otherwise infringed by the implementation of any standards or specifications developed or proliferated by any Industry Body.

(j) Neither the Company nor any of its Subsidiaries is or ever has been a member of or contributor to any Industry Body that has compelled or has the right to compel the Company or any of its Subsidiaries to grant or offer to any third party any license or right in or to any Company Intellectual Property or to license Company Intellectual Property on specified terms.

(k) No government funding or facilities of any university, college or other educational institution or research center has been used in connection with the development of any Company Intellectual Property. No government body, administrative body, research center, university, college or other educational institution, has any right, interest, license or claim with respect to any Company Intellectual Property, other than pursuant to a nonexclusive license granted in the ordinary course of business by the Company.

2.8 Compliance with Laws.

(a) The Company and each of its Subsidiaries are, and since January 1, 2018, have been, in compliance in all respects with all applicable Laws, except as would not, individually or in the aggregate, reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. No Action related to noncompliance with Laws with respect to the Company or any of its Subsidiaries is pending or, to the knowledge of the Company, threatened that would, individually or in the aggregate, reasonably be expected to (i) result in Liability to the Company or any of its Subsidiaries in excess of $500,000 or (ii) impose material restrictions or obligations on the Company or any of its Subsidiaries. Since January 1, 2018, neither the Company nor any of its Subsidiaries has received any written notice and, to the knowledge of the Company, no notice has been threatened, from any Governmental Authority of any material noncompliance with any Laws that has not been cured as of the date of this Agreement. The Company and each of its Subsidiaries has obtained and maintains all consents, approvals, authorizations, waivers, permits, licenses, grants, registrations, qualifications, certificates, franchises, variances, exemptions, orders and rights issued or granted by a Governmental Authority ("Permits") necessary to conduct the Business (excluding any lines of business in development), except for any such Permits the failure of which to obtain or maintain would not, individually or in the aggregate, be reasonably likely to be material to the Company and its Subsidiaries, taken as a whole (collectively, "Material Permits").

(b) Section 2.8(b) of the Seller Disclosure Letter sets forth a list, as of the date of this Agreement, of (i) all Permits issued or granted to the Company or any of its Subsidiaries by the FCC ("FCC Permits"), all Permits issued or granted to the Company or any of its Subsidiaries by any State PUC ("PUC Permits"), and all Permits issued or granted to the Company or any of its Subsidiaries by foreign Governmental Authorities regulating telecommunications businesses (together with the Material Permits, FCC Permits and PUC Permits, the "Business Permits"), (ii) all pending applications for Permits that would be Business Permits if issued or granted and (iii) all pending applications by the Company or any of its Subsidiaries for modification, extension or renewal of any Business Permit. Each Business Permit is in full force and effect, and the Company and each of its Subsidiaries are in material compliance with their respective obligations under the FCC Rules and each of the Business Permits and, to the knowledge of the Company, no event, condition or circumstance exists which, with or without notice or lapse of time or both, would constitute a breach of, or default under, the terms and conditions of any Business Permit. For each FCC Permit, Section 2.8(b) of the Seller Disclosure Letter sets forth, as of the date of this Agreement, (A) the FCC registration number or name of the licensee and (B) the FCC call sign, license number or other license identifier. The FCC Permits and the PUC Permits constitute all of the Permits necessary from the FCC or any State PUC, respectively, for the conduct of the Business. There is no condition outside of the ordinary course imposed on any of the FCC Permits imposed by the FCC (including any condition on the grant of a renewal application) that is not disclosed on the face of the reference copy of the FCC Permit in the FCC's relevant licensing database (for the purposes of this sentence, "ordinary course" means any condition described in any federal statutes, FCC Rules or similar sources that apply generally to FCC licenses of the same service).

(c) Each FCC Permit has been granted pursuant to a Final Order and approved by the FCC to be held by the licensee listed on Section 2.8 (b) of the Seller Disclosure Letter. There is no pending or, to the knowledge of the Company, threatened, proceeding, notice of violation, order of forfeiture or complaint or investigation pending by or before the FCC or any other Governmental Authority (and no pending judicial review of such a proceeding) with respect to any Business Permit that would, individually or in the aggregate, be reasonably likely to result in the suspension, revocation, cancellation, termination, forfeiture or adverse modification of any Business Permit.

(d) Since January 1, 2018, the Company and each of its Subsidiaries have timely made payment of all fees and contributions in an amount in excess of $100,000 required to be made to the FCC and in excess of $500,000 required to be made to each State PUC, the U.S. Treasury Department or any other Governmental Authority with respect to Business Permits (other than state qualifications to transact business as a

foreign corporation) or which are otherwise required by FCC Rules or State PUC Rules, including universal service fund and telecommunications relay service fund contributions, except for any such amounts that are contested in good faith by the Company or its Subsidiary. The aggregate amount of all fees and contributions required to be made to the FCC, each State PUC, the U.S. Treasury Department or any other Governmental Authority with respect to Business Permits (other than state qualifications to transact business as a foreign corporation) or which are otherwise required by FCC Rules or State PUC Rules for which the Company or its Subsidiaries have not made timely payment and which remain outstanding does not exceed $5,000,000.

(e) There is no pending or planned application by the Company or any of its Subsidiaries to modify any Business Permit.

(f) Neither the Company nor any of its Subsidiaries leases any FCC Permits to or from any other third Person.

(g) The Company and each of its Subsidiaries have duly and timely filed all Forms TD F 90-22.1, Report on Foreign Bank and Financial Accounts and all FinCEN Reports 114 required to be filed, on which reportable amounts exceed $500,000 in the aggregate.

2.9 Contracts. Section 2.9 of the Seller Disclosure Letter sets forth a true and complete list, as of the date hereof, and copies (or, in the discretion of Seller, copies with redacted competitively sensitive information) have been made available to Buyer, of all Contracts (other than Benefit Plans and Leases) to which the Company or any of its Subsidiaries is a party as of the date hereof, which:

(a) are Contracts, other than contracts with Principal Suppliers or Principal Distributors, under which the Company or any of its Subsidiaries has made or received payments of more than $5,000,000 in the aggregate in the twelve (12) calendar months ended December 31, 2019;

(b) are Contracts with a Principal Supplier or a Principal Distributor;

(c) are Contracts expressing a specific commitment for the Company or its Subsidiaries to (i) provide wireless services coverage in a particular geographic area, (ii) build out tower sites in a particular geographic area or (iii) make required annual payments for a specified minimum volume of network use;

(d) are Contracts that are interconnection or similar agreements in connection with which any of the equipment, networks and services of the Company or any of its Subsidiaries are connected to those of another service provider in order to allow their respective customers access to each other's services and networks that are material to the Company and its Subsidiaries, taken as a whole;

(e) are roaming Contracts;

(f) any Contracts with a provider of wireless communications services pursuant to which end users of the Company's wireless communications product offerings obtain one or more of data, voice or SMS communications services;

(g) any Contract that is an agency, dealer, reseller or other similar contract providing for commissions to such agency, dealer or reseller of $1,000,000 or more in the twelve (12) calendar months ended December 31, 2019;

(h) are Contracts or instruments relating to Debt;

(i) are any leases or similar Contracts under which the Company or any of its Subsidiaries is a lessee of, or holds or uses, any machinery, equipment, vehicle or other tangible personal property owned by any third party involving payments by the Company or any of its Subsidiaries of more than $500,000 on an annual basis;

(j) are Contracts that (i) include licenses to, or which otherwise restrict or grant rights to use or practice under, Software or other Intellectual Property that is material to the Company or its Subsidiaries; or (ii) provide for the creation, customization or development of Intellectual Property material to the Company or its Subsidiaries by the Company or its Subsidiaries for a third party or by a third party for the Company or its Subsidiaries, in each case of clauses (i) and (ii) above, other than (x) licenses for Open Source Software, (y) licenses of commercially available "off-the-shelf" software or software as a service to the Company or any of its Subsidiaries for aggregate annual or one-time fees less than $5,000,000 and (z) nonexclusive licenses granted in the ordinary course of business by the Company and its Subsidiaries to customers or to contractors for the sole purpose of manufacturing, selling, distributing, importing, marketing or otherwise providing products or services for the benefit of the Company and its Subsidiaries;

(k) are Contracts (i) that provide for access and use of hosted Software (i.e., as a service) or other technology material to the Company or its Subsidiaries for annual or one-time fees in excess of $1,000,000 paid since January 1, 2018 (other than licenses of commercially available "off-the-shelf" software as a service to the Company or any of its Subsidiaries for aggregate annual or one-time fees less than $5,000,000), (ii) pursuant to which the Company or any of its Subsidiaries has purchased or leased, or has committed to purchase or lease, material IT Systems, in each case involving aggregate annual or one-time payments in excess of $1,000,000 since January 1, 2018 or (iii) pursuant to which any third party provides support or maintenance of Software for aggregate annual or one-time fees in excess of $1,000,000 paid since January 1, 2018;

(l) Reserved;

(m) are Contracts or instruments which contain a non-competition, exclusivity or similar covenant that restricts the Company or any of its Subsidiaries from engaging in any line of business or with any Person or in any jurisdiction in the world;

(n) are Contracts pursuant to which the Company or any of its Subsidiaries has provided a "most favored nation" provision to the other party;

(o) are employment, severance, retention, consulting or separation Contracts with any officer, director, employee or consultant of the Company or any of its Subsidiaries, whether on a full-time, part-time or consulting basis pursuant to which the Company or any of its Subsidiaries has any future Liability in excess of $150,000 per annum;

(p) are collective bargaining agreements or Contracts with any labor union or labor organization;

(q) are Contracts under which there has been an advance or loan to any Person (excluding (i) any intercompany financing arrangements, (ii) advances for travel and other normal business expenses to officers and employees and (iii) Contracts that result in ordinary course trade payables);

(r) are Contracts establishing any partnership, strategic alliance or joint venture;

(s) are Contracts providing for the acquisition or disposition of any business, capital stock or all or substantially all of the assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise) that obligate the Company or any of its Subsidiaries to pay any deferred purchase price, earn-out or similar payments;

(t) are Contracts requiring any capital commitment or capital expenditures (including any series of related capital expenditures) of more than $1,000,000;

(u) are Contracts involving any resolution or settlement of any actual or threatened Action or other dispute, in each case requiring payment obligations or containing any ongoing material restrictions on the operations of the Company or any of its Subsidiaries, other than any customary confidentiality, release or non-disparagement obligations;

(v) are Contracts, other than with respect to settlement of Actions, with any Governmental Authority that are material to the Company and its Subsidiaries, taken as a whole; and

(w) are Contracts with Seller or any of its Affiliates (other than the Company and its Subsidiaries).

Contracts of the type described in clauses (a) through (w) above are referred to herein as "Material Contracts". None of the Company, its Subsidiaries or, to the knowledge of the Company, any other party to any Material Contract is in material breach thereof or default thereunder and, to the knowledge of the Company, there does not exist under any Material Contract any event which, with or without notice or lapse of time or both, would constitute such a material breach or default by the Company or any of its Subsidiaries or, to the knowledge of the Company, any other party to such Material Contract, in each case except for such breaches, defaults and events as to which requisite waivers or consents have been obtained in accordance with the terms of such Material Contract. Each Material Contract is valid and binding on the Company or one of its Subsidiaries, is in full force and effect and is enforceable against the Company or one of its Subsidiaries and, to the knowledge of the Company, the counterparties thereto, in each case except to the extent that the enforceability thereof may be limited by the Equitable Exceptions. As of the date hereof, neither the Company nor any of its Subsidiaries has, within the last twelve (12) months, provided written notice to another party to a Material Contract of its intention to terminate any Material Contract or received written notice from another party to a Material Contract of such party's intention to terminate any Material Contract.

2.10 Litigation. Except as set forth in Section 2.10 of the Seller Disclosure Letter:

(a) there are no, and, with respect to Actions in connection with which the Company or any of its Subsidiaries has incurred liabilities in excess of $5,000,000, since January 1, 2018 have been no, Actions pending, or to the knowledge of the Company, threatened by, against or involving the Company or any of its Subsidiaries, or any of their respective assets, rights, properties, operations or businesses, in each case, that would, individually or in the aggregate, reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole; and

(b) there are no orders, judgments, injunctions, rulings, decisions, awards, stipulations, writs or decrees of, or any settlement agreements or similar written agreement, against or affecting the Company or any of its Subsidiaries or any of their respective properties or assets requiring any further action by the Company or any of its Subsidiaries or imposing any material restrictions or obligations on the Company or any of its Subsidiaries or their respective operations, other than any customary confidentiality, release or non-disparagement obligations.

2.11 Taxes.

(a) All Material Tax Returns required to be filed by the Company or any of its Subsidiaries under applicable Law have been duly filed (taking into account all available extensions) and are complete and correct in all material respects. None of the Company or any of its Subsidiaries is currently delinquent in the filing of any Material Tax Returns. Complete copies of all income Tax Returns for the fiscal year starting on January 1, 2015 have been made available to Buyer. All Material Taxes required to be paid under applicable Law by the Company or any of its Subsidiaries have been duly paid to the extent shown as due on such Tax Returns, and none of the Company nor any of its Subsidiaries is currently delinquent in the payment of any Material Taxes. All Material Taxes required to be withheld under applicable Law by the Company or any of its Subsidiaries have been duly and timely withheld, and such withheld Taxes have been either duly and timely paid to the proper Taxing Authority or properly set aside in accounts for such purpose. There are no Liens for Taxes upon the assets of the Company or any of its Subsidiaries except for Permitted Liens.

(b) Since the Balance Sheet Date, neither the Company nor any of its Subsidiaries has incurred a Liability for Material Taxes outside its ordinary course of business.

(c) No written agreement or other document waiving or extending, or having the effect of waiving or extending, the statute of limitations or the period of assessment or collection of any Material Taxes with respect to the Company or any of its Subsidiaries, and no written power of attorney with respect to any such Taxes has been filed or entered into with any Taxing Authority. The time for filing any Material Tax Return with respect to the Company or any of its Subsidiaries has not been extended to a date later than the date hereof. No Material Taxes with respect to the Company or any of its Subsidiaries are currently under audit, examination or investigation by any Taxing Authority or the subject of any judicial or administrative proceeding. No Taxing Authority has asserted or threatened to assert, in each case in writing, any deficiency or claim with respect to any Material Taxes of the Company or any of its Subsidiaries with respect to any taxable period for which the period of assessment or collection remains open (other than a claim for a deficiency for Taxes that has been resolved and paid in full). No jurisdiction (whether within or without the United States) in which the Company or any of its Subsidiaries has not filed a particular type of Tax Return or paid a particular type of Tax has asserted in writing, which remains unresolved, that the Company or such Subsidiary is required to file such Tax Return or pay such type of Tax in such jurisdiction.

(d) Neither the Company nor any of its Subsidiaries (i) has received or applied for a Tax ruling or entered into a closing agreement pursuant to Section 7121 of the Code (or any predecessor provision or any similar provision of U.S. state or local Law), in either case that would be binding upon the Company or any of its Subsidiaries after the Closing Date, (ii) is or has been a member of any affiliated, consolidated, combined or unitary group for purposes of filing income or franchise Tax Returns or paying Taxes other than any such group of which the Company is the common parent or (iii) has any Liability for Taxes of any Person other than the Company or any of its Subsidiaries, whether under Treasury Regulations Section 1.1502-6 or any similar provision of U.S. state or local or foreign Law, as a transferee or successor, pursuant to any Tax sharing or indemnity agreement or other contractual agreements (other than by reason of any customary provisions contained in any Contracts entered into in the ordinary course of business for the provision of goods and services or pursuant to commercial lending arrangements).

(e) Neither the Company nor any of its Subsidiaries shall be required to include any item of income in, or exclude any item of deduction from, taxable income, in either case, in a manner that would result in Material Taxes, for any taxable period (or portion thereof) ending after the Closing Date, as a result of any (i) change in method of accounting for a taxable period ending on or prior to the Closing Date under Section 481 of the Code (or any corresponding provision of U.S. state or local or foreign Tax Law), (ii) installment sale or open transaction disposition made on or prior to the Closing Date, (iii) prepaid amount received on or prior to the Closing Date, (iv) election pursuant to Section 451 or (v) using the deferral method provided for under revenue procedure 2004-34 in respect of any transactions occurring or payment received prior to the Closing.

(f) Neither the Company nor any of its Subsidiaries has participated in a listed transaction within the meaning of Treasury Regulations Section 1.6011-4(b).

(g) Neither the Company nor any of its Subsidiaries has been a "distributing corporation" or a "controlled corporation" within the meaning of Section 355 of the Code (x) in the two (2) years prior to the date of this Agreement or (y) in a distribution that could otherwise constitute a "plan" or "series of related transactions" in conjunction with the transaction contemplated by this Agreement.

(h) No entity classification election under Treasury Regulations Section 301.7701-3 has been made to change the entity classification of any of the Company's Subsidiaries for U.S. federal income Tax purposes.

(i) None of the Company, any of its Subsidiaries or any predecessor of the Company or any Subsidiary (i) is or, with respect to a predecessor, was organized outside the United States, (ii) is or has been a "United States Shareholder" (within the meaning of Section 951(b) of the Code) of a "controlled foreign corporation" (within the meaning of Section 957(a) of the Code) or (iii) no jurisdiction (outside the United States) has asserted in writing, which assertion remains unresolved, that the Company or such Subsidiary has or has had a permanent establishment in such jurisdiction.

(j) Neither the Company nor any of its Subsidiaries is or has been a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code and the Treasury Regulations thereunder during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code ending on the Closing Date.

(k) The Company and each of its Subsidiaries have duly and timely complied in all material respects with (i) all transfer pricing laws or requirements to which they are subject in all relevant jurisdictions and (ii) reporting requirements imposed on the Company or any of its Subsidiaries pursuant to Section 6050W of the Code. No "excess loss account" as defined in Treasury Regulations Section 1.1502- 19(a)(2) or similar intercompany stock account under any similar provision of U.S. state or local or foreign Law exists with respect to the Company or any of its Subsidiaries.

2.12 Benefit Plans.

(a) Section 2.12(a) of the Seller Disclosure Letter contains a true and complete list of each Benefit Plan.

(b) With respect to each Benefit Plan, the Company has made available to Buyer a true and complete current copy, including any amendments thereto (or, to the extent no such copy exists, a description of key terms) thereof and, to the extent applicable: (i) any related trust agreement, insurance contract or other funding arrangements currently in effect; (ii) the most recent IRS determination letter, or similar documentation for non-U.S. jurisdictions; (iii) the most recent summary plan description; (iv) for the most recent plan year (A) the most recent actuarial report and annual report on Form 5500 and attached schedules, or similar documentation for non-U.S. jurisdictions and (B) audited financial statements; and (v) all material non-routine communications with the IRS, Department of Labor or other Governmental Authority.

(c) Neither the Company nor any of its Subsidiaries nor any of their respective ERISA Affiliates contributes to or is obligated to contribute to, or within the past six (6) years contributed to or was obligated to contribute to, nor has any Liability under, any "multiemployer plan" as defined in Section 3(37) of ERISA (a "Multiemployer Plan"). Neither the Company nor any of its Subsidiaries contributes to or is required to contribute to a "multiple employer plan" within the meaning of section 4063 or 4064 of ERISA.

(d) (i) Each Benefit Plan has been established, operated, maintained, funded and administered in accordance with its terms, and in compliance with the applicable provisions of ERISA, the Code and other applicable Laws, except as would not, individually or in the aggregate, reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole; (ii) all contributions and premiums required to have been paid by the Company or any of its Subsidiaries to or by the terms of any Benefit Plan or its related trust, insurance contract or other funding arrangement,

or pursuant to any applicable Law have been paid in all material respects within the time prescribed by any such Benefit Plan or applicable Law; (iii) each Benefit Plan that is intended to be qualified within the meaning of Code Section 401(a) is so qualified; and (iv) all amendments and actions required to bring each Benefit Plan into conformity in all material respects with applicable provisions of all applicable Laws, including ERISA and the Code, have been made or taken.

(e) Neither the Company nor any of its Subsidiaries has any obligation or commitment to "gross up" or otherwise compensate, indemnify or reimburse any Person with respect to Taxes under Section 409A or 4999 of the Code or any similar provision under applicable local Law.

(f) None of the Benefit Plans are subject to Title IV of ERISA and neither the Company nor any of its Subsidiaries has in the past six (6) years sponsored, maintained or contributed to, any pension plan subject to Title IV of ERISA. Neither the Company nor any of its Subsidiaries has incurred or would reasonably be expected to incur, including on account of an ERISA Affiliate, Liability to the Pension Benefit Guarantee Corporation or otherwise under Title IV of ERISA (including any withdrawal Liability).

(g) None of the Benefit Plans provide benefits to employees located outside the United States.

(h) With respect to any Benefit Plan, no Actions (other than routine claims for benefits in the ordinary course) are pending or, to the knowledge of the Company, threatened in writing, except, in each case, as would not, individually or in the aggregate, reasonably result in material Liability to the Company and its Subsidiaries, taken as a whole, and to the knowledge of the Company, no fact or circumstances exist that would reasonably be expected to give rise to any such Action.

(i) Neither the Company nor any of its Subsidiaries has any Liability in respect of post-retirement health, medical or life insurance benefits for retired, former or current employees of the Company or any of its Subsidiaries except as required to avoid the excise tax under Section 4980B of the Code or other applicable Law.

(j) Each Benefit Plan that is a "nonqualified deferred compensation plan" as defined in Section 409A(d)(1) of the Code and that is subject to (and not exempt from) the requirements of Section 409A(a)(2) of the Code, has been maintained in good faith material compliance in all material respects with the requirements of Section 409A(a)(2) of the Code and all applicable IRS and U.S. Treasury Department guidance issued thereunder in both operation and documentation.

(k) Except as set forth in Section 2.12(k) of the Seller Disclosure Letter, none of the execution, delivery or performance of this Agreement or the transactions contemplated by this Agreement (whether alone or in conjunction with any other event, including any termination of employment on or following the date hereof) (i) entitles any current or former employee, officer, director or independent contractor of the Company or any of its Subsidiaries to any transaction or retention bonuses, severance pay, unemployment compensation or any other payment or benefit, (ii) accelerates the time of payment or vesting, enhances or increases the amount or type of compensation or benefits due or that may become due to any such individual or require any contributions or payments to fund any obligations under any Benefit Plan, (iii) requires any contributions or payments to fund any obligations under any Benefit Plan, or causes the Company or any of its Subsidiaries to transfer or set aside any assets to fund any Benefit Plan, (iv) limits or restricts the right to amend, terminate or transfer the assets of any Benefit Plan, (v) results in any forgiveness of indebtedness under any Benefit Plan or (vi) causes any payment or benefit to fail to be deductible for federal income tax purposes by virtue of Section 280G of the Code; provided that the foregoing shall not apply to any new arrangements entered into by or at the direction of Buyer.

2.13 Labor Relations.

(a) Except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, (i) neither the Company nor any of its Subsidiaries is experiencing, or in the past three (3) years has experienced, any work stoppage, labor strike, slowdown, union organizing activity, picketing or other material labor dispute or claim of unfair labor practices and, to the knowledge of the Company, no such activity is threatened, (ii) the Company and each of its Subsidiaries are in compliance with all applicable Laws respecting employment, termination of employment, employment practices, and terms and conditions of employment, including wages, hours, equal opportunity, withholding of Taxes, employment discrimination and practices, retaliation, occupational health and safety, workers' compensation, immigration, classification of workers and collective bargaining, and are not engaged in any unfair labor practice, (iii) there is no and there has not been, in the past three (3) years, any unfair labor practice charge or complaint against the Company or any of its Subsidiaries pending, or to the knowledge of the Company, threatened, before the National Labor Relations Board or any other Governmental Authority, (iv) no individual who has performed services for the Company or any of its Subsidiaries has been improperly excluded from participation in any Benefit Plan and (v) each current service provider compensated as an independent contractor or as an exempt or nonexempt employee of the Company or any of its Subsidiaries is and at all times has been properly characterized as such based on the applicable standards under applicable Laws.

(b) Except as set forth in Section 2.13(b) of the Seller Disclosure Letter, neither the Company nor any of its Subsidiaries is a party to or bound by any collective bargaining agreement or relationship with any labor organization.

(c) Except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, there is no pending or, to the knowledge of the Company, threatened, claim or Action against the Company or any of its Subsidiaries with respect to allegations of sexual harassment or sexual misconduct, and except as set forth in Section 2.13(c) of the Seller Disclosure Letter, during the past three (3) years (i) to the knowledge of the Company, there have been no reported internal or external written complaints accusing any supervisory or managerial employee of the Company or any of its Subsidiaries of sexual harassment or sexual misconduct and (ii) to the knowledge of the Company, there has been no settlement of, or payment arising out of or related to, any claim or Action with respect to sexual harassment or sexual misconduct.

2.14 Environmental Matters. Except as set forth in Section 2.14 of the Seller Disclosure Letter:

(a) the Company and its Subsidiaries are, and since January 1, 2018, have been, in compliance in all material respects with all applicable Environmental Laws;

(b) the Company and its Subsidiaries, as applicable, have obtained and are in compliance in all material respects with all Permits required under applicable Environmental Laws for the conduct of the Business. All such Permits are in full force and effect, and neither the Company nor any of its Subsidiaries has received any written notice from any Governmental Authorities relating to the revocation or modification of any such Permit;

(c) there are no material Actions pursuant to any Environmental Law pending or, to the knowledge of the Company, threatened, against the Company or any of its Subsidiaries;

(d) there has been no Release of Hazardous Materials at, on, under or from any real property currently or formerly owned, leased or used by the Company or any of its Subsidiaries in a manner or condition that has resulted or would reasonably be expected to result in a material Liability to the Company or any of its Subsidiaries; and

(e) copies of all material environmental reports, studies and analyses prepared in the past five years and in the possession, custody or reasonable control of the Company or any of its Subsidiaries that relate to properties or assets currently or formerly used in connection with the Business or owned or leased by Seller or the Company or any of its Subsidiaries have been made available to Buyer.

2.15 Insurance. Section 2.15 of the Seller Disclosure Letter contains a true and complete list of all material insurance policies (the "Insurance Policies") maintained with respect to the properties, assets or businesses of the Company and its Subsidiaries, including any policies of Seller or its Subsidiaries under which the Company is covered. As of the date hereof, the Insurance Policies are valid and binding and in full force and effect, except to the extent that the enforceability thereof may be limited by the Equitable Exceptions, and the Company and each of its Subsidiaries has paid in full all premiums due and payable thereon and otherwise complied in all material respects with the terms and conditions of such policies. As of the date hereof, neither the Company nor any of its Subsidiaries is in material default regarding its respective obligations under any Insurance Policy or has received a written notice of cancellation, termination or non-renewal of, or material reduction or denial of coverage with respect to, any Insurance Policy (other than customary reservation of rights letters). There are no material claims by the Company or any of its Subsidiaries pending under any Insurance Policy for which the Company believes it is entitled to coverage and as to which coverage has been questioned, denied or disputed in writing by the underwriters of such policies (other than customary reservation of rights letters).

2.16 Real Property. Section 2.16 of the Seller Disclosure Letter contains a true and complete list of (a) each parcel of real property owned by the Company or any of its Subsidiaries (including the address thereof) (the "Owned Real Property") and (b) all leases, subleases, licenses and occupancy agreements (the "Leases") pertaining to real property used or occupied by the Company or any of its Subsidiaries (including the address thereof) (the "Leased Real Property", together with the Owned Real Property, the "Real Property"). True, correct and complete copies of all Leases have been made available to Buyer. The Company or one of its Subsidiaries has good, valid and marketable fee simple title to the Owned Real Property and a valid and existing leasehold or subleasehold interest in, or otherwise good, valid and existing right to use, the Leased Real Property, in each case, subject only to Permitted Liens. To the knowledge of the Company there is no pending special assessment or reassessment of the Owned Real Property that would result in a material increase in property Taxes or other charges payable by the Company or any of its Subsidiaries that is not reflected in the Financial Statements. There are no outstanding options, rights of first offer or rights of first refusal affecting any Owned Real Property, or obligations by the Company or any of its Subsidiaries to sell, lease, sublease, assign or dispose of, such Owned Real Property or any portion thereof or interest therein. As of the date hereof, neither the Company nor any of its Subsidiaries has delivered or received written notice that it is in material breach or default under any Lease and, to the knowledge of the Company, there does not exist any event which, with or without notice or lapse of time or both, would constitute such a material breach or default by the Company or any of its Subsidiaries under any Lease, in each case except for such breaches and defaults as to which requisite waivers or consents have been obtained. The Owned Real Property, including all buildings, structures, improvements, fixtures, building systems therein, is in good operating condition and repair, normal wear and tear excepted, is free of any known latent defects. The Real Property is adequate and suitable for the operation of the business of the Company and its Subsidiaries. The construction of the improvements (including, without limitation, the Company's headquarters building and all associated ancillary structures and parking) on the Owned Real Property has been substantially completed in accordance with all applicable Laws and Permits.

2.17 Affiliate Transactions; Intercompany Balances. Except for as disclosed in Section 2.17(a) of the Seller Disclosure Letter, neither the Company nor any of its Subsidiaries is a party to any agreement or arrangement with, or involving the making of any payment or transfer of assets to, (a) Seller or any of its Affiliates (other than the Company and its Subsidiaries), (b) to the knowledge of Seller, any director or officer of Seller or any of its Subsidiaries (including the Company and its Subsidiaries), other than agreements or arrangements entered into in the ordinary course of business consistent with past practice relating to any such individual's employment or services as a director or officer, or (c) the Slim Family (as defined in the Seller's annual report on Form 20-F for the fiscal year ended December 31, 2019 filed with the SEC) (each, an "Affiliate Transaction"). Section 2.17(b) of the Seller Disclosure Letter lists all balances outstanding as of December 31, 2019 between Seller, on the one hand, and the Company or any of its Subsidiaries, on the other hand, or between the Company, on the one hand, and any of its Subsidiaries, on the other hand, or between any Subsidiaries of the Company.

2.18 Absence of Changes. During the period from the Balance Sheet Date to the date hereof, (a) there has been no Material Adverse Effect, (b) the Company and each of its Subsidiaries have operated in all material respects in the ordinary course of business consistent with past practice and (c) none of Seller, the Company or any of their respective Subsidiaries has taken any action that would have been prohibited by Section 5.1 (other than clauses (d), (j), (k) and (v) and, to the extent related to the foregoing, (bb) thereof, and, in the case of clause (n), only to the extent such action would reasonably be expected to increase Tax in a Post-Closing Tax Period), had such Section 5.1 been applicable during such period.

2.19 Brokers. Except as set forth in Section 2.19 of the Seller Disclosure Letter, no broker, finder or similar intermediary has acted for or on behalf of the Company or any of its Subsidiaries in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or other commission in connection therewith or for which Buyer could become liable based on any agreement with the Company or any of its Subsidiaries or any action taken by them.

2.20 Title to and Sufficiency of Assets.

(a) The Company or one of its Subsidiaries has good and valid title to, or a valid leasehold interest in, or a valid license to, all of the material tangible assets reflected in the Financial Statements as of the Balance Sheet Date, except for assets sold or otherwise disposed of in the ordinary course of business since the Balance Sheet Date, free and clear of all Liens except Permitted Liens. As of the date hereof, the material tangible assets of the Company (i) are suitable for the purposes for which they are being used and (ii) are in good operating condition and repair, ordinary wear and tear excepted.

(b) Assuming the retention of employees of the Company and its Subsidiaries following the Closing, the assets (real and personal, tangible and intangible, including all Intellectual Property), rights and properties of the Company and its Subsidiaries (including, for the avoidance of doubt, Intellectual Property licensed to the Company and its Subsidiaries, or, with respect to immaterial use, that the Company and its Subsidiaries otherwise have the right to use) include all assets, rights and properties necessary and sufficient for the continued conduct of the Business by the Company and its Subsidiaries after the Closing in substantially the same manner in all material respects as conducted as of the Balance Sheet Date and as of the date hereof, in each case except for any of the contracts set forth in Section 2.20(b) of the Seller Disclosure Letter (the "Specified Shared Contracts"), the arrangements set forth in Section 2.17(a) of the Seller Disclosure Letter and the Treasury Services.

2.21 Principal Suppliers and Principal Distributors.

(a) Section 2.21(a) of the Seller Disclosure Letter sets forth a complete and accurate list of (i) the ten (10) largest suppliers of the Company and its Subsidiaries based on the consolidated cost of goods and services paid to such Persons by the Company and its Subsidiaries for the calendar year ended December 31, 2019 (each, a "Principal Supplier") and (ii) with respect to each Principal Supplier, the aggregate amounts paid by the Company and its Subsidiaries to each such Principal Supplier for the calendar year ended December 31, 2019. Neither the Company nor any of its Subsidiaries has received any written notice from any Principal Supplier indicating that any such Person is ceasing, will cease or plans to cease dealing with the Company or any of its Subsidiaries.

(b) Section 2.21(b) of the Seller Disclosure Letter sets forth a complete and accurate list of (i) the ten (10) largest agents, dealers, resellers or other distributors of the Company and its Subsidiaries based on the consolidated revenue paid to such Persons by the Company and its Subsidiaries for the calendar year ended December 31, 2019 (each, a "Principal Distributor") and (ii) with respect to each Principal Distributor, the aggregate amounts paid by each such Principal Distributor for the calendar year ended December 31, 2019. Neither the Company nor any of its Subsidiaries has received any written notice from any Principal Distributor indicating that any such Person is ceasing, will cease or plans to cease dealing with the Company or any of its Subsidiaries.

(c) No Principal Supplier or Principal Distributor has given any written notice that such Principal Supplier or Principal Distributor, as applicable, intends, or to the knowledge of the Company, has otherwise threatened in writing, to terminate its business with respect to the Company or any of its Subsidiaries or to materially reduce the volume of business transacted with the Company or any of its Subsidiaries.

2.22 Anti-Corruption, Sanctions, Export Control Laws and Anti-Money Laundering.

(a) For five (5) years prior to the date hereof, (i) none of the Company, any of its Subsidiaries or any director, officer, or, to the knowledge of the Company, employee or agent acting for or on behalf of the Company or any of its Subsidiaries has directly or indirectly violated the U.S. Foreign Corrupt Practices Act of 1977, as amended, (the "FCPA") or made a material violation of any other applicable anti-bribery or anticorruption Law, including the UK Bribery Act 2010 (all such Laws, "Anticorruption Laws"), and (ii) neither the Company nor any of its Subsidiaries has received any written notice alleging any such violation of any Anticorruption Law.

(b) None of the Company, its Subsidiaries, nor any director or officer of the Company or its Subsidiaries is a Person with whom dealings are prohibited under the economic sanctions administered by the U.S. Department of the Treasury, Her Majesty's Treasury of the United Kingdom, or the European Union or any of its member states, or the United Nations ("Sanctions"), whether as a result of the specific designation of that person or entity, its ownership or control, the jurisdiction in which it is located, organized, or resident, or otherwise.

(c) The Company and its Subsidiaries are in material compliance with, and at all times within the past five (5) years prior to the date hereof have been in material compliance with, and have not engaged in any conduct sanctionable under, any applicable Sanctions, and, to the knowledge of the Company, there are not now, nor have there been within the past five years, any formal or informal proceedings, allegations, investigations, or inquiries pending, expected or threatened against the Company, its Subsidiaries or any of their respective directors, officers or employees concerning violations or potential violations of, or conduct sanctionable under, any Sanctions.

(d) For five (5) years prior to the date hereof, neither the Company nor its Subsidiaries has exported, reexported, or retransferred any article, item, component, software, technology, service or technical data or taken any other act in material violation of any applicable export control Laws, including the International Traffic in Arms Regulations and the Export Administration Regulations (the "Export Control Laws").

(e) For five (5) years prior to the date hereof, neither the Company nor its Subsidiaries have violated in any material respect (i) the PATRIOT Act, (ii) the U.S. Money Laundering Control Act of 1986, as amended, (iii) the Bank Secrecy Act, (iv) Laundering of Monetary Instruments, (v) Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, (vi) the Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations or (vii) any other applicable money laundering or financial recordkeeping Laws (collectively, the "AML Laws").

(f) Neither the Company nor any of its Subsidiaries own, lease or purchase any equipment, services or systems directly from Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, Dahua Technology Company, China Telecom Americas, Pacific Networks Corp, ComNet or Pacific Light Cable Network.

2.23 IT Systems; Data Security and Privacy.

(a) The IT Systems, in each case, to the extent owned, operated by or under the control of the Company or its Subsidiaries (i) are in good repair and operating condition and are adequate and suitable (including with respect to working condition, performance and capacity) for the purposes for which they are being used, except, in each case, as would not be material to the Company or its Subsidiaries and (ii) do not contain any Malware that would reasonably be expected to interfere with the ability of the Company or any of its Subsidiaries to conduct its business or present a material risk of unauthorized access, disclosure, use, corruption, destruction or loss of any Personal Information or other non-public information. The Company and its Subsidiaries maintain operating procedures and documentation needed for the operation of the IT Systems operated by them in the ordinary course of business.

(b) The Company and its Subsidiaries (i) have implemented, maintain, and comply with commercially reasonable technical, organizational and administrative security measures and policies, including written information security, business continuity and backup and disaster recovery plans and procedures that are consistent with applicable Laws, and (ii) have taken commercially reasonable steps to assess and test such plans and procedures on no less than an annual basis, and such plans and procedures have been proven effective upon such testing in all material respects. Since January 1, 2018, (x) there has been no failure, breakdown, persistent substandard performance affecting any of the IT Systems, in each case, to the extent owned, operated by or under the control of the Company or its Subsidiaries, and (y) neither the Company nor any of its Subsidiaries has been notified by any third party (including pursuant to an audit of the Company or any of its Subsidiaries by such third party) of, nor to the knowledge of the Company has there been any data security, information security or other breach or unauthorized access or use or technological deficiency with respect to such IT Systems, in each case of clauses (x) and (y) above, that has caused or could reasonably be expected to cause any material disruption to the operations of the Company and its Subsidiaries or present a material risk of unauthorized access, disclosure, use, corruption, destruction or loss of any Personal Information or other non-public information.

(c) Since January 1, 2018, the Company and its Subsidiaries have implemented, maintained and materially complied with their own privacy policies and procedures and materially complied with any and all applicable Laws, contractual requirements, terms of use and industry standards with which they are required to comply (including the Payment Card Industry Security Standards (PCI-DSS)), in each case to the extent applicable to their collection, retention, storage, protection, security, use, disclosure, distribution, transmission, maintenance and disposal (collectively, "Use") of Personal Information (collectively, "Data Privacy and Security Requirements").

(d) From January 1, 2018 to the date hereof, neither the Company nor any of its Subsidiaries, nor, to the knowledge of the Company, any third party working on behalf of any of them, has received any written claims, notices or complaints, regarding the Company's or any of its Subsidiaries' or (to the extent relating to work on behalf of the Company or its Subsidiaries) such third party's Use of any Personal Information, or alleging a violation of any Data Privacy and Security Requirements, including from the Federal Trade Commission, any similar foreign bodies, or any other Governmental Authority. Neither this Agreement nor the transactions contemplated by this Agreement will violate the privacy policies of the Company or any of its Subsidiaries as they currently exist. Since January 1, 2018, there has been no material unauthorized access to Personal Information maintained by or on behalf of the Company or any of its Subsidiaries.

(e) The Company and its Subsidiaries have cybersecurity and data breach insurance in respect of the IT Systems, in each case, to the extent owned, operated by or under the control of the Company or its Subsidiaries and Personal Information and other non-public information stored therein.

Article III

REPRESENTATIONS AND WARRANTIES REGARDING SELLER AND HOLDCO

Except as set forth in the Seller Disclosure Letter, each of Seller and Holdco represents and warrants to Buyer with respect to itself as of the date of this Agreement and as of the Closing Date (except in the case of representations and warranties which by their terms speak only as of a specific date or dates, which representations and warranties shall be true and correct as of such date or dates) as follows:

3.1 Organization. Seller is a *Sociedad Anónima Bursátil de Capital Variable* and is validly existing and duly formed under the laws of Mexico. Holdco is a *Sociedad Anónima de Capital Variable* and is validly existing and duly formed under the laws of Mexico.

3.2 Binding Obligations. Each of Seller, Holdco and any of their respective Subsidiaries that is or will be a party to any Transaction Document has all requisite authority and power to execute, deliver and perform the Transaction Documents to which it is or will be a party and to consummate the transactions contemplated thereby. The execution, delivery and performance by each of Seller, Holdco and any of their respective Subsidiaries of the Transaction Documents to which it is or will be a party and the consummation by Seller, Holdco or such Subsidiaries of the transactions contemplated thereby have been (or with respect to Transaction Documents to be entered into after the date hereof, will be) duly and validly authorized by all necessary action on the part of Seller, Holdco or such Subsidiaries and no other proceedings on the part of Seller, Holdco or such Subsidiaries are necessary to authorize the execution, delivery and performance by Seller, Holdco or such Subsidiaries of the Transaction Documents to which Seller, Holdco or any of their respective Subsidiaries is a party and the consummation by Seller, Holdco or such Subsidiaries of the transactions contemplated thereby. This Agreement has been, and, at the Closing, each other Transaction Document to which Seller, Holdco or any of their respective Subsidiaries is or will be a party shall be, duly executed and delivered by Seller, Holdco and such Subsidiaries, as applicable, and, assuming that the Transaction Documents constitute the legal, valid and binding obligations of each other party, shall, when so executed and delivered, constitute the legal, valid and binding obligations of Seller, Holdco and such Subsidiaries, enforceable against Seller, Holdco and such Subsidiaries in accordance with its terms, except to the extent that the enforceability thereof may be limited by the Equitable Exceptions. References to Subsidiaries in this Section 3.2 shall not include the Company and its Subsidiaries.

3.3 No Defaults or Conflicts. The execution, delivery and performance of this Agreement and each other Transaction Document to which Seller, Holdco or any of their respective Subsidiaries is or will be a party, and the consummation by Seller, Holdco or such Subsidiaries of the transactions contemplated hereby and thereby (a) do not constitute a breach of, conflict with or result in any violation of any of the Organizational Documents of Seller or Holdco, (b) except as set forth in Section 3.3 of the Seller Disclosure Letter, with or without notice or lapse of time or both, do not conflict with, or result in a breach or violation of any of the terms or provisions of, constitute a default under, result in the termination (or right of termination), cancellation, modification, creation or acceleration of any right under, require any consent or notice under, or result in the creation of any Lien (other than a Permitted Lien) upon any of the properties, assets or rights of Seller, Holdco or any of their respective Subsidiaries under, any material Contract to which Seller, Holdco or any of their respective Subsidiaries is a party or by which Seller, Holdco or any such Subsidiary is bound or to which the properties of Seller, Holdco or any of their respective Subsidiaries are subject and (c) do not violate any existing applicable Law, judgment, order or decree of any Governmental Authority having jurisdiction over Seller, Holdco, any of their respective Subsidiaries or any of their respective properties; except, in each case of clauses (b) and (c) above, as would not, individually or in the aggregate, materially impair or delay the ability of Seller or Holdco to consummate the transactions contemplated by this Agreement. References to Subsidiaries in this Section 3.3 shall not include the Company and its Subsidiaries.

3.4 The Shares. Holdco is the record owner of all of the issued and outstanding Shares. Holdco has good and valid title to the Shares, free and clear of all Liens, except Liens on transfer imposed under applicable securities Laws and the Organizational Documents of the Company. Upon sale of the Shares to Buyer at the Closing, and upon receipt of the Closing Stock Consideration, if any, and the Estimated Closing Cash Consideration pursuant to Section 1.5, good and valid title to the Shares shall pass to Buyer, free and clear of any Liens, other than Liens on transfer imposed under applicable securities Laws and Liens imposed by Buyer. Neither Seller nor Holdco is party to or bound by any agreements or understandings relating to the issuance, sale, redemption, transfer or other disposition of capital stock of, or other equity interests in, the Company or any of its Subsidiaries. Neither Seller nor Holdco is party to or bound by any voting trusts or other agreements or understandings with respect to the voting of the capital stock of, or other equity interests in, the Company or any of its Subsidiaries.

3.5 Litigation. As of the date hereof:

(a) there are no Actions pending or, to the knowledge of Seller, threatened against Seller, Holdco or any of their respective assets, properties or rights which seek to prevent Seller or Holdco from consummating the transactions contemplated by this Agreement or which, if determined adversely to Seller or Holdco, would, individually or in the aggregate, reasonably be expected to materially and adversely affect the ability of Seller or Holdco to consummate the transactions contemplated by this Agreement; and

(b) neither Seller nor Holdco is subject to any unsatisfied order, judgment, injunction, ruling, decision, award, stipulation, writ or decree of, or to any settlement agreement or similar written agreement that, individually or in the aggregate, would reasonably be expected to materially and adversely affect the ability of Seller or Holdco to consummate the transactions contemplated by this Agreement.

3.6 Brokers. Except as set forth in Section 3.6 of the Seller Disclosure Letter, no broker, finder or similar intermediary has acted for or on behalf of Seller or any of its Affiliates in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker’s, finder’s or similar fee or other commission from Seller, Holdco, the Company or any of their respective Subsidiaries in connection therewith for which Buyer could become liable based on any agreement with Seller, Holdco or any of their respective Subsidiaries or any action taken by them.

3.7 Closing Stock Consideration. Each of Seller and Holdco acknowledges that the issuance and delivery of the Buyer Common Stock as the Closing Stock Consideration hereunder from Buyer to Seller or its designee has not been registered under the Securities Act or any state securities Laws, and that the Buyer Common Stock may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise

disposed of absent an effective registration statement under the Securities Act, except pursuant to an exemption from the Securities Act or in a transaction not subject thereto. Each of Seller and Holdco acknowledges that the Buyer Common Stock will be uncertificated, and that Seller's ownership of the Buyer Common Stock will be confirmed by Buyer's transfer agent and will be subject to a customary Securities Act legend restricting transfer of such shares until such shares have been registered pursuant to a registration statement that has become or been declared effective under the Securities Act or sold pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act. Each of Seller and Holdco agrees that prior to the removal of such restrictive legend, Buyer and its transfer agent reserve the right to require the delivery of such legal opinions, certifications or other evidence as may reasonably be required in order to determine that the removal of such legend is being made in compliance with the Securities Act and applicable state securities Laws.

3.8 Independent Investigation; Exclusivity of Representations.

(a) Seller has conducted its own independent investigation, review and analysis of, and reached its own independent conclusions regarding, the business, operations, assets, condition (financial or otherwise) and prospects of Buyer and its Subsidiaries and the business of Buyer and its Subsidiaries. In entering into this Agreement, Seller acknowledges that it has relied solely upon its own investigation, review and analysis and has not relied on and is not relying on any representation, warranty or other statement (whether written or oral) made by, on behalf of or relating to Buyer and its Subsidiaries and the business of Buyer and its Subsidiaries, except for the representations and warranties expressly set forth in Article IV of this Agreement or in the certificate contemplated by Section 6.3(c) or in any Transaction Document (and, with respect to such representations and warranties, subject to any limitations included in this Agreement.

(b) Seller acknowledges and agrees that (i) other than the representations and warranties expressly set forth in Article IV of this Agreement or in the certificate contemplated by Section 6.3(c), neither Buyer nor any other Person has made or makes any other representation or warranty, written or oral, express or implied, at law or in equity, with respect to Buyer and its Subsidiaries or the business of Buyer and its Subsidiaries, including any representation or warranty as to (A) value, merchantability or fitness for a particular use or purpose or for ordinary purposes, (B) the operation or probable success or profitability of Buyer and its Subsidiaries or the business of Buyer and its Subsidiaries following the Closing or (C) the accuracy or completeness of any information regarding Buyer and its Subsidiaries or the business of Buyer and its Subsidiaries made available or otherwise provided to Seller and its Representatives in connection with this Agreement or their investigation of Buyer and its Subsidiaries or the business of Buyer and its Subsidiaries (including any estimates, forecasts, budgets,

projections or other financial information with respect to Buyer and its Subsidiaries or the business of Buyer and its Subsidiaries), and (ii) Seller will have no right or remedy (and Buyer will have no Liability whatsoever) arising out of, and Seller expressly disclaims any reliance upon, any representation, warranty or other statement (whether written or oral) made by, on behalf of or relating to Buyer and its Subsidiaries or the business of Buyer and its Subsidiaries, including in any information regarding Buyer or its Subsidiaries or the business of the Buyer and its Subsidiaries made available or otherwise provided to Seller and its Representatives in connection with this Agreement or their investigation of Buyer and its Subsidiaries or the business of Buyer and its Subsidiaries (including any estimates, forecasts, budgets, projections or other financial information with respect Buyer and its Subsidiaries or the business of Buyer and its Subsidiaries and any information disclosed in any virtual data room), or any errors therein or omissions therefrom, other than the representations and warranties expressly set forth in Article IV of this Agreement.

Article IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to the Company, Holdco and Seller as of the date of this Agreement and as of the Closing Date (except in the case of representations and warranties which by their terms speak only as of a specific date or dates, which representations and warranties shall be true and correct as of such date or dates) as follows:

4.1 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware with requisite corporate power and authority to own, lease and operate its assets, properties and rights and to carry on its business in all material respects as presently owned or conducted, except where the failure to be so organized, existing and in good standing or to have such power or authority would not reasonably be expected, individually or in the aggregate, to materially impair or delay Buyer's ability to consummate the transactions contemplated hereby.

4.2 Binding Obligation. Buyer and any of its Subsidiaries that is or will be a party to any Transaction Document has all requisite authority and power to execute, deliver and perform the Transaction Documents to which it is or will be a party and to consummate the transactions contemplated thereby. The execution, delivery and performance by Buyer or any of its Subsidiaries of the Transaction Documents to which it is or will be a party and the consummation by Buyer or such Subsidiaries of the transactions contemplated thereby have been (or with respect to Transaction Documents to be entered into after the date hereof, will be) duly and validly authorized by all necessary action on the part of Buyer or such Subsidiaries and no other proceedings on the part of Buyer or such Subsidiaries are necessary to authorize the execution, delivery

and performance by Buyer or any of its Subsidiaries of the Transaction Documents to which Buyer or such Subsidiaries is a party and the consummation by Buyer of the transactions contemplated thereby. This Agreement has been, and, at the Closing, each other Transaction Document to which Buyer or any of its Subsidiaries is or will be a party shall be, duly executed and delivered by Buyer or such Subsidiaries, as applicable, and, assuming that the Transaction Documents constitute the legal, valid and binding obligations of each other party, shall, when so executed and delivered, constitute the legal, valid and binding obligations of Buyer and such Subsidiaries enforceable against Buyer or such Subsidiaries in accordance with its terms, except to the extent that the enforceability thereof may be limited by the Equitable Exceptions.

4.3 No Defaults or Conflicts. The execution, delivery and performance of this Agreement and each other Transaction Document to which Buyer or any of its Subsidiaries is or will be a party, and the consummation by Buyer or such Subsidiaries of the transactions contemplated hereby and thereby (a) do not constitute a breach of, conflict with or result in any violation of any of the Organizational Documents of Buyer or any of its Subsidiaries, (b) except as set forth in Section 4.3 of the Buyer Disclosure Letter, with or without notice or lapse of time or both, do not conflict with, or result in a breach or violation of any of the terms or provisions of, constitute a default under, result in the termination (or right of termination), cancellation, modification, creation or acceleration of any right under, require any consent or notice under, or result in the creation of any Lien (other than a Permitted Lien) upon any of the properties, assets or rights of Buyer or any of its Subsidiaries under, any material Contract or material Permit to which Buyer or its Subsidiary is a party or by which Buyer or any such Subsidiary is bound or to which the properties of Buyer or any of its Subsidiaries are subject and (c) do not violate any existing applicable Law, judgment, order or decree of any Governmental Authority having jurisdiction over Buyer or any of its Subsidiaries or any of their respective properties, except, in each case of clauses (b) and (c) above, as would not, individually or in the aggregate, materially impair or delay Buyer's ability to effect the transactions contemplated by this Agreement.

4.4 Governmental Authorizations. The execution, delivery and performance of this Agreement and each other Transaction Document to which Buyer or any of its Subsidiaries is or will be a party, and the consummation by Buyer or such Subsidiaries of the transactions contemplated hereby and thereby, do not require Buyer or any of its Subsidiaries to obtain any consents, approvals, authorizations, waivers, permits, licenses, grants, registrations, qualifications, certificates, franchises, variances, exemptions, orders or rights from, or make any registration, declaration or filing with, any Governmental Authority other than (a) compliance with any applicable requirements of applicable Antitrust Laws, (b) the filings and consents of the FCC set forth in Section 4.4 of the Buyer Disclosure Letter, (c) the filings with and consents of applicable State PUCs, if any, and (d) such other consents, approvals, authorizations, waivers, permits, licenses, grants, registrations, qualifications, certificates, franchises, variances, exemptions, orders or rights the absence of which would not, individually or in the aggregate, be reasonably likely to materially impair the ability of Buyer to consummate the transactions contemplated hereby or thereby.

4.5 Brokers. No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer or any of its Affiliates in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's, agent's or similar fee or other commission in connection therewith for which Seller or any of its Affiliates could become liable based on any agreement with Buyer or any of its Affiliates or any action taken by Buyer or any of its Affiliates.

4.6 Litigation. As of the date hereof:

(a) there are no Actions pending or, to the knowledge of Buyer, threatened against Buyer or any of Buyer's assets, properties or rights, which seek to prevent Buyer from consummating the transactions contemplated by this Agreement or which, if determined adversely to Buyer, would, individually or in the aggregate, reasonably be expected to materially and adversely affect Buyer's ability to consummate the transactions contemplated by this Agreement; and

(b) Buyer is not subject to any unsatisfied order, judgment, injunction, ruling, decision, award, stipulation, writ or decree of, or to any settlement agreement or similar written agreement that, individually or in the aggregate, would reasonably be expected to materially and adversely affect the ability of Buyer to consummate the transactions contemplated by this Agreement.

4.7 Investment Purpose. Buyer is purchasing the Shares for the purpose of investment and not with a view to, or for resale in connection with, the distribution thereof in violation of applicable federal, state or provincial securities Laws. Buyer acknowledges that the sale of the Shares hereunder has not been registered under the Securities Act or any state securities Laws, and that the Shares may not be sold, transferred, offered for sale, pledged, hypothecated, or otherwise disposed of without registration under the Securities Act, pursuant to an exemption from the Securities Act or in a transaction not subject thereto. Buyer represents that it is an "Accredited Investor" as that term is defined in Rule 501 of Regulation D of the Securities Act.

4.8 Financing. Buyer will have, as of the date it is required to effect the Closing, cash on hand and/or access to borrowing facilities sufficient to pay the Closing Cash Consideration and all related fees and expenses and any other amounts required to be paid by Buyer in connection with the consummation of the transactions contemplated by this Agreement. Buyer expressly acknowledges and agrees that its obligation to consummate the transactions contemplated by this Agreement is not subject to any condition or contingency with respect to any financing or funding by any third party.

4.9 SEC Reports and Financial Statements.

(a) Buyer has timely filed with, or furnished to, as applicable, the SEC all registration statements, prospectuses, reports, forms, statements and other documents required to be filed by Buyer since January 1, 2019 (together with all exhibits and schedules thereto and all information incorporated therein by reference, the "Buyer SEC Documents"). As of their respective effective dates (in the case of Buyer SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates, or if amended, as of the date of the last such amendment, with respect to the portions that are amended, the Buyer SEC Documents (i) complied in all material respects with the requirements of the Securities Act, the Exchange Act and the Sarbanes Act (to the extent then applicable) and (ii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Except as set forth in Section 4.9(a) of the Buyer Disclosure Letter, none of Buyer's Subsidiaries is, as of the date hereof, or has been since January 1, 2019, required to file or furnish any registration statements, prospectuses, reports, forms, statements (including financial statements) or other documents to the SEC. No executive officer of Buyer or any of its Subsidiaries has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes Act with respect to any Buyer SEC Documents. None of the Buyer SEC Documents is the subject of unresolved comments received from the SEC (whether orally or in writing) or is otherwise, to the knowledge of Buyer, the subject of ongoing SEC review.

(b) Each of the consolidated financial statements (including, in each case, any related notes thereto) contained in the Buyer SEC Documents, (i) complied, as of their respective dates of filing with the SEC, or if amended, as of the date of the last such amendment, in all material respects with the Securities Act, the Exchange Act and the Sarbanes Act and the published rules and regulations of the SEC with respect thereto, (ii) was prepared in accordance with GAAP applied on a consistent basis during the periods indicated (except as may be indicated in the notes thereto or, in the case of unaudited interim financial statements, as may be permitted by the SEC on Form 10-Q under the Exchange Act), (iii) fairly present in all material respects the consolidated financial position of Buyer and its Subsidiaries as of the respective dates thereof and the consolidated results of the operations and cash flows of Buyer and its Subsidiaries for the periods indicated and (iv) have been prepared from, and are in accordance with, the books and records of Buyer and its consolidated Subsidiaries, except, in each case of clauses (ii) and (iii) above, that the unaudited interim financial statements were or will be subject to normal and recurring year-end and quarter-end adjustments.

(c) Buyer is, and since January 1, 2019 has been, in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the NYSE.

(d) Buyer has devised and maintains systems of internal controls over financial reporting sufficient to provide reasonable assurances that (i) are reasonably designed to ensure that all material information required to be disclosed by Buyer in the reports that it files or furnishes under the Exchange Act is recorded, processed and summarized and reported in a timely fashion and (ii) all material transactions of Buyer and its Subsidiaries are recorded as necessary to permit the preparation of financial statements in conformity with GAAP consistently applied and to maintain proper accountability for items. Since June 30, 2018, none of Buyer or any member of its board of directors (or the audit committee thereof) has received any notification of any (A) significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting with respect to Buyer or any of its Subsidiaries or (B) any fraud that involves management or other employees of Buyer or any of its Subsidiaries who have a significant role in the internal controls over financial reporting of Buyer and its Subsidiaries.

4.10 Closing Stock Consideration. The shares of Buyer Common Stock issuable to Seller pursuant to this Agreement have been duly authorized and, if issued and delivered to Seller at the Closing in accordance with the terms of this Agreement, will have been validly issued, will be fully paid and non-assessable. Buyer will have valid title to, or a valid "security entitlement" within the meaning of Section 8-501 of the Delaware Uniform Commercial Code in respect of, the shares of Buyer Common Stock to be issued and delivered by Buyer to Seller on the Closing Date, free and clear of all Liens, other than Liens on transfer imposed under applicable securities Laws and Liens imposed by Seller, and the issuance thereof will not be subject to any preemptive rights. The issuance of the Closing Stock Consideration, if any, does not require the vote or approval of the stockholders of Buyer under the rules of the NYSE or the Organizational Documents of Buyer or applicable Law.

4.11 Independent Investigation; Exclusivity of Representations.

(a) Buyer has conducted its own independent investigation, review and analysis of, and reached its own independent conclusions regarding, the business, operations, assets, condition (financial or otherwise) and prospects of the Company and its Subsidiaries and the business of the Company and its Subsidiaries. In entering into this Agreement, Buyer acknowledges that it has relied solely upon its own investigation, review and analysis and has not relied on and is not relying on any representation, warranty or other statement (whether written or oral) made by, on behalf of or relating to Seller, Holdco, the Company any Subsidiary of the Company or the business of the Company and its Subsidiaries except for the representations and warranties expressly set forth in Article II and Article III of this Agreement or in the certificate contemplated by Section 6.2(d) or in any Transaction Document (and, with respect to such representations and warranties, subject to any limitations included in this Agreement).

(b) Buyer acknowledges and agrees that (i) other than the representations and warranties expressly set forth in Article II and Article III or in the certificate contemplated by Section 6.2(d) of this Agreement, none of Seller, Holdco, the Company or any Subsidiary of the Company or any other Person has made or makes any other representation or warranty, written or oral, express or implied, at law or in equity, with respect to Seller, Holdco, the Company, their respective Subsidiaries or the business of the Company and its Subsidiaries, including any representation or warranty as to (A) value, merchantability or fitness for a particular use or purpose or for ordinary purposes, (B) the operation or probable success or profitability of the Company and its Subsidiaries or the business of the Company and its Subsidiaries following the Closing or (C) the accuracy or completeness of any information regarding the Company and its Subsidiaries or the business of the Company and its Subsidiaries made available or otherwise provided to Buyer and its Representatives in connection with this Agreement or their investigation of the Company and its Subsidiaries or the business of the Company and its Subsidiaries (including any estimates, forecasts, budgets, projections or other financial information with respect to the Company and its Subsidiaries or the business of the Company and its Subsidiaries), and (ii) Buyer will have no right or remedy (and Seller, Holdco and the Company will have no Liability whatsoever) arising out of, and Buyer expressly disclaims any reliance upon, any representation, warranty or other statement (whether written or oral) made by, on behalf of or relating to Seller, Holdco the Company, any Subsidiary or the business of the Company and its Subsidiaries, including in any information regarding the Company or its Subsidiaries or the business of the Company and its Subsidiaries made available or otherwise provided to Buyer and its Representatives in connection with this Agreement or their investigation of the Company and its Subsidiaries or the business of the Company and its Subsidiaries (including any estimates, forecasts, budgets, projections or other financial information with respect to the Company and its Subsidiaries or the business of the Company and its Subsidiaries and any information disclosed in any virtual data room), or any errors therein or omissions therefrom, other than the representations and warranties expressly set forth in Article II and Article III of this Agreement.

Article V

COVENANTS

5.1 Conduct of Business. Except (v) as expressly required by this Agreement, (w) as required by Law or the judgment, order or decree of any Governmental Authority applicable to Seller or any of its Subsidiaries or the assets, or operation of the business, of Seller or any of its Subsidiaries, (x) for reasonable, good faith actions (A) taken at the recommendation of, or based on the guidelines of, a Governmental Authority or (B)

reasonably designed to protect the health and safety of employees and service providers to the Company or its Subsidiaries, in each case taken in response to the Coronavirus Outbreak or any effects arising therefrom (provided that Seller or the Company shall give Buyer prior written notice to the extent reasonably practicable before taking any such action and shall consider in good faith the reasonable requests of Buyer with respect to any such action), (y) as otherwise set forth in Section 5.1 of the Seller Disclosure Letter or (z) with Buyer's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed), during the period from the date of this Agreement to the earlier of the Closing Date and the termination of this Agreement in accordance with Article VII, Seller shall conduct the Business in the ordinary course consistent with past practice and shall cause the Company and each of its Subsidiaries to conduct its business in the ordinary course consistent with past practice and use their respective commercially reasonable efforts to (i) preserve intact the business organizations, operations, assets, properties, rights and goodwill of the Business and the Company and each of its Subsidiaries, (ii) maintain the existing relationships of the Business and the Company and each of its Subsidiaries with commercial counterparties and Governmental Authorities and (iii) keep available the services of the present officers and significant employees of the Company and each of its Subsidiaries. Any request for consent pursuant to the preceding sentence or the following sentence shall be delivered by email to the individuals set forth in Section 5.1 of the Buyer Disclosure Letter. Without limiting the generality of the foregoing, except as (W) expressly required by this Agreement, (X) as required by Law or the judgment, order or decree of any Governmental Authority applicable to Seller or any of its Subsidiaries or the assets, or operation of the business, of Seller or any of its Subsidiaries, (Y) as otherwise set forth in Section 5.1 of the Seller Disclosure Letter or (Z) with Buyer's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed; provided that if Buyer withholds its consent with respect to a request for such consent from Seller or the Company, Seller or the Company shall have the right to refer such request to the Executives, who shall confer within five (5) Business Days of such referral being made and attempt to resolve any issues with respect to such request; provided, further, that a failure by Buyer to respond to a request from Seller or the Company for consent pursuant to Section 5.1(j) and 5.1(k) (other than with respect to any Material Contract set forth in clause (f) of the definition thereof) within five (5) Business Days of such request being made shall be deemed to be consent hereunder), during the period from the date of this Agreement to the earlier of the Closing and the termination of this Agreement in accordance with Article VII, Seller shall not (with respect to the Business) and shall cause the Company and each of its Subsidiaries not to:

(a) issue, sell, deliver, pledge, transfer, dispose of or encumber, or authorize the issuance, sale, delivery, pledge, transfer, disposition or encumbrance of equity securities of the Company or any of its Subsidiaries (including the Shares), or securities convertible into or exchangeable for any such equity securities, or any rights, warrants or options to acquire any such equity securities or other convertible securities of the Company or any of its Subsidiaries;

(b) redeem, repurchase, purchase or otherwise acquire any outstanding equity securities of the Company or any of its Subsidiaries;

(c) adopt, approve or consent to any amendment to the respective Organizational Documents of the Company or any of its Subsidiaries;

(d) declare or set aside any dividends or distributions (whether in cash or in kind) to be paid with respect to any equity interest in the Company or any of its Subsidiaries, other than any dividends to be paid in cash prior to the open of business on the Closing Date;

(e) (i) grant or announce any increase in the compensation, salaries or bonuses payable by the Company or any of its Subsidiaries to any current or former employee, director, officer or independent contractor of the Company or any of its Subsidiaries, other than (x) as required by Law or (y) increases in the ordinary course of business, including cost of living adjustments and merit increases, consistent with past practice that do not exceed five percent (5%) of any individual employee's annual base salary and which, in the aggregate with respect to each pay grade level, do not exceed four percent (4%) of the aggregate annual base salary for all employees of the Company or any of its Subsidiaries at such pay grade level, or (ii) grant, pay or increase any severance or termination pay to (or amend any such existing arrangement with) any current or former employee, director, officer or independent contractor other than (A) in accordance with the terms of any existing contractual arrangement or policies, practices and arrangements of the Company or any of its Subsidiaries in effect on the date hereof or (B) any such increase arising due to the promotion or hire of any employee after the date hereof that results from the application of the program described in Section 5.1 of the Seller Disclosure Letter to such employee in such position (e.g., an increase in severance arising from a promotion to a higher pay grade);

(f) (i) adopt, amend, modify, or terminate any Benefit Plan, including any agreement, plan or arrangement that would be a Benefit Plan if in effect on the date hereof, other than as required by applicable Law or the terms of the applicable Benefit Plan as in effect on the date hereof, (ii) accelerate the vesting or payment of, or funding or in any other way securing the payment, compensation or benefits under any Benefit Plan other than as required by Law or existing contractual arrangement, (iii) terminate any employee with an annual base salary of $200,000 or more, other than a termination for cause, or (iv) hire or promote any employee other than hires or promotions in the ordinary course of business consistent with past practice below pay grade level 15 with total annual cash compensation (base salary plus annual target bonus opportunity) below $250,000;

(g) except for (i) sales or licenses of assets in the ordinary course of business consistent with past practice, (ii) sales of inventory or (iii) sales of obsolete assets or assets with *de minimis* or no book value, sell, lease, transfer, license (other than to customers and service providers in the ordinary course of business consistent with past practice), assign, abandon or otherwise dispose of, create or incur any Lien (except any Permitted Lien) on, any property, assets or rights material to the Business;

(h) fail to maintain inventory at levels consistent with the ordinary course of business consistent with past practice;

(i) make any loans, advances or capital contributions to, or investments in, any Person, in excess of $5,000 individually or $200,000 in the aggregate, other than advances for travel and other normal business expenses to officers and employees in the ordinary course of business consistent with past practice;

(j) terminate, assign (other than to the Company or a Subsidiary of the Company), renew, extend, amend or modify in a manner materially adverse to the Company or its Subsidiaries (or, in the case of any Material Contract set forth in clause (b), (c), (d), (f) or (g) of the definition thereof, renew, extend, amend or modify in any manner), any Material Contract (provided that the references to $1,000,000 in clause (k) of the definition of Material Contract shall be deemed to be references to $5,000,000 for purposes of this Section 5.1(j));

(k) enter into or otherwise become subject to any Contract that would constitute a Material Contract set forth in clause (b), (c), (d), (e), (f), (g), (i), (j), (k), (m), (n), (q), (r), (s) or (v) of the definition thereof if entered into prior to the date hereof that will remain in effect (including, for the avoidance of doubt, any transition period or other continuing obligations) following the Closing, other than, in the case of any Contract that would constitute a Material Contract set forth in clause (g) or (i), such Contracts that are entered into in the ordinary course of business consistent with past practice; provided, in each case, that for purposes of this Section 5.1(k), (i) the references to $1,000,000 in clause (k) of the definition of Material Contract shall be deemed to be references to $5,000,000 and (ii) the reference to the twelve (12) calendar months ended December 31, 2019 in clause (g) of the definition of Material Contract shall be deemed to be a reference to any period of twelve (12) consecutive calendar months after the entry into such Contract;

(l) acquire any capital stock of, or material assets, properties or rights of, any business or Person, whether in a single transaction or in a series of related transactions, or enter into any new joint venture, strategic alliance, partnership or similar venture (other than strategic alliances for the development of distribution channels);

(m) make any material change in any method of accounting or any auditing or accounting practice or policy, other than those required by reason of a change in Law or GAAP or as disclosed in the Financial Statements or Accounting Principles;

(n) make or change any material Tax election, amend any Tax Return in respect of Material Taxes, make any change in any Tax accounting period, adopt or change any method of Tax accounting, file any claims for Material Tax refunds, file any claims for net operating or capital loss carrybacks, agree to any waiver or extension of the statute of limitations or the period of assessment or collection of any Material Taxes, enter into any closing agreement with respect to Material Taxes, settle any material Tax Contest or surrender any right to claim a Tax refund, offset or other reduction in Material Taxes; provided, however, that for purposes of this Section 5.1(n), no Tax election or Tax Contest shall be considered "material" unless such Tax election or Tax Contest relates to, or would reasonably be expected to result in, Material Taxes;

(o) except in connection with the settlement of intercompany balances, forgive, compromise, satisfy, pay, discharge, settle or cancel any third-party Debt owed to the Company or any of its Subsidiaries, or waive any claims or rights of value in favor of the Company or any of its Subsidiaries, in each case in excess of $500,000 individually or $5,000,000 in the aggregate;

(p) incur any Debt (other (x) than trade accounts payable and short-term working capital financing, in each case incurred in the ordinary course of business consistent with past practice, and (y) intercompany arrangements that will be terminated at or prior to the Closing) or guarantee the Debt of another Person, or issue or sell any debt securities or warrants or other rights to acquire any debt security of the Company or any of its Subsidiaries in an amount in excess of $50,000,000 in the aggregate;

(q) fail to satisfy when due any material Liability of the Company or any of its Subsidiaries (other than any such Liability that is being contested in good faith);

(r) make any commitments for capital expenditures in excess of $50,000,000 in any fiscal year (provided that the aggregate amount of all commitments for capital expenditures that continue after the Closing does not exceed $35,000,000), or fail in any fiscal year that ends prior to the Closing to make capital expenditures in the ordinary course of business consistent with past practice;

(s) acquire, transfer, sell, pledge, mortgage or otherwise encumber (other than by Permitted Liens) or dispose of any Owned Real Property or materially amend or modify any of the Leases, other than in the ordinary course of business consistent with past practice in connection with the renewal of Leases (or entry into new leases in the ordinary course of business consistent with past practice to replace any Leased Real Property for which the term of the applicable Lease is approaching termination) on terms not materially less favorable to the Company or its Subsidiaries than the applicable Lease in existence on the date hereof;

(t) settle any Action, other than settlements (i) that would (A) result in payment obligations of less than $2,000,000 individually or $25,000,000 in the aggregate and (B) not impose any restrictions or non-monetary obligations on Buyer or any of its Affiliates (including, after the Closing, the Company and its Subsidiaries) or their respective operations (other than any customary confidentiality, release and non-disparagement clauses) or (ii) (A) that relate to the matter set forth in Section 8.1(a)(vii) of the Seller Disclosure Letter and (B) do not impose any restrictions or obligations on Buyer or any of its Affiliates (including, after the Closing, the Company and its Subsidiaries) or their respective operations (other than any customary confidentiality, release or non-disparagement obligations);

(u) merge or consolidate with any other Person or authorize, adopt, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation, dissolution, merger, amalgamation, consolidation, restructuring, recapitalization or other reorganization;

(v) enter into any Affiliate Transaction that will remain in effect after the Closing;

(w) enter into any line of business other than the Business;

(x) directly or indirectly make any bid, or otherwise offer or agree, to acquire any wireless spectrum;

(y) assign, transfer, sell, surrender, pledge, mortgage or otherwise encumber or dispose of, or cancel, abandon, fail to renew or fail to extend, any Business Permit;

(z) transfer any assets or Liabilities between the Company and its Subsidiaries, on the one hand, and any other business of Seller and its Affiliates, on the other hand, except as expressly contemplated or permitted by this Agreement, as set forth in Section 2.17 of the Seller Disclosure Letter or as contemplated by the Specified Shared Contracts;

(aa) file for any Permit the receipt of which would, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair consummation of the transactions contemplated by this Agreement; or

(bb) agree or commit to take any of the foregoing actions.

Other than the right to consent or withhold consent with respect to the foregoing actions, nothing contained in this Agreement will give Buyer, directly or indirectly, rights to control or direct the business or operations of the Company and its Subsidiaries.

5.2 Pre-Closing Access.

(a) During the period from the date hereof and continuing through to the Closing or the earlier termination of this Agreement in accordance with Article VII, Seller shall, and shall cause the Company and each of its Subsidiaries to, (i) give Buyer and its Representatives reasonable access, upon prior written notice, during normal business hours, to such books, Contracts, Business Permits, Tax Returns and other records, offices and other facilities and properties of Seller (to the extent related to the Business), the Company and each of its Subsidiaries as such Persons from time to time reasonably request (including, subject to the execution of customary access letters, the work papers of their auditors); (ii) furnish to Buyer and its Representatives such financial and operating data and other information relating to Seller (to the extent related to the Business), the Company and each of its Subsidiaries as such Persons from time to time reasonably request; and (iii) use commercially reasonable efforts to cause the Representatives of Seller and its Affiliates to cooperate in good faith with Buyer and its Representatives in their investigation of the Business and the Company and its Subsidiaries; provided, however, that the foregoing (x) shall be conducted in a manner that does not unreasonably interfere with the normal conduct of the businesses or operations of Seller, the Company and its Subsidiaries, (y) coordinated through the individuals listed on Section 5.2(a) of the Seller Disclosure Letter or their designees and (z) conducted at Buyer's sole cost and expense, and Seller shall have the right to have one or more of its Representatives present at all times during any visits, examinations, discussions or contacts contemplated by this Section 5.2. Notwithstanding anything to the contrary contained in this Agreement, none of Seller, the Company or any of its Subsidiaries shall be required to provide access or disclose any document or information to Buyer or its Representatives if doing so would (A) violate or conflict with (1) any Contract to which Seller, the Company or any of its Subsidiaries is a party, (2) any obligation of confidentiality or (3) any Law or the judgment, order or decree of any Governmental Authority to which Seller, the Company or any of its Subsidiaries is subject, (B) based on the advice of the Company's outside counsel, result in the waiver of any legal privilege or work-product privilege or (C) result in the disclosure of competitively sensitive information or trade secrets; provided that Seller, the Company and each of its Subsidiaries shall use commercially reasonable efforts to provide such information in a manner that does not violate clauses (A) through (C) above. Notwithstanding anything to the contrary contained in this Agreement, neither Buyer's receipt of information pursuant to this Section 5.2, including the review of the business or financial and other conditions of the Business or the Company and its Subsidiaries conducted by the Representatives of Buyer or its Affiliates pursuant to this Section 5.2, nor the knowledge of Buyer or any of its Affiliates with respect to any such matters, whether or not resulting from any such review, shall affect (xx) the representations and warranties made by the Company or Seller in or pursuant to this Agreement or (yy) the remedies of Buyer for breaches of such representations and warranties.

(b) Notwithstanding anything to the contrary contained herein, from the date hereof and continuing through to the Closing or the earlier termination of this Agreement in accordance with Article VII, without the prior written consent of Seller (such consent not to be unreasonably withheld, conditioned or delayed), (i) Buyer shall not, and shall cause its Affiliates and its Representatives not to, contact any employee (other than the individuals listed on Section 5.2(a) of the Seller Disclosure Letter or their designees), vendor, supplier, distributor or customer of the Company or its Subsidiaries regarding the business, operations, or prospects of the Company and its Subsidiaries or this Agreement or the transactions contemplated hereby, and (ii) Buyer shall have no right to perform invasive or subsurface investigations of the properties or facilities of the Company or its Subsidiaries.

(c) During the period from the date of this Agreement and continuing until the Closing or the earlier termination of this Agreement in accordance with Article VII, Seller and the Company shall use commercially reasonable efforts to provide to Buyer such cooperation as is reasonably required and customary in connection with the Financing. Buyer will indemnify and hold harmless Seller and its Subsidiaries, Affiliates and Representatives (including, if this Agreement is terminated, the Company and its Subsidiaries) from and against any and all Damages imposed, on, paid, sustained, incurred or suffered by any of them in connection with, or in any way relating to or arising out of, any action taken or information provided by Buyer or, at the request of Buyer, Seller, Holdco or the Company, in each case in connection with the Financing. Notwithstanding the foregoing, Buyer shall not be required to indemnify and hold harmless Seller and its Subsidiaries, Affiliates and Representatives (including, if this Agreement is terminated, the Company and its Subsidiaries) from and against any Damages to the extent such Damages relate to or arise out (i) of any material misstatement contained in, or omission of material information from, the information provided by Seller, Holdco or the Company expressly for inclusion in materials provided to debt financing sources in connection with the Financing or (ii) such Person's bad faith, fraud or willful misconduct.

5.3 Efforts to Consummate.

(a) Each of the Company, Seller and Buyer shall use its reasonable best efforts to take or cause to be taken all actions and promptly to do or cause to be done all things necessary, proper or advisable (i) to consummate and make effective the transactions contemplated by this Agreement as promptly as reasonably practicable following the date of this Agreement and (ii) to obtain any Governmental Approvals, including FCC Consents and PUC Consents, to enable all waiting periods under the HSR Act to expire and to avoid or eliminate any impediment under any Law asserted by

any Governmental Authority applicable to the transactions contemplated hereby, in each case of this clause (ii), to cause the Closing and the other transactions contemplated hereby to occur as promptly as reasonably practicable following the date of this Agreement and, in any event, prior to the Outside Date, including promptly complying with or modifying any requests or inquiries for additional information or documentation (including any second request) by any Governmental Authority. Notwithstanding the foregoing or anything to the contrary contained in this Agreement, in no event shall Buyer or any of its Subsidiaries or Affiliates be required, in connection with obtaining any Governmental Approvals necessary to cause the conditions set forth in Section 6.1 or 6.2(e) to be satisfied, to take any actions or agree to any restrictions or concessions that, individually or in the aggregate, would (A) reasonably be expected to impair to any material extent the overall benefits to Buyer from the transactions contemplated by this Agreement or (B) impose costs, cause a diminution of value or interfere with the ownership or operation of the Company, in each case, that a business the size of the Company would deem material in any respect (any such action, a "Burdensome Accommodation"); provided that Buyer shall, if necessary to resolve any objections that a Governmental Authority may assert with respect to the transactions contemplated by this Agreement, offer, negotiate, commit to and effect, by consent decree, hold separate order or otherwise, (x) the sale, divestiture, license or other disposition of two (2) of the brands set forth in Section 5.3(a) of the Buyer Disclosure Letter and (y) an agreement to continue the conduct of business described in Section 5.3(a) of the Buyer Disclosure Letter on the terms set forth in such schedule, and any such action described in clause (x) or (y) above shall be deemed not to be, and shall not be taken into account in determining the existence of, a Burdensome Accommodation; provided, however, that if Buyer, the Company or any of their respective Subsidiaries agree to or are required to submit to terms with respect to the conduct of business described in Section 5.3(a) of the Buyer Disclosure Letter that are less favorable to Buyer, the Company or any of their respective Subsidiaries than the terms set forth in such schedule, then the incremental impact of such terms shall be taken into account in determining the existence of a Burdensome Accommodation. Notwithstanding the foregoing or anything to the contrary contained in this Agreement, (x) Seller, the Company and their respective Subsidiaries shall take actions and agree to conditions with respect to the Business or assets of the Company or any of the Company's Subsidiaries in connection with obtaining any Governmental Approvals only as Buyer may request by notice to Seller in writing as necessary to cause the conditions set forth in Section 6.1 or 6.2(e) to be satisfied, but only if (A) such actions are conditioned on the consummation of the Closing and have no effect prior to the Closing and (B) to the extent any such action requires any expenditures by Seller, the Company or any of their respective Subsidiaries prior to the Closing, such expenditures are borne by Buyer, (y) in no event shall Seller be required to take any action or agree to any restrictions or concessions with respect to itself or its Subsidiaries (other than the Company or its Subsidiaries) or any of their respective businesses (other than the Business) and (z) Buyer shall have sole discretion to determine whether or not to, and shall in no event be required to, initiate any Action or litigate any threatened or pending Action or preliminary or permanent injunction or other order, judgment or decree of a Governmental Authority or Law in connection with obtaining any Governmental Approvals necessary to cause the conditions set forth in Section 6.1 or 6.2(e) to be satisfied.

(b) Seller shall cause the Company to, and Buyer shall, (i) (A) prepare and file (on a confidential basis if reasonably requested by a party and permitted under applicable Law), as soon as practicable after the date hereof and, with respect to filings under the HSR Act, within ten (10) Business Days (or, if agreed by the parties, otherwise as soon as practicable) after the date hereof, such applications, notices, petitions, statements, registrations, submissions of information, requests and other documents as may be required or advisable to be filed by it with the FCC, any State PUC, the Antitrust Division of the U.S. Department of Justice, the U.S. Federal Trade Commission or any other Governmental Authority (including applicable filings under the HSR Act) in order to consummate the transactions contemplated by this Agreement and (B) subject to Section 5.3(a), use their reasonable best efforts to obtain and maintain the FCC Consents, the PUC Consents and all other consents, approvals, authorizations, waivers, permits, licenses, grants, registrations, qualifications, certificates, franchises, variances, exemptions, orders or rights required to be obtained from any other Governmental Authority that are required or advisable to consummate the transactions contemplated by this Agreement, (ii) use reasonable best efforts to comply at the earliest practicable date with a request from any Governmental Authority for additional information, documents or other materials received by each of them or any of their respective Affiliates from any Governmental Authority in respect of such filings or transactions, (iii) subject to applicable Law, promptly (A) inform the other parties of any oral communication with Governmental Authorities and (B) furnish the other parties with copies of all documents and correspondence (1) prepared by or on behalf of such party for submission to any Governmental Authority and (2) received by or on behalf of such party from any Governmental Authority, in each case in connection with the transactions contemplated hereby and (iv) subject to applicable Law, consult with and keep the other parties informed as to the status of such matters. Notwithstanding anything to the contrary contained in the foregoing, no party shall independently participate in any meeting (whether in person or via telephone) with any Governmental Authority expected to address any such filing or any investigation or other inquiry with respect to the transactions contemplated by this Agreement without, to the extent reasonably practicable, giving the other parties prior notice of the meeting and, to the extent permitted by such Governmental Authority, the opportunity to attend or participate. Subject to applicable Law, each of the Company, Seller and Buyer shall cooperate with the other in the preparation and filing of any applications, notices, petitions, statements, registrations, submissions of information and requests for additional information from Governmental Authorities in connection with the transactions contemplated by this Agreement, including (x) by providing such information as may be reasonably necessary for inclusion in such applications, notices, petitions, statements, registrations,

submissions of information and responses and (y) by providing copies of all such documents to the non-filing party and their advisors prior to making such filing and, if requested, giving due consideration to all reasonable additions, deletions or changes suggested in connection therewith. Subject to applicable Law, to the extent that any application, notice, registration or request so filed by any party contains any significant information relating to the other parties or the Company or any of its Subsidiaries, prior to submitting such application, notice, registration or request to any Governmental Authority, such party shall permit the other parties to review such information and shall consider in good faith the suggestions of such other parties with respect thereto. None of Seller, the Company or any of their respective Subsidiaries or Affiliates shall make any offer, acceptance or counteroffer to, or otherwise engage in negotiations with, any Governmental Authority with respect to any action set forth in Section 5.3(a), except as specifically agreed to with Buyer. Buyer shall, subject to reasonable coordination and consultation with Seller, be entitled to control all aspects of any negotiations with any Governmental Authority in connection with the transactions contemplated by this Agreement, including with respect to any action set forth in Section 5.3(a).

(c) To the extent that any consent, authorization, approval or waiver is required under any Material Contract in connection with the consummation of the transactions contemplated by this Agreement, the Company and Seller shall use commercially reasonable efforts to obtain such consent, authorization, approval or waiver on or prior to the Closing Date; provided that none of the Company, Seller or any of their respective Subsidiaries shall be required to expend any funds or incur any Liability or offer or grant any accommodation (financial or otherwise) to any third party in connection with obtaining such consent, unless any accommodation is contingent on the Closing and Buyer consents in writing to such accommodation and bears any expenses incurred by Seller or the Company in connection with obtaining such accommodation.

5.4 Insurance. Seller and the Company and each of its Subsidiaries shall use commercially reasonable efforts to continue to carry all Insurance Policies up to the Closing, including renewing or replacing any policies expiring during such period, and shall not cause any intentional breach, default or cancellation by Seller, the Company or its Subsidiaries (other than expiration and replacement of policies on terms reasonably available in the market and consistent with past practice) of such policies or agreements that would, individually or in the aggregate, reasonably be expected to be, material to the Company and its Subsidiaries, taken as a whole. In the event that any material claim or occurrence occurs after the date hereof for which coverage may be afforded to the Company or any of its Subsidiaries under the Insurance Policies, Seller and the Company and each of its Subsidiaries shall use commercially reasonable efforts to preserve and pursue all coverage rights of the Company or such Subsidiary for such claim or occurrence.

5.5 Public Announcements; Confidentiality.

(a) All press releases or other public communications of any nature whatsoever relating to the transactions contemplated by this Agreement, and the method of the release for publication thereof, shall be subject to the prior mutual approval of Buyer and Seller. If, based on the advice of its respective counsel, a party determines that a public statement or disclosure with respect to the transactions contemplated hereby or this Agreement or any other Transaction Document must be filed with the SEC, or as a result of applicable Law or the judgment, order or decree of any Governmental Authority or the rules of a stock exchange, then such party, in a reasonable time prior to making any such filing, shall provide each other party and its counsel with the public statement or disclosure that it intends to file and shall consider in good faith each other party's suggestions with respect thereto and, at the other party's request and expense, shall use commercially reasonable efforts to ensure the confidential treatment by the SEC, stock exchange or relevant Governmental Authority of those sections specified by each other party.

(b) Without limiting the terms of the Confidentiality Agreement and subject to Section 5.5(a), for a period of three (3) years after the Closing, Seller shall, and shall cause its Affiliates (other than the Company and its Subsidiaries) and its and their respective Representatives to, keep confidential and not use for their respective benefit or for the benefit of any other Person, any and all non-public information relating to the Business or the Company and its Subsidiaries, including pricing and current business plans.

5.6 Notification of Certain Matters. The Company, Seller and Buyer shall, prior to the Closing, give prompt notice to the other parties of: (a) the occurrence of any event that would reasonably be expected to result in any of the conditions set forth in Article VI becoming incapable of being satisfied; (b) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the consummation of the transactions contemplated by this Agreement; and (c) any Action pending or, to the applicable party's knowledge, threatened against the party or parties relating to the transactions contemplated by this Agreement; provided, however, that (x) no such notification shall affect the representations, warranties, covenants or agreements of the parties (or remedies with respect thereto) or the conditions to the obligations of the parties under this Agreement, (y) any party's failure to give notice of any such occurrence as required pursuant to this Section 5.6 shall not cause the failure of any condition set forth in Article VI to be satisfied unless the underlying event, notice or Action would independently result in the failure of a condition set forth in Article VI to be satisfied.

5.7 Employee Benefits.

(a) Until the first anniversary of the Closing Date, each employee of the Company or any of its Subsidiaries who continues as an employee of Buyer or any of its Subsidiaries immediately following the Closing (the "Continuing Employees") shall be provided with (i) total annual cash compensation (annual base salary or wage rate, as applicable, plus annual target bonus opportunity) that is not less favorable than those provided to such Continuing Employees by the Company or any of its Subsidiaries immediately prior to the Closing; provided that, in no event shall a Continuing Employee receive an annual base salary or wage rate, as applicable, that is less favorable than that provided to such Continuing Employee by the Company or any of its Subsidiaries immediately prior to the Closing; and (ii) employee benefits (excluding equity and long-term incentives, any transaction or retention bonuses and any defined benefit, retiree welfare benefits or deferred compensation) that, as determined in Buyer's discretion, are (A) no less favorable, in the aggregate, than those provided to such Continuing Employee under the Benefit Plans immediately prior to the Closing Date (subject to the same exclusions), (B) no less favorable, in the aggregate, than those provided to management employees of the Buyer or its Affiliates (excluding the Company and its Subsidiaries) (with the same exclusions) or (C) constitute any combination of the foregoing. Each Continuing Employee whose employment is terminated within twelve (12) months after the Closing Date by the Buyer or an Affiliate of Buyer without cause shall be eligible for severance benefits at a level at least equal to the severance benefits applicable to such Continuing Employee as set forth in Section 5.7 of the Seller Disclosure Letter (the "Severance Policy"). Except as specifically provided otherwise in the Severance Policy, each Continuing Employee shall not be entitled to severance benefits from the Seller or any of its Affiliates (other than the Company and its Subsidiaries).

(b) Under the employee benefit plans providing benefits to Continuing Employees after the Closing Date (each, a "Post-Closing Plan"), (i) each Continuing Employee shall be credited with his or her years of service with the Company or its Subsidiaries as of the Closing Date for purposes of eligibility, vesting and, solely for purposes of vacation and severance, benefit accrual, to the same extent as such service credit was provided before the Closing Date under any similar Benefit Plan, except to the extent that such service credit would result in duplication of benefits for the same period and other than under any defined benefit retirement plan or retiree medical plan or frozen or grandfathered plan of Buyer or its Affiliates, and (ii) Buyer shall use commercially reasonable efforts to cause (A) each Post-Closing Plan providing for medical benefits to Continuing Employees to waive pre-existing condition limitations to the extent waived or not applicable under the analogous Benefit Plan and (B) the Continuing Employees to be given credit under each Post-Closing Plan that provides for medical benefits for amounts paid under the analogous Benefit Plan prior to the Closing Date during the year in which the Closing Date occurs for purposes of applying deductibles, co-payments and out-of-pocket maximums, as though such amounts had been paid in accordance with the terms and conditions of the Post-Closing Plan, in each case, provided that such information is timely provided to Buyer or the administrator of the Post-Closing Plans, as applicable, in a form reasonably acceptable to the plan administrator.

(c) To the extent not inconsistent with this Section 5.7, upon reasonable written request from Buyer prior to the Closing Date, for integration and transition purposes, the Company and its Subsidiaries shall, and Seller shall cause them to, amend, modify or terminate any Benefit Plan to the extent and in the manner reasonably determined by Buyer contingent and effective upon the Closing Date (or at such different time mutually agreed to by the parties) and Seller shall provide written evidence to Buyer of such amendment, modification or termination no later than the Closing Date.

(d) (i) Within five (5) Business Days following the date hereof, Seller shall cause the Company to communicate in writing to the eligible employees the terms of the LTIP Acceleration Letters and the Retention Bonus Letters set forth in items 2 and 4 of Section 5.1(e) of the Seller Disclosure Letter and (ii) within fifteen (15) Business Days following the date hereof, Seller shall adopt and enter into the LTIP Acceleration Letters and the Retention Bonus Letters set forth in items 2 and 4 of Section 5.1(e) of the Seller Disclosure Letter.

(e) The provisions of this Section 5.7 are solely for the benefit of the parties to this Agreement, and no current or former employee of the Company or any of its Subsidiaries or any other individual associated therewith shall be regarded for any purposes as a third-party beneficiary of this Agreement or this Section 5.7, and nothing herein shall be construed as (i) an amendment to any Benefit Plan or (ii) the creation of any right to continued employment with the Company or any of its Subsidiaries, Buyer or their respective Affiliates or to continued receipt of any employee benefits. Nothing in this Section 5.7 shall be construed to limit any rights that the Company or any of its Subsidiaries or Buyer has under any plan or arrangement to amend, modify, terminate or adjust any particular plan or arrangement or to terminate the employment of any employee of the Company or any of its Subsidiaries for any reason.

5.8 Third-Party Proposals. From the date hereof until the earlier of the Closing and such time as this Agreement is terminated in accordance with Article VII, except for the transactions contemplated by this Agreement, Seller shall not, and shall cause the Company and its Subsidiaries not to, and their respective Representatives not to, directly or indirectly, (a) continue or enter into any negotiation, discussion, Contract or instrument, with any Person other than Buyer and its Affiliates, with respect to the sale of the Shares or a material portion of the assets of the Company and its Subsidiaries, or any merger, recapitalization or similar transaction with respect to the Company or any of its Subsidiaries (an "Alternative Transaction") (and to the extent that any confidential information of the Company has been provided to any third parties prior to the date hereof, Seller and the Company shall request the prompt return or destruction of such

information) or (b) provide any information with respect to, or take any other action knowingly to facilitate, solicit or encourage any inquiries or the making of any proposal that constitutes, or may be reasonably expected to lead to, an Alternative Transaction; provided that any indirect change in ownership of the Company as a result of (x) changes in ownership of, or the merger or other consolidation of, Seller or (y) the merger or other consolidation of Holdco with another Subsidiary of Seller shall not be deemed an Alternative Transaction.

5.9 Non-Solicitation.

(a) For a period of five (5) years following the Closing Date (the "Restricted Period"), Seller agrees that it shall not, and it shall cause its Subsidiaries not to, without Buyer's prior written consent, directly or indirectly (including through any Representatives of Seller or its Subsidiaries), (i) solicit for employment (whether as an employee, consultant or temporary employee) or hire any Key Employee or (ii) induce or attempt to induce any Key Employee to leave Buyer or its Affiliates (including the Company and its Subsidiaries); provided that this Section 5.9(a) shall not preclude (x) Seller or any other Person from entering into discussions with, soliciting or hiring any person whose employment with the Company or any of its Subsidiaries has been terminated at least six (6) months prior to commencement of discussions with the soliciting party and (y) Seller or its Subsidiaries from engaging in general solicitation or general advertising that is not specifically targeted at the Key Employees.

(b) Notwithstanding the foregoing, for the first three (3) years following the Closing Date, Seller agrees that it shall not, and shall cause its Subsidiaries not to, without Buyer's prior written consent, directly or indirectly (including through any Representatives of Seller or its Subsidiaries), (i) solicit for employment (whether as an employee, consultant or temporary employee) or hire the CEO Employee or (ii) induce or attempt to induce the CEO Employee to leave Buyer or its Affiliates (including the Company and its Subsidiaries); provided that the restriction on soliciting or hiring the CEO Employee shall cease to be applicable in the event that (A) Buyer and its Affiliates terminate the employment of the CEO Employee other than pursuant to a termination characterized as for misconduct or cause under the Senior Management Severance Plan, effective as of February 5, 2010 and incorporated by reference in the Buyer SEC Documents, and (B) six (6) months have elapsed since the date of such termination.

5.10 Non-Competition. During the Restricted Period, Seller shall not, and shall cause its Subsidiaries not to, directly or indirectly, engage in or own, manage, operate, control or make any equity investments in any business or Person engaged in any Protected Business in the Protected Territory. Notwithstanding anything herein to the contrary, the prohibitions in this Section 5.10 shall not apply to the passive ownership by Seller or any of its Subsidiaries, directly or indirectly, of less than five percent (5%) of any class of the equity securities of any business or Person (other than the Persons set forth in Section 5.10 of the Seller Disclosure Letter) that is engaged in the Protected

Business in the Protected Territory; provided that under no circumstances shall Seller or any of its Subsidiaries enter into any commercial or strategic arrangements, agreements or partnerships in connection with such passive investment. In the event Seller or any of its Subsidiaries acquires any business or Person, the acquisition of which would violate this Section 5.10 but for this sentence, Seller or such Subsidiary shall not be in violation of this Section 5.10 if, as soon as practicable but in any event within one-hundred-eighty (180) days after the closing of such acquisition, Seller or such Subsidiary commences efforts to divest, and within twelve (12) months after the closing of such acquisition, Seller or such Subsidiary consummates such divestiture of, such acquired Person or business.

5.11 Financial Statements; Information; Books and Records.

(a) Seller shall deliver to Buyer (i) within sixty (60) days after the end of each fiscal quarter (other than the fourth (4th) fiscal quarter) of the Company and its Subsidiaries ending at least sixty (60) days prior to the Closing Date, the unaudited consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal quarter and the related consolidated statements of income, stockholders' deficit and cash flows of the Company and its Subsidiaries for the applicable period and (ii) within one-hundred- twenty (120) days after the end of each fiscal year of the Company and its Subsidiaries ending at least one-hundred-twenty (120) days prior to the Closing Date, the audited consolidated balance sheet of the Company and its Subsidiaries as of the end of, and the related consolidated statements of income, stockholders' deficit and cash flows of the Company and its Subsidiaries for, such fiscal year.

(b) For a period of one (1) year after the Closing, Seller shall, at Buyer's expense, provide Buyer with such financial and other information as Buyer may reasonably request with respect to the Company and its Subsidiaries in connection with Buyer's reporting obligations under GAAP and applicable Law to the extent such information is not in the possession of the Company or any of its Subsidiaries, subject to the limitations set forth in the proviso and the succeeding sentence of Section 5.2(a).

(c) Prior to the Closing, Seller and the Company shall, in consultation with Buyer, devise and implement (or, if already in effect as of the date hereof, maintain) a system for the Company to accurately track and provide accurate monthly reporting of Subscriber Migrations, which system shall be in place and operational as of the Closing.

(d) Following the Closing and continuing until the end of the Earnout Period, Buyer (i) shall maintain accurate books and records with respect to the Company and its Subsidiaries for purposes of calculating Contingent Revenue Consideration, Contingent Migration Consideration and the resulting Contingent Cash Consideration and (ii) shall not make any material change in any method of accounting or any auditing or accounting practice or policy, other than those required by a change in Law or GAAP, unless Buyer causes the Company and its Subsidiaries to maintain accurate books and

records for purposes of calculating the Contingent Cash Consideration (and each component thereof) consistent with the accounting or auditing practice or policy of the Company and its Subsidiaries as in effect immediately prior to the date hereof. As soon as practicable after the end each consecutive three (3)-month period occurring during the Earnout Period, but in any event within sixty (60) days after the end of such three (3)-month period, Buyer shall cause to be prepared and delivered to Seller an unaudited consolidated statement of revenue of the Company and its Subsidiaries for the period ended as of the last day of such three (3)-month period. As soon as practicable after the end of each full calendar month occurring during the Earnout Period, but in any event within thirty (30) days after the end of such calendar month, Buyer shall cause to be prepared and delivered to Seller a non-binding calculation of the number of Subscriber Migrations that occurred during such calendar month. Seller may reasonably review and comment on any statements delivered pursuant to the preceding two sentences, and Buyer shall consider such comments in good faith; provided that Seller's comments on (or failure to comment on) any such statement shall not in any way prejudice or affect Seller's right to dispute an Earnout Statement pursuant to Section 1.8(b).

(e) For a period of five (5) years after the Closing, Buyer shall, and shall cause the Company and its Subsidiaries to, use reasonable efforts to (i) give Seller and its Representatives reasonable access, upon prior written notice, during normal business hours, to its management, books, records and other information for any reasonable purpose to the extent related to the Company and its Subsidiaries and to the periods prior to the Closing, including as may be necessary for (A) the preparation of Tax Returns and financial statements and (B) complying with any audit request, subpoena or other investigative demand by any Governmental Authority or for any Action (including any Third Party Claim pursuant to Article VIII), in each case subject to reasonable restrictions imposed from time to time upon advice of counsel in respect of applicable Laws relating to the confidentiality of information (including any Antitrust Laws) and provided that any such access or information relating to Taxes shall be subject to the requirements and limitations of Section 9.6, and (ii) maintain all such books and records in the same or a similar accessible format as currently existing. Notwithstanding anything to the contrary contained in this Section 5.11(e), none of Buyer, the Company or any of its Subsidiaries shall be required to provide access or disclose any document or information to Seller or its Representatives if doing so would (x) violate or conflict with (i) any Contract to which Buyer, the Company or any of its Subsidiaries is a party, (ii) any obligation of confidentiality or (iii) any Law or the judgment, order or decree of any Governmental Authority to which Buyer, the Company or any of its Subsidiaries is subject, (y) based on the advice of the Company's outside counsel, result in the waiver of any legal privilege or work-product privilege or (z) result in the disclosure of competitively sensitive information or trade secrets; provided that Buyer, the Company and each of its Subsidiaries shall use commercially reasonable efforts to provide such information in a manner that does not violate clauses (x) through (z) above.

5.12 Termination of Affiliate Obligations and Hedging Arrangements.

(a) On or prior to the Closing, except as set forth in Section 5.12(a) of the Seller Disclosure Letter or the Transaction Documents, Seller shall, and shall cause its Affiliates to, take all actions necessary to cause any and all Contracts between Seller or any of its Affiliates (other than the Company and its Subsidiaries), on the one hand, and the Company or any of its Subsidiaries, on the other hand, to be terminated without any continuing obligation of the Company or any of its Subsidiaries, excluding Shared Contracts.

(b) Except as set forth in Section 5.12(b) of the Seller Disclosure Letter or the Transaction Documents, all intercompany balances between the Company or any its Subsidiaries, on the one hand, and Seller or any of its Affiliates, on the other hand, shall be eliminated by discharge or otherwise in their entirety prior to the Closing.

(c) On or prior to the Closing, the Company shall, and Seller shall cause the Company to, take all actions necessary to terminate and settle any interest rate, currency, materials or other hedging agreements or arrangements of the Company or any of its Subsidiaries, in each case without any continuing obligation of the Company or any of its Subsidiaries (such terminated and settled agreements and arrangements, the "Terminated Hedging Agreements").

5.13 Director and Officer Indemnification and Insurance.

(a) Buyer agrees that all rights to exculpation, indemnification and advancement of expenses pursuant to the Organizational Documents of the Company and its Subsidiaries or any indemnification agreement to which any D&O Indemnified Person is party for acts or omissions occurring or existing on or prior to the Closing Date, whether now existing or asserted or claimed prior to, on or after the Closing Date (including in respect of any matters arising in connection with this Agreement and the transactions contemplated hereby), in favor of each Person who is now, or who has been at any time prior to the date hereof, or who becomes prior to the Closing, a director, officer, or employee of the Company or its Subsidiaries (each, a "D&O Indemnified Person") shall survive the Closing Date and the consummation of the transactions contemplated hereby and remain in full force and effect to the extent provided in the following sentence. For a period of six (6) years after the Closing Date, (i) Buyer shall not, and shall not permit the Company or its Subsidiaries to, amend, repeal or modify any provision in the Organizational Documents of the Company or its Subsidiaries relating to the exculpation, indemnification or advancement of expenses with respect to any D&O Indemnified Person in connection with acts or omissions occurring on or prior to the Closing Date, whether asserted or claimed prior to, on or after the Closing Date (including in respect of any matters arising in connection with this Agreement and the transactions contemplated hereby), unless, and only to the extent, required by applicable Law, it being the intent of the parties that all such D&O Indemnified Persons shall

continue to be entitled to such exculpation, indemnification and advancement of expenses to the fullest extent permitted by applicable Law, and (ii) Buyer shall, and shall cause the Company and its Subsidiaries to, maintain in full force and effect any indemnification agreements of the Company or its Subsidiaries with any D&O Indemnified Person, in each case of clauses (i) and (ii) above, as in effect as of the date hereof.

(b) Without limiting the generality of Section 5.13(a), from and after the Closing Date, Buyer shall, and shall cause the Company and its Subsidiaries (each, a "D&O Indemnifying Party"), to (i) indemnify, defend and hold harmless the D&O Indemnified Persons, to the fullest extent permitted by applicable Law, against all D&O Expenses and all losses, claims, damages, judgments, fines, penalties and amounts paid in settlement ("D&O Losses") in respect of any threatened, pending or completed claim, action, inquiry, suit, proceeding or judgment, whether criminal, civil, administrative or investigative, whether now existing or asserted or claimed prior to, on or after the Closing Date (including in respect of any matters arising in connection with this Agreement and the transactions contemplated hereby) to the extent based on, arising out of, relating to or in connection with the fact that such D&O Indemnified Person is or was a director, officer or employee of the Company or any of its Subsidiaries in such D&O Indemnified Person's capacity as a director, officer or employee of the Company or such Subsidiary (a "D&O Indemnifiable Claim") and (ii) advance to such D&O Indemnified Person, subject to receipt of an undertaking if such D&O Indemnified Person is not ultimately entitled to indemnification, all D&O Expenses incurred in connection with any D&O Indemnifiable Claim (including in circumstances where the D&O Indemnifying Party is otherwise entitled to assume the defense of such claim and has assumed such defense) promptly after receipt of statements therefor. For the purposes of this Section 5.13(b), "D&O Expenses" shall include attorneys' fees, expert fees, arbitrator and mediator fees, and all other costs, charges and expenses paid or incurred in connection with investigating, defending, being a witness in or otherwise participating in (including on appeal), or preparing to defend, to be a witness in or participate in, any D&O Indemnifiable Claim. In the event of any such D&O Indemnifiable Claim, Buyer and the Company and its Subsidiaries shall cooperate with the D&O Indemnified Person in the defense of any such D&O Indemnifiable Claim. Each of the Company and its Subsidiaries shall be a full indemnitor of first resort, shall be required to advance the full amount of all D&O Expenses incurred by a D&O Indemnified Person and shall be liable for the full amount of all D&O Losses to the extent legally permitted and as required, without regard to any rights a D&O Indemnified Person may have against Seller, any of Seller's Affiliates or any insurer providing insurance coverage under an insurance policy issued to Seller or any of its Affiliates.

(c) Buyer shall cause the Company, at Buyer's expense, to obtain by the Closing Date, and to maintain in effect for six (6) years from and after the Closing Date, a "tail" insurance policy from an insurance carrier with the same or better credit rating as Seller's or the Company's current insurance carrier(s) with respect to officers' and directors' liability insurance for the benefit of the Company and its Subsidiaries (collectively, "D&O Insurance") and covering the persons who are covered by any existing D&O Insurance held by the Company or existing D&O Insurance held by Seller that benefits officers and directors of the Company and its Subsidiaries with respect to matters arising out of or relating to acts or omissions occurring or existing on or prior to the Closing Date (including in connection with this Agreement and the transactions contemplated hereby); provided that in no event shall the aggregate premium for such "tail" policy exceed two-hundred-fifty percent (250%) of the annual premium currently paid by the Company for such insurance (the "Insurance Cap"), in which case Buyer shall obtain a policy with the greatest coverage reasonably available at a price equal to or less than the Insurance Cap.

(d) The provisions of this Section 5.13 are intended to be for the benefit of, and shall be enforceable by, each D&O Indemnified Person, his or her heirs and his or her executors, administrators and personal representatives, each of whom is an intended third-party beneficiary of this Section 5.13, and are in addition to, and not in substitution for, any other rights, including rights to indemnification or contribution that any such Person may have by Contract or otherwise. The provisions of this Section 5.13 shall survive consummation of the Closing.

5.14 Certain Covenants Related to Earnout.

(a) From the Closing Date until the end of the Earnout Period, Buyer and the Company shall (i) act in good faith with respect to Buyer's obligations regarding the Contingent Cash Consideration and not take any action, or omit to take any action, with the purpose of reducing the aggregate amount of Contingent Cash Consideration payable to Seller, (ii) conduct the Business solely through the Company and its Subsidiaries (provided that Buyer shall be permitted to conduct certain Business-related activities through other Subsidiaries of Buyer in connection with the post-Closing integration of the Company and its Subsidiaries as long as such actions do not reduce the aggregate amount of Contingent Migration Consideration or Contingent Revenue Consideration that would otherwise have been payable to Seller but for such action), (iii) use commercially reasonable efforts to maintain or increase customer acquisition and retention and reduce customer losses, including by making reasonable expenditures on channel and customer investments, (iv) make annual expenditures on marketing at least as comparable to the Company's average annual expenditures on marketing in the three (3)-year period prior the date hereof and (v) take the actions set forth in Section 5.14(a) of the Buyer Disclosure Letter.

(b) Unless Buyer makes appropriate adjustments to the components of Contingent Cash Consideration set forth in this Agreement, Buyer shall not, and shall cause its Affiliates (including the Company and its Subsidiaries) not to, (i) directly or indirectly sell, assign, transfer, convey, lease or otherwise dispose of any material assets or properties of the Company and its Subsidiaries or (ii) provide bundled pricing or similar discounts or incentives to customers of the Company and its Subsidiaries if, in each case, such actions would have the effect of reducing the aggregate amount of Contingent Cash Consideration payable to Seller.

(c) In the event of the occurrence of any of the following events solely during the Earnout Period, the maximum Contingent Migration Consideration and the maximum Contingent Revenue Consideration, in each case less any payments made by Buyer in respect of any Measurement Period prior thereto shall be immediately due and payable to Seller: (i) Buyer or the Company commences any Action in bankruptcy for dissolution, winding-up, or other relief under the bankruptcy or similar laws of any Governmental Authority or otherwise becomes subject to such an Action or (ii) Buyer or the Company makes an assignment for the benefit of creditors, or petitions or applies to any Governmental Authority for the appointment of a custodian, receiver or trustee for all or substantially all of its assets or properties or has a receiver, custodian or trustee appointed for all or substantially all of its assets or properties.

(d) The obligations of Buyer pursuant to Section 1.8, Section 5.11(d) and this Section 5.14 are intended to be, and Buyer and the Company shall cause such obligations to be, (i) binding upon any successors or assigns of Buyer, the Company or its Subsidiaries, (ii) binding upon any trustee, examiner, receiver or other representative of Buyer or the Company or its Subsidiary's estate, (iii) binding upon any acquirer, assignee or transferee of assets representing fifty percent (50%) or more, in the aggregate, of the revenue, income, assets or properties of Buyer or the Company, on a consolidated basis, and (iv) jointly and severally binding upon Buyer and each other ultimate parent company involved in or created by any spin-off, split-off or similar transaction. Buyer shall take such actions as are necessary to ensure that its obligations pursuant to the preceding sentence are binding upon any such successors, assigns or acquiring Persons and any such entity or entities resulting from any spin-off, split-off or similar transactions.

(e) The obligations of Buyer set forth in Section 5.11(d) and this Section 5.14 shall terminate concurrently with the termination of the Earnout Period.

5.15 Buyer Common Stock Registration.

(a) Concurrently with the Closing, Buyer and Seller will enter into a registration rights agreement in substantially the form attached hereto as Exhibit C (the "Registration Rights Agreement").

(b) If Buyer is a WKSI at the Closing, then, as soon as reasonably practicable following the Closing and in no event later than one (1) Business Day following the Closing Date, Buyer shall file an automatic shelf registration statement (as defined in Rule 405) on Form S-3 (or any successor short form registration statement) in accordance with the requirements of the Securities Act covering the offer and resale on a continuous basis pursuant to Rule 415, subject to the terms and conditions of the Registration Rights Agreement, by Seller of the shares of Buyer Common Stock to be received by Seller, and shall use reasonable best efforts to cause such registration statement to become effective no later than the end of the first (1st) Trading Day following the Closing Date.

(c) If Buyer is not a WKSI at the Closing, then as soon as reasonably practicable following the Closing and in no event later than five (5) Business Days following the Closing Date, Buyer shall file with the SEC a shelf registration statement on Form S-3 (or any successor short form registration statement) in accordance with the requirements of the Securities Act covering the offer and resale on a continuous basis pursuant to Rule 415, subject to the terms and conditions of the Registration Rights Agreement, by Seller of the shares of Buyer Common Stock to be received by Seller, and shall use reasonable best efforts to cause such registration statement to become effective as soon as permitted by the SEC.

5.16 Shared Contracts. From the date hereof until the earlier of the Closing and such time as this Agreement is terminated in accordance with Article VII, each of Buyer and Seller shall, and shall cause their Affiliates to, use commercially reasonable efforts to identify any Shared Contracts (other than Specified Shared Contracts) and notify the other party of such Shared Contract. Each of Buyer and Seller will use commercially reasonable efforts to (i) assist the other party in negotiating and entering into arrangements for the benefit of the other party, as the case may be, with the counterparty to such Shared Contract that replicates, as nearly as reasonably practicable, the rights and benefits of the portion of such Shared Contract related to the Business or the business of Seller and its Subsidiaries (other than the Business), as the case may be, including the split and novation of such Shared Contract, or (ii) to the extent permitted by applicable Law and by the terms of such Shared Contract, enter into arrangements with the other party to provide such party, as nearly as reasonably practicable, with rights and benefits applicable to the to the Business or the business of Seller and its Subsidiaries (other than the Business), as the case may be, under such Shared Contract. In the case of any Shared Contract that relates exclusively to the Business and to which both the Company or any of its Subsidiaries and Seller or any of its Subsidiaries is a party, the Company or its relevant Subsidiary shall bear all the costs, Liabilities and obligations with respect to such Shared Contract from and after the Closing and shall pay, reimburse, indemnify and hold harmless Seller and its Subsidiaries for any and all Damages incurred or sustained by, or imposed upon Seller or any of its Subsidiaries with respect to such Shared Contract arising from and after the Closing. In the case of any Shared Contract that relates exclusively to the business of Seller and its Subsidiaries (other than the Business) and to which both the Company or any of its Subsidiaries and Seller or any of its Subsidiaries is a party, Seller or its relevant Subsidiary shall bear all the costs, Liabilities and obligations with respect to such Shared Contract from and after the Closing and shall pay, reimburse, indemnify and hold harmless the Company and its Subsidiary for any and all Damages incurred or sustained by, or imposed upon the Company or such Subsidiary with respect to such Shared Contract arising from and after the Closing.

5.17 Commercial Consideration. From the date hereof until the Closing Date, Buyer and Seller shall, and shall cause their respective Representatives to, use commercially reasonable efforts to identify any mutually beneficial commercial arrangements that may result in the payment of Commercial Consideration to Seller, including a roaming agreement between the Company and Seller (which, if on substantially similar terms to the existing roaming agreement between Seller and Buyer as of the date hereof, shall be deemed a mutually beneficial commercial arrangement that would result in Commercial Consideration). To the extent that Buyer and Seller agree to pursue any such commercial arrangements, they shall cooperate in good faith to document, negotiate and enter into a Contract (or an amendment to an existing Contract) between Buyer or one of its Subsidiaries, on the one hand, and Seller or one of its Subsidiaries, on the other hand (a "Commercial Contract"). Notwithstanding anything to the contrary set forth herein, (a) neither Buyer nor Seller nor any of their respective Subsidiaries be required to document, negotiate or enter into any Commercial Contract, (b) the Deferred Consideration shall only be reduced for any Commercial Consideration to the extent Seller has agreed in writing to the value of the Commercial Consideration in respect of any Commercial Contract and (c) any Contracts in effect on the date hereof between Seller and its Subsidiaries, on the one hand, and Buyer and its Subsidiaries, on the other hand, including the arrangements set forth in Section 2.17 of the Seller Disclosure Letter but excluding any Contracts renewed, extended or entered into after the date hereof that Seller agrees in writing contain Commercial Consideration, shall not be deemed to result in any Commercial Consideration.

5.18 Transitional Trademark Use. Effective as of the Closing Date, Seller hereby grants, and shall cause any applicable Affiliate to grant, to the Company a non-exclusive, non-transferable, non-sublicensable (except for sub-licenses of the type granted by Seller prior to the Closing Date), royalty-free license, for a period of one (1) year immediately following the Closing Date (the "Transition Period"), to use, solely within the United States, the Mark "TELCEL AMERICA" (the "Telcel Mark") in the same manner and to the same extent as such Mark is used by the Company in connection with the customers of the Business in the United States of America in the twelve (12) months prior to the Closing. Following the earlier of (i) the transitioning of all such customers to another Mark and (ii) the end of the Transition Period, the Company shall, (A) cease all use of the Telcel Mark and (B) destroy any products, materials, labels or packaging in the Company's possession or control containing the Telcel Mark. Any use of the Telcel Mark pursuant to this Section 5.18 shall be only in connection with goods and services that are of quality equivalent to or higher than the quality of goods and services provided by the Seller and its Affiliates under the Telcel Mark prior to the Closing and Seller shall have the right to terminate the license granted in this Section 5.18 in the event of any material breach by the Company of the terms set forth herein.

All goodwill generated by the use of the Telcel Mark under this Section 5.18 shall inure solely to the benefit of Seller, and Buyer and the Company hereby acknowledge and agree that all right, title and interest in, to and under the Telcel Mark are and shall remain owned exclusively by Seller or its Subsidiaries (other than the Company and its Subsidiaries). For a period of five (5) years following the Closing, Seller and its Affiliates shall not offer any services included in the Protected Business in the Protected Territory under the Telcel Mark.

5.19 Further Assurances. Each party shall cooperate with each other party and shall cause its respective Affiliates to, execute, acknowledge and deliver all such further documents, notices, releases, assurances and instruments, including instruments of conveyance, assignment and transfer and shall take all such other actions as such party may reasonably be requested to take by the other parties from time to time, consistent with the terms of this Agreement, in each case in order to effectuate the provisions and purposes of this Agreement and the transactions contemplated hereby.

Article VI

CONDITIONS TO THE CLOSING

6.1 Mutual Conditions. The respective obligations of each of Buyer, on the one hand, and Seller and Holdco, on the other hand, to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver in writing by Buyer and Seller) as of the Closing of the following conditions:

(a) No Injunction. At the Closing Date, no Law enacted, entered, promulgated, enforced or issued by any Governmental Authority of competent jurisdiction (in each case, exclusive of all Antitrust Laws and enforcement actions related thereto) shall be in effect that restrains, enjoins, prohibits or makes illegal the consummation of the transactions contemplated hereby and there shall be no injunction, restraining order or decree of any nature of any Governmental Authority of competent jurisdiction in effect that restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated hereby.

(b) Antitrust Laws. All waiting periods under the HSR Act relating to the transactions contemplated by this Agreement (as extended by any applicable Governmental Authority) shall have expired or been terminated.

(c) Regulatory Approvals. All FCC Consents and the filings with and consents of the State PUCs to the transactions contemplated by this Agreement that Buyer acting in good faith reasonably determines to be legally required (the “PUC Consents”) shall have been made or obtained.

(d) Final Order. The FCC Consents shall have become Final Orders.

6.2 Conditions to the Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are also subject to the satisfaction (or waiver in writing by Buyer) as of the Closing of each of the following conditions:

(a) Representations and Warranties of Seller, Holdco and the Company. (i) The representations and warranties set forth in the first sentence of Section 2.1, in Sections 2.2(a) and 2.2(b) and in the first four sentences of Section 3.4 shall be true and correct in all respects (other than *de minimis* inaccuracies) as of the date of this Agreement and at and as of the Closing as though made at and as of the Closing, (ii) the Fundamental Representations (other than those set forth in the first sentence of Section 2.1, in Sections 2.2(a) and 2.2(b) and in the first four sentences of Section 3.4) shall be true and correct (without giving effect to any qualifications or exceptions contained therein regarding materiality, Material Adverse Effect or similar qualifications) in all material respects as of the date of this Agreement and at and as of the Closing as though made at and as of the Closing (except to the extent that any representation and warranty is made as of a specified time other than the Closing, in which case such representation and warranty shall be true and correct as of such specified time) and (iii) the other representations and warranties contained in Article II and Article III of this Agreement (other than the Fundamental Representations) shall be true and correct (without giving effect to any qualifications or exceptions contained therein regarding materiality, Material Adverse Effect or similar qualifications) in all respects as of the date of this Agreement and at and as of the Closing as though made at and as of the Closing (except to the extent that any representation and warranty is made as of a specified time other than the Closing, in which case such representation and warranty shall be true and correct as of such specified time), except, in the case of this clause (iii), where the failure of any such representation or warranty to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a Material Adverse Effect (provided that the "Material Adverse Effect" qualifier in Section 2.18(a), any reference to materiality in the definition of "Material Contract" shall not be disregarded).

(b) Performance of Seller, Holdco and Company Covenants. Each of Seller, Holdco and the Company shall have performed and complied in all material respects with all of the respective covenants and agreements contained in this Agreement required to be performed or complied with by it prior to or at the Closing.

(c) Material Adverse Effect. Since January 1, 2020, there shall not have occurred any change, effect, event, circumstance or occurrence that, individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect.

(d) Closing Certificate. Buyer shall have received a certificate, dated as of the Closing Date, executed on behalf of Seller and the Company by a senior officer of each of Seller and the Company, to the effect that the conditions specified in each of clauses (a), (b) and (c) above have been fulfilled.

(e) Burdensome Accommodations. There shall not have been imposed, individually or in the aggregate, any Burdensome Accommodations in connection with any of the approvals or authorizations referenced in Section 6.1.

(f) Tax Certificates and Forms. Seller shall have delivered to Buyer (i) a certificate duly executed by Holdco (and accompanying notice to the IRS), reasonably satisfactory to Buyer, that satisfies the requirements of section 1.1445-2(c)(3) of the Treasury Regulations, certifying that the Company is not, and was not at any time during the five (5)-year period ending on the Closing Date, a U.S. real property holding corporation within the meaning of 897(c)(2) of the Code, along with written authorization for Buyer to deliver such certificate and notice to the IRS on behalf of the Company and (ii) a properly completed and executed IRS Form W-8BEN-E of Holdco.

6.3 Conditions to the Obligations of Seller and Holdco. The obligations of Seller and Holdco to consummate the transactions contemplated by this Agreement are also subject to the satisfaction (or waiver in writing by Seller and Holdco, as applicable) as of the Closing of each of the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of Buyer contained in Section 4.10 shall be true and correct in all respects (other than *de minimis* inaccuracies) as of the date of this Agreement and at and as of the Closing as though made at and as of the Closing, (ii) the Buyer Fundamental Representations (other than those set forth in Section 4.10) shall be true and correct (without giving effect to any qualifications or exceptions contained therein regarding materiality, Material Adverse Effect or similar qualifications) in all material respects as of the date of this Agreement and at and as of the Closing as though made at and as of the Closing (except to the extent that any representation and warranty is made as of a specified time other than the Closing, in which case such representation and warranty shall be true and correct as of such specified time) and (iii) the other representations and warranties contained in Article IV of this Agreement (other than the Buyer Fundamental Representations) shall be true and correct (without giving effect to any qualifications or exceptions contained therein regarding materiality or similar qualifications) in all respects as of the date of this Agreement and at and as of the Closing as though made at and as of the Closing (except to the extent that any representation and warranty is made as of a specified time other than the Closing, in which case such representation and warranty shall be true and correct as of such specified time), except, in the case of this clause (iii), where the failure of any such representation or warranty to be so true and correct would not, individually or in the aggregate, reasonably be expected to materially delay or prevent Buyer's ability to consummate the transactions contemplated by this Agreement.

(b) Performance of Covenants. Buyer shall have performed and complied in all material respects with all covenants and agreements contained in this Agreement required to be performed or complied with by Buyer prior to or at the Closing.

(c) Certificate. Seller shall have received a certificate, dated as of the Closing Date, executed on behalf of Buyer by a senior officer of Buyer, to the effect that the conditions specified in each of clauses (a) and (b) above have been fulfilled.

Article VII

TERMINATION

7.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) by mutual written agreement of Seller and Buyer;

(b) by written notice from either Buyer or Seller to the other parties in the event that (i) there shall be any applicable Law enacted, entered, promulgated, enforced or issued by any Governmental Authority of competent jurisdiction that makes consummation of the Closing illegal or otherwise prohibited or (ii) any Governmental Authority of competent jurisdiction shall have issued an order, decree, directive or ruling (A) permanently enjoining, restraining or otherwise prohibiting the transactions contemplated by this Agreement or (B) denying the approval of any application or notice for approval to consummate such transactions that is necessary for the consummation of the transactions contemplated by this Agreement, and, in each case, such order, decree, ruling, denial or other action shall have become final and non-appealable; provided that the right to terminate this Agreement pursuant to this Section 7.1(b) shall not be available to any party whose material breach of any provision of this Agreement is the primary cause of the issuance of such Law, order, decree, directive or ruling;

(c) by written notice from Seller to Buyer, if there shall be a breach by Buyer of any representation or warranty contained in Article IV or any covenant or agreement to be complied with or performed by Buyer pursuant to the terms of this Agreement, which breach or failure to perform would result in a failure of a condition set forth in Section 6.1 or 6.3 to be satisfied at the Closing and such breach cannot be cured by Buyer prior to the Outside Date or, if capable of being so cured, shall not have been cured by the earlier of (i) the thirtieth (30th) day following receipt by Buyer of a written notice of such breach or failure to perform from Seller stating Seller's intention to terminate this Agreement pursuant to this Section 7.1(c) and the basis for such termination and (ii) the Outside Date; provided that Seller shall not have the right to terminate this Agreement pursuant to this Section 7.1(c) if Seller is then in breach of its representations, warranties, covenants or agreements contained in this Agreement that would cause any condition set forth in Section 6.1 or 6.2 not to be satisfied at the Closing (other than those conditions that (x) by their terms are to be satisfied at the Closing or (y) the failure of which to be satisfied is attributable primarily to a breach by Buyer of its representations, warranties, covenants or agreements contained in this Agreement);

(d) by written notice from Buyer to Seller and the Company, if there shall be a breach by Seller or the Company of any representation or warranty contained in Article II or Article III or any covenant or agreement to be complied with or performed by Seller or the Company pursuant to the terms of this Agreement, which breach or failure to perform would result in a failure of a condition set forth in Section 6.1 or 6.2 to be satisfied at the Closing and such breach cannot be cured by Seller or the Company, as applicable, prior to the Outside Date or, if capable of being so cured, shall not have been cured by the earlier of (i) the thirtieth (30th) day following receipt by Seller and the Company of a written notice of such breach or failure to perform from Buyer stating Buyer's intention to terminate this Agreement pursuant to this Section 7.1(d) and the basis for such termination and (ii) the Outside Date; provided that Buyer shall not have the right to terminate this Agreement pursuant to this Section 7.1(d) if Buyer is then in breach of its representations, warranties, covenants or agreements contained in this Agreement that would cause any condition set forth in Section 6.1 or 6.3 not to be satisfied at the Closing (other than those conditions that (x) by their terms are to be satisfied at the Closing or (y) the failure of which to be satisfied is attributable primarily to a breach by Seller or the Company of their respective representations, warranties, covenants or agreements contained in this Agreement); or

(e) by written notice of either Buyer or Seller to the other parties in the event that the Closing shall not have taken place on or before March 13, 2022 (the "Outside Date"); provided that either party may extend the Outside Date by three (3) months to June 13, 2022 (the "Extended Outside Date") only if, at the time of such extension, (x) the only conditions in Article VI not capable of being satisfied are the conditions set forth in Section 6.1 or 6.2(e) and (y) the extending party's breach is not the primary cause preventing the consummation of any of its obligations under this Agreement; provided, further, that the right to terminate this Agreement pursuant to this Section 7.1(e) shall not be available to any party whose material breach of any provision of this Agreement is the primary cause of the Closing not taking place on or prior to the Outside Date or the Extended Outside Date.

7.2 Effect of Termination. In the event of the termination of this Agreement as provided above, this Agreement (other than this Section 7.2) shall become null and void and of no further force and effect, and there shall be no duties or Liabilities of any kind or nature whatsoever on the part of any party to the other parties based either upon this Agreement or the transactions contemplated hereby, provided that (a) no such termination (nor any provision of this Agreement) shall relieve any party from Liability for any damages for Fraud or any Willful Breach of any covenant hereunder and (b) the obligations of the parties in Section 5.5, this Section 7.2, Section 7.3, Article X and Article XI (to the extent necessary to give meaning to the foregoing) shall continue to apply following any such termination of this Agreement.

7.3 Termination Fee.

(a) Buyer shall pay to the Company a nonrefundable fee of $250,000,000 (the "Termination Fee") if this Agreement is terminated: (i) by Buyer or Seller pursuant to Section 7.1(b) or 7.1(e) and, at the time of such termination, all of the conditions set forth in Section 6.2 shall have been satisfied or, to the extent permitted by this Agreement and applicable Law, waived (other than (A) the conditions set forth in Section 6.2(e) or (B) any conditions that by their nature can be satisfied only on the Closing Date, provided that such conditions were capable of being satisfied if the Closing and the Closing Date had occurred on the date of such termination); (ii) by Seller pursuant to Section 7.1(c) based on a breach by Buyer of its covenants or agreements under Section 5.3; or (iii) by Seller or Buyer for any other reason at a time when Seller or Buyer could have terminated this Agreement as described in clause (i) or (ii) above. Notwithstanding the foregoing, Buyer shall not be required to pay any amount pursuant to this Section 7.3(a) in the event that a breach of any representation, warranty, covenant or agreement made by Seller or the Company in this Agreement is the primary cause of the failure of the conditions set forth in Section 6.1 or 6.2(e) to be satisfied. The Termination Fee shall be paid by wire transfer to an account to be specified by Seller of same-day funds within two (2) Business Days after termination pursuant to the preceding sentence. In no event shall Buyer be required to pay the Termination Fee on more than one occasion. The parties agree that the agreements contained in this Section 7.3 are an integral part hereof and that the Termination Fee constitutes liquidated damages and not a penalty.

(b) Notwithstanding anything to the contrary in this Agreement, in any circumstance in which this Agreement is terminated and Seller has the right to receive payment of the Termination Fee, the payment of the Termination Fee shall be the sole and exclusive remedy of Seller, the Company and their respective Affiliates and Representatives against Buyer and its Affiliates and Representatives for any Damages suffered as a result of the failure of the transactions contemplated by this Agreement or for a breach of, or failure to perform under, this Agreement or any certificate or other document delivered in connection herewith or otherwise or in respect of any oral representation made or alleged to have been made in connection herewith or therewith, and upon payment of such amounts, Buyer and its Affiliates and Representatives shall have no further liability or obligation relating to or arising out of this Agreement, whether in equity or at law, in contract, in tort or otherwise. For the avoidance of doubt, (x) the payment of the Termination Fee shall be the sole and exclusive remedy of Seller, Holdco the Company and their respective Affiliates against Buyer and its Affiliates and Representatives for any Damages suffered as a result of Buyer's breach of Section 5.3 and (y) nothing herein shall limit the ability of Seller or the Company to seek specific performance pursuant to Section 10.9 prior to the termination of this Agreement.

(c) If the Company or Seller commences an Action in order to obtain payment of the Termination Fee or any portion thereof pursuant to this Section 7.3, and such Action results in a final and non-appealable judgment against Buyer for the payment of the Termination Fee or any portion thereof pursuant to this Section 7.3, Buyer shall pay to the Company (i) the reasonable and documented out-of-pocket costs and expenses (including reasonable and documented out-of-pocket fees and expenses of counsel) of the Company or Seller, as applicable, in connection with such Action and (ii) interest on the amount payable pursuant to such judgment, compounded quarterly, at the prime lending rate prevailing during such period as published in the *Wall Street Journal*, calculated on a daily basis from the date such amounts were required to be paid until the date of actual payment. If the Company or Seller commences an Action in order to obtain payment of the Termination Fee or any portion thereof pursuant to this Section 7.3, and such Action results in a final and non-appealable judgment against the Company or Seller, Seller shall pay to Buyer the reasonable and documented out-of-pocket costs and expenses (including reasonable and documented out-of-pocket fees and expenses of counsel) of Buyer in connection with such Action.

Article VIII

INDEMNIFICATION

8.1 Indemnification by Seller and Holdco.

(a) From and after the Closing Date, subject to the other provisions of this Article VIII, Seller and Holdco shall indemnify Buyer and its Affiliates (including, after the Closing, the Company and its Subsidiaries) and Representatives (collectively, the "Indemnified Buyer Parties") and hold each of them harmless from and against any and all Damages (or, in the case of Section 8.1(a)(vi), against fifty percent (50%) of any Damages) imposed on, paid, sustained, incurred or suffered by such Indemnified Buyer Party whether in respect of a Third Party Claim or claims between the parties to the extent arising out of, based upon, resulting from or caused by:

(i) any inaccuracy or breach of any of the representations and warranties (both for purposes of calculating Damages and for determining breach or inaccuracy, without giving effect to any qualifications or exceptions contained therein regarding materiality, Material Adverse Effect or similar qualifications, except with respect to representations and warranties contained in Sections 2.6(a), 2.9 and 2.18(a)) made by Seller and the Company in Article II (other than those set forth in Section 2.11, indemnification for which is governed by Section 9.1);

(ii) Reserved;

(iii) any inaccuracy or breach of any of the representations and warranties (both for purposes of calculating Damages and for determining breach or inaccuracy, without giving effect to any qualifications or exceptions contained therein regarding materiality, Material Adverse Effect or similar qualifications) made by Seller and Holdco in Article III;

(iv) any breach of any covenant or agreement to be performed by Seller, Holdco or the Company pursuant to this Agreement;

(v) any Third Party Claim against Buyer or its Subsidiaries to the extent related to Liabilities of Seller or any of its Subsidiaries (other than the Company and its Subsidiaries), excluding any Third Party Claim related to the Business or the transactions contemplated by this Agreement;

(vi) the matters set forth in Section 8.1(a)(vi) of the Seller Disclosure Letter; and

(vii) the matter set forth in Section 8.1(a)(vii) of the Seller Disclosure Letter.

(b) Notwithstanding anything to the contrary contained in this Section 8.1, except with respect to breaches of the representations and warranties contained in the first sentence of Section 2.1 and in Sections 2.2(a), 2.2(b), 2.3, 2.19, 3.1, 3.2, 3.4 and 3.6 (collectively, the "Fundamental Representations"), to which the limitations in this Section 8.1(b) shall not apply, the Indemnified Buyer Parties shall be entitled to indemnification pursuant to Sections 8.1(a)(i), 8.1(a)(iii) and 9.1(c):

(i) only if the amount of Damages, whether in a single claim or in a series of related or substantially similar claims, exceeds $200,000 (the "De Minimis Amount", and any such claim or series of related or substantially similar claims involving Damages equal to or less than the De Minimis Amount being referred to as a "De Minimis Claim"); and

(ii) only if, and then only to the extent that, the aggregate Damages to all Indemnified Buyer Parties (without duplication), with respect to all claims for indemnification pursuant to Sections 8.1(a)(i) and 8.1(a)(iii) (other than De Minimis Claims), exceed $72,000,000 (the "Deductible"), whereupon Seller shall be obligated to pay in full all such amounts but only to the extent such aggregate Damages are in excess of the amount of the Deductible; provided that the Indemnified Buyer Parties shall not be entitled to aggregate Damages with respect to claims for indemnification pursuant to Section 8.1(a)(i), 8.1(a)(iii) or 9.1(c) in excess of $500,000,000 (the "Cap").

(c) Notwithstanding anything to the contrary contained in this Section 8.1, the Indemnified Buyer Parties (i) shall be entitled to indemnification pursuant to Section 8.1(a)(vi) only if the amount of Damages, whether in a single claim or in a series of related or substantially similar claims, exceeds the De Minimis Amount and (ii) shall not be entitled to receive from Seller aggregate Damages with respect to claims for indemnification pursuant to Section 8.1(a)(vi) in excess of $300,000,000.

8.2 Indemnification by Buyer.

(a) From and after the Closing Date, subject to the other provisions of this Article VIII, Buyer shall indemnify Seller, Holdco and their respective Affiliates (other than the Company and its Subsidiaries) and its and their respective Affiliates and Representatives (collectively, the "Indemnified Seller Parties") and hold each of them harmless from and against any and all Damages (or, in the case of Section 8.2(a)(iii) against fifty percent (50%) of any Damages) imposed on, paid, sustained, incurred or suffered by such Indemnified Seller Party whether in respect of a Third Party Claim or claims between the parties to the extent arising out of, based upon, resulting from or caused by:

(i) any inaccuracy or breach of any of the representations and warranties (both for purposes of calculating Damages and for determining breach or inaccuracy, without giving effect to any qualifications or exceptions contained therein regarding materiality, "material adverse effect" or similar qualifications, except with respect to representations and warranties contained in Section 4.9(b)) made by Buyer in Article IV;

(ii) any breach of any covenant or agreement to be performed by Buyer pursuant to this Agreement; and

(iii) the matters set forth in Section 8.1(a)(vi) of the Seller Disclosure Letter.

(b) Notwithstanding anything to the contrary contained in this Section 8.2, except with respect to breaches of the Buyer Fundamental Representations, to which the limitations of this Section 8.2(b) shall not apply, the Indemnified Seller Parties shall be entitled to indemnification pursuant to Section 8.2(a)(i):

(i) only if the amount of Damages, whether in a single claim or in a series of related or substantially similar claims, exceeds the De Minimis Amount; and

(ii) only if, and then only to the extent that, the aggregate Damages to all Indemnified Seller Parties (without duplication), with respect to all claims for indemnification pursuant to Section 8.2(a)(i) (other than De Minimis Claims), exceed the Deductible, whereupon Buyer shall be obligated to pay in full all such amounts but only to the extent such aggregate Damages are in excess of the amount of the Deductible; provided that the Indemnified Seller Parties shall not be entitled to aggregate Damages with respect to claims for indemnification pursuant to Section 8.2(a)(i) in excess of the Cap.

(c) Notwithstanding anything to the contrary contained in this Section 8.1, the Indemnified Seller Parties (i) shall be entitled to indemnification pursuant to Section 8.2(a)(iii) only if the amount of Damages, whether in a single claim or in a series of related or substantially similar claims, exceeds the De Minimis Amount and (ii) shall not be entitled to receive from Seller aggregate Damages with respect to claims for indemnification pursuant to Section 8.2(a)(iii) in excess of $300,000,000.

8.3 Indemnification Procedures.

(a) If an Indemnified Buyer Party or an Indemnified Seller Party (each, an "Indemnified Party") believes that a claim, demand or other circumstance exists that has given rise to a right of indemnification under this Article VIII (whether or not the amount of Damages relating thereto is then quantifiable), such Indemnified Party shall assert its claim for indemnification by giving written notice thereof complying with the requirements of this Section 8.3(a) (a "Claim Notice") to Seller (if indemnification is sought from Seller) or Buyer (if indemnification is sought from Buyer) (in either such case, the "Indemnifying Party") (i) if the event or occurrence giving rise to such claim for indemnification is, or relates to, a Third Party Claim, promptly following receipt of notice of such Third Party Claim by such Indemnified Party, or (ii) if the event or occurrence giving rise to such claim for indemnification is not, or does not relate to, a Third Party Claim, promptly after the discovery by the Indemnified Party of the circumstances giving rise to such claim for indemnity; provided, however, that any failure or delay in providing such notice shall not release the Indemnifying Party from any of its obligations under this Article VIII except to the extent that the Indemnifying Party is actually and materially prejudiced by such failure or delay. Each Claim Notice shall describe the claim in reasonable detail, including the basis for the indemnification sought and the amount of Damages (to the extent known or estimated) and include reasonable supporting documentation to the extent available.

(b) If any claim or demand by an Indemnified Party under this Article VIII relates to a Third Party Claim, the Indemnifying Party may, within twenty (20) days after receiving a Claim Notice, elect to assume and thereafter control the defense of such action or claim (including, subject to the remainder of this Section 8.3(b), any negotiation relating thereto and the settlement or compromise thereof) at its sole cost and expense and with its own counsel (which counsel shall be reasonably acceptable to the Indemnified Party); provided, however, that an Indemnifying Party shall not have the right to assume and control the defense of any criminal or regulatory action or claim (except to the extent related to the matter set forth in Section 8.1(a)(vii) of the Seller

Disclosure Letter), but shall have the right to employ separate counsel at its own expense in any such action or claim and participate in the defense thereof. Unless and until the Indemnifying Party shall have so assumed the defense of such action or claim, the parties shall cooperate in the defense of such action or claim, and to the extent the Indemnified Party is entitled to indemnification hereunder, all of the reasonable costs and expenses incurred by the Indemnified Party in connection with the defense, settlement or compromise of such claim or action shall be Damages subject to indemnification hereunder to the extent provided herein. Any Indemnified Party shall have the right to employ separate counsel at its own expense in any such action or claim and to participate in the defense thereof; provided that the reasonable costs and expenses incurred by the Indemnified Party's separate counsel in connection with the defense, settlement or compromise of such claim or action shall, to the extent the Indemnified Party is entitled to indemnification hereunder, be Damages subject to indemnification hereunder to the extent provided herein only if: (i) the Indemnifying Party shall have failed, within thirty (30) days after receipt of a Claim Notice in respect of such action or claim, to assume the defense of such action or claim or to notify the Indemnified Party in writing that it will assume the defense of such action or claim; (ii) the employment of such counsel has been specifically authorized in writing by the Indemnifying Party at the Indemnifying Party's expense; (iii) the Indemnified Party's counsel shall have reasonably concluded that (x) there is, or is reasonably likely to be, a conflict of interest that would make it inappropriate in the reasonable judgment of the Indemnified Party's counsel for the same counsel to represent both the Indemnified Party and the Indemnifying Party, (y) the claim involves the seeking of non-monetary relief which, if granted, could reasonably be expected to materially and adversely affect the business of the Indemnified Party or its Subsidiaries (in which case, notwithstanding any other term of this Agreement, the Indemnifying Party shall have the right to participate in, but not to direct, the defense of such action or proceeding on behalf of the Indemnified Party) or (z) the amount of damages is reasonably expected to exceed the amount that is available as indemnification hereunder, after taking into account all other claims made or reasonably anticipated; or (iv) the Indemnifying Party ceases to diligently defend such claims; provided that the Indemnifying Party shall not be liable for the fees and expenses of more than one firm of counsel for all Indemnified Parties, other than reasonably required local counsel. No Indemnifying Party shall be liable to indemnify any Indemnified Party for any compromise or settlement of any action or claim effected without the prior written consent of the Indemnifying Party (such consent not to be unreasonably withheld, conditioned or delayed), but if settled with the consent of the Indemnifying Party, or if there is a final judgment for the plaintiff in any such action that the Indemnified Party is required to pay by the court at the time paid, the Indemnifying Party shall indemnify and hold harmless each Indemnified Party from and against any Damages by reason of such settlement or judgment, subject to the terms and conditions of this Article VIII. If the Indemnifying Party shall assume the defense of any claim in accordance with the provisions of this Section 8.3(b), the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (such consent not to be unreasonably withheld,

conditioned or delayed) before entering into any settlement of such claim unless the relief consists of monetary damages and does not impose any restrictions or obligations on Buyer or any of its Affiliates (including the Company and its Subsidiaries) or their respective operations (other than any customary confidentiality, release or non-disparagement obligations) for which the Indemnifying Party (or a liability insurer thereof) has acknowledged responsibility under this Article VIII and includes a provision whereby the plaintiff or claimant releases the Indemnified Party from all Liability with respect to such Third Party Claim).

(c) Notwithstanding anything to the contrary set forth in this Section 8.3, Buyer shall control any Third Party Claim relating to the matters set forth in Section 8.1(a)(vi) of the Seller Disclosure Letter; provided that (i) Buyer and Seller shall jointly determine overall strategy with respect to any such Third Party Claim, (ii) Seller shall have the opportunity to participate in the defense thereof (which expenses shall be initially paid by Seller but which shall be subject to indemnification to the extent provided in Section 8.2(a)(iii)) and Buyer shall consider in good faith any suggestions or proposals made by Seller with respect to such defense, (iii) Buyer shall consult with and keep Seller informed as to the status of any settlement negotiations with respect to such Third Party Claim, (iv) Buyer shall not, without Seller's consent, propose, discuss or enter into any settlement of such Third Party Claim and (v) Seller may control such Third Party Claim (A) to the extent such Third Party Claim involves only claims against the Indemnified Seller Parties or (B) if Buyer fails or ceases to diligently defend such Third Party Claim.

(d) Notwithstanding anything to the contrary set forth in this Section 8.3, Seller shall control any Third Party Claim relating to the matters set forth in Section 8.1(a)(vii) of the Seller Disclosure Letter; provided that (i) Buyer shall have the opportunity to participate in the defense thereof at Buyer's expense and Seller shall consult with, and consider in good faith any suggestions or proposals made by, Buyer with respect to such defense, (ii) Seller shall consult with and keep Buyer informed as to the status of any settlement negotiations with respect to such Third Party Claim, (iii) Seller shall not, without Buyer's consent, propose, discuss or enter into any settlement of such Third Party Claim unless the relief consists of monetary damages for which Seller (or a liability insurer thereof) has acknowledged responsibility under this Article VIII, does not impose any restrictions or obligations on Buyer or any of its Affiliates (including the Company and its Subsidiaries) or their respective operations (other than any customary confidentiality, release or non-disparagement obligations) and includes a provision whereby the plaintiff or claimant releases Buyer and its Affiliates (including the Company and its Subsidiaries) from all Liability with respect to such Third Party Claim, and (iv) Buyer may control such Third Party Claim if Seller fails or ceases to diligently defend such Third Party Claim.

(e) Notwithstanding anything to the contrary set forth in this Section 8.3, Seller shall control any Third Party Claim set forth in Section 8.1(a)(v); provided that (i) Buyer shall have the opportunity to participate in the defense thereof at the Buyer's expense and Seller shall consult with, and consider in good faith any suggestions or proposals made by, Buyer with respect to such defense, (ii) Seller shall consult with and keep Buyer informed as to the status of any settlement negotiations with respect to such Third Party Claim, (iii) Seller shall not, without Buyer's consent, propose, discuss or enter into any settlement of such Third Party Claim unless the relief consists of monetary damages for which Seller (or a liability insurer thereof) has acknowledged responsibility under this Article VIII, does not impose any restrictions or obligations on Buyer or any of its Affiliates (including the Company and its Subsidiaries) or their respective operations (other than any customary confidentiality, release or non-disparagement obligations) and includes a provision whereby the plaintiff or claimant releases Buyer and its Affiliates (including the Company and its Subsidiaries) from all Liability with respect to such Third Party Claim, and (iv) Buyer may control such Third Party Claim if Seller fails or ceases to diligently defend such Third Party Claim.

(f) Each Indemnified Party shall make available to the Indemnifying Party (i) all information reasonably available to such Indemnified Party relating to a Third Party Claim for which the Indemnifying Party has assumed control and (ii) all information reasonably available to such Indemnified Party relating to a claim hereunder, the provision of which would not, in the reasonable judgment of the Indemnified Party, violate or jeopardize any applicable attorney-client, work-product doctrine or other privilege or any confidentiality obligations to third parties. In addition, the parties shall render to each other such assistance as may reasonably be requested in order to help ensure the proper and adequate defense of any such action or claim. The party in charge of the defense shall keep the other parties reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto.

(g) If any Person's claim under Section 8.1(a) relates to Section 8.1(a)(vi) or 8.1(a)(vii) and may also be properly characterized as a claim pursuant to another clause of Section 8.1(a), such claim shall be deemed to be made solely pursuant to Section 8.1(a)(vi) or 8.1(a)(vii), as the case may be, and the caps, time limitations, deductibles, and other limitations that apply to claims pursuant to Section 8.1(a)(vi) or 8.1(a)(vii) shall apply to such claim.

8.4 General; Limitations; Successors.

(a) Upon a final determination that any amounts are owed to an Indemnified Buyer Party pursuant to Section 8.1 or 9.1, such amounts shall be paid directly by Seller or its designee. Upon a final determination that any amounts are owed to an Indemnified Seller Party pursuant to Section 8.2, such amounts shall be paid directly by Buyer. An Indemnified Party shall not be permitted to offset any amounts owed by such Indemnified Party to an Indemnifying Party (whether as a result of the Contingent Cash Consideration or any other Transaction Document or Contract between Seller and its Subsidiaries on the one hand or Buyer and its Subsidiaries on the other hand) by any amount owed to an Indemnified Party pursuant to Section 8.1 or 9.1.

(b) The amount that the Indemnifying Party is or may be required to pay to any Indemnified Party pursuant to this Article VIII or Section 9.1 shall be reduced (retroactively, if necessary) by any insurance proceeds or other amounts actually recovered by or on behalf of such Indemnified Party from third parties in reduction of the related Damages, net of any expenses incurred in connection therewith. If an Indemnified Party shall have received the payment required by this Agreement from the Indemnifying Party in respect of Damages and shall subsequently receive insurance proceeds or other amounts in respect of such Damages, then such Indemnified Party shall promptly repay to the Indemnifying Party a sum equal to the amount of such net insurance proceeds or other net amounts actually received.

(c) The Indemnified Party shall (and shall cause its Affiliates to) take all commercially reasonable actions and use its commercially reasonable efforts to pursue all rights and remedies available in order to mitigate and minimize any Damages subject to indemnification pursuant to this Article VIII or Section 9.1 promptly upon becoming aware of any event or circumstance that could reasonably be expected to constitute or give rise to such Damages, including seeking to recover under insurance policies or indemnity, contribution or other similar agreements other than this Agreement for any Damages to the same extent such Indemnified Party would if such Damages were not subject to indemnification, compensation or reimbursement hereunder.

(d) Notwithstanding anything to the contrary herein, in no event shall any Indemnifying Party be required to indemnify, defend, hold harmless, pay or reimburse any Indemnified Party for Damages under this Article VIII or Section 9.1 to the extent (but only to the extent) such Damages were included in the calculation of the Final Closing Cash Consideration (whether as Debt or Company Transaction Expenses or a Current Liability or otherwise) pursuant to Section 1.7. Notwithstanding the fact that, except as provided in Section 8.3(g), any Indemnified Party may assert claims for indemnification under or in respect of more than one provision of this Agreement with respect to any fact, event, condition or circumstance, no Indemnified Party will be entitled to recover Damages, or otherwise obtain indemnification, more than once in respect of the same Damages suffered.

(e) Without limiting the representations and warranties contained in this Agreement, the Indemnifying Party shall not be liable under this Agreement for any Damages based on or arising out of (i) any Law not in force on the Closing Date, (ii) any change in Law or in any regulation, requirement or code of conduct of any Governmental Authority or any change in any official interpretation or application of any Law, in each case occurring after the Closing Date or (iii) any change in GAAP occurring after the Closing Date.

(f) Except with respect to claims based on Fraud, claims for injunctive or equitable remedies or as otherwise provided in this Agreement, the indemnification provided in this Article VIII and Section 9.1 shall be the exclusive post-Closing remedy available to any party hereto with respect to any breach of any representation, warranty, covenant or agreement in this Agreement, or otherwise in respect of the transactions contemplated by this Agreement. Nothing in this Section 8.4(f) shall limit a party's right to bring a claim for Fraud. Notwithstanding anything to the contrary set forth in this Agreement, in no event shall the aggregate Liability of Seller (and, if this Agreement is terminated pursuant to Section 7.1, the Company) in connection with Sections 8.1(a)(i), 8.1(a)(iii), 8.1(a)(iv), 8.1(a)(v) and 8.1(a)(vi) exceed the Purchase Price Cap.

(g) The obligations of Buyer, Seller and Holdco pursuant to this Article VIII and Section 9.1 and with respect to the Deferred Consideration (in the case of Buyer) are intended to be, and Buyer, Seller or Holdco, as applicable, shall cause such obligations to be (i) binding upon any successors or assigns of Buyer, Seller or Holdco, (ii) binding upon any trustee, examiner, receiver or other representative of Buyer's, Seller's or Holdco's estate, (iii) binding upon any acquirer, assignee or transferee of assets representing fifty percent (50%) or more, in the aggregate, of the revenue, income, assets or properties of Buyer and its Subsidiaries, on a consolidated basis, or Seller and its Subsidiaries, on a consolidated basis, and (iv) jointly and severally binding upon Buyer, Seller and each other ultimate parent company involved in or created by any spin-off, split-off or similar transaction. Each of Buyer and Seller shall take such actions as are necessary to ensure that its obligations pursuant to the preceding sentence are binding upon any such successors, assigns or acquiring Persons and any such entity or entities resulting from any spin-off, split-off or similar transactions. None of Buyer, Seller or Holdco shall take, nor shall they permit any of their respective Subsidiaries or Representatives to take, directly or indirectly, any action that is intended or designed to circumvent or avoid the obligations of Buyer, Seller and Holdco under this Article VIII and Section 9.1 and with respect to the Deferred Consideration (in the case of Buyer).

Article IX

TAX MATTERS

9.1 Tax Indemnity. From and after the Closing Date, Seller and Holdco shall bear and pay, reimburse, indemnify and hold harmless the Indemnified Buyer Parties for, from and against any and all Taxes and other Damages in respect of Taxes that (a) are imposed on, allocated or attributable to or incurred or payable by the Company or any of its Subsidiaries for any Pre-Closing Tax Period (including, for the avoidance of doubt, Taxes relating to any matters described in Section 9.1 of the Seller Disclosure Letter), together with any interest, penalty or additions to Tax accruing after the Closing Date on Taxes described in this clause (a), (b) arise under Treasury Regulations Section 1.1502-6 or any similar provision of U.S. state or local or foreign Law by virtue of the Company or

any of its Subsidiaries having been a member of a consolidated, combined, affiliated, unitary or other similar tax group prior to the Closing, (c) arise from or are attributable to any inaccuracy in or breach of any representation or warranty made in Section 2.11, subject to the limitations set forth in Section 8.1(b), which apply to this Section 9.1(c) *mutatis mutandis*, provided that, if any Person's claim under this Section 9.1 relates to Section 9.1(a), 9.1(b), 9.1(e) or 9.1(g) and may also be properly characterized as a claim pursuant to Section 9.1(c), such claim shall be deemed to be made solely pursuant to Section 9.1(a), 9.1(b), 9.1(e) or 9.1(g), as the case may be, (d) are the responsibility of Seller pursuant to Section 9.7, (e) arise as a result of any adjustment under Section 481 of the Code described in Section 2.11(e)(i) of the Seller Disclosure Letter, (f) in the case of universal service fees, are amounts required to be refunded or otherwise returned to customers by the Company or any of its Subsidiaries with respect to a Pre-Closing Tax Period or (g) any Income Taxes imposed on, incurred or payable by the Company or any of its Subsidiaries in a Post-Closing Tax Period in accordance with Section 451(c) of the Code and any non-Income Taxes imposed on, incurred or payable by the Company or any of its Subsidiaries in a Post-Closing Tax Period, in each case in respect of any advance payment received by the Company or any of its Subsidiaries prior to the Closing that is not otherwise includible in the taxable income of the Company or such Subsidiary in any Pre-Closing Tax Period; provided, however, that Buyer shall not be entitled to indemnification under this Section 9.1(g) for any such Taxes payable in respect of the amount, if any, by which the absolute value of the Closing Deferred Revenue Amount exceeds the absolute value of the Target Deferred Revenue Amount, in each of the above cases, only to the extent such Taxes or fees exceed the accrual in respect thereof shown on the Closing Statement (as finally determined) and were not included in the calculation of the Final Closing Cash Consideration (whether as Debt or Company Transaction Expenses or a Current Liability or otherwise) pursuant to Section 1.7 and Buyer makes a certification in its claim notice to that effect. The amount of any payments required to be made pursuant to this Section 9.1 shall be computed without regard to any net operating loss, net capital loss or other Tax deduction, credit or similar benefit of Buyer or any of its Affiliates (including, following the Closing, any net operating loss, net capital loss or other Tax deduction, credit or similar benefit of the Company or any of its Subsidiaries that was generated in a Post-Closing Tax Period). Notwithstanding any other provision of this Agreement and for the avoidance of doubt, the limitations in Section 8.1(b) shall not apply to this Section 9.1 (except to the extent provided in Section 9.1(c)).

9.2 Straddle Period Allocation. For purposes of this Article IX, any Liability for Taxes attributable to a Straddle Period shall be apportioned between the portion of such period ending on the Closing Date and the portion beginning on the day after the Closing Date (a) in the case of real and personal property Taxes, by apportioning such Taxes on a per diem basis and (b) in the case of all other Taxes, on the basis of a closing of the books as of the close of business on the Closing Date, provided that exemptions, allowances or deductions that are calculated on an annual basis shall be apportioned on a per diem basis. Any Liability for Taxes attributable to a Pre-Closing Tax Period shall be

determined without regard to any activities or operations of the Company or any of its Subsidiaries outside the ordinary course of business on the Closing Date but following the Closing, other than any such activities or operations initiated by Seller, any of its Affiliates, the Company or any of its Subsidiaries before the Closing. For the avoidance of doubt, for purposes of this Section 9.2, in the case of any income Tax attributable to the ownership of an entity that is taxed as a partnership or of any other entity that is treated as a "flow-through" entity for Tax purposes, the portion of such income Tax that relates to the Pre-Closing Tax Period shall be deemed to be the amount that would be payable if the relevant Tax period of such "flow-through" entity ended on the Closing Date.

9.3 Refunds. All refunds of Taxes (including interest actually received thereon from a relevant Taxing Authority) for which Seller and Holdco are responsible pursuant to Section 9.1 (other than to the extent such refund results from the carryback to a Pre-Closing Tax Period of a Tax attribute of the Company or any of its Subsidiaries generated in a Post-Closing Tax Period) shall be for the account of Seller or its designee. If a refund of Taxes for which Seller or Holdco are responsible pursuant to Section 9.1 is received by Buyer, one of its Affiliates, the Company or any of its Subsidiaries, Buyer shall pay such amounts less Buyer's out-of-pocket expenses incurred in connection with obtaining such refund and less any Taxes incurred by Buyer, its Affiliates, the Company or any of its Subsidiaries in connection with, or as a result of, the receipt of such refund or interest to Seller or its designee. Buyer shall be entitled to all other refunds of Taxes (including interest received thereon from a relevant taxing authority) in respect of any Taxes of the Company or any of its Subsidiaries (including to the extent such refund results from the carryback to a Pre-Closing Tax Period of a Tax attribute of the Company or any of its Subsidiaries relating to a Post-Closing Tax Period), and Seller shall pay or cause to be paid such amounts to Buyer if such amounts are received by Seller or any of its Affiliates (less Seller's out-of-pocket costs incurred in connection with obtaining such refund and less any Taxes incurred by Seller or its Affiliates in connection with the receipt of such refund or interest). Buyer or Seller, as applicable, shall pay over to Seller or its designee or to Buyer or its designee, as applicable, any such cash refund within thirty (30) Business Days after receipt thereof.

9.4 Tax Returns.

(a) Seller shall prepare and file as required by applicable Law with the appropriate taxing authority (or cause to be prepared and filed) in a timely manner (taking into account any extensions received from relevant Taxing Authorities) all Tax Returns of the Company and each of its Subsidiaries that are required to be filed on or prior to the Closing Date and shall timely pay all Taxes due with respect to such Tax Returns. All such Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable Law.

(b) Buyer shall prepare and file as required by applicable Law with the appropriate taxing authority (or cause to be prepared and filed) in a timely manner all Tax Returns of the Company and each of its Subsidiaries that are required to be filed after the Closing Date. Any such Tax Returns that relate to a Pre-Closing Tax Period or Straddle Period shall be prepared and filed in a manner consistent with Seller's (or the Company's, as applicable) past practice, except as otherwise required by applicable Law or if Buyer determines, based on a good faith consultation with its tax advisors, that such past practice would not result in a "more likely than not" reporting position.

(c) Buyer shall submit any Income Tax Return or other non-Income Tax Return required to be filed on a quarterly or less frequent basis, in each case with respect to a Pre-Closing Tax Period or a Straddle Period, other than any such Tax Return that is due within forty-five (45) days after the Closing, to Seller (together with schedules, statements and, to the extent requested by Seller, supporting documentation) at least thirty (30) days prior to the due date (including extensions) of such Tax Return. Buyer shall submit any Tax Return with respect to a Pre-Closing Tax Period or a Straddle Period that is not described in the prior sentence, including any Tax Return required to be filed within forty-five (45) days after the Closing to Seller as soon as reasonably practicable after the Closing and in any event before the relevant due date of such Tax Return. If Seller objects to any item on any Tax Return provided to it for review pursuant to this Section 9.4(c), Seller shall, within fifteen (15) days after delivery of such Tax Return (or, in the case of Tax Returns not described in the first sentence of this Section 9.4(c), as soon as reasonably practicable following receipt of such Tax Return), notify Buyer in writing that it so objects, specifying with particularity any such item and stating the specific factual or legal basis for any such objection. If a notice of objection is duly delivered, Buyer and Seller shall negotiate in good faith and use their reasonable best efforts to resolve such items. In the event of a disagreement that cannot be resolved between Buyer and Seller, such Tax Return (other than an Income Tax Return) shall be filed as determined by Buyer (in its reasonable discretion and subject to the provisions of Section 9.4(b)). If such Tax Return is an Income Tax Return, within five (5) Business Days after the delivery of notice of objection, such disputed items shall be submitted to the Accounting Firm for final resolution, which shall be final, binding and conclusive absent manifest error. Seller and Buyer agree promptly to provide to the Accounting Firm all relevant information, and such Accounting Firm shall have five (5) Business Days to submit its determination. The costs of such resolution shall be borne equally between Buyer and Seller. After the Closing, Seller shall not, and shall not permit any of its Affiliates to, amend, or otherwise seek any refund with respect to, any Tax Returns or change any Tax elections or accounting methods with respect to the Company or any of its Subsidiaries relating to any Pre-Closing Tax Period.

9.5 Tax Contests.

(a) Buyer shall promptly notify Seller in writing upon receipt by Buyer or any of its Affiliates (including, after the Closing, the Company or any of its Subsidiaries) of notice of any Tax Contest that could give rise to a Liability for which Seller and Holdco are responsible under Section 9.1; provided that Buyer's failure to notify Seller shall not limit Buyer's rights under this Article IX except to the extent Seller is materially prejudiced by such failure. Seller shall promptly notify Buyer in writing upon receipt by Seller or any of its Affiliates of notice of any Tax Contest that could give rise to Taxes of or with respect to the Company or any of its Subsidiaries.

(b) Seller shall control, at its own cost and expense, all Tax Contests of the Company or any of its Subsidiaries, as the case may be, relating exclusively to a Pre-Closing Tax Period (other than a Straddle Period), provided, however, that Seller shall (i) notify Buyer of significant developments with respect to such Tax Contest and keep Buyer reasonably informed and consult with Buyer as to the resolution of any issue that would materially affect Buyer, (ii) permit Buyer to participate in all aspects of such Tax Contest, at Buyer's own cost and expense and (iii) not settle or compromise any issue without the consent of Buyer, such consent not to be unreasonably withheld, conditioned or delayed. For the avoidance of doubt, Buyer shall not withhold such consent if Buyer or the Company (or their Subsidiaries) would not be adversely affected by the settlement, taking into account Seller's and Holdco's indemnification obligations hereunder.

(c) Buyer shall control all Tax Contests not controlled by Seller pursuant to Section 9.5(b) relating to Taxes of the Company or any of its Subsidiaries that could give rise to a Liability for which Seller and Holdco are responsible under Section 9.1 and, to the extent that any such Tax Contest is pending as of the Closing Date, Seller shall facilitate the transition, and shall cooperate with Buyer to transition the control, of any such Tax Contest to Buyer. In the case of any such Tax Contest, Buyer shall (i) notify Seller of significant developments with respect to such Tax Contest and keep Seller reasonably informed and consult with Seller as to the resolution of any issue that would affect Seller's and Holdco's responsibility under Section 9.1, (ii) give Seller a copy of any Tax adjustment proposed in writing relating to such issue and copies of any other written correspondence with the relevant taxing authority relating to such issue, (iii) permit Seller to participate in the aspects of such Tax Contest relating to any such issue, at Seller's own cost and expense and (iv) not settle or compromise any such issue without the consent of Seller, such consent not to be unreasonably withheld, conditioned or delayed.

(d) Buyer shall exclusively control any other Tax Contest with respect to the Company and any of its Subsidiaries that is not described in Section 9.5(b) or 9.5(c).

9.6 Books and Records; Cooperation. Buyer and Seller shall (and shall cause their respective Affiliates to) provide the other party and its Affiliates with such assistance or information as may be reasonably requested in connection with the preparation of any Tax Return or claim for refund, the determination of a Tax Liability for Taxes or a right to refund of Taxes or the conduct of any Tax Contest. Seller shall cause the Company and its Subsidiaries to have in their possession, as of the Closing, all material Tax Returns, material claims for refund, material Tax determinations, audits, examinations or proceedings for each of the fiscal years starting January 1, 2014. Any cooperation contemplated under this Section 9.6 shall include providing copies of all relevant Tax Returns, together with accompanying schedules and related work papers, documents relating to rulings or other determinations made by taxing authorities, powers of attorney with respect to Taxes or Tax Returns and records concerning the ownership and tax basis of property, which either party may possess; provided that, for the avoidance of doubt, and notwithstanding anything to the contrary contained in this Agreement, Buyer shall not be required to submit to Seller under this Agreement any consolidated, combined, unitary, affiliated or similar Tax Return of Buyer. Each party shall make its employees available on a mutually convenient basis to provide explanation of any documents or information provided hereunder. Except as otherwise provided in this Agreement, the party requesting assistance hereunder shall reimburse the other for any reasonable out-of-pocket costs incurred in providing any Tax Return, document or other written information, and shall compensate the other for any reasonable costs (excluding wages and salaries and related costs) of making employees available, upon receipt of reasonable documentation of such costs. Any information obtained under this Section 9.6 shall be kept confidential, except as may be otherwise necessary in connection with the filing of Tax Returns or claims for refund or in conducting any audit, examination or other proceeding. Buyer and Seller agree that the sharing of information and cooperation contemplated by this Section 9.6 shall be done in a manner so as not to interfere unreasonably with the conduct of the business of the parties.

9.7 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value-added and other such Taxes and fees (including any penalties and interest) imposed on purchase of the Shares pursuant to this Agreement (including any real property transfer tax and any similar Tax) (collectively, "Transfer Taxes") shall be borne 50% by Buyer and 50% by Seller when due and the party required under applicable Law shall, at its own expense, file all necessary Tax returns and other documentation with respect to all such Taxes and fees, and, if required by applicable Law, Buyer and Seller, respectively shall, and shall cause their Affiliates to, join in the execution of any such Tax returns and other documentation.

9.8 Coordination; Other Tax Matters.

(a) Notwithstanding anything to the contrary contained in this Agreement, (i) the covenants and agreements of Seller, Holdco and Buyer contained in this Article IX shall survive the Closing until satisfied in accordance with their terms, and (ii) to the extent of any inconsistency between this Article IX and Article VIII, this Article IX shall control as to Tax matters.

(b) Any Tax-sharing agreement or arrangement between Seller or any of its respective Affiliates (other than the Company or any of its Subsidiaries), on the one hand, and the Company or any of its Subsidiaries, on the other hand, shall be terminated, and all payments thereunder shall be settled, immediately prior to the Closing. Seller shall cause any and all existing powers of attorney with respect to Taxes or Tax Returns to which the Company or any of its Subsidiaries is a party to be terminated as of the Closing.

9.9 Tax Treatment of Certain Payments. Unless otherwise required by applicable Law, the parties shall treat (a) any payment made by or to Seller under this Agreement as a payment made or received by Seller on behalf of Holdco, as the case may be, for U.S. federal income Tax purposes and (b) any indemnity payment made under this Agreement as an adjustment to the Aggregate Consideration for all U.S. federal, state, local and foreign Tax purposes, and the parties shall, and shall cause their respective Affiliates to, file their Tax Returns accordingly.

Article X

GENERAL PROVISIONS

10.1 Survival. Except for (i) the Fundamental Representations, which shall survive the Closing to and until the applicable statute of limitations, (ii) the representations and warranties contained in Section 2.11, which shall survive the Closing to and until the date that is sixty (60) days after the expiration of the applicable statute of limitations, and (iii) the representations and warranties contained in Section 2.20(b) and in the first sentence of Section 2.7(e), which shall survive the Closing to and until the date that is three (3) years after the Closing Date, each of the representations and warranties, and each of the covenants and agreements to be performed at or prior to the Closing, of the parties hereunder shall survive the Closing to and until the date that is eighteen (18) months after the Closing Date, at which date they shall terminate and be of no further force or effect. Except the indemnification obligations of Seller pursuant to Section 8.1(a)(vi) and of Buyer pursuant to Section 8.2(a)(iii), which, in each case, shall survive the Closing to and until the date that is three (3) years after the Closing Date, the covenants and agreements set forth in this Agreement that by their nature are required to be performed after the Closing shall survive the Closing indefinitely. Notwithstanding the foregoing, any representation, warranty, covenant or agreement in respect of which indemnity may be sought under Article VIII of this Agreement shall survive the time at which it would otherwise terminate pursuant to this Section 10.1 if a Claim Notice for indemnification in respect of such representation, warranty, covenant or agreement shall have been duly given in accordance with Section 8.3 prior to such time, in which event

such representation, warranty, covenant or agreement shall survive solely with respect to such claim until the final resolution thereof. The parties acknowledge and agree that with respect to any claim that any party may have against any other party that is permitted pursuant to the terms of this Agreement, the survival times set forth in this Section 10.1 shall govern when any such claim may be brought and shall replace and supersede any statute of limitations that may otherwise be applicable.

10.2 Notices. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be deemed given if delivered personally or sent by commercial overnight courier, courier fees prepaid, or emailed (provided that if any notice or other communication is delivered personally or by courier, it must also be delivered by email), to the parties at the following addresses:

if to Buyer to:

Verizon Communications Inc.
1095 Avenue of the Americas
New York, NY 10036
Attention: Michael Rosenblat
Christopher Barlett
Email: [Redacted]
[Redacted]

with a copy to:

Debevoise & Plimpton, LLP
919 Third Avenue
New York, NY 10022
Telephone: (212) 909-6000
Attention: Jeffrey J. Rosen
Michael A. Diz
Sue Meng
Email: [Redacted]
[Redacted]
[Redacted]

if to Seller or Holdco to:

América Móvil, S.A.B. de C.V.
Lago Zurich #245
Plaza Carso, Edificio Telcel, Piso 16
Colonia Ampliación Granada
México, D.F. 11529
Attention: Alejandro Cantú Jiménez
Santiago Dawson
Email: [Redacted]
[Redacted]

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Telephone: (212) 225-20000
Attention: Nicolas Grabar
Kyle Harris
Email: [Redacted]
[Redacted]

with a copy (if delivered prior to the Closing) to:

TracFone Wireless, Inc.
9700 NW 112th Avenue
Miami, FL 33178
Attention: Eduardo Diaz Corona
Richard Salzman,
Email: [Redacted]
[Redacted]

if to the Company to:

TracFone Wireless, Inc.
9700 NW 112th Avenue
Miami, FL 33178
Attention: Eduardo Diaz Corona
Richard Salzman,
Email: [Redacted]
[Redacted]

with a copy (if delivered prior to the Closing) to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Telephone: (212) 225-20000
Attention: Nicolas Grabar
Kyle Harris
Email: [Redacted]
[Redacted]

with a copy (if delivered prior to the Closing) to:

América Móvil, S.A.B. de C.V.
Lago Zurich #245
Plaza Carso, Edificio Telcel, Piso 16
Colonia Ampliación Granada
México, D.F. 11529
Attention: Alejandro Cantú Jiménez
Santiago Dawson
Email: [Redacted]
[Redacted]

with a copy (if delivered after the Closing) to:

Debevoise & Plimpton, LLP
919 Third Avenue
New York, NY 10022
Telephone: (212) 909-6000
Attention: Jeffrey J. Rosen
Michael A. Diz
Sue Meng
Email: [Redacted]
[Redacted]
[Redacted]

or to such other Person or address as any party shall specify by notice in writing to the other parties in accordance with this Section 10.2. All such notices or other communications shall be deemed to have been received: (a) upon actual receipt, if in writing and served by personal delivery upon the party for whom it is intended; (b) on the date the delivering party receives confirmation, if delivered by email with receipt confirmed by the delivering party's email application (or by receipt of confirmatory email from recipient which shall be delivered promptly by the recipient if so requested); or (c) three (3) Business Days after deposit in the mail, if delivered by certified mail, registered mail, courier service, return receipt received to the party at the address set forth above; provided that notice of change of address shall be effective only upon receipt.

10.3 Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The words "party" or "parties" shall refer to parties to this Agreement. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Disclosure Letters annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement in accordance with Section 10.7 and such Disclosure Letter. Any capitalized term used in any Exhibit, Schedule or Disclosure Letter but not otherwise defined therein shall have the meaning given to such term in this Agreement. Any singular term in this Agreement shall be deemed to include the plural and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation," whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. The word "or" shall be disjunctive but not exclusive. The words "to the extent" mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if". References to any Person include the successors and permitted assigns of that Person. References to a gender include the other gender. References from or through any date mean, unless otherwise specified, from and including or through and including the end date but excluding the reference date. Any reference to "days" means calendar days unless Business Days are expressly specified. If any action under this Agreement is required to be done or taken on a day that is not a Business Day, then such action shall be required to be done or taken not on such day but on the first succeeding Business Day thereafter. All references to "$" or "dollars" set forth in this Agreement are to U.S. dollars. References in this Agreement to the "United States" or "U.S." mean the United States of America and its territories and possessions.

10.4 Amendment and Modification; Waiver.

(a) This Agreement may not be amended or modified in whole or in part except by an instrument or instruments in writing signed and delivered on behalf of each of Seller and Buyer.

(b) At any time prior to the Closing, any party that is entitled to the benefits hereof may (i) extend the time for the performance of any of the obligations or other acts of the other parties, (ii) waive any inaccuracy in the representations and warranties of any other party contained herein or in any Disclosure Letter or in any document delivered pursuant hereto and (iii) waive compliance with any of the

agreements of any other party or conditions contained herein. No waiver or extension by any party of any provision hereof shall be effective unless explicitly set forth in writing and executed by the party sought to be charged with such waiver or extension. Waivers shall operate to waive only the specific matter described in the writing and shall not impair the rights of the party granting the waiver in any other respects or at any other times. No waiver of a breach of a provision of this Agreement, or failure (on one or more occasions) to enforce a provision of, or to exercise a right under, this Agreement, shall constitute a waiver of a similar, subsequent or prior breach, or of such provision or right other than as explicitly waived.

10.5 Entire Agreement. This Agreement, including the Disclosure Letters and the Schedules and Exhibits attached hereto, the other Transaction Documents and the Confidentiality Agreement constitute the entire agreement and supersede all other prior agreements and understandings, both written and oral, of the parties with respect to the subject matter hereof.

10.6 Fees and Expenses. Except and to the extent as otherwise provided in this Agreement, including in Section 1.7(b), Section 1.8(b), Section 5.2, Section 5.5(a), Section 5.5(b), Section 7.3, Section 9.7, whether or not the transactions contemplated hereby are consummated, all fees and expenses incurred in connection with this Agreement, and the transactions contemplated hereby, shall be paid by the party incurring such expenses (including attorneys' and auditors' fees and payments to brokers).

10.7 Disclosure Letters. Each Disclosure Letter and the information and disclosures contained therein are intended only to qualify and limit the representations, warranties, covenants and agreements contained in this Agreement, and are not intended to constitute or broaden the scope of, and shall not be construed as constituting or broadening the scope of, any representation, warranty, covenant or agreement of the disclosing party or of any other Person except as and to the extent expressly provided in this Agreement. Each section of a Disclosure Letter qualifies, and constitutes disclosure for purposes of, (a) the corresponding numbered section of this Agreement and (b) any other section of this Agreement or such Disclosure Letter to the extent it is reasonably apparent from the text of such disclosure that such disclosure is applicable, relevant or responsive to such other section of this Agreement or such Disclosure Letter. The inclusion of any item or fact in a Disclosure Letter shall not be deemed an admission against interest by the party making such disclosure that such item or fact is material or would be reasonably likely to have a Material Adverse Effect or arose outside the ordinary course of business, as applicable, for purposes of this Agreement or is required to be disclosed in order for the representations and warranties contained in this Agreement to be true and correct (and no party shall use the specification of any dollar amount in any representation or warranty contained in this Agreement or in the Disclosure Letters in any dispute or controversy between the parties as to whether any obligation, item or matter not described herein or included in the Disclosure Letters is or

is not material or outside the ordinary course of business for purposes of this Agreement). The inclusion of any item or fact in a Disclosure Letter shall not constitute, or be deemed to be, an admission by any party of any matter whatsoever (including any violation of applicable Law or breach of Contract) and shall not give rise to any claim or benefit to any third party.

10.8 Third Party Beneficiaries. Except to the extent provided in Section 5.13, Article VIII and Section 10.18 (the provisions of which shall inure to the benefit of the Persons referenced therein as third-party beneficiaries of such provisions, including all Indemnified Buyer Parties and Indemnified Seller Parties), nothing in this Agreement, express or implied, is intended to confer upon any Person other than the parties or their respective successors and assigns any rights, remedies, obligations or Liabilities under or by reason of this Agreement. This Agreement may be amended or terminated, and any provision of this Agreement may be waived, in accordance with the terms hereof without the consent of any Person other than Buyer and Seller.

10.9 Specific Performance. The parties agree that if any of the provisions of this Agreement were not performed by the parties in accordance with their specific terms or were otherwise breached thereby, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and that each party shall be entitled to specific performance to prevent breaches and anticipated breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof, without proof of actual damages or otherwise, in addition to any other remedy to which it may be entitled at law or in equity (subject to the limitations set forth in Section 8.4(b)). Each party agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. The parties further agree not to assert that a remedy of specific performance is unenforceable, invalid, contrary to Law or inequitable for any reason, nor to assert that a remedy of monetary damages would provide an adequate remedy.

10.10 Assignment; Binding Effect. This Agreement shall not be assigned by any party without the prior written consent of the other parties; provided that Buyer or Seller may assign any or all of their respective rights and interests hereunder, other than with respect to Section 8.4(g), to one or more of their respective Affiliates; provided, however, that in the case of such an assignment the assigning party shall remain responsible for the performance of all of its obligations hereunder. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

10.11 Governing Law; Venue; Waiver of Jury Trial.

(a) This Agreement, and all claims, controversies and causes of action (whether sounding in statute, contract or tort) arising out of or relating to this Agreement or the negotiation, execution or performance hereof, shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision, principle or rule (whether of the State of Delaware or any other jurisdiction) to the extent such provisions, principles or rules are not mandatorily applicable by statute and would cause the application of the Law of any jurisdiction other than the State of Delaware.

(b) Prior to the Closing, the exclusive venue for any and all Actions arising out of or relating to this Agreement or the negotiation, execution or performance hereof (and, in the event the parties disagree about whether or not the Closing has occurred, any Action with respect to deciding that question) shall be the Court of Chancery of the State of Delaware (provided that in the event subject matter jurisdiction is declined by or unavailable in the Court of Chancery, then such Action will be heard and determined exclusively in any other state or federal court sitting in the State of Delaware). Each party hereby expressly and irrevocably consents to the exercise of jurisdiction prior to the Closing by all state and federal courts sitting in the State of Delaware and hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to such laying of venue (including the defense of inconvenient forum) and agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from such courts. The parties agree that a final judgment in any such Action shall be conclusive and may be enforced in another jurisdiction by suit on the judgment or in any other manner provided by applicable Law.

(c) Buyer agrees that service of any process, summons, notice or document in accordance with Section 10.2 will be effective service of process for any Action brought against it by any other party pursuant to Section 10.11(b). Seller and Holdco hereby designate, appoint and empower, ample and sufficient to Corporation Service Company (the "Process Agent"), with offices on the date hereof at 251 Little Falls Drive, Wilmington, Delaware 19808, as their respective designee, appointee and agent with respect to any Action brought against Seller or Holdco by any other party pursuant to Section 10.11(b) to receive for and on their respective behalves service of any and all legal processes, summons, notices and documents that may be served in any such Action and agrees that the failure of such agent to give any advice of any such service of process to Seller or Holdco, as applicable, shall not impair or affect the validity of such service or of any claim based thereon. On the date hereof, Seller and Holdco shall each deliver to Buyer a notarized copy (*copia certificada or testimonio notarial*) of an irrevocable special power of attorney, duly executed in the presence of a Mexican notary public and in the form attached hereto as Exhibit D (a "Special Power of Attorney"), in favor of the Process Agent. If for any reason the Process Agent shall cease to be available to act as such, Seller and Holdco shall designate a new designee, appointee and agent in Delaware reasonably satisfactory to Buyer on the terms and for the purposes of this provision and shall deliver to Buyer a notarized copy (*copia certificada or testimonio notarial*) of a Special Power of Attorney in favor of such new designee, appointee and agent. Notwithstanding anything to the contrary contained in this Agreement, (i) nothing

contained herein will affect the right of any party to serve legal process in any other manner permitted by applicable Law and (ii) the consents to jurisdiction set forth in this Section 10.11 will not constitute general consents to service of process in the State of Delaware and shall have no effect for any purpose except as provided in this Section 10.11 and will not be deemed to confer rights on any Person other than the parties.

(d) EACH OF THE PARTIES HERETO HEREBY ACKNOWLEDGES AND AGREES THAT ANY CLAIM, CONTROVERSY OR CAUSE OF ACTION THAT MAY, PRIOR TO THE CLOSING, ARISE OUT OF OR RELATE TO THIS AGREEMENT OR THE NEGOTIATION, EXECUTION OR PERFORMANCE HEREOF IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL RIGHTS IT MAY HAVE PRIOR TO THE CLOSING TO A TRIAL BY JURY IN RESPECT OF ANY ACTION (WHETHER SOUNDING IN STATUTE, CONTRACT OR TORT) ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE NEGOTIATION, EXECUTION OR PERFORMANCE HEREOF. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO PARTY OR REPRESENTATIVE OR AFFILIATE THEREOF HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (iii) IT MAKES SUCH WAIVER KNOWINGLY AND VOLUNTARILY AND (iv) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS CONTAINED IN THIS PARAGRAPH.

10.12 Arbitration. It is understood and agreed by the parties that if the transactions contemplated by this Agreement are consummated, from and after the Closing, any and all claims, controversies and causes of action (whether sounding in statute, contract or tort) arising out of or relating to this Agreement or the negotiation, execution or performance hereof shall be resolved by arbitration. Such arbitration shall be submitted to the International Court of Arbitration of the International Chamber of Commerce and shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (“ICC Rules”) in effect at the time of the arbitration, except as they may be modified herein or by mutual agreement of the parties. Such arbitration shall be conducted by three arbitrators appointed in accordance with the ICC Rules. The seat of the arbitration shall be New York, and it shall be conducted in the English language. Any arbitration award shall be final and binding on the parties, and the parties undertake to carry out any award without delay. Judgment upon the award may be entered by any court having jurisdiction of the award or having jurisdiction over the relevant party or its assets.

10.13 Non-Recourse. This Agreement may be enforced only against, and any Action based upon, arising out of or related to this Agreement or the transactions contemplated hereby may be brought only against, the entities that are expressly named as parties and then only with respect to the specific obligations set forth herein with respect to such party, and, with respect to each party, no past, present or future director, officer, employee, incorporator, member, partner, equityholder, agent, attorney, advisor, lender or Representative or Affiliate of such named party shall have any Liability (whether in contract or tort, at law or in equity, or otherwise, or based upon any theory that seeks to impose Liability of a party against its owners or Affiliates) for any one or more of the representations, warranties, covenants, agreements or other obligations or Liabilities of such named party or for any claim being based on, arising out of, or related to this Agreement or the transactions contemplated hereby.

10.14 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

10.15 Counterparts. This Agreement may be executed in any number of counterparts, including by electronic or .pdf transmission, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

10.16 Time is of the Essence. Time is of the essence in the performance of the transactions contemplated by this Agreement.

10.17 Virtual Access. To the extent any party is required pursuant to the terms of this Agreement to provide any other party with access to its books, records, work papers, Contracts, Tax Returns, Permits or any other information, or to its employees, management or other personnel, such party shall, and shall cause its Affiliates and Representatives to, use commercially reasonable efforts to provide such access in a format that enables such other party to access it virtually, to the extent practicable. To the extent any party is required pursuant to the terms of this Agreement to provide any other party with access to its offices and other facilities and properties, such party shall not be required to provide access if doing so would violate or conflict with any guidelines promulgated by a Governmental Authority or reasonable internal policies, in each case related to mitigation of the Coronavirus Outbreak.

10.18 Provision Regarding Legal Representation. Recognizing that each of the Law Firms has acted as legal counsel to Seller, the Company and its Subsidiaries and their Affiliates prior to date hereof, and that the Law Firms intend to act as legal counsel to Seller and its Affiliates (which will no longer include the Company and its Subsidiaries) after the Closing, Buyer hereby waives (on its own behalf) and agrees to cause its Affiliates (including, after the Closing, the Company and its Subsidiaries) to waive, any conflicts arising under such representation that would prevent the Law Firms from representing Seller or any of its Affiliates after the Closing in connection with any matter involving the Transaction Documents or the transactions contemplated thereby. The consents and waivers in this Section 10.18 shall not apply to, and Buyer does not waive, any conflict that may arise as a result of any representation of Buyer or any of its Affiliates by the Law Firms other than with respect to the representation of Seller or the Company by the Law Firms in connection with the transactions contemplated by this Agreement. In addition, notwithstanding anything in this Agreement to the contrary, all communications involving attorney-client confidences between Seller, the Company and its Subsidiaries and their respective Affiliates, on the one hand, and any of the Law Firms on the other hand, in the course of or otherwise in connection with the consideration, negotiation, documentation and consummation of the transactions contemplated hereby shall be deemed to be attorney-client confidences that belong solely to Seller and its Affiliates (and not the Company and its Subsidiaries). Accordingly, the Company and its Subsidiaries shall not have access to any such communications or to the files of the Law Firms relating to such engagement from and after the Closing, and no actions taken by Seller or any of its Affiliates or Representatives to retain, remove or otherwise protect such communications will be deemed a breach or violation of this Agreement or any Transaction Document. Without limiting the generality of the foregoing, from and after the Closing, (a) Seller and its Affiliates (and not the Company or its Subsidiaries) shall be the sole holders of the attorney-client privilege with respect to such engagement, and neither the Company nor any of its Subsidiaries shall be a holder thereof, (b) such privilege shall survive the Closing and remain in full effect and shall not be deemed waived as a result of the Closing or any actions taken or not taken in connection with or following the Closing (and the parties and their respective Affiliates agree to take all steps necessary to ensure that such privilege shall survive the Closing and remain in full effect), (c) Buyer and its Affiliates (including, after the Closing, the Company and its Subsidiaries) disclaim any right to control or waive such privilege and shall not use or rely on any such privileged communication in any Action against or involving Seller or any of its Affiliates or otherwise relating to the transactions contemplated hereby, (d) to the extent that files of the Law Firms in respect of such engagement constitute property of the client, only Seller and its Affiliates (and not the Company or its Subsidiaries) shall hold such property rights and (e) each of the Law Firms shall have no duty whatsoever to reveal or disclose any such attorney-client communications or files to the Company or its Subsidiaries by reason of any attorney-client relationship between the Law Firms and the Company or its Subsidiaries or otherwise.

Article XI

DEFINITIONS

The following terms when used in this Agreement shall have the following meanings:

"Accounting Firm" has the meaning set forth in Section 1.7(b).

"Accounting Principles" means the accounting principles, policies and procedures set forth in Exhibit A attached hereto; provided that in the event of any conflict between GAAP, applied in a manner consistent with the preparation of the Financial Statements, and Exhibit A, then Exhibit A shall prevail.

"Action" means any claim, action, suit, audit, assessment, litigation, appeal, condemnation, eminent domain, investigation, inquiry, review, arbitration, mediation or other proceeding, in each case by or before any Governmental Authority, whether formal or informal or civil, criminal, administrative or otherwise, in law or in equity.

"Adjustment Dispute Notice" has the meaning set forth in Section 1.7(b).

"Affiliate" of a Person means a Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with the first Person. "Control" (and "controlled by" and "under common control with") means possessing, directly or indirectly, the power to direct or cause the direction of a Person's management or policies, through owning voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

"Affiliate Transaction" has the meaning set forth in Section 2.17.

"Aggregate Consideration" has the meaning set forth in Section 1.2.

"Agreement" has the meaning set forth in the Preamble.

"Airtime Tax Benefit" means, for any Measurement Period, the amount of any refund, credit or other similar benefit in respect of Airtime Taxes, accrued by the Company or any of its Subsidiaries in such Measurement Period in accordance with Schedule I and the Accounting Principles.

"Airtime Taxes" means the sum of (a) telecom taxes and fees, including gross receipts taxes (or related Tax benefits), (b) applicable E911 surcharges (or benefits or refunds) and (c) amounts paid to (or benefits or refunds from) state and federal regulatory fees including the universal service fund, calculated in accordance with Schedule I and the Accounting Principles.

"Alternative Transaction" has the meaning set forth in Section 5.8.

"AML Laws" has the meaning set forth in Section 2.22(e).

"Anticorruption Laws" has the meaning set forth in Section 2.22(a).

"Antitrust Laws" means the HSR Act, the Sherman Act, the Clayton Act, the Federal Trade Commission Act and any other U.S. federal or state or foreign Laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization, restraint of trade or lessening of competition through merger or acquisition.

"ASU" has the meaning set forth in the definition of "Capital Lease Obligations."

"Average Buyer Stock Price" means the volume weighted average of the trading prices of shares of Buyer Common Stock on the New York Stock Exchange (the "NYSE") (as reported by Bloomberg L.P. or, if not reported therein, in another authoritative source mutually selected by the parties) during the twenty (20) consecutive Trading Days ending on (and including) the Trading Day that is five (5) Trading Days prior to the Closing Date; provided that if, from the beginning of the twenty-fifth (25th) Trading Day prior to the Closing until the Closing Date, there shall occur any change, or the record date for any change, in the outstanding shares of Buyer Common Stock as a result of any reclassification, recapitalization, stock split or combination, exchange or readjustment of shares, or any stock dividend, in each case other than pursuant to the terms of any equity-based compensation or incentive plan sponsored by Buyer that is in effect and included or incorporated by reference in the Buyer SEC Documents prior to the date that is twenty-six (26) Trading Days prior to the Closing Date, the Average Buyer Stock Price shall be equitably adjusted to reflect such change.

"Balance Sheet Date" means June 30, 2020.

"Base Stock Consideration" means 52,360,495 shares of Buyer Common Stock; provided that if, from the date hereof until the Closing Date, there shall occur any change, or the record date for any change, in the outstanding shares of Buyer Common Stock as a result of any reclassification, recapitalization, stock split or combination, exchange or readjustment of shares, or any stock dividend, in each case other than pursuant to the terms of any equity-based compensation or incentive plan sponsored by Buyer that is in effect and included or incorporated by reference in the Buyer SEC Documents prior to the date that is twenty-six (26) Trading Days prior to the Closing Date, the Base Stock Consideration shall be equitably adjusted to reflect such change.

"Benefit Plans" means, excluding any statutory plan or programs maintained by a Governmental Authority and that does not provide pension benefits, each material written or oral "employee benefit plan" (within the meaning of Section 3(3) of ERISA) and each material stock purchase, stock option, profits interest or other equity award or equity-based compensation, severance, employment, consulting, termination, retention, change-in-control, fringe benefit, collective bargaining, bonus, incentive, deferred compensation, profit sharing, pension, retirement, 401(k), vacation or other paid or unpaid leave, medical or welfare, disability and all other material employee or retiree benefit or compensation plan, agreement, program, policy, funding mechanism or other arrangement, whether or not subject to ERISA, (a) that is sponsored or contributed to by the Company or any of its Subsidiaries under which any current or former employee, officer or director or independent contractor of any of the Company or any of its Subsidiaries has any present or future right to benefits or (b) under which the Company or any of its Subsidiaries has or would reasonably be expected to have any present or future Liability (other than any Multiemployer Plans).

"Burdensome Accommodation" has the meaning set forth in Section 5.3(a).

"Business" means (a) the prepaid wireless business conducted in the United States of America and its territories and possessions by Seller and its Subsidiaries prior to the Closing and (b) the business that is in development or conducted by the Company and its Subsidiaries as of the Closing.

"Business Day" means any day which is not a Saturday, Sunday or a day on which banks in New York, New York, or Mexico City, Mexico, are authorized or obligated by law or executive order to be closed.

"Business Permit" has the meaning set forth in Section 2.8(b).

"Buyer" has the meaning set forth in the Preamble.

"Buyer Common Stock" means the common stock, par value $0.10, of Buyer.

"Buyer Disclosure Letter" means the disclosure letter delivered by Buyer to Seller at the time of execution hereof.

"Buyer Fundamental Representations" means the representations and warranties set forth in Sections 4.1, 4.2 and 4.10.

"Buyer SEC Documents" has the meaning set forth in Section 4.9.

"Cap" has the meaning set forth in Section 8.1(b)(ii).

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof

determined in accordance with GAAP; provided that all leases of such Person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance on February 25, 2016 of the Accounting Standards Update 2016-02, Leases (Topic 842) by the Financial Accounting Standards Board (the "ASU") shall not be deemed Capital Lease Obligations notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations in the Financial Statements.

"Cash" means, with respect to any Person, as of any date, without duplication and as calculated in accordance with the Accounting Principles, the cash and cash equivalents convertible into cash within thirty (30) days of such Person, including the amounts of any received but uncleared checks, drafts and wires issued prior to such time (to the extent the corresponding accounts receivable has not been included in the Closing Working Capital Amount), minus (a) the amounts of any issued but uncleared checks, drafts and wires issued prior to such time (to the extent the corresponding accounts payable or liability has not been included in the Closing Working Capital Amount), (b) the amounts of any outstanding bank overdrafts and (c) any cash or cash equivalent that is subject to restrictions on use or distribution by applicable Law or Contract.

"Cash Consideration Amount" means an amount in cash equal to $3,125,000,000.

"CEO Employee" means Eduardo Diaz Corona.

"Claim Notice" has the meaning set forth in Section 8.3(a).

"Closing" has the meaning set forth in Section 1.4.

"Closing Cash" means the consolidated Cash of the Company, determined as of the open of business on the Closing Date, without giving effect to the transactions contemplated by this Agreement; provided that Closing Cash shall not include any Cash used on the Closing Date before the Closing to pay Company Transaction Expenses.

"Closing Cash Consideration" has the meaning set forth in Section 1.2.

"Closing Consideration" has the meaning set forth in Section 1.2.

"Closing Date" has the meaning set forth in Section 1.4.

"Closing Debt" means the consolidated Debt of the Company outstanding as of the open of business on the Closing Date, without giving effect to the transactions contemplated by this Agreement; provided that Closing Debt shall not include any intercompany obligations to be cancelled at or prior to Closing pursuant to Section 5.12(b).

"Closing Deferred Revenue Amount" means the Current Liability for deferred revenue of the Company, determined as of the open of business on the Closing Date, without giving effect to the transactions contemplated by this Agreement, included in the calculation of the Final Closing Cash Consideration pursuant to Section 1.7, which amount shall be a negative number.

"Closing Statement" has the meaning set forth in Section 1.7(a).

"Closing Stock Consideration" shall mean a number of shares of Buyer Common Stock equal to the quotient, rounded to the nearest whole number, of (a) the Stock Consideration Amount divided by (b) the Average Buyer Stock Price; provided that (x) if the Closing Stock Consideration determined by such quotient is less than the Closing Stock Consideration Minimum, the Closing Stock Consideration shall be deemed to be equal to the Closing Stock Consideration Minimum and (y) if the Closing Stock Consideration determined by such quotient is greater than the Closing Stock Consideration Maximum, the Closing Stock Consideration shall be deemed to be equal to the Closing Stock Consideration Maximum. An illustrative calculation of the Closing Stock Consideration is set forth in Section 1.1(d) of the Seller Disclosure Letter.

"Closing Stock Consideration Maximum" means a number of shares of Buyer Common Stock equal to one-hundred-ten percent (110%) of the Base Stock Consideration.

"Closing Stock Consideration Minimum" means a number of shares of Buyer Common Stock equal to ninety percent (90%) of the Base Stock Consideration.

"Closing Working Capital Amount" means the Working Capital Amount of the Company, determined as of the open of business on the Closing Date, without giving effect to the transactions contemplated by this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commercial Consideration" shall mean the marginal value of the cash consideration payable to Seller or one of its Subsidiaries pursuant to a Commercial Contract as compared to the obligations of Seller or its Subsidiary under the relevant Commercial Contract that Seller agrees in writing to treat as Commercial Consideration.

"Commercial Contract" has the meaning set forth in Section 5.17.

"Company" has the meaning set forth in the Preamble.

"Company Intellectual Property" means all Intellectual Property owned or purported to be owned by the Company or any of its Subsidiaries.

"Company Software" has the meaning set forth in Section 2.7(b).

“Company Transaction Expenses” means all out-of-pocket fees, costs and expenses (a) incurred or payable by the Company or any of its Subsidiaries prior to the Closing, whether accrued for or not, in connection with the preparation, negotiation, execution, delivery and consummation of the Transaction Documents and the consummation or performance of the transactions contemplated thereby by the Company and (b) which remain unpaid as of the Closing and are payable by the Company or any of its Subsidiaries at or after the Closing, including but not limited to (i) the fees and disbursements payable to legal counsel, financial advisors, consultants, accountants, service providers and other advisors, (ii) amounts payable pursuant to the Long-Term Incentive Plan Acceleration and any stay, retention, transaction, change of control or other similar bonuses and “single-trigger” severance payments pursuant to which an employee resigns and collects severance as a result of the consummation of the transactions contemplated by this Agreement without any additional act or omission by Buyer) paid by the Company or any of its Subsidiaries at or after the Closing to any current or former employee, officer, director or independent contractor of the Company or any of its Subsidiaries pursuant to any plan, agreement or arrangement entered into or authorized by the Company or any of its Subsidiaries or Seller prior to the Closing, payable in connection with or as a result of the Closing of the transactions contemplated by this Agreement, including the employer portion of any payroll Taxes attributable thereto payable by the Company or any of its Subsidiaries or Buyer, but excluding the Retention Bonuses set forth in Sections 5.1(e) and 5.1(f) of the Seller Disclosure Letter, including the Retention Bonus payable to the CEO Employee, (iii) any brokerage fees, commissions, finders’ fees or financial advisory fees and, in each case, related costs and expenses and (iv) fifty percent (50%) of the filing fees and of the charges for the filing under the HSR Act. Company Transaction Expenses shall exclude any Debt or Current Liabilities.

“Confidentiality Agreement” means the Nondisclosure Agreement, dated as of March 15, 2018, as amended as of September 11, 2019, by and between Buyer and Seller.

“Contingent Cash Consideration” means, for each Measurement Period, an amount in cash equal to the sum of (a) Contingent Revenue Consideration for such period and (b) Contingent Migration Consideration for such period.

“Contingent Migration Consideration” means, for each Measurement Period, an amount in cash equal to the product of (a) $70 multiplied by (b) the number of Subscriber Migrations in such period; provided that the aggregate amount of Contingent Migration Consideration to be paid by Buyer to Seller during the Earnout Period pursuant to Section 1.8 shall not exceed $250,000,000.

“Contingent Revenue Consideration” means, for each Measurement Period, an amount in cash equal to the product of (a) 0.0209 multiplied by (b) Net Airtime Revenue for such period; provided that the aggregate amount of Contingent Revenue Consideration to be paid by Buyer to Seller during the Earnout Period pursuant to Section 1.8 shall not exceed $250,000,000.

"Continuing Employees" has the meaning set forth in Section 5.7(a).

"Contract" means any legally binding contract, agreement, license, sublicense, lease, sublease, conditional sales contract, mortgage, sales or purchase order, terms and conditions, commitment, arrangement, undertaking, understanding, warranty or guarantee, instrument or note, indenture or deed of trust, whether written or oral.

"Coronavirus Outbreak" means the outbreak of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) and the COVID-19 disease, in each case, including the mutations, derivatives, variations or worsening thereof, caused thereby.

"Current Assets" means, as of any date, the consolidated current assets of the Company, determined in accordance with the Accounting Principles, but excluding (a) any Income Tax assets and deferred Tax assets and (b) any Cash.

"Current Liabilities" means, as of any date, the consolidated current liabilities of the Company, determined in accordance with the Accounting Principles, but excluding (a) any Income Tax liabilities, deferred Tax liabilities and Taxes described in Section 9.1(g), (b) any Debt, (c) any Company Transaction Expenses and the exclusion set forth in clause (ii) of the definition of Company Transaction Expenses.

"D&O Expenses" has the meaning set forth in Section 5.13(b).

"D&O Indemnifiable Claim" has the meaning set forth in Section 5.13(b).

"D&O Indemnified Person" has the meaning set forth in Section 5.13(a).

"D&O Indemnifying Party" has the meaning set forth in Section 5.13(b).

"D&O Insurance" has the meaning set forth in Section 5.13(c).

"D&O Losses" has the meaning set forth in Section 5.13(b).

"Damages" means any and all damages, judgments, awards, liabilities, losses, charges, obligations, payments, settlements, Taxes, D&O Expenses, assessments, deficiencies, interest, penalties, lost profits to the extent reasonably foreseeable, diminution in value to the extent reasonably foreseeable, fines and costs and expenses (including reasonable costs of investigation, enforcement and defense, and reasonable fees and expenses of attorneys, auditors, consultants, experts and other agents) but excluding any incidental, consequential, special, indirect, punitive or exemplary damages other than any such damages (x) to the extent they have been awarded to a third party against an Indemnified Party or (y) that are reasonably foreseeable consequential damages. For the avoidance of doubt, in no event will Damages of any Seller Indemnified Party include any amounts to which Seller would have been entitled pursuant to Section 1.8 if not for the impact of the matters set forth in Section 8.1(a)(vi) of the Seller Disclosure Letter.

“Data Privacy and Security Requirements” has the meaning set forth in Section 2.23(c).

“De Minimis Amount” has the meaning set forth in Section 8.1(b).

“De Minimis Claim” has the meaning set forth in Section 8.1(b).

“Debt” means, with respect to any Person, without duplication and as calculated in accordance with the Accounting Principles, (a) indebtedness for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money, (b) indebtedness evidenced by any note, bond, debenture, mortgage or other similar instruments, (c) obligations under any performance bond, surety bond, letter of credit or similar obligation, but only to the extent drawn or called as of immediately prior to the Closing, (d) obligations pursuant to or with respect to Capital Lease Obligations, (e) obligations for the deferred purchase price of property or services (other than ordinary course trade payables to the extent included in the Closing Working Capital Amount), including “earn-outs” and “seller notes” payable with respect to the acquisition of any business, assets or securities (valued at the maximum potential amount payable), (f) all liabilities under any interest rate, currency, materials or other hedging agreements or arrangements of the Company or any of its Subsidiaries (other than the Terminated Hedging Agreements) valued at the fair value thereof at the Closing, (g) loans from Seller or any Affiliate of Seller to the Company or its Subsidiaries, (h) without duplication, guarantees with respect to any indebtedness of any other Person of a type described in clauses (a) through (i) above, (i) the Marketing Shortfall Amount, (j) the amount of any unpaid Income Taxes of the Company (for the avoidance of doubt, net of any Income Tax assets available to offset or reduce such Income Taxes) or any of its Subsidiaries (which shall be an amount not less than zero) arising with respect to a Pre-Closing Tax Period, which amount shall, for the avoidance of doubt, be reduced by any estimated tax payments made by the Company or any of its Subsidiaries with respect to such periods and (k) for clauses (a) through (j) above, all accrued or unpaid interest thereon, if any, and any termination fees, breakage costs, premiums, penalties, make-whole payments and other similar fees and expenses required to be paid or offered.

“Deductible” has the meaning set forth in Section 8.1(b).

“Deferred Adjustments” means the sum of (a) deferred revenue adjustment in respect of customer plans of a duration of less than one year and (b) deferred revenue adjustment in respect of customer plans of a duration of one year or more, in each case calculated in accordance with Schedule I and the Accounting Principles.

“Deferred Consideration” shall mean the sum of the Deferred Consideration Annual Payments, plus any Commercial Consideration.

“Deferred Consideration Annual Payment” shall mean $75,000,000, less any Commercial Consideration paid by Buyer or its Subsidiaries to Seller or its Subsidiaries pursuant to any Commercial Contracts in the one year preceding the relevant Deferred Consideration Payment Date.

“Deferred Consideration Payment Date” shall mean the first anniversary of the Closing Date and the second anniversary of the Closing Date (or if not a Business Day, the next succeeding Business Day).

“Disclosure Letters” means the Seller Disclosure Letter and the Buyer Disclosure Letter.

“Domains” has the meaning set forth in the definition of “Intellectual Property”.

“Earnout Dispute Notice” has the meaning set forth in Section 1.8(b).

“Earnout Period” means the period beginning on the Earnout Period Start Date and ending on the earlier of (a) the second (2nd) anniversary of the Earnout Period Start Date and (b) the date on which Buyer has paid to Seller pursuant to Section 1.8 an aggregate amount of Contingent Cash Consideration equal to $500,000,000.

“Earnout Period Start Date” means (a) if the Closing occurs on the first Business Day of a month, the Closing Date and (b) if the Closing does not occur on the first Business Day of a month, the first Business Day of the following month.

“Earnout Review Period” has the meaning set forth in Section 1.8(b).

“Earnout Statement” has the meaning set forth in Section 1.8(a).

“Environmental Law” means any Law relating to (a) the protection, preservation or restoration of natural resources, the environment or human health or safety or (b) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, Release or disposal of, hazardous substances.

“Equitable Exceptions” has the meaning set forth in Section 2.3.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” of any entity means any other entity which, together with such entity, would be treated as a single employer under Section 414 of the Code and the regulations promulgated thereunder.

"Estimated Closing Cash" has the meaning set forth in Section 1.3.

"Estimated Closing Cash Consideration" has the meaning set forth in Section 1.3.

"Estimated Closing Debt" has the meaning set forth in Section 1.3.

"Estimated Closing Statement" has the meaning set forth in Section 1.3.

"Estimated Company Transaction Expenses" has the meaning set forth in Section 1.3.

"Estimated Working Capital Amount" has the meaning set forth in Section 1.3.

"Executives" means Ronan Dunne and Daniel Hajj Aboumrad.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Export Control Laws" has the meaning set forth in Section 2.22(d).

"Extended Outside Date" has the meaning set forth in Section 7.1(e).

"FCC" means the U.S. Federal Communications Commission.

"FCC Consents" has the meaning set forth in Section 2.5.

"FCC Permits" has the meaning set forth in Section 2.8(b).

"FCC Rules" means the rules and regulations promulgated by the FCC.

"FCPA" has the meaning set forth in Section 2.22(a).

"Final Closing Cash Consideration" has the meaning set forth in Section 1.7(c).

"Final Order" means an action or decision as to which (a) no request for a stay is pending, no stay is in effect and any deadline for filing such request that may be designated by statute or regulation has passed, (b) no timely filed petition (or petition for which timely filing has been waived by the applicable Governmental Authority) for rehearing or reconsideration or application for review is pending and the time for the filing of any such petition or application has passed, (c) the relevant Governmental Authority does not have the action or decision under reconsideration on its own motion and the time within which it may effect such reconsideration has passed and (d) no appeal is pending or in effect and any deadline for filing any such appeal that may be designated by statute or rule has passed. Notwithstanding any request for a stay, petition for rehearing or reconsideration, application for review or appeal, an action or decision shall be deemed a Final Order unless such request for a stay, petition for rehearing or reconsideration, application for review or appeal is reasonably likely to result in the vacating or rescission of the original action or decision or in its modification in a manner that would cause it no longer to satisfy Section 6.2(e).

"Financial Statements" means (a) the audited consolidated balance sheet of the Company and its Subsidiaries as of, and the related consolidated statements of income, stockholders' deficit and cash flows of the Company and its Subsidiaries for, the fiscal years ended December 31, 2019, December 31, 2018 and December 31, 2017, together with the notes and schedules thereto and (b) the unaudited consolidated balance sheet of the Company and its Subsidiaries as of, and the related consolidated statements of income, stockholders' deficit and cash flows of the Company and its Subsidiaries for, the six (6)-month period ended as of the Balance Sheet Date.

"Financing" means third-party debt financing to be obtained by or on behalf of Buyer for purposes of financing all or a portion of the Closing Cash Consideration and the related fees and expenses and any other amounts required to be paid by Buyer in connection with the consummation of the transactions contemplated by this Agreement.

"Fraud" means, with respect to any party, such party's intentional and fraudulent misrepresentation or omission of a representation and warranty set forth in this Agreement or in any certificate, exhibit, schedule or Disclosure Letter delivered hereunder, made with the intent to deceive or mislead and with actual knowledge of such misrepresentation or omission, where another party has relied on such misrepresentation or omission and suffered Damages as a result thereof.

"Fundamental Representations" has the meaning set forth in Section 8.1(b).

"GAAP" means U.S. generally accepted accounting principles.

"Governmental Approval" means each of the consents, authorizations or approvals from Governmental Authorities required to be obtained in connection with the transactions contemplated by this Agreement including, without limitation, (a) the FCC Consents, (b) the PUC Consents, (c) the approval of any Governmental Authorities, or expiration of any applicable waiting periods, under any applicable Antitrust Laws and (d) any other consents, authorizations or approvals from Governmental Authorities required to be obtained in connection with the transactions contemplated by this Agreement (except for such consents, authorizations or approvals that are *de minimis* in the aggregate).

"Governmental Authority" means any supranational, national, federal, state, provincial, municipal, local or foreign governmental, regulatory or administrative authority, instrumentality, department, board, bureau, agency, commission or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any non-governmental self-regulatory organization, agency or authority, and any tribunal or court of competent jurisdiction.

"Gross Airtime Revenue" means the face value (MSRP) of the airtime business of the Company and its Subsidiaries, which is the sum of (a) airtime revenue, (b) access revenue, (c) revenue in respect of the Company's service protection, (d) revenue in respect of the Company's monthly program, (e) access revenue from the Company's double minute annual plan, (f) revenue from participation in the Lifeline program, (g) revenue in respect of international long distance cards, (h) data services revenue, (i) data cards revenue and (j) text card revenue, in each case calculated in accordance with Schedule I and the Accounting Principles.

"Hazardous Material" means any material or substance defined, identified or regulated as toxic or hazardous or as a "pollutant" or "contaminant" or words of similar meaning or effect under any Environmental Law, including asbestos, asbestos-containing materials, polychlorinated biphenyls, petroleum, petroleum products and byproducts and radioactive materials.

"Holdco" has the meaning set forth in the Preamble.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"ICC Rules" has the meaning set forth in Section 10.12.

"Income Tax" means any Tax based upon or measured in whole or in part by reference to net income, capital, franchise or any similar Tax.

"Income Tax Return" means any Tax Return relating to Income Taxes.

"Indemnified Buyer Parties" has the meaning set forth in Section 8.1(a).

"Indemnified Party" has the meaning set forth in Section 8.3(a).

"Indemnified Seller Parties" has the meaning set forth in Section 8.2(a).

"Indemnifying Party" has the meaning set forth in Section 8.3(a).

"Industry Body" has the meaning set forth in Section 2.7(i).

"Insurance Cap" has the meaning set forth in Section 5.13(c).

"Insurance Policies" has the meaning set forth in Section 2.15.

"Intellectual Property" means all intellectual property rights in any jurisdiction throughout the world, including rights in or to:

(i) patents, patent applications, utility models and design registrations, and certificates of invention, including all related provisionals, continuations, continuations-in-part, divisionals, extensions, reissues and reexaminations therefor;

(ii) trade names, logos, slogans, trademarks, service marks, industrial designs, trade dress rights and other indicia of origin, in each case whether registered or unregistered, and related registrations and applications for registration, including all goodwill associated with the foregoing (collectively, "Marks");

(iii) copyrights, whether registered or unregistered, and rights in copyrightable subject matter in both published and unpublished works, and mask work rights, including in all compilations, databases and Software, manuals and other documentation, and all copyright registrations and applications;

(iv) confidential information, including confidential processes, models, tools, algorithms, Software architectures, research and development, data and databases, designs, specifications, technology, know-how, techniques, formulae, schematics, inventions (whether or not patentable and whether or not reduced to practice), concepts, trade secrets, discoveries, ideas, technical data, strategies and prototypes, marketing plans, consumer and supplier lists, and information and other materials falling within the definition of trade secrets as set forth in 18 U.S. Code Section 1890 (Defend Trade Secrets Act of 2016) and corresponding foreign Laws (collectively, "Trade Secrets");

(v) Internet domain names, social media accounts, uniform resource locators and other names and locators associated with the internet and other digital identifiers and indicia of origin, ("Domains"); and

(vi) all applications, registrations, extensions, reversions and renewals related to or any of the foregoing clauses (i) through (vi) above.

"IRS" means the U.S. Internal Revenue Service.

"IT Systems" means the hardware, Software, data communication lines, network and telecommunications equipment, Internet-related information technology infrastructure, wide area network and other information technology equipment owned, leased or licensed (including by a cloud service provider) to or controlled by the Company or any of its Subsidiaries (including in facilities of the Company or any of its Subsidiaries or, to the extent controlled by the Company or any of its Subsidiaries, as provided by a cloud service provider).

“Key Employee” means the employees of the Company listed on Exhibit B.

“knowledge of Buyer” or any similar phrase means the actual knowledge, as of the date of this Agreement, of any of the individuals identified in Section 1.1(a) of the Buyer Disclosure Letter.

“knowledge of Seller” or any similar phrase means the actual knowledge, as of the date of this Agreement, of any of the individuals identified in Section 1.1(a) of the Seller Disclosure Letter.

“knowledge of the Company” or any similar phrase means the actual knowledge, as of the date of this Agreement, of any of the individuals identified in Section 1.1(b) of the Seller Disclosure Letter.

“Known Effects of the Coronavirus Outbreak” means the effects on the business of the Company and its Subsidiaries that have occurred as a result of the Coronavirus Outbreak, and any worsening of such effects to the extent reasonably foreseeable as of the date hereof.

“Law” means any law, statute, regulation, code, order, judgment, edict, decree, directive, ordinance, policy, rule, regulation or other mandatory requirement of any Governmental Authority.

“Law Firms” means the law firms set forth in Section 1.1(c) of the Seller Disclosure Letter.

“Leased Real Property” has the meaning set forth in Section 2.16.

“Leases” has the meaning set forth in Section 2.16.

“Liability” means any and all debts, liabilities, commitments and obligations of any nature, character or description.

“Lien” means any mortgage, pledge, lien, deed of trust, charge, security interest, claim, charge, easement, right of way, lease, sublease, occupancy agreement, limitation, commitment, condition, restriction, encroachment, option, conditional sale agreement or other similar encumbrance of any kind or nature whatsoever (whether absolute or contingent).

“Long-Term Incentive Plan Acceleration” means the acceleration of that portion of the Company’s 2020-22 management long-term incentive plan determined to be paid by the Company prior to the Closing and based upon performance as of immediately prior to the Closing.

"Malware" means any virus, Trojan horse, time bomb, key-lock, spyware, worm, malicious code or other software program designed to disrupt, disable, harm, interfere with the operation of or install itself within, or on, any Software, computer data, network memory or hardware.

"Marketing Shortfall Amount" means the greater of (a) $0 and (b) an amount equal to (i) the number of days from the date of this Agreement through the Closing Date, multiplied by (ii) the quotient of (A) $500,000,000 divided by (B) 365, minus (iii) the actual marketing expenditures of the Company and its Subsidiaries from the date of this Agreement through the Closing Date.

"Marks" has the meaning set forth in the definition of "Intellectual Property".

"Material Adverse Effect" means any change, effect, event, circumstance or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a materially adverse effect on the assets, liabilities, properties, operations, financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, other than any such effect to the extent arising or resulting from (a) the financial, credit or capital markets or securities markets generally, (b) general economic, political or regulatory conditions or interest rates arising after the date hereof, (c) any act of God, hurricane, earthquake, flood, natural disaster, pandemic or epidemic, (d) the Known Effects of the Coronavirus Outbreak, (e) any change or condition generally affecting the industry in which the Company and its Subsidiaries operate, (f) any change in applicable Law or GAAP or in the official interpretations thereof, (g) geopolitical conditions, including the outbreak or substantial worsening of hostilities or any act of war or terrorism, (h) any act or omission by the Company or any of its Subsidiaries taken with the prior written consent or at the express written direction of Buyer or that is expressly required by this Agreement (other than Section 5.1), (i) except for the representations contained in Sections 2.4 and 3.3 and the condition contained in Section 6.2(a), the announcement, pendency or consummation of the transactions contemplated by this Agreement, including the identity of Buyer or the effect of the identity of Buyer on the relationships, contractual or otherwise, of the Company and its Subsidiaries with customers, suppliers, service providers, distributors, employees, Governmental Authorities or any other Persons, or (j) the failure of the Company to achieve any financial projections or forecasts, in and of itself, but not including the underlying reasons therefor unless otherwise excepted pursuant to the other subsections of this definition; provided that the matters described in clauses (a), (b), (c), (d), (e), (f) and (g) above shall be taken into account in determining the occurrence of a "Material Adverse Effect" to the extent any such matter has, or would reasonably be expected to have, a disproportionate impact on the assets, liabilities, properties, operations, financial condition, results of operations of the Company and its Subsidiaries, taken as a whole, relative to other businesses in the industry in which the Company and its Subsidiaries operate.

"Material Contract" has the meaning set forth in Section 2.9.

"Material Permit" has the meaning set forth in Section 2.8(a).

"Material Tax Return" shall mean any Tax Return relating to Material Taxes.

"Material Taxes" shall mean any Tax if the liability of the Company or any of its Subsidiaries therefore under applicable Law, exceeded or exceeds (a) $250,000 or (b) solely in the case of Section 5.1(n), $500,000.

"Measurement Period" means each of the four (4) consecutive six (6)-month periods during the Earnout Period.

"Multiemployer Plan" has the meaning set forth in Section 2.12(c).

"Net Airtime Revenue" means, for each Measurement Period, an amount equal to (a) Gross Airtime Revenue, minus (b) Airtime Taxes, if any, plus (c) Airtime Tax Benefits, if any, minus (d) Retail Margin, plus (e) Deferred Adjustments (which may be a negative or positive amount), in each case, for such period and calculated consistent with past practice and in accordance with Schedule I and the Accounting Principles; provided that, for the avoidance of doubt, Net Airtime Revenue shall not be reduced for (x) any corporate-level or other overhead expenses relating to the operation of the Company and its Subsidiaries or (y) any management fees or other fees or expenses (including sub-contracting fees or expenses) payable to Buyer or any of its Subsidiaries.

"Open Source Software" means any Software (in source or object code form) that is subject to: (a) a license or other agreement commonly referred to as an open source, free software, copyleft or community source code license (including any code or library licensed under the GNU General Public License, GNU Lesser General Public License, BSD License, Mozilla Public License, Common Public License, MIT License, Open SSL License, Open Software License, Apache Software License or any other public source code license arrangement); (b) any other license or other agreement that requires, as a condition of the use, modification or distribution of software subject to such license or agreement, that such software or other software linked, combined or distributed with such software be (i) disclosed, distributed, made available, offered, licensed or delivered in source code form, (ii) licensed for the purpose of making derivative works or (iii) redistributable at no charge, including any license defined as an open source license by the Open Source Initiative as set forth on www.opensource.org; or (c) a license that meets the Open Source Definition (as promulgated by the Open Source Initiative) or the Free Software Definition (as promulgated by the Free Software Foundation) for open source software.

"Organizational Documents" means any charter, certificate of incorporation, certificate of formation, articles of incorporation, articles of association, memorandum of association, bylaws, operating agreement, partnership agreement, limited partnership agreement, limited liability company agreement or similar formation or governing documents and instruments.

"Outside Date" has the meaning set forth in Section 7.1(e).

"Owned Real Property" has the meaning set forth in Section 2.16.

"PATRIOT Act" means the U.S.A. PATRIOT Improvement and Reauthorization Act, Title III of Pub. L.107-56 (signed into law October 26, 2001, as amended from time to time).

"Permit" has the meaning set forth in Section 2.8(a).

"Permitted Liens" means (a) Liens for Taxes, assessments or other governmental charges not yet due or which are being contested in good faith by appropriate proceedings, (b) carriers', warehousemen's, mechanics', materialmen's, repairman's or other similar Liens arising in the ordinary course of business for amounts that are not delinquent or are being contested in good faith and that would not, individually or in the aggregate, reasonably be expected to materially impair business operations or the use of such properties as currently conducted or used or materially affect the value of such properties, (c) easements, rights of way, building, zoning, land use ordinances and other similar encumbrances or title defects that would not, individually or in the aggregate, reasonably be expected to materially impair business operations or the use of such properties as currently conducted or used or materially affect the value of such properties, (d) Liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business, (e) Liens arising under applicable securities Laws, (f) other Liens that do not affect or encumber real property and would not, individually or in the aggregate, reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, (g) nonexclusive licenses granted in the ordinary course of business by the Company and its Subsidiaries to customers or to contractors for the sole purpose of manufacturing, selling, marketing, distributing, importing or otherwise providing products or services for the benefit of the Company and its Subsidiaries and (h) Liens that will be released on or prior to the Closing.

"Person" means any individual, corporation, company, partnership (limited or general), limited liability company, joint venture, association, trust, unincorporated organization or other business entity.

“Personal Information” means (a) any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked with, directly or indirectly, a particular individual, consumer or householder, including the following (if it identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household): (i) name, physical address, telephone number, email address, financial account number, government-issued identifier (including Social Security number and driver’s license number), medical, health or insurance information, gender, date of birth, educational or employment information, religious or political views or affiliations, marital or other status, photograph, face geometry or biometric information, and any other data used or intended to be used to identify, contact or precisely locate an individual, (ii) data regarding an individual’s activities online or on a mobile or other application (e.g., searches conducted, web pages or content visited or viewed) or (iii) information that consists of Internet Protocol addresses or other persistent identifiers, and (b) any information that is defined as “personal information,” “personally identifiable information,” “personal data” or similar terms under any applicable Data Privacy and Security Requirement.

“Post-Closing Plan” has the meaning set forth in Section 5.7(b).

“Post-Closing Tax Period” means any Tax period beginning after the Closing Date and, with respect to a Straddle Period, the portion of such Straddle Period beginning after the Closing Date.

“Pre-Closing Tax Period” means any Tax period ending on or before the Closing Date and, with respect to a Straddle Period, the portion of such Straddle Period ending on the Closing Date.

“Principal Distributor” has the meaning set forth in Section 2.21(b).

“Principal Supplier” has the meaning set forth in Section 2.21(a).

“Process Agent” has the meaning set forth in Section 10.11(c).

“Protected Business” means any activities that compete with the Business (excluding clause (b) of the definition thereof), excluding, for the avoidance of doubt, roaming usage by subscribers of Seller and its Subsidiaries in the Protected Territory.

“Protected Territory” means the United States of America and its territories and possessions (other than Puerto Rico).

“PUC Consent” has the meaning set forth in Section 6.1(c).

“PUC Permit” has the meaning set forth in Section 2.8(b).

“Purchase Price Cap” means an amount equal to the sum of the Cash Consideration Amount, the Stock Consideration Amount, any Contingent Cash Consideration received by Seller pursuant to Section 1.8 and the Deferred Consideration.

"Real Property" has the meaning set forth in Section 2.16.

"Registration Rights Agreement" has the meaning set forth in Section 5.15.

"Release" means any actual or threatened release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the indoor or outdoor environment.

"Representatives" means, with respect to any Person, any director, officer, manager, employee, agent, general partner, limited partner, member, equityholder, accountant, counsel or other advisor or representative of such Person.

"Retail Margin" means that portion of Gross Airtime Revenue retained by the relevant retailer, if applicable, calculated in accordance with Schedule I and the Accounting Principles.

"Rule 144" means Rule 144 under the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

"Rule 405" means Rule 405 under the Securities Act, as such rule may be amended from time to time, or any similar rule or regulations hereafter adopted by the SEC.

"Rule 415" means Rule 415 under the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

"Sanctions" has the meaning set forth in Section 2.22(b).

"Sarbanes Act" means the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Seller" has the meaning set forth in the Preamble.

"Seller Disclosure Letter" means the disclosure letter delivered by Seller to Buyer at the time of execution hereof.

"Severance Policy" has the meaning set forth in Section 5.7(a).

"Shared Contract" means (a) the Specified Shared Contracts and (b) any other Contract that relates both to the Business, on the one hand, and the business of Seller and its Subsidiaries (other than the Business), on the other hand, including any Contracts to which the Company or its Subsidiary is party that relate to the business of Seller and its Subsidiaries (other than the Business).

"Shares" has the meaning set forth in the Recitals.

"Software" means computer programs (including application software, system software, firmware, middleware, software in mobile digital applications, assemblers, applets, compilers and binary libraries), including any and all software implementations of algorithms, models and methodologies whether in source code, object code or other form, including libraries, subroutines and other components thereof, in any and all forms and media.

"Special Power of Attorney" has the meaning set forth in Section 10.11(c).

"Specified Shared Contracts" has the meaning set forth in Section 2.20(b).

"State PUC" means any U.S. local or state public utility commission or similar U.S. local or state regulatory body.

"State PUC Rules" mean the rules and regulations promulgated by a State PUC.

"Stock Consideration Amount" means an amount equal to $3,125,000,000.

"Straddle Period" means any taxable period beginning on or before the Closing Date and ending after the Closing Date.

"Subscriber Migration" means a subscriber (with each telephone line measured as a single subscriber) of the Company or any of its Subsidiaries on a third-party network that activates service on Buyer's network by (a) porting its phone number to one of the prepaid retail phone brands of Buyer or any of its Subsidiaries on Buyer's network or (b) (i) receiving from Buyer or any of its Affiliates (including the Company and its Subsidiaries) and activating a new SIM (or e-SIM) card with respect to one of the prepaid retail phone brands of Buyer or any of its Subsidiaries on Buyer's network and (ii) failing to renew an existing subscription on a third-party network, in the case of the foregoing clause (b), (x) if such receipt and activation is identifiable and trackable as a migration by the Company with at least one of the following: (1) an account number, (2) a mobile telephone number and (3) ICCID, and (y) regardless of whether such subscriber remains a customer of the Company or of the prepaid retail phone brands of Buyer or any of its Subsidiaries as of the end of an applicable Measurement Period.

"Subsidiary" means, with respect to a Person, any corporation, partnership, limited liability company, limited liability partnership, joint venture or other legal entity of which such Person (either alone or through or together with any other Subsidiary) owns, directly or indirectly, more than 50% of the voting stock or other equity or partnership interests, the holders of which are generally entitled to vote for the election of the board of directors or other governing body, or that is otherwise sufficient to elect a majority of the board of directors or other governing body, of such legal entity or of which such Person controls the management.

"Target Deferred Revenue Amount" means negative $ 503,219,981, which is the amount of the Current Liability for deferred revenue of the Company included in the Target Working Capital Amount.

"Target Working Capital Amount" means negative $502,846,440.

"Tax" means (a) any U.S. federal, state, local or foreign income, alternative, minimum, accumulated earnings, personal holding company, digital services, franchise, capital stock, profits, windfall profits, gross receipts, sales, use, value added, transfer, registration, stamp, premium, excise, customs duties, tariffs, severance, environmental, real property, personal property, ad valorem, occupancy, license, occupation, employment, payroll, social security, disability, unemployment, workers' compensation, unclaimed property, withholding, estimated or other similar tax, duty, fee, assessment or other governmental charge or deficiencies thereof or any other similar payment required by any Governmental Authority and (b) any e-911, universal service, telecommunications relay, regulatory or other similar fee or tax, assessment, surcharge or charge, not described in clause (a) above, that is imposed by a Governmental Authority, together with in the case of each of clause (a) above and this clause (b), all charges, interest, additions to tax or penalties. For the avoidance of doubt, for all purposes of this Agreement, any reference to "U.S. federal, state and/or local" or "U.S. state and/or local" with respect to Taxes shall include Taxes imposed by any U.S. territory.

"Tax Contest" means any audit, examination, proposed adjustment or assessment, court or administrative proceeding, action, suit, investigation or other dispute or similar claim by a Governmental Authority with respect to any Tax that affects the Company or any of the Subsidiaries, as the case may be.

"Tax Return" means any U.S. federal, state, local or foreign tax return, declaration, statement, report, schedule, election, form or information return relating to Taxes or the assessment and collection of any Tax, including any estimated return, amendment thereof or attachment thereto.

"Taxing Authority" means any Governmental Authority, board, bureau, body, person, department, revenue agency or other authority of any U.S., federal, state or local jurisdiction or any foreign jurisdiction responsible for the administration or the imposition of any Tax.

"Telcel Mark" has the meaning set forth in Section 5.18.

"Terminated Hedging Agreements" has the meaning set forth in Section 5.12(c).

"Termination Fee" has the meaning set forth in Section 7.3(a).

"Third Party Claim" means any claim, suit, action or proceeding brought by any Governmental Authority or Person not party to this Agreement or affiliated with any such party.

"TracFone Marks" has the meaning set forth in Section 2.7(e).

"Trade Secrets" has the meaning set forth in the definition of "Intellectual Property".

"Trading Day" means a day on which shares of Buyer Common Stock are traded on the NYSE.

"Transaction Document" means this Agreement, the Registration Rights Agreement and the Special Power of Attorney.

"Transfer Taxes" has the meaning set forth in Section 9.7.

"Transition Period" has the meaning set forth in Section 5.18.

"Treasury Regulations" means the U.S. Treasury regulations promulgated under the Code.

"Treasury Services" means any services provided by Seller or any of its Affiliates (other than the Company and its Subsidiaries) to the Company and its Subsidiaries as of the date hereof with respect to (a) monitoring the Company's cash balances, (b) providing approvals for disbursements and (c) depositary and cash management services.

"U.S.–Mexico Tax Treaty" means the United States – Mexico 1992 Income Tax Convention, as amended.

"Use" has the meaning set forth in Section 2.23(c).

"Voting Debt" has the meaning set forth in Section 2.2(a).

"Willful Breach" means a material breach by a party of any of its representations, warranties, covenants or other agreements set forth in this Agreement that is a consequence of an intentional act or an intentional failure to act by such breaching party with the knowledge of such party that the taking of such act or failure to take such act by such party would cause a material breach by such party of any such representation, warranty, covenant or other agreement of such party set forth in this Agreement.

"WKSI" means a "well-known seasoned issuer", as defined in Rule 405.

"Working Capital Amount" means, at any date, all Current Assets minus all Current Liabilities, in each case as of such date and calculated in accordance with the Accounting Principles.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

COMPANY:

TRACFONE WIRELESS, INC.

By: /s/ Eduardo Diaz-Corona
Name: Eduardo Diaz-Corona
Title: CEO–TracFone Wireless, Inc. and Treasurer

SELLER:

AMÉRICA MÓVIL, S.A.B. DE C.V.,

By: /s/ Daniel Hajj Aboumrad
Name: Daniel Hajj Aboumrad
Title: Chief Executive Officer

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

HOLDCO:

AMX USA HOLDING, S.A. DE C.V.

By: /s/ Daniel Hajj Aboumrad
Name: Daniel Hajj Aboumrad
Title: Chief Executive Officer

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

[*Signature Page to Stock Purchase Agreement*]

BUYER:

VERIZON COMMUNICATIONS INC.

By: /s/ Ronan Dunne
Name: Ronan Dunne
Title: EVP & Group CEO - VZ Consumer Group

[*Signature Page to Stock Purchase Agreement*]

Exhibit 8.1

LIST OF CERTAIN SUBSIDIARIES OF AMÉRICA MÓVIL, S.A.B. DE C.V.

As of March 31, 2021

Name of Company	Jurisdiction	Ownership Interest	Main Activity
América Móvil B.V.	Netherlands	100.00	Holding Company
Telekom Austria AG	Austria	51.00	Fixed-line/Wireless
AMX Tenedora, S.A. de C.V.	Mexico	100.0	Holding Company
Teléfonos de México, S.A.B. de C.V.	Mexico	98.80	Fixed-line
Compañía Dominicana de Teléfonos, S. A. (Codetel)	Dominican Republic	100.0	Fixed-line/Wireless
Sercotel, S.A. de C.V.	Mexico	100.0	Holding Company
Radiomóvil Dipsa, S.A. de C.V. and subsidiaries (Telcel)	Mexico	100.0	Wireless
Puerto Rico Telephone Company, Inc.	Puerto Rico	100.0	Fixed-line/Wireless
Servicios de Comunicaciones de Honduras, S.A. de C.V. (Sercom Honduras)	Honduras	100.0	Wireless
TracFone Wireless, Inc.	USA	100.0	Wireless
Claro S.A. (Claro Brazil)	Brazil	99.60	Holding Company
NII Brazil Holding S.A.R.L	Luxembourg	100.00	Holding Company
Nextel Telecomunicações Ltda. and subsidiaries	Brazil	100.00	Wireless
Americel S.A.	Brazil	100.0	Wireless
Telecomunicaciones de Guatemala, S.A.	Guatemala	99.3	Fixed-line/Wireless
Claro Guatemala, S.A.	Guatemala	100.00	Wireless
Empresa Nicaragüense de Telecomunicaciones, S.A.	Nicaragua	99.6	Fixed-line/Wireless
Estesa Holding Corp.	Panama	100.0	Holding Company
Cablenet, S.A.	Nicaragua	100.0	Cable TV
Estaciones Terrenas de Satélite, S.A. (Estesa)	Nicaragua	100.0	Cable TV
Compañía de Telecomunicaciones de El Salvador (CTE), S.A. de C.V.	El Salvador	95.8	Fixed-line
Cablenet, S.A. (Cablenet)	Guatemala	95.8	Fixed-line
Telecomoda, S.A. de C.V. (Telecomoda)	El Salvador	95.8	Directories Provider
CTE Telecom Personal, S.A. de C.V.	El Salvador	95.8	Wireless
Comunicación Celular S.A. (Comcel)	Colombia	99.4	Wireless

Name of Company	Jurisdiction	Ownership Interest	Main Activity
Consorcio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	Ecuador	100.0	Wireless
AMX Argentina, S.A.	Argentina	100.0	Wireless
Telstar, S.A.	Uruguay	99.9	Fixed-line
Flimay, S.A.	Uruguay	99.9	DTH
Ertach, S.A.	Argentina	99.9	Wireless
Telmex Argentina, S.A.	Argentina	99.9	Services to Corporate Customers
AMX Paraguay, S.A.	Paraguay	100.0	Wireless
AM Wireless Uruguay, S.A.	Uruguay	100.0	Wireless
Claro Chile S.A.	Chile	100.0	Wireless
Claro Servicios, S.A.	Chile	99.9	Fixed-line/Wireless
América Móvil Perú, S.A.C.	Peru	100.0	Wireless
Claro Panamá, S.A.	Panama	100.0	Wireless
Telefónica Móviles Guatemala, S.A.	Guatemala	100.00	Wireless

Exhibit 12.1

CEO CERTIFICATION

I, Daniel Hajj Aboumrad, certify that:

1. I have reviewed this annual report on Form 20-F of América Móvil, S.A.B. de C.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: April 28, 2021

/s/ Daniel Hajj Aboumrad
Daniel Hajj Aboumrad
Chief Executive Officer

Exhibit 12.2

CFO CERTIFICATION

I, Carlos José García Moreno Elizondo, certify that:

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

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

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

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

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

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

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

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

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

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

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

Dated: April 28, 2021

/s/ Carlos José García Moreno Elizondo
Carlos José García Moreno Elizondo

Exhibit 13.1

OFFICER CERTIFICATIONS

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

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

The annual report on Form 20-F for the fiscal year ended December 31, 2020 (the "Form 20-F") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 28, 2021

/s/ Daniel Hajj Aboumrad
Daniel Hajj Aboumrad
Chief Executive Officer

Dated: April 28, 2021

/s/ Carlos José García Moreno Elizondo
Carlos José García Moreno Elizondo
Chief Financial Officer

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

Exhibit 15.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form F-3ASR No. 333-227649) of América Móvil, S.A.B. de C.V. and subsidiaries, of our reports dated April 28, 2021, with respect to the consolidated financial statements of América Móvil, S.A.B. de C.V. and subsidiaries, and the effectiveness of internal control over financial reporting of América Móvil, S.A.B. de C.V. and subsidiaries, included in this Annual Report on Form 20-F for the year ended December 31, 2020.

/s/ MANCERA, S.C.

Mexico City, Mexico
April 28, 2021

Exhibit 17.1

Subsidiary Guarantors and Issuers of Guaranteed Securities

Each of the following securities issued by América Móvil, S.A.B. de C.V. (América Móvil) is unconditionally and fully guaranteed, jointly and severally by Radiomóvil Dipsa, S.A. de C.V (Telcel), a wholly owned subsidiary of América Móvil:

- €750 million 4.75% Senior Notes due 2022
- UDI 743.5 million 0% Notes due 2025
- £650 5.75% million Senior Notes due 2030
- US$1,000 million 6.375% Notes due 2035
- UF 5 million 3.9608% Notes due 2035
- Ps.8,000 million 8.46% Senior Notes due 2036
- US$400 million 6.125% Notes due 2037
- ¥13,000 million 2.95 Senior Notes due 2039
- US$2,000 million 6.125% Senior Notes due 2040