ANNUAL REPORT

GRUPO carso

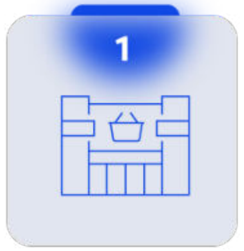
INDEX

CORPORATE PROFILE

Grupo Carso is one of the largest and most important diversified conglomerates of Latin America. The Corporation has an important presence in the Mexican economy, in which it continues to hold its position as one of the principal leaders in the market, thanks to an exceptional portfolio of formats, products and services.

Since its foundation 44 years ago, Grupo Carso has distinguished itself by its dynamism, its innovation of processes and technology and the sustainable management of its resources. Operational synergies and profitability have been achieved in all its sectors, as well as the constant generation of cash flow, all of which has meant a long-term creation of value for its shareholders.

The Corporation is composed of five strategic sectors, as follows:



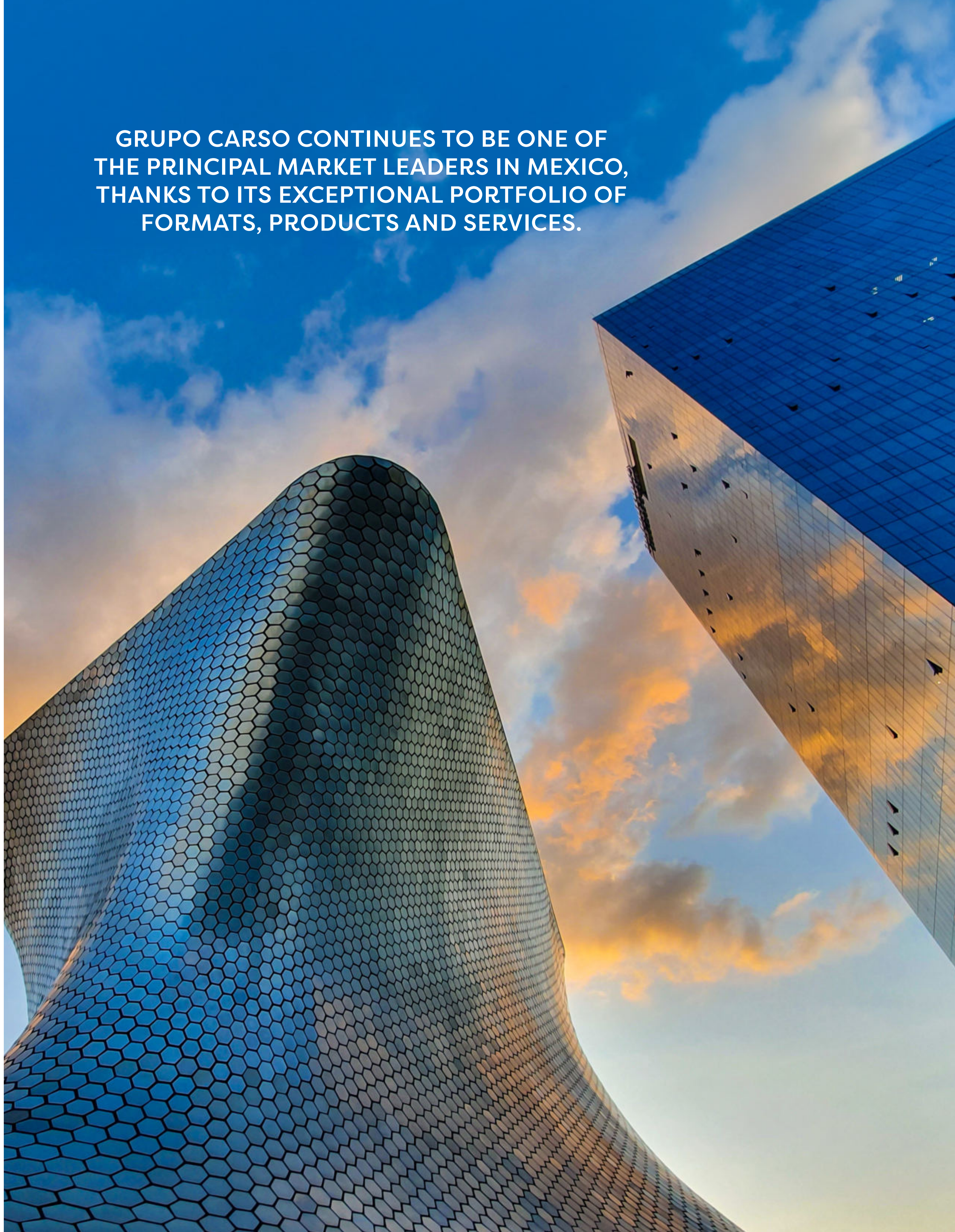
Commercial sector

Industrial sector

Infrastructure and construction sector

Energy sector

Elementia / Fortaleza sector



DIVISIONS,
PRODUCTS AND SERVICES

1

COMMERCIAL AND CONSUMPTION
GRUPO SANBORNS

Grupo Sanborns operates some of the most successful commercial formats in Mexico, with widely known brands. With 444 units and one million one hundred and eighty-three square meters of commercial floor space it serves a large percentage of middle, middle-high and high-class shoppers.

Formats:

- Department stores and boutiques
- Store restaurant
- Electronic, technology and game stores
- Cosmetics stores

36.9% Proportion of sales

20.2% Contribution to operating income

PRINCIPAL BRANDS:
Sears · Sanborns · iShop · MixUp · Dax

2

INDUSTRIAL AND MANUFACTURING
GRUPO CONDUMEX

Grupo Condumex has a portfolio of products and services oriented towards the telecommunications, construction, electrical, energy, automotive and mining industries.

Services and Products

Cables (energy, telecommunications, electronic, coaxial, fiber optics, mining and automotive cables, among others)

- Automotive harnesses
- Precision steel pipes
- Power transformers

22.5% Proportion of sales

22.0% Contribution to operating income

PRINCIPAL BRANDS:
Condumex · Latincasa · Vinanel · Condulac · IEM · Precitubo
Sitcom · Microm · Sinergia · Equiter · Logtec

INFRASTRUCTURE AND CONSTRUCTION

CARSO INFRAESTRUCTURA Y CONSTRUCCIÓN

3

Carso Infrastructure and Construction provides service to 5 sectors: the chemical and petroleum industries, the installation of pipelines, infrastructure, civil construction, and housing development.

It is involved in the construction of:

- Highways, tunnels, water treatment plants and infrastructure works in general
- Petroleum platforms and equipment for the chemical and petroleum industries
- Drilling of oil wells, geothermal wells and services for the well-drilling industry
- Commercial malls, industrial plants, office buildings and housing
- Facilities for telecommunications, gas pipelines and aqueducts.

22.7% Proportion of sales

26.8% Contribution to operating income

PRINCIPAL BRANDS:
CICSA · Swecomex · Bronco Drilling · Cilsa · GSM · PC Construcciones · Urvitec

4

ENERGY

CARSO ENERGY

Participates in the energy and petroleum industries. It is presently engaged in the performance of gas transmission services for the Federal Electricity Commission and it has two run-of-the- river hydroelectric plants in Panama (Baitun and Bajo de Mina), in the province of Chiriquí. It has as its objective to take advantage of any energy opportunities that may arise in Mexico and in other countries.

It engages in:

- The performance of gas transmission services
- Generation of electricity

11.0% Contribution to operating income

1.8% Proportion of sales

PRINCIPAL BRANDS:
Carso Energy · Carso Oil & Gas · Carso Electric

5

ELEMENTIA / FORTALEZA

Elementia provides solutions to the construction industry. Fortaleza engages in the production and sale of gray cement, utilized in the construction industry.

It offers products such as:

- Fibrocemento (tiles, roofing),
- Plastic products (water tanks, cisterns, translucent sheets)
- Metallic products (sheets, pipes, bars, wire, copper connections)
- Cement, bagged or in bulk

16.3% Proportion of sales

14.2% Contribution to operating income

PRINCIPAL BRANDS:
Nacobre · Mexalit · Plycem · Duralit · Eternit · Allura · Eureka

GEOGRAPHICAL PRESENCE

Grupo Sanborns

Grupo Condumex

Carso Energy

Carso Infraestructura y Construcción

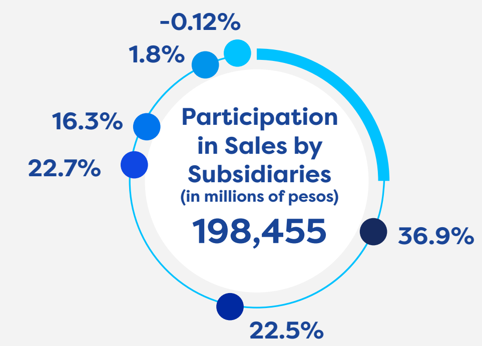
RELEVANT FINANCIAL DATA, GRUPO CARSO 2023

(Amounts in thousands of pesos, except for income per share)	2021	2022	2023	Var % 2023-2022
Sales	124,572,789	181,538,678	198,455,309	9.3%
Gross income	30,624,023	44,359,946	52,428,493	18.2%
Operating income	12,856,985	25,965,096	24,393,399	-6.1%
EBITDA	15,723,702	27,478,334	30,930,224	12.6%
Controlling intererest in the net income	11,282,039	19,061,904	13,519,384	-29.1%
Income per share (UPA)*	4.98	4.98	6.00	-29,1%
MARGINS				
Gross	24.6%	24.4%	26.4%	2.0 pp
Operational	10.3%	14.3%	12.3%	-2.0 pp
EBITDA	12.6%	15.1%	15.6%	0.4 pp
Net	9.1%	10.5%	6.8%	-3.7 pp
SALES				
Commercial	52,939,371	69,745,699	73,326,668	13.1%
Industrial	44,259,032	49,599,601	44,599,601	-10.0%
Infrastructure and Construction	25,472,323	38,813,412	45,009,965	16.0%
Elementia / Fortaleza	32,238,955	36,310,278	32,261,583	-11.2%
Energy	2,994,411	4,114,856	4,114,856	-15.5%
EBITDA**				
Commercial	4,724,106	7,124,285	7,110,926	-0.2%
Industrial	6,026,669	6,850,756	5,842,446	-14.7%
Infrastructure and Construction	1,828,355	4,887,478	7,451,680	52.5%
Elementia / Fortaleza	5,591,636	5,770,591	6,168,958	6.9%
Energy	2,280,280	3,378,834	3,007,109	-11.0%
EBITDA MARGIN				
Commercial	8.9%	11.0%	9.7%	-1.3 pp
Industrial	13.6%	13.8%	13.1%	-0.7 pp
Infrastructure and Construction	7.2%	12.6%	16.6%	4.0 pp
Elementia / Fortaleza	17.3%	16.6%	19.1%	3.2 pp
Energy	76.2%	82.1%	86.5%	4.4 pp
Total assets	185,773,253	239,382,102	250,473,788	4.6%
Total liabilities	71,698,6	104,527,859	106,318,044	1.7%
Book Capital	14,074,647	134,854,243	144,155,720	6.9%
Weighted average of outstanding shares ('000)	2,267,648	2,251,633	2,252,660	0.05%

*UPA: Calculated as a controlling interest in the net income from the weighted average of outstanding shares. Amounts in pesos.
** EBITDA: Earnings before interest, taxes, depreciation and amortization. Expenses from interest, deterioration of machinery and equipment, exploration expenses and the effects of derivate financial instruments, minus income from interest, net exchange gains, surplus from commercial malls and from participation in the results of associated companies and joint enterprises. See the coinciliation in Note 32 of the Financial Statement.
pp: Variation in percentage points.

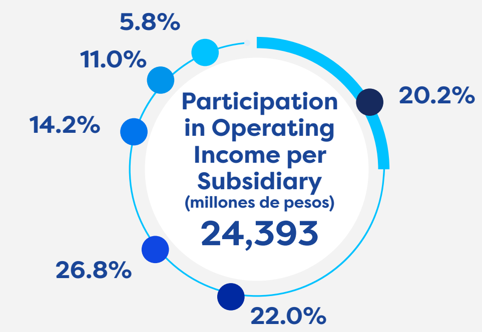
RELEVANT FINANCIAL DATA

Participation in Sales by Subsidiaries (in millions of pesos)



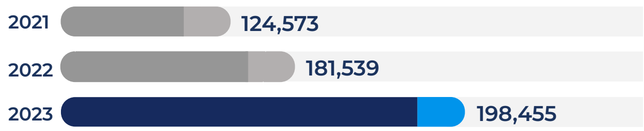
- 73,327 Commercial and Consumption
- 44,620 Industrial and Manufacturing
- 45,010 Infrastructure and Construction
- 32,262 Elementia / Fortaleza
- 3,477 Energy
- -239 Others

Participation in Operating Income per Subsidiary (in millions of pesos)

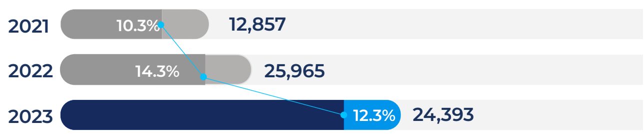


- 4,938 Commercial and Consumption
- 5,366 Industrial Manufacturing
- 6,544 Infrastructure and Construction
- 3,467 Elementia / Fortaleza
- 2,674 Energy
- 1,405 Other

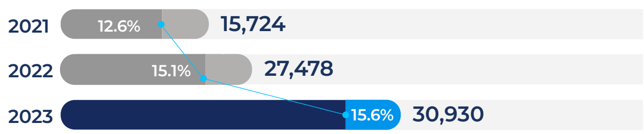
Sales (in millions of pesos)



Operating Income (millions of pesos)



EBITDA* (millions of pesos)

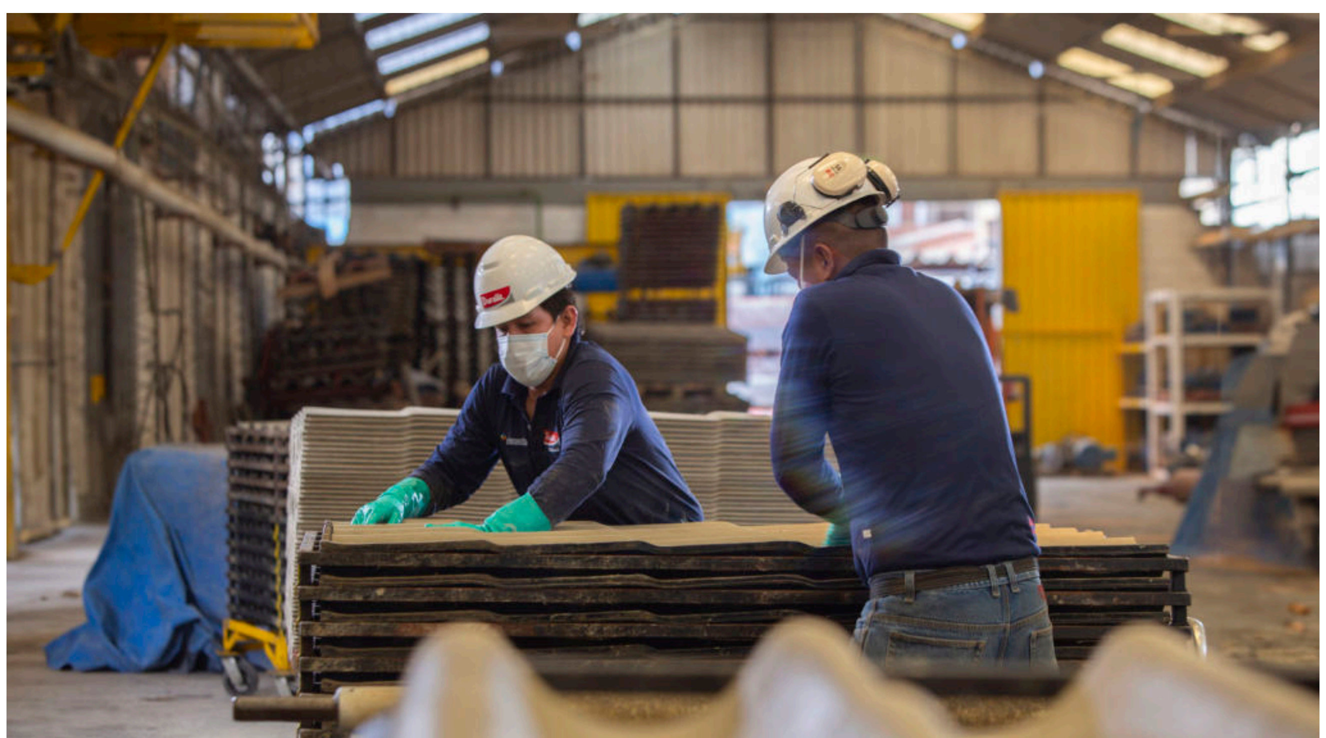


*Note: In the EBITDA data for the 2023 fiscal year, the amounts of $1,753,037 of interest income, $170,601 for surplus value in the appraisal of commercial malls, and $1,639 in expenditures for environmental restoration have been excluded. See the conciliation of the EBITDA in Note 32 of the Financial Statement. The Elementia/Fortaleza numbers were consolidated beginning in May of 2022.

LETTER TO THE GRUPO CARSO SHAREHOLDERS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Economic Panorama

In the year of 2023, the world economy had a Gross Domestic Product (GDP) growth of 3.1%; the United States maintained a stable economy, with steady employment and sustained consumption in the face of high interest rates. China also observed a good recovery, advancing from a growth rate of 3.0% in 2022 to 5.2% in 2023, aided by governmental fiscal stimulus measures. The United States experienced a growth of 2.5% during the same period, attributable to an increase of 4.2% in the consumption of durable goods and 2.3% in services, compensating for the 10.6% contraction in the housing industry caused by the increase of interest rates.



The Mexican economy, on its part, expanded by 3.2% in 2023, with the construction sector leading this growth with an increase of 15.5%, largely as a result of the infrastructure projects and the attraction of investments originating from nearshoring projects. Private consumption maintained a rising tendency, as shown by a growth of 4.0% in commerce, driven by an increase of 6.3% in the real average wage of workers registered in the Mexican Social Security Institute (IMSS) and an increase in remittances from abroad, which reached the historic record of 63,283 million dollars.

The Mexican peso ended the year at $16.97 against the dollar, an appreciation of 13.0%, with a fluctuation ranging from a minimum of $16.62 in July of 2023. This appreciation is attributed mainly to the difference in interest rates between Mexico and the United States, as well as to a positive net flow in the balance of payments, driven by the remittances and direct foreign investment.

The Bank of Mexico increased the reference rate twice in 2023, going from 10.50% to 11.25%, while the Federal Reserve of the United States (the Fed) raised it from 4.50% to 5.50%.

On a global level, the year was characterized by a normalization of inflation following the significant impact caused by the outbreak of the Russian-Ukrainian conflict in 2022, which raised the prices of food and energy. Mexico ended the year with an inflation rate of 4.7%, a reduction from the 7.8% rate in 2022, with core inflation at 5.1 and non-core inflation at 3.4%. The United States ended the year with an inflation rate of 3.4%, dropping from the 6.5% of the previous year, with the inflationary pressure mainly affecting the services sector, at 5.3%.

In 2023 Mexico became the principal exporter to the United States for the first time, according to the United States Census Office, with exportations valued at 475,607 million dollars, surpassing China and Canada.

Nevertheless, Mexico recorded a commercial deficit of 5,464 million dollars, with an oil deficit of 18,536 million dollars, not completely compensated by the non-petroleum surplus of 13,073 million dollars. Automotive exportations were marked by an increase of 14.3% during the year.

The country's public finances remained stable; the public debt, as a percentage of the GDP, closed the year at 46.8%, with a primary deficit of 0.1% and the financial requirements of the public sector at -4.3%. For 2024. The Ministry of the Treasury and Public Credit anticipates a primary deficit of 1.2% and a fiscal deficit of 5.4%.

México is presently facing the possibility of an unprecedented investment opportunity and advancement towards development, driven by its strategic geographic position and the juncture of international commerce and the quality and capacity of its labor force. These elements place Mexico in an attractive position as a manufacturing and services center for businesses seeking to optimize their logistics and reduce costs without compromising quality.

Investment as a percentage of GDP reached 24.4% in 2023, one of the highest levels ever obtained in the country. If we can reach an investment level of 28 to 30% of GDP, the country's economy could grow from 5 to 6% annually.

Grupo Carso

In the setting of an economic panorama in Mexico of high interest rates and the strength of its currency, Grupo Carso confirms its vision of sustained long-term growth by continued investment in our various divisions, generating value in our activities, and realizing social support activities and activities oriented towards the care of the environment in the countries in which we operate.

We have increased the capital investments we are realizing in the country. Two years ago we invested $1,431 million pesos, while in 2023 our capital investments reached the amount of $5,551 million pesos, more than triple the amount of the previous period.

On a Corporate level, 2023 sales reached the amount of $198,455 million pesos, which, although this includes the incorporation of Elementia and Fortaleza in the year's results, shows that Grupo Carso has increased its sales since five years ago at an annually compounded rate of 20%.

In regard to profitability, the operating income and EBITDA were affected by a contraction of the sales that are made in dollars, given the strength of the peso that was observed during the year, as well as by extraordinary items such as the valuation of the Elementia and Fortaleza shares last year and the increase of reserves for credit accounts in the results of the commercial division. Without considering the extraordinary revenue, the accumulated operating income of Grupo Carso grew by 10.1%

Our financial stability has allowed us to maintain a high cash flow, which in turn allows us to take advantage of opportunities for growth and to explore new business initiatives that we know of but that represent a new focus, such as the recently announced investments in oil and gas, which are the acquisition of the Talos Energy México 7 business, which holds 17.4% of the deposit called Zama, and of the Petrobal Operaciones Upstream company, holder of 50.0% of the Ichalkil and Pokoch deposits, both of which are located in the Southeast Basin, in addition to the agreement signed with the Federal Electricity Commission for the construction of the Centauro del Norte Gas Pipeline, which is the continuation of our Samalayuca-Sásabe pipeline to Mexicali.

With these actions in Grupo Carso we have focused on the drive for profitable growth through a diversification of projects, but mostly our actions have been guided by our goal of seizing opportunities and creating synergies in the existing business divisions and innovation in processes and products for a greater operational and services efficiency.

In the Grupo Sanborns Commercial division the growth of new formats has been promoted, such as in the opening of ten new Dax stores in 2023. In the commercial division we had a growth of 13.3% in sales, arising from the reactivation of sales of formal dresses and footwear in the Sears Department Stores, as well as from a greater flow of customers in the restaurants and a greater volume of credit revenue, which helped us to improve our added value. We improved our e-commerce business, with an emphasis on the reduction of the average delivery time for online sales and of the online sales that are retrieved in the stores. As a consequence of Hurricane Otis that struck Acapulco, six of our stores were closed temporarily, two of which have since reopened. Through the Telmex-Telcel Foundation, the Carlos Slim Foundation and the Inbursa Foundation we sent various aid shipments to the affected population, such as groceries, supplies and potable plants, among other items.

In the Industrial division, Grupo Condumex, saw a decrease of 10% in its sales and14.7% in its EBITDA mainly because its results are very sensitive to variations in the exchange rate. Nevertheless, in terms of volumes we increased the sale of construction cables as well as of automotive cables and harnesses. During 2023 Cordaflex, S.A. de C.V. received the “Best Quality Supplier” Recognition 2022 and 2023 YTD” from Fujikura Automotive, and we are very proud

to have also received the General Motors “2022 Supplier Quality Excellence Award” for eight of our automotive parts plants for being the providers who surpassed a series of strict quality requirements. During the year we obtained the certification of cables with automotive communication protocols for hybrid and electric automobiles, which enabled us to subscribe new contracts with international clients and to continue to enjoy the opportunities offered by nearshoring.

On its part, Carso Infraestructura y Construcción recorded a solid growth of 16.0% in sales. This growth was mainly due to the greater volumes of the various projects we were engaged in, the conclusion of the platform and railroad for Tren Maya, section II of the Escárcega-Calkiní railroad, the workover and drilling of wells, and the construction of oil platforms. As for civil construction projects, we continued the construction of various works, such as the Star Medica hospital and the remodeling of commercial malls.

Carso Energy had a decrease in sales of 15.5% due principally to variations in the exchange rate, since its income is in dollars. The Samalayuca-Sásabe gas pipeline and the two gas pipelines we have in Waha, Texas, USA, increased their revenue in dollars for the transmission of gas to the CFE (Comision Federal de Energia) and other parties, while the compression station of the first-named, which we completed this year and that will significantly increase its capacity in April, 2024, is in a pre-commissioning stage. The two hydroelectric plants we have in Panama were also affected by the strength of the peso, since all their transactions are in dollars. In clean energy from geothermal wells we continue to carry out the procedures necessary for obtaining the concession in two fields, in which we have made important progress in the exploration phase.

Elementia/Fortaleza also had a decrease in sales, likewise impacted by the variations in the exchange rate, since their income is also in dollars. Nevertheless, in terms of profitability, the growth of their EBITDA margin is notable, increasing from 15.9% to 19.1%. In this division we carried out modernizations in the cement plant to increase its production going forward, to take advantage of the positive tendency in the construction industry. We also improved the distribution chain of the Construsistemas products.

In regard to sustainability, in Grupo Carso we reinforced the corporate governance by the creation of the Ethics Committee. We participated in ESG (Environmental, Social and Governance) evaluations as providers of automotive parts and we maintained a consumption of energy based on efficient cogeneration sources with a lower emissions factor. In matters of social performance we promoted better practices and technical support that favor the equality of opportunity. Finally, in the name of the Board of Directors, I express my appreciation to our shareholders, clients and providers for the confidence they continue to show us. To all our collaborators, besides my appreciation I wish to ask them to continue their commitment to our objectives, making it possible for Grupo Carso to surpass its goals and to continue our contribution to the development of our country.

Sincerely,

Lic. Carlos Slim Domit
Chairman of the Board of Directors

Report by the Chief Executive Officer

Grupo Carso's consolidated sales reached $198,455 million pesos in 2023, a growth of 9.3% compared to 2022. Grupo Sanborns and Carso Infraestructura y Construcción reported a growth of 13.3% and 16.0%, respectively. The continued post-pandemic recovery in consumption and the greater volume of private projects as well as of installation projects explain this growth.

In regard to the other subsidiaries, Condumex, Elementia, Fortaleza and Carso Energy; recorded impacts to their income due to the rise in the value of the peso during the year, given the significant proportion these groups have in their exportation and domestic sales in dollars, as well as in the sales of our affiliates abroad.

Grupo Carso's operating income was $24,393 million, which represents a decrease of 6.1% in respect to the previous year. This decrease is explained mainly by the fact that during 2022 extraordinary one-time income in the amount of $3,810 million pesos was recognized from the valuation of the Elementia and Fortaleza shares. If this factor is ignored, the accumulated operating income of Grupo Carso grew by 10.1% In 2023.

The accumulated EBITDA was $30,930 million, 12.6% greater than in 2022. In the calculation of this indicator, extraordinary items are not considered, nor items that do not imply cash flow, such as the surplus from the appraisal of investment properties.

The controlling net income was $13,519 million pesos.

The comprehensive financing result (RIF) for 2023 was an expenditure of $6,029 million pesos.

The total debt at the end of December of 2023 was $45,750 million. The net debt decreased compared to the previous year,

totaling $29,403 million pesos. The amount of cash and cash equivalents, also in December of 2023, was $16,347 million pesos.

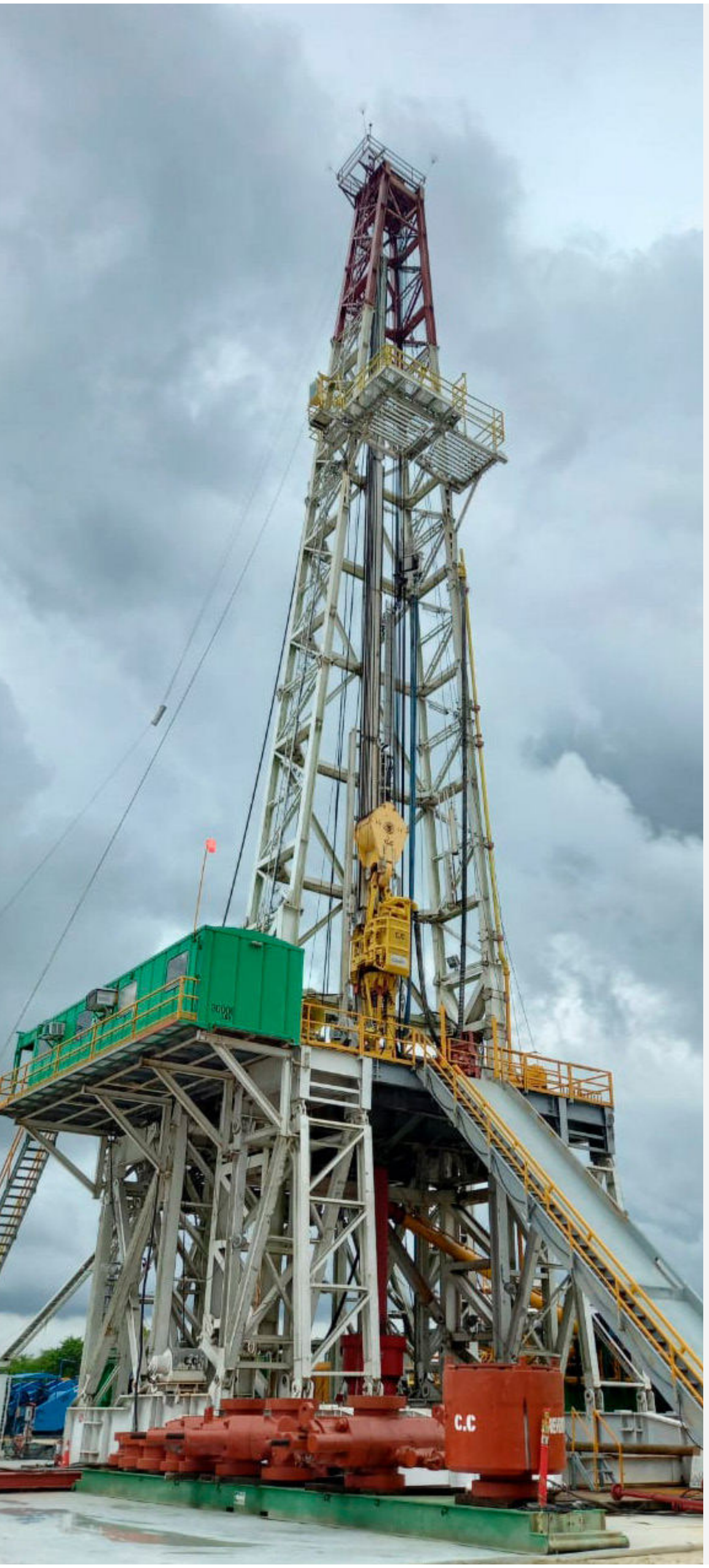
A net debt-to-EBITDA ratio of 0.95 times was recorded, compared to the 1.11 ratio in 2022. The coverage of interest index, measured as a last-twelve-months EBITDA to interest paid was 5.3 times, compared to the 7.2 times of the previous year.

The Company presently has three long-term bonds outstanding:

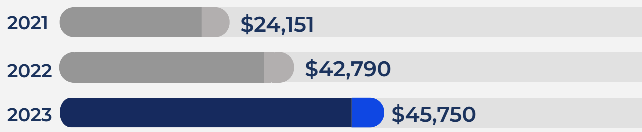
1) GCARSO23, for $4,500 MM, issued on May 15, 2023, for 3 years;
2) FORTALE 23, for $2,000 MM, issued on Nov 9, 2023, for 3 years, and.
3) ELEMAT 23, for $2,200 MM, issued on Oct 19, 2023, for 3 years

It also has two short-term bonds outstanding:

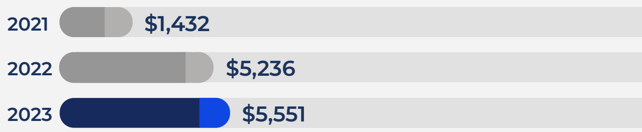
1) GCARSO 00723, for $2,500 MM, from 21 Dec-23- to 13 Mar-24 al 13-Mar-24 with an 83 day term, and,
2) GCARSO 00823 for $4,000 MM, from 27-Dec-23 to 20-Mar-24 with an 84 day term.



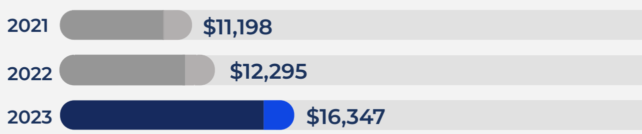
Total debt (Millions of pesos)



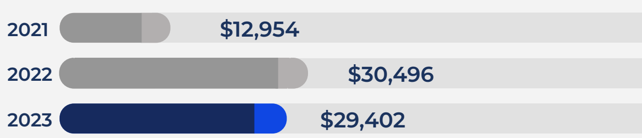
Investments in fixed assets (Millions of pesos)



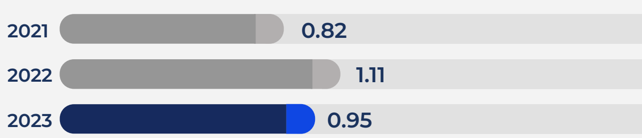
Cash (Millions of pesos)



Net debt (Millions of pesos)



Net debt/EBITDA 12m (times)



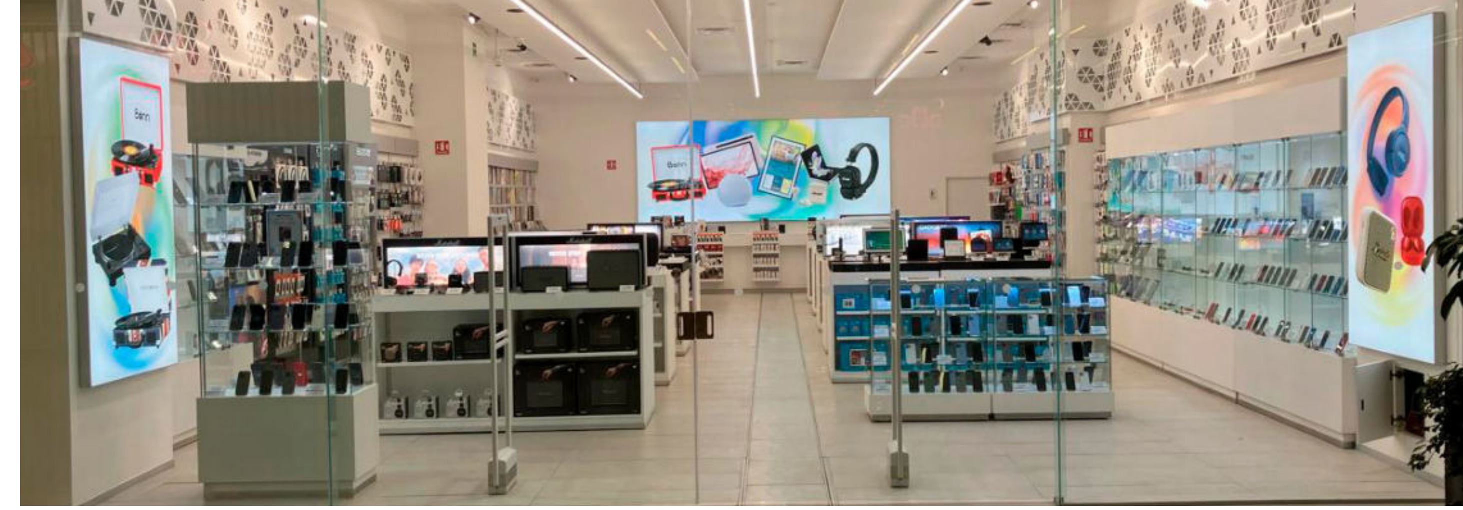
BUSINESS
DIVISIONS

COMMERCIAL AND CONSUMPTION
GRUPO SANBORNS

In 2023 the sales of the commercial and consumption division totaled $73,327 million pesos, hailing a significant growth of $8,581 million pesos more than in 2022. In Sears, Sanborns and Promotora Musical (iShop-Mix Up), the recovery was marked by a greater flow of customers in the department stores, the gaming stores and the restaurants. The sales floor space was 1,183,634 m2, including 444 stores, an area that remained stable, with a slight variation of -0.4% versus the previous year.

The accumulated operating income totaled $4,938 million pesos, decreasing by 2.1% from the $5,046 million pesos of the previous year. However, the mixture of products and formats with a larger profit margin, as well as the increase of income from sales on credit improved the profitability. The operational and administrative expenses in relation to sales increased during the last quarter of the year, which was attributable to a greater reserve for unrecoverable accounts.

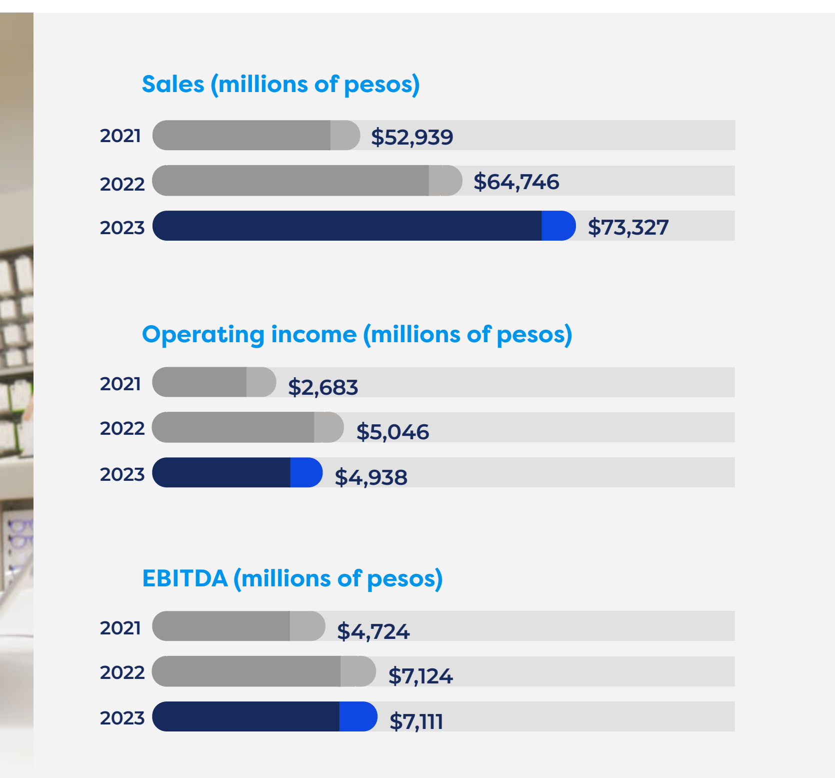
For the same reasons, the annual EBITDA of Grupo Sanborns diminished slightly by 0.2%, going from $7,124 million in 2022 to



$7,111 million in 2023, with an EBITDA margin that decreased from 11.0% to 9.7% on sales.

The controlling net income of Grupo Sanborns totaled $3,713 million pesos, compared to $4,010 million pesos in 2022. This was due to the operating results mentioned above, added to the lower financial income in the comprehensive financing results.

Grupo Sanborns' capital investments totaled $1,173 million pesos, an amount that was 36.6% greater than the $859 million pesos of the previous year, owed mainly to the opening of eleven Dax stores, four iShop stores, one MixUp store, the reopening of the Insurgentes Sanborns store, projects in process, the remodeling of stores, and the acquisition of furnishings and equipment.



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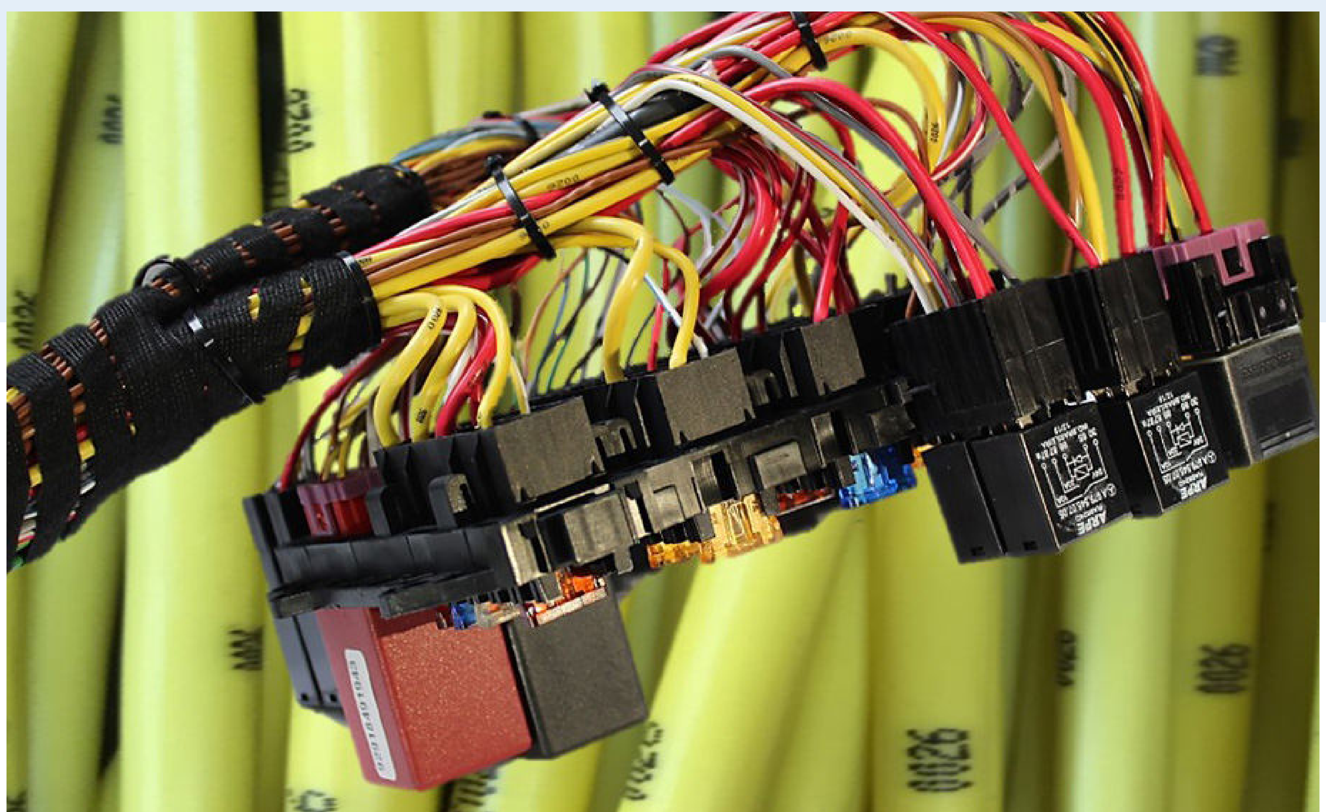
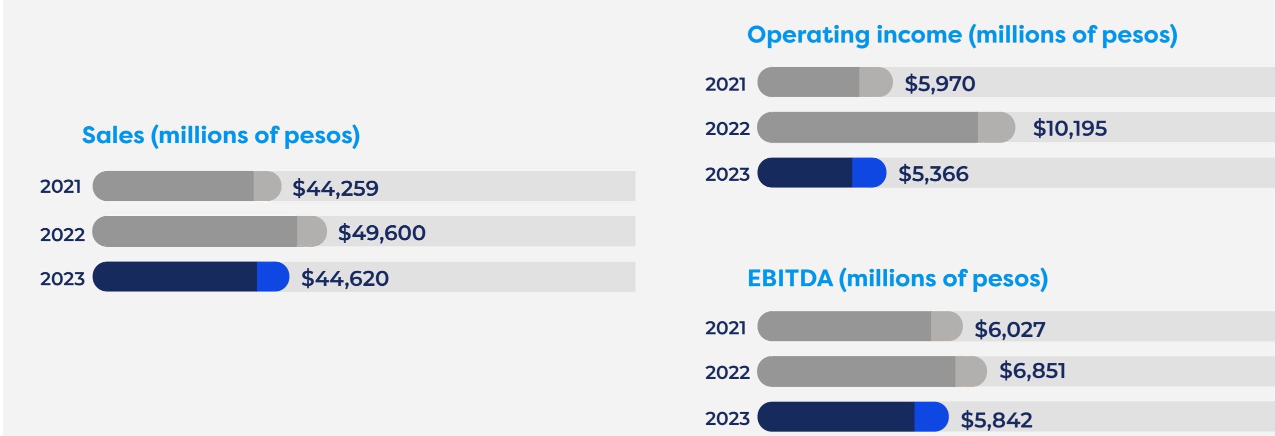
INDUSTRIAL AND MANUFACTURING DIVISION
GRUPO CONDUMEX

In 2023 Grupo Condumex sales totaled $44,620 million pesos, which was a reduction of 10.0% versus the $49,600 million in sales recorded in 2022. The principal cause of this performance was the exchange rate, since the Mexican peso appreciated by an annual rate of 13.0% against the dollar, affecting the income of all the businesses of the industrial division.

The operating income and the EBITDA totaled $5,366 and $5,842 million pesos, respectively. In these amounts the one-time effect (PPA) of the incorporation of control over Elementia and Fortaleza in the second quarter of 2022, previously mentioned, is taken into account.



The net controlling income of Grupo Condumex was $3,683 million pesos, in which the extraordinary effect mentioned above is included, compared to the $8,699 million pesos in 2022.



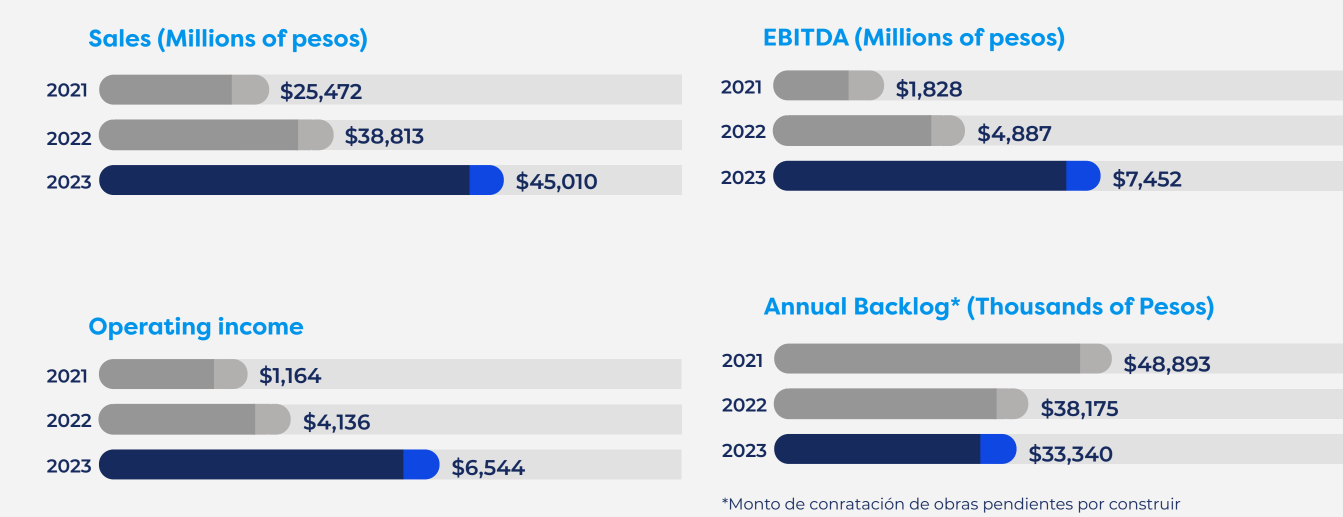
3

INFRASTRUCTURE AND CONSTRUCTION DIVISION

CARSO INFRAESTRUCTURA Y CONSTRUCCIÓN

The sales of Carso Infraestructura y Construcción were $45,010 million pesos. This is explained primarily by the greater volume of works executed in all our sectors, mainly those related to the installation of pipelines, the construction of private projects and infrastructure works.

The consolidated income and EBITDA reached $6,544 and $7,452 million pesos. The controlling net income in 2023 was $3,782 million pesos.



4

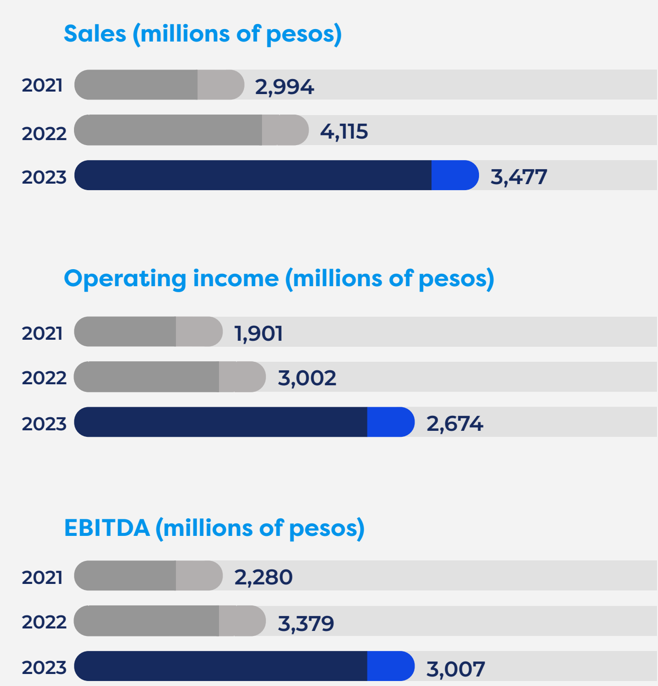
ENERGY DIVISION
CARSO ENERGY

Carso Energy experienced a reduction of 15.5% in its sales, going from $4,115 million pesos in 2022 to $3,477 million pesos in 2023, mainly due to variations in the exchange rate, since 100% of its operations are in dollars.

The revenue from the transmission of natural gas service through the pipelines in Waha (Texas, USA), in which we have a participation of 51.0% (unconsolidated) and the revenue from the Samalayuca-Sásabe gas pipeline (100% owned by the Group) continued their solid performance, but since the revenue is in dollars it was negatively affected by the exchange rate.

The construction of the compression station of the Samalayuca-Sásabe gas pipeline was completed in December of 2023, and its commissioning process has started. This will increase its capacity for the transmission of gas to a significant degree, beginning in April of 2024..

At the beginning of the year in Panama the two hydroelectric plants had a greater volume of rain water. However, during the second half of the year a reduction in the volume of water began, due to the “El Niño” phenomenon, which has affected the offer of hydro-electricity.



For the reasons previously mentioned, the operating income and EBITDA of Carso Energy experienced a decrease of 10.9% and 11.0%, totaling $2,674 million and $3,007 million pesos, respectively.

The net controlling income in Carso Energy was $2,047 million pesos at the end of December, 2023, decreasing by 26.2% compared to the $2,775 million during the same period of the previous year.

As a part of the growth of Carso Energy and its constant search for new projects and business opportunities, its subsidiary, Gasoducto Centauro del Norte, S.A. de C.V., subscribed an investment, development and gas transmission service agreement with the CFE for the construction and operation of a gas pipeline that will be a continuation of the Samalayuca-Sásabe pipeline to Mexicali, with an approximate length of 416 kilometers.

The investments in fixed assets carried out by Carso Energy during 2023 were in the amount of $474 million pesos.

5

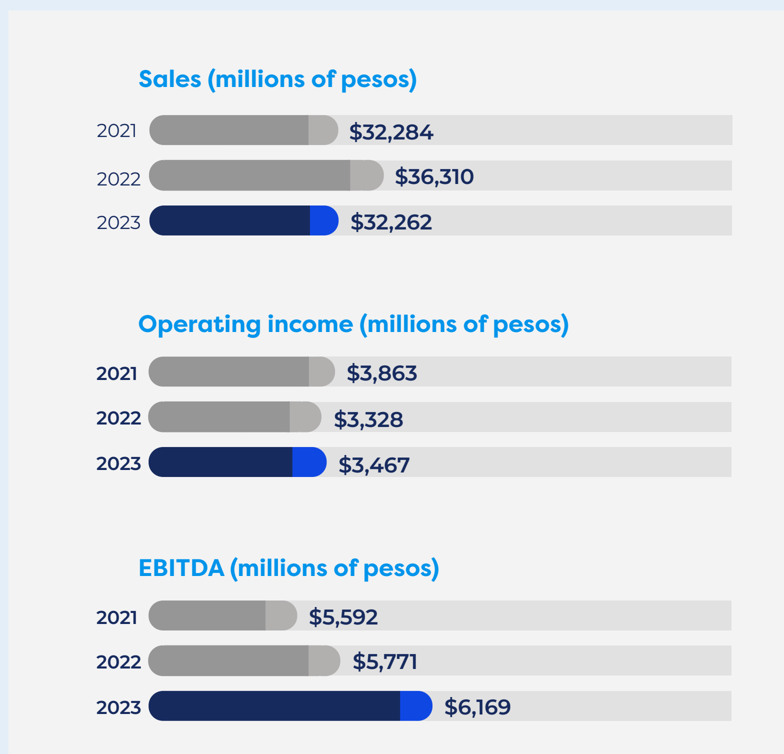
ELEMENTIA / FORTALEZA DIVISION

Since May of 2022 the Elementia and Fortaleza numbers are consolidated within Grupo Carso.

In 2023 this division reported $32,262 million pesos in sales, which was 11.2% less than in 2022. This was due to the fact that in 2023 – particularly in the United States and Central America –, the housing market, which is Construsistemas' business, saw a drop compared to 2022, mainly because of the inability of the public to pay the higher mortgage rates and the rise in the price of houses. The above notwithstanding, Construsistemas' business in Mexico and the Andean region had a growth that drove new investments in capacity and new products. In the cement division the markets in which we operate showed a positive behavior in demand, which we took advantage of to raise our prices and to improve our position in the various markets.

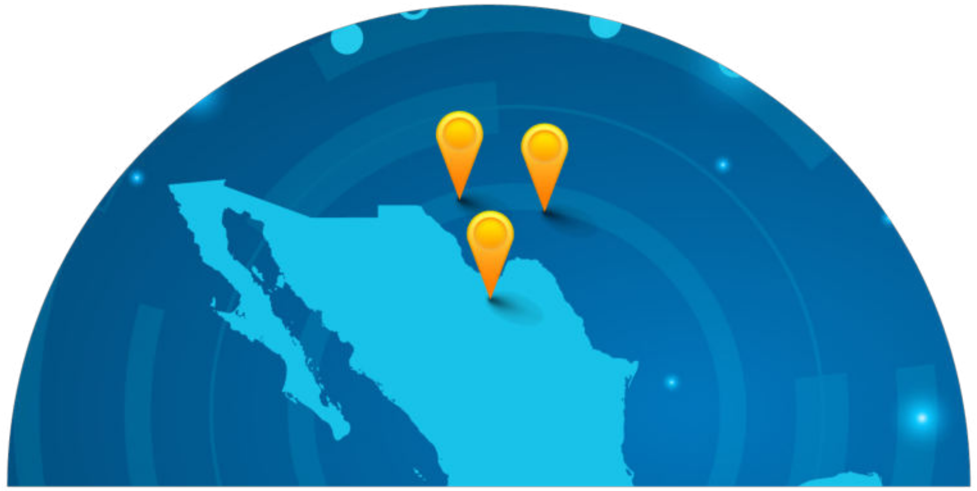
The Elementia/Fortaleza operating income improved by 4.2%, advancing from $3,328 million in 2022 to $3,467 million in 2023, which is attributed to greater sales of cement and efficiency in production costs, added to a reduction in distribution expenses by Construsistemas.

For the same reasons, the EBITDA increased by 6.9% to $6,169 million pesos, with a margin that improved by 320 basis points, increasing from 15.9% to 19.1% in respect to sales.



The net controlling income of this division totaled $106 million pesos, less than the $1,005 million pesos recorded in the same period the previous year.

The capital investments of Elementia/Fortaleza during the year totaled $1,522 million pesos, compared to $1,613 million pesos the previous year, and they were made mainly for the modernization and increase of capacity of the fibrocement plants in the United States and Mexico, and increase of capacity of the cement plant. Also, a significant amount was set aside in order to ensure the major maintenance of the plants in general.



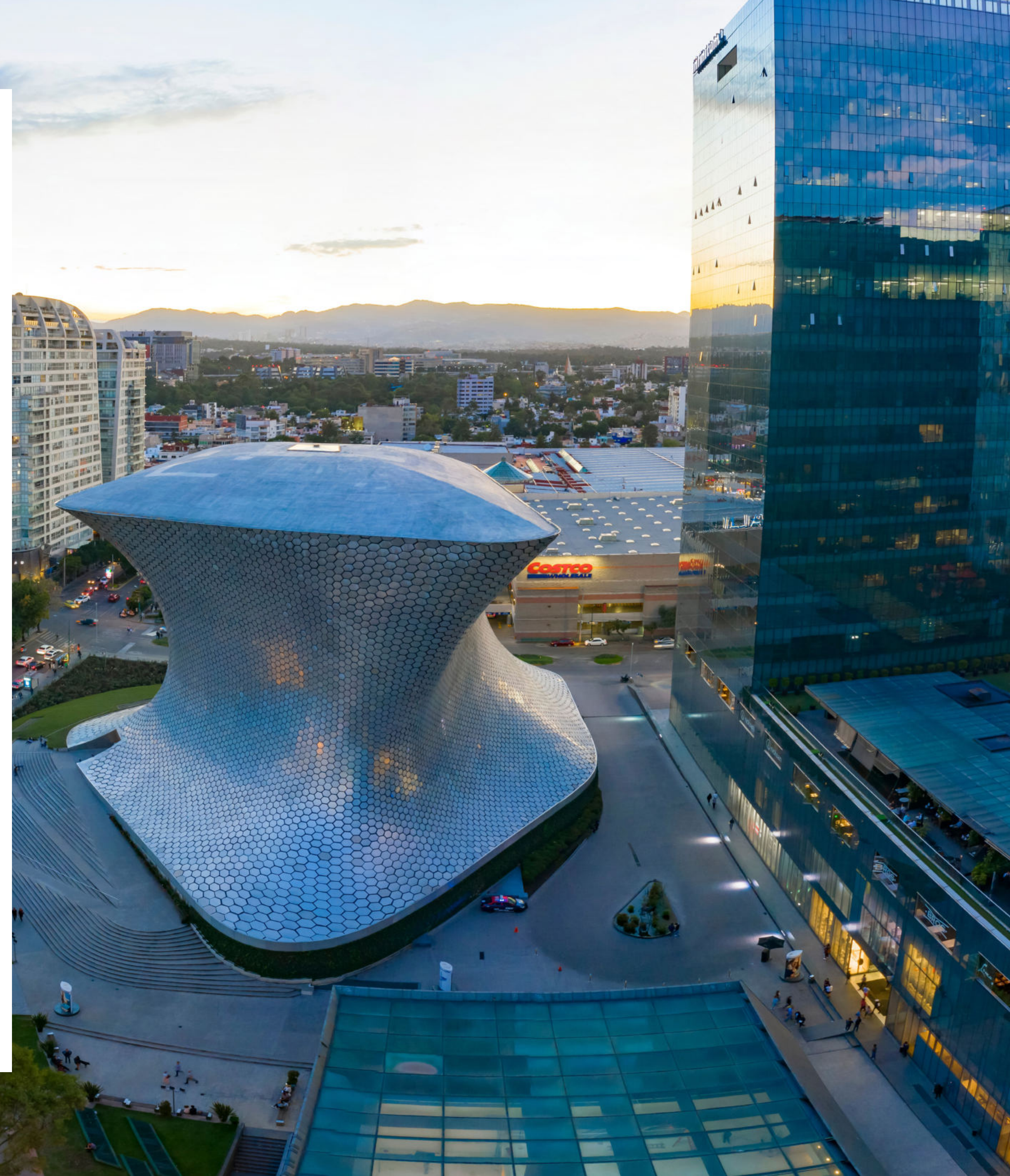
ASSOCIATED COMPANIES

Grupo Carso maintains important investments in companies of various segments, such as in the case of GMexico Transportes, S.A.B. de C.V. (railroad, 15.1%); Transpecos Pipeline L.L.C., and Comanche Trail Pipeline L.L.C. (51.0%), which manages the Waha–San Elizario and the Waha–Presidio pipelines in Texas, USA); and Inmuebles SROM, S.A. de C.V. (14%), which is a real estate firm owning commercial malls in Mexico. The book value, or the market value – as the case may be – of these investments is $38,681 million pesos. We acknowledge our participation in the Results Statements of Associated companies or in dividend income in our Results Statements.

The Sales and EBITDA of these companies in 2023 that would proportionately correspond to Grupo Carso are $10,481 and $4,008 million pesos, respectively,

Sincerely,

Ing. Antonio Gomez García
Director General



SUSTAINABILITY ACTIVITIES

CARSO COMPREHENSIVE
HEALTHCARE PROGRAM

Following the COVID-19 pandemic, the **Carlos Slim Foundation**, has continued with its comprehensive actions – through the Carso Comprehensive Healthcare Program – to maintain its healthcare of the persons who form a part of Grupo Carso.

The Carso Comprehensive Healthcare Program is active and implements the **MIDO** (Medición Integrada para la Detección Oportuna) digital health strategy in **1,671 workplaces of 19 work groups of companies of the Carso Group,** in order to systematically evaluate the health situation of the workers. In 2023 health checks were carried out on almost **80 thousand employees,** establishing thereby that 24% of them are smokers and that 55% of them lead a sedentary life style, both of which are risk factors for the development of disease. Additionally, we now know the prevalence of obesity (29.5%), diabetes (8.8%) and high blood pressure (17.9%), and we also now know which workers are pre-hypertensive or pre-diabetic and need simple measures to avoid the progression towards illness. With this information the companies can address their efforts towards specific actions to improve the health of their workers.

But not only that: we also identified more than 11,900 persons who had diabetes or hypertension and didn't know it, and they were sent to receive treatment in a timely manner; we also implemented the control of diabetes and hypertension in more than 5,600 employees to avoid complications.

In the development of this work 716 employees, specifically trained in courses, practical workshops and live sessions participated and received adequate training in order to

become agents of change in their workplaces. Additionally, a direct communication channel with each person was established via the utilization of **the intelligent Health** application that promotes self-care and self-monitoring, and that provides personalized recommendations to each person, in accordance with each person's state of health in order to promote a healthy diet, regular exercise and to avoid nicotine addiction. More than 82,000 workers are now utilizing this application.

Finally, the program has an important component consisting in the monitoring of risks, and in the promotion of actions for the prevention of disease. During the past year, multiple campaigns were launched for the prevention of risks associated with natural events such as extreme temperatures in Summer and hurricanes, such as hurricane Otis in Acapulco. In this latter case, a response was coordinated with Telmex to mitigate the effect on the health and safety of the employees after the passing of the hurricane through Acapulco and its neighboring communities. Recently we have been monitoring events in Latin America that could represent a health and safety threat in Mexico, specifically, the increase in cases of measles and dengue fever.

Salud Integral Carso reflects our commitment to the promotion of a healthy worker's life in all the Grupo Carso companies.

ENVIRONMENTAL PERFORMANCE

Sustainable Carso promotes all those actions that work towards the preservation of the environment, with the commitment of utilizing the natural resources necessary for the activities that are developed in the various economic sectors in a rational and efficient manner, and to:

- Guarantee the compliance with the applicable Environmental Legislation, as well as with all the commitments in this regard that are voluntarily subscribed by the companies.
- Prevent, Reduce and Mitigate the environmental impacts caused by the companies of the Group.
- Support initiatives for the purpose of addressing climate change.
- Implement good environmental practices for the conservation of water, energy and consumable materials, as well as the effective treatment and final disposal of residues.
- Promote the development and dissemination of green technologies.
- Contribute to the environmental awareness of our employees, providers and clients, in order to encourage the protection and care of our surroundings.
- Manage, by means of an Environmental Management System, all the indicators derived from the activities of each company.
- Formulate, develop, apply and periodically back feed our environmental objectives and programs.

GRUPO SANBORNS

To successfully mitigate the effects that are produced on the environment in the Commercial sector, which is actually quite low, we have implemented operating procedures, established work programs, and carried out monthly monitoring of environmental indicators.

ENVIRONMENTAL ACTIVITIES BY GRUPO SANBORNS IN 2023

Usage of energy avoided **17,200.93**

Use of LP gas avoided: **280,287 Lts**

Use of Natural Gas Avoided: **9,002 m3**

Used cooking oil **1.03 Ton**

Reutilized or treated water: **7,125.00 m3**

Emissions avoided: **22,870.00 Ton CO2**

Recycled batteries **523 Ton**

CONCEPT	UNITS. MEASURE	2021	2023	DIF.	Variation.% 2023 - 2022
Water reused or treated	m3	18,407.0	7,125.0	11,997.0	-61.3%
Residues requiring special handling: used cooking oil	TON	2.9	1.0	1.7	-64.5%
Energy savings	kw-hr	10,209.0	17,200.9	-9,506.2	68.5%
Savings of LP gas	Lts	190,150.1	280,287.0	-138,957.0	47.4%
Savings of Natural Gas	m3	4,800.0	9,002.0	-2,658.0	87.5%
Dangerous residues: recycled batteries	Tons	523.0	ND	343.0	ND
Emissions avoided	Ton CO2	1,980.0	22,879.0	-895.0	2008.7%

GRUPO CONDUMEX, CARSO INFRAESTRUCTURA Y CONSTRUCCIÓN, ELEMENTIA Y FORTALEZA

In 2023, as a result of the application of the Corporate Policy of Environmental protection, 22 work centers of the Grupo Condumex companies of the cables and automotive parts sector maintained a certification in the ISO 14001 : 2015 Standard. The Infrastructure and Pipelines sectors maintained this international standard effective to August 02 and December 17 of 2024, respectively.

The Grupo Carso companies are carrying out actions in which the technological advances that offer advantages in the use and care of natural resources are used, while allowing the realization of substantial savings in water and energy.

In Carso Infraestructura y Construcción all the construction projects have experts on environmental management at hand, ensuring the compliance with the mitigation measures established in the environmental authorizations for the projects in question.

Throughout the year, the Grupo Condumex work centers recorded a total energy consumption of 144,492,017 kWh, of which the clean energy consumption was 81,304,685 kWh, avoiding the emission of 12,545 TonCO_2 and additionally with a self-supply of photo-voltaic solar energy of 2,320,469 kWh, avoiding the emission of 1,146 TonCO2e. As for the consumption of water, in the 25 work centers, a total consumption of 416,462 m³ was recorded.

Continuing with the implementation of the Residues Management Plan, which diminishes the volume of residues sent to land fills and which limits their operating capacity, during 2023 in the sectors of Elementia/ Fortaleza, Infraestructura, Pipelines and central offices, as well as in the work centers of the cables, automotive parts, CIDEC Jurica and CT, a total of 8,285,516 kg of residues requiring special handling were collected and recycled, with various environmental benefits, since the recycling 25,010 kg of paper and 1,061,806 kg of cardboard avoided the cutting of 18,772 trees and saved the 28,259,083 liters of water that would have been needed to manufacture new paper, and avoided 3,260 m³ of residues being sent to the sanitary landfill. As for dangerous residues, in 2023, in the same work centers mentioned above, 1,948,160 kilograms of dangerous residues were sent for treatment and final disposal with an environmentally adequate management, complying with the provisions established in the General Law for the Prevention and Comprehensive Management of Residues (LGPGIR).

The "Pilotón" campaign was carried out twice in 2023 in the central offices of CICSA and in the Infrastructure and Pipelines sectors, managing to collect 41 kilograms of used alkaline batteries, which were disposed of by the company E-Weast, which has the necessary authorization from the corresponding environmental Authority.

In ***Elementia y Fortaleza Materiales,*** various laws and regulations are observed that have to do with health, the environment and safety and that regulate, among other matters, the production, sale, storage, handling, use, repair, disposal and transportation of dangerous materials; the emission and discharge of dangerous materials into the soil, atmosphere or bodies of water, as well as the health and safety of our employees. Permits from governmental authorities are required for the realization of certain operations. Additionally, certifications have been voluntarily obtained from national and international organizations for some of the production plants.

Quantity of residues generated by the organization (Tons) 2023	
Organic	ND
Inorganic	37,817.01
Commercial	ND
Dangerous residues	1,948.16
Residues requiring special treatment	8,285.50
Electronic residues	0.01

In Grupo Condumex, the company NACEL, Vallejo y Latincasa maintains a Clean Industry acknowledgement – which is one of the voluntary programs of the national and state environmental authorities – in order to adhere to the said voluntary program and thereby improve the efficiency of its production processes while complying with good practices and engineering standards under national and international parameters. And the Condumex Guadalajara Plant maintains the Environmental Leadership certificate, awarded by the Ministry of the Environment and Territorial Development (SEMADET) of Jalisco, for its high standards for the protection of the natural surroundings in Jalisco. It is the only company enjoying that distinction.

In matters of reforestation during 2023, in the cables and automotive parts sectors, 230 trees of various species were planted, with the participation of approximately 208 persons. The company Latincasa maintains in its facilities a nursery with a total of 591 saplings of 12 different species, which are used in its reforestation activities in the industrial zone of San Luis Potosí and in the company itself. In June of 2023, Carso Infraestructura y Construccion launched its Annual Reforestation Campaign, in coordination with the Ministry of the Environment of the State of Mexico, through

its General Coordination of Ecological Conservation and with the support of the Sierra de Guadalupe State Park, with the participation of 50 employees and their friends and family members, who managed to plant 50 maguey plants while promoting family togetherness. In March, as a support activity for the maintenance of the flora planted in the various reforestation activities, an Auxiliary Watering Campaign was carried out, organized by the Sierra de Guadalupe State Park Department, with the participation of 11 persons, who contributed to the survival of 190 trees in this state park.

Among the projects that were developed in the Infrastructure sector in 2023 was the Rescue and Relocation of Flora and Fauna program, which carried out the rescue of 20,283 specimens of flora and 118 of fauna, among which 5,031 specimens of flora and 30 of fauna are in some protective status or other, according to the NOM-059-SEMARNAT-2010. In the nursery, there are 10,346 individual specimens that will be used in reforestation activities in impacted zones.

For the purpose of generating an environmental awareness that encourages the effective participation of the persons who work in the Infraestructura, Pipelines, Central Offices, as well as in the work centers of the cables, automotive parts, CIDEC

Jurica and CT sectors, their participation in the "Recycle Against Cancer" campaign was encouraged, which, in addition to its support in the collection and recycling of plastic caps, has encouraged the participation of family members and friends. In 2023 a total of 1,241.6 kg of plastic caps was collected and donated to the "Alianza Anticancer, A.B.P", association, "Banco de Tapitas" and "Ángeles en Libertad A.C.", all of them generating an economic resource for the basic medical, psychological, nutritional and social assistance needs of persons with cancer.

With the firm intention of fostering a culture of environmental awareness in the various groups that work in the Infraestructura, Pipelines, Central Offices, and in the work centers of the cables, automotive parts, CIDEC Jurica and CT sectors, 6,410 talks on various environmental subjects were held in 2023, with the attendance of 69,314 persons.

Climate Change

Grupo Carso promotes a sustainable corporate culture of communication, training and practices in the various work places so that all its employees will assume a commitment towards society and the environment, to thereby minimize contamination and in this manner preserve and take care of our home, which is the planet Earth. We seek to establish, through the providers who market electricity, a practical co-generation of power system that will leave a low carbon footprint because of its high efficiency, to provide power to the 16 Grupo Condumex plants and Grupo Sanborns establishments, with clean technology and high and sustainable efficiency.

In 2023 the total emission of Greenhouse Gases in Grupo Sanborns, Grupo Condumex, Carso Infraestructura y Construcción and Elementia/Fortaleza were:

	SCOPE 1	SCOPE 2	SCOPE 3
CO_2 (Tons)	3,550,728	1,016,517	No

Throughout the year, the consumption of energy by Grupo Condumex from an efficient co-generation source with a lower emissions factor and cleaner than CFE electricity was 81,304,685 kWh, avoiding the emission of 12,545 TonCO2e, and additionally, with a self-supply photovoltaic solar energy source of 2,320,469 kWh, avoiding the emission of 1,146 TonCO2e. The Grupo Sanborns companies carry out actions that take advantage of the various technological advances that offer advantages in the use and preservation of natural resources that provide substantial savings in water and energy, in addition to generating protocols for the efficient use of energy.

For more details on the environmental activities of Condumex and Carso Infraestructura y Construcción see the 2022 report in https://www.carso.com.mx/sustentabilidad/

Labor, Health and Safety Performance

Grupo Carso is a source of permanent and temporary employment for more than 94 thousand persons in Mexico, Latin America and some countries of Europe. During 2023, the payroll remained almost stable, with a variation of -0.4%, taking into consideration that in 2022 there were 14 thousand additional employees from the incorporation of Elementia and Fortaleza into the Group. The employees of all the Group subsidiaries enjoy salaries that are in accordance with the law, the labor market and their level of responsibility in the department to which they belong.

	2020	2021	2022	2023	Variation% 2023 - 2022
Employees	76,161	80,685	94,827	94,458	-0.4%

In the consolidated payroll, 41% are women and 59% are men. In accordance with Grupo Carso's policy of inclusion and human rights, the recruitment of personnel observes a practice of non-discrimination, benefits, working conditions, training and promotion for its workers according to their skills and profiles. Grupo Carso scrupulously observes the labor laws in its application of benefits, without the distinction of functions or responsibilities, and all its personnel has access to information, services, facilities and products, whatever their situation in life may be. The Company practices gender equality and its male and female employees have equal benefits, obligations, responsibilities and opportunities. These policies of equality and non-discrimination are mentioned in the Codes of Ethics and Principles of Conduct in the Workplace of all the companies of the Group.

We practice the recruitment of personnel without consideration of their age, gender, sexual orientation, civil status, religion and intellectual capacity, basing these practices on our agreements with various public and private institutions. Our permanent Inclusion programs are:

- Hiring of persons with slight or moderate Intellectual Disability.
- Hiring of persons with a mental disability.
- Hiring of senior citizens.
- Hiring of Single Mothers, or of women who have suffered violence against women.

We work in a continuous manner with the following institutions:

- Multiple Attention Centers (CAM)
- Mexican Confederation of Organizations for Persons with Intellectual Disabilities (CONFE)
- Comprehensive Family Development (DIF)
- Best Buddies
- National Institute of Women of Mexico City (INMUJERES)
- National Institute of Senior Citizens (INAPAM)

Courses in technical, operational, advancement, developmental, safety and healthcare training.

In a consolidated manner, we had 1,041,016 participants in training courses focusing on the improvement of abilities of employees. Among these, 342,631 persons received 70 to 181 hours of training in matters such as: Awareness and care of the environment; diversification, fairness and inclusion; anti-fraud and corruption; anti-monopoly; code of ethics; how to generate an ambience of respect and prevent harassment and discrimination; conflicts of interest; prevention of money laundering, and updating courses on various NOM standards, for STPS as well as for SCFI and NMX-414-ONNCCE-2017.

	TOTAL PARTICIPANTS
Number of trained employees	1,041,016
Number of hours dedicated to training	8,157,388

In the "Train yourself for a job" platform of the Carlos Slim Foundation, work was continued, both as a means of attraction of new talent as well as a means of training for operational, maintenance and sales personnel. Courses continue to be created and delivered for the purpose of integrating employees into the company and developing their skills and abilities in order to improve their performance and thereby propitiate their development within the Company. The subjects of consultative sales, technology, books, Apple products and leadership, among other subjects, were addressed. These courses were given in person as well as online through Zoom, Meet, Webex and Teams.

Other personal development programs are the ASUME program (Association for the Betterment of México), whose objective is to contribute to the comprehensive development of persons through a human development program for the constant pursuit of personal betterment. Also, the Social Wellbeing program, which works in three fundamental aspects: Advancement, Health, and Culture and Recreation. In 2023, virtual conferences were held with a scope on a national level to the benefit of Grupo Carso employees and their families, which provided the opportunity to exchange experiences and to resolve questions with the specialists in the aforesaid aspects.

The Mexican Philanthropic Center (CEMEFI) awarded the title of Socially Responsible Company to Grupo Condumex and to Carso Infraestructura y Construcción for the twelfth and thirteenth consecutive years, respectively, for their dedication in the application of actions for the care and protection of the environment, their contributions to Society, and their ethical behavior towards their employees.

Companies with the title of socially responsible campany
Condumex : 12 consecutive years
Cicsa: 13 consecutive years

2023 LARGE COMPANIES	TRAJECTORY OF RECOGNITION	2023 SMALL COMPANIES	
Concensol, S.A de C.V	12 years	Servicios Integrales GSM, S. de R.L de C.V	
	12 years	Conticon, S.A de C.V	12 years
Cordaflex S.A, de C.V	12 years	Conalum, S.A de C.V	12 years
Condumex, S.A de C.V		GSM Bronco	13 years
Carso Infraestructura y Construcción, S.A de C.V			
Arneses Eléctricos Automotrices, S.A de C.V	12 years		
Arcomex, S.A de C.V	12 years		
Arneses Electrónicos Arnelec, S.A de C.V			

Companies with the title of socially responsible company
Carso infraestructura y construcción 13 consecutive years

2023 LARGE COMPANIES	TRAJECTORY OF RECOGNITION
Operadora Cicsa, S.A de C.V	12 years
Carso Infraestructura y Construcción	12 years

Grupo Sanborns Social Actions

In Grupo Sanborns we promote a policy of inclusion, and we hire persons with mental disabilities, in cooperation with the Best Buddies Organization. Additionally, in Mixup we are totally committed to helping children with hearing problems, through the campaign known as "¡Oye! tú que oyes!, help to educate a deaf child." Since many years ago, we have been urging customers in our Mixup stores, as well as in our **https://www.mixup.com/** webpage and in social networks to make donations, beginning at $10 pesos. Promotora Musical also makes contributions and the amounts from both these sources are delivered to the Pedagogic Institute for Language Problems, I.A.P. (IPPLIAP), in which teachers and family members receive training in sign language and primary and secondary schooling is provided for deaf children, in order to reintegrate them into society.

BOARD OF DIRECTORS

The 2023 Annual Report by The Board of Directors of Grupo Carso, S.A.B. de C.V.

Eng. Carlos Slim Helú

Position*:
CEO - Carso Infraestructura y Construcción
President - Minera Frisco
Honorary Lifelong President
– Grupo Carso
– Teléfonos de México
– América Móvil

Years as a Director:** Twenty-three

Type of Director*:** Patrimonial

Lic. Carlos Slim Domit

Position*:
President - Grupo Carso
President - Grupo Sanborns
President - América Móvil
President - Teléfonos de México

Years as a Director:** Thirty-three

Type of Director*:** Patrimonial

Engr. Antonio Cosío Ariño

Position*:
Director General - Cía. Industrial de Tepeji del Río

Years as a Director:** Thirty-three

Type of Director*:** Independent

Lic. Arturo Elías Ayub

Position*:
Director or Communications, Institutional Relations and Strategic Alliances – Teléfonos de México
Director General – Fundación Telmex

Years as a Director:** Twenty-six

Type of Director*:** Patrimonial

Engr. Claudio X. González Laporte

Position*:
President – Kimberly Clark de México

Years as a Director:** Thirty-one

Type of Director*:** Independent

Lic. Daniel Hajj Aboumrad

Position*:
Director General – América Móvil

Years as a Director:** Twenty-nine

Type of Director*:** Patrimonial

Lic. David Ibarra Muñoz

Position*:
Director – Office David Ibarra Muñoz

Years as a Director:** Twenty-two

Type of Director*:** Independent

C.P.A. Rafael Moisés Kalach Mizrahi

Position*:
President and Director General – Grupo Kaltex

Years as a Director:** Thirty

Type of Director*:** Independent

Srita. Vanessa Hajj Slim

Position*:
Analyst – Inmuebles Carso

Years as a Director:** Three

Type of Director*:** Patrimonial

Lic. Patrick Slim Domit

Position*:
Vice-president – Grupo Carso
Vice-president – América Móvil
Director General – Grupo Sanborns
Commercial Director of Massive Markets – Teléfonos de México
President – Grupo Telvista
President – Sears Operadora México

Years as a Director:** Twenty-eight

Type of Director*:** Patrimonial Related Committees

Lic. Marco Antonio Slim Domit

Position*:
President – Grupo Financiero Inbursa
President – Inversora Bursátil
President – Seguros Inbursa
President – Impulsora del Desarrollo y el Empleo en América Latina

Years as a Director:** Thirty-three

Type of Director*:** Patrimonial

SUBSTITUTE DIRECTORS

Engr. Antonio Cosío Pando

Position*:
General Manager – Cía. Industrial de Tepeji del Río

Years as a Director:** Twenty-two

Tipo de consejo*:** Independent

Ing. Alfonso Salem Slim

Position*:
Vice-president – Impulsora del Desarrollo y el Empleo en América Latina
President –Inmuebles Carso

Years as a Director:** Twenty-three

Type of Director*:** Related

Engr. Antonio Gómez García

Position*:
Director General – Grupo Carso
Director General – Carso Infraestructura y Construcción
President and Director General – Grupo Condumex

Years as a Director:** Twenty

Type of Director*:** Related Committees

Lic. Fernando G. Chico Pardo

Position*:
Director General – Promecap
President – Grupo Aeroportuario del Sureste

Years as a Director:** Thirty-four

Type of Director*:** Independent

Lic. Alejandro Aboumrad Gabriel

Position*:
President – Grupo Proa

Years as a Director:** Thirty-three

Type of Director*:** Independent

TREASURER

L.C. Arturo Spínola García

Position*:
Director of Finances and Administration – Carso Infraestructura y Construcción and Grupo Condumex

Years as a Director:** Ten

SECRETARY

Lic. Arturo Martínez Bengoa

Position*:
Corporate Juridical Director – Grupo Condumex

Years as a Director:** Two

PRO-SECRETARY

Lic. Josué Ramírez García

Position*:
General Juridical Corporate Director – Grupo Condumex

Years as a Director:** Two

* Based on information from Directors.
** The seniority of the Directors is calculated from the fiscal year of 1990, which is the date on which the shares of Grupo Carso, S.A.B. de C.V. were registered in the Mexican Stock Market.
*** Based on information on Directors. Independent Directors according to the definition in the Stock Market Law.

REPORT BY THE BOARD OF DIRECTORS

Report by the Board of Directors of Grupo Carso, S.A.B. De C.V. on the principal accounting policies and criteria followed in the preparation of the Company's Financial Statement and on the operations and activities in which it participated, in conformance with Article 28, fraction IV, subparagraphs d) and e) of the Stock Market Law.

Principal accounting and information policies and criteria followed in the preparation of the Financial Statement.

The Board of Directors has examined and approved, with the prior favorable opinion of the Company Practices Committee, the accounting and information policies and criteria that were followed in the preparation of the Consolidated Financial Statement of Grupo Carso, S.A.B. de C.V. and subsidiaries up to December 31 of 2023, which refers to the following aspects, among others:

1. Activities
2. Significant events
3. Combination of businesses
4. Consolidated subsidiaries
5. Cash and cash equivalents
6. Accounts receivable
7. Net investment in leased assets
8. Taxes recoverable
9. Inventories
10. Right to use assets
11. Lease liabilities
12. Administration of financial risks
13. Financial instruments
14. Derivative financial Instruments
15. Fixed assets, machinery and equipment
16. Investment properties
17. Investments in shares of associated companies, joint enterprises and other investments
18. Other assets

19. Intangible assets
20. Short- and long-term debt
21. Other accounts payable and accumulated liabilities
22. Provisions
23. Benefits to employees upon retirement
24. Book Capital
25. Balances and transactions with related parties
26. Income
27. Costs and expenses breakdown
28. Other (income) expenses, Net
29. Tax on income
30. Commitments
31. Contingencies
32. Information by segments
33. Adoption of the International Standards on information New and revised financial information
34. Material accounting policies
35. Critical accounting judgments and sources. Uncertainty principle in the estimates
36. Transactions that did not appear in cash flows
38. Authorization for the issuance of the consolidated financial statement

The details and scope of the accounting policies and criteria and of the information indicated above are found in Note No. 34 of the said financial statement – Material accounting policies, the respective text of which shall be considered to be reproduced here to the letter, as if it actually was.

Matters established in the Stock Market Law

During the fiscal year of 2023 and up to this date, the Board of Directors of Grupo Carso, S.A.B. de C.V. held several meetings in which the information relative to the operations and results of the Company and its subsidiaries, as well as the Company's consolidated and unconsolidated financial statements were submitted to the Directors. In the said meetings, the directors discussed various matters, including some of those established in the Stock Market Law and they approved, with the prior favorable opinion of the Committee of Company Practices and Auditing, the following matters:

1. The operations with associated parties, executed successively, carried out by some of the subsidiaries of Grupo Carso, S.A.B. de C.V., each of them representing more than one percent of the Company's consolidated assets, as follows:

a) Transactions carried out for 8,041,353 thousands of pesos between Empresa de Servicios y Soporte Integral GC, S.A.P.I. de C.V. and (i) Carso Infraestructura y Construcción, S.A. de C.V. ("Cicsa") and some of its subsidiaries: fiber optic downspouts (from post to well); installation of chambers (Ciudad Segura); installation of fiber optics (external); engineering works (design of the Telmex companies telephony and internet connectivity network); (ii) Grupo Condumex, S.A. de C.V. ("Grupo Condumex") and some of its subsidiaries: Installation of fiber optics, high-zero wiring; network cables; aerial cable; telephone wiring; fiber optic cable and electronic cable, in addition to construction for the passing of the fiber optics cable; and (iii) other works.

b) Transactions carried out for 4,955,773 thousands of pesos between Red Nacional Última Milla, S.A.P.I. de C.V. and (i) Cicsa and some of its subsidiaries; downspouts, high zero, maintenance and ducting; (ii) Grupo Condumex and some of its subsidiaries: sale of telephone wire; (iii) Elementia Materiales, S.A.P.I. de C.V.: work on disassembled cable for recovery of the copper; (iv) Carso Eficentrum, S.A. de C.V.: commission for mediation; and (v) other works.

c) Transactions carried out for 2,951,266 thousands of pesos between Aptiv Services US LLC and other companies; and Grupo Condumex and some of its subsidiaries: sale of harnesses, cable, and automotive engineering services.

d) Transactions carried out for 2,877,327 thousands of pesos between Autovía Mitla Tehuantepec, S.A. de C.V. and (i) Cicsa and some of its subsidiaries: Construction of civil works; and (ii) other works.

All the operations with related parties were reviewed by Galaz, Yamazaki, Ruiz Urquiza, S.C., and a summary of them can be found in Note 25 of the Grupo Carso, S.A.B. de C.V. and subsidiaries financial statements up to December 31 of2023.

2. The ratification of the accounting firm of Galaz, Yamazaki, Ruiz Urquiza, S.C. to perform the external auditing services of the consolidated financial statements of Grupo Carso, S.A.B. de C.V. and its subsidiaries up to December 31 of 2023, as well as its fees.

3. The submission of the consolidated financial statements of Grupo Carso, S.A.B. de C.V. and its subsidiaries to the annual General Ordinary Shareholders' Assembly for their consideration.

Mexico City, March25, 2024

Chairman of the Board of Advisors
Lic. Carlos Slim Domit

REPORT OF THE COMPANY PRACTICES AND AUDITING COMMITTEE

C.P. Rafael Moisés Kalach Mizrahi (Chairman)
Engr. Antonio Cosío Ariño
Lic. David Ibarra Muñoz

ANNUAL REPORT

To the Board of Directors

In my capacity as chairman of the Company Practices and Auditing Committee of Grupo Carso, S.A.B. de C.V. (the "Committee"), I hereby submit the following annual report of activities during the fiscal year of 2023.

Company Practices and Evaluation and Compensation Functions

El The director general of Grupo Carso, S.A.B. de C.V. (the "Corporation") and the directorates of the juridical entities it controls have satisfactorily complied with their responsibilities and met the objectives assigned to them.

The operations with related parties that were submitted to the consideration of the Committee were approved. Among those significant operations, successively executed and each of them representing more than one percent of the Corporation's consolidated assets, are the following:

"Empresa de Servicios y Soporte Integral GC, S.A.P.I. de C.V., for the concept of fiber optics downspouts (from post to well); installation of chambers (Ciudad Segura); installation of fiber optics (external); engineering works (design of the telephony and internet connectivity network for Telmex companies); Installation of fiber optics; high-zero wiring; network cables; aerial cable; telephone wiring; fiber optic cable and electronic cable; construction for the passing of the fiber optics cable; Última Milla, S.A.P.I. de C.V. National Network for the concept of downspouts, high zero, maintenance and ducting; sale of telephone wire; work on disassembled cable for recovery of the copper; commission for mediation; Aptiv Services US LLC and other companies for the sale of harnesses, cable, and automotive engineering services, and Autovía Mitla Tehuantepec, S.A. de C.V. for the construction of civil works.

All the operations with related parties were carried out at market values, and they were reviewed by the accounting firm of Galaz, Yamazaki, Ruiz Urquiza, S.C. (the "Firm"), the legal entity that carried out the audit of the financial statements of Grupo Carso, S.A.B. de C.V. y Subsidiarias up to December 31 of 2023 as well as of most of its subsidiaries, and a summary of those financial statements can be found in a Note of the said financial statements.

The director general of the Corporation does not receive any remuneration for the performance of his activities as such. The Corporation does not have employees, and, in regard to the integral remunerations of the relevant directors of the companies controlled by the Corporation, we have ascertained that they have complied with the policies that were approved by the Board of Directors in that respect.

The Board of Directors of the Corporation has not granted any dispensation so that any Director or person of authority could take personal advantage of business opportunities corresponding to the Corporation or to the legal entities it controls or in which it has a significant influence. Nor has the Committee granted any dispensation for the transactions referred to in subparagraph c) of fraction III of Article 28 of the Stock Market Law.

Auditing Functions

We submitted to the consideration of the Board of Directors of the Corporation the ratification of Galaz, Yamazaki, Ruiz Urquiza, S.C. to carry out the external audit of the financial statements of Grupo Carso, S.A.B. de C.V. y Subsidiarias and of most of its subsidiaries (the "Audit") up to December 31 of 2023, as well as the ratification of its remuneration for the said service, having taken into account that the resources proposed by the Firm for the execution of the program were reasonable, considering the scope of the said audit, the nature and complexity of the Corporation's operations and its structure, and having also reviewed the terms for the execution of the Audit.

We evaluated the compliance by the Firm and by the Independent External Auditor of the personal, professional and independence requirements referred to in Article 6 of the provisions of a general nature applicable to the entities and issuers supervised by the National Banking and Securities Commission who contract external auditing services for basic financial statements (the "External Auditors Circular"), and decided that both the Firm and the

Independent External Auditor satisfactorily met the said requirements.

We did not consider it necessary to implement any measure to guarantee the independence of the Firm or of the Independent External Auditor, as well as of the persons who participated in the Audit.

We obtained from the Firm the declaration on the compliance with the quality control standard for the performance of the services corresponding to the Audit, as referred to in fraction II of Article 20 of the External Auditors Circular.

We monitored the auditing activities realized by the Firm in a punctual manner and kept the Corporation's Board of Directors informed in that respect. We also monitored the activities of the Independent External Auditor, who informed us of his activities and the development of the Audit.

There were no adjustments to the audited numbers resulting from the review of the opinion and of the financial statements of Grupo Carso, S.A.B. de C.V. y Subsidiarias up to December 31 of 2023, nor provisos to reveal in regard to the said Statements.

As a result of the review of the letter of observations of the Independent External Auditor, as established in fraction I of Article 15 of the External Auditors Circular (the "Letter of Observations") in regard to the substantive procedures, the evaluation of the internal control and the relevant matters that the Independent External Auditor provided to the Corporation, we found various observations regarding the Corporation and some of its subsidiaries. In that respect, the Corporation's Administration informed us that a Plan of Action is being prepared with the preventive and corrective measures necessary and the period of time for its completion in response to the said observations, in conformance with the indications in the applicable legal provisions.

We found no indication of any breach of its operating and accounting guidelines and policies by the Corporation or by any of the legal entities it controls, and therefore no preventive or corrective measures were implemented in that respect.

The performance of the Firm and of the Independent External Auditor was as expected and the objectives established when they were contracted were accomplished. The quality of the opinion of the financial statements of Grupo Carso, S.A.B. de C.V. y Subsidiarias up to December 31 of 2023 was also satisfactory.
The internal control and internal auditing system of Grupo Carso, S.A.B. de C.V. and

of the legal entities it controls is satisfactory and complies with the guidelines approved by the Board of Directors, as is gathered from the information provided to the Committee by the Corporation's Administration and by the persons responsible for the internal audit of both Grupo Carso, S.A.B. de C.V. as well as of Grupo Sanborns, S.A.B. de C.V. in regard to the activities they carried out in compliance with the internal auditing plan for which they were responsible, their follow-up on the principal findings they detected during the fiscal year of 2023 or that they had previously reported, and of the opinion of the external audit.

According to the information we received from the Administration and the meetings we held with the external and internal auditors, without the presence of Corporation officers, and as far as we know, there were no relevant observations made by shareholders, directors, relevant managers, employees or any third party in general in regard to the accounting, internal controls or subjects related to the internal or external audit, nor any denunciations by the said parties regarding irregular acts by the Corporation's administration or by the legal entities it controls.

During the period of the report, we ensured that due compliance with the accords adopted in the shareholder and Board of Directors meetings was carried out. Likewise, and in accordance with the information we were provided by the Corporation's Administration, we verified that the latter has controls that allow it to establish that it is complying with the provisions applicable to it in regard to the stock market, and that its legal department reviews this compliance at least once a year, finding no observations in this respect and no adverse change in the legal situation.

In respect to the financial information that the Corporation prepares and submits to the Bolsa Mexicana de Valores, S.A.B. de C.V. and to the National Banking and Securities Commission, we verified that the said information is elaborated under the same policies, criteria and accounting practices under which the annual information will be elaborated.

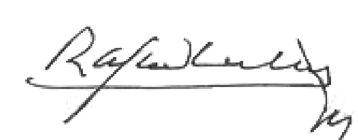
Finances and Planning Functions

The Corporation and the juridical persons it controls resumed investments in the 2023 fiscal year, and we ascertained that the said investments were made in a manner that was congruent with the Corporation's medium- and long-term strategic plans. Additionally, we periodically verify that the company's strategic position is in accordance with the said plan. We also review and evaluate the budget for 2024, along with the financial forecasts that were taken into account for its elaboration, which included the Corporation's principal investments and financing transactions, which we decided were viable and in congruence with the investment and financing policies and strategic vision of the Corporation.

For the elaboration of this report, the Company Practices and Auditing Committee relied on the information provided to it by the Director General of the Corporation, the relevant managers of the juridical entities it controls and by the external auditor.

Mexico City, March 25 of 2024

President
C.P. Rafael Moisés Kalach Mizrahi



OPINION OF THE BOARD OF DIRECTORS ON THE CONTENTS OF THE ANNUAL REPORT OF THE DIRECTOR GENERAL FOR THE FISCAL YEAR OF 2023.

In relation to the Annual Report of the Director General of Grupo Carso, S.A.B. de C.V. (the "Corporation") corresponding to the fiscal year of 2023, and considering the opinion of the External Auditor, in our opinion the accounting policies and criteria followed by the Corporation are adequate and sufficient and have been applied in a consistent manner. Therefore the said report reflects the Corporation's financial situation and its results in a reasonable manner.

This opinion was elaborated by the Grupo Carso, S.A.B. de C.V. committee with auditing functions in conformance with the provisions of Article 42, fraction II, subparagraph e) of the Stock Market Law, and was adopted by the Board of Directors.

Chairman of the Board of Directors
of Grupo Carso, S.A.B. de C.V.

Lic. Carlos Slim Domit

CONSOLIDATED FINANCIAL STATEMENTS

Grupo Carso, S. A. B. de C. V. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023, 2022 and 2021, and Independent Auditors' Report Dated March 25, 2024

Independent Auditors' Report and Consolidated Financial Statements of 2023, 2022 y 2021

Independent Auditors’ Report to the Board of Directors and Stockholders of Grupo Carso, S. A. B. de C. V.

(Amounts in thousands of Mexican pesos)

Opinion

We have audited the accompanying consolidated financial statements of Grupo Carso, S. A. B. de C. V. and its subsidiaries (the “Entity” or “Grupo Carso”), which comprise the consolidated statements of financial position as of December 31, 2023, 2022 and 2021, and the related consolidated statements of income and other comprehensive income, the consolidated statements of changes in stockholders’ equity and the consolidated statements of cash flows for the years then ended, together with the notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements fairly present, in all material respects, the consolidated financial position of Grupo Carso, S. A. B. de C. V. and subsidiaries as of December 31, 2023, 2022 and 2021, together with its consolidated financial performance and consolidated cash flows for the years then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Independent Auditors’ responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Entity in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants’ (IESBA Ethics Code) and with the ethical requirements that are relevant to our audit of the consolidated financial statements in accordance with the Code of Ethics issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Ethics Code and IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the key audit matter described as follows is the key audit matter that should be communicated in our report.

Impairment of long-lived assets including goodwill and intangible assets (see Notes 3, 15 and 19)

The Entity has identified the cash-generating units on which an impairment analysis study is carried out each year as established by International Accounting Standard 36 “Impairment of assets”, in which discounted future cash flows are calculated to determine if the asset value has deteriorated. We focused on the determination of the impairment due to the materiality of the balances of long-lived assets of the commercial segment and the intangible assets and goodwill of Elementia as of December 31, 2023, since there is a risk that the determination of the assumptions used by the management to calculate future cash flows, are not reasonable based on current and foreseeable future conditions.

The most significant assumptions refer to the discount rate applied and the assumptions that support future cash flows, in particular the growth rate of revenues and projected cost and expense ratios. Our audit procedures to hedge the risk in relation to the impairment of long-lived assets included, among others:

i. We reviewed the impairment models carried out by the administration, for those cash generating units whose carrying values are subject to significant judgment.

ii. We have discussed key management assumptions regarding cash flow forecasts, discount rates, and long-term growth rates based on our knowledge of the business, industry, and audited historical information.

iii. We involved our specialists to challenge the assumptions used by management to validate the reasonableness of the information with the behavior of the business and industry market, including the current business situation in conjunction with the audit team.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

• Identify and assess the risks of the material misstatement of the consolidated financial statements due to fraud or error, design and perform audit procedures to respond to those risks, and obtain sufficient, appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

• Evaluate the appropriateness of accounting policies used and the fairness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent relevant transactions and events in a manner that achieves a fair presentation.

• Obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Other matter

The accompanying financial statements have been translated into English for the convenience of readers.

Additional information other than the consolidated financial statements and the independent auditors' report

The Entity's Administration is responsible for the other additional information. The other information includes, i) the information that will be included in the Annual Report that the Entity is required to prepare pursuant to Article 33 Section I, subsection b) of Title Four, Chapter One of the General Provisions Applicable to Issuers and Other Stock Market Participants in Mexico and the Instructions accompanying these provisions (the Provisions). The Annual Report is expected to be available for our reading after the date of this audit report; and ii) the other additional information, which is not required by IFRS, but has been included so as to assess the performance of each operating segment as regards the Entity's Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA); this information is presented in Note 32.

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

In relation to our audit of the consolidated financial statements, our responsibility will be to read the Annual Report, when it is available, and when we do so, consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or the knowledge we obtained during the audit, or which appears to contain material misstatement. When we read the Annual Report, we will issue a legend in this regard, as required by Article 33 Section I, subsection b) number 1.2. of the Provisions. Similarly, as regards our audit of the consolidated financial statements, our responsibility is to read and recalculate the other information, which is not required by IFRS and, when doing so, consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or with the knowledge we obtained during the audit, or which appears to contain a material misstatement. If, based on the work we have performed, we conclude that the other information contains material misstatement, we would report this fact. However, we have nothing to report concerning this this matter.

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

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

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

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Afiliada a una Firma Miembro de Deloitte Touche Tohmatsu Limited

C. P. C. Erik Padilla Curiel
Mexico City, Mexico
March 25, 2024

Consolidated Statements of Financial Position

As of December 31, 2023, 2022 and 2021

(In thousands of Mexican pesos)

ASSETS	NOTES	2023	2022	2021
Current assets:				
Cash and cash equivalents	5	$16,347,047	$12,294,643	$11,197,642
Accounts receivable	6	$48,839,490	$39,207,963	$28,394,607
Due from related parties	25	$6,744,929	$7,656,579	$5,237,509
Recoverable taxes				
Inventories	8	$5,319,829	$5,604,642	$5,286,742
Prepaid expenses	9	$27,843,224	$27,143,539	$20,141,355
		$2,154,367	$2,316,335	$2,782,021
Derivative financial instruments	14	$78,921	$225,413	$85,809
Total current assets		**107,327,807**	**94,449,114**	**73,125,685**
Non-current assets:				
Net investment in leased asset	7	$13,289,011	$15,144,293	$16,029,400
Long-term accounts receivable		$1,686,456	$1,443,567	$1,166,250
Real estate inventories		$971,283	$971,283	$987,265
Property, plant and equipment	15	$59,324,301	$61,528,795	$32,505,782
Right-of-use assets	10	$5,954,258	$6,202,705	$5,631,826
Investment properties	16	4,958,956	4,766,120	4,601,226
Investment in associated entities, joint ventures and other	17	38,680,720	36,755,235	42,794,747
Employee retirement benefits	23	1,229,582	1,569,939	906,654
Derivative financial instruments	14	597,323	795,935	-
Intangible assets	19	8,965,402	9,382,982	2,374,620
Deferred income tax asset	29	6,775,088	5,815,525	5,216,710
Other assets	18	713,577	556,609	433,088
Total non-current assets		**143,145,957**	**144,932,988**	**112,647,568**
Total assets		**$250,473,764**	**$239,382,102**	**$185,733,253**

LIABILITIES	NOTAS	2023	2022	2021
Current liabilities:				
Loans payable to financial institutions	20	$17,859,325	$14,001,306	$5,126,132
Current portion of long-term debt	20	1,237,853	1,583,229	394,614
Current lease obligation	11	1,559,427	1,952,727	1,671,517
Trade accounts payable		18,653,841	17,214,822	12,860,801
Accounts payable to related parties	25	1,662,115	889,295	836,946
Other accounts payable and accrued liabilities	21	9,911,238	11,846,623	5,902,173
Provisions	22	7,192,045	9,378,721	8,017,045
Direct employee benefits		2,221,763	1,976,579	1,102,513
Derivative financial instruments	14	786	1,753	2,127
Contractual liabilities – customer advances		2,735,419	2,527,989	3,628,795
Total current liabilities		**63,033,812**	**31,373,044**	**39,542,663**
Non-current liabilities:				
Long-term debt	20	26,653,124	27,205,124	18,630,729
Lease obligation	11	4,169,837	4,572,724	4,871,375
Deferred income taxes	29	10,947,813	9,683,676	6,552,037
Other long-term liabilities		563,424	769,432	881,219
Employee retirement benefits	23	936,492	923,168	348,351
Derivative financial instruments	14	13,542	43,154,815	872,232
Total non-current liabilities		**43,284,232**	**43,154,815**	**32,155,943**
Total liabilities		**$106,318,044**	**$104,527,859**	**$71,698,606**
Stockholders' equity	24			
Capital stock		2,529,104	2,527,195	2,528,663
Net stock issuance premium		3,769,987	2,392,896	2,392,896
Retained earnings		116,007,892	105,528,869	92,166,341
Accumulated other comprehensive income		6,149,561	10,439,410	7,926,204
Controlling interest		128,456,544	120,888,370	105,014,104
Non-controlling interest		15,699,176	13,965,873	9,060,543
Total consolidated stockholders' equity	24	**144,155,720**	**134,854,243**	**114,074,647**
Total liabilities and stockholders' equity		**$250,473,764**	**$239,382,102**	**$185,773,253**

The accompanying notes are part of the consolidated financial statements.

Consolidated Statements of Income and Other Comprehensive Income

As of December 31, 2023, 2022 and 2021

(In thousands of Mexican pesos, except for the basic profit per share, which is expressed in pesos)

	NOTAS	2023	2022	2021
Income	26	$198,455,309	$181,538,679	$124,572,789
Cost of sales	27	146,026,816	137,178,732	93,948,766
Gross operating income		**52,428,493**	**44,359,947**	**30,624,023**
Sales expenses	27	17,118,427	15,649,247	12,580,040
Administrative expenses	27	8,623,379	5,484,535	4,730,344
Statutory employee profit-sharing		799,115	679,193	363,942
Other (income) expenses, net				
Financial costs	28	1,494,173	(3,418,124)	92,712
Financial income		5,829,082	3,791,729	1,684,778
Exchange gain		(1,753,037)	(1,339,194)	(571,524)
Exchange loss		(3,572,683)	(1,566,338)	(3,696,391)
Effects of valuation of derivative		5,603,693	2,615,376	3,653,161
financial instruments		(78,093)	(352,602)	(319,373)
Equity in results of associated entities, joint ventures and other	17	(1,267,708)	(1,303,405)	(2,826,115)
Income before income taxes		**19,632,145**	**24,119,530**	**14,932,449**
Income taxes	29	**5,746,829**	**3,685,952**	**2,604,486**
Consolidated net income of the year		**$13,885,316**	**$20,433,578**	**$12,327,963**
Other comprehensive income, net of income tax				
Items that will not be reclassified to results:				
Gain (loss) from cumulative translation adjustment		(2,698,180)	1,567,616	89,612
Gain (loss) from derivative financial instruments valuation, net of deferred taxes	14	(303,939)	1,001,567	336,106
Gain (loss) in the fair value of equity financial instruments, net of deferred taxes	14	257,805	1,689,189	2,459,818

The accompanying notes are part of the consolidated financial statements.

	2023	2022	2021
Items that will not be reclassified to results:			
Actuarial gains (losses)	(433,429)	706,433	340,225
Losses on financial assets at fair value	(132,134)	(104,838)	-
Other items	(1)	287	372
Equity in other comprehensive income of associated entities and joint ventures	(1,832,319)	412,469	1,082,792
Total other comprehensive income	**(5,142,197)**	**2,137,491**	**4,308,925**
Consolidated comprehensive income of the year	**$8,743,119**	**$22,571,069**	**$16,636,888**
Consolidated net income attributable to:	$13,519,384	$19,061,904	$11,282,039
Controlling interest	365,932	1,371,674	1,045,924
Non-controlling interest	$13,885,316	$20,433,578	$12,327,963
Basic profit per ordinary share attributable to controlling interest:			
Basic profit per ordinary share	$6.002	$8.466	$4.975
Weighted average number of outstanding shares ('000)	2,252,660	2,251,633	2,267,648
Consolidated comprehensive income attributable to:			
Controlling interest	$9,229,535	$21,575,110	$15,511,249
Non-controlling interest	(486,416)	995,959	1,125,639
	$8,743,119	$22,571,069	$16,636,888

The accompanying notes are part of the consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

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

(In thousands of Mexican pesos)

ACCUMULATED OTHER COMPREHENSIVE INCOME OF CONTROLLING INTEREST

	CAPITAL STOCK	NET STOCK ISSUANCE PREMIUM	RETAINED EARNINGS	GAIN (LOSSES) IN TRANSLATION EFFECTS OF FOREIGN OPERATIONS	(LOSSES) GAIN IN VALUATION OF DERIVATIVE FINANCIAL INSTRUMENTS	ACTUARIAL (LOSSES) GAIN	GAIN IN VALUATION OF CAPITAL FINANCIAL INSTRUMENTS	(LOSSES) GAINS ON FINANCIAL ASSETS AT FAIR VALUE	EQUITY IN OTHER COMPREHENSIVE INCOME	EQUITY IN OTHER COMPREHENSIVE INCOME OF ASSOCIATED ENTITIES	TOTAL CONTROLLING INTEREST	NON-CONTROLLING INTEREST	TOTAL STOCKHOLDERS' EQUITY
Saldos al inicio de 2021	**$2,531,579**	**$2,392,896**	**$83,757,218**	**$27,028**	**$(897,481)**	**$(1,286,677)**	**$7,247,476**	**-**	**$(867,942)**	**$(525,410)**	**$92,378,687**	**$8,336,156**	**$100,714,843**
Repurchase of own shares	(2,916)	-	(751,438)	-	-	-	-	-	-	-	(754,354)	-	(754,354)
Dividends declared to cash	-	-	(2,167,121)	-	-	-	-	-	-	-	(2,167,121)	-	(2,167,121)
Dividends declared to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(243,473)	(243,473)
Decrease in repurchase of shares of subsidiary	-	-	(81,469)	-	-	-	-	-	-	-	(81,469)	(163,473)	(244,942)
Restructuring effect on associated entity	-	-	127,112	-	-	-	-	-	-	-	127,112	5,694	132,806
Acquisition of non-controlling interest of subsidiaries													
Balances before comprehensive income	**2,528,663**	**2,392,896**	**80,884,302**	**27,028**	**(897,481)**	**(1,286,677)**	**7,247,476**	**-**	**(867,942)**	**(525,410)**	**89,502,855**	**7,934,904**	**97,437,759**
Comprehensive income of the year	**-**	**-**	**11,282,039**	**85,381**	**320,466**	**322,808**	**2,458,467**	**-**	**330**	**1,041,758**	**15,511,249**	**1,125,639**	**16,636,888**
Balances as of December 31, 2021	**2,528,663**	**2,392,896**	**92,166,341**	**112,409**	**(577,015)**	**(963,869)**	**9,705,943**	**-**	**(867,612)**	**516,348**	**105,014,104**	**9,060,543**	**114,074,647**
Repurchase of own shares	(1,468)	-	(442,944)	-	-	-	-	-	-	-	(444,412)	-	(444,412)
Cash dividends declared	-	-	(2,250,304)	-	-	-	-	-	-	-	(2,250,304)	-	(2,250,304)
Dividends declared to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(93,976)	(93,976)
Decrease in repurchase of shares of subsidiary	-	-	5,693	-	-	-	-	-	-	-	5,693	(14,202)	(8,509)
Acquisition of non-controlling interest of subsidiaries	-	-	(3,011,821)	-	-	-	-	-	-	-	(3,011,821)	4,017,549	1,005,728
Balances before comprehensive income	**2,527,195**	**2,392,896**	**86,466,965**	**112,409**	**(577,015)**	**(963,869)**	**9,705,943**	**-**	**(867,612)**	**516,348**	**99,313,260**	**12,969,914**	**112,283,174**
Comprehensive income of the year	**-**	**-**	**19,061,904**	**(956,941)**	**848,164**	**649,166**	**1,684,932**	**(98,347)**	**(1,057)**	**387,289**	**21,575,110**	**995,959**	**22,571,069**
Balances as of December 31, 2022	**2,527,195**	**2,392,896**	**105,528,869**	**(844,532)**	**271,149**	**(314,703)**	**11,390,875**	**(98,347)**	**(868,669)**	**903,637**	**120,888,370**	**13, 965,873**	**134,854,243**

Consolidated Statements of Changes in Stockholders' Equity

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

(In thousands of Mexican pesos)

				ACCUMULATED OTHER COMPREHENSIVE INCOME OF CONTROLLING INTEREST									
	CAPITAL STOCK	NET STOCK ISSUANCE PREMIUM	RETAINED EARNINGS	GAIN (LOSSES) IN TRANSLATION EFFECTS OF FOREIGN OPERATIONS	(LOSSES) GAIN IN VALUATION OF DERIVATIVE FINANCIAL INSTRUMENTS	ACTUARIAL (LOSSES) GAIN	GAIN IN VALUATION OF CAPITAL FINANCIAL INSTRUMENTS	(LOSSES) GAINS ON FINANCIAL ASSETS AT FAIR VALUE	EQUITY IN OTHER COMPREHENSIVE INCOME	EQUITY IN OTHER COMPREHENSIVE INCOME OF ASSOCIATED ENTITIES	TOTAL CONTROLLING INTEREST	NON-CONTROLLING INTEREST	TOTAL STOCKHOLDERS' EQUITY
Repurchase of own shares	(693)	-	(317,953)	-	-	-	-	-	-	-	(318,646)	-	((318,646)
Dividends declared to non-controlling interest	2,602	-	(2,702,084)	-	-	-	-	-	-	-	(1,322,391)	-	(1,322,391)
Decrease in repurchase of shares of subsidiary	-	1,377,091	-	-	-	-	-	-	-	-	-	(513,104)	(513,104)
	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest of subsidiaries	-	-	(20,324)	-	-	-	-	-	-	-	(20,324)	2,732,823	2,712,499
Balances before comprehensive income	**2,529,104**	**3,769,987**	**102,488,508**	**(844,532)**	**271,149**	**(314,703)**	**11,390,875**	**(98,347)**	**(867,942)**	**(868,669)**	**119,227,009**	**16,185,592**	**135,412,601**
Comprehensive income of the year	**-**	**-**	**13,519,384**	**(1,987,950)**	**(225,278)**	**(455,974)**	**257,685**	**(125,830)**	**330**	**(904)**	**9,229,535**	**(486,416)**	**8,743,119**
Balances as of December 31, 2023	**$2,529,104**	**$3,769,987**	**$116,007,892**	**$(2,832,482)**	**$45,871**	**$(770,677)**	**$11,648,560**	**$(224,177)**	**$(867,612)**	**$(869,573)**	**$128,456,544**	**$15,699,176**	**$144,155,720**

The accompanying notes are part of the consolidated financial statements.

Consolidated Statements of Cash Flows

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

(In thousands of Mexican pesos)

	2023	2022	2021
Cash flows from operating activities:			
Consolidated net income of the year	$ 13,885,316	$20,433,578	$12,327,963
Adjustments from:			
Income tax recognized in results	5,746,829	3,685,952	2,604,486
Depreciation and amortization	5,863,887	5,033,539	3,476,297
(Gain) loss on sale of property, plant and equipment and other assets	1,903	(22,607)	(14,298)
Impairment of property, plant and equipment	783,706	420,063	89,745
Gain from change in fair value of investment property	(170,601)	(193,348)	(867,066)
Equity in profits of associated entities and joint ventures	(1,267,708)	(1,303,405)	(2,826,115)
Stock valuation effect		(3,809,962)	-
Interest income	(5,903,569)	(5,174,607)	(3,662,353)
Interest expense	5,829,082	3,791,729	1,684,778
Effect from restatement of employment obligations	-	83,174	(78,561)
Dividends received from associated entities measured at fair value	(1,331,948)	(1,309,388)	(945,220)
Other items	(13,483)	(65,078)	(53,322)
	23,423,414	**21,569,640**	**11,736,334**
Items related to operating activities:			
(Increase) decrease in:			
Accounts receivable	(10,034,235)	(3,734,651)	(4,179,560)
Interest income	3,977,763	3,744,734	3,075,021
Other accounts receivable	148,956	(1,311,731)	368,931
Due from related parties	911,650	(2,419,070)	(49,529)
Recoverable taxes	(457,993)	1,175,885	(100,126)
Inventories	(699,685)	(1,017,963)	(4,120,611)
Prepaid expenses	161,968	1,206,154	(670,869)
Account receivable of the leased asset	2,281,803	220,040	-
Long-term accounts receivable	(242,889)	(277,317)	134,464
Real estate inventories	-	15,982	-
Other assets	(380,856)	(961,219)	(381,676)
(Decrease) increase in:			
Trade accounts payable	1,439,019	(417,114)	1,236,946
Accounts payable to related parties	772,820	52,349	126,152
Other accounts payable and accrued liabilities	137,130	2,830,257	550,631
Provisions			
Direct employee benefits	(2,185,037)	1,361,610	2,386,923
Advances from customers	245,184	874,066	261,143
Other long-term liabilities	207,430	(1,100,806)	(2,111,855)
Employee retirement benefits	(206,008)	(1,743,574)	(59,314)
Income taxes paid	(14,392)	144,173	60,999
Derivative financial instruments	(6,921,791)	(2,872,336)	(4,588,835)
	53,740	(806,578)	(558,201)
Net cash flows from operating activities	**12,617,991**	**16,532,531**	**3,116,968**

	2023	2022	2021
Cash flows from investment activities:			
Acquisition of investments in securities	-	-	(6,581,012)
Sale of investments in securities held-to-maturity	-	-	9,223,181
Purchase of property, plant and equipment	(5,550,786)	(5,236,120)	(1,431,770)
Proceeds on disposal of property, plant and equipment	120,415	74,062	86,922
Investment in exploration expenses	37,842	(387,880)	(1,011,224)
Interest received	1,749,649	1,345,380	569,809
Dividends received	1,931,094	1,756,796	1,953,875
Acquisition of investment properties	-	-	(6,325)
Acquisition of Ideal Panama	-	1,400,515	-
Contribution and/ or acquisition of the shares of subsidiaries, associated entities and joint ventures	(1,398,919)	(7,679,497)	(410,000)
Sale of shares of subsidiary	2,000	-	-
Sale of shares of associates	-	301,491	-
Non-controlling participation increment	2,732,823	-	-
Financial assets at fair value	(132,135)	(104,551)	-
Other movements of participation in associates	-	-	132,821
Net cash flows (used in) provided by investment activities	**(508,017)**	**(8,529,804)**	**2,526,277**
Cash flows from financing activities:			
Loans obtained from financial and other institutions	89,300,092	43,023,117	17,410,960
Payment of loans and other long-term debt contracted with financial institutions	(86,340,140)	(41,599,721)	(17,370,682)
Interest paid	(5,246,291)	(3,261,517)	(1,258,903)
Payment of lease liabilities	(2,224,880)	(1,935,324)	(1,121,209)
	2,732,823	-	-
Dividends paid	(1,805,606)	(2,511,761)	(2,371,302)
Repurchase of own shares	(318,646)	(444,412)	(754,352)
Repurchase of shares of subsidiary	-	(8,509)	(244,942)
Net cash flows used in financing activities	**(6,635,471)**	**(6,738,127)**	**(5,710,430)**
Cash flow adjustments due to exchange rate variances	**(1,422,099)**	**(167,599)**	**(499,275)**
Net increase (decrease) in cash and cash equivalents	4,052,404	1,097,001	(566,460)
Cash and cash equivalents at the start of the year	**12,294,643**	**11,197,642**	**11,764,102**
Cash and cash equivalents at the end of the year	**$16,347,047**	**$12,294,643**	**$11,197,642**

The accompanying notes are part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

(In thousands of Mexican pesos ($) and thousands of U.S. dollars (US$))

1. Nature of business

Grupo Carso, S. A. B. de C. V. and Subsidiaries (the Entity or Grupo Carso), with address at Lago Zurich No. 245 Edificio Frisco Piso 2, Col. Ampliación Granada in Mexico City, ZIP Code 11529, is a Public Stock Company incorporated in Mexico, which holds the shares of a group of companies that primarily operate in the Commercial, industrial, Infrastructure and Construction and Energy segments (see Note 4).

2. Significant events

a. On December 18, 2023. – The Entity, through its subsidiary Zamajal, signed a binding agreement with PetroBal, S. A. P. I. de C. V. ("PetroBal"), an entity that is part of Grupo Bal, so that, once certain conditions are met, it will acquire 100% of the share capital of its subsidiary PetroBal Operationes Upstream, S.A. de C. V.

The completion of the acquisition is subject to certain conditions, including obtaining the corresponding regulatory authorizations in Mexico.

b. On May 24, 2023, the Entity signed a binding agreement with Talos Energy Inc. ("Talos") (NYSE: TALO) to acquire 49.9% of the share capital of its Mexican subsidiary, Talos Energy Mexico 7, S. de R.L. de C.V. ("Talos Mexico"), entity that holds 17.4% stake in the Zama oil field ("Zama Site").

On September 4, 2015, the Mexican government, through the National Hydrocarbons Commission ("CNH"), signed the CNH-R01-L01-A7/2015 contract with a consortium led by Talos Mexico (as operator), and now also composed of Wintershall DEA AG and Harbor Energy PLC, for the exploration and extraction of hydrocarbons under the shared production mode in the so-called Block 7, a contractual area located in shallow waters approximately 63.5 km from the coast of Tabasco, in the Southeast Basin.

From 2017 to 2019, the consortium developed exploration activities including drilling three wells in the Block, to the location of a potential shared reservoir over the area corresponding to the PEP AE-0152-Uchukil Allocation, which is a surface allocated to Pemex Exploration and Production ("PEP") during round zero.

Derived from the above, in March 2022, the Energy Secretariat issued Unification Resolution whereby the Zama Site was ordered to be unified with the PEP AE-0152-Uchukil Assignment granted to PEP, designating PEP as an operator. In

April 2023, PEP and the three members of the consortium submitted a joint development plan to CNH, giving clarity to the stakes and obligations of each of the parties.

Derivado de lo anterior, en marzo del 2022, la Secretaría de Energía emitió Resolución de Unificación por medio del cual se ordenó Purchase price: USD$124,750, with a first payment of USD$74,850, which was made in the month of September 2023 for an amount of $1,310,249, and the second payment for USD$49,900, which is contingent and will be paid once reach the first commercial production of the Zama Field. According to its fair value, there is goodwill for an amount of $1,577,593.

c. On September 11, 2023, Gasoducto Centau-ro del Norte, S. A. de C. V., was established, the object of the company is entered in contracts for the supply of natural gas transport services through pipelines with the Federal Electricity Commission, mainly in terms of the natural gas transportation service in the states of Sonora and Baja California.

On December 21, 2023, an investment agreement, development agreement and transportation service agreement was signed with the Federal Electricity Commission (CFE), so that, subject to certain suspensive conditions, a pipeline is developed, built and operated. With a length of approximately

416 kilometers, it will be a continuation of the Samalayuca-Sasabe gas pipeline to Mexicali, Derecognition which serves Baja California Norte, Mexico. CFE has an initial option for up to 15% participation in the project, and to increase it to 49% at the end of the contract for transportion services

d. On December 25, 2022, Grupo Carso made a public offer to acquire all of the shares of Sanborns, listed in the Mexican Stock Exchange ("BMV"). As of December 31, 2022, most of these shares have been acquired, therefore the Entity's participation increased by 13.11%. The amount paid for the shares was $7,656,936, which generated an excess cost over book value in the purchase of the shares, which was $2,811,185, an amount that is recorded in retained earnings as a capital distribution.

e. In March 2022, the companies Fortaleza Materiales S.A.P.I. de C.V. (ELEMAT) and Elementia Materiales, S.A.P.I. de C.V.(ELEMAT) (as a whole Elementia), made a public offer in order to acquire all the shares that are placed among the general investing public and that are different from those that are directly or indirectly owned by the group of control of Fortaleza and Elementia, derived from said operations Grupo Carso through its subsidiary Condumex, S.A. de C.V., increased its participation in those companies by 8.15% and 8.17%, respectively, as a consequence of the foregoing and derived from the valuation of said operation, a profit was obtained at fair value of $3,809,962, which was recognized as a profit in the result of the year, within Other (income) expenses, net (see note 28), control and starting to consolidate it from May 2022.

f. Collaboration agreement

On October 20, 2021, the Entity through its subsidiary Carso Infraestructura y Construcción, S. A. de C. V. ("CICSA") entered into a collaboration agreement and a reparation agreement with the Government of Mexico City ("GCDMX") and the Collective Transportation System ("STC-Metro") to carry out, under CICSA, rehabilitation and reinforcement works of the elevated metallic section of Line 12 of the Mexico City subway.

Rehabilitation Works: The works cover (1) the repair of the section that collapsed last May between the "Olivos-Tezonco" stations and (2) the reinforcement of the elevated metallic section built by CICSA and delivered to the GCDMX since 2013. , so that said elevated section conforms to the new requirements of the Construction Regulations of Mexico City, modified in 2017, to implement more robust standards in structural safety due to the earthquake that occurred in September of that same year.

The design and executive project for the execution of these works will be the responsibility of the GCDMX and the Technical Advisory Committee made up of experts that the GCDMX selected for the design of the works.

Non-Responsibility Clause: CICSA did not cause nor is it responsible for the unfortunate event on May 3, 2021 on Line 12 of the metro. Line 12 is operated and supervised independently by the STC-Metro since the consortium between CICSA-ICA-Alstom delivered it to the satisfaction of the GCDMX in 2013.

Notwithstanding the foregoing and despite the substantial differences between the expert opinions and technical studies on the causes of this unfortunate event prepared at the request of CICSA and those carried out by the Mexico City Attorney General's Office ("Prosecutor's Office") In order not to prolong the rehabilitation and reinforcement of the elevated metallic section of Line 12 of the metro, CICSA has agreed to resolve in advance the legal procedures associated with this unfortunate event by signing the aforementioned conventional mechanisms. Likewise, CICSA informs that it has expressed to the Prosecutor's Office its interest in participating in the complementary compensation fund for victims announced in October 2021, by the Prosecutor's Office itself.

CICSA has reserved the rights to exercise legal actions to claim the payment of the amounts that it disburses due to the execution of the aforementioned agreements and As of December 31, 2023, work was completed and on January 30, 2024, the GCDMX reopened Line 12.

g. In August 2021, Elementia, S. A. B. de C. V. (the Associated Entity) recognized as an investment in an associate in Condumex, S. A. de C. V., issued a statement approving the spin-off of the Associated Entity, which took effect on September 1 of 2021 emerging immediately as a spun-off company Elementia Materiales, S. A. B. de C. V. The splitting Entity changes its name to Fortaleza Materiales, S. A. B. de C. V. In the share exchange, Condumex participates with 38.69% in each of the companies.

h. On April 15, 2021, the Samalayuca – Sásabe Gas Pipeline (the "Gas Pipeline") between the states of Chihuahua and Sonora was launched for the natural gas transportation service. The Gas Pipeline is 36" in diameter, with a total length of 625 kilometers and the capacity to transport natural gas for up to the maximum daily amount of Four hundred and seventy-two million cubic feet per day (472 MMPCD).

3. Business combination

Acquired subsidiaries

a. On May 6, 2022, in compliance with the Shareholders Agreement of the companies Elementia Materiales, S. A. P. I. de C. V. (Elementia) and Fortaleza Materiales, S. A. P. I. de C. V. (Fortaleza), mentioned in their respective Public Offers for Acquisition on March 22, 2022, with which control of these is obtained, also acquired through its subsidiary Condumex, S. A. de C. V. , de Kaluz, S. A. de C. V. and related shareholders, a package of shares with which their shareholding exceeds 50% of participation in both companies. As background, mentioned in Note 2 of significant events in subparagraph e, the Entity already had a participation percentage of 38.69%. The business acquisition carried out was recorded in accordance with the International Financial Reporting Standard reference to Business Combinations ("IFRS 3"). As of the acquisition date, a goodwill derived from said operation was obtained for $4,546,556. (see note 19). The fair value recognized in the first step of the purchase in stages, of the initial investment was $13,816,541, in addition a profit was obtained in this first valuation step as described in note 2e. The amount of the loss recognized in the result of the year amounted to $187,378, as a result of this valuation at the end of the year.

At the acquisition date, acquired assets and assumed liabilities are as follows:

	Book value	Fair value
Cash and cash equivalents	$2,158,962	$2,158,962
Accounts receivable from customers	5,786,576	5,786,576
Inventories	5,984,221	5,984,221
Other current assets	1,085,653	1,085,653
Non-current assets		
Property, plant and equipment	28,787,047	28,787,047
Right-of-use assets	868,318	868,318
Other assets	1,360,154	1,360,154
Intangibles	3,956,196	2,468,262
Current liabilities:		
Debt	4,832,701	4,832,701
Account payable to suppliers and other accounts payable	7,645,774	7,645,774
Noncurrent liabilities:		
Debt	12,382,778	12,477,320
Other liabilities	2,471,019	2,471,019
Deferred taxes	2,755,469	2,848,305
Net assets acquired	**$19,899,386**	**$18,224,074**

The goodwill calculation as of December 31, 2022 is as follows:

	Fair value
Goodwill recorded in Elementia	$1,952,142
Recognized goodwill 2021	554,284
Recognized goodwill 2022	27,556
Initial stock valuation (note 28)	3,809,962
Effect from final assessment	(1,797,388)
	4,546,556

Net cash flows on the acquisition of subsidiaries

	2022
Consideration paid in cash	$758,447
Less: acquired balances of cash and cash equivalents	2,158,962
	$(1,400,515)

Effect of acquisitions in the Entity's results

If the business combination had taken place as of January 1, 2022, the Entity's income from continuing operations would have amounted to $36,310,278, while the result for the year from continuing operations would have amounted to $706,727. The Entity's management believes that these "pro forma" figures represent an approximate measure of the performance of the combined Entity on an annualized basis and that they support a reference point of comparison for future periods.

4. Consolidated subsidiaries

The equity held by Grupo Carso in the common stock of its subsidiaries as of December 31, 2023, 2022 and 2021 is detailed below:

SUBSIDIARY	COUNTRY OF INCORPORATION AND OPERATIONS	ACTIVITY	OWNERSHIP % DECEMBER 31, 2023	OWNERSHIP % DECEMBER 31, 2022	OWNERSHIP % DECEMBER 31, 2021
Carso Infraestructura y Construcción, S. A. de C. V. and Subsidiaries (CICSA)	Mexico, Central America and South America	Operation of several engineering areas including those related to infrastructure, such as: highway construction and maintenance, water systems, water treatment plants and dams; duct line installations for the telecommunications and gas sectors, including fiber-optic networks and gas pipelines, among others; oil well drilling and services related to the industry; design and construction of oil platforms and oil industry equipment; the construction of industrial, commercial and residential real property.	**99.97**	99.97	99.93
Grupo Condumex, S. A. de C. V. and Subsidiaries (Condumex)	Mexico, U.S., Central America, South America and Spain	Manufacture and sale of goods, mainly cable to construction, automotive, energy and telecommunications markets; manufacture of auto parts, mainly for the OEM industry, manufacture and sale of copper and aluminum products; manufacture and sale of transformers, lighting solutions, manufacture and sale of cement for the construction industry as well as lightweight construction and development of constructive and innovative solutions used in all stages of construction.	**99.58**	99.58	99.58
Grupo Sanborns, S. A. B. de C. V. and Subsidiaries (Sanborns)	Mexico, El Salvador and Panama	Operation of department stores, gift shops, record stores, restaurants, coffee shops and management of shopping malls mainly through the following commercial brands: Sanborns, Sears, Saks Fifth Avenue, Mix-up, Claro Shop and iShop.	**99.97**	99.88	86.74
Carso Energy, S. A. de C. V. and Subsidiaries	Mexico, U.S. and Colombia	Holding of the shares of companies engaged in exploration activities and the production of oil, gas and other hydrocarbons as well as electricity and gas transportation.	**95.68**	95.49	95.32
Zamajal, S. A. de C. V	México	Holding company shares in the oil exploration and extraction by hydrocarbons sector	**77.08**	-	-

5. Cash and cash equivalents

	2023	2022	2021
Cash	**$5,529,310**	**$5,172,342**	**$3,668,322**
Cash equivalents:	3,253,811	1,535,353	186,127
Investments at sight	4,602,440	2,217,914	5,097,444
Bank paper	560,276	1,150,615	2,005,145
Government paper	1,270,861	1,317,583	7,441
Bonds	1,128,920	891,573	233,095
Demand deposits in U.S. dollars			
Others	1,429	9,263	68
TOTAL	**$16,347,047**	**$12,294,643**	**$11,197,642**

These items primarily consist of bank deposits in checking accounts and investments in highly-liquid, short-term securities that are easily convertible to cash or have a maturity of up to three months from the acquisition date and are not subject to significant risks of changes in value. Cash is presented at face value, while equivalents are valued at fair value; value fluctuations are recognized in the results of the period. Cash equivalents are represented by daily money market investments, mainly bank and government sight investments paper denominated in U.S. pesos and dollars.

6. Accounts receivable

	2023	2022	2021
Customers	**$33,257,867**	**$30,089,771**	**$18,511,408**
Allowance for expected credit losses	(3,425,232)	(1,399,039)	(1,111,141)
	29,832,635	**28,690,732**	**17,400,267**
Uncertified completed work	15,471,657	6,406,556	8,318,884
Current portion of the net investment in leased assets	2,306,084	2,732,605	2,067,538
Sundry debtors	826,323	725,810	325,426
Others	402,791	652,260	282,492
	$48,839,490	**$39,207,963**	**$28,394,607**

1. Accounts receivable do not accrue interest and generally have a period of between 30 to 90 days.

2. For the terms and conditions related to accounts receivable with related parties, please see Note 25.

As of December 31, 2023, 2022 and 2021, the maximum credit risk exposure for customers was as follows:

BOOK VALUE

CATEGORY	DEC 2023	DEC 2022	DEC 021
Null	$ 17,102,995	$ 14,128,689	$4,395,177
Low	8,232,330	8,859,558	5,509,636
Moderate 1	1,742,528	3,537,912	1,285,177
Moderate 2	2,261,492	1,735,399	1,603,316
High 1	1,239,173	925,409	2,558,385
High 2	414,103	243,408	1,231,580
Critical	2,265,246	659,396	1,928,137
	$33,257,867	**$30,089,771**	**$18,511,408**

ALLOWANCE FOR DOUBTFUL ACCOUNTS

CATEGORY	DEC 2023	DEC 2022	DEC2021
Null	$50	$188	$50
Low	280,862	325,295	60,761
Moderate 1	361,803	326,473	190,067
Moderate 2	787,596	234,709	24,495
High 1	563,634	152,738	237,152
High 2	323,889	107,797	138,260
Critical	1,107,398	251,839	460,356
	$3,425,232	**$1,399,039**	**$1,111,141**

As of December 31, 2023, the book value of the most significant portfolio of the Entity corresponds to the Null segment, for $17,102,995; as of December 31, 2022, the book value of the most significant portfolio of the Entity corresponds to the Low segment, for $14,128,689, as of December 31, 2021 corresponds to the Low segment, which was $5,509,636, which is equivalent to 51,43%, 46,96% and 29.76%, of the total portfolio, respectively and at 0.00%, 0.01% and 5.47% of the estimated portfolio of uncollectible accounts recorded ($3,425,232 in 2023, $1,399,039 in 2022 and $1,111,141 in 2021). Due to the estimate of uncollectibles in the most significant segment is Moderate 1 with an amount of $1,107,398 and an amount of the estimate of uncollectibles of 32.33% in 2023, an amount of $326,473 and a percentage of the estimate of uncollectibles of 23,34% in 2022 and critical with an amount of $460,356 and a percentage of the doubtful accounts estimate of 41.43% in 2021.

The following summary indicates the Entity's customer credit risk exposure. Constant reviews are

	2023		2022		2021	
ITEM	NO CREDIT IMPAIRMENT	WITH CREDIT IMPAIRMENT	NO CREDIT IMPAIRMENT	WITH CREDIT IMPAIRMENT	NO CREDIT IMPAIRMENT	WITH CREDIT IMPAIRMENT
Total client gross carrying amount	$ 17,662,613	$15,595,254	$14,829,089	$15,260,682	$ 4,749,505	$13,761,903
Allowance for credit losses	-	$ 3,425,232	$188	$ 1,398,851	-	$ 1,111,141

Constant reviews are carried out to adapt the model to any internal or external changes that could result in a calibration.

The Entity uses the estimated factors described above to determine the allowance for expected credit losses.

The model used to determine the customer credit risks of each of the Group's business units identifies each individual account receivable to ascertain its level of indebtedness, the customer's payment capacity, the principal payment amount, maturity and payment behavior to establish the respective risk level and the discount factor used for the impairment of the financial assets associated with credit granting.

The following table provides information on credit risk exposure and expected credit losses for customers as of December 31, 2023, 2022 and 2021.

	BOOK VALUE			ALLOWANCE FOR DOUBTFUL			DISCOUNT FACTOR		
CONCEPT	2023	2022	2021	2023	2022	2021	2023	2022	2021
Null	$ 17,102,995	$ 14,128,689	$4,395,177	$ 50	$188	$50	0.00%	0.00%	0.00%
Low	8,232,330	8,859,558	5,509,636	280,862	325,295	60,761	3.41%	3.67%	0.66%
Moderate 1	1,742,528	3,537,912	1,285,177	361,803	326,473	190,067	20.76%	9.23%	1.87%
Moderate 2	2,261,492	1,735,399	1,603,316	787,596	234,709	24,495	34.83%	13.52%	1.53%
High 1	1,239,173	925,409	2,558,385	563,634	152,738	237,152	45.48%	16.50%	9.27%
High 2	414,103	243,408	1,231,580	323,889	107,797	138,260	78.21%	44.29%	11.23%
Critical	2,265,246	659,396	1,928,137	1,107,398	251,839	460,356	48.89%	38.19%	23.69%
TOTAL	**$33,257,867**	**$30,089,771**	**$18,511,408**	**$3,425,232**	**$1,399,039**	**$1,111,141**	**10.30%**	**4.65%**	**5.40%**

7. Net investment in leased assets

Carso Gasoducto Norte, S. A. de C. V. (CGN) entered into contracts for the provision of natural gas transportation service with the Federal Electricity Commission ("CFE") on September 23, 2015, for which it is responsible for the construction and operation of the natural gas pipeline and transportation system and will provide transport services at the request of CFE from whom it will receive as consideration a single rate that includes all these concepts. CFE is the main carrier and has most of the pipeline's capacity; therefore, CGN determined that these agreements constitute a sale-type lease under IFRS 16. The contracts continue for a period of 25 years from the date of entry into service, which occurred on April 15, 2021. From the signing of the agreement, the CFE may terminate the contract in the event of an event of non-compliance in which CGN does not remedy within the corresponding period. In the event that the CFE terminates the contract, the CFE will demand the payment of the immediate and direct damages duly documented.

The lease is recorded in the balance sheet at the present value of future lease payments to be received, as determined by the service contracts, discounted at the annual interest rate implied in the lease, 13.70%. As the value of the investment in the lease and the value of the underlying asset were substantially equivalent, no gain or loss was recognized at the beginning of the lease.

CGN recognized $2,166,726, $2,532,199 y $1,652,073 in interest income for the year ended December 31, 2023, 2022 y 2021 respectively, to view the receivable of the current portion see Note 6 and the long-term portion see Statement of Financial Position.

The following table shows the lease future minimum payments in USD that are expected to be received in the following 4 years and afterwards.

Maturity analysis	Revenues
Year 1	$127,611
Year 2	126,648
Year 3	125,443
Year 4	124,065
Year 5 and afterwards	1,546,377
	$2,050,144

8. Recoverable taxes

	2023	2022	2021
Recoverable value added tax	$3,761,120	$2,646,672	$3,462,211
Recoverable income tax	1,202,847	1,945,653	1,498,784
Other recoverable taxes	355,862	1,012,317	325,747
	$5,319,829	**$5,604,642**	**$5,286,742**

9. Inventories

	2023	2022	2021
Raw materials and auxiliary materials	$5,831,632	$5,176,156	$ 4,761,125
Production-in-process	1,843,223	2,289,616	1,130,449
Finished goods	3,135,894	3,473,083	1,454,759
Goods in stores	14,198,185	12,907,457	10,915,569
Land and housing construction in progress	20,286	1,044	4,360
	25,029,220	**23,847,356**	**18,266,262**

	2023	2022	2021
Goods in-transit	945,295	1,333,389	1,082,271
Replacement parts and other inventories	1,868,709	1,962,794	792,822
	$27,843,224	**$27,143,539**	**$20,141,355**

The costs of inventories recognized in results as a cost of sales are those shown in the consolidated statements of income and other comprehensive income as of December 31, 2023, 2022 and 2021, respectively.

10. Right-of-use assets

The Entity leases different properties. The average lease term in the commercial sector is 15 years, 8 years for the industrial sector, 4 years for the infrastructure and construction sector in 2023, 2022 and 2021 respectively, and 5 years for the Energy sector in 2023, 2022 and 2021.

The Entity has the option of purchasing certain manufacturing equipment for a nominal amount at the end of the lease period. The Entity's obligations are guaranteed by the lessor's title to the assets covered by these leases.

Expired contracts were replaced by new lease arrangements with identical underlying assets. This resulted in the addition of rights-of-use assets of $957,587, $552,421, and $528,120 in 2023, 2022 and 2021, respectively.

The maturity analysis of the lease liabilities is presented in Note 11.

	Right - of - use assets	Property and others
Cost:	**Balance as of January 1st, 2021**	**$ 8,681,849**
	Additions	2,298,795
	Disposals	(880,948)
	Balance as of December 31, 2021	**10,099,696**
	Additions	1,150,035
	Business acquisition	940,427
	Disposals	(277,579)
	Balance as of December 31, 2022	**11,912,579**
	Additions	1,451,853
	Disposals	(337,575)
	Balance as of Dec 31, 2023	**$13,026,857**
Accumulated depreciation:	**Balance as of January 1st, 2021**	**$ (3,726,244)**
	Charge of the year	(994,928)
	Disposals	253,302
	Balance as of December 31, 2021	**(4,467,870)**
	Charge of the year	(1,311,842)
	Disposals	69,838
	Balance as of December 31, 2022	**(5,709,874)**
	Depreciation of the period	(1,470,877)
	Disposals	108,152
	Balance as of Dec 31, 2023	**$7,072,599**
Net cost:	**Balance as of December 31, 2023**	**$5,954,258**
	Balance as of December 31, 2022	**$6,202,705**
	Balance as of December 31, 2021	**$5,631,826**

AMOUNTS RECOGNIZED IN THE CONSOLIDATED STATEMENT OF INCOME

	2023	2022	2021
Right-of-use asset depreciation expense	$1,470,877	$1,311,842	$ 994,928
Interest expense from lease liabilities	526,986	489,162	482,896
Expense related to short-term leases	181,152	62,053	24,395
Expense related to leases of low value assets	2,002	2,002	3,303

The Entity has commitments of $1,438,687, $1,886,957 and $1,747,055 and as of December 31, 2023, 2022 and 2021, respectively, for short-term leases; the total cash outflows for these leases are $2,224,880, $1,935,324 and $1,121,209 for 2023, 2022 and 2021, respectively.

11. Lease liabilities

	2023	2022	2021
Maturity analysis:			
Year 1	$1,891,169	$2,377,601	$1,764,117
Year 2	1,463,353	1,223,574	1,996,901
Year 3	1,074,636	1,273,482	977,692
Year 4	833,779	734,853	832,473
Year 5	385,146	591,840	630,066
Subsequent years	1,820,084	2,121,142	2,351,425
	7,468,167	**8,322,492**	**8,552,674**
Less: Unaccrued interest	(1,738,903)	(1,797,041)	(2,009,782)
	$5,729,264	**$6,525,451**	**$6,542,892**
Analyzed as:			
Non-current	$4,169,837	$4,572,724	$4,871,375
Current	1,559,427	1,952,727	1,671,517
	$5,729,264	**$6,525,451**	**$6,542,892**

From January to April 2021 the Entity has benefited from obtaining rental payment discounts for the leases of stores located throughout Mexico. The lease payment discount was $31,111, which was recognized in the statement of income. The Entity continued to recognize the interest expense derived from lease liabilities.

12. Financial risk management

The Entity's Corporate Treasury function offers services to businesses, coordinates access to domestic and international financial markets, supervises and manages the financial risks related to the Entity's operations through internal risk reports, which analyze risk exposure by level and magnitude. These risks include the market risk (including the exchange rate risk, interest rate risk at fair value and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Entity is exposed to market, operating and financial risks derived from the use of financial instruments such as interest rate, credit, liquidity and exchange risks, which are managed centrally by the corporate treasury. The Entity seeks to minimize its exposure to these risks by using derivative financial instrument hedges. The use of derivative financial instruments is governed by the Entity's policies, approved by the Board of Directors, which establish the principles for their contracting. Compliance with these policies and exposure limits is continually reviewed by the internal audit area.

At December 31, 2023, 2022 and 2021, financial instrument classes and amounts are as follows:

	2023	2022	2021
Financial assets			
Cash and cash equivalents	**$16,347,047**	**$12,294,643**	**$11,197,642**
Measured at amortized cost:			
·Short and long-term accounts receivable	36,011,774	31,512,369	19,174,435
·Accounts receivable from related parties	6,744,929	7,656,579	5,237,509
Measured at fair value:			
·Derivative financial instruments	676,244	1,021,348	85,809
·Net investment in leased asset	-	-	-
	15,595,095	17,876,898	18,096,938
Financial liabilities			
Measured at amortized cost:			
·Loans with financial institutions, other liabilities and long-term debt	$45,750,302	$42,790,350	$ 24,151,475
·Accounts payable to suppliers	18,653,841	17,214,822	12,860,801
·Accounts payable to related parties	1,540,570	806,246	774,267
·Other accounts payable	3,868,139	4,615,502	3,002,946
·Lease Liabilities	5,729,264	6,525,451	6,542,892
Measured at fair value:			
·Derivative financial instruments	14,328	1,753	874,359

The Board of Directors establishes and monitors the policies and procedures used to measure risks, which are described below:

a. Capital risk management - The Entity manages its capital to ensure that it will continue as a going concern, while maximizing stockholders' returns by optimizing debt and equity balances. The Entity's capital structure is composed by its net debt (primarily the bank loans and securitization certificates detailed in Note 20) and stockholders' equity (issued capital, capital reserves, retained earnings and non-controlling equity detailed in Note 24). The Entity is not subject to any kind of capital requirement.

Leverage level

The leverage level at year-end is as follows:

	2023	2022	2021
Debt	**$45,750,302**	**$42,790,350**	**$24,151,475**
Cash and cash equivalents (including cash and bank balances in a disposal group held for sale)	(16,347,047)	(12,294,643)	(11,197,642)
Net debt	$29,403,255	$30,495,707	$12,953,833
Net worth	$128,456,544	$120,888,370	$105,014,104
Ratio of net debt to net worth	22.9%	25.2%	12.3%

Debt is defined as long and short-term loans (excluding derivatives and financial collateral contracts), as detailed in notes 14 and 20.

Net worth includes all the capital and reserves of the Entity which are managed as capital of its controlling interest.

b. Interest rate risk management - The Entity is exposed to interest rate risks from customer loans and financial debt contracted at variable rates. The Entity has short-term loans primarily for working capital and, in certain cases, has long-term loans that are intended for projects, the completion of which will enable it to fulfill its obligations. In some cases, depending on the proportion of short-term debt and long term, interest rate hedges (swap contracts) are contracted. Hedging activities are regularly evaluated to ensure that they are properly aligned with interest rates and the respective risks, and to facilitate the application of more profitable hedge strategies. Hedge contracts are detailed in Note 14.

The Entity's exposure to interest rate risks is primarily based on the Mexican Interbank Rate (TIIE) applicable to financial liabilities and its customer portfolio. Accordingly, it periodically prepares a sensitivity analysis by considering the net variable interest rate exposure of its customer portfolio and financial liabilities; it also prepares an analysis based on the amount of outstanding credit at the end of the period.

If benchmark interest rates had increased or decreased by 100 basis points in each reporting period and all other variables had remained constant, the pretax profit of 2023, 2022 and 2021 would have increased or decreased by approximately $398,564, $367,266, and $219,493 respectively.

c. Exchange risk management –

i. The Entity performs transactions denominated in foreign currency; accordingly, it is subject to exposure derived from exchange rate fluctuations. As its functional currency is primarily the Mexican peso, it is exposed to risk resulting from the Mexican peso – US dollar exchange rate, which is utilized for commercial and financing operations. In some cases, these transactions are subject to a natural hedge while, in other cases, these transactions are hedged by contracting currency forwards. Given that the Entity has investments in foreign subsidiaries, the functional currency of which is not a Mexican peso, it is exposed to a foreign currency translation risk. Likewise, monetary assets and liabilities have been contracted in different currencies, essentially the US dollar, Euro and Brazilian real, thus generating exposure to a foreign exchange risk, which is naturally hedged by the same business operations. The carrying values of monetary assets and liabilities denominated in foreign currency and which primarily generate exposure for the Entity at the end of the reporting period, are as follows (figures in thousands):

	LIABILITIES			ASSETS		
	2023	2022	2021	2023	2022	2021
U.S. Dollar (US)	USD$ 1,140,844	USD $1,204,505	USD $ 844,319	USD$ 2,198,159	USD $ 1,682,224	USD $ 1,493,547
Euro (EU)	4,099	6,849	5,756	8,626	9,036	6,560
Brazilian reals (RA)	168,511	154,126	108,003	287,842	257,471	210,835
Colombian peso	127,514,392	67,112,495	50,659,480	152,453,081	87,856,366	66,985,843
Peruvian Sol	65,580	60,280	46,166	94,332	92,170	79,717

Foreign Currency sensitivity analysis

The following table indicates the Entity's sensitivity to a 10% increase or decrease of the Mexican peso versus the US dollar and other foreign currencies. This percentage is the sensitivity rate used to internally report the exchange rate risk to key management personnel and also represents management's evaluation of the possible fair value change of exchange rates. The sensitivity analysis only includes monetary items denominated in foreign currency and adjusts their translation at the end of the period by applying a 10% fluctuation; it also includes external loans. A negative or positive figure, respectively (as detailed in the following table), indicates a (decrease) or increase in net income derived from a decrease in the value of the Mexican peso of 10% with regard to the US dollar (figures in thousands):

	STOCKHOLDERS' EQUITY (1)			LIABILITIES			ASSETS		
CONCEPT	2023	2022	2021	2023	2022	2021	2023	2022	2021
USD	USD$	USD$	USD$	USD$ 114,084	USD$120,451	USD$84,432	USD$,219,816	USD$168,222	USD$54,501
EU	(154)	(4,137)	148	410	685	576	863	904	656
RA	-	-	-	16,851	15,413	10,800	28,784	25,747	21,084
Colombian peso	-	-	-	12,751,739	6,711,250	5,065,948	15,245,308	8,785,637	6,698,584
Peruvian New Sol	-	-	-	6,558	6,028	4,617	9,433	9,217	7,972

(1) Represents the results of changes to the fair value of derivative instruments designated as cash flow hedges.

ii. Forwards contracts denominated in foreign currency

The Entity designated certain forwards contracts denominated in foreign currency as cash flow hedges intended for the acquisition of raw materials. The following table indicates the forwards contracts denominated in foreign currency in effect at the end of the reporting period:

CASH FLOW HEDGES	AVERAGE EXCHANGE RATE			NOTIONAL VALUE			FAIR VALUE		
CONCEPT	2023	2022	2021	2023	2022	2021	2023	2022	2021
Euro purchase More than 12 months	$19.2099	$21.2138	$ 23.7520	$4,200	$8,050	$6,900	$2,195	$5,209	$(2,114)
Dollar purchase More than 12 months	$17.7657	$20,1250	$-	$94,090	$94,050	$-	$(13,542)	$53,319	$-

d. Credit risk management – Note 6 details the Entity's maximum credit risk exposure and the measurement bases used to determine expected credit losses.

Credit risk refers to the risk that one of the parties will default on its contractual obligations, thus resulting in a financial loss for the Entity, which essentially arises from accounts receivable with customers and liquid funds. The credit risk related to cash and cash equivalents and derivative financial instruments is limited because counterparties are banks with high credit ratings assigned by credit rating agencies. The maximum credit risk exposure is represented by the Entity's balance in accounting. The other credit risk exposure is represented by the balance of each financial asset, mainly with regard to commercial receivables. The Entity sells its products and/or services to customers who have demonstrated their economic solvency. It periodically evaluates its customers' financial conditions and maintains collection insurance contracts for domestic and export sales. Accordingly, the Entity does not consider that there is a significant risk of loss from a concentration of credit in its commercial sector customer base, which is composed by 2,348,550 customers that do not represent a concentration risk in the individual, industrial and infrastructure and construction sectors, although the of credit concentration risk is higher.

e. Liquidity risk management – The Entity's Corporate Treasury is ultimately responsible for liquidity management and has established appropriate policies to control this aspect by monitoring working capital, managing short, medium and long-term funding requirements, maintaining cash reserves and available credit lines, continuously monitoring cash flows (projected and actual) and reconciling the maturity profiles of financial assets and liabilities.

The following table details the remaining contractual maturities of the Entity's non-derivative financial liabilities, based on contractual repayment periods. Contractual maturities are based on the dates on which the Entity must make each payment.

The amounts contained in the debt with credit institutions include the fixed and variable interest rate instruments detailed in Note 20. If changes in variable interest rates differ from the estimated interest rates determined at the end of the reporting period, they are presented at fair value. The Entity expects to meet its obligations with cash flows from operations and resources received from the maturity of financial assets.

AS OF DECEMBER 31, 2023	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	1 YEAR	BETWEEN 1 AND 3 YEARS	MORE THAN 3 YEARS	TOTAL
Loans with financial institutions and other entities	MX 12.29% USD 5.35%	$19,097,178	$15,053,969	$11,599,155	$45,750,302
Accounts payable to suppliers		18,653,841	-	-	18,653,841
Accounts payable to related parties		1,540,570	-	-	1,540,570
Other accounts payable and accrued liabilities		3,868,139	-	-	3,868,139
Lease liabilities		1,891,169	2,537,989	3,039,009	7,468,167
Derivative financial instruments		786	13,542	-	14,328
Total		**$45,051,683**	**$17,605,50**	**$14,638,164**	**$77,295,347**

AS OF DECEMBER 31, 2022	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	1 YEAR	BETWEEN 1 AND 3 YEARS	MORE THAN 3 YEARS	TOTAL
Loans with financial institutions and other entities	MX 9.24% USD 3.93%	$15,517,126	$12,844,131	$14,429,093	$42,790,350
Accounts payable to suppliers		17,214,822	-	-	17,214,822
Accounts payable to related parties		806,246	-	-	806,246
Other accounts payable and accrued liabilities		4,615,502	-	-	4,615,502
Lease liabilities		2,377,601	2,497,056	3,447,835	8,322,492
Derivative financial instruments		1,753	-	-	1,753
Total		**$40,533,050**	**$15,341,187**	**$17,876,928**	**$73,751,165**

AS OF DECEMBER 31, 2021	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	1 YEAR	BETWEEN 1 AND 3 YEARS	MORE THAN 3 YEARS	TOTAL
Loans with financial institutions and other entities	MX 5.08% USD 3.34%	$5,843,790	$4,656,503	$16,877,507	$27,377,800
Accounts payable to suppliers		12,860,801	-	-	12,860,801
Accounts payable to related parties		774,267	-	-	774,267
Other accounts payable and accrued liabilities		3,000,348	-	-	3,000,348
Lease liabilities		1,764,117	2,974,593	3,813,964	8,552,674
Derivative financial instruments		2,127	-	872,232	874,359
Total		**$24,245,450**	**$7,631,096**	**$21,563,703**	**$53,440,249**

f. Commodities risk – The Entity has executed commodities contracts to cover risks derived from the price fluctuations of certain metals.
Market risk exposure is measured by performing a sensitivity analysis. There have been no changes in market risk exposure or the manner in which those risks are being managed and measured.

13. Financial instruments

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics;
- The carrying amounts of financial instruments;
- Fair values of financial instruments (except in the case of financial instruments when their book value approaches their fair value); and
- Levels of fair value hierarchy of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which fair value is observable:

- **Level 1:** fair value measurements are those derived from the prices listed (unadjusted) on active markets for identical assets or liabilities;
- **Level 2:** fair value measurements are those derived from inputs other than the listed prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., price derivatives); and
- **Level 3:** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

a. *Fair value of the Entity's financial assets and financial liabilities that are measured at fair value on a recurring basis.*

Some of the Entity's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides information on the manner in which the fair values of these financial assets and financial liabilities are determined (more specifically, the valuation techniques and inputs used).

FINANCIAL ASSETS/ FINANCIAL LIABILITIES	FAIR VALUE AS OF			FAIR VALUE HIERARCHY	VALUATION TECHNIQUES AND KEY INPUTS	SIGNIFICANT UNOBSERVABLE INPUT(S)	RELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR VALUE
	31/12/23	***31/12/22***	***31/12/21***				
1) Foreign currency forward contracts (see Note 14) (i)	Liabilities $(11,347)	Assets $58,528	Liabilities $(2,114)	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (according to observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
2)Interest rate swaps, copper and aluminum purchases (see Note 14) (i)	Liabilities $673,263	Assets $961,067	Liabilities $(786,436)	Level 2	Discounted cash flows.	N/A	N/A

(i) Represents financial instruments that, following their initial recognition, are measured at fair value and grouped into levels ranging from 1 to 3 to the extent that their fair value is observed, whereby the Level 2 instruments derived from indicators other than listed prices, but which include observable indicators for the asset or liability, whether directly or indirectly resulting from these listed prices. During the years ended December 31, 2023, 2022 and 2021, there were no transfers between levels and all three years were classified as Level 2.

b. *Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis*

The fair value of the financial instruments presented below has been determined by the Entity using available market information or other valuation techniques that require judgment to develop and interpret fair value estimates. It also utilizes assumptions based on existing market conditions at each of the dates of the statement of changes in financial position. Consequently, the estimated amounts presented are not necessarily indicative of the amounts the Entity could realize in a current market transaction. The use of different assumptions and / or estimation methods may have a material effect on estimated fair value amounts.

The amounts of the Entity's cash and cash equivalents, as well as its accounts receivable and payable to third parties and related parties, the current portion of the long-term debt and loans from financial institutions and long-term debt approximate their fair value because they have short-term maturities. The Entity's long-term debt is recorded at applied cost and includes debt that accrues fixed and variable interest according to market indicators.

Listed market prices or quotations provided by operators for similar instruments are used to obtain and disclose the fair value of long-term debt. In order to determine the fair value of other financial instruments, techniques like estimated cash flows are used, while considering cash flow dates in intertemporal market curves and discounting these cash flows by using rates that reflect the counterparty risk and the Entity's risk during the reference period.

The fair value of interest rate swaps is calculated as the present value of future estimated net cash flows. The fair value of currency futures is determined using listed forward exchange rates at the date of the statement of changes in financial position.

The carrying amounts of financial instruments by class and their estimated fair values are as follows:

	DECEMBER 31, 2023		DECEMBER 31, 2022		DECEMBER 31, 2021	
	CARRYING AMOUNTS	FAIR VALUE	CARRYING AMOUNTS	FAIR VALUE	CARRYING AMOUNTS	FAIR VALUE
Financial assets:						
Cash and cash equivalents	$16,347,047	$16,347,047	$12,294,643	$12,294,643	$11,197,642	$11,197,642
Accounts and loans receivable:						
Short and long-term accounts receivable	63,814,957	69,018,465	55,795,823	57,771,664	46,328,723	46,891,136
Accounts receivable with related parties	6,744,929	6,744,929	7,656,579	7,656,579	5,237,509	5,237,509
Accounts and notes payable:						
Short and long-term loans payable to financial institutions including long-term and other debt	(31,050,302)	(31,628,099)	(37,290,350)	(37,835,628)	(20,651,475)	(20,897,740)
Securitization certificates	(14,700,000)	(15,179,102)	(5,500,000)	(5,507,210)	(3,500,000)	(3,482,255)
Accounts payable to suppliers	(18,653,841)	(18,653,841)	(17,214,822)	(17,214,822)	(12,860,801)	(12,860,801)
Accounts payable to related parties	(1,540,570)	(1,540,570)	(806,246)	(806,246)	(774,267)	(774,267)
Lease liabilities	(5,729,264)	(7,468,167)	(6,525,451)	(8,322,492)	(6,542,892)	(8,552,674)
Other accounts payable	(3,868,139)	(3,868,139)	(4,615,502)	(4,615,502)	(3,002,946)	(3,002,946)
	$11,364,817	**$13,772,523**	**$3,794,674**	**$3,420,986**	**$15,431,493**	**$13,755,604**

The fair values shown at December 31, 2023, 2022 and 2021, except for accounts receivable involving commercial sector customers and securitization certificates, do not differ from the respective carrying amounts because the observed market values are very similar to those recorded in these periods.

14. Derivative financial instruments

The purpose of contracting derivative financial instruments is: (i) to partially hedge the exposure to financial risks due to exchange rates, interest rates and prices of certain metals; or (ii) the expectation of a good financial return derived from the behavior of the underlying. The decision to contract an economic or financial hedge is based on current market conditions, the expectation of market conditions at a given date, and the domestic and international economic context of the economic indicators that influence the Entity's operations.

Transactions involving currency and interest rate forwards and swaps are summarized below:

		NATIONAL			VALUATION AS OF DECEMBER, 2023			
INSTRUMENT	DESIGNATED AS	AMOUNT ('000)	UNIT	MATURITY	ASSET (LIABILITY)	FINANCIAL COST OF THE YEAR	FINANCIAL COST OF PRIOR YEARS	(GAIN) LOSS ON SETTLEMENT
Swaps LIBOR a fija	Negociación compra	-	Dólares	junio 2023	-	$82,173	$(82,173)	$(62,011)
Swaps TIIE a fija	Negociación compra	3,650,000	Pesos	abril 2022 a abril 2027	143,519	63,459	(206,978)	(161,535)
Total al 31 de diciembre de 2023					**$143,519**	**$145,632**	**$(289,151)**	**$(223,546)**
Total al 31 de diciembre de 2022					**$289,151**	**$(285,223)**	**$(3,928)**	**$(43,810)**
Total al 31 de diciembre de 2021					**$(4,770)**	**$(409,467)**	**$(414,237)**	**$90,101**

Open and settled transactions involving currency hedge forwards are summarized below:

	NACIONAL		VALUACIÓN AL 31 DE DICIEMBRE DE 2023			
INSTRUMENT	AMOUNT ('000)	UNIT	MANURITY	ASSET (LIABILITY)	COMPREHENSIVE INCOME	(GAIN) LOSS ON SETTLE-MENT COST OF SALES
Dollar forwards purchase	94,090	Thousand Dollars	December 2025	$(13,542)	$9,479	-
Dollar forwards purchase	25,000	Thousand Dollars	February 2023	-	-	(726)
Euro forwards purchase	4,000	Thousand Euros	May 2025	288	(201)	(3,835)
Euro forwards sale	8,200	Thousand Euros	May 2025	1,907	(1,335)	-
Total at December 31, 2023				**$(11,347)**	**$7,943**	**$(4,561)**
Total at December 31, 2022				**$58,528**	**$(41,370)**	**$12,088**
Total at December 31, 2021				**$(2,114)**	**$1,480**	**$(1,055)**

Transactions involving interest rate swaps are summarized below:

	NATIONAL		VALUATION AS OF DECIEMBER, 2023			
INSTRUMENT	**AMOUNT ('000)**	**UNIT**	**MATURITY**	**ASSET (LIABILITY)**	**COMPREHENSIVE INCOME**	**(GAIN) LOSS ON SETTLEMENT COST OS SALES**
Dollar forwards purchase	1,709,364	Pesos	September 2029	$52,346	$(36,642)	$49,991
Dollar forwards purchase	374,547	Dollars	January 2035	474,790	(332,353)	(151,992)
Euro forwards purchase						
Euro forwards sale						
Total at December 31, 2023				**$527,136**	**$(368,995)**	**$(102,001)**
Total at December 31, 2022				**$660,443**	**$(462,311)**	**$137,454**
Total at December 31, 2021				**$(783,940)**	**$548,758**	**$202,872**

The open and settled transactions involving metal hedge swaps are summarized below:

	NATIONAL		VALUATION AS OF DECEMBER 31, 2023			
INSTRUMENT	**AMOUNT ('000)**	**UNIT**	**MATURITY**	**ASSET (LIABILITY)**	**COMPREHENSIVE INCOME**	**(GAIN) LOSS ON SETTLEMENT COST OS SALES**
Copper swaps purchase	1,179	Tons	January to December 2023	$2,745	$(2,473)	$(1,011)
Copper swaps purchase	1,794	Tons	During 2023	-	-	(4,634
Zinc Swaps purchase	210	Tons	January to December 2023	147	(103)	447
Nickel Swaps purchase	30	Tons	January to December 2023	(284)	199	1,272
Aluminum Swaps purchase	25	Tons	During 2023	-	-	22
Total at December 31, 2023				**$2,608**	**$(2,377)**	**$5,364**
Total at December 31, 2022				**$11,473**	**$(17,711)**	**$82,807**
Total at December 31, 2021				**$2,274**	**$(1,637)**	**$2,917**

15. Property, plant and equipment

The reconciliation carrying amounts at the start and end of 2023, 2022 and 2021 is as follows:

	DECEMBER 31, 2022	ADDITIONS	BUSINESS ACQUISITION	RWTIREMENTS / DISPOSALS	TRANSFERS	ON TRANSLATION	DECEMBER 31, 2023
Investment:							
Land	$6,654,631	-	-	$(20,113)	$14,802	$(100,851)	$6,548,469
Mineral resources	3,003,749	-	-	-	-	(267,662)	2,736,087
Buildings and constructions	40,201,730	501,319	-	(104,516)	146,471	(2,270,477)	38,474,527
Machinery and equipment	53,086,615	253,980	-	(558,979)	1,187,841	(1,260,405)	52,709,052
Furniture and fixtures	7,030,179	323,903	-	(100,979)	(1,743)	2,363	7,253,723
Computer equipment	2,611,152	72,945	-	(48,016)	34,924	(20,155)	2,650,850
Vehicles	1,722,253	147,226	-	(168,809)	580,248	(29,490)	2,251,428
Construction in process	5,310,724	4,251,413		(92,682)	(2,020,000)	(238,524)	7,210,931
TOTAL INVESTMENT	**119,621,033**	**5,550,786**	**-**	**(1,094,094)**	**(57,457)**	**(4,185,201)**	**119,835,067**
Accumulated depreciation:							
Mineral resources	(271,791)	(10,356)	-	-	-	25,604	(256,543)
Buildings and constructions	(16,899,358)	(1,116,490)	-	307,149	13,708	465,803	(17,229,188)
Machinery and equipment	(31,367,178)	(2,338,169)	-	494,998	549,218	838,480	(31,822,651)
Furniture and fixtures	(5,517,249)	(310,826)	-	98,076	3,927	566	(5,725,506)
Computer equipment	(2,252,086)	(113,117)	-	46,117	5,953	11,923	(2,301,210)
Vehicles	(1,084,913)	(218,984)	-	113,908	5,687	16,726	(1,167,576)
TOTAL ACCUMULATED DEPRECIATION	**(57,392,575)**	**(4,107,942)**	**-**	**1,060,248**	**578,493**	**1,359,102**	**(58,502,674)**
Impairment:							
Land	(16,497)	-	-	-	-	-	(16,497)
Mineral resources	-	-	-	-	-	-	-
Buildings and constructions	(148,666)	(101,727)	-	-	-	-	(250,393)
Machinery and equipment	(457,316)	(663,027)	-	107,421	(439,464)	(202,475)	(1,654,861)
Furniture and fixtures	(63,038)	(9,067)	-	-	-	-	(72,105)
Computer equipment	(13,650)	(77)	-	-	(13)	-	(13,740)
Vehicles	(496)	-	-	-	-	-	(496)
ACCUMULATED IMPAIRMENT LOOSES	**(699,663)**	**(773,898)**	**-**	**107,421**	**(439,477)**	**(202,475)**	**(2,008,092)**
NET INVESTMENT	**61,528,795**	**668,946**	**-**	**73,575**	**81,559**	**(3,028,574)**	**59,324,301**

	BALANCES AS OF DECEMBER 31, 2021	ADDITIONS	BUSINESS ACQUISITION	RETIREMENTS / DISPOSALS	TRANSFERS	EXCHANGE DIFFERENCES ON TRANSLATION	BALANCES AS OF DECEMBER 31, 2022
Investment							
Land	$3,805,511	-	$3,010,155	$(235)	$50,823	$(211,623)	$6,654,631
Mineral resources	-	-	3,134,489	-	-	(130,740)	3,003,749
Buildings and constructions	30,624,615	465,361	10,019,860	(106,406)	250,223	(1,051,923)	40,201,730
Machinery and equipment	21,613,122	259,212	31,011,624	(358,564)	1,375,009	(813,788)	53,086,615
Furniture and fixtures	6,845,669	211,259	103,692	(123,875)	-	(6,566)	7,030,179
Computer equipment	2,230,072	156,259	207,870	(37,828)	66,119	(11,340)	2,611,152
Vehicles	1,133,497	199,457	333,200	(66,161)	136,092	(13,832)	1,722,253
Construction in process (1)	962,358	3,944,572	1,773,539	(26,987)	(1,947,746)	604,988	5,310,724
TOTAL INVESTMENT	**67,214,844**	**5,236,120**	**49,594,429**	**(720,056)**	**(69,480)**	**(1,634,824)**	**119,621,033**
Accumulated depreciation:							
Mineral resources	-	(9,394)	(274,805)	-	-	12,408	(271,791)
Buildings and constructions	(12,472,873)	(1,004,560)	(3,764,419)	39,443	900	302,151	(16,899,358)
Machinery and equipment	(13,941,462)	(1,916,518)	(16,327,239)	352,216	99,307	366,518	(31,367,178)
Furniture and fixtures	(5,188,120)	(328,691)	(74,405)	63,762	1,339	8,866	(5,517,249)
Computer equipment	(2,007,504)	(110,590)	(165,148)	23,149	5,061	2,946	(2,252,086)
Vehicles	(801,261)	(129,254)	(233,954)	71,044	2,164	6,348	(1,084,913)
TOTAL ACCUMULATED DEPRECIATION	**(34,411,220)**	**(3,499,007)**	**(20,839,970)**	**549,614**	**108,771**	**699,237**	**(57,392,575)**
Impairment:							
Land	(16,497)	-	-	-	-	-	(16,497)
Mineral resources	-	-	-	-	-	-	-
Buildings and constructions	(111,596)	(37,070)	-	-	-	-	(148,666)
Machinery and equipment	(121,413)	(355,093)	-	5,146	1,598	12,446	(457,316)
Furniture and fixtures	(34,386)	(28,678)	-	-	26	-	(63,038)
Computer equipment	(13,454)	(196)	-	-	-	-	(13,650)
Vehicles	(496)	-	-	-	-	-	(496)
ACCUMULATED IMPAIRMENT LOSSES	**(297,842)**	**(421,037)**	**-**	**107,421**	**(439,477)**	**(202,475)**	**(2,008,092)**
NET INVESTMENT	**32,505,782**	**1,316,076**	**28,754,459**	**(165,296)**	**40,915**	**(923,141)**	**61,528,795**

	BALANCES AS OF DECEMBER 31, 2020	ADDITIONS	BUSINESS ACQUISITION	RETIREMENTS / DISPOSALS	TRANSFERS	EXCHANGE DIFFERENCES ON TRANSLATION	BALANCES AS OF DECEMBER 31, 2021
Investment:							
Land	$3,994,750	$292	-	$(135)	$(191,415)	$2,019	$3,805,511
Buildings and constructions	30,516,333	164,823	-	(113,023)	(286,115)	342,597	30,624,615
Machinery and equipment	21,064,880	145,007	-	(138,726)	523,358	18,603	21,613,122
Furniture and fixtures	6,836,232	62,952	-	(56,828)	2,095	1,218	6,845,669
Computer equipment	2,187,187	46,591	-	(69,881)	62,423	3,752	2,230,072
Vehicles	1,168,917	45,856	-	(176,282)	115,479	(20,473)	1,133,497
Construction in process	17,458,421	966,249	-	(166)	(17,541,020)	78,874	962,358
TOTAL INVESTMENT	**83,226,720**	**1,431,770**	**-**	**(555,041)**	**(17,315,195)**	**426,590**	**67,214,844**

	BALANCES AS OF DECEMBER 31, 2020	ADDITIONS	BUSINESS ACQUISITION	RETIREMENTS / DISPOSALS	TRANSFERS	EXCHANGE DIFFERENCES ON TRANSLATION	BALANCES AS OF DECEMBER 31, 2021
Accumulated depreciation:							
Buildings and constructions	(11,878,541)	(491,632)	-	63,635	294,315	(460,650)	(12,472,873)
Machinery and equipment	(13,253,604)	(1,214,290)	-	126,761	18,846	380,825	(13,941,462)
Furniture and fixtures	(4,854,509)	(368,270)	-	42,691	3,710	(11,742)	(5,188,120)
Computer equipment	(1,924,138)	(127,740)	-	49,395	3,834	(8,855)	(2,007,504)
Vehicles	(814,784)	(104,239)	-	105,469	928	11,365	(801,261)
TOTAL ACCUMULATED DEPRECIATION	**(32,725,576)**	**(2,306,171)**	**-**	**387,951**	**321,633**	**(89,057)**	**(34,411,220)**
Impairment:							
Land	(16,497)	-	-	-	-	-	(16,497)
Buildings and constructions	(68,260)	(43,336)	-	-	-	-	(111,506)
Machinery and equipment	(238,114)	(22,451)	-	-	-	139,152	(121,413)
Furniture and fixtures	(195)	(23,874)	-	-	(10,317)	-	(34,386)
Computer equipment	(119)	(84)	-	-	(13,251)	-	(13,454)
Vehicles	(496)	-	-	-	-	-	(496)
ACCUMULATED IMPAIRMENT LOSSES	**(323,681)**	**(89,745)**	**-**	**107,421**	**(439,477)**	**(202,475)**	**(2,008,092)**
NET INVESTMENT	**$50,177,463**	**$(964,146)**	**-**	**$(167,090)**	**$(17,017,130)**	**$476,685**	**$32,505,782**

Total transfers to investment properties during 2023, 2022 and 2021 were $22,235, $88,317 and $335,200, respectively.
(1) As of December 31, 2023, the Projects in process category includes 2 platforms named El Centenario and La Muralla IV (which will be called Independencia II and Independencia III).

16. Investment properties

	2023	2022	2021
Investment property:	**$4,958,956**	**$4,766,120**	**$4,601,226**

Investment property movements:

	2023	2022	2021
Balance at the start of the year	$4,766,120	$4,601,226	$3,392,635
Additions	-	59,863	6,325
Transfers	22,235	(88,317)	335,200
Fair value adjustments applied to investment properties	170,601	193,348	867,066
Balance at the end of the period	**$4,958,956**	**$4,766,120**	**$4,601,226**

Grupo Carso fully owns all its investment properties.

Grupo Carso uses valuations performed by independent expert appraisers the necessary qualifications and relevant experience as regards the locations and categories of the investment properties it maintains.

Valuation is based on different techniques with the following approaches:

Through its subsidiaries, the Entity has two shopping malls, Loreto and Plaza Inbursa, located in Mexico City, which generate rental income that is recognized in results as rentals are accrued, for the amounts of $196,905, $176,321 and $118,088 for the years ended December 31, 2023, 2022 and 2021, respectively. At December 31, 2023, 2022 and 2021, the occupancy rate of shopping centers is of 71%, 71% and 70%, respectively.

Direct operating expenses including maintenance costs incurred for the investment properties are recognized in results and represent approximately 48%, 55% y 69% of rental income for years ended December 31, 2023, 2022 and 2021, respectively.

When estimating the fair value of its real property, the Entity considered highest and best use of its properties is their current use.

Details of the Entity investment properties and information regarding the fair value hierarchy as of December 31, 2023, 2022 and 2021 are as follows:

	2023		2022		2021	
	LEVEL 3	FAIR VALUE	LEVEL 3	FAIR VALUE	LEVEL 3	FAIR VALUE
Shopping malls located in Mexico City	$2,519,550	$2,519,550	$2,495,808	$2,495,808	$2,495,808	$2,495,808
Land located in Baja California and other areas (1)	1,622,051	1,622,051	1,502,483	1,502,483	1,432,266	1,432,266
Land and buildings	817,355	817,355	767,829	767,829	673,152	673,152
TOTAL	**$4,958,956**	**$4,958,956**	**$4,766,120**	**$4,766,120**	**$4,601,226**	**$4,601,226**

(1) Investment properties are composed by land located in Baja California, land and industrial buildings in the State of Mexico, Querétaro and Guanajuato.

The following information is relevant for investment properties classified as Level 3 of the fair value hierarchy:

	VALUATION TECHNIQUE(S)	SIGNIFICANT UNOBSERVABLE INPUT(S)	SENSITIVITY
Commercial units located in Mexico City	Comparable sales approach in 2023 and replacement cost approach in 2022 and 2021	As of December 31, 2023, the fair value was determined based on the comparable sales approach, which reflects the sales of a similar asset adjusted for the characteristics of the asset, as of December 31, 2023, 2022 and 2021, fair value was determined according to the replacement cost approach, which reflects the acquisition or construction price of the replacement asset s with a comparable profit, adjusted for obsolescence.	A significant lease market increase would result in a significant in fair value increase and vice versa. A slight increase in the capitalization rate used would result in a significant fair value decrease, and vice versa.
Land	Market approach	Monthly rent considering differences in locations and individual factors such as frontage and size, between properties comparable to an average. No appraisals have been performed during the last 3 years because market conditions have not changed and are not expected to change in the following periods.	A significant lease market increase would result in a significant in fair value increase and vice versa.

17. Investment in associated entities and joint ventures and other

a. The main associated entities, businesses, other joint ventures and their priority activities are as follows:

ASSOCIATED ENTITY AND JOINT VENTURE	EQUITY PERCENTAGE 2023	2022	2021	LOCATION	ACTIVITY
Fortaleza Materiales, S. A. B. de C. V. (formerly Elementia, S. A. B. de C. V., Note 2 subsection d) (Fortaleza)	-	-	38.69	Mexico	Manufacture and marketing of products for the construction industry
Elementia Materiales, S. A. B. de C. V. (split from Fortaleza, Note 2 subsection d) (Elementia)	-	-	38.69	Mexico	Manufacture and sale of high technology products for the cement, concrete, polyethylene, styrene, copper and aluminum production industries
Infraestructura y Transportes México, S. A. de C. V. (ITM)	-	-	16.75	Mexico	Holder of shares and securities.
Talos Energy México 7, S. de R.L. de C.V.	49.90	-	-	Mexico	Exploration, drilling and extraction of hydrocarbons
Inmuebles SROM, S. A. de C. V.	14.00	14.00	14.00	Mexico	Real estate leasing..

ASSOCIATED ENTITY AND JOINT VENTURE	EQUITY PERCENTAGE 2023	2022	2021	LOCATION	ACTIVITY
Miniso BF Holding S. R. L. de C. V.	33.27	33.27	33.27	Mexico	Operation of multi-category stores offering low-cost products, under the specialized franchise model
Aerofrisco, S. A. de C. V.	18.21	18.21	18.21	Mexico	Air transportation of cargo and passengers
Grupo Telvista, S. A. de C. V. (1)	-	-	10.00	Mexico	Provides custumer attention solutions, together with call center services in English ans Spanish.
Infraestructura y Saneamiento Atotonilco, S. A. de C. V. (joint venture)	42.50	42.50	42.50	Mexico	Construction of wasterater treatment plant.
Constructora MT de Oaxaca, S. A. de C. V. (joint venture)	40.00	40.00	40.00	Mexico	Highway construction.
Trans-Pecos Pipeline, LLC (joint venture)	51.00	51.00	51.00	United States	Transportatiosn of natural gas by gas pipelines.
Comanche Trail Pipeline, LLC (joint venture)	51.00	51.00	51.00	United States	Transportatiosn of natural gas by gas pipelines

COMPANIES AT MARKET VALUE	EQUITY PERCENTAGE 2023	2022	2021	LOCATION	ACTIVITY
GMéxico Transportes, S. A. B. de C. V.	15.14	15.14	15.14	Mexico	Rail transportation.
Grupo Cuprum, S. A. P. I. de C. V. (Cuprum)	7.50	7.50	7.50	Mexico	Manufacture of aluminum products.

(1) In April 2022, the entity sold the shares of Grupo Telvista, S. A. de C. V., which represented a 10% holding, to its related party América Móvil, S. A. B. de C. V.

b. The recognition of the equity method for the main associated entities, joint ventures and other entities was as follows:

	2023				
	STOCKHOLDERS' EQUITY	NET INCOME	EQUITY PERCENTAGE	INVESTMENT IN SHARES	EQUITY IN INCOME
Talos Energy México 7, S. de R.L. de C. V. (8)	$1,179,054	7,563	49.90	$2,165,941	$3,774
Inmuebles SROM, S.A. de C.V.	14,221243	746,119	14.00	1,990,974	104,456
Miniso BF Holding, S. de R. L. de C. V.	739,075	813,670	33.27	1,005,532	271,676
Aerofrisco, S. A. de C. V. (6)	2,567,806	(159,551)	18.21	467,641	(29,057)
Infraestructura y Saneamiento Atotonilco, S. A. de C.V.	(134,118)	5,471	42.50	(57,000)	2,325
Constructora MT de Oaxaca, S. A. de C. V.	(171,770)	10,658	40.00	(68,708)	4,263
Trans-Pecos Pipeline, LLC (3)	7,879,794	799,618	51.00	4,018,695	407,805
Comanche Trail Pipeline, LLC (4)	5,706,018	851,314	51.00	2,910,069	434,170
Other associated entities (7)				271,860	68,296
TOTAL INVESTMENT IN ASSOCIATED ENTITIES				**12,705,004**	**1,267,708**
Other investments				4,385	-
TOTAL INVESTMENT IN ASSOCIATED ENTITIES				**12,709,389**	**1,267,708**
Entities at market value				**Fair value**	
GMéxico Transportes, S. A. B. de C.V.			15.14	25,440,166	-
Cuprum (2)			7.50	531,165	-
				25,971,331	-
TOTAL INVESTMENT IN ASSOCIATED ENTITIES, JOINT VENTURES AND OTHER ENTITIES				**38,680,720**	**1,267,708**

2022

	STOCKHOLDERS' EQUITY	NET INCOME	EQUITY PERCENTAGE	INVESTMENT IN SHARES	EQUITY IN INCOME
Inmuebles SROM, S. A. de C. V.	$14,507,119	1,031,086	14.00	$2,030,996	$144,352
Miniso BF Holding, S. de R. L. de C. V.	(48,444)	242,239	33.27	776,785	92,125
Aerofrisco, S. A. de C. V. (6)	2,727,362	397	18.21	496,698	72
Infraestructura y Saneamiento Atotonilco, S. A. de C. V.	(139,586)	(4,360)	42.50	(59,324)	(1,853)
Constructora MT de Oaxaca, S. A. de C. V.	(182,428)	8,530	40.00	(72,971)	3,412
Trans-Pecos Pipeline, LLC. (3)	8,907,282	955,573	51.00	4,542,714	487,342
Comanche Trail Pipeline, LLC. (4)	6,069,092	892,262	51.00	3,095,237	455,053
Other associated entities (7)				244,674	122,902
TOTAL INVESTMENT IN ASSOCIATED ENTITIES				**11,054,809**	**1,303,405**
Other investments				4,696	-
TOTAL INVESTMENT IN ASSOCIATED ENTITIES				**11,059,505**	**1,303,405**
Entities at market value				**Fair value**	
GMéxico Transportes, S. A. B. de C.V.			15.14	25,227,055	-
Cuprum (2)			7.50	468,675	-
				25,695,730	-
TOTAL INVERSIÓN EN ENTIDADES ASOCIADAS, NEGOCIOS CONJUNTOS Y OTRAS				**36,755,235**	**1,303,405**

2021

	STOCKHOLDERS' EQUITY	NET INCOME	EQUITY PERCENTAGE	INVESTMENT IN SHARES	EQUITY IN INCOME
Fortaleza (1)	$11,104,485	$2,218,762	38.69	$4,850,843	$1,153,870
Elementia	12,000,553	243,812	38.69	4,643,265	94,336
ITM	9,961,259	1,889,168	16.75	1,668,511	316,436
Inmuebles SROM, S. A. de C. V.	13,726,035	1,091,645	14.00	1,921,645	113,287
Miniso BF Holding, S. de R. L. de C. V.	(340,913)	(294,301)	33.27	679,473	(117,879)
Aerofrisco, S. A. de C. V. (6)	2,726,965	(12,449)	18.21	496,626	(157)
Grupo Telvista, S. A. de C. V. (5)(7)	2,477,914	22,360	10.00	247,791	2,235
Infraestructura y Saneamiento Atotonilco, S. A. de C. V.	(135,224)	(6,939)	42.50	(57,471)	(2,949)
Constructora MT de Oaxaca, S. A. de C. V.	(190,958)	(525)	40.00	(76,383)	(210)
Trans-Pecos Pipeline, LLC. (3)	7,666,720	1,245,461	51.00	3,910,027	635,185
Comanche Trail Pipeline, LLC. (4)	4,697,145	931,392	51.00	2,395,544	475,010
Other associated entities				212,776	156,951
TOTAL IINVESTMENT IN ASSOCIATED ENTITIES				**20,892,647**	**2,826,115**
Other investments				2,040	-
TOTAL INVESTMENT IN ASSOCIATED ENTITIES				**20,894,687**	**2,826,115**
Entities at market value				**Fair value**	
GMéxico Transportes, S. A. B. de C.V.			15.14	21,475,465	-
Cuprum (2)			7.50	367,276	-
PBF Energy, Inc.				57,319	-
				21,900,060	
TOTAL INVESTMENT IN ASSOCIATED ENTITIES AND JOINT VENTURES				**42,794,747**	**2,826,115**

(1) The investment in shares includes goodwill of $554,284. In 2021, the equity held in associated entities of $205,983, respectively, was recognized in other comprehensive income.
(2) The investment in the shares of Cuprum includes goodwill of $45,092.
(3) As of December 31, 2023, 2022 and 2021, the stock investment includes a dividend payment of $262,026 and a profit of $669,798, dividends of $283,617 and a profit of $428,961, dividends of $189,858 and a profit of $391,531, respectively, which are recognized as other comprehensive results in the consolidated income statement.
(4) As of December 31, 2023, 2022 and 2021, the stock investment includes a dividend payment of $157,132 and a profit of $462,206, dividends of $163,768 and a profit of $408,972, dividends of $188,238 and a profit of 346,675, respectively, which are recognized as other comprehensive results in the consolidated income statement.
(5) As of December 31 2021, the stock investment includes a dividend payment of $6,600 and a profit of $4,491, respectively, which are recognized as other comprehensive results in the consolidated income statement.
(6) The investment in Aerofrisco includes goodwill of $86,783.

18. Other assets

Other assets are composed follows:

(7) Within the heading of other associates in the result of the year includes the participation in the results from January to April 2022 of Fortaleza for $45,142 and Elementia for $11.498.
(8) The investment in Talos Energy Mexico 7 shares includes goodwill for $1,577,593.

	YEARS OF AMORTIZATION	2023	2022	2021
Insurance and bonds	(a)	$781,804	$781,804	$781,804
Collaborative commission agreement		159,604	159,604	159,604
Guarantee deposits		106,901	92,155	58,397
Installation expenses		635,828	548,233	368,351
Prepaid expenses		37,113	28,114	28,114
Other expenses		686,268	497,828	410,622
		2,407,518	**2,107,738**	**1,806,892**
Accumulated amortization		(1,693,941)	(1,551,129)	(1,373,804)
		713,577	**556,609**	**433,088**

(a) The insurance and bonds of CICSA have a duration based on the contracted projects which is an average of between 2 to 3 years.
The amortization recorded in results was $142,812, $177,325 and $125,562 in 2023, 2022 and 2021, respectively, of which $122,990, $80,816 and $98,952 is recognized as part of cost of sales at that date.

19. Intangible assets

	AMORTIZATION PERIOD	BALANCES AS OF JANUARY 1ST, 2023	ADDITIONS	ADDITIONS DUE TO BUSINESS COMBINATION	RETIREMENT / DISPONSALS / TRANSFER	TRANSLATION EFFECT	BALANCES AS OF DECEMBER 31, 2023
Cost:							
Goodwill	Indefinite	$4,518,576	-	-	-	$(57,282)	$4,461,294
Commercial trademarks	15.5	1,606,383	341	-	-	(149,777)	1,456,947
Exploration and evaluation	Indefinite	3,879,679	-	-	(37,843)	26,316	3,868,152
Computer programs	5.83	978,640	38,453	-	-	(24,989)	992,104
Licenses and franchises	4	258,255	6,063	-	-	249	264,567
Industrial property rights	10	313,211	631	-	-	-	313,842
Intangible assets under development	15	89,289	2,250	-	-	(2,190)	89,349
Exclusive distribution rights	10	426,265	-	-	-	(50,796)	375,469
Non-compete contract	10	609,226	-	-	-	(63,957)	545,269
Other intangible assets	Indefinite	317,934	-	-	-	2,442	320,376
TOTAL COST		**12,997,458**	**47,738**	**-**	**(37,843)**	**(319,984)**	**12,687,369**
Accumulated amortization:							
Commercial trademarks		(89,213)	(3,261)	-	-	5,952	(86,522)
Exploration and evaluation		(33,464)	-	-	-	-	(33,464)
Computer programs		(837,570)	(44,617)	-	-	16,372	(865,815)
Licenses and franchises		(197,850)	(28,969)	-	-	4,589	(222,230)
Industrial property rights		(313,211)	-	-	-	-	(313,211)
Intangible assets under development		(65,187)	(6,360)	-	-	2,191	(69,356)
Exclusive distribution rights		(261,207)	(7,559)	-	-	43,328	(225,438)
Non-compete contract		(385,823)	(49,582)	-	-	31,578	(403,827)
Other intangible assets		(17,618)	(1,908)	-	-	(69,245)	(88,771)
TOTAL AMORTIZATION		**(2,201,143)**	**(142,256)**	**-**	**-**	**34,765**	**(2,308,634)**
impairment adjustments							
Exploración y evaluación		(1,413,333)	-	-	-	-	(1,413,333)
		$9,382,982	**$(94,518)**		**$(37,843)**	**(285,219)**	**8,965,402**

	AMORTIZATION PERIOD	BALANCES AS OF JANUARY 1ST, 2022	ADDITIONS	ADDITIONS DUE TO BUSINESS COMBINATION	RETIREMENT / DISPONSALS / TRANSFER	TRANSLATION EFFECT	BALANCES AS OF DECEMBER 31, 2022
Cost:							
Goodwill	Indefinite	-	-	$4,546,556	-	$(27,980)	$4,518,576
Commercial trademarks	15.5	16,889	-	1,662,781	-	(73,287)	$1,606,383
Exploration and evaluation	Indefinite	3,491,799	387,880	-	-	-	3,879,679
Computer programs	5.83	137,110	-	817,568	-	23,962	978,640
Licenses and franchises	4	38,142	-	209,181	-	10,932	258,255
Industrial property rights	10	313,211	-	-	-	-	313,211
Intangible assets under development	15	88,552	-	-	-	737	89,289
Exclusive distribution rights	10	-	-	457,115	-	(30,850)	426,265
Non-compete contract	10	-	-	653,621	-	(44,395)	609,226
Other intangible assets	Indefinite	187,467	-	172,593	-	(42,126)	317,934
TOTAL COST		**4,273,170**	**387,880**	**8,519,415**	**-**	**(183,007)**	**12,997,458**

	AMORTIZATION PERIOD	BALANCES AS OF JANUARY 1ST, 2022	ADDITIONS	ADDITIONS DUE TO BUSINESS COMBINATION	RETIREMENT / DISPONSALS / TRANSFER	TRANSLATION EFFECT	BALANCES AS OF DECEMBER 31, 2022
Accumulated amortization:							
Commercial trademarks		(10,526)	(909)	(79,355)	-	1,577	(89,213)
Exploration and evaluation		(33,464)	-	-	-	-	(33,464)
Computer programs		(44,301)	(22,856)	(758,238)	-	(12,175)	(837,570)
Licenses and franchises		(13,819)	(17,744)	(165,743)	-	(544)	(197,850)
Industrial property rights		(313,211)	-	-	-	-	(313,211)
Intangible assets under development		(61,331)	(3,856)	-	-	-	(65,187)
Exclusive distribution rights		-	-	(261,207)	-	-	(261,207)
Non-compete contract		-	-	(385,757)	-	(66)	(385,823)
Other intangible assets		(8,565)	-	(9,053)	-	-	(17,618)
TOTAL AMORTIZATION		**(485,217)**	**(45,365)**	**(1,659,353)**	**-**	**(11,208)**	**(2,201,143)**
Impairment Adjustments							
Exploration and evaluation		(1,413,333)	-	-	-	-	(1,413,333)
		$2,374,620	**$342,515**	**$6,860,062**	**-**	**$(194,215**	**9,382,982**

	AMORTIZATION PERIOD	BALANCES AS OF JANUARY 1ST, 2021	ADDITIONS	RETIREMENT / DISPONSALS / TRANSFER	TRANSLATION EFFECT	BALANCES AS OF DECEMBER 31, 2021
Cost:						
Commercial trademarks	Indefinite	$16,865	$24	-	-	$16,889
Exploration and evaluation	Indefinite	2,480,575	1,011,224	-	-	3,491,799
Computer programs	5.83	197,397	62,671	(122,958)	-	137,110
Licenses and franchises	Indefinido	38,142	-	-	-	38,142
Industrial property rights	10	313,211	-	-	-	313,211
Intangible assets under development	15	88,552	-	-	-	88,552
Other intangible assets	Indefinite	173,884	13,583	-	-	187,467
TOTAL COST		**3,308,626**	**1,087,502**	**(122,958)**	**-**	**4,273,170**
Accumulated amortization:						
Commercial trademarks		(9,470)	(1,056)	-	-	(10,526)
Exploration and evaluation		(33,464)	-	-	-	(33,464)
Computer programs		(28,970)	(15,331)	-	-	(44,301)
Licenses and franchises		(9,931)	(3,888)	-	-	(13,819)
Industrial property rights		(313,211)	-	-	-	(313,211)
Intangible assets under development		(31,970)	(29,361)	-	-	(61,331)
Other intangible assets		(8,565)	-	-	-	(8,565)
TOTAL AMORTIZATION		**(435,581)**	**(49,636)**	**-**	**-**	**(485,217)**
Impairment Adjustments						
Exploration and evaluation		(1,413,333)	-	-	-	(1,413,333)
		$1,459,712	**$1,037,866**	**$(122,958)**	**-**	**$2,374,620**

20. Short and long-term debt

Are composed as follows:

SHORT-TERM	2023	2022	2021
Unsecured loans in Mexican pesos, at a fixed rate of 5.08% with maturities in January and February 2022.	$	$	$2,950,00
Unsecured loans in US dollars, at a fixed rate of 0.65% with maturities in June and September 2021.	-	-	2,058,350
Unsecured loans contracted in Colombian pesos at a fixed interest rate of 4.95% with maturities in February 2022	-	-	33,606
Unsecured loans in Mexican pesos with current rates of 10.75% to 12.75% and dates of expiration in January 2023.	-	7,693,852	-
Chiropractic loans in Mexican pesos with current rates of 11.97% to 13.51% and due dates in January, February, July and November 2024.	11,073,302	-	-
Unsecured loans in US dollars with current rates of 4.44% to 5.36% and maturity dates in February, March, June and August 2023.	-	2,686,770	-
Chiropractic loans in US dollars with current rate of 5.94% due in June 2024.	591,273	-	-
Chiropractic loans in Colombian pesos with due dates in January 2024 at a rate of 14.11%	105,600	-	-
Stock certificate in Mexican pesos with a current rate of 10.76% with a maturity date of March 2023	-	3,500,000	-
Mexican peso stock certificates with a current rate of 11.70% with maturity dates in March 2024	6,000,000	-	-
Other loans	89,150	120,684	84,176
	17,859,325	**14,001,306**	**5,126,132**
Add current portion of long-term debt	1,237,853	1,583,229	394,614
SHORT-TERM DEBT	**$19,097,178**	**$15,584,535**	**$5,520,746**

LONG-TERM DEBT:	2023	2022	2021
Syndicated Loan of US, with a current rate 5.39%, with maturity in 2035.	$7,355,044	$8,666,329	$ 9,920,685
Loans in Mexican pesos with current rates of 12.17% to 12.82% and maturity dates in 2024 and 2025.	-	7,071,019	-
Loans in Mexican pesos with current rates of 8.18% to 13.15% and due dates in 2025 and 2026.	3,956,098	-	-
Long-term unsecured loan in US dollars contracted with Invex at a rate of 4.34% and with maturity in June 2025	-	-	5,604,658
Loans in foreign currency with current rates of 0.50% to 7.00% and maturity dates from 2023 to 2035.	-	8,243,460	-
Foreign currency loans with current rates of 0.50% to 13.49% and maturity dates from 2024 to 2035.	5,431,453	-	-
Loan from a Government Agency in Mexican pesos with a current rate of 12.98% and maturity in 2029.	2,448,382	2,808,236	-
Stock certificate in Mexican pesos with current rate of 11.80% and 13.11% with due dates in 2026.	8,700,000	-	-
Securitization certificates issued in Mexican pesos, one of which was issued, with maturity on March 12, 2021, and the other issued on February 10, 2023 and another with a maturity date of 2024 at a rate of 12.42%.	-	2,000,000	3,500,000
	27,890,977	**28,789,044**	**19,025,343**
Less - current portion of long-term debt	(1,237,853)	(1,583,229)	(394,614)
LONG-TERM DEBT	**$26,653,124**	**$27,205,815**	**$ 18,630,729**

Long-term debt accrues interest at variable rates. Interest rates for loans in Mexican pesos during 2023, 2022 and 2021 were a weighted average of 12.74%, 11.98% and 5.08%

The affirmative covenants assumed by the Entity as a result of these loans are as follows: i) provide audited consolidated financial statements within 120 days after the yearend close; ii) provide internal consolidated financial statements within 60 days after the close of the first three quarters of the year; iii) maintain its legal capacity and continue as a going concern; and iv) comply with applicable laws, environmental regulations and maintain permits, licenses and other similar documents.

The negative covenants assumed by the Entity as a result of these loans are as follows: i) refrain from modifying the main line of business; ii) refrain from assuming or attaching liens and encumbrances on its properties or assets, unless permitted; iii) refrain from disposing of all or substantially all of its assets, unless permitted; iv) refrain from merging, dissolving, liquidating or performing a corporate breakup, unless permitted.

21. Other account payable and accrued liabilities

Other accounts payable and accrued liabilities are composed as follows:

	2023	2022	2021
Taxes payable	$6,043,099	$7,231,121	$2,901,825
Other accounts payable	3,868,139	4,615,502	3,000,348
	$9,911,238	**$11,846,623**	**$5,902,173**

22. Provisions

2023

	OPEMIMG BALANCE	ADDITIONS	PROVISION APPLIED	RECLASSIFICATIONS	REVERSALS	CLOSING BALANCE
Contractor costs	$6,883,153	$23,601,328	$(25,673,689)	-	-	$4,810,792
Construction and other extraordinary costs	705,085	1,474,826	(1,512,336)	-	-	667,575
Environmental and plant closure costs	83,470	11,613	(23,275)	-	-	71,808
Labor relations	268,899	75,335	(73,067)	-	-	271,167
Other provisions	1,438,114	33,028,541	(33,095,952)			1,370,703
	$9,378,721	**$58,191,643**	**$(60,378,319)**	**-**	**-**	**$7,192,045**

2022

	OPENING BALANCE	ADDITIONS	PROVISION APPLIED	RECLASSIFICATIONS	REVERSALS	CLOSING BALANCE
Contractor costs	$6,483,874	$21,402,314	$(20,722,113)	-	$(280,922)	$6,883,153
Construction and other extraordinary costs	673,762	1,175,248	(1,131,690)	-	(12,235)	705,085
Environmental and plant closure costs	146,489	192,684	(255,703)	-	-	83,470
Labor relations	285,616	261,419	(278,133)	-	(3)	268,899
Other provisions	427,304	1,398,177	(387,367)			1,438,114
	$8,017,045	**$24,429,842**	**$(22,775,006)**	**-**	**(293,160)**	**$9,378,721**

	2021					
	OPENING BALANCE	ADDITIONS	PROVISION APPLIED	RECLASSIFICATIONS	REVERSALS	CLOSING BALANCE
Construction and other extraordinary costs	$4,495,261	$15,570,097	$(13,404,663)	-	$(176,821)	$6,483,874
Environmental and plant closure costs	467,432	1,463,944	(1,239,196)	-	(18,418)	673,762
Labor relations	183,841	11,101	(48,453)	-	-	146,489
Other provisions	123,238	376,518	(210,296)	-	(3,844)	285,616
Construction and other extraordinary costs	339,485	249,089	(161,270)		-	427,304
	$5,609,257	**$17,670,749**	**$(15,063,878)**	**-**	**(199,083)**	**$8,017,045**

23. Retirement and other employee benefits

The Entity has defined benefit plans for eligible employees at most of its subsidiaries, which include retirement, death or total disability payments for non-unionized personnel. These defined benefit plans are managed by a fund that is legally separate from the Entity. The board of directors of the pension fund is composed by an equal number of representatives of both the employers and (former) employees. The board of directors of the pension fund is required according to the law and the bylaws of the association to act in the interests of the fund and all interested parties; i.e., active and inactive employees, retirees and the employer. The board of directors of the pension fund is responsible for the investment policy applied to fund assets.

The Entity administers a plan that also covers seniority premiums for all staff working in Mexico, which consists of a single payment equal to 12 days' salary for each year worked based on final salary, albeit limited to two times the legal minimum wage.

Under these plans, employees are entitled to retirement benefits, which, added to the legal pension, represent an income at age 65. No other postretirement benefits are awarded.

The plans typically expose the Entity to actuarial risks such as the investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated by using a discount rate determined according to government bond returns; if the plan asset return is below this rate, a plan deficit will arise. The plan currently has a relatively balanced investment in variable yield securities, debt instruments and real property. Given the long-term nature of plan liabilities, the board of directors of the pension fund considers that it is to invest a reasonable portion of the plan assets in variable yield securities and real estate to leverage the return generated by the fund.

Interest risk: A bond interest rate decrease will increase plan liabilities; however, this will be partially offset by the increased return derived from plan debt investments.

Longevity risk: The present value of the defined benefit obligations is calculated based on the best estimate of plan participant mortality, both during and after their employment. The increased life expectancy of plan participants will increase plan liabilities.

Slary risk: The present value of the defined benefit obligations is calculated according to the future salaries of plan participants. As such, higher plan participant salaries will increase plan liabilities.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were made as of December 31, 2023 with information as of October 31, 2023 by independent actuaries, members of the Mexican Association of Consulting Actuaries, A. C. The present value of the defined benefit obligation and the labor cost of the current service and the cost of past services were calculated using the projected unit credit method.

No other post-retirement benefits are provided to these employees.

The main assumptions used for these actuarial valuations were as follows:

	2023	2022	2021
Discount rate	9.57%	9.18%	8.18%
Expected rate of salary increase	5.14%	5.24%	4.83%
Expected return on plan assets	9.46%	9.46%	7.67%
Retirement age for current pensioners (years)			
Men and women	71	65	65

The amount recognized in the consolidated statements of financial position regarding the Entity's defined benefit plan obligation are as follows.

	2023	2022	2021
Present value of the obligation from funded defined benefits	$(6,973,208)	$(6,809,121)	$(4,634,390)
Fair value of plan assets	7,266,298	7,455,892	5,192,693
Excess of plan assets as regards defined benefit obligation	$293,090	$646,771	$558,303
The balances included in the consolidated statements of changes in financial position are as follows:			
Liabilities from employee defined retirement benefits	$(936,492)	$(923,168)	$(348,351)
Assets from employee defined retirement benefits	1,229,582	1,569,939	906,654
	$293,090	**$646,771**	**$558,303**
Fund contributions	$31,748	$53,145	$61,732

The expense of the year is $135,311, $229,881 and $381,190 in 2023, 2022 and 2021, respectively, and has been included in the statement of income as the cost of sales, administrative and sales expenses.

The remeasurement of the defined benefit liability is recognized in other comprehensive income.

The net cost of the period is composed as follows:

	2023	2022	2021
Current labor service cost	$248,908	$250,161	$214,332
Interest cost	504,089	448,511	318,926
Interest income	(615,756)	(476,002)	(158,722)
Labor cost of past services	2,067	2,967	(5,213)
Effect of any reduction or early settlement (other than a restructuring or a discontinued operation)	(3,997)	4,244	11,867
Net cost of the period	**$ 135,311**	**$229,881**	**$381,190**

Defined benefit cost entries recognized in other comprehensive income:

	2023	2022	2021
Actuarial gain (loss)	**$(34,589)**	**$692,992**	**$354,939**

As there is no legal right to offset employee retirement benefits between different Group subsidiaries, these amounts are not offset and are presented as long-term assets or liabilities in the accompanying consolidated statements of changes in financial position.

Changes in the present value of the defined benefit obligation:

	2023	2022	2021
Opening balance of defined benefit obligation	$ (6,809,121)	$ (4,634,390)	$ (4,663,156)
Current service cost	(248,908)	(250,161)	(214,332)
Past service cost	(2,067)	(2,967)	5,213
Interest cost	(504,089)	(448,511)	(318,926)
Actuarial (losses) gains	(32,501)	393,565	215,163
Benefits paid	423,389	215,559	177,862
Effect of any reduction or early settlement (other than restructuring or a discontinued operation)	(2,011)	31,398	198,292
Business acquisition	-	(2,327,697)	-
Others (adjustment for ISR Gsanborns adoption)	202,100	214,083	(34,506)
Closing balance of the defined benefit obligation	**$(6,973,208)**	**$(6,809,121)**	**$(4,634,390)**

Changes in the present value of plan assets in the current period:

	2023	2022	2021
Initial fair value of plan assets	$7,455,892	$5,192,693	$4,858,618
Expected yield on plan assets	615,756	476,002	158,722
Personnel transfers	(3,449)	(1,751)	2,963
Actuarial gains (losses)	(583,870)	408,744	288,520
Plan contributions	31,748	53,145	61,732
Benefits paid	(423,389)	(215,559)	(177,862)
Business acquisition	-	1,553,576	-
		-	-
Other	173,610	(10,958)	-
Final fair value of plan assets	**$7,266,298**	**$ 7,455,892**	**$5,192,693**

Significant actuarial assumptions used to determine the defined obligation are the discount rate, expected salary increase and mortality. The following sensitivity analyses have been determined based on reasonably possible changes to the respective assumptions at the end of the reporting period, while all other hypotheses remain constant.

If the discount rate were 50 basis points higher (lower), the defined benefit obligation would decrease by 2023 in $175,267 (increase of $221,520).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by $205,357 in 2023 (decrease of $193,990).

If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligation would increase by $118,031 in 2023 (decrease of $108,234).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation, as it is unlikely that the modification of hypotheses would occur in an isolated manner as certain assumptions may be correlated.

Furthermore, when presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated by using the projected unit credit method at the end of the reporting period, which is the same as the value applied to calculate the defined benefit obligation liability recognized in the statement of financial position.

There was no change as regards the methods and assumptions used to prepare the sensitivity analysis over prior years.

The main strategic decisions formulated in the fund's actuarial and technical policy document are as follows: a combination of assets based on 70.0% capital instruments and 30.0% debt instruments.

The average duration of the defined benefit obligation as of December 31, 2023 is 8.74 years, 8.90 years in 2022 and 10.27 years in 2021.

The Entity expects to make a contribution of $57,425 to defined benefit plans during 2023.

The main categories of plan assets are:

				FAIR VALUE OF PLAN ASSETS		
	2023	2022	2021	2023	2022	2021
Capital instruments	70	49	45	$5,086,717	$3,616,580	$2,306,626
Debt instruments	30	51	55	$2,179,581	$3,839,312	$2,886,067
Weighted average expected return				$656,743	$499,032	$373,748

The fair value of the capital and debt instruments mentioned above is determined according to the market prices listed on active markets, while the market values of properties are not based on market prices listed on active markets.

Employee benefits granted to the Entity's key management personnel and/or directors were as follows:

	2023	2022	2021
Short-term benefits	$173,588	$160,382	$114,857
Defined benefit plans	257	102	99
Other long-term benefits	377,914	281,715	302,367

24. Stockholders' equity

a. The historical amount of subscribed and paid-in common stock of Grupo Carso as of December 31, 2023, 2022 and 2021 is as follows:

	NUMBER OF SHARES			AMOUNT		
	2023	2022	2021	2023	2022	2021
Series A1	2,261,166,416	2,261,166,416	2,261,166,416	$530,746	$530,746	$530,746
Repurchased shares held by the Treasury	(4,037,963)	(12,175,784)	(5,917,301)	(948)	(2,857)	(1,389)
HISTORICAL COMMON STOCK	**2,257,128,453**	**2,248,990,632**	**2,255,249,115**	**$529,798**	**$527,889**	**$529,357**

Common stock is composed by ordinary, nominative shares at no par value.

The Ordinary General Meeting of the Stockholders of Grupo Carso of April 27, 2023 authorized the payment of a cash dividend of $1.20 (one peso) per share to be taken the balance of the Net Tax Income Account (CUFIN), payable, at the election of each shareholder, in cash or in series A-1 shares or in a combination of both, this dividend would be distributed through two payments of $0.60 (fifty cents) per share, per share, the first payable as of June 30 and the second as of December 20 2023, against coupons numbers 46 and 47, respectively, on the outstanding titles when the corresponding payments are made. Said payment amounted to $1,322,390.

The Ordinary General Meeting of the Stockholders of Grupo Carso of April 28, 2022 authorized the payment of a cash dividend of $1.00 (one peso) per share to be taken the balance of the Net Tax Income Account (CUFIN), This dividend would be distributed through two payments of $0.50 (fifty cents) per share, per share, the first payable as of June and the second as of December 2022, against coupons numbers 44 and 45, respectively, on the outstanding titles when the corresponding payments are made. Said payment amounted to $2,250,304.

At the Ordinary General Shareholders' Meeting of Grupo Carso held on April 28, 2021, the payment of a cash dividend of $0.96 (ninety-six cents) per share was authorized, coming from the balance of the Net Tax Profit Account (CUFIN) , payable in two equal installments of $0.48 (forty-eight cents) per share, payable as of June 28 and December 20, 2021, against coupons numbers 42 and 43, respectively, on the outstanding titles at the time of the corresponding payments. Said payment amounted to $2,167,121.

b. Retained earnings include the legal reserve. According to the General Corporate Law, at least 5% of net profit of the year must be used to create a legal reserve until equal to 20% of common stock at face value. The legal reserve may be capitalized but must not be distributed unless the Entity is dissolved and must be replenished whenever decreased for any reason. As of December 31, 2023, 2022 and 2021, the Entity's legal reserve was $381,635.

c. Stockholders' equity except for the restated paid-in capital and tax-retained earnings, will be subject to ISR payable by the Entity at the rate in effect upon distribution. Any tax paid on such distribution may be credited against annual and estimated ISR of the year in which the tax on dividends is paid and the following two fiscal years.

d. An additional amount of income tax (ISR) is payable at the 10% rate on dividends paid to individuals and foreign residents. The ISR is paid through a tax withholding and is considered as a definitive payment for each stockholder. Foreign stockholders may apply the terms of tax treaties. This tax is applicable to the distribution of profits generated as of 2014.

25. Balances and transactions with related parties

Related-party receivable and payable balances are as follows:

Receivable	2023	2022	2021
Red Nacional Última Milla, S. A. P. I. de C. V.	$ 2,121,955	$1,612,320	$1,271,061
Empresa de Servicios y Soporte Integral GC. S. A. P. I.	1,275,829	2,392,990	908,464
Autovía Mitla Tehuantepec, S. A. de C. V.	797,034	325,070	-
APTIV Contract Services Norest	763,283	1,079,317	995,530
FCC Construcción S.A. Sucursal de México	198,059	294,762	88,019
Consorcio Tramo Dos, S. A. de C. V.	183,736	409,311	67,836
Comunicación Celular, S. A. de C. V.	145,688	98,176	87,279
Infraestructura y Saneamiento de Atotonilco, S. A. de C. V.	142,685	141,442	140,201
Promotora del Desarrollo de América Latina, S. A. de C. V.	98,025	21,389	792
Teléfonos de México, S. A. B. de C. V.	88,655	110,417	164,154
América Móvil Perú, S. A. C.	84,740	123,240	143,648
Constructora MT Oaxaca, S. A. de C. V.	82,264	91,411	95,940
Claro, S. A.	63,553	36,884	23,784
Radiomóvil Dipsa, S. A. de C. V.	53,681	22,068	56,087
Red Última Milla del Noroeste, S. A. P. I. de C. V.	52,815	106,247	82,142
Servicios de Comunicaciones de Honduras, S. A. de C. V.	52,293	39,528	27,944
Compañía de Teléfonos y Bienes Raíces, S. A. de C. V.	44,843	114,739	16,100
Concesionaria autopista Guadalajara-Tepic, S. A. de C. V.	42,558	42,547	42,547
Claro CR Telecomunicaciones, S. A.	41,878	28,160	8,669
Telecomunicaciones de Guatemala, S. A.	40,943	50,265	92,823
Claro Comunicaciones, S. A	36,627	-	94,615
Operadora de Sites Mexicanos, S. A. de C. V.	28,347	13,824	15,246
Servicios CVTM, S. A. de C. V.	26,247	-	-
Bajasur, S. A. de C. V.	26,077	-	-
Telmex Colombia, S. A.	25,920	15,180	170,613
Empresa Nicaragüense de Telecomunicaciones, S. A.	24,639	37,345	60,796
Telecom Publicar Directorios. S. A. de C. V.	24,636	-	-
CTE Telecom Personal, S. A. de C. V.	22,571	304	-
Consorcio Ecuatoriano de Telecomunicaciones, S. A.	17,523	30,632	22,063
Uninet, S. A. de C. V.	15,339	37,338	12,569
Alquiladora de Casas, S. A. de C. V.	12,369	40	-
Miniso BF Holding, S. de R. L. de C. V.	-	116,666	178,254
Concesionaria de Carreteras y Libramientos del Pacífico Norte, S. A. de C. V.	11	91,389	91,389
Consorcio FCC Americas, APCA	-	35,359	-
Conductores Monterrey, S. A. de C. V.	3,703	20,472	5,562
Compañía Dominicana de Teléfonos, S. A.	2,430	17,705	37,808
Puerto Rico Telephone Company, INC.	5,655	15,968	8,447
Fideicomiso Opsimex 4594	8,930	15,303	10,502
Compañía de Telecomunicaciones de el Salvador, S. A. de C. V.		9,762	46,447
FCC Américas Panamá	-	-	28,776
Inmuebles Sercox, S. A. de C. V.	-	-	18,742
Consorcio FCC Corredor de Las Playas 1	-	3,661	5,573
Fundación Carlos Slim, A. C.	3,442	2,902	6,141
Ocampo Mining, S. A. de C. V.	1,244	2,020	6,813
Minera Real de Ángeles, S. A. de C. V.	-	1,995	10,404
Nacional de Cobre, S. A. de C. V.	8	4	25,750
Others	84,694	48,427	67,979
	$6,744,929	**$7,656,579**	**$5,237,509**

Payable	2023	2022	2021
Talos Energy Inc.	$842,986	$	$
Radiomóvil Dipsa, S. A. de C. V.	132,451	-	-
Transform SR Brands LLC	113,840	243,280	376,239
FCC Construcción, S. A. Sucursal México	88,772	105,347	87,961
Aptiv Services US, LLC.	87,749	-	-
JM Distribuidores, S. A.	71,302	65,538	47,682
Inmose, S. A. de C. V.	48,910	32,110	31,025
Consorcio Cargi - Propen, S. A. de C. V.	26,351	36,375	31632
Inmuebles SROM, S. A. de C. V.	25,620	60,386	-
Bajasur, S. A. de C. V.	22,214	22,248	17,808
Consorcio Tramo Dos, S. A. de C. V.	21,607	3,080	2,858
Seguros Inbursa, S. A.	18,843	17,971	-
Uninet, S. A. de C. V.	18,205	18,410	14,446
Teléfonos de México, S. A. de C. V.	18,015	6,388	3,869
América Móvil Perú, S. A. C.	14,217	-	-
Inversora Bursátil, S. A. de C. V.	13,956	54,092	15,712
Concesionaria ETRAM Cuatro Caminos, S. A. de C. V.	12,300	11,346	3,498
Sociedad Financiera Inbursa, S. A. de C. V., SOFOM, E. R.	12,134	12,273	12,065
Promotora Inbursa, S.A. de C.V.	-	2,510	-
Delphi Packard Electric Systems, Inc.	-	61,618	2,765
Consorcio Ecuatoriano de Telecomunicaciones, S. A.	67	28,448	27,119
Grupo Telvista, S. A. de C. V.	3,013	15,195	4
Triara.COM.	790	14,730	9,887
Desarrollos Sagesco, S. A. de C. V.	10,628	11,591	1,625
Fundación Carlos Slim, A. C.	34	11,559	7,254
AMX Contenido, S. A. de C. V.	835	26	40,533
Others	57,276	789	31,807
		53,985	71,157
	$1,662,115	**$889,295**	**$836,946**

a. Borrowings from financial institutions includes balances with Banco Inbursa, S. A. of $13,908,738 as of December 31, 2023, accruing a fixed interest of 13.01%, $12,097,669 as of December 31, 2022, accruing a fixed interest of 10.97%; for $7,504,657 and as of December 31, 2021, which caused a fixed interest of 7.8705%

b. Due to related parties includes advances from customers of $121,545, $83,049 and $62,679 as of December 31, 2023, 2021 and 2021, respectively.

c. The amounts outstanding are unsecured and will be cash settled. No guarantees have been given or received. No expense has been recognized in the current period or prior periods regarding bad or doubtful debts relating to amounts owed by related parties.

d. Transactions with related parties, carried out in the ordinary course of business, were as follows:

	2023	2022	2021
Sales	**$28,029,079**	**$29,126,038**	**$19,575,101**
Interest income	(554,044)	803,056	84,260
Inventories purchased	(1,195,709)	(1,081,659)	(1,264,732)
Insurance expenses	(503,174)	(566,643)	(224,571)
Lease expenses	(1,051,964)	(788,137)	(520,901)
(Expense) income for services rendered, net	1,381,828	756,403	(408,360)
Other expenses, net	(758,689)	(603,150)	(115,541)
Purchases of fixed assets	(714)	(48,480)	(815)

e. Transactions with associated entities and joint ventures, carried out in the ordinary course of business, were as follows:

	2023	2022	2021
Sales	**$76,074**	**$127,435**	**$172,324**
(Expense) income services, net	186	14,888	(29,919)
Inventories purchases	(7,914)	(7,541)	(66)
Lease expenses	(3,988)	(3,725)	(3,566)
Insurance		-	-
Other expenses, net	(580)	(37,710)	(18,617)

26. Income

Net sales	2023	2022	2021
Sale of goods	$139,398,701	$129,510,472	$90,540,560
Construction	43,314,640	37,352,470	23,883,381
Interests	4,150,532	3,835,413	3,090,829
Services	6,582,767	5,866,134	3,511,892
Rentals	3,428,351	3,509,745	2,520,967
Dividends	1,331,948	1,309,388	900,244
Others	248,370	155,057	124,916
Total	**$198,455,309**	**$181,538,679**	**$124,572,789**

27. Cost and expenses analyzed by nature

2023

Concept	Cost of sales	Sales expenses	Administrative expenses	Total costs and expenses
Wages and salaries	$11,867,809	$6,034,685	$2,942,846	$20,845,340
Employee benefits	909,198	2,758,658	454,907	4,122,763
Raw materials	45,602,222	-	-	45,602,222
Manufacturing expenses	13,480,822	-	16,710	13,497,532
Finished products	67,459,355	926,491	-	67,459,355
Depreciation	3,076,168	13,727	105,283	4,107,942
Amortization	122,900	909,718	148,441	285,068
Depreciation of right-of-use assets	449,472	807,467	111,687	1,470,877
Advertising	-	207,513	-	807,467
Insurance	80,813	824,226	174,870	463,196
Freight	-	12,041	-	824,226
Allowance for doubtful	-	339,040	2,781,541	2,793,582
accounts	-	51,954	-	339,040
Royalties	1,883	1,069,568	198,173	252,010
Fees	798,301	227	213,318	2,081,187
Maintenance	-	69,951	672,262	672,489
Plant costs	22,518	171	54,156	146,625
Security services	2,051,891	90,512	7,345	2,059,407
Lease	409	652,930	92,937	183,858
Telephone	4,561	506,856	10,422	667,913
Electricity	-		66,178	573,034
Credit card fees		1,842,692	572,303	2,513,489
Other	98,494			
Total	**$146,026,816**	**$17,118,427**	**$8,623,379**	**$171,768,622**

2022

Concept	Cost of sales	Sales expenses	Admisitrative expenses	Total costs and expenses
Wages and salaries	$11,867,809	$5,198,523	$2,445,530	$7,552,005
Employee benefits	909,198	2,423,913	400,746	3,599,917
Raw materials	45,602,222	-	-	47,344,846
Manufacturing expenses	13,480,822	-	14,909	11,997,921
Finished products	67,459,355	-	-	61,814,967
Depreciation	3,076,168	894,097	92,169	3,499,007
Amortization	122,900	15,474	126,600	222,690
Depreciation of right-of-use assets	449,472	866,088	77,513	1,311,842
Advertising	-	710,602	-	710,602
Insurance	80,813	152,597	105,097	365,613
Freight	-	1,097,838	-	1,097,838
Allowance for doubtful	-	11,300	693,698	711,883
accounts	-	303,307	-	303,307
Royalties	1,883	47,359	164,829	214,434
Fees	798,301	1,101,412	175,685	2,017,766
Maintenance	-	4,991	602,930	607,921
Plant costs	22,518	73,873	47,098	142,637
Security services	2,051,891	178	6,835	1,391,919
Lease	409	99,362	80,988	180,761
Telephone	4,561	545,990	9,673	560,018
Electricity	-	453,451	56,152	509,603
Credit card fees		1,648,892	384,083	2,155,017
Other	98,494			
Total	**$137,178,732**	**$15,649,247**	**$5,484,535**	**$158,312,514**

2021

Concept	Cost of sales	Sales expenses	Administrative expenses	Total costs and expenses
Wages and salaries	$6,053,770	$4,306,800	$1,953,482	$2,314,052
Employee benefits	672,803	2,075,989	328,809	3,077,601
Raw materials	33,481,120	-	-	33,481,120
Manufacturing expenses	4,217,032	-	-	4,217,032
Finished products	46,965,359	-	-	46,965,359
Depreciation	1,250,818	966,278	89,075	2,306,171
Amortization	98,952	14,303	61,943	175,198
Depreciation of right-of-use	252,872	741,712	344	994,928
assets	-	631,602		
Advertising	41,585	166,653	-	631,602
Insurance	5	429,284	67,166	275,404
Freight	7,892	(1,611)	1,567	430,856
Allowance for doubtful accounts	-	245,496	757,763	764,044
Royalties	31	38,505	-	245,496
Fees	289,980	800,551	159,849	199,785
Maintenance	-	9,163	155,294	1,245,825
Plant costs	18,439	75,203	530,761	539,924
Security services	487,949	623	46,443	140,085
Lease	437	107,120	7,297	495,869
Telephone	3,485	500,575	86,366	193,923
Electricity	-	367,769	7,644	511,704
Credit card fees			61,438	429,207
Other	104,837	1,104,025	415,103	1,623,965
Total	**$93,948,766**	**$12,580,040**	**$4,730,344**	**$111,259,150**

28. Other (income) expenses – net

	2023	2022	2021
Loss (gain) in sales of materials and waste	$175,549	$(33,072)	$(19,240)
Loss (gain) on sales of property, plant and equipment	1,903	(22,607)	(14,298)
Revaluation of investment property revaluation	(170,601)	(193,348)	(867,066)
Reassessment of employee retirement benefits	-	-	73,507
Liabilities and provisions cancellation	(302,783)	(179,883)	(274,299)
Valuation of shares (see Note 3)	-	(3,809,962)	-
Rehabilitation expenses Line 12	1,243,008	529,601	1,166,414
Loss on Sanborns fixed asset disposals	8,360	113,987	61,365
Impairment of property, plant and equipment	783,706	420,063	89,745
Environmental remediation	1,639	66	20,865
Otherexpenses, net	(246,608)	(242,969)	(144,281)
	$1,494,173	**$(3,418,124)**	**$92,712**

29. Income taxes

The Entity is subject to ISR. Under the ISR Law, the rate for 2023, 2022 and 2021 was 30% and will continue for the years thereafter. The applicable ISR rates in the countries where the Entity's main foreign subsidiaries operate are, United States of North America with rates 21% for 2023, 2022 and 2021 and Brazil with the 34% rate, applicable for the three years. The Entity with only its Mexican subsidiaries incurred ISR on a consolidated basis until 2013. As the ISR Law applicable as of December 31, 2013 was superseded (2014 Law), the tax consolidation regime was eliminated, and the Entity and its subsidiaries have the obligation to pay the deferred income tax calculated as of that date over a 10-year period beginning in 2014, as illustrated below.

At the same time the tax consolidation regime was repealed by the 2014 Law, an option was established, which allows groups of companies to determine a joint calculation of ISR (tax integration regime). The new regime allows groups of consolidated companies that share common direct or indirect ownership of more than 80%, certain benefits in the tax payment (when the group of companies include both profit and loss entities in the same period), which can be deferred over three years and reported, as updated, at the filing date of the tax declaration corresponding to the tax year following the completion of the aforementioned three-year period.

As of 2014, Grupo Carso has been authorized by the Ministry of Finance and Public Credit to prepare its declarations to go based on the tax integration regime, the entity opted to disincorporate from said tax regime as of January 2023.

In accordance with subparagraph d) of section XV of the ninth transitory article of the 2014 Law, and because the Entity as of December 31, 2013 had the status of controller and on that date was subject to the payment scheme contained in the section VI of the fourth article of the transitory provisions of the Income Tax Law published in the official gazette of the federation on December 7, 2009, or article 70-A of the 2014 Income Tax Law that was repealed, you must continue paying the tax which differed due to tax consolidation in 2007 and prior years in accordance with the aforementioned provisions, until its payment was completed.

a. Income taxes (benefit) expenses are as follows:

ISR	2023	2022	2021
Current	$5,466,537	$4,072,099	$2,523,532
Deferred	280,292	(386,147)	80,954
	$5,746,829	**$3,685,952**	**$2,604,486**

b. The main items that originate the balance of the deferred income tax liability (asset) as of December 31, are:

ISR deferred (asset) liability:	2023	2022	2021
Property, plant and equipment	$589,001	$1,740,778	$(2,699,211)
Inventories	(640,093)	(326,938)	133,451
Leased assets	4,815,897	5,454,519	5,619,709
Brands	92,836	92,836	-
Advances from customers	(926,660)	(625,802)	(1,885,841)
Investment in associated entities	5,236,623	5,236,623	4,743,754
Metals swaps and forwards	161,150	178,717	(235,182)
Revenues and costs by percentage-of-completion method	804,330	(902,223) (484,033)	110,808 (895,865)
Allowances for assets and reserves for liabilities	(688,098)	(1,141,643)	272,897
Others	(526,730)		
Deferred ISR on temporary differences	8,918,256	9,222,834	5,164,520
Effect of tax loss carryforwards	(4,747,496)	(5,356,561)	(3,830,935)
Deferred ISR payment (long-term CUFINRE)	1,965	1,878	1,742
	4,172,725	**3,868,151**	**1,335,327**
Total deferred tax assets	**6,775,088**	**5,815,525**	**5,216,710**
Total deferred tax liability	**$10,947,813**	**$9,683,676**	**$6,552,037**

The movements of deferred tax (asset) liabilities during the year are as follows:

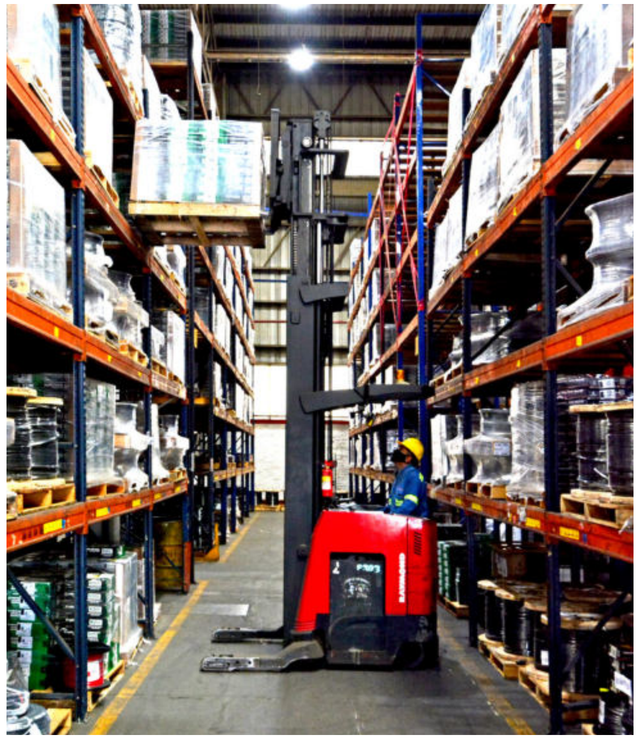
	2023	2022	2021
Opening balance	**$3,868,151**	**$1,335,327**	**$461,371**
Income tax applied to results	280,292	(386,147)	80,954
Business acquisition	24,282	1,180,111	793,002
Recognized in other comprehensive income	-	1,738,860	-
Saldo Final	**$4,172,725**	**$3,868,151**	**$1,335,327**

c. Reconciliation of the statutory and effective ISR rates expressed as a percentage of income before taxes on income, is as follows:

	2023	2022	2021
	%	%	%
Statutory rate	30	30	30
Add (less) the effect of permanent differences -			
Non-deductible expenses	4	2	2
Effects of inflation	(2)	(2)	(1)
Effect of tax loss carryforwards from foreign operations	(10)	(13)	(7)
Participation in results of associated entities and joint ventures	(2)	(2)	(6)
Others	9	-	(1)
Effective rate	**29**	**15**	**17**

d. Benefits of restated tax loss carryforwards, for which a deferred income tax asset has been recognized, may be recovered if certain requirements are fulfilled. Their maturities and restated amounts at December 31, 2023 are as follows:

Year of expiration	Tax loss carryfowards
2024	$151,828
2025	1,878,954
2026 and thereafter	17,658,692
	19,689,474
Foreign subsidiaries tax loss carryforwards without expiration term	3,330,662
Total	**$23,020,136**



e. Tax consolidation:
The ISR liability as of December 31, 2022, related to the effects of benefits and tax deconsolidation, is recorded in taxes payable in short-term liabilities, with which the ISR payment for deconsolidation is concluded, which the same thing that took place last April 2023.

f. Tax integration:
The entity opted to disincorporate from this new regime, therefore the ISR for the years 2021, 2020, 2019 and 2018 whose amounts are 620,057; 328,344; 98,435 and 204,185, respectively, they were informed in January 2023.

30. Commitments

a. Comercial Group:

a. As of December 31, 2023, there are contracts entered into with suppliers for the remodeling and construction of some of their stores. The amount of the commitments contracted for this concept amounts to approximately $256,023.

b. In December 2010, Sears Operadora México, S. A. de C. V. (formerly Sears Roebuck de México, S. A. de C. V.) (Sears) and Sears Roebuck and Co. (Sears USA) signed an agreement, through which they have decided to extend in the same terms as they were, the Trademark Use License Agreement and the Merchandise Sales and Advisory contracts governing the business relationship between them, which provides for the payment of 1% by Sears to Sears USA on the income from the sale merchandise , through which it is allowed to use Sears name both in its business name and in its stores, as well as the exploitation of trademarks owned by Sears Roebuck and Co. The agreement will be in force until 30 September 2017, but contemplates the existence of an extension of seven additional years under the same conditions, unless someone one decides not to extend it, notifying the other party two years in advance. On 30 September 2017, neither party notified the other of the decision to terminate the Agreement, so it was automatically extended for an additional 7 years respecting the initial terms of the agreement.

c. Through an agreement signed on September 12, 2006, the Entity entered into a contract for the payment of consultancy and trademark use license, for an initial period of 15 years with a renewal option for an additional 10 years, which provides for the annual minimum payment of 500 thousand US dollars, through which it is allowed to use the name of Saks Fifth Avenue both on its social reason and in its stores.

b. Infrastructure and Construction and Industrial:

a. In December 2023, GSM-Bronco, S.A. de C. V. and Orma Challenges and Solutions, S.A. de C. V., signed a contract with PEP for Support Equipment Services to integrate the control fluid service into the drilling, repair and completion of ground wells operated by Pemex Exploration and Production, for a minimum amount of US$36,339. Work began on December 20, 2023 and is expected to be completed on December 31, 2024.

b. In the last quarter of 2023, the "Pabellón Polanco" project was signed for a total of 2,700,000, with completion date in the last quarter of 2025, as of December 31, 2023, an approximate advance of 4%.

c. During 2022, contracts were signed for the construction of Star Medicas in Interlomas, Puebla, Polanco and Leon, for a total amount of 4,327,000, with completion during 2024 and 2025, as of December 31, 2023, an advance of approximately 12%. In the last quarter of 2023, Tijuana and Inbursa were signed, for a total amount of 2,002,000, with completion during 2025, as of December 31, 2023, there is an approximate progress of 2%.

d. In August 2022, PEP awarded and signed a contract with Operadora CICSA, S. A. de C. V. (Operadora) and two more Engineering, Procurement and Construction companies for MULACH-B and YAXCHE-AI marine infrastructure units, to be installed in the Campeche sounding, Gulf of Mexico", with due on December 31, 2023, for an amount of $848,357 and US $101,551, both amounts correspond to the participation of Operator that represents 56.34% of the total contract. At the end of 2022, the MULACH unit was completed and as of December 31, 2023, the YAXCHE unit is 64% complete.

e. In September 2021, GSM-Bronco, S. A. de C. V. and Canamex Energy Holdings, S. A. P. I. de C. V. received a turnkey contract for drilling and completion of development wells for onshore fields through the international electronic restricted invitation procedure from PEP. Of PEP, for a minimum amount of US $196,050, the works began in September 2021, as of December 31, 2023, there is 79% progress progress and an extension of the amounts and execution deadlines is in the process.

f. In May 2020, the Federal Government entered into a contract with Operadora and FCC Construcción, S.A. de C.V. includes the preparation of the executive project, supply of materials and construction of the platform and track of the Mayan Train in the sections Escárcega station (PK 228+000) and Calkiní station (PK 463+000) with a total of 235 km. Operator has a 50% interest, for an original contracted amount of $15,994,602 and a termination date of July 2022. To date, various agreements have been signed to adapt the contract to the new requirements. the updated value of the contract is $29,696,155. As of December 31, 2023, there is an approximate advance of 91%.

g. In November 2019, GSM-Bronco, KB Tel and Petroservicios Integrales México, S. A. de C. V. signed a contract with PEP for comprehensive and integrated works for interventions in oil wells, for a maximum amount of US$ 88,063, the works began in January 2020. As of December 31, 2023, they have been completed with the work, however, an extension in terms and amounts of the contract is being processed.

h. In November 2018, Operadora signed a contract to carry out the construction of Section 2 of the Las Varas – Puerto Vallarta Highway, the amount amounts to $4,134,434, during February 2022, a rescheduling request was submitted in the amounts and expiration due to situations unrelated to the Operator, the increase to the original contract is for an amount of $1,600,000, as of December 31, 2023, the contracted jobs have been completed, the termination reconciliation is in progress.

i. The MOP awarded the "Consorcio FCC-Corredor de playas I", made up of FCC Construcción, S.A. and Operadora, the execution of the project "Expansion to six (6) Lanes -corredor de las playas, Section 1: La Chorrera – Santa Cruz", in the province of Panama West, in Panama.Operator's share is 49%. The amount of the contract amounts to B$543,022, thousand balboas, equivalent to $10,368,618. In August 2021, the MOP gave notice of the suspension of the work, on July 23, 2022 the transfer of the work was completed and as of December 31, 2023 only 4,421 thousand balboas were outstanding.

j. On January 25, 2016, Cafig Constructores, S. A. de C. V., a subsidiary of Operadora with a 45% shareholding, was incorporated for the purpose of building the Samalayuca – Sásabe Gas Pipeline (the "Gas Pipeline") between the states of Chihuahua and Sonora. For the natural gas transportation service.

The Gas Pipeline is 36" in diameter, with a total length of 625 kilometers and the capacity to transport natural gas for up to the maximum daily amount of Four hundred and seventy-two million cubic feet per day (472 MMPCD). The customer requested an extension called Repeater Station, which is planned to be completed in March 2024.

k. In November 2014, GSM-Bronco and PEP signed a contract for comprehensive work on control fluids, solids separation and waste management to be used in oil wells in the southern region for US$62,128, operations began in 2015, during 2017, PEP decided to suspend the contract, and during the second semester of 2018, it was reactivated. On September 29, 2022, an amending agreement was signed to extend the execution period. As of December 31, 2023, the work was completed and as of December 31, 2023, the termination process continues.

l. In May 2014, PEP awarded a contract for directional drilling in oil wells to Bronco through international public bidding under free trade agreements for US $88,786, to be executed in 882 days. Work began in June 2014 and at As of December 31, 2018, there was an advance of 39%. By agreement between PEP and the National Water Commission ("CONAGUA"), water wells have been drilled with this contract in Mexico City. To date, 5 water wells have been drilled. On September 30, 2022, an amending agreement was signed to extend the execution period by 365 calendar days from July 1, 2022 and increase the amount of the contract by US $29,049. The work was completed during the first half of 2023 and as of December 31, 2023 the contract termination process continues.

m. Construction of the 169 km Mitla-Tehuantepec highway for $9,318,200, for which a consortium was created in which Operadora participated with 40%. In June 2019, the concessionaire reported the early termination of the contract with the consortium, which was 68% complete, at the same time, the concessionaire assigned the project directly to Operadora for the conclusion of the works for a value of $5,905,000. And as of December 31, 2023, they have been completed with the originally contracted works, however, work is still being carried out and we are in negotiations to formalize the extension of the contract.

The following reported figures include works carried out directly by CICSA and by Operadora CICSA, which among its main projects have:
As of December 31, 2023 and 2022, the Entity signed contracts and work orders with related parties in Mexico and Latin America, for total amounts of $10,253,736 and $8,699,06; as well as USD $356,992 and USD $240,347, respectively. The contracts include professional services for the construction and modernization of copper cabling networks (pairs) and external plant fiber optics, as well as for the construction of conduits and installation of fiber optics, public works, and connections. Most of the contracted projects are estimated to be completed during 2024.

The following contracts and / or projects are in the process of settlement:

YEAR OF RECRUITMENT	PROJECT	CONTRACTED SUBSIDIARY	AMOUNT CONTRACT	SECTOR
2021	Vessels, Heat Exchangers and Soloaires	Operadora	USD 25,301	Manufacturing and services
2021	Heat exchangers	Operadora	USD 11,000	Manufacturing and services
2021	Process equipment for Dos Bocas refinery	Operadora	USD 100,136	Manufacturing and services
2020	Process equipment for Dos Bocas refinery	Operadora	USD 16,741	Manufacturing and services
2019	MALOOB-E AND MALOOB-I PLATFORMS	Operadora	$1,889 USD 69,505 y $1,517,015	Manufacturing and services
2017	Andromaco	Operadora	$383,000	Civil Construction
2017	Project Tlalnepantla	Operadora	$505,000	Civil Construction
2017	Building Moliere	Operadora	$501,000	Civil Construction
2013	Vialidad Brisamar to the connection with Cayaco – Puerto Marques	Acatunel	$1,938,043	Infrastructure
2012	Guadalajara	Operadora	$7,863,881	Infrastructure

31.Contingencies

I. Retail sector:

As of the date of these consolidated financial statements, the Entity has legal proceedings in process with the competent authorities for diverse reasons, mainly for foreign trade duties, for the recovery of accounts receivable and for labor matters.

The estimated settlement amount of these proceedings as of December 31, 2023 is $420,453, for which the Entity has recognized a provision of $114,121, which is included in other liabilities in the consolidated statements of financial position. During 2023, the Entity made payments related to these matters of approximately $48,117. While the results of these legal proceedings cannot be predicted with certainty, management does not believe that any such matters will result in a material adverse effect on the Entity's financial position or operating results.

II. Infrastructure and construction and Industrial sectors:

a. The Entity maintains commercial, tax and labor proceedings. These proceedings are generated in the normal course of business and are common in the industries in which the businesses participate, and even when it is possible that some unfavorable failures occur for the Entity, the administration considers that such allegations would not have an adverse material impact in its consolidated financial situation.

b. Certain subsidiaries are currently engaged in legal proceedings with the competent authorities for different reasons, primarily taxes and for the collection of non-current accounts receivable. The Entity's officers and attorneys consider most of these proceedings will resolve favorably. However, any unfavorable verdict will not substantially affect the Entity's financial position or results of operations.

c. As of December 31, 2023 and 2022, the Entity has contracted guarantees, mainly in favor of its clients, for $4,783,535 and $349,711thousand US dollars and for $30,749,291 and $301,070 thousand US dollars, respectively, which were the liability amounts in force in said periods.

d. Performance warranties. In the normal course of operations, the Entity is required to guarantee its obligations, mainly derived from construction contracts by means of letters of credit or bonds, regarding the compliance with contracts or the quality of the developed works.

32. Segment information

Information by operating segment is presented based on the management focus and general information is also presented by geography. The balances with subsidiaries are presented in the column of Holding, others and eliminations.

a. Condensed analytical information by operating segment:

	2023						
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	RETAIL	INDUSTRIAL AND MANUFACTURING	INFRASTRUCTURE AND CONSTRUCTION	ELEMENTIA	ENERGY	HOLDING, OTHERS AND ELIMINATIONS	TOTAL CONSOLIDATED
Current assets:							
Cash and cash equivalents	$6,209,095	$3,544,537	$1,738,108	$3,753,021	$1,224,811	$(122,525)	$16,347,047
Accounts and loans receivable	14,231,083	5,441,185	24,604,358	3,370,481	2,577,747	(1,385,364)	48,839,490
Inventories	14,725,274	5,916,241	1,938,689	5,214,962	47,564	494	27,843,224
Total current assets	35,919,428	18,171,776	37,036,042	13,173,806	4,424,219	(1,397,464)	107,327,807
Net investment in leased assets	-	-	-	-	13,289,011	-	13,289,011
Property, plant and equipment	11,838,436	3,786,284	8,376,224	25,496,669	9,828,480	(1,792)	59,324,301
Right-of-use assets	3,495,971	324,008	1,484,581	794,608	33,542	(178,452)	5,954,258
Other assets	69,419	521,548	77,902	30,130	596	13,982	713,577
Total assets	62,426,371	40,292,615	49,855,714	44,744,273	39,295,618	13,859,173	250,473,764
Liabilities:							
Loans payable to financial institutions and current portion of long-term debt	$1,810,000	$79	$15,686,173	$2,446,476	$7,688,463	$(8,534,013)	$19,097,178
Current lease liabilities	1,199,172	107,544	203,012	81,487	6,115	(37,903)	1,559,427
Trade accounts payable	11,554,318	2,036,704	2,273,358	3,234,053	43,300	(487,892)	18,653,841
Total current liabilities	21,352,626	4,531,248	27,586,574	9,430,194	9,280,764	(9,147,594)	63,033,812
Long-term debt	-	-	451,056	11,153,051	11,001,530	4,047,487	26,653,124
Noncurrent lease liabilities	3,044,697	254,316	267,961	728,787	30,442	(156,366)	4,169,837
Total de liabilities	25,602,892	5,315,708	29,706,805	24,478,803	21,028,410	185,426	106,318,044

2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	RETAIL	INDUSTRIAL AND MANUFACTURING	INFRAESTRUCTURE ANS CONSTRUCTION	ELEMENTIA	ENERGY	HOLDING, OTHERS AND ELIMINATIONS	TOTAL CONSOLIDATED
Current assets:							
Cash and cash equivalents	$8,395,504	$6,635,437	$2,135,256	$3,439,562	$780,222	$(9,091,338)	$12,294,643
Accounts and loans receivable	13,065,620	6,076,901	13,825,618	3,725,051	3,053,282	(538,509)	39,207,963
Inventories	13,406,028	5,709,834	1,982,145	6,007,608	37,652	272	27,143,539
Total current assets	35,565,786	23,384,887	26,414,990	14,254,067	4,270,172	(9,440,788)	94,449,114
Net investment in leased assets	-	-	-	-	15,144,293	-	15,144,293
Property, plant and equipment	11,884,111	3,659,380	7,155,161	27,792,980	11,032,320	4,843	61,528,795
Right-of-use assets	3,613,999	335,463	1,370,831	887,215	62,646	(67,449)	6,202,705
Other assets	80,637	353,174	70,228	48,428	1,669	2,473	556,609
Total assets	61,259,268	45,375,734	38,073,454	48,059,670	43,302,475	3,311,501	239,382,102
Liabilities:							
Loans payable to financial institutions	-	$48	$5,430,341	$3,101,283	$7,889,287	$(836,424)	$15,584,535
and current portion of long-term							
debt	1,149,668	76,813	629,806	104,845	6,115	(14,520)	1,952,727
Current lease liabilities	9,164,363	2,786,572	1,991,193	3,411,756	177,975	(317,037)	17,214,822
Trade accounts payable	16,962,895	5,674,395	19,965,953	10,111,149	10,009,562	(1,350,910)	61,373,044
Total current liabilities	-	-	516,952	13,935,858	13,303,383	(550,378)	27,205,815
Long-term debt	3,241,164	309,514	239,502	779,747	62,958	(60,161)	4,572,724
Noncurrent lease liabilities							
Total de liabilities	21,391,457	6,417,430	21,043,900	28,519,928	23,678,862	3,476,282	104,527,859

2021

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	RETAIL	INDUSTRIAL AND MANUFACTURING	INFRAESTRUCTURE ANS CONSTRUCTION	ENERGY	HOLDING, OTHERS AND ELIMINATIONS	TOTAL CONSOLIDATED
Currents assets:						
Cash and cash equivalents	$7,304,948	$1,260,545	$567,145	$1,874,004	$191,000	$11,197,642
Accounts and loans receivable, net	10,005,059	6,852,294	11,957,423	2,459,718	(2,879,887)	28,394,607
Inventories	11,343,616	6,217,907	2,547,211	32,205	416	20,141,355
Total current assets	29,650,114	19,387,663	21,769,144	4,883,158	(2,564,394)	73,125,685
Property, plant and equipment	-	-	-	16,029,400	-	16,029,400
Right-of-use assets	12,220,130	3,666,258	5,324,414	11,291,304	3,676	32,505,782
Other assets	3,976,812	265,766	1,338,858	75,656	(25,266)	5,631,826
Total assets	95,833	282,364	50,113	-	4,778	433,088
	55,174,603	36,637,857	31,548,148	43,201,095	19,211,550	185,773,253
Liabilities:						
Loans payable to financial institutions	-	$25,675	$1,664,932	$9,531,227	$(5,701,088)	$5,520,746
and current portion of long-term						
debt	1,153,792	37,691	497,509	6,115	(23,590)	1,671,517
Current lease liabilities	8,852,278	1,778,065	2,188,227	184,934	(142,703)	12,860,801
Trade accounts payable	14,890,783	4,029,561	15,041,814	12,199,851	(6,619,346)	39,542,663
Total current liabilities	-	-	549,580	16,276,919	1,804,230	18,630,729
Long-term debt	3,613,903	273,488	911,293	74,395	(1,704)	4,871,375
Non-current lease liabilities						
Total liabilities	19,948,874	4,925,264	17,067,950	29,570,774	185,744	71,698,606

2023

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	RETAIL	INDUSTRIAL AND MANUFACTURING	INFRASTRUCTURE AND CONSTRUCTION	ELEMENTIA	ENERGY	HOLDING, OTHERS AND ELIMINATIONS	TOTAL CONSOLIDATED
Net Sales	$73,326,668	$44,619,685	$45,009,965	$32,261,583	$3,476,672	$(239,264)	$198,455,309
Cost of sales	48,072,616	37,643,433	35,588,795	24,773,651	506,239	(557,918)	146,026,816
Sales expenses	15,025,045	381,945	7,371	2,061,027	217,753	(574,714)	17,118,427
Administrative expenses	5,127,342	1,317,043	1,338,273	1,252,102	83,138	(494,519)	8,623,379
Employee profit-sharing	473,555	169,832	72,491	79,948	-	3,289	799,115
Other (income) expenses – net	(309,903)	(258,282)	1,459,236	627,586	(4,142)	(20,322)	1,494,173
Interest expense	723,928	56,303	1,233,512	2,058,579	1,568,646	188,114	5,829,082
Interest income	(658,750)	(659,530)	(232,689)	(136,746)	(203,875)	138,553	(1,753,037)
Exchange gain	(145,506)	(1,159,245)	(1,277,936)	185,453	(608,996)	(566,453)	(3,572,683)
Exchange loss	89,903	1,960,238	1,514,115	723,365	261,695	1,054,377	5,603,693
Effects of Derivative financial instruments	-	-	-	-	-	(78,093)	(78,093)
Equity in income of associated companies and joint ventures	(376,132)	(222,115)	(90,554)	-	(842,386)	263,479	(1,267,708)
Income before income taxes	5,304,570	5,390,063	5,397,352	636,618	2,498,599	404,943	19,632,145
Income taxes	1,270,024	1,357,355	1,592,228	1,040,257	451,629	35,336	5,746,829
Consolidated net income	4,034,546	4,032,708	3,805,123	-403,639	2,046,971	369,607	13,885,316
Net income from controlling interest	3,712,511	3,682,962	3,782,195	106,081	2,046,971	188,664	13,519,384
EBITDA (1)	7,110,926	5,842,446	7,451,680	6,168,958	3,007,109	1,349,105	30,930,224
Depreciation and amortization	1,992,405	620,902	898,073	2,055,265	333,425	(36,183)	5,863,887

2022

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	RETAIL	INDUSTRIAL AND MANUFACTURING	INFRASTRUCTURE AND CONSTRUCTION	ELEMENTIA	ENERGY	HOLDING, OTHERS AND ELIMINATIONS	TOTAL CONSOLIDATED
Net Sales	$64,745,699	$49,599,601	$38,813,412	$24,114,919	$4,114,856	$150,192	$181,538,679
Cost of sales	42,993,905	41,333,586	32,959,870	19,379,222	706,523	(194,374)	137,178,732
Sales expenses	13,514,599	776,808	13,221	1,384,724	342,756	(382,861)	15,649,247
Administrative expenses	2,841,545	1,215,781	1,120,468	825,138	73,237	(591,634)	5,484,535
Employee profit-sharing	364,793	181,333	94,713	36,374	-	1,980	679,193
Other (income) expenses – net	(15,221)	(4,103,219)	488,929	266,856	(9,354)	(46,115)	(3,418,124)
Interest expense	510,490	76,267	593,607	1,259,509	1,280,971	70,885	3,791,729
Interest income	(690,242)	(236,162)	(400,288)	(40,895)	(29,448)	57,841	(1,339,194)
Exchange gain	(139,014)	(643,400)	(461,136)	(10,640)	(372,222)	60,074	(1,566,338)
Exchange loss	96,757	985,164	728,919	409,348	374,448	20,740	2,615,376
Effects of Derivative financial instruments	-	-	-	-	-	(352,602)	(352,602)
Equity in income of associated companies and joint ventures	(236,477)	(547,801)	5,559	-	(942,531)	417,845	(1,303,405)
Income before income taxes	5,504,564	10,561,244	3,669,549	605,283	2,690,477	1,088,413	24,119,530
Income taxes	1,111,579	1,495,976	782,291	277,210	(87,688)	106,584	3,685,952
Consolidated net income	4,392,985	9,065,268	2,887,259	328,073	2,778,164	981,829	20,433,578
Net income from controlling interest	4,010,300	8,698,598	2,902,462	540,848	2,775,300	134,396	19,061,904
EBITDA (1)	7,124,285	6,850,756	4,887,478	3,922,567	3,378,834	1,314,414	27,478,334
Depreciation and amortization	1,918,887	543,506	745,914	1,477,242	377,140	(29,150)	5,033,539

	2021					
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	RETAIL	INDUSTRIAL AND MANUFACTURING	INFRASTRUCTURE AND CONSTRUCTION	ENERGY	HOLDING, OTHERS AND ELIMINATIONS	TOTAL CONSOLIDATED
Net sales	$ 52,890,012	$ 44,259,032	$ 25,472,323	$ 2,994,411	$ (1,042,989)	$ 124,572,789
Cost of sales	35,390,856	37,077,738	21,947,865	861,957	(1,329,650)	93,948,766
Sales expenses	11,962,420	683,699	22,773	166,682	(255,534)	12,580,040
Administrative expenses	2,791,671	1,155,762	1,029,214	170,102	(416,405)	4,730,344
Employee participation in profits	124,292	130,787	108,184	-	679	363,942
Other (income) expenses – net	(62,439)	(758,627)	1,200,579	(105,508)	(181,293)	92,712
Interest expense	533,419	93,045	94,149	1,002,601	(38,436)	1,684,778
Interest income	(336,563)	(110,969)	(115,649)	(24,052)	15,709	(571,524)
Exchange gain	(95,851)	(1,407,538)	(235,392)	(1,166,151)	(791,459)	(3,696,391)
Exchange loss	111,121	1,356,909	343,826	1,099,711	741,594	3,653,161
Effects of derivative financial instruments	-	-	-	-	(319,373)	(319,373)
Equity in income of associated companies and	4,592	(1,259,142)	61,472	(1,110,351)	(522,686)	(2,826,115)
joint ventures	2,466,494	7,297,368	1,015,302	2,099,420	2,053,865	14,932,449
Income before income taxes	398,935	1,510,568	546,225	47,998	100,760	2,604,486
Income taxes	2,067,559	5,786,800	469,077	2,051,422	1,953,105	12,327,963
Consolidated net income	1,818,629	5,365,676	456,006	2,050,202	1,591,526	11,282,039
Net income from controlling interest	4,724,106	6,026,669	1,828,355	2,280,280	864,292	15,723,702
EBITDA (1)	1,894,762	607,965	639,450	379,102	(44,982)	3,476,297
Depreciation and amortization						

(1) Reconciliation of EBITDA

	2023	2022	2021
Income before income taxes	$19,632,145	$24,119,530	$14,932,449
Depreciation and amortization	5,863,887	5,033,539	3,476,297
Interest income	(1,753,037)	(1,339,194)	(571,524)
Interest expense	5,829,082	3,791,729	1,684,778
Exchange loss (gain)	2,031,010	1,049,038	(43,230)
Surplus from appraisals of shopping centers	(170,601)	(193,348)	(867,066)
Impairment of property, plant and equipment and of	773,898	420,063	89,745
exploration expenses	(1,639)	66	20,865
Environmental remediation	(78,093)	(352,602)	(319,373)
Effects of valuation of derivative financial instruments valuation	(1,267,708)	(1,303,405)	(2,826,115)
Equity in income of associated entities and joint ventures			
Rethinking of Employee retirement benefits	88,971	83,174	78,561
Portfolio Impairment	9,808	-	25,197
Other items	(27,499)	(3,830,256)	43,118
EBITDA	**$30,930,224**	**$27,478,334**	**$15,723,702**

Grupo Carso's EBITDA for the year ended December 31, 2023 increased by 12.56%.

Cash flows from operating activities:

	2023	2022	2021
Retail	$4,882,198	$2,714,487	$4,897,628
Industrial	4,383,130	5,975,779	568,194
Infrastructure and construction	(6,124,115)	1,382,656	(2,417,610)
Elementia	4,578,444	4,167,500	-
Energy	3,761,017	3,324,000	326,775
Others and eliminations	1,137,317	(1,031,891)	(258,019)
Total consolidated	**$12,617,991**	**$16,532,531**	**$3,116,968**

Cash flows from investing activities:

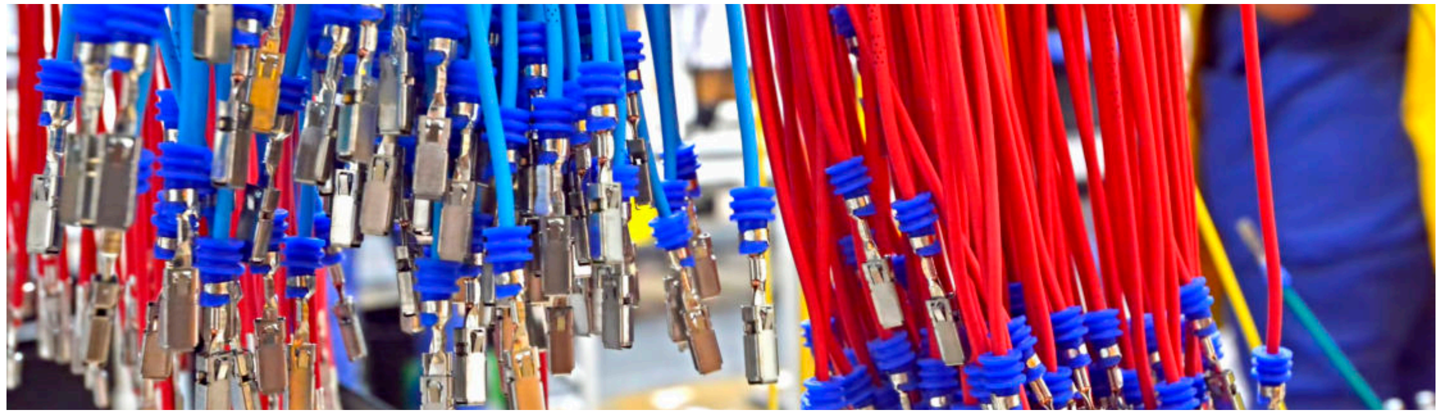
	2023	2022	2021
Retail	$(6,499,464)	$(1,274,657)	$(1,451,767)
Industrial	(7,368,072)	(1,621,073)	(1,145,346)
Infrastructure and construction	7,332,788	1,249,618	1,240,099
Elementia	(5,474,353)	(2,227,785)	-
Energy	(1,584,420)	(4,129,208)	(1,008,012)
Others and eliminations	(6,958,050)	1,264,978	(3,345,404)
Total consolidated	**$(6,635,471)**	**$(6,738,127)**	**$(5,710,430)**

b. General segment information by geographical area:
The Entity operates in different geographical areas and has distribution channels in Mexico, the United States and other countries through industrial plants, commercial offices or representatives.

The distribution of sales is as follows.

	2023	%	2022	%	2021	%
North America	$33,470,570	16.87	$33,182,180	18.28	$15,472,093	12.42
Central and South America and the Caribbean	15,345,535	7.73	15,092,644	8.31	10,924,530	8.77
Europe	787,942	0.40	922,793	0.51	3,433,711	2.76
Rest of the world	468,931	0.24	500,858	0.28	490,180	0.39
Total exports and foreign income	50,072,978	25.24	49,698,475	27.38	30,320,514	24.34
Mexico	148,382,331	74.76	131,840,204	72.62	94,252,275	75.66
Net Income	**$198,455,309**	**100**	**$181,538,679**	**100**	**$124,572,789**	**100**

The Entity has a wide variety of customers according to the category of products and services it offers; however, no particular customer represents more than 10% of net sales. The Entity offers its products and services mainly in the following industries: energy, automotive, telecommunications, construction, electronics and general public.



33. Adoption of new and revised Standards

• Application of new and revised International Financing Reporting Standards (IFRS or IAS) and interpretations that are mandatorily effective for the current year

In the current year, the Entity has applied a number of amendments to IFRS and new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after January 1, 2023. Its adoption has not had a material impact on the disclosures or on the amounts reported in these financial statements.

IFRS 17 Insurance Contracts (including amendments to IFRS 17 June 2020 and December 2021)

It has adopted IFRS 17 and related amendments for the first time this year. IFRS 17 sets forth the principles for the recognition, measurement, presentation and disclosures of insurance contracts and replaces IFRS 4 Insurance Contracts.
IFRS 17 describes a general model, which is modified by direct participation insurance contracts, described as the variable rate approach.

The general model is simplified if certain criteria are met by measuring the liability for the remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing, and certainty of future cash flows and explicitly measures the cost of such uncertainty. It considers market interest rates and the impact of policyholders' options and guarantees.

It does not have contracts that meet the definition of insurance contracts in accordance with IFRS 17.

Amendments to IAS 1 Presentation of Financial Statements and Practice Paper 2 Making Judgments on Materiality – Disclosures of Accounting Policies

It has adopted the IAS 1 amendments for the first time this year. The amendment changes the requirements in IAS 1 with respect to accounting policy disclosures. The amendment replaces all references to the term "significant accounting policies" with "material accounting policy information."

Accounting policy information is material if, when considered in conjunction with other information included in the financial statements, it can reasonably be expected to influence the decisions that primary users of general purpose financial statements make based on those financial statements.

The upportting paragraphs in IAS 1 are also amended to clarify that information related to transaction accounting policies, other intangible events or conditions need not be disclosed.

Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amount of the events is immaterial. However, not all information relating to accounting policies for material transactions, other events or conditions is itself material.

The IASB has developed guides and examples to explain and demonstrate the application of the four-step process outlined in Practice Paper 2.

Amendments to IAS 12 Income Taxes – Deferred taxes on assets and liabilities arising from a single transaction.

It has adopted the amendments to IAS 12 for the first time this year. The amendments introduce an additional exception to the initial recognition exception. According to the amendments, an entity does not apply the initial recognition exemption for transactions that result in equal cumulative and deductible time differences, for tax purposes. Depending on applicable tax law, cumulative and deductible temporary differences may arise at the initial recognition of assets and liabilities in a transaction that is not a business combination and does not affect accounting or tax results.

The amendments to IAS 12 provide that an entity is required to recognize deferred tax assets and relative liabilities, considering that the recognition of any active deferred tax is subject to the recoverability criteria of IAS 12.

Amendments to IAS 8 Changes in Accounting Policies, Estimates, and Errors – Definition of Accounting Estimate.

It has adopted the amendments to IAS 8 for the first time this year. The amendments replace the definition of a "change in accounting estimate" with the definition of "accounting estimate." Under the new definition, accounting estimates are monetary amounts in financial statements that are not subject to certainty in their measurement. The definition of a change in accounting estimate was eliminated.

IFRS Standards issued that are not yet effective

As of the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS that have been issued but are not yet effective and, in some cases have not been adopted by the relevant body.

At the date of authorization of these consolidated financial statements, the Entity has not applied the following new and amended IFRS Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28 (amendments)	Sale or contribution of assets between an investor and its associate or joint venture
Amendments to IAS 1	Classification of liabilities as current or non-current.
Amendments to IAS 1	Non-current liabilities with obligations to make and not to do (COVENANTS)
Amendments to IAS 7	Financing Provider Agreements
Amendments to IAS 16	Lease liabilities in a sale-lease transaction.

Management does not expect the adoption of the aforementioned standards to have a significant impact on the Entity's consolidated financial statements in future periods.

Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture

The amendments to IFRS 10 and IAS 28 address situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments establish that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the results of the parent only to the extent of the interest of unrelated investors in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of retained investments in any former subsidiary (which has become an associate or joint venture that is accounted for using the equity method) at fair value are recognized in profit or loss. of the former parent, only to the extent of the participation of unrelated investors in the new associate or joint venture.

The effective date of the amendments has not yet been set by the IASB; however, early application is permitted. The Entity's management anticipates that the application of these amendments may have an impact on the Entity's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Presentation of financial statements - Classification of Liabilities as Current and Non-current

The amendments to IAS 1 published in January 2020, affect only the presentation of liabilities as current and non-current in the statement of financial position and not by the amount or moment in which any asset, liability, income or expense is recognized, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current and non-current is based on whether the rights are in existence at the end of the reporting period, specify that the classification is not affected by expectations about whether the entity will exercise its right to defer settlement of a liability, explains that rights exist if covenants are met at the end of the reporting period, and introduces the definition of 'settlement' to make it clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or other services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with the anticipated application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments in advance, it is also required to apply the 2022 amendments in advance.

Amendments to IAS 1 Presentation st financial statements - non-current liabilities with obligations to make and not to make (COVENANTS)

The amendments specify that only those COVENANTS that an entity is required to comply on or before the end of the reporting period affect the entity's right to defer payment of the liability for at least twelve months after the reporting date (and therefore should be considered in evaluating Presentation and Disclosure the point of a liability as current and non-current). Such covenants affect whether rights exist at the end of the reporting period, even if compliance with the covenants is assessed only after the reporting date (for example, a covenants based on the financial position of the entity as of the reporting date that is evaluated for compliance only after the reporting date.

The IASB also specifies that the right to defer payment of a liability for at least twelve months after the reporting date is not affected if the entity only has to meet with a covenant after the reporting period. However, if the entity's right to defer payment of a liability is subject to compliance by the COVENANTS within twelve months of the reporting date, such entity discloses information that makes users of financial statements understand the risk that liabilities will be paid within twelve months of the reporting period. This would include information about the Covenants (including the nature of the Covenants and when the entity requires them to be fulfilled), the book value of the related liabilities and the facts and circumstances, if any, that indicates that the entity may have difficulty in complying with the Covenants.

Amendments are applied retrospectively for annual reporting periods beginning on or after January 1, 2024. The advance application of the amendments is permitted. If an entity applies the amendments for a prior period, it is also required to apply the 2020 amendments in advance.

Amendments to IAS 7 STATE OF Statement of cash flows and IFRS 7 Financial Statements : Revelations – Financing Provider Agreements.

The amendments add a disclosure in IAS 7 stating that, an entity requires disclosure of information on financing provider agreements, which allow the user of the financial statements to evaluate the effects of such agreements on the liabilities and Statement of cash flows assets of the entity. In addition, IFRS TSP 7 was amended to add supplier financing agreements as an example of the requirements to disclose information about the entity's exposure to concentration and liquidity risks.

The term "financing provider agreements" is not defined. Instead, the amendments describe the characteristics of an agreement whereby an entity would be required to provide information.

To meet the disclosure objective, an entity is required to disclose in aggregate form for its financing provider agreements:

- The terms and conditions of the agreements.
- The value in books and other lines in the financial position statements of the entity in which liabilities relating to the agreements are presented.
- The value in books and other lines for which providers have received payment from financing providers.
- Pay-day ranges for both financial liabilities that are part of the financing provider agreement and Accounts payable comparable retail liabilities that are not part of the financing provider agreements.
- Liquidity risk information.

The amendments contain specific transition considerations for the first annual reporting period in which the entity applies the amendments. It applies for reporting periods beginning on or after January 1, 2024.

Amendments TO IFRS 16 Leases – Leasing liability on a sale and return lease.

Amendments to IFRS 16 add subsequent measurement requirements for Class of Transactions selling and leasing on the way back that meet the requirements of IFRS the 15-way to be registered as a sale. Amendments require the seller-lessee to determine revised lease payments or lease payments such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee after the lease start date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or total termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain in the right of use it retains, only by remeasurement of the lease liability (for example, after a modification to a lease or change in the term of a lease) Applying the general requirements in IFRS 16. This could have occurred particularly in the case of return leases that include lease payments that do not depend on an index or rate.

As part of the amendments, The IASB modified an illustrative example at IFRS 16-point and added a new example to illustrate the subsequent measurement of a right-to-use asset and lease liability in a return sale and lease transaction with variable payments that do not depend on an index or fee. The illustrative examples also clarify that the liability arising from a sale and lease on the way back transaction that qualifies as a sale under IFRS 15-point-of-sale is a lease liability.

Early Apply is allowed. If a seller-lessee applies the amendments in advance, this fact must be disclosed.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 for Class of Transactions sale and return lease in those that enter after the initial application date, This is defined as the beginning of the annual reporting period in which the entity initially applied IFRS the 16-point.

The Entity's management anticipates that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods if such transactions arise.

34. Material accounting polices

Explanation for translation into English - The accompanying financial statements has been translated from Spanish into English for use of readers. These financial statements are presented on the basis of International Financial Reporting Standards ("IFRS") Certain accounting practices applied by the Grupo Carso that conform with IFRS may not conform with accounting principles generally accepted in the country of use.

a. Statement of compliance - The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the Interpretations issued by the IASB.

b. Going concern – The consolidated financial statements of Grupo Carso have been prepared by Management under the assumption that the Entity will continue to operate as a going concern.

c. Measurement basis - The accompanying consolidated financial statements have been prepared on the historical cost basis, albeit with the exception of certain long-term non-monetary assets and financial instruments, which are valued according to revalued amounts or at their fair value at the close of each period, as explained in the accounting policies detailed below. The consolidated financial statements are prepared in Mexican pesos and are presented in thousands, unless indicated otherwise.

i. Historical cost

Historical cost is generally based on the fair value of the payment made in exchange for goods and services.

ii. Fair value

Fair value is the price that would be obtained by selling an asset or paid to transfer or settle a liability in an orderly transaction between market participants at the valuation date, regardless of whether that price is directly observable or estimated using another valuation technique. When estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability, if market participants would take those characteristics when setting the price of the asset or liability on the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined as such, except for share-based payment transactions that are within the scope of IFRS 2, lease transactions covered by the scope of IFRS 16 and valuations that have some similarities to fair value, but are not fair value, such as the net realizable value referred to by IAS 2 or the value-in-use referred to by IAS 36.

d. Financial statement consolidation basis - The consolidated financial statements include the financial statements of Grupo Carso, S. A. B. de C. V., as well as the direct and indirect subsidiaries it controls. Control is achieved when the Grupo Carso:

- Has power over the investment;
- Is exposed to, or has rights to variable returns from its equity in that entity, and
- It has the ability to affect these returns by using its power over the investee.

Grupo Carso reassesses whether or not it has control over an entity if the facts and circumstances indicate that there are changes to one or more of the three control elements listed above.

When Grupo Carso has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to unilaterally direct the relevant activities of the investee. Grupo Carso considers all relevant facts and circumstances in assessing whether or not its voting rights in an investee are sufficient to give it power, including the following:

- The percentage of voting rights held by Grupo Carso holding relative to the size and distribution of the voting rights of other holders;
- Potential voting rights held by Grupo Carso, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that Grupo Carso has or does not currently have the ability to direct relevant activities when decisions must be made, including voting patterns of prior shareholders' meetings.

Subsidiaries are consolidated when control is transferred to Grupo Carso and leave the consolidation regime on the date when this control is lost. The profits and losses of the subsidiaries acquired or sold during the year are included in the consolidated statements of income and other competent income from the date on which Grupo Carso obtain control or the date when it loses this control, as the case may be.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of Grupo Carso.

All assets, liabilities, equity, income, expenses and cash flows related to transactions performed between related parties have been completely eliminated from the consolidation.

The interests of non-controlling shareholders who are current property interests that entitle their holders to a proportional share of net assets at the time of liquidation may initially be measured at the Fair Value Measurement time of the settlement or at the proportional share of the non-controlling parties to the value reasonable of the identifiable network of the acquired. The measurement choice is made on a scan-by-scan basis. Other non-controlling shares are initially measured at your Fair Value Measurement unit. After the acquisition, the book value of non-controlling interests is the amount of those holdings in the initial recognition plus the share of non-controlling interests in subsequent capital changes. Total end-to-end results are attributed to non-controlling holdings even if this results in non-controlling holdings having Account Balance a negative unit.

The interests of non-controlling shareholders who are current property interests that entitle their holders to a proportional share of net assets at the time of liquidation may initially be measured at the Fair Value Measurement time of the settlement or at the proportional share of the non-controlling parties to the value reasonable of the identifiable network of the acquired. The measurement choice is made on a scan-by-scan basis. Other non-controlling shares are initially measured at your Fair Value Measurement unit. After the acquisition, the book value of non-controlling interests is the amount of those holdings in the initial recognition plus the share of non-controlling interests in subsequent capital changes. Total end-to-end results are attributed to non-controlling holdings even if this results in non-controlling holdings having Account Balance a negative unit.

The results of each component of other integral results are attributed to the company's shareholders and non-controlling interests. The total full income statements of the subsidiaries are attributed to the shareholders of the company and to non-controlling interests, even if this results in a deficit in non-controlling interests.

Changes in investments in the Entity's subsidiaries that do not give rise to a loss of control are recorded as capital transactions. The book value of the Entity's investments and non-controlling interests is adjusted to reflect changes in the corresponding investments in subsidiaries. Any difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in stockholders' equity and is attributed to the owners of the Entity.

When the Entity loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the sum of the fair value of the consideration received and the fair value of any interest retained and (ii) the value in previous books of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. The amounts previously recognized in other items of comprehensive income related to the subsidiary are recorded in the same manner established for the event that the relevant assets or liabilities are available (that is, they are reclassified to results or transferred directly to other items of comprehensive income). stockholders' equity as specified/ permitted by the applicable IFRS).

The fair value of any investment retained in the subsidiary at the date control is lost is considered as the fair value for initial recognition, according to IAS 39 or, where appropriate, the cost on initial recognition of an investment in an associate or joint venture.

e. Financial instruments - Financial assets and financial liabilities are recognized when the Entity becomes a party to the contractual provisions of instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or subtracted from the fair value of financial assets or financial liabilities, as case may be, when initially recognized. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are immediately recognized in results.

f. Financial assets - All regular purchases or sales of financial assets are recognized and given as Derecognition a trading date. Regular purchases or sales are purchases or sales of financial assets that require the delivery of assets within the time established by the regulation or normal market practices. All recognized financial assets are subsequently measured at either applied cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at applied cost:

- The financial asset is held within a business model intended to hold financial assets so as to collect contractual cash flows; and
- On specified dates, the contractual terms of the financial asset give rise to cash flows that are only payments of principal and interest accrued by on the principal amount.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The financial asset is held within a business model, the objective of which is attained by collecting contractual cash flows and selling financial assets; and
- On specified dates, the contractual terms of the financial asset give rise to cash flows that are only payments of principal and interest accrued by the outstanding principal amount.

By default, all other financial assets are subsequently measured at fair value through profit or loss.

Notwithstanding the above, the entity may make the following irrevocable choice/designation in the initial recognition of a financial asset:

- You may irrevocably choose to submit subsequent changes in Fair Value Measurement the equity of a capital investment in other end-to-end results if certain criteria are met (see (iii) below); and
- You may irrevocably designate a debt instrument that meets the criteria for amortized or Fair Value Measurement cost-of-stock through other end-to-end results if doing so removes or significantly reduces an accounting asymmetry (see (iv) below).

(i) Applied cost and effective interest method

The effective interest method is a method used to calculate the applied cost of a debt instrument and assign interest income over the period in question.

For financial assets that were not purchased or originated by Depreciation credit-based financial assets (for example, assets that have Depreciation credit-based units on initial recognition), the effective interest rate is the rate that accurately discounts expected future cash inflows (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts) excluding expected credit losses, over the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross book amount of the debt instrument at initial recognition. For Depreciation credit-priced financial assets purchased or originated, a credit-adjusted effective interest rate is calculated by discounting Statement of cash flows the estimated future time-markets, including expected credit losses, to the amortized cost of the debt instrument at initial recognition.

The applied cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal reimbursements, plus accumulated amortization, by applying the effective interest method to any difference between that initial amount and the maturity amount, adjusted for any loss. The gross carrying amount of a financial asset is the applied cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest effect for debt instruments subsequently measured at amortized cost and at Fair Value Measurement time through other comprehensive results. For purchased or originated financial assets other than Depreciation credit-bound financial assets, interest income is calculated by applying the effective interest rate to the gross book value of a financial asset, except for financial assets that have subsequently suffered Depreciation credit (see below). For financial assets that have subsequently deteriorated credit, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, credit risk on Depreciation the credit-priced financial instrument improves, so that the financial asset no longer has Depreciation a credit unit, interest income is recognized by applying the effective interest rate to the gross book value of the financial asset.

For financial assets acquired or originated with Depreciation a credit holding, the entity recognizes interest income by applying the effective interest rate adjusted by credit to the amortized cost of the financial asset from its initial recognition. The calculation does not return to the gross base, even if the credit risk of the financial asset subsequently improves, so that the financial asset no longer has Depreciation a credit-point.

Interest income is recognized in profit or loss and is included in the "finance income - interest income" line item.

(ii) Investments in capital designated as Fair Value through other comprehensive income.

When making the initial recognition, the Group may make the irrevocable decision (on an instrument-by-instrument basis) to designate investments in capital instruments as at FVTOCI. Designation at FVTOCI is not permitted if the capital investment is held for trading or if it is contingent consideration recognized by a buyer in a business combination.

Investments in capital instruments at FVTOCI are initially measured at fair value plus transaction costs. They are subsequently measured at fair value plus transaction costs. They are subsequently measured based on the profits and losses resulting from changes in fair value recognized in other comprehensive income and accrued to the investment revaluation reserve. The accrued gain or loss is not reclassified to profit or loss on disposal of the capital investments but is transferred to retained earnings.
Dividends on these investments in capital instruments are recognized in profit or loss in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the investment cost. Dividends are included in the 'financial income - Other' line item (note 26) in the result of the year.

The Entity has designated all investments in capital instruments that are not held for trading purposes at fair value through other comprehensive income in the initial application of IFRS 9.

A financial asset is maintained for negotiation if:

- It has been achieved with the main purpose of being sold in the short term; or
- In the initial recognition it is part of a portfolio of identified financial instruments that the entity handles together and has evidence of a recent pattern of short-term profit making; or
- It is a derivative (except for derivatives that are contractual financial guarantees or an effective hedging instrument).

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at applied cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in capital instruments are classified at FVTPL, unless the Entity designates a capital investment that is held for trading purposes or a contingent consideration arising from a business combination at FVTOCI when making the initial recognition (see (iii) above).

- Debt instruments that do not meet the amortized cost criteria or the fair value through other comprehensive income criteria (see (i) and (ii) above) are classified at fair value through income. In addition, debt instruments that meet the amortized cost criteria or the fair value through other comprehensive income criteria may be designated as fair value through profit or loss at initial recognition if such designation eliminates or significantly reduces a measurement inconsistency. measurement or recognition (termed an "accounting mismatch") that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Entity has not designated any debt instrument with fair value through results.

Financial assets at fair value through other comprehensive income are measured at fair value at the end of each reporting period, with any fair value gain or loss recognized in profit or loss to the extent it does not form part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned by the financial asset and is included in the 'other (income) expenses, Net' line item (Note 28) Fair value is determined in the manner described in note 34 (e)(iii).

Exchange gains and losses
The carrying amount of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate in effect at the end of each reporting period. Specifically:

- In the case of financial assets measured at applied cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other (income) and losses' line item (note 28);
- In the case of debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences affecting the applied cost of the debt instrument are recognized in profit or loss in the 'other (income) and expenses' line item (note 28). Other exchange differences are recognized in other comprehensive income in the investment revaluation reserve.

For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item as part of the fair value gain or loss; and

- For capital instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investment revaluation reserve.

See the hedge accounting policy as regards the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument to hedge a foreign currency risk.

Impairment of financial assets

The Group recognizes a provision for expected credit losses on investments in debt instruments, that are measured at applied cost or at FVTOCI, lease receivables, commercial accounts receivable and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime expected credit losses (ECL) for debt instruments, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Entity's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since its initial recognition. However, if the credit risk related to a financial instrument has not increased significantly since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events affecting a financial instrument that could arise within 12 months after the reporting date.

(i) Significant credit risk increase

When assessing whether the credit risk of a financial instrument has increased significantly since its initial recognition, the Entity compares the risk of default related to the financial instrument at the reporting date with the risk of default involving the financial instrument at the initial recognition date. When making this assessment, the Entity considers both quantitative and qualitative information that is reasonable and substantiated, including historical experience and prospective information that is available without undue cost or effort. The prospective information considered includes the future prospects of the industries in which the Entity's debtors operate, which is obtained from the reports prepared by economic experts, financial analysts, government entities, relevant think-tanks and other similar organizations, as well as consideration of different external sources of actual and projected economic information related to the Entity's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

• A Depreciation significant existing or expected unit of measure in the external (if any) or internal rating of the financial instrument;

• Significant amount in external market indicators of credit risk for a specific financial instrument, for example, a significant increase in the credit differential, credit default swap for the debtor, Depreciation or the period of time or scope at which fair value measurement the time at which the time of a financial asset is priced less than its amortized cost;

• Adverse changes existing or expected in economic, financial or business conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligation;

• A Depreciation significant current or expected time-in-time in the debtor's operating results;

• Significant increases in credit risk in other financial instruments of the same debtor.

• An existing or expected adverse change in the debtor's regulatory, economic, or technological conditions resulting in a significant decrease in the debtor's ability to fulfill its obligations.

Regardless of the outcome of the previous assessment, the entity assumes that credit risk in a financial asset has increased significantly since initial recognition when contractual payments are due more than 30 days. Unless the entity has reasonable and reliable information that proves otherwise.

Despite the above, the entity assumes that credit risk in a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk on the reporting date. A financial instrument is determined to have a low credit risk if:

(1) The financial instrument has a low risk of non-compliance.
(2) The debtor has a notorious capacity to fulfill its obligations of short-term contractual cash flows, and
(3) Adverse changes in long-term economic and business conditions may reduce the ability of the debtor to meet its contractual cash obligations, but it will not necessarily happen.

The entity considers that a financial asset has low credit risk when the asset has an external credit rating of "investment grade" according to the globally accepted definition, or if there is no external rating available, the asset has an internal rating of "realizable." Realizable means that the counterparty has a strong financial position and there are no past amounts outstanding.

For financial guaranteed contracts, the date on which the entity becomes part of the irrevocable commitment is considered the date of the initial recognition for the purpose of assessing Depreciation the time-stamp of the financial instrument. In assessing whether there has been a significant increase in credit risk since the initial recognition of financial collateral contracts, the entity considers changes in the risk that the specified debtor will default the contract.

The Entity regularly monitors the effectiveness of the criteria used to identify whether there has been a significant credit risk increase and revises them as appropriate to ensure that these criteria are able to identify significant credit risk increases before the amount becomes overdue.

(ii) Definition of default
The Entity considers the following as constituting a default event for internal credit risk management purposes as historical experience indicates that financial assets meeting either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to fully pay its creditors, including the Entity (without considering any collateral held by the Entity).

Irrespective of the above analysis, the Entity considers that a default has occurred when a financial asset is more than 90 days past due, unless the Entity has reasonable and reliable information to demonstrate that a more delayed default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental effect on its estimated future cash flows have occurred. Evidence that a financial asset is credit-impaired includes observable data regarding the following events:

- The significant financial difficulty of the issuer or borrower.
- A breach of contract, such as a default or past due event (see (ii) above);
- For economic or contractual reasons related to the borrower's financial difficulty, its lender(s) have granted a concession(s) to the borrower which the lender(s) would not otherwise consider;
- It is increasingly likely that the borrower will file for bankruptcy or another type of financial reorganization; or
- The disappearance of a functional market for the financial asset due to these financial difficulties.

(iii) Write-off policy
The Group writes-off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts in question are over two years past due, whichever occurs first. Written-off financial assets may still be subject to enforcement activities under the Group's recovery procedures, by considering legal advice, when appropriate. Any recovered amounts are recognized in results.

(iv) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss in the event of default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by prospective information, as described above.
In the case of financial assets, the exposure at default is represented by their gross carrying amount at the reporting date. In the case of for financial guarantee contracts, exposure includes the amount established at the reporting date, together with any additional amounts expected to be obtained in the future by default date determined based on the historical trend, the Entity's understanding of debtors' specific future financing needs and other relevant prospective information.

In the case of financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Entity according to the contract and all the cash flows it expects to receive, discounted at the original effective interest rate. In the case of a receivable lease, the cash flows used for determining expected credit losses are consistent with the cash flows used to measure the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, where the entity is obliged to make payments only in the event of a debtor's breach in accordance with the terms of the instrument that is guaranteed, The expected loss forecast is the expected payment to reimburse the holder for a loss of credit incurred less any amount the entity expects to receive from the holder, debtor or any other party.

If the entity measured the loss provision for a financial instrument by an amount equal to the expected lifetime credit loss in the previous reporting period, But it determines at Presentation the current time that the conditions for the expected lifetime credit loss are no longer met, the entity measures the loss margin by an amount equal to the expected 12-month credit loss on the current reporting date. except for assets for which the simplified approach was used.

The Entity recognizes a loss or an impairment loss in results, together with the respective adjustment of their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of changes in financial position.

Derecognition of financial assets
The Group only derecognizes a financial asset when the contractual rights to the asset's cash flows expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity substantially retains all the risks and rewards of ownership of a transferred financial asset, it continues to recognize the financial asset, together with a secured loan for the income received.

When trading Derecognition a financial asset measured at amortized cost, the difference between the book value of the asset and the sum of the received and receivable compensation is recognized in results. In addition, when a Derecognition investment in a debt instrument classified as Fair Value Measurement a unit through other end-to-end results occurs, the accumulated profit or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, in Derecognition the holding of an investment in a capital instrument that the entity chose in the initial recognition to measure Fair Value Measurement a-time through other integral results, the previously accumulated gain or loss in the investment revaluation reserve is not reclassified to profit or loss but is transferred to accumulated profit (deficit).

g. Financial liabilities and equity

Classification as debt or capital
Debt and capital instruments are classified either as financial liabilities or as capital in accordance with the substance of the contractual arrangements and definitions of a financial liability and an equity instrument.

Capital instruments
A capital instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The capital instruments issued by the Entity are recognized as the income received, net of direct issuance costs.

The repurchase of the Entity's own capital instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss for the purchase, sale, issuance or cancellation of the Entity's own capital instruments.

Financial liabilities
All financial liabilities are subsequently measured at applied cost by using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing participation approach is applied, and financial guarantee contracts issued by the Entity, are measured in accordance with specific accounting policies. which are detailed below.

Financial liabilities at fair value through result
Financial liabilities are classified at FVTPL when the financial liability is (i) the contingent payment of a buyer in a business combination, (ii) held for trading or (iii) it is designated at FVTPL.

A financial liability is classified as maintained to negotiate if:

- It has been acquired primarily for the purpose of repurchasing it in the short term; or
- In the initial recognition, it is part of a portfolio of identified financial instruments that the entity manages jointly and has a recent real short-term profit-taking pattern; or
- It is a derivative, except for derivatives that are a financial guarantee contract or a designated and effective hedging instrument.

A financial liability that is not held for trading or contingent consideration by an acquirer at Business combination a time of Fair Value Measurement initial recognition may be designated as a point of order through results if:

- Such designation significantly eliminates or reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability is part of an entity of financial assets or financial liabilities or both, which is managed and its performance is assessed on Fair Value Measurement the basis of the market, according to the entity's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It is part of a contract that contains one or more implicit derivatives, and IFRS the 9-point allows the entire combined contract to be designated Fair Value Measurement as a point of order through results.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in results to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognized in profit or loss includes any interest paid on the financial liability and is included in the 'other (income) expenses' line item (note 28) in results.

However, in the case of financial liabilities designated at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in its credit risk is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or increase an accounting imbalance in results. The remaining amount of change in the fair value of the liability is recognized in results. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to results; instead, they are transferred to retained earnings following the derecognition of the financial liability.

PasiFinancial liabilities subsequently measured at applied cost

Financial liabilities that are not (i) a contingent payment of a buyer in a business combination, (ii) held-for-trading, or (iii) designated at FVTPL are subsequently measured at applied cost using the effective interest method.

Exchange gains and losses

In the case of financial liabilities denominated in a foreign currency and measured at applied cost at the end of each reporting period, exchange gains and losses are determined based on the applied cost of the instruments. These exchange gains and losses are recognized in the 'other (income) expenses' line item in profit or loss (note 28) for financial liabilities that are not part of a designated hedging relationship. In the case of those designated as a hedging instrument used to hedge a foreign currency risk, exchange gains and losses are recognized in other comprehensive income and accrued in a separate net worth component.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated by using the exchange spot rate in effect at the end of the reporting period. In the case of financial liabilities measured at FVTPL, the foreign exchange component forms part of fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, its obligations are fulfilled, cancelled or have expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in results.

When the entity exchanges with the existing lender a debt instrument on another with substantially different terms, the exchange is counted as an extinction of the original financial liability and the recognition of a new financial liability. Similarly, the entity considers the substantial modification of the terms of an existing liability or part thereof to be an extinction of the original financial liability and the recognition of a new liability. The terms are assumed to be substantially different if the discounted present value of Statement of cash flows the new terms, Including any net paid fare of any fare received and discounted using the original effective rate is at least 10% different from the current discounted value of Statement of cash flows the remaining assets of the original financial liability. If the amendment is not substantial, the difference between: (1) the book amount of the liability before the modification; and (2) the present value of statement of cash flows the post-modification commodity must be recognized as the profit or loss per modification within other gains and losses.

h. Derivative financial instruments

The Group contracts a variety of derivative financial instruments to manage its exposure to risks related to the interest rate, exchange rate, the prices of certain metals, including currency contracts, interest rate forwards and swaps. Further details regarding derivative financial instruments are included in Note 14.

Derivatives are recognized initially at fair value at the date a derivative contract is executed and are subsequently remeasured at fair value at each reporting date. The resulting gain or loss is immediately recognized in profit or loss unless the derivative is designated and effective as a hedging instrument, in which case, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset, whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Entity has both the legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is exceeding 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

i. Hedge accounting

The Entity designates certain derivatives as hedging instruments in relation to the foreign currency or interest rate risk, or as fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Exchange rate contracted with firm commitments are accounted for as cash flow hedges.

At the start of the hedge relationship, the Entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the beginning of the hedge and on an ongoing basis, the Entity documents whether the hedging instrument is effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk, which is when hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of the credit risk does not dominate the value of changes that result from the economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the Group actually hedges, as well as the amount of the hedging instrument that the Group actually uses to hedge that amount of the hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement related to the hedge ratio, but the risk management objective for the designated hedging relationship remains the same, the Entity adjusts the hedge ratio of the hedging relationship (i.e., rebalances the hedge) so that it once again fulfills qualification criteria.

The Entity designates the full fair value change a forward contract (i.e., including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Note 14 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in net worth are detailed in Note 14.

Fair value hedges

The change in fair value of qualifying hedging instruments is recognized in results except when the hedging instrument covers a net worth instrument designated at FVTOCI, in which case it is recognized in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in results. In the case of debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognized in profit or loss instead of other comprehensive income. When the hedged item is a capital instrument designated at FVTOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains or losses are recognized in results, they are recognized on the same line as the hedged item.

The Entity only discontinues hedge accounting when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances in which the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is applied to results as of that date.

Cash flow hedges

La The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accrued under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is immediately recognized in results.

Amounts previously recognized in other comprehensive income and accrued under net worth are reclassified to profit or loss in the periods when the hedged item affects profit or loss, on the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accrued in net worth are removed from net worth and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Entity expects that some or all of the loss accrued in the cash flow hedging reserve will not be recovered in the future, this amount is immediately reclassified to results.

In addition, if the Entity expects that part or all of the accumulated loss in the cash flow hedge reserve will not be recovered in the future, that amount will be immediately reclassified to results.

The Entity only discontinues hedge accounting when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances in which the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accrued in the cash flow hedge reserve at that time remains in net worth and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to results.

j. Inventories and cost of sale - Are stated at the lower of their acquisition cost and/or construction or net realizable value (estimated selling price less all costs required for sales purposes), as follows:

- Industrial, construction and commercial inventories – Are valued by using the first-in, first-out and / or average cost methods, depending on the activity of each entity; including the cost of materials, direct expenses and an appropriate portion of indirect fixed and variable costs that are incurred during the transformation of inventory by each subsidiary. Inventory value reductions are composed by the reserves representing their Impairment. The net realizable value represents the estimated sales price less estimated completion costs incurred for marketing, sales and distribution purposes.

- Real estate inventories — The real property inventory is valued at the lower of cost or net realizable value. Land to be developed is tested for impairment if there are indications that its value will not be recoverable. The real property inventory includes all direct costs incurred for land, development and construction, together with other costs incurred during the development stage, as well as financing costs. The cost of real estate developments, including land, materials, subcontracting and all indirect costs related to the property development, such as indirect labor, purchases, repairs and depreciation. General and administrative costs are charged to results as they arise.

If estimated total property development costs exceed the estimated total revenue, the expected loss is recognized through the statement of income. The cost of sales of real estate inventories is determined and prorated based on the total costs of promotions or projects.

The Entity classifies land as long-term inventory when its operational phase is estimated to be more than one year.

k. Property, plant and equipment - As of January 1, 2011, the transition date to IFRS, property, plant and equipment were valued at assumed cost (depreciated cost adjusted according to the National Consumer Price Index). Subsequent acquisitions are recorded at acquisition cost. Depreciation is recorded in results and calculated according to the straight-line method based on the remaining useful lives of asset components, which are reviewed yearly; the effect of any change in the accounting estimate is recognized prospectively. The depreciation of machinery and equipment in certain subsidiaries is calculated based on the number of units produced during the period in relation to the total estimated production of the assets over their estimated service life.

	Depreciation weighted average rate	% residual values
Buildings and leasehold improvements	1.4 a 10	5 y 10
Machinery and equipment	4.1 a 5	-
Vehicles	25	5, 10 y 25
Office furniture and fixtures	5 a 12.8	-
Computer equipment	16.7 a 31.2	-

Land is not depreciated.

Borrowing costs incurred during the construction and installation period of qualifying property, plant and equipment are capitalized.

The gain or loss on the sale or retirement of an item of property, plant and equipment is calculated as the difference between the resources received from sale and the carrying value of the asset and is recognized in results.

Real property and machinery in the process of construction for production purposes are recorded at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Entity's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

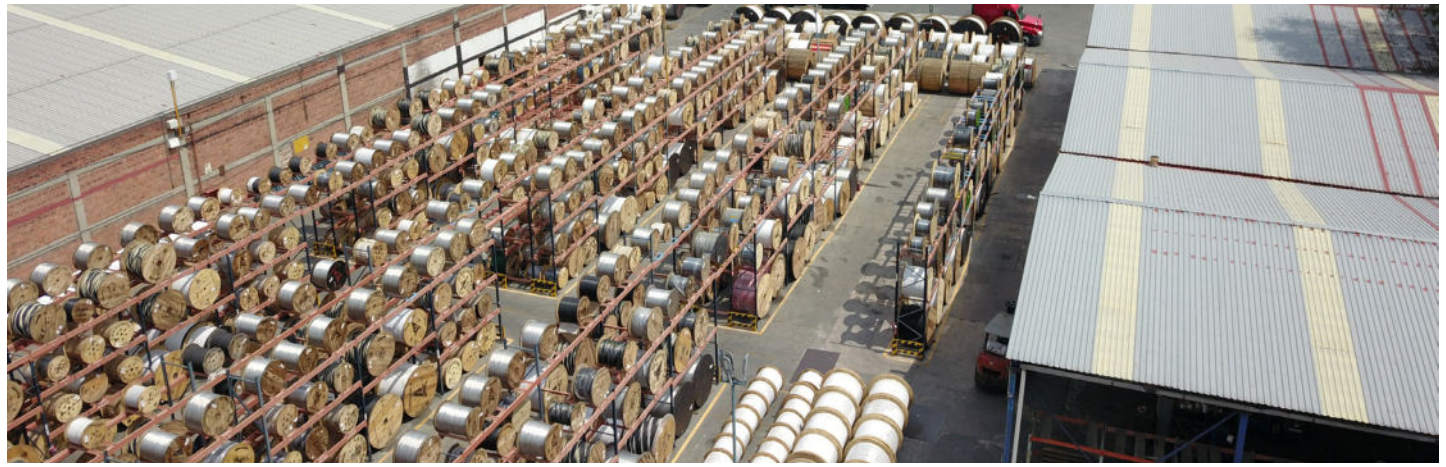
l. Investment properties - Las Investment properties are properties held to earn rentals and/or for capital gains (including property under construction for this purposes). Investment properties are measured at fair value determined by appraisals performed by independent appraisers. Gains and losses arising from changes in the fair value of investment properties are included in the period in which they arise in the "other expenses (income), Net" line items in the consolidated statement of income.

Acquired investment properties and leasehold improvements are recorded at cost, including transaction costs related to the acquisition of assets.

An investment property is derecognized upon disposal or when the investment property is permanently retired from use and no future economic benefits are expected from its disposal. Any gain or loss arising from the derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income of the period in which the property is derecognized.

m. Intangible assets - Intangible assets are only recognized in the accompanying consolidated statements of changes in financial position if they can be identified, provide future economic benefits and control exists over such assets. Intangible assets with an indefinite useful life are not amortized and the carrying value of these assets is subject to annual impairment testing, and intangible assets with a defined useful life are amortized systematically based on the best estimate of their useful life, determined in accordance with the expected future economic benefits. The estimated useful life, residual value and amortization method are subject to annual impairment assessment; any change is recorded on a prospective basis. Intangible assets with an undefined useful life, which are acquired separately, are recorded at cost less accumulated impairment losses.

The disbursements caused by research activities are recognized as an expense in the period in which they are incurred.



n. Impairment of tangible and intangible assets other than goodwill - At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less selling's costs and the value in use. When assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in results, unless the asset is recorded at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

o. Goodwill – The goodwill Commercial credit arising from a business combination is recognized at its historical cost as an asset on the date when control is acquired (date of acquisition), less any recognized impairment losses. Goodwill is the excess of the transferred consideration, the amount of any non-controlling interest in the acquired entity, based on the fair value of the buyer's share in the stockholders' equity of the acquired entity and/or on the net amount at the date of acquisition of the identifiable assets acquired and the assumed liabilities.

When the fair value of the identifiable net assets of the acquired entity exceeds the sum of the consideration transferred, the amount of this excess is recognized in results as a profit per purchase.

Goodwill is not amortized and is subject to annual impairment testing. For the purpose of the impairment assessment, goodwill is allocated to each of the cash generating unit (CGU) for which the Entity expects to make a profit. If the recoverable amount of the CGU is less than the unit's book value amount, the impairment loss is first assigned to reduce the amount of goodwill allocated to the unit and then to its other assets, proportionally, based on the book value of each asset in the unit. The impairment loss recognized for goodwill purposes cannot be reversed in a later period.

When disposing of a relevant CGU, the amount attributable to goodwill is included in the determination of the gain or loss in the disposal.

p. Investments in associated entities, joint ventures and other entities - An associated entity is one over which the Entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not imply control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results, assets and liabilities of associated entities or joint ventures are included in these consolidated financial statements by using the equity method, except when the investment or a portion thereof is classified as held-for-sale, in which case it is accounted for in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associated entity or a joint venture is initially recognized in the consolidated statement of changes in financial position at cost and adjusted thereafter to recognize the Entity's share of the profit or loss and comprehensive income of the associated entity or joint venture. When the Entity's share of losses of an associated entity or a joint venture exceeds the Entity's interest in that associated entity or joint venture (which includes any long-term interests that, in substance, form part of the Entity's net investment in the associated entity or joint venture), the Entity ceases to recognize its share of further losses. Additional losses are recognized only to the extent that the Entity has incurred legal or constructive obligations or made payments on behalf of the associated entity or joint venture.

An investment in an associated entity or a joint venture is accounted for using the equity method from the date on which the investee becomes an associated entity or a joint venture. Following the acquisition of the investment in an associated entity or a joint venture, any excess in the cost of the investment over the Entity's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Entity's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in results in the period in which the investment is acquired.

The requirements of IFRS 9 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Entity's investment in an associated entity or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36, Impairment of Assets, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Entity discontinues the use of the equity method from the date when the investment ceases to be an associated entity or a joint venture, or when the investment is classified as held-for-sale. When the Entity retains an interest in the former associated entity or joint venture and the retained interest is a financial asset, the Entity measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associated entity or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associated entity or joint venture is included in the determination of the gain or loss on disposal of the associated entity or joint venture. In addition, the Entity accounts for all amounts previously recognized in other comprehensive income in relation to that associated entity or joint venture on the same basis as would be required if that associated entity or joint venture had directly disposed of the related assets or liabilities.

The Entity continues to use the equity method when an investment in an associated entity becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associated entity. There is no remeasurement to fair value upon such changes in ownership interests.

When the Entity reduces its ownership interest in an associated entity or a joint venture, but the Entity continues to use the equity method, the Entity reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When the Entity performs transactions with its associated entity or a joint venture, the profits and losses resulting from the transactions with the associated entity or joint venture are recognized in the Entity's consolidated financial statements only to the extent of interests in the associated entity or joint venture that are not related to the Entity.

q. Interests in joint operations - A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Entity as a joint operator recognizes in relation to its interest in a joint operation:
• Its assets, including its share of any assets held jointly.
• Its liabilities, including its share of any liabilities incurred jointly.
• Its revenue from the sale of its share of the output arising from the joint operation.
• Its share of the revenue from the sale of the output by the joint operation.
• Its expenses, including its share of any expenses incurred jointly.

The Entity accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Entity is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Entity's consolidated financial statements only to the extent of other parties' interests in the joint operation.

r. Business combinations - Acquisitions of businesses are accounted for by using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of the assets transferred by the Entity, liabilities incurred by the Entity with the former owners of the acquired business and the equity interests issued by the Entity in exchange for control of the acquired business. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the assumed liabilities are recognized at fair value, except for:

• Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12, Income Taxes, and IAS 19, Employee Benefits, respectively;

• Liabilities or capital instruments related to share-based payment arrangements of the acquired entity or the share-based payment arrangements executed by the Entity to replace share-based payment arrangements of the acquired entity are measured in accordance with IFRS 2, Share-based payments, at the acquisition date; and

• Assets (or disposal groups) that are classified as held-for-sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, are measured in accordance with that Standard.

Non-controlling interests that are shareholdings and entitle their holders to a proportionate share of the Entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the buyer's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Entity in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Entity's previously held equity interest in the acquired entity is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in the statement of income. Amounts arising from interests in the acquired entity prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to the statement of income when this treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

When an intangible asset is acquired in a business combination and recognized separately from goodwill, its cost is its fair value at the date of acquisition. An intangible asset acquired in a business combination is recognized at its cost less accumulated depreciation and the cumulative amount of impairment losses, on the same basis as intangible assets that are acquired separately.

When estimating the value in use, estimated future cash flows are deducted from the current value using an early-tax discount rate that reflects current market valuations, relative to the temporary value of the money and the asset-specific risks for which future cash flows have not been adjusted.

s. Leases

The Entity as a lessor

The Entity executes lease contracts for certain investment properties as the lessor. The Entity also rents the equipment needed by retailers for the presentation and development of their activities and the equipment manufactured by the Entity.

The leases in which the Entity acts as lessor are classified as capital leases or operating leases. When contractual terms substantially transfer all the risks and rewards of ownership to the lessee, the contract is classified as a capital lease. All other contracts are classified as operating contracts.

When the Entity acts as an intermediary lessor, it accounts for the main lease and sublease as two separate contracts. The sublease is classified as a capital lease or operating lease with regard to the right-of-use asset derived from the main lease.

Rental revenue derived from operating leases is recognized according to the straight-line method during the relevant lease period. The direct initial costs incurred for the negotiation and arrangement of the operating lease are added to the book value of the leased asset and are recognized in conformity with the straight-line method throughout the lease period.

Outstanding capital lease amounts are recognized as receivable leases for an amount equal to the net investment in the leases. The revenue derived from capital leases is assigned to accounting periods to reflect the constant periodic return on the outstanding net investment in the leases.

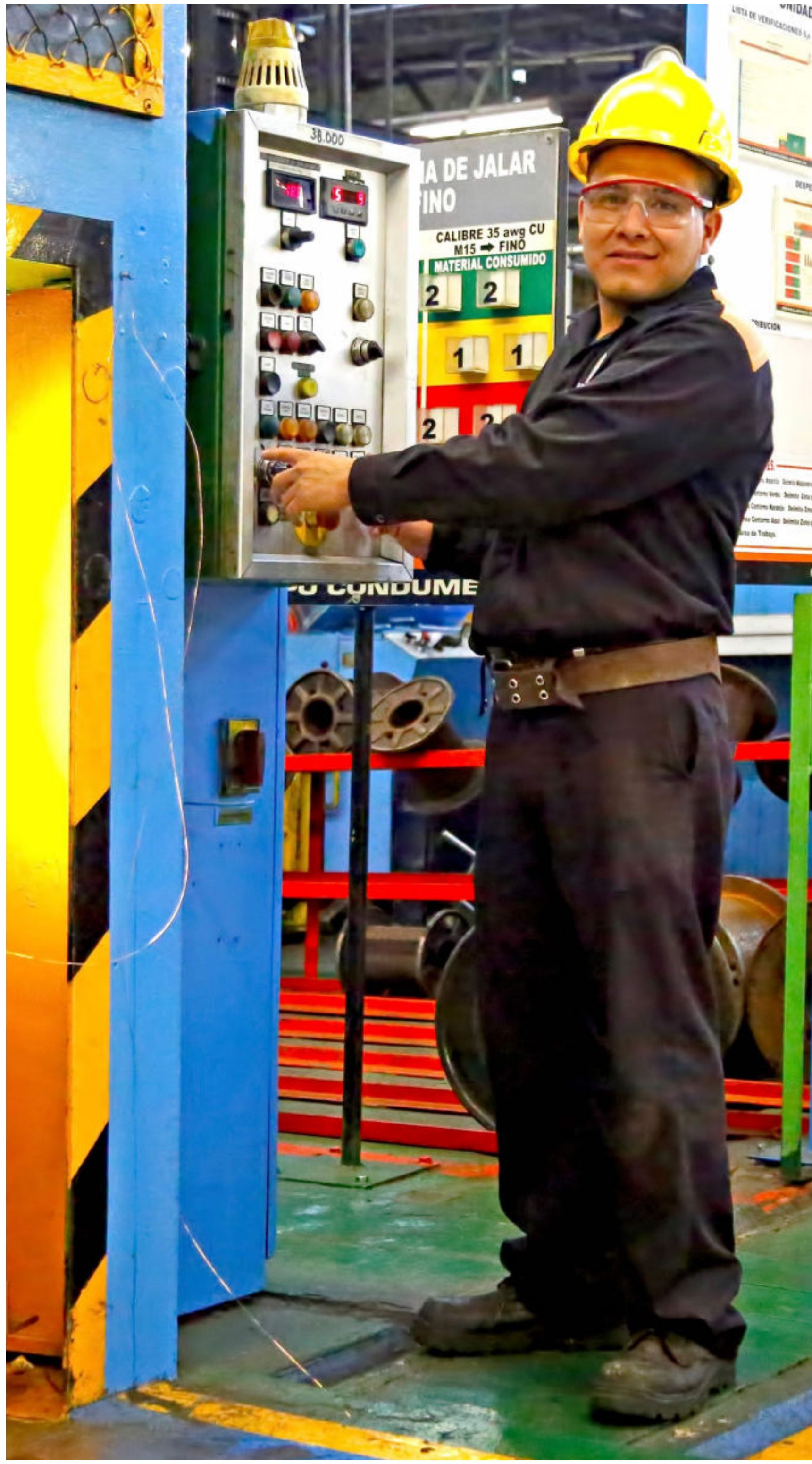
When a contract includes lease and non-lease components, the Entity applies IFRS 15 to assign the respective payment to each contractual component.

The Entity as a lessee

The Entity assesses whether a contract initially contains a lease. The Entity recognizes a right-of-use asset and the respective lease liability for all the lease contracts in which it acts as lessee, albeit with the exception of short-term leases (executed for periods of 12 months or less) and those involving low-value assets (like electronic tablets, personal computer equipment and small items of office furniture and telephones). For these leases, the Entity records rental payments as an operating expense according to the straight-line method throughout the lease period, unless another method is more representative of the time pattern in which economic gains result from the consumption of the leased assets.

The lease liability is initially measured at the present value of the rental payments that are not settled at the starting date, discounted according to the implied contractual rate. If this rate cannot be easily determined, the Entity utilizes incremental rates.

The rental payments included in the lease liability measurement are composed by:



• Fixed rental payments (including substantially fixed payments), less any received lease incentive;

• Variable rental payments that depend on an index or rate, which are initially measured by utilizing the index or rate in effect at the starting date;

• The amount expected to be paid by the lessee under residual value guarantees;

• The purchase option exercise price, if it is reasonably certain that the lessee will exercise these options; and

• Penalty payments resulting from the termination of the lease, if the lease period reflects the exercise of a lease termination option.

The lease liability is presented as a separate item in the consolidated statement of changes in financial position.

The lease liability is subsequently measured based on the book value increase to reflect the interest accrued by the lease liability (using the effective interest method) and reducing the book value to reflect the rental payments made.

The Entity revaluates the lease liability (and makes the respective adjustments to the related right-of-use asset) as long as:

• The lease period is modified or an event or significant change takes place with regard to the circumstances of the lease, thereby resulting in a change to the assessment of the purchase option exercise, in which case, the lease liability is measured by discounting restated rental payments and utilizing a restated discount rate.

• Rental payments are modified as a result of changes to indexes or rates, or a change in the payment expected under a guaranteed residual value, in which case, the lease liability is revalued by discounting restated rental payments by using the same discount rate (unless the change in rental payments is due to a change of variable interest rate, in which case a restated discount rate is used).

• A lease contract is amended and the lease amendment is not accounted for as a separate lease, in which case the lease liability is revalued according to the amended lease period by discounting restated rental payments using a discount rate restated at the date on which the amendment took effect.

The Entity did not make any of these adjustments in the presented periods.

Right-of-use assets are composed by the initial measurement of the respective lease liability, the rental payments made on or prior to the starting date, less any received lease incentive and any initial direct costs. The subsequent valuation is the cost less accumulated depreciation and impairment losses.

If the Entity assumes an obligation derived from the cost of dismantling and removing a leased asset, to restore the place where it is located or restore the underlying asset to the condition required by lease terms and conditions, a provision measured according to IAS 37 must be recognized. To the extent that costs are related to a right-of-use asset, they are included in the related right-of-use asset unless they are incurred to generate inventories.

Right-of-use assets are depreciated during the shorter of the lease period and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset indicates that the Entity plans to exercise the purchase option, the right-of-use asset is depreciated according to its useful life. Depreciation begins at the lease starting date.
Right-of-use assets are presented as a separate item in the consolidated statement of changes in financial position.

The Entity applies IAS 36 to determine whether a right-of-use asset is impaired and to account for any identified impairment loss, as described in the 'Property, plant and equipment' policy.

Variable leases that do not depend on index or rate are not included in the measurement of the lease liability and right-of-use asset. The related payments are recognized as an expense of the period in which the event or condition leading to the payments arises and are included under the "Other expenses" heading in the consolidated statement of income (see Note 27).

As a practical expedient, IFRS 16 offers the option of not separating non-lease components and instead recording any lease and its associated non-lease components as a single agreement. The Entity has not utilized this practical expedient. For contracts containing lease components and one or more additional lease or non-lease components, the Entity assigns the contractual payment to each lease component according to the relative stand-alone selling price method for all non-lease components.

t. Provisions - Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, an account receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the account receivable can be measured reliably.

- **Provision for environmental remediation -** The Entity has adopted environmental protection policies within the framework of applicable laws and regulations. However, due to their activities, the industrial subsidiaries, sometimes perform activities that adversely affect the environment. Consequently, the Entity implements remediation plans (which are generally approved by the competent authorities) that involve estimating the expenses incurred for this purpose.

  The estimated costs to be incurred could be modified due to changes in the physical condition of the affected work zone, the activity performed, laws and regulations, variations affecting the prices of materials and services (especially for work to be performed in the near future), as well as the modification of criteria used to determine work to be performed in the affected area, etc.

  The fair value of a liability for asset retirement obligations is recognized in the period incurred. The liability is measured at fair value and is adjusted to its present value in subsequent periods, as expense is recorded. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's useful life.

- **Purchase and sale of own shares -** Purchases of shares are recognized directly as a reduction of common stock at face value, and the difference as regards the acquisition cost is recorded against the stock repurchase reserve, which is included in retained earnings. The share sales are recorded directly as an increase in common stock at theoretical par value, and it is considered in the computation of the weighted average number of shares. The gain or loss on the sale is recorded as a share repurchase premium, and the difference compared to the selling price is recorded against the reserve for share repurchases, which is included in retained earnings.

u. Revenue recognition - Revenue is recognized when the control of goods and services has been transferred, at a point in time or over time. Revenue is measured at the fair value of the consideration received or receivable considering the amount of sales returns, discounts and other similar discounts or rebates. Revenues by sector are realized based on the criteria below:

- **Sale of goods** – For sales of goods, income is recognized when the control of the goods has been transferred, which is the moment when they are delivered and their ownership title is legally transferred; this occurs at a point in time for the commercial sector (Sanborns, Sears, Saks Fifth Avenue, Claro Shop and Mixup) and over time in the industrial (cables and auto parts sector).

- **Interest income on credit sales** – Finance income on credit sales is recognized when it is accrued and is generated by credit card transactions in the commercial sector (Sanborns, Sears, Saks Fifth Avenue, Claro Shop and Mixup).

- **Services** - Are recognized as services are rendered when it is probable cash inflows will be received by the Entity and revenue can be measured reliably. Revenue is generally recognized The recognition of income is generally over time.

- **Leases** - Se These are recognized on a straight-line basis as leasing services are rendered and the income from maintenance fees is recognized over the period of the associated lease.

- **Construction contracts** – Cuando When the outcome of a construction contract can be estimated reliably, revenue is recognized using the percentage-of-completion method based on costs incurred, taking into account the expected costs and revenues at the end of the project, as the activities are performed. Changes in the performance of work, and estimated profit, including those that may arise for incentive payments derived from anticipated conclusion of work, contractual penalties and final agreements in contracts, are recognized as income in the periods in which revisions are made or approved by customers. Revenue is generally recognized over time.

Under different contracts, recognized revenues do not necessarily reflect the amounts billable to customers. Management periodically evaluates the fairness of its accounts receivable. In those cases, in which the recovery of these amounts entails certain difficulties, additional allowances for doubtful accounts are created and applied to the results of the year in which they are determined. The estimate prepared for this reserve is based on management's judgment and also considers prevailing circumstances when it is determined.

Contract costs include labor, raw materials, subcontractors, project startup and indirect costs. The Entity periodically evaluates the fairness of the estimates used to determine the work completion percentage. If, as a result of this evaluation, the Entity considers that the estimated costs to be incurred until project conclusion exceed expected revenues, a provision is recognized for the estimated losses of the period in question. In the case of works projects financed by the Entity in which the contract value includes work execution and financing revenues, the net financial expense (income) needed for project development forms part of the respective contract costs, which are recognized in results based on project work completion. In this type of contract, the total project amount can be collected from the customer until the termination date by submitting periodic project work completion reports for the customer's approval, which enable the Entity to obtain project financing when required.

- **Construction contract amendments** – Are recognized when the amount can be reliably measured and there is reasonable evidence of approval by the customer. Revenues are recognized when claims can be measured reliably and when, derived from progress in the negotiations, there is reasonable evidence that the client will accept the payment.

- **Revenues from real property developments** – Are recognized on the date when the public deed is granted for the respective housing, when the rights, rewards and obligations derived from the real property are transferred to the buyer. If any uncertainty exists as regards future collections, revenues are recorded as they are generated. In those cases, for which there are indications of recovery difficulties, additional allowances for doubtful accounts are created, thereby affecting the results of the year in which they are determined. Revenues is generally recognized at a point in time.

- **Dividends and interests** – Dividend income from other investments is recognized once the right of shareholders to receive this payment has been established (when it is probable that the economic benefits will flow to the Entity and that the income can be reliably valued).

Interest income derived from financial assets is recognized when accrued, when it is likely that the Entity will receive the respective economic benefits and when these amounts can be reliably valued. Interest income is primarily generated by the operation of credit cards in department stores.

v. Customer loyalty programs - Prizes are accounted for as a separate component of the initial sale transaction measured at their fair value and recognized as deferred income in the statement of changes in financial position, within other accounts payable and accrued liabilities. Deferred revenue is recognized in results once the prize is redeemed or expires.

w. Foreign currencies - In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Entity's foreign operations are translated into Mexican pesos by using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates in effect at transaction dates are used. Exchange differences arising, if any, are recognized in other comprehensive income and accrued in stockholders' equity (and attributed to non-controlling interests as appropriate)

The functional and recording currency of Grupo Carso and its subsidiaries is the Mexican peso, except for foreign subsidiaries, the functional and recording currencies of which are detailed below:

SUBSIDIARY	CURRENCY IN WHICH TRANSACTIONS ARE RECORDED	FUNCTIONAL CURRENCY
Cablena, S. A.	Euro	Euro
Cablena do Brasil, Limitada	Brazilian Real	Brazilian Real
Carso Construcción de Costa Rica, S. A.	Colon	US Dollar
Cicsa Colombia, S. A.	Colombian Peso	Colombian Peso
Carso Construcción de Dominicana, S. de R. L. (antes Cicsa Dominicana, S. A.)	Dominican Peso	Dominican Peso
Cicsa Ingeniería y Construcción Chile Ltda, S. de R. L.	Chilean Peso	Chilean Peso
Tabasco Oil Company, LLC, Sucursal en Colombia	Colombian Peso	US Dollar
Cicsa Perú, S. A. C.	New Sol	New Sol
Condutel Austral Comercial e Industrial, Limitada	Chilean Peso	Chilean Peso
Cometel de Centroamérica, S. A.	Quetzal	Quetzal
Cometel de Honduras, S. A.	Lempira	Lempira
Cometel de Nicaragua, S. A.	Cordoba	Cordoba
Cometel de Colombia, S. A. S.	Colombian Peso	Colombian Peso
Cupro do Brasil, Limitada	Brazilian Real	Brazilian Real
Grupo Sanborns Internacional, S. A. (Panamá)	US Dollar	US Dollar
Ideal Panama, S. A.	Balboa	Balboa
Nacel de Centroamérica, S. A.	Quetzal	Quetzal
Nacel de Honduras, S. A.	Lempira	Lempira
Nacel de Nicaragua, S. A.	Córdoba	Córdoba
Nacel de El Salvador, S. A.	US Dollar	US Dollar
Procisa Ecuador, S. A.	US Dollar	US Dollar
Procisa do Brasil Projetos, Constructores e Instalaciones, Ltd.	Brazilian Real	Brazilian Real
Procosertel, S. A.	Argentinian peso	Argentinian peso
Procosertel Uruguay, S. A.	Uruguayan peso	Uruguayan peso
Corporación de Tiendas Internacionales, S. A. de C. V. (El Salvador)	US Dollar	US Dollar
Carso Construcción de Puerto Rico, L. L. C.	US Dollar	US Dollar
Procisa, S. A. S.	Colombian Peso	Colombian Peso
Carso Energy Corp.	US Dollar	US Dollar
Carso Gasoducto Norte, S. A. de C. V.	Mexican Peso	US Dollar
Plycem Construsistemas Honduras S. A. de C. V.	Lempira	Lempira
Plycem Construsistemas El Salvador. S. A. de C. V.	US Dollar	US Dollar
Plycem Construsistemas Costa Rica S. A. de C. V.	Colon	Colon
Plycem Construsistemas Centroamerica S. A.	Balboa	Balboa
The Plycem Company Inc.	Balboa	Balboa
Eternit Colombiana S. A.	Colombian Peso	Colombian Peso
Eternit Ecuatoriana S. A.	US Dollar	US Dollar
Industrias Duralit S. A.	Bolivian peso	Bolivian peso
Industrias Fibraforte S. A	Soles	Soles
Nacobre USA	US Dollar	US Dollar
Plycem USA Inc.	US Dollar	US Dollar
Maxitile Inc	US Dollar	US Dollar
Cementos Colombianos S. A. S.	Colombian Peso	Colombian Peso
Lemus Asociados S. A. de C. V.	US Dollar	US Dollar
Elementia USA	US Dollar	US Dollar
Elementia USA LLC	US Dollar	US Dollar
Inversiones Rocky Point, S. A.	Colombian Peso	Colombian Peso
Desarrollos Industriales Revolución DIR, S. A.	Colon	Colon
Fortaleza USA	US Dollar	US Dollar
Desarrollos Industriales Revolución DIR El Salvador, S. A.	US Dollar	US Dollar
Proyectos Mesoamérica, S. A.	US Dollar	US Dollar

The entities listed above are considered foreign operations under IFRS.

x. Borrowing costs - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

y. Direct employee benefits, retirement benefits and employee statutory profit-sharing (PTU) - The costs of direct benefits and defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to these contributions.

The seniority premium liability for all personnel, non-union personnel pensions and retirement payments treated as pensions is considered in defined benefit plans. The cost of these benefits is determined by using the projected unit credit method and the actuarial valuations prepared at the end of each reporting period. Actuarial gains and losses are immediately recognized in other comprehensive income, net of deferred tax, based on the net asset or liability recognized in the consolidated statement of changes in financial position, so as to reflect the over- or underfunded status of employee benefit plan obligations. Similarly, past service costs are recognized in results when the plan is modified or when restructuring costs are incurred.

Retirement benefit obligations recognized in the consolidated statement of changes in financial position represent the current value of the defined benefit obligation adjusted according to actuarial gains and losses and the past service costs, less the fair value of plan assets. When plan assets exceed the liabilities of the defined benefit plan, they are valued according to the lower of: i) the defined benefit plan surplus, and ii) the present value of any economic benefits derived from the plan and available as future plan contribution reimbursements or reductions.

Statutory employee profit-sharing (PTU)

PTU is recorded in the results of the year in which it is incurred.
As result of the 2014 Law, as of December 31, 2023, 2022 and 2021, PTU is determined based on taxable income, according to Section I of Article 10 of the that Law.

z. Income taxes - Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current tax
Calculated current tax corresponds to the income tax (ISR) and is recorded in the profit of the year as it is caused.

The tax caused is payable on the taxable basis of the year. Taxable income differs from net income as reported in profit or loss because it excludes income or expense components that are cumulative or deductible in other years and excludes components that have never been cumulative or deductible. The entity's liabilities for the taxes caused are calculated using the tax rates that have been decreed at the end of the reporting period.

A provision is recognized for those reasons where tax determination is uncertain, but it is considered likely that there will be a future outflow of funds to a tax authority. Provisions are valued at the best amount expected to become payable. The evaluation is based on the judgment of experts in the prosecutor supported by the entity's previous experience in such activities and in some cases based on the consultation of an independent tax specialist.

ii. Deferred income tax
Deferred tax is recognized on temporary differences between the carrying amounts of

assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the determine the tax result by applying the respective rate to these differences and, if necessary, including tax loss carryforwards and certain tax credits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets and liabilities are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associated entities, and interests in joint ventures, except where the Entity is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The book value of a deferred tax asset should be subjected to review at the end of the reporting period and should be reduced if it is considered likely that there will not be sufficient taxable profits to facilitate the recovery of all or part of the asset.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted.

iii. Tax on assets

The tax on assets (IMPAC) expected to be recovered is recorded as a tax receivable.

aa. Statement of cash flows - The indirect method is used for presenting cash flows from operating activities, in such a way that net income is adjusted for changes in operating items not resulting in cash receipts or disbursements, and for items corresponding to cash flows from investment and financing activities. Interest received is presented as an investment activity, while interest paid is presented as a financing activity.

bb. Earnings per share - Basic earnings per ordinary share are calculated by dividing the consolidated net profit of the controlling interest by the weighted average number of ordinary shares outstanding during the year. At December 31, 2023, 2022 and 2021, the Entity has no potential ordinary shares with dilutive effects.

35. Critical accounting judgments and key sources of estimation uncertainty

In applying the Entity's accounting policies, which are described in Note 34, the Entity's management is required to make judgments, estimates and assumptions about the carrying amounts of consolidated assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that the management of the Entity has made in the process of applying the Entity's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

- Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the Management of the Entity has reviewed the Entity's investment property portfolios and concluded that the Entity's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Entity's deferred taxation on investment properties, the Management of the Entity has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Entity has not recognized any deferred taxes on changes in fair value of investment properties, as the Entity is not subject to any income taxes on the fair value changes of the investment properties on disposal.

b. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Calculation of loss allowance - When measuring ECL the Entity uses reasonable and supportable prospective information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Impairment of long-lived assets - The carrying value of noncurrent assets is reviewed to detect indications of impairment; i.e., if certain situations or changing circumstances indicate that carrying values may not be recoverable. If indications of impairment are detected, the Entity performs a review to determine whether the carrying value exceeds its recovery value and is impaired. When applying asset impairment tests, the Entity must estimate the value in use assigned to property, plant and equipment and cash generating units, in the case of certain assets. Value in use calculations require that the Entity determine the future cash flows produced by cash generating units, together with an appropriate discount rate for calculating present value. The Entity utilizes cash flow projections by estimating market conditions, prices, production and sales volumes.

Contingencies - As the Entity is involved in certain legal proceedings, it evaluates the probability of a payment obligation arising, accordingly, it considers the legal situation in effect at the estimate date and the opinion of its legal advisers; these evaluations are periodically reconsidered.

Revenue recognition for construction contracts - When the results of a construction contract can be revisiones o son aprobadas por los clientes.

Revenue recognition for construction contracts - When the results of a construction contract can be estimated reliably, revenue is recognized using the percentage-of-completion method based on costs incurred, taking into account the expected costs and revenues at the end of the project, as the activity takes place. Changes in the performance of work, and estimated yields, including those that may arise for incentives for early conclusion of the projects, contractual penalties and final agreements in contracts, are recognized as income in the periods in which revisions are made or approved by customers.

In accordance with the terms of various contracts, revenue is recognized and not necessarily related to the actual amounts billable to customers. Management periodically evaluates the fairness of its receivables. In cases where there is evidence collection difficulty, additional allowances for doubtful accounts affecting income in the year they are determined are recognized. The estimate of the reserve is based on the best judgment of the Entity under the circumstances prevailing at the time of its determination.

Discount rate used to determine the carrying amount of the Entity's defined benefit obligation - The determination of the Entity's defined benefit obligation depends on certain assumptions, which include selection of the discount rate. The discount rate is set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant assumptions are required to be made when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers, which are excluded. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Entity's financial statements within the next year.

36. Non-cash transactions

During the year, the Entity carried out the following financing and investment activities that did not result in cash flows and that are not reflected in the consolidated statements of cash flows:

With the initial application of IFRS 16, the depreciation of right-of-use assets does not generate cash flows, as neither does the interest for the unwinding of the present value of the rentals determined at present value as of December 31, 2023, 2022 and 2021; the amounts generated are presented in the following table:

Amounts recognized in the consolidated statement of income	2023	2022	2021
Depreciation expense of the right-of-use assets	$1,470,877	$1,311,842	$994,928
Interest expense from lease liabilities	526,986	489,162	482,896
Expense related to short-term leases	181,152	62,053	24,395

As of april 2021, the entity recognized the net investment in leased assets generated from the natural gas transportation provision contract with the comisión federal de electricidad ("cfe"), which is detailed in note 7 current portion and long-term portion see statement of financial position.

37. Authorization to issue the consolidated financial statements

On March 25, 2024, the issuance of the accompanying consolidated financial statements were authorized by L.C. Arturo Spínola García, Chief Financial Officer; consequently, they do not reflect events occurred after that date, and are subject to the approval at the Entity's Ordinary Shareholders' Meeting, where they may be modified, based on provisions set forth in the Mexican General Corporate Law. The consolidated financial statements for the year ended December 31, 2022, were approved at the Ordinary Shareholders' Meetings held on April 27, 2023.

Investor Relationships
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Description of shares:
The Grupo Carso, S.A.B de C.V. A-1 shares are listed in the Bolsa Mexicana de Valores, S.A.B de C.V. stock market under the symbol “GCARSO”.

Internet directions:
For greater information on Grupo Carso and its sustainability activities, go to:
www.carso.com.mx

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