

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

**FORM 20-F**

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
- OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-12610

**Grupo Televisa, S.A.B.**

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

**United Mexican States**

(Jurisdiction of incorporation or organization)

**Av. Vasco de Quiroga No. 2000  
Colonia Santa Fe  
01210 Mexico City  
Mexico**

(Address of principal executive offices)

**Luis Alejandro Bustos Olivares  
Grupo Televisa, S.A.B.  
Av. Vasco de Quiroga No. 2000  
Colonia Santa Fe  
01210 Mexico City**

**Mexico**

**Telephone: (011 52) (55) 5022 5899**

**Facsimile: (011 52) (55) 5261 2546**

**E-mail: labustoso@televisa.com.mx**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Series "A" Shares, without par value ("Series "A" Shares")		New York Stock Exchange (for listing purposes only)
Series "B" Shares, without par value ("Series "B" Shares")		New York Stock Exchange (for listing purposes only)
Series "L" Shares, without par value ("Series "L" Shares")		New York Stock Exchange (for listing purposes only)
Dividend Preferred Shares, without par value ("Series "D" Shares")		New York Stock Exchange (for listing purposes only)
Global Depository Shares ("GDSs"), each representing five Ordinary Participation Certificates (Certificados de Participación Ordinarios) ("CPOs")	TV	New York Stock Exchange
CPOs, each representing twenty-five Series "A" Shares, twenty-two Series "B" Shares, thirty-five Series "L" Shares and thirty-five Series "D" Shares		New York Stock Exchange (for listing purposes only)

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

[Table of Contents](#)

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

The number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2023 was:

113,441,703,064 Series "A" Shares  
50,345,306,879 Series "B" Shares  
80,094,748,176 Series "L" Shares  
80,094,748,176 Series "D" Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

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

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>
---	--	--	--

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

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

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

Yes  No

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

Yes  No

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

Yes  No

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

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

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

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

## Table of Contents

<u>Forward-Looking Statements and Risk Factors Summary</u>	2
<b><u>Part I</u></b>	4
<u>Item 1. Identity of Directors, Senior Management and Advisers</u>	4
<u>Item 2. Offer Statistics and Expected Timetable</u>	4
<u>Item 3. Key Information</u>	4
<u>Selected Financial Data</u>	4
<u>Dividends</u>	7
<u>Exchange Rate Information</u>	7
<u>Risk Factors</u>	7
<u>Item 4. Information on the Company</u>	29
<u>History and Development of the Company</u>	29
<u>Capital Expenditures</u>	30
<u>Business Overview</u>	30
<u>Item 5. Operating and Financial Review and Prospects</u>	63
<u>TelevisaUnivision Transaction</u>	63
<u>Spin - off of Certain Businesses of Our Other Businesses Segment</u>	64
<u>Preparation of Financial Statements</u>	64
<u>Results of Operations</u>	65
<u>Item 6. Directors, Senior Management and Employees</u>	90
<u>Item 7. Major Stockholders and Related Party Transactions</u>	105
<u>The Major Stockholders</u>	106
<u>Related Party Transactions</u>	106
<u>Item 8. Financial Information</u>	108
<u>Item 9. The Offer and Listing</u>	108
<u>Trading on the Mexican Stock Exchange</u>	108
<u>Item 10. Additional Information</u>	111
<u>Mexican Securities Market Law</u>	111
<u>Bylaws</u>	112
<u>Taxation</u>	124
<u>Item 11. Quantitative and Qualitative Disclosures About Market Risk</u>	130
<u>Item 12. Description of Securities Other than Equity Securities</u>	136
<u>Global Depository Shares</u>	136
<b><u>Part II</u></b>	137
<u>Item 13. Defaults, Dividend Arrearages and Delinquencies</u>	137
<u>Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds</u>	137
<u>Item 15. Controls and Procedures</u>	137
<u>Evaluation of Disclosure Controls and Procedures</u>	137
<u>Management's Annual Report on Internal Control Over Financial Reporting</u>	137
<u>Changes in Internal Control Over Financial Reporting</u>	137
<u>Item 16. Audit Committee Financial Expert</u>	138
<u>Code of Ethics</u>	138
<u>Principal Accountant Fees and Services</u>	138
<u>Audit Committee Pre-approval Policies and Procedures</u>	139
<u>Exemptions from the Listing Standards for Audit Committees</u>	139
<u>Purchases of Equity Securities by the Issuer and Affiliated Purchasers</u>	139
<u>Purchases of Equity Securities by the Company</u>	140
<u>Purchases of Equity Securities by Special Purpose Trust Formed in Connection with Long - Term Retention Plan<sup>(1)</sup></u>	140
<u>Change in Registrant's Certifying Accountant</u>	141
<u>Corporate Governance</u>	141
<u>Mine Safety Disclosure</u>	142
<u>Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.</u>	142
<u>Cybersecurity</u>	143
<b><u>Part III</u></b>	145
<u>Item 17. Financial Statements</u>	145
<u>Item 18. Financial Statements</u>	145
<u>Item 19. Exhibits</u>	146

[Table of Contents](#)

We publish our financial statements in accordance with International Financial Reporting Standards, or IFRS Accounting Standards, as issued by the International Accounting Standards Board, or IASB, which differ in some significant respects from generally accepted accounting principles in the United States, or U.S. GAAP, and accounting procedures adopted in other countries.

Unless otherwise indicated, (i) information included in this annual report is as of December 31, 2023 and (ii) references to “Ps.” or “Pesos” in this annual report are to Mexican Pesos and references to “Dollars,” “U.S. Dollars,” “U.S. dollars,” “\$” or “U.S.\$” are to United States dollars.

In this annual report, “we,” “us,” “our,” “Company,” “Grupo Televisa” or “Televisa” refer to Grupo Televisa, S.A.B. and, where the context requires, its consolidated entities. “Group” refers to Grupo Televisa, S.A.B. and its consolidated entities.

### Forward-Looking Statements and Risk Factors Summary

This annual report and the documents incorporated by reference into this annual report contain forward-looking statements. In addition, we may from time to time make forward-looking statements in reports to the SEC, on Form 6-K, in annual reports to stockholders, in prospectuses, press releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, representatives of the media and others. Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “seek,” “potential,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “may,” “should,” “could,” “will” and similar words and expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements. Examples of these forward-looking statements include, but are not limited to:

- estimates and projections of financial results, cash flows, capital expenditures, dividends, capital structure, financial position or other financial items or ratios;
- statements of our plans, objectives or goals, including those relating to anticipated trends, competition, regulation and rates;
- statements concerning our current and future plans regarding our investment in *Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V.*, or *GTAC*;
- statements concerning our future plans, including capital expenditures, regarding the pay-TV, broadband and/or telephony services provided by our subsidiaries;
- statements concerning our transactions with TelevisaUnivision, Inc., or TelevisaUnivision, our current and future plans regarding our investment in the common stock and preferred stock of TelevisaUnivision and the TelevisaUnivision Transaction (as defined below, and as described below under “Information on the Company—Business Overview—TelevisaUnivision—TelevisaUnivision Transaction”) completed on January 31, 2022;
- statements concerning certain businesses that were part of our former Other Businesses segment;
- statements concerning our current and future plans, including capital expenditures, regarding our investment in *Innova, S. de R.L. de C.V.*, or *Innova*, and our transactions and relationship with AT&T, including our previously announced agreement with AT&T to acquire its participation in Sky;
- statements about our future economic performance or statements concerning general economic, political or social conditions in Mexico or other countries in which we operate or have investments;
- statements concerning the impact of the resurgence of the COVID-19 pandemic or the emergence of a new pandemic, as well as any possible adverse effects; and
- statements or assumptions underlying these statements.



[Table of Contents](#)

We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. We caution you that a number of important risks and uncertainties including those discussed under “— Risk Factors”, could cause actual results to differ materially from those expressed in or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the following risks, uncertainties and other factors:

- economic and political developments and conditions and government policies in Mexico or elsewhere;
- uncertainty in global financial markets;
- the resurgence of the COVID-19 pandemic or the emergence of a new pandemic;
- currency fluctuations or the depreciation of the Peso;
- changes in inflation rates;
- changes in interest rates;
- the impact of existing laws and regulations, changes thereto or the imposition of new laws and regulations affecting our businesses, activities and investments;
- the risk that our concessions may not be renewed;
- the risk of loss of transmission or loss of the use of satellite transponders;
- changes in customer demand;
- effects of competition;
- incidents affecting our network and information systems or other technologies;
- the results of operations of TelevisaUnivision; and
- the other risks and uncertainties discussed under “— Risk Factors” and elsewhere in this report.

We are not obliged to update these statements or publicly release the result of any revisions to them to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in these forward-looking statements.

We caution you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. You should evaluate any statements made by us in light of these important factors and you are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information, future developments or other factors.

**Part I**

**Item 1. Identity of Directors, Senior Management and Advisers**

Not applicable.

**Item 2. Offer Statistics and Expected Timetable**

Not applicable.

**Item 3. Key Information**

**Selected Financial Data**

The following tables present our selected consolidated financial information as of and for each of the periods indicated. This information is qualified in its entirety by reference to, and should be read together with, our audited consolidated year-end financial statements. The following data for each of the years ended December 31, 2023, 2022 and 2021 has been derived from our audited consolidated year-end financial statements, including the consolidated statements of financial position as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years ended December 31, 2023, 2022 and 2021, and the accompanying notes appearing elsewhere in this annual report.

The selected consolidated financial information as of December 31, 2023, 2022 and 2021, and for the years ended December 31, 2023, 2022 and 2021, was prepared in accordance with IFRS Accounting Standards, as issued by the IASB.

The exchange rate used in translating Pesos into U.S. Dollars for calculating the convenience translations included in the following tables is determined by reference to the interbank free market exchange rate (the "Interbank Rate"), as reported by *Banco Nacional de México, S.A.*, or CitiBanamex, as of December 31, 2023, which was Ps.16.9325 per U.S. Dollar. This annual report contains translations of certain Peso amounts into U.S. Dollars at specified rates solely for the convenience of the reader. The exchange rate translations contained in this annual report should not be construed as representations that the Peso amounts actually represent the U.S. Dollar amounts presented or that they could be converted into U.S. Dollars at the rate indicated. The interbank free market rate, or the Interbank Rate, as reported by *Banco Nacional de México, S.A.*, or CitiBanamex, as of March 31, 2024, was Ps.16.5450 per U.S. Dollar.

	Year Ended December 31			
	2023	2023	2022	2021 <sup>(4)</sup>
	(Millions of U.S. Dollars or millions of Pesos) <sup>(1)</sup>			
<b>Income Statement Data:</b>				
Revenues	U.S.\$ 4,357	Ps. 73,768	Ps. 75,527	Ps. 73,915
Operating income	157	2,655	4,419	10,689
Finance expense, net <sup>(2)</sup>	(277)	(4,698)	(9,206)	(11,918)
Net (loss) income from continuing operations <sup>(4)</sup>	(520)	(8,807)	(10,938)	769
Income from discontinued operations, net <sup>(4)</sup>	—	—	56,222	6,586
Net (loss) income	(520)	(8,807)	45,284	7,355
Net (loss) income attributable to stockholders of the Company	(497)	(8,423)	44,712	6,056
Net (loss) income attributable to non-controlling interests	(23)	(384)	572	1,299
Basic loss per CPO attributable to stockholders of the Company of continuing operations <sup>(4)</sup>	—	(3.01)	(4.06)	(0.16)
Basic earnings per CPO attributable to stockholders of the Company of discontinued operations <sup>(4)</sup>	—	—	19.86	2.33
Basic (loss) earnings per CPO attributable to stockholders of the Company <sup>(3)</sup>	—	(3.01)	15.80	2.17

	Year Ended December 31			
	2023	2023	2022	2021
Diluted loss per CPO attributable to stockholders of the Company of continuing operations <sup>(4)</sup>	—	(3.01)	(4.06)	(0.16)
Diluted earnings per CPO attributable to stockholders of the Company of discontinued operations <sup>(4)</sup>	—	—	19.86	2.33
Diluted (loss) earnings per CPO attributable to stockholders of the Company <sup>(3)</sup>	—	(3.01)	15.80	2.17
Weighted-average number of shares outstanding (in millions) <sup>(3)(5)</sup>	—	327,174	331,143	327,525
Cash dividend per CPO <sup>(3)</sup>	—	0.35	0.35	0.35
<b>Comprehensive Income Data:</b>				
Total comprehensive (loss) income	U.S.\$ (466)	Ps. (7,896)	Ps. 48,068	Ps. 9,290
Total comprehensive (loss) income attributable to stockholders of the Company	(441)	(7,466)	47,510	7,991
Total comprehensive (total) income attributable to non-controlling interests	(25)	(430)	558	1,299

	Year Ended December 31			
	2023	2023	2022	2021
<b>Financial Position Data:</b>				
Cash and cash equivalents	U.S.\$ 1,924	Ps. 32,586	Ps. 51,131	Ps. 25,828
Total assets	15,513	262,670	299,108	293,742
Current portion of long-term debt <sup>(6)</sup>	590	9,988	1,000	4,106
Interest payable <sup>(6)</sup>	89	1,507	1,761	2,035
Long-term debt, net of current portion <sup>(7)</sup>	4,639	78,548	104,241	121,686
Customer deposits and advances	82	1,392	1,841	8,999
Current portion of deferred revenue	17	288	288	—
Deferred revenue, net of current portion	289	4,890	5,178	—
Capital stock	279	4,723	4,837	4,837
Total equity (including non-controlling interests)	7,953	134,672	144,130	96,524
Shares outstanding (in millions) <sup>(5)</sup>	—	323,977	330,740	329,296

	Year Ended December 31			
	2023	2023	2022	2021
<b>Cash Flow Data:</b>				
Net cash provided by operating activities	U.S.\$ 898	Ps. 15,201	Ps. 12,468	Ps. 29,324
Net cash (used in) provided by investing activities	(931)	(15,758)	42,705	(18,845)
Net cash used in financing activities	(1,048)	(17,753)	(29,769)	(13,732)
(Decrease) increase in cash and cash equivalents	(1,095)	(18,545)	25,303	(3,230)

<b>Other Financial Information:</b>				
Capital expenditures <sup>(8)</sup>	U.S.\$ 869	Ps. 14,708	Ps. 17,315	Ps. 23,268

<b>Other Data (unaudited):</b>				
Magazine circulation (millions of copies) <sup>(9)</sup>	—	6	7	11
Number of employees (at year end)	—	32,932	37,374	46,786
Number of Sky Pay Television RGUs (in thousands at year end) <sup>(10)</sup>	—	5,567	6,257	7,408
Number of Sky Broadband Internet RGUs (in thousands at year end) <sup>(10)</sup>	—	515	640	727
Number of Sky Mobile RGUs (in thousands at year end) <sup>(10)</sup>	—	33	16	31
Number of Cable Pay Television RGUs (in thousands at year end) <sup>(11)</sup>	—	4,059	4,458	4,166
Number of Cable Broadband Internet RGUs (in thousands at year end) <sup>(11)</sup>	—	5,678	5,984	5,649
Number of Cable Digital Telephony RGUs (in thousands at year end) <sup>(11)</sup>	—	5,351	5,234	4,617
Number of Cable Mobile RGUs (in thousands at year end) <sup>(11)</sup>	—	308	240	156

**Notes to Selected Consolidated Financial Information:**

- (1) Except for *Certificado de Participación Ordinario*, or CPO, magazine circulation, employees, Revenue Generating Units, or RGUs. An RGU is defined as an individual service subscriber who is billable under each service (satellite pay television, broadband internet and voice).
- (2) Includes interest expense, interest income, foreign exchange loss or gain, net, and other finance income or expense, net. See Note 23 to our consolidated year-end financial statements.
- (3) For further analysis of net earnings per CPO (as well as corresponding amounts per Series “A” Share not traded as CPOs), see Note 25 to our consolidated year-end financial statements. In April 2024, 2023 and 2022 the Company’s stockholders approved the payment of a dividend of Ps.0.35 per CPO, respectively.
- (4) The Group’s condensed consolidated statement of income for the year ended December 31, 2021 has been prepared to present the results from discontinued operations for the businesses disposed of by the Group on January 31, 2022, based on the Group’s previously reported audited consolidated statement of income for the year ended December 31, 2021.
- (5) As of December 31, 2023, 2022 and 2021, we had four classes of common stock: Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares. Our shares are publicly traded in the United Mexican States, or Mexico, primarily in the form of CPOs, each CPO representing 117 shares comprised of 25 Series “A” Shares, 22 Series “B” Shares, 35 Series “D” Shares and 35 Series “L” Shares; and in the United States in the form of Global Depositary Shares, or GDSs, each GDS representing five CPOs. As of December 31, 2023, there were approximately 2,288.4 million CPOs issued and outstanding, each of which was represented by 25 Series “A” Shares, 22 Series “B” Shares, 35 Series “D” Shares and 35 Series “L” Shares, and an additional number of approximately 56,231.4 million Series “A” Shares, 0.2 million Series “B” Shares, 0.2 million Series “D” Shares and 0.2 million Series “L” Shares issued and outstanding (not in the form of CPO units). See Note 17 to our consolidated year-end financial statements.
- (6) The figures set forth in this line item are presented at amortized cost (principal amount, net of finance costs). Interest payable is included in current portion of long-term debt in the consolidated statements of financial position as of December 31, 2023 and 2022. See Notes 2(o) and 14 to our consolidated year-end financial statements.
- (7) The figures set forth in this line item are presented at amortized cost (principal amount, net of finance costs). See “Operating and Financial Review and Prospects—Results of Operations—Liquidity, Foreign Exchange and Capital Resources—Indebtedness” and Note 14 to our consolidated year-end financial statements.
- (8) Capital expenditures are those investments made by us in property, plant and equipment. See “Information on the Company—Capital Expenditures”.
- (9) The figures set forth in this line item represent total circulation of magazines that we published independently and through joint ventures and other arrangements and do not represent magazines distributed on behalf of third parties. See “Operating and Financial Review and Prospects—Spin-off of Certain Businesses of Our Other Businesses Segment.”
- (10) Sky has operations in Mexico, the Dominican Republic and Central America. The figures set forth in this line item represent the total number of RGUs (pay television, or pay-TV, broadband internet, digital telephony and mobile services) for Innova at the end of each year presented. For a description of Innova’s business and results of operations and financial condition, see “Information on the Company—Business Overview—Our Operations—Sky”.
- (11) An RGU provided by *Empresas Cablevisión, S.A.B. de C.V.*, or Cablevisión, *Cablemás, S.A. de C.V.*, or Cablemás, *Televisión Internacional, S.A. de C.V.*, or TVI, *Grupo Cable TV, S.A. de C.V.*, or Cablecom, *Cablevisión Red, S.A. de C.V.*, or Telecable and *FTTH de México, S.A. de C.V.*, or FTTH (pay-TV, broadband internet, digital telephony and mobile services). For example, a single subscriber paying for cable television, broadband internet, digital telephony and mobile services represents four RGUs. We believe it is appropriate to use the number of RGUs as a performance measure for Cablevisión, Cablemás, TVI, Cablecom, Telecable and FTTH given that these businesses provide other services in addition to pay-TV. See “Operating and Financial Review and Prospects—Results of Operations—Total Segment Results—Cable” and “Information on the Company—Business Overview—Our Operations—Cable”.

### **Dividends**

Decisions regarding the payment and amount of dividends are subject to approval by holders of a majority of the Series “A” Shares and Series “B” Shares voting together, generally, but not necessarily, on the recommendation of the board of directors or the Board of Directors, as well as a majority of the Series “A” Shares voting separately. Emilio Azcárraga Jean indirectly controls the voting of the majority of the Series “A” Shares and, as a result of such control, both the amount and the payment of dividends require his affirmative vote. See “Major Stockholders and Related Party Transactions—The Major Stockholders”. On March 25, 2004, our Board of Directors approved a dividend policy under which we currently intend to pay an annual ordinary dividend of Ps.0.35 per CPO. On April 28, 2021, at our general stockholders’ meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,053.4 million, which represents a payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. On April 27, 2022, at our general stockholders’ meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,053.4 million, which represents a payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. On April 26, 2023, at our general stockholders’ meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,053.4 million, which represents a payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. On April 26, 2024, at our general stockholders’ meeting, our stockholders approved a cash distribution to stockholders of up to Ps.1,019.0 million, which represents a payment of our ordinary dividend of Ps.0.35 per CPO, equivalent to Ps.0.002991452991 per share. All of the recommendations of the Board of Directors related to the payment and amount of dividends were voted on and approved at the applicable general stockholders’ meetings.

### **Exchange Rate Information**

Since 1991, Mexico has had a free market for foreign exchange and, since 1994, the Mexican government has allowed the Peso to float freely against the U.S. Dollar. There can be no assurance that the government will maintain its current policies with regard to the Peso or that the Peso will not depreciate or appreciate significantly in the future.

In the past, the Mexican economy has had balance of payment deficits and decreases in foreign exchange reserves. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Pesos to U.S. Dollars, we cannot be sure that the Mexican government will not institute restrictive exchange control policies in the future, as has occurred from time to time in the past. To the extent that the Mexican government institutes restrictive exchange control policies in the future, our ability to transfer or to convert Pesos into U.S. Dollars and other currencies for the purpose of making timely payments of interest and principal of indebtedness, as well as to obtain foreign programming and other goods, would be adversely affected. See “—Risk Factors—Risk Factors Related to Mexico—Currency Fluctuations or the Devaluation and Depreciation of the Peso Could Limit the Ability of Our Company and Others to Convert Pesos into U.S. Dollars or Other Currencies, Which Could Adversely Affect Our Business, Financial Condition or Results of Operations”.

### **Risk Factors**

The following is a discussion of risks associated with our company and an investment in our securities. Some of the risks of investing in our securities are general risks associated with doing business in Mexico. Other risks are specific to our business. The discussion below contains information, among other things, about the Mexican government and the Mexican economy obtained from official statements of the Mexican government as well as other public sources. We have not independently verified this information. Any of the following risks, if they actually occur, could materially and adversely affect our business, financial condition, results of operations or the price of our securities.

## **Risk Factors Related to Mexico**

### ***Economic and Political Developments in Mexico May Adversely Affect Our Business, Financial Condition and Results of Operations***

Most of our operations and assets are located in Mexico. As a result, our financial condition, results of operations and business may be affected by the general condition of the Mexican economy, the depreciation or appreciation of the Peso as compared to the U.S. Dollar and other currencies, Mexican inflation, interest rates, regulation, taxation, social instability and other political, social and economic developments in or affecting Mexico over which we have no control.

### ***Economic Conditions in Mexico and Elsewhere May have a Material Impact on our Operations and Financial Condition***

Mexico has historically experienced uneven periods of economic growth. Mexican gross domestic product, or GDP, increased by 4.7% in 2021, increased by 3.1% in 2022 and increased by 3.2% in 2023. Mexican GDP surpassed the Mexican government forecast in 2023 and, according to analysts, Mexican GDP is expected to increase by 2.4% in 2024. We cannot be sure that these estimates and forecasts will prove to be accurate.

Any future economic downturn, including downturns in the United States, Europe, Asia or anywhere else in the world, could affect our financial condition and results of operations. For example, demand for cable television, direct-to-home, or DTH, satellite services, pay-per-view programming, telecommunications services and other services and products we provide may decrease because consumers may find it difficult to pay for these services and products. Additionally, there can be no assurance that a Mexican sovereign debt rating downgrade would not adversely affect our business, financial condition, results of operations or the price of our securities.

### ***Developments and the Perception of Risk in Other Countries, Especially in Europe, China, the United States and Emerging Market Countries, May Materially Adversely Affect the Mexican Economy, the Market Value of Our Securities and Results of Operations***

The market value of securities of Mexican companies, the social, economic and political situation in Mexico and our financial condition and results of operations are, to varying degrees, affected by economic and market conditions in other countries, including the United States, China and other Latin American and emerging market countries. Therefore, investors' reactions to developments in any of these other countries may have an adverse effect on the market value or trading price of securities of Mexican issuers. Crises in the United States, Europe, China or emerging market countries may reduce investor interest in securities issued by Mexican companies, including those issued by us.

Turmoil in other large economies, such as those in Europe, China and the United States, could have the effect of a downturn in the global economy. Further, our operations, including the demand for our products or services, and the price of our securities, have also historically been adversely affected by increases in interest rates in the United States and elsewhere.

In response to the Russian invasion of Ukraine, many jurisdictions, including the United States, United Kingdom, and European Union ("E.U."), have imposed sanctions, export controls, import bans, new investment prohibitions, and other trade restrictions on Russia. While Mexico has thus far refrained from imposing such trade restrictions against Russia, the conflict in Ukraine and related sanctions against Russia may affect international macroeconomic conditions. Other geopolitical events, including the conflict between Israel and Hamas, may also affect international macroeconomic conditions.

Any of these factors, would negatively affect the market value of our securities and make it more difficult for us to access capital markets and finance our operations in the future, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, prospects and the market price of our securities.

Economic conditions in Mexico are significantly correlated with economic conditions in the United States as a result of the free trade agreements and increased economic activity between the two countries. Adverse economic conditions in the United States or other related events could have a significant adverse effect on the Mexican economy, which could adversely affect our business, financial condition and results of operations. As a result of talks to renegotiate the North American Free Trade Agreement, or NAFTA, on November 30, 2018 (and as amended on December 10, 2019), the United States, Canada, and Mexico signed the United States-Mexico-Canada Agreement (USMCA), which has been approved by the Mexican Senate, the U.S. Senate, and Canada, and became effective on July 1, 2020. In addition, increased or perceptions of increased economic protectionism in the United States and other countries could potentially lead to lower levels of trade and investment and economic growth, which could have a similarly negative impact on the Mexican economy. These economic and political consequences could adversely affect our business, financial condition and results of operations.

On December 7, 2023, the governments of the United States and Mexico signed a Memorandum of Intent expressing their desire to cooperate on best practices on foreign investment screening. While Mexico has not yet begun the process of establishing a foreign investment review regime comparable to the Committee on Foreign Investment in the United States (CFIUS), it could do so in the future and any such regime could affect the ability of foreign investors to invest in Mexican business, which could adversely affect our business, financial condition and results of operations.

We cannot be sure that events in other emerging market countries, in the United States or elsewhere will not materially adversely affect our business, financial condition, results of operations, cash flows, prospects and the market price of our shares. The United Kingdom left the E.U. on January 31, 2020 (“Brexit”); the relationship between the UK and the E.U. is governed by the post-Brexit trade and cooperation agreement, which covers (inter alia) trade, travel and immigration. Post-Brexit, the United Kingdom and Mexico negotiated and signed a trade agreement, the UK-Mexico Trade Continuity Agreement, which came into effect on June 1, 2021. In 2023, the United Kingdom formally agreed to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) of which Mexico is a member. Brexit has caused, and may continue to cause, both significant volatility in global stock markets and currency exchange rate fluctuations, as well as create significant uncertainty. Further, the Bank of England and other observers have warned of a significant probability of a Brexit-related recession in the United Kingdom, which may be further impacted by the long-term negative economic effects of the COVID-19 pandemic, the war in Ukraine and rising inflation.

Our profitability is affected by numerous factors including reductions in demand for the services provided in our Cable and Sky divisions, as well as in the rest of our business. The demand for our products and services in Mexico, the U.S. and in the other countries in which we operate may be adversely affected by the tightening of credit markets and economic downturns. We depend on the demand from customers in Mexico, the U.S. and the other countries in which we operate, and reduced consumer spending that falls short of our projections could adversely impact our revenues and profitability.

***Uncertainty in Global Financial Markets Could Adversely Affect Our Financing Costs and Exposure to Our Customers and Counterparties***

The global financial markets continue to be uncertain and it is hard to predict for how long the effects of the global financial stress of recent years will persist and what impact it will have on the global economy in general, or the economies in which we operate, in particular, and whether slowing economic growth in any countries could result in decreased consumer spending affecting our products and services. If access to credit tightens further and borrowing costs rise, our borrowing costs could be adversely affected. Difficulties in financial markets may also adversely affect some of our customers. In addition, we enter into derivative transactions with large financial institutions, including contracts to hedge our exposure to interest rates and foreign exchange rates, and we could be affected by severe financial difficulties faced by our counterparties.

***The Resurgence of the COVID-19 Pandemic, or the Emergence of a New Pandemic, May Have a Material Adverse Effect on Our Business, Financial Position and Results of Operations***

The COVID-19 pandemic has had a negative effect on our business, financial position and results of operations.

A resurgence of COVID-19, an increase in infection rates, the effect of new variants or the emergence of a new pandemic could trigger a renewal of government restrictions on non-essential activities, including but not limited to temporary shutdowns or additional guidelines, which could be expensive or burdensome to implement, and which may affect our operations.

Any public health emergency, including an outbreak of existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a material adverse effect on our business, financial position and results of operations.

***Currency Fluctuations or the Devaluation and Depreciation of the Peso Could Limit the Ability of Our Company and Others to Convert Pesos into U.S. Dollars or Other Currencies, Which Could Adversely Affect Our Business, Financial Condition or Results of Operations***

The Peso has been subject to significant depreciation against the U.S. Dollar in the past and may be subject to significant fluctuations in the future. A significant portion of our indebtedness and a significant amount of our costs are U.S. Dollar-denominated, while our revenues are primarily Peso-denominated. As a result, decreases in the value of the Peso against the U.S. Dollar could cause us to incur foreign exchange losses, which could reduce our net income.

Severe devaluation or depreciation of the Peso may also result in governmental intervention, or disruption of international foreign exchange markets. This may limit our ability to transfer or convert Pesos into U.S. Dollars and other currencies for the purpose of making timely payments of interest and principal on our indebtedness and adversely affect our ability to obtain imported goods. The Mexican economy has suffered current account balance of payment deficits and shortages in foreign exchange reserves in the past. While the Mexican government does not currently restrict the right or ability of Mexican or foreign persons or entities to convert Pesos into U.S. Dollars or to transfer other currencies outside of Mexico, there can be no assurance that the Mexican government will not institute restrictive exchange control policies in the future. To the extent that the Mexican government institutes restrictive exchange control policies in the future, our ability to transfer or convert Pesos into U.S. Dollars or other currencies for the purpose of making timely payments of interest and principal on indebtedness, as well as to obtain imported goods would be adversely affected. Devaluation or depreciation of the Peso against the U.S. Dollar or other currencies may also adversely affect U.S. Dollar or other currency prices for our debt securities or the cost of imported goods.

The public decisions and announcements of the presidential administration in the United States have had, and may continue to have, an adverse effect on the value of the Peso against other currencies, particularly the U.S. Dollar. A decision by the U.S. Federal Reserve to decrease applicable interest rates for bank reserves could also affect the exchange rate of the Peso relative to the U.S. Dollar, as well as presidential elections in the United States and Mexico, which could result in high volatility in the exchange rate of the Peso relative to the U.S. Dollar.

***An Increase in Interest Rates in the United States Could Adversely Impact the Mexican Economy and May Have a Negative Effect on Our Financial Condition or Performance***

A decision by the U.S. Federal Reserve to increase applicable interest rates for banks' reserves may lead to a general increase in interest rates in the United States. In 2022 and 2023, the Federal Reserve raised interest rates but has recently indicated that it may cease further increases to interest rates or may decrease interest rates. However, there can be no assurance that the Federal Reserve will not maintain or make additional upwards adjustments to the current federal funds rate in the future to mitigate inflationary pressures. Changing interest rates may have unpredictable effects on markets, may result in heightened market volatility and may detract from our performance to the extent we are exposed to such interest rates and/or volatility. An increase in general interest rates may redirect the flow of capital from emerging markets into the United States because investors may be able to obtain greater risk-adjusted returns in larger or more developed economies than in Mexico. Thus, companies in emerging market economies such as Mexico could find it more difficult and expensive to borrow capital and refinance existing debt. This may negatively affect our potential for economic growth and our ability to refinance our existing debt and could materially adversely affect our business, financial condition, results of operations, cash flows, prospects and the market price of our shares.

***Renegotiation of the Trade Agreements or Other Changes in Foreign Policy by the Presidential Administration in the United States Could Adversely Affect Imports and Exports Between Mexico and the United States and Other Economic and Geopolitical Effects may Adversely Affect Us***

During the last few years there has been uncertainty regarding U.S. policies related to trade, tariffs, immigration and foreign affairs, including with respect to Mexico. The current U.S. administration could cause a number of changes in the relationship between Mexico and the United States. The results of the presidential election to be held on November 5, 2024 in the United States could also lead to changes in the relationship between Mexico and the United States.

Additionally, other government policies in the United States could also adversely affect economic conditions in Mexico. The current relationship between the Mexican and U.S. governments, as well as political and economic factors in each country, could lead to changes in international trade and investment policies, including new or higher taxes on products imported from Mexico to the United States. The events described above could affect our activities, financial situation, operating results, cash flows and/or prospects, as well as the market price of our shares. Other economic and geopolitical effects could adversely affect us.



Given that the Mexican economy is heavily influenced by the economy of the United States, the implementation of the USMCA and/or other government policies in the United States that the Federal administration may adopt could adversely affect economic conditions in Mexico. On September 30, 2018, Mexico, Canada and the United States reached an agreement on the terms and conditions of the USMCA, replacing NAFTA. On June 19, 2019, Mexico became the first country to ratify the USMCA, followed by the United States on January 16, 2020 and Canada on March 13, 2020. The USMCA entered into force on July 1, 2020. The USMCA includes a 16-year sunset clause, under which the terms of the agreement expire, or are suspended, after 16 years and is subject to review every six years, at which time the United States, Mexico and Canada may decide whether to extend the USMCA. The implementation of the new terms of the USMCA could have an adverse effect on the Mexican economy, including the level of imports and exports, which could in turn adversely affect our business, financial condition and results of operations. Other economic and geopolitical effects, including those related to United States policy on trade, tariffs and immigration, may also adversely affect us.

***High Inflation Rates in Mexico May Decrease Demand for Our Services While Increasing Our Costs***

In the past, Mexico has experienced high levels of inflation. The annual rate of inflation, as measured by changes in the Mexican National Consumer Price Index, or NCPI, was 7.4% in 2021, 7.8% in 2022, 4.7% in 2023 and is projected to be 4.1% in 2024. An adverse change in the Mexican economy may have a negative impact on price stability and result in higher inflation than its main trading partners, including the United States. High inflation rates can adversely affect our business, financial condition and results of operations.

***High Interest Rates in Mexico Could Increase Our Financing Costs***

During the past year, Mexican interest rates increased in line with global market movements. The interest rates on 28-day Mexican government treasury securities averaged 4.6%, 7.9% and 11.4% for 2021, 2022 and 2023 respectively. High interest rates in Mexico could increase our financing costs and thereby impair our financial condition, results of operations and cash flow.

***Political Events in Mexico Could Affect Mexican Economic Policy and Our Business, Financial Condition and Results of Operations***

The next presidential and congressional elections in Mexico will be held on June 2, 2024, and the new president will be sworn in on October 1, 2024, and will serve a six-year term. We cannot predict the impact that political developments in Mexico will have on the Mexican economy nor can we provide any assurances that these events, over which the Company has no control, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. The Mexican government could implement significant changes in laws, policies, and regulations, which could affect the economic and political situation in Mexico.

President López Obrador's term will conclude on September 30, 2024. Historically, the Mexican president has strongly influenced new policies and governmental actions that impact the Mexican economy. We cannot be sure that the current administration or any future administration will maintain business-friendly and open-market economic policies and policies that stimulate economic growth and social stability. Any administration could implement substantial changes in law, policy, and regulations in Mexico, which could adversely affect our business, financial condition, results of operations and prospects. In addition, any actions taken by the new administration may lead to riots, protests and looting that could adversely affect our operations. Our financial condition and results of operation may be adversely affected by changes in Mexico's political climate, to the extent that such changes affect the nation's economic policies, growth, stability, outlook, or regulatory environment.

For example, in February 2024, the Executive Power submitted to the Mexican Congress a package of constitutional amendments including an initiative to reincorporate into the Federal Public Administration the functions performed by the autonomous constitutional bodies, including COFECE and IFT. To approve a constitutional reform, members of the Mexican Congress must issue a qualified majority vote, approved by a simple majority of the legislatures of the states.

In addition, following the congressional elections on July 1, 2018, the Morena political party obtained an absolute majority in the Mexican Chamber of Deputies and, together with its allied political parties (*Partido del Trabajo and Partido Encuentro Social*), obtained a majority in the Mexican Senate. We cannot be sure that Morena and its political party allies or any future members will not introduce new legislative initiatives or modify existing legislation that could, in turn, result in economic or political conditions that could materially and adversely affect our business. On June 6, 2021, various electoral processes took place including mid-term elections for the Mexican Chamber of Deputies as well as governor elections in fifteen states. While the opposition coalition made important gains in the Chamber of Deputies, the Morena political party holds the most seats relative to any other party in Mexico and also won 11 of the states' governor races.

The elections to be held on June 2, 2024, will also renew 128 senators, all 500 deputies and state governors for Chiapas, Guanajuato, Jalisco, Morelos, Puebla, Tabasco, Veracruz, Yucatán, as well as the governor for Mexico City. We are unable to predict the outcome of such elections. If these elections result in the Morena political party gaining majority in the Mexican Congress, the party may have leverage in the legislative process due to its ability to more easily meet the voting percentages needed for the passage of constitutional amendments, secondary laws and new legislation.

Finally, our business, financial condition and results of operations may be adversely affected by changes in governmental policies or regulations involving or affecting our management, operations and tax regime. Tax policy in Mexico, in particular, is subject to continuous change.

Any changes in laws, public policies or regulations may affect the political and economic environment in Mexico and, consequently, contribute to increased economic uncertainty and volatility in the Mexican capital markets and in securities issued by Mexican companies, including us.

***Increased labor conflicts in Mexico could have a material adverse impact on our financial condition and results of operations***

A number of events, such as (i) the endorsement by the Mexican Senate of the International Labor Organization's Convention C098, the "Right to Organize and Collective Bargaining Convention", (ii) the approval by the Mexican Congress to modify the Mexican Federal Labor Law and (iii) the adverse labor effect resulting from the COVID-19 pandemic, have caused, and continue to cause, labor conflicts in Mexico.

In addition, such conflicts have been exacerbated by (i) a 15.0% increase in the general minimum wage as of January 1, 2021, a subsequent 22.0% increase as of January 1, 2022, a further 20.0% increase as of January 1, 2023, and a further 20.0% increase as of January 1, 2024, and (ii) a 15.0% increase in the minimum wage in the municipalities near the northern border of Mexico as of January 1, 2021, a subsequent 22.0% increase as of January 1, 2022, a further increase of 20.0% as of January 1, 2023, and an additional 20.0% increase as of January 1, 2024. These developments have led workers and labor unions to demand more significant benefits and higher salary increases than in prior years, which could in turn increase our operational expenses.

As of December 31, 2023, approximately 31% of our employees were represented by unions. We cannot predict how these developments may affect our results of operations or financial condition. Any increased demands by our unionized workers may lead to higher labor costs, which could have a negative impact on our financial condition and results of operations.

***Mexico has Experienced a Period of Increased Criminal Activity and Such Activities Could Adversely Affect Our Financing Costs and Exposure to Our Customers and Counterparties***

During recent years, Mexico has experienced a period of increased criminal activity and violence, primarily due to organized crime. We cannot assure you to what extent these violent crimes will continue to increase or decrease, whether they will continue to expand throughout Mexico and if they will have further adverse effects on Mexico's economy. These activities, as well as the escalation of and the violence associated with such activities, could have a material adverse impact on the business environment in which we operate, and therefore on our financial condition and results of operations.

***Imposition of Fines by Regulators and Other Authorities Could Adversely Affect Our Business, Financial Condition and Results of Operations***

A significant portion of our business, activities and investments occur in heavily regulated sectors. The Mexican regulators and other authorities, including tax authorities, have increased their supervision and the frequency and amounts of fines and assessments have increased significantly. Although we intend to defend our positions vigorously when procedures are brought or fines are imposed by authorities, there can be no assurance that we will be successful in such defense. Accordingly, we may in the future be required to pay fines and assessments that could be significant in amount, which could materially and adversely affect our business, financial condition and results of operations.

***Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue***

Our business, activities and investments are subject to various Mexican federal, state and local statutes, rules, regulations, policies and procedures, which are subject to change and are affected by the actions of various Mexican federal, state and local government authorities. Such changes could materially adversely affect our operations and our revenue.

Mexico's Federal Antitrust Law and the *Ley Federal de Telecomunicaciones y Radiodifusión*, or Telecommunications and Broadcasting Federal Law, or LFTR, including their regulations, may affect some of our activities, including our ability to introduce new products and services, enter into new or complementary businesses or joint ventures and complete acquisitions. In addition, the Federal Antitrust Law and its regulations, as well as the conditions and measures imposed by the *Instituto Federal de Telecomunicaciones*, or Federal Telecommunications Institute, or IFT, an institute with constitutional autonomy responsible for overseeing the broadcasting (radio and television) and telecommunications industries and their antitrust matters, or by the *Comisión Federal de Competencia Económica*, or Mexican Antitrust Commission, or COFECE, may adversely affect our ability to determine the rates we charge for our services and products or the manner in which we provide our products or services. Approval of IFT or the COFECE, as applicable, is required to acquire certain businesses or enter into certain joint ventures. There can be no assurance that in the future IFT or the COFECE, as the case may be, will authorize certain acquisitions or joint ventures related to our businesses, the denial of which may adversely affect our business strategy, financial condition and results of operations. IFT or COFECE, as applicable, may also impose conditions, obligations and fines that could adversely affect some of our activities, our business, financial condition and results of operations. See “— Imposition of Fines by Regulators and Other Authorities Could Adversely Affect Our Business, Financial Condition and Results of Operations”.

As a result of the amendments to the Mexican Constitution and the LFTR relating to telecommunications, television, radio and antitrust, concessions for the use of spectrum are now only granted through public bid processes.

Article 15-A of the *Ley del Seguro Social*, or the Social Security Law, could materially adversely affect our business, financial condition and results of operations. Article 15-A provides that a company that receives personnel services from a third party, is jointly bound to comply with the obligations related to social security that have to be fulfilled by such personnel services providers for the benefit of their respective employees. Article 15-A also requires the Company to send a list to the *Instituto Mexicano del Seguro Social*, or the Social Security Mexican Institute, of all agreements entered into with personnel services providers.

In addition to the foregoing, certain provisions of the *Ley Federal del Trabajo*, or the Federal Labor Law, could materially adversely affect our business, financial condition and results of operations. The Federal Labor Law, as amended in April 2021, provides, among other things, that subcontracting personnel is prohibited and only will be permitted if the personnel services provider performs specialized services or specialized work; however, such specialized services or work shall not be contemplated in the company's corporate purpose or be related with the company's main activities. Companies that provide outsourcing services will be required to complete a registration before the Mexican Ministry of Labor (*Secretaría del Trabajo y Previsión Social*). If these requirements are not met, the company that receives the benefit of the outsourced services shall be jointly liable for all the obligations applicable to employers pursuant to the Federal Labor Law in respect of such personnel. Fines and penalties may be imposed on companies that do not comply with all applicable obligations, and the use of simulated schemes of rendering specialized services or execution of specialized work, as well as subcontracting personnel, will be treated as a criminal offense.

The amendment approved in April 2021 brings, as a consequence, changes to the social security, tax and labor laws. The objective of such amendment is to avoid subcontracting schemes.

This amendment also stated that the amount of profit sharing to be paid to employees will be capped to three months of salary or the average amount received by the employee in the last three years, whichever is more favorable to the employee. A tax implication of this amendment is that invoices issued for disallowed subcontracting of personnel will not have tax effects (i.e., non-deductible expense for income tax purposes and inability to claim a value added tax credit on such expense).

In December 2019, the Mexican Federal Congress approved some additional reforms to the economic plan for 2020. These 2020 tax reforms include amendments to the Income Tax Law, the Value Added Tax Law, the Special Tax on Production and Services Law and the Federal Tax Code, they became effective as of January 2020. Some of the most relevant changes to the Mexican Tax Legislation incorporated some of the Actions included in the Base Erosion and Profit Shifting Final Report (BEPS) published by the Organization for Economic Co-operation and Development (OECD) in February 2013, such as: (i) limitations to the deduction of interests as well as to some other deductions, (ii) update of the Controlled Foreign Corporation (CFC) Rules, (iii) new provisions to tax transparent entities, (iv) modification of the definition of permanent establishment, and (v) incorporation of new rules to tax digital economy. Some other relevant amendments to avoid tax evasion include (i) a new obligation of tax advisors and taxpayers to disclose reportable schemes and (ii) inclusion of general anti-avoidance rule. The following are some of such tax reforms, which some of them impact us:

*Limitation of the deductibility of net interest expense.* In accordance with the recommendations of Action 4 “Limiting Base Erosion Involving Interest Deductions and Other Financial Payments” of the BEPS Final Project and in addition to the existing thin capitalization rules, the interest deduction is limited to 30% of the adjusted tax profit. The limitation applies to the amount of interests that derive from debt exceeding Ps.20 million considering all interests of all companies that are members of the same corporate group. This limitation applies regardless of whether the debt or loan was acquired before January 2020. The amount of interest not deductible in a given year because of this limitation can be carried forward to the following 10 years, provided that certain requirements are met. There are some exceptions provided in this rule for debt financing public infrastructure work projects, real estate construction, and productive governmental enterprises.

*Controlled foreign companies rules.* The complete provisions of this regime were changed to apply some of the recommendations included in the Action 3 “Designing Effective Controlled Foreign Company Rules”. The changes include a new definition of effective control and the strengthening of the requirements needed for not considering income subject to a preferential tax regime. In addition, new provisions were added to set new rules for taxing income obtained through foreign transparent entities or figures, and therefore avoid differing the payment of tax derived from this type of vehicle.

*New rules to tax digital economy.* As part of the measures to increase the efficiency in the collection of VAT and according to the recommendations of Action 1 “Tax Changes Arising from Digitalization” of the BEPS Final Project, a new chapter was included in the Value Added Tax Law to include the VAT treatment applicable to certain digital services provided in Mexico from non-Mexican residents with no permanent establishment. Beginning June 2020, non-Mexican residents providing digital services in Mexico will have to collect the VAT derived from such services and will have several obligations, among others, registering in the Federal Taxpayers Registry, filling periodical VAT returns and issuing invoices.

*Reportable schemes.* Taxpayers and their tax advisors will be required to disclose to tax authorities certain reportable schemes that are listed in the Federal Tax Code. Tax advisors will be required to register and to disclose any reportable scheme in case they participate in its design, organization, implementation, or management. Taxpayers will be required to disclose a reportable scheme if the scheme is designed, organized, managed, or implemented by themselves and if the tax advisor does not report the scheme.

*General anti-avoidance rule.* A general anti-avoidance rule was enacted to identify transactions that lack a business reason and that generate a tax benefit, once it identifies the transactions, the authority could consider them as non-existent or characterize them as a different transaction for tax purposes only. A transaction is considered lacking a business reason when (i) the expected quantifiable economic benefit is lower than the tax benefit received and (ii) when the expected quantifiable economic benefit could have been obtained through fewer transactions and the tax effect may result in a higher tax burden. A tax benefit includes any reduction, deferral, or elimination of a contribution.

In December 2020, the Mexican Federal Congress approved amendments to the Income Tax Law, Value Added Tax and Federal Tax Code as part of the economic plan for 2021.

Regarding the Income Tax Law, several changes were made to the general regime applicable to tax-exempt organizations that aimed to control and restrict the application of such regime to ensure that only the companies that perform non-profit activities benefit from the dispositions of such regime.

In terms of value added tax, derived from the entry into force of the tax digital economy dispositions, some more dispositions were included to specify the way to comply with those obligations, as well as penalties to ensure such compliance.

In December 2021, the Mexican Federal Congress approved minor amendments to the Income Tax Law, Value Added Tax Law, Special Tax on Production and Services Law, and Federal Tax Code as part of the economic plan for 2022. These amendments do not include the addition of new taxes or increases to the existing ones. As of the Income Tax Law, a new simplified regime applicable for individuals and for companies were added. In the Value Added Tax Law, a few modifications were included such as the concept of non-subject activities. The most relevant modifications to the Federal Tax Code are: (i) events where the Certificate of Digital Signature, which is used to issue invoices, can be canceled or restricted to the taxpayer were included; (ii) the definition of resident for tax purposes was modified; (iii) new information to be included in the invoices issued by the taxpayers and a restriction for canceling invoices only in certain period was included; (iv) new requirements must be met to perform a split or a merger of companies, taxpayers must have a business reason to perform the relevant split or a merger, including the obligation to identify and inform the relevant operations performed five years before and after the merger or the split, and the financial statements used to perform a split or a merger must be audited by a certified accountant; and (v) several regulations regarding the identification of the beneficial ownership on each entity, including companies, associations, trusts, funds or any other legal figure, were included in order to guarantee compliance with the minimum international standards of transparency, as well as the obligation to maintain as part of the accounting books, information such as name, address, and tax residence about all the natural persons who directly or indirectly own the benefits or control the entity, which shall remain updated.

The economic plan for 2023 did not include any changes to the Mexican Income Tax Law, the Mexican Value Added Tax Law or the Mexican Federal Tax Code. Pursuant to the Federal Income Tax Law approved by the Mexican Congress for 2023, the withholding income tax rate applicable to payments of interest made by Mexican financial entities was increased from 0.08% to 0.15%.

On June 3, 2021, a decree issuing the Transparency, Prevention and Fight of Improper Practices in Mexico of Advertising Contracting Act (the “Agencies Law”) was published in the Official Gazette of the Federation and became effective on September 1, 2021. The purpose of the Agencies Law is to promote transparency in the advertising industry, as well as to prevent and oppose commercial practices that result in an improper advantage in favor of certain persons to the detriment of advertisers and consumers. On June 8, 2023, the Plenary of the Supreme Court of Justice, by a majority of eight votes, resolved the constitutional disputes filed by the IFT and COFECE, declaring the Agencies Law invalid. The judgment was published in the Official Gazette of the Federation on December 22, 2023. As a result, the Agencies Law is currently invalid and not applicable.

***The Amendments to the Regulations of the General Health Law on Advertising Could Materially Affect Our Business, Results of Operations and Financial Condition***

On February 14, 2014, the Mexican Ministry of Health published in the Official Gazette of the Federation an amendment to the Regulations of the General Health Law on Advertising, pursuant to which advertisers of certain high-caloric foods and non-alcoholic beverages are required to obtain prior permission from the health authorities in order to advertise their products on radio, broadcast television, pay-TV and in movie theaters (the “Health Law Amendment”). The Health Law Amendment became effective on April 16, 2014 and comprehensive guidelines entitled “Guidelines with nutritional and advertising criteria for advertisers of food and non-alcoholic beverages for obtaining permission for the advertising of their products with respect to the provisions of Articles 22 bis and 79 of the Regulations of the General Health Law on Advertising” (the “Health Law Guidelines”) were published in the Official Gazette of the Federation on April 15, 2014 and became effective on July 7, 2014 for the advertisement of the following products: snacks, flavored drinks, candies, chocolates, or foods similar to chocolates and became effective for the remaining products on January 1, 2015.

The Health Law Guidelines restrict the hours that certain high-caloric foods and non-alcoholic drinks can be advertised. These restrictions do not apply when the advertisement is aired during certain programs such as sports, dramas, news programs, series officially rated as unsuitable for children, films with ratings of B, B15, C and D, and programs where the advertiser certifies through audience research that people between the ages of 4 and 12 represent no more than 35% of the audience and receives the prior consent from the Federal Commission for the Protection Against Health Risks.

On March 27, 2020, the Mexican Ministry of Economy published in the Official Gazette of the Federation an amendment to the Mexican Official Standard NOM-051-SCFI/SSA1-2010 (General labeling specifications for pre-packaged food and non-alcoholic beverages – commercial and health information) (the “NOM-051 Amendment”), which incorporates new prohibitions and guidelines in the front design of food and non-alcoholic beverage labels. The NOM-051 Amendment establishes a five-year transition period, coming into force in three phases. As of April 1, 2021, the use of characters, drawings, celebrities, athletes or pets in labels of pre-packaged food and non-alcoholic beverages to promote their consumption is prohibited, and the use of warning labels for pre-packaged products with saturated fats, high sugars or sweeteners that have one or more warning labels of saturated fats, high sugars or the legend of sweeteners is mandatory.

We cannot predict the impact or effect the NOM-051 Amendment and/or the Health Law Amendment might have or continue to have on our results of operations in the future.

***The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments***

Any regulations related to the LFTR that could be issued by the President of Mexico and IFT, as applicable, or amendments to the LFTR and certain actions recently taken by IFT, or to be taken by IFT from time to time, affect or could significantly and adversely affect the business, results of operations and financial condition of certain of our subsidiaries that hold concessions and/or provide services in the areas of broadcasting, cable and telecommunications.

The LFTR provides that measures taken or decisions issued by IFT are not subject to judicial stay. Therefore, subject to limited exceptions, until a decision, action or omission by IFT is declared void or unconstitutional by a competent court through a binding and final judgment, IFT's decision, action or omission will be valid and will have full legal effect.

As a result of the reforms to the Mexican Constitution and the must-offer and must-carry regulations issued by IFT, starting on September 10, 2013, our concessionaires of broadcast services have been required to permit pay-TV concessionaires to retransmit broadcast signals, free of charge and on a non-discriminatory basis, within the same geographic coverage area simultaneously and without modifications, including advertising, and with the same quality of the broadcast signal, except in certain specific cases provided in the transitory Articles of the June 2013 Telecom Reform (the "Telecom Reform"). Also, since September 10, 2013, our pay-TV concessionaires are required to retransmit broadcast signals of free television concessionaires, free of charge and on a non-discriminatory basis, subject to certain exceptions and additional requirements provided for in the Telecom Reform.

Certain pay-TV concessionaires benefit from the free use of broadcast for retransmission to their subscribers.

On February 27, 2014, the "General Guidelines Regarding the Provisions of Section 1 of the Eighth Article of the Transitory Decree Amending and Supplementing a Number of Provisions of Articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Mexican Constitution in Telecommunications," or the Guidelines, were published in the Official Gazette of the Federation, which include, among other obligations, the obligation of concessionaires of broadcast television licenses to permit the retransmission of their broadcast signals and the obligation of pay-TV concessionaires to perform such retransmission (without requiring the prior consent of the broadcast television concessionaires) in the same geographic coverage zone for free (subject to certain exceptions) and in a non-discriminatory manner in its entirety, simultaneously and without modifications, including advertising, and with the same quality of the broadcast signal without requiring consent from the broadcast television concessionaires.

On March 6, 2014, IFT issued a decision (the "Preponderance Decision") whereby it determined that we, together with other entities with concessions to provide broadcast television, including some of our subsidiaries, are preponderant economic agents in the broadcasting sector in Mexico (together, the "Preponderant Economic Agent"). As part of the TelevisaUnivision Transaction, *Televisa, S. de R.L. de C.V.* ("TVSA"), an entity formerly owned by the Company and now the operator of TelevisaUnivision's Content business in Mexico, executed third party programming agreements with the Company's entities that hold the broadcasting concessions. As a result of the TelevisaUnivision Transaction, TVSA is also part of the Preponderant Economic Agent.

The Preponderance Decision imposes on the Preponderant Economic Agent various measures, terms, conditions and restrictive obligations, including the following:

- *Infrastructure sharing* — The Preponderant Economic Agent must make its passive broadcasting infrastructure available to third-party concessionaires of broadcast television for commercial purposes in a non-discriminatory and non-exclusive manner, with the exception of broadcasters that, at the time the measures enter into force, have 12 MHz or more of radio-electric spectrum in the geographic area concerned. Such passive broadcasting infrastructure includes, among others, non-electronic elements at transmitting locations, rights of way, ducts, masts, trenches, towers, poles, security, sites, land, energy sources and air conditioning system elements. This action may result in the Preponderant Economic Agent being bound to incur substantial additional costs and obligations in complying with this requirement, as well as affecting the results of operations. Furthermore, this measure will facilitate the entry and expansion of new competitors in the broadcasting industry without such competitors having to incur costs or investment expenses that new businesses in this industry otherwise would have made and which we incurred in the past and will continue incurring in the future in order to remain competitive. A first infrastructure offer with the terms and conditions to make our passive broadcasting infrastructure available to third-party concessionaires was published on our website on December 19, 2014 and was valid until December 31, 2016. This was succeeded by a second infrastructure offer, which we published on our website on November 30, 2016 and which was effective as of January 1, 2017. This was succeeded by a third infrastructure offer, which we published on our website on November 30, 2017 and was valid from January 1, 2018 until December 31, 2019, which was declared unconstitutional by the Supreme Court on November 26, 2019. This was succeeded by a fourth infrastructure offer, which we published on our website on November 30, 2019, to be effective from January 1, 2020 through December 31, 2021. This was succeeded by a fifth infrastructure offer, which we published on our website on November 30, 2021, effective from January 1, 2022 through December 31, 2023. This was succeeded by a sixth infrastructure offer, which we published on our website on December 1, 2023, effective from January 1, 2024 through December 31, 2025. The price to be paid by the concessionaires for the use of our infrastructure on the sixth infrastructure offer is subject to negotiation. As of the date of this report, we have not received any request from third-party concessionaires regarding such infrastructure offer; however, we are unable to predict the impact of the use of the sixth infrastructure offer on our businesses, results of operations and financial conditions of certain of our subsidiaries that hold concessions and/or provide services in the areas of broadcasting and telecommunications.
- *Advertising sales* — According to the Preponderance Decision, the Preponderant Economic Agent must deliver to IFT the terms and conditions of its broadcast advertising services and fee structures, including commercials, packages, discount plans and any other commercial offerings and publish them on its webpage. The Preponderant Economic Agent also must make publicly available on its website its forms of contracts and terms of sale for each service. Based on this decision, the Preponderant Economic Agent is expressly prohibited from refusing to sell advertising and/or discriminating with respect to the advertising spaces being offered. If IFT considers that the Preponderant Economic Agent has failed to comply with the foregoing, IFT may order the Preponderant Economic Agent to make its advertising spaces available, which, in turn, could affect the ability of the Preponderant Economic Agent to carry out its advertising sales plans in an efficient and competitive manner, affecting its operating results. This provision may also affect the ability of the Preponderant Economic Agent to offer competitive rates to its customers.
- *Prohibition on acquiring certain exclusive content* — The Preponderant Economic Agent may not acquire transmission rights, on an exclusive basis, for any location within Mexico with respect to certain relevant content, determined by IFT in the “Ruling whereby IFT identifies the relevant audiovisual contents in terms and for the purposes of the fourth measure and the second transitory article of the fourth attachment of the Telecommunication Preponderance Decision and the Broadcasting Preponderance Decision”, or the Relevant Content Ruling, which list may be updated every two years by IFT. Relevant content is defined as programs with a high expected level of regional or national audience and with unique characteristics that in the past have generated high levels of national or regional audiences. The Relevant Content Ruling identified certain programs that would be considered relevant content, namely, Mexican national soccer team games, the opening and closing ceremonies of the Olympic Games, the opening and closing ceremonies and semifinals and finals of the FIFA World Cup, and the finals of the Mexican Soccer League. Also, on November 14, 2018, IFT updated the list, eliminating the opening and closing ceremonies of the Olympic Games and adding 16 matches of the FIFA World Cup, semifinals of the Mexican Soccer League and the Super Bowl. This Ruling applies to the Preponderant Economic Agents and may limit the ability of the Preponderant Economic Agents to negotiate and have access to this content and could affect their ability to acquire content in the medium and long term, which could significantly and adversely affect their revenues and results of operations from the sale of advertising, as well as the quality of the programming offered for their audiences.



## [Table of Contents](#)

- *Over-the-air channels* — When the Preponderant Economic Agent offers any of its over-the-air channels, or channels that have at least 50% of the programming that is broadcast daily between 6:00 a.m. and midnight on such channels, to its affiliates, subsidiaries, related parties or third parties, for distribution through a different technological platform than over-the-air broadcast television, the Preponderant Economic Agent must offer these channels to any other person that asks for distribution over the same platform as the Preponderant Economic Agent has offered, on the same terms and conditions. Also, if the Preponderant Economic Agent offers a package of two or more of these channels, it must also offer them in an unpackaged form upon request.
- *Prohibition on participating in “buyers’ clubs” or syndicates to acquire audiovisual content, without IFT’s prior approval* — The Preponderant Economic Agent may not enter into or remain a member of any “buyers’ club” or syndicates of audiovisual content unless it has received the prior approval of IFT. A “buyers’ club” is defined as any arrangement between two or more economic agents to jointly acquire broadcast rights to audiovisual content in order to obtain better contractual terms. This may result in the Preponderant Economic Agent not having exclusive access to certain audiovisual content and consequently its audiences may move to other broadcast television transmissions or other technological platforms that transmit such content. It may also result in its acquisition costs significantly increasing, which can affect business strategy, financial condition and results of operations.

On February 27, 2017, as part of the biannual review of the broadcasting sector preponderance rules, IFT amended various measures, terms, conditions and restrictive obligations (the “New Preponderance Measures”) as follows:

- *Infrastructure sharing* — In addition to the previously imposed obligations regarding the sharing of passive infrastructure, the New Preponderance Measures have (i) included the service of signal emissions in the event that no passive infrastructure exists on the relevant requested site, which was declared unconstitutional by the Supreme Court on November 26, 2019; (ii) strengthened the supervision of services provided by the Preponderant Economic Agent and tariff arrangements made with its clients; (iii) included certain rules relating to publicity of its tariffs; and (iv) included a new electronic management system. Under the New Preponderance Measures, the IFT determined specific tariffs for our third and fourth infrastructure offers.
- *Prohibition on acquiring certain exclusive content* — This measure has been modified by enabling the Preponderant Economic Agent to acquire relevant content under certain circumstances as long as it obtains the sublicense of such transmission rights to the other broadcasters of over-the-air television in Mexico on non-discriminatory terms.
- *Advertising sales* — IFT modified this measure by including specific requirements to the Preponderant Economic Agent in its provision of over the air advertising services, particularly to telecommunications companies, which include (i) publishing and delivering to IFT specific information regarding tariffs, discount plans, contracting and sales terms and conditions, contract forms and other relevant practices; and (ii) prohibiting discrimination, refusals to deal, conditioned sales and other conditions that inhibit competition. The Preponderant Economic Agent also has to provide very detailed information to IFT on a recurrent basis of over the air advertising services related to telecommunications companies.
- *Accounting separation* — We, as the Preponderant Economic Agent, are required to implement an accounting separation methodology following the criteria defined by IFT for those purposes, which criteria were published in the *Diario Oficial de la Federación*, or the Official Gazette of the Federation, on December 29, 2017. Such criteria were amended by a first amendment published on October 29, 2018, where IFT simplified some reporting obligations for accounting separation for entities that are part of the Preponderant Economic Agent, other than our subsidiaries. Furthermore, a second amendment was published on December 19, 2019, where IFT deferred the deadline for the filing of the accounting separation exercises for the fiscal years 2017 and 2018 to July 31, 2019, which we filed timely. We timely filed the accounting separation methodology for fiscal years 2020, 2021 and 2022, and have begun the process of the accounting separation methodology for fiscal year 2023, which will be filed with IFT later in 2024.

On March 28, 2014, we, together with our subsidiaries determined to be the Preponderant Economic Agent in the broadcasting sector, filed an *amparo* proceeding challenging the constitutionality of the Preponderance Decision. On November 21, 2019, the Supreme Court resolved the *amparo* proceeding. The Supreme Court declared the constitutionality of the Preponderance Decision, which, therefore, remains in force.



[Table of Contents](#)

Additionally, on March 31, 2017, we, together with our subsidiaries, filed an *amparo* proceeding challenging the constitutionality of the New Preponderance Measures. On November 21, 2019, the Second Chamber of the Supreme Court of Justice granted the *amparo* and revoked the New Preponderance Measures. As a result, the applicable and valid measures that are in force are those issued under the Preponderance Decision.

The biannual review of the broadcasting sector preponderance rules that began in 2019 was concluded due to the resolution of the *amparo*. A new biannual review began in 2023 and, as of March 31, 2024, is ongoing.

The Telecom Reform provided for a public bid or auction to grant licenses to establish the National Digital Networks. The “Auction Program for Digital Television Broadcast Frequencies” took place in 2014 and the first part of 2015. See “— Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue”.

The LFTR provides that integrated sole concessions will be renewed for terms equal to the maximum terms for which they could be granted, namely, up to 30 years. To request the renewal of a concession, a concession holder must: (i) file its request with IFT one year prior to the beginning of the fifth period of the term of the concession; (ii) comply with its obligations established in the applicable laws and in the concession title; and (iii) accept the new conditions that IFT may impose. In such cases, IFT will issue its ruling within 180 days following the date the concession holder files the renewal request. If IFT does not issue its ruling within 180 days, the renewal will be automatically granted.

In the case of concessions for the use of radio-electric spectrum, the maximum term of renewal is 20 years. Renewal of concessions for the use of spectrum require, among others: (i) to request such renewal to IFT in the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder’s obligations under the LFTR, other applicable regulations, and the concession title; (iii) a declaration by IFT that there is no public interest in recovering the spectrum granted under the related concession; and (iv) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT, including the payment of a related fee. To our knowledge, no spectrum granted for broadcasting services in Mexico has been recovered by the Mexican government in the past several years for public interest reasons; however, the Company is unable to predict the outcome of any action by IFT in this regard.

IFT has approved the renewal of the concession titles for the use of spectrum for the broadcast television signals known as Las Estrellas, Canal 5, NU9VE, Foro TV and other local television stations, for a term of 20 years after the existing expiration dates, as well as the issuance of concessions that grant the authorization to provide digital broadcasting television services.

As part of our expansion of our Cable business, on December 17, 2018, we acquired FTTH under the provisions set forth in transitory Article 9 of LFTR. On May 8, 2019, the IFT launched an investigation to analyze if, as a result of the transaction, the Company, as well as the Cable and Sky concessionaires and TVSA, acquired substantial power in the market of telecommunications networks providing voice, data or video services. On September 4, 2019, the IFT Investigative Authority issued a preliminary opinion, whereby it assessed that there were elements to determine that the Company had substantial power in 35 relevant markets of the telecommunications networks that provide restricted television and audio services. Those relevant markets comprise 35 municipalities in the following States: Aguascalientes, Chihuahua, Ciudad de México, Estado de México, Jalisco, Nuevo León and San Luis Potosí. As a response to the preliminary opinion, the Company presented its position and provided evidence to prove that the Company does not hold substantial power in the relevant markets established in the preliminary opinion. On November 26, 2020, the IFT notified TVSA, the Company and some subsidiaries of its Cable and Sky businesses of the final resolution confirming the existence of substantial power in the 35 relevant markets of restricted television and audio services. Some of the consequences derived from the determination of substantial market power are applicable as a matter of law and others may be imposed by IFT in a new procedure in accordance with the LFTR, which may consist of: (i) the obligation to obtain IFT’s approval and to register the rates for our services; (ii) to inform the IFT in case of the adoption of new technology or modifications to the network; (iii) the agent with substantial power may not be entitled to the benefits of some rules of the “must carry” and “must offer” provisions; and (iv) the implementation of accounting separation. Consequently, on December 17, 2020, TVSA, the Company and some subsidiaries of its Cable and Sky businesses, filed three *amparos*, respectively, to challenge the constitutionality of the resolution. In October 2022, TVSA, the Company and some subsidiaries of its Cable and Sky businesses obtained favorable *amparo* resolutions from a specialized federal judge which determined that the resolution of IFT about the substantial power on the restricted services of television and audio market in 35 municipalities in Mexico, after the acquisition of the direct to home fiber-optic and assets related to Axtel, S.A.B. de C.V. in December 2018, was unconstitutional. On January 24, 2024, a Federal Court resolved through a final resolution of the *amparo* of TVSA and instructed the IFT to revoke the substantial power resolution. On March 6, 2024, as a result of the *amparo* resolution, the IFT revoked the substantial power resolution and determined to close the file only for TVSA, the other two *amparos* are currently under revision of the competent court.

[Table of Contents](#)

Overall, the Telecom Reform, the LFTR and secondary regulations already issued and to be issued by the executive power or IFT, as applicable, as well as any actions taken by IFT, may increase our operating costs and interfere with our ability to provide, or prevent us from offering, some of our current or future services.

The resolutions issued by IFT under the Telecom Reform significantly and adversely affect certain areas related to some of our activities, including cable and telecommunications, as well as our ability to introduce new products, infrastructure and services, to enter into new businesses or complementary businesses, to consummate acquisitions or joint ventures, and to determine the rates we charge for our products, services and use of our infrastructure.

See “Information on the Company—Business Overview—Regulation—Telecom Reform and Broadcasting Regulations”.

**Risk Factors Related to Our Major Stockholders**

***Emilio Azcárraga Jean Has and Will Have Substantial Influence Over Our Management and the Interests of Mr. Azcárraga Jean may Differ from Those of Other Stockholders***

We have four classes of common stock: Series “A” Shares, Series “B” Shares, Series “D” Shares, and Series “L” Shares. A trust for the benefit of Emilio Azcárraga Jean, or the Azcárraga Trust, currently holds 44.7% of the outstanding Series “A” shares, 0.1% of the outstanding Series “B” shares, 0.1% of the outstanding Series “D” shares and 0.1% of the outstanding Series “L” shares of the Company. As a result, Emilio Azcárraga Jean controls the vote of most of the shares held through the Azcárraga Trust. The Series “A” Shares held through the Azcárraga Trust constitute a majority of the Series “A” Shares whose holders are entitled to vote because non-Mexican holders of CPOs or GDSs are not permitted to vote the underlying Series “A” Shares in accordance with the trust agreement governing the CPOs and the Company’s bylaws. Accordingly, and so long as non-Mexicans own more than a minimal number of Series “A” Shares, Emilio Azcárraga Jean will have the ability to direct the election of 11 out of 20 members of our Board of Directors, as well as prevent certain actions by the stockholders, including dividend payments, mergers, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws. See “Major Stockholders and Related Party Transactions — The Major Stockholders”.

***As Controlling Stockholder, Emilio Azcárraga Jean Has the Ability to Limit Our Ability to Raise Capital, Which Would Require Us to Seek Other Financing Arrangements***

Emilio Azcárraga Jean has the voting power to prevent us from raising money through equity offerings. Mr. Azcárraga Jean has informed us that if we conduct a primary sale of our equity, he would consider exercising his pre-emptive rights to purchase a sufficient number of additional Series “A” Shares in order to maintain such power. In the event that Mr. Azcárraga Jean is unwilling to subscribe for additional shares and/or prevents us from raising money through equity offerings, we would need to raise money through a combination of debt or other forms of financing, which we may not obtain, or if so, possibly not on favorable terms.

**Risk Factors Related to Our Business**

***The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions***

In June 2013, the Mexican Federal Congress passed the Telecom Reform which, among other things, created IFT. IFT has the authority to grant concessions for radio and television stations as well as for telecommunications services.

We hold a number of concessions from IFT (previously from *Secretaría de Comunicaciones y Transportes* or SCT) to broadcast programming over television stations, and to provide telecommunication services. In November 2018, all of our digital broadcast television concessions were renewed and, as a consequence, IFT delivered to the Company concessions (i) for the use of spectrum until 2042 and (ii) that grant the authorization to provide digital broadcasting television services until 2052. See “—Risk Factors Related to Mexico—Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue”. The expiration dates of our cable concessions range from 2026 to 2059 and our DTH concessions expire between 2030 and 2056. Cablevisión obtained a telecommunications concession expiring in 2029, which changed to an integrated sole concession in 2019, but kept its original term. In September 2022, Cablevisión began the process of extending the term of the integrated sole concession title granted in May 2019, and through a resolution dated June 7, 2023, the Plenary of the IFT authorized the extension of the term of the Cablevisión integrated sole concession for an additional 30 years beginning in September 2029. Consequently, in August 2023, the IFT delivered to Cablevisión a new integrated sole concession title that authorizes Cablevisión for such additional period.

Before the Telecom Reform in 2013, the SCT typically renewed the concessions of those concessionaires that complied with the applicable renewal procedures under Mexican law and with their obligations under the concession. In July 2014, the Mexican Federal Congress enacted the LFTR, which provides that integrated sole concessions will be renewed for terms equal to the maximum terms for which they could be granted, namely, up to 30 years, except for spectrum which will be renewed for terms of 20 years, and in case of concessions for the use of radio-spectrum, the maximum term for renewal is 20 years.

See “—Risk Factors Related to Mexico—Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue” and “—Risk Factors Related to Mexico—The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments”.

***We Face Competition in Each of Our Markets That We Expect Will Intensify***

We face competition in all of our businesses. The entities in which we have strategic investments and the joint ventures in which we participate, including TelevisaUnivision, also face competition. We expect that competition in our different businesses will intensify.

Our DTH satellite business faces competition from various competitors, including Dish Mexico, a DTH satellite pay-TV platform which launched its services in Mexico at the end of 2008, Star TV, a Dish Satellite pay-TV platform, *Mega Cable Comunicaciones, S.A. de C.V.*, or Megacable, Total Play, as well as from Digital TV and over-the-top (“OTT”), advertising video on demand (“AVOD”) and other streaming platforms, and cable television companies which are subsidiaries of the Company. In addition, the DTH market competes with other traditional and digital media with respect to advertising and sales, including Pay-TV, outdoor advertising and publishing, among others.

In addition, the industries in which we operate are changing rapidly because of new participants and evolving distribution technologies, including the internet.

The cable industry in Mexico has become highly competitive, and we face significant competition. Most cable operators are authorized to provide pay-TV, internet broadband services and voice services, including Voice over Internet Protocol, or VoIP, which poses a risk to us. We also face competition from the Preponderant Economic Agent in telecommunications, particularly in the provision of data and fixed telephony services. The cable business is also capital intensive.

Our pay-TV companies face competition from IPTV, AVOD, SVOD or OTT providers such as Netflix, Disney+, Claro Video, Prime Video (Amazon), Star+, Max, Apple TV+, and YouTube among others, as well as from other pay-TV operators such as Dish Mexico, Total Play, Megacable and other cable television companies.

Our future success will be affected by changes in the industries where we participate, which we cannot predict, and consolidation in such industries could further intensify competitive pressures. We expect to face competition from an increasing number of sources in Mexico, including emerging technologies that provide new services to pay-TV customers and new entrants in the public and pay-TV industries, which will require us to make significant capital expenditures in new technologies and will result in higher costs in the acquisition of content or may impair our ability to renew rights to special events, including sporting and entertainment events. Our business may require substantial capital to pursue additional acquisitions and capital expenditures, which may result in additional incurrence of leverage, issuance of additional capital or a combination thereof.

***AT&T Has Certain Governance and Veto Rights Over Some Operations of Innova***

We own a 58.7% interest in Innova, our DTH venture in Mexico, Central America and the Dominican Republic. The remaining balance of Innova's equity is indirectly owned by AT&T through The DIRECTV Group, Inc.'s subsidiaries: DTH (Mexico) Investment, LTD, DIRECTV Latin America Holdings LLC and DIRECTV MPR Holdings, LLC. AT&T Inc. acquired DIRECTV in July 2015. On April 3, 2024, we announced that we had reached an agreement with AT&T to acquire its interest in Sky and become the owner of 100% of Sky's capital stock. The transaction is subject to customary regulatory approvals. We currently have the right to designate a majority of the members of Innova's Board of Directors, and AT&T has certain governance and veto rights in Innova, including the right to block certain transactions between us and Innova.

***Loss of Transmission or Loss of the Use of Satellite Transponders Could Cause a Business Interruption in Innova, Which Would Adversely Affect Our Net Income***

Media and telecom companies, including Innova, rely on satellite transmissions to conduct their day-to-day business. Any unforeseen and sudden loss of transmission or non-performance of the satellite for Innova can cause huge losses to Innova's business. The unforeseen loss of transmission may be caused due to the satellite's loss of the orbital slot or the reduction in the satellite's functional life.

The size of the business interruption impact for Innova in the case of a satellite loss exceeds the insurance we have acquired to cover this risk. In order to reduce the possibility of financial consequences resulting from an unforeseen loss of transmission, Innova entered into an agreement to launch a backup satellite jointly with Sky Brasil Servicos Ltda., or Sky Brasil, which was launched in the first quarter of 2010. In the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of a satellite named SM-1, which started operations in June 2015. In the future, we may have to invest in additional satellite capacity. We cannot predict the extent of losses to Innova in the case of current or new satellite loss or the effectiveness of any alternative strategy.

***Any Incidents Affecting Our Network and Information Systems or Other Technologies Could Have an Adverse Impact on Our Business, Reputation and Results of Operations.***

Our business operations rely heavily on network and information systems and other technology systems, including cloud computing. We also rely on our information technology systems and those from third parties. Incidents affecting these systems, such as cyber-attacks, malware (including deployment of ransomware) and other destructive or disruptive activities, process breakdowns, outages, or accidental release of information may lead to a disruption of our operations, improper disclosure of personal data of clients, subscribers, or employees, or other privileged or confidential information, or unauthorized access to our digital content or any other type of intellectual property. It is common for a company such as ours to be subjected to continuous attempted cyber-attacks or other malicious efforts designed to cause a cybersecurity incident. Such attempts, if successful, could damage our reputation and may require us to expend substantial resources on litigation, regulatory investigation and enforcement, and remediation costs, and could therefore have a material adverse effect on our business, reputation and results of operations. We continue to work closely with our external advisors to prevent cybersecurity incidents, and to invest in maintaining and improving our cybersecurity resilience, and the Company's cybersecurity risks, and mitigation actions are monitored by our Audit Committee and reported to our Board of Directors. However, we cannot assure that we or our respective third-party service providers will not experience any future security breaches, cyber-attacks or unauthorized disclosures. Because of the continuously evolving nature of the tools and methods used by hackers and cyber criminals, including with respect to the cloud computing environment, there can be no assurance that our preventative efforts can fully prevent or mitigate all such incidents or be successful in avoiding harm to our business in the future.

***We are subject to a variety of global laws, regulations, and rules related to privacy and personal data protection, which are evolving, and increased public scrutiny of privacy and security issues could result in increased government regulation, industry standards, and other legal obligations that could adversely affect our business.***

In the ordinary course of business and in particular in connection with content acquisition, making our services and products available to consumers, we collect and utilize information supplied by consumers and other third parties, which may include personal information and other data. As a result, we are subject to laws, rules and regulations in Mexico, the E.U., the U.S., and in other countries relating to privacy and the collection, use and security of personal information.

A growing number of global jurisdictions have passed and/or are considering legislation implementing privacy and data protection requirements that could increase the cost and complexity of delivering our products and services. For example, in Mexico, the Federal Law for Protection of Personal Data Held by Private Persons (*Ley Federal de Protección de Datos Personales en Posesión de los Particulares*) protects personal data collected by us and, among other things, requires that we ensure the confidentiality of information received from customers.

Also, in the E.U., the General Data Protection Regulation (the “GDPR”) imposes stringent operational requirements for entities processing personal data, restricts the trans-border flow of certain personal data, and imposes significant penalties of up to the greater of 20 million euros or 4% of the annual global revenue of a noncompliant company for violations of the GDPR’s requirements. Such penalties are in addition to any civil litigation claims by data subjects. Ensuring compliance with the GDPR and similar laws is an ongoing commitment that involves substantial costs, and it is possible that despite our efforts, governmental authorities or third parties will assert that our services or business practices fail to comply.

In the U.S., the California Consumer Privacy Act (“CCPA”), as amended by the California Consumer Privacy Rights Act effective January 1, 2023, regulates companies’ use and disclosure of the personal information of California residents, gives California residents rights with respect to their personal information, and authorizes enforcement actions by the California Attorney General and the California Privacy Protection Agency and private class actions for data breaches. The CCPA marked the beginning of a trend toward more stringent state data privacy legislation in the United States. Four such laws, in Virginia, Colorado, Connecticut and Utah, have taken effect in 2023, and at least three more laws in Montana, Texas and Oregon are scheduled to take effect in 2024. Each of these laws will regulate the way that companies collect, use, and share personal information about certain consumers located in those states. Many similar laws have been proposed at the federal and state level that would impose restrictions on our ability to collect, use and disclose, and increase our obligations to safeguard, certain consumer information.

Given the breadth and depth of changes in global data protection obligations, compliance has caused us to expend significant resources, and such expenditures are likely to continue into the future as we continue our compliance efforts. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace, which could have a material adverse effect on our business, financial condition and results of operations.

These laws and regulations are subject to frequent changes and amendments, and sometimes conflict among the various jurisdictions and countries in which we do business. It also is possible that they may be interpreted and applied in a manner that is inconsistent with our data privacy and information security practices. If we are unable to develop and offer our products and services in a manner that meets legal requirements or if we violate or are perceived to violate any of these laws, regulations, or other obligations relating to data privacy, data protection, or information security, we may experience reduced demand for our products and services, harm to our reputation, or become subject to increased compliance costs, investigations, litigation, or regulatory action, which could expose us to significant fines, penalties, and other damages, or require us to make changes to our business practices, all of which could have a material adverse effect on our business, financial condition, and results of operations.

***Following the Consummation of the TelevisaUnivision Transaction and the Spin-Off of certain businesses of our Former Other Businesses Segment to create Ollamani, Our Continuing Operations Are Less Diversified, Primarily Focused on Our Cable and Sky Segments, and Rely Significantly on Contractual Arrangements with TelevisaUnivision to Provide Content for Our Operations***

Following the completion of the TelevisaUnivision Transaction and the spin-off of certain businesses that were part of our former Other Businesses segment (the “Spin-off”), revenue from our continuing operations is less diversified. Due to the combination of our former Content business with TelevisaUnivision and the Spin-off, our results of operations have been more reliant on our Cable and Sky segments, which increases our exposure to the risks of such businesses.

In addition, as a result of the TelevisaUnivision Transaction, our remaining businesses will have significant contractual arrangements with TelevisaUnivision to provide content for our Sky and Cable platforms. As we no longer control the content assets on which our business relies, TelevisaUnivision could pursue a content development, production and distribution strategy that is different from the strategy we would have pursued before the transaction. TelevisaUnivision also could breach its contractual arrangements with us and/or otherwise take actions that are detrimental to our interests. In addition, if there is any dispute relating to our contractual arrangements with TelevisaUnivision, we may have to enforce our rights through litigation or other legal proceedings, which would be subject to uncertainties inherent in the legal system and may be expensive or protracted, even if we are ultimately successful and there can be no assurance we would be successful. As the composition of our business is different following the completion of the TelevisaUnivision Transaction and the Spin-off, our success going forward may also depend on our ability to manage risks that may be different from those we faced prior to the TelevisaUnivision Transaction and the Spin-off. Any of the foregoing factors, among others, may have a material adverse effect on our business, financial condition and results of operations, as well as the market price of our CPOs and/or GDSs.

***We May Identify Material Weaknesses in Our Internal Controls Over Financial Reporting in the Future, and Any Future Material Weaknesses or Failure to Achieve an Effective System of Internal Controls, May Cause Us Not to Be Able to Report Our Financial Results Accurately. In Addition, the Trading Price of Our Securities May Be Adversely Affected by a Related Negative Market Reaction***

In connection with the preparation of our financial statements, we may identify material weaknesses (as defined under standards established by the Public Company Accounting Oversight Board) in our internal controls over financial reporting in the future. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

If any future material weaknesses occur, it could affect the accuracy of our reporting on the future results of operations and our ability to make our required filings with government authorities, including the SEC. Furthermore, our business and operating results and the price of our securities may be adversely affected by related negative market reactions. While we have no reason to believe there will be any future material weaknesses identified, we cannot be certain that in the future additional material weaknesses will not exist or otherwise be discovered.

***Changes in U.S. Tax Law Might Adversely Affect the Results of Operations of Our U.S. Subsidiaries, Affiliates and Joint Venture Entities***

On December 22, 2017, the United States enacted into law the Tax Cuts and Jobs Act of 2017 (the "TCJA"). The TCJA introduced significant changes to U.S. federal income tax laws applicable to our U.S. subsidiaries, affiliates and joint venture entities including the reduction of the U.S. federal corporate income tax rate from a maximum rate of 35% to a flat rate of 21%, limitation of the tax deduction for interest expense, limitation of the tax deduction for net operating losses, enactment of an immediate deduction for certain new investments, repeal of the corporate alternative minimum tax, and modification or elimination of many business deductions and credits.

The TCJA also imposed a new minimum tax called the Base Erosion and Anti-Abuse Tax (the "BEAT") on certain U.S. corporations. The BEAT is imposed on certain deductible amounts paid by a U.S. corporation that (i) has aggregate gross receipts of at least \$1.5 billion over its three prior taxable years and (ii) is at least 25%-owned by a non-U.S. person (or otherwise related to a non-U.S. person in specified circumstances). The BEAT taxes "modified taxable income" of a U.S. corporation described above at a rate of 5% beginning in 2018, increasing to 10% in 2019 and 12.5% in 2026. In general, modified taxable income is calculated by adding back to the U.S. corporation's regular taxable income the amount of certain "base erosion tax benefits" with respect to payments to foreign affiliates, as well as the "base erosion percentage" of any net operating loss deductions. The BEAT applies only to the extent it exceeds the U.S. corporation's regular corporate income tax liability (determined without regard to certain tax credits). At present, we do not expect the BEAT to apply to our U.S. subsidiaries, affiliates and joint ventures, however, it is possible that the BEAT could apply in future years.

On August 16, 2022, the United States enacted into law the Inflation Reduction Act of 2022 (the "IRA") into law. The IRA establishes a 15% corporate minimum tax effective for taxable years beginning after December 31, 2022, in addition to other changes to the U.S. federal income tax laws. At present, we do not expect the tax-related provisions of the IRA to have a material impact on our financial results.

***Climate change effects may have an adverse impact in our operations and our financial results***

The effects of climate change and extreme weather events (such as sea level rise, drought, flooding, heat waves, wildfires and resultant air quality effects and power shutdowns associated with wildfire prevention, hurricanes and increased storm severity, as well as earthquakes in Mexico's seismic zones) may affect our operations and financial results, and cause interruptions in the services we provide, our suppliers' ability to provide us the services and goods necessary for our operations, and cause damage to our infrastructure. We could incur in significant costs as a result of the physical effects of climate change. We also may not have enough coverage under our insurance policies to recover the amounts required for these incidents, claims for certain losses could be denied or subject to deductibles or exclusions under our insurance policies and our insurance premiums may increase substantially because of such claims. We are also subject to transition risks (such as additional legal or regulatory requirements, changes in technology, market risk and reputational risk) and social and human effects (such as harm to health and well-being) associated with climate change. New legal or regulatory requirements to prevent, mitigate, or adapt to the implications of a changing climate could result in our being subject to increased compliance costs, restrictions on greenhouse gas emissions, investment in new technologies, increased carbon disclosure and transparency, investments in developing data gathering and reporting systems, upgrade of facilities to meet new building codes, and increased energy costs, which could increase our operating costs. Our supply chain would also likely be subject to these same transition risks and would likely pass along any increased costs to us, which may impact our ability to procure goods or services required for the operation of our business.

**Risk Factors Related to TelevisaUnivision**

***The Results of Operations of TelevisaUnivision May Affect Our Financial Performance and the Value of Our Investment in that Company; Key Members of Our Management Team Also Participate in the Management of the Mexican Content Business of TelevisaUnivision***

We have a substantial investment in TelevisaUnivision, the parent company of Univision Holdings, Inc. (formerly known as Broadcasting Media Partners, Inc., or BMP) ("UHI") and Univision Communications Inc. ("UCI" and jointly with TelevisaUnivision and UHI, "Univision"). On January 31, 2022, we consummated a transaction (the "TelevisaUnivision Transaction") with UHI and, for the limited purposes set forth in the transaction agreement (the "2021 Transaction Agreement"), affiliates of Searchlight Capital Partners, LP ("Searchlight"), ForgeLight LLC ("ForgeLight") and Liberty Global plc, through its venture investment vehicle ("Liberty Global"), pursuant to which, among other things, we contributed our former Content business segment (other than the main real estate associated with the production facilities and Mexican over-the air broadcast concessions and transmission infrastructure, as well as certain assets relating to our former news business which was transferred at closing to an entity controlled by Emilio Fernando Azcárraga Jean (the "News Company")) to UHI. After the closing of the TelevisaUnivision Transaction, news programs are owned by the News Company and licensed to TelevisaUnivision. In consideration for the contribution of our former Content business, we received approximately U.S.\$4.5 billion in a combination of cash (U.S.\$3.0 billion) and U.S.\$1.5 billion of common and preferred shares of TelevisaUnivision, excluding post-closing adjustments. The TelevisaUnivision Transaction was partially financed by UHI through a new Series C preferred equity investment in TelevisaUnivision of U.S.\$1.0 billion in the aggregate led by the SoftBank Latin American Fund, along with ForgeLight, with participation from Google and The Raine Group, as well as debt financing. As of March 31, 2024, we owned a 43.3% equity interest on an as-converted basis (excluding unvested and/or unsettled stock, restricted stock units and options) in TelevisaUnivision. However, we do not control TelevisaUnivision. As a result, we do not consolidate TelevisaUnivision's results and we no longer consolidate the results of the former Content business segment that we contributed in the TelevisaUnivision Transaction. Our investment in TelevisaUnivision is currently held in the form of shares of common stock and convertible preferred stock. The value of the common stock and preferred stock of TelevisaUnivision, neither of which are publicly traded, will fluctuate and could materially increase or decrease in value.



The value of those shares of TelevisaUnivision common stock and convertible preferred stock, and thus the value of our investment in TelevisaUnivision and our reported results of operations, will be affected by the results of operations of TelevisaUnivision and its subsidiaries. The business, financial condition and results of operations of TelevisaUnivision and its subsidiaries could be materially and adversely affected by risks including, but not limited to: (i) TelevisaUnivision's inability or failure to service or refinance its debt, particularly in an increasing interest rate environment; (ii) cancellation, reductions or postponements of advertising; (iii) adverse global and national economic conditions, including inflationary pressures; (iv) changes in the size of the U.S. Hispanic population, including the impact of U.S. federal and state immigration legislation and policies on both the U.S. Hispanic population and persons emigrating from Latin America, as well as an increase in the preference among Hispanics for English-language programming, or Spanish-language programming on platforms other than those of TelevisaUnivision; (v) an increase in the cost of, and/or decrease in the supply, quality of and/or demand for, TelevisaUnivision's content; (vi) changes in the rules and regulations of the Federal Communications Commission (the "FCC"), as well as other federal, state and local regulations, including those applicable in Mexico; (vii) competitive pressures from other broadcasters, content distributors and other entertainment and news media, particularly in the New York, Los Angeles and Miami-Fort Lauderdale markets, where a large percentage of TelevisaUnivision's target audience lives; (viii) TelevisaUnivision's failure to retain the rights to popular programming, including sports programming; (ix) TelevisaUnivision's failure to renew existing carriage agreements or reach new carriage agreements with multichannel video programming distributors or other content distributors, (x) possible strikes or other union job actions; (xi) the impact of new technologies as well as TelevisaUnivision's ability to successfully operate ViX, its recently launched streaming operations and premium streaming operations; and (xii) failure to develop, produce or acquire content for, attract customers for and/or profitably commercialize ViX as a Spanish-language direct to consumer platform.

Macroeconomic conditions, including any future pandemic, epidemic or outbreak of infectious disease could have an adverse impact on TelevisaUnivision, due to, among other things, the potential negative impact on advertising trends and advertising revenue, the suspension of sporting events and curtailment or suspension of other programming production to which TelevisaUnivision has broadcast rights, reductions or delays in the production of programming by TelevisaUnivision's partners and general disruptions to business and operations. Due to the evolving and uncertain nature of any future pandemic, epidemic or outbreak of infectious disease, we cannot estimate the impact on TelevisaUnivision's businesses, financial condition or near or longer-term financial or operational results with certainty.

There can be no assurance that the results of operations of TelevisaUnivision and its respective subsidiaries will be sufficient to maintain or increase the value of our investment, including payment of dividends to its existing shareholders, or that such results will not materially and adversely affect our business, financial condition and results of operations. In addition, no public market exists for TelevisaUnivision's shares, and such shares are subject to transfer restrictions, so there can be no assurance that we will be able to realize value from our investment in TelevisaUnivision at a time when it may be beneficial for us to do so, or at all. For a discussion of our investment in TelevisaUnivision, see "Information on the Company—Business Overview—TelevisaUnivision".

In addition, as part of the combination of our former Content business with TelevisaUnivision's other operations, Messrs. Bernardo Gómez Martínez and Alfonso de Angoitia Noriega became part of the management team of the Mexican content business of TelevisaUnivision. These individuals also continue to serve as Co-Chief Executive Officers of the Company. As a result, they do not devote all of their time to either TelevisaUnivision or the Company. Additionally, our directors and officers may have interests that are different from those of our shareholders and actual or apparent conflicts of interest may arise with respect to matters involving or affecting us and TelevisaUnivision.

***The Performance of TelevisaUnivision May Affect the Market Price of Our Shares and of Our CPOs or GDSs, the Underlying Asset of Which Are Our Shares***

As of March 31, 2024, we owned a 43.3% equity interest on an as-converted basis (excluding unvested and/or unsettled stock, restricted stock units and options) in TelevisaUnivision. Such interest forms an important part of our assets and an important part of our share of income of associates and joint ventures. As a result of the foregoing, the performance of TelevisaUnivision may have an effect on the market price of our shares or of the CPOs or GDSs, the underlying asset of which are the shares of Grupo Televisa. In addition, changes in market conditions, particularly in relation to U.S. media companies, could impact the valuation of TelevisaUnivision and may affect the market price of our shares.



***Although We Have a Large Equity Interest in TelevisaUnivision, We Do Not Control TelevisaUnivision and Its Interests May Differ from Those of Grupo Televisa or Other Investors in TelevisaUnivision and Grupo Televisa's Interests May Differ from Those of Other Investors in TelevisaUnivision***

We are the largest shareholder of TelevisaUnivision, and we are entitled to appoint five directors to the Board of Directors of TelevisaUnivision, including the chairperson. However, such equity interest and our governance rights do not grant us control over TelevisaUnivision, and TelevisaUnivision is deemed an “associate” (*asociada*) of ours under current applicable accounting standards. As a result of the foregoing, if the interests of the rest of the investors of TelevisaUnivision differ from our interests, TelevisaUnivision may conduct its businesses differently than the way that is in the best interests of us and our shareholders, and such change may have an adverse effect on our financial position and results of operations and the expected benefits of the TelevisaUnivision Transaction. In particular, the other major investors in TelevisaUnivision are in the business of making investments in companies and may, from time to time, acquire and hold interest in businesses that compete directly or indirectly with TelevisaUnivision, as well as businesses that represent major customers of TelevisaUnivision. Such investors may also pursue acquisition opportunities that may be complementary to the business of TelevisaUnivision, and as a result, those acquisition opportunities may not be available to TelevisaUnivision. Such transactions may have an adverse effect on our financial position and results of operations and the expected benefits of the TelevisaUnivision Transaction.

**Risk Factors Related to Our Securities**

***Any Actions Stockholders May Wish to Bring Concerning Our Bylaws or the CPO Trust Must Be Brought in a Mexican Court***

Our bylaws provide that a stockholder must bring any legal actions concerning our bylaws in courts located in Mexico City. All parties to the trust agreement governing the CPOs, including the holders of CPOs, have agreed to submit any legal actions concerning the trust agreement only to Mexican courts.

***Non-Mexicans May Not Hold Series “A” Shares, Series “B” Shares or Series “D” Shares Directly and Must Have Them Held in a Trust at All Times***

As a result of the Telecom Reform, the regulatory framework was amended to allow foreign direct investment of up to 100% of the equity interest of Mexican companies doing business in telecommunications and satellite communications, and up to 49% in the broadcasting sector, subject to reciprocity from the country of the ultimate investor. Notwithstanding the above, the trust governing the CPOs and our bylaws still restrict non-Mexicans from directly owning Series “A” Shares, Series “B” Shares or Series “D” Shares. Non-Mexicans may hold Series “A” Shares, Series “B” Shares or Series “D” Shares indirectly through the CPO Trust, which will control the voting of such shares. Under the terms of the CPO Trust, a non-Mexican holder of CPOs or GDSs may instruct the CPO Trustee to request that we issue and deliver certificates representing each of the shares underlying its CPOs so that the CPO Trustee may sell, to a third party entitled to hold the shares, all of these shares and deliver to the holder any proceeds derived from the sale.

***Non-Mexican Holders of Our Securities Forfeit Their Securities if They Invoke the Protection of Their Government***

Pursuant to Mexican law, our bylaws provide that non-Mexican holders of CPOs or GDSs may not ask their government to interpose a claim against the Mexican government regarding their rights as stockholders. If non-Mexican holders of CPOs or GDSs violate this provision of our bylaws, they will automatically forfeit the Series “A” Shares, Series “B” Shares, Series “L” Shares and Series “D” Shares underlying their CPOs or GDSs to the Mexican government.

***Non-Mexican Holders of Our Securities Have Limited Voting Rights***

In accordance with the bylaws and trust governing the CPOs of the Company, non-Mexican holders of CPOs or GDSs are not entitled to vote the Series “A” Shares, Series “B” Shares and Series “D” Shares underlying their securities. The Series “L” Shares underlying CPOs or GDSs, the only series of our Shares that can be voted by non-Mexican holders of CPOs or GDSs, have limited voting rights. These limited voting rights include the right to elect two directors and limited rights to vote on extraordinary corporate actions, including the delisting of the Series “L” Shares and other actions which are adverse to the holders of the Series “L” Shares. For a brief description of the circumstances under which holders of Series “L” Shares are entitled to vote, see “Additional Information—Bylaws—Voting Rights and Stockholders’ Meetings”.

***Our Antitakeover Protections May Deter Potential Acquirers and May Depress Our Stock Price***

Certain provisions of our bylaws could make it substantially more difficult for a third party to acquire control of us. These provisions in our bylaws may discourage certain types of transactions involving the acquisition of our securities. These provisions may also limit our stockholders’ ability to approve transactions that may be in their best interests and discourage transactions in which our stockholders might otherwise receive a premium for their Shares over the then current market price and could possibly adversely affect the trading volume in our equity securities. As a result, these provisions may adversely affect the market price of our securities. Holders of our securities who acquire Shares in violation of these provisions will not be able to vote, or receive dividends, distributions or other rights in respect of these securities and would be obligated to pay us a penalty. For a description of these provisions, see “Additional Information—Bylaws—Antitakeover Protections”.

***GDS Holders May Face Disadvantages When Attempting to Exercise Voting Rights as Compared to Other Holders of Our Securities***

In situations where we request that The Bank of New York Mellon, the depository for the securities underlying the GDSs, ask GDS holders for voting instructions, the holders may instruct the depository to exercise their voting rights, if any, pertaining to the deposited securities. The depository will attempt, to the extent practical, to arrange to deliver voting materials to these holders. We cannot assure holders of GDSs that they will receive the voting materials in time to ensure that they can instruct the depository how to vote the deposited securities underlying their GDSs, or that the depository will be able to forward those instructions and the appropriate proxy request to the CPO Trustee in a timely manner. For stockholders’ meetings, if the depository does not receive voting instructions from holders of GDSs or does not forward such instructions and appropriate proxy request in a timely manner, if requested in writing from us, it will provide a proxy to a representative designated by us to exercise these voting rights. If no such written request is made by us, the depository will not represent or vote, attempt to represent or vote any right that attaches to, or instruct the CPO Trustee to represent or vote, the shares underlying the CPOs in the relevant meeting (the “Underlying Shares”) and, as a result, the Underlying Shares will be voted in the manner described under “Additional Information—Bylaws—Voting Rights and Stockholders’ Meetings—Holders of CPOs”. For CPO Holders’ meetings, if the depository does not timely receive instructions from a Mexican or non-Mexican holder of GDSs as to the exercise of voting rights relating to the underlying CPOs in the relevant CPO holders’ meeting, the depository and the custodian will take such actions as are necessary to cause such CPOs to be counted for purposes of satisfying applicable quorum requirements and, unless we in our sole discretion have given prior written notice to the depository and the custodian to the contrary, vote them in the same manner as the majority of the CPOs are voted at the relevant CPOs holders’ meeting.

This means that holders of GDSs may not be able to exercise their right to vote and there may be nothing they can do if the deposited securities underlying their GDSs are not voted as they request.

***The Interests of Our GDS Holders Will Be Diluted if We Issue New Shares and These Holders Are Unable to Exercise Preemptive Rights for Cash***

Under Mexican law and our bylaws, our stockholders have preemptive rights with respect to capital increases. This means that in the event that we issue new Shares for cash, our stockholders will have a right to subscribe and pay the number of Shares of the same series necessary to maintain their existing ownership percentage in that series. U.S. holders of our GDSs cannot exercise their preemptive rights unless we register any newly issued Shares under the U.S. Securities Act of 1933, as amended, or the Securities Act, or qualify for an exemption from registration. If U.S. holders of GDSs cannot exercise their preemptive rights, the interests of these holders will be diluted in the event that we issue new Shares for cash. We intend to evaluate at the time of any offering of preemptive rights the costs and potential liabilities associated with registering any additional Shares. We cannot assure that we will register under the Securities Act any new Shares that we issue for cash. In addition, although the Deposit Agreement provides that the depository may, after consultation with us, sell preemptive rights in Mexico or elsewhere outside the U.S. and distribute the proceeds to holders of GDSs, under current Mexican law these sales are not possible. See “Directors, Senior Management and Employees-Stock Purchase Plan and Long—Term Retention Plan” and “Additional Information—Bylaws—Preemptive Rights”.

***The Protections Afforded to Minority Stockholders in Mexico Are Different from Those in the U.S.***

Under Mexican law, the protections afforded to minority stockholders are different from those in the U.S. In particular, the law concerning fiduciary duties of directors is not well developed, there is no procedure for class actions or stockholder derivative actions and there are different procedural requirements for bringing stockholder lawsuits. As a result, in practice, it may be more difficult for our minority stockholders to enforce their rights against us or our directors or major stockholders than it would be for stockholders of a U.S. company.

The *Ley del Mercado de Valores*, or the Mexican Securities Market Law, provides additional protection to minority stockholders, such as (i) providing stockholders of a public company representing 5% or more of the capital stock of the public company, an action for liability against the members and secretary of the Board and relevant management of the public company, and (ii) establishing additional responsibilities on the audit committee in all issues that have or may have an effect on minority stockholders and their interests in an issuer or its operations.

***It May Be Difficult to Enforce Civil Liabilities Against Us or Our Directors, Executive Officers and Controlling Persons***

We are organized under the laws of Mexico. Substantially all of our directors, executive officers and controlling persons reside outside the U.S., all or a significant portion of the assets of our directors, executive officers and controlling persons, and substantially all of our assets, are located outside of the U.S., and some of the parties named in this annual report also reside outside of the U.S. As a result, it may be difficult for you to effect service of process within the United States upon these persons or to enforce against them or us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the U.S. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated solely on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws.

**Item 4. Information on the Company**

**History and Development of the Company**

Grupo Televisa, S.A.B. was originally incorporated as a *sociedad anónima*, or limited liability corporation under the laws of Mexico in accordance with the *Ley General de Sociedades Mercantiles*, or Mexican Companies Law, and later adopted the form of *sociedad anónima bursátil*, or limited liability stock corporation in accordance with the *Ley del Mercado de Valores*, or the Mexican Securities Market Law. It was incorporated under Public Deed Number 30,200, dated December 19, 1990, granted before Notary Public Number 73 of Mexico City, and registered with the Public Registry of Commerce in Mexico City on Commercial Page (*folio mercantil*) Number 142,164. Pursuant to the terms of our *estatutos sociales*, or bylaws, our corporate existence continues through 2106. Our principal executive offices are located in Mexico City at Avenida Vasco de Quiroga, No. 2000, Colonia Santa Fe, 01210 Mexico City, México. Our telephone number at that address is (52) (55) 5261-2000.

### Capital Expenditures

The table below sets forth our expected capital expenditures for the year ended December 31, 2024 and our actual capital expenditures, investments in joint ventures and associates, and acquisitions for the years ended December 31, 2023, 2022 and 2021.

	Year Ended December 31, <sup>(1)(2)</sup>			
	2024 (Expected)	2023 (Actual)	2022 (Actual)	2021 (Actual)
	(Millions of U.S. Dollars)			
Capital expenditures	U.S.\$ 790.0	U.S.\$ 828.5	U.S.\$ 859.8	U.S.\$ 1,149.1
GTAC <sup>(3)</sup>	6.0	8.8	8.4	6.4
Other acquisitions and investments	—	—	—	53.3
Total capital expenditures and investments	<u>U.S.\$ 796.0</u>	<u>U.S.\$ 837.3</u>	<u>U.S.\$ 868.2</u>	<u>U.S.\$ 1,208.8</u>

(1) Amounts in respect of some of the capital expenditures, investments and acquisitions we made in 2023, 2022 and 2021 were paid for in Pesos. These Peso amounts were translated into U.S. Dollars at the Interbank Rate in effect on the dates on which a given capital expenditure, investment or acquisition was made. See “*Key Information—Selected Financial Data*”.

(2) See “Operating and Financial Review and Prospects—Results of Operations—Liquidity, Foreign Exchange and Capital Resources—Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity”.

(3) See “—Business Overview—Our Operations—Cable”, and “—Business Overview—Investments” for a discussion of GTAC, Cablecom, Telecable and TVI.

In 2023, 2022 and 2021, we relied on a combination of operating revenues, borrowings and net proceeds from dispositions to fund our capital expenditures, acquisitions and investments. We expect to fund our capital expenditures in 2024 and potential capital expenditures, investments and/or acquisitions going forward, which could be substantial in size, through a combination of cash from operations, cash on hand, equity securities, and/or the incurrence of debt, or a combination thereof.

For a more detailed description of our capital expenditures, investments and acquisitions in prior years, see “Operating and Financial Review and Prospects—Results of Operations—Liquidity, Foreign Exchange and Capital Resources—Liquidity” and “Operating and Financial Review and Prospects—Results of Operations—Liquidity, Foreign Exchange and Capital Resources—Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity”.

### Business Overview

The Company is a major telecommunications corporation that owns and operates one of the most significant cable companies as well as a leading DTH satellite pay television system in Mexico. The Company’s cable business offers integrated services, including video, high-speed data, voice and mobile to residential and commercial customers as well as managed services to domestic and international carriers.

The Company owns a majority interest in Sky, a leading DTH satellite pay television system and broadband provider in Mexico, operating also in the Dominican Republic and Central America.

The Company holds a number of concessions granted by the Mexican government that authorizes it to broadcast programming over television stations for the signals of TelevisaUnivision, and its cable and DTH systems.

In addition, the Company is the largest shareholder of TelevisaUnivision, a leading media company producing, creating, and distributing Spanish-language content through several broadcast channels in Mexico, the US and over 50 countries through television networks, cable and pay-TV operators and OTT streaming services.

## **Business Strategy**

We operate a Cable business and Sky, a DTH platform. We intend to continue strengthening our position in these businesses and growing by continuing to make additional investments, which could be substantial in size, while maintaining profitability and financial discipline.

We are the largest shareholder of TelevisaUnivision, a leading media company producing, creating and distributing Spanish speaking content through several broadcast channels in Mexico, the United States and over 50 countries through TV networks, cable operators and over-the-top services. We intend to continue exploring potential ventures and business opportunities with TelevisaUnivision.

In addition, we intend to continue to analyze opportunities to expand our business by developing new business initiatives and/or through business acquisitions and investments. We also continue to evaluate strategic alternatives for our non-core assets.

### ***Continue Building Our Cable and DTH Platforms***

**Cable.** We are a shareholder of several Mexican cable telecommunications companies. For example:

- we own a 51.2% controlling stake in Cablevisión, which operates in Mexico City and its metropolitan area, where it offers cable television, broadband internet and telephony services;
- we own TVI, which offers cable television, broadband internet and telephony services in the states of Nuevo León, Coahuila de Zaragoza, San Luis Potosí and Tamaulipas; it also offers specific broadband internet and telephony services in the metropolitan area of Mexico City;
- we own Cablemás, which offers cable television, broadband internet and telephony services in 20 states of Mexico;
- we own Cablecom, which offers cable television and telephony services in 18 states of Mexico;
- we own Telecable, which provides cable television, broadband internet and telephony services in 11 states of Mexico; and
- since December 17, 2018, we own the residential fiber-to-the-home business, and related assets, acquired from Axtel in Mexico City, Zapopan, Monterrey, Aguascalientes, San Luis Potosí and Ciudad Juárez, through the acquisition of 100% of the equity interests of FTTH.

With a consolidated 6.252 million subscriber base and 19.6 million homes passed as of December 31, 2023, these companies are important service providers in Mexico. “Homes passed” refers to any residential homes or businesses that are connected to telecommunications systems, those prepared to be connected to telecommunications systems but are not currently connected or require some type of investment in order to be connected. For instance, each apartment located in a building that is prepared to be connected to telecommunications systems represents one home passed. It is generally understood that a home or business counts as a home passed when it can be connected to a telecommunications network without additional extensions to the main transmission lines. Our Cable business strategy aims to increase our subscriber base, average monthly revenues per subscriber and penetration rate by:

- continuing to offer high quality content;
- continuing to upgrade our existing cable network into a broadband internet or fiber-optic bidirectional network;
- aiming to provide digital services in order to stimulate new subscriptions, substantially reduce piracy and offer new value-added services;

[Table of Contents](#)

- increasing the penetration of our broadband internet access and other multimedia services as well as providing a platform to offer internet protocol, or IP, and telephony services;
- continuing the roll out of advanced digital set-top boxes, which allow the transmission of OTT services, lineal channels, TVOD (Transactional Video on Demand), VOD (Video on Demand) and apps, as well as improving our customers' experience with a new menu in our android set-top boxes;
- continuing to grow our mobile product, bundling it with our other services; and
- continuing to leverage our strengths and capabilities to develop new business opportunities and expand through additional investments and/or acquisitions, which can be substantial in size.

Our Cable telecommunications companies have introduced a variety of new services over the past years, such as interactive television and other enhanced program services, including broadband internet access through cable modem and fiber-to-the-home, as well as telephony. In November 2014, we launched a unified commercial offer under the izzi brand for residential customers. Currently, izzi offers telecommunication services packages, including unlimited telephony services, broadband internet access and pay-TV programming for residential customers and micro and small-sized enterprises. In June 2016, we launched "izzi TV", a new entertainment platform, which among other services, provides customers live channels, SVOD (Subscription Video on Demand), as well as access to all of the Company's content. Currently, the bundle packages include access to Netflix, Vix Premium, Disney+, Max and Star+, among others. izzi TV is available through the "izzi TV" set-top-box and through "izzi go", which is a TV Everywhere application for authenticated subscribers that enables users to access TV channels, movies and series on demand, compatible with PCs, iOS and Android platforms. izzi go also features remote control functions compatible with our izzi TV set-top-boxes. For an additional cost, subscribers can choose from different add-ons to the "izzi TV" service, such as TVOD titles, Max, Disney+ and Star+, among others. In addition to the izzi brand, our Cable telecommunications companies also provide telecommunication services under the wizz and wizzplus brands in certain municipalities in Mexico. In June 2020, we launched our mobile virtual network operator (MVNO) service, "izzi móvil", providing a mobile service for broadband subscribers, which offers calls, SMS and Gigabytes for a competitive price. We also provide mobile services through "Bestel móvil", which offers calls, SMS and Gigabytes according to the coverage area for enterprise, corporate, and government customers. Likewise, in 2022, we launched our new STB "izzi TV-smart" that allow us to become one of the largest OTT aggregators in Mexico. It allows us to include in our offerings access to the main OTT platforms in the market and the possibility to bundle our pay-TV service with Netflix, Disney+, Max, amongst others. In July 2022, our cable companies were the first to launch ViX+ as a new SVOD streaming service, and in September 2022 we renewed our offer to simplify product selection according to our clients' needs through a modular concept. In 2023, we increased the internet speed for new customers by 25%, and in September 2023 we started to offer Vix Premium free of additional charges as a hard bundle to both new and existing users with 50 mbps speed and above. Finally, in November 2023, we added new sports content, including NBA League Pass and Fox Sports Premium, to our cable television offer.

As of December 31, 2023, our Cable telecommunications companies had 4.1 million cable television users, or video RGUs, 5.7 million broadband RGUs and 5.4 million telephone lines in service, or voice RGUs. In addition, we currently have 307,807 mobile service subscriber RGUs. The growth in our subscriber base has been driven primarily by the upgrade of our networks and the launch of competitive broadband offerings.

**DTH.** We believe that Ku-band DTH satellite services offer an enhanced opportunity for expansion of pay television services into households seeking to upgrade reception of broadcasting signals and in areas not currently serviced by operators of cable or multi-channel, multi-point distribution services. We own a 58.7% interest in Innova, or Sky, our venture with AT&T. On April 3, 2024, we announced that we had reached an agreement with AT&T to acquire its interest in Sky and become the owner of 100% of Sky's capital stock. The transaction is subject to customary regulatory approvals. Innova is a DTH company with services in Mexico, Central America and the Dominican Republic with more than 5.6 million video subscribers, of which 3.7% were commercial subscribers as of December 31, 2023.

The key components of our DTH strategy include:

- offering high quality content, exclusive broadcasts of sporting events, such as La Liga and La Copa del Rey (Spanish Soccer), The Bundesliga (German Soccer), the NFL Sunday Ticket, MLB Extra Innings, the NHL, marathons, ice skating events, Davis Cup, Diamond League, the Pacific Mexican Baseball League (LMP), Caribbean Series, the World Padel Tour, UEFA EURO, UEFA Nations League and qualifying matches of the CONMEBOL for the World Cup, as well as special coverage of female soccer leagues from Germany, Spain, Sweden and the U.K.;
- capitalizing on the low penetration of pay-TV services in Mexico and in areas not currently serviced by cable operators;
- providing superior digital Ku-band DTH satellite services and emphasizing customer service quality;
- providing aggressive HD offerings and continuously expanding our programming in HD; and
- providing single play broadband services as well as video-broadband bundles to complement our product offering.

#### ***Developing New Businesses and Expanding through Acquisitions or Other Transactions***

We plan to continue leveraging our strengths and capabilities to develop new businesses and analyzing opportunities to expand through acquisitions or other transactions. We are constantly assessing potential opportunities that complement our business strategy. We may identify and evaluate opportunities for strategic acquisitions of complementary businesses, technologies or companies. We may also consider joint ventures, minority investments and other collaborative projects and investments. Any such transaction could be funded using cash on hand, our equity securities and/or the incurrence of debt, or a combination thereof.

For a further discussion of some of our recent investments, see “— Investments”.

We also continue to evaluate strategic alternatives for our non-core assets.

#### ***Expanding Our Business in the Mexican Telecommunications Markets by Taking Advantage of the Telecom Reform and Implementing Legislation***

Pursuant to the Telecom Reform (see “—Regulation—Telecom Reform and Broadcasting Regulations”), a “preponderant economic agent” (*agente económico preponderante*) in the telecommunications sector means an economic agent that has, directly or indirectly, more than 50% of the national market share in telecommunications services, calculated based on the number of users, subscribers, network traffic or used capacity according to the data available to IFT. We are aware from the public records that, on March 7, 2014, IFT notified *América Móvil, S.A.B. de C.V.*, or América Móvil, of a resolution which determined that América Móvil and its operating subsidiaries *Radiomóvil Dipsa, S.A. de C.V.*, or Telcel, and *Teléfonos de México, S.A.B. de C.V.*, or Telmex, *Teléfonos del Noreste, S.A. de C.V.*, or Telnor, as well as Grupo Carso, S.A.B. de C.V. and Grupo Financiero Inbursa, S.A.B. de C.V., are a preponderant economic agent in the telecommunications sector and imposed on them certain specific asymmetrical regulations which América Móvil reported publicly in the following areas:

- Interconnection: Regulation on interconnection, including the imposition of (a) asymmetric rates to be determined by IFT and (b) the implementation of an interconnection framework agreement (*convenio marco de interconexión*);
- Sharing of Infrastructure: Regulation on the access and use of passive infrastructure, including towers, sites, and ducts, at rates to be negotiated amongst the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of long average incremental costs;
- Local Loop Unbundling: Regulation on local loop unbundling, including the imposition of rates to be determined by IFT using a methodology of long average incremental costs;

## [Table of Contents](#)

- Resale: Resale of wholesale voice, broadband internet and dual-play packages that replicate packages provided by the preponderant economic agent in the telecommunications sector, at retail level, at rates to be negotiated among the operators and, where an agreement cannot be reached, to be determined by IFT using a methodology of retail minus;
- Indirect Access to the Local Loop: Regulation on the wholesale bitstream access to the access network of the preponderant economic agent in the telecommunications sector at rates to be negotiated among the operators and, where an agreement cannot be reached, to be determined by IFT using a methodology of retail minus;
- Wholesale Leased Lines: Regulation on wholesale leased lines for interconnection, local and domestic and international long distance, at rates to be negotiated among the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of retail minus, except for leased lines for interconnection services where the methodology to be used for determining the applicable rates will be of long average incremental costs;
- Roaming: Regulation on the provision of wholesale roaming services, at rates to be negotiated amongst the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of long average incremental costs;
- Elimination of National Roaming Charges: IFT has imposed the elimination of national roaming charges to the subscribers of the preponderant economic agent in the telecommunications sector;
- Mobile Virtual Network Operators: Regulation on wholesale access to mobile virtual network operators to services provided by the preponderant economic agent in the telecommunications sector to its subscribers, at rates to be negotiated among the operators and, where agreement cannot be reached, to be determined by IFT using a methodology of retail minus (for the reseller business model);
- Certain Obligations on the Provision of Services: Certain rates for the provision of telecommunications services to the subscribers of the preponderant economic agent in the telecommunications sector shall be subject to rate control and/or authorization by IFT, by using a series of methodologies related to maximum prices and replicability. Also, a series of obligations relating to the sale of services and products, including the obligation to offer individually all services that are offered under a bundle scheme; limited exclusivity on handsets and tablets; and the obligation of eliminating the sim-lock on handsets;
- Content: IFT has issued the Relevant Content Ruling applicable for preponderant economic agent in the telecommunications sector, which contains a prohibition to acquire transmission rights for any territory within Mexico on an exclusive basis, relating to relevant content (*contenidos audiovisuales relevantes*), including without limitation national soccer play-offs (*liguilla*), FIFA world cup soccer finals and, any other event where high-audiences are expected at a national or regional level. The IFT may update the relevant content list every two years; and
- Information and Quality of Service Obligations: Several obligations related to information and quality of service, including the publication of a series of reference terms (*ofertas públicas de referencia*) of the wholesale and interconnection services subject of the asymmetric regulation imposed by IFT and accounting separation.

On March 8, 2017, IFT issued a resolution to the preponderant economic agent in the telecommunications sector that modifies the asymmetrical regulations described above. The most relevant modifications are the following:

- Wholesale Leased Lines: the methodology to be used by IFT in case an agreement cannot be reached in wholesale leased lines for interconnection, local and domestic and international long distance, is limited to long average incremental costs;
- Functional separation: the preponderant economic agent in the telecommunications sector will have to functionally separate the provision of wholesale services through the creation of a new legal entity and a wholesale division; which entity will solely and exclusively provide wholesale services related to access network elements, dedicated links and passive infrastructure, among other wholesale services;



The wholesale division within the existing companies will provide the other wholesale services subject to the aforementioned measures that are not provided by the newly created legal entity:

- Equivalence of Supplies and Inputs, Technical and Economic Replicability: The preponderant economic agent in the telecommunications sector must guarantee the equivalence of inputs, the technical replicability of the services that it commercializes to its end users, and equal access to technical and commercial information;
- Fiber disaggregation Regulation on unbundling of P2P (point-to-point), fiber was added to the local loop unbundling regulation. Unbundling of passive optical networks (PON), is not considered under this service and remains accessible through the Indirect Access to the Local Loop service; and
- The preponderant economic agent in the telecommunications sector must also guarantee the economic replicability of the services that it commercializes to its end users for which it will validate the economic replicability of the services “ex-post” based on the methodology, terms and conditions that the IFT determines.

According to public records, América Móvil and its operating subsidiaries, Telcel, Inbursa, Telmex and Telnor, filed amparo proceedings against IFT’s original resolution. The courts issued a ruling confirming the constitutionality of IFT’s resolution, with the exception of Telcel’s proceeding. On March 3, 2021, the Supreme Court confirmed that Telcel is also a preponderant economic agent in the telecommunications sector.

In March 2018, América Móvil received a resolution from IFT determining the terms under which Telmex and Telnor shall, legally and functionally, separate the provision of wholesale regulated fixed services by incorporating new legal entities with their own corporate governance, independent from those of América Móvil’s subsidiaries holding a concession, and by creating a wholesale business unit within Telmex and Telnor. Telmex and Telnor had two years to implement the separation ordered by the IFT. The resolution established a calendar for implementation and obligations to deliver periodic information to the IFT. In March 2020, the two-year period granted to the preponderant economic agent in the telecommunications sector to implement the functional separation of Telmex and Telnor ended.

In March 2020, America Móvil created two companies; Red Nacional Última Milla, S.A.P.I. de C.V. and Red Última Milla del Noroeste, S.A.P.I. de C.V., for the provision of wholesale regulated fixed services, in compliance with the functional separation requirements, and a Wholesale Division inside Telmex and Telnor.

On December 2, 2020, IFT issued a resolution on its evaluation of the asymmetrical regulations imposed on Telmex, as preponderant economic agent in the telecommunications sector in March 2014. Some of the most relevant modifications are: (i) the use of a long-run average incremental costs model to determine the local loop indirect access services rates, and that IFT may determine competitive geographic zones where such rates will be determined by the preponderant economic agent in the telecommunications sector; (ii) for dedicated-link leasing services, the IFT may determine competitive geographic zones where rates will be determined pursuant to a price cap methodology; and for the rest of the country, rates will be determined by IFT by using a methodology of long average incremental costs; and (iii) certain operative and informational modifications to the electronic management system. According to public records, América Móvil challenged the resolution.

On August 4, 2021, IFT determined 52 competitive geographic zones in the country where rates for local loop indirect access services will be established by the preponderant economic agent in the telecommunications sector. On December 9, 2022, the IFT added 22 new competitive geographic zones.

The measures imposed on the preponderant economic agent in the telecommunications sector, if properly implemented, will represent an opportunity for us to increase our coverage and product diversity, while reducing our costs and capital expenditures requirements as a result of the access to the network of the preponderant economic agent in the telecommunications sector and the regulation of the terms and conditions, on competitive terms, of such access. Moreover, asymmetric regulations may create a beneficial economic and regulatory environment in the telephony and broadband markets and may further enhance our ability to compete in the telecommunications industry.

All of these measures, if properly implemented, could create a beneficial economic and regulatory environment, level the playing field for all participants in the telecommunications market and foster competition, representing an opportunity for the growth of our Sky and Cable businesses; nevertheless, in the Company’s view, the preponderant economic agent in the telecommunications sector is not complying with its obligations under such measures and the Company has filed several complaints before IFT. As a result of the complaints, IFT has initiated investigations that are ongoing.

In August 2017, the Supreme Court of Justice of the Nation (“SCJN”) determined that the interconnection rate regime relating to mobile termination by the preponderant economic agent in the telecommunications sector, which contained a limitation on the preponderant economic agent’s ability to charge for traffic termination in its mobile network, was unconstitutional. As a result, the SCJN ordered that IFT issue a tariff. In November 2017, IFT resolved that the tariff for traffic termination in the mobile network of the preponderant economic agent in the telecommunications sector would be Ps.0.028562 per minute of interconnection from January 1, 2018 to December 31, 2018. In November 2018, IFT determined that the tariff for traffic termination in the mobile network of the preponderant economic agent in the telecommunications sector would be Ps.0.028313 per minute of interconnection from January 1, 2019 to December 31, 2019. In November 2019, IFT determined that the tariff for traffic termination in the mobile network of the preponderant economic agent in the telecommunications sector would be Ps.0.025771 per minute of interconnection from January 1, 2020 to December 31, 2020. In November 2020, IFT determined that the tariff for traffic termination in the mobile network of the preponderant economic agent in the telecommunications sector would be Ps. 0.018489 minute of interconnection from January 1, 2021 to December 31, 2021. For 2022, IFT determined a lower tariff for traffic termination in the mobile network of the preponderant economic agent in the telecommunications sector of Ps.0.017118 per minute of interconnection. For 2023, IFT determined a lower tariff for traffic termination in the mobile network of the preponderant economic agent of Ps.0.014294 per minute of interconnection. For 2024, IFT determined a lower tariff for traffic termination in the mobile network of the preponderant economic agent in the telecommunications sector of Ps.0.013900 per minute of interconnection.

In April 2018, the SCJN determined that the interconnection rate regime relating to fixed termination by the preponderant economic agent in the telecommunications sector, which contained a limitation on the preponderant economic agent’s ability to charge for traffic termination in its fixed network, was unconstitutional. As a result, the SCJN ordered IFT to issue a tariff for traffic termination in the fixed network of the preponderant economic agent in the telecommunications sector, applicable from January 1 to December 31, 2019. In November 2018, IFT determined that the tariff for traffic termination in the fixed network of the preponderant economic agent in the telecommunications sector would be Ps.0.003151 per minute of interconnection from January 1, 2019 to December 31, 2019. In November 2019, IFT determined that the tariff for traffic termination in the fixed network of the preponderant economic agent in the telecommunications sector would be Ps.0.003331 per minute of interconnection from January 1, 2020 to December 31, 2020. In November 2020, IFT determined that the tariff for traffic termination in the fixed network of the preponderant economic agent would be Ps.0.002842 per minute of interconnection from January 1, 2021 to December 31, 2021. For 2022, the tariff for traffic termination in the fixed network of the preponderant economic agent in the telecommunications sector would be Ps.0.002862 per minute of interconnection. For 2023, IFT determined the tariff for traffic termination in the fixed network of the preponderant economic agent should be Ps.0.002885 per minute of interconnection. For 2024, the tariff for traffic termination in the fixed network of the preponderant economic agent in the telecommunications sector would be Ps.0.002823 per minute of interconnection.

In January 2020, IFT imposed a fine on Telnor in the amount of Ps.1,311.8 million for a breach of the availability of information of certain passive infrastructure (post, duct) in the electronic management system (*Sistema Electrónico de Gestión*, or “SEG”), used to request wholesale services from Telnor.

Additionally, the Telecom Reform (i) permits 100% foreign ownership in satellite and telecommunications services and increases to up to 49% the level of permitted foreign ownership in television and radio services, subject to reciprocity of the originating foreign investment country, and (ii) provides that the Mexican government will build a national network to facilitate effective access for the Mexican population to broadband and other telecommunications services. These amendments may provide opportunities for us to enter into joint ventures with foreign investors with proven international experience in these markets and also to work with the Mexican government in the development of this new network.

### *Commitment to Sustainability*

At Grupo Televisa, we strive to build short- and long-term value for our stakeholders through our services. We believe that adopting sustainable business practices is critical to generate long-term value for our customers, employees, investors, and the communities we serve.

In 2023, we embarked upon a new purpose that gives life to the mission and vision of our business: BRINGING PEOPLE CLOSER TO WHAT MATTERS MOST TO THEM. Our focus on environmental, social and governance (“ESG”) issues is an integral part of our purpose and business strategy. Year after year, we become more firmly committed to connecting lives through innovation and investment in resilient telecommunications networks that empower society.

Our value chain provides products and services that are basic to our society. We are present in our customers’ daily life, from education to business connectivity to entertainment, through our wide range of communication infrastructure and products. Our ESG strategy is integrated into the core of our business and contributes to our goals through four strategic pillars:

- Resilient climate connections
- Digital inclusion
- Empowering people
- Leading by example

The progress we have made toward sustainability has been fueled by an ongoing process of policy and program review, focused on improving our corporate management and aligned with international best practices, including the United Nations Sustainable Development Goals (“SDGs”). We identify the most relevant risks and opportunities in ESG areas and then decide on specific initiatives to address them. Our five priority SDGs, which range from climate action, education, gender equality, decent work, and peace and justice, reflect the opportunities we have to create shared value and contribute to collective well-being.

Our transparency and reporting strategy aligns with international frameworks and standards. We publish a sustainability report (the “Sustainability Report”) aligned with the recommendations of the Global Reporting Initiative, an internationally recognized framework for sustainability reporting that helps organizations disclose their economic, environmental, and social impacts, as well as with the industry standards of the Sustainability Accounting Standards Board and the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). Grupo Televisa also supports the Ten Principles of the United Nations Global Compact. The information included in the Sustainability Report is not, and should not be considered, a part of this report.

### *Environmental and Climate*

Our climate action strategy focuses on reducing emissions in our value chain, strengthening the resilience of our network, and promoting a low-emission economy. To achieve this, we are committed to investing in climate-resilient networks, introducing efficiency initiatives to reduce our energy consumption, and incorporating renewable electricity to decarbonize our operations. We work hand-in-hand with our suppliers to promote reuse, recycling, and emission reduction practices, encourage our staff to take pro-environmental actions in their daily lives, and create partnerships to accelerate the transition to a sustainable economy.

At Grupo Televisa, we follow a carbon mitigation hierarchy to avoid, reduce, and minimize our greenhouse gas emissions. Since 2019, we have adopted the recommendations of the TCFD and strengthened our climate governance and risk management strategy. In 2023, we deepened our understanding of these risks and opportunities, and we will continue integrating TCFD recommendations into our business practices. Additionally, we promote a circular business model in our value chain, encouraging the reuse and recycling of electronic devices to extend their lifespan and reduce the environmental impact of our operations.

## *Social*

Our mission at Grupo Televisa is to merge groundbreaking technology with the best of human creativity. We are committed to delivering timely, useful, and meaningful digital experiences that enrich people and the world around them. We build the necessary infrastructure for society to connect and stay tuned with the world. We understand that connections are fundamental to giving meaning to life, and we strive to meet society's connection needs by investing in the infrastructure required to facilitate that global connection.

Digital inclusion has been a deeply rooted priority for us for decades and is a fundamental pillar of our business strategy. Throughout the years, we have focused our efforts on providing access to digital technology, developing digital skills, ensuring school connectivity, promoting digital inclusion for women and girls, as well as facilitating digital access for vulnerable users and groups. In 2023, we successfully connected millions of people through our Cable and Sky segments. We are firmly committed to reducing the digital divide by providing affordable internet access and a wide range of entertainment products and services.

We are committed to empowering people in two key ways. Internally, we aim to offer job security, attractive benefit schemes, ongoing training, and programs to encourage talent promotion within Grupo Televisa. Externally, through Fundación Televisa, we drive innovative programs in education, culture, entrepreneurship, and environmental protection, using advanced digital tools and providing financial support. Grupo Televisa values and celebrates diversity as a strategic asset. We promote an environment where each individual is recognized, appreciated, and respected for their uniqueness, thereby contributing to our goals as a company.

## *Governance*

Grupo Televisa is committed to conducting its operations in full compliance with ethics and current legislation. Our Code of Ethics establishes the values, principles, and standards of conduct that guide our business activities, addressing issues such as bribery and corruption prevention. All new hires accept this code when they join Grupo Televisa and pledge to abide by its terms, and we provide them with regular training. Some executive positions are required to renew their commitment to our Code of Ethics each year. Grupo Televisa offers confidential communication channels for employees and third parties to report violations of the Code of Ethics or other internal policies, as well as any matter that may affect our interests, business objectives, or human capital.

The Sustainability Committee, which is comprised of senior executives from various corporate areas and business units, reviews and monitors ESG performance, recommends best practices, and designs short- and long-term ESG strategies, considering the potential impacts of ESG-related risks. Furthermore, we have a continuous process of strategic risk management at the corporate level, which allows us to identify, assess, treat, monitor, and report sociopolitical, environmental, social, economic, and health risks and opportunities. Under the supervision of the Audit Committee, the Corporate Risk Management Office reports quarterly on the results of these processes.

## **Commitment to Social Responsibility**

In 2023, Fundación Televisa (or "Fundación") continued to show growth on the impact of its programs and consolidated communications of the Company to demonstrate how we can use them to help create real, enduring change with a strong commitment to helping those most in need. As a result, Fundación was able to help transform the lives of 785,583 children, youth and adults in Mexico and the United States, investing (together with our 261 allies) more than Ps.380 million, an increase of 13% as compared to 2022.

We continue to innovate in programs in education, culture, entrepreneurship and environmental protection to provide an empowering platform for hundreds of thousands of people to improve their lives, transform their communities, and build better and more sustainable communities. Our approach combines effective leveraging of the Company's communication channels with state-of-the-art digital tools, financial support and on-the-ground multidisciplinary teams.

Our sustainability programs and initiatives are intended to help further 12 of 17 of the United Nations Sustainable Development Goals.

In 2023 we provided more than 61.5 million digital impacts and more than 75,896 TV media impacts, reaching more than 45.8 million people on television. At the same time, we helped third party institutions and organizations through communication campaigns with television spaces.

We have more than 2.1 million followers on social networks (an increase of 31% as compared to 2022) and 5,562,917 million people on our digital platforms (an increase of 260% as compared to 2022).

## [Table of Contents](#)

Fundación programs work along different life stages. Empieza Temprano focuses on early childhood development by providing parents and families with information and practical tips. To enhance the skills of K-12 students, Fundación has a civic values program called Valores. Cuantrix teaches computer science and coding. Technolochicas empowers young women through STEAM (Science, Technology, Engineering, Art and Mathematics). Bécalos works to increase high school and college completion while improving the student's employability. POSiBLE helps to expand high-impact innovation-driven entrepreneurship through training, networking, resources, visibility and acceleration for high-potential startups, and Gol por México combines the passion for helping others with the passion for sports. Through this program, we have transformed soccer goals from the Mexican Soccer League into aid for the neediest communities in México.

In addition, Fundación's cultural and environmental programs cut across ages serving the general public through actions in specific locations and through digital and media spaces.

In response to the devastation of Hurricane Otis in Guerrero Mexico, we were able to raise U.S.\$3.1 million. We made a timely donation of 8,200 pantries to affected families in Acapulco, benefiting 41,000 people. In addition, we have equipped 15 media school classrooms with computers and high-speed satellite internet. We continue our efforts in the reconstruction of the affected areas with several partners and allies.

Our numbers and recognitions include the following:

- We had more than 101,670 students from public schools, 5,877 teachers and instructors and 835 elementary schools, across Mexico, registered in our Cuantrix platform to learn basic coding skills.
- We had more than 16,150 middle-school girls that participated in Technolochicas STEAM activities in Mexico and the United States.
- We had 38,577 recipients of Bécalos scholarships, reaching 550.696 scholarships in the program's history. 7,855 scholarships were designated for students and teachers developing employment competencies, 300 scholarships for students attending a program for talented youth, and 3,217 scholarships for women registered in STEAM training.
- We continued our partnership with Schmidt Futures and Rhodes Trust to promote their RISE scholarship program in Mexico. This program provides a lifetime support to exceptional teenagers that want to change the world.
- We supported more than 37,000 entrepreneurs in developing their business models through our POSiBLE program.
- We participated in far-reaching communication campaigns, including "Play this Summer" and "Early Childhood Week," focused on delivering messages to promote early childhood stimulation.
- We provided guidance to 67,153 parents with practical tips, TV spots, social media content, SMS messages and workshops through our "Empieza Temprano" program.
- We provided 69,000 recipients with new aid in health, nutrition, development, dwelling, reforestation and support of women through our "Gol por México" program.
- Through our Visual Arts Cultural projects, we promoted and exhibited our photographic and cinematographic collection held through our exhibition Mexichrome, which attracted more than 150,000 visitors and more than 60,000 users to the mexichrome.mx website.
- We were recognized with the "Alebrijes" award for our "Posible" program for "Impact Generator in the Innovation and Entrepreneurship Ecosystem in the South-Southeast" awarded by the Mexican Private Capital Association and the Inter-American Development Bank.
- We were recognized with the Social Entrepreneurship 2023 award by Fomento Social Citibanamex.
- Bécalos renewed CEMEFI's Institutional and Transparency Accreditation for the third consecutive year.

- We were recognized by CEMEFI and awarded with the ESR (*Empresa Socialmente Responsable*) Socially Responsible Company 2023.

By responsibly leveraging media, talent, partnerships and financial assets, the efforts led by Fundación reflect the commitment of the Company to environmental and social initiatives. We intend to make a strategic contribution to building a more empowered, prosperous and democratic society where all people have a platform to succeed.

## **Our Operations**

As of December 31, 2023, we classified our operations into three business segments: Cable, Sky and Other Businesses. Following the completion of the TelevisaUnivision Transaction on January 31, 2022, our former Content business was combined with UHI, creating TelevisaUnivision, a premier global Spanish-language media company. As a result, subject to certain exceptions, we no longer own our former Content business, and we now classify the former Content business as a discontinued operation and since then it is no longer a business segment.

In addition, following the completion of the Spin-off during the first quarter of 2024, certain businesses that were part of our former Other Businesses segment, including our *fútbol* operations, the Azteca Stadium, the gaming operations, and the publishing and distribution of magazines, as well as certain related assets and real estate (the “Spun-off Businesses”) were spun off to a new controlling entity listed on the Mexican Stock Exchange, Ollamani, S.A.B. (“Ollamani”) that holds the Spun-off Businesses and which at the time of the Spin-off had the same shareholding structure as the Company. As a result, we no longer own the Spun-off Businesses of our former Other Businesses segment, and, beginning with the first quarter of 2024, we began classifying the Spun-off Businesses as a discontinued operation and since then the Other Businesses segment is no longer a business segment.

## **Cable**

**The Cable Television Industry in Mexico.** Cable television offers multiple channels of entertainment, news and informational programs to subscribers who pay a monthly fee. These fees are based on the package of channels the subscribers receive. According to IFT, there were approximately 774 pay-TV concessions in Mexico and 1,626 integrated sole concessions for commercial use, as of the date of their report, serving approximately 16.94 million subscribers (including cable and DTH).

**Digital Cable Television Services.** Our Cable telecommunications companies offer on-screen interactive programming guide with direct access to Vix Premium, Netflix, Disney+, Star+, Max, amongst others through the izzi TV platform, video on demand, high definition channels as well as other services throughout Mexico. Along with their digital pay-TV service, our Cable telecommunications companies offer broadband internet and a competitive digital telephone service. Through their network, they are able to distribute high quality video content, new services, interactivity with video on demand, 1080i high definition, impulse and order pay-per-view, a-la-carte programming, among other products and services, with added value features and premium solutions for consumers, and telephony and internet. Likewise, our Cable telecommunications companies offer mobile applications such as izzi go, which is a TV Everywhere application for authenticated subscribers through compatible PCs, iOS and Android platforms, that enables subscribers to access live channels, movies and series on demand. izzi go also features remote control functionalities compatible with our izzi TV set-top-boxes, and allows subscribers to watch additional content through the application. In November 2020 and August 2021, izzi partnered with Disney+ and Star+ respectively, in order to distribute the service both a la-carte and as a bundle in select triple play packages and with payment integration services for izzi customers. In September 2023 we began offering Vix Premium free of additional charges as a hard bundle to both new and existing users with 50 mbps speed and above.

**Revenues.** Our Cable telecommunications companies generate revenues from their pay-TV, broadband internet and telephony services, from additional services such as video on demand, and from sales of advertising to local and national advertisers. Subscriber revenues come from monthly service and rental fees.

**Cable Initiatives.** Our Cable telecommunications companies plan to continue offering the following services to their subscribers:

- Enhanced programming services, including VOD, SVOD, high definition and bundled packages;
- Broadband internet services;
- Telephony services; and

[Table of Contents](#)

- Mobile services.

**Cablevisión.** We own a 51.2% controlling stake in Cablevisión, which offers cable television, broadband internet and telephony services and operates in Mexico City and its metropolitan area.

**TVI.** TVI is a wholly-owned subsidiary of the Company. TVI offers cable television, broadband internet and telephony services and operates in the states of Nuevo León, Coahuila de Zaragoza, San Luis Potosí and Tamaulipas and also offers specific broadband internet and telephony services in the metropolitan area of Mexico City.

**Cablemás.** Cablemás is a wholly-owned subsidiary of the Company, which offers cable television, broadband internet and telephony services and operates in 20 states of Mexico.

**Cablecom.** Cablecom is a wholly-owned subsidiary of the Company, which offers cable television, telephony services and operates in 18 states of Mexico.

**Telecable.** Telecable is a wholly-owned subsidiary of the Company, which offers cable television, broadband internet and telephony services and operates in 11 states of Mexico.

**Bestel.** Currently, the Company indirectly holds 66.2% of the equity of Bestel (35.4% through Cablevisión and 30.8% through CVQ), which provides voice, broadband internet and managed services to domestic and international carriers and to the enterprise, corporate, and government segments, cloud and other services in Mexico. Through Bestel (USA), Inc., Bestel provides cross-border services to U.S. carriers including internet protocol, or IP, transit, collocation, international private lines, virtual private networks, or VPNs, and voice services, as well as access to the Internet backbone via companies or carriers classified as “TIER 1” which are networks that can reach every other network on the internet without purchasing internet protocol address transit or paying settlements and “TIER 2” which are networks that peer with some networks, but purchase internet protocol address transit or pay settlements to reach at least some portion of the internet.

Bestel owns a fiber-optic network of approximately 19,000 kilometers, which is in the process of being expanded. In addition to its own network, Bestel operates 20,000 additional kilometers of fiber-optic networks covering several cities and economic regions in Mexico and has direct crossing of its network into Laredo, McAllen, El Paso and Dallas in Texas, Nogales in Arizona and San Diego and Los Angeles in California in the United States. This enables the Company to provide high connectivity capacity between the United States and Mexico.

### **Sky**

**Background.** We operate “Sky”, our DTH satellite venture in Mexico, Central America and the Dominican Republic, through Innova. We indirectly own 58.7% of this venture. The remaining 41.3% of Innova is owned by AT&T. On April 3, 2024, we announced that we had reached an agreement with AT&T to acquire its interest in Sky and become the owner of 100% of Sky’s capital stock. The transaction is subject to customary regulatory approvals. For a description of capital contributions and loans we have made to Innova, see “Operating and Financial Review and Prospects—Results of Operations—Liquidity, Foreign Exchange and Capital Resources—Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity”.

[Table of Contents](#)

Innova's Social Part Holders Agreement provides that neither we nor News Corp. nor AT&T may directly or indirectly operate or acquire an interest in any business that operates a DTH satellite system in Mexico, Central America and the Dominican Republic (subject to limited exceptions).

As of December 31, 2021, 2022 and 2023, Innova's DTH satellite pay-TV service had 7,408,075, 6,257,059 and 5,567,426 gross active video subscribers, respectively. Innova primarily attributes its success to its superior programming content, its exclusive transmission of the largest coverage sporting events such as soccer tournaments and special events, its high-quality customer service and its nationwide distribution network with approximately 639 points of sale. In addition to the above, Innova also attributes its success to VeTV, our low-end package in Mexico. Sky continues to offer the highest quality and exclusive content in the Mexican pay-TV industry. Its programming packages combine our over-the-air channels with other exclusive content.

During 2023, Sky offered exclusive content, which included La Liga and La Copa del Rey (Spanish Soccer), the Bundesliga (German Soccer), the NFL Sunday Ticket, MLB Extra Innings, the NHL, marathons, ice skating events, Davis Cup, Diamond League, the Pacific Mexican Baseball League (LMP), and Caribbean Series, the World Padel Tour, UEFA EURO, UEFA Nations League and qualifying matches of the CONMEBOL for the World Cup, as well as special coverage of female soccer leagues from Germany, Spain, Sweden and the U.K. In addition to new programming contracts, Sky continues to operate under arrangements with a number of third-party programming providers to provide additional channels to its subscribers. Sky also has arrangements with the major programming studios and sports federations.

In 2023, the Sky HD Package comprised 258 channels, as well as eight additional channels for pay-per-view. We expect to continue broadening our HD offering in the coming years.

As of December 31, 2023, the standard definition programming packages monthly fees for residential subscribers, net of a prompt payment discount if the subscriber pays within 12 days of the billing date, are the following: Basic Ps.289, Fun Ps.419, HBO Ps.599, Universe Ps.834 and monthly fees for high definition programming packages are: Silver Ps.299, Gold Ps.349, Platinum Ps.489 and Black Ps.904. Monthly fees for each programming package do not reflect a monthly rental fee in the amount of Ps.50 for standard definition, Ps.74 for Silver and Gold and Ps.64 for Platinum and Black packages for the decoder necessary to receive the service (or Ps.50 for standard definition, Ps.50 for Silver and Gold, Ps.50 for Platinum and Black packages if the subscriber pays within 12 days of the billing date) and a one-time activation fee which depends on the number of decoders and payment method. The monthly fees with respect to our prepaid programming package in high definition for SKY Prepaid is Ps.199 and the monthly rental fee for the decoder necessary to receive the service is Ps.50.

Sky devotes eight pay-per-view channels to family entertainment and movies and four channels are devoted to adult entertainment. In addition, Sky assigns 15 extra channels exclusively for special events, known as Sky Events, which include concerts and sports. Sky provides some Sky Events at no additional cost while it sells others on a pay-per-view basis.

The installation fee is based on the number of set up boxes and the method of payment chosen by the subscriber. The monthly cost consists of a programming fee plus a rental fee for each additional box.

In 2018, Sky launched Fixed Wireless Broadband services under the brand name Blue Telecomm. Sky offers five, 10 or 20 mega single-play broadband services and five or 10 for video-broadband bundles. These services are limited to certain areas in Mexico. At the end of fiscal year 2023, Sky had 515,089 broadband customers.

In 2022, Sky launched mobile services under the brand Blue Telecomm Cel which offers packages of 4 GB, 7 GB, 16 GB, and 23 GB single-play mobile for Ps.289, Ps.399, Ps.599 and Ps.799, respectively. At the end of fiscal year 2023, Sky had 32,844 mobile customers.

In 2023, Sky launched Sky+, an Android-based streaming platform, that integrates Sky video service, video on demand, and OTTs content in a unified viewing experience which offers packages basic and premium, at a price of Ps. 399 and Ps. 599, respectively. At the year ended on fiscal year 2023, Sky had 60,271 Sky+ subscribers.

**Programming.** Sky receives programming content from several providers, including TVSA, which also grants DTH satellite service broadcast rights to most of its existing and future program services (including pay-per-view services on DTH), subject to some pre-existing third-party agreements and other exceptions and conditions.



## **Discontinued Operations**

*Businesses disposed of on January 31, 2022 (see Item 5. Operating and Financial Review and Prospects, TelevisaUnivision Transaction)*

### *Content*

We owned the former Content business prior to the completion of the TelevisaUnivision Transaction. Prior to the completion of such transaction, the former Content business generated revenues from advertising, network subscription, licensing and our former feature film production and distribution business Videocine.

### *Advertising*

Advertising revenue was derived primarily from the sale of advertising time on television broadcast operations, which included the production of television programming and broadcasting of Channels 2, 4, 5 and 9 (the “Television Networks”), as well as the sale of advertising time on programs provided to pay television companies in Mexico and advertising revenue in the Company’s former Internet business and the production of television programming and broadcasting for local television stations in Mexico. The broadcasting of the Company’s former Television Networks was performed by television repeater stations in Mexico, either wholly-owned, majority-owned or minority-owned by the Company or otherwise affiliated with the Company’s networks.

### *Network Subscription*

Network Subscription revenue was derived from domestic and international programming services provided to independent cable television systems in Mexico and the Company’s direct-to-home satellite and cable television businesses. The programming services consisted of both programming produced by the Company and programming produced by others.

### *Licensing and Syndication*

Licensing and Syndication revenue was derived from international program licensing and syndication fees. The Company’s television programming was licensed and syndicated to customers abroad, including Univision.

### *Videocine*

As part of the TelevisaUnivision Transaction, we sold Videocine, our former feature film production and distribution business.

Videocine produced and co-produced first-run Spanish language feature films, some of which are among Mexico’s top films based on box office receipts.

***Spun-off Businesses on January 31, 2024 (see Item 5. Operating and Financial Review and Prospects, Spin-off of Certain Businesses of Our Other Businesses Segment)***

***Other Businesses***

***Publishing***

With a total circulation of more than 6 million copies in 2023, *Editorial Televisa, S.A. de C.V.*, or Editorial Televisa, the Company's former publishing business, published 11 titles that are distributed in Mexico. See "—Publishing Distribution". Editorial Televisa's main publications in Mexico included *TVyNovelas*, a weekly entertainment and dramas magazine; *Vanidades*, a popular bi-weekly magazine for women; and *Caras*, a monthly leading lifestyle and socialite magazine. Editorial Televisa also managed 15 digital platforms that generated 215 million unique users and 520 million video views on such platforms during 2023.

***Publishing Distribution***

We estimate that *Distribuidora Intermex, S.A. de C.V.*, or Intermex, our former distribution business, distributed more than 49%, in terms of volume, of the magazines, comics, books, and collectibles circulated in Mexico.

Mexico is considered one of the most important collectibles markets in the world, and in Mexico, Intermex has more than 90% of the market share in the distribution of commercial collectibles.

We also estimate that such distribution network reached more than 6,300 points of sale in Mexico. In 2021, 2022, and 2023 52%, 48% and 21%, respectively, of the publications distributed by Intermex were published by Editorial Televisa. In addition, Intermex's distribution network sells a number of publications published by joint ventures and independent publishers, as well as collectibles, books, novelties and other consumer products.

***Soccer***

We owned *Club de Fútbol América S.A. de C.V.*, or Club América, which currently plays in the Mexican First Division and is one of the most popular and successful soccer teams in Mexico and Club América Femenil, a professional soccer team that participates in the first division of the Mexican women's soccer league currently known as Liga MX Femenil.

We also owned Azteca Stadium, which has hosted two FIFA World Cup openings and finals (1970 and 1986), and FIFA has recently confirmed that Azteca Stadium will host soccer matches during the 2026 World Cup, which will be held in Canada, Mexico, and the United States. This will make it the only stadium in the world to have hosted matches in three different FIFA World Cups.

***National Football League***

The Company entered into a contract with the National Football League, or the NFL, to host one regular season game each year beginning in 2016. In November 2022, a regular season Monday Night Football game was played at the stadium with more than 78,000 fans in attendance. No NFL game took place in Mexico during 2023.

***Gaming Business***

In 2006, we launched our former gaming business under the brand "Play City", consisting of casinos and an online gaming site. As of December 31, 2023, Play City had 18 casinos in operation in 13 states in Mexico.

PlayCity also has a successful multi-level loyalty plan with more than 215,000 active accounts as of December 31, 2023. All of PlayCity's casino rooms are located in premium locations inside or next to high-value shopping malls.

***Investments***

***OCEN.*** We owned a 40% stake in *Ocesa Entretenimiento, S.A. de C.V.* ("OCEN"). On July 24, 2019, we announced that Live Nation Entertainment, Inc. ("Live Nation") had agreed to purchase our unconsolidated 40% equity participation in OCEN. On December 6, 2021, we announced the closing of the sale of our equity participation in OCEN to Live Nation.

**Imagina.** We owned equity participations equivalent to 19.05% of the capital stock of *Imagina Media Audiovisual S.L.*, or *Imagina*, one of the main providers of content and audiovisual services for the media and entertainment industry in Spain. On June 26, 2018, we closed on the sale of our 19.05% stake in *Imagina*. From the total proceeds paid to us of approximately U.S.\$341.0 million, 11% was retained in escrow. In July, 2021 the last portion of the amount that was in escrow was released, and, accordingly, there are no additional amounts pending to be received by the Company in connection with this transaction.

**Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V.** In March 2010, *Telefónica, Editora Factum, S.A. de C.V.*, a wholly-owned subsidiary of the Company which was merged into CVQ in May 2015, and Megacable agreed to jointly participate, through a consortium known as *Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V.* (“GTAC”), in the public bid for a pair of dark fiber wires held by the CFE (*Comisión Federal de Electricidad*). In June 2010, the SCT granted GTAC a favorable award in the bidding process for a 20-year contract for the lease of up to 19,457 kilometers of dark fiber-optic capacity, along with a corresponding concession, granted in July 2010, to operate a public telecommunications network using DWDM technology. In June 2010, one of our subsidiaries entered into a long-term credit facility agreement to provide financing to GTAC in an amount up to Ps.688.2 million, which was already liquidated. Under the terms of this agreement, principal and interest were payable at dates agreed by the parties, between 2013 and 2021. In addition, a subsidiary of the Company entered into supplementary long-term loans to provide additional financing to GTAC for an aggregate principal amount of Ps.1,399.0 million. By the end of 2023, GTAC had in operation 201 links and 166 nationwide nodes, and the services for customers grew to 3,777, of which 87% and 10.22% have a capacity of 10 Gbps and 100 Gbps, respectively. The overall capacity per link is approximately 3.2 Tbps (80 optical channels x 10, 40 and 100 Gbps each channel). In addition, GTAC maintains six of its own routes (2,222 kilometers), three third-party dark fiber IRU (2,872 kilometers) and local loops (559 kilometers). This fiber-optic network represents for us an alternative to access data transportation services, increasing competition in the Mexican telecommunications market and therefore improving the quality of the services offered. The fiber-optic network aims to increase broadband internet access for businesses as well as households in Mexico.

We have investments in several other businesses. See Notes 3 and 10 to our consolidated year-end financial statements.

### **TelevisaUnivision**

We have a number of arrangements with TelevisaUnivision, the leading Spanish-language content and media company in the world, which features the largest Spanish-language library of owned content and industry-leading production capabilities that power its streaming, digital and linear television offerings, as well as its radio platforms. TelevisaUnivision’s linear operations include two broadcast television networks in the United States, Univision Network and UniMás, which collectively represent more than half of Spanish-language broadcast primetime viewership, and two broadcast television networks in Mexico: Las Estrellas and Canal 5. In addition, TelevisaUnivision operates nine cable networks in the United States, including Galavisión, one of the most watched Spanish-language entertainment cable networks, and TUDN, the #1 Spanish-language sports network and 29 cable networks in Mexico, including Distrito Comedia and TL Novelas. TelevisaUnivision also owns or operates 59 local television stations in the United States and 32 local television stations in Mexico. In addition, TelevisaUnivision provides programming to 68 broadcast network station affiliates in the United States. Univision, UniMás and Galavisión that are also available on YouTube TV. TelevisaUnivision’s digital properties consist of streaming and various other websites. The digital offerings are anchored by ViX, a two-tier streaming service in one single app comprised of the free AVOD product and a paid premium SVOD option, which hosts over 50,000 hours of high-quality, original Spanish-language programming from distinguished producers and top talent. TelevisaUnivision’s offerings also include UnivisionNow.com, a direct-to-consumer, on-demand and live streaming subscription service, and Univision.com as well as various other local digital properties. TelevisaUnivision’s radio operations, known as the Uforia Audio Network, encompasses 35 owned or operated U.S. radio stations, an experiential and digital-centric event series and a robust digital audio footprint.

As of March 31, 2024, we owned a 43.3% equity interest on an as-converted basis (excluding unvested and/or unsettled stock, restricted stock units and options) in TelevisaUnivision, and we are party to related governance arrangements pursuant to which, among other things, we are entitled to designate five of the 11 members of the Board of Directors of TelevisaUnivision, at least proportionate membership on board committees and consent rights over certain matters. In addition, Messrs. Bernardo Gómez Martínez and Alfonso de Angoitia Noriega became part of the management team of the Mexican content business of TelevisaUnivision. These individuals also continue to serve in their current roles at the Company. As a result, they do not devote all of their time to either TelevisaUnivision or the Company.

### ***PLA and MLA***

Under the PLA, we granted Univision exclusive Spanish-language broadcast and digital rights to our audiovisual programming (subject to certain exceptions) in the United States and all territories and possessions of the United States, including Puerto Rico, in exchange for a royalty payment. Under the MLA, we had the exclusive Spanish-language broadcast and digital rights to Univision’s audiovisual programming (subject to certain exceptions) in Mexico during the term of the PLA.

As part of the TelevisaUnivision Transaction, the PLA and the MLA were assigned to an affiliate of UHI, and since February 2022, we no longer receive any royalties from TelevisaUnivision under the PLA.

### ***TelevisaUnivision Transaction***

On January 31, 2022, we consummated the TelevisaUnivision Transaction with UHI and affiliates of Searchlight, ForgeLight and Liberty Global, pursuant to which, among other things, we contributed our former Content business (other than certain assets relating to our former news business, which was transferred at closing to the News Company, real estate and Mexican over-the-air broadcast concessions) to UHI. In consideration for the contribution of our former Content business, we received approximately U.S.\$4.5 billion in a combination of cash (U.S.\$3.0 billion) and U.S.\$1.5 billion of common and preferred shares of TelevisaUnivision, excluding post-closing adjustments. The combined company is referred to as TelevisaUnivision, Inc. The TelevisaUnivision Transaction was partially financed by UHI through a new Series C preferred equity investment in TelevisaUnivision of U.S.\$1.0 billion in the aggregate led by the SoftBank Latin American Fund, along with ForgeLight, with participation from Google and The Raine Group, as well as debt financing. In addition, TelevisaUnivision’s news content production for Mexico was transferred so that it is provided by the News Company. After the closing of the TelevisaUnivision Transaction, news programs are owned by the News Company and licensed to TelevisaUnivision.

The foregoing summary of the TelevisaUnivision Transaction does not purport to be complete and is qualified in its entirety by reference to the full text of the 2021 Transaction Agreement, a copy of which has been filed as Exhibit 4.7 to this Form 20-F.

### ***FCC Matters***

On January 3, 2017, the FCC (i) approved an increase in the authorized aggregate foreign ownership of Univision’s issued and outstanding shares of common stock from 25% to 49%; and (ii) authorized the Company to hold up to 40% of the voting interests and 49% of the equity interests of Univision. Such authorization enabled the Company to increase its equity stake in Univision, which it did through the exercise of warrants in December 2020, as described earlier in this section under “—TelevisaUnivision”, and subsequently in the completion of the TelevisaUnivision Transaction, as described earlier in this section under “—TelevisaUnivision”. In addition, on December 23, 2020, the FCC approved the then-pending acquisition of a majority equity interest in UHI by affiliates of Searchlight and ForgeLight, subject to certain requirements, and authorized the foreign ownership of up to 100% of UHI’s equity and voting interests, including up to a 49.9% non-controlling voting and/or equity interest to be held by the Company.

On January 21, 2022, the FCC approved the TelevisaUnivision Transaction, subject to compliance with certain requirements set forth in its ruling, including requirements relating to foreign ownership.

For additional information regarding our relationship with TelevisaUnivision, see Notes 3, 9, 10, 14, 15, 20 and 28 to our consolidated year-end financial statements.

### **Competition**

We compete with various companies in Mexico, both Mexican and non-Mexican. See “Key Information—Risk Factors—Risk Factors Related to Our Business—We Face Competition in Each of Our Markets That We Expect Will Intensify”.

### ***Cable***

Cablevisión, Cablemás, TVI, Cablecom and Telecable face intense competition from several media, internet, OTT, cable, pay-TV and telecommunications companies throughout Mexico.

[Table of Contents](#)

The telecommunications industry in Mexico has become highly competitive. New technologies and technical innovations have been implemented in the telecommunications sector, resulting in a significant increase in competition. We believe that there is a strong correlation between the increase in competition and the adoption of new technologies.

In the broadband internet services market and in the mobile services market, we face intense competition from several service providers, and also importantly from the preponderant economic agent in the telecommunications sector, which holds a significant market share, as well as other competitors in mobile solutions.

In the pay-TV market, our Cable telecommunications operators also face tough competition from other cable companies and from other pay-TV operators such as Dish Mexico, Total Play, Megacable, Sky and other cable companies. Recently, competition in this market has increased due to the growth of IPTV or OTT providers such as Netflix, Disney+, Star+, Claro Video, Prime Video (Amazon), Max, ViX Premium+, Paramount+, Universal+, and Apple TV+, among others.

Our Cable telecommunications operators compete as well with other media with respect to advertising sales, including DTH, social media, outdoor advertising and publishing among others. The information technologies are changing and we expect will continue to change the consumption of advertising in the communications media.

***Sky***

Innova currently competes with, or expects to compete with, among others, cable television operators, MMDS systems, national broadcast networks (including our three free-to-air networks and Channel 4), regional and local broadcast stations, OTT content providers, internet video websites and other DTH concessions such as Dish Mexico, which as of June 2023 had approximately 947,215 subscribers, according to IFT. Currently, Dish Mexico offers not only low-priced packages, but also high-end products such as High Definition Packages. Innova also faces competition from: (a) unauthorized C-band and Ku-band television signals provided by third parties without authorization of the Mexican government; and (b) illegal streaming services that facilitate access to television channels and content through set up boxes and applications. Other competitors include radio, movie theaters, video rental stores, IPTV, video games and other entertainment sources. We also face significant competition from new entrants in pay-TV services as well as from the new public television networks. The consolidation in the entertainment and broadcast industries could further intensify competitive pressures. As the pay-TV market in Mexico matures, and as the offering of bundled services that include pay-TV, broadband and telephony increases, Innova expects to face competition from an increasing number of sources. Emerging technologies that provide new services to pay-TV customers as well as new competitors in the DTH field or cable, telecommunication and internet players entering into video services would require us to make significant capital expenditures in new technologies and additional transponder capacity.

In October 2008, Dish Mexico, a subsidiary of a U.S. based DTH company operating with certain arrangements with Telmex, started operations in Mexico through a DTH concession. Dish Mexico currently operates nationwide.

**Regulation**

Our business, activities and investments are subject to various Mexican federal, state and local statutes, rules, regulations, policies and procedures, which are constantly subject to change and are affected by the actions of various Mexican federal, state and local governmental authorities. Given that we retained the broadcast concessions as part of the TelevisaUnivision Transaction, we continue to be responsible for compliance with regulations applicable to them, as described below. See “Key Information—Risk Factors—Risk Factors Related to Mexico—Imposition of Fines by Regulators and Other Authorities Could Adversely Affect Our Financial Condition and Results of Operations”, “Key Information—Risk Factors—Risk Factors Related to Mexico—Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue” and “Key Information—Risk Factors—Risk Factors Related to Mexico—The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments”. The material Mexican federal, state and local statutes, rules, regulations, policies and procedures to which our business, activities and investments are subject are summarized below. These summaries do not purport to be complete and should be read together with the full texts of the relevant statutes, rules, regulations, policies and procedures described therein.

## **Cable**

**Concessions.** Cable television operators apply for a concession from IFT in order to operate their networks and provide cable television services and other multimedia communications services. Applications are submitted to IFT and, after a formal review process, a concession is granted for an initial term of up to 30 years. Cablevisión obtained a telecommunications concession, which expires in 2029; in 2019 such concession became an integrated sole concession. Pursuant to its public telecommunications concession, Cablevisión can provide any telecommunication services in Mexico, including cable television, limited audio transmission services, bidirectional internet access and unlimited data transmission services in Mexico City and surrounding areas in the State of Mexico (*Estado de México*). The scope of Cablevisión's integrated sole concession is much broader than the scope of its former public telecommunications concession, which covered certain telecommunications services in Mexico City and its metropolitan area. In September 2022, Cablevisión began the process of extending the term of the integrated sole concession title granted in May 2019, and through a resolution dated June 7, 2023, the Plenary of the IFT authorized the extension of the term of the Cablevisión integrated sole concession for an additional 30 years beginning in September 2029. Consequently, in August 2023, the IFT delivered to Cablevisión a new integrated sole concession title that authorizes Cablevisión for such additional period.

Cablemás operates under one integrated sole concession, which covers 20 Mexican states. Pursuant to this concession, Cablemás provides cable television services, broadband internet access and bidirectional data transmission services. In addition, Cablemás provides local and international long-distance telephony services. The concession granted by IFT allows Cablemás to install and operate a public telecommunications network. The Cablemás concession will expire in 2046. The Cablemás concession allows it to provide any telecommunication services throughout Mexico. In 2021, as part of a strategy to make the operation more efficient, Cablemás waived its previous concessions for residential services, which were granted pursuant to an integrated sole concession that allowed Cablemás to provide any telecommunication services in Mexico, with an expiration date of 30 years from July 7, 2016.

TVI operates under one integrated sole concession, which covers primarily four Mexican states. Through this concession, TVI provides cable television services, bidirectional data transmission and internet and telephony services. The integrated sole concession granted by IFT allows TVI to install and operate a public telecommunications network to provide any telecommunication and broadcasting services all around Mexico. TVI's concession will expire in 2045.

Cablecom and its affiliates operate under two integrated sole concessions, which cover 18 Mexican states. Through these concessions, Cablecom provides cable television services, bidirectional data transmission and internet and telephony services. Each concession granted by IFT allows Cablecom to install and operate a public telecommunications network. The expiration dates for Cablecom's concessions are June 2045 and September 2038. Cablecom concession titles allow it to provide telecommunication services throughout Mexico. In 2021, as part of a strategy to make the operation more efficient, Cablecom waived its previous concessions for residential services, which were granted pursuant to two integrated sole concessions that allowed Cablecom to provide any telecommunication services in Mexico, with an expiration date of 30 years from June 3, 2015.

Telecable operates under one integrated sole concession, which covers 11 Mexican states. Through this concession, Telecable provides cable television services, bidirectional data transmission and internet and telephony services, as well as mobile telephony as a mobile virtual network operator (MVNO) in 30 Mexican States. The concession granted by IFT allows Telecable to install and operate a public telecommunications network. The Telecable concession title allows it to provide any telecommunication services throughout Mexico, which was extended by IFT on December 16, 2020 for an additional 30 years, until December 26, 2056.

In 2021, as part of a strategy to make the operation more efficient, Telecable waived its previous concessions for residential services, which were incorporated under one integrated sole concession that allowed Telecable to provide telecommunication services in Mexico, and which expires on December 26, 2056.

According to the LFTR, a public telecommunications concession may be renewed upon its expiration, or revoked or terminated prior to its expiration for a variety of circumstances, including:

- unauthorized interruption or termination of service;
- interference by the concessionaire with services provided by other operators;
- non-compliance with the terms and conditions of the public telecommunications concession (which has expressly established that failure to comply will result in the revocation of the concession);

[Table of Contents](#)

- the concessionaire's refusal to interconnect with other operators;
- loss of the concessionaire's Mexican nationality;
- unauthorized assignment, transfer or encumbrance, in whole or in part, of the concession or any rights or assets;
- the liquidation or bankruptcy of the concessionaire; and
- ownership or control of the capital stock of the concessionaire by a foreign government.

In addition, IFT may establish under any public telecommunications concession further events which could result in revocation of the concession. Under current Mexican laws and regulations, upon the expiration or termination of a public telecommunications concession, the Mexican government has the right to purchase those assets of the concessionaire that are directly related to the concession, at market value.

Cable television operators are subject to the LFTR. Under current Mexican law, cable television operators are classified as public telecommunications networks, and must conduct their business in accordance with Mexican laws and regulations applicable to public telecommunications networks.

Under the applicable Mexican law, the Mexican government, through the SCT, may also temporarily seize or even expropriate all of a public telecommunications concessionaire's assets in the event of a natural disaster, war, significant public disturbance or threats to internal peace and for other reasons related to preserving public order or for economic reasons. The Mexican government is obligated by Mexican law to compensate the concessionaire, both for the value of the assets seized and related profits.

**Supervision of Operations.** IFT regularly inspects the operations of cable systems and cable television operators must file periodic reports with IFT, and publish, on their web pages, the average download speed of their internet services.

Under Mexican law, programming broadcast on cable networks is not subject to judicial or administrative censorship. However, this programming is subject to various regulations, including prohibitions on foul language, programming which is against good manners and customs or programming which is against the national security or against public order.

Mexican law also requires cable television operators to broadcast programming that promotes Mexican culture, although cable television operators are not required to broadcast a specified amount of this type of programming.

In addition to broadcasting programming that promotes Mexican culture, Mexican law also requires cable television operators to carry all air broadcast channels in the same geographic coverage area and *Señales de Instituciones Públicas Federales*, or Public Federal Institutions Channels, provided by the Mexican government according to the applicable regulations.

**Restrictions on Advertising.** Mexican law restricts the type of advertising that may be broadcast on cable television. These restrictions are similar to those applicable to advertising broadcast on over-the-air channels. See “—Regulation—Television—Mexican Television Regulations—Restrictions on Advertising”.

**Forfeiture of Assets.** Under Mexican regulations, at the end of the term of a public telecommunications concession, assets of concessionaires may be purchased by the Mexican government at market value.

***Non-Mexican Ownership of Public Telecommunications Networks***

Under current Mexican law, non-Mexicans may currently own up to 49%, subject to reciprocity by the relevant foreign country, of the outstanding voting stock of Mexican companies with a broadcast television or radio concession. However, non-Mexicans may currently own up to all of the outstanding voting stock of Mexican companies with a public telecommunications concession to provide cellular telephone, fixed-line telephone, pay-TV and broadband internet services.

***Application of the Existing Regulatory Framework to Internet Access and IP Telephony Services***

Cablevisión, TVI, Cablecom, Telecable and Cablemás may be required, under Mexican law, to permit other concessionaires to connect their network to its network in a manner that enables its customers to choose the network by which the services are carried.

To the extent that a cable television operator has any available capacity on its network, as a public telecommunications network, Mexican law requires the operator to offer third party providers access to its network. Our Cable operators currently do not have any capacity available on their networks to offer to third party providers and do not expect that they will have capacity available in the future given the broad range of services they plan to provide over their networks.

### ***Satellite Communications***

**Mexican Regulation of DTH Satellite Services.** Under LFTR, concessions to broadcast DTH satellite services are for an initial term of up to 30 years, and are renewable for up to 30 years. We received a 30-year concession to operate DTH satellite services in Mexico utilizing SatMex satellites in May 1996. In November 2018, such concession transitioned into a unique concession which authorizes Sky to render the following services: DTH Pay TV; Private Satellite Link Services; and Fixed Telephony and Internet Access. In October 2021, we were officially notified by IFT of the extension of our concession which has been renewed for 30 years, which now expires in May 2056.

In November 2000, we received an additional 20-year concession to operate our DTH satellite service in Mexico using the IS-9 satellite system, a foreign-owned satellite system. Our use of the IS-16, IS-21 and SM-1 satellites has been authorized by the competent Mexican authorities. As of November 2020, due to modifications in the telecommunications legislation, such concession transitioned into a new 10-year authorization and, at the same time, we were granted a unique concession, thereby complementing our concession to continue providing the DTH service.

Like a public telecommunications network concession, a unique concession, as well as any other authorization, may be revoked or terminated by IFT prior to the end of its term in certain circumstances, which for a DTH concession include:

- The failure to use the concession within 180 days after it was granted;
- A declaration of bankruptcy of the concessionaire;
- Failure to comply with the obligations or conditions specified in the concession;
- Unlawful assignments of, or encumbrances on, the concession; or
- Failure to pay to the government the required fees.

At the termination of a concession, the Mexican government has the preemptive right to acquire the assets of a DTH satellite service concessionaire. In the event of a natural disaster, war, significant public disturbance or for reasons of public need or interest, the Mexican government may temporarily seize and expropriate all assets related to a concession, but must compensate the concessionaire for such seizure. The Mexican government may collect fees based on DTH satellite service revenues of a satellite concessionaire.

Under the LFTR, DTH satellite service concessionaires may freely set customer fees but must notify IFT of the amount, except that if a concessionaire has substantial market power, IFT may determine fees that may be charged by such concessionaire. The LFTR specifically prohibits cross-subsidies.

There is currently no limitation on the level of non-Mexican ownership of voting equity of DTH satellite system concessionaires.

***Regulation of DTH Satellite Services in Other Countries.*** Our current and proposed DTH ventures in other countries are and will be governed by laws, regulations and other restrictions of such countries, as well as treaties that such countries have entered into, regulating the delivery of communications signals to, or the uplink of signals from, such countries. In addition, the laws of some other countries establish restrictions on our ownership interest in some of these DTH ventures as well as restrictions on programming that may be broadcast by these DTH ventures.

### ***Mexican Antitrust Law***

The Federal Antitrust Law became effective on July 7, 2014. It should be noted that IFT is entitled to review antitrust matters related to the telecommunications and broadcasting sectors, while the COFECE is in charge of all other antitrust matters. IFT or COFECE must authorize mergers and acquisitions before they take place. In addition, one of the thresholds was modified to only apply to sales or assets of economic agents in Mexico and not worldwide economic agents.



[Table of Contents](#)

The Antitrust Law provides that the following reportable transactions, among others, are exempt from being reviewed by IFT or COFECE:

- (i) Corporate restructurings.
- (ii) Transactions where the acquirer has control over the target from its incorporation or from the date the last reported transaction was approved by IFT or COFECE.
- (iii) Trusts in which the trustor contributes assets without intending to transfer, or causing the actual transfer of, assets to another company that is not part of the corporate structure of the trustor.
- (iv) Transactions that have effect in Mexico involving non-Mexican participants, if the participants will not take control of Mexican legal entities, or acquire assets in Mexico, in addition to those previously controlled or owned by such participants.
- (v) When the acquirer is a Brokerage House, whose operation involves the acquisition of stock, obligations, securities or assets, in order to place them among the investing public, except when the Brokerage House obtains a significant influence in the decisions of the company.
- (vi) Acquisitions of equity securities (or convertible securities) through stock markets that represent less than 10% of such securities, and the acquirer is not entitled to: (w) appoint board members; (x) control a shareholders meeting decision; (y) vote more than 10% of voting rights of the issuer; or (z) direct or influence the management, operation, strategy or principal policies of the issuer.
- (vii) When the acquisition of stock, assets, obligations or securities is made by one or more investment funds with speculative purposes that have no investments in companies or assets that participate or are occupied in the same relevant market of the acquired company.

According to transitory Article 9 of the LFTR, as long as there is a Preponderant Economic Agent in the telecommunications and broadcasting sectors, in order to promote competition and develop viable competitors in the future, it is not required to obtain IFT approval of mergers and acquisitions carried out by concession holders when the following requirements are met:

- (a) The transaction reduces the Dominance Index in the sector and the Hirschman-Herfindahl Index does not increase by more than 200 points.
- (b) As a result of the transaction, the economic agent involved has a sector share percentage of less than 20%.
- (c) The Preponderant Economic Agent of the sector in which the transaction is taking place is not involved in the transaction.
- (d) The transaction does not effectively diminish, harm or hinder the free competition and concurrency in the applicable sector.

Notwithstanding the above, concession holders involved in the transaction shall inform IFT of the transaction within ten days following the completion of the transaction and IFT will then have 90 calendar days to investigate the transaction and in case it determines the existence of substantial market power in the relevant market, it may impose the necessary measures to protect and encourage free competition and concurrency in such market.

As part of our expansion of our Cable business, on December 17, 2018, we acquired FTTH under the provisions set forth in transitory Article 9 of LFTR. On May 8, 2019, the IFT launched an investigation to analyze if, as a result of the transaction, the Company, as well as the Cable and Sky concessionaires and TVSA, acquired substantial power in the market of telecommunications networks providing voice, data or video services. On September 4, 2019, the IFT Investigative Authority issued a preliminary opinion, whereby it assessed that there were elements to determine that the Company had substantial power in 35 relevant markets of the telecommunications networks that provide restricted television and audio services. Those relevant markets comprise 35 municipalities in the following States: Aguascalientes, Chihuahua, Ciudad de México, Estado de México, Jalisco, Nuevo León and San Luis Potosí. As a response to the preliminary opinion, the Company presented its position and provided evidence to prove that the Company does not hold substantial power in the relevant markets established in the preliminary opinion. On November 26, 2020, the IFT notified TVSA, the Company and some subsidiaries of its Cable and Sky businesses of the final resolution confirming the existence of substantial power in the 35 relevant markets of restricted television and audio services. Some of the consequences derived from the determination of substantial market power are applicable as a matter of law and others may be imposed by IFT in a new procedure in accordance with the LFTR, which may consist of: (i) the obligation to obtain IFT's approval and to register the rates for our services; (ii) to inform the IFT in case of the adoption of new technology or modifications to the network; (iii) the agent with substantial power may not be entitled to the benefits of some rules of the "must carry" and "must offer" provisions; and (iv) the implementation of accounting separation. Consequently, on December 17, 2020, TVSA, the Company and some subsidiaries of its Cable and Sky businesses, filed three amparos, respectively, to challenge the constitutionality of the resolution. In October 2022, TVSA, the Company and some subsidiaries of its Cable and Sky businesses obtained favorable amparo resolutions from a specialized federal judge which determined that the resolution of IFT about the substantial power on the restricted services of television and audio market in 35 municipalities in Mexico, after the acquisition of the direct to home fiber-optic and assets related to Axtel, S.A.B. de C.V. in December 2018, was unconstitutional. On January 24, 2024, a Federal Court resolved through a final resolution of the amparo of TVSA and instructed the IFT to revoke the substantial power resolution. On March 6, 2024, as a result of the amparo resolution, the IFT revoked the substantial power resolution and determined to close the file only for TVSA, the other two amparos are currently under revision of the competent court.

Other relevant provisions provided in the Antitrust Law, are the following:

- (a) Granting the *Autoridad Investigadora*, or Prosecutor Authority, authority to investigate the commission of monopolistic practices, forbidden mergers, barriers to competition, essential facilities, or substantial market power.
- (b) Enhancement of the legal power of the authorities for conducting its investigations (such as requesting written evidence and testimonies and performing verification visits).
- (c) Significantly increased monetary fines for the commission of illegal conduct.
- (d) IFT or COFECE, as applicable, may determine the existence of essential facilities when the following conditions are met: (i) one or several economic agents with substantial market power control a good; (ii) the reproduction of such good by other economic agents is unviable, now or in the future, due to technical, legal or economic reasons; (iii) the good is indispensable for the provision of other goods or services in other markets and does not have close substitutes.
- (e) IFT or COFECE, as applicable, may determine the existence of barriers to competition and free markets, when an element is found that either: (i) hinders the access of new entrants; (ii) limits competition; or (iii) hinders or distorts competition and the free market process.
- (f) The resolutions issued by IFT or COFECE, as applicable, can only be challenged by an amparo claim, which will be ruled by the Antitrust, Telecommunications and Broadcasting federal courts, without any judicial stay that can suspend the execution of the resolution.

The above-mentioned provisions may significantly and adversely affect our business, results of operations and financial condition.

### ***Mexican Television Regulations***

***Concessions.*** The LFTR regulates, on a convergent basis, the use and exploitation of the radio-electric spectrum, and the telecommunications networks, as well as the rendering of broadcasting, cable, satellite pay-TV and telecommunications services.

[Table of Contents](#)

Concessions for the commercial use of spectrum are granted through public bid processes. Such concessions are granted for a fixed term, subject to renewal in accordance with LFTR. Renewal of concessions for the use of spectrum require, among others: (i) to request such renewal to IFT in the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; (iii) a declaration by IFT that there is no public interest in recovering the spectrum granted under the related concession; and (iv) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT, including the payment of a related fee. To our knowledge, no spectrum granted for broadcasting services in Mexico has been recovered by the Mexican government in the past several years for public interest reasons, however, the Company is unable to predict any future action by IFT.

Pursuant to the Telecommunications and Broadcasting Federal Law, concessionaires will now only have one integrated sole concession to provide telecommunication and broadcasting services. Integrated sole concessions will be granted for a term of up to 30 years with the possibility to renew them, for the same term originally granted. Renewal of integrated sole concessions require, among others: (i) to request its renewal to IFT within the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; and (iii) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT. IFT shall resolve any request for renewal of the telecommunications concessions within 180 business days of its request. Failure by IFT to respond within such period of time shall be interpreted as if the request for renewal has been granted.

In May 2018, applications for the renewal of the Group's 70 broadcasting concessions (comprising 225 TV stations), were timely filed under the LFTR and the terms set on the concessions, and as part of the renewal process, the Company regrouped its concessions to create (i) three concessionaires, each one specialized on broadcasting the National TV Networks of Las Estrellas, Canal 5 and Canal Nu9ve, respectively, and (ii) three concessionaires specialized on local TV content.

On November 6, 2018, IFT notified the Company the grant of the renewal of its concessions, the new conditions under which they will operate, as well as the relevant fee to be paid for such renewals.

On November 26, 2018, the Company timely accepted the new conditions for the renewal of the concessions and performed the payment of the relevant fee for a total amount of Ps.5,753 million, as a consequence, the IFT delivered to the Company (i) 23 concessions for the use of spectrum that comprise the Company 225 TV stations, for a term of 20 years, starting in January 2022, and ending in January 2042, and (ii) six concessions that grant the authorization to provide digital broadcasting television services of such 225 TV stations, for a term of 30 years, starting in January 2022 and ending in January 2052.

On March 7, 2014, IFT published in the Official Gazette of the Federation an invitation to a public auction for the concession for the two new National Digital Networks. The invitation provided that the concessions for the National Digital Networks would be granted for a term of 20 years for the operation of stations with, among other characteristics, mandatory geographic coverage in 123 locations corresponding to 246 channels within the Mexican territory.

Pursuant to the LFTR currently in force, a concession (obtained by means of a public process) is still needed to participate in the radio-electric spectrum in Mexico.

None of our over-the-air television concessions has ever been revoked or otherwise terminated and, except for an immaterial concession to transmit an UHF restricted television service which expired in November 2010, all of our concessions have been renewed. See "Information on the Company—Business Overview—Regulation—Cable—Concessions".

We believe that we have operated our television concessions substantially in compliance with their terms and applicable Mexican law. If a concession is revoked or terminated, the concessionaire could be required to forfeit to the Mexican government all of its assets or the Mexican government could have the right to purchase all the concessionaire's assets. In our case, the assets of our licensee subsidiaries generally consist of transmitting facilities and antennas. See "Key Information—Risk Factors—Risk Factors Related to Our Business—The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions".

As a result of the Telecom Reform, certain provisions of the LFTR and Guidelines related to the distribution of more than one channel of programming on the same transmission channel, or multiplexing, were passed. Such provisions optimize the use of the spectrum; for example, where the 6MHz spectrum was used entirely to broadcast only one channel of programming analog standard, now based on new technologies, more than one channel of programming digital standard on the same transmission channel can be broadcast. The Company, as a Preponderant Economic Agent has a restrictive obligation related to multiplexing. The IFT shall not authorize the Preponderant Economic Agent to broadcast channels in excess of 50% of the total channels authorized to other broadcasters in the same geographic coverage. The IFT has granted multiplexing authorizations to the Company, granting access to TVSA as its third party programmer in terms of the third party programming agreements: 36 authorizations for multiplexing the Channel 5 Network, 29 authorizations for multiplexing the Channel *Nu9ve Network*, two authorizations for multiplexing the Channel 2 Network, 35 authorizations for multiplexing Channel *Foro TV Network*, three authorizations for multiplexing Local Channels and three authorizations for multiplexing the Channel CV Shopping (programmed by the Company).

**Supervision of Operations.** To ensure that broadcasting is performed in accordance with the provisions established in the concession title, the LFTR and Guidelines, IFT is entitled to monitor compliance by exercising powers of supervision and verification: for example, the IFT can perform technical inspections of the television stations and the concessionaire must file annual reports with IFT.

On August 21, 2018, the Mexican Ministry of Interior published in the Official Gazette of the Federation an amendment to the regulations of broadcast television and pay-TV programming guidelines that provides for different age classifications for programming (the “Programming Guidelines Amendment”), which became effective on August 22, 2018, substituting in full force and effect the previous amendment published on February 15, 2017. The Programming Guidelines Amendment for broadcast television is as follows: (i) programs classified “D” extreme and adult only may broadcast after midnight to 5:00 am; (ii) programs classified “C” not suitable for people under the age of 18 may broadcast only after 9:00 p.m. to 5:59 am; (iii) programs classified “B15” for teenagers over 15 years old may be broadcast only after 7:00 p.m. to 5:59 am; (iv) programs classified “B” for teenagers may be broadcast only after 4:00 p.m. to 5:59 am; and (v) programs classified “A” and “AA” suitable for all age groups may be broadcast at any time. The same age classifications apply for pay-TV programming and the age classifications must be shown to the audience, but there are no applicable broadcasting time limitations.

On February 14, 2020, the Mexican Ministry of Interior published in the Official Gazette of the Federation an additional amendment to the Programming Guidelines, for which the only relevant change therein was to extend the display time for the Parental Advisory from 15 to 30 seconds.

**Content for Children and Teenagers.** The LFTR includes new criteria for programming addressed for children and teenagers. Each concessionaire is also required to transmit each day, free of charge, up to 30 minutes of programming promoting cultural, educational, family counseling and other social matters, using programming provided by the Mexican government. Historically, the Mexican government has not used a significant portion of this time.

**Restrictions on Advertising.** Mexican law regulates the type and content of advertising broadcast on television. In order to prevent the transmission of misleading advertising, without affecting freedom of expression and dissemination, the broadcasting of advertisements presented as journalistic news or information is prohibited. Under current law, advertisements of alcoholic beverages (other than beer and wine) may be broadcast only after 9:00 p.m. and advertisements for tobacco products are prohibited. Advertising for alcoholic beverages must not be excessive and must be combined with general promotions of nutrition and general hygiene. Health Law Guidelines were published in the Official Gazette of the Federation on April 15, 2014 and became effective on July 7, 2014, for the advertisement of the following products: snacks, flavored drinks, candies, chocolates, or foods similar to chocolates and became effective for the remaining products on January 1, 2015. See “Key Information—Risk Factors—Risk Factors Related to Mexico—The Amendments to the Regulations of the General Health Law on Advertising Could Materially Affect Our Business, Results of Operations and Financial Condition”. Moreover, the Mexican government must approve any advertisement of lotteries and other sweepstakes games.

TV advertisement will not take up more than 18% of the broadcast time on any day in TV. However, this percentage can be increased by an additional 2% when at least 20% of the content programmed is national production. Another 5% of advertisement time can be added when at least 20% of the content programmed is independent national production. There are no restrictions on maximum rates. See “Key Information—Risk Factors—Risk Factors Related to Mexico—Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue”, “—The Amendments to the Regulations of the General Health Law on Advertising Could Materially Affect Our Business, Results of Operations and Financial Situation” and “—The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments”.

On June 8, 2023, the Plenary of the Supreme Court of Justice of the Nation, by a majority of eight votes, resolved the constitutional disputes filed by the IFT and COFECE, declaring the Agencies Law invalid. The judgment was published in the Official Gazette of the Federation on December 22, 2023. As a result, the Agencies Law is currently invalid and not applicable. See “Risk Factors—Existing Mexican Laws and Regulations or Changes Thereto or the Imposition of New Ones May Negatively Affect Our Operations and Revenue.”

**Additional Rights for Audiences.** Among others, the LFTR imposes new obligations on concessionaires. On November 29, 2016, IFT issued the Guidelines for the Defense of the Audiences, which were published on December 21, 2016, in the Federal Official Gazette. These guidelines and some related provisions of the LFTR were constitutionally challenged by the Executive Branch and the Senate particularly for concerns that they restrict freedom of speech. These procedures were dismissed by the Supreme Court of Justice by the entry into force of the reform of the LFTR published in the Official Gazette on October 31, 2017 (the “LFTR 2017 Reform”). The amendment to the LFTR includes among other things: (i) restricts the power of the IFT to regulate a large portion of the provisions established by the Guidelines for the Defense of the Audience; (ii) increases the ability of all broadcasting and telecommunications concessionaires to self-regulate themselves by granting them the ability to regulate their programming content and the way in which they decide to respect and promote the rights of the audiences through their code of ethics without being subject to IFT’s approval; (iii) removes the obligation to make sure that, when broadcasting news, the reporting of factual material is clearly distinguished from commentaries and personal analysis; and (iv) makes clear that the appointment of an Ombudsman is not subject to special specifications and procedures set by IFT. As a result, the legal provisions that are contrary to this amendment were repealed.

The LFTR 2017 Reform was challenged through actions for constitutional review (*acciones de constitucionalidad*), which were resolved in August 2022 by the Supreme Court of Justice, overriding the LFTR 2017 Reform, subsisting the Congress’ authority to legislate again on Rights for Audiences. In addition, two associations and other persons filed two amparo suits challenging some provisions of the LFTR 2017 Reform. As a result of one of such proceedings, the courts ordered the repeal of the amendment of article 256 of the LFTR 2017 Reform, and the IFT has the authority to determine a date for entering into force of the General Guidelines on Rights for Audiences dated December 21, 2016, or to issue new guidelines. The Company’s entities that are concessionaires challenged the decision to repeal the LFTR 2017 Reform, which is still pending.

**Government Broadcast Time.** Each concessionaire is required to transmit each day, free of charge, up to 30 minutes of programming promoting cultural, educational, family counseling and other social matters, using programming provided by the Mexican government.

In addition, television stations have to provide to the Mexican government up to 18 minutes per day of the television broadcast time between 6:00 a.m. and midnight, in each case distributed in an equitable and proportionate manner. Any time not used by the Mexican government on any day is forfeited. Generally, the Mexican government uses all or substantially all of the broadcast time available to it under this tax.

In April 2020, the President of Mexico issued a decree amending the rules on government broadcast time starting on May 2020. For the periods where no electoral pre-campaigns and campaigns are in place, television stations will have to provide to the Mexican government up to 11 minutes per day of television broadcast time between 6:00 am and midnight, in each case distributed in a proportionate manner. Another significant difference is that under the terms of the prior rules the unused minutes by the government were forfeited and could be used by the broadcasters, while in the new decree, the *Secretaría de Gobernación*, or Mexican Ministry of Interior, may reassign the unused minutes for the use by the Mexican government for an indefinite term.

**Foreign Ownership.** Non-Mexican ownership of shares of Mexican enterprises is restricted in some economic sectors, including broadcast television, and radio. As a result of the Telecom Reform, the participation of foreign investors can be up to 49% in free to air radio and television concessions, subject to reciprocity requirements, and up to 100% in telecommunications services and satellite communications. Such amendments are reflected in the LFTR and Mexico's *Ley de Inversión Extranjera*, or Foreign Investment Law, and the *Reglamento de la Ley de Inversión Extranjera y del Registro Nacional de Inversiones Extranjeras*, or the Regulation of the Foreign Investment Law and the Foreign Investment National Registry. The Foreign Investment Law does not restrict foreign investment in programmers such as TVSA that make their programming channels available through free to air television. See “—Satellite Communications—Mexican Regulation of DTH Satellite Services”.

#### **Mexican Electoral Amendment**

In 2007, the Mexican Federal Congress published an amendment to the Mexican Constitution (referred to in this annual report as the 2007 Constitutional Amendment), pursuant to which, among other things, the *Instituto Federal Electoral*, or the Federal Electoral Institute, or IFE, has the exclusive right to manage and use the Official Television Broadcast Time (referred to in this annual report as Official Broadcast Time). In February 2014, the Mexican Federal Congress approved a Constitutional amendment creating the *Instituto Nacional Electoral*, or the National Electoral Institute, or INE, which replaced the IFE. The INE has the same functions and capabilities as the former IFE and regulates the services of television in the same manner, except that the INE has a relevant participation in the electoral campaigns in federal, state and local procedures by distributing the Official Broadcast Time among the political parties. The INE has the exclusive right to use the Official Broadcast Time for its own purposes and for the use of political parties in Mexico (as provided in the Mexican Constitution) for self-promotion and, when applicable, to promote their electoral campaigns during election day, pre-campaign and campaign periods.

The INE and the political parties must comply with certain requirements included in the 2007 Constitutional Amendment for the use of Official Broadcast Time. During federal electoral periods, the INE will be granted, per the 2007 Constitutional Amendment, 48 minutes per day in each radio station and television channel, to be used during pre-campaign periods in two and up to three minutes per broadcast hour in each radio station and television channel, of which all the political parties will be jointly entitled to use one minute per broadcast hour. During campaign periods, at least 85% of the 48 minutes per day, shall be allocated among the political parties, and the remaining 15% may be used by the INE for its own purposes. During non-electoral periods, the INE will be assigned with up to 12% of the Official Broadcast Time, half of which shall be allocated among the political parties. In the event that local elections are held simultaneously with federal elections, the broadcast time granted to the INE shall be used for the federal and the local elections. During any other local electoral periods, the allocation of broadcast time will be made pursuant to the criteria established by the 2007 Constitutional Amendment and as such criteria are reflected in applicable law.

In addition to the foregoing, pursuant to the 2007 Constitutional Amendment political parties are forbidden to purchase or acquire advertising time directly or through third parties, from radio or television stations; likewise, third parties shall not acquire advertising time from radio or television stations for the broadcasting of advertisements which may influence the electoral preferences of Mexican citizens, nor in favor or against political parties or candidates to offices elected by popular vote.

#### **Telecom Reform and Broadcasting Regulations**

On June 12, 2013, the Telecom Reform came into force. The Telecom Reform, the LFTR and secondary regulations issued by the President and IFT, as applicable, and certain actions recently taken by IFT, an organization with constitutional autonomy responsible for overseeing the radio and television broadcasting industries and telecommunications, including all aspects of economic competition, affect or could significantly and adversely affect our business, results of operations and financial position. See “Key Information—Risk Factors—Risk Factors Related to Mexico—The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments”.

The Telecom Reform created two regulatory bodies that are independent from the executive branch of government: COFECE (which assumed the functions of the former Mexican Antitrust Commission, except in the areas of telecommunications and broadcasting (television and radio)) and IFT (which oversees the Mexican telecommunications and broadcasting (television and radio) industries, including all antitrust matters relating to those industries). In addition, specialized federal courts empowered to review all rulings, actions and omissions of these independent regulatory bodies were created. No stay or injunction will suspend any measure or action taken by these regulatory bodies. Therefore, subject to limited exceptions, until any decision, action or omission by these regulatory bodies is declared void by a competent court through a binding and final judgment, COFECE's or IFT's decision, action or omission will be valid and will have full force and legal effect.

IFT is empowered, among other things, to (i) oversee the Mexican telecommunications (including cable and satellite pay-TV) and broadcasting (television and radio) industries, including all antitrust matters related to these industries; (ii) set limits to national and regional frequencies that can be exploited by a concession holder, or to the cross-ownership of telecommunications, television or radio businesses that serve the same market or geographical zone that may include the divestment of certain assets to comply with such limits; (iii) issue asymmetric regulation; (iv) grant and revoke telecommunications, television and radio concessions; (v) approve any assignment or transfer of control of such concessions; (vi) revoke a concession for various reasons, including in the case of a breach by a concessionaire of a non-appealable decision confirming the existence of illegal antitrust conduct (“*practica monopólica*”); and (vii) determine the payment to be made to the government for the granting of concessions.

Concessions for the use of spectrum will only be granted through public bid processes. On March 7, 2014, IFT published in the Official Gazette of the Federation an invitation to a public auction for the concession for the two National Digital Networks which would be granted for a term of 20 years for the operation of stations with, among other characteristics, mandatory geographic coverage in 123 locations corresponding to 246 channels within the Mexican territory.

In March 2015, IFT issued its ruling announcing Grupo Radio Centro and Imagen Television as winning bidders for two free to air broadcasting licenses with separate national coverage. Imagen Television has completed the process and received its license. However, since Grupo Radio Centro failed to pay the amount they bid for their free to air broadcasting license, the IFT’s ruling announcing them as a winning bidder was declared null and void and they will not receive the license. As a result, the auction of the portion of the spectrum that was going to be assigned to Grupo Radio Centro took place during 2017. The new bid was for 148 channels for Digital Terrestrial Television, including at least 123 channels that were not allocated in the IFT-1 bidding process for the two national digital broadcast television networks. At the end of the process, offers were received for 32 channels located in 29 different coverage areas, located in 17 States and covering about 45% of the country’s total population. The bidding process concluded in December 2017 with the issuance of the corresponding concession titles in favor of Compañía Periodística Sudcaliforniana, S.A. de C.V., Comunicación 2000, S.A. de C.V., Francisco de Jesús Aguirre Gómez, Intermedia de Chihuahua, S.A. de C.V., José Guadalupe Manuel Trejo García, Multimédios Televisión, S.A. de C.V., Quiero Media, S.A. de C.V., Radio Comunicación Gamar, S.A. de C.V., Radio Operadora Pegasso, S.A. de C.V., Radio-Televisión de Nayarit, S.A. de C.V., Tele Saltillo, S.A. de C.V., Televisión Digital, S.A. de C.V. and Telsusa Televisión México, S.A. de C.V. See “Key Information—Risk Factors—Risk Factors Related to Mexico—The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments.”

Access to information and communication technologies, as well as broadcasting and telecommunications services (including broadband), is established as a constitutional right. The Telecom Reform further requires that such information be diverse and timely, and that any person may search, receive and disclose information and ideas of any kind through any media. Among other things, the LFTR contemplates the right of audiences to be able to receive content that reflects ideological pluralism, and to have the right to replicate the news.

The Telecom Reform permits 100% foreign ownership in satellite and telecommunications services concessions and increases to up to 49% the level of permitted foreign ownership in television and radio services concessions, subject to reciprocity of the originating foreign investment country. The Foreign Investment Law does not restrict foreign investment in programmers such as TVSA that make their programming channels available through free to air television.

As a result of the Telecom Reform and LFTR, starting on September 10, 2013, concessionaires of broadcast services have been required to permit pay-TV concessionaires to retransmit broadcast signals, free of charge and without discrimination, within the same geographic coverage area simultaneously and without modifications, including advertising, and with the same quality of the broadcast signal, except in certain specific cases provided in the Telecom Reform. Also, since September 10, 2013, our pay-TV licensees are required to retransmit broadcast signals of others, free of charge and on a non-discriminatory basis, subject to certain exceptions and additional requirements provided for in the Telecom Reform.

On February 27, 2014, the Guidelines were published in the Official Gazette of the Federation, which include, among other obligations, the obligation of concessionaires of broadcast television licenses to permit the retransmission of their broadcast signals and the obligation of pay-TV concessionaires to allow such retransmission (without requiring the prior consent of the broadcast television concessionaires) in the same geographic coverage zone for free (subject to certain exceptions) and in a non-discriminatory manner in its entirety, simultaneously and without modifications by the broadcasting concessionaire, including advertising, and with the same quality of the broadcast signal without requiring consent from the broadcast television concessionaires.



[Table of Contents](#)

The Telecom Reform calls for the National Development Plan. The National Development Plan includes a program for installing broadband connections in public facilities, which would identify the number of sites to be connected per year to promote access to broadband in public buildings dedicated to investigation, health, education, social services and in other facilities owned by the government. See “Key Information—Risk Factors—Risk Factors Related to Mexico—The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments”.

The LFTR establishes a renewal procedure that would result in the granting of a renewal of an integrated sole concession (when involving radio-electric spectrum or orbital resources, a concession to exploit such spectrum is required) in order to provide telecommunications and broadcasting services. The integrated sole concession would be awarded for renewable 30-year terms. Renewal of integrated sole concessions require, among others: (i) to request its renewal to IFT within the year prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder’s obligations under the LFTR, other applicable regulations, and the concession title; and (iii) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT. IFT shall resolve any request for renewal of the concessions within 180 business days of its request. Failure by IFT to respond within such period of time shall be interpreted as if the request for renewal has been granted.

The LFTR also contemplates that concession holders that operate a public network of telecommunications must: (i) abstain from charging long distance fees for calls made by users to any national destination; (ii) if there was no other concession holder providing similar services in a certain territory, the concession holder providing the service in such territory shall have to continue providing the services; and (iii) concession holders must adopt the open architecture designs for the network to guarantee the interconnection and interoperation of their network.

The LFTR establishes the maximum amount of time that a concession holder providing broadcasting services with commercial purposes can use for commercial advertising. The maximum amount of advertising time is set at 18% of the total broadcasting time for each television channel (such percentage may be increased as described in “— Television—Mexican Television Regulations—Restrictions on Advertising”).

The LFTR establishes that those concession holders providing broadcasting services shall offer broadcasting services and advertising spaces to any person or corporation that requires them on a non-discriminatory basis and on market terms granting the terms, packages, conditions, and rates in force at the time of the request. Additionally, the law provides that balance shall be maintained between advertising and programming. Advertising shall be subject to several rules, including the maximum time allowed for advertising (i.e. 18% of the total available time per channel in free to air television; and six minutes per hour on pay-television and audio). However, in free to air television, the time allowed for advertising can be increased by an additional 2% when at least 20% of the content aired is national production. Another 5% of advertisement time can be added when at least 20% of the content aired is independent national production. There are no restrictions on maximum rates.



**Significant Subsidiaries**

The table below sets forth our significant subsidiaries and associates as of December 31, 2023.

Name of Significant Subsidiary	Jurisdiction of Organization or Incorporation	Percentage Ownership <sup>(1)</sup>
<b>Cable segment:</b>		
Empresas Cablevisión, S.A.B. de C.V. <sup>(3) (5)</sup>	Mexico	51.2 %
Milar, S.A. de C.V. <sup>(3)</sup>	Mexico	51.2 %
Cablevisión, S.A. de C.V.	Mexico	51.2 %
Cablemás subsidiaries <sup>(4)</sup>	Mexico	100.0 %
Televisión Internacional, S.A. de C.V. (TVI) <sup>(2) (5)</sup>	Mexico	100.0 %
Cablestar, S.A. de C.V. <sup>(2) (6)</sup>	Mexico	66.2 %
Arretis S.A.P.I. de C.V. <sup>(2)(5)</sup>	Mexico	100.0 %
Telecable subsidiaries <sup>(2) (7)</sup>	Mexico	100.0 %
Corporativo Vasco de Quiroga, S.A. de C.V. (CVQ) <sup>(9)</sup>	Mexico	100.0 %
<b>Sky segment:</b>		
Sky DTH, S.A. de C.V. <sup>(8)</sup>	Mexico	100.0 %
Innova Holdings, S. de R.L. de C.V. <sup>(8)</sup>	Mexico	58.7 %
Innova, S. de R.L. de C.V. (Innova) <sup>(10)</sup>	Mexico	58.7 %
<b>Other Businesses segment:</b>		
Grupo Telesistema, S.A. de C.V. <sup>(16)</sup>	Mexico	100.0 %
Controladora de Juegos y Sorteos de México, S.A. de C.V. <sup>(2) (11) (14) (15)</sup>	Mexico	100.0 %
Editorial Televisa, S.A. de C.V. <sup>(2) (12) (14) (15)</sup>	Mexico	100.0 %
Grupo Distribuidoras Intermex, S.A. de C.V. <sup>(2) (13) (14) (15)</sup>	Mexico	100.0 %
<b>Significant Investee:</b>		
TelevisaUnivision, Inc.(TU) <sup>(16)</sup>	United States of America	43.7 %

- (1) Percentage of equity owned by us directly or indirectly through subsidiaries.
- (2) While each of these subsidiaries is not a significant subsidiary within the meaning of Rule 1-02(w) of Regulation S-X under the Securities Act, we have included these subsidiaries in the table above to provide a more complete description of our operations.
- (3) One of two subsidiaries through which we own our equity interest in Cablevisión, S.A. de C.V.
- (4) The Cablemás subsidiaries are directly or indirectly owned by CVQ.
- (5) One of three indirect subsidiaries through which, together with the Cablemás and Telecable subsidiaries, we conduct the operations of our Cable segment.
- (6) Cablestar, S.A. de C.V., is an indirect majority-owned subsidiary of CVQ and Empresas Cablevisión, S.A.B. de C.V.
- (7) The Telecable subsidiaries are directly owned by CVQ.
- (8) One of two subsidiaries through which we own our equity interest in Innova.
- (9) Direct subsidiary through which we conduct the operations of our Cable segment and parent company of Innova.
- (10) Indirect subsidiary through which we conduct the operations of our Sky segment. We currently own a 58.7% interest in Innova. On April 3, 2024, we announced that we had reached an agreement for the acquisition of the remaining portion, to become owner of 100% of Innova's capital stock.
- (11) Direct subsidiary through which we conducted the operations of our Gaming business.

[Table of Contents](#)

- (12) Direct subsidiary through which we conducted the operations of our Publishing business.
- (13) Direct subsidiary through which we conducted the operations of our Publishing Distribution business.
- (14) One of three subsidiaries through which we conducted the operations of our Other Businesses segment.
- (15) Through January 31, 2024, these subsidiaries were our direct subsidiaries. Most of the operations of our Other Businesses segment were spun off in connection with the Spin-off on January 31, 2024 to create a new controlling entity, Ollamani, which is listed in the Mexican Stock Exchange.
- (16) TelevisaUnivision, Inc., formerly known as Univision Holdings II, Inc., has been included as a significant investee pursuant to Rule 3-09 of Regulation S-X. We own shares of the capital stock of TelevisaUnivision, Inc. primarily through our subsidiaries Grupo Telesistema, S.A. de C.V. and Multimedia Telecom, S.A. de C.V.

**Property, Plant and Equipment**

**Broadcasting, Office and Production Facilities.** Our properties consist primarily of broadcasting, production facilities, television and repeater stations, technical operations facilities, workshops, studios and office facilities, most of which are located in Mexico. Some of these properties are currently leased to TelevisaUnivision or its subsidiaries as part of the TelevisaUnivision Transaction. We own most of our properties or lease offices and facilities through indirect wholly owned and majority owned subsidiaries. There are no major encumbrances on any of our properties and we currently do not have any significant plans to construct any new properties or expand or improve our existing properties.

Our principal offices, which we own, are located in Santa Fe in Mexico City.

Until January 31, 2024, we beneficially owned Azteca Stadium, which seats approximately 84,500 people, through a trust arrangement that was renewed in 1993 for a term of 30 years and that may be extended for additional periods.

[Table of Contents](#)

Our cable television and Mexican DTH satellite service businesses are located in Mexico City.

As of December 31, 2023, our properties, excluding Azteca Stadium, represented approximately 4.97 million square feet of space, of which over 4.06 million square feet are located in Mexico City and the surrounding areas, and approximately 0.90 million square feet are located outside of Mexico City and the surrounding areas.

We currently own approximately 4.97 million square feet of space, 2.40 of which are leased to TelevisaUnivision, including the television stations, four locations in Mexico City, 14 studios in San Angel, three studios in Santa Fe and one studio in Rojo Gomez, and 12 studios located in Chapultepec. We also own other properties used in connection with our operations, including a training center, technical operations facilities, studios, workshops, television and repeater stations, and office facilities, part of which are leased to TelevisaUnivision or its subsidiaries.

We also own or lease over a total of 58,687 square feet in properties in the United States, Latin America, Spain and Switzerland in connection with our operations there. We own or lease all of these properties through indirect wholly owned and majority owned subsidiaries. The following table summarizes our real estate and lease agreements in the United States, Latin America, Spain and Switzerland.

<b>Operations</b>	<b>Number of Properties</b>	<b>Location</b>
Television and news activities		
Leased properties	3	Madrid, Spain(2) Zug, Switzerland(1)
Publishing activities		
Owned properties(1)	2	Caracas, Venezuela (1) Bogotá, Colombia(1)
DTH		
Leased properties	7	San José, Costa Rica(1) Guatemala(1) Nicaragua(1) Panamá(1) San Salvador(1) Honduras(1) Dominican Republic(1)
Telephony		
Leased properties	3	San Antonio, Texas(2) Laredo, Texas(1)

(1) As of January 31, 2024, the properties relating to our former publishing activities were transferred to Ollamani in connection with the Spin-off.

**Satellites.** We currently use transponder capacity on ten satellites: Eutelsat 117 West A (formerly Satmex 8), which reaches Mexico, the United States, Latin America, and the Caribbean; Eutelsat 115 West A (formerly Satmex 5), which reaches Mexico, the United States and Latin America; IS-34, which reaches North America, Western Europe, Latin America and the Caribbean; Galaxy 16 (formerly Galaxy IVR), which reaches Mexico, the United States and Canada; Galaxy 19, which reaches Mexico, the United States and Canada; Intelsat IS-35e, replacement of IS-905 and the migration from Intelsat IS-35e to Eutelsat E9B which reaches Western and Eastern Europe; SES-14 (formerly NSS-806), which reaches North America, Western Europe, Latin America and the Caribbean; IS-21, which reaches Central America, Mexico, the Southern United States and the Caribbean; IS-16, which reaches Central America, Mexico, the Southern United States and the Caribbean; and SM-1, which reaches Central America, Mexico, the Southern United States and the Caribbean. In March 2010, Sky reached an agreement with a subsidiary of Intelsat to lease 24 transponders on the Intelsat IS-21 satellite which is mainly used for signal reception and retransmission services over the satellite's estimated 15-year service life. IS-21 started service in the third quarter of 2012, replacing Intelsat IS-9 as Sky's primary transmission satellite. In April 2010, Intelsat released the IS-16 satellite, where Sky has an additional twelve transponders to deliver new DTH-HD channels and more DTH SD channels; this satellite is also a back-up satellite for our DTH venture operations. For a description of guarantees related to our DTH venture transponder obligations, see Note 14 to our consolidated year-end financial statements.

Since 1996, we have been working with PanAmSat (now Intelsat) as our satellites services provider, which provided to the Company five Ku band transponders on Satellite PAS-3R, three of which were intended to be for DTH to Spain. We were required to pay an annual fee for each transponder of U.S.\$3.1 million. Due to an exchange with three of five 54 MHz Ku Band transponders, until April 2, 2016, we had capacity on two 36 MHz C band transponders on Galaxy 16.

In December 2005, we signed an extension with PanAmSat, for the use of three transponders on the PAS-3R satellite until 2009 and 2012 and two transponders on the Galaxy IVR (replaced by Galaxy 16) satellite until 2016. In October 2015, we signed a new contract with SES S.A. until June 2019 for the replacement of two transponders of Galaxy 16. The new contract included three transponders and a full-service migration to the new satellite, AMC-9. On June 17, 2017, AMC-9 experienced a technical issue that impacted the satellite and thus, we entered into a new contract until June 30, 2022 to transition the full service of 147 MHz to Intelsat's satellites, Galaxy 16 and Galaxy 19. In December 2021, we renegotiated and renewed the contracts for the four transponders (147MHz) with Intelsat, which expire on June 30, 2026.

In February 2007, Intelsat renamed some of its satellite fleet acquired with its 2006 merger with PanAmSat: current names for PAS-9 and PAS-3R are IS-9 and IS-3R, respectively. Intelsat kept the name of Galaxy 16. In December 2007, Sky and Sky Brasil reached an agreement with Intelsat Corporation and Intelsat LLC to build and launch a new 24-transponder satellite, IS-16, for which service will be dedicated to Sky and Sky Brasil over the satellite's estimated 15-year life. The satellite was successfully launched in February 2010 and started operations in April 2010. In the third quarter of 2013, Sky entered into an agreement with DirecTV for the acquisition and launch of the SM-1 satellite, which was successfully launched in May 2015 and started operations on June 2015. See Note 12 to our consolidated year-end financial statements.

In August 2009, the contract on two remaining transponders of the IS-3R satellite expired (end of life of the satellite). We negotiated a new contract for the transponder on the IS-905 satellite until August 31, 2015, for the distribution of our content in Europe. In September 2015, the contract was renewed with Intelsat until August 2018. Migration from IS-905 to IS-35e took place from June to August 2018, and we renewed the contract with Intelsat from November 1, 2018 until October 31, 2021. We negotiated a new contract with Eutelsat and migrated from IS-35e to Eutelsat E9B. The new contract expires on December 31, 2024.

We have renewed the contract with satellite IS-34 until November 30, 2025. IS-11 (formerly known as PAS-11) ended its life in November 2022. The migration between IS-11 to satellite IS-34 started on August 1, 2022 and ended on November 30, 2022.

In February 2012, we renewed the contract with Satélites Mexicanos, S.A. de C.V., or Satmex, on Satmex 5 until January 31, 2015. In March 2014, Satélites Mexicanos, S.A. de C.V. was renamed Eutelsat Americas, as a part of Eutelsat Group. In February 2015, we renewed our contracts with Eutelsat Americas until January 2018, and also contracted for a new transponder on Eutelsat 117 West A from April 2015 until March 2018. In February and April 2018, we renewed our contracts with Eutelsat America until December 2022. In January 2019, we contracted for a new transponder on Eutelsat 117 West A from January 2019 until December 2021. In August 2020, we renegotiated and renewed the contracts for the three transponders with Eutelsat America until December 2024.

On March 1, 2002, we contracted a half Ku Band transponder on Satmex Solidaridad II until April 30, 2005, On May 1, 2005, the contract was renewed with Satmex until April 2006. On May 1, 2006, the contract was renewed with Satmex until December 2008. On January 1, 2009, the contract was renewed with Satmex until December 31, 2011. On January 1, 2012, the contract was renewed with Satmex until December 31, 2014. The Eutelsat Group completed the acquisition of the Mexican company Satmex. Since March 2014, the company operates under the name Eutelsat Americas. On January 1, 2015, the contract was renewed with Eutelsat Americas E117WA until December 31, 2017. On January 1, 2018, the contract was renewed with Eutelsat Americas E115WA until March 14, 2020. On March 15, 2020, the contract was renewed with Eutelsat America until March 14, 2023. On March 15, 2023, the contract was renewed with Eutelsat America until March 14, 2026.

On November 15, 2016, we contracted a half transponder on SES NSS-806 until January 31, 2018. On September 5, 2018, SES NSS-806 was replaced with SES-14 and the contract was renewed with SES until January 31, 2019. On February 1, 2019, the contract with SES was renewed until January 31, 2020. In this renewal, the bandwidth was decreased from 18 MHz to 6 MHz. On February 1, 2020, the contract was renewed with SES until January 31, 2021. On February 1, 2021, the contract was renewed with SES until January 31, 2022. The bandwidth remained at 6 MHz. This contract was renewed with SES until January 31, 2024, with the bandwidth under the contract remaining at 6 MHz. This contract was renewed with SES until January 31, 2025, with the bandwidth under the contract remaining at 6 MHz.

With several new domestic and international satellites having been launched recently, and with several others scheduled for launch in the next few years, including those scheduled for launch by Intelsat, Eutelsat Americas (formerly Satmex) and SES, we believe that we will be able to secure satellite capacity to meet our needs in the future, although no assurance can be given in this regard.

**Insurance.** We maintain comprehensive insurance coverage for our offices, equipment, transmission lines networks and other property for risks including fire, earthquake, flooding, storm, and other similar events and the resulting business interruption losses, subject to some limitations. In addition, we maintain a cyber-insurance policy that covers certain types of cyber-related losses. We do not maintain insurance for our DTH business in case of loss of satellite transmission. We cannot provide any assurance that our insurance coverage is sufficient to cover any losses that we may sustain, or that we will be able to successfully claim our losses under our insurance policies on a timely basis or at all. If we incur any loss not covered by our insurance policies, or the compensated amount is significantly less than our actual loss or is not timely paid, our business, financial condition and results of operations could be materially and adversely affected.

## **Item 5. Operating and Financial Review and Prospects**

You should read the following discussion together with our consolidated year-end financial statements and the accompanying notes, which appear elsewhere in this annual report. This annual report contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this annual report, particularly in “Key Information—Risk Factors”. See “Key Information—Forward-Looking Statements” for further discussion of the risks and uncertainties inherent in forward-looking statements. In addition to the other information in this annual report, investors should consider carefully the following discussion and the information set forth under “Key Information—Risk Factors” before evaluating us and our business.

### **TelevisaUnivision Transaction**

On January 31, 2022, we and Univision Holdings, Inc., or UHI, announced the consummation of the TelevisaUnivision Transaction with UHI and, for the limited purposes set forth in the transaction agreement (the “2021 Transaction Agreement”), affiliates of Searchlight Capital Partners, LP (“Searchlight”), ForgeLight LLC (“ForgeLight”) and Liberty Global plc, through its venture investment vehicle (“Liberty Global”), pursuant to which, among other things, we contributed our former Content business segment (other than certain assets relating to our news business, real estate and Mexican over-the-air broadcast concessions) to UHI.

In consideration for the contribution of our former Content business, we received approximately U.S.\$4.5 billion in a combination of cash (U.S.\$3.0 billion) and U.S.\$1.5 billion of common and preferred shares of TelevisaUnivision excluding post-closing adjustments. Additionally, as part of the TelevisaUnivision Transaction, we received consideration of Ps.940 million for the transfer of rights of news content production to a related party other than TelevisaUnivision. As of March 31, 2024, we owned a 43.3% equity interest in TelevisaUnivision on an as-converted basis (excluding unvested and/or unsettled stock, restricted stock units and options). Our investment in TelevisaUnivision is currently held in the form of shares of common stock and convertible preferred stock. The value of the common stock and preferred stock of TelevisaUnivision, neither of which are publicly traded, will fluctuate and could materially increase or decrease the value of our investment.

As a result of the closing of the TelevisaUnivision Transaction, our cash and cash equivalents increased by U.S.\$3.0 billion, and our investment in common and preferred shares of TelevisaUnivision increased by U.S.\$1.5 billion. In addition, during the first quarter of 2022, we recognized: (i) a preliminary consideration of U.S.\$3.0 billion in cash, U.S.\$750 million in Class A common stock of TelevisaUnivision, and U.S.\$750 million in Series B participating preferred stock of TelevisaUnivision, with an annual cumulative dividend of 5.5%; (ii) a preliminary income from discontinued operations in the amount of Ps.54,765.4 million, net of income taxes; and (iii) an increase in our share in TelevisaUnivision from 35.5% to 44.6% on an as-converted basis (excluding unvested and/or unsettled stock, restricted stock units and options). Also, beginning in the first quarter of 2022, we began to present the results of our disposed businesses as discontinued operations in our consolidated statements of income for any prior period presented for comparative purposes and for the month ended January 31, 2022. These effects were partially offset in our consolidated statement of income by a reduction in our consolidated operating income resulting primarily from the disposal of our former Content business segment. As a result of the completion of the TelevisaUnivision Transaction, we no longer consolidate the results of our former Content business segment.

### **Spin-off of Certain Businesses of Our Other Businesses Segment**

On October 27, 2022, our Board of Directors approved a reorganization proposal to spin-off the Spun-off Businesses, which was approved by our shareholders at the meeting held on April 26, 2023.

This proposed reorganization was carried out through the Spin-off on January 31, 2024 by creating Ollamani, which holds the Spun-off Businesses and, at the time of the Spin-off, had the same shareholding structure as the Company. The businesses of Cable and Sky, our investment in TelevisaUnivision, broadcasting concessions and infrastructure, as well as other assets and real estate related to these businesses, remained in the Company.

We obtained all required corporate and regulatory authorizations for the Spin-off on February 12, 2024. On February 20, 2024, the shares of Ollamani were distributed to our shareholders and the Ollamani shares began trading separately from the Company on the Mexican Stock Exchange, in the form of CPOs, under the ticker symbol "AGUILAS CPO." As of December 31, 2023, we continued to present the Spun-off Businesses as part of our Other Businesses segment and their results of operations as part of our continuing operations, as the required regulatory approvals had not been obtained as of that date, and those approvals were considered substantive. Beginning with the first quarter of 2024, we began presenting the results of operations of our Spun-off Businesses as discontinued operations in our consolidated statements of income for any comparative prior period and for the month ended January 31, 2024.

As of December 31, 2023, we continued to present the Spun-off Businesses as part of our Other Businesses segment and their results of operations as part of our continuing operations, as the required regulatory approvals had not been obtained as of that date, and those approvals were considered substantive.

### **Preparation of Financial Statements**

As required by regulations issued for listed companies in Mexico by the Mexican Banking and Securities Commission ("*Comisión Nacional Bancaria y de Valores*" or "CNBV"), our financial information is presented in accordance with the IFRS Accounting Standards as issued by the IASB for financial reporting purposes.

[Table of Contents](#)

Following the TelevisaUnivision Transaction, which was closed on January 31, 2022, the results of the Content segment, as well as the Feature Film Distribution business, which was previously classified in the Other Businesses segment, are presented as part of discontinued operations in our consolidated financial statements for the year ended December 31, 2021, as well as for the month ended January 31, 2022. Accordingly, these businesses are not presented as part of our segments in this report.

	Year Ended December 31,		
	2023	2022	2021
	(Millions of Pesos) <sup>(1)</sup>		
Revenues	Ps. 73,767.9	Ps. 75,526.6	Ps. 73,915.4
Cost of revenues	48,898.7	48,807.6	46,653.6
Selling expenses	9,146.9	9,422.9	8,099.6
Administrative expenses	12,200.1	12,061.9	12,189.5
Other (expense) income, net	(866.8)	(815.6)	3,716.2
Operating income	2,655.4	4,418.6	10,688.9
Finance expense, net	4,697.8	9,206.2	11,918.0
Share of (loss) income of associates and joint ventures, net	(4,086.6)	(7,378.2)	3,671.0
Income tax (expense) benefit	(2,678.3)	1,227.5	(1,673.0)
Net (loss) income from continuing operations	(8,807.3)	(10,938.3)	768.9
Income from discontinued operations, net	0.0	56,222.2	6,585.9
Net (loss) income	(8,807.3)	45,283.9	7,354.8
Net (loss) income attributable to non-controlling interests	(384.6)	571.7	1,299.0
Net (loss) income attributable to stockholders of the Company	Ps. (8,422.7)	Ps. 44,712.2	Ps. 6,055.8

(1) Certain data set forth in the table above may vary from the corresponding data set forth in our consolidated statements of income for the years ended December 31, 2023, 2022 and 2021 included in this annual report due to differences in rounding.

### Results of Operations

For segment reporting purposes, our consolidated cost of revenues, selling expenses and administrative expenses for the years ended December 31, 2023, 2022 and 2021 exclude corporate expenses and depreciation and amortization, which are presented as separate line items. The following table sets forth the reconciliation between our operating segment income and the consolidated operating income according to IFRS:

	Year Ended December 31,		
	2023	2022	2021
	(Millions of Pesos) <sup>(1)</sup>		
Revenues	Ps. 73,767.9	Ps. 75,526.6	Ps. 73,915.4
Cost of revenues <sup>(2)</sup>	31,045.3	31,242.5	29,856.1
Selling expenses <sup>(2)</sup>	8,909.3	9,065.2	7,826.1
Administrative expenses <sup>(2)</sup>	7,562.0	7,329.2	6,855.9
Intersegment operations <sup>(3)</sup>	160.0	120.4	1.6
<b>Operating segment income</b>	<b>26,411.3</b>	<b>28,010.1</b>	<b>29,378.9</b>
Corporate expenses	1,259.9	1,538.1	2,351.3
Depreciation and amortization	21,469.2	21,117.4	20,053.3
Other (expense) income, net	(866.8)	(815.6)	3,716.2
Intersegment operations <sup>(3)</sup>	(160.0)	(120.4)	(1.6)
<b>Operating income</b>	<b>Ps. 2,655.4</b>	<b>Ps. 4,418.6</b>	<b>Ps. 10,688.9</b>

(1) Certain data set forth in the table above may vary from the corresponding data set forth in our consolidated statements of income for the years ended December 31, 2023, 2022 and 2021 included in this annual report due to differences in rounding.

[Table of Contents](#)

- (2) Excluding corporate expenses, depreciation and amortization.
- (3) As a result of the adoption of IFRS 16 *Leases* (“IFRS 16”), intersegment operations related to intercompany leases were not eliminated on the Operating Segment Income level.

The following table sets forth our segment revenues data for the indicated periods as a percentage of total segment revenues:

Segment Revenues	Year Ended December 31, <sup>(1)</sup>		
	2023	2022	2021
Cable	65.7 %	63.6 %	64.5 %
Sky	23.7	26.7	29.6
Other Businesses	10.6	9.7	5.9
Total segment revenues	100.0 %	100.0 %	100.0 %
Intersegment operations	(0.7)	(0.7)	(0.7)
Total consolidated revenues	99.3 %	99.3 %	99.3 %

The following table sets forth our consolidated operating income as a percentage of our total consolidated revenues:

Revenues	Year Ended December 31, <sup>(1)</sup>		
	2023	2022	2021
Cost of revenues <sup>(2)</sup>	42.1 %	41.4 %	40.4 %
Selling expenses <sup>(2)</sup>	12.1	12.0	10.6
Administrative and corporate expenses <sup>(2)</sup>	11.9	11.7	12.4
Depreciation and amortization	29.1	27.9	27.1
Other expense (income), net	1.2	1.1	(5.0)
Consolidated operating income	3.6	5.9	14.5
Total consolidated revenues	100.0 %	100.0 %	100.0 %

(1) Certain segment data set forth in these tables may vary from the corresponding data set forth in our consolidated year-end financial statements due to differences in rounding. The segment revenues and total segment revenues data set forth in this annual report include revenues from intersegment operations in all periods presented. See Note 26 to our consolidated year-end financial statements.

(2) Excluding depreciation and amortization.



**Summary of Business Segment Results**

The following tables set forth the revenues and operating segment income of each of our reportable business segments and intersegment operations, corporate expenses, depreciation and amortization, other (expense) income, net and disposed operations for the years ended December 31, 2023, 2022 and 2021. Reportable segments are those that are based on our method of internal reporting to senior management for making operating decisions and evaluating performance of operating segments, and certain qualitative, grouping and quantitative criteria. As of December 31, 2023, we classified our operations into three business segments: Cable, Sky and Other Businesses.

	Year Ended December 31,		
	2023	2022	2021
	(Millions of Pesos) <sup>(1)</sup>		
<b>Segment Revenues</b>			
Cable	Ps. 48,802.5	Ps. 48,411.8	Ps. 48,020.9
Sky	17,585.2	20,339.0	22,026.6
Other Businesses	7,870.6	7,338.8	4,388.2
Total Segment Revenues	74,258.3	76,089.6	74,435.7
Intersegment Operations <sup>(1)</sup>	(490.4)	(563.0)	(520.3)
Total Consolidated Revenues	Ps. 73,767.9	Ps. 75,526.6	Ps. 73,915.4
<b>Operating Segment Income</b>			
Cable	Ps. 18,727.5	Ps. 19,902.8	Ps. 20,285.0
Sky	5,731.4	6,416.3	8,504.2
Other Businesses	1,952.4	1,691.0	589.7
Total Operating Segment Income <sup>(2)</sup>	26,411.3	28,010.1	29,378.9
Corporate Expenses <sup>(2)</sup>	(1,259.9)	(1,538.1)	(2,351.3)
Depreciation and Amortization <sup>(2)</sup>	(21,469.2)	(21,117.4)	(20,053.3)
Other (Expense) Income, net	(866.8)	(815.6)	3,716.2
Intersegment Operations <sup>(3)</sup>	(160.0)	(120.4)	(1.6)
Consolidated Operating Income <sup>(4)</sup>	Ps. 2,655.4	Ps. 4,418.6	Ps. 10,688.9

(1) Certain segment data set forth in these tables may vary from the corresponding data set forth in our consolidated year-end financial statements due to differences in rounding. The segment revenues and total segment revenues data set forth in this annual report include revenues from intersegment operations in all years presented. See Note 26 to our consolidated year-end financial statements.

(2) The total operating segment income data set forth in this annual report do not include corporate expenses nor depreciation and amortization in any year presented but are presented herein to facilitate the discussion of segment results.

(3) As a result of the adoption of IFRS 16, intersegment operations related to intercompany leases were not eliminated on the Operating Segment Income level.

(4) Consolidated operating income reflects corporate expenses, depreciation and amortization, other (expense) income, net, intersegment operations and disposed operations in the years presented. See Note 26 to our consolidated year-end financial statements.

## **Preponderant Economic Agent Status**

For a discussion of the consequences regarding IFT's March 6, 2014 decision determining that we, together with other entities with concessions to provide broadcast television, are preponderant economic agents in the broadcasting sector in Mexico see "Key Information—Risk Factors—Risk Factors Related to Mexico—The Reform and Addition of Various Provisions of the Mexican Constitution Related to Telecommunications, the LFTR, and Other Recent Actions of IFT May Significantly and Adversely Affect the Business, Results of Operations and Financial Results of Some of Our Business Segments". For a discussion regarding the opportunities and options for us as a result of IFT's determination that Grupo Carso, S.A.B de C.V., Grupo Financiero Inbursa, S.A.B. de C.V., and other entities are preponderant economic agents in the telecommunications market in Mexico see "Information on the Company— Business Overview—Business Strategy—Expanding our Business in the Mexican Telecommunications Markets by Taking Advantage of the Telecom Reform and Implementing Legislation".

## **Results of Operations for the Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022**

### **Total Segment Results**

#### ***Revenues***

Revenues decreased by Ps.1,758.7 million, or 2.3%, to Ps.73,767.9 million for the year ended December 31, 2023, from Ps.75,526.6 million for the year ended December 31, 2022. This decrease was due to a revenue decline in the Sky segments, which was partially offset by an increase in revenues in our Cable and Other Businesses segments.

#### ***Cost of Revenues***

Cost of revenues decreased by Ps.197.2 million, or 0.6%, to Ps.31,045.3 million for the year ended December 31, 2023, from Ps.31,242.5 million for the year ended December 31, 2022. The decrease mainly reflects decrease in cost of revenues in our Sky segment, which was partially offset by an increase in cost of revenues in our Cable and Other Businesses segments.

#### ***Selling Expenses***

Selling expenses decreased by Ps.155.9 million, or 1.7%, to Ps.8,909.3 million for the year ended December 31, 2023, from Ps.9,065.2 million for the year ended December 31, 2022. This decrease was primarily attributable to lower selling expenses in our Sky segment, which was partially offset by an increase in selling expenses in our Cable and Other Businesses segments.

#### ***Administrative and Corporate Expenses***

Administrative and corporate expenses decreased by Ps.45.4 million, or 0.5%, to Ps.8,821.9 million for the year ended December 31, 2023, from Ps.8,867.3 million for the year ended December 31, 2022. This decrease mainly reflects lower corporate expenses and was partially offset by an increase in administrative expenses in our Cable and Other Businesses segments.

Corporate expenses decreased by Ps.278.2 million, or 18.1%, to Ps.1,259.9 million in 2023, from Ps.1,538.1 million in 2022. This decrease was primarily due to a lower share-based compensation expense, as well as a decrease in other non-allocated corporate expenses.

Share-based compensation expense in 2023 and 2022 amounted to Ps.748.5 million and Ps.968.6 million, respectively, and was accounted for as a corporate expense. Share-based compensation expense is measured at fair value at the time the equity benefits are conditionally sold to officers and employees and is recognized over the vesting period.

**Cable**

Cable revenues are derived from the provision of cable and telecommunication services, as well as advertising revenues. Revenues relating to pay-TV services generally consist of monthly subscription fees for basic and premium service packages, fees charged for pay-per-view programming and, to a significantly lesser extent, monthly rental and one-time installation fees, as well as broadband internet and telephone services subscriptions. The voice and data business derives revenues from providing data and long-distance services solutions to carriers and other telecommunications service providers through its fiber-optic network. Revenues relating to pay-TV advertising consist of revenues from the sale of advertising on Cablevisión, Cablemás, TVI, Cablecom and Telecable. Rates are based on the day and time the advertising is aired, as well as the type of programming in which the advertising is aired. Pay-TV subscription and advertising rates are adjusted periodically in response to inflation and in accordance with market conditions.

Cable revenues represented 65.7% and 63.6% of our segment revenues for the years ended December 31, 2023 and 2022, respectively, and increased by Ps.390.7 million, or 0.8%, to Ps.48,802.5 million for the year ended December 31, 2023 from Ps.48,411.8 million for the year ended December 31, 2022.

Total revenue generating units, or RGUs, amounted to approximately 15.4 million for the year ended December 31, 2023. Total net additions of RGUs for the year ended December 31, 2023 decreased by 519 thousand RGUs as compared to total net additions of RGUs for the year ended December 31, 2022, due to decreases in RGUs in our video and broadband services.

Cable operating segment income decreased by Ps.1,175.3 million, or 5.9%, to Ps.18,727.5 million for the year ended December 31, 2023, from Ps.19,902.8 million for the year ended December 31, 2022, and the margin reached 38.4%. These decreases were primarily due to increases in maintenance, leases, broadband and signal costs and expenses, which were partially offset by an increase in revenues.

The following table sets forth the breakdown of RGUs per service type for our Cable segment as of December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Video	4,059,494	4,458,220
Broadband (data)	5,678,431	5,984,151
Voice	5,351,145	5,233,724
Mobile	307,807	240,207
RGUs	<u>15,396,877</u>	<u>15,916,302</u>

**Sky**

Sky revenues are primarily derived from program services, activation fees and equipment rental to subscribers, national advertising revenues and broadband internet services, and, beginning in 2019, it began providing telephone services to its subscribers.

Sky revenues represented 23.7% and 26.7% of our segment revenues for the years ended December 31, 2023 and 2022, respectively, and decreased by Ps.2,753.8 million, or 13.5%, to Ps.17,585.2 million for the year ended December 31, 2023 from Ps.20,339.0 million for the year ended December 31, 2022. This decrease was due to the decrease in the number of video and broadband RGUs for the year ended December 31, 2023. Total disconnections for the year ended December 31, 2023 were approximately 798 thousand RGUs. This was mainly driven by 689.6 thousand video net disconnections and 125.2 thousand broadband net disconnections. In addition Mobile RGUs increased by 16.9 thousand. Sky closed the year with 118,670 video RGUs in Central America and the Dominican Republic.

The following table sets forth the breakdown of RGUs per service type for Sky as of December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Video	5,567,426	6,257,059
Broadband (data)	515,089	640,294
Voice	344	453
Mobile	32,502	15,602
RGUs	<u>6,115,361</u>	<u>6,913,408</u>

Sky operating segment income decreased by Ps.684.9 million, or 10.7%, to Ps.5,731.4 million for the year ended December 31, 2023 from Ps.6,416.3 million for the year ended December 31, 2022, and the margin totaled 32.6%. This decrease in operating segment income was due to the decrease in revenue, which was partially offset by a decrease in programming costs, sales promotions and broadcast rights.

#### ***Other Businesses***

Other Businesses revenues are primarily derived from the promotion of sports and special events in Mexico, gaming, publishing and publishing distribution.

Other Businesses revenues represented 10.6% and 9.7% of our segment revenues for the years ended December 31, 2023 and 2022, respectively, and increased by Ps.531.8 million, or 7.2%, to Ps.7,870.6 million for the year ended December 31, 2023 from Ps.7,338.8 million for the year ended December 31, 2022. This increase was primarily attributable to higher revenues in the gaming and soccer businesses.

Other Businesses operating segment income increased by Ps.261.4 million, or 15.5%, to Ps.1,952.4 million for the year ended December 31, 2023, from Ps.1,691.0 million for the year ended December 31, 2022. This increase was primarily due to an increase in revenues, which was partially offset by an increase in cost of revenues and operating expenses.

#### ***Depreciation and Amortization***

Depreciation and amortization expense increased by Ps.351.8 million, or 1.7%, to Ps.21,469.2 million for the year ended December 31, 2023, from Ps.21,117.4 million for the year ended December 31, 2022. This increase was primarily due to an increase in depreciation and amortization expense in our Cable segment, which was partially offset by a decrease in depreciation and amortization expense in our Sky and Other Businesses segments.

#### ***Other Expense, Net***

Other expense, net, increased by Ps.51.2 million, to Ps.866.8 million for the year ended December 31, 2023, from Ps.815.6 million for the year ended December 31, 2022. This increase reflected primarily (i) an increase in non-recurring severance expense in connection with headcount reductions in our Cable segment; (ii) non-recurring expense related to damage caused by Hurricane "Otis" in our Cable segment; and (iii) impairment adjustments of long-lived assets. These unfavorable variances were partially offset by (i) the absence in 2023 of other expense in connection with a settlement agreement of a class action in the fourth quarter of 2022; and (ii) an interest income for recovery of asset tax from prior years.

#### ***Non-Operating Results***

##### ***Finance Expense, Net***

Finance expense, net, significantly impacts our consolidated financial statements in periods of currency fluctuations. Under IFRS, finance income or expense, net, reflects:

- interest expense;
- interest income;
- foreign exchange gain or loss attributable to monetary assets and liabilities denominated in foreign currencies; and
- other finance income or expense, net, including gains or losses from derivative instruments.

Our foreign exchange position is affected by our assets or liabilities denominated in foreign currencies, primarily U.S. dollars. We record a foreign exchange gain or loss if the exchange rate of the Mexican peso to the other currencies in which our monetary assets or liabilities are denominated varies.

[Table of Contents](#)

Finance expense, net, decreased by Ps.4,508.4 million, or 49.0%, to Ps.4,697.8 million for the year ended December 31, 2023, from Ps.9,206.2 million for the year ended December 31, 2022. This decrease reflected: (i) a Ps.1,801.3 million decrease in interest expense in connection with a lower average principal amount of debt in the year ended December 31, 2023, resulting primarily from prepayments made in 2023 of our long-term debt; (ii) a Ps.1,156.3 million increase in interest income explained primarily by higher interest rates in 2023, which effect was partially offset by a lower average amount of cash and cash equivalents for the year ended December 31, 2023; and (iii) a Ps.1,574.9 million decrease in foreign exchange loss, net, resulting primarily from the appreciation of the Mexican peso against the U.S. dollar on a lower average U.S. dollar net asset position for the year ended December 31, 2023, compared to a higher average U.S. dollar net asset position for the year ended December 31, 2022, which was partially offset by a 13.1% appreciation of the Mexican peso against the U.S. dollar in 2023, compared to a 5.0% appreciation in 2022. These favorable variances were partially offset by a Ps.24.1 million increase in other finance expense, net, resulting from a higher loss in fair value of our derivative contracts for the year ended December 31, 2023.

***Share of Loss of Associates and Joint Ventures, Net***

This line item reflects our equity participation in the operating results and net assets of unconsolidated businesses in which we maintain an interest, but which we do not control. We recognize equity in losses of associates and joint ventures up to the amount of our initial investment, subsequent capital contributions and long-term loans, or beyond that amount when we have made guaranteed commitments in respect of obligations incurred by associates and joint ventures.

Share of loss of associates and joint ventures, net, decreased by Ps.3,291.6 million, to a share of loss of Ps.4,086.6 million in 2023, from Ps.7,378.2 million in 2022. This decrease reflected primarily a lower net loss of TelevisaUnivision for the year ended December 31, 2023.

We recognized a share of the loss of TelevisaUnivision in 2023 and 2022, primarily in connection with an impairment adjustment for goodwill and indefinite-lived intangible assets recognized by TelevisaUnivision in the fourth quarter of 2023 and 2022.

Share of loss of associates and joint ventures, net, for the year ended December 31, 2023, included primarily our share of loss of TelevisaUnivision.

***Income Taxes***

Income taxes changed by Ps.3,905.8 million, to an income tax expense of Ps.2,678.3 million for the year ended December 31, 2023, from an income tax benefit of Ps.1,227.5 million for the year ended December 31, 2022.

This unfavorable change reflected a non-cash net income tax expense primarily in connection with an assessment of the tax authority to reduce certain tax loss carryforwards for which a deferred income tax was recognized in prior years, as well as write-offs of deferred income tax assets.

The Mexican corporate income tax rate was 30% in each of the years 2023, 2022 and 2021.

***Net Income or Loss Attributable to Non-controlling Interests***

Net income attributable to non-controlling interests reflects that portion of operating results attributable to the interests held by third parties in the businesses which are not wholly-owned by us, including our Cable and Sky segments.

Net income or loss attributable to non-controlling interests changed by Ps.956.3 million to a net loss of Ps.384.6 million in 2023, compared with a net income of Ps.571.7 million in 2022. This change reflected primarily a net loss attributable to non-controlling interests in our Cable segment.

### ***Net Income or Loss Attributable to Stockholders of the Company***

Net income or loss attributable to stockholders of the Company amounted to a net loss of Ps.8,422.7 million for the year ended December 31, 2023, compared with a net income of Ps.44,712.2 million for the year ended December 31, 2022. The unfavorable change of Ps.53,134.9 million, reflected:

- The absence in 2023 of a Ps.56,222.2 million income from discontinued operations that we recognized in 2022 in connection with the TelevisaUnivision Transaction;
- a Ps.1,712.0 million decrease in operating income before other expense;
- a Ps.51.2 million increase in other expense, net; and
- a Ps.3,905.8 million unfavorable change in income tax benefit or expense.

These unfavorable variances were partially offset by:

- a Ps.4,508.4 million decrease in finance expense, net;
- a Ps.3,291.6 million decrease in share of loss of associates and joint ventures, net; and
- a Ps.956.3 million favorable change in net income or loss attributable to non-controlling interests.

### **Results of Operations for the Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021**

#### **Total Segment Results**

##### ***Revenues***

Revenues increased by Ps.1,611.2 million, or 2.2%, to Ps.75,526.6 million for the year ended December 31, 2022 from Ps.73,915.4 million for the year ended December 31, 2021. This increase was due to revenue growth in the Cable and Other Businesses segments, which was partially offset by a decrease in revenues in our Sky segment.

##### ***Cost of Revenues***

Cost of revenues increased by Ps.1,386.4 million, or 4.6%, to Ps.31,242.5 million for the year ended December 31, 2022 from Ps.29,856.1 million for the year ended December 31, 2021. This increase was mainly due to higher costs in our Cable and Other Businesses segments, which was partially offset by a decrease in cost in our Sky segment.

##### ***Selling Expenses***

Selling expenses increased by Ps.1,239.1 million, or 15.8%, to Ps.9,065.2 million for the year ended December 31, 2022 from Ps.7,826.1 million for the year ended December 31, 2021. This increase was primarily attributable to higher selling expenses in our Sky and Cable segments.

##### ***Administrative and Corporate Expenses***

Administrative and corporate expenses decreased by Ps.339.9 million, or 3.7%, to Ps.8,867.3 million for the year ended December 31, 2022 from Ps.9,207.2 million for the year ended December 31, 2021. The decrease mainly reflects lower corporate expenses and was partially offset by an increase in administrative expenses in our Cable and Sky segments.

Corporate expenses decreased by Ps.813.2 million, or 34.6%, to Ps.1,538.1 million in 2022, from Ps.2,351.3 million in 2021. This decrease was primarily due to a lower non-allocated corporate expense, which was partially offset by an increase in employee profit sharing and a higher share-based compensation expense.

[Table of Contents](#)

Share-based compensation expense in 2022 and 2021 amounted to Ps.968.6 million and Ps.903.8 million, respectively, and was accounted for as corporate expense. Share-based compensation expense is measured at fair value at the time the equity benefits are conditionally sold to officers and employees, and is recognized over the vesting period.

**Cable**

Cable revenues represented 63.6% and 64.5% of our segment revenues for the years ended December 31, 2022 and 2021, respectively, and increased by Ps.390.9 million, or 0.8%, to Ps.48,411.8 million for the year ended December 31, 2022 from Ps.48,020.9 million for the year ended December 31, 2021.

Total revenue generating units, or RGUs, exceeded 15.9 million for the year ended December 31, 2022. Total net additions for the year ended December 31, 2022 exceeded 1.3 million RGUs due to increases in all of our services.

Cable operating segment income decreased by Ps.382.2 million, or 1.9%, to Ps.19,902.8 million for the year ended December 31, 2022 from Ps.20,285.0 million for the year ended December 31, 2021, and the margin reached 41.1%. These decreases were primarily due to increases in personnel, commissions, broadband and signal costs and expenses, which were partially offset by an increase in revenues.

The following table sets forth the breakdown of RGUs per service type for our Cable segment as of December 31, 2022 and 2021.

	2022	2021
Video	4,458,220	4,166,460
Broadband (data)	5,984,151	5,649,102
Voice	5,233,724	4,617,265
Mobile	240,207	156,051
RGUs	15,916,302	14,588,878

**Sky**

Sky revenues represented 26.7% and 29.6% of our segment revenues for the years ended December 31, 2022 and 2021, respectively, and decreased by Ps.1,687.6 million, or 7.7%, to Ps.20,339.0 million for the year ended December 31, 2022 from Ps.22,026.6 million for the year ended December 31, 2021. This decrease was due to the decrease in the number of video and broadband RGUs for the year ended December 31, 2022. This decrease was partially offset by price increases implemented in March 2022. Total disconnections for the year ended December 31, 2022 were approximately 1.3 million RGUs. This was mainly driven by the loss of 1.2 million video RGUs and 101.6 thousand broadband and mobile net disconnections. In addition, Sky closed the year with 115,578 video RGUs in Central America and the Dominican Republic. The following table sets forth the breakdown of RGUs per service type for Sky as of December 31, 2022 and 2021.

	2022	2021
Video	6,257,059	7,408,075
Broadband (data)	640,294	727,226
Voice	453	601
Mobile	15,602	30,266
RGUs	6,913,408	8,166,168

Sky operating segment income decreased by Ps.2,087.9 million, or 24.6%, to Ps.6,416.3 million for the year ended December 31, 2022 from Ps.8,504.2 million for the year ended December 31, 2021, and the margin totaled 31.5%. This decrease in operating segment income was due to the lower revenue and the amortization of some non-recurring costs and expenses of Ps.930.0 million related to the transmission rights of the 2022 Soccer World Cup.

**Other Businesses**

Other Businesses revenues represented 9.7% and 5.9% of our segment revenues for the years ended December 31, 2022 and 2021, respectively, and increased by Ps.2,950.6 million, or 67.2%, to Ps.7,338.8 million for the year ended December 31, 2022 from Ps.4,388.2 million for the year ended December 31, 2021. This increase was due to the ongoing reopening of the Mexican economy, primarily in our gaming, sports and special events businesses.

Other Businesses operating segment income increased by Ps.1,101.3 million, or 186.8%, to Ps.1,691.0 million for the year ended December 31, 2022 from Ps.589.7 million for the year ended December 31, 2021. This increase was primarily due to an increase in revenues, which was partially offset by an increase in cost of revenues and operating expenses.

#### ***Depreciation and Amortization***

Depreciation and amortization expense increased by Ps.1,064.1 million, or 5.3%, to Ps.21,117.4 million for the year ended December 31, 2022 from Ps.20,053.3 million for the year ended December 31, 2021. This increase was primarily due to an increase in depreciation and amortization expense in our Cable and Other Businesses segments.

#### ***Other Income or Expense, Net***

Other income or expense, net, decreased by Ps.4,531.8 million, to other expense, net of Ps.815.6 million for the year ended December 31, 2022, from other income, net of Ps.3,716.2 million for the year ended December 31, 2021. This decrease was primarily due to (i) the absence of a Ps.4,547.0 million pre-tax gain from the disposition of our former 40% equity stake in OCEN, a live entertainment company with operations primarily in Mexico, which sale was concluded in December 2021; and (ii) a Ps.425.8 million (U.S.\$21.5 million) expense incurred in the fourth quarter of 2022 in connection with the provision for the settlement of a lawsuit, which was net of a related insurance reimbursement.

#### **Non-Operating Results**

##### ***Finance Income or Expense, Net***

Finance income or expense, net, significantly impacts our consolidated financial statements in periods of currency fluctuations. Under IFRS, finance income or expense, net, reflects:

- interest expense;
- interest income;
- foreign exchange gain or loss attributable to monetary assets and liabilities denominated in foreign currencies; and
- other finance income or expense, net, including gains or losses from derivative instruments.

Our foreign exchange position is affected by our assets or liabilities denominated in foreign currencies, primarily U.S. dollars. We record a foreign exchange gain or loss if the exchange rate of the Mexican peso to the other currencies in which our monetary assets or liabilities are denominated varies.

Finance expense, net, decreased by Ps.2,711.8 million, or 22.8%, to Ps.9,206.2 million for the year ended December 31, 2022, from Ps.11,918.0 million for the year ended December 31, 2021. This decrease was primarily due to: (i) a Ps.1,591.1 million increase in interest income, primarily explained by a higher average amount of cash and cash equivalents during 2022; (ii) a Ps.1,072.5 million decrease in other finance expense, net, resulting primarily from a lower loss in fair value of our derivative contracts in 2022; and (iii) a Ps.397.8 million decrease in foreign exchange loss, net, resulting primarily from a 5.0% appreciation of the Mexican peso against the U.S. dollar on an average net U.S. dollar asset position for the year ended December 31, 2022, compared with a 2.5% depreciation of the Mexican peso against the U.S. dollar on an average net U.S. dollar liability position for the year ended December 31, 2021. These favorable variances were partially offset by a Ps.349.6 million increase in interest expense, primarily due to finance expense in connection with the prepayment of a portion of our long-term debt in 2022, which was partially offset by a decrease in interest expense derived from a lower average principal amount of our total debt in 2022.

##### ***Share of Income or Loss of Associates and Joint Ventures, Net***

This line item reflects our equity participation in the operating results and net assets of unconsolidated businesses in which we maintain an interest, but which we do not control. We recognize equity in losses of associates and joint ventures up to the amount of our initial investment, subsequent capital contributions and long-term loans, or beyond that amount when we have made guaranteed commitments in respect of obligations incurred by associates and joint ventures.



Share of income or loss of associates and joint ventures, net, changed by Ps.11,049.2 million, to a share of loss of Ps.7,378.2 million in 2022, from a share of income of Ps.3,671.0 million in 2021. This unfavorable change reflected mainly (i) a share of loss of TelevisaUnivision (formerly known as Univision Holdings II, Inc. or UH II), resulting primarily from an impairment loss for goodwill and indefinite-lived intangible assets recognized by TelevisaUnivision in the fourth quarter of 2022; and (ii) the absence of a share of income in 2022 of an impairment loss reversal that we recognized in our share of income of UH II in 2021. These unfavorable variances were partially offset by a cash dividend paid to us in 2022 in connection with our investment in preferred shares of TelevisaUnivision in the aggregate amount of Ps.752.6 million (U.S.\$37.8 million).

#### ***Income Taxes***

Income tax benefit or expense changed by Ps.2,900.5 million to an income tax benefit of Ps.1,227.5 million in 2022, compared with an income tax expense of Ps.1,673.0 million in 2021. This change was mainly due to a loss before income taxes in 2022, compared to an income before income taxes in 2021, as well as a lower effective income tax rate in 2022 as compared to 2021 primarily as a result of (i) the income tax effects derived from our share in loss of TelevisaUnivision referred to above; and (ii) a higher inflationary tax gain resulting from both a higher inflation rate in Mexico in 2022 and a higher average net monetary liability position of certain companies in the Group during 2022.

The Mexican corporate income tax rate was 30% in each of the years 2022 and 2021.

#### ***Income from Discontinued Operations, Net***

In connection with the transaction that we closed with TelevisaUnivision on January 31, 2022 (the “TelevisaUnivision Transaction”), we present the results from our disposed businesses as income from discontinued operations in our consolidated statements of income for the current period and for any comparative period presented.

Income from discontinued operations, net, increased by Ps.49,636.3 million, to Ps.56,222.2 million in 2022, from Ps.6,585.9 million in 2021. This increase reflected primarily the net gain on disposition of discontinued operations in connection with the TelevisaUnivision Transaction that was closed on January 31, 2022, which was partially offset by the absence of net income of discontinued operations for the 11 months ended December 31, 2022.

#### ***Net Income Attributable to Non-controlling Interests***

Net income attributable to non-controlling interests reflects that portion of operating results attributable to interests held by third parties in businesses which are not wholly-owned by us, including our Cable and Sky segments.

Net income attributable to non-controlling interests decreased by Ps.727.3 million, or 56.0%, to Ps.571.7 million in 2022, compared with Ps.1,299.0 million in 2021. This decrease was primarily due to a lower portion of net income attributable to non-controlling interests in our Cable and Sky segments.

#### ***Net Income Attributable to Stockholders of the Company***

Net income attributable to stockholders of the Company increased to Ps.44,712.2 million for the year ended December 31, 2022, from Ps.6,055.8 million for the year ended December 31, 2021. This increase of Ps.38,656.4 million was due to a:

- Ps.49,636.3 million favorable increased in income from discontinued operations;
- Ps.2,711.8 million decrease in finance expense, net;
- Ps.2,900.5 million increase in income taxes benefit or expense; and
- Ps.727.3 million decrease in net income attributable to non-controlling interests.

This increase was partially offset by a:

- Ps.11,049.2 million unfavorable change in share of income or loss of associates and joint ventures;

[Table of Contents](#)

- Ps.4,531.8 million unfavorable change in other income or expense, net;
- Ps.1,064.1 million increase in depreciation and amortization; and
- Ps.674.4 million decrease in income before depreciation and amortization.

Effects of Depreciation and Inflation

The following table sets forth, for the periods indicated:

- the percentage that the Peso depreciated or appreciated against the U.S. Dollar;
- the Mexican inflation rate;
- the U.S. inflation rate; and
- the percentage change in Mexican GDP compared to the prior period.

	Year Ended December 31,		
	2023	2022	2021
(Appreciation) depreciation of the Peso as compared to the U.S. Dollar <sup>(1)</sup>	(13.1)%	(5.0)%	2.8 %
Mexican inflation rate <sup>(2)</sup>	4.7	7.8	7.4
U.S. inflation rate	3.35	6.5	7.0
Increase in Mexican GDP <sup>(3)</sup>	3.2	3.1	4.7

(1) Based on changes in the Interbank Rates, as reported by CitiBanamex, at the end of each period, which were as follows: Ps.20.5031 as of December 31, 2021, Ps.19.4760 as of December 31, 2022 and Ps.16.9325 as of December 31, 2023.

(2) Based on changes in the NCPI from the previous period, as reported by the Mexican Central Bank, which were as follows: 117.3 in 2021; 126.5 in 2022 and 132.4 in 2023.

(3) As estimated by the *Instituto Nacional de Estadística, Geografía e Informática*, or INEGI.

The general condition of the Mexican economy, the depreciation of the Peso as compared to the U.S. Dollar, inflation and high interest rates have in the past adversely affected, and may in the future adversely affect, our:

- Advertising and Other Revenues. Inflation in Mexico adversely affects consumers. As a result, our advertising customers may purchase less advertising, which would reduce our advertising revenues, and consumers may reduce expenditures for our other products and services, including pay-TV services.
- Foreign Currency-Denominated Revenues and Operating Costs and Expenses. We have substantial operating costs and expenses denominated in foreign currencies, primarily in U.S. Dollars. These costs are principally due to our activities in the United States, the costs of foreign-produced programming and publishing supplies and the leasing of satellite transponders. The following table sets forth our foreign currency-denominated revenues and operating costs and expenses stated in millions of U.S. Dollars for 2023, 2022 and 2021:

	Year Ended December 31,		
	2023	2022	2021
	(Millions of U.S. Dollars)		
Revenues	U.S.\$ 127	U.S.\$ 182	U.S.\$ 142
Operating costs and expenses	342	469	352

On a consolidated basis, in 2023, 2022 and 2021, our foreign-currency-denominated costs and expenses exceeded our foreign-currency-denominated revenues. As a result, we could be exposed to future depreciation of the Peso, which would increase the Peso equivalent of our foreign-currency-denominated costs and expenses.

- Finance Expense, Net. The depreciation of the Peso as compared to the U.S. Dollar generates foreign exchange losses relating to our net U.S. Dollar-denominated liabilities and increases the Peso equivalent of our interest expense on our U.S. Dollar-denominated indebtedness. Foreign exchange losses, and increased interest expense increase our finance expense, net.

We have also entered into and will continue to consider entering into additional financial instruments to hedge against Peso depreciation and reduce our overall exposure to the depreciation of the Peso as compared to the U.S. Dollar, inflation and high interest rates. We cannot assure you that we will be able to enter into financial instruments to protect ourselves from the effects of the depreciation of the Peso as compared to the U.S. Dollar, inflation and increases in interest rates, or if so, on favorable terms. In the past, we have designated, and from time to time in the future we may designate, certain of our investments or other assets as effective hedges against Peso depreciations. See “Key Information—Risk Factors—Risk Factors Related to Mexico”, “Quantitative and Qualitative Disclosures About Market Risk—Market Risk Disclosures” and Note 4 to our consolidated year-end financial statements.

### IFRS Accounting Standards

Our consolidated financial information as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, was prepared in accordance with IFRS Accounting Standards as issued by the IASB.

Below is a list of the new and amended IFRS Accounting Standards that have been issued by the IASB and are effective for annual periods starting on or after January 1, 2023, 2024 and 2025. Our management does not expect the pronouncements effective for annual periods beginning on January 1, 2024 to have a material impact on our consolidated financial statements. Our management is in the process of assessing the potential impact those pronouncements effective for annual periods beginning on or after January 1, 2024 will have on our consolidated financial statements. Some amendments and improvements to certain IFRS Accounting Standards became effective on January 1, 2024, and did not have any significant impact on our consolidated financial statements.

<b>New or Amended IFRS Accounting Standard</b>	<b>Title of the IFRS Accounting Standard</b>	<b>Effective for Annual Reporting Periods Beginning On or After</b>
Amendments to IAS 12 <sup>(1)</sup>	<i>International Tax Reform – Pillar Two Model Rules</i>	January 1, 2023
Amendments to IFRS 16 <sup>(1)</sup>	<i>Lease Liability in a Sale and Leaseback</i>	January 1, 2024
Amendments to IAS 1 <sup>(1)</sup>	<i>Non-current Liabilities with Covenants</i>	January 1, 2024
Amendments to IAS 7 and IFRS 7 <sup>(1)</sup>	<i>Supplier Finance Arrangements</i>	January 1, 2024
Amendments to IAS 21 <sup>(1)</sup>	<i>Lack of Exchangeability</i>	January 1, 2025
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Postponed

(1) This new or amended IFRS Standard is not expected to have a significant impact on our consolidated financial statements.

Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules*, were issued by the IASB in May 2023, to give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development’s (“OECD”) international tax reform. The OECD published the Pillar Two Model Rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. More than 135 countries and jurisdictions representing more than 90% of global GDP have agreed to the Pillar Two Model Rules. These amendments introduce (i) a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules. This will help to ensure consistency in the financial statements while easing into the implementation of the rules; and (ii) targeted disclosure requirements to help investors better understand a company’s exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect. Companies can benefit from the temporary exception immediately but are required to provide the disclosures to investors for annual reporting periods beginning on or after January 1, 2023. As permitted by these amendments, beginning in the year ended December 31, 2023, we applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes arising from Pillar Two Model Rules, and provided the required disclosures to help users of financial statements understand our exposure to Pillar Two Model Rules (see Note 24 to our consolidated year-end financial statements).

Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*, were issued by the IASB in September 2022, and add to requirements in IFRS 16 *Leases* (“IFRS 16”) explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases the same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The amendments issued add to the sale and leaseback requirements in IFRS 16, thereby supporting the consistent application of the IFRS Standard. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction. These amendments to IFRS 16 are effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted.

Amendments to IAS 1 *Non-current Liabilities with Covenants*, were issued by the IASB in October 2022, to improve the information companies provide about long-term with covenants. IAS 1 *Presentation of Financial Statements* requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company’s ability to do so is often subject to complying with covenants. For example, a company might have long-term debt that could become repayable within 12 months if the company fails to comply with covenants in that 12-month period. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted.

Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*, were issued by the IASB in May 2023, to require an entity to provide additional disclosures about its supplier finance arrangements. The new requirements were developed by the IASB to provide users of financial statements with information to enable them: (a) to assess how supplier finance arrangements affect an entity’s liabilities and cash flows; and (b) to understand the effect of supplier finance arrangements on an entity’s exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. The amendments supplement requirements already in IFRS Standards and require a company to disclose: (i) the terms and conditions; (ii) the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet; (iii) ranges of payment due dates; and (iv) liquidity risk information. The amendments, which affect IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*, will become effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted.

Amendments to IAS 21 *Lack of Exchangeability*, were issued by the IASB in August 2023, to require companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. The amendments, which affect IAS 21 *The Effects of Changes in Foreign Exchange Rates*, will become effective for annual reporting periods beginning on or after January 1, 2025, with early application permitted.

Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets* between an Investor and its Associate or Joint Venture, were issued by the IASB in September 2014, and addressed and acknowledged an inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and those in IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB decided to postpone the effective date of these amendments indefinitely. Entities are required to apply these amendments prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by the IASB. Earlier application is permitted. If an entity applies these amendments earlier, it shall disclose that fact. These amendments became applicable to our consolidated financial statements in connection with the closing of the TelevisaUnivision Transaction in the first quarter of 2022 (see Note 3 to our consolidated year-end financial statements). As permitted, we have applied these amendments in 2022 and disclosed this fact in our consolidated financial statements.

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* (“IFRS18”), introducing new requirements to (i) improve comparability in the statement of income; (ii) enhance transparency of management-defined performance measures; and (iii) provide more useful grouping of information in the financial statements. IFRS 18 replaces IAS 1 *Presentation of Financial Statements* (“IAS 1”) and carries forward many requirements from IAS 1 unchanged. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted.

### ***Critical Accounting Estimates and Assumptions***

We have identified certain key accounting policies upon which our consolidated financial condition and results of operations are dependent. The application of these key accounting policies often involves complex considerations and assumptions and the making of subjective judgments or decisions on the part of our management. In the opinion of our management, our most Critical Accounting Estimates and Assumptions under IFRS are those related to the accounting for goodwill and other indefinite-lived intangible assets, long-lived assets, deferred income taxes and financial assets measured at fair value. For a full description of these and other accounting policies, see Note 2 to our consolidated year-end financial statements.

#### ***(a) Goodwill and Other Indefinite-lived Intangible Assets***

Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment at least annually. When an impairment test is performed, the recoverable amount is assessed by reference to the higher of the net present value of the expected future cash flows (value in use) of the relevant CGU and the fair value less cost to sell.

The recoverable amount of each of the CGUs has been determined based on the higher of value in use and fair value less costs to disposal calculations. These calculations require the use of estimates, which include management’s expectations of future revenue growth, operating costs, profit margins and operating cash flows for each CGU, long-term growth rates and discount rates based on weighted average cost of capital, among others.

There were no goodwill and other indefinite-lived intangible assets impairments recorded in 2023 and 2022. See Note 2 (b) and (l) to our consolidated year-end financial statements for disclosure regarding concession intangible assets.

#### ***(b) Long-lived Assets***

We present certain long-lived assets other than goodwill and indefinite-lived intangible assets in our consolidated statement of financial position. Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. Recoverability is analyzed based on projected cash flows. Estimates of future cash flows involve considerable judgment on the part of management. These estimates are based on historical data, future revenue growth, anticipated market conditions, management plans, and assumptions regarding projected rates of inflation and currency fluctuations, among other factors. If these assumptions were modified because of changes in economic or legal circumstances, we could recognize a write-off or write-down or accelerate the amortization schedule related to the carrying amount of these assets (see Notes 2 (m), 13 and 22 to our consolidated year-end financial statements). We have not recorded any significant impairment charges during any of the years presented herein.

**(c) Deferred Income Taxes**

We record our deferred tax assets based on the likelihood that these assets are realized in the future. This likelihood is assessed by taking into consideration the future taxable income. In the event we were to determine that it would be able to realize our deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Should we determine that it would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

**(d) Financial Assets Measured at Fair Value**

We have a significant amount of financial assets that are measured at fair value on a recurring basis. The degree of management's judgment involved in determining the fair value of a financial asset varies depending upon the availability of quoted market prices. When observable quoted market prices exist, that is the fair value estimate we use. To the extent such quoted market prices do not exist, management uses other means to determine fair value (see Notes 4 and 15 to our consolidated year-end financial statements).

**Financial assets and liabilities measured at fair value as of December 31, 2023 and 2022 (in thousands of Pesos):**

	Balance as of December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Internal Models with Significant Observable Inputs (Level 2)	Internal Models with Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
<b>At FVOCIL</b>				
Open-Ended Fund	Ps. 674,451	Ps. —	Ps. 674,451	Ps. —
Publicly traded equity instruments	1,912,150	1,912,150	—	—
Derivative financial instruments	251,738	—	251,738	—
Total	<u>Ps. 2,838,339</u>	<u>Ps. 1,912,150</u>	<u>Ps. 926,189</u>	<u>Ps. —</u>
<b>Assets:</b>				
<b>At FVOCIL</b>				
Open-Ended Fund	Ps. 773,209	Ps. —	Ps. 773,209	Ps. —
Publicly traded equity instruments	2,611,053	2,611,053	—	—
Derivative financial instruments	543,581	—	543,581	—
Total	<u>Ps. 3,927,843</u>	<u>Ps. 2,611,053</u>	<u>Ps. 1,316,790</u>	<u>Ps. —</u>
<b>Liabilities:</b>				
Derivative financial instruments	Ps. 71,401	Ps. —	Ps. 71,401	Ps. —
Total	<u>Ps. 71,401</u>	<u>Ps. —</u>	<u>Ps. 71,401</u>	<u>Ps. —</u>

**Non-current Financial Assets**

Investments in debt securities or with readily determinable fair values, are classified as non-current investments in financial instruments, and are recorded at fair value with unrealized gains and losses included in consolidated stockholders' equity as accumulated other comprehensive result.

Non-current financial assets are generally valued using quoted market prices or alternative pricing sources with reasonable levels of price transparency. Such instruments are classified in Level 1, Level 2, and Level 3, depending on the observability of the significant inputs.

### ***Open-Ended Fund***

We have an investment in an Open-Ended Fund that has as a primary objective to achieve capital appreciation by using a broad range of strategies through investments in securities, including without limitation stock, debt and other financial instruments, a principal portion of which are considered as Level 1 financial instruments, in telecom, media and other sectors across global markets, including Latin America and other emerging markets. Shares may be redeemed on a quarterly basis at the NAV per share as of such redemption date (see Notes 4 and 9 to our consolidated year-end financial statements).

### ***Disclosures for Each Class of Assets and Liabilities Subject to Recurring Fair Value Measurements Categorized Within Level 3***

Our Corporate Finance Department has established rules for a proper portfolio asset classification according to the fair value hierarchy defined by IFRS Standards. On a monthly basis, any new assets recognized in the Company's portfolio are classified according to these criteria. Subsequently, there is a quarterly review of the portfolio in order to analyze the need for a change in classification of any of these assets.

A sensitivity analysis is performed on the Group's investments with significant unobservable inputs (Level 3) in order to obtain a reasonable range of possible alternative valuations. This analysis is carried out by our Corporate Finance Department.

### ***Derivative Financial Instruments***

Derivative financial instruments include swaps, forwards and options (see Notes 2(w), 4 and 15 to our consolidated year-end financial statements).

Our derivative portfolio is entirely over-the-counter. Our derivatives are valued using industry standard valuation models; projecting future cash flows discounted to present value, using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies.

When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit spreads considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used. All derivatives are classified in Level 2.

### ***Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis***

The majority of our non-financial instruments, which include the investment in shares of TelevisaUnivision, goodwill, intangible assets, inventories, transmission rights and property, plant and equipment and right of use assets, are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur (or at least annually in the fourth quarter for goodwill and indefinite-lived intangible assets) such that a non-financial instrument is required to be evaluated for impairment, a resulting asset impairment would require that the non-financial instrument be recorded at the lower of carrying amount or its recoverable amount.

The impairment test for goodwill involves a comparison of the estimated fair value of each of our reporting units to its carrying amount, including goodwill. We determine the fair value of a reporting unit using the higher of the value in use and the fair value less costs to sell, which utilize significant unobservable inputs (Level 3) within the fair value hierarchy. The impairment test for intangible assets not subject to amortization involves a comparison of the estimated fair value of the intangible asset with its carrying amount. We determine the fair value of the intangible asset using a discounted cash flow analysis, which utilizes significant unobservable inputs (Level 3) within the fair value hierarchy. Determining fair value requires the exercise of significant judgment, including judgment about appropriate discount rates, perpetual growth rates, the amount and timing of expected future cash flows for a period of time that comprises five years, as well as relevant comparable company earnings multiples for the market-based approach.

Once an asset has been impaired, it is not remeasured at fair value on a recurring basis; however, it is still subject to fair value measurements to test for recoverability of the carrying amount.

### ***Liquidity, Foreign Exchange and Capital Resources***

**Liquidity.** We generally rely on a combination of cash on hand, operating revenues, borrowings and net proceeds from dispositions to fund our working capital needs, capital expenditures, acquisitions and investments. We believe our working capital is sufficient for our present requirements, and we anticipate generating sufficient cash to satisfy our long-term liquidity needs.

[Table of Contents](#)

During the year ended December 31, 2023, we had a net decrease in cash and cash equivalents of Ps.18,544.6 million, as compared to a net increase in cash and cash equivalents of Ps.25,302.8 million during the year ended December 31, 2022.

Net cash provided by operating activities for the year ended December 31, 2023, amounted to Ps.15,201.4 million. Adjustments to reconcile income or loss before income taxes to net cash provided by operating activities were mainly due to (i) depreciation and amortization of Ps.21,469.2 million, (ii) an interest expense of Ps.7,654.3 million, (iii) an impairment loss on trade accounts receivable, and other receivables of Ps.1,108.0 million, (iv) an other finance loss, net of Ps.134.8 million, (v) a share of loss of associates and joint ventures of Ps.4,086.6 million, and (vi) a share-based compensation expense of Ps.748.5 million; this was partially offset by (i) unrealized foreign exchange gains of Ps.3,740.1 million, and (ii) income taxes paid for the year ended December 31, 2023, which amounted to Ps.7,014.3 million.

Net cash used by investing activities for the year ended December 31, 2023, amounted to Ps.15,758.4 million and was primarily provided by proceeds from (i) cash dividends from preferred shares of Ps.716.9 million, (ii) a disposition of investment in joint ventures of Ps.45.6 million, and (iii) a disposition of property, plant and equipment of Ps.48.9 million; this was partially offset by (i) investments in property, plant and equipment of Ps.14,708.0 million, and (ii) other investments in intangible assets of Ps.1,869.7 million.

Net cash used in financing activities for the year ended December 31, 2023, amounted to Ps.17,753.0 million, and was primarily used for interest payments of Ps.7,553.9 million, derivative financial instruments of Ps.195.1 million, prepayment of long-term loans from Mexican banks related to Sky of Ps.1,400.0 million, other payments of lease liabilities of Ps.1,793.6 million, dividend payments of Ps.1,027.4 million, repurchases of capital stock of Ps.1,197.1 million, partial prepayment of senior notes of Ps.4,718.3 million and the repurchase of our 7.25% Senior Notes due 2043 of Ps.181.7 million, which was partially offset by cash provided by Mexican banks through long-term loans of Ps.400.0 million to Sky.

During the year ended December 31, 2022 we had a net increase in cash and cash equivalents of Ps.25,302.8 million, as compared to a net decrease in cash and cash equivalents of Ps.3,229.9 million during the year ended December 31, 2021.

Net cash provided by operating activities for the year ended December 31, 2022, amounted to Ps.12,467.6 million. Adjustments to reconcile income before income taxes to net cash provided by operating activities were mainly due to (i) depreciation and amortization of Ps.21,239.3 million, (ii) an interest expense of Ps.9,459.4 million, (iii) an impairment loss on trade notes and accounts receivable, and other receivables of Ps.1,172.6 million, (iv) an other finance loss, net of Ps.110.7 million, (v) a share of loss of associates and joint ventures of Ps.7,378.2 million, and (vi) a share-based compensation expense of Ps.1,665.9 million; this was partially offset by (i) gains on disposition of discontinued operations of Ps.75,192.4 million, (ii) unrealized foreign exchange gains of Ps.999.5 million, and (iii) income taxes paid for the year ended December 31, 2022, which amounted to Ps.12,118.0 million.

Net cash provided by investing activities for the year ended December 31, 2022, amounted to Ps.42,704.9 million and was primarily provided by proceeds from (i) disposition of discontinued operations of Ps.66,095.5 million, (ii) cash dividends from preferred shares of Ps.752.6 million, (iii) release of a holdback payment from our sale of OCEN in the amount of Ps.364.4 million, and (iv) a disposition of property, plant and equipment of Ps.264.1 million; this was partially offset by (i) investments in property, plant and equipment of Ps.17,315.4 million, (ii) other investments in intangible assets of Ps.1,807.2 million and (iii) long-term credit with a related party of Ps.5,738.8 million.

Net cash used in financing activities for the year ended December 31, 2022, amounted to Ps.29,769.3 million, and was primarily used for interest payments of Ps.8,893.0 million, derivative financial instruments of Ps.145.1 million, prepayment of long-term loans from Mexican banks of Ps.6,000.0 million, other payments of lease liabilities of Ps.991.0 million, dividend payments of Ps.1,053.3 million, repurchases of capital stock of Ps.629.3 million, partial prepayment of senior notes of Ps.10,099.6 million, and payments of lease liabilities of Ps.699.2 million.

#### **Capital Expenditures, Acquisitions and Investments, Distributions and Other Sources of Liquidity**

During 2024, we:

- expect to make aggregate capital expenditures for property, plant and equipment totaling approximately U.S.\$790.0 million, of which approximately U.S.\$630.0 million and approximately U.S.\$145.0 million are for the expansion and improvement of our Cable and Sky segments, respectively, with the remaining amount going to other acquisitions and investments; and



[Table of Contents](#)

- expect to provide financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of U.S.\$6.0 million (Ps.101.3 million).

During 2023, we:

- made aggregate capital expenditures for property, plant and equipment totaling approximately U.S.\$828.5 million, of which approximately U.S.\$633.0 million and approximately U.S.\$149.2 million were for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining amount was for our Other Businesses segment; and
- provided financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of U.S.\$8.8 million (Ps.155.1 million).

During 2022, we:

- made aggregate capital expenditures for property, plant and equipment totaling approximately U.S.\$859.8 million, of which approximately U.S.\$645.9 million and approximately U.S.\$193.1 million were for the expansion and improvements of our Cable and Sky segments, respectively, and the remaining amount was for our Content and Other Businesses segments; and
- provided financing to GTAC in connection with long-term credit facilities and our 33.3% interest in GTAC in the aggregate principal amount of U.S.\$8.4 million (Ps.166.2 million).

**Refinancings.** In November and December 2017, we entered into long-term debt agreements with three Mexican banks in the aggregate principal amount of Ps.6,000 million, with maturities between 2022 and 2023, and interest payable on a monthly basis at an annual rate of 28-day Equilibrium Interbank Interest Rate (“*Tasa de Interés Interbancaria de Equilibrio*” or “TIEE”) plus a range between 125 and 130 basis points.

In May 2019, we concluded the offering of U.S.\$750 million aggregate principal amount of 5.25% Senior Notes due 2049. The net proceeds of the offering were used for general corporate purposes, which may include repayment or repurchase of existing indebtedness.

In June 2019, we entered into a credit agreement for a five-year term loan with a syndicate of banks in the aggregate principal amount of Ps.10,000 million. The funds from this loan were used for general corporate purposes, including the refinancing of our indebtedness. This loan bears interest at a floating rate based on a spread of 105 or 130 basis points over the 28-day TIEE rate depending on our net leverage ratio. In April 2024, we prepaid in full amounts outstanding under this credit agreement, which was scheduled to mature in 2024.

On March 24, 2020, we drew down the U.S.\$618 million under the RCF (as defined below) and fully prepaid the facility on October 6, 2020. In February 2022, the RCF was increased by U.S.\$32 million reaching a total amount of U.S.\$650 million payable in Mexican pesos, and extended for a three-year term, with maturity in February 2025. In April 2024, we terminated the RCF. We had not borrowed any amounts under the RCF since 2022.

In March 2022, we made a partial redemption of U.S.\$200 million aggregate principal amount of our U.S.\$600 million 6.625% Senior Notes due 2025 in the aggregate amount of U.S.\$221.3 million, including the applicable redemption price and accrued and unpaid interest on the redemption date.

In February and March 2022, we prepaid outstanding long-term loans with three Mexican banks, in the aggregate principal amount of Ps.6,000 million and related accrued interest for an aggregate amount of Ps.37.1 million. The original maturities of these loans were in the fourth quarter 2022 and first quarter of 2023.

In August 2022, we completed a tender offer to purchase in cash a principal amount of U.S.\$133.6 million of our 6.625% Senior Notes due 2025, U.S.\$110.6 million of our 5.000% Senior Notes due 2045, and U.S.\$47.8 million of our 5.250% Senior Notes due 2049, for an aggregate principal amount of U.S.\$292.0 million. The aggregate tender consideration paid amounted to U.S.\$294.8 million plus U.S.\$5.5 million of accrued and unpaid interest on the settlement date of the tender offer.

[Table of Contents](#)

In August 2023, we completed a tender offer to purchase in cash a principal amount of up to U.S.\$300.0 million of our 4.625% Notes due 2026, 5.000% Notes due 2045, 5.250% Notes due 2049, 6.625% Notes due 2025 and 6.125% Notes due 2046, for an aggregate principal amount of U.S.\$300.0 million. The aggregate tender consideration paid amounted to U.S.\$281.1 million plus U.S.\$3.0 million of accrued and unpaid interest on the settlement date of the tender offer.

In September 2023, we repurchased a principal amount of Ps.221.6 million of our 7.25% Notes due 2043 in an open market purchase, for a trailing aggregate principal amount of Ps.274.3 million during 2023.

On April 9, 2024, we entered into a credit agreement, together with Cablemás Telecomunicaciones, S.A. de C.V. and Televisión Internacional, S.A. de C.V., as co-borrowers, with a syndicate of banks which provides for a five-year term loan in an amount of Ps.10,000 million, and a five-year revolving credit facility in an amount of U.S.\$500 million, with loans thereunder to be funded in Mexican pesos. The loans under this credit agreement will bear interest at a floating rate based on a spread of 125 bps or 150 bps over the 28 day TIIE Rate depending on our net leverage ratio. The credit agreement requires the maintenance of financial ratios related to indebtedness and interest expense. BBVA, Banco Santander and Scotiabank acted as joint bookrunners.

The proceeds of the loans under this credit agreement were used to refinance our existing indebtedness and for general corporate purposes. We used part of the proceeds to prepay in full amounts outstanding under the credit agreement which we entered into in 2019 with a syndicate of banks, which was scheduled to mature in 2024.

**Indebtedness.** As of December 31, 2023, our consolidated long-term portion of debt amounted to Ps.78,547.9 million and our consolidated current portion of debt was Ps.11,494.7 million. As of December 31, 2022, our consolidated long-term portion of debt amounted to Ps.104,240.6 million and our consolidated current portion of debt was Ps.2,761.1 million. The consolidated debt is presented net of unamortized finance costs as of December 31, 2023 and 2022, in the aggregate amount of Ps.1,278.4 million and Ps.994.7 million, respectively, and interest payable in the aggregate amount of Ps.1,506.8 million and Ps.1,761.1 million in 2023 and 2022, respectively.

In March 2018, the Company entered into a Revolving Credit Facility (“RCF”) with a syndicate of banks for U.S.\$583.0 million payable in Mexican pesos, for a three-year term. In December 2018, this facility was increased by U.S.\$35.0 million reaching a total amount of U.S.\$618.0 million. The funds may be used for the repayment of existing indebtedness and other general corporate purposes as may be authorized by our Board of Directors. In August 2019, the Company extended the RCF for one more year to maintain the total three-year term. The RCF was available as of December 31, 2019. In March 2020, the Company drew down under the RCF as a prudent and precautionary measure in order to increase its cash position and preserve financial flexibility in light of uncertainty in the global and local markets resulting from the COVID-19 outbreak. The aggregate principal amount drawn under the RCF was Ps.14,771.0 million, with maturity in the first quarter of 2022. The RCF bore interest at a floating rate based on a spread of 87.5 or 112.5 basis points over the 28-day TIIE rate depending on the Company’s net leverage ratio, which amount the Company was permitted to prepay on the last day of any interest period. The Company prepaid the full amount drawn on October 6, 2020 without penalty. In February 2022, the RCF was increased by U.S.\$32 million reaching a total amount of U.S.\$650 million payable in Mexican pesos and extended for a three-year term, with maturity in February 2025. In April 2024, the Company terminated the RCF. The Company had not borrowed any amounts under the RCF since 2022.

In February 2023, Sky executed a revolving credit facility with a Mexican bank for an amount up to Ps.1,000 million and with a maturity in 2028. The funds may be used for general corporate purposes, including the repayment of debt. Under the terms of this revolving credit facility, Sky is required to comply with certain restrictive covenants and financial coverage ratios. In March 2023, upon the maturity of loans with two Mexican banks, Sky repaid the remaining portions of these loans in the aggregate principal amount of Ps.1,000 million with (i) available cash on hand in the amount of Ps.600 million and (ii) funds from this revolving credit facility in the principal amount of Ps.400 million, plus interest payable on a monthly basis at the annual interest rate of TIIE plus 0.85%. In December 2023, Sky prepaid this credit facility plus accrued interest in the aggregate amount of Ps.404 million. As of December 31, 2023, the unused principal amount of this revolving credit facility amounted to Ps.1,000 million.

On April 9, 2024, we entered into a credit agreement, together with Cablemás Telecomunicaciones, S.A. de C.V. and Televisión Internacional, S.A. de C.V., as co-borrowers, with a syndicate of banks which provides for a five-year term loan in an amount of Ps.10,000 million, and a five-year revolving credit facility in an amount of U.S.\$500 million, with loans thereunder to be funded in Mexican pesos. The loans under this credit agreement will bear interest at a floating rate based on a spread of 125 bps or 150 bps over the 28 day TIIE Rate depending on our net leverage ratio. The credit agreement requires the maintenance of financial ratios related to indebtedness and interest expense. BBVA, Banco Santander and Scotiabank acted as joint bookrunners.

[Table of Contents](#)

The proceeds of the loans under this credit agreement were used to refinance our existing indebtedness and for general corporate purposes. We used part of the proceeds to prepay in full amounts outstanding under the credit agreement which we entered into in 2019 with a syndicate of banks, which was scheduled to mature in 2024.

We may from time to time incur additional indebtedness or repurchase, redeem or repay outstanding indebtedness.

The following table sets forth a description of our outstanding indebtedness as of December 31, 2023, net of unamortized finance costs and does not include related accrued interest payable (in millions of Pesos):

	2023 <sup>(1)</sup>				
	Effective Interest Rate	Interest Payable	Principal	Finance Costs	Net
<b>U.S. dollar Senior Notes:</b>					
6.625% Senior Notes due 2025 <sup>(2)</sup>	7.60 %	Ps. 61.6	Ps. 3,715.6	Ps. (61.1)	Ps. 3,654.5
4.625% Senior Notes due 2026 <sup>(2)</sup>	5.03 %	87.3	3,512.1	(7.2)	3,504.9
8.50% Senior Notes due 2032 <sup>(2)</sup>	9.00 %	131.9	5,079.7	(37.2)	5,042.5
6.625% Senior Notes due 2040 <sup>(2)</sup>	7.05 %	306.6	10,159.5	(146.9)	10,012.6
5% Senior Notes due 2045 <sup>(2)</sup>	5.39 %	96.7	13,387.0	(471.7)	12,915.3
6.125% Senior Notes due 2046 <sup>(2)</sup>	6.47 %	457.9	14,893.4	(130.0)	14,763.4
5.25% Senior Notes due 2049 <sup>(2)</sup>	5.59 %	58.7	11,191.2	(319.8)	10,871.4
Total U.S. dollar debt		1,200.7	61,938.5	(1,173.9)	60,764.6
<b>Mexican peso debt:</b>					
8.79% Notes due 2027 <sup>(3)</sup>	8.84 %	98.9	4,500.0	(11.6)	4,488.4
8.49% Senior Notes due 2037 <sup>(2)</sup>	8.94 %	49.9	4,500.0	(16.3)	4,483.7
7.25% Senior Notes due 2043 <sup>(2)</sup>	7.92 %	43.9	6,225.7	(64.5)	6,161.2
Bank loan <sup>(4)</sup>	12.76 %	90.7	10,000.0	(12.1)	9,987.9
Bank loans (Sky) <sup>(5)</sup>	12.41 %	22.7	2,650.0	—	2,650.0
Total Mexican peso debt		306.1	27,875.7	(104.5)	27,771.2
Total debt		1,506.8	89,814.2	(1,278.4)	88,535.8
Less: Current portion of long-term debt		1,506.8	10,000.0	(12.1)	9,987.9
Long-term debt, net of current portion		Ps. —	Ps. 79,814.2	Ps. (1,266.3)	Ps. 78,547.9
<b>Lease liabilities:</b>					
Satellite transponder lease agreement <sup>(6)</sup>					Ps. 1,994.4
Telecommunications network lease agreement <sup>(7)</sup>					573.8
Other lease liabilities <sup>(8)</sup>					4,723.3
Total lease liabilities					7,291.5
Less: Current portion					1,280.9
Lease liabilities, net of current portion					Ps. 6,010.6

(1) U.S. Dollar-denominated debt is translated into Pesos at an exchange rate of Ps.16.9325 per U.S. Dollar, the Interbank Rate, as reported by CitiBanamex, as of December 31, 2023

- (2) The Senior Notes due between 2025 and 2049, in the aggregate outstanding principal amount of U.S.\$3,658 million and Ps.10,725.7 million as of December 31, 2023, are unsecured obligations of the Company, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of the Company, and are junior in right of payment to all of the existing and future liabilities of the Company's subsidiaries. Interest rate on the Senior Notes due 2025, 2026, 2032, 2037, 2040, 2043, 2045, 2046 and 2049, including additional amounts payable in respect of certain Mexican withholding taxes, is 6.97%, 4.86%, 8.94%, 8.93%, 6.97%, 7.62%, 5.26%, 6.44% and 5.52% per annum, respectively, and is payable semi-annually. These Senior Notes may not be redeemed prior to maturity, except: (i) in the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, in which case the securities will be redeemable, in whole or in part, at the option of the Company; and (ii) in the event of a change of control, in which case the Company may be required to redeem the securities at 101% of their principal amount. Also, the Company may, at its own option, redeem the Senior Notes due 2025, 2026, 2037, 2040, 2043, 2046 and 2049, in whole or in part, at any time at a redemption price equal to the greater of the principal amount of these Senior Notes or the present value of future cash flows, at the redemption date, of principal and interest amounts of the Senior Notes discounted at a fixed rate of comparable U.S. or Mexican sovereign bonds. The Senior Notes due 2026, 2032, 2040, 2043, 2045, 2046 and 2049 were priced at 99.385%, 99.431%, 98.319%, 99.733%, 96.534%, 99.677% and 98.588%, respectively, for a yield to maturity of 4.70%, 8.553%, 6.755%, 7.27%, 5.227%, 6.147% and 5.345%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.\$400 million and U.S.\$200 million, and were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, respectively. The terms of these Senior Notes contain covenants that limit the ability of the Company and certain restricted subsidiaries, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations, and similar transactions. The Senior Notes due 2025, 2026, 2032, 2037, 2040, 2045, 2046 and 2049, are registered with the U.S. Securities and Exchange Commission ("SEC"). The Senior Notes due 2043 are registered with both the SEC and the Mexican Banking and Securities Commission ("Comisión Nacional Bancaria y de Valores" or "CNBV"). In March 2022, the Company completed a partial redemption of U.S.\$200 million aggregate principal amount of its 6.625% Senior Notes due 2025, in the aggregate amount of U.S.\$221.3 million, including U.S.\$220.9 million of the applicable redemption price and U.S.\$0.4 million of accrued and unpaid interest on the redemption date. In August 2022, the Company concluded a tender offer to purchase in cash a principal amount of U.S.\$133.6 million of its 6.625% Senior Notes due 2025, U.S.\$110.6 million of its 5.000% Senior Notes due 2045, and U.S.\$47.8 million of its 5.250% Senior Notes due 2049, for an aggregate principal amount of U.S.\$292.0 million. The aggregate tender consideration paid amounted to U.S.\$294.8 million plus U.S.\$5.5 million of accrued and unpaid interest on the settlement date. In the first, second and third quarter of 2023, the Company repurchased a portion of its outstanding Senior Notes due 2043 in the aggregate principal amount of Ps.274.3 million and recognized a gain on extinguishment of debt in the amount of Ps.98.7 million, which was recognized in finance expense, net, in the Group's consolidated statement of income for the year ended December 31, 2023. In August 2023, the Company concluded tender offers to purchase for cash a portion of its Senior Notes due 2025, 2026, 2045, 2046 and 2049, in the principal amount of U.S.\$47.0 million, U.S.\$92.6 million, U.S.\$98.7 million, U.S.\$20.4 million and U.S.\$41.3 million, respectively, for an aggregate principal amount of U.S.\$300.0 million. The Company paid for these tender offers cash in the aggregate amount of U.S.\$274.9 million (Ps.4,718.3 million), plus related premiums of U.S.\$6.2 million (Ps.106.5 million) and recognized a gain on extinguishment of debt in the amount of U.S.\$18.9 million (Ps.324.5 million), which was recognized in finance expense, net, in the Group's consolidated statement of income for the year ended December 31, 2023. In the second and third quarters of 2023, the Company repurchased a portion of its outstanding Senior Notes due 2043 in the aggregate principal amount of Ps.274.3 million, the Company paid for this repurchase an aggregate cash amount of Ps.174.8 million, plus related accrued interest of Ps.6.9 million, and recognized a gain on extinguishment of debt in the amount of Ps.92.6 million, which was recognized in finance expense, net, in the Group's consolidated statement of income for the year ended December 31, 2023.
- (3) In 2017, the Company issued Notes ("*Certificados Bursátiles*") due 2027, through the BMV in the aggregate principal amount of Ps.4,500 million, with interest payable semi-annually at an annual rate of 8.79%. The Company may, at its own option, redeem the Notes due 2027, in whole or in part, at any semi-annual interest payment date at a redemption price equal to the greater of the principal amount of the outstanding Notes and the present value of future cash flows, at the redemption date, of principal and interest amounts of the Notes discounted at a fixed rate of comparable Mexican sovereign bonds. The terms of the Notes due 2027 contain covenants that limit the ability of the Company and certain restricted subsidiaries appointed by the Company's Board of Directors, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations, and similar transactions.

[Table of Contents](#)

- (4) In February and March 2022, the Company prepaid all of its outstanding long-term bank loans with original maturities between 2022 and 2023, in the aggregate principal amount of Ps.6,000 million and paid related accrued interest in the aggregate amount of Ps.37.1 million. In July 2019, the Company entered into a credit agreement for a five-year term loan with a syndicate of banks in the aggregate principal amount of Ps.10,000 million. The funds from this loan were used for general corporate purposes, including the refinancing of the Company's indebtedness. This loan bears interest payable on a monthly basis at a floating rate based on a spread of 105 or 130 basis points over the 28-day THIE rate depending on the Group's net leverage ratio. The credit agreement of this syndicated loan requires the maintenance of financial ratios related to indebtedness and interest expense.
- (5) In March 2016, Sky entered into long-term credit agreements with two Mexican banks in the aggregate principal amount of Ps.5,500 million, with maturities between 2021 and 2023, and interest payable on a monthly basis with an annual interest rate in the range of 7.0% and 7.13%. In 2020 and 2021, Sky prepaid a portion of these loans in the aggregate principal amount of Ps.4,500 million. In December 2021, Sky entered into long-term credit agreement with a Mexican Bank in the aggregate principal amount of Ps.2,650 million, with interest payable on a monthly basis and maturity in December 2026, which included a Ps.1,325 million loan with an annual interest rate of 8.215% and a Ps.1,325 million, loan with an annual interest rate of 28-day THIE plus 90 basis points. The funds from these loans were used for general corporate purposes, including the prepayment of Sky's indebtedness. Under the terms of this credit agreement, Sky is required to: (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with a restrictive covenant on spin-offs, mergers and similar transactions. In March 2023, upon the maturity of loans with two Mexican banks, Sky repaid the remaining portions of these loans in the aggregate principal amount of Ps.1,000 million with (i) available cash on hand in the amount of Ps.600 million and (ii) funds from a revolving credit facility in the principal amount of Ps.400 million, plus interest payable on a monthly basis at the annual interest rate of THIE plus 0.85% with a maturity in 2028.
- (6) In March 2010, Sky entered into a lease agreement with Intelsat Global Sales & Marketing Ltd. ("Intelsat") by which Sky is obligated to pay at an annual interest rate of 7.30%, a monthly fee through 2027 of U.S.\$3.0 million for satellite signal reception and retransmission service from 24 KU-band transponders on satellite IS-21, which became operational in October 2012. The service term for IS-21 will end at the earlier of: (a) the end of 15 years; or (b) the date IS-21 is taken out of service (see Note 12 to our consolidated year-end financial statements).
- (7) Lease agreement entered into by a subsidiary of the Company and GTAC for the right to use certain capacity of a telecommunications network through 2030 (see Note 20 to our consolidated year-end financial statements).
- (8) Lease liabilities recognized beginning on January 1, 2019, under IFRS 16 *Leases*, in the aggregate amount of Ps.4,723.3 million and Ps.4,953.6 million, as of December 31, 2023 and 2022, respectively. These lease liabilities have terms which will expire at various dates between 2024 and 2051.

**Interest Expense.** Interest expense for the years ended December 31, 2023, 2022 and 2021 was Ps.7,654.3 million, Ps.9,455.6 million and Ps.9,106.0 million, respectively.

The following table sets forth our interest expense for the years indicated (in millions of U.S. Dollars and millions of Pesos):

	Year Ended December 31, <sup>(1)</sup>					
	2023		2022		2021	
Interest payable in U.S. Dollars	U.S.\$	216.9	U.S.\$	279.5	U.S.\$	287.6
Amounts currently payable under Mexican withholding taxes(2)		11.6		12.5		13.4
Total interest payable in U.S. Dollars	U.S.\$	228.5	U.S.\$	292.0	U.S.\$	301.0
Peso equivalent of interest payable in U.S. Dollars	Ps.	4,094.4	Ps.	5,879.7	Ps.	6,162.5
Interest payable in Pesos		3,559.9		3,575.9		2,973.0
Discontinued operations		—		—		(29.5)
Total interest expense	Ps.	7,654.3	Ps.	9,455.6	Ps.	9,106.0

(1) U.S. Dollars are translated into Pesos at the rate prevailing when interest was recognized as an expense for each period.

(2) See "Additional Information — Taxation — Federal Mexican Taxation".

**Contractual Obligations and Commercial Commitments**

Our contractual obligations and commercial commitments consist primarily of the indebtedness, as described above, and transmission rights obligations.

***Contractual Obligations on the Balance Sheet***

The following table summarizes our contractual obligations on the balance sheet as of December 31, 2023 (these amounts do not include future interest payments):

	Payments Due by Period				
	Total	Less Than 12 Months January 1, 2024 to December 31, 2024	12-36 Months January 1, 2025 to December 31, 2026	36-60 Months January 1, 2027 to December 31, 2028	Maturities Subsequent to December 31, 2028
	(Thousands of U.S. Dollars)				
6.625% Senior Notes due 2025	U.S.\$ 219,438	U.S.\$ —	U.S.\$ 219,438	U.S.\$ —	U.S.\$ —
8.5% Senior Notes due 2032	300,000	—	—	—	300,000
8.49% Senior Notes due 2037	265,761	—	—	—	265,761
6.625% Senior Notes due 2040	600,000	—	—	—	600,000
8.79% Notes due 2027	265,761	—	—	265,761	—
7.25% Senior Notes due 2043	367,677	—	—	—	367,677
5% Senior Notes due 2045	790,610	—	—	—	790,610
4.625% Senior Notes due 2026	207,420	—	207,420	—	—
6.125% Senior Notes due 2046	879,572	—	—	—	879,572
5.250% Senior Notes due 2049	660,928	—	—	—	660,928
Syndicate loan due 2024	590,580	590,580	—	—	—
Scotiabank loan due 2026	156,504	—	156,504	—	—
Long-term debt	5,304,251	590,580	583,362	265,761	3,864,548
Accrued interest payable	88,987	88,987	—	—	—
Satellite transponder lease agreement	117,787	28,337	63,253	26,197	—
Telecommunications network lease agreement	33,885	5,403	11,224	11,349	5,909
Other lease liabilities	278,952	41,909	76,224	60,512	100,307
Total contractual obligations	U.S.\$ 5,823,862	U.S.\$ 755,216	U.S.\$ 734,063	U.S.\$ 363,819	U.S.\$ 3,970,764

**Contractual Obligations off the Balance Sheet**

The following table summarizes our contractual obligations off the balance sheet as of December 31, 2023

	Payments Due by Period				
	Total	Less Than 12 Months January 1, 2024 to December 31, 2024	12-36 Months January 1, 2025 to December 31, 2026	36-60 Months January 1, 2027 to December 31, 2028	Maturities Subsequent to December 31, 2028
(Thousands of U.S. Dollars)					
Interest on debt <sup>(1)</sup>	U.S.\$ 4,332,415	U.S.\$ 243,118	U.S.\$ 552,675	U.S.\$ 470,531	U.S.\$ 3,066,091
Interest on lease liabilities	164,078	35,330	55,648	35,854	37,246
Transmission rights <sup>(2)</sup>	481,621	5,900	129,937	136,522	209,262
Capital expenditures commitments	45,324	45,324	—	—	—
Satellite transponder commitments <sup>(3)</sup>	11,067	6,621	4,446	—	—
Committed financing to GTAC <sup>(4)</sup>	5,985	5,985	—	—	—
<b>Total contractual obligations</b>	<b>U.S.\$ 5,040,090</b>	<b>U.S.\$ 342,278</b>	<b>U.S.\$ 742,706</b>	<b>U.S.\$ 642,907</b>	<b>U.S.\$ 3,312,599</b>

(1) Interest to be paid in future years on outstanding debt as of December 31, 2023, was estimated based on contractual interest rates and exchange rates as of that date.

(2) These line items reflect our obligations related to programming to be acquired or licensed from third party producers and suppliers, and transmission rights for special events to be acquired from a third party.

(3) Reflects our minimum commitments for the use of satellite transponders under operating lease contracts, which payments will be reimbursed by TelevisaUnivision as the final user of these satellite transponders.

(4) In connection with a long-term credit facility, we agreed to provide financing to GTAC in 2024 in the aggregate principal amount of Ps.101.3 million (U.S.\$6.0 million).

**Item 6. Directors, Senior Management and Employees**

**Board of Directors**

The following table sets forth the names of our current directors and their alternates, their dates of birth, their principal occupation, their business experience, including other directorships, and their years of service as directors or alternate directors. The general annual stockholders' meeting takes place annually in order to, among other matters, elect and/or ratify the Company's directors. Our current Board of Directors is composed as follows:

<b>Name and Date of Birth</b>	<b>Principal Occupation</b>	<b>Business Experience</b>	<b>First Elected</b>
Emilio Fernando Azcárraga Jean (02/21/68)	Executive Chairman of the Board and Chairman of the Executive Committee of Grupo Televisa. Member and Chairman of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa).	Former President and Chief Executive Officer of Grupo Televisa. Chief Executive Officer and Chairman of the Board of Ollamani. Member of the Board of TelevisaUnivision and former member of the Board of Grupo Financiero Banamex. Member and Chairman of the Board of Managers of Innova (subsidiary of Grupo Televisa). Member of Consejo Mexicano de Negocios (formerly Consejo Mexicano de Hombres de Negocios) and Fundacion Teletón.	December 1990
<i>In alphabetical order:</i>			
Alfonso de Angoitia Noriega (01/17/62)	Co-Chief Executive Officer, Member of the Executive Committee of Grupo Televisa. Member of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa). Co-Chief Executive Officer of TelevisaUnivision Mexico.	Executive Chairman of the Board of TelevisaUnivision. Member of the Boards of Liberty Latin America, Grupo Axo and Grupo Financiero Banorte and Innova (subsidiary of Grupo Televisa). Chairman of the Board of Trustees of Fundación Kardias. Member of the Boards of Trustees of Fundación Mexicana para la Salud, Fundación UNAM and The Paley Center for Media. Former Executive Vice President and Chief Financial Officer of Grupo Televisa.	April 1997
José Antonio Chedraui Eguía (10/06/66)	Member of the Board of Directors and Chief Executive Officer of Grupo Comercial Chedraui, S.A.B. de C.V.	Former Chief Executive Officer of the Galas division of Grupo Comercial Chedraui, S.A.B. de C.V.	April 2019



[Table of Contents](#)

Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Francisco José Chevez Robelo (07/03/29)	In-house advisor, co-founder and retired partner of Chevez, Ruiz, Zamarripa y Cía, S.C., Member of the Audit Committee of Grupo Televisa. Member of the Board of Directors and Member and Chairman of the Audit and Corporate Practices Committee of Empresas Cablevisión (subsidiary of Grupo Televisa).	Former Managing Partner of Ruiz Urquiza y Cia, S.C., representative of Arthur Andersen & Co. Member of the Board of Directors and Chairman of the Audit Committees of Regiomontana de Perfiles y Tubos, S.A. de C.V., Quality Tube, S.A. de C.V. and Pytco, S.A. de C.V.	April 2003
Jon Feltheimer (09/02/51)	Chief Executive Officer of Lionsgate.	Former President of Columbia TriStar Television Group, former Executive Vice President of Sony Pictures Entertainment. Member of the Boards of Lionsgate and Pilgrim Media Group.	April 2015
José Luis Fernández Fernández (05/18/59)	Managing Partner of Chévez, Ruíz, Zamarripa y Cía., S.C., Member of the Audit Committee and Chairman of the Corporate Practices Committee of Grupo Televisa.	Member of the Boards of Directors of Controladora Vuela Compañía de Aviación. Alternate member of the Board of Directors of Arca Continental Corporativo. Alternate Member of the Board of Directors and Alternate Member of the Audit and Corporate Practices Committee of Empresas Cablevisión (subsidiary of Grupo Televisa).	April 2002
Salvi Rafael Folch Viadero (08/16/67)	Chief Executive Officer of Grupo Jumex.	Former Chief Executive Officer of Grupo Televisa’s Cable Division Member of the Board of Consorcio Ara, S.A.B. Member of the Board and Chairman of the Audit and Corporate Practices Committee of Ollamani. Former Chief Financial Officer of Grupo Televisa. Former Vice President of Financial Planning of Grupo Televisa. Former Member of the Board of Directors and Former Alternate Member of the Executive Committee of Empresas Cablevisión (subsidiary of Grupo Televisa).	April 2002

[Table of Contents](#)

Name and Date of Birth	Principal Occupation	Business Experience	First Elected
Michael Thomas Fries (02/06/63)	President and Chief Executive Officer of Liberty Global, Ltd.	Vice Chairman of the Board of Liberty Global, Executive Chairman of the Board of Liberty Latin America, Member of the Boards of Directors of Lionsgate and Cable Television Labs, Trustee and Finance Committee Member of The Paley Center for Media, an ICT Governor of the World Economic Forum and Honorary Co-Chair for the Biennial of the Americas. Member of Young Presidents' Organization.	April 2015
Guillermo García Naranjo Álvarez (07/02/56)	Chairman of the Audit Committee and member of the Corporate Practices Committee of Grupo Televisa.	Former Chairman of the Board of Trustees of <i>Consejo Mexicano de Normas de Información Financiera</i> . Former Chief Executive Officer and Former Audit Partner of KPMG Cárdenas Dosal, S.C. Member of the Board and Chairman of the Audit Committee of Grupo Financiero Citibanamex, S.A. de C.V., Banco Nacional de México, S.A. and Citibanamex, Casa de Bolsa, S.A. de C.V. and CBM Banco, S.A. Member of the Board of Directors, Member of the Corporate Practices Committee and Chairman of the Audit Committee of Grupo Posadas, S.A.B. de C.V. Statutory Auditor of Total Systems de México. Member of the Board and the Audit and Corporate Practices Committees of Internacional de Cerámica, S.A.B. de C.V.	April 2018

[Table of Contents](#)

<b>Name and Date of Birth</b>	<b>Principal Occupation</b>	<b>Business Experience</b>	<b>First Elected</b>
Bernardo Gómez Martínez (07/24/67)	Co-Chief Executive Officer and Member of the Executive Committee of Grupo Televisa. Member of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa). Co-Chief Executive Officer of TelevisaUnivision Mexico.	Member of the Boards of TelevisaUnivision and Innova (subsidiary of Grupo Televisa). Former Executive Vice President and Deputy Director of the President of Grupo Televisa and Former President of Cámara Nacional de la Industria de Radio y Televisión.	April 1999
Carlos Hank González (09/01/71)	Chairman of the Board of Directors of Grupo Financiero Banorte and Banco Mercantil del Norte. Vice-President of the Board of Directors of Gruma. Chief Executive Officer of Grupo Hermes.	Former Chief Executive Officer of Grupo Financiero Interacciones, Banco Interacciones and Interacciones Casa de Bolsa. Former Deputy General Manager of Grupo Financiero Banorte. Member of the Boards of Directors of Bolsa Mexicana de Valores and Grupo Hermes.	April 2017
Enrique Krauze Kleinbort (09/16/47)	Chief Executive Officer, Chairman of the Board of Directors and Founder of Editorial Clío, Libros y Videos, S.A. de C.V. and Letras Libres, S.A. de C.V.	Member of Academia Mexicana de la Historia and Colegio Nacional.	April 1996
Denise Maerker Salmón (01/08/65)	Executive producer of newscast “En punto”.	Cast member on the debate program “Tercer Grado”. Former Research Professor and Director of Communication at Centro de Investigación y Docencia Económicas (CIDE).	April 2022
Sebastian Mejía (08/24/84)	President and Co-Founder of Rappi.	Co-Founder of Grability.	April 2021

[Table of Contents](#)

<b>Name and Date of Birth</b>	<b>Principal Occupation</b>	<b>Business Experience</b>	<b>First Elected</b>
Lorenzo Alejandro Mendoza Giménez (10/05/65)	Chief Executive Officer, Member of the Board of Directors and Chairman of the Executive Committee of Empresas Polar.	Member of the MIT School of Management Board, the Latin American Board of Georgetown University, the Latin America Conservation Council (LACC), and the Board of Trustees of Universidad Metropolitana. Ashoka Fellow and Member of the World Economic Forum (named a Global Young leader in 2005).	April 2009
Guadalupe Phillips Margain <sup>(1)</sup> (02/07/71)	Chief Executive Officer of ICA Tenedora, S.A. de C.V.	Former Chief Restructuring Officer of Empresas ICA, S.A.B. de C.V. Former Vice-President of Finance and Risk of Grupo Televisa (left more than five years ago). Member of the Board of Directors of Grupo Axo, Club de Industriales, ICA Fluor, Ica Tenedora, Innova (subsidiary of Grupo Televisa) and Controladora Vuela de Aviación, S.A.B. de C.V.	April 2012
Fernando Senderos Mestre (03/03/50)	Executive President and Chairman of the Boards of Directors of Grupo Kuo, S.A.B. de C.V. and Dine, S.A.B de C.V. Chairman of the Board of Directors of Grupo Desc, S.A. de C.V.	Member of the Boards of Kimberly-Clark de México, Industrias Peñoles and Grupo Nacional Provincial. Member of Consejo Mexicano de Negocios (formerly Consejo Mexicano de Hombres de Negocios) and Member of Fundación para las Letras Mexicanas.	April 1992
Enrique Francisco José Senior Hernández (08/03/43)	Managing Director of Allen & Company LLC.	Member of the Boards of Directors of Coca-Cola, Cinemark and FEMSA.	April 2001

[Table of Contents](#)

<b>Name and Date of Birth</b>	<b>Principal Occupation</b>	<b>Business Experience</b>	<b>First Elected</b>
Eduardo Tricio Haro (08/05/63)	Chairman of the Board of Directors of Grupo Lala, Chairman of the Executive Committee of Aeromexico and Member of the Corporate Practices Committee of Grupo Televisa.	Chairman of Grupo Industrial Nuplen, Fundación Lala and SER, A.C. Member of the Boards of Directors of Grupo Aeroméxico, Aura Solar, Hospital Infantil de México “Federico Gómez”, Instituto Tecnológico y de Estudios Superiores de Monterrey, Consejo Mexicano de Negocios and Instituto Nacional de Ciencias Médicas y Nutrición “Salvador Zubirán”.	April 2012
David M. Zaslav (01/15/60)	President, Chief Executive Officer and Director of Warner Bros. Discovery, Inc.	Member of the Boards of Sirius XM Radio, Inc., the Paley Center for the Media, American Cinematheque, Syracuse University and Mount Sinai Medical Center.	April 2015
<b>Alternate Directors:</b>			
<i>In alphabetical order:</i>			
Herbert A. Allen III <sup>(2)</sup> (06/08/67)	President of Allen & Company LLC. Director of the Coca-Cola Company.	Former Executive Vice-President and Managing Director of Allen & Company Incorporated.	April 2002
Félix José Araujo Ramírez (03/20/51)	Vice President of Digital and Broadcast Television and Televisa Regional.	Former Chief Executive Officer of Telesistema Mexicano.	April 2002
Joaquín Balcárcel Santa Cruz (01/04/69)	Chief of Staff of the Executive Chairman of the Board of Directors of Grupo Televisa.	Member of the Board Directors of Ollamani. Former Vice-President — Legal and General Counsel of Grupo Televisa. Former Vice-President and General Counsel of Television Division. Former Legal Director of Grupo Televisa.	April 2000

[Table of Contents](#)

<u>Name and Date of Birth</u>	<u>Principal Occupation</u>	<u>Business Experience</u>	<u>First Elected</u>
Julio Barba Hurtado (05/20/33)	Legal Advisor of Grupo Televisa and Secretary of the Audit and Corporate Practices Committee of Empresas Cablevisión (subsidiary of Grupo Televisa).	Former Legal Advisor to the Board of Grupo Televisa.	December 1990
Luis Alejandro Bustos Olivares (01/01/64)	Legal Vice-President and General Counsel of Grupo Televisa.	Former Legal and Regulatory on Telecommunications Vice-President, former Legal General Director of Special Affairs, former Corporate Legal General Director, former Legal Director of Litigation of Grupo Televisa. Former General Counsel of The Pepsi Bottling Group Mexico. Former litigation lawyer at Mr. Ramón Sánchez Medal's law firm.	April 2021
Jorge Agustín Lutteroth Echevoyen (01/24/53)	Vice-President and Corporate Controller of Grupo Televisa.	Former Senior Partner of Coopers & Lybrand, Despacho Roberto Casas Alatraste, S.C. and former Controller of Televisa Corporación. Alternate Member of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa). Alternate Member of the Board of Managers and the Executive Committee of Innova (subsidiary of Grupo Televisa).	April 2000
Raúl Morales Medrano (05/12/70)	Partner of Chévez, Ruiz, Zamarripa y Cia., S.C.	Member of the Board of Directors and of the Audit and Corporate Practices Committee of Empresas Cablevisión (subsidiary of Grupo Televisa).	April 2002

(1) Guadalupe Phillips Margain is the sister of Carlos Phillips Margain, the Company's Chief Financial Officer.

(2) Alternate of Mr. Enrique Francisco José Senior Hernández.

## Our Board of Directors

**General.** The management of our business is entrusted to our Board of Directors. Our bylaws currently provide for a Board of Directors of 20 members, at least 25% of which must be “independent directors” under Mexican law (as described below). The Mexican Securities Market Law provides that the following persons, among others, do not qualify as independent:

- our key executives or employees, as well as the statutory auditors, or comisarios, of our subsidiaries, including those individuals who have occupied any of the described positions within a period of 12 months preceding the appointment;
- individuals who have significant influence over our decision making processes;
- controlling stockholders, in our case, the beneficiary of the Azcárraga Trust;
- partners or employees of any company which provides advisory services to us or any company that is part of our same economic group and that receives 10% or more of its income from us;
- significant clients, suppliers, debtors or creditors, or members of the Board or executive officers of any such entities; or
- spouses, family relatives up to the fourth degree, or cohabitants of any of the aforementioned individuals.

Our bylaws prohibit the appointment of individuals to our Board of Directors who: (i) are members of the board of directors or other management boards of a company (other than the Company or its subsidiaries) that has one or more concessions to operate telecommunications networks in Mexico; or (ii) directly or indirectly, are shareholders or partners of companies (other than the Company or its subsidiaries), that have one or more concessions to operate telecommunications networks in Mexico, with the exception of ownership stakes that do not allow such individuals to appoint one or more members of the management board or any other operation or decision making board.

**Election of Directors.** A majority of the members of our Board of Directors must be Mexican nationals and must be elected by Mexican stockholders. All of our current directors and alternate directors were appointed and/or ratified in their positions by our 2024 annual stockholders’ special and general meetings, which were held on April 26, 2024. A majority of the holders of the Series “A” Shares voting together elected eleven of our directors and corresponding alternates and a majority of the holders of the Series “B” Shares voting together elected five of our directors and corresponding alternates. At our special stockholders’ meetings, a majority of the holders of the Series “L” and Series “D” Shares each elected two of our directors and alternate directors, each of which must be an independent director. Each alternate director may vote in the absence of a corresponding director. The number of directors elected to our Board of Directors is determined by our stockholders pursuant to our bylaws. No other governing body of the Company, including the Corporate Practices Committee, has the authority to set and/or limit the number of directors. Our stockholders’ meetings held on April 26, 2024 resolved that our directors and alternate directors be elected annually for a term that will expire when new appointments are approved by our stockholders as provided by our bylaws and applicable law. In addition, if any director is elected for a specific term and such term expires or any director resigns from his or her position, any such director will continue to serve in his or her position for up to a 30-day term; in this case, the Board of Directors is entitled to appoint provisional directors without the approval of the stockholders’ meeting.

**Quorum; Voting.** In order to have a quorum for a meeting of the Board of Directors, generally at least 50% of the directors or their corresponding alternates must be present. However, in the case of a meeting of the Board of Directors to consider certain proposed acquisitions of our capital stock, at least 75% of the directors or their corresponding alternates must be present. In the event of a deadlock of our Board, our Chairman will have the deciding vote.

**Meetings; Actions Requiring Board Approval.** Our bylaws provide that our Board must meet at least quarterly, and that our Chairman, 25% of the Board members, our Secretary, alternate Secretary, the Chairman of the Audit Committee or the Chairman of the Corporate Practices Committee may call for a Board meeting.

Pursuant to the Mexican Securities Market Law and our bylaws, our Board of Directors must approve, among other matters:

- our general strategy;

- with input from the Audit Committee, on an individual basis: (i) our financial statements; (ii) unusual or non-recurrent transactions and any transactions or series of related transactions during any calendar year that involve (a) the acquisition or sale of assets with a value equal to or exceeding 5% of our consolidated assets, or (b) the giving of collateral or guarantees or the assumption of liabilities, equal to or exceeding 5% of our consolidated assets; (iii) agreements with our external auditors; and (iv) accounting policies within IFRS;
- with input from the Corporate Practices Committee, on an individual basis: (i) any material transactions with related parties, in accordance with the criteria set forth in the Mexican Securities Market Law, subject to certain limited exceptions; and (ii) the appointment of our Chief Executive Officer (position currently held by our Co-Chief Executive Officers) and his or her compensation;
- creation of special committees and granting them the power and authority, provided that the committees will not have the authority, which by law or under our bylaws is expressly reserved for the stockholders or the Board;
- matters related to antitakeover provisions provided for in our bylaws; and
- the exercise of our general powers in order to comply with our corporate purpose.

***Duty of Care and Duty of Loyalty.*** The Mexican Securities Market Law imposes a duty of care and a duty of loyalty on directors. The duty of care requires our directors to act in good faith and in the best interests of the Company. In carrying out this duty, our directors are required to obtain the necessary information from the Co-Chief Executive Officers, the executive officers, the external auditors or any other person to act in the best interests of the Company. Our directors are liable for damages and losses caused to us and our subsidiaries as a result of violating their duty of care.

The duty of loyalty requires our directors to preserve the confidentiality of information received in connection with the performance of their duties and to abstain from discussing or voting on matters in which they have a conflict of interest. In addition, the duty of loyalty is breached if a stockholder or group of stockholders is knowingly favored or if, without the express approval of the Board of Directors, a director takes advantage of a corporate opportunity. The duty of loyalty is also breached, among other things, by (i) failing to disclose to the Audit Committee or the external auditors any irregularities that the director encounters in the performance of his or her duties; or (ii) disclosing information that is false or misleading or omitting to record any transaction in our records that could affect our financial statements. Directors are liable for damages and losses caused to us and our subsidiaries for violations of this duty of loyalty. This liability also extends to damages and losses caused as a result of benefits obtained by the director or directors or third parties, as a result of actions of such directors.

Our directors may be subject to criminal penalties of up to 12 years imprisonment for certain illegal acts involving willful misconduct that result in losses to us. Such acts include the alteration of financial statements and records.

Liability actions for damages and losses resulting from the violation of the duty of care or the duty of loyalty may be exercised solely for our benefit and may be brought by us, or by stockholders representing 5% or more of our capital stock, and criminal actions only may be brought by the Mexican Ministry of Finance, after consulting with the Mexican National Banking and Securities Commission. As a safe harbor for directors, the liabilities specified above (including criminal liability) will not be applicable if the director acting in good faith: (i) complied with applicable law, (ii) made the decision based upon information provided by our executive officers or third-party experts, the capacity and credibility of which could not be subject to reasonable doubt, (iii) selected the most adequate alternative in good faith or if the negative effects of such decision could not have been foreseeable, and (iv) complied with stockholders' resolutions provided the resolutions do not violate applicable law.

The members of the board are liable to our stockholders only for the loss of net worth suffered as a consequence of disloyal acts carried out in excess of their authority or in violation of our bylaws.

In accordance with the Mexican Securities Market Law, supervision of our management is entrusted to our Board of Directors, which shall act through the Audit and the Corporate Practices Committees for such purposes, and to our external auditor.

***Audit Committee.*** The Audit Committee is currently composed of three independent members: Guillermo García Naranjo Álvarez, the Chairman, José Luis Fernández Fernández and Francisco José Chevez Robelo. The Chairman of the Audit Committee was ratified at our annual stockholders' meeting held on April 26, 2024, and our Board of Directors appointed the remaining members.



The Audit Committee is responsible for, among other things: (i) submit to the Board of Director's approval, the annual designation and/or ratification of the firm engaged to perform the external audit, as well as the engagement of services other than those related to the external audit to be performed by the external auditors; (ii) evaluating the performance of our external auditors and analyzing their reports, (iii) discussing our financial statements with the persons in charge of their preparation, and based on such discussions, recommending their approval to the Board of Directors, (iv) informing the Board of Directors of the status of our internal controls and their adequacy, (v) requesting reports of executive officers whenever it deems appropriate, (vi) informing the Board of any irregularities that it may encounter as part of the performance of its duties, (vii) receiving and analyzing recommendations and observations made by the stockholders, directors, executive officers, our external auditors or any third party and taking the necessary actions, (viii) review and approve, if applicable, certain related party transactions that are not considered material in accordance with the Mexican Securities Market Law; (ix) calling stockholders' meetings when requested, (x) providing opinions to our Board of Directors with respect to specific matters required under the Mexican Securities Market Law, (xi) requesting and obtaining opinions from independent third parties, as it deems convenient, in connection with the performance of its duties; and (xii) assisting the Board in the preparation of annual reports rendered by the Board to the shareholders and other reporting obligations.

The Chairman of the Audit Committee shall prepare an annual report to our Board of Directors with respect to the activities of the Audit Committee, which shall include, among other things: (i) the status of the internal controls and internal audits and any deviations and deficiencies thereof, taking into consideration the reports of external auditors and independent experts, (ii) the results of any preventive and corrective measures taken based on results of investigations in respect of non-compliance of operating and accounting policies, (iii) the evaluation of external auditors, (iv) the main results from the review of our financial statements and those of our subsidiaries, (v) the description and effects of changes to accounting policies, (vi) the measures adopted as result of observations of stockholders, directors, executive officers and third parties relating to accounting, internal controls, and internal or external audits, and (vii) compliance with stockholders' and directors' resolutions.

**Corporate Practices Committee.** The Corporate Practices Committee is currently composed of the following independent members: José Luis Fernández Fernández, the Chairman, Guillermo García Naranjo Álvarez and Eduardo Tricio Haro. The Chairman of the Corporate Practices Committee was ratified at our annual stockholders' meeting held on April 26, 2024, and our Board of Directors appointed the remaining members.

The Corporate Practices Committee is responsible for, among other things: (i) reviewing and approving corporate goals and objectives relevant to the compensation of the Co-Chief Executive Officers, and reviewing the evaluations of the Co-Chief Executive Officers' performance in light of those goals and objectives, (ii) reviewing and approving the annual base salaries and annual incentive opportunities of the relevant executive, reviewing the parameters evaluating the executive officers' performance and recommending executive officer compensation policies and guidelines to our Board of Directors, (iii) reviewing all other incentive awards and opportunities (cash-based and equity-based), any employment agreements, any change in control agreements and change in control provisions affecting compensation and benefits and any special or supplemental compensation and benefits for the relevant executive and individuals who formerly served as executive officers, and (iv) reviewing and recommending certain material transactions entered into with related parties, in accordance with the Mexican Securities Market Law.

The Chairman of the Corporate Practices Committee shall prepare an annual report to the Board of Directors with respect to the activities of the Corporate Practices Committee, which shall include, among other things: (i) observations with respect to the performance of the relevant executives, (ii) material related party transactions entered into during the course of the fiscal year, and (iii) the compensation packages of the relevant executives.

**Executive Committee of Our Board of Directors.** Our Board of Directors has an Executive Committee. Each member is appointed for a one-year term at each annual general stockholders' meeting. Our bylaws provide that the Executive Committee may generally exercise the powers of the Board of Directors, except those expressly reserved for the Board in our bylaws or by applicable law. The Executive Committee is currently composed by Emilio Azcárraga Jean, Alfonso de Angoitia Noriega and Bernardo Gómez Martínez.

**Executive Officers**

The following table sets forth the names of our executive officers, their dates of birth, their current position, their prior business experience and the years in which they were appointed to their current positions:

<u>Name and Date of Birth</u>	<u>Principal Occupation</u>	<u>Business Experience</u>	<u>First Elected</u>
Emilio Fernando Azcárraga Jean (02/21/68)	Executive Chairman of the Board and Chairman of the Executive Committee of Grupo Televisa. Member and Chairman of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa).	Former President and Chief Executive Officer of Grupo Televisa. Chief Executive Officer and Chairman of the Board of Ollamani. Member of the Board of TelevisaUnivision and former member of the Board of Grupo Financiero Banamex. Member and Chairman of the Board of Managers of Innova (subsidiary of Grupo Televisa). Member of Consejo Mexicano de Negocios (formerly Consejo Mexicano de Hombres de Negocios) and Fundacion Teletón.	December 1990
<i>In alphabetical order:</i>			
Alfonso de Angoitia Noriega (01/17/62)	Co-Chief Executive Officer, Member of the Executive Committee of Grupo Televisa. Member of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa). Co-Chief Executive Officer of TelevisaUnivision Mexico.	Executive Chairman of the Board of TelevisaUnivision. Member of the Boards of Liberty Latin America, Grupo Axo and Grupo Financiero Banorte and Innova (subsidiary of Grupo Televisa). Chairman of the Board of Trustees of Fundación Kardias. Member of the Boards of Trustees of Fundación Mexicana para la Salud, Fundación UNAM and The Paley Center for Media. Former Executive Vice President and Chief Financial Officer of Grupo Televisa.	April 1997
Bernardo Gómez Martínez (07/24/67)	Co-Chief Executive Officer and Member of the Executive Committee of Grupo Televisa. Member of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa). Co-Chief Executive Officer of TelevisaUnivision Mexico.	Member of the Boards of TelevisaUnivision and Innova (subsidiary of Grupo Televisa). Former Executive Vice President and Deputy Director of the President of Grupo Televisa and Former President of Cámara Nacional de la Industria de Radio y Televisión.	April 1999
Carlos Phillips Margain <sup>(1)</sup> (05/15/74)	Chief Financial Officer of Grupo Televisa.	Former Managing Director of Finance of Grupo Televisa. Former Investment Banker at J.P. Morgan, Goldman Sachs, BBVA, and Itaú. Member of the Board of Managers and the Executive Committee of Innova (subsidiary of Grupo Televisa). Alternate member of the Board of Empresas Cablevisión (subsidiary of Grupo Televisa).	October 2021

(1) Carlos Phillips Margain is the brother of Guadalupe Phillips Margain, a member of the Company's Board of Directors.

## Compensation of Directors and Officers

For the year ended December 31, 2023, we paid our directors, alternate directors and officers for services in all capacities aggregate compensation of approximately Ps.692.9 million (U.S.\$40.9 million using the Interbank Rate, as reported by CitiBanamex, as of December 31, 2023). This compensation included certain amounts related to the use of assets and services of the Company, as well as travel expenses reimbursed to directors and officers. See “— Use of Certain Assets and Services” below.

On April 26, 2024, at our general stockholders’ meeting, our stockholders approved the compensation plan for our Board of Directors and the Secretary of the Board of Directors under which our Directors and the Secretary of the Board may elect to receive (i) U.S.\$15,000 for each meeting of the Board to which they attend (or U.S.\$25,000 in the case of Board members traveling from outside of Mexico to attend Board meetings), or (ii) an annual award in the form of CPOs (or in its case, other instrument issued based on shares of the Company), in an amount equivalent to U.S.\$150,000, which would be released on the first anniversary of such award, in exchange for the payment of Ps.1.60 for each such CPO or equivalent instrument. In our April 26, 2024 general stockholders’ meeting, our stockholders also ratified the remuneration of U.S.\$15,000 to be paid to alternate members of the Board and members of the Audit and Corporate Practices Committees, for each meeting of the Board and/or the Audit and Corporate Practices Committees to which they attend.

As of December 31, 2023, we have made Ps.75.5 million in contributions to our pension and seniority premium plans on behalf of our directors, alternate directors and officers. Projected benefit obligations as of December 31, 2023 were approximately Ps.206.9 million.

Our compensation programs for officers play a key role in accomplishing the Company’s operating and financial objectives. The primary goals of our compensation programs include (i) motivating our officers to maximize their contribution in order to accomplish the Company’s objectives, (ii) aligning our officers’ interests with the success of the Company and the creation of shareholder value and (iii) attracting and retaining the most qualified employees for our various businesses.

We place great importance on our ability to attract and retain talented executives and on our capacity to implement incentive programs that motivate executives and reward performance. In general, our compensation programs are designed to take into consideration the specific objectives and circumstances of the business, the scope of an executive’s responsibilities, and a determination of what is considered competitive compensation in the market for similar roles, to the extent such data is available. Our compensation programs provide the opportunity to reward executives for contributing to the annual and long-term financial, operational, and share price performance. We continue to refine our compensation programs in order to adjust to market conditions and strengthen the alignment between executive and shareholder interests.

Certain of our officers are entitled to receive annual performance bonuses. The eligibility, parameters and amount vary among the different divisions and/or officers. In general, annual performance bonuses are determined based on a mix of financial, operational and strategic objectives as well as individual performance objectives tailored to each executive’s role in the Company. The amounts payable under the annual performance bonus depend on the results achieved, and include certain qualitative and/or quantitative objectives that can be related to revenues, EBITDA, cash flow, budgets, market share and others.

We have entered into certain Compensation and Retention Agreements with several executive officers. The conditions applicable to such contracts were approved by the Board of Directors and include, among other conditions, salary, annual retention bonus, annual performance bonus and long-term equity incentive plan. In order to be entitled to the annual performance bonus, certain qualitative and quantitative targets must be met, including parameters related to revenue and EBITDA. If targets are not met, the amounts to be paid decline, and if targets are exceeded, the bonus can reach up to 120% of the target annual performance bonus. The target annual performance bonus is set at approximately one time the fixed component established in the relevant agreements. The long-term equity incentive plan represents more than half of the total compensation of such executives. These agreements may be updated and extended in the future under similar terms and conditions subject to relevant approvals.

In addition, we have granted our executive officers and directors rights to purchase CPOs under the Stock Purchase Plan and the Long-Term Retention Plan. See “— Stock Purchase Plan and Long-Term Retention Plan” below.

## Use of Certain Assets and Services

We maintain an overall security program for Mr. Azcárraga and for certain executive officers, as well as, in some cases, for their families, and for other specific employees and service providers, as permitted under our “*Política de Seguridad*”, or Security Policy, due to business-related security concerns. We refer to the individuals described above as Key Personnel. Our security program includes the use of our personnel, assets and services to accomplish security objectives.

In accordance with this program, we require, under certain circumstances, that certain authorized Key Personnel use aircrafts, either owned or leased by us, for non-business, as well as business travel for our benefit rather than as a personal benefit. The use of such aircrafts is carried out in accordance with, among others, our “*Política de Seguridad*” policy, which establishes guidelines under which authorized Key Personnel may use such aircrafts for personal purposes. If the use of such aircrafts for personal purposes exceeds the specified number of hours, the relevant Key Personnel must reimburse us for the cost of operating the aircrafts during the excess time of use. The aggregate amount of compensation set forth in “— Compensation of Directors and Officers” does include the cost to us of providing this service.

In addition, certain Key Personnel are provided with security systems and equipment for their residences and/or automobiles and with security advice and personal protection services at their residences. The use of these security services is provided in accordance with our “*Política de Seguridad*” policy. The cost of these systems and services are incurred as a result of business-related concerns and are not considered for their personal benefit. As a result, the Company has not included such cost in “— Compensation of Directors and Officers”.

Further, certain Key Personnel are provided with advisory services, including legal, tax, investment and accounting services, through approved company providers, executives and Company personnel. The Company does not include the cost of these services in the aggregate amount of compensation set forth in “— Compensation of Directors and Officers”.

## Stock Purchase Plan and Long-Term Retention Plan

The stock purchase plan has been implemented in several stages since 1999, through a series of conditional sales to plan participants of CPOs. At our general extraordinary and ordinary stockholders’ meeting held on April 30, 2002, our stockholders authorized the creation and implementation of a Long-Term Retention Plan, as well as the creation of one or more special purpose trusts to implement the Long-Term Retention Plan. Pursuant to our Long-Term Retention Plan, we have granted eligible participants, who consist of unionized and non-unionized employees, including key personnel (“Plan Participants”), awards as conditional sales. As of October 2010, our stock purchase plan and our Long-Term Retention Plan were consolidated under a single special purpose trust. Pursuant to the resolutions adopted by our stockholders, we have not, and do not intend to, register shares under the Securities Act that are allocated to the Long-Term Retention Plan.

The CPOs, CPO equivalents and underlying shares that are part of the stock purchase plan will be held by the special purpose trust and will be voted with the majority of the CPOs, CPO equivalents and underlying shares represented at the relevant meeting until these securities are transferred to Plan Participants or otherwise sold in the open market. Our Executive President of the Board, the Board of Directors, the Corporate Practices Committee and the technical committee of the special purpose trust have authority to make decisions related to, and amendments to, the stock purchase plan, including the ability to accelerate vesting terms, to modify the purchase price, to grant, release or transfer CPOs and/or CPO equivalents, subject to conditional sale agreements, to Plan Participants in connection with sales for purposes of making the payment of the related purchase price.

Historically, the price at which the conditional sales of the awards were made to beneficiaries was based on the lowest of (i) the closing price of the CPO on March 31 of the year of the relevant award, and (ii) the average price of the CPO during the first three months of the year of the relevant award. The resulting price would be reduced by dividends, a liquidity discount and by the growth of the consolidated or relevant segment Operating Income Before Depreciation and Amortization, or OIBDA, (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others.

Beginning with the grants to be awarded in respect of fiscal year 2020 under the Long-Term Retention Plan, as approved by the Board of Directors of the Company, such awards may also be granted at a sale price equal to the nominal value of the CPO, which was determined at Ps.1.60. This is intended to further align the incentives of Plan Participants with our shareholders and the Company, and the Company believes this reflects current market practices.

[Table of Contents](#)

In April 2007, the Board of Directors, with input from the then Audit and Corporate Practices Committee, reviewed the compensation of our former Chief Executive Officer and decided to include our former Chief Executive Officer in our Long-Term Retention Plan as well as in any other plan granted to our employees in the future. See “— Compensation of Directors and Officers”.

At our annual general ordinary stockholders’ meeting held on April 2, 2013, our stockholders approved that the number of CPOs that may be granted annually under the Long-Term Retention Plan shall be up to 1.5% of the capital of the Company. As of December 31, 2023, approximately 21.3 million CPOs or CPO equivalents that were transferred to Plan Participants were sold in the open market from 2021 to 2023. Additional sales will continue to take place during or after 2024.

As a result of the Spin-off, the participants of the Long-Term Retention Plan holding CPOs or CPOs equivalents of the Company received the corresponding CPOs or CPOs equivalents of Ollamani, the exercise of which is conditioned on the exercise of the Company’s CPOs or CPOs equivalents.

As of March 31, 2024, the special purpose trust created to implement the Long-Term Retention Plan owned approximately 149.3 million CPO equivalents. This figure is net of approximately 52.9 million, 38.5 million and 27.6 million CPO equivalents vested in 2021, 2022 and 2023, respectively and the return of CPOs or CPO equivalents as a result of awards terminated in previous years. Of such 149.3 million CPO equivalents, approximately 71% are in the form of CPOs and the remaining 29% are in the form of “A”, “B”, “D” and/or Series “L” Shares. As of March 31, 2024, approximately 66.7 million CPO equivalents have been reserved and will become vested between 2024 and 2026 at prices ranging from Ps. 1.6 to Ps. \$38.32 per CPO or CPO equivalent which may be reduced, when applicable, by dividends, a liquidity discount and the growth of the consolidated or relevant segment OIBDA (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others.

As we have done in the past, we may consider further capital increases, among other alternatives, to continue replenishing the Long-Term Retention Plan. Any such capital increases would be subject to the appropriate corporate approvals, including stockholders’ preemptive rights as well as the authorization by our stockholders at the stockholders’ meeting.

#### Share Ownership of Directors and Officers

Share ownership of our directors, alternate directors and executive officers is set forth in the table under “Major Stockholders and Related Party Transactions”. Except as set forth in such table, none of our directors, alternate directors or executive officers is currently the beneficial owner of more than 1% of any class of our capital stock or conditional sale agreements or options representing the right to purchase more than 1% of any class of our capital stock.

#### Employees and Labor Relations

The following table sets forth the number of employees and a breakdown of employees by main category of activity and geographic location as of the end of each year in the three-year period ended December 31, 2023:

	Year Ended December 31,		
	2023	2022	2021
Total number of employees	32,932	37,374	46,786
Category of activity:			
Employees	32,895	37,339	46,717
Executives	37	35	69
Geographic location:			
Mexico	32,919	37,356	46,731
Latin America (other than Mexico)	—	2	2
U.S.	4	7	44
Europe	9	9	9

As of December 31, 2023, 2022 and 2021, approximately 31%, 27% and 38% of our employees, respectively, were represented by unions. We believe that our relations with our employees are good. Under Mexican law, the agreements between us and most of our television and cable television union employees are subject to renegotiation on an annual basis in January of each year. We also have union contracts with artists, musicians and other employees, which are also renegotiated on an annual basis.

As part of the TelevisaUnivision Transaction as of December 31, 2022, approximately 9,300 employees were transferred from the Company to certain subsidiaries of TelevisaUnivision.

**Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation**

Not applicable.

**Item 7. Major Stockholders and Related Party Transactions**

The following table sets forth information about the beneficial ownership of our capital stock by our directors, alternate directors, executive officers, and each person who is known by us to own more than 5% of the currently outstanding Series “A” Shares, Series “B” Shares, Series “L” Shares or Series “D” Shares as of March 31, 2024. Except as set forth below, we are not aware of any holder of more than 5% of any class of our Shares.

Identity of Owner	Shares Beneficially Owned(1)(2)								Aggregate Percentage of Outstanding Shares Beneficially Owned
	Series “A” Shares		Series “B” Shares		Series “D” Shares		Series “L” Shares		
	Number	Percentage of Class	Number	Percentage of Class	Number	Percentage of Class	Number	Percentage of Class	
Azcárraga Trust(3)	52,991,825,705	44.7 %	67,814,604	0.1 %	107,886,870	0.1 %	107,886,870	0.1 %	15.6 %
Dodge & Cox (4)	8,127,653,250	6.9 %	7,152,334,860	13.0 %	11,378,714,550	13.6 %	11,378,714,550	13.6 %	11.2 %
BlackRock, Inc.(5)	3,751,648,100	3.2 %	3,301,450,328	6.0 %	5,252,307,340	6.3 %	5,252,307,340	6.3 %	5.2 %

- (1) Unless otherwise indicated, the information presented in this section is based on the number of shares authorized, issued and outstanding as of March 31, 2024. The number of shares issued and outstanding for legal purposes as of March 31, 2024 was 59,687,500,000 Series A Shares, 52,525,000,000 Series B Shares, 83,562,500,000 Series D Shares and 83,562,500,000 Series L Shares, in the form of CPOs, and an additional 58,926,613,375 Series A Shares, 2,357,207,692 Series B Shares, 238,595 Series D Shares and 238,595 Series L Shares not in the form of CPOs. For financial reporting purposes under IFRS Accounting Standards only, the number of shares authorized, issued and outstanding as of March 31, 2024 was 56,922,296,875 Series A Shares, 50,091,621,250 Series B Shares, 79,691,215,625 Series D Shares and 79,691,215,625 Series L Shares in the form of CPOs, and an additional 56,231,339,039 Series A Shares, 186,537 Series B Shares, 238,541 Series D Shares and 238,541 Series L Shares not in the form of CPOs. The number of shares authorized, issued and outstanding for financial reporting purposes under IFRS Accounting Standards as of March 31, 2024 does not include 110,608,125 CPOs and an additional 2,695,274,336 Series A Shares, 2,357,021,155 Series B Shares, 54 Series D Shares and 54 Series L Shares not in the form of CPOs acquired primarily by the special purpose trust we created to implement our long-term retention plan. See Note 17 to our consolidated year-end financial statements.
- (2) Except through the Azcárraga Trust, none of our directors and executive officers currently beneficially owns more than 1% of our outstanding Series “A” Shares, Series “B” Shares, Series “D” Shares or Series “L” Shares. See “Directors, Senior Management and Employees — Share Ownership of Directors and Officers”. This information is based on information provided by directors and executive officers.
- (3) For a description of the Azcárraga Trust, see “— The Major Stockholders” below.
- (4) Based solely on information included in the report on Schedule 13G by Dodge & Cox, as of December 31, 2023.
- (5) Based solely on information included in the report on Schedule 13G by Blackrock, Inc. as of December 31, 2023.

### The Major Stockholders

The Azcárraga Trust, a trust for the benefit of Emilio Azcárraga Jean, currently holds 44.7% of the outstanding Series “A” Shares, 0.1% of the outstanding Series “B” shares, 0.1% of the outstanding Series “D” Shares and 0.1% of the outstanding Series “L” Shares of the Company. As a result, Emilio Azcárraga Jean currently controls the vote of such shares through the Azcárraga Trust. The Series “A” Shares held through the Azcárraga Trust constitute a majority of the Series “A” Shares whose holders are entitled to vote because non-Mexican holders of CPOs or GDSs are not permitted to vote the underlying Series “A” Shares in accordance with the trust agreement governing the CPOs and the Company’s bylaws. Accordingly, and so long as non-Mexicans own more than a minimal number of Series “A” Shares, Emilio Azcárraga Jean will have the ability to direct the election of 11 out of 20 members of our Board of Directors, as well as prevent certain actions by the stockholders, including dividend payments, mergers, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws.

Pursuant to our bylaws, holders of Series “B” Shares are entitled to elect five out of 20 members of our Board of Directors.

Because the Azcárraga Trust only holds a limited number of Series “B” Shares, there can be no assurance that individuals nominated by the Azcárraga Trust appointees will be elected to our Board.

We believe that as of March 31, 2024, approximately 266.1 million of GDSs were held of record by 69 persons with U.S. addresses. Those GDSs represent 28.0% of the outstanding Series “A” Shares, 53.3% of the outstanding Series “B” Shares, 55.7% of the outstanding Series “D” Shares and 55.7% of the outstanding Series “L” Shares of the Company. Before giving effect to the 2004 recapitalization, substantially all of the outstanding Series “A” Shares not held through CPOs were owned by Televisión and a special purpose trust created for our Long-Term Retention Plan, as described under “Major Stockholders and Related Party Transactions” and “Directors, Senior Management and Employees—Stock Purchase Plan and Long-Term Retention Plan”. For more information regarding our 2004 recapitalization, please refer to our Form 6-K filed with the SEC on March 25, 2004.

### Related Party Transactions

**Transactions and Arrangements with Univision.** We have in the past entered into, and on an ongoing basis continue to enter into, transactions with Univision in the ordinary course of business. In December 2010, the Company and Univision announced the completion of certain agreements by which, among other transactions, the Company made an investment in BMP (now known as Univision Holdings, Inc., or UHI), the parent company of Univision, and the PLA between the Company and Univision was amended and extended through the later of 2025 or 90 months after the Company voluntarily sells two-thirds of its equity interests in UHI. Univision became a related party to the Company as of December 2010 as a result of these transactions.

On January 31, 2022, we completed the TelevisaUnivision Transaction pursuant to which, among other things, we contributed our former Content business (other than the main real estate associated with the production facilities and Mexican over-the-air broadcast concessions and transmission infrastructure, as well as certain assets relating to our former news business which was transferred at closing to an entity controlled by Emilio Fernando Azcárraga Jean) to UHI. After the closing of the TelevisaUnivision Transaction, news programs are owned by the News Company and licensed to TelevisaUnivision. In consideration for the contribution of our former Content business, we received U.S.\$4.5 billion in a combination of cash (U.S.\$3.0 billion) and U.S.\$1.5 billion of common and preferred shares of TelevisaUnivision, excluding closing consideration adjustments. The TelevisaUnivision Transaction was partially financed by UHI through a new Series C preferred equity investment in TelevisaUnivision of U.S.\$1.0 billion in the aggregate led by the SoftBank Latin American Fund, along with ForgeLight, with participation from Google and The Raine Group, as well as debt financing. As of March 31, 2024, we owned a 43.3% equity interest on an as-converted basis (excluding unvested and/or unsettled stock, restricted stock units and options) in TelevisaUnivision and we have certain governance arrangements in connection therewith.

As part of the TelevisaUnivision Transaction, the PLA and the MLA were assigned to an affiliate of UHI, and we will no longer receive any royalties from Univision under the PLA.

Also, as part of the TelevisaUnivision Transaction, we contributed to Univision several intellectual property assets, and TelevisaUnivision granted us a license to use the Televisa trademark for an indefinite term, except in the event of a breach by any of the parties, under a Global Trademark License Agreement entered into by and between us and TelevisaUnivision on January 31, 2022.

For a description of our arrangements with Univision, see “Information on the Company—Business Overview—TelevisaUnivision” and “Operating and Financial Review and Prospects—TelevisaUnivision Transaction”.



**Transactions and Arrangements with Ollamani.** As part of the Spin-off, we and Ollamani entered into a Transition Services Agreement, which include administrative, network and infrastructure, information security, legal and regulatory systems, and other related services, which are expected to be provided by us to Ollamani for 12 months from the date of the Spin-off, subject to early termination or renewal, including with respect to the scope of the services, by the mutual agreement of the parties.

**Transactions and Agreements with Our Directors and Officers.** During 2023, we entered into contracts leasing office space directly or indirectly from certain of our directors and officers for an aggregate amount of Ps.27.85 million. The leases have aggregate annual lease payments for 2024 equal to approximately Ps.32.26 million. We believe that the terms of these leases are comparable to terms that we would have entered into with third parties for similar leases.

Certain of our executive officers have in the past, and from time to time in the future may, purchase debt securities issued by us and/or our subsidiaries from third parties in negotiated transactions. Certain of our executive officers and directors participate in our stock purchase plan and Long-Term Retention Plan. See “Directors, Senior Management and Employees —Stock Purchase Plan and Long-Term Retention Plan”.

**Transactions and Arrangements with Affiliates and Related Parties of Our Directors, Officers and Major Stockholders**

**Consulting Services.** Instituto de Investigaciones Sociales, S.C. (“IIS”), a consulting firm which is controlled by Ariana Azcárraga De Surmont, the sister of Emilio Azcárraga Jean, has from time to time provided consulting and research services to the Company’s subsidiaries. IIS provided services to Fundacion Televisa, A.C. in 2023.

**Citibanamex participation in Syndicated Loan and Revolving Credit Facility.** In June 2019, the Company entered into a long-term credit agreement with a syndicate of banks, including Citibanamex with maturity in 2024, which was prepaid in April 2024. An affiliate of Citibanamex also acted as joint lead arranger and joint book runner with other banks. In February 2022, the Company renewed its revolving credit facility with several lenders and other financial institutions, including CitiBanamex with maturity in 2025, which was terminated in April 2024. Those loans were made on terms substantially similar to those offered by Citibanamex to third parties. Emilio Azcárraga Jean, our Executive Chairman of the Board, was a member of the Board of Citibanamex. For a description of amounts outstanding under, and the terms of, our existing credit facilities with Citibanamex, see “Operating and Financial Review and Prospects—Results of Operations—Liquidity, Foreign Exchange and Capital Resources—Indebtedness”.

**Loans from Banorte.** In 2015, Banorte and TVI entered into a loan agreement with a maturity date of 2022. This loan was made on terms substantially similar to those offered by Banorte to third parties. Alfonso de Angoitia Noriega, our Co-Chief Executive Officer was a member of the board of Banorte, and Carlos Hank González, who is a member of the Board of the Company, is also Chairman of the Board of Banorte. On April 30, 2022, the loan matured and was repaid in full.

**Advertising Services.** Several members of our current Board serve as members of the Boards and/or are stockholders of other companies. See “Directors, Senior Management and Employees”. Some of these companies, including Grupo Comercial Chedraui, Grupo Financiero Banorte, Grupo Lala and Grupo Axo, among others, have purchased advertising services from us in connection with the promotion of their respective products and services from time to time.

**Legal and Advisory Services.** During 2023, Mijares, Angoitia, Cortés y Fuentes, S.C., a Mexican law firm, provided us with legal and advisory services, and we expect that this will continue to be the case in the future. Ricardo Maldonado Yáñez, a partner from the law firm of Mijares, Angoitia, Cortés y Fuentes, S.C., serves also as Secretary of our Board of Directors and Secretary to the Executive Committee of our Board of Directors. We believe that the fees we paid for these services were comparable to those that we would have paid another law firm for similar services. Our co-Chief Executive Officer Alfonso de Angoitia was a founding partner of the firm. Mr. de Angoitia requested a leave of absence in January 2002. In 2012, the leave of absence was formally terminated and Mr. de Angoitia officially ceased being a partner of the firm. Since 2002, when Mr. de Angoitia left the firm, he has not had any role or active participation at the firm, nor has he benefitted from participation in any economic distributions by the firm.

We have engaged Allen & Company for several years to provide the Company with advisory services related to strategic transactions, and we plan to continue to engage Allen & Company for advisory services related to strategic transactions of the Company. Two of our directors are directors of Allen & Company as well. These agreements were entered into on an arm's length basis. We believe that the amounts paid and to be paid under these agreements to Allen & Company are comparable to those paid to third parties for these types of services. Furthermore, the Company typically considers different advisory services providers and obtains quotes for specific projects before engaging with such providers, and the Company customarily engages more than one firm.

For further information about our related party transactions, see Note 20 to our consolidated year-end financial statements.

## **Item 8. Financial Information**

See “Financial Statements” and pages F-1 through F-94, which are incorporated in this Item 8 by reference.

## **Item 9. The Offer and Listing**

### **Trading Information**

Since December 1993, the GDSs have been traded on the New York Stock Exchange, or NYSE, under the symbol “TV” and the CPOs have been traded on the Mexican Stock Exchange under the symbol “TLEVISACPO”. In September 2007, we removed JPMorgan Chase Bank, N.A. as the depository for the GDSs and appointed The Bank of New York Mellon pursuant to a new deposit agreement.

Trading prices of the CPOs and the GDSs are influenced by our results of operations, financial condition, cash requirements, future prospects and by economic, financial and other factors and market conditions. See “Key Information—Risk Factors—Risk Factors Related to Mexico—Economic and Political Developments in Mexico May Adversely Affect Our Business”. We believe that as of March 31, 2024, approximately 266.1 million GDSs were held of record by 69 persons with U.S. addresses.

### **Trading on the Mexican Stock Exchange**

#### **Overview**

The Mexican Stock Exchange, located in Mexico City, operating continuously since 1907, is one of the two stock exchanges in Mexico. The other stock exchange in Mexico is the *Bolsa Institucional de Valores S.A. de C.V.*, which began operations in July 2018 (the “Institutional Stock Exchange” and together with the Mexican Stock Exchange, the “Stock Exchanges in Mexico”). The Mexican Stock Exchange is organized as a *sociedad anónima bursátil de capital variable*, or publicly-traded corporation with variable capital. Securities trading on the Mexican Stock Exchange occurs from 8:30 a.m. to 3:00 p.m., Mexico City time, each business day. All trading on the Mexican Stock Exchange is effected electronically. The Mexican Stock Exchange may impose a number of measures to promote an orderly and transparent trading price of securities, including the operation of a system of automatic suspension of trading in shares of a particular issuer when price fluctuation exceeds certain limits. The Mexican Stock Exchange may also suspend trading in shares of a particular issuer as a result of the disclosure of a material event, or when the changes in the volume traded or share price are not consistent with either the historic performance or information publicly available. The Mexican Stock Exchange may resume trading in the shares when it deems that the material events have been adequately disclosed to public investors or when it deems that the issuer has adequately explained the reasons for the changes in the volume traded or prevailing share price. Under current regulations, in certain cases when the relevant securities are simultaneously traded on a stock exchange outside of Mexico, the Mexican Stock Exchange or the Institutional Stock Exchange, as the case may be, may consider the measures adopted by the other stock exchange in order to suspend and/or resume trading in the issuer's shares. Furthermore, now that the Institutional Stock Exchange has also begun operations, the suspension of trading of a series of a company's securities on one exchange will automatically trigger the suspension of its trading on the other exchange.

Settlement is effected in two business days after a share transaction on both Stock Exchanges in Mexico. Deferred settlement, even by mutual agreement, is not permitted without the approval of the CNBV. Most securities traded on the Mexican Stock Exchange or the Institutional Stock Exchange, including the CPOs, are on deposit with *S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V.*, or Indeval, a privately owned securities depository that acts as a clearinghouse, depository and custodian, as well as a settlement, transfer and registration agent for transactions of the Stock Exchanges in Mexico, eliminating the need for physical transfer of securities.

Although the Mexican Securities Market Law provides for the existence of an over-the-counter market, no such market for securities in Mexico has been developed.

## Market Regulation and Registration Standards

To offer securities to the public in Mexico, an issuer must meet specific qualitative and quantitative requirements, and generally only securities for which an application for registration in the National Registry of Securities, or NRS, maintained by the CNBV has been approved by the CNBV may be listed on the Mexican Stock Exchange or on the Institutional Stock Exchange. As of the date of this report, we are only listed on the Mexican Stock Exchange, and therefore we must only comply with the CNBV's and the Mexican Stock Exchange's rules and regulations for approval. This approval does not imply any kind of certification or assurance related to the merits or the quality of the securities or the solvency of the issuer.

The CNBV has also issued general rules, or General CNBV Rules, applicable to issuers and other securities market participants that govern issuers and issuer activity, among other things.

The General CNBV Rules have mandated that the Stock Exchanges in Mexico adopt minimum requirements for issuers to be registered with the CNBV and have their securities listed on the Mexican Stock Exchange or on the Institutional Stock Exchange. Pursuant to the internal rules of the Stock Exchanges in Mexico, in order to be registered, issuers will be required to have, among other things:

- a minimum number of years of operating history;
  - a minimum financial condition;
  - a minimum number of shares or CPOs to be publicly offered to public investors;
  - a minimum price for the securities to be offered;
  - a minimum of 15% of the capital stock placed among public investors (which percentage may be lowered under certain circumstances);
  - a minimum of 100 holders of shares or of shares represented by CPOs, who are deemed to be public investors under the General CNBV Rules, upon the completion of the offering; and
  - complied with certain corporate governance requirements.
- To maintain its registration, an issuer will be required to have, among other things:
- a minimum of 12% of the capital stock held by public investors;
  - a minimum of 100 holders of shares or of shares represented by CPOs who are deemed to be public investors under the General CNBV Rules; and
  - complied with certain corporate governance requirements.

The CNBV has the authority to waive some of these requirements in some circumstances. Also, some of these requirements are applicable for each series of shares of the relevant issuer.

The Stock Exchanges in Mexico must review annually compliance with the foregoing and other requirements, some of which may be further reviewed on a quarterly or semi-annual basis. The Stock Exchanges in Mexico must inform the CNBV of the results of its review and this information must, in turn, be disclosed to investors. If an issuer fails to comply with any of the foregoing requirements, the Stock Exchange in Mexico on which it is listed will request that the issuer propose a plan to cure the violation. If the issuer fails to propose such plan, if the plan is not satisfactory to the relevant Stock Exchange in Mexico or if the issuer does not make substantial progress with respect to the corrective measures, trading of the relevant series of shares on the relevant Stock Exchange in Mexico will be temporarily suspended until the situation is corrected. In addition, if the issuer fails to propose the plan or ceases to follow such plan once proposed, the CNBV may suspend or cancel the registration of the shares. In such event, the issuer must evidence the mechanisms to protect the rights of public investors and market in general.

[Table of Contents](#)

Issuers of listed securities are required to file unaudited quarterly financial statements and audited annual financial statements as well as various periodic reports with the CNBV and the Stock Exchange in Mexico on which it is listed. Issuers of listed securities must prepare and disclose their financial information by an approved system for each Stock Exchange in Mexico known as *Sistema Electrónico de Envío y Difusión de Información* or SEDI and to the CNBV through the *Sistema de Transferencia de Información sobre Valores*, or STIV-2. Immediately upon its receipt, the relevant Stock Exchange in Mexico makes that information available to the public.

The General CNBV Rules and the internal regulations of the Stock Exchanges in Mexico require issuers of listed securities to file through EMISNET for the BMV, through DIV for the Institutional Stock Exchange and through and STIV-2 the information on the occurrence of material events affecting the relevant issuer. Material events include, but are not limited to, as long as they have, or could potentially have, an effect on the price of the issuer's securities:

- the entering into or termination of joint venture agreements or agreements with key suppliers;
- the creation of new lines of businesses or services;
- significant deviations in expected or projected operating performance;
- the restructuring or payment of significant indebtedness;
- material litigation or labor conflicts;
- changes in dividend policy;
- the commencement of any insolvency, suspension or bankruptcy proceedings;
- changes in the directors; and
- any other event that may have a material adverse effect on the results, financial condition or operations of the relevant issuer.

If there is unusual price volatility of the securities listed, the issuer would be obliged to immediately inform the CNBV and the corresponding Stock Exchange in Mexico of the causes of such volatility or, if the issuer is unaware of such causes, make a statement to that effect, in order for the corresponding Stock Exchange in Mexico to immediately convey that information to the public. In addition, the corresponding Stock Exchange in Mexico must immediately request that issuers disclose any information relating to relevant material events, when it deems the information currently disclosed to be insufficient, as well as instruct issuers to clarify such information when it deems the information to be confusing. The corresponding Stock Exchange in Mexico may request issuers to confirm or deny any material events that have been disclosed to the public by third parties when it deems that the material event may affect or influence the securities being traded. The corresponding Stock Exchange in Mexico must immediately inform the CNBV of any requests made to issuers. The CNBV may also make any of these requests directly to issuers. An issuer may delay the disclosure of material events under some circumstances, including where the information being offered is not related to transactions that have been completed.

The CNBV and any of the Stock Exchanges in Mexico may suspend the dealing in securities of an issuer:

- if the issuer does not adequately disclose a material event; or
- upon price or volume volatility or changes in the offer or demand in respect of the relevant securities, which are not consistent with the historic performance of the securities and could not be explained solely by the information made publicly available under the General CNBV Rules.

The Stock Exchanges in Mexico must immediately inform the CNBV and the general public of any such suspension. An issuer may request that the CNBV or the relevant Stock Exchange in Mexico resume trading, provided it demonstrates that the causes triggering the suspension have been resolved and that it is in full compliance with the periodic reporting requirements under the applicable law. If its request has been granted, the corresponding Stock Exchange in Mexico will determine the appropriate mechanism to resume trading in its securities. If trading of an issuer is suspended for more than 20 business days and the issuer is authorized to resume trading without conducting a public offering, the issuer must disclose through EMISNET or DIV, as the case may be, and STIV-2, before trading resumes, a description of the causes that resulted in the suspension and reasons why it is now authorized to resume trading.

Likewise, if the securities of an issuer are traded on any of the Stock Exchanges in Mexico and additionally on a foreign securities market, then that issuer must generally file with the CNBV and the corresponding Stock Exchange in Mexico on a simultaneous basis the information that it is required to file pursuant to the laws and regulations of the relevant other jurisdiction.

Pursuant to the Mexican Securities Market Law, stockholders of issuers listed on any of the Stock Exchanges in Mexico must disclose any transactions, through or outside of any of the Stock Exchanges in Mexico that result in a 10% or more ownership stake of an issuer's capital stock. These stockholders must also inform the CNBV of the results of these transactions the day after their completion. See "Additional Information—Mexican Securities Market Law".

Additionally, related parties of an issuer who increase or decrease their ownership stake, in one or more transactions, by 5% or more, shall disclose such transactions. The Mexican Securities Market Law also requires stockholders holding 10% or more of the capital stock of companies listed in the registry to notify the CNBV of certain ownership changes in shares of the company. Moreover, the CNBV regulations for issuers, require issuers to disclose to the CNBV on an annual basis on or before June 30 of each year: (i) the name and ownership percentage of any Board members and relevant officers that maintain 1% or more of the capital stock of an issuer, (ii) the names and ownership percentage of any other individual or entity that maintains 5% or more of the capital stock of an issuer (regardless of whether such stockholder is an officer or director) and (iii) the names and ownership percentage of the 10 (ten) stockholders with the largest direct ownership stake in an issuer (regardless of the ownership percentage or whether such stockholder is an officer, director, related party or private investor with no relationship to the issuer). Based on the foregoing, Mexican Securities Regulations require that (i) Board members and relevant officers that own 1% or more of the capital stock of an issuer, (ii) any other individual or entity that owns 5% or more of the capital stock of an entity, and (iii) individuals that own 1% of the capital stock of an entity, provide this information to the relevant issuer on or before May 15 of each year.

In addition, in April 2018, the CNBV issued general rules applicable to entities and issuers supervised by the CNBV that use external auditors in connection with the preparation of their basic financial statements (*Disposiciones de carácter general aplicables a las entidades y emisoras supervisadas por la Comisión Nacional Bancaria y de Valores que contraten servicios de auditoría externa de estados financieros básicos*) (as amended from time to time, the "Mexican Auditors Regulations"). The Mexican Auditors Regulations establish certain rules for external auditors and set forth obligations owed among issuers, their Board of Directors and Audit Committees and the external auditors for their services.

## **Item 10. Additional Information**

### **Mexican Securities Market Law**

Under the Mexican Securities Market Law insiders must abstain from purchasing or selling securities of the issuer within 90 days from the last sale or purchase, respectively.

In addition, under the Mexican Securities Market Law, tender offers may be voluntary or mandatory. All tender offers must be open for at least 20 business days and purchases thereunder are required to be made pro-rata to all tendering stockholders. Any intended purchase resulting in a 30% or greater holding requires the tender to be made for the greater of 10% of the company's capital stock or the share capital intended to be acquired; if the purchase is aimed at obtaining control, the tender must be made for 100% of the outstanding shares. In calculating the intended purchase amount, convertible securities, warrants and derivatives the underlying security of which are such shares must be considered. The law also permits the payment of certain amounts to controlling stockholders over and above the offering price if these amounts are fully disclosed, approved by the board of directors and paid in connection with non-compete or similar obligations. The law also contemplates exceptions to the mandatory tender offer requirements and specifically provides for the consequences, to a purchaser, of not complying with these tender offer rules (lack of voting rights, possible annulment of purchases, etc.) and other rights available to prior stockholders of the issuer.

The Mexican Securities Market Law permits public companies to insert provisions in their bylaws pursuant to which the acquisition of control of the company, by the company's stockholders or third parties, may be prevented, if such provisions (i) are approved by stockholders without the negative vote of stockholders representing 5% or more of the outstanding shares, (ii) do not exclude any stockholder or group of stockholders, and (iii) do not restrict, in an absolute manner, the change of control.

## Bylaws

Set forth below is a brief summary of some relevant provisions of our bylaws and Mexican law. This description does not purport to be complete, and is qualified by reference in its entirety to our bylaws, which have been filed as an exhibit to this annual report, and Mexican law. For a description of the provisions of our bylaws relating to our Board of Directors, Executive Committee, Audit Committee and Corporate Practices Committee, see “Directors, Senior Management and Employees”.

### Organization and Register

Grupo Televisa, S.A.B. was originally incorporated as a sociedad anónima, or limited liability corporation under the laws of Mexico in accordance with the Mexican Companies Law and later adopted the form of *sociedad anónima bursátil*, or limited liability stock corporation in accordance with the *Ley del Mercado de Valores*, or the Mexican Securities Market Law. It was incorporated under Public Deed Number 30,200, dated December 19, 1990, granted before Notary Public Number 73 of Mexico City, and registered with the Public Registry of Commerce of Mexico City, under Commercial Page (*folio mercantil*) number 142,164. We have a general corporate purpose, the specifics of which can be found in Article Four of our bylaws.

Our stock registry is maintained by Indeval, and in accordance with Mexican law, we only recognize those holders listed in our stock registry as our stockholders. Our stockholders may hold their share in the form of physical certificates or through book-entries with institutions that have accounts with Indeval. The CPO Trustee is the holder of record for Shares represented by CPOs. Accounts may be maintained at Indeval by brokers, banks and other entities approved by the CNBV.

### Voting Rights and Stockholders’ Meetings

*Holders of Series “A” Shares.* Holders of Series “A” Shares have the right to vote on all matters subject to stockholder approval at any general stockholders’ meeting and have the right, voting as a class, to appoint eleven members of our Board of Directors and the corresponding alternate directors. In addition to requiring approval by a majority of all Shares entitled to vote together on a particular corporate matter, certain corporate matters must be approved by a majority of the holders of Series “A” Shares voting separately. These matters include mergers, dividend payments, spin-offs, changes in corporate purpose, changes of nationality and amendments to the anti-takeover provisions of our bylaws.

*Holders of Series “B” Shares.* Holders of Series “B” Shares have the right to vote on all matters subject to stockholder approval at any general stockholders’ meeting and have the right, voting as a class, to appoint five members of our Board of Directors and the corresponding alternate directors. The five directors and corresponding alternate directors elected by the holders of the Series “B” Shares are elected at a stockholders’ meeting that must be held within the first four months after the end of each year.

*Holders of Series “D” Shares and Series “L” Shares.* Holders of Series “D” Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. In addition, holders of Series “D” Shares are entitled to vote on the following matters at extraordinary general meetings:

- our transformation from one type of company to another;
- any merger (even if we are the surviving entity);
- extension of our existence beyond our prescribed duration;
- our dissolution before our prescribed duration (which is currently 99 years from January 30, 2007);
- a change in our corporate purpose;
- a change in our nationality; and

[Table of Contents](#)

- the cancellation from registration of the Series “D” Shares or the securities which represent the Series “D” Shares with the securities or special section of the NRS and with any other Mexican or foreign stock exchange in which such shares or securities are registered.

Holders of Series “L” Shares, voting as a class, are entitled to vote at special meetings to elect two of the members of our Board of Directors and the corresponding alternate directors, each of which must be an independent director. Holders of Series “L” Shares are also entitled to vote at extraordinary general meetings on the following matters:

- our transformation from one type of company to another;
- any merger in which we are not the surviving entity; and
- the cancellation from registration of the Series “L” Shares or the securities that represent the Series “L” Shares with the special section of the NRS.

The two directors and corresponding alternate directors elected by each of the holders of the Series “D” Shares and the Series “L” Shares are elected at a special meeting of those holders which takes place annually. Special meetings of holders of Series “D” Shares and Series “L” Shares must also be held to approve the cancellation from registration of the Series “D” Shares or Series “L” Shares or the securities representing any of such shares with the NRS, as the case may be, and in the case of Series “D” Shares, with any other Mexican or foreign stock exchange in which such shares or securities are registered. Except as otherwise required by law, all other matters on which holders of Series “L” Shares or Series “D” Shares are entitled to vote must be considered at an extraordinary general meeting. Holders of Series “L” Shares and Series “D” Shares are not entitled to attend or to address meetings of stockholders at which they are not entitled to vote. Under Mexican law, holders of Series “L” Shares and Series “D” Shares are entitled to exercise certain minority protections. See “— Other Provisions—Appraisal Rights and Other Minority Protections”.

Minority shareholders holding at least ten percent of the capital stock represented by Series “A” Shares, will be entitled to appoint one director and its corresponding alternate for each such ten percent. Minority shareholders holding at least ten percent of the capital stock represented by Series “B” Shares, will be entitled to appoint one director and its corresponding alternate for each such ten percent. Minority shareholders holding at least ten percent of the capital stock represented by Series “D” Shares or Series “L” Shares, will be entitled to appoint one director and its corresponding alternate for each such ten percent. Any such appointments by minority shareholders will be counted towards the number of directors that the holders of each such Series is entitled to appoint.

*Other Rights of Stockholders.* Under Mexican law, holders of shares of any series are also entitled to vote as a class in a special meeting governed by the same rules that apply to extraordinary general meetings, as described below, on any action that would prejudice the rights of holders of shares of such series, but not rights of holders of shares of other series, and a holder of shares of such series would be entitled to judicial relief against any such action taken without such a vote. Generally, the determination of whether a particular stockholder action requires a class vote on these grounds could initially be made by the Board of Directors or other party calling for stockholder action. In some cases, under the Mexican Securities Market Law and the Mexican Companies Law, the Board of Directors, the Audit Committee, the Corporate Practices Committee, or a Mexican court on behalf of those stockholders representing 10% of our capital stock can call a special meeting. A negative determination would be subject to judicial challenge by an affected stockholder, and the necessity for a class vote would ultimately be determined by a court. There are no other procedures for determining whether a particular proposed stockholder action requires a class vote, and Mexican law does not provide extensive guidance on the criteria to be applied in making such a determination.

General stockholders' meetings may be ordinary general meetings or extraordinary general meetings. Extraordinary general meetings are those called to consider specific matters specified in Article 182 of the Mexican Companies Law and our bylaws, including, among others, amendments to our bylaws, our dissolution, liquidation or split-up, our merger and transformation from one form of company to another, increases and reductions in our capital stock, the approval of certain acquisitions of shares, including a change of control, as set forth in the antitakeover provisions in our bylaws and any action for civil liabilities against the members of our Board of Directors, its Secretary, or members of our Audit Committee or Corporate Practices Committee. In addition, our bylaws require an extraordinary general meeting to consider the cancellation of registration of the Series "D" Shares or Series "L" Shares or the securities representing these Shares with the NRS, as the case may be, and in the case of Series "D" Shares, with any other Mexican or foreign stock exchange in which such Shares or securities are registered. General meetings called to consider all other matters are ordinary meetings which are held at least once each year within four months following the end of each fiscal year. Stockholders may be represented at any stockholders' meeting by completing a form of proxy provided by us, which proxy is available within fifteen days prior to such meeting, and designating a representative to vote on their behalf. The form of proxy must comply with certain content requirements as set forth in the Mexican Securities Market Law and in our bylaws.

*Holders of CPOs.* Holders of CPOs who are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their shares are entitled to exercise voting rights with respect to the Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares underlying their CPOs. The CPO Trustee will vote such shares as directed by Mexican holders of CPOs, which must provide evidence of Mexican nationality. Non-Mexican holders of CPOs may only vote the Series "L" Shares held in the CPO Trust and are not entitled to exercise any voting rights with respect to the Series "A" Shares, Series "B" Shares and Series "D" Shares held in the CPO Trust. Voting rights in respect of these Series "A" Shares, Series "B" Shares and Series "D" Shares may only be exercised by the CPO Trustee. Series "A" Shares, Series "B" Shares and Series "D" Shares underlying the CPOs of non-Mexican holders or holders that do not give timely instructions as to voting of such Shares, will be voted by the individuals designated by the CPO Trust's Technical Committee (which consists of members of the Board of Directors and/or Executive Committee, who must be Mexican nationals), and at any general shareholders meeting where such series has the right to vote in the same manner as the majority of the outstanding Series "A" Shares held by Mexican nationals or Mexican corporations (directly, or through the CPO Trust, as the case may be) are voted at the relevant meeting. Series "L" Shares underlying the CPOs of any holders that do not give timely instructions as to the voting of such Shares will be voted by the individuals designated by the CPO Trust's Technical Committee (which consists of members of the Board of Directors and/or Executive Committee, who must be Mexican nationals), as instructed by such Technical Committee of the CPO Trust. The CPO Trustee must receive voting instructions five business days prior to the stockholders' meeting. Holders of CPOs that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.

As described in "Major Stockholders and Related Party Transactions," Series "A" Shares held through the Azcárraga Trust constitute a majority of the Series "A" Shares whose holders are entitled to vote, because non-Mexican holders of CPOs or GDSs are not permitted to vote the underlying Series "A" Shares. Accordingly, the vote of Series "A" Shares held through the Azcárraga Trust generally will determine how the Series "A" Shares underlying our CPOs are voted.

*Holders of GDRs.* Global Depositary Receipts, or GDRs, evidencing GDSs are issued by The Bank of New York Mellon, the Depositary, pursuant to the Deposit Agreement we entered into with the Depositary and all holders from time to time of GDSs. A GDR may represent any number of GDSs. Only persons in whose names GDRs are registered on the books of the Depositary will be treated by us and the Depositary as owners and holders of GDRs. Each GDR represents the right to receive five CPOs which will be credited to the account of BBVA Bancomer, S.A., Institución de Banca Múltiple Grupo Financiero BBVA Bancomer, the Custodian, maintained with Indeval for such purpose. Each CPO represents financial interests in, and limited voting rights with respect to, 25 Series "A" Shares, 22 Series "B" Shares, 35 Series "D" Shares and 35 Series "L" Shares held pursuant to the CPO Trust.

The Depositary will mail information on stockholders' meetings to all holders of GDRs. At least six business days prior to the relevant stockholders' meeting, GDR holders may instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the CPOs represented by their GDSs, and the Underlying Shares. Since the CPO Trustee must also receive voting instructions five business days prior to the stockholders' meeting, the Depositary may be unable to vote the CPOs and Underlying Shares in accordance with any written instructions. Holders of GDSs that are Mexican nationals or Mexican corporations whose bylaws exclude foreign ownership of their Shares are entitled to exercise voting rights with respect to the Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares underlying the CPOs represented by their GDSs. Such Mexican holders also must provide evidence of nationality, such as a copy of a valid Mexican passport or birth certificate, for individuals, or a copy of the bylaws, for corporations.



Non-Mexican holders may exercise voting rights only with respect to Series “L” Shares underlying the CPOs represented by their GDSs. They may not direct the CPO Trustee as to how to vote the Series “A” Shares, Series “B” Shares or Series “D” Shares represented by CPOs or attend stockholders’ meetings. Under the terms of the CPO Trust Agreement, the CPO Trustee will vote the Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares represented by CPOs held by non-Mexican holders (including holders of GDRs) as described under “— Holders of CPOs”. If the Depositary does not timely receive instructions from a Mexican or non-Mexican holder of GDRs as to the exercise of voting rights relating to the Series “A” Shares, Series “B” Shares, Series “D” Shares or Series “L” Shares underlying the CPOs, as the case may be, in the relevant stockholders’ meeting then, if requested in writing by us, the Depositary will give a discretionary proxy to a person designated by us to vote the Shares. If no such written request is made by us, the Depositary will not represent or vote, attempt to represent or vote any right that attaches to, or instruct the CPO Trustee to represent or vote, the Shares underlying the CPOs in the relevant stockholders’ meeting and, as a result, the Underlying Shares will be voted in the same manner described under “— Holders of CPOs” with respect to shares for which timely instructions as to voting are not given.

If the Depositary does not timely receive instructions from a Mexican or non-Mexican holder of GDRs as to the exercise of voting rights relating to the underlying CPOs in the relevant CPO holders’ meeting, the Depositary and the Custodian will take such actions as are necessary to cause such CPOs to be counted for purposes of satisfying applicable quorum requirements and, unless we in our sole discretion have given prior written notice to the Depositary and the Custodian to the contrary, vote them in the same manner as the majority of the CPOs are voted at the relevant CPOs holders’ meeting.

Under the terms of the CPO Trust, beginning in December 2008, a non-Mexican holder of CPOs or GDSs may instruct the CPO Trustee to request that we issue and deliver certificates representing each of the Shares underlying its CPOs so that the CPO Trustee may sell, to a third party entitled to hold the Shares, all of those Shares and deliver to the holder any proceeds derived from the sale.

*Limitation on Appointment of Directors.* Our bylaws prohibit the appointment of individuals to our Board of Directors: who (i) are members of the board of directors or other management boards of a company (other than the Company or its subsidiaries) that has one or more concessions to operate telecommunication networks in Mexico; or (ii) directly or indirectly, are shareholders or partners of companies (other than the Company or its subsidiaries), that have one or more concessions to operate telecommunication networks in Mexico, with the exception of ownership stakes that do not allow such individuals to appoint one or more members of the management board or any other operation or decision making board.

## **Dividend Rights**

At our annual ordinary general stockholders’ meeting, our Board of Directors is required to submit our financial statements from the previous fiscal year to the holders of our Series “A” Shares and Series “B” Shares. Once our stockholders approve these financial statements, they must then allocate our net profits for the previous fiscal year. Under Mexican law, at least 5% of our net profits must be allocated to a legal reserve, until the amount of this reserve equals 20% of our paid-in capital stock. Thereafter, our stockholders may allocate our net profits to any special reserve, including a reserve for share repurchases. After this allocation, the remainder of our net profits will be available for distribution as dividends. The vote of the majority of the Series “A” Shares and Series “B” Shares is necessary to approve dividend payments. As described below, in the event that dividends are declared, holders of Series “D” Shares will have preferential rights to dividends as compared to holders of Series “A” Shares, Series “B” Shares and Series “L” Shares. Holders of Series “A” Shares, Series “B” Shares and Series “L” Shares have the same financial or economic rights, including the participation in any of our profits.

## **Preferential Rights of Series “D” Shares**

Holders of Series “D” Shares are entitled to receive a preferred annual dividend in the amount of Ps.0.00034412306528 per Series “D” Share before any dividends are payable in respect of Series “A” Shares, Series “B” Shares and Series “L” Shares. If we pay any dividends in addition to the Series “D” Share fixed preferred dividend, then such dividends shall be allocated as follows:

- first, to the payment of dividends with respect to the Series “A” Shares, the Series “B” Shares and the Series “L” Shares, in an equal amount per share, up to the amount of the Series “D” Share fixed preferred dividend; and
- second, to the payment of dividends with respect to the Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares, such that the dividend per share is equal.
- Upon any dissolution or liquidation of our company, holders of Series “D” Shares are entitled to a liquidation preference equal to:

- accrued but unpaid dividends in respect of their Series “D” Shares; plus
- the theoretical value of their Series “D” Shares as set forth in our bylaws. See “— Other Provisions — Dissolution or Liquidation”.

### **Limitation on Capital Increases**

Our bylaws provide that, in the event shares of a given series are issued as a result of a capital increase (in respect of a cash capital contribution), each holder of shares of that series will have a preferential right to subscribe to new shares of that series, in proportion to the number of such holder’s existing Shares of that series. In addition, primary issuances of Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares in the form of CPOs may be limited under the Mexican Securities Market Law. However, in the case of primary issuances of additional Series “A” Shares, Series “B” Shares, Series “L” Shares and Series “D” Shares in the form of CPOs, any new Series “L” Shares and Series “D” Shares may be required to be converted into Series “A” Shares or other voting stock within a term specified by the CNBV, which in no event shall exceed five years. Moreover, under the Mexican Securities Market Law, the aggregate amount of shares of an issuer with limited or non-voting rights may not exceed 25% of the total shares held by public investors. The vote of the holders of a majority of the Series “A” Shares is necessary to approve capital increases. As a result of grandfathering provisions, our existing CPO structure will not be affected by such limitations.

### **Preemptive Rights**

In the event of a capital increase, a holder of existing shares of a given series has a preferential right to subscribe to a sufficient number of shares of the same series in order to maintain the holder’s existing proportionate holdings of shares of that series. Stockholders must exercise their preemptive rights within the time period fixed by our stockholders at the meeting approving the issuance of additional shares. This period must continue for at least fifteen days following the publication of notice of the issuance in the Official Gazette of the Federation and in a newspaper of general circulation in Mexico City. Under Mexican law, stockholders cannot waive their preemptive rights in advance or be represented by an instrument that is negotiable separately from the corresponding share.

U.S. Holders of GDSs may exercise preemptive rights only if we register any newly issued shares under the Securities Act, as amended, or qualify for an exemption from registration. We intend to evaluate at the time of any offering of preemptive rights the costs and potential liabilities associated with registering additional shares. In addition, if our stockholders’ meeting approves the issuance of shares of a particular series, holders of shares of other series may be offered shares of that particular series.

### **Limitations on Share Ownership**

Through our bylaws and the trust governing the CPOs, we have limited the ownership of our Series “A” Shares and Series “B” Shares to Mexican individuals, Mexican companies whose charters contain a foreign exclusion clause, credit institutions acting as trustees (such as the CPO Trustee) in accordance with the Foreign Investment Law and the Foreign Investment Law Regulations, and trusts or stock purchase, investment and retirement plans for Mexican employees. A holder that acquires Series “A” Shares or Series “B” Shares in violation of the restrictions in our bylaws regarding non-Mexican ownership will have none of the rights of a stockholder with respect to those Series “A” Shares or Series “B” Shares. The Series “D” Shares are subject to the same restrictions on ownership as the Series “A” Shares and Series “B” Shares. However, the foregoing limitations do not affect the ability of non-Mexican investors to hold Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares through CPOs, or Series “L” Shares directly. The sum of the total outstanding number of Series “A” Shares and Series “B” Shares is required to exceed at all times the sum of the total outstanding Series “L” Shares and Series “D” Shares.

Non-Mexican states and governments are prohibited under our bylaws and the LFTR from owning Shares of the Company and are, therefore, prohibited from being the beneficial or record owners of Series “A” Shares, Series “B” Shares, Series “D” Shares, Series “L” Shares, CPOs and GDSs. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that ownership of Series “A” Shares, Series “B” Shares, Series “D” Shares, Series “L” Shares, CPOs and GDSs by pension or retirement funds organized for the benefit of employees of non-Mexican state, municipal or other governmental agencies will not be considered as ownership by non-Mexican states or governments for the purpose of our bylaws or the LFTR.

The LFTR eliminated the restrictions on foreign investment in telecommunications services and satellite communication and increased the maximum permitted foreign-ownership in broadcasting (television and radio) to 49% subject to reciprocity.

We may restrict transfers or, to the extent permitted under applicable law, cause the mandatory sale or disposition of CPOs or GDRs where such transfer or ownership, as the case may be, might result in ownership of CPOs or GDRs exceeding the limits under applicable law or our bylaws, the CPO Trust Agreement or the CPO indenture. Non-Mexican states and governments are prohibited under our bylaws and the LFTR from owning our Shares and are, therefore, prohibited from being beneficial or record owners of GDRs.

#### **Other Provisions**

**Forfeiture of Shares.** As required by Mexican law, our bylaws provide that for Series “L” Shares and CPOs, our non-Mexican stockholders formally agree with the Foreign Affairs Ministry:

- to be considered as Mexicans with respect to the Series “L” Shares and CPOs that they acquire or hold, as well as to the property, rights, concessions, participations or interests owned by us or to the rights and obligations derived from any agreements we have with the Mexican government; and
- not to invoke the protection of their own governments with respect to their ownership of Series “L” Shares and CPOs.

Failure to comply is subject to a penalty of forfeiture of such a stockholder’s capital interests in favor of Mexico. In the opinion of Mijares, Angoitia, Cortés y Fuentes, S.C., our Mexican counsel, under this provision a non-Mexican stockholder is deemed to have agreed not to invoke the protection of its own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the stockholder’s rights as a stockholder, but is not deemed to have waived any other rights it may have, including any rights under the U.S. securities laws, with respect to its investment in the Company. If the stockholder should invoke governmental protection in violation of this agreement, its shares could be forfeited to the Mexican government.

**Exclusive Jurisdiction.** Our bylaws provide that legal action relating to the execution, interpretation or performance of the bylaws shall be brought only in federal courts located in Mexico City.

**Duration.** Our corporate existence under our bylaws continues until 2106.

**Dissolution or Liquidation.** Upon any dissolution or liquidation of our company, our stockholders will appoint one or more liquidators at an extraordinary general stockholders’ meeting to wind up our affairs. The approval of holders of the majority of the Series “A” Shares is necessary to appoint or remove any liquidator. Upon a dissolution or liquidation, holders of Series “D” Shares will be entitled to both accrued but unpaid dividends in respect of their Series “D” Shares, plus the theoretical value of their Series “D” Shares (as set forth in our bylaws). The theoretical value of our Series “D” Shares is Ps.0.00688246130560 per share. Thereafter, a payment per share will be made to each of the holders of Series “A” Shares, Series “B” Shares and Series “L” Shares equivalent to the payment received by each of the holders of Series “D” Shares. The remainder will be distributed equally among all stockholders in proportion to their number of Shares and amount paid.

**Redemption.** Our bylaws provide that we may redeem our Shares with distributable profits without reducing our capital stock by way of a stockholder resolution at an extraordinary stockholders’ meeting. In accordance with Mexican law and our bylaws:

- any redemption shall be made on a pro-rata basis among all of our stockholders;
- to the extent that a redemption is effected through a public tender offer on the Mexican Stock Exchange, the stockholders’ resolution approving the redemption may empower our Board to specify the number of shares to be redeemed and appoint the related intermediary or purchase agent; and
- any redeemed shares must be cancelled.

*Share Repurchases.* As provided by Mexican law, our bylaws allow us to repurchase our Shares on the Mexican Stock Exchange at then prevailing market prices. The amount of capital stock allocated to share repurchases and the amount of the corresponding reserve created for this purpose is determined annually by our stockholders at an ordinary general stockholders' meeting. The aggregate amount of resources allocated to share repurchases in any given year cannot exceed the total amount of our net profits in any given year, including retained earnings. Share repurchases must be charged to either our net worth if the repurchased Shares remain in our possession or our capital stock if the repurchased Shares are converted into treasury shares, in which case our capital stock is reduced automatically in an amount equal to the theoretical value of any repurchased Shares, if any. Any surplus is charged to the reserve for share repurchases. If the purchase price of the Shares is less than the theoretical value of the repurchased Shares, our capital stock account will be affected by an amount equal to the theoretical value of the repurchased Shares. Under Mexican law, we are not required to create a special reserve for the repurchase of shares, nor do we need the approval of our Board to effect share repurchases. In addition, any repurchased Shares cannot be represented at any stockholders' meeting.

*Conflicts of Interest.* Under Mexican Law, any stockholder that votes on a transaction in which his, her or its interests conflict with our interests may be liable for damages, but only if the transaction would not have been approved without his, her or its vote. In addition, any member of the Board of Directors that votes on a transaction in which his, her or its interests conflict with our interests may be liable for damages. The Securities Market Law also imposes a duty of care and a duty of loyalty on directors as described in "Directors, Senior Management and Employees — Our Board of Directors — Duty of Care and Duty of Loyalty". In addition, pursuant to the Mexican Securities Market Law, the Board of Directors, with input from the Corporate Practices Committee, must review and approve certain transactions and arrangements with related parties that meet certain thresholds. See "Directors, Senior Management and Employees — Our Board of Directors — Meetings; Actions Requiring Board Approval".

*Appraisal Rights and Other Minority Protections.* Whenever our stockholders approve a change in our corporate purpose or jurisdiction of organization or our transformation from one type of company to another, any stockholder entitled to vote that did not vote in favor of these matters has the right to receive payment for its Series "A" Shares, Series "B" Shares, Series "D" Shares or Series "L" Shares in an amount calculated in accordance with Mexican law. However, stockholders must exercise their appraisal rights within fifteen days after the stockholders' meeting at which the matter was approved. Because the holders of Series "L" Shares and Series "D" Shares may only vote in limited circumstances, appraisal rights are generally not available to them. See "— Voting Rights and Stockholders' Meetings".

Because the CPO Trustee must vote at a general stockholders' meeting, the Series "A" Shares, Series "B" Shares and Series "D" Shares held by non-Mexicans through the CPO Trust will be voted by the individuals appointed by the Technical Committee of the CPO Trust, in the same manner as the majority of the Series "A" Shares held by Mexican nationals (directly, or through the CPO Trust, as the case may be). As a result, the Series "A" Shares, Series "B" Shares and Series "D" Shares underlying CPOs held by non-Mexicans will not be voted against any change that triggers the appraisal rights of the holders of these Shares. Therefore, these appraisal rights will not be available to holders of CPOs (or GDRs) with respect to Series "A" Shares, Series "B" Shares or Series "D" Shares.

The Mexican Securities Market Law and our bylaws include provisions that permit:

- holders of at least 10% of our outstanding capital stock to request our Chairman of the Board or of the Audit Committee or Corporate Practices Committee to call a stockholders' meeting in which they are entitled to vote;
- subject to the satisfaction of certain requirements under Mexican law, holders of at least 5% of our outstanding capital stock to bring an action for civil liabilities against our directors;
- holders of at least 10% of our Shares that are entitled to vote and are represented at a stockholders' meeting to request postponement of resolutions with respect to any matter on which they were not sufficiently informed; and
- subject to the satisfaction of certain requirements under Mexican law, holders of at least 20% of our outstanding capital stock to contest and suspend any stockholder resolution.

See “*Key Information—Risk Factors—Risk Factors Related to Our Securities—The Protections Afforded to Minority Stockholders in Mexico Are Different From Those in the U.S.*” In addition, in accordance with the Mexican Securities Market Law, we are also subject to certain corporate governance requirements, including the requirement to maintain an audit committee and a corporate practices committee, and to elect independent directors. The protections afforded to minority stockholders under Mexican law are generally different from those in the U.S. and many other jurisdictions. Substantive Mexican law concerning fiduciary duties of directors has not been the subject of extensive judicial interpretation in Mexico, unlike many states in the U.S. where duties of care and loyalty elaborated by judicial decisions help to shape the rights of minority stockholders. Furthermore, despite the fact that recent amendments to the Mexican Federal Code of Civil Procedures have provided for certain types of class actions, these actions are limited to subject matters related to the use of goods or the provision of public or private services, as well as environmental matters. Therefore, Mexican civil procedure does not contemplate class actions or stockholder derivative actions, which permit stockholders in U.S. courts to bring actions on behalf of other stockholders or to enforce rights of the corporation itself. Stockholders in Mexico also cannot challenge corporate actions taken at stockholders’ meetings unless they meet stringent procedural requirements. See “— Voting Rights and Stockholders’ Meetings”. As a result of these factors, it is generally more difficult for our minority stockholders to enforce rights against us or our directors or Major Stockholders than it is for stockholders of a corporation established under the laws of a state of the U.S. In addition, under U.S. securities laws, as a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers with equity securities registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, including the proxy solicitation rules. We are also exempt from many of the corporate governance requirements of the New York Stock Exchange.

### **Antitakeover Protections**

*General.* Our bylaws provide that, subject to certain exceptions: (i) any person, entity or group of persons and/or entities that intends to acquire beneficial ownership of ordinary Shares (as defined below) which, when coupled with ordinary Shares previously beneficially owned by such persons or their affiliates, represent 10% or more of our outstanding ordinary Shares; (ii) any competitor, or group including one or more competitors, that intends to acquire beneficial ownership of ordinary Shares which, when coupled with Shares previously beneficially owned by such competitor, group or their affiliates, represent 5% or more of our outstanding capital stock; (iii) any person, entity or group of persons and/or entities that wishes to acquire beneficial ownership of ordinary Shares representing 10% or more of our outstanding ordinary Shares; and (iv) any competitor, or group including one or more competitors, that intends to acquire beneficial ownership of ordinary Shares representing 5% or more of our capital stock, must obtain the prior approval of our Board of Directors and/or of our stockholders, as the case may be, subject to certain exceptions summarized below. Holders that acquire Shares in violation of these requirements will not be registered in our stock registry. Accordingly, these holders will not be able to vote such Shares or receive any dividends, distributions or other rights in respect of these Shares. In addition, pursuant to our bylaws, these holders will be obligated to pay us a penalty in an amount equal to the market value of the Shares so acquired. Pursuant to our bylaws, “Shares” are defined as the shares (of any class or series) representing our capital stock, and any instruments or securities that represent such shares or that grant any right with respect to or are convertible into those shares, expressly including CPOs; our Series “A” Shares and Series “B” Shares are our ordinary Shares.

Pursuant to our bylaws, a “competitor” is generally defined as any person or entity dedicated, directly or indirectly, to any of the following businesses or activities: television production and broadcasting, pay-TV production, program licensing, DTH satellite services, publishing (newspaper and/or magazine), publishing distribution, music recording, cable television, the transmission of programming and/or other content by any other means known or to be known, radio broadcasting and production, the promotion of professional sports and other entertainment events, paging services, production, feature film/motion picture production and distribution, dubbing and/or the operation of an Internet portal. A “competitor” is also defined to include any person, entity and/or group that is engaged in any type of business or activity in which we may be engaged from time to time and from which we derive 5% or more of our consolidated income.

[Table of Contents](#)

*Board Notices, Meetings, Quorum Requirements and Approvals.* To obtain the prior approval of our Board, a potential acquiror must properly deliver a written notice that states, among other things: (i) the number and class/type of our Shares it beneficially owns; (ii) the percentage of Shares it beneficially owns with respect to both our outstanding capital stock and the respective class/type of our Shares; (iii) the number and class/type of Shares it intends to acquire; (iv) the number and class/type of Shares it intends to grant or share a common interest or right; (v) its identity, or in the case of an acquiror which is a corporation, trust or legal entity, its stockholders or beneficiaries as well as the identity and nationality of each person effectively controlling such corporation, trust or legal entity; (vi) its ability to acquire our Shares in accordance with our bylaws and Mexican law, (vii) its source of financing the intended acquisition; (viii) if it has obtained any financing from one of its related parties for the payment of the Shares; (ix) the purpose of the intended acquisition; (x) if it intends to acquire additional common Shares in the future; which coupled with the current intended acquisition of common Shares and the common Shares previously beneficially owned by the potential acquiror, would result in ownership of 20% or more of our common Shares; (xi) if it intends to acquire control of us in the future; (xii) if the acquiror is our competitor or if it has any direct or indirect economic interest in or family relationship with one of our competitors; and (xiii) the identity of the financial institution, if any, that will act as the underwriter or broker in connection with any tender offer.

Either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must call a Board meeting within 10 calendar days following the receipt of the written notice and the Board meeting must be held within 45 calendar days following the call. Action by written consent is not permitted. With the exception of acquisitions that must be approved by the general extraordinary stockholders' meeting as described below in "— Stockholder Notices, Meetings, Quorum Requirements and Approvals" in order to proceed with any acquisition of Shares that require Board authorization as set forth in our bylaws, such acquisition must be approved by at least the majority of the members of our Board present at a meeting at which at least 75% of the members of our Board are present. Such acquisitions must be acted upon by our Board within 60 calendar days following the receipt of the written notice described above, unless the Board determines that it does not have sufficient information upon which to base its decision. In such case, the Board shall deliver a written request to the potential acquiror for any additional information that it deems necessary to make its determination. The 60 calendar days referred to above will commence following the receipt of the additional information from the potential acquiror to render its decision.

*Stockholder Notices, Meetings, Quorum Requirements and Approvals.* In the event: (i) of a proposed acquisition of Shares that would result in a “change of control”; (ii) that our Board cannot hold a Board meeting for any reason; (iii) of a proposed acquisition by a competitor and having certain characteristics; or (iv) that the Board determines that the proposed acquisition must be approved by our stockholders at a general extraordinary stockholders’ meeting, among others, then the proposed acquisition must be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders’ meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. In addition, any proposed merger, spin-off, or capital increase or decrease which results in a change of control must also be approved by the holders of at least 75% of our outstanding common Shares at a general extraordinary stockholders’ meeting (both in the case of first and subsequent calls) at which the holders of at least 85% of our outstanding common Shares are present. Pursuant to our bylaws, a “change of control” is defined as the occurrence of any of the following: (i) the acquisition or transfer of ownership of a majority of our outstanding common Shares; (ii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, elect a majority of the members of our Board of Directors, to elect a majority of the members of our Board of Directors; or (iii) the ability of a person, entity or group, other than the person who currently has the ability to, directly or indirectly, determine our administrative decisions or policies, to determine our administrative decisions or policies. In the event that the general extraordinary stockholders’ meeting must approve the proposed acquisition, either the Chairman, the Secretary or the Alternate Secretary of our Board of Directors must publish a call for a general extraordinary stockholders’ meeting in the Official Gazette of the Federation and two other newspapers of general circulation in Mexico City at least 30 calendar days prior to such meeting (both in the case of first and subsequent calls). Once the call for the general extraordinary stockholders’ meeting has been published, all information related to the agenda for the meeting must be available for review by the holders of common Shares at the offices of our Secretary.

*Mandatory Tender Offers in the Case of Certain Acquisitions.* If either our Board of Directors or our stockholders at a general extraordinary stockholders’ meeting, as the case may be, authorize an acquisition of common Shares which increases the acquiror’s ownership to 20% or more, but not more than 50%, of our outstanding common Shares, without such acquisition resulting in a change of control, then the acquiror must effect its acquisition by way of a cash tender offer for a specified number of Shares equal to the greater of (x) the percentage of common Shares intended to be acquired or (y) 10% of our outstanding capital stock. In the event that our stockholders approve an acquisition that would result in a change of control, the acquiror must effect its acquisition by way of a cash tender offer for 100% of our total outstanding capital stock at a price which cannot be lower than the highest of the following: (i) the book value of the common Shares and CPOs as reported on the last quarterly income statement approved by the Board of Directors, (ii) the highest closing price of the common Shares, on any stock exchange during any of the three hundred-sixty-five (365) days preceding the date of the stockholders’ resolution approving the acquisition; or (iii) the highest price paid for any Shares, at any time by the acquiror. All tender offers must be made in Mexico and the U.S. within 60 days following the date on which the acquisition was approved by our Board of Directors or stockholders’ meeting, as the case may be. All holders must be paid the same price for their common Shares. The provisions of our bylaws summarized above regarding mandatory tender offers in the case of certain acquisitions are generally more stringent than those provided for under the Mexican Securities Market Law. In accordance with the Mexican Securities Market Law, bylaw provisions regarding mandatory tender offers in the case of certain acquisitions may differ from the requirements set forth in such law, provided that those provisions are more protective to minority stockholders than those afforded by law. In these cases, the relevant bylaw provisions, and not the relevant provisions of the Mexican Securities Market Law, will apply to certain acquisitions specified therein.

*Exceptions.* The provisions of our bylaws summarized above will not apply to (i) transfers of common Shares and/or CPOs by operation of the laws of inheritance, (ii) acquisitions of common Shares and/or CPOs by any person who, directly or indirectly, is entitled to appoint the greatest number of members to our Board of Directors, as well as by (A) entities controlled by such person, (B) affiliates of such person, (C) the estate of such person, (D) certain family members of such person, and (E) such person, when such person acquires any common Shares and/or CPOs from any entity, affiliate, person or family member referred to in (A), (B) and (D) above, and (iii) acquisitions or transfers of common Shares and/or CPOs by us, our subsidiaries or affiliates, or any trust created by us or any of our subsidiaries.

*Amendments to the Antitakeover Provisions.* Any amendments to these antitakeover provisions must be authorized by the CNBV and registered before the Public Registry of Commerce at our corporate domicile.

## Enforceability of Civil Liabilities

We are a publicly traded corporation (*sociedad anónima bursátil*) organized under the laws of Mexico. Substantially all of our directors, executive officers and controlling persons reside outside of the United States, all or a significant portion of the assets of our directors, executive officers and controlling persons, and substantially all of our assets, are located outside of the U.S. and some of the experts named in this annual report also reside outside of the U.S. As a result, it may not be possible for investors to effect service of process within the U.S. upon these persons or to enforce against them or us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our Mexican counsel, Mijares, Angoitia, Cortés y Fuentes, S.C., that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated solely on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws. In the past, Mexican courts have enforced judgments rendered in the U.S. by virtue of the legal principles of reciprocity and comity, consisting of the review in Mexico of the U.S. judgment in order to ascertain whether Mexican legal principles of due process and public policy (*orden público*) have been complied with, without reviewing the merits of the subject matter of the case. See “Key Information—Risk Factors—Risks Factors Related to Our Securities—It May Be Difficult to Enforce Civil Liabilities Against Us or Our Directors, Executive Officers and Controlling Persons”.

## Material Contracts

We have been granted a number of concessions by the Mexican government that authorizes us to broadcast programming over our television stations and our cable and DTH systems. These concessions are described under “Information on the Company—Business Overview—Regulation”. If we are unable to renew, or if the Mexican government revokes, any of these concessions, our business would be materially adversely affected. See “Key Information—Risk Factors—Risk Factors Related to Our Business—The Operation of Our Business May Be Adversely Affected if the Mexican Government Does Not Renew or Revokes Our Broadcast or Other Concessions”.

We operate our DTH satellite service in Mexico, Central America and the Dominican Republic through a partnership with AT&T. On April 3, 2024, we announced that we had reached an agreement with AT&T to acquire its interest in Sky and become the owner of 100% of Sky’s capital stock. The transaction is subject to customary regulatory approvals. See “Information on the Company—Business Overview—Our Operations—Sky”.

In October 2017, we issued Ps.4,500 million aggregate principal amount of 8.79% local bonds (*Certificados Bursátiles*) due 2027.

In May 2019, we issued U.S.\$750 million aggregate principal amount of 5.25% Senior Notes due 2049. For a description of the material terms of the amended indentures related to our 6.625% Senior Notes due 2025, our 4.625% Senior Notes due 2026, our 8.5% Senior Notes due 2032, our 8.49% Senior Notes due 2037, our 6.625% Senior Notes due 2040, our 7.38% local bonds (*Certificados Bursátiles*) due 2020, our 7.25% Senior Notes due 2043, our 28-day TIEE plus 0.35% local bonds (*Certificados Bursátiles*) due 2021 and 2022, our 5.0% Senior Notes due 2045, our 6.125% Senior Notes due 2046 and our 8.79% local bonds due 2027, as well as the description of the material terms for the Company’s subsidiaries debt and lease liabilities see “Operating and Financial Review and Prospects—Results of Operations—Liquidity, Foreign Exchange and Capital Resources—Refinancings” and “Operating and Financial Review and Prospects—Results of Operations—Liquidity, Foreign Exchange and Capital Resources—Indebtedness”.

On March 30, 2022, we redeemed U.S.\$200 million of the U.S.\$600 million aggregate amount of our 6.625% Senior Notes due 2025.

In August 2022, we completed a tender offer to purchase in cash a principal amount of U.S.\$133.6 million of our 6.625% Senior Notes due 2025, U.S.\$110.6 million of our 5.000% Senior Notes due 2045, and U.S.\$47.8 million of our 5.250% Senior Notes due 2049, for an aggregate principal amount of U.S.\$292.0 million.

In August 2023, we completed a tender offer to purchase in cash a principal amount of up to U.S.\$300.0 million of our 4.625% Notes due 2026, 5.000% Notes due 2045, 5.250% Notes due 2049, 6.625% Notes due 2025 and 6.125% Notes due 2046, for an aggregate principal amount of U.S.\$300.0 million. The aggregate tender consideration paid amounted to U.S.\$281.1 million plus U.S.\$3.0 million of accrued and unpaid interest on the settlement date of the tender offer.

In September 2023, we repurchased a principal amount of Ps.221.6 million of our 7.25% Notes due 2043 in an open market purchase, for a trailing aggregate of Ps.274.3 million in 2023.



[Table of Contents](#)

Our transactions and arrangements with related parties are described under “Major Stockholders and Related Party Transactions—Related Party Transactions”.

For a description of our material transactions and arrangements with Univision, see “Information on the Company—Business Overview—TelevisaUnivision”.

**Legal Proceedings**

On March 5, 2018, a purported stockholder class action lawsuit was filed in the United States District Court for the Southern District of New York (the “District Court”), alleging securities law violations in connection with allegedly misleading statements and/or omissions in the Company’s public disclosures. The lawsuit alleged that the Company and two of its executives failed to disclose alleged involvement in bribery activities relating to certain executives of Fédération Internationale de Football Association (“FIFA”), and wrongfully failed to disclose weaknesses in the Company’s internal control over its financial reporting as of December 31, 2016.

On May 17, 2018, the District Court appointed a lead plaintiff for the putative stockholder class. On August 6, 2018, the lead plaintiff filed an amended complaint. The Company thereupon filed a motion to dismiss the amended complaint. On March 25, 2019, the District Court issued a decision denying the Company’s motion to dismiss, holding that plaintiff’s allegations, if true, were sufficient to support a claim. The parties began to exchange discovery materials, and the discovery process continued into 2022. On June 8, 2020, the District Court issued a decision denying class certification based on the inadequacy of the proposed class representative. On June 29, 2020, the District Court issued a decision granting class certification to a new class representative. The Company sought permission for leave to appeal the District Court’s order.

On October 6, 2020, the United States Court of Appeals for the Second Circuit (the “Court of Appeals”) denied the Company’s request for leave to appeal the District Court’s class certification order.

On May 19, 2021, the District Court issued an order disqualifying class counsel and stayed the case for thirty days so the class representative could identify replacement counsel. On June 17, 2021, the District Court granted a request from the class representative and disqualified counsel to extend the stay for an additional sixty days. On June 18, 2021, a petition for a writ of mandamus was filed in the Court of Appeals, seeking reinstatement of disqualified counsel. On June 23, 2021, the Court of Appeals granted a request from the petitioners to stay proceedings in the District Court pending the Court of Appeals’ decision on the petition. On August 24, 2021, the Court of Appeals denied the petition. On September 14, 2021, the case was returned to the District Court. On October 8, 2021, the District Court appointed new class counsel. On October 22, 2021, the Company filed a motion to define the class period. On March 31, 2022, the discovery period concluded, with exceptions.

On July 20, 2022, the District Court issued a decision on the Company’s class definition motion, defining the class period as April 11, 2013 through November 17, 2017, inclusive. On August 3, 2022, the Company filed a petition with the Court of Appeals seeking permission for leave to appeal the District Court’s order. On November 15, 2022, the Court of Appeals denied the Company’s petition. On August 5, 2022, the Company filed a motion for summary judgment.

On November 23, 2022, the Company announced that it had reached an agreement in principle to settle the securities class action. As set forth in that disclosure, approximately U.S.\$21.5 million of the total settlement amount of U.S.\$95 million was to be provided by the Company, with the remainder to be funded under the Company’s insurance policies. On December 28, 2022, the parties executed a memorandum of understanding memorializing the agreement in principle. On February 28, 2023, the parties executed a settlement agreement to fully resolve and settle the class’s claims, which the lead plaintiff filed with the District Court the same day, along with a motion for preliminary approval of the settlement. On April 20, 2023, the District Court granted preliminary approval of the settlement agreement. Prior funding from the insurance company of its portion of the settlement, on May 4, 2023, the Company paid the plaintiffs the total settlement amount. On August 8, 2023 the Court finally approved the settlement agreement, thus concluding the action, expressly releasing the defendants from any fault, liability, wrongdoing or damages. While the Company continues to believe that the allegations in the case were without merit, it also believed that eliminating the distraction, expense and risk of continued litigation was in the best interest of the Company and its shareholders.

There are several legal actions and claims pending against us which are filed in the ordinary course of business. In our opinion, none of these actions and claims are expected to have a material adverse effect on our financial statements as a whole; however, we are unable to predict the outcome of any of these legal actions and claims.

## Exchange Controls

For a description of exchange controls and exchange rate information, see “Key Information — Exchange Rate Information”.

## Taxation

### U.S. Taxes

General. The following is a summary of the anticipated material U.S. federal income tax consequences of the purchase, ownership and disposition of GDSs, CPOs and the Series “A” Shares, Series “B” Shares, Series “L” Shares and Series “D” Shares underlying the CPOs (referred to herein as the “Underlying Shares”), in each case, except as otherwise noted, by U.S. Holders (as defined below). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular beneficial owner of GDSs, CPOs or Underlying Shares based on the beneficial owner’s particular circumstances. For example, with respect to U.S. Holders, the following discussion does not address the U.S. federal income tax consequences to a U.S. Holder:

- that owns, directly, indirectly or through attribution, 2% or more of the total voting power or value of our outstanding Underlying Shares (including through ownership of GDSs and CPOs);
- that is a dealer in securities, insurance company, financial institution, tax-exempt organization, U.S. expatriate, broker-dealer or trader in securities; or
- whose functional currency is not the U.S. Dollar.
- Also, this discussion does not consider:
- the tax consequences to the stockholders, partners or beneficiaries of a U.S. Holder; or
- special tax rules that may apply to a U.S. Holder that holds GDSs, CPOs or Underlying Shares as part of a “straddle,” “hedge,” “conversion transaction,” “synthetic security” or other integrated investment.

U.S. Holders that use an accrual method of accounting for U.S. federal income tax purposes generally are required to include certain amounts in income no later than the time such amounts are reflected on certain applicable financial statements. The application of this rule may require the accrual of income earlier than would be the case under the general U.S. federal income tax rules described below. U.S. Holders that use an accrual method of accounting for U.S. federal income tax purposes should consult with their tax advisors regarding the potential applicability of this rule to their particular situation.

In addition, the following discussion does not address any aspect of state, local or non-U.S. tax laws other than Mexican tax laws. Further, this discussion generally applies only to U.S. Holders that hold the CPOs, GDSs or Underlying Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (referred to herein as the “Code”).

The discussion set forth below is based on the U.S. federal income tax laws as in force on the date of this annual report, including:

- the Code, applicable U.S. Treasury regulations and judicial and administrative interpretations; and
- the convention between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, including the applicable protocols, collectively referred to herein as the “U.S.-Mexico Tax Treaty.”
- The discussion is subject to changes to those laws and the U.S.-Mexico Tax Treaty subsequent to the date of this annual report, which changes could be made on a retroactive basis, and is also based, in part, on the representations of the Depositary with respect to the GDSs and on the assumption that each obligation in the Deposit Agreement relating to the GDSs and any related agreements will be performed in accordance with their terms.

[Table of Contents](#)

As used in this section, the term “U.S. Holder” means a beneficial owner of CPOs, GDSs or Underlying Shares that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation (or entity treated as a corporation for such purposes) created or organized in or under the laws of the United States, or any State thereof or the District of Columbia;
- an estate the income of which is included in gross income for U.S. federal income tax purposes regardless of source; or
- a trust, if either (x) it is subject to the primary supervision of a court within the United States and one or more “United States persons” has the authority to control all substantial decisions of the trust or (y) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a “United States person”.

If a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds CPOs, GDSs or Underlying Shares, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Partnerships holding CPOs, GDSs or Underlying Shares, and partners in such partnerships, should consult their own tax advisors regarding the U.S. federal income tax consequences of purchasing, owning and disposing of CPOs, GDSs or Underlying Shares.

An individual may be treated as a resident of the United States in any calendar year for U.S. federal income tax purposes by being present in the United States on at least 31 days in that calendar year and for an aggregate of at least 183 days during a three-year period ending at the close of that year. For purposes of this calculation, all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year would be counted. Residents are taxed for U.S. federal income purposes as if they were U.S. citizens.

The application of the U.S.-Mexico Tax Treaty to U.S. Holders is conditioned upon, among other things, the assumptions that the U.S. Holder:

- is not a resident of Mexico for purposes of the U.S.-Mexico Tax Treaty;
- is an individual who has a “substantial presence” (within the meaning of the U.S.-Mexico Tax Treaty) in the United States;
- is entitled to the benefits of the U.S.-Mexico Tax Treaty under the limitation on benefits provision contained in Article 17 of the U.S.-Mexico Tax Treaty; and
- does not have a fixed place of business or a permanent establishment in Mexico with which its ownership of CPOs, GDSs or Underlying Shares is effectively connected.

For U.S. federal income tax purposes, U.S. Holders of GDSs and CPOs will be treated as the beneficial owners of the Underlying Shares represented by the GDSs and CPOs.

**Dividends.** The U.S. Dollar value of any distribution paid by us, including the amount of any Mexican taxes withheld from such distribution, will be included in the gross income of a U.S. Holder as a dividend, treated as ordinary income, to the extent that the distribution is paid out of our current and/or accumulated earnings and profits, as determined under U.S. federal income tax principles. U.S. Holders will not be entitled to claim a dividends received deduction for dividends received from us. Distributions that are treated as dividends received from us by a non-corporate U.S. Holder who meets certain eligibility requirements will qualify for U.S. federal income taxation at a preferential rate of 20% (or lower) if we are a “qualified foreign corporation”. We generally will be a “qualified foreign corporation” if either (i) we are eligible for benefits under the U.S.-Mexico Tax Treaty or (ii) the Underlying Shares or GDSs are listed on an established securities market in the United States. As we are eligible for benefits under the U.S.-Mexico Tax Treaty and the GDSs are listed on the New York Stock Exchange, we presently are a “qualified foreign corporation,” and we generally expect to be a “qualified foreign corporation” in future taxable years, but no assurance can be given that a change in circumstances will not affect our treatment as a “qualified foreign corporation” in any future taxable years. A non-corporate U.S. Holder will not be eligible for the reduced rate (a) if the U.S. Holder has not held the Underlying Shares, CPOs or GDSs for at least 61 days of the 121-day period beginning on the date which is 60 days before the ex-dividend date, (b) to the extent the U.S. Holder is under an obligation to make related payments on substantially similar or related property or (c) with respect to any portion of a dividend that is taken into account as investment income under Section 163(d)(4)(B) of the Code. Any days during which a U.S. Holder has diminished the U.S. Holder’s risk of loss with respect to the Underlying Shares, CPOs or GDSs (for example, by holding an option to sell such Underlying Shares, CPOs or GDSs) are not counted towards meeting the 61-day holding period. Special rules apply in determining the foreign tax credit limitation with respect to dividends subject to U.S. federal income taxation at the reduced rate. U.S. Holders should consult their own tax advisors concerning whether dividends received by them qualify for the reduced rate. In addition, a 3.8% tax may apply to certain investment income recognized by a U.S. Holder. See “— Medicare Tax” below.

To the extent, if any, that the amount of a distribution exceeds our current and/or accumulated earnings and profits, the distribution will first reduce the U.S. Holder’s adjusted tax basis in its Underlying Shares, CPOs or GDSs and, to the extent the distribution exceeds the U.S. Holder’s adjusted tax basis, it will be treated as gain from the sale of the U.S. Holder’s Underlying Shares, CPOs or GDSs. We do not maintain calculations of our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that a distribution paid by us will be treated as a dividend, even if that distribution would otherwise be treated as reducing such U.S. Holder’s adjusted tax basis in its Underlying Shares, CPOs or GDSs or as gain from the sale of the U.S. Holder’s Underlying Shares, CPOs or GDSs under the rules described above.

The U.S. Dollar value of any distributions paid in Pesos, including the amount of any Mexican taxes withheld, will be calculated by reference to the interbank exchange rate in effect on the date of receipt by the U.S. Holder or, with respect to the GDSs, The Bank of New York Mellon, in its capacity as Depository, regardless of whether the payment is in fact converted into U.S. Dollars. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss on any distributions paid in Pesos that are not converted into U.S. Dollars on the day the Pesos are received.

Subject to generally applicable limitations and conditions (including a minimum holding period requirement), Mexican dividend withholding tax paid at the appropriate rate applicable to a U.S. Holder may be eligible for a credit against such U.S. Holder’s U.S. federal income tax liability. In addition to these generally applicable limitations and conditions, Mexican dividend withholding tax would generally need to satisfy the requirements of foreign tax credit regulations adopted by the U.S. Internal Revenue Service (“IRS”) in order to be eligible to be a creditable tax for a U.S. foreign tax credit purposes, unless (i) the U.S. Holder is eligible for, and properly elects, the benefits of the U.S.-Mexico Tax Treaty, in which case the Mexican tax on dividends will be treated as meeting the requirements of the new regulations and therefore as a creditable tax or (ii) the U.S. Holder elects under recently published IRS guidance to treat any Mexican tax on dividends as a creditable tax for foreign tax credit purposes and complies with specific requirements set forth in such guidance. In the case of all other U.S. Holders, the application of these requirements to the Mexican tax on dividends is uncertain and we have not determined whether these requirements have been met. If Mexican tax on dividends is not a creditable or if the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year, the U.S. Holder may be able to deduct the Mexican tax in computing such U.S. Holder’s taxable income for U.S. federal income tax purposes. For U.S. foreign tax credit purposes, dividends distributed by us on CPOs, GDSs or Underlying Shares generally will constitute foreign source “passive category income.” The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. Holder’s particular circumstances and involve the application of complex rules to those circumstances. U.S. Holders should consult their own tax advisors regarding the application of these rules to their particular situations.

In general, pro rata distributions of additional shares with respect to the Underlying Shares that are part of a pro rata distribution to all of our stockholders generally (including U.S. Holders of GDSs) will not be subject to U.S. federal income tax.

A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder and is not a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) will not be subject to U.S. federal income or withholding tax on a dividend paid with respect to the CPOs, GDSs or the Underlying Shares, unless the dividend is effectively connected with the conduct by the beneficial owner of a trade or business in the United States.

**Capital Gains.** Gain or loss recognized by a U.S. Holder on a taxable sale or exchange of CPOs, GDSs or Underlying Shares will be subject to U.S. federal income taxation as capital gain or loss in an amount equal to the difference between the amount realized on the sale or exchange and the U.S. Holder's adjusted tax basis in the CPOs, GDSs or Underlying Shares. Such capital gain or loss generally will be long-term capital gain or loss if the CPOs, GDSs or Underlying Shares have been held for more than one year at the time of disposition. Long-term capital gain of non-corporate U.S. Holders, including individual U.S. Holders, is subject to U.S. federal income tax at a preferential rate of 20% (or lower). In addition, a 3.8% tax may apply to certain investment income recognized by a U.S. Holder on a sale or exchange of CPOs, GDSs or Underlying Shares. See “— Medicare Tax” below. The deductibility of capital losses is subject to significant limitations.

Under foreign tax credit regulations adopted by the IRS, any Mexican tax imposed such capital gains generally will not be treated as a creditable tax for U.S. foreign tax credit purposes, unless (i) the U.S. Holder is eligible for, and properly elects, the benefits of the U.S.-Mexico Tax Treaty or (ii) the U.S. Holder elects under recently published IRS guidance to treat any Mexican tax on such capital gains as a creditable tax for foreign tax credit purposes and complies with specific requirements set forth in such guidance. If the Mexican tax is not a creditable tax, the tax would reduce the amount realized on the sale or other disposition of CPOs, GDSs or Underlying Shares, even if the U.S. Holder has elected to claim a foreign tax credit for other taxes in the same year. Capital gains realized on the sale or other disposition of CPOs, GDSs or Underlying Shares generally will be U.S. source income, unless the gains are subject to Mexican taxation, in which case such gains generally will be treated as arising in Mexico under the U.S.-Mexico Tax Treaty. If capital gains are subject to Mexican taxation under the U.S.-Mexico Tax Treaty, a U.S. Holder generally may elect to treat such gains as foreign source income for U.S. foreign tax credit limitation purposes. However, any such Mexican taxes may not be used to offset U.S. federal income tax on any other item of income, and foreign taxes on any other item of income cannot be used to offset U.S. federal income tax on such gains. U.S. Holders should consult their tax advisors regarding the potential applicability of these rules to their particular situations.

Capital losses recognized on the sale or exchange of CPOs, GDSs or Underlying Shares generally will offset U.S. source income. Deposits and withdrawals of CPOs for GDSs and of Underlying Shares for CPOs by U.S. Holders will not be subject to U.S. federal income tax.

A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder and is not a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) generally will not be subject to U.S. federal income tax on gain recognized on a sale or exchange of CPOs, GDSs or Underlying Shares unless:

- the gain is effectively connected with the beneficial owner's conduct of a trade or business in the United States; or
- the beneficial owner is an individual who holds CPOs, GDSs or Underlying Shares as a capital asset, is present in the United States for 183 days or more in the taxable year of the sale or exchange and meets other requirements.

**Medicare Tax.** A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will generally be subject to a 3.8% tax on the lesser of (i) the U.S. Holder's "net investment income" for a taxable year and (ii) the excess of the U.S. Holder's modified adjusted gross income for such taxable year over U.S.\$200,000 (U.S.\$250,000 in the case of joint filers). For these purposes, "net investment income" will generally include dividends paid with respect to CPOs, GDSs or Underlying Shares and net gain attributable to the disposition of CPOs, GDSs or Underlying Shares (in each case, unless such CPOs, GDSs or Underlying Shares are held in connection with certain trades or businesses), but will be reduced by any deductions properly allocable to such income or net gain.

**U.S. Backup Withholding.** A U.S. Holder may be subject to U.S. information reporting and U.S. backup withholding on dividends paid on Underlying Shares, and on proceeds from the sale or other disposition of CPOs, GDSs or Underlying Shares, unless the U.S. Holder:

- comes within an exempt category and, if required, certifies its exempt status; or

- provides the applicable withholding agent with the U.S. Holder's taxpayer identification number, certifies as to no loss of exemption from backup withholding tax and otherwise complies with the applicable requirements of the backup withholding rules.

The amount of any backup withholding will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund, provided, however, that certain required information is timely furnished to the U.S. Internal Revenue Service ("IRS"). A beneficial owner of CPOs, GDSs or Underlying Shares that is not a U.S. Holder may be required to comply with certification and identification procedures in order to establish its exemption from backup withholding.

**Certain Reporting Requirements.** U.S. Holders that are individuals (and to the extent specified in applicable U.S. Treasury regulations, certain U.S. Holders that are entities and certain individuals that are not U.S. Holders) and hold "specified foreign financial assets" (as defined in section 6038D of the Code) are required to file a report on IRS Form 8938 with information relating to such assets for each taxable year in which the aggregate value of all such assets exceeds U.S.\$75,000 at any time during the taxable year or U.S.\$50,000 on the last day of the taxable year (or such higher dollar amount as prescribed by applicable U.S. Treasury regulations). Specified foreign financial assets would include, among other assets, GDSs, CPOs and Underlying Shares that are not held through an account maintained with a U.S. "financial institution" (as defined). Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event a U.S. Holder that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close until three years after the date that the required information is filed. Beneficial owners of GDSs, CPOs or Underlying Shares should consult their own tax advisors regarding their reporting obligations with respect to "specified foreign financial assets".

## Federal Mexican Taxation

**General.** The following is a general summary of the main tax consequences under the Mexican Income Tax Law, Federal Tax Code and rules as currently in effect (the "Mexican Tax Legislation"), all of which are subject to change or interpretation, and under the U.S.-Mexico Tax Treaty, of the purchase, ownership and disposition of CPOs, GDSs or underlying Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares by a person that is not a resident of Mexico for tax purposes, as defined below.

U.S. Holders should consult with their own tax advisors as to their entitlement to benefits afforded by the U.S.-Mexico Tax Treaty. Mexico has also entered into and is negotiating with various countries regarding other tax treaties that may have an effect on the tax treatment of CPOs, GDSs or underlying Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares. Holders should consult with their tax advisors as to their entitlement to the benefits afforded by these treaties.

This discussion does not constitute, and shall not be considered as, legal or tax advice to holders.

According to the Mexican Tax Legislation:

- an individual is a Mexican tax resident if the individual has established his permanent home in Mexico. When an individual, in addition to his permanent home in Mexico, has a permanent home in another country, the individual will be a Mexican tax resident if his center of vital interests is located in Mexico. This will be deemed to occur if, among other circumstances, either (i) more than 50% of the total income obtained by the individual in the calendar year is Mexican source or (ii) when the individual's center of professional activities is located in Mexico. Unless otherwise proven, a Mexican national is considered a Mexican tax resident;
- a legal entity is considered a Mexican tax resident if it maintains the main administration of its head office, business, or the effective location of its management in Mexico.
- a foreign person with a permanent establishment in Mexico will be required to pay taxes in Mexico in accordance with the Mexican Tax Legislation for income attributable to such permanent establishment; and
- a foreign person without a permanent establishment in Mexico will be required to pay taxes in Mexico in respect of revenues proceeding from sources of wealth located in national territory.

Mexican nationals and legal entities who filed a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement with Mexico and an International Treaty that Enables Mutual Administrative Assistance in the Notification, Payment and Collection of Contributions, in which the income of the relevant person is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law, will be considered as Mexican residents for tax purposes during the year of filing of the notice of such residence change and during the following five years. If the notice is not filed, the nationals or legal entities will continue to be considered as Mexican tax residents.

**Dividends.** Beginning in 2014, dividends, either in cash or in any other form, coming from our “previously taxed net earnings account”, or “*cuenta de utilidad fiscal neta*”, generated up to 2013 and paid with respect to the shares underlying the CPOs, including those CPOs represented by GDSs, will not be subject to Mexican withholding tax. On the other hand, the dividends coming from our previously taxed net earnings account generated during or after 2014 will be subject to a 10% Mexican withholding tax. We must first utilize the previously taxed net earnings account generated up to 2013 and when this account no longer has a balance, we must utilize the previously taxed net earnings account generated during or after 2014. The latter dividends will be subject to the 10% Mexican withholding tax.

However, under the U.S.-Mexico Tax Treaty, any U.S. Holder that is eligible to claim the benefits of the U.S.-Mexico Tax Treaty may be exempt from or subject to a lower withholding tax rate on dividends paid with respect to the shares underlying the CPOs, including those CPOs represented by GDSs. The U.S. Holder may be subject to a lower withholding tax rate (5%) under the U.S.-Mexico Tax Treaty if the U.S. Holder is a company that owns directly at least 10% of our voting outstanding shares.

On the other hand, the U.S. Holder may be exempt from withholding tax under the U.S.-Mexico Tax Treaty if the U.S. Holder is either (a) a company that has owned shares representing 80 percent or more of our voting outstanding shares for a 12-month period ending on the date the dividend is declared and that (1) prior to October 1, 1998 owned, directly or indirectly, shares representing 80 percent or more of our voting outstanding shares; or (2) is entitled to the benefits of the U.S.-Mexico Tax Treaty under clauses (i) or (ii) of subparagraph d) of paragraph 1 of Article 17 (Limitation on Benefits); or (3) is entitled to the benefits of the U.S.-Mexico Tax Treaty with respect to the dividends under subparagraph g) of paragraph 1 of Article 17; or (4) has received a determination from the relevant competent authority pursuant to paragraph 2 of Article 17; or (b) a trust, company, or other organization constituted and operated exclusively to administer or provide benefits under one or more plans established to provide pension, retirement or other employee benefits and its income is generally exempt from tax in the United States, provided that such dividends are not derived from the carrying on of a business, directly or indirectly, by such trust, company or organization.

Dividends paid to other Holders that are eligible to receive benefits pursuant to other income tax treaties to which Mexico is a party may be exempt from or subject to a lower withholding tax rate in whole or in part. Non-U.S. Holders should consult their own tax advisors as to their possible eligibility under such other income tax treaties. Appropriate tax residence certifications must be obtained by Holders eligible for tax treaty benefits.

When dividends are paid from our previously taxed net earnings account we will not be required to pay any Mexican corporate income tax on the dividends. During 2024, if dividends are not paid from our previously taxed net earnings account we will be required to pay a 30% Mexican corporate income tax on the grossed-up dividends with the factor 1.4286.

**Sales or Other Dispositions.** Deposits and withdrawals of CPOs for GDSs and of underlying Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares for CPOs will not give rise to Mexican tax or transfer duties.

Beginning on January 1, 2014, the gains on the sale or other disposition of CPOs, GDSs or underlying Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares will be subject to a 10% Mexican withholding tax if the sale is carried out through the Mexican Stock Exchange. This withholding tax will not apply if the Holder is a tax resident of a country that has in effect a Tax Treaty with Mexico, as is the case with the United States; in order to obtain this benefit the Holder must deliver to the withholding agent a letter stating, under oath, (i) that the Holder is resident for purposes of the specific Tax Treaty and (ii) the Holder’s tax identification number.



Sales or other dispositions of CPOs, GDSs or underlying Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares made in other circumstances also would be subject to Mexican income tax. However, under the U.S.-Mexico Tax Treaty, any U.S. Holder that is eligible to claim the benefits of the U.S.-Mexico Tax Treaty may be exempt from Mexican tax on gains realized on a sale or other disposition of CPOs and shares underlying the CPOs in a transaction that is not carried out through the Mexican Stock Exchange. The U.S. Holder will be exempt under the U.S.-Mexico Tax Treaty if the U.S. Holder did not own directly or indirectly 25% or more of our outstanding shares within the 12-month period preceding such sale or disposition. Gains realized by other Holders that are eligible to receive benefits pursuant to other income tax treaties to which Mexico is a party may be exempt from Mexican income tax in whole or in part. Non-U.S. Holders should consult their own tax advisors as to their possible eligibility under such other income tax treaties. Appropriate tax residence certifications must be obtained by Holders eligible for tax treaty benefits.

**Other Mexican Taxes.** There are no estate, gift or succession taxes applicable to the ownership, transfer or disposition of CPOs, GDSs or underlying Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares. However, a gratuitous transfer of CPOs, GDSs or underlying Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares may, in some circumstances, result in the imposition of a Mexican federal tax upon the recipient. There are no Mexican stamp, issuer, registration or similar taxes or duties payable by holders of GDSs, CPOs, or underlying Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares.

#### **Documents on Display**

For further information with respect to us and our CPOs and GDSs, we refer you to the filings we have made with the SEC. Statements contained in this annual report concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to any filing we have made with the SEC, we refer you to the copy of the contract or document that has been filed. Each statement in this annual report relating to a contract or document filed as an exhibit to any filing we have made with the SEC is qualified in its entirety by the filed exhibit.

The Company is subject to the informational requirements of the Exchange Act and in accordance therewith files reports and other information with the SEC. Reports and other information filed by the Company with the SEC are available at the SEC’s website at [www.sec.gov](http://www.sec.gov). We maintain a website at <http://www.televisair.com/en> and make all of our annual, quarterly and current reports and other publicly filed information available, free of charge, on or through our website.

We furnish The Bank of New York Mellon, the depository for our GDSs, with annual reports in English. These reports contain audited consolidated financial statements that, starting with the annual report for year ended December 31, 2012, have been prepared in accordance with IFRS. The historical financial statements included in these reports have been examined and reported on, with an opinion expressed by, an independent registered public accounting firm. The depository is required to mail our annual reports to all holders of record of our GDSs. The Deposit Agreement for the GDSs also requires us to furnish the depository with English translations of all notices of stockholders’ meetings and other reports and communications that we send to holders of our CPOs. The depository is required to mail these notices, reports and communications to holders of record of our GDSs.

As a foreign private issuer, we are not required to furnish proxy statements to holders of our CPOs or GDSs in the United States.

#### **Item 11. Quantitative and Qualitative Disclosures About Market Risk**

##### **Market Risk Disclosures**

Market risk is the exposure to an adverse change in the value of financial instruments caused by market factors including changes in equity prices, interest rates, foreign currency exchange rates, commodity prices and inflation rates. The following information includes “forward-looking statements” that involve risks and uncertainties. Actual results could differ from those presented.

**Risk Management.** We are exposed to market risks arising from changes in equity prices, interest rates, foreign currency exchange rates and inflation rates, in both the Mexican and U.S. markets. Our risk management activities are monitored by our Investments, Risk Management and Treasury Committee.

We monitor our exposure to interest rate risk by: (i) evaluating differences between interest rates on our outstanding debt and short-term investments and market interest rates on similar financial instruments; (ii) reviewing our cash flow needs and financial ratios (indebtedness and interest coverage); (iii) assessing current and forecasted trends in the relevant markets; and (iv) evaluating peer group and industry practices. This approach allows us to establish the interest rate “mix” between variable and fixed rate debt.



Foreign currency exchange risk is monitored by assessing our net monetary liability position in U.S. Dollars and our forecasted cash flow needs for anticipated U.S. Dollar investments and servicing our U.S. Dollar-denominated debt. Equity price risk is assessed by evaluating the long-term value of our investment in both domestic and foreign affiliates, versus comparable investments in the marketplace. We classify our equity investments in affiliates, both domestic and foreign, as long-term assets.

In compliance with the procedures and controls established by our Investments, Risk Management and Treasury Committee, in 2021, 2022 and 2023, we entered into certain derivative transactions with certain financial institutions in order to manage our exposure to market risks resulting from changes in interest rates, foreign currency exchange rates, and inflation rates. Our objective in managing foreign currency and inflation fluctuations is to reduce earnings and cash flow volatility. See Notes 2(w), 4 and 15 to our consolidated year-end financial statements.

***Foreign Currency Exchange Rate Risk and Interest Rate Risk***

During January and April 2012, in connection with TVI's variable rate bank loan with Banorte due 2016, TVI entered into interest rate swap agreements on a notional amount of Ps.500.0 million and Ps.800.0 million, respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of four years at an interest rate of 6.9315%. In May 2015, the variable rate bank loan was prepaid but this agreement continued because a new variable rate bank loan with Banorte due 2022 was agreed and it covered the same exposure until February 2016. In October 2016, the Company entered as a guarantor on the bank loan due 2022 with Banorte, and as a consequence, the interest rate payable decreased 30 bps as of October 2016. In August 2015 and March 2017, TVI entered into interest rate swap agreements on a notional amount of Ps.250.0 million and Ps.750.0 million, respectively. These agreements also involved the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments at an interest rate of 7.8469%. On April 5, 2017, TVI entered into an interest rate swap agreement on a notional amount of Ps.742.0 million that allowed us to fix all coupon payments at an interest rate of 8.0250%. In April 2022, the bank loan was fully prepaid, and the interest rate swap matured.

During the last quarter of 2017, in connection with the variable rate bank loan with HSBC due 2022, the Company entered into interest rate swap agreements on notional amounts of Ps.2,000.0 million. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 8.6275%. On February 23, 2022, we prepaid the full amount of this loan, and the interest rate swap matured in October 2022.

During the last quarter of 2017, in connection with the variable rate bank loan with Santander due 2022, the Company entered into interest rate swap agreements on notional amounts of Ps.1,500.0 million. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 8.6%. On February 23, 2022, we prepaid the full amount of this loan, and the interest rate swap matured in November 2022.

During the last quarter of 2017 and the first quarter of 2018, in connection with the variable rate bank loan with Scotiabank due 2023, the Company entered into interest rate swap agreements on notional amounts of Ps.1,000.0 million and Ps.1,500.0 million respectively. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 9.0485%. On March 7, 2022, we prepaid the full amount of this loan and the interest rate swaps matured in February 2023.

During the first quarter of 2020, the Company drew down from its RCF for an amount of Ps.14,771 million due 2022. In connection with the RCF, the company entered into interest rate swap agreements for the full amount. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a two-year period at an interest rate of 6.0738%. The RCF was fully prepaid during the fourth quarter of 2020, during the same quarter we unwound two of the hedges for a notional amount of Ps.5,385 million. We kept the remaining position until 2022 at an interest rate of 6.0246%. In March 2022, the interest rate swap matured.

[Table of Contents](#)

As of December 31, 2023, we did not have any active forward contracts. During 2024, the Company entered into forward exchange rate agreements, primarily for coupons of U.S. dollar denominated debt that were expected to be made during 2024, 2025 and 2026. As of March 31, 2024, the notional amount outstanding was U.S.\$ 653.9 million and the net fair value of these agreements was a liability of Ps.186.0 million, and as of December 31, 2023, the Company did not have any active forward contracts for coupons. As of December 31, 2022, the Company did not have any active forward contracts for coupons. The potential loss in fair value for such instruments from a hypothetical 1.0% adverse change in the market exchange rate would be approximately Ps.1.2 million as of March 31, 2024. This sensitivity analysis assumes a downward parallel shift in the Mexican Peso.

During the end of 2022 and the beginning of 2023, the Company entered into forward exchange rate agreements, primarily for capital expenditures that were expected to be made during 2023. As of December 31, 2023, the Company did not have any active forward contracts. During 2024, the Company entered into forward exchange rate agreements, primarily for capital expenditures that were expected to be made during 2024. As of March 31, 2024, the notional amount outstanding was U.S.\$70.1 million. The net fair value of these agreements was a liability of Ps.25.0 million. The potential gain in fair value for such instruments from a hypothetical 1.0% adverse change in the market exchange rate would be approximately Ps.1.6 million as of March 31, 2024. This sensitivity analysis assumes a downward parallel shift in the Mexican Peso.

[Table of Contents](#)

During the third quarter of 2019, in connection with the variable rate syndicate loan due 2024, the Company entered into three interest rate swap agreements on notional amounts of Ps.2,000.0 million each. These agreements involve the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. These agreements allowed us to fix the coupon payments for a period of five years at an interest rate of 7.3873%. During the fourth quarter of 2020, the Company entered into one interest rate swap agreement on the notional amount of Ps.4,000 million. This agreement involves the exchange of interest payments based on a variable interest rate for amounts based on fixed rates. With this last agreement the syndicate loan is fully hedged until its maturity at an interest rate of 6.7620%.

The net fair value of the interest rate swap was an asset of Ps.141.6 million as of March 31, 2024 and Ps.251.7 million as of December 31, 2023. The potential loss in fair value for such instruments from a hypothetical 50 bps adverse change in market interest rates would be approximately Ps.1.9 million as of March 31, 2024 and Ps.66.9 million as of December 31, 2023. This sensitivity analysis assumes a downward parallel shift in the Mexican interest rate swaps yield curve. On April 11, 2024, the interest rate hedge was fully unwound.

During the end of 2022 and the beginning of 2023, Empresas Cablevisión entered into forward exchange rate agreements, primarily for capital expenditures that were expected to be made during 2023. As of December 31, 2023, Empresas Cablevisión did not have any forward contracts. During 2024, Empresas Cablevisión entered into forward exchange rate agreements, primarily for capital expenditures that were expected to be made during 2024. As of March 31, 2024, the notional amount outstanding was U.S.\$37.0 million. The net fair value of these agreements was a liability of Ps.16.2 million. The potential loss in fair value for such instruments from a hypothetical 1.0% adverse change in market exchange rate would be approximately Ps.0.8 million as of March 31, 2024. This sensitivity analysis assumes a downward parallel shift in the Mexican Peso.

During the end of 2022 and the beginning of 2023, TVI entered into forward exchange rate agreements, primarily for capital expenditures that were expected to be made during 2023. As of December 31, 2023, TVI did not have any active forward contracts. During 2024, TVI entered into forward exchange rate agreements, primarily for capital expenditures that were expected to be made during 2024. As of March 31, 2024, the notional amount outstanding was U.S.\$33.3 million. The net fair value of these agreements was a liability of Ps.14.2 million. The potential loss in fair value for such instruments from a hypothetical 1.0% adverse change in market exchange rate would be approximately Ps.0.7 million as of March 31, 2024. This sensitivity analysis assumes a downward parallel shift in the Mexican Peso.

During 2024, Cable Administradora entered into forward exchange rate agreements, primarily for capital expenditures that were expected to be made during 2024. As of March 31, 2024, the notional amount outstanding was U.S.\$14.0 million. The net fair value of these agreements was a liability of Ps.6.4 million. The potential loss in fair value for such instruments from a hypothetical 1.0% adverse change in market exchange rate would be approximately Ps.0.3 million as of March 31, 2024. This sensitivity analysis assumes a downward parallel shift in the Mexican Peso.

During the end of 2022 and the beginning of 2023, Corporación Novavisión entered into forward exchange rate agreements, primarily for capital expenditures that were expected to be made during 2023. As of December 31, 2023, Corporación Novavisión did not have any active forward contracts. During 2024, Corporación Novavisión entered into forward exchange rate agreements, primarily for capital expenditures that were expected to be made during 2024. As of March 31, 2024, the notional amount outstanding is U.S.\$54.0 million. The net fair value of these agreements was a liability of Ps.21.5 million. The potential loss in fair value for such instruments from a hypothetical 1.0% adverse change in market exchange rate would be approximately Ps.1.2 million as of March 31, 2024. This sensitivity analysis assumes a downward parallel shift in the Mexican Peso.

**Sensitivity and Fair Value Analyses**

The sensitivity analyses that follow are intended to present the hypothetical change in fair value or loss in earnings due to changes in interest rates, inflation rates, foreign currency exchange rates and debt and equity market prices as they affect our financial instruments at December 31, 2023 and 2022. These analyses address market risk only and do not present other risks that we face in the ordinary course of business, including country risk and credit risk. The hypothetical changes reflect our view of changes that are reasonably possible over a one-year period. For purposes of the following sensitivity analyses, we have made conservative assumptions of expected near-term future changes in U.S. interest rates, Mexican interest rates, inflation rates and Peso to U.S. Dollar exchange rates of 10%. The results of the analyses do not purport to represent actual changes in fair value or losses in earnings that we will incur.

December 31, 2023	Carrying amount <sup>(2)</sup>		Fair value <sup>(3)</sup>		Increase (decrease) of fair value over carrying amount		Increase (decrease) of fair value over carrying amount assuming a hypothetical 10% increase in fair value	
<b>Assets:</b>								
Long-term loan and interest receivable from GTAC	Ps.	948.5	Ps.	953.4	Ps.	4.9	Ps.	100.2
Open-Ended Fund		674.5		674.5		—		—
Publicly traded equity instruments		1,912.2		1,912.2		—		—
Derivative financial instruments <sup>(1)</sup>		251.7		251.7		—		—
<b>Liabilities:</b>								
U.S. dollar-denominated debt:								
Senior Notes due 2025		3,715.6		3,762.2		46.6		422.8
Senior Notes due 2026		3,512.1		3,465.5		(46.6)		299.9
Senior Notes due 2032		5,079.8		5,969.1		889.3		1,486.2
Senior Notes due 2040		10,159.5		10,701.6		542.1		1,612.3
Senior Notes due 2045		13,387.0		11,542.8		(1,844.2)		(689.9)
Senior Notes due 2046		14,893.4		14,913.9		20.5		1,511.9
Senior Notes due 2049		11,191.2		10,035.2		(1,156.0)		(152.4)
Peso-denominated debt:								
Notes due 2027		4,500.0		4,233.2		(266.8)		156.5
Senior Notes due 2037		4,500.0		4,026.1		(473.9)		(71.3)
Senior Notes due 2043		6,225.7		4,064.1		(2,161.6)		(1,755.1)
Long-term notes payable to Mexican Banks		12,650.0		12,789.7		139.7		1,418.7
Lease Liabilities		7,291.6		7,334.5		42.9		776.4

December 31, 2022	Carrying amount <sup>(2)</sup>		Fair value <sup>(3)</sup>		Increase (decrease) of fair value over carrying amount		Increase (decrease) of fair value over carrying amount assuming a hypothetical 10% increase in fair value	
<b>Assets:</b>								
Long-term loan and interest receivable from GTAC	Ps.	853.2	Ps.	857.0	Ps.	3.8	Ps.	89.5
Open-Ended Fund		773.2		773.2		—		—
Publicly traded equity instruments		2,611.0		2,611.0		—		—
Derivative financial instruments <sup>(1)</sup>		543.6		543.6		—		—
<b>Liabilities:</b>								
U.S. dollar-denominated debt:								
Senior Notes due 2025		5,188.8		5,295.2		106.4		635.9
Senior Notes due 2026		5,842.8		5,717.8		(125.0)		446.7
Senior Notes due 2032		5,842.8		6,934.2		1,091.4		1,784.9
Senior Notes due 2040		11,685.6		12,083.6		398.0		1,606.4
Senior Notes due 2045		17,321.1		14,975.5		(2,345.6)		(848.1)
Senior Notes due 2046		17,528.4		17,570.1		41.7		1,798.7
Senior Notes due 2049		13,675.9		12,199.7		(1,476.2)		(256.2)
Peso-denominated debt:								
Notes due 2027		4,500.0		4,238.6		(261.4)		162.5
Senior Notes due 2037		4,500.0		4,041.1		(458.9)		(54.8)
Senior Notes due 2043		6,500.0		4,046.7		(2,453.3)		(2,048.6)
Long-term notes payable to Mexican Banks		13,650.0		13,775.1		125.1		1,502.6
Lease Liabilities		8,369.1		8,497.1		128.0		977.7
Derivative financial instruments <sup>(1)</sup>		71.4		71.4		—		—

(1) Given the nature and the tenor of these derivatives, an increase of 10% in the interest and/or exchange rates would not be an accurate sensitivity analysis.

(2) The carrying value of debt is stated in this table at its principal amount.

(3) The fair value of the Senior Notes and Notes due by the Group are within Level 1 of the fair value hierarchy as there is a quoted market price for them. The fair value of the lease liabilities are within Level 2 of the fair value hierarchy and has been estimated based on cash flows discounted using an estimated weighted average cost of capital. The fair value of held-to-maturity securities are within Level 1 of the fair value hierarchy and were based on market interest rates to the listed securities.

We are also subject to the risk of foreign currency exchange rate fluctuations, resulting from the net monetary position in U.S. Dollars of our Mexican operations, as follows:

	Year Ended December 31,			
	2023		2022	
	(In millions of U.S. Dollars)			
U.S. Dollar-denominated and U.S. Dollar-equivalent monetary assets, primarily cash and cash equivalents, and non-current investments in financial instruments <sup>(1)</sup>	U.S.\$	1,398.5	U.S.\$	2,319.9
U.S. Dollar-denominated and U.S. Dollar-equivalent monetary liabilities, primarily trade accounts payable, Senior debt securities, lease liabilities, and other liabilities <sup>(2)(3)</sup>		(4,010.2)		(4,428.1)
<b>Net liability position</b>	<b>U.S.\$</b>	<b>(2,611.7)</b>	<b>U.S.\$</b>	<b>(2,108.2)</b>

(1) In 2023 and 2022, include U.S. Dollar equivalent amounts of U.S.\$36.0 million and U.S.\$22.9 million, respectively, related to other foreign currencies, primarily Euros.

(2) In 2023 and 2022, include U.S. Dollar equivalent amounts of U.S.\$20.1 million and U.S.\$25.4 million, respectively, related to other foreign currencies, primarily Euros.

[Table of Contents](#)

<sup>(3)</sup> In 2023 and 2022, monetary liabilities included U.S.\$2,539.5 million (Ps.43,000.8 million) and U.S.\$2,578.5 million (Ps.50,219.6 million), respectively, related to long-term debt designed as a hedging instrument of the Group’s investments in UH II and the investment in Open-Ended Fund (see Note 14 to our consolidated year-end financial statements).

At December 31, 2023, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.(122.2) million. At December 31, 2022, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.916.0 million.

**Item 12. Description of Securities Other than Equity Securities**

**Global Depository Shares**

The Bank of New York Mellon, the depository for the securities underlying our GDSs, collects its fees for delivery and surrender of GDSs directly from investors depositing shares or surrendering GDSs for the purpose of withdrawal or from intermediaries acting for them. The depository collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depository may collect its annual fee for depository services by deductions from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depository may generally refuse to provide fee-attracting services until its fees for those services are paid.

The following table summarizes the fees and charges that a GDS holder may be required to pay, directly or indirectly, to the depository pursuant to the terms of the Deposit Agreement, which was filed with the SEC as an exhibit to our Registration Statement on Form F-6 filed on September 17, 2007:

Fee	Depository Service
U.S.\$5.00 (or less) per 100 GDSs (or portion of 100 GDSs)	<ul style="list-style-type: none"> <li>• Issuance of GDSs, including issuances resulting from a distribution of shares or rights or other property</li> </ul>
U.S.\$0.02 (or less) per GDS	<ul style="list-style-type: none"> <li>• Cancellation of GDSs for the purpose of withdrawal, including if the deposit agreement terminates</li> </ul>
A fee equivalent to the fee that would be payable if securities distributed to holders had been CPOs and the CPOs had been deposited for issuance of GDSs	<ul style="list-style-type: none"> <li>• Any cash distribution to GDS registered holders</li> <li>• Distribution of securities distributed to holders of deposited securities which are distributed by the depository to GDS registered holders</li> </ul>
U.S.\$0.02 (or less) per GDS per calendar year	<ul style="list-style-type: none"> <li>• Depository services</li> </ul>
Registration or transfer fees	<ul style="list-style-type: none"> <li>• Transfer and registration of CPOs on our CPO register to or from the name of the depository or its agent when holders deposit or withdraw CPOs</li> </ul>
Expenses of the depository	<ul style="list-style-type: none"> <li>• Cable and facsimile transmissions (when expressly provided in the deposit agreement)</li> <li>• Converting foreign currency to U.S. dollars</li> </ul>
Taxes and other governmental charges the depository or the custodian have to pay on any GDS or share underlying a GDS, for example, stock transfer taxes, stamp duty or withholding taxes	<ul style="list-style-type: none"> <li>• As necessary</li> </ul>
Any charges incurred by the depository or its agents for servicing the deposited securities	<ul style="list-style-type: none"> <li>• As necessary</li> </ul>

Note that the actual amounts charged by the depository may differ from those set out in the table above, but may not exceed these levels.

The Bank of New York Mellon, as depository, pays us an agreed amount as reimbursement for certain expenses we incur related to our being a publicly-listed entity in the United States, including, but not limited to, internal and out-of-pocket investor relations expenses, corporate finance and accounting expenses, legal expenses, annual NYSE listing fees, Sarbanes-Oxley compliance, travel expenses related to presentations to rating agencies and investors, road show presentations, or any other similar or related expenses. There are limits on the amount of expenses for which the depository will reimburse us, but the amount of reimbursement available to us is not necessarily tied to the amount of fees the depository collects from investors. In 2023, we did not receive a reimbursement from the depository.

## Part II

### Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

### Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

### Item 15. Controls and Procedures

#### Evaluation of Disclosure Controls and Procedures

Based on the evaluation as of December 31, 2023, our Co-Chief Executive Officers and Principal Financial Officer of the Company have concluded that the Company's disclosure controls and procedures (as defined under Exchange Act Rules 13a-15(e) and 15d-15(e)) are effective to provide reasonable assurance that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Co-Chief Executive Officers and the Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

#### Management's Annual Report on Internal Control Over Financial Reporting

The Company's management, including our Co-Chief Executive Officers and Principal Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting and is responsible for the assessment of the effectiveness of internal control over financial reporting as such terms are defined in Rule 13a-15(f) of the Exchange Act.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Internal control over financial reporting has inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements will not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management concluded that the Company maintained effective internal control over financial reporting as of December 31, 2023.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023 has been audited by KPMG Cárdenas Dosal, S.C., an independent registered public accounting firm, as stated in their report which appears herein.

#### Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the year ended December 31, 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

## Item 16. Audit Committee Financial Expert

Our board of directors has determined that Mr. Guillermo García Naranjo Álvarez, Chairman of the Audit Committee of the Company, as well as Mr. Francisco José Chevez Robelo, former Chairman of the Audit Committee of the Company, are audit committee financial experts. Mr. García Naranjo and Mr. Chevez are “independent” and meet the requisite qualifications as defined in Item 16A of Form 20-F.

### Code of Ethics

We have adopted a written code of ethics that applies to all of our employees, including our principal executive officers, principal financial officer, and principal accounting officer.

We did not grant any waivers to our code of ethics during the fiscal year ended December 31, 2023.

You may request a copy of our code of ethics, at no cost, by writing to or telephoning us as follows:

Grupo Televisa, S.A.B.  
Avenida Vasco de Quiroga, No. 2000  
Colonia Santa Fe, 01210 Mexico City, Mexico.  
Telephone: (+52) 55 5261-2000.

In addition, the English version of the code of ethics can be found at <http://www.televsair.com/en/governance/codes-and-bylaws> and the Spanish version at <http://www.televsair.com/es-ES/governance/codes-and-bylaws>.

### Principal Accountant Fees and Services

KPMG Cárdenas Dosal, S.C. acted as our independent registered public accounting firm for the fiscal years ended December 31, 2023 and 2022.

The chart below sets forth the total amount billed by our independent registered public accounting firms for services performed in the years 2023 and 2022, and breaks down these amounts by category of service:

	2023		2022	
	(in millions of Pesos)			
Audit Fees	Ps.	97.3	Ps.	96.6
Audit-Related Fees		6.6		4.6
Tax Fees		11.5		7.8
Other Fees		0.3		3.7
Total	Ps.	115.7	Ps.	112.7

“Audit Fees” are the aggregate fees billed by our Independent Registered Public Accounting Firms for the audit of our consolidated annual financial statements, services related to regulatory financial filings with the SEC.

“Audit-Related Fees” are fees charged by our Independent Registered Public Accounting Firm for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under “Audit Fees”. This category includes fees billed for due diligence reviews in connection with potential acquisitions and business combinations, attestation services that are provided in connection with statutory and regulatory filings or engagements and agreed upon procedures.



[Table of Contents](#)

“Tax Fees” are fees for professional services rendered by the Company’s Independent Registered Public Accounting Firm for tax compliance in connection with our subsidiaries and interests in the United States, as well as tax advice on actual or contemplated transactions.

“Other Fees” are fees charged by our Independent Registered Public Accounting Firm in connection with services rendered other than audit, audit-related and tax services.

We have procedures for the review and pre-approval of any services performed by KPMG Cárdenas Dosal, S.C. The procedures require that all proposed engagements of KPMG Cárdenas Dosal, S.C. for audit and non-audit services are submitted to the Board of Directors for approval, with the favorable opinion of the Audit Committee prior to the beginning of any such services.

**Audit Committee Pre-approval Policies and Procedures**

Our audit committee is responsible, among other things, for the oversight of our external auditors. On the other hand, our Board of Directors, with the support of our audit committee, is responsible, among other things, for the appointment and compensation of our external auditors. All services other than the audit related services must receive a specific approval from our Board of Directors, with the favorable opinion of the audit committee. Our external auditor, on a quarterly basis, provides a report to our audit committee in order for our audit committee to review the services that our external auditor is providing, as well as the status and cost of those services.

During 2023, KPMG, with the prior approval by our Board of Directors and the favorable opinion of our Audit Committee, rendered additional services in our favor and in favor of certain of our subsidiaries consisting of tax consulting, social security and local contributions related services, which were for concepts other than the audit of our Financial Statements. KPMG billed us for such services an amount of Ps.11.8 million, which represents 10.2% of the total amounts that KPMG billed us for on services rendered in 2023.

**Exemptions from the Listing Standards for Audit Committees**

Not applicable.

**Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

The following table sets forth, for the periods indicated, information regarding purchases of any of our equity securities registered pursuant to Section 12 of the Exchange Act made by us or on our behalf or by or on behalf of any affiliated purchaser (as that term is defined in Rule 10b-18(a) (3) under the Exchange Act):

**Purchases of Equity Securities by the Company**

<b>Purchase Date</b>	<b>Total Number of CPOs Purchased</b>	<b>Average Price Paid per CPO<sup>(1)</sup></b>	<b>Total Number of CPOs Purchased as part of Publicly Announced Plans or Programs<sup>(2)</sup></b>	<b>Maximum Number (or Appropriate Peso Value) of CPOs that May Yet Be Under the Plans or Programs<sup>(2)</sup></b>
January 1 to January 31	16,700,000	Ps. 21.1655	385,368,185	Ps. 9,017,209,789
February 1 to February 28	5,500,000	19.8546	390,868,185	8,908,009,232
March 1 to March 31	20,000,000	18.0524	410,868,185	8,546,961,701
April 1 to April 30	1,000,000	17.4096	411,868,185	10,000,000,000
May 1 to May 31	2,500,000	17.1784	414,368,185	9,957,054,046
June 1 to June 30	1,500,000	17.9119	415,868,185	9,930,186,221
July 1 to July 31	1,000,000	16.0203	416,868,185	9,914,165,949
August 1 to August 31	6,750,000	16.1637	423,618,185	9,805,060,858
September 1 to September 30	5,250,000	11.6558	428,868,185	9,743,867,903
October 1 to October 31	2,000,000	10.5747	430,868,185	9,722,718,602
November 1 to November 30	5,000,000	10.0255	435,868,185	9,672,590,894
December 1 to December 31	2,500,000	11.4200	438,368,185	9,644,040,855
<b>Total</b>	<b>69,700,000</b>	<b>Ps. 17.1748</b>		

(1) The values have not been restated in constant Pesos and therefore represent nominal historical figures.

(2) Our share repurchase program was announced in September 2002 and does not have an expiration date. On November 13, 2017, we announced our intention to reactivate our share repurchase program. Accordingly, we may, from time to time, at management’s discretion, seek to acquire shares of the Company’s common stock subject to legal, market and other business conditions at the time of purchase. The total amount of our share repurchase program was limited to Ps.10,000,000,000 during 2023 in accordance with the resolutions that our stockholders approved in the annual shareholders meeting held on April 26, 2023.

**Purchases of Equity Securities by Special Purpose Trust Formed in Connection with Long-Term Retention Plan<sup>(1)</sup>**

<b>Purchase Date</b>	<b>Total Number of CPOs Purchased</b>	<b>Average Price Paid per CPO<sup>(2)</sup></b>	<b>Total Number of CPOs Purchased as part of Publicly Announced Plans or Programs</b>	<b>Maximum Number (or Appropriate Peso Value) of CPOs that May Yet Be Under the Plans or Programs<sup>(3)</sup></b>
January 1 to January 31	—	—	340,422,300	—
February 1 to February 28	—	—	340,422,300	—
March 1 to March 31	—	—	340,422,300	—
April 1 to April 30	—	—	340,422,300	—
May 1 to May 31	—	—	340,422,300	—
June 1 to June 30	1,500,000	17.7428	341,922,300	—
July 1 to July 31	1,500,000	16.5409	343,422,300	—
August 1 to August 31	2,485,000	16.9418	345,907,300	—
September 1 to September 30	—	—	345,907,300	—
October 1 to October 31	—	—	345,907,300	—
November 1 to November 30	3,500,000	10.4782	349,407,300	—
December 1 to December 31	3,500,000	11.3097	352,907,300	—
<b>Total</b>	<b>12,485,000</b>	<b>Ps. 13.5990</b>		

(1) See “Directors, Senior Management and Employees — Stock Purchase Plan and Long-Term Retention Plan” for a description of the implementation, limits and other terms of our Long-Term Retention Plan.

- (2) Represents open-market purchases by the special purpose trust formed in connection with our Long-Term Retention Plan.
- (3) The values have not been restated in constant Pesos and therefore represent nominal historical figures.

#### **Change in Registrant's Certifying Accountant**

Not applicable.

#### **Corporate Governance**

As a foreign private issuer with shares listed on the NYSE, we are subject to different corporate governance requirements than a U.S. company under the NYSE listing standards. With certain exceptions, foreign private issuers are permitted to follow home country practice standards. Pursuant to Rule 303.A11 of the NYSE listed company manual, we are required to provide a summary of the significant ways in which our corporate governance practices differ from those required for U.S. companies under the NYSE listing standards.

We are a Mexican corporation with shares, in the form of CPOs listed on the *Bolsa Mexicana de Valores*, or Mexican Stock Exchange. Our corporate governance practices are governed by our bylaws, the Mexican Securities Market Law, and the regulations issued by the CNBV and the Mexican Stock Exchange. Although compliance is not mandatory, we also substantially comply with the Mexican Code of Principles and Best Corporate Governance Practices (*Código de Principios y Mejores Prácticas de Gobierno Corporativo*), which was created in January 1999 by a group of Mexican business leaders and was endorsed by the CNBV and last amended in 2018. See "Additional Information-Bylaws" for a more detailed description of our corporate governance practices.

[Table of Contents](#)

The table below sets forth a description of the significant differences between corporate governance practices required for U.S. companies under the NYSE listing standards and the Mexican corporate governance standards that govern our practices.

NYSE rules	Mexican rules
Listed companies must have a majority of independent directors.	The Mexican Securities Market Law requires that listed companies have at least 25% of independent directors. Our stockholder’s meeting is required to assess the independence of the directors. The definition of “independent” under the Mexican Securities Market Law differs in some aspects from the one applicable to U.S. issuers under the NYSE standard and prohibits, among other relationships, an independent director from being an employee or officer of the company or a stockholder that may have influence over our officers, relevant clients and contractors, as well as certain relationships between the independent director and family members of the independent director. In addition, our bylaws broaden the definition of independent director. Our bylaws provide for an executive committee of our board of directors. The executive committee is currently composed of three members, and there are no applicable Mexican rules that require any of the members to be independent. The executive committee may generally exercise the powers of our board of directors, subject to certain exceptions. Our Co-Chief Executive Officers are members of our board of directors and the executive committee.
Listed companies must have a nominating/corporate governance committee composed entirely of independent directors.	The Mexican Securities Law requires that listed companies must have a corporate practices committee. The corporate practices committee of publicly traded corporations ( <i>sociedades anónimas bursátiles</i> ) which are controlled by a person or group of persons that own 50% (fifty percent) or more of the capital stock of a company, must be composed of a majority of independent members. Otherwise, the Chairman and all the members must be independent.
Listed companies must have a compensation committee composed entirely of independent directors.	The Mexican Code of Principles and Best Corporate Governance Practices recommends listed companies to have a compensation committee. While these rules are not legally binding, companies failing to comply with the Mexican Code of Principles and Best Corporate Governance Practices’ recommendation must disclose publicly why their practices differ from those recommended by the Mexican Code of Principles and Best Corporate Governance Practices.
Listed companies must have an audit committee with a minimum of three members and must be independent.	The Mexican Securities Market Law requires that listed companies must have an audit committee. The Chairman and the members must be independent.
Non-management directors must meet at regularly scheduled executive sessions without management.	Our non-management directors are not required to meet at executive sessions. The Mexican Code of Principles and Best Corporate Governance Practices does not expressly recommend executive sessions.
Listed companies must require shareholder approval for equity compensation plans, subject to limited exemptions.	Companies listed on the Mexican Stock Exchange are required to obtain shareholder approval for equity compensation plans, provided that such plans are subject to certain conditions.
Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers.	Companies listed on the Mexican Stock Exchange are not required to adopt a code of ethics. However, we have adopted a code of ethics which is available free of charge through our offices or in the website provided in Item 16.B above. See “— Code of Ethics” for directions on how to obtain a copy of our code of ethics. Waivers involving any of our executive officers or directors will be made only by our Board of Directors or a designated committee of the Board or as determined in our Code of Ethics.

**Mine Safety Disclosure**

Not applicable.

**Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not applicable.

**Insider Trading Policies**

Pursuant to applicable SEC transition guidance, the disclosure required by Item 16J will only be applicable to the Company from the fiscal year ending on December 31, 2024.

## Cybersecurity

### *Risk management and strategy*

Our cybersecurity program is designed to protect our network and information systems from cybersecurity threats and to ensure the confidentiality, integrity, and availability of our systems and information. We place special weight on protecting sensitive information, such as the personal information of our clients, subscribers, and employees, and our digital content and other confidential information and intellectual property that could be leveraged by a malicious actor. This involves a comprehensive and ongoing effort to protect against, detect, and respond to cybersecurity threats and vulnerabilities.

We maintain a multidisciplinary enterprise risk management process overseen by our office of Corporate Risk Management (“CRM”), which provides for the identification, evaluation, management, monitoring, and reporting of risks and opportunities within the Company, including cybersecurity risks. The CRM, with oversight from the Audit Committee of the Company, reviews the effectiveness of this process on an annual basis. With respect to cybersecurity, we employ a strategy, aligned with our business objectives and strategic risk management, based on the principles of the National Institute of Standards and Technology Internal Report 8286, “Integrating Cybersecurity and Enterprise Risk Management,” to identify and address internal and external risks.

Our cybersecurity program includes a number of components, such as the adoption of information security protocols, standards, guidelines, and policies consistent with industry-standard practices; tools for threat detection, access controls, risk assessments related to cybersecurity and data privacy; vulnerability testing; and internal audits of the Company’s information security protocols. Our cybersecurity program is currently certified as compliant with International Organization for Standardization 27001 and the Payment Card Industry Data Security Standard.

We maintain a training and security awareness program for all employees of the Company. This program consists of deploying training courses, information capsules, webinars, and anti-phishing tests to our employees. It also includes other elements, such as questionnaires, to evaluate the effectiveness of the program, strengthen the permanence of security knowledge within the Company, and increase security awareness in our employees.

Our cybersecurity program includes the deployment of other preventive controls such as annual penetration tests and vulnerability assessments performed by specialized technical internal personnel on our systems, applications, and critical infrastructure. We also maintain an internal team that hunts, collects, monitors, and analyzes industry-specific, regional, and global cybersecurity threat intelligence for possible external threats to the Company.

The Company relies on external security advisors and other third-party information security professionals, who perform annual threat hunting tasks on our infrastructure and critical systems to identify and remove any possible malicious artifacts and threats in our environments, manage a security operations center, and manage and monitor our information security tools. The external security advisors also provide an independent periodic assessment regarding the controls in our environments, which are aimed at strengthening and improving our security practices.

We also maintain an incident response framework for the identification, evaluation, and management of cybersecurity incidents. This framework provides information on how personnel should prepare, detect, analyze, contain, eradicate, and recover from a security incident, including the monitoring of remediation efforts. It also contains an internal, risk-based escalation framework designed to ensure that all relevant individuals are promptly informed of any cybersecurity incident and dictates procedures for determining whether a cybersecurity incident is material, without unreasonable delay.

In the ordinary course of our business, we rely on third-party service providers (“TPSPs”) to collect, process and store certain personal information and other data related to us, our clients and subscribers, and our digital content. We assess the cybersecurity practices of our TPSPs prior to onboarding through a variety of measures, including a due diligence process designed to assess and manage the potential cybersecurity risks posed by such TPSPs to the Company. This process involves the evaluation of security questionnaires and the performance of a business impact analysis, review of General Information Technology Controls reports, and periodic, risk-based monitoring and security reviews of TPSPs following onboarding. Despite these measures, we are reliant on the security practices of our TPSPs, which may be outside of our direct control.

[Table of Contents](#)

While we experience minor data and cybersecurity incidents from time to time, as of the date of this report and for the time period of January 1, 2023, through December 31, 2023, the Company has no evidence of any risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition. However, there can be no guarantee that we will not be materially affected by such risks in the future. For information on the cybersecurity threats and risks we face and the potential impacts on the business related thereto, see Item 3.D. Risk Factors – Any Incidents Affecting Our Network and Information Systems or Other Technologies Could Have an Adverse Impact on Our Business, Reputation and Results of Operations.

*Governance*

Our cybersecurity program is led by our Chief Information Security Officer (“CISO”), with oversight from our Co-CEOs and CFO. Cybersecurity strategy is also reviewed and approved by the CEO of our subsidiaries, Sky and izzi. Our CISO, together with our Co-CEOs and CFO, are responsible for the coordination of our cybersecurity initiatives and the oversight of cybersecurity risk management across the Company. Our CISO has worked in executive positions related to cybersecurity in multinational financial companies for more than 15 years, and has a master’s degree in information technology. At the subsidiary level, Sky and izzi each has a dedicated CISO responsible for designing the strategy and ensuring the execution of the cybersecurity program. Sky’s CISO has over 40 years’ experience in multinational financial companies and the telecommunications industry, and izzi’s CISO has over 20 years’ experience in the telecommunications industry. Each business unit’s CISO manages a cybersecurity team that hold international certifications related to cybersecurity, and manages the processes for identifying regional, global, and industry-related threats described above. *See risk management and strategy.*

Each business unit’s CISO periodically provides reports on cybersecurity threats, reports of incidents (if any), projects, and risk management to the executive committees at the subsidiary level, as well as the Company’s enterprise-wide Corporate Committee on Information Technology and Security, which consists of Company senior personnel across the Company in the cybersecurity, information technology, risk management, and legal departments (the “Corporate Committee”). The Corporate Committee and Sky and izzi Executive Committees focus on decision making and monitoring compliance with the cybersecurity program. The Corporate Committee also aligns technology and information security strategies across the subsidiaries.

Our Board of Directors takes an active role in overseeing the management of cybersecurity risks to the Company. Primary responsibility for cybersecurity oversight has been delegated to the Audit Committee. The Audit Committee receives regular updates from members of the Corporate Committee on cybersecurity matters, including information related to incidents (if any) that occurred during the reporting period, trending topics, and compliance with internal processes. The Audit Committee provides quarterly reports on cybersecurity issues to the Board.

**Part III**

**Item 17. Financial Statements**

We have responded to Item 18 in lieu of Item 17.

**Item 18. Financial Statements**

See pages F-1 through F-94, which are incorporated in this Item 18 by reference.

**Item 19. Exhibits**

Documents filed as exhibits to this annual report appear on the following

- (a) Exhibits.

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
1.1	<a href="#">English translation of Amended and Restated Bylaws (<i>Estatutos Sociales</i>) of the Registrant, dated as of April 26, 2023 (previously filed with the Securities and Exchange Commission as Exhibit 1.1 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2022 and incorporated herein by reference).</a>
2.1	Indenture relating to Senior Debt Securities, dated as of August 8, 2000, between the Registrant, as Issuer, and The Bank of New York, as Trustee (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Registration Statement on Form F-4 (File number 333-12738), as amended, and incorporated herein by reference).
2.2	Fourth Supplemental Indenture relating to the 8.5% Senior Exchange Notes due 2032 between the Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg (previously filed with the Securities Exchange Commission as Exhibit 4.5 to the Registrant's Registration Statement on Form F-4 (the "2002 Form F-4") and incorporated herein by reference).
2.3	Sixth Supplemental Indenture relating to the 8.5% Senior Notes due 2032 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg (previously filed with the Securities and Exchange Commission as Exhibit 4.7 to the 2002 Form F-4 and incorporated herein by reference).
2.4	<a href="#">Seventh Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg, dated March 18, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.8 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2004 (the "2004 Form 20-F") and incorporated herein by reference).</a>
2.5	<a href="#">Eighth Supplemental Indenture relating to the 6 5/8% Senior Notes due 2025 between Registrant, as Issuer, and The Bank of New York and Dexia Banque Internationale à Luxembourg, dated May 26, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.9 to the 2004 Form 20-F and incorporated herein by reference).</a>
2.6	<a href="#">Ninth Supplemental Indenture relating to the 6.625% Senior Exchange Notes due 2025 between Registrant, as Issuer, The Bank of New York and Dexia Banque Internationale à Luxembourg, dated September 6, 2005 (previously filed with the Securities and Exchange Commission as Exhibit 2.8 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2005 and incorporated herein by reference).</a>
2.7	<a href="#">Tenth Supplemental Indenture related to the 8.49% Senior Notes due 2037 between Registrant, as Issuer, The Bank of New York and The Bank of New York (Luxembourg) S.A., dated as of May 9, 2007 (previously filed with the Securities and Exchange Commission as Exhibit 2.9 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2006, and incorporated herein by reference).</a>
2.8	<a href="#">Eleventh Supplemental Indenture relating to the 8.49% Senior Exchange Notes due 2037 between Registrant, as Issuer, The Bank of New York and The Bank of New York (Luxembourg) S.A., dated as August 24, 2007 (previously filed with the Securities and Exchange Commission as Exhibit 4.12 to the Registrant's Registration Statement on Form F-4 (File number 333-144460), as amended, and incorporated herein by reference).</a>
2.9	<a href="#">Form of Deposit Agreement between the Registrant, The Bank of New York, as depository and all holders and beneficial owners of the Global Depository Shares, evidenced by Global Depository Receipts (previously filed with the Securities and Exchange Commission as an Exhibit to the Registrant's Registration Statement on Form F-6 (File number 333-146130) and incorporated herein by reference).</a>



[Table of Contents](#)

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
2.10	<a href="#">Fourteenth Supplemental Indenture relating to the 6.625% Senior Notes due 2040 between Registrant, as Issuer, The Bank of New York Mellon and The Bank of New York Mellon (Luxembourg) S.A., dated as of November 30, 2009 (previously filed with the Securities and Exchange Commission as Exhibit 4.15 to the Registrant's Registration Statement on Form F-4 (File number 333-164595), as amended, and incorporated herein by reference).</a>
2.11	<a href="#">Fifteenth Supplemental Indenture relating to the 6.625% Senior Exchange Notes due 2040 between Registrant, as Issuer, The Bank of New York Mellon and The Bank of New York Mellon (Luxembourg) S.A., dated as of March 22, 2010 (previously filed with the Securities and Exchange Commission as Exhibit 2.15 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2009 and incorporated herein by reference).</a>
2.12	<a href="#">Sixteenth Supplemental Indenture relating to the 7.25% Peso Denominated Senior Notes due 2043 among the Registrant, as Issuer, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent, the Bank of New York Mellon, London Branch, as London Paying Agent and the Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of May 14, 2013 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on May 14, 2013 and incorporated herein by reference).</a>
2.13	<a href="#">Seventeenth Supplemental Indenture relating to the 5.000% Senior Notes due 2045 among the Registrant, as Issuer, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of May 13, 2014 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on May 13, 2014 and incorporated herein by reference).</a>
2.14	<a href="#">Eighteenth Supplemental Indenture relating to the 4.625% Senior Notes due 2026 among the Registrant, as Issuer, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of November 24, 2015 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on November 24, 2015 and incorporated herein by reference).</a>
2.15	<a href="#">Nineteenth Supplemental Indenture relating to the 6.125% Senior Notes due 2046 among the Registrant, as Issuer, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg Paying Agent and Transfer Agent, dated as of November 24, 2015 (previously filed with the Securities and Exchange Commission as Exhibit 4.2 to the Registrant's Form 6-K filed on November 24, 2015 and incorporated herein by reference).</a>
2.16	<a href="#">Twentieth Supplemental Indenture relating to the 5.250% Senior Notes due 2049 among the Registrant, as Issuer, The Bank of New York Mellon, as Trustee, Registrar, Paying Agent and Transfer Agent and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg Paying Agent and Transfer Agent, dated as of May 24, 2019 (previously filed with the Securities and Exchange Commission as Exhibit 4.1 to the Registrant's Form 6-K filed on May 24, 2019 and incorporated herein by reference).</a>
2.17	<a href="#">Description of the rights of each class of securities registered under Section 12 of the Exchange Act (previously filed with the Securities and Exchange Commission as Exhibit 2.17 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2020 and incorporated herein by reference).</a>
4.1	Form of Indemnity Agreement between the Registrant and its directors and executive officers (previously filed with the Securities and Exchange Commission as Exhibit 10.1 to the Registrant's Registration Statement on Form F-4 (File number 33-69636), as amended, and incorporated herein by reference).
4.2	Amended and Restated Collateral Trust Agreement, dated as of June 13, 1997, as amended, among PanAmSat Corporation, Hughes Communications, Inc., Satellite Company, LLC, the Registrant and IBJ Schroder Bank and Trust Company (previously filed with the Securities and Exchange Commission as an Exhibit to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2001 and incorporated herein by reference).
4.3	<a href="#">Amended and Restated Bylaws (<i>Estatutos Sociales</i>) of Innova, S. de R.L. de C.V. ("Innova") dated as of December 22, 1998 (previously filed with the Securities and Exchange Commission as an Exhibit to Innova's Annual Report on Form 20-F for the year ended December 31, 2004 and incorporated herein by reference).</a>

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
4.4	<a href="#">Administration Trust Agreement relating to Trust No. 80375, dated as of March 23, 2004, by and among Nacional Financiera, S.N.C., as trustee of Trust No. 80370, Banco Inbursa, S.A., as trustee of Trust No. F-0553, Banco Nacional de México, S.A., as trustee of Trust No. 14520-1, Nacional Financiera, S.N.C., as trustee of Trust No. 80375, Emilio Fernando Azcárraga Jean, Promotora Inbursa, S.A. de C.V., the Registrant and Grupo Televisión del Norte de México, S. de R. L. de C.V. and SKY Brasil Serviços Ltda (previously filed with the Securities and Exchange Commission as an Exhibit to Schedules 13D or 13D/A in respect of various parties' to the Trust Agreement (File number 005-60431) and incorporated herein by reference).</a>
4.5	<a href="#">Full-Time Transponder Service Agreement, dated as of November, 2007, by and among Intelsat Corporation, Intelsat LLC, Corporación de Radio y Televisión del Norte de México, S. de R. L. de C.V. and SKY Brasil Serviços Ltda (previously filed with the Securities and Exchange Commission as Exhibit 4.16 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2007 and incorporated herein by reference).</a>
4.6**	<a href="#">Second Amended and Restated Stockholders Agreement, dated as of January 31, 2022, by and among TelevisaUnivision, Inc., Univision Holdings, Inc., Broadcast Media Partners Holdings, Inc., Univision Communications Inc. and certain stockholders of TelevisaUnivision, Inc. (previously filed with the Securities and Exchange Commission as Exhibit 4.11 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2021 and incorporated herein by reference).</a>
4.7	<a href="#">Transaction Agreement, dated as of April 13, 2021, by and among Grupo Televisa, S.A.B., Univision Holdings, Inc., and, for the limited purposes set forth therein, Searchlight III UTD GP, LLC, ForgeLight Univision Holdings LLC and Liberty Global Ventures Limited (previously filed with the Securities and Exchange Commission as Exhibit 4.18 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2020 and incorporated herein by reference).</a>
4.8	<a href="#">English summary of Irrevocable Guaranty Trust Agreement, dated as of December 16, 2010 (and amended on December 16, 2010 and April 7, 2011), by and among Grupo Salinas Telecom, S.A. de C.V., México Media Investments, S.L., GSF Telecom Holdings, S.A.P.I. de C.V. and Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero and Assignment Agreement with respect to the Irrevocable Guaranty Trust Agreement, dated as of April 7, 2011, by and among Mexico Media Investments S.L., Sociedad Unipersonal, as assignor and Corporativo Vasco Quiroga, S.A. de C.V., as assignee, with the consent of Grupo Salinas Telecom, S.A. de C.V., GSF Telecom Holdings, S.A.P.I. de C.V. and Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero (previously filed with the Securities and Exchange Commission as Exhibit 4.33 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</a>

## [Table of Contents](#)

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
4.9	<a href="#"><u>English summary of Amendment and Restatement of the Indenture, dated April 7, 2011, relating to the issuance of the Series 1 and Series 2 Debentures by GSF Telecom Holdings, Sociedad Anónima Promotora de Inversión de Capital Variable with the consent of Deutsche Bank México, Sociedad Anónima, Institución de Banca Múltiple, División Fiduciaria and Assignment Agreement with respect to the Series 1 and Series 2 Debentures, dated April 7, 2011, by and among Mexico Media Investments S.L., Sociedad Unipersonal, as assignor and Corporativo Vasco de Quiroga, S.A. de C.V., as assignee, with the consent of GSF Telecom Holdings, S.A.P.I. de C.V. and Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria (previously filed with the Securities and Exchange Commission as Exhibit 4.34 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2010 and incorporated herein by reference).</u></a>
4.10	<a href="#"><u>English summary of indenture, dated July 31, 2013, related to the issuance of Ps.7,000 million convertible debentures, by Tenedora Ares, S.A.P.I. de C.V., together with Banco Invex, Sociedad Anónima, Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario, in its capacity as common representative for the holders of the debentures (previously filed with the Securities and Exchange Commission as Exhibit 4.31 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2013 and incorporated herein by reference).</u></a>
4.11	<a href="#"><u>English summary of call and put option agreement, dated July 31, 2013, by and among Tenedora Ares, S.A.P.I. de C.V., Thomas Stanley Heather Rodríguez, Vamole Inversiones 2013, S.L. Sociedad Unipersonal and Arretis, S.A.P.I. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.32 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2013 and incorporated herein by reference).</u></a>
4.12	<a href="#"><u>English summary of conversion of debentures, dated August 13, 2014, by and between Arretis, S.A.P.I. de C.V. and Tenedora Ares, S.A.P.I. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.33 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u></a>
4.13	<a href="#"><u>English summary of share purchase agreement, dated August 13, 2014, by and among Vamole Inversiones 2013, S.L., Sociedad Unipersonal, Thomas Stanley Heather Rodríguez, Arretis, S.A.P.I. de C.V. and San Ángel Telecom, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.34 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u></a>
4.14	<a href="#"><u>English summary of share purchase agreement, dated August 13, 2014, by and among Dafel Investments B.V., Mexico Media Investments, S.L., Sociedad Unipersonal, Cable TV Investments, S.L., Sociedad Unipersonal, Tenedora Ares, S.A.P.I. de C.V. and San Ángel Telecom, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.35 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u></a>
4.15	<a href="#"><u>English summary of share purchase agreement, dated July 9, 2014, by and among Invex Grupo Financiero, as trustee of Trust F/1017 and Grupo Salinas Telecom, S.A. de C.V., with the acknowledgement of GSF Telecom Holdings, S.A.P.I. de C.V. and Corporativo Vasco de Quiroga, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.36 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u></a>
4.16	<a href="#"><u>English summary of merger agreement, dated January 8, 2015, by and among Consorcio Nekeas, S.A. de C.V., Galavisión DTH, S. de R.L. de C.V. and Inmobiliaria Hevi, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.37 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u></a>
4.17	<a href="#"><u>English summary of stock purchase agreement, dated January 8, 2015, by and among Mara del Carmen Ordóñez Valverde, Axel Eduardo Vielma Ordóñez, Héctor Vielma Ordóñez, José Francisco Vielma Ordóñez, Luis Edmundo Vielma Ordóñez and Corporativo Vasco de Quiroga, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.38 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2014 and incorporated herein by reference).</u></a>
4.18	<a href="#"><u>English summary of merger agreement, dated March 4, 2016, by and among Corporativo Vasco de Quiroga, S.A. de C.V. and Grupo TVI Telecom, S.A. de C.V. (previously filed with the Securities and Exchange Commission as Exhibit 4.41 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2015 and incorporated herein by reference).</u></a>

[Table of Contents](#)

Exhibit Number	Description of Exhibit
8.1	<a href="#">List of Subsidiaries of Registrant.</a>
12.1	<a href="#">Co-CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2024.</a>
12.2	<a href="#">Co-CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2024.</a>
12.3	<a href="#">Principal Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated April 30, 2024.</a>
13.1	<a href="#">Co-CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 30, 2024.</a>
13.2	<a href="#">Co-CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 30, 2024.</a>
13.3	<a href="#">Principal Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated April 30, 2024.</a>
23.1	<a href="#">Consent of KPMG Cárdenas Dosal, S.C.</a>
23.2	<a href="#">Consent of Ernst &amp; Young LLP, independent auditors of TelevisaUnivision, Inc.</a>
97.1	<a href="#">Grupo Televisa, S.A.B. Compensation Recovery Policy.</a>
99.1	<a href="#">Audited Financial Statements of TelevisaUnivision, Inc. as of and for the three years ended December 31, 2023.***</a>
101	The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2023, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Statements of Financial Position as of December 31, 2023 and 2022; (ii) Consolidated Statements of Income for the Years Ended December 31, 2023, 2022 and 2021; (iii) Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2023, 2022 and 2021; (iv) Consolidated Statements of Changes in Equity for the Years ended December 31, 2023, 2022 and 2021; (v) Consolidated Statements of Cash Flows for the Years Ended December 31, 2023, 2022 and 2021; and (vi) Notes to Consolidated Financial Statements for the Years Ended December 31, 2023, 2022 and 2021.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Portions of this exhibit have been omitted and filed separately with the SEC pursuant to a request for confidential treatment.

\*\* Portions of this exhibit have been omitted in accordance with Instruction 4 to Item 19 of Form 20-F.

\*\*\* The financial statements as of and for the three years ended December 31, 2023 of TelevisaUnivision, Inc., prepared by TelevisaUnivision, Inc. and audited by its independent auditors, Ernst & Young LLP, are included in this Annual Report pursuant to Rule 3-09 of Regulation S-X.

Instruments defining the rights of holders of certain issues of long-term debt of the Registrant and its consolidated subsidiaries have not been filed as exhibits to this Form 20-F because the authorized principal amount of any one of such issues does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis. The Registrant agrees to furnish a copy of each such instrument to the SEC upon request.

(b) Financial Statement Schedules

All financial statement schedules relating to the Registrant are omitted because they are not required or because the required information, if material, is contained in the audited year-end financial statements or notes thereto.

**SIGNATURE**

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

**GRUPO TELEVISA, S.A.B.**

By: /s/ Carlos Phillips Margain  
Name: Carlos Phillips Margain  
Title: Chief Financial Officer

Date: April 30, 2024

**GRUPO TELEVISIA, S. A. B. AND SUBSIDIARIES**  
**INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF**  
**DECEMBER 31, 2023 AND 2022**

	<u>Page</u>
<a href="#">Reports of Independent Registered Public Accounting Firm (KPMG Cardenas Dosal, S.C., Mexico, Audit Firm ID: 1141)</a>	F-2
<a href="#">Consolidated Statements of Financial Position as of December 31, 2023 and 2022</a>	F-5
<a href="#">Consolidated Statements of Income for the Years Ended December 31, 2023, 2022 and 2021</a>	F-7
<a href="#">Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2023, 2022 and 2021</a>	F-8
<a href="#">Consolidated Statements of Changes in Equity for the Years Ended December 31, 2023, 2022 and 2021</a>	F-9
<a href="#">Consolidated Statements of Cash Flows for the Years Ended December 31, 2023, 2022 and 2021</a>	F-10
<a href="#">Notes to Consolidated Financial Statements for the Years Ended December 31, 2023, 2022 and 2021</a>	F-11

## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors  
Grupo Televisa, S. A. B.:

### Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Grupo Televisa, S.A.B. and subsidiaries (the "Group") as of December 31, 2023 and 2022, the related consolidated statements of income or loss, comprehensive income or loss, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Group's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated April 30, 2024 expressed an unqualified opinion on the effectiveness of the Group's internal control over financial reporting.

### Basis for Opinion

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

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

### Critical Audit Matters

(thousands of Mexican pesos)

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

#### **Impairment assessment of intangible assets and goodwill with indefinite useful life**

As described in Note 2(m) to the consolidated financial statements, the Group performs impairment reviews of intangible assets and goodwill with indefinite useful life annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of goodwill and indefinite-lived intangible assets is compared to the recoverable amount, which is the higher of the value in use (VIU) and the fair value less costs to sell (FVLCS). An impairment loss is recognized as an expense in the consolidated statement of income and is not subject to be reversed in subsequent periods. As described in Note 13, the intangible assets and goodwill with indefinite useful life balance as of December 31, 2023 was Ps.29,103,893 of which Ps.28,993,579 relates to the Cable and Sky cash-generating units (CGUs).

[Table of Contents](#)

We identified the evaluation of the impairment assessment of intangible assets and goodwill with indefinite useful life of the Cable and Sky CGUs as a critical audit matter. Subjective auditor judgment was required in the evaluation of the key assumptions used to determine the recoverable amounts, which included the forecasted revenue growth rates, the long-term growth rate, the discount rates, and the market multiple values. Minor changes to these key assumptions could have had a significant effect on the VIU and FVLCS of the CGUs. In addition, specialized skills and knowledge were required to assess the long-term growth rates, the discount rates, and the market multiple values used to determine the VIU and FVLCS of the CGUs.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Group's intangible assets and goodwill with indefinite useful life impairment assessment process. This included controls related to the development of the key assumptions. We evaluated the Group's historical ability to project the revenue growth rates by comparing prior year projections for the current year to the actual growth rates. We obtained an understanding of future year projections and compared the revenue growth rates assumption to those of comparable companies using publicly available data. We involved valuation professionals with specialized skills and knowledge, who assisted in:

- comparing the Group's long-term growth rate to publicly available data for comparable entities
- evaluating the reasonableness of the discount rates by comparing the inputs used by management to develop the discount rate to publicly available data for comparable entities
- evaluating the comparable entities used by analyzing the industry and financial characteristics of the comparable entities to ensure alignment with the Group's industry
- comparing the market multiple values applied to publicly available data for comparable entities.

***Realizability of capital tax loss carryforward***

As discussed in Note 24 to the consolidated financial statements, the Group has capital tax loss carryforwards derived primarily from the disposal of its former investment in GSF Telecom Holdings S.A.P.I. de C.V. As of December 31, 2023, capital tax loss carryforwards for which deferred tax assets were recognized amounted to Ps.19,028,253. As described in Note 2(v), deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax loss carryforwards can be utilized. For this purpose, the Group takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, and future reversals of existing temporary differences.

We identified the evaluation of the sufficiency of audit evidence over the realizability of the capital tax loss carryforward as a critical audit matter. Evaluating the sufficiency of audit evidence related to the realizability of the capital tax loss carryforward required subjective auditor judgment and specialized skills and knowledge in order to assess the feasibility and appropriateness of the tax strategy plan for recovering the capital tax loss carryforwards.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed. We evaluated the design and tested the operating effectiveness of an internal control related to the realizability of the capital tax loss carryforward. We involved tax professionals with specialized skills and knowledge, who assisted in evaluating the Group's deferred income tax recoverability strategy by reviewing and assessing the appropriateness and feasibility of the tax strategy plan to be executed by management to recover the capital tax loss carryforward. We evaluated the sufficiency of audit evidence obtained by assessing the results of the procedures performed, including the appropriateness of such evidence.

/s/ KPMG Cardenas Dosal S.C.

We have served as the Group's auditor since 2018.

Mexico City, Mexico  
April 30th, 2024



**Report of Independent Registered Public Accounting Firm**

To the Stockholders and Board of Directors  
Grupo Televisa, S.A.B.:

*Opinion on Internal Control Over Financial Reporting*

We have audited Grupo Televisa S.A.B. and subsidiaries' (the Group) internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Group as of December 31, 2023 and 2022, the related consolidated statements of income or loss, comprehensive income or loss, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements), and our report dated April 30, 2024, expressed an unqualified opinion on those consolidated financial statements.

*Basis for Opinion*

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

*Definition and Limitations of Internal Control Over Financial Reporting*

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

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

/s/ KPMG Cardenas Dosal, S.C.

Mexico City, Mexico  
April 30th, 2024

**Consolidated Statements of Financial Position**

As of December 31, 2023 and 2022

(In thousands of Mexican pesos)

(Notes 1, 2 and 3)

	Notes	2023	2022
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	6	Ps. 32,586,352	Ps. 51,130,992
Trade accounts receivable, net	7	8,131,458	8,457,302
Other accounts receivable, net		339,560	315,006
Income taxes receivable		6,380,909	6,691,366
Other recoverable taxes		6,304,198	6,593,730
Derivative financial instruments	15	251,738	11,237
Due from related parties	20	1,450,238	311,224
Transmission rights	8	1,725,630	888,344
Inventories		1,261,304	1,448,278
Contract costs	2	2,011,512	1,918,287
Reimbursement receivable	27	—	1,431,486
Other current assets		1,661,644	2,379,571
Total current assets		<u>62,104,543</u>	<u>81,576,823</u>
<b>Non-current assets:</b>			
Trade accounts receivable, net of current portion	7	428,701	438,376
Due from related party	20	4,630,459	6,365,038
Derivative financial instruments	15	—	532,344
Transmission rights	8	641,154	1,022,782
Investments in financial instruments	9	2,586,601	3,389,485
Investments in associates and joint ventures	10	43,427,638	50,450,949
Property, plant and equipment, net	11	77,848,576	82,236,399
Investment property, net	11	2,790,173	2,873,165
Right-of-use assets, net	12	6,085,861	6,670,298
Intangible assets, net and goodwill	13	40,389,842	41,123,587
Deferred income tax assets	24	18,203,133	18,769,968
Contract costs	2	3,318,674	3,399,939
Other assets		214,902	258,378
Total non-current assets		<u>200,565,714</u>	<u>217,530,708</u>
Total assets		<u>Ps. 262,670,257</u>	<u>Ps. 299,107,531</u>

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

	Notes	2023	2022
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Current portion of long-term debt	14	Ps. 9,987,932	Ps. 1,000,000
Interest payable	14	1,506,766	1,761,069
Current portion of lease liabilities	14	1,280,932	1,373,233
Derivative financial instruments	15	—	71,401
Trade accounts payable and accrued expenses		12,861,122	16,083,858
Customer advances		1,391,553	1,841,097
Income taxes payable	24	774,433	4,457,904
Other taxes payable		2,948,135	2,661,210
Employee benefits		1,563,942	1,384,808
Due to related parties	20	579,023	88,324
Current portion of deferred revenue	20	287,667	287,667
Provision for lawsuit settlement agreement	27	—	1,850,220
Other current liabilities		1,709,357	1,510,127
Total current liabilities		<u>34,890,862</u>	<u>34,370,918</u>
<b>Non-current liabilities:</b>			
Long-term debt, net of current portion	14	78,547,927	104,240,650
Lease liabilities, net of current portion	14	6,010,618	6,995,839
Deferred revenue, net of current portion	20	4,890,347	5,178,014
Deferred income tax liabilities	24	1,053,543	1,249,475
Post-employment benefits	16	733,049	771,468
Other non-current liabilities		1,871,478	2,171,262
Total non-current liabilities		<u>93,106,962</u>	<u>120,606,708</u>
Total liabilities		<u>127,997,824</u>	<u>154,977,626</u>
<b>EQUITY</b>			
Capital stock	17	4,722,776	4,836,708
Additional paid-in capital		15,889,819	15,889,819
Retained earnings	18	120,400,302	131,053,859
Accumulated other comprehensive loss, net	18	(9,866,793)	(10,823,878)
Shares repurchased	17	(11,865,735)	(12,648,558)
Equity attributable to stockholders of the Company		<u>119,280,369</u>	<u>128,307,950</u>
Non-controlling interests	19	15,392,064	15,821,955
Total equity		<u>134,672,433</u>	<u>144,129,905</u>
Total liabilities and equity		<u>Ps. 262,670,257</u>	<u>Ps. 299,107,531</u>

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

**Consolidated Statements of Income or Loss**

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

(In thousands of Mexican pesos, except per CPO amounts)

(Notes 1, 2 and 3)

	Notes	2023	2022	2021
Revenues	26	<b>Ps. 73,767,930</b>	Ps. 75,526,609	Ps. 73,915,432
Cost of revenues	21	<b>48,898,707</b>	48,807,606	46,653,598
Selling expenses	21	<b>9,146,910</b>	9,422,916	8,099,607
Administrative expenses	21	<b>12,200,090</b>	12,061,932	12,189,542
Income before other income or expense	26	<b>3,522,223</b>	5,234,155	6,972,685
Other (expense) income, net	22	<b>(866,819)</b>	(815,565)	3,716,237
Operating income		<b>2,655,404</b>	4,418,590	10,688,922
Finance expense	23	<b>(8,005,237)</b>	(11,357,273)	(12,478,039)
Finance income	23	<b>3,307,454</b>	2,151,109	560,026
Finance expense, net		<b>(4,697,783)</b>	(9,206,164)	(11,918,013)
Share of (loss) income of associates and joint ventures, net	10	<b>(4,086,628)</b>	(7,378,249)	3,671,030
(Loss) income before income taxes		<b>(6,129,007)</b>	(12,165,823)	2,441,939
Income tax (expense) benefit	24	<b>(2,678,245)</b>	1,227,462	(1,673,054)
Net (loss) income from continuing operations		<b>(8,807,252)</b>	(10,938,361)	768,885
Income from discontinued operations, net	28	—	56,222,185	6,585,900
Net (loss) income		<b>Ps. (8,807,252)</b>	Ps. 45,283,824	Ps. 7,354,785
Net (loss) income attributable to:				
Stockholders of the Company		<b>Ps. (8,422,730)</b>	Ps. 44,712,180	Ps. 6,055,826
Non-controlling interests	19	<b>(384,522)</b>	571,644	1,298,959
Net (loss) income		<b>Ps. (8,807,252)</b>	Ps. 45,283,824	Ps. 7,354,785
Basic (loss) earnings per CPO attributable to stockholders of the Company:				
Continuing operations		<b>Ps. (3.01)</b>	Ps. (4.06)	Ps. (0.16)
Discontinued operations	25	—	19.86	2.33
Total		<b>Ps. (3.01)</b>	Ps. 15.80	Ps. 2.17
Diluted (loss) earnings per CPO attributable to stockholders of the Company:				
Continuing operations		<b>Ps. (3.01)</b>	Ps. (4.06)	Ps. (0.16)
Discontinued operations	25	—	19.86	2.33
Total		<b>Ps. (3.01)</b>	Ps. 15.80	Ps. 2.17

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

**Consolidated Statements of Comprehensive Income or Loss**

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

(In thousands of Mexican pesos)

(Notes 1, 2 and 3)

	Notes	2023	2022	2021
Net (loss) income		Ps. (8,807,252)	Ps. 45,283,824	Ps. 7,354,785
Other comprehensive income (loss):				
Items that will not be reclassified to income:				
Remeasurement of post-employment benefit obligations	16	83,935	158,119	279,825
Open-Ended Fund, net of hedge	9	(741)	(131,957)	(19,718)
Publicly traded equity instruments	9	(698,903)	(906,658)	(123,359)
Items that may be subsequently reclassified to income:				
Exchange differences on translating foreign operations		(758,835)	(143,156)	92,555
Cash flow hedges		(287,536)	395,807	1,927,601
Share of other comprehensive income of associates and joint ventures	10	4,278,531	4,245,546	245,714
Other comprehensive income before income taxes		2,616,451	3,617,701	2,402,618
Income taxes	24	(1,704,735)	(833,121)	(467,749)
Other comprehensive income		911,716	2,784,580	1,934,869
Comprehensive (loss) income		Ps. (7,895,536)	Ps. 48,068,404	Ps. 9,289,654
Comprehensive (loss) income attributable to:				
Stockholders of the Company		Ps. (7,465,645)	Ps. 47,510,294	Ps. 7,990,682
Non-controlling interests	19	(429,891)	558,110	1,298,972
Comprehensive (loss) income		Ps. (7,895,536)	Ps. 48,068,404	Ps. 9,289,654

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

**Consolidated Statements of Changes in Equity**

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

(In thousands of Mexican pesos)

(Notes 1, 2 and 3)

	Capital Stock (Note 17)	Additional Paid-in Capital	Retained Earnings (Note 18)	Accumulated Other Comprehensive Loss (Income) (Note 18)	Shares Repurchased (Note 17)	Equity Attributable to Stockholders of the Company	Non-controlling Interests (Note 19)	Total Equity
<b>Balance at January 1, 2021</b>	Ps. 4,907,765	Ps. 15,889,819	Ps. 84,280,397	Ps. (15,556,848)	Ps. (16,079,124)	Ps. 73,442,009	Ps. 14,497,024	Ps. 87,939,033
Funding for acquisition of shares under the Long-term Retention Plan	—	—	—	—	(328,500)	(328,500)	—	(328,500)
Dividends	—	—	(1,053,392)	—	—	(1,053,392)	(405,928)	(1,459,320)
Share cancellation	(71,057)	—	(1,510,290)	—	1,581,347	—	—	—
Shares repurchased	—	—	—	—	(774,073)	(774,073)	—	(774,073)
Sale of shares	—	—	(1,126,573)	—	1,900,646	774,073	—	774,073
Cancellation of sale of shares	—	—	505,357	—	(505,357)	—	—	—
Share-based compensation	—	—	1,066,863	—	—	1,066,863	—	1,066,863
Other	—	—	—	—	—	—	16,334	16,334
Comprehensive income	—	—	6,055,826	1,934,856	—	7,990,682	1,298,972	9,289,654
<b>Balance at December 31, 2021</b>	<u>4,836,708</u>	<u>15,889,819</u>	<u>88,218,188</u>	<u>(13,621,992)</u>	<u>(14,205,061)</u>	<u>81,117,662</u>	<u>15,406,402</u>	<u>96,524,064</u>
Funding for acquisition of shares under the Long-term Retention Plan	—	—	—	—	(648,242)	(648,242)	—	(648,242)
Disposition of non-controlling interests of discontinued operations	—	—	—	—	—	—	(142,071)	(142,071)
Dividends	—	—	(1,053,392)	—	—	(1,053,392)	—	(1,053,392)
Repurchase of CPOs	—	—	—	—	(629,326)	(629,326)	—	(629,326)
Shares repurchased	—	—	—	—	(980,410)	(980,410)	—	(980,410)
Sale of shares	—	—	(3,080,729)	—	4,061,139	980,410	—	980,410
Cancellation of sale of shares	—	—	246,658	—	(246,658)	—	—	—
Share-based compensation	—	—	2,009,304	—	—	2,009,304	—	2,009,304
Other	—	—	1,650	—	—	1,650	(486)	1,164
Comprehensive income	—	—	44,712,180	2,798,114	—	47,510,294	558,110	48,068,404
<b>Balance at December 31, 2022</b>	<u>4,836,708</u>	<u>15,889,819</u>	<u>131,053,859</u>	<u>(10,823,878)</u>	<u>(12,648,558)</u>	<u>128,307,950</u>	<u>15,821,955</u>	<u>144,129,905</u>
Funding for acquisition of shares under the Long-term Retention Plan	—	—	—	—	(86,000)	(86,000)	—	(86,000)
Dividends	—	—	(1,027,354)	—	—	(1,027,354)	—	(1,027,354)
Share cancellation	(113,932)	—	(1,339,107)	—	1,453,039	—	—	—
Repurchase of CPOs	—	—	—	—	(1,197,082)	(1,197,082)	—	(1,197,082)
Shares repurchased	—	—	—	—	(172,976)	(172,976)	—	(172,976)
Sale of shares	—	—	(692,062)	—	865,038	172,976	—	172,976
Cancellation of sale of shares	—	—	79,196	—	(79,196)	—	—	—
Share-based compensation	—	—	748,500	—	—	748,500	—	748,500
Comprehensive (loss) income	—	—	(8,422,730)	957,085	—	(7,465,645)	(429,891)	(7,895,536)
<b>Balance at December 31, 2023</b>	<u>Ps. 4,722,776</u>	<u>Ps. 15,889,819</u>	<u>Ps. 120,400,302</u>	<u>Ps. (9,866,793)</u>	<u>Ps. (11,865,735)</u>	<u>Ps. 119,280,369</u>	<u>Ps. 15,392,064</u>	<u>Ps. 134,672,433</u>

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

**Consolidated Statements of Cash Flows**  
For the years ended December 31, 2023, 2022 and 2021  
(In thousands of Mexican pesos)  
(Notes 1, 2 and 3)

	2023	2022	2021
<b>Operating Activities:</b>			
(Loss) income before income taxes from continuing operations	Ps. (6,129,007)	Ps. (12,165,823)	Ps. 2,441,939
Income before income taxes from discontinued operations	—	75,416,214	11,658,624
Adjustments to reconcile income or loss before income taxes to net cash provided by operating activities:			
Share of loss (income) of associates and joint ventures	4,086,628	7,378,249	(3,671,877)
Depreciation and amortization	21,469,152	21,239,306	21,418,369
Other amortization of assets	422,065	353,232	329,144
Impairment of long-lived assets	69,467	—	225,136
Loss (gain) on disposition of property and equipment	233,612	(131,683)	(279,593)
Impairment loss on trade accounts receivable and other receivables	1,107,996	1,172,555	1,276,990
Post-employment benefits	87,657	151,389	259,291
Interest income	(675,550)	(89,268)	(60,174)
Share-based compensation expense	748,500	1,665,909	1,088,413
Other finance loss, net	134,847	110,739	1,183,180
Gain on disposition of discontinued operations	—	(75,192,421)	—
Gain on disposition of investments, net	—	—	(4,547,029)
Other income	(734,421)	—	—
Interest expense	7,654,334	9,459,377	9,135,531
Lawsuit settlement agreement	—	418,734	—
Unrealized foreign exchange (gain) loss, net	(3,740,149)	(999,499)	1,805,986
	<u>24,735,131</u>	<u>28,787,010</u>	<u>42,263,930</u>
Decrease (increase) in trade accounts receivable	523,619	(4,176,638)	(2,000,397)
(Increase) decrease in transmission rights	(456,857)	1,241,568	(6,049,514)
Decrease in due from related parties, net	1,708,178	4,987,868	18,959
Decrease (increase) in inventories	564,745	(588,954)	(571,281)
Decrease (increase) in other accounts receivable and other current assets	1,271,583	(2,217,989)	(2,882,822)
(Decrease) increase in trade accounts payable and accrued expenses	(3,216,450)	(122,945)	850,760
(Decrease) increase in deferred revenue and customer advances	(734,349)	267,237	3,060,769
(Decrease) increase in other liabilities and taxes payable	(2,316,886)	(3,027,186)	2,877,152
Increase (decrease) in post-employment benefits	136,993	(564,382)	923,196
Income taxes paid	(7,014,309)	(12,118,014)	(9,166,602)
	<u>(9,533,733)</u>	<u>(16,319,435)</u>	<u>(12,939,780)</u>
Net cash provided by operating activities	<u>15,201,398</u>	<u>12,467,575</u>	<u>29,324,150</u>
<b>Investing activities:</b>			
Disposition of investments in financial instruments	—	—	2,014,371
Disposition of OCEN and Radiópolis	—	—	4,625,291
Proceeds from disposition of discontinued operations	—	66,095,454	—
Long-term credit with related party	—	(5,738,832)	—
Disposition or investment in joint ventures	45,556	(7,922)	122,227
Dividends from preferred shares	716,905	752,556	—
Release of holdback payment of OCEN	—	364,420	—
Investment in other equity instruments	—	—	(1,122,178)
Dividends received	8,000	10,000	10,000
Investments in property, plant and equipment	(14,708,016)	(17,315,387)	(23,267,847)
Disposition of property, plant and equipment	48,873	264,163	672,424
Non-current trade account receivable	—	87,663	—
Other investments in intangible assets	(1,869,707)	(1,807,183)	(1,899,464)
Net cash (used in) provided by investing activities	<u>(15,758,389)</u>	<u>42,704,932</u>	<u>(18,845,176)</u>
<b>Financing activities:</b>			
Partial prepayment of Senior Notes due 2025, 2026, 2045, 2046 and 2049	(4,718,250)	(10,099,581)	—
Repurchase of Senior Notes due 2043	(181,731)	—	—
Prepayment of long-term loans from Mexican banks	—	(6,000,000)	—
Proceeds from Mexican banks long-term loans	400,000	—	2,650,000
Repayment of Mexican peso debt	—	(610,403)	(242,489)
Prepayment of Mexican peso debt related to Sky	(1,400,000)	—	(1,750,000)
Payments of lease liabilities	(1,793,602)	(1,690,311)	(1,728,753)
Interest paid	(7,553,938)	(8,893,000)	(8,258,243)
Funding for acquisition of shares of the Long-term Retention Plan	(86,000)	(648,242)	(328,500)
Repurchases of CPOs under a share repurchase program	(1,197,082)	(629,326)	—
Repurchase of capital stock	(172,976)	(980,410)	(774,073)
Sale of capital stock	172,976	980,410	774,073
Dividends paid	(1,027,354)	(1,053,392)	(1,053,392)
Dividends paid of non-controlling interests	—	—	(328,774)
Derivative financial instruments	(195,055)	(145,131)	(2,692,241)
Net cash used in financing activities	<u>(17,753,012)</u>	<u>(29,769,386)</u>	<u>(13,732,392)</u>
Effect of exchange rate changes on cash and cash equivalents	(234,637)	(100,344)	23,540
Net (Decrease) increase in cash and cash equivalents	<u>(18,544,640)</u>	<u>25,302,777</u>	<u>(3,229,878)</u>
Cash and cash equivalents at beginning of year	51,130,992	25,828,215	29,058,093
Cash and cash equivalents at end of year	<u>Ps. 32,586,352</u>	<u>Ps. 51,130,992</u>	<u>Ps. 25,828,215</u>

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

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2023, 2022 and 2021

(In thousands of Mexican pesos, except per CPO, per share and exchange rate amounts, unless otherwise indicated)

### 1. Corporate Information

Grupo Televisa, S.A.B. (the “Company”) is a limited liability public stock corporation (“Sociedad Anónima Bursátil” or “S.A.B.”), incorporated under the laws of Mexico. Pursuant to the terms of the Company’s bylaws (“Estatutos Sociales”), its corporate existence continues through 2106. The shares of the Company are listed and traded in the form of “Certificados de Participación Ordinarios”, or “CPOs,” on the Mexican Stock Exchange (“Bolsa Mexicana de Valores” or “BMV”) under the ticker symbol TLEVISA CPO, and in the form of Global Depositary Shares, or “GDSs,” on the New York Stock Exchange, or “NYSE,” under the ticker symbol TV. The Company’s principal executive offices are located at Av. Vasco de Quiroga No. 2000, Colonia Santa Fe, 01210, Mexico City, Mexico.

Grupo Televisa, S.A.B., together with its subsidiaries (collectively, the “Group”), is a major telecommunications corporation which owns and operates one of the most significant cable companies as well as a leading direct-to-home (“DTH”) satellite pay television system in Mexico. The Group’s cable business offers integrated services, including video, high-speed data, voice and mobile to residential and commercial customers, as well as managed services to domestic and international carriers. The Group owns a majority interest in Sky, a leading DTH satellite pay television system and broadband provider in Mexico, operating also in the Dominican Republic and Central America. The Group holds a number of concessions by the Mexican government that authorizes it to broadcast programming over television stations for the signals of TelevisaUnivision, Inc. (“TelevisaUnivision”), and the Group’s cable and DTH systems. In addition, the Group is the largest shareholder of TelevisaUnivision, a leading media company producing, creating and distributing Spanish-speaking content through several broadcast channels in Mexico, the United States and over 50 countries through television networks, cable operators and over-the-top or OTT services.

### 2. Material Accounting Policies

The material accounting policies followed by the Group and used in the preparation of these consolidated financial statements are summarized below.

#### (a) Basis of Presentation

The consolidated financial statements of the Group as of December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021, are presented in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”), as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements have been prepared on a historical cost basis, except for the measurement at fair value of derivative financial instruments, financial assets, investments in equity financial instruments, plan assets of post-employment benefits and share-based payments, as described in the notes to the financial statements below.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards, requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are material to the Group’s financial statements are disclosed in Note 5 to these consolidated financial statements.

The consolidated statements of income of the Group for the years ended December 31, 2022 and 2021, have been prepared to present the discontinued operations following the transaction between the Company and Televisaunivision announced on January 31, 2022 (the “TelevisaUnivision Transaction”). Accordingly, the consolidated statement of income of the Group for the year ended December 31, 2021, has been re-presented from that originally reported by the Company, to present in that period the results from discontinued operations for the businesses disposed of by the Group on January 31, 2022 (see Notes 3 and 28).

These consolidated financial statements were authorized for issuance on April 4, 2024, and on April 26, 2024, for the events disclosed in Note 29, by the Group’s Corporate Vice President of Finance.



## **(b) Consolidation**

The financial statements of the Group are prepared on a consolidated basis and include the assets, liabilities, and results of operations of all companies in which the Company has a controlling interest (subsidiaries). All intercompany balances and transactions have been eliminated from the consolidated financial statements.

### **Subsidiaries**

Subsidiaries are all entities over which the Company has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effects of potential voting rights that are currently exercisable or convertible are considered when assessing whether or not the Company controls another entity. The subsidiaries are consolidated from the date on which control is obtained by the Company and cease to consolidate from the date on which said control is lost.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in income or loss.

### **Changes in Ownership Interests in Subsidiaries without Change of Control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the interest acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

### **Loss of Control of a Subsidiary**

When the Company ceases to have control of a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in income or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognized in other comprehensive income are reclassified to income or loss except for certain equity financial instruments designated irrevocably with changes in other comprehensive income or loss.

### **Discontinued Operations**

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, for which its operations and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group and represents a separate major line of business or operations.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative consolidated statements of income are re-presented as if the operation had been discontinued from the start of the comparative period.

## Subsidiaries of the Company

At December 31, 2023 and 2022, the main direct and indirect subsidiaries of the Company were as follows:

Subsidiaries	Company's Ownership Interest <sup>(1)</sup>	Business Segment <sup>(2)</sup>
Empresas Cablevisión, S.A.B. de C.V. and subsidiaries (collectively, "Empresas Cablevisión") <sup>(3)</sup>	51.2 %	Cable
Subsidiaries engaged in the Cablemás business (collectively, "Cablemás") <sup>(3)</sup>	100 %	Cable
Televisión Internacional, S.A. de C.V. and subsidiaries (collectively, "TVI") <sup>(3)</sup>	100 %	Cable
Cablestar, S.A. de C.V. and subsidiaries (collectively, "Bestel") <sup>(3)</sup>	66.2 %	Cable
Arretis, S.A.P.I. de C.V. and subsidiaries (collectively, "Cablecom") <sup>(3)</sup>	100 %	Cable
Subsidiaries engaged in the Telecable business (collectively, "Telecable") <sup>(3)</sup>	100 %	Cable
FTTH de México, S.A. de C.V. ("FTTH de México") <sup>(3)</sup>	100 %	Cable
Corporativo Vasco de Quiroga, S.A. de C.V. ("CVQ") and subsidiaries <sup>(3)</sup>	100 %	Cable and Sky
Innova, S. de R.L. de C.V. ("Innova") and subsidiaries (collectively, "Sky") <sup>(3)(4)</sup>	58.7 %	Sky
Grupo Telesistema, S.A. de C.V. ("Grupo Telesistema") and subsidiaries <sup>(5)</sup>	100 %	Other Businesses <sup>(2)</sup>
Controladora de Juegos y Sorteos de México, S.A. de C.V. and subsidiaries	100 %	Other Businesses <sup>(2)</sup>
Editorial Televisa, S.A. de C.V. and subsidiaries	100 %	Other Businesses <sup>(2)</sup>
Grupo Distribuidoras Intermex, S.A. de C.V. and subsidiaries	100 %	Other Businesses <sup>(2)</sup>

- (1) Percentage of equity interest directly or indirectly held by the Company.
- (2) See Note 26 for a description of each of the Group's business segments. Most of the Group's operations of its Other Businesses segment were discontinued following the spin-off of certain businesses that were part of the Group's Other Businesses segment on January 31, 2024 (the "Spin-off"), to create a new controlling entity listed in the Mexican Stock Exchange (see Notes 3 and 29).
- (3) CVQ is a direct subsidiary of the Company and the parent company of Empresas Cablevisión, Cablemás, TVI, Bestel, Cablecom, Telecable, FTTH de México, and Sky. Bestel is an indirect majority-owned subsidiary of Empresas Cablevisión. FTTH de México was merged into Televisión Internacional S.A. de C.V., in the fourth quarter of 2023.
- (4) Innova is an indirect majority-owned subsidiary of the Company, CVQ and Sky DTH, S.A. de C.V. ("Sky DTH"), and a direct majority-owned subsidiary of Innova Holdings, S. de R.L. de C.V. ("Innova Holdings"). Sky is a satellite television provider in Mexico, Central America and the Dominican Republic. Although the Company holds a majority of Innova's equity and designates a majority of the members of Innova's Board of Directors, the non-controlling interest has certain governance and veto rights in Innova, including the right to block certain transactions between the companies in the Group and Sky. These veto rights are protective in nature and do not affect decisions about relevant business activities of Innova. (see Note 29)
- (5) Grupo Telesistema and its wholly-owned subsidiaries Multimedia Telecom, S.A. de C.V., Villacezán, S.A. de C.V., Comunicaciones Tieren, S.A. de C.V., and Corporativo TD Sports, S.A. de C.V., are the subsidiaries through which the Company owns shares of the capital stock of TelevisaUnivision, the parent company of Univision Communications Inc. ("Univision"), representing 49.7%, 43.8%, 3.7%, 2.1% and 0.7%, respectively, of the Group's aggregate investment in shares of common stock issued by TelevisaUnivision as of December 31, 2023 and 2022. Grupo Telesistema was the parent company of Club de Fútbol América, S.A. de C.V. and Fútbol del Distrito Federal, S.A. de C.V., which became direct subsidiaries of the Company in March 2023, in connection with the Spin-off (see Notes 3, 10, 20 and 29).

## Concessions and Permits

The Group's Cable, Sky and Other Businesses segments, require governmental concessions and special authorizations for the provision of telecommunications and broadcasting services in Mexico. Such concessions are granted by the Mexican Institute of Telecommunications ("Instituto Federal de Telecomunicaciones" or "IFT") for a fixed term, subject to renewal in accordance with the Mexican Telecommunications and Broadcasting Law ("Ley Federal de Telecomunicaciones y Radiodifusión" or "LFTR").

[Table of Contents](#)

Renewal of concessions for the Cable and Sky segments require, among others: (i) to request its renewal to IFT prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; and (iii) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT. IFT shall resolve any request for renewal of the telecommunications concessions within 180 business days of its request. Failure to respond within such period of time shall be interpreted as if the request for renewal has been granted.

The Group holds a number of concessions by the Mexican government that authorizes it to broadcast programming over television stations for the signals of TelevisaUnivision. The payments made by the Group for these broadcasting concessions were accounted for as intangible assets in the Group's Content segment through January 31, 2022, and are accounted as intangible assets in the Group's Other Businesses segment after that date (see Notes 3, 13, 20 and 26).

Renewal of broadcasting concessions for the broadcast programming operations over television stations for the signals of TelevisaUnivision, requires, among others: (i) to request such renewal to IFT prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; (iii) a declaration by IFT that there is no public interest in recovering the spectrum granted under the related concession; and (iv) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT, including the payment of a related fee. IFT shall resolve within the year following the presentation of the request, if there is public interest in recovering the spectrum granted under the related concession, in which case it will notify its determination and proceed with the termination of the concession at the end of its fixed term. If IFT determines that there is no public interest in recovering the spectrum, it will grant the requested extension within 180 business days, provided that the concessionaire accepts, in advance, the new conditions set by IFT, which will include the payment of the fee referred to above. Such fee will be determined by IFT for the relevant concessions, considering the following elements: (i) the frequency band; (ii) the amount of spectrum; (iii) coverage of the frequency band; (iv) domestic and international benchmark regarding the market value of frequency bands; and (v) upon request of IFT, an opinion issued by the Ministry of Finance and Public Credit of IFT's proposal for calculation of the fee.

The regulations of the broadcasting and the telecommunications concessions (including satellite pay TV) establish that at the end of the concession, the frequency bands or spectrum attached to the services provided in the concessions shall return to the Mexican government. In addition, at the end of the concession, the Mexican government will have the preferential right to acquire infrastructure, equipment and other goods directly used in the provision of the concession. If the Mexican government were to exercise its right to acquire infrastructure, equipment and other goods, it would be required to pay a price that is equivalent to a formula that is similar to fair value. To the knowledge of the Company's management, no spectrum granted for broadcasting services in Mexico has been recovered by the Mexican government in at least the past three decades for public interest reasons. However, the Company's management is unable to predict the outcome of any action by IFT in this regard. In addition, these assets, by themselves, would not be enough to immediately begin broadcasting or offering satellite pay TV services or telecommunications services, as no content producing assets or other equipment necessary to operate the business would be included.

Also, the Group's Gaming business, which is reported in the Other Businesses segment, requires a permit granted by the Mexican Federal Government for a fixed term, in accordance with Mexican law (see Note 27). Additionally, the Group's Sky businesses in Central America and the Dominican Republic require concessions or permits granted by local regulatory authorities for a fixed term, subject to renewal in accordance with local laws.

The accounting guidelines provided by IFRIC 12 *Service Concession Arrangements*, are not applicable to the Group due primarily to the following factors: (i) the Mexican government does not substantially control the Group's infrastructure, what services are provided with the infrastructure and the price at which such services are offered; (ii) the Group's broadcasting service does not constitute a public service as per the definition in IFRIC 12; and (iii) the Group is unable to divide its infrastructure among the public (telephony and possibly Internet services) and non-public (pay TV) service components.

At December 31, 2023, the expiration dates of the Group's concessions and permits were as follows:

<b>Segments</b>	<b>Expiration Dates</b>
Cable	Various from 2026 to 2059
Sky	Various from 2025 to 2056
Other Businesses:	
Broadcasting concessions <sup>(1)</sup>	In 2042 and 2052
Gaming	In 2030

(1) In November 2018, the IFT approved (i) 23 concessions for the use of spectrum that comprise the Group's 225 TV stations, for a term of 20 years, starting in January 2022 and ending in January 2042, and (ii) six concessions that grant the authorization to provide digital broadcasting television services of such 225 TV stations, for a term of 30 years, starting in January 2022 and ending in January 2052. In November 2018, the Group paid for the broadcasting concessions for the use of spectrum an aggregate amount of Ps.5,753,349 in cash and recognized this payment as an intangible asset in its consolidated statement of financial position. This amount is being amortized over a period of 20 years beginning on January 1, 2022, by using the straight-line method. These broadcasting concessions became part of the Group's Other Businesses segment after the TelevisaUnivision Transaction closed on January 31, 2022 (see Notes 3, 13, 20 and 26).

The concessions or permits held by the Group are not subject to any significant pricing regulations in the ordinary course of business.

### **(c) Investments in Associates and Joint Ventures**

Associates are those entities over which the Group has significant influence but not control or joint control, over the financial and operating policies, generally those entities with a shareholding of between 20% and 50% of the voting rights. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are those joint arrangements where the Group exercises joint control with one or more stockholders, without exercising control individually, and have rights to the net assets of the joint arrangements. Investments in associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the net assets of the investee after the date of acquisition. The investor's income or loss includes its share of the investee's income or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

The Group's investments in associates include an equity interest in TelevisaUnivision represented by 43.7% and 44.4% of the outstanding total common and preferred shares of TelevisaUnivision on an as-converted basis (excluding unvested and/or unsettled stock, restricted stock units and options of TelevisaUnivision) as of December 31, 2023 and 2022, respectively (see Notes 3 and 10).

If the Group's share of losses of an associate or a joint venture, equals or exceeds its interest in the investee, the Group discontinues recognizing its share of further losses. The interest in an associate or a joint venture is the carrying amount of the investment in the investee under the equity method together with any other long-term investment that, in substance, form part of the Group's net investment in the investee. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any gain or loss resulting from a downstream transaction involving assets that constitute a business, as defined in IFRS 3 *Business Combinations*, between the Company (including its consolidated subsidiaries) and its associate or joint venture is recognized in full in the Group's financial statements. The Group adopted this accounting policy in connection with the TelevisaUnivision Transaction closed on January 31, 2022 (see Note 3), and in accordance with the guidelines of Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, and Effective Date of Amendments to IFRS 10 and IAS 28, issued by the IASB.

### **(d) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Co-Chief Executive Officers ("chief operating decision makers"), who are responsible for allocating resources and assessing performance for each of the Group's operating segments.

**(e) Foreign Currency Translation**

**Functional and Presentation Currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The presentation and reporting currency of the Group's consolidated financial statements is the Mexican peso, which is used for compliance with its legal and tax obligations.

**Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or measurement where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income as part of finance income or expense, except when recognized in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as investments in financial instruments are analyzed between exchange differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in income or loss, and other changes in carrying amount are recognized in other comprehensive income or loss.

**Translation of Foreign Operations**

The financial statements of the Group's foreign entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of the statement of financial position; (b) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); (c) stockholders' equity accounts are translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated and (d) all resulting translation differences are recognized in other comprehensive income or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences arising are recognized in other comprehensive income or loss.

Assets and liabilities in foreign currencies of non-Mexican subsidiaries that use the Mexican Peso as a functional currency are initially converted to Mexican Pesos by utilizing the exchange rate of the statement of financial position date for monetary assets and liabilities, and historical exchange rates for non-monetary items, with the related adjustment included in the consolidated statement of income as finance income or expense.

A portion of the Group's outstanding principal amount of its U.S. dollar denominated long-term debt (hedging instrument, disclosed in the line item "Long-term debt, net of current portion" of the consolidated statement of financial position) has been designated as a hedge of a net investment in a foreign operation in connection with the Group's investment in shares of TelevisaUnivision (hedged item), which amounted to U.S.\$2,499.7 million (Ps.42,326,344) and U.S.\$2,538.8 million (Ps.49,446,349) as of December 31, 2023 and 2022, respectively. Consequently, any foreign exchange gain or loss attributable to this designated hedging long-term debt is credited or charged directly to other comprehensive income or loss as a cumulative result from foreign currency translation (see Notes 10, 14 and 18).

A portion of the Group's outstanding principal amount of its U.S. dollar denominated long-term debt (hedging instrument, disclosed in the line item "Long-term debt, net of current portion" of the consolidated statement of financial position) has been designated as a fair value hedge of foreign exchange exposure related to its investment in Open-Ended Fund (hedged item), which amounted to U.S.\$39.8 million (Ps.674,451) and U.S.\$39.7 million (Ps.773,209), as of December 31, 2023 and 2022, respectively. Consequently, any foreign exchange gain or loss attributable to this designated hedging long-term debt is credited or charged directly to other comprehensive income or loss, along with the recognition in the same line item of any foreign currency gain or loss of this investment in Open-Ended Fund designated as a hedged item (see Notes 9, 14 and 18).

**(f) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and all highly liquid investments with an original maturity of three months or less at the date of acquisition. Cash is stated at nominal value and cash equivalents are measured at fair value, and the changes in the fair value are recognized in the statement of income.

As of December 31, 2023 and 2022, cash equivalents primarily consisted of fixed short-term deposits and corporate fixed income securities denominated in U.S. dollars and Mexican pesos, with an average yield of approximately 4.65% for U.S. dollar deposits and 11.09% for Mexican peso deposits in 2023, and approximately 1.53% for U.S. dollar deposits and 7.40% for Mexican peso deposits in 2022.

**(g) Transmission Rights**

The Group incurs costs related to the license of the rights to use content owned by third parties and sports rights on its owned pay television platforms, which are described as transmission rights in the Group's consolidated statement of financial position. The Group classifies transmission rights as current and non-current assets.

Transmission rights are valued at the lesser of acquisition cost and net realizable value.

Transmission rights are recognized from the point at which the legally enforceable license period begins. Until the license term commences and the transmission rights are available, payments made are recognized as prepayments. Cost of revenues is calculated and recorded for the month in which transmission rights are matched with related revenues.

Transmission rights are recognized in income on a straight-line basis over the lives of the contracts.

**(h) Inventories**

Inventories of paper, magazines, materials and supplies for maintenance of technical equipment are recorded at the lower of cost or its net realizable value. The net realization value is the estimated selling price in the normal course of business, less estimated costs to conduct the sale. Cost is determined using the average cost method.

**(i) Financial Assets**

The Group classifies its financial assets in accordance with IFRS 9 *Financial Instruments* ("IFRS 9"). Under the guidelines of IFRS 9, the Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or loss ("FVOCI"), or fair value through income or loss ("FVIL"), based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

**Financial Assets Measured at Amortized Cost**

Financial assets are measured at amortized cost when the objective of holding such financial assets is to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are only payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, with changes in carrying amount recognized in the consolidated statement of income in the line which most appropriately reflects the nature of the item or transaction. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period that are included in non-current assets. The Group's financial assets measured at amortized costs are primarily presented as "trade accounts receivable", "other accounts receivable", and "due from related parties" in the consolidated statement of financial position (see Note 7).

### **Financial Assets Measured at FVOCIL**

Financial assets are measured at FVOCIL when the objective of holding such financial assets is both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's investments in certain equity instruments have been designated to be measured at FVOCIL, as permitted by IFRS 9. In connection with this designation, any amounts presented in consolidated other comprehensive income are not subsequently transferred to consolidated income. Dividends from these equity instruments are recognized in consolidated income when the right to receive payment of the dividend is established, and such dividend is probable to be paid to the Group.

### **Financial Assets at FVIL**

Financial assets at FVIL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

### **Impairment of Financial Assets**

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at FVOCIL. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade accounts receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the trade accounts receivables (see Note 7).

### **Offsetting of Financial Instruments**

Financial assets are offset against financial liabilities and the net amount reported in the consolidated statement of financial position if, and only when the Group: (i) currently has a legally enforceable right to set off the recognized amounts; and (ii) intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

### **(j) Property, Plant and Equipment, and Investment Property**

Property, plant and equipment are recorded at acquisition cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to income or loss during the financial period in which they are incurred.

The costs of dismantling items of property, plant and equipment are recognized at the fair value of related dismantling obligations. These dismantling obligations are primarily related to the use of the Group's Cable segment networks during a particular period and presented as part of other long-term liabilities in the Group's consolidated statements of financial position. As of December 31, 2023 and 2022, the present value of the Group's dismantling obligations amounted to Ps.1,133,379 and Ps.1,129,184, respectively.

[Table of Contents](#)

Depreciation of property, plant and equipment is based upon the carrying amount of the assets in use and is computed using the straight-line method over the estimated useful lives of the asset, as follows:

	<u>Estimated Useful Lives</u>
Buildings	20-50 years
Technical equipment	3-30 years
Satellite transponders	15 years
Furniture and fixtures	10-15 years
Transportation equipment	4-8 years
Computer equipment	3-6 years
Leasehold improvements	5-30 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Gains and losses on disposals of assets are determined by comparing the proceeds with the carrying amount and are recognized within other income or expense in the consolidated statement of income.

If significant parts of an item of property, plant and equipment have different useful lives, then they are classified as separate items (major components) of property, plant and equipment.

#### **Investment Property**

Beginning on February 1, 2022, the Group has investment property. Investment property is property of the Group (land or a building or part of a building or both) held by a lessee as a right-of-use asset, to earn rentals rather than for use in the production or supply of goods or services or for administrative purposes, or sale in the ordinary course of business.

Depreciation of investment property is based upon the carrying amount of the assets in use and is computed using the straight-line method over the estimated useful lives of the asset, as follows:

	<u>Estimated Useful Lives</u>
Buildings	20-65 years

The Group's investment property is measured at cost less any accumulated depreciation and any accumulated impairment losses.

#### **(k) Lease Agreements**

As a lessee, the Group recognizes a right-of-use asset representing its right to use the underlying asset in a lease agreement, and a lease liability representing its obligation to make lease payments.

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and mostly leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group recognizes a depreciation of rights-of-use assets for long-term lease agreements, and a finance expense for interest from related lease liabilities.



[Table of Contents](#)

The Group leases its investment property consisting of certain owned building and land property (see Note 11). These lease agreements are classified as operating leases from a lessor perspective.

**(I) Intangible Assets and Goodwill**

Intangible assets and goodwill are recognized at acquisition cost. Intangible assets and goodwill acquired through business combinations are recorded at fair value at the date of acquisition. Intangible assets with indefinite useful lives, which include, trademarks, concessions, and goodwill, are not amortized, and subsequently recognized at cost less accumulated impairment losses. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, as follows:

	<b>Estimated Useful Lives</b>
Trademarks with finite useful lives	4 years
Licenses	3-10 years
Subscriber lists	4-5 years
Payments for renewal of concessions	20 years
Other intangible assets	3-20 years

**Trademarks**

The Group determines its acquired trademarks to have an indefinite life when they are expected to generate net cash inflows for the Group indefinitely. Additionally, the Group considers that there are no legal, regulatory or contractual provisions that limit the useful lives of trademarks. The Group has not capitalized any amounts associated with internally developed trademarks.

**Concessions**

The Group defined concessions to have an indefinite useful life due to the fact that the Group has a history of renewing its concessions upon expiration, has maintained the concessions granted by the Mexican government, and has no foreseeable limit to the period over which the assets are expected to generate net cash inflows. In addition, the Group is committed to continue to invest for the long term to extend the period over which the broadcasting and telecommunications concessions are expected to continue to provide economic benefits. These concessions are not amortized, but instead are subject to impairment testing at least annually. The useful life of concessions that is not being amortized is reviewed in each annual reporting period to determine whether events and circumstances continue to support an indefinite useful life for these concessions. Historically, the Group has renewed its telecommunications' concessions upon expiration and generally all condition necessary to obtain renewal have been satisfied and the cost to renew these concessions has not been significant.

Any fees paid by the Group to regulatory authorities for concessions renewed are determined to have finite useful lives and are amortized on a straight-line basis over the fixed term of the related concession.

**Goodwill**

Goodwill arises on the acquisition of a business and represents the excess of the consideration transferred over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of the value in use and the fair value less costs to sell. Any impairment of goodwill is recognized as an expense in the consolidated statement of income and is not subject to be reversed in subsequent periods.

**(m) Impairment of Long-lived Assets**

The Group reviews for impairment the carrying amounts of its long-lived assets, tangible and intangible (see Note 13), whenever events or changes in business circumstances indicate that these carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. To determine whether an impairment exists, the carrying amount of the reporting unit is compared with its recoverable amount. Fair value estimates are based on quoted market values in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including discounted value of estimated future cash flows, market multiples or third-party appraisal valuations. Any impairment of long-lived assets other than goodwill may be subsequently reversed under certain circumstances.

**(n) Trade Accounts Payable and Accrued Expenses**

Trade accounts payable and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade accounts payable and accrued expenses are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable and accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Trade accounts payable and accrued expenses are presented as a single item of consolidated current liabilities in the consolidated statements of financial position as of December 31, 2023 and 2022.

**(o) Debt**

Debt is recognized initially at fair value, net of transaction costs incurred. Debt is subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period in which the debt is outstanding using the effective interest method.

Fees paid on the establishment of debt facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates. The fee is deducted from the amount of the financial liability when it is initially recognized, or recognized in the consolidated statement of income when the issue is no longer expected to be completed.

Current portion of long-term debt and interest payable are presented as a separate line item in the consolidated statements of financial position as of December 31, 2023 and 2022.

Debt early redemption costs are recognized as finance expense in the consolidated statement of income.

**(p) Customer Advances**

Customer advance agreements are contract liabilities presented by the Group in the consolidated statement of financial position. The Group recognizes a contract liability when a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services or goods to the customer. A contract liability is a Group's obligation to transfer services or goods to a customer for which the Group has received consideration, or an amount of consideration is due, from the customer. In addition, the Group recognizes contract assets upon the approval of non-cancellable contracts that generate an unconditional right to receive cash consideration prior to services being rendered. The Company's management has consistently recognized that an amount of consideration is due, for legal, finance and accounting purposes, when a short-term non-interest bearing note is received from a customer in connection with an advance agreement entered into with the customer for services or goods to be provided by the Group in the short term.

**(q) Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provisions due to passage of time is recognized as interest expense.

**(r) Equity**

The capital stock and other equity accounts include the effect of restatement through December 31, 1997, determined by applying the change in the Mexican National Consumer Price Index between the dates capital was contributed or net results were generated and December 31, 1997, the date through which the Mexican economy was considered hyperinflationary under the guidelines of IFRS Accounting Standards. The restatement represented the amount required to maintain the contributions and accumulated results in Mexican Pesos in purchasing power as of December 31, 1997.

Where any company in the Group purchases shares of the Company's capital stock (shares repurchased), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to stockholders of the Company until the shares are cancelled, reissued, or sold. Where such shares repurchased are subsequently reissued or sold, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to stockholders of the Company.

**(s) Revenue Recognition and Contract Costs**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group derives the majority of its revenues from telecommunications-related business activities, primarily from its Cable and Sky segment operations (see Notes 3 and 26). Revenues are recognized when the service is provided, and collection is probable. A summary of revenue recognition policies by significant activity is as follows:

- Cable television, internet and telephone subscription, and pay-per-view and installation fees are recognized in the period in which the services are rendered.
- Revenues from other telecommunications and data services are recognized in the period in which these services are provided. Other telecommunications services include long distance and local telephony, as well as leasing and maintenance of telecommunications facilities.

[Table of Contents](#)

- In respect of revenues from multiple products or services, the Group evaluates whether it has fair value evidence for each deliverable in the transaction. The Group sells cable television, internet, and telephone subscription to subscribers in a bundled package at a rate lower than if the subscriber purchases each product on an individual basis. Subscription revenues received from such subscribers are allocated to each product in a pro-rata manner based on the fair value of each of the respective services.
- Sky program service revenues, including advances from customers for future direct-to-home (“DTH”) program services, are recognized at the time the service is provided.
- Revenues from magazine subscriptions are initially deferred and recognized proportionately as products are delivered to subscribers. Revenues from the sales of magazines are recognized on the date of circulation of delivered merchandise, net of a provision for estimated returns (see Notes 3 and 26).
- Revenues from publishing distribution are recognized upon distribution of the products (see Notes 3 and 26).
- Revenues from attendance to soccer games, including revenues from advance ticket sales for soccer games and other promotional events, are recognized on the date of the relevant event (see Notes 3 and 26).
- Gaming revenues consist of the net win from gaming activities, which is the difference between amounts wagered and amounts paid to winning patrons and are recognized at the time of such net win (see Notes 3 and 26).

**Contract Costs**

Incremental costs for obtaining contracts with customers in the Cable and Sky segments, primarily commissions, are recognized as contract costs (assets) in the Group’s consolidated statement of financial position and amortized in the expected life of contracts with customers.

The Group has recognized assets from incremental costs of obtaining contracts with customers, primarily commissions, which were classified as current and non-current assets in its consolidated financial statements as of December 31, 2023 and 2022, as follows:

	Cable	Sky	Total
<b>Contract costs:</b>			
At January 1, 2023	Ps. 3,297,436	Ps. 2,020,790	Ps. 5,318,226
Additions	1,758,769	408,555	2,167,324
Amount recognized in income	(1,240,670)	(914,694)	(2,155,364)
<b>Total contract costs at December 31, 2023</b>	<b>3,815,535</b>	<b>1,514,651</b>	<b>5,330,186</b>
Less:			
Current Contract Costs	1,295,696	715,816	2,011,512
<b>Total non-current contract costs</b>	<b>Ps. 2,519,839</b>	<b>Ps. 798,835</b>	<b>Ps. 3,318,674</b>

	Cable	Sky	Total
<b>Contract costs:</b>			
At January 1, 2022	Ps. 2,498,124	Ps. 2,500,190	Ps. 4,998,314
Additions	1,764,989	580,042	2,345,031
Amount recognized in income	(965,677)	(1,059,442)	(2,025,119)
<b>Total contract costs at December 31, 2022</b>	<b>3,297,436</b>	<b>2,020,790</b>	<b>5,318,226</b>
Less:			
Current Contract Costs	1,077,417	840,870	1,918,287
<b>Total non-current contract costs</b>	<b>Ps. 2,220,019</b>	<b>Ps. 1,179,920</b>	<b>Ps. 3,399,939</b>

Amortization of contract costs is based upon the carrying amount of the assets in use and is computed using the straight-line method over estimated useful lives that range between 1.5 and 5 years.

**(t) Interest Income**

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

**(u) Employee Benefits**

**Pension and Seniority Premium Obligations**

Plans exist for pensions and seniority premiums (post-employment benefits), for most of the Group's employees funded through irrevocable trusts. Increases or decreases in the consolidated liability or asset for post-employment benefits are based upon actuarial calculations. Contributions to the trusts are determined in accordance with actuarial estimates of funding requirements. Payments of post-employment benefits are made by the trust administrators. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurement of post-employment benefit obligations related to experience adjustments and changes in actuarial assumptions of post-employment benefits are recognized in the period in which they are incurred as part of other comprehensive income or loss in consolidated equity.

**Profit Sharing**

The employees' profit sharing required to be paid under certain circumstances in Mexico, is recognized as a direct benefit to employees in the consolidated statements of income in the period in which it is incurred. The profit sharing is paid to employees on a yearly basis and calculated by the Mexican companies in the Group at the statutory rate of 10% on their respective adjusted income in accordance with the Federal Labor Law. Beginning in 2021, there is a cap on the payment of profit sharing of up to three months of salary per employee (see Note 24).

**Termination Benefits**

Termination benefits, which mainly represent severance payments by law, are recorded in the consolidated statement of income. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring plan that involves the payment of termination benefits.

**(v) Income Taxes**

The income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is recognized in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements of the consolidated companies in the Group. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than in a business combination) that at the time of the transaction affects neither accounting nor taxable income or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is recovered or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax loss carryforwards can be utilized. For this purpose, the Group takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, and future reversals of existing temporary differences.

Deferred income tax liabilities are provided on taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are provided on deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefit of the temporary difference and it is expected to reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**(w) Derivative Financial Instruments**

The Group recognizes derivative financial instruments as either assets or liabilities in the consolidated statements of financial position and measures such instruments at fair value. The accounting for changes in the fair value of a derivative financial instrument depends on the intended use of the derivative financial instrument and the resulting designation. For a derivative financial instrument designated as a cash flow hedge, the effective portion of such derivative's gain or loss is initially reported as a component of other comprehensive income or loss and subsequently reclassified into income when the hedged exposure affects income. The ineffective portion of the gain or loss is reported in income immediately. For a derivative financial instrument designated as a fair value hedge, the gain or loss is recognized in income in the period of change together with the offsetting loss or gain on the hedged item attributed to the risk being hedged. When a hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income remains in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to income or loss. For derivative financial instruments that are not designated as accounting hedges, changes in fair value are recognized in income in the period of change. During the years ended December 31, 2023, 2022 and 2021, certain derivative financial instruments qualified for hedge accounting (see Note 15).

**(x) Comprehensive Income**

Comprehensive income for the period includes the net income for the period presented in the consolidated statement of income plus other comprehensive income for the period reflected in the consolidated statement of comprehensive income.

**(y) Share-based Payment Agreements**

Key officers and employees of certain subsidiaries of the Company have entered into agreements for the conditional sale of Company's shares under the Company's Long-Term Retention Plan ("LTRP"). The share-based compensation expense is measured at fair value at the date the equity benefits are conditionally sold to these officers and employees and recognized as a charge to consolidated income (administrative expense) over the vesting period. The Group recognized a share-based compensation expense of Ps.748,500, Ps.968,628 and Ps.903,764 for the years ended December 31, 2023, 2022 and 2021, respectively, of which Ps.748,500, Ps. 968,628 and Ps.1,066,863 was credited in consolidated stockholders' equity for each of those years, respectively (see Note 17).

**(z) New and Amended IFRS Accounting Standards**

The Group adopted some amendments and improvements to certain IFRS Accounting Standards that became effective in 2023, 2022 and 2021, which did not have any significant impact on the Group's consolidated financial statements.

[Table of Contents](#)

Below is a list of the new and amended IFRS Accounting Standards that have been issued by the IASB and are effective for annual reporting periods beginning on January 1, 2023, 2024, and 2025.

<b>New or Amended IFRS Accounting Standard</b>	<b>Title of the IFRS Accounting Standard</b>	<b>Effective for Annual Reporting Periods Beginning On or After</b>
Amendments to IAS 12 <sup>(1)</sup>	<i>International Tax Reform – Pillar Two Model Rules</i>	January 1, 2023
Amendments to IFRS 16 <sup>(1)</sup>	<i>Lease Liability in a Sale and Leaseback</i>	January 1, 2024
Amendments to IAS 1 <sup>(1)</sup>	<i>Non-current Liabilities with Covenants</i>	January 1, 2024
Amendments to IAS 7 and IFRS 7 <sup>(1)</sup>	<i>Supplier Finance Arrangements</i>	January 1, 2024
Amendments to IAS 21 <sup>(1)</sup>	<i>Lack of Exchangeability</i>	January 1, 2025
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Postponed

<sup>(1)</sup> This new or amended IFRS Accounting Standard is not expected to have a significant impact on the Group’s consolidated financial statements.

Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules*, were issued by the IASB in May 2023, to give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development’s (“OECD”) international tax reform. The OECD published the Pillar Two Model Rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. More than 135 countries and jurisdictions representing more than 90% of global GDP have agreed to the Pillar Two Model Rules. These amendments introduce (i) a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules. This will help to ensure consistency in the financial statements while easing into the implementation of the rules; and (ii) targeted disclosure requirements to help investors better understand a company’s exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect. Companies can benefit from the temporary exception immediately but are required to provide the disclosures to investors for annual reporting periods beginning on or after January 1, 2023. As permitted by these amendments, beginning in the year ended December 31, 2023, the Group applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes arising from Pillar Two Model Rules, and provided the required disclosures to help users of financial statements understand the Group’s exposure to Pillar Two Model Rules (see Note 24).

Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*, were issued by the IASB in September 2022, and add to requirements in IFRS 16 *Leases* (“IFRS 16”) explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases the same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The amendments issued add to the sale and leaseback requirements in IFRS 16, thereby supporting the consistent application of the IFRS Standard. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction. These amendments to IFRS 16 are effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted.

Amendments to IAS 1 *Non-current Liabilities with Covenants*, were issued by the IASB in October 2022, to improve the information companies provide about long-term with covenants. IAS 1 *Presentation of Financial Statements* requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company's ability to do so is often subject to complying with covenants. For example, a company might have long-term debt that could become repayable within 12 months if the company fails to comply with covenants in that 12-month period. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted.

Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*, were issued by the IASB in May 2023, to require an entity to provide additional disclosures about its supplier finance arrangements. The new requirements were developed by the IASB to provide users of financial statements with information to enable them: (a) to assess how supplier finance arrangements affect an entity's liabilities and cash flows; and (b) to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. The amendments supplement requirements already in IFRS Standards and require a company to disclose: (i) the terms and conditions; (ii) the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet; (iii) ranges of payment due dates; and (iv) liquidity risk information. The amendments, which affect IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*, will become effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted.

Amendments to IAS 21 *Lack of Exchangeability*, were issued by the IASB in August 2023, to require companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. The amendments, which affect IAS 21 *The Effects of Changes in Foreign Exchange Rates*, will become effective for annual reporting periods beginning on or after January 1, 2025, with early application permitted.

Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, were issued by the IASB in September 2014, and addressed and acknowledged an inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and those in IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB decided to postpone the effective date of these amendments indefinitely. Entities are required to apply these amendments prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by the IASB. Earlier application is permitted. If an entity applies these amendments earlier, it shall disclose that fact. These amendments became applicable to the Group's consolidated financial statements in connection with the closing of the TelevisaUnivision Transaction in the first quarter of 2022 (see Note 3). As permitted, the Group has applied these amendments in 2022 and disclosed this fact in its consolidated financial statements.

### **3. Disposition of OCEN, TelevisaUnivision Transaction, and Spun-off Businesses**

In December 2021, the Company concluded the sale of its former 40% equity stake in OCESA Entretenimiento, S.A. de C.V. ("OCEN") to Live Nation Entertainment, Inc. ("Live Nation") and received a payment in cash of Ps.4,806,549; recognized an account receivable of Ps.364,420 in connection with a 7% retention of the total amount of the transaction to cover OCEN potential operating losses, if any, for a period of time following closing; and accounted for a related pretax gain of Ps.4,547,029 as other income in its consolidated statement of income for the year ended December 31, 2021. In the second quarter of 2022, Live Nation paid to the Company the holdback amount of Ps.364,420, and a purchase price adjustment of Ps.35,950 in connection with this transaction (see Note 22).



On April 13, 2021, the Company and Univision Holdings, Inc. (“UHI”) announced a transaction agreement (the “Transaction Agreement”) in which the Group’s content and media assets would be combined with Univision Holdings II, Inc. (“UH II,” the successor company of UHI), and the Group would continue to participate in UH II, with an equity stake of approximately 45% following the closing of the transaction. The Group would also retain ownership of its Cable, Sky and Other Businesses segments, as well as the main real estate associated with the production facilities, the broadcasting concessions and transmission infrastructure in Mexico. The Group would contribute to UH II the net assets specified in the Transaction Agreement, including, subject to certain exceptions, its Content business, for a total value of U.S.\$4,500 million, comprised of U.S.\$3,000 million in cash, U.S.\$750 million in common stock of UH II and U.S.\$750 million in preferred stock of UH II, with an annual dividend of 5.5%. In connection with this transaction, UH II would receive all assets, intellectual property and library related to the News division of the Group’s Content business but would outsource production of news content for Mexico to a company owned by the Azcárraga family. The combination was approved by each of the Board of Directors of the Company, the Board of Directors of UHI, and the Stockholders of the Company in the first half of 2021. The transaction was subject to customary closing conditions, including receipt of regulatory approvals in primarily in the United States and Mexico, among others. On September 14, 2021, the Mexican Institute of Telecommunications (*Instituto Federal de Telecomunicaciones* or “IFT”) announced its approval of this transaction. On January 24, 2022, the Company and UH II announced that all required regulatory approvals for the transaction had been already received by that date. On January 31, 2022, the Group, TelevisaUnivision (formerly known as UH II) and other parties closed the TelevisaUnivision Transaction, and the Group recognized an income from disposition of discontinued operations in the aggregate amount of Ps.93,066,741 in its consolidated statement of income for the year ended December 31, 2022, comprising a consideration in cash received from TelevisaUnivision in the aggregate amount of U.S.\$2,971.3 million (Ps.61,214,741), a consideration in common and preferred stock of TelevisaUnivision, in the aggregate amount of U.S.\$1,500.0 million (Ps.30,912,000), and a cash consideration received from Tritón Comunicaciones, S.A. de C.V. (“Tritón”) a company of the Azcárraga family, in the amount of Ps.940,000, related to the rights for the production of news content for Mexico. Also, in connection with the TelevisaUnivision Transaction, the Group (i) began to present and disclose the results of operations of its disposed businesses as discontinued operations in its consolidated statements of income for any comparative prior period and for the month ended January 31, 2022; (ii) recognized a net gain (loss) on disposition of discontinued operations of Ps.56,065,530 and Ps. (1,943,647), for the years ended December 31, 2022 and 2021, respectively; and (iii) recognized as deferred revenue a prepayment made by TelevisaUnivision in the aggregate amount of U.S.\$276.2 million (Ps.5,729,377), for the use of concession rights owned by the Group, which was classified as current and non-current liabilities in the Group’s consolidated statement of financial position (see Notes 2, 10, 20, 26 and 28).

On October 27, 2022, the Board of Directors of the Company approved a proposal to separate from the Group certain businesses that were part of its Other Businesses segment, including its *fútbol* operations, the Azteca Stadium, the gaming operations, and publishing and distribution of magazines, as well as certain related assets and liabilities (the “Spun-off Businesses”). On April 26, 2023, the Company’s stockholders approved this proposal. On January 31, 2024, this proposal was carried out through the Spin-off, creating a new controlling entity, Ollamani, S.A.B. (“Ollamani”), that holds the Spun-off Businesses, and has the same shareholding structure as the Company. On February 12, 2024, the Group and Ollamani obtained all of the required corporate and regulatory authorizations for the Spin-off. As of December 31, 2023, the Group continued to present the Spun-off Businesses as part of the Group’s Other Businesses segment and their results of operations as part of the Group’s continuing operations, as the required regulatory approvals had not been obtained as of that date, and those approvals were considered substantive (see Notes 26 and 29).

#### **4. Financial Risk Management**

##### **(a) Market Risk**

Market risk is the exposure to an adverse change in the value of financial instruments caused by market factors including changes in equity prices, interest rates, foreign currency exchange rates, commodity prices and inflation rates.

The Group is exposed to market risks arising from changes in equity prices, interest rates, foreign currency exchange rates and inflation rates, in both the Mexican and U.S. markets. Market risk management activities are monitored by the Investments, Risk Management and Treasury Committee on a quarterly basis.

##### **(i) Foreign Exchange Risk**

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar and in those subsidiaries with functional currency other than the Mexican peso. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

[Table of Contents](#)

Foreign currency exchange risk is monitored by assessing the net monetary liability position in U.S. dollars and the forecasted cash flow needs for anticipated U.S. dollar investments and servicing the Group's U.S. dollar-denominated debt.

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group use forward contracts. In compliance with the procedures and controls established by the Risk Management Committee, in 2023 and 2022, the Group entered into certain derivative transactions with certain financial institutions in order to manage its exposure to market risks resulting from changes in interest rates and foreign currency exchange rates. The objective in managing foreign currency fluctuations is to reduce earnings and cash flow volatility.

**Foreign Currency Position**

The foreign currency position of monetary items of the Group at December 31, 2023, was as follows:

	Foreign Currency Amounts (Thousands)		Year-End Exchange Rate		Mexican Pesos
<b>Assets:</b>					
U.S. dollars	1,367,231	Ps.	16.9325	Ps.	23,150,639
Euros	31,976		18.7219		598,651
Swiss francs	1,891		20.1657		38,133
Other currencies	—		—		3,383
<b>Liabilities:</b>					
U.S. dollars <sup>(1)</sup>	3,996,913	Ps.	16.9325	Ps.	67,677,729
Euros	18,087		18.7219		338,623
Swiss francs	142		20.1657		2,864
Other currencies	—		—		854

The foreign currency position of monetary items of the Group at December 31, 2022, was as follows:

	Foreign Currency Amounts (Thousands)		Year-End Exchange Rate		Mexican Pesos
<b>Assets:</b>					
U.S. dollars	2,372,570	Ps.	19.4760	Ps.	46,208,173
Euros	20,720		20.8878		432,795
Swiss francs	2,009		21.1275		42,445
Other currencies	—		—		3,032
<b>Liabilities:</b>					
U.S. dollars <sup>(1)</sup>	4,411,584	Ps.	19.4760	Ps.	85,920,010
Euros	237		20.8878		4,950
Swiss francs	23,281		21.1275		491,869
Other currencies	—		—		33

<sup>(1)</sup> As of December 31, 2023 and 2022, monetary liabilities include U.S.\$2,539.5 million (Ps.43,000,795) and U.S.\$2,578.5 million (Ps.50,219,558), respectively, related to long-term debt designated as a hedging instrument of the Group's investments in TelevisaUnivision and Open-Ended Fund (see Note 14).

As of April 4, 2024, the exchange rate was Ps.16.6091 per U.S. dollar, which represents the interbank free market exchange rate on that date as reported by Banco Nacional de México, S.A. or Citibanamex.

[Table of Contents](#)

The Group is subject to the risk of foreign currency exchange rate fluctuations, resulting primarily from the net monetary position in U.S. dollars and U.S. dollar equivalent amounts of the Group's Mexican operations, as follows (in millions of U.S. dollars):

	December 31,	
	2023	2022
U.S. dollar-denominated and U.S. dollar-equivalent monetary assets, primarily cash and cash equivalents, and non-current investments in financial instruments <sup>(1)</sup>	U.S.\$ 1,398.5	U.S.\$ 2,319.9
U.S. dollar-denominated and U.S. dollar-equivalent monetary liabilities, primarily trade accounts payable, Senior debt securities, lease liabilities, and other liabilities <sup>(2) (3)</sup>	(4,010.2)	(4,428.1)
Net liability position	U.S.\$ (2,611.7)	U.S.\$ (2,108.2)

- (1) As of December 31, 2023 and 2022, this line includes U.S. dollar equivalent amounts of U.S. \$36.0 million and U.S.\$22.9 million, respectively, related to other foreign currencies, primarily Euros.
- (2) As of December 31, 2023 and 2022, this line includes U.S. dollar equivalent amounts of U.S.\$20.1 million and U.S.\$25.4 million, respectively, related to other foreign currencies, primarily Euros.
- (3) As of December 31, 2023 and 2022, monetary liabilities include U.S.\$2,539.5 million (Ps.43,000,795) and U.S.\$2,578.5 million (Ps.50,219,558), respectively, related to long-term debt designated as a hedging instrument of the Group's investments in TelevisaUnivision and the investment in Open-Ended Fund (see Note 14).

At December 31, 2023, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of (Ps.122,159) in the consolidated statement of income. At December 31, 2022, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.915,996 in the consolidated statement of income.

#### (ii) Cash Flow Interest Rate Risk

The Group monitors the exposure to interest rate risk by: (i) evaluating differences between interest rates on its outstanding debt and short-term investments and market interest rates on similar financial instruments; (ii) reviewing its cash flow needs and financial ratios (indebtedness and interest coverage); (iii) assessing current and forecasted trends in the relevant markets; and (iv) evaluating peer Group and industry practices. This approach allows the Group to determine the interest rate "mix" between variable and fixed rate debt.

The Group's interest rate risk arises from long-term debt. Debt issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Debt issued at fixed rates expose the Group to fair value interest rate risk. During recent years the Group has maintained most of its debt in fixed rate instruments (see Note 14).

Based on various scenarios, the Group manages its cash flow interest rate risk by using cross-currency interest rate swaps, exchange rate agreements and floating-to-fixed interest rate swaps. Cross-currency interest rate swap agreements allow the Group to hedge against Mexican peso depreciation on the interest payments for medium-term periods. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

**Sensitivity and Fair Value Analysis**

The sensitivity analyses that follow are intended to present the hypothetical changes in fair value or loss in earnings due to changes in interest rates, inflation rates, foreign currency exchange rates and debt and equity market prices and the effect that they would have had on the Group's financial instruments at December 31, 2023 and 2022. These analyses address market risk only and do not take into consideration other risks that the Group faces in the ordinary course of business, including country risk and credit risk. The hypothetical changes reflect management's view of changes that are reasonably possible over a one-year period. For purposes of the following sensitivity analyses, the Group has made assumptions of a hypothetical change in fair value of 10% for expected near-term future changes in the United States interest rates, Mexican interest rates, inflation rates and Mexican peso to U.S. dollar exchange rate. The results of the analyses do not purport to represent actual changes in fair value or losses in earnings that the Group will incur.

December 31, 2023	Carrying Amount	Fair Value	Difference between Fair Value and Carrying Amount	Difference between Fair Value and Carrying Amount Assuming a Hypothetical 10% Increase in Fair Value
<b>Assets:</b>				
Long-term loan and interest receivable from GTAC	Ps. 948,549	Ps. 953,423	Ps. 4,874	Ps. 100,216
Open-Ended Fund	674,451	674,451	—	—
Publicly traded equity instruments	1,912,150	1,912,150	—	—
Derivative financial instruments <sup>(1)</sup>	251,738	251,738	—	—
<b>Liabilities<sup>(2)</sup> <sup>(3)</sup>:</b>				
U.S. dollar-denominated debt:				
Senior Notes due 2025	3,715,634	3,762,228	46,594	422,817
Senior Notes due 2026	3,512,139	3,465,533	(46,606)	299,947
Senior Notes due 2032	5,079,750	5,969,062	889,312	1,486,218
Senior Notes due 2040	10,159,500	10,701,611	542,111	1,612,272
Senior Notes due 2045	13,387,004	11,542,810	(1,844,194)	(689,913)
Senior Notes due 2046	14,893,353	14,913,906	20,553	1,511,944
Senior Notes due 2049	11,191,163	10,035,228	(1,155,935)	(152,412)
Peso-denominated debt:				
Notes due 2027	4,500,000	4,233,150	(266,850)	156,465
Senior Notes due 2037	4,500,000	4,026,060	(473,940)	(71,334)
Senior Notes due 2043	6,225,690	4,064,130	(2,161,560)	(1,755,147)
Long-term loans payable to Mexican banks	12,650,000	12,789,686	139,686	1,418,655
Lease liabilities	7,291,550	7,334,492	42,942	776,391

December 31, 2022	Carrying Amount		Fair Value		Difference between Fair Value and Carrying Amount	Difference between Fair Value and Carrying Amount Assuming a Hypothetical 10% Increase in Fair Value
<b>Assets:</b>						
Long-term loan and interest receivable from GTAC	Ps.	853,163	Ps.	857,006	Ps.	3,843
Open-Ended Fund		773,209		773,209	—	—
Publicly traded equity instruments		2,611,053		2,611,053	—	—
Derivative financial instruments <sup>(1)</sup>		543,581		543,581	—	—
<b>Liabilities<sup>(2) (3):</sup></b>						
U.S. dollar-denominated debt:						
Senior Notes due 2025		5,188,796		5,295,218	106,422	635,944
Senior Notes due 2026		5,842,800		5,717,764	(125,036)	446,740
Senior Notes due 2032		5,842,800		6,934,235	1,091,435	1,784,859
Senior Notes due 2040		11,685,600		12,083,611	398,011	1,606,372
Senior Notes due 2045		17,321,136		14,975,508	(2,345,628)	(848,077)
Senior Notes due 2046		17,528,400		17,570,118	41,718	1,798,730
Senior Notes due 2049		13,675,853		12,199,681	(1,476,172)	(256,204)
Peso-denominated debt:						
Notes due 2027		4,500,000		4,238,640	(261,360)	162,504
Senior Notes due 2037		4,500,000		4,041,135	(458,865)	(54,752)
Senior Notes due 2043		6,500,000		4,046,705	(2,453,295)	(2,048,625)
Long-term loans payable to Mexican banks		13,650,000		13,775,125	125,125	1,502,638
Lease liabilities		8,369,072		8,497,104	128,032	977,742
Derivative financial instruments <sup>(1)</sup>		71,401		71,401	—	—

(1) Given the nature and the tenor of these derivative financial instruments, an increase of 10% in interest and/or exchange rates would not be an accurate sensitivity analysis on the fair value of these financial instruments.

(2) The carrying amount of debt is stated in this table at its principal amount.

(3) The fair value of the Senior Notes and Notes issued by the Group are within Level 1 of the fair value hierarchy as there are quoted market prices for such notes. The fair value of the lease liabilities is within Level 2 of the fair value hierarchy and has been estimated based on cash flows discounted using an estimated weighted average cost of capital. The fair value of held-to-maturity securities are within Level 1 of the fair value hierarchy and were based on market interest rates to the listed securities.

**(iii) Price Risk**

The Group is exposed to equity securities price risk because of investments held by the Group and classified in the consolidated statements of financial position as non-current investments in financial instruments. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The Group is not exposed to commodity price risk.

**(b) Credit Risk**

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of “AA” in local scale for domestic institutions and “BBB” in global scale for foreign institutions are accepted. If customers are independently rated, these ratings are used. If there is no independent rating, the Group’s risk control function assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Company’s management. See Note 7 for further disclosure on credit risk.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by any counterparties.

The Group historically has not realized significant credit losses arising from customers.

**(c) Liquidity Risk**

Cash flow forecasting is performed in the operating entities of the Group and aggregated by corporate management. Corporate management monitors rolling forecasts of the Group’s liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group’s debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing investments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. At December 31, 2023 and 2022, the Group held cash and cash equivalents of Ps.32,586,352 and Ps.51,130,992, respectively (see Note 6).

[Table of Contents](#)

The table below analyses the Group's non-derivative and derivative financial liabilities as well as related contractual interest on debt and lease liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table below are the contractual undiscounted cash flows (except for lease liabilities that are stated at present value).

	Less Than 12 Months January 1, 2024 to December 31, 2024	12-36 Months January 1, 2025 to December 31, 2026	36-60 Months January 1, 2027 to December 31, 2028	Maturities Subsequent to December 31, 2028	Total
<b>At December 31, 2023</b>					
Debt <sup>(1)</sup>	Ps. 10,000,000	Ps. 9,877,773	Ps. 4,500,000	Ps. 65,436,460	Ps. 89,814,233
Lease liabilities	1,280,932	2,551,747	1,660,370	1,798,501	7,291,550
Trade and other liabilities	20,436,012	—	—	2,604,527	23,040,539
Interest on debt <sup>(2)</sup>	4,116,602	9,358,169	7,967,272	51,916,580	73,358,623
Interest on lease liabilities	598,223	942,270	607,096	630,669	2,778,258

	Less Than 12 Months January 1, 2023 to December 31, 2023	12-36 Months January 1, 2024 to December 31, 2025	36-60 Months January 1, 2026 to December 31, 2027	Maturities Subsequent to December 31, 2027	Total
<b>At December 31, 2022</b>					
Debt <sup>(1)</sup>	Ps. 1,000,000	Ps. 15,188,796	Ps. 12,992,800	Ps. 77,053,789	Ps. 106,235,385
Lease liabilities	1,373,233	2,902,742	2,752,640	1,340,457	8,369,072
Trade and other liabilities	28,107,852	531,617	173,898	2,237,215	31,050,582
Interest on debt <sup>(2)</sup>	5,259,796	12,024,064	10,041,317	66,654,473	93,979,650
Interest on lease liabilities	641,423	1,093,813	732,818	666,139	3,134,193

(1) The amounts of debt are disclosed on a principal amount basis (see Note 14).

(2) Interest to be paid in future years on outstanding debt as of December 31, 2023 and 2022, based on contractual interest rates and exchange rates as of that date.

## Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure in order to minimize the cost of capital.

### 5. Accounting Estimates and Assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. By definition, the resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of consolidated assets and liabilities within the next financial year are addressed below:

#### (a) Goodwill and Other Indefinite-lived Intangible Assets

Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment at least annually. When an impairment test is performed, the recoverable amount is assessed by reference to the higher of the net present value of the expected future cash flows (value in use) of the relevant CGU and the fair value less cost to sell.

The recoverable amount of each of the CGUs has been determined based on the higher of value in use and fair value less costs to disposal calculations. These calculations require the use of estimates, which include management's expectations of future revenue growth, operating costs, profit margins and operating cash flows for each CGU, long-term growth rates and discount rates based on weighted average cost of capital, among others.

[Table of Contents](#)

There were no goodwill and other indefinite-lived intangible assets impairments recorded in 2023 and 2022. See Note 2 (b) and (l) for disclosure regarding concession intangible assets.

**(b) Long-lived Assets**

The Group presents certain long-lived assets other than goodwill and indefinite-lived intangible assets in its consolidated statement of financial position. Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Recoverability is analyzed based on projected cash flows. Estimates of future cash flows involve considerable judgment on the part of management. These estimates are based on historical data, future revenue growth, anticipated market conditions, management plans, and assumptions regarding projected rates of inflation and currency fluctuations, among other factors. If these assumptions were modified because of changes in economic or legal circumstances, the Group could recognize a write-off or write-down or accelerate the amortization schedule related to the carrying amount of these assets (see Notes 2 (m), 13 and 22). The Group has not recorded any significant impairment charges during any of the years presented herein.

**(c) Deferred Income Taxes**

The Group records its deferred tax assets based on the likelihood that these assets are realized in the future. This likelihood is assessed by taking into consideration the future taxable income. In the event the Group were to determine that it would be able to realize its deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Should the Group determine that it would not be able to realize all or part of its net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

**(d) Financial Assets Measured at Fair Value**

The Group has a significant amount of financial assets that are measured at fair value on a recurring basis. The degree of management's judgment involved in determining the fair value of a financial asset varies depending upon the availability of quoted market prices. When observable quoted market prices exist, that is the fair value estimate the Group uses. To the extent such quoted market prices do not exist, management uses other means to determine fair value (see Notes 4 and 15).

**6. Cash and Cash Equivalents**

Cash and cash equivalents as of December 31, 2023 and 2022, consisted of:

	2023	2022
Cash and bank accounts	Ps. 2,316,842	Ps. 2,041,883
Short-term investments <sup>(1)</sup>	30,269,510	49,089,109
<b>Total cash and cash equivalents</b>	<b>Ps. 32,586,352</b>	<b>Ps. 51,130,992</b>

<sup>(1)</sup> Highly liquid investments with an original maturity of three months or less at the date of acquisition.

**7. Trade Accounts Receivable, Net**

Current trade accounts receivable, net as of December 31, 2023 and 2022, consisted of:

	2023	2022
Trade accounts receivable	Ps. 9,905,609	Ps. 10,489,336
Allowance for expected credit losses	(1,774,151)	(2,032,034)
	<b>Ps. 8,131,458</b>	<b>Ps. 8,457,302</b>

Non-current trade receivables as of December 31, 2023 and 2022, amounted to Ps.428,701 and Ps.438,376, respectively, and consisted of non-current trade accounts receivable in our Cable Segment.



[Table of Contents](#)

As of December 31, 2023 and 2022, the aging analysis of the current trade accounts receivable that were past due is as follows:

	2023	2022
1 to 90 days	Ps. 1,748,442	Ps. 2,350,853
91 to 180 days	1,062,010	1,066,211
More than 180 days	1,593,684	1,811,592

The carrying amounts of the Group's trade accounts receivable denominated in other than peso currencies are as follows:

	2023	2022
U.S. dollar	Ps. 330,912	Ps. 338,123
Other currencies	660	6,077
At December 31	<u>Ps. 331,572</u>	<u>Ps. 344,200</u>

Changes in the allowance for expected credit losses of trade accounts receivable were as follows:

	2023	2022
At January 1	Ps. (2,032,034)	Ps. (3,361,658)
Expected credit losses	(1,063,651)	(1,189,594)
Write-off of receivables	1,321,534	1,576,375
Reclassifications	—	(40,018)
Disposed operations	—	982,861
At December 31	<u>Ps. (1,774,151)</u>	<u>Ps. (2,032,034)</u>

The maximum exposure to credit risk of the trade accounts receivable as of December 31, 2023 and 2022 is the carrying amount of each class of receivables (see Note 4).

## 8. Transmission Rights

At December 31, 2023 and 2022, transmission rights and programming consisted of:

	2023	2022
Transmission rights	Ps. 2,366,784	Ps. 1,911,126
Non-current portion of:		
Transmission rights	641,154	1,022,782
Current portion of transmission rights	<u>Ps. 1,725,630</u>	<u>Ps. 888,344</u>

Transmission rights charged to consolidated cost of revenues for the years ended December 31, 2023, 2022 and 2021, amounted to Ps.1,372,309, Ps.1,285,592 and Ps.1,872,797, respectively (see Note 21).

## 9. Investments in Financial Instruments

At December 31, 2023 and 2022, the Group had the following investments in financial instruments:

	2023	2022
Equity instruments measured at FVOCI:		
Open-Ended Fund <sup>(1)</sup>	Ps. 674,451	Ps. 773,209
Publicly traded equity instruments <sup>(2)</sup>	1,912,150	2,611,053
	2,586,601	3,384,262
Other	—	5,223
	<b>Ps. 2,586,601</b>	<b>Ps. 3,389,485</b>

<sup>(1)</sup> The Group has an investment in an Open-Ended Fund that has as a primary objective to achieve capital appreciation by using a broad range of strategies through investments in securities, including without limitation stock, debt and other financial instruments, a principal portion of which are considered as Level 1 financial instruments, in telecom, media and other sectors across global markets, including Latin America and other emerging markets. Shares may be redeemed on a quarterly basis at the Net Asset Value (“NAV”) per share as of such redemption date. The fair value of this fund is determined by using the NAV per share. The NAV per share is calculated by determining the value of the fund assets, all of which are measured at fair value, and subtracting all of the fund liabilities and dividing the result by the total number of issued shares.

<sup>(2)</sup> Their fair value of publicly traded equity instruments is determined by using quoted market prices at the measurement date.

A roll forward of investments in financial assets at FVOCI for the years ended December 31, 2023 and 2022 is presented as follows:

	Open-Ended Fund <sup>(1)</sup>	Publicly Traded Equity Instruments	Total
At January 1, 2023	Ps. 773,209	Ps. 2,611,053	Ps. 3,384,262
Change in fair value in other comprehensive loss	(98,758)	(698,903)	(797,661)
<b>At December 31, 2023</b>	<b>Ps. 674,451</b>	<b>Ps. 1,912,150</b>	<b>Ps. 2,586,601</b>

	Open-Ended Fund <sup>(1)</sup>	Publicly Traded Equity Instruments	Other Equity Instruments	Total
At January 1, 2022	Ps. 945,176	Ps. 3,517,711	Ps. 1,607,969	Ps. 6,070,856
Disposition of investments	-	-	(1,607,969)	(1,607,969)
Change in fair value in other comprehensive loss	(171,967)	(906,658)	—	(1,078,625)
At December 31, 2022	Ps. 773,209	Ps. 2,611,053	Ps. —	Ps. 3,384,262

<sup>(1)</sup> The foreign exchange loss derived from the investment in the Open-Ended Fund for the years ended December 31, 2023 and 2022, respectively, was hedged by a foreign exchange gain derived from Senior Notes of the Company designated as hedging instruments for the years ended December 31, 2023 and 2022, respectively, in the amount of Ps.98,017 and Ps.114,046, respectively (see Notes 14 and 23).

The maximum exposure to credit risk of the investments in financial instruments as of December 31, 2023 and 2022 is the carrying amounts of the financial assets (see Note 4).

## 10. Investments in Associates and Joint Ventures

At December 31, 2023 and 2022, the Group had the following investments in associates and joint ventures accounted for by the equity method:

	Ownership as of December 31,		2023	2022
	2023	2022		
<b>Associates:</b>				
TelevisaUnivision and subsidiaries	43.7 %	44.4 %	Ps. 42,326,344	Ps. 49,446,349
Other			50,277	51,864
<b>Joint ventures:</b>				
Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. and subsidiaries (collectively "GTAC") <sup>(1)</sup>	33.3 %	33.3 %	844,728	750,169
Periódico Digital Sendero, S.A.P.I. de C.V. and subsidiary (collectively, "PDS") <sup>(2)</sup>	50.0 %	50.0 %	206,289	202,567
			<b>Ps. 43,427,638</b>	<b>Ps. 50,450,949</b>

- (1) GTAC was granted a 20-year contract for the lease of a pair of dark fiber wires held by the Mexican Federal Electricity Commission and a concession to operate a public telecommunications network in Mexico with an expiration date in 2030. GTAC is a joint venture in which a subsidiary of the Company, a subsidiary of Grupo de Telecomunicaciones Mexicanas, S.A. de C.V. and a subsidiary of Megacable, S.A. de C.V. have an equal equity participation of 33.3%. A subsidiary of the Company entered into long-term loans to provide financing to GTAC for an aggregate principal amount of Ps.1,399,017, with an annual interest of TIEE plus 200 basis points computed on a monthly basis and payable on an annual basis or at dates agreed by the parties. Under the terms of these long-term loans, principal amounts can be prepaid at dates agreed by the parties before their maturities between 2024 and 2032. During the years ended December 31, 2023 and 2022, GTAC paid principal and interest to the Group in connection with these long-term loans in the aggregate principal amount of Ps.178,914 and Ps.146,386, respectively. The net investment in GTAC as of December 31, 2023 and 2022, included amounts receivable in connection with these long-term loans to GTAC in the aggregate amount of Ps.948,549 and Ps.853,163, respectively. These amounts receivable are in substance a part of the Group's net investment in this investee (see Note 15).
- (2) The Group accounts for its investment in PDS under the equity method, due to its 50% interest in this joint venture. As of December 31, 2023 and 2022, the Group's investment in PDS included intangible assets and goodwill in the aggregate amount of Ps.113,837.

### TelevisaUnivision

The Group accounts for its investment in common stock of TelevisaUnivision, the parent company of Univision Communications Inc. ("Univision"), under the equity method due to the Group's ability to exercise significant influence, as defined under IFRS Accounting Standards, over TelevisaUnivision operations. The Group has the ability to exercise significant influence over the operating and financial policies of TelevisaUnivision because (i) it owned 9,290,999 shares of Class A Common Stock shares of TelevisaUnivision as of December 31, 2023 and 2022, and 750,000 Series B Preferred shares of TelevisaUnivision as of December 31, 2023 and 2022 representing 43.7% and 44.4% of the outstanding common and preferred shares of TelevisaUnivision on an as-converted basis (excluding unvested and/or unsettled stock, restricted stock units and options of TelevisaUnivision), respectively, and 44.4% and 45.1% of the outstanding voting common shares TelevisaUnivision, as of December 31, 2023 and 2022, respectively; and (ii) it has designated four members of the Board of Directors of TelevisaUnivision, one of which serves as the Chairman. The Chairman does not presently have a tie-breaking vote or other similar power in connection with any decisions of the Board. The governing documents of TelevisaUnivision provide for a 11-member Board of Directors; however, the Board of Directors currently consists of 10 members, and the Group has the right to appoint one additional member. Until January 31, 2022, the Group was also a party to a Program Licensing Agreement ("PLA"), as amended, with Univision, pursuant to which Univision had the right to broadcast certain Televisa content in the United States, and to another program license agreement pursuant to which the Group had the right to broadcast certain Univision content in Mexico.

[Table of Contents](#)

On April 13, 2021, the Group and UHI announced a transaction agreement in which the Group's content and media assets would be combined with UH II, the successor company of UHI, and the Group would continue to participate in UH II, with an equity stake of approximately 45% following the closing of the transaction. On May 18, 2021, UHI concluded a reorganization through a series of transactions (the "Reorganization") pursuant to which, among other things, UH II acquired a controlling financial interest in UHI on that date. As a result of the Reorganization of UHI: (i) the Group and other existing stockholders of UHI exchanged their shares of the capital stock of UHI for the same number and class of newly issued shares of UH II; (ii) UHI issued common stock to a new investor and then these shares were exchanged for shares in UH II; (iii) the Group held an equity interest in the capital stock of UH II of 35.5% on an as-converted basis; and (iv) UH II became a successor company of UHI. In connection with the Reorganization of UHI, and other observable indications that the value of the Group's net investment in UH II increased significantly during 2021 (including internal and external valuations of the recoverable amount of UH II), in the second half of 2021 the Group's management assessed whether there was any indication that the impairment loss recognized by the Group in the first quarter of 2020 in the amount of U.S.\$228.6 million (Ps.5,455,356) for its net investment in shares of UHI might no longer exist or might have decreased. As a result, of this assessment, the Group's management concluded that there had been a change in the estimates used to determine the recoverable amount of the Group's net investment in UH II since the last impairment loss was recognized, and the carrying amount of such net investment was increased to its recoverable amount. The reversal of the impairment loss amounted to U.S.\$199.1 million (Ps.4,161,704) and was recognized in share of income of associates and joint ventures in the Group's consolidated statement of income for the year ended December 31, 2021.

On January 31, 2022, the Group increased its investment in shares of TelevisaUnivision in the aggregate fair value amount of U.S.\$1,500 million (Ps.30,912,000) comprised 3,589,664 Class A Common Stock shares of TelevisaUnivision, in the amount of U.S.\$750 million (Ps.15,456,000), and 750,000 Series B Cumulative Convertible Preferred Stock shares ("Series B Preferred Shares") of TelevisaUnivision, with an annual preferred dividend of 5.5% payable on a quarterly basis, in the amount of U.S.\$750 million (Ps. 15,456,000). The Series B Preferred Shares are entitled or permitted to vote on any matter required or permitted to be voted upon by the stockholders of TelevisaUnivision. The investment in Series B Preferred Shares of TelevisaUnivision has been classified by the Group as investments in associates and joint ventures because this investment has in substance potential voting rights and gives access to the returns associated with an ownership in TelevisaUnivision. In connection with this investment, the Group received from TelevisaUnivision a preferred dividend in cash in the aggregate amount of U.S.\$41.3 million (Ps.716,905) and U.S.\$37.8 million (Ps.752,556) for the year ended December 31, 2023 and 2022, respectively, which was accounted for in share of income of associates in the Group's consolidated statement of income for those periods.

In conjunction with the TelevisaUnivision Transaction, and other observable indications that the value of the Group's net investment in TelevisaUnivision increased significantly during 2022 (including internal valuations of the recoverable amount of TelevisaUnivision), in the second quarter of 2022, the Group's management assessed whether there was any indication that the remaining impairment loss recognized by the Group in the first quarter of 2020 for its net investment in shares of TelevisaUnivision might no longer exist or might have decreased. As a result of this assessment, the Group's management concluded that there had been a change in the estimates used to determine the recoverable amount of the Group's net investment in TelevisaUnivision since the last impairment loss was recognized, and the carrying amount of such net investment was increased to an amount lower than its recoverable amount. The reversal of the remaining impairment loss amounted to U.S.\$29.5 million (Ps.593,838) and was recognized in share of income of associates and joint ventures in the Group's consolidated statement of income for the year ended December 31, 2022. The Group recognized a share in loss of TelevisaUnivision for the years ended December 31, 2023 and 2022, primarily in connection with a goodwill impairment adjustment recognized by TelevisaUnivision in the fourth quarter of 2023 and 2022 (see Notes 2 (a), 3, 20, 23 and 28).

In March and December 2023, the Group recognized a dilution loss resulting from a decrease in its share in TelevisaUnivision from 44.4% to 44.0%, and from 44.0% to 43.7%, respectively, on an as-converted basis (excluding unvested and/or unsettled stock, restricted stock units and options of TelevisaUnivision).

[Table of Contents](#)

A roll forward of investments in associates and joint ventures for the years ended December 31, 2023 and 2022, is presented as follows:

	2023	2022
At January 1	Ps. 50,450,949	Ps. 26,704,235
Reversal of impairment loss	—	593,838
Share of loss of associates and joint ventures, net	(4,803,533)	(8,724,643)
Share of other comprehensive income of associates	4,278,531	4,245,546
Long-term loans granted to GTAC, net	155,062	166,223
Foreign currency translation adjustments	(6,585,695)	(3,261,758)
GTAC payments of principal and interest	(178,914)	(146,386)
Dividends from PDS	(8,000)	(10,000)
Consideration in common and preferred stock of TelevisaUnivision (see Notes 3 and 28)	—	30,912,000
Other	119,238	(28,106)
At December 31	<u>Ps. 43,427,638</u>	<u>Ps. 50,450,949</u>

**IFRS Summarized Financial Information of TelevisaUnivision**

IFRS summarized financial information of TelevisaUnivision as of December 31, 2023 and 2022, respectively (amounts in thousands of U.S. dollars):

	2023	2022
Current assets (include cash and cash equivalents for U.S.\$220,900 and U.S.\$538,600, respectively)	U.S.\$ 2,751,600	U.S.\$ 2,444,700
Non-current assets	15,426,900	15,764,400
Total assets	<u>18,178,500</u>	<u>18,209,100</u>
Current liabilities (include financial liabilities for U.S.\$46,200 and U.S.\$60,100, respectively)	1,780,400	1,405,000
Non-current liabilities (include financial liabilities for U.S.\$479,900 and U.S.\$628,100, respectively)	13,229,000	13,600,800
Total liabilities	<u>15,009,400</u>	<u>15,005,800</u>
Total net assets	<u>U.S.\$ 3,169,100</u>	<u>U.S.\$ 3,203,300</u>

The table below reconciles the summarized financial information of TelevisaUnivision to the carrying amount of the Group's interest TelevisaUnivision as of December 31, 2023 and 2022, respectively (amounts in thousands of U.S. dollars):

	2023	2022
Ownership as of December 31	43.7 %	44.4 %
Group's share of net assets	U.S.\$ 1,384,364	U.S.\$ 1,423,488
Group's share of net assets	Ps. 23,440,738	Ps. 27,723,859
Goodwill, purchase price allocation and other adjustments	18,885,606	21,722,490
Carrying amount of the Group's interest in TelevisaUnivision	<u>Ps. 42,326,344</u>	<u>Ps. 49,446,349</u>

[Table of Contents](#)

IFRS summarized financial information of TelevisaUnivision for the years ended December 31, 2023, 2022 and 2021 (amounts in thousands of U.S. dollars):

	2023		2022		2021	
	U.S.\$		U.S.\$		U.S.\$	
Revenue	4,928,000		4,609,600		2,841,000	
Depreciation and amortization	570,700		524,300		251,500	
Interest income	100,300		11,400		400	
Interest expense	716,800		610,300		420,387	
(Expense) income from continuing operations	(513,000)		(1,203,200)		550,128	
Income tax (expense) benefit	(129,200)		(232,400)		36,872	
Net (loss) income	(642,200)		(1,435,600)		587,000	
Other comprehensive income	535,400		471,113		32,000	
Total comprehensive (loss) income	(106,800)		(964,487)		619,000	
Preferred dividends received from TelevisaUnivision	41,250		37,812		—	

The table below reconciles the summarized financial information of TelevisaUnivision to the carrying amount of the Group's interest in TelevisaUnivision for the years ended December 31, 2023, 2022 and 2021 (amounts in thousands of U.S. dollars):

	2023		2022		2021	
	U.S.\$		U.S.\$		U.S.\$	
Net (loss) income	(280,533)		(637,955)		208,638	
Other comprehensive income	233,880		209,354		11,374	
Net (loss) income	Ps. (4,940,904)		Ps. (12,555,817)		Ps. 4,232,441	
Other comprehensive income	4,278,446		4,245,660		232,773	
Purchase price allocation and other adjustments:						
Net income (loss) adjustments	128,148		3,790,887		(4,834,744)	
Group's interest in UHI:						
Net loss	(4,812,756)		(8,764,930)		(602,303)	
Other comprehensive income	4,278,446		4,245,660		232,773	
Reversal of impairment	—		593,838		4,161,704	

Combined condensed balance sheet information related to the Group's share in associates other than TelevisaUnivision as of December 31, 2023 and 2022, including adjustments made by the Group when using the equity method, such as fair value adjustments made at the time of acquisition, is set forth below:

	2023		2022	
	Ps.		Ps.	
Current assets	17,809		17,896	
Non-current assets	47,657		39,213	
Total assets	65,466		57,109	
Current liabilities	12,487		26,952	
Non-current liabilities	25,704		1,295	
Total liabilities	38,191		28,247	
Net assets	27,275		28,862	
Goodwill, purchase price allocation and other adjustments	23,002		23,002	
Carrying amount of the Group's interest in associates	Ps. 50,277		Ps. 51,864	

[Table of Contents](#)

Combined condensed balance sheet information related to the Group's share in joint ventures as of December 31, 2023 and 2022, including adjustments made by the Group when using the equity method, such as fair value adjustments made at the time of acquisition, is set forth below:

	2023	2022
Current assets	Ps. 178,846	Ps. 181,740
Non-current assets	937,841	796,426
Total assets	<u>1,116,687</u>	<u>978,166</u>
Current liabilities	96,005	101,167
Non-current liabilities	1,032,051	891,263
Total liabilities	<u>1,128,056</u>	<u>992,430</u>
Net liabilities	Ps. (11,369)	Ps. (14,264)
Goodwill, purchase price allocation and other adjustments	113,837	113,837
Long-term loans granted to GTAC, net	948,549	853,163
Carrying amount of the Group's interest in joint ventures	<u>Ps. 1,051,017</u>	<u>Ps. 952,736</u>

The Group recognized its share of comprehensive income (loss) of associates and joint ventures other than TelevisaUnivision (formerly known as UH II, the successor company of UHI) for the years ended December 31, 2023, 2022 and 2021, as follows:

	2023	2022	2021
Share of income of associates and joint ventures, net	Ps. 9,223	Ps. 40,287	Ps. 111,629
Share of other comprehensive income of associates and joint ventures:			
Foreign currency translation adjustments, net	—	—	58
Other items of comprehensive income (loss), net	85	(114)	12,883
	<u>85</u>	<u>(114)</u>	<u>12,941</u>
Share of comprehensive income of associates and joint ventures	<u>Ps. 9,308</u>	<u>Ps. 40,173</u>	<u>Ps. 124,570</u>

**11. Property, Plant and Equipment, Net, and Investment Property, Net**

**Property, Plant and Equipment, Net**

Changes in the carrying amounts of property, plant and equipment for the years ended December 31, 2023 and 2022, are as follows:

	<b>Buildings and Land</b>	<b>Technical Equipment</b>	<b>Satellite Transponders</b>	<b>Furniture and Fixtures</b>	<b>Transportation Equipment</b>	<b>Computer Equipment</b>	<b>Leasehold Improvements</b>	<b>Construction and Projects in Progress <sup>(1)</sup></b>	<b>Total</b>
<b>Cost:</b>									
January 1, 2022	Ps. 15,202,600	Ps. 172,795,206	Ps. 6,026,094	Ps. 1,298,803	Ps. 3,407,907	Ps. 9,514,099	Ps. 3,728,496	Ps. 14,535,546	Ps. 226,508,751
Additions	3,329	13,978,378	—	35,064	118,028	201,745	23,279	2,955,564	17,315,387
Dismantling cost	—	195,304	—	—	—	—	—	—	195,304
Retirements and reclassifications to other accounts	(91,077)	(6,171,083)	—	(148,546)	(523,397)	(558,400)	(331,212)	974,880	(6,848,835)
Transfers from intangibles assets, net	—	—	—	—	—	—	—	(502,017)	(502,017)
Transfers investment property	(3,867,138)	—	—	—	—	—	—	—	(3,867,138)
Transfers and reclassifications	226,903	5,900,361	—	29,147	24,357	84,970	128,544	(6,394,282)	—
Effect of translation	(15,030)	(148,110)	—	(41)	(148)	(655)	(47)	1,086	(162,945)
December 31, 2022	11,459,587	186,550,056	6,026,094	1,214,427	3,026,747	9,241,759	3,549,060	11,570,777	232,638,507
Additions	1,247	11,569,757	—	11,260	50,953	232,867	27,842	2,814,090	14,708,016
Dismantling cost	—	5,536	—	—	—	—	—	—	5,536
Retirements and reclassifications to other accounts	(224,357)	(4,592,708)	—	(1,724)	(130,966)	(14,512)	(25,292)	828,399	(4,161,160)
Transfers from intangibles assets, net	—	—	—	—	—	—	—	(602,197)	(602,197)
Transfers investment property	(268)	—	—	—	—	—	—	—	(268)
Transfers and reclassifications	378,264	4,682,990	—	38,053	18,735	223,467	323,662	(5,665,171)	—
Effect of translation	4,974	(421,510)	—	(124)	(1,642)	(1,515)	(617)	4,594	(415,840)
<b>December 31, 2023</b>	<b>Ps. 11,619,447</b>	<b>Ps. 197,794,121</b>	<b>Ps. 6,026,094</b>	<b>Ps. 1,261,892</b>	<b>Ps. 2,963,827</b>	<b>Ps. 9,682,066</b>	<b>Ps. 3,874,655</b>	<b>Ps. 8,950,492</b>	<b>Ps. 242,172,594</b>
<b>Accumulated depreciation:</b>									
January 1, 2022	Ps. (5,543,209)	Ps. (115,601,703)	Ps. (4,253,483)	Ps. (777,003)	Ps. (2,165,903)	Ps. (7,397,072)	Ps. (2,848,252)	Ps. —	Ps. (138,586,625)
Depreciation of the year	(211,805)	(16,063,925)	(282,414)	(93,462)	(210,362)	(495,891)	(221,854)	—	(17,579,713)
Retirements	252,367	3,520,999	—	70,413	406,901	215,279	182,517	—	4,648,476
Transfers investment property	993,973	—	—	—	—	—	—	—	993,973
Effect of translation	2,248	118,584	—	36	82	784	47	—	121,781
December 31, 2022	(4,506,426)	(128,026,045)	(4,535,897)	(800,016)	(1,969,282)	(7,676,900)	(2,887,542)	—	(150,402,108)
Depreciation of the year	(357,525)	(16,085,521)	(282,414)	(84,874)	(199,009)	(405,514)	(219,376)	—	(17,634,233)
Retirements	291,328	3,041,980	—	1,462	78,311	5,385	3,708	—	3,422,174
Transfers investment property	(83,260)	—	—	—	—	—	—	—	(83,260)
Effect of translation	(543)	371,712	—	96	361	1,588	195	—	373,409
<b>December 31, 2023</b>	<b>Ps. (4,656,426)</b>	<b>Ps. (140,697,874)</b>	<b>Ps. (4,818,311)</b>	<b>Ps. (883,332)</b>	<b>Ps. (2,089,619)</b>	<b>Ps. (8,075,441)</b>	<b>Ps. (3,103,015)</b>	<b>Ps. —</b>	<b>Ps. (164,324,018)</b>
<b>Carrying amount:</b>									
January 1, 2022	Ps. 9,659,391	Ps. 57,193,503	Ps. 1,772,611	Ps. 521,800	Ps. 1,242,004	Ps. 2,117,027	Ps. 880,244	Ps. 14,535,546	Ps. 87,922,126
December 31, 2022	Ps. 6,953,161	Ps. 58,524,011	Ps. 1,490,197	Ps. 414,411	Ps. 1,057,465	Ps. 1,564,859	Ps. 661,518	Ps. 11,570,777	Ps. 82,236,399
<b>December 31, 2023</b>	<b>Ps. 6,963,021</b>	<b>Ps. 57,096,247</b>	<b>Ps. 1,207,783</b>	<b>Ps. 378,560</b>	<b>Ps. 874,208</b>	<b>Ps. 1,606,625</b>	<b>Ps. 771,640</b>	<b>Ps. 8,950,492</b>	<b>Ps. 77,848,576</b>

(1) Retirements and reclassifications to other accounts include: (i) set-up box refurbishment projects that are subsequently reclassified to inventory in order to be assigned or sold to a customer; and (ii) projects in progress related to certain costs that are reclassified to programming when a specific program benefits from those costs.

Depreciation charges are presented in Note 21. Depreciation charged to income for the years ended December 31, 2023 and 2022, was Ps.17,634,233 and Ps.17,579,713, respectively, which included Ps.73,473, corresponding to the depreciation of discontinued operations, for the year ended December 31, 2022.



[Table of Contents](#)

Property, plant and equipment include the following carrying amounts of technical equipment leased to subscribers in the Cable and Sky segments as of December 31, 2023 and 2022:

	2023	2022
Subscriber leased set-top equipment	Ps. 60,104,574	Ps. 54,493,281
Accumulated depreciation	(39,556,789)	(34,231,392)
	<b>Ps. 20,547,785</b>	<b>Ps. 20,261,889</b>

Property, plant and equipment include the following carrying amounts of dismantling costs (technical equipment) related to incurred obligations in the Cable segment as of December 31, 2023 and 2022:

	2023	2022
Dismantling costs	Ps. 1,138,606	Ps. 1,133,071
Accumulated depreciation	(624,549)	(522,651)
	<b>Ps. 514,057</b>	<b>Ps. 610,420</b>

### Investment Property, Net

Beginning in the first quarter of 2022, in connection with the TelevisaUnivision Transaction, the Group leases some buildings and land to TelevisaUnivision under operating lease agreements. These operating lease agreements contain initial non-cancellable periods between 7 and 19 years. Subsequent renewals are negotiated with the lessee and average renewal periods are of five years. The leased buildings and land are in Mexico City and include the Group's *San Angel*, *Chapultepec* facilities and part of the Company's headquarters. These properties are classified as investment properties in accordance with IFRS Standards given that such properties are held by the Group primarily to earn rentals rather than for use in the production or supply of goods or services or for administrative purposes, or sale in the ordinary course of business (see Note 3).

Changes in the carrying amount of investment property for the years ended December 31, 2023 and 2022, are as follows:

	Buildings and Land
<b>Cost:</b>	
Reclassification from property, plant and equipment in the first quarter of 2022	Ps. 3,867,138
December 31, 2022	3,867,138
Transfers investment property	268
<b>December 31, 2023</b>	<b>Ps. 3,867,406</b>
<b>Accumulated depreciation:</b>	
Reclassification from property, plant and equipment in the first quarter of 2022	Ps. (910,264)
Depreciation of the period	(83,709)
December 31, 2022	(993,973)
Depreciation of the period	(83,260)
<b>December 31, 2023</b>	<b>Ps. (1,077,233)</b>
<b>Carrying amount:</b>	
December 31, 2022	Ps. 2,873,165
<b>December 31, 2023</b>	<b>Ps. 2,790,173</b>

Depreciation charges are presented in Note 21.

As of December 31, 2023 and 2022, the fair value of the Group's investment property amounted to Ps.9,622,031 and Ps.8,837,686, respectively, as measured by an independent appraiser who holds a recognized and relevant professional qualification and experience in the investment property being valued.

Net lease income from investment property, net of direct operating expenses amounted to Ps.325,205 and Ps.311,343, for the years ended December 31, 2023 and 2022, respectively, and was accounted for as a reduction of the Group's corporate expense included in administrative expenses (see Note 21).

[Table of Contents](#)

A maturity analysis of undiscounted lease payments to be received by the Group as of December 31, 2023 for buildings and land subject to operating leases is presented as follows (Thousands of U.S. dollars):

Year	Undiscounted Lease Payments
2024	U.S.\$ 22,037
2025	22,037
2026	22,037
2027	22,037
2028	22,037
Thereafter	288,944

**12. Right-of-use Assets, Net**

Changes in the carrying amounts of right-of-use assets, net for the years ended December 31, 2023 and 2022, are as follows:

	Buildings	Satellite Transponders	Technical Equipment	Computer Equipment	Others	Total
<b>Cost:</b>						
January 1, 2022	Ps. 6,289,224	Ps. 4,275,619	Ps. 1,999,573	Ps. 437,361	Ps. 321,460	Ps. 13,323,237
Additions	797,811	—	99,209	56,332	71,759	1,025,111
Retirements	(1,147,014)	—	—	(375,045)	137,786	(1,384,273)
Effect of translation	(561)	—	—	—	—	(561)
December 31, 2022	5,939,460	4,275,619	2,098,782	118,648	531,005	12,963,514
Additions	516,674	—	131,422	24,004	35,538	707,638
Retirements	(187,862)	—	(28)	(449)	(26,598)	(214,937)
Effect of translation	(2,545)	—	—	—	—	(2,545)
<b>December 31, 2023</b>	<b>Ps. 6,265,727</b>	<b>Ps. 4,275,619</b>	<b>Ps. 2,230,176</b>	<b>Ps. 142,203</b>	<b>Ps. 539,945</b>	<b>Ps. 13,453,670</b>
<b>Accumulated depreciation:</b>						
January 1, 2022	Ps. (1,715,838)	Ps. (2,636,632)	Ps. (1,120,776)	Ps. (83,342)	Ps. (162,082)	Ps. (5,718,670)
Depreciation of the year	(610,652)	(285,041)	(135,527)	(35,986)	(89,808)	(1,157,014)
Retirements	513,267	—	335	82,289	(13,787)	582,104
Effect of translation	364	—	—	—	—	364
December 31, 2022	(1,812,859)	(2,921,673)	(1,255,968)	(37,039)	(265,677)	(6,293,216)
Depreciation of the year	(635,535)	(285,041)	(145,592)	(45,663)	(92,258)	(1,204,089)
Retirements	94,191	—	28	27	33,939	128,185
Effect of translation	1,311	—	—	—	—	1,311
<b>December 31, 2023</b>	<b>Ps. (2,352,892)</b>	<b>Ps. (3,206,714)</b>	<b>Ps. (1,401,532)</b>	<b>Ps. (82,675)</b>	<b>Ps. (323,996)</b>	<b>Ps. (7,367,809)</b>
<b>Carrying amount:</b>						
January 1, 2022	Ps. 4,573,386	Ps. 1,638,987	Ps. 878,797	Ps. 354,019	Ps. 159,378	Ps. 7,604,567
December 31, 2022	Ps. 4,126,601	Ps. 1,353,946	Ps. 842,814	Ps. 81,609	Ps. 265,328	Ps. 6,670,298
<b>December 31, 2023</b>	<b>Ps. 3,912,835</b>	<b>Ps. 1,068,905</b>	<b>Ps. 828,644</b>	<b>Ps. 59,528</b>	<b>Ps. 215,949</b>	<b>Ps. 6,085,861</b>

Depreciation charges are presented in Note 21. Depreciation charged to income for the years ended December 31, 2023 and 2022, was Ps.1,204,089 and Ps.1,157,014, respectively, which included Ps.16,978, corresponding to the depreciation of discontinued operations, for the year ended December 31, 2022.

### 13. Intangible Assets, Net and Goodwill

As of December 31, 2023 and 2022, intangible assets and goodwill are summarized as follows:

	2023			2022		
	Cost	Accumulated Amortization	Carrying Amount	Cost	Accumulated Amortization	Carrying Amount
<b>Intangible assets and goodwill with indefinite useful lives:</b>						
Trademarks	Ps. 32,828	Ps. —	Ps. 32,828	Ps. 32,828	Ps. —	Ps. 32,828
Concessions	15,166,067	—	15,166,067	15,166,067	—	15,166,067
Goodwill	13,904,998	—	13,904,998	13,904,998	—	13,904,998
	<u>29,103,893</u>	<u>—</u>	<u>29,103,893</u>	<u>29,103,893</u>	<u>—</u>	<u>29,103,893</u>
<b>Intangible assets with finite useful lives:</b>						
Trademarks	2,236,012	(2,187,698)	48,314	2,227,096	(2,115,570)	111,526
Licenses and software	16,990,167	(12,594,645)	4,395,522	15,111,644	(10,952,399)	4,159,245
Subscriber lists	8,779,649	(8,177,490)	602,159	8,791,701	(7,874,480)	917,221
Payments for concessions	5,824,365	(575,335)	5,249,030	5,824,365	(287,668)	5,536,697
Other intangible assets	3,680,220	(2,689,296)	990,924	6,252,593	(4,957,588)	1,295,005
	<u>37,510,413</u>	<u>(26,224,464)</u>	<u>11,285,949</u>	<u>38,207,399</u>	<u>(26,187,705)</u>	<u>12,019,694</u>
	<u>Ps. 66,614,306</u>	<u>Ps. (26,224,464)</u>	<u>Ps. 40,389,842</u>	<u>Ps. 67,311,292</u>	<u>Ps. (26,187,705)</u>	<u>Ps. 41,123,587</u>

Changes in intangible assets and goodwill with indefinite useful lives in 2023 and 2022, were as follows:

	2023			
	Trademarks	Concessions	Goodwill	Total
<b>Cost:</b>				
Balance at beginning of period	Ps. 32,828	Ps. 15,166,067	Ps. 13,904,998	Ps. 29,103,893
Retirements	—	—	—	—
Effect of translation	—	—	—	—
Balance at end of period	<u>Ps. 32,828</u>	<u>Ps. 15,166,067</u>	<u>Ps. 13,904,998</u>	<u>Ps. 29,103,893</u>
	2022			
	Trademarks	Concessions	Goodwill	Total
<b>Cost:</b>				
Balance at beginning of period	Ps. 35,242	Ps. 15,166,067	Ps. 14,036,657	Ps. 29,237,966
Retirements	(2,429)	—	(131,659)	(134,088)
Effect of translation	15	—	—	15
Balance at end of period	<u>Ps. 32,828</u>	<u>Ps. 15,166,067</u>	<u>Ps. 13,904,998</u>	<u>Ps. 29,103,893</u>

Changes in intangible assets with finite useful lives in 2023 and 2022, were as follows:

	2023							Total
	Trademarks	Concessions	Licenses and Software	Subscriber Lists	Payments for Concessions	Other Intangible Assets		
<b>Cost:</b>								
Balance at beginning of period	Ps. 2,227,096	Ps. —	Ps. 15,111,644	Ps. 8,791,701	Ps. 5,824,365	Ps. 6,252,593	Ps. 38,207,399	
Additions	8,916	—	1,481,655	—	—	379,136	1,869,707	
Transfers from property, plant and equipment	—	—	602,197	—	—	—	602,197	
Retirements and impairment adjustments	—	—	(165,029)	—	—	(2,943,956)	(3,108,985)	
Effect of translation	—	—	(40,300)	(12,052)	—	(7,553)	(59,905)	
Balance at end of period	<u>2,236,012</u>	<u>—</u>	<u>16,990,167</u>	<u>8,779,649</u>	<u>5,824,365</u>	<u>3,680,220</u>	<u>37,510,413</u>	
<b>Accumulated amortization:</b>								
Balance at beginning of period	(2,115,570)	—	(10,952,399)	(7,874,480)	(287,668)	(4,957,588)	(26,187,705)	
Amortization of the year	(72,128)	—	(1,820,411)	(315,062)	(287,667)	(52,302)	(2,547,570)	
Other amortization of the year <sup>(1)</sup>	—	—	—	—	—	(422,065)	(422,065)	
Retirements and impairment adjustments	—	—	139,190	—	—	2,740,671	2,879,861	
Effect of translation	—	—	38,975	12,052	—	1,988	53,015	
Balance at end of period	<u>(2,187,698)</u>	<u>—</u>	<u>(12,594,645)</u>	<u>(8,177,490)</u>	<u>(575,335)</u>	<u>(2,689,296)</u>	<u>(26,224,464)</u>	
	<u>Ps. 48,314</u>	<u>Ps. —</u>	<u>Ps. 4,395,522</u>	<u>Ps. 602,159</u>	<u>Ps. 5,249,030</u>	<u>Ps. 990,924</u>	<u>Ps. 11,285,949</u>	
	2022							
	Trademarks	Concessions	Licenses and Software	Subscriber Lists	Payments for Concessions	Other Intangible Assets	Total	
<b>Cost:</b>								
Balance at beginning of period	Ps. 2,227,096	Ps. 553,505	Ps. 14,831,874	Ps. 8,806,951	Ps. 5,825,559	Ps. 5,446,636	Ps. 37,691,621	
Additions	—	—	965,046	—	—	842,137	1,807,183	
Transfers from property, plant and equipment	—	—	502,017	—	—	—	502,017	
Retirements and impairment adjustments	—	(553,505)	(1,206,643)	(10,386)	(1,194)	(118)	(1,771,846)	
Transfers and reclassifications	—	—	35,921	—	—	(35,921)	—	
Effect of translation	—	—	(16,571)	(4,864)	—	(141)	(21,576)	
Balance at end of period	<u>2,227,096</u>	<u>—</u>	<u>15,111,644</u>	<u>8,791,701</u>	<u>5,824,365</u>	<u>6,252,593</u>	<u>38,207,399</u>	
<b>Accumulated amortization:</b>								
Balance at beginning of period	(2,043,442)	(553,505)	(9,672,946)	(7,574,668)	—	(4,829,145)	(24,673,706)	
Amortization of the year	(72,128)	—	(1,640,543)	(315,062)	(287,668)	(103,469)	(2,418,870)	
Other amortization of the year <sup>(1)</sup>	—	—	—	—	—	(353,232)	(353,232)	
Retirements and impairment adjustments	—	553,505	610,038	10,386	—	63,074	1,237,003	
Transfers and reclassifications	—	—	(264,968)	—	—	264,968	—	
Effect of translation	—	—	16,020	4,864	—	216	21,100	
Balance at end of period	<u>(2,115,570)</u>	<u>—</u>	<u>(10,952,399)</u>	<u>(7,874,480)</u>	<u>(287,668)</u>	<u>(4,957,588)</u>	<u>(26,187,705)</u>	
	<u>Ps. 111,526</u>	<u>Ps. —</u>	<u>Ps. 4,159,245</u>	<u>Ps. 917,221</u>	<u>Ps. 5,536,697</u>	<u>Ps. 1,295,005</u>	<u>Ps. 12,019,694</u>	

(1) Other amortization of the year relates primarily to amortization of soccer player rights, which is included in consolidated cost of revenues.

Amortization charges are presented in Note 21. Amortization charged to income for the years ended December 31, 2023 and 2022, was Ps.2,547,570 and Ps.2,418,870, respectively, which included Ps.31,423, corresponding to the amortization of discontinued operations, for the year ended December 31, 2022. Additional amortization charged to income for the years ended December 31, 2023 and 2022, was Ps.422,065 and Ps.353,232, respectively, primarily in connection with amortization of soccer player rights.

[Table of Contents](#)

The changes in the net carrying amount of goodwill, indefinite-lived trademarks and concessions for the year ended December 31, 2023 and 2022, were as follows:

	Balance as of January 1, 2023	Acquisitions	Retirements	Foreign Currency Translation Adjustments	Impairment Adjustments	Transfers	Balance as of December 31, 2023
<b>Goodwill:</b>							
Cable	Ps. 13,794,684	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 13,794,684
Others <sup>(1)</sup>	110,314	—	—	—	—	—	110,314
	<u>Ps. 13,904,998</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. 13,904,998</u>
<b>Indefinite-lived trademarks:</b>							
Cable	Ps. 32,828	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 32,828
	<u>Ps. 32,828</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. 32,828</u>
<b>Indefinite-lived concessions:</b>							
Cable	Ps. 15,070,025	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 15,070,025
Sky	96,042	—	—	—	—	—	96,042
	<u>Ps. 15,166,067</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. 15,166,067</u>

<sup>(1)</sup> Through January 31, 2022, this goodwill was part of the Group's former Content business.

	Balance as of January 1, 2022	Acquisitions	Retirements	Foreign Currency Translation Adjustments	Impairment Adjustments	Transfers	Balance as of December 31, 2022
<b>Goodwill:</b>							
Cable	Ps. 13,794,684	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 13,794,684
Others <sup>(1)</sup>	241,973	—	(131,659)	—	—	—	110,314
	<u>Ps. 14,036,657</u>	<u>Ps. —</u>	<u>Ps. (131,659)</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. 13,904,998</u>
<b>Indefinite-lived trademarks (see Note 3):</b>							
Cable	Ps. 32,813	Ps. —	Ps. —	Ps. 15	Ps. —	Ps. —	Ps. 32,828
Other Businesses	2,429	—	(2,429)	—	—	—	—
	<u>Ps. 35,242</u>	<u>Ps. —</u>	<u>Ps. (2,429)</u>	<u>Ps. 15</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. 32,828</u>
<b>Indefinite-lived concessions (see Note 3):</b>							
Cable	Ps. 15,070,025	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 15,070,025
Sky	96,042	—	—	—	—	—	96,042
	<u>Ps. 15,166,067</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. —</u>	<u>Ps. 15,166,067</u>

<sup>(1)</sup> Through January 31, 2022, this goodwill was part of the Group's former Content business.

The key assumptions used for either fair value or value in use calculations of goodwill and intangible assets in 2023, were as follows (see Note 15):

	Cable	
	Minimum	Maximum
<b>Value in use calculations:</b>		
Long-term growth rate	3.70 %	3.70 %
Discount rate	11.40 %	12.20 %
Pre-tax discount rate	13.30 %	16.00 %
<b>Fair value calculations:</b>		
Multiple of sales	2.0	2.8
Multiple of EBITDA (as defined)	6.1	7.4

[Table of Contents](#)

The key assumptions used for either fair value or value in use calculations of goodwill and intangible assets in 2022, were as follows (see Note 15):

	Cable	
	Minimum	Maximum
<b>Value in use calculations:</b>		
Long-term growth rate	4.90 %	4.90 %
Discount rate	11.50 %	12.30 %
Pre-tax discount rate	13.20 %	15.30 %
<b>Fair value calculations:</b>		
Multiple of sales	2.0	2.9
Multiple of EBITDA (as defined)	5.5	7.1

Management has identified that a reasonably possible change in the key assumptions identified above could cause the carrying amount to exceed in 2023 the recoverable amount of one of the five CGUs with indefinite-life intangible assets tested for impairment. The change required for the carrying amount to equal the recoverable amount is a 4.8% decrease in the multiple of EBITDA (equivalent to a 480 basis point change) or a 2.4% decrease in the multiple of sales (equivalent to a 240 basis point change).

Management has identified that a reasonable possible change in the key assumptions identified above could cause the carrying amount to exceed in 2022 the recoverable amount of one of the five CGUs with indefinite-life intangible assets tested for impairment. The change required for the carrying amount to equal the recoverable amount is a 1.2% increase in the discount rate (equivalent to a 120 basis point change) or a 1.6% decrease in the long-term growth rate (equivalent to a 160 basis point change).

As described in Note 2 (l), in 2020, the Company's management estimated the remaining useful life of four years for acquired trademarks in specific locations of Mexico, in connection with the migration to an internally developed trademark in the Group's Cable segment.

In the fourth quarter of 2017, the Company's management reviewed the useful life of certain Group's television concessions accounted for as intangible assets in conjunction with the payment made in 2018 for renewal of concessions expiring in 2021, which amount was determined by the IFT before the renewal date (see Note 2 (b)). Based on such review, the Group classified these concessions as intangible assets with a finite useful life and began to amortize the related net carrying amount of Ps.553,505 in a period ended December 31, 2021. Amortization of these concessions with a finite useful life amounted to Ps.110,701 for each of the years ended December 31, 2021.

**14. Debt and Lease Liabilities**

Debt and lease liabilities outstanding as of December 31, 2023 and 2022, were as follows:

	2023				2022	
	Effective Interest Rate	Interest Payable	Principal	Finance Costs	Principal, Net of Finance Costs	Principal, Net of Finance Costs
<b>U.S. dollar Senior Notes:</b>						
6.625% Senior Notes due 2025 <sup>(1)</sup>	7.60 %	Ps. 61,540	Ps. 3,715,634	Ps. (61,080)	Ps. 3,654,554	Ps. 5,142,689
4.625% Senior Notes due 2026 <sup>(1)</sup>	5.03 %	87,260	3,512,139	(7,218)	3,504,921	5,828,311
8.5% Senior Notes due 2032 <sup>(1)</sup>	9.00 %	131,932	5,079,750	(37,153)	5,042,597	5,826,463
6.625% Senior Notes due 2040 <sup>(1)</sup>	7.05 %	306,619	10,159,500	(146,908)	10,012,592	11,577,854
5% Senior Notes due 2045 <sup>(1)</sup>	5.39 %	96,684	13,387,004	(471,739)	12,915,265	16,997,261
6.125% Senior Notes due 2046 <sup>(1)</sup>	6.47 %	457,874	14,893,353	(130,002)	14,763,351	17,418,690
5.250% Senior Notes due 2049 <sup>(1)</sup>	5.59 %	58,754	11,191,163	(319,790)	10,871,373	13,402,350
Total U.S. dollar debt		1,200,663	61,938,543	(1,173,890)	60,764,653	76,193,618
<b>Mexican peso debt:</b>						
8.79% Notes due 2027 <sup>(2)</sup>	8.84 %	98,888	4,500,000	(11,628)	4,488,372	4,488,597
8.49% Senior Notes due 2037 <sup>(1)</sup>	8.94 %	49,879	4,500,000	(16,245)	4,483,755	4,489,547
7.25% Senior Notes due 2043 <sup>(1)</sup>	7.92 %	43,883	6,225,690	(64,543)	6,161,147	6,451,645
Bank loans <sup>(3)</sup>	12.76 %	90,686	10,000,000	(12,068)	9,987,932	9,967,243
Bank loans (Sky) <sup>(4)</sup>	12.41 %	22,767	2,650,000	—	2,650,000	3,650,000
Total Mexican peso debt		306,103	27,875,690	(104,484)	27,771,206	29,047,032
Total debt <sup>(5)</sup>		1,506,766	89,814,233	(1,278,374)	88,535,859	105,240,650
Less: Current portion of long-term debt		1,506,766	10,000,000	(12,068)	9,987,932	1,000,000
Long-term debt, net of current portion		Ps. —	Ps. 79,814,233	Ps. (1,266,306)	Ps. 78,547,927	Ps. 104,240,650
<b>Lease liabilities:</b>						
Satellite transponder lease agreement <sup>(6)</sup>					Ps. 1,994,437	Ps. 2,807,184
Telecommunications network lease agreement <sup>(7)</sup>					573,761	608,250
Other lease liabilities <sup>(8)</sup>					4,723,352	4,953,638
Total lease liabilities					7,291,550	8,369,072
Less: Current portion					1,280,932	1,373,233
Lease liabilities, net of current portion					Ps. 6,010,618	Ps. 6,995,839

- (1) The Senior Notes due between 2025 and 2049, in the aggregate outstanding principal amount of U.S.\$3,658 million and U.S.\$3,958 million as of December 31, 2023 and 2022, respectively, and Ps.10,725,690 and Ps.11,000,000 as of December 31, 2023 and 2022, respectively, are unsecured obligations of the Company, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of the Company, and are junior in right of payment to all of the existing and future liabilities of the Company's subsidiaries. Interest rate on the Senior Notes due 2025, 2026, 2032, 2037, 2040, 2043, 2045, 2046 and 2049, including additional amounts payable in respect of certain Mexican withholding taxes, is 6.97%, 4.86%, 8.94%, 8.93%, 6.97%, 7.62%, 5.26%, 6.44% and 5.52% per annum, respectively, and is payable semi-annually. These Senior Notes may not be redeemed prior to maturity, except: (i) in the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, in which case the securities will be redeemable, in whole or in part, at the option of the Company; and (ii) in the event of a change of control, in which case the Company may be required to redeem the securities at 101% of their principal amount. Also, the Company may, at its own option, redeem the Senior Notes due 2025, 2026, 2037, 2040, 2043, 2046 and 2049, in whole or in part, at any time at a redemption price equal to the greater of the principal amount of these Senior Notes or the present value of future cash flows, at the redemption date, of principal and interest amounts of the Senior Notes discounted at a fixed rate of comparable U.S. or Mexican sovereign bonds. The Senior Notes due 2026, 2032, 2040, 2043, 2045, 2046 and 2049 were priced at 99.385%, 99.431%, 98.319%, 99.733%, 96.534%, 99.677% and 98.588%, respectively, for a yield to maturity of 4.70%, 8.553%, 6.755%, 7.27%, 5.227%, 6.147% and 5.345%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.\$400 million and U.S.\$200 million, and were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, respectively. The terms of these Senior Notes contain covenants that limit the ability of the Company and certain restricted subsidiaries, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations, and similar transactions. The Senior Notes due 2025, 2026, 2032, 2037, 2040, 2045, 2046 and 2049, are registered with the U.S. Securities and Exchange Commission ("SEC"). The Senior Notes due 2043 are registered with both the SEC and the Mexican Banking and Securities Commission ("Comisión Nacional Bancaria y de Valores" or "CNBV"). In March 2022, the Company completed a partial redemption of U.S.\$200 million aggregate principal amount of its 6.625% Senior Notes due 2025, in the aggregate amount of U.S.\$221.3 million, including U.S.\$220.9 million of the applicable redemption price and U.S.\$0.4 million of accrued and unpaid interest on the redemption date. In August 2022, the Company concluded a tender offer to purchase in cash a principal amount of U.S.\$133.6 million of its 6.625% Senior Notes due 2025, U.S.\$110.6 million of its 5.000% Senior Notes due 2045, and U.S.\$47.8 million of its 5.250% Senior Notes due 2049, for an aggregate principal amount of U.S.\$292.0 million. The aggregate tender consideration paid amounted to U.S.\$294.8 million plus U.S.\$5.5 million of accrued and unpaid interest on the settlement date. In the first, second and third quarter of 2023, the Company repurchased a portion of its outstanding Senior Notes due 2043 in the aggregate principal amount of Ps.274,310 and recognized a gain on extinguishment of debt in the amount of Ps.98,692, which was recognized in finance expense, net, in the Group's consolidated statement of income for the year ended December 31, 2023. In August 2023, the Company concluded tender offers to purchase for cash a portion of its Senior Notes due 2025, 2026, 2045, 2046 and 2049, in the principal amount of U.S.\$47.0 million, U.S.\$92.6 million, U.S.\$98.7 million, U.S.\$20.4 million and U.S.\$41.3 million, respectively, for an aggregate principal amount of U.S.\$300.0 million. The Company paid for these tender offers cash in the aggregate amount of U.S.\$274.9 million (Ps.4,718,251), plus related premiums of U.S.\$6.2 million (Ps.106,505) and recognized a gain on extinguishment of debt in the amount of U.S.\$18.9 million (Ps.324,512), which was recognized in finance expense, net, in the Group's consolidated statement of income for the year ended December 31, 2023. In the second and third quarters of 2023, the Company repurchased a portion of its outstanding Senior Notes due 2043 in the aggregate principal amount of Ps.274,310, the Company paid for this repurchase an aggregate cash amount of Ps.174,785, plus related accrued interest of Ps.6,946, and recognized a gain on extinguishment of debt in the amount of Ps.92,579, which was recognized in finance expense, net, in the Group's consolidated statement of income for the year ended December 31, 2023 (see Note 23).
- (2) In 2017, the Company issued Notes ("*Certificados Bursátiles*") due 2027, through the BMV in the aggregate principal amount of Ps.4,500,000, with interest payable semi-annually at an annual rate of 8.79%. The Company may, at its own option, redeem the Notes due 2027, in whole or in part, at any semi-annual interest payment date at a redemption price equal to the greater of the principal amount of the outstanding Notes and the present value of future cash flows, at the redemption date, of principal and interest amounts of the Notes discounted at a fixed rate of comparable Mexican sovereign bonds. The terms of the Notes due 2027 contain covenants that limit the ability of the Company and certain restricted subsidiaries appointed by the Company's Board of Directors, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations, and similar transactions.



[Table of Contents](#)

- (3) In February and March 2022, the Company prepaid all of its outstanding long-term bank loans with original maturities between 2022 and 2023, in the aggregate principal amount of Ps.6,000,000 and paid related accrued interest in the aggregate amount of Ps.37,057. In July 2019, the Company entered into a credit agreement for a five-year term loan with a syndicate of banks in the aggregate principal amount of Ps.10,000,000. The funds from this loan were used for general corporate purposes, including the refinancing of the Company's indebtedness. This loan bears interest payable on a monthly basis at a floating rate based on a spread of 105 or 130 basis points over the 28-day TIE rate depending on the Group's net leverage ratio. The credit agreement of this syndicated loan requires the maintenance of financial ratios related to indebtedness and interest expense.
- (4) In March 2016, Sky entered into long-term credit agreements with two Mexican banks in the aggregate principal amount of Ps.5,500,000, with maturities between 2021 and 2023, and interest payable on a monthly basis with an annual interest rate in the range of 7.0% and 7.13%. In 2020 and 2021, Sky prepaid a portion of these loans in the aggregate principal amount of Ps.4,500,000. In December 2021, Sky entered into long-term credit agreement with a Mexican Bank in the aggregate principal amount of Ps.2,650,000, with interest payable on a monthly basis and maturity in December 2026, which included a Ps.1,325,000 loan with an annual interest rate of 8.215% and a Ps.1,325,000 loan with an annual interest rate of 28-day TIE plus 90 basis points. The funds from these loans were used for general corporate purposes, including the prepayment of Sky's indebtedness. Under the terms of this credit agreement, Sky is required to: (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with a restrictive covenant on spin-offs, mergers and similar transactions. In March 2023, upon the maturity of loans with two Mexican banks, Sky repaid the remaining portions of these loans in the aggregate principal amount of Ps.1,000,000 with (i) available cash on hand in the amount of Ps.600,000 and (ii) funds from a revolving credit facility in the principal amount of Ps.400,000, plus interest payable on a monthly basis at the annual interest rate of TIE plus 0.85% with a maturity in 2028.
- (5) Principal amount of total debt as of December 31, 2022, is presented net of unamortized finance costs in the aggregate amount of Ps.994,735.
- (6) In March 2010, Sky entered into a lease agreement with Intelsat Global Sales & Marketing Ltd. ("Intelsat") by which Sky is obligated to pay at an annual interest rate of 7.30%, a monthly fee through 2027 of U.S.\$3.0 million for satellite signal reception and retransmission service from 24 KU-band transponders on satellite IS-21, which became operational in October 2012. The service term for IS-21 will end at the earlier of: (a) the end of 15 years; or (b) the date IS-21 is taken out of service (see Note 12).
- (7) Lease agreement entered into by a subsidiary of the Company and GTAC for the right to use certain capacity of a telecommunications network through 2030 (see Note 20).
- (8) Lease liabilities recognized beginning on January 1, 2019, under IFRS 16 *Leases*, in the aggregate amount of Ps.4,723,352 and Ps.4,953,638, as of December 31, 2023 and 2022, respectively. These lease liabilities have terms which will expire at various dates between 2024 and 2051.

As of December 31, 2023 and 2022, the outstanding principal amounts of Senior Notes of the Company that have been designated as hedging instruments of the Group's investment in TelevisaUnivision and Open-Ended Fund (hedged items), were as follows (see Notes 2 (e) and 4):

Hedged Items	December 31, 2023		December 31, 2022	
	Millions of U.S. Dollars	Thousands of Mexican Pesos	Millions of U.S. Dollars	Thousands of Mexican Pesos
Investment in shares of TelevisaUnivision (net investment hedge)	U.S.\$ 2,499.7	Ps. 42,326,344	U.S.\$ 2,538.8	Ps. 49,446,349
Open-Ended Fund (foreign currency fair value hedge)	39.8	674,451	39.7	773,209
Total	<u>U.S.\$ 2,539.5</u>	<u>Ps. 43,000,795</u>	<u>U.S.\$ 2,578.5</u>	<u>Ps. 50,219,558</u>

[Table of Contents](#)

The foreign exchange gain or loss derived from the Company's U.S. dollar denominated long-term debt designated as a hedge, for the years ended December 31, 2023 and 2022, is analyzed as follows (see Notes 9 and 23):

<b>Foreign Exchange Gain or Loss Derived from Senior Notes Designated as Hedging Instruments</b>	<b>2023</b>	<b>2022</b>
<b>Recognized in:</b>		
Comprehensive gain	Ps. 6,683,712	Ps. 3,375,804
Total foreign exchange gain derived from hedging Senior Notes	<u>Ps. 6,683,712</u>	<u>Ps. 3,375,804</u>
<b>Offset against:</b>		
Foreign currency translation loss derived from the hedged net investment in shares of TelevisaUnivision	Ps. (6,585,695)	Ps. (3,261,758)
Foreign exchange loss derived from the hedged Open-Ended Fund	(98,017)	(114,046)
Total foreign currency translation and foreign exchange loss derived from hedged assets	<u>Ps. (6,683,712)</u>	<u>Ps. (3,375,804)</u>

**Maturities of Debt and Lease Liabilities**

Debt maturities for the years subsequent to December 31, 2023, are as follows:

	<b>Nominal</b>	<b>Unamortized Finance Costs</b>
2024	Ps. 10,000,000	Ps. 12,068
2025	3,715,634	61,080
2026	6,162,139	7,218
2027	4,500,000	11,628
2032	5,079,750	37,153
Thereafter	60,356,710	1,149,227
	<u>Ps. 89,814,233</u>	<u>Ps. 1,278,374</u>

Future minimum payments under lease liabilities for the years subsequent to December 31, 2023, are as follows:

2024	Ps. 1,879,155
2025	1,765,091
2026	1,728,925
2027	1,475,744
2028	791,723
Thereafter	2,429,170
	<u>10,069,808</u>
Less: Amount representing interest	(2,778,258)
	<u>Ps. 7,291,550</u>

[Table of Contents](#)

A reconciliation of long-term debt and lease liabilities arising from financing activities in the Group's consolidated statement of cash flows for the year ended December 31, 2023 and 2022, is as follows:

	Cash Flow		Non-Cash Changes				Balance as of December 31, 2023
	Balance as of January 1, 2023	Payments	New Debt and Leases	Net Gain of Prepayment	Foreign Exchange Income	Interest	
Debt	Ps. 106,235,385	Ps. (5,899,981)	Ps. —	Ps. (523,628)	Ps. (9,997,543)	Ps. —	Ps. 89,814,233
Lease liabilities	8,369,072	(1,793,602)	619,652	—	(352,172)	448,600	7,291,550
Total debt and lease liabilities	Ps. 114,604,457	Ps. (7,693,583)	Ps. 619,652	Ps. (523,628)	Ps. (10,349,715)	Ps. 448,600	Ps. 97,105,783

  

	Cash Flow		Non-Cash Changes				Balance as of December 31, 2022
	Balance as of January 1, 2022	Payments	Discontinued Operations	New Debt and Leases	Foreign Exchange Income	Interest	
Debt	Ps. 126,999,199	Ps. (16,709,984)	Ps. —	Ps. —	Ps. (4,053,830)	Ps. —	Ps. 106,235,385
Lease liabilities	9,680,559	(1,690,311)	(485,362)	590,532	(179,817)	453,471	8,369,072
Total debt and lease liabilities	Ps. 136,679,758	Ps. (18,400,295)	Ps. (485,362)	Ps. 590,532	Ps. (4,233,647)	Ps. 453,471	Ps. 114,604,457

**Credit Facilities**

In February 2022, the Company executed a revolving credit facility with a syndicate of banks for up to an amount equivalent to U.S.\$650 million payable in Mexican pesos, which funds may be used for the repayment of existing indebtedness and other corporate purposes, with a maturity in February 2025. Under the terms of this credit facility, the Company is required to comply with certain restrictive covenants and financial coverage ratios. As of December 31, 2023, this credit facility remained unused.

In February 2023, Sky executed a revolving credit facility with a Mexican bank for up to an amount of Ps.1,000,000, which funds may be used for general corporate purposes, including the repayment of debt, with a maturity in 2028. In March 2023, Sky used funds of this revolving facility in the amount of Ps.400,000 to repay a portion of its debt, plus interest payable on a monthly basis at the annual rate of TIIE plus 0.85%. In December 2023, Sky prepaid all of its outstanding debt under this credit facility plus accrued interest in the aggregate amount of Ps.403,981. Under the terms of this revolving credit facility, Sky is required to comply with certain restrictive covenants and financial coverage ratios. As of December 31, 2023, the unused principal amount of this revolving credit facility amounted to Ps.1,000,000.

**15. Financial Instruments**

The Group's financial instruments presented in the consolidated statements of financial position included cash and cash equivalents, accounts receivable, a long-term loan receivable from GTAC, non-current investments in debt and equity securities, and in securities in the form of an open-ended fund, accounts payable, outstanding debt, lease liabilities, and derivative financial instruments. For cash and cash equivalents, accounts receivable, accounts payable, and the current portion of long-term debt and lease liabilities, the carrying amounts approximate fair value due to the short maturity of these instruments. The fair value of the Group's long-term debt securities is based on quoted market prices.

[Table of Contents](#)

The fair value of long-term loans that the Group borrowed from leading Mexican banks (see Note 14), has been estimated using the borrowing rates currently available to the Group for bank loans with similar terms and average maturities. The fair value of non-current investments in financial instruments, and currency option and interest rate swap agreements were determined by using valuation techniques that maximize the use of observable market data.

The carrying amount and estimated fair values of the Group's non-derivative financial instruments as of December 31, 2023 and 2022, were as follows:

	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Assets:</b>				
Cash and cash equivalents	Ps. 32,586,352	Ps. 32,586,352	Ps. 51,130,992	Ps. 51,130,992
Trade accounts receivable, net	8,131,458	8,131,458	8,457,302	8,457,302
Long-term loan and interest receivable from GTAC (see Note 10)	948,549	953,423	853,163	857,006
Open-Ended Fund (see Note 9)	674,451	674,451	773,209	773,209
Publicly traded equity instruments (see Note 9)	1,912,150	1,912,150	2,611,053	2,611,053
<b>Liabilities:</b>				
Senior Notes due 2025, 2032 and 2040	Ps. 18,954,884	Ps. 20,432,901	Ps. 22,717,196	Ps. 24,313,064
Senior Notes due 2045	13,387,004	11,542,810	17,321,136	14,975,508
Senior Notes due 2037 and 2043	10,725,690	8,090,190	11,000,000	8,087,840
Senior Notes due 2026 and 2046	18,405,492	18,379,439	23,371,200	23,287,882
Senior Notes due 2049	11,191,163	10,035,228	13,675,853	12,199,681
Notes due 2027	4,500,000	4,233,150	4,500,000	4,238,640
Long-term loans payable to Mexican banks	12,650,000	12,789,686	13,650,000	13,775,125
Lease liabilities	7,291,550	7,334,492	8,369,072	8,497,104

The carrying amounts (based on estimated fair values), notional amounts, and maturity dates of the Group's derivative financial instruments as of December 31, 2023 and 2022, were as follows:

December 31, 2023:	Carrying Amount	Notional Amount (U.S. Dollars in Thousands)	Maturity Date
<b>Derivative Financial Instruments</b>			
<b>Assets:</b>			
Derivatives recorded as accounting hedges (cash flow hedges):			
Interest rate swaps <sup>(a)</sup>	Ps. 251,738	Ps. 10,000,000	June 2024
Total assets	Ps. 251,738		
<b>December 31, 2022:</b>			
<b>Derivative Financial Instruments</b>			
<b>Assets:</b>			
Derivatives recorded as accounting hedges (cash flow hedges):			
Interest rate swaps <sup>(b)</sup>	Ps. 11,237	Ps. 2,500,000	February 2023
Interest rate swaps <sup>(a)</sup>	532,344	10,000,000	June 2024
Total assets	Ps. 543,581		
<b>Liabilities:</b>			
Derivatives not recorded as accounting hedges:			
TVI's forwards <sup>(c)</sup>	Ps. 7,650	U.S.\$ 27,963	January through June 2023
Empresas Cablevisión's forwards <sup>(d)</sup>	12,047	U.S.\$ 38,649	January through June 2023
Sky's forwards <sup>(c)</sup>	16,903	U.S.\$ 58,000	January through June 2023
Forwards <sup>(f)</sup>	34,801	U.S.\$ 113,388	January through June 2023
Total liabilities	Ps. 71,401		

- (a) In June and July 2019 and October 2020, the Company entered into derivative transaction agreements (interest rate swaps) through June 2024, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.10,000,000 as of December 31, 2023 and 2022. Under these agreements, the Company receives monthly payments based on aggregate notional amounts of Ps.10,000,000 as of December 31, 2023 and 2022, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual weighted average fixed rate of 6.7620%. The Company has recognized the change in fair value of this transaction as an accounting hedge and recorded a cumulative or income of Ps.220,127 in other comprehensive income or loss as of December 31, 2023. In 2023, the Company recorded a gain of Ps.457,522 in consolidated other finance income or expense.
- (b) In January 2018, the Company entered into derivative transaction agreements (interest rate swaps) through February 2023, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.2,500,000. Under this transaction, the Company received monthly payments based on aggregate notional amount of Ps.2,500,000, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.7485%. The Company recognized the change in fair value of this transaction as an accounting hedge and recorded a cumulative loss of Ps.19,612 in other comprehensive income or loss as of December 31, 2022. In 2022, the Company recorded a gain of Ps.387 in consolidated other finance income or expense.
- (c) As of December 31, 2022, TVI had foreign currency contracts (forwards) in the aggregate notional amount of U.S.\$28.0 million at an average rate of Ps.20.0975. As a result of the change in fair value of these agreements in the year ended December 31, 2023, the Company recorded a loss of Ps.69,387 in consolidated other finance income or expense.
- (d) As of December 31, 2022, Empresas Cablevisión had foreign currency contracts (forwards) in the aggregate notional amount of U.S.\$38.6 million at an average rate of Ps.20.1365. As a result of the change in fair value of these agreements in the year ended December 31, 2023, the Company recorded a loss of Ps.96,208 in consolidated other finance income or expense.
- (e) As of December 31, 2022, Sky had foreign currency contracts (forwards) in the aggregate notional amount of U.S.\$58.0 million at an average rate of Ps.20.1170. As a result of the change in fair value of these agreements in the year ended December 31, 2023, the Company recorded a loss of Ps.144,811 in consolidated other finance income or expense.
- (f) As of December 31, 2022, the Company had foreign currency contracts (forwards) in the aggregate notional amount of U.S.\$113.4 million at an average rate of Ps.20.1289. As a result of the change in fair value of these agreements, in the years ended December 31, 2023 and 2022, the Company recorded a loss of Ps.281,963 and Ps.66,690 in consolidated other finance income or expense, respectively.

## **Fair Value Measurement**

### **Assets and Liabilities Measured at Fair Value on a Recurring Basis**

All fair value adjustments as of December 31, 2023 and 2022, represent assets or liabilities measured at fair value on a recurring basis. In determining fair value, the Group's financial instruments are separated into two categories: investments in financial assets at FVOCIL and derivative financial instruments.

[Table of Contents](#)

Financial assets and liabilities measured at fair value as of December 31, 2023 and 2022:

	Balance as of December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Internal Models with Significant Observable Inputs (Level 2)	Internal Models with Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
At FVOCIL:				
Open-Ended Fund	Ps. 674,451	Ps. —	Ps. 674,451	Ps. —
Publicly traded equity instruments	1,912,150	1,912,150	—	—
Derivative financial instruments	251,738	—	251,738	—
Total	<u>Ps. 2,838,339</u>	<u>Ps. 1,912,150</u>	<u>Ps. 926,189</u>	<u>Ps. —</u>
<b>Assets:</b>				
At FVOCIL:				
Open-Ended Fund	Ps. 773,209	Ps. —	Ps. 773,209	Ps. —
Publicly traded equity instruments	2,611,053	2,611,053	—	—
Derivative financial instruments	543,581	—	543,581	—
Total	<u>Ps. 3,927,843</u>	<u>Ps. 2,611,053</u>	<u>Ps. 1,316,790</u>	<u>Ps. —</u>
<b>Liabilities:</b>				
Derivative financial instruments	Ps. 71,401	Ps. —	Ps. 71,401	Ps. —
Total	<u>Ps. 71,401</u>	<u>Ps. —</u>	<u>Ps. 71,401</u>	<u>Ps. —</u>

**Non-current Financial Assets**

Investments in debt securities or with readily determinable fair values, are classified as non-current investments in financial instruments, and are recorded at fair value with unrealized gains and losses included in consolidated stockholders' equity as accumulated other comprehensive result.

Non-current financial assets are generally valued using quoted market prices or alternative pricing sources with reasonable levels of price transparency. Such instruments are classified in Level 1, Level 2, and Level 3, depending on the observability of the significant inputs.

**Open-Ended Fund**

The Group has an investment in an Open-Ended Fund that has as a primary objective to achieve capital appreciation by using a broad range of strategies through investments in securities, including without limitation stock, debt and other financial instruments, a principal portion of which are considered as Level 1 financial instruments, in telecom, media and other sectors across global markets, including Latin America and other emerging markets. Shares may be redeemed on a quarterly basis at the NAV per share as of such redemption date (see Notes 4 and 9).

### **Disclosures for Each Class of Assets and Liabilities Subject to Recurring Fair Value Measurements Categorized Within Level 3**

The Corporate Finance Department of the Company has established rules for a proper portfolio asset classification according to the fair value hierarchy defined by the IFRS Standards. On a monthly basis, any new assets recognized in the portfolio are classified according to this criterion. Subsequently, there is a quarterly review of the portfolio in order to analyze the need for a change in classification of any of these assets.

Sensitivity analysis is performed on the Group's investments with significant unobservable inputs (Level 3) in order to obtain a reasonable range of possible alternative valuations. This analysis is carried out by the Corporate Finance Department of the Company.

#### **Derivative Financial Instruments**

Derivative financial instruments include swaps, forwards and options (see Notes 2 (w), 4 and 15).

The Group's derivative portfolio is entirely over-the-counter ("OTC"). The Group's derivatives are valued using industry standard valuation models; projecting future cash flows discounted to present value, using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies.

When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit spreads considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used. All derivatives are classified in Level 2.

#### **Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis**

The majority of the Group's non-financial instruments, which include the investment in shares of TelevisaUnivision, goodwill, intangible assets, inventories, transmission rights, property, plant and equipment and right-of-use assets are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur (or at least annually in the fourth quarter for goodwill and indefinite-lived intangible assets) such that a non-financial instrument is required to be evaluated for impairment, a resulting asset impairment would require that the non-financial instrument be recorded at the lower of carrying amount or its recoverable amount.

The impairment test for goodwill involves a comparison of the estimated fair value of each of the Group's reporting units to its carrying amount, including goodwill. The Group determines the fair value of a reporting unit using the higher between the value in use and the fair value less costs to sell, which utilize significant unobservable inputs (Level 3) within the fair value hierarchy. The impairment test for intangible assets not subject to amortization involves a comparison of the estimated fair value of the intangible asset with its carrying amount. The Group determines the fair value of the intangible asset using a discounted cash flow analysis, which utilizes significant unobservable inputs (Level 3) within the fair value hierarchy. Determining fair value requires the exercise of significant judgment, including judgment about appropriate discount rates, perpetual growth rates, the amount and timing of expected future cash flows for a period of time that comprise five years, as well as relevant comparable company earnings multiples for the market-based approach.

Once an asset has been impaired, it is not remeasured at fair value on a recurring basis; however, it is still subject to fair value measurements to test for recoverability of the carrying amount.

#### **16. Post-employment Benefits**

Certain companies in the Group have defined benefit pension plans for certain eligible executives and employees. All pension benefits are based on salary and years of service rendered.

Under the provisions of the Mexican Labor Law, seniority premiums are payable based on salary and years of service to employees who resign or are terminated prior to reaching retirement age. Some companies in the Group have seniority premium benefits which are greater than the legal requirement.

Post-employment benefits are actuarially determined by using nominal assumptions and attributing the present value of all future expected benefits proportionately over each year from date of hire to age 65.

[Table of Contents](#)

The Group used actuarial assumptions to determine the present value of defined benefit obligations, as follows:

	2023	2022
Discount rate	<b>10.4 %</b>	10.2 %
Salary increase	<b>5.2 %</b>	5.2 %
Inflation rate	<b>3.7 %</b>	3.7 %

Had the discount rate of 10.4% used by the Group in 2023 been decreased by 50 basis points, the impact on defined benefit obligation would have been an increase to Ps.1,237,945 as of December 31, 2023.

Had the discount rate of 10.2% used by the Group in 2022 been decreased by 50 basis points, the impact on defined benefit obligation would have been an increase to Ps.1,314,138 as of December 31, 2022.

The reconciliation between defined benefit obligations and post-employment benefit liability in the consolidated statements of financial position as of December 31, 2023 and 2022, is presented as follows:

	As of December 31, 2023		
	Pensions	Seniority Premiums	2023
Vested benefit obligations	Ps. 407,652	Ps. 238,295	Ps. 645,947
Unvested benefit obligations	271,570	290,011	561,581
Defined benefit obligations	679,222	528,306	1,207,528
Fair value of plan assets	436,091	38,388	474,479
Underfunded status of the plans	Ps. 243,131	Ps. 489,918	Ps. 733,049
Post-employment benefit liability	Ps. 243,131	Ps. 489,918	Ps. 733,049

  

	As of December 31, 2022		
	Pensions	Seniority Premiums	2022
Vested benefit obligations	Ps. 323,414	Ps. 261,857	Ps. 585,271
Unvested benefit obligations	403,549	288,413	691,962
Defined benefit obligations	726,963	550,270	1,277,233
Fair value of plan assets	459,618	46,147	505,765
Underfunded status of the plans	Ps. 267,345	Ps. 504,123	Ps. 771,468
Post-employment benefit liability	Ps. 267,345	Ps. 504,123	Ps. 771,468

The components of net periodic pensions and seniority premiums cost for the years ended December 31, 2023 and 2022 consisted of the following:

	2023	2022
Service cost	Ps. 82,190	Ps. 94,416
Interest cost	110,925	99,889
Prior service cost for plan amendments	(64,812)	(7,070)
Interest on plan assets	(40,646)	(35,846)
Net periodic cost	Ps. 87,657	Ps. 151,389



[Table of Contents](#)

The Group's defined benefit obligations, plan assets, funded status and balances in the consolidated statements of financial position as of December 31, 2023 and 2022, associated with post-employment benefits, are presented as follows:

	Pensions		Seniority Premiums		2023		2022	
<b>Defined benefit obligations:</b>								
Beginning of year	Ps.	726,963	Ps.	550,270	Ps.	1,277,233	Ps.	3,184,365
Retirement of discontinued operation		—		—		—		(1,806,713)
Service cost		24,879		57,311		82,190		94,416
Interest cost		57,739		53,186		110,925		99,889
Benefits paid		(42,076)		(31,568)		(73,644)		(86,210)
Remeasurement of post-employment benefit obligations		(99,329)		(25,035)		(124,364)		(201,444)
Past service cost		11,046		(75,858)		(64,812)		(7,070)
End of year		<u>679,222</u>		<u>528,306</u>		<u>1,207,528</u>		<u>1,277,233</u>
<b>Fair value of plan assets:</b>								
Beginning of year		459,618		46,147		505,765		1,270,685
Retirement of discontinued operation		—		—		—		(695,594)
Return on plan assets		36,571		4,075		40,646		35,846
Remeasurement on plan assets		(29,180)		(11,249)		(40,429)		(43,325)
Benefits paid		(30,918)		(585)		(31,503)		(61,847)
End of year		<u>436,091</u>		<u>38,388</u>		<u>474,479</u>		<u>505,765</u>
Unfunded status of the plans	Ps.	<u>243,131</u>	Ps.	<u>489,918</u>	Ps.	<u>733,049</u>	Ps.	<u>771,468</u>

The changes in the net post-employment liability in the consolidated statements of financial position as of December 31, 2023 and 2022, are as follows:

	Pensions		Seniority Premiums		2023		2022	
Net post-employment liability at beginning of year	Ps.	267,345	Ps.	504,123	Ps.	771,468	Ps.	1,913,680
Retirement of discontinued operation		—		—		—		(1,111,119)
Net periodic cost		57,093		30,564		87,657		151,389
Remeasurement of post-employment benefits		(70,149)		(13,786)		(83,935)		(158,119)
Benefits paid		(11,158)		(30,983)		(42,141)		(24,363)
Net post-employment liability at end of year	Ps.	<u>243,131</u>	Ps.	<u>489,918</u>	Ps.	<u>733,049</u>	Ps.	<u>771,468</u>

The post-employment benefits as of December 31, 2023 and 2022, and remeasurements adjustments for the years ended December 31, 2023 and 2022, are summarized as follows:

	2023		2022	
<b>Pensions:</b>				
Defined benefit obligations	Ps.	679,222	Ps.	726,963
Plan assets		436,091		459,618
Unfunded status of plans		243,131		267,345
Remeasurements adjustments <sup>(1)</sup>		(70,149)		(113,456)
<b>Seniority premiums:</b>				
Defined benefit obligations	Ps.	528,306	Ps.	550,270
Plan assets		38,388		46,147
Unfunded status of plans		489,918		504,123
Remeasurements adjustments <sup>(1)</sup>		(13,786)		(44,663)

<sup>(1)</sup> On defined benefit obligations and plan assets.

**Pensions and Seniority Premiums Plan Assets**

The plan assets are invested according to specific investment guidelines determined by the technical committees of the pension plan and seniority premiums trusts and in accordance with actuarial computations of funding requirements. These investment guidelines require a minimum investment of 30% of the plan assets in fixed rate instruments, or mutual funds comprised of fixed rate instruments. The plan assets that are invested in mutual funds are all rated “AA” or “AAA” by at least one of the main rating agencies. These mutual funds vary in liquidity characteristics ranging from one day to one month. The investment goals of the plan assets are to preserve principal, diversify the portfolio, maintain a high degree of liquidity and credit quality, and deliver competitive returns subject to prevailing market conditions. Currently, the plan assets do not engage in the use of financial derivative instruments. The Group’s target allocation in the foreseeable future is to maintain approximately 30% in equity securities and 70% in fixed rate instruments.

The weighted average asset allocation by asset category as of December 31, 2023 and 2022, was as follows:

	2023	2022
Equity securities <sup>(1)</sup>	42.1 %	36.1 %
Fixed rate instruments	57.9 %	63.9 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>

<sup>(1)</sup> Included within plan assets at December 31, 2023 and 2022, are shares of the Company held by the trust with a fair value of Ps.34,851 and Ps.23,865, respectively.

The weighted average expected long-term rate of return of plan assets of 10.42% and 10.17% were used in determining net periodic pension cost in 2023 and 2022, respectively. The rate used reflected an estimate of long-term future returns for the plan assets. This estimate was primarily a function of the asset classes (equities versus fixed income) in which the plan assets were invested and the analysis of past performance of these asset classes over a long period of time.

This analysis included expected long-term inflation and the risk premiums associated with equity investments and fixed income investments.

The following table summarizes the Group’s plan assets measured at fair value on a recurring basis as of December 31, 2023 and 2022:

	Balance as of December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Internal Models with Significant Observable Inputs (Level 2)	Internal Models with Significant Unobservable Inputs (Level 3)
Common Stocks <sup>(1)</sup>	Ps. 34,851	Ps. 34,851	Ps. —	Ps. —
Mutual funds (fixed rate instruments) <sup>(2)</sup>	23,703	23,703	—	—
Money market securities <sup>(3)</sup>	238,556	238,556	—	—
Other equity securities	163,698	163,698	—	—
<b>Total investment assets</b>	<b>460,808</b>	<b>460,808</b>	<b>—</b>	<b>—</b>
Cash management	13,671	—	—	—
<b>Total investment assets and cash management</b>	<b>Ps. 474,479</b>	<b>Ps. 460,808</b>	<b>Ps. —</b>	<b>Ps. —</b>

  

	Balance as of December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Internal Models with Significant Observable Inputs (Level 2)	Internal Models with Significant Unobservable Inputs (Level 3)
Common Stocks <sup>(1)</sup>	Ps. 23,865	Ps. 23,865	Ps. —	Ps. —
Mutual funds (fixed rate instruments) <sup>(2)</sup>	21,685	21,685	—	—
Money market securities <sup>(3)</sup>	255,588	255,588	—	—
Other equity securities	145,327	145,327	—	—
<b>Total investment assets</b>	<b>446,465</b>	<b>446,465</b>	<b>—</b>	<b>—</b>
Cash management	59,300	—	—	—
<b>Total investment assets and cash management</b>	<b>Ps. 505,765</b>	<b>Ps. 446,465</b>	<b>Ps. —</b>	<b>Ps. —</b>

<sup>(1)</sup> Common stocks are valued at the closing price reported on the active market on which the individual securities are traded. All common stock included in this line item relate to the Company’s CPOs.

[Table of Contents](#)

- (2) Mutual funds consist of fixed rate instruments. These are valued at the net asset value provided by the administrator of the fund.
- (3) Money market securities consist of government debt securities, which are valued based on observable prices from the new issue market, benchmark quotes, secondary trading and dealer quotes.

The Group did not make significant contributions to its plan assets in 2023 and 2022 and does not expect to make significant contributions to its plan assets in 2024.

The weighted average duration of the defined benefit plans as of December 31, 2023 and 2022, were as follows:

	2023	2022
Seniority Premiums	9.0 years	8.7 years
Pensions	3.0 years	3.8 years

## 17. Capital Stock and Long-term Retention Plan

### Capital Stock

The Company has four classes of capital stock: Series “A” Shares, Series “B” Shares, Series “D” Shares and Series “L” Shares, with no par value. The Series “A” Shares and Series “B” Shares are common shares. The Series “D” Shares are limited-voting and preferred dividend shares, with a preference upon liquidation. The Series “L” Shares are limited-voting shares.

The Company’s shares are publicly traded in Mexico, primarily in the form of Ordinary Participation Certificates (“CPOs”), each CPO representing 117 shares comprised of 25 Series “A” Shares, 22 Series “B” Shares, 35 Series “D” Shares and 35 Series “L” Shares; and in the United States in the form of Global Depository Shares (“GDS”), each GDS representing five CPOs. Non-Mexican holders of CPOs do not have voting rights with respect to the Series “A”, Series “B” and Series “D” Shares.

At December 31, 2023, shares of capital stock and CPOs consisted of (in millions):

	Authorized and Issued <sup>(1)</sup>	Repurchased by the Company <sup>(2)</sup>	Held by a Company’s Trust <sup>(3)</sup>	Outstanding
Series “A” Shares	119,301.6	(687.5)	(5,172.4)	113,441.7
Series “B” Shares	55,487.3	(605.0)	(4,536.9)	50,345.4
Series “D” Shares	84,525.2	(962.5)	(3,468.0)	80,094.7
Series “L” Shares	84,525.2	(962.5)	(3,468.0)	80,094.7
<b>Total</b>	<b>343,839.3</b>	<b>(3,217.5)</b>	<b>(16,645.3)</b>	<b>323,976.5</b>
Shares in the form of CPOs	282,555.0	(3,217.5)	(11,593.0)	267,744.5
Shares not in the form of CPOs	61,284.3	—	(5,052.3)	56,232.0
<b>Total</b>	<b>343,839.3</b>	<b>(3,217.5)</b>	<b>(16,645.3)</b>	<b>323,976.5</b>
CPOs	2,415.0	(27.5)	(99.1)	2,288.4

(1) As of December 31, 2023, the authorized and issued capital stock amounted to Ps.4,722,776 (nominal Ps.2,366,461).

(2) In connection with a share repurchase program that was approved by the Company’s stockholders and is exercised at the discretion of management. During the year ended December 31, 2023, the Company repurchased 8,154.9 million shares, in the form of 69.7 million CPOs, in the amount of Ps.1,197,082, in connection with a share repurchase program that was approved by the Company’s stockholders. In April 2023, the Company’s stockholders approved the cancellation in May 2023 of 8,294.7 million shares of the Company’s capital stock in the form of 70.9 million CPOs, which were repurchased by the Company in 2022 and 2023.

(3) Primarily, in connection with the Company’s LTRP described below.

[Table of Contents](#)

A reconciliation of the number of shares and CPOs outstanding for the years ended December 31, 2023 and 2022, is presented as follows (in millions):

	Series "A" Shares	Series "B" Shares	Series "D" Shares	Series "L" Shares	Shares Outstanding	CPOs Outstanding
As of January 1, 2022	114,085.0	51,463.5	81,873.7	81,873.7	329,295.9	2,339.2
Acquired <sup>(1)</sup>	(717.4)	(631.3)	(1,004.3)	(1,004.3)	(3,357.3)	(28.7)
Forfeited <sup>(2)</sup>	(155.5)	(136.9)	(217.8)	(217.8)	(728.0)	(6.2)
Acquired <sup>(2)</sup>	(598.0)	(526.3)	(837.3)	(837.3)	(2,798.9)	(23.9)
Released <sup>(2)</sup>	2,136.1	1,480.7	2,355.6	2,355.6	8,328.0	67.3
As of December 31, 2022	114,750.2	51,649.7	82,169.9	82,169.9	330,739.7	2,347.7
Acquired <sup>(1)</sup>	(1,742.5)	(1,533.4)	(2,439.5)	(2,439.5)	(8,154.9)	(69.7)
Forfeited <sup>(2)</sup>	(139.4)	(122.7)	(195.2)	(195.2)	(652.5)	(5.6)
Acquired <sup>(2)</sup>	(316.9)	(278.9)	(443.6)	(443.6)	(1,483.0)	(12.7)
Released <sup>(2)</sup>	890.3	630.7	1,003.1	1,003.1	3,527.2	28.7
<b>As of December 31, 2023</b>	<b>113,441.7</b>	<b>50,345.4</b>	<b>80,094.7</b>	<b>80,094.7</b>	<b>323,976.5</b>	<b>2,288.4</b>

(1) Repurchased or cancelled by the Company in connection with a share repurchase program.

(2) Acquired, released, cancelled or forfeited by a Company's trust in connection with the Company's Long-Term Retention Plan described below.

Under the Company's bylaws, the Company's Board of Directors consists of 20 members, of which the holders of Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares, each voting as a class, are entitled to elect eleven members, five members, two members and two members, respectively.

Holders of Series "D" Shares are entitled to receive a preferred dividend equal to 5% of the nominal capital attributable to those Shares (nominal Ps.0.00034412306528 per share) before any dividends are payable in respect of Series "A" Shares, Series "B" Shares or Series "L" Shares. Holders of Series "A" Shares, Series "B" Shares and Series "L" Shares are entitled to receive the same dividends as holders of Series "D" Shares if stockholders declare dividends in addition to the preferred dividend that holders of Series "D" Shares are entitled to. If the Company is liquidated, Series "D" Shares are entitled to a liquidation preference equal to the nominal capital attributable to those Shares nominal Ps.0.00688246130560 per share before any distribution is made in respect of Series "A" Shares, Series "B" Shares and Series "L" Shares.

At December 31, 2023, the restated for inflation tax value of the Company's common stock was Ps.64,361,742. In the event of any capital reduction in excess of the tax value of the Company's common stock, such excess will be treated as dividends for income tax purposes (see Note 18).

### Long-Term Retention Plan

The Company has adopted a LTRP for the conditional sale of the Company's capital stock to key Group officers and employees under a special purpose trust.

At the Company's annual general ordinary stockholders' meeting held on April 2, 2013, the Company's stockholders approved that the number of CPOs that may be granted annually under the LTRP shall be up to 1.5% of the capital of the Company. As of December 31, 2023, approximately 28.0 million CPOs or CPO equivalents that were transferred to LTRP participants were sold in the open market during 2021, 2022 and 2023. Additional sales will continue to take place during or after 2024.

The special purpose trust created to implement the LTRP as of December 31, 2023 had approximately 137.7 million CPOs or CPO equivalents. This figure is net of approximately 52.9 million, 38.5 million and 28.6 million CPOs or CPO equivalents vested in 2021, 2022 and 2023, respectively. Of the 137.7 million CPOs or CPO equivalents approximately 68.6% are in the form of CPOs and the remaining 31.4% are in the form of Series "A", Series "B", Series "D" and Series "L" Shares, not in the form of CPO units. As of December 31, 2023, approximately 69.1 million CPOs or CPO equivalents were held by a Company trust and will become vested between 2024 and 2026 at prices ranging from Ps.38.32 to Ps.1.60 per CPO, which may be reduced by dividends, a liquidity discount and the growth of the consolidated or relevant segment Operating Income Before Depreciation and Amortization, or OIBDA (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others.

[Table of Contents](#)

Historically, the price at which the conditional sales of the awards were made to beneficiaries was based on the lowest of (i) the closing price of the CPO on March 31 of the year of the relevant award, and (ii) the average price of the CPO during the first three months of the year of the relevant award. Beginning with the grants awarded in respect of fiscal year 2020 under the LTRP, a portion of such awards is granted at the sale price described before, and the remaining part of the relevant awards at a sale price equal to the nominal value of the CPO, which was determined at Ps.1.60 per CPO.

During the year ended December 31, 2023, the trust for the LTRP increased the number of shares and CPOs held for the purposes of this Plan in the amount of (i) 1,483.0 million shares of the Company in the form of 12.7 million CPOs, which were acquired in the amount of Ps.172,976; and (ii) 652.5 million shares of the Company in the form of 5.6 million CPOs, in connection with forfeited rights under this Plan. Also, the trust for the LTRP released 3,353.5 million shares of the Company in the form of 28.7 million CPOs and 173.7 million Serie "A" Shares not in the form of CPOs.

Following the completion of the TelevisaUnivision Transaction, the Board of Directors of the Company approved: (i) to cancel certain sale contracts for 10.8 million CPOs, corresponding to unvested conditional to sales under the LTRP to certain officers and employees of the Company in 2019, 2020 and 2021; and (ii) to release 8.0 million CPOs under the corresponding grants to such individuals. The CPOs released under such grants were sold at Ps.1.60 per CPO. In connection with this approval, the Company cancelled 10.8 million CPOs under such contracts and recognized the release of 7.1 million CPOs in the first half of 2022.

In addition to the LTRP, the Company entered into conditional sale contracts with certain officers of the Group, primarily in February 2022, for 24.7 million CPOs, of which 23.9 million of CPOs and 0.8 million of CPOs were released as a share-based expense in the first quarter and second quarter of 2022, respectively.

During the year ended December 31, 2022, the trust for the LTRP increased the number of shares and CPOs held for the purposes of this Plan in the amount of (i) 2,798.9 million shares of the Company in the form of 23.9 million CPOs, which were acquired in the amount of Ps.980,410; and (ii) 728.0 million shares of the Company in the form of 6.2 million CPOs, in connection with forfeited rights under this Plan. Also, the trust for the LTRP released 7,874.4 million shares of the Company in the form of 67.3 million CPOs, and 453.6 million Series "A" Shares not in the form of CPOs.

During the years ended December 31, 2023 and 2022, the Company made a funding for acquisition of shares in the aggregate amount of Ps.86,000 and Ps.648,242, respectively, to the trust held for the Company's LTRP.

The Group has determined its share-based compensation expense (see Note 2 (y)), by using the BSPM at the date on which the stock was conditionally sold to certain officers and employees of the Company under the Company's LTRP, based on the following arrangements and weighted-average assumptions:

	Long-Term Retention Plan				
<b>Arrangements:</b>					
Year of grant	2019	2020	2021	2022	2023
Number of CPOs or CPOs equivalent granted	72,558	39,200	38,800	27,500	11,600
Contractual life	2.67 years	3.00 years	3.00 years	3.00 years	3.00 years
<b>Assumptions:</b>					
Dividend yield	0.82 %	1.38 %	0.94 %	0.92 %	2.5 %
Expected volatility <sup>(1)</sup>	30.47 %	35.13 %	43.74 %	45.75 %	45.51 %
Risk-free interest rate	6.88 %	5.74 %	5.51 %	9.17 %	9.05 %
Expected average life of awards	2.67 years	3.00 years	3.00 years	3.00 years	3.00 years

<sup>(1)</sup> Volatility was determined by reference to historically observed prices of the Company's CPOs.

[Table of Contents](#)

A summary of the stock conditionally sold to employees under the LTRP as of December 31, 2023 and 2022, is presented below (in Mexican pesos and thousands of CPOs):

	2023		2022	
	CPOs or CPOs Equivalent	Weighted-Average Exercise Price	CPOs or CPOs Equivalent	Weighted-Average Exercise Price
<b>Long-Term Retention Plan:</b>				
Outstanding at beginning of year	170,731	30.68	176,858	31.22
Conditionally sold	11,600	9.38	27,500	10.00
Paid by employees	(1,795)	1.60	(15,047)	30.10
Forfeited	(3,638)	70.14	(18,580)	70.14
Outstanding at end of year	176,898	23.72	170,731	30.68
To be paid by employees at end of year	107,822	33.05	83,985	44.79

As of December 31, 2023 and 2022, the weighted-average remaining contractual life of the stock conditionally sold to employees under the LTRP is 1.18 years and 1.29, years respectively.

In addition to the LTRP, the Company entered into conditional sale contracts with members of its Board of Directors for 1.7 and 4.5 million CPOs in July 2022 and October 2023, respectively, with vesting periods of nine and six months, respectively, and with certain officers of the Group for 7.5 and 17.2 million CPOs in December 2021 and January 2022 respectively, with vesting periods of three years.

## 18. Retained Earnings and Accumulated Other Comprehensive Income

### (a) Retained Earnings:

	Legal Reserve	Unappropriated Earnings	Net Income for the Year	Retained Earnings
Balance at January 1, 2022	Ps. 2,139,007	Ps. 80,023,355	Ps. 6,055,826	Ps. 88,218,188
Appropriation of net income relating to 2021	—	6,055,826	(6,055,826)	—
Dividends	—	(1,053,392)	—	(1,053,392)
Sale of repurchased shares	—	(3,080,729)	—	(3,080,729)
Cancellation of sale of shares	—	246,658	—	246,658
Share-based compensation	—	2,009,304	—	2,009,304
Other	—	1,650	—	1,650
Net income attributable to stockholders of the Company	—	—	44,712,180	44,712,180
Balance at December 31, 2022	2,139,007	84,202,672	44,712,180	131,053,859
Appropriation of net income relating to 2022	—	44,712,180	(44,712,180)	—
Dividends	—	(1,027,354)	—	(1,027,354)
Sale of repurchased shares	—	(692,062)	—	(692,062)
Cancellation of sale of shares	—	79,196	—	79,196
Share-based compensation	—	748,500	—	748,500
Shares cancellation	—	(1,339,107)	—	(1,339,107)
Net loss attributable to stockholders of the Company	—	—	(8,422,730)	(8,422,730)
<b>Balance at December 31, 2023</b>	<b>Ps. 2,139,007</b>	<b>Ps. 126,684,025</b>	<b>Ps. (8,422,730)</b>	<b>Ps. 120,400,302</b>

In accordance with Mexican law, the legal reserve must be increased by 5% of annual net profits until it reaches 20% of the capital stock amount. As of December 31, 2023 and 2022, the Company's legal reserve amounted to Ps.2,139,007 for both years, respectively, and was classified into retained earnings in consolidated equity. As the legal reserve reached 20% of the capital stock amount, no additional increases were required in 2023, 2022 and 2021. This reserve is not available for dividends but may be used to reduce a deficit or may be transferred to stated capital. Other appropriations of profits require the vote of the Company's stockholders.

In April 2021, the Company's stockholders approved the payment of a dividend of Ps.0.35 per CPO and Ps.0.002991452991 per share of Series "A," "B," "D" and "L" Shares, not in the form of a CPO unit, which was paid in cash in May 2021, in the aggregate amount of Ps.1,053,392.

[Table of Contents](#)

In April 2022, the Company's stockholders approved the payment of a dividend of Ps.0.35 per CPO and Ps.0.002991452991 per share of Series "A," "B," "D" and "L" Shares, not in the form of a CPO unit, which was paid in cash in May 2022, in the aggregate amount of Ps.1,053,392.

In April 2023, the Company's stockholders approved the payment of a dividend of Ps.0.35 per CPO and Ps.0.002991452991 per share of Series "A," "B," "D" and "L" Shares, not in the form of a CPO unit, which was paid in cash in May 2023, in the aggregate amount of Ps.1,027,354.

Dividends, either in cash or in other forms, paid by the Mexican companies in the Group will be subject to income tax if the dividends are paid from earnings that have not been subject to Mexican income tax computed on an individual company basis under the provisions of the Mexican Income Tax Law. In this case, dividends will be taxable by multiplying such dividends by a 1.4286 factor and applying to the resulting amount the income tax rate of 30%. This income tax will be paid by the company paying the dividends.

In addition, the entities that distribute dividends to its stockholders who are individuals or foreign residents must withhold 10% thereof for income tax purposes, which will be paid in Mexico. The foregoing will not be applicable when distributed dividends arise from the "taxed net earnings account" computed on an individual company basis generated through December 31, 2013.

As of December 31, 2023, cumulative earnings that have been subject to income tax and can be distributed by the Company free of Mexican income tax amounted to Ps.106,016,357.

**(b) Accumulated Other Comprehensive Income or loss:**

	Open-Ended Fund	Other Equity Instruments <sup>(1)</sup>	Warrants Exercised for Common Stock of UHI <sup>(2)</sup>	Exchange Differences on Translating Foreign Operations	Remeasurement of Post-Employment Benefit Obligations	Derivative Financial Instruments Cash Flow Hedges	Share of Income of Associates and Joint Ventures	Income Taxes	Total
Accumulated at January 1, 2022	Ps. 1,505,142	Ps. 515,047	Ps. (23,602,220)	Ps. 934,473	Ps. (1,058,754)	Ps. 12,093	Ps. 109,266	Ps. 7,962,961	Ps. (13,621,992)
Changes in other comprehensive (loss) or income	(131,957)	(906,658)	—	(124,179)	150,343	395,807	4,245,546	(830,788)	2,798,114
Accumulated at December 31, 2022	1,373,185	(391,611)	(23,602,220)	810,294	(908,411)	407,900	4,354,812	7,132,173	(10,823,878)
Changes in other comprehensive (loss) or income	(741)	(698,903)	—	(711,843)	81,616	(287,536)	4,278,531	(1,704,039)	957,085
Accumulated at December 31, 2023	Ps. 1,372,444	Ps. (1,090,514)	Ps. (23,602,220)	Ps. 98,451	Ps. (826,795)	Ps. 120,364	Ps. 8,633,343	Ps. 5,428,134	Ps. (9,866,793)

- On January 31, 2022, the Group disposed of its investment in other equity instruments, in connection with the closing of the TelevisaUnivision Transaction.
- On December 29, 2020, the Group exercised its former investment in warrants issued by UHI, the predecessor company of TelevisaUnivision (formerly known as UH II.), for common stock of UHI.

**19. Non-controlling Interests**

Non-controlling interests as of December 31, 2023 and 2022, consisted of:

	2023	2022
Capital stock	Ps. 1,092,623	Ps. 1,099,009
Additional paid-in capital	2,970,693	2,970,693
Legal reserve	214,198	215,475
Retained earnings from prior years <sup>(1)</sup>	11,402,282	10,822,975
Net (loss) income for the year	(384,522)	571,644
Accumulated other comprehensive income (loss):		
Cumulative result from foreign currency translation	108,629	155,621
Remeasurement of post-employment benefit obligations on defined benefit plans	(11,839)	(13,462)
	Ps. 15,392,064	Ps. 15,821,955

[Table of Contents](#)

(1) In the years ended December 31, 2023 and 2022, the Group did not pay dividends to its non-controlling interests.

Amounts of consolidated current assets, non-current assets, current liabilities and non-current liabilities of Empresas Cablevisión and Sky as of December 31, 2023 and 2022, are set forth as follows:

	Empresas Cablevisión		Sky	
	2023	2022	2023	2022
<b>Assets:</b>				
Current assets	Ps. 7,255,601	Ps. 7,461,520	Ps. 6,812,940	Ps. 6,019,166
Non-current assets	21,178,757	23,172,533	15,638,619	18,266,359
Total assets	<u>28,434,358</u>	<u>30,634,053</u>	<u>22,451,559</u>	<u>24,285,525</u>
<b>Liabilities:</b>				
Current liabilities	5,047,055	5,176,500	3,255,555	4,183,480
Non-current liabilities	3,461,020	4,076,876	4,460,916	5,367,448
Total liabilities	<u>8,508,075</u>	<u>9,253,376</u>	<u>7,716,471</u>	<u>9,550,928</u>
Net assets	Ps. 19,926,283	Ps. 21,380,677	Ps. 14,735,088	Ps. 14,734,597

Amounts of consolidated revenues, net income and comprehensive income of Empresas Cablevisión and Sky for the years ended December 31, 2023 and 2022, are set forth as follows:

	Empresas Cablevisión		Sky	
	2023	2022	2023	2022
Revenues	Ps. 15,125,879	Ps. 16,128,549	Ps. 17,585,229	Ps. 20,339,075
Net (loss) income	(882,775)	760,576	(61,224)	224,989
Comprehensive (loss) income	(878,777)	748,916	(175,719)	181,491

Amounts of consolidated summarized cash flows of Empresas Cablevisión and Sky for the years ended December 31, 2023 and 2022, are set forth as follows:

	Empresas Cablevisión		Sky	
	2023	2022	2023	2022
Cash flows from operating activities	Ps. 3,205,302	Ps. 4,319,496	Ps. 4,963,930	Ps. 5,227,892
Cash flows used in investing activities	(2,824,154)	(3,406,227)	(2,589,738)	(3,934,993)
Cash flows used in financing activities	(543,845)	(590,249)	(2,104,214)	(1,233,044)
Net (decrease) increase in cash and cash equivalents	Ps. (162,697)	Ps. 323,020	Ps. 269,978	Ps. 59,855



## 20. Related Parties

The principal transactions carried out by the Group with related parties, including affiliated companies, equity investees, stockholders and entities in which stockholders have an equity interest, for the years ended December 31, 2023, 2022 and 2021, were as follows:

	2023	2022	2021
<b>Revenues, other income and interest income:</b>			
Royalties (TelevisaUnivision) <sup>(a)</sup>	Ps. —	Ps. 660,842	Ps. 8,548,036
Programming production and transmission rights <sup>(b)</sup>	1,516,369	1,453,875	738,650
Telecom services <sup>(c)</sup>	466,957	205,591	57,759
Administrative services <sup>(d)</sup>	78,367	115,190	7,371
Advertising <sup>(e)</sup>	1,902,307	1,854,152	10,417
Interest income <sup>(f)</sup>	685,098	618,921	49,736
Lease <sup>(i)</sup>	412,329	408,893	—
	<b>Ps. 5,061,427</b>	<b>Ps. 5,317,464</b>	<b>Ps. 9,411,969</b>
<b>Costs and expenses:</b>			
Donations	Ps. 30,000	Ps. 26,229	Ps. 26,606
Advertising	266,834	297,497	—
Administrative services <sup>(d)</sup>	68,149	127,762	19,410
Technical services <sup>(g)</sup>	299,192	391,896	295,915
Programming production, transmission rights and telecom <sup>(h)</sup>	5,176,944	4,499,464	787,487
	<b>Ps. 5,841,119</b>	<b>Ps. 5,342,848</b>	<b>Ps. 1,129,418</b>

- (a) Through January 31, 2022, the Group received royalties from Univision for programming provided pursuant to an amended PLA, pursuant to which Univision had the right to broadcast certain Group's content in the United States. The amended PLA was terminated by the parties on January 31, 2022, in conjunction with the TelevisaUnivision Transaction. The amended PLA and the TelevisaUnivision Transaction included a provision for certain yearly minimum guaranteed advertising, with a value of U.S.\$10.6 million (Ps.180,331), U.S.\$10.8 million (Ps.211,829) and U.S.\$35.1 million (Ps.712,417), for the fiscal years, 2023, 2022 and 2021, respectively, to provide by Univision, at no cost, for the promotion of certain businesses of the Group's Other Businesses segment. This advertising did not have commercial substance for the Group, as it was related to activities that were considered ancillary to Group's normal operations in the United States (see Notes 3, 9 and 10).
- (b) Services rendered to Univision in 2023, 2022 and 2021. In 2023 and 2022 included transmission costs of concession rights owned by the Group.
- (c) Services rendered to a subsidiary of AT&T, Inc. ("AT&T") in 2023, 2022 and 2021, and Univision in 2021.
- (d) The Group receives revenue from and is charged by affiliates for various services, such as: property and equipment rental, security and other services, at rates which are negotiated. The Group provides management services to affiliates, which reimburse the Group for the incurred payroll and related expenses. In 2023 and 2022 includes a provision of administrative services to Tritón and certain companies of TelevisaUnivision.
- (e) Advertising services rendered to Univision in 2021. In 2023 and 2022 the Cable and Sky segments received advertising revenue from TelevisaUnivision.
- (f) In 2023 and 2022, included interest income from Televisa, S. de R.L. de C.V. in connection with a long-term credit agreement with the Company, as described below, and in 2023, 2022 and 2021, interest income from GTAC.
- (g) In 2023, 2022 and 2021, Sky received services from a subsidiary of AT&T, Inc. for play-out, uplink and downlink of signals.
- (h) Paid mainly to Univision and GTAC in 2022 and 2021. The Group paid royalties to Univision for programming provided pursuant to a Mexico License Agreement, under which the Group had the right to broadcast certain Univision content in Mexico for the same term as that of the PLA. The Group paid these royalties through January 31, 2022, as a result of the TelevisaUnivision Transaction, which was closed on that date (see Notes 3, 9 and 10). It also includes payments by telecom services to GTAC in 2023, 2022 and 2021. Includes payments for transmission rights to AT&T in 2023, 2022 and 2021. Includes the cost of programming of TelevisaUnivision for the Cable and Sky segments in 2023 and 2022.
- (i) Includes operating lease agreements with certain companies of TelevisaUnivision and Tritón.

[Table of Contents](#)

Other transactions with related parties carried out by the Group in the normal course of business include the following:

- (1) A consulting firm controlled by a relative of one of the Company's directors, has provided consulting services and research in connection with the effects of the Group's programming on its viewing audience. Total fees for such services during 2021 amounted to Ps.19,983.
- (2) Two Mexican banks have made loans to the Group. Some members of the Company's Board serve or have served as Board members of these banks.
- (3) Several other current members of the Company's Board serve as members of the Boards and/or are stockholders of other companies, some of which purchased advertising services from the Group in connection with the promotion of their respective products and services.
- (4) During 2023, 2022 and 2021, a professional services firm in which the current Secretary of the Company's Board maintains an interest, provided legal advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.31,168, Ps.16,861 and Ps.57,925, respectively.
- (5) During 2023, 2022 and 2021, a professional services firm in which two current directors of the Company maintain an interest provided finance advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.17,068, Ps.18,021 and Ps.20,006, respectively.
- (6) In 2023, 2022 and 2021, the Group entered into contracts leasing office space directly or indirectly from certain of our directors and officers for an aggregate annual amount of Ps.32,263, Ps.25,320 and Ps.34,478, respectively.

During 2023, 2022 and 2021, the Group paid to its directors, alternate directors and officers an aggregate compensation of Ps.692,869, Ps.963,254 and Ps.1,115,354, respectively, for services in all capacities. This compensation included certain amounts related to the use of assets and services of the Group, as well as travel expenses reimbursed to directors and officers. Projected benefit obligations related to the Group's directors, alternate directors and officers amounted to Ps.206,851, Ps.178,340 and Ps.212,310 as of December 31, 2023, 2022 and 2021, respectively. Cumulative contributions made by the Group to the pension and seniority premium plans on behalf of these directors and officers amounted to Ps.75,479, Ps.64,042 and Ps.76,241 as of December 31, 2023, 2022 and 2021, respectively. In addition, the Group has made conditional sales of the Company's CPOs to its directors and officers under the LTRP.

[Table of Contents](#)

In 2021, the Group established a deferred compensation plan for certain key officers of its Cable segment, which would be payable if certain revenue and income targets (as defined by the five-year plan) were met. The present value of this long-term employee benefit obligation as of December 31, 2022, amounted to Ps.337,450 and was presented in other long-term liabilities in the Group's consolidated statement of financial position as of those dates, and the related service net cost for the years ended December 31, 2022 and 2021, amounted to Ps.129,810 and Ps.207,640, respectively, and was classified in other expense, net, in the Group's consolidated statements of income for the years ended on those dates. In the fourth quarter of 2023, the Group's management decided to substitute this deferred compensation plan for a compensation to key officers to be paid if specific objectives are met on an annual basis, as a part of a continuing cost reduction plan, and recognized a cancellation of the deferred compensation plan liability as other income for the year ended December 31, 2023 (see Note 22).

The balances of receivables and payables between the Group and related parties as of December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
<b>Current receivables:</b>		
Televisa, S. de R.L. de C.V. ("Televisa") <sup>(1)(2)</sup>	Ps. 1,044,105	Ps. 22,650
Televisa Producciones, S.A. de C.V. <sup>(1)</sup>	182,218	15,535
TelevisaUnivision	125,903	136,944
Tritón Comunicaciones, S.A. de C.V.	20,136	11,140
ECO Producciones, S.A. de C.V. <sup>(1)</sup>	11,188	10,792
Cadena de las Américas, S.A. de C.V. <sup>(1)</sup>	8,273	40,186
Other	58,415	73,977
	<u>Ps. 1,450,238</u>	<u>Ps. 311,224</u>
<b>Non-current receivables:</b>		
Televisa <sup>(1)(3)</sup>	Ps. 4,630,459	Ps. 6,365,038
<b>Current payables:</b>		
Televisa, S. de R.L. de C.V. <sup>(1)</sup>	Ps. 497,452	Ps. —
AT&T	29,384	40,183
TelevisaUnivision <sup>(2)</sup>	14,024	—
Desarrollo Vista Hermosa, S.A. de C.V. <sup>(1)</sup>	7,631	15,189
Other	30,532	32,952
	<u>Ps. 579,023</u>	<u>Ps. 88,324</u>

(1) An indirect subsidiary of TelevisaUnivision.

(2) Receivables from Televisa were related primarily to transmission rights as of December 31, 2023. Payables to Televisa were related primarily to programming services for our Cable and Sky segments.

(3) In January 2022, Televisa, S. de R.L. de C.V. entered into a long-term credit agreement with the Company in the principal amount of Ps.5,738,832, with a fixed annual interest rate of 10.2%. Under the terms of this agreement, principal and interest are payable at maturity on April 30, 2026, and prepayments of principal can be made by debtor at any time without any penalty. As of December 31, 2023 and 2022, amounts receivable from Televisa, S. de R. L. de C.V., in connection with this long-term credit amounted to Ps.4,630,459 and Ps.6,365,038, respectively.

In connection with the TelevisaUnivision Transaction closed on January 31, 2022, the Group recognized as deferred revenue a prepayment made by TelevisaUnivision in the aggregate amount of U.S.\$276.2 million (Ps.5,729,377), for the use of concession rights owned by the Group over a period ending in January 2042. The current and non-current portions of this deferred revenue amounted to Ps.287,667 and Ps.4,890,347, respectively, as of December 31, 2023, and Ps.287,667 and Ps.5,178,014, respectively, as of December 31, 2022 (see Notes 2 and 3).

All significant current account balances included in amounts due from related parties bear interest. In 2023 and 2022, the Group charged average interest rates of 12.6 % and 10.6%, respectively. Advances and receivables are short-term in nature; however, these current accounts do not have specific due dates.

In 2012, a subsidiary of the Company entered into an amended lease contract with GTAC for the right to use certain capacity in a telecommunication network. This amended lease agreement contemplates annual payments to GTAC in the amount of Ps.41,400 through 2029, with an annual interest rate of the lower of TIE plus 122 basis points or 6% (see Notes 10, 11 and 14).

## 21. Cost of Revenues, Selling Expenses and Administrative Expenses

Cost of revenues include cost of acquired transmission rights at the moment of broadcasting, benefits to employees and post-employment benefits, network maintenance and interconnections, satellite links, paper and printing, depreciation of property, plant and equipment, leases of real estate property, and amortization of intangible assets.

Selling expenses and administrative expenses include primarily benefits to employees, sale commissions, post-employment benefits, share-based compensation to employees, depreciation of property, plant and equipment, leases of real estate property, and amortization of intangibles.

The amounts of depreciation, amortization and other amortization included in cost of revenues, selling expenses and administrative expenses for the years ended December 31, 2023, 2022 and 2021, were as follows:

	2023	2022	2021
Cost of revenues	Ps. 18,275,424	Ps. 17,918,347	Ps. 17,126,606
Selling expenses	237,581	357,681	273,479
Administrative expenses	3,378,212	3,194,636	2,982,361
Discontinued operations	—	121,874	1,365,067
	<b>Ps. 21,891,217</b>	<b>Ps. 21,592,538</b>	<b>Ps. 21,747,513</b>

The amounts of expenses related to IFRS 16 included in cost of revenues, selling expenses and administrative expenses for the year ended December 31, 2023 and 2022, were as follows:

	2023	2022
Expenses relating to variable lease payment not included in the measurement of the lease liability	Ps. 746,404	Ps. 639,261
Expenses relating to short-term leases and leases of low-value assets	245,752	194,016
Total	<b>Ps. 992,156</b>	<b>Ps. 833,277</b>

Expenses related to short-term employee benefits, share-based compensation and post-employment benefits and incurred by the Group for the years ended December 31, 2023, 2022 and 2021, were as follows:

	2023	2022	2021
Short-term employee benefits	Ps. 15,561,034	Ps. 15,064,471	Ps. 12,807,423
Other short-term employee benefits	795,740	1,130,535	1,711,945
Share-based compensation	748,500	968,628	903,764
Post-employment benefits	87,657	151,389	140,857
Discontinued operations	—	251,350	6,531,559
	<b>Ps. 17,192,931</b>	<b>Ps. 17,566,373</b>	<b>Ps. 22,095,548</b>

## 22. Other Income or Expense, Net

Other (expense) income for the years ended December 31, 2023, 2022 and 2021, is analyzed as follows:

	2023	2022	2021
Dismissal severance expense <sup>(1)</sup>	Ps. (1,034,797)	Ps. (126,695)	Ps. (194,187)
Expense related to Hurricane "Otis" <sup>(2)</sup>	(329,721)	—	—
Legal and financial advisory and professional services <sup>(3)</sup>	(265,310)	(218,731)	(191,609)
Impairment adjustments <sup>(4)</sup>	(69,467)	—	(97,293)
Donations (see Note 20)	(30,000)	(27,233)	(2,000)
Gain on disposition of property and equipment	54,362	76,579	38,665
Cancellation of a deferred compensation plan liability <sup>(5)</sup>	337,450	(129,810)	(207,640)
Interest income for recovery of Asset Tax from prior years	315,778	—	—
Surcharges for payments of taxes of prior years <sup>(6)</sup>	—	—	(400,641)
Gain on disposition of OCEN <sup>(7)</sup>	—	35,950	4,547,029
Lawsuit settlement agreement, net <sup>(8)</sup>	—	(425,762)	—
Other, net	154,886	137	223,913
	<b>Ps. (866,819)</b>	<b>Ps. (815,565)</b>	<b>Ps. 3,716,237</b>

(1) Included severance expense in connection with dismissals of personnel, primarily in the Group's Cable segment for the year ended December 31, 2023, as a part of a continued cost reduction plan.

(2) In 2023, includes non-recurring expense related to damage caused by Hurricane "Otis".

(3) Includes primarily advisory and professional services in connection with certain litigation, financial advisory, and other matters (see Notes 3 and 20).

(4) In 2023 and 2021, included impairment adjustments in connection with long-lived assets in the Group's Other Business and Cable segments (see Note 13).

(5) In 2022 and 2021, included the service cost of a long-term deferred compensation plan for certain officers of the Group's Cable segment, which payment became payable when certain financial targets (as defined in the plan) were met. In the fourth quarter of 2023, the Group recognized as other income a cancellation of the related deferred compensation plan liability (see Note 20).

(6) In 2021, included surcharges for taxes paid by three subsidiaries of the Company in connection with tax assessments of prior years.

(7) In 2022, included a gain derived from a purchase price adjustment paid to the Company on disposal of OCEN. In 2021, included a gain on disposition of the former Group's 40% equity stake in OCEN (see Note 3).

(8) In the fourth quarter 2022, the Company announced a settlement agreement for a class action lawsuit and recognized an expense of U.S.\$21.5 million (Ps.425,762) resulting from a related provision for the amount to be paid by the Company, net of an expected insurance reimbursement (see Note 27).

### 23. Finance Expense, Net

Finance (expense) income, net, for the years ended December 31, 2023, 2022 and 2021, included:

	2023	2022	2021
Interest expense <sup>(1)</sup>	Ps. (7,654,334)	Ps. (9,455,578)	Ps. (9,105,998)
Other finance expense, net <sup>(2)</sup>	(134,847)	(110,739)	(1,183,180)
Foreign exchange loss, net <sup>(4)</sup>	(216,056)	(1,790,956)	(2,188,861)
Finance expense	(8,005,237)	(11,357,273)	(12,478,039)
Interest income <sup>(3)</sup>	3,307,454	2,151,109	560,026
Finance income	3,307,454	2,151,109	560,026
Finance expense, net	Ps. (4,697,783)	Ps. (9,206,164)	Ps. (11,918,013)

- (1) Interest expense for the years ended December 31, 2023, 2022 and 2021 included: (i) interest related to lease liabilities that were recognized beginning on January 1, 2019, in accordance with the guidelines of IFRS 16 *Leases*, in the aggregate amount of Ps.448,600, Ps.450,454 and Ps.431,419, respectively; (ii) interest related to satellite transponder lease agreement and other lease agreement that were recognized in the aggregate amount of Ps.202,864, Ps.257,938 and Ps.275,371, respectively; (iii) interest related to dismantling obligations incurred primarily in connection with the Group's Cable segment networks, in the aggregate amount of Ps.61,762, Ps.123,209 and Ps.48,624, respectively; and (iv) amortization of finance costs in the aggregate amount of Ps.74,556, Ps.292,189 and Ps.179,212, respectively; and finance (income) or expense related to repurchase and prepayment of long-term debt in the aggregate amount of Ps.(423,204) and Ps.490,430, for the years ended December 31, 2023 and 2022, respectively (see Notes 2 and 14).
- (2) Other finance income or expense, net, included fair value gain or loss from derivative financial instruments (see Note 15).
- (3) This line item included primarily interest income from cash equivalents.
- (4) Foreign exchange gain or loss, net, for the years ended December 31, 2023, 2022 and 2021 included a foreign exchange gain or loss that resulted primarily from the appreciation or depreciation of the Mexican peso against the U.S. dollar on the Group's U.S. dollar-denominated monetary asset or liability position, excluding designated hedging long-term debt of the Group's investments in TelevisaUnivision and Open-Ended Fund (see Notes 2(e), 4 and 14). The exchange rate of the Mexican peso against the U.S. dollar was of Ps.16.9325, Ps.19.4760 and Ps.20.5031, as of December 31, 2023, 2022 and 2021, respectively.

### 24. Income Taxes

The income tax (expense) benefit for the years ended December 31, 2023, 2022 and 2021, was comprised of:

	2023	2022	2021
Income taxes, current <sup>(1)</sup>	Ps. (1,981,365)	Ps. (2,384,491)	Ps. (1,356,052)
Income taxes, deferred	(696,880)	3,611,953	(317,002)
	Ps. (2,678,245)	Ps. 1,227,462	Ps. (1,673,054)

- (1) The current income tax of Mexican companies payable in Mexico represented 96%, 90% and 96% of total current income taxes in 2023, 2022 and 2021, respectively.

The Mexican corporate income tax rate was 30% in 2023, 2022 and 2021.

**2014 Tax Reform**

As a result of a 2014 Mexican Tax Reform (the “2014 Tax Reform”), which included the elimination of the tax consolidation regime allowed for Mexican controlling companies, beginning on January 1, 2014, the Company is no longer allowed to consolidate income or loss of its Mexican subsidiaries for income tax purposes and: (i) accounted for an additional income tax liability for the elimination of the tax consolidation regime in the aggregate amount of Ps.6,813,595 as of December 31, 2013; (ii) recognized a benefit from tax loss carryforwards of Mexican companies in the Group in the aggregate amount of Ps.7,936,044 as of December 31, 2013; and (iii) adjusted the carrying amount of deferred income taxes from temporary differences by recognizing such effects on a separate company basis by using the enacted corporate income tax rate as of December 31, 2013.

The income tax payable as of December 31 2022, in connection with the 2014 Tax Reform, was as follows:

	2022	
Tax losses of subsidiaries, net	Ps.	183,256
Less: Current portion <sup>(a)</sup>		183,256
Non-current portion <sup>(b)</sup>	Ps.	—

(a) Accounted for as current income taxes payable in the consolidated statement of financial position as of December 31, 2022.

(b) Accounted for as non-current income taxes payable in the consolidated statement of financial position as of December 31, 2022.

The following items represent the principal differences between income taxes computed at the statutory rate and the Group’s provision for income taxes.

	% 2023	% 2022	% 2021
Statutory income tax rate	(30)	(30)	30
Differences between accounting and tax bases, including tax inflation gain that is not recognized for accounting purposes	15	15	20
Taxes from prior years	33	2	—
Tax loss carryforwards	3	(6)	4
2014 Tax Reform	—	1	—
Foreign operations	10	7	(1)
Disposition of investments	—	—	(3)
Share of loss in associates and joint ventures, net	20	13	6
Reversal of impairment loss in investment in shares of TelevisaUnivision	—	(2)	(8)
Discontinued operations	—	(10)	—
Recovery of asset tax from prior years	(7)	—	—
Effective income tax rate	44	(10)	48

The Group has recognized the benefits from tax loss carryforwards of Mexican companies in the Group as of December 31, 2023 and 2022. The years of expiration of tax loss carryforwards as of December 31, 2023, are as follows:

Year of Expiration	Tax Loss Carryforwards for Which Deferred Taxes Were Recognized
2024	Ps. 148,035
2025	3,436,175
2026	331,580
2027	525,216
2028	1,929,730
Thereafter	10,829,813
	Ps. 17,200,549

[Table of Contents](#)

As of December 31, 2023, tax loss carryforwards of Mexican companies in the Group for which deferred tax assets were not recognized amounted to Ps.6,258,224 and will expire between 2024 and 2033.

During 2023, 2022 and 2021, certain Mexican subsidiaries utilized operating tax loss carryforwards in the amounts of Ps.1,656,195, Ps.11,944,218 and Ps.2,618,821, respectively.

In addition, the Group has capital tax loss carryforwards derived from the disposal in 2014 of its former investment in GSF Telecom Holdings, S.A.P.I. de C.V. ("GSF") in the amount of Ps.15,593,785. As of December 31, 2023, tax loss carryforwards derived from this disposal for which deferred tax assets were recognized amounted to Ps.15,593,785 and will expire in 2025.

As of December 31, 2023, tax loss carryforwards of subsidiaries in South America, the United States and Europe amounted to Ps.1,846,848, of which Ps.1,311,207 have no expiration date, and the remaining will expire between 2024 and 2037.

The deferred income taxes as of December 31, 2023 and 2022, were principally derived from the following temporary differences and tax loss carryforwards:

	2023	2022
<b>Assets:</b>		
Accrued liabilities	Ps. 3,115,699	Ps. 4,312,485
Allowance for expected credit losses	606,257	607,773
Customer advances	1,583,352	2,335,751
Property, plant and equipment, net	4,643,270	3,923,889
Financial expenses pending tax deduction	1,112,726	1,040,210
Tax loss carryforwards:		
Operating	4,014,487	4,552,116
Capital <sup>(1)</sup>	5,823,813	5,564,452
<b>Liabilities:</b>		
Investments	(722,530)	(700,285)
Prepaid expenses and other items	(476,430)	(1,589,317)
Derivative financial instruments	(44,618)	(130,879)
Intangible assets and transmission rights	(2,842,087)	(2,642,515)
Deferred income tax assets of Mexican companies	16,813,939	17,273,680
Deferred income tax assets of certain foreign subsidiaries	335,651	246,813
Deferred income tax assets, net	<u>Ps. 17,149,590</u>	<u>Ps. 17,520,493</u>

<sup>(1)</sup> Includes the benefit from tax loss carryforwards derived from the disposal in 2014 of the Group's investment in GSF, in the amount of Ps.4,678,136 and Ps.4,469,799, as of December 31, 2023 and 2022, respectively.

The deferred tax assets are from tax jurisdictions in which the Group considers that based on financial projections of its cash flows, results of operations, and synergies among companies in the Group, will generate taxable income in subsequent periods.



[Table of Contents](#)

The gross roll-forward of deferred income tax assets, net, is as follows:

	2023	2022
At January 1	Ps. 17,520,493	Ps. 30,962,539
Statement of income (charge) credit	(696,880)	3,611,953
Other comprehensive income ("OCI") credit	270,973	145,406
Retained earnings credit	55,004	—
Discontinued operations	—	(9,410,332)
Disposed operations	—	(7,789,073)
At December 31	<u>Ps. 17,149,590</u>	<u>Ps. 17,520,493</u>

The roll-forward of deferred income tax assets and liabilities for the year 2023, was as follows:

	At January 1, 2023	Credit (Charge) to Consolidated Statement of Income (Continuing Operations)	Credit (Charge) to OCI and Retained Earnings	At December 31, 2023
<b>Assets:</b>				
Accrued liabilities	Ps. 4,312,485	Ps. (1,196,786)	Ps. —	Ps. 3,115,699
Allowance for expected credit losses	607,773	(1,516)	—	606,257
Customer advances	2,335,751	(752,399)	—	1,583,352
Property, plant and equipment, net	3,923,889	719,381	—	4,643,270
Financial expenses pending tax deduction	1,040,210	72,516	—	1,112,726
Tax loss carryforwards	10,116,568	(278,268)	—	9,838,300
Deferred income tax assets of foreign subsidiaries	246,813	88,838	—	335,651
<b>Liabilities:</b>				
Investments	(700,285)	(287,142)	264,897	(722,530)
Prepaid expenses and other items	(1,589,317)	1,138,068	(25,181)	(476,430)
Derivative financial instruments	(130,879)	—	86,261	(44,618)
Intangible assets and transmission rights	(2,642,515)	(199,572)	—	(2,842,087)
Deferred income tax assets, net	<u>Ps. 17,520,493</u>	<u>Ps. (696,880)</u>	<u>Ps. 325,977</u>	<u>Ps. 17,149,590</u>

The roll-forward of deferred income tax assets and liabilities for the year 2022, was as follows:

	At January 1, 2022	Credit (Charge) to Consolidated Statement of Income (Continuing Operations)	(Charge) to Consolidated Statement of Income (Discontinued Operations)	Credit (Charge) to OCI and Retained Earnings	Disposed Operations (see Note 3)	At December 31, 2022
<b>Assets:</b>						
Accrued liabilities	Ps. 7,123,452	Ps. (2,810,967)	Ps. —	Ps. —	Ps. —	Ps. 4,312,485
Allowance for expected credit losses	946,559	(338,786)	—	—	—	607,773
Customer advances	1,854,424	1,283,170	(801,843)	—	—	2,335,751
Derivative financial instruments	615	(615)	—	—	—	—
Property, plant and equipment, net	3,704,746	219,143	—	—	—	3,923,889
Prepaid expenses and other items	2,572,342	1,094,494	(1,569,159)	(47,436)	(2,050,241)	—
Financial expenses pending tax deduction	1,941,726	(901,516)	—	—	—	1,040,210
Tax loss carryforwards	11,401,851	1,349,105	(2,634,388)	—	—	10,116,568
Deferred income tax assets of foreign subsidiaries	218,983	27,830	—	—	—	246,813
Tax Credit	5,738,832	—	—	—	(5,738,832)	—
<b>Liabilities:</b>						
Investments	(1,733,507)	969,922	(248,284)	311,584	—	(700,285)
Prepaid expenses and other items	—	(1,589,317)	—	—	—	(1,589,317)
Derivative financial instruments	—	(12,137)	—	(118,742)	—	(130,879)
Intangible assets and transmission rights	(2,807,484)	4,321,627	(4,156,658)	—	—	(2,642,515)
Deferred income tax assets, net	<u>Ps. 30,962,539</u>	<u>Ps. 3,611,953</u>	<u>Ps. (9,410,332)</u>	<u>Ps. 145,406</u>	<u>Ps. (7,789,073)</u>	<u>Ps. 17,520,493</u>

[Table of Contents](#)

The tax (charge) credit relating to components of other comprehensive income (loss), is as follows:

	2023		
	Before Tax	Tax (Charge) Credit	After Tax
Remeasurement of post-employment benefit obligations	Ps. 83,935	Ps. (25,181)	Ps. 58,754
Exchange differences on translating foreign operations	(758,835)	(1,975,708)	(2,734,543)
Derivative financial instruments cash flow hedges	(287,536)	86,261	(201,275)
Open-Ended Fund	(741)	222	(519)
Other equity instruments	(698,903)	209,671	(489,232)
Share of income of associates and joint ventures	4,278,531	—	4,278,531
Other comprehensive income	<u>Ps. 2,616,451</u>	<u>Ps. (1,704,735)</u>	<u>Ps. 911,716</u>
Current tax		Ps. (1,975,708)	
Deferred tax		<u>270,973</u>	
		<u>Ps. (1,704,735)</u>	
	2022		
	Before Tax	Tax (Charge) Credit	After Tax
Remeasurement of post-employment benefit obligations	Ps. 158,119	Ps. (47,436)	Ps. 110,683
Exchange differences on translating foreign operations	(143,156)	(978,527)	(1,121,683)
Derivative financial instruments cash flow hedges	395,807	(118,742)	277,065
Open-Ended Fund	(131,957)	39,587	(92,370)
Other equity instruments	(906,658)	271,997	(634,661)
Share of income of associates and joint ventures	4,245,546	—	4,245,546
Other comprehensive income	<u>Ps. 3,617,701</u>	<u>Ps. (833,121)</u>	<u>Ps. 2,784,580</u>
Current tax		Ps. (978,527)	
Deferred tax		<u>145,406</u>	
		<u>Ps. (833,121)</u>	
	2021		
	Before Tax	Tax (Charge) Credit	After Tax
Remeasurement of post-employment benefit obligations	Ps. 279,825	Ps. (83,947)	Ps. 195,878
Exchange differences on translating foreign operations	92,555	151,555	244,110
Derivative financial instruments cash flow hedges	1,927,601	(578,280)	1,349,321
Open-Ended Fund	(19,718)	5,915	(13,803)
Other equity instruments	(123,359)	37,008	(86,351)
Share of income of associates and joint ventures	245,714	—	245,714
Other comprehensive income	<u>Ps. 2,402,618</u>	<u>Ps. (467,749)</u>	<u>Ps. 1,934,869</u>
Current tax		Ps. 151,555	
Deferred tax		<u>(619,304)</u>	
		<u>Ps. (467,749)</u>	

The Group does not recognize deferred income tax liabilities related to its investments in certain associates and joint ventures, as either (i) the Group is able to control the timing of the reversal of temporary differences arising from these investments, and it is probable that these temporary differences will not reverse in the foreseeable future or (ii) no temporary difference arises due to the application of Mexican income tax law. As of December 31, 2023 and 2022, the unrecognized deferred tax liabilities in connection with the Group's investment in PDS amounted to an aggregate of Ps.46,647 and Ps.43,628, respectively.

[Table of Contents](#)

In December 2021, the Mexican Federal Congress approved minimum amendments to the Income Tax Law, Value Added Tax Law, Special Tax on Production and Services Law, and Federal Tax Code as part of the Economic Plan for 2022. These amendments do not propose the addition of new taxes or increases to the existing ones. With respect to the Income Tax Law, a new simplified regime applicable to individuals and corporations was added. This new regime applies under certain conditions and is based on cash flow received and paid. With respect to the Value Added Tax Law, a few modifications were included such as the concept of non-subject activities. Most of the reforms were made to the Federal Tax Code, the most relevant of which are: (i) several cases where the Certificate of Digital Signature can be canceled or restricted to the taxpayer were included, this certificate is used to issue invoices; (ii) the definition of resident was modified; (iii) new requirements were added or modified regarding the procedure to perform a split or a merger to ensure that any splits or mergers are done for a business reason; and (iv) new information has to be added in invoices and the time for canceling them was limited for certain period.

The Economic Plan for 2023 and for 2024 did not include any changes to the Mexican Income Tax Law, the Mexican Value Added Tax Law or the Mexican Federal Tax Code. In the Federal Income Law for 2023 and for 2024 approved by the Mexican Congress, the withholding income tax rate applicable to the payments of interest made by Mexican financial entities was increased from 0.08% to 0.15% for 2023 and from 0.15% to 0.50% for 2024.

### **Developments in International Taxation**

In 2021, the OECD (i) announced the Inclusive Framework on Base Erosion and Profit Shifting which agreed to a two-pillar solution to address tax challenges arising from digitalization of the economy; and (ii) released Pillar Two Model Rules defining the global minimum tax, which calls for the taxation of large corporations at a minimum rate of 15%. The OECD continues to release additional guidance on the two-pillar framework with widespread implementation anticipated by 2024.

The Mexican government has not issued yet a legislation introducing a 15% global minimum corporate income tax rate to be in line with the OECD Pillar Two Model. Accordingly, it is not possible to accurately quantify the impact for the Group of this OECD taxation framework at this stage. However, it is not expected that this taxation framework will have a material impact on the Group tax expense as the jurisdictions in which the Group operates are either not material for the purposes of this taxation framework or pay effective rates of tax over 15%. The Group has applied the mandatory exception to the requirements in IAS 12 *Income Taxes* that an entity does not recognize and does not disclose information about deferred tax assets and liabilities related to the OECD Pillar Two Model income taxes (see Note 2(z)).

### **2021 and 2022 Labor Reforms**

In April 2021, the Mexican Congress approved modifications to various laws in connection with outsourcing structures, including the Income Tax law, VAT Law, and the Labor Law (the “2021 Labor Reform”). Outsourcing is defined as a Mexican entity contracting with a related or unrelated legal entity/individual for services and the employees of the service provider are at the disposition and benefit of the service recipient. The most significant modifications to outsourcing included in the 2021 Labor Reform are the following:

- The 2021 Labor Reform, generally, prohibits outsourcing activities. An exception was created to allow for the rendering of specialized services or the execution of special projects that are not within the business purpose stated in the formation documents or are no part of the primary economic activity of the service recipient (“Specialized Services”) so long as the service provided is duly registered. Entities that provide Specialized Services must comply with a registration procedure with the Mexican Ministry of Labor. The registry is public.
- The employee profit sharing obligation is capped at an amount per employee. The maximum profit sharing payable per employee is the higher of a three-months’ salary and the average profit sharing received over the last three years.
- Significant penalties apply to entities that do not comply with the outsourcing limitations, including potential characterization as tax fraud. Payments for outsourcing is not deductible for income tax purposes unless they qualify as Specialized Services and comply with all relevant formalities. Payments that are not deductible for the Income Tax law are also not creditable for purposes of the VAT Law. The tax law changes became effective on September 1, 2021.

During 2021, the Group’s management analyzed the effects of these changes on its Mexican operations, made the changes prescribed by the 2021 Labor Reform, including the transfer of employees among companies in the Group, and established controls to comply with the modifications to the various laws.

[Table of Contents](#)

In December 2022, the final phase to amend Articles 76 and 78 of the Federal Labor Law was approved, under which employees will be entitled to more mandatory and paid vacation days. The amendment became effective on January 1, 2023. The amendment established that workers who have completed one year of service will enjoy an annual and continuous paid vacation period of at least twelve working days, and that it will increase by two working days, up to twenty, for each additional year of service. As of the sixth year, the vacation period will increase by two days for every five additional years of service.

**25. Earnings or Loss per CPO/Share**

**Basic (Loss) Earnings per CPO/Share**

For the years ended December 31, 2023 and 2022, the weighted average for basic (loss) earnings per CPO/Share of outstanding total shares, CPOs and Series “A,” Series “B,” Series “D,” and Series “L” Shares (not in the form of CPO units), was as follows (in thousands):

	<u>2023</u>	<u>2022</u>
Total Shares	<b>327,174,298</b>	331,143,326
CPOs	<b>2,316,161</b>	2,353,417
Shares not in the form of CPO units:		
Series “A” Shares	<b>56,182,809</b>	55,792,921
Series “B” Shares	<b>187</b>	187
Series “D” Shares	<b>239</b>	239
Series “L” Shares	<b>239</b>	239

Basic (loss) earnings per CPO and per each Series “A,” Series “B,” Series “D,” and Series “L” Share (not in the form of a CPO unit) attributable to stockholders of the Company for the years ended December 31, 2023, 2022 and 2021, are presented as follows:

	<u>2023</u>		<u>2022</u>		<u>2021</u>	
	<u>Per CPO</u>	<u>Per Share (*)</u>	<u>Per CPO</u>	<u>Per Share (*)</u>	<u>Per CPO</u>	<u>Per Share (*)</u>
Continuing operations	<b>Ps. (3.01)</b>	<b>Ps. (0.03)</b>	Ps. (4.06)	Ps. (0.03)	Ps. (0.16)	Ps. 0.00
Discontinued operations	<b>0.00</b>	<b>0.00</b>	19.86	0.17	2.33	0.02
Basic (loss) earnings per CPO/Share attributable to stockholders of the Company	<b>Ps. (3.01)</b>	<b>Ps. (0.03)</b>	<u>Ps. 15.80</u>	<u>Ps. 0.14</u>	<u>Ps. 2.17</u>	<u>Ps. 0.02</u>

(\*) Series “A,” “B,” “D,” and “L” Shares not in the form of CPO units.

**Diluted (Loss) Earnings per CPO/Share**

Diluted (loss) earnings per CPO and per Share attributable to stockholders of the Company are calculated in connection with CPOs and shares in the LTRP unless anti-dilutive.

For the years ended December 31, 2023 and 2022, the weighted average for diluted (loss) earnings per CPO/Share of outstanding total shares, CPOs and Series “A,” Series “B,” Series “D,” and Series “L” Shares (not in the form of CPO units), was as follows (in thousands):

	<u>2023</u>	<u>2022</u>
Total Shares	<b>343,520,658</b>	351,466,191
CPOs	<b>2,412,277</b>	2,480,187
Shares not in the form of CPO units:		
Series “A” Shares	<b>58,926,613</b>	58,926,613
Series “B” Shares	<b>2,357,208</b>	2,357,208
Series “D” Shares	<b>239</b>	239
Series “L” Shares	<b>239</b>	239

[Table of Contents](#)

Diluted (loss) earnings per CPO and per each Series “A,” Series “B,” Series “D,” and Series “L” Share (not in the form of a CPO unit) attributable to stockholders of the Company for the years ended December 31, 2023, 2022 and 2021, are presented as follows:

	2023		2022		2021	
	Per CPO	Per Share (*)	Per CPO	Per Share (*)	Per CPO	Per Share (*)
Continuing operations	Ps. (3.01)	Ps. (0.03)	Ps. (4.06)	Ps. (0.03)	Ps. (0.16)	Ps. 0.00
Discontinued operations	0.00	0.00	19.86	0.17	2.33	0.02
Diluted (loss) earnings per CPO/Share attributable to stockholders of the Company	Ps. (3.01)	Ps. (0.03)	Ps. 15.80	Ps. 0.14	Ps. 2.17	Ps. 0.02

(\*) Series “A,” “B,” “D,” and “L” Shares not in the form of CPO units.

## 26. Segment Information

Reportable segments are those that are based on the Group’s method of internal reporting.

The Group is organized on the basis of services and products. The Group’s segments are strategic business units that offer different entertainment services and products. On January 31, 2022, the Group’s former Content business and other related net assets were disposed of by the Group in conjunction with the TelevisaUnivision Transaction. Beginning in the first quarter of 2022, the Group’s operating results of its former Content business and other related net assets through January 31, 2022, were classified as discontinued operations, including the corresponding information for earlier periods (see Notes 3 and 28). Through December 31, 2023, the Group’s reportable segments were as follows:

### Cable

The Cable segment includes the operation of cable multiple systems covering the Mexico City metropolitan area, Monterrey and suburban areas, and over 200 other cities of Mexico, as well as the operation of telecommunication facilities through a fiber-optic network that covers the most important cities and economic regions of Mexico and the cities of San Antonio and San Diego in the United States (Bestel).

The cable multiple system businesses derive revenues from cable subscribers, principally from basic and premium television services subscription, pay-per-view fees, installation fees, internet services subscription, telephone and mobile services subscription as well as from local and national advertising sales.

The telecommunication facilities business derives revenues from providing data and long-distance services solutions to carriers and other telecommunications service providers through its fiber-optic network.

### Sky

The Sky segment includes DTH broadcast satellite pay television services in Mexico, Central America and the Dominican Republic. Sky revenues are primarily derived from program services, installation fees, equipment rental to subscribers, and national advertising sales.

### Other Businesses

The Other Businesses segment included the Group’s domestic operations in sports and show business promotion, soccer, publishing and publishing distribution, gaming, and transmission concessions and facilities (see Notes 3 and 29).

The Other Businesses segment included the Group’s feature-film production and distribution business, which was disposed of by the Group in conjunction with the TelevisaUnivision Transaction that was closed on January 31, 2022 (see Notes 3 and 28).

[Table of Contents](#)

The table below presents information by segment and a reconciliation to consolidated total of continuing operations for the years ended December 31, 2023, 2022 and 2021:

	Total Revenues	Intersegment Revenues	Consolidated Revenues	Segment Income
<b>2023:</b>				
Cable	Ps. 48,802,524	Ps. 182,916	Ps. 48,619,608	Ps. 18,727,413
Sky	17,585,216	3,325	17,581,891	5,731,417
Other Businesses	7,870,641	304,210	7,566,431	1,952,388
Segment totals	74,258,381	490,451	73,767,930	26,411,218
Reconciliation to consolidated amounts:				
Corporate expenses	—	—	—	(1,259,949)
Intersegment operations	(490,451)	(490,451)	—	(159,894)
Depreciation and amortization expense	—	—	—	(21,469,152)
Consolidated revenues and operating income before other expense	73,767,930	—	73,767,930	3,522,223 <sup>(1)</sup>
Other expense, net	—	—	—	(866,819)
Consolidated revenues and operating income	Ps. 73,767,930	Ps. —	Ps. 73,767,930	Ps. 2,655,404 <sup>(2)</sup>
	Total Revenues	Intersegment Revenues	Consolidated Revenues	Segment Income
<b>2022:</b>				
Cable	Ps. 48,411,776	Ps. 151,403	Ps. 48,260,373	Ps. 19,902,785
Sky	20,339,038	3,804	20,335,234	6,416,270
Other Businesses	7,338,790	407,788	6,931,002	1,691,041
Segment totals	76,089,604	562,995	75,526,609	28,010,096
Reconciliation to consolidated amounts:				
Corporate expenses	—	—	—	(1,538,085)
Intersegment operations	(562,995)	(562,995)	—	(120,424)
Depreciation and amortization expense	—	—	—	(21,117,432)
Consolidated revenues and operating income before other expense	75,526,609	—	75,526,609	5,234,155 <sup>(1)</sup>
Other expense, net	—	—	—	(815,565)
Consolidated revenues and operating income	Ps. 75,526,609	Ps. —	Ps. 75,526,609	Ps. 4,418,590 <sup>(2)</sup>
	Total Revenues	Intersegment Revenues	Consolidated Revenues	Segment Income
<b>2021:</b>				
Cable	Ps. 48,020,929	Ps. 54,919	Ps. 47,966,010	Ps. 20,285,023
Sky	22,026,616	1,858	22,024,758	8,504,169
Other Businesses	4,388,141	463,477	3,924,664	589,745
Segment totals	74,435,686	520,254	73,915,432	29,378,937
Reconciliation to consolidated amounts:				
Corporate expenses	—	—	—	(2,351,342)
Intersegment operations	(520,254)	(520,254)	—	(1,608)
Depreciation and amortization expense	—	—	—	(20,053,302)
Consolidated revenues and operating income before other income	73,915,432	—	73,915,432	6,972,685 <sup>(1)</sup>
Other income, net	—	—	—	3,716,237
Consolidated revenues and operating income	Ps. 73,915,432	Ps. —	Ps. 73,915,432	Ps. 10,688,922 <sup>(2)</sup>

<sup>(1)</sup> This amount represents income before other income or expense, net.

<sup>(2)</sup> This amount represents consolidated operating income.

### Accounting Policies

The accounting policies of the segments are the same as those described in the Group's summary of material accounting policies (see Note 2). The Group evaluates the performance of its segments and allocates resources to them based on operating income before depreciation and amortization.

### Intersegment Revenue

Intersegment revenue consists of revenues derived from each of the segments principal activities as provided to other segments.

The Group accounts for intersegment revenues as if the revenues were from third parties, that is, at current market prices.

### Allocation of Corporate Expenses

Non-allocated corporate expenses primarily include share-based compensation expense for certain key officers and employees in connection with the Company's LTRP, as well as other general expenses that, because of their nature and characteristics, are not subject to be allocated within the Group's business segments.

The table below presents segment information about assets, liabilities, and additions to property, plant and equipment as of and for the years ended December 31, 2023, 2022 and 2021:

	Segment Assets at Year-End	Segment Liabilities at Year-End	Additions to Property, Plant and Equipment
<b>2023:</b>			
Continuing operations:			
Cable	Ps. 115,906,063	Ps. 19,944,547	Ps. 11,243,950
Sky	22,737,294	7,778,956	2,657,041
Other Businesses	19,638,262	3,547,916	768,182
Corporate asset	—	—	38,843
<b>Total</b>	<b>Ps. 158,281,619</b>	<b>Ps. 31,271,419</b>	<b>Ps. 14,708,016</b>
<b>2022:</b>			
Continuing operations:			
Cable	Ps. 121,786,224	Ps. 23,278,943	Ps. 13,011,456
Sky	24,590,186	9,570,547	3,891,684
Other Businesses	16,285,203	3,779,852	273,881
Corporate asset	—	—	68,750
Disposed operations	—	—	69,616
<b>Total</b>	<b>Ps. 162,661,613</b>	<b>Ps. 36,629,342</b>	<b>Ps. 17,315,387</b>
<b>2021:</b>			
Continuing operations:			
Cable	Ps. 119,102,077	Ps. 24,449,798	Ps. 17,339,270
Sky	25,615,006	10,745,984	4,949,039
Content	93,463,141	37,286,277	909,164
Other Businesses	8,744,886	3,203,932	70,374
<b>Total</b>	<b>Ps. 246,925,110</b>	<b>Ps. 75,685,991</b>	<b>Ps. 23,267,847</b>

[Table of Contents](#)

Segment assets reconcile to total assets as of December 31, 2023 and 2022, as follows:

	2023	2022
Segment assets	<b>Ps. 158,281,619</b>	Ps. 162,661,613
Equity investments attributable to:		
Cable	844,728	750,169
Other Businesses	245,411	243,110
Others <sup>(1)</sup>	2,597,756	3,400,806
Goodwill attributable to:		
Cable	13,794,684	13,794,684
Others <sup>(1)</sup>	110,314	110,314
Corporate assets:		
Cash and cash equivalents	23,757,692	41,316,668
Other accounts receivable, net	183,982	1,677,999
Income taxes receivable and other recoverable taxes	5,006,836	5,096,818
Non-current account receivable due from related party	5,089,608	6,633,702
Equity investment in TelevisaUnivision <sup>(1)</sup>	42,326,344	49,446,349
Property and equipment, net	2,863,187	5,346,106
Investment property, net	2,478,064	2,873,165
Deferred income tax assets	4,115,297	4,321,106
Other corporate assets	974,735	1,434,922
Total assets	<b>Ps. 262,670,257</b>	Ps. 299,107,531

<sup>(1)</sup> Includes investments and goodwill that through January 31, 2022 were part of the Group's former Content business.

Equity method (loss) gain recognized in income for the years ended December 31, 2023, 2022 and 2021 attributable to equity investments in Cable, was Ps. (827), Ps.38,833 and Ps.161,468, respectively.

Equity method (loss) gain recognized in income for the years ended December 31, 2023, 2022 and 2021 attributable to equity investment in TelevisaUnivision, was Ps.(4,095,851), Ps.(7,418,536) and Ps.3,560,248, respectively.

Equity method gain (loss) recognized in income for the years ended December 31, 2023, 2022 and 2021 attributable to other equity investments, was Ps.10,050, Ps.1,454 and Ps.(49,839), respectively.

Segment liabilities reconcile to total liabilities as of December 31, 2023 and 2022, as follows:

	2023	2022
Segment liabilities	<b>Ps. 31,271,419</b>	Ps. 36,629,342
Debt not allocated to segments	85,885,859	101,590,649
Other corporate liabilities	10,840,546	16,757,635
Total liabilities	<b>Ps. 127,997,824</b>	Ps. 154,977,626



Geographical segment information:

	Total Revenues	Segment Assets at Year-End	Additions to Property, Plant and Equipment
<b>2023:</b>			
Mexico	Ps. 72,629,706	Ps. 144,856,678	Ps. 14,565,065
Other countries <sup>(1)</sup>	1,138,224	13,424,941	142,951
	<u>Ps. 73,767,930</u>	<u>Ps. 158,281,619</u>	<u>Ps. 14,708,016</u>
<b>2022:</b>			
Mexico	Ps. 73,845,741	Ps. 149,520,957	Ps. 17,102,445
Other countries <sup>(1)</sup>	1,680,868	13,140,656	212,942
	<u>Ps. 75,526,609</u>	<u>Ps. 162,661,613</u>	<u>Ps. 17,315,387</u>
<b>2021:</b>			
Mexico	Ps. 72,076,755	Ps. 230,559,883	Ps. 22,859,403
Other countries <sup>(1)</sup>	1,838,677	16,365,227	408,444
	<u>Ps. 73,915,432</u>	<u>Ps. 246,925,110</u>	<u>Ps. 23,267,847</u>

<sup>(1)</sup> The United States is the largest country from which revenue is derived.

Revenues are attributed to geographical segment based on the location of customers.

#### Disaggregation of Total Revenues

The table below present total revenues of continuing operations for each reportable segment disaggregated by major service/product lines and primary geographical market for the years ended December 31, 2023, 2022 and 2021:

	Domestic	Export	Abroad	Total
<b>2023:</b>				
<b>Cable:</b>				
Broadband Services <sup>(a)</sup>	Ps. 21,440,699	Ps. —	Ps. —	Ps. 21,440,699
Digital TV Service <sup>(a)</sup>	15,025,051	—	—	15,025,051
Telephony <sup>(a)</sup>	4,374,783	—	—	4,374,783
Advertising	2,162,410	—	—	2,162,410
Other Services	1,023,029	—	—	1,023,029
Enterprise Operations	4,499,085	—	277,467	4,776,552
<b>Sky:</b>				
DTH Broadcast Satellite TV <sup>(a)</sup>	15,805,918	—	687,994	16,493,912
Advertising	1,039,106	—	—	1,039,106
Pay-Per-View	45,121	—	7,077	52,198
<b>Other Businesses:</b>				
Gaming	2,966,724	—	—	2,966,724
Soccer, Sports and Show Business Promotion	2,531,876	165,686	—	2,697,562
Publishing – Magazines and Advertising	256,995	—	—	256,995
Publishing Distribution	263,429	—	—	263,429
Transmission Concessions and Facilities	1,685,931	—	—	1,685,931
<b>Segment totals</b>	<u>73,120,157</u>	<u>165,686</u>	<u>972,538</u>	<u>74,258,381</u>
Intersegment eliminations	(490,451)	—	—	(490,451)
<b>Consolidated total revenues</b>	<u>Ps. 72,629,706</u>	<u>Ps. 165,686</u>	<u>Ps. 972,538</u>	<u>Ps. 73,767,930</u>

[Table of Contents](#)

	Domestic	Export	Abroad	Total
<b>2022:</b>				
Cable:				
Digital TV Service <sup>(a)</sup>	Ps. 16,054,150	Ps. —	Ps. —	Ps. 16,054,150
Advertising	2,073,346	—	—	2,073,346
Broadband Services <sup>(a)</sup>	19,197,699	—	—	19,197,699
Telephony <sup>(a)</sup>	5,259,768	—	—	5,259,768
Other Services	627,303	—	—	627,303
Enterprise Operations	4,940,564	—	258,946	5,199,510
Sky:				
DTH Broadcast Satellite TV <sup>(a)</sup>	17,970,812	—	1,101,419	19,072,231
Advertising	1,183,495	—	—	1,183,495
Pay-Per-View	71,003	—	12,309	83,312
Other Businesses:				
Gaming	2,493,534	—	—	2,493,534
Soccer, Sports and Show Business Promotion	2,189,093	308,194	—	2,497,287
Publishing – Magazines and Advertising	428,575	—	—	428,575
Publishing Distribution	261,077	—	—	261,077
Transmission Concessions and Facilities	1,658,317	—	—	1,658,317
Segment totals	74,408,736	308,194	1,372,674	76,089,604
Intersegment eliminations	(562,995)	—	—	(562,995)
Consolidated total revenues	<u>Ps. 73,845,741</u>	<u>Ps. 308,194</u>	<u>Ps. 1,372,674</u>	<u>Ps. 75,526,609</u>
<b>2021:</b>				
Cable:				
Digital TV Service <sup>(a)</sup>	Ps. 15,883,520	Ps. —	Ps. —	Ps. 15,883,520
Advertising	1,971,853	—	—	1,971,853
Broadband Services <sup>(a)</sup>	18,648,098	—	—	18,648,098
Telephony <sup>(a)</sup>	4,977,671	—	—	4,977,671
Other Services	598,890	—	—	598,890
Enterprise Operations	5,699,425	—	241,472	5,940,897
Sky:				
DTH Broadcast Satellite TV <sup>(a)</sup>	19,210,652	—	1,514,377	20,725,029
Advertising	1,233,537	—	—	1,233,537
Pay-Per-View	56,883	—	11,167	68,050
Other Businesses:				
Gaming	1,673,911	—	—	1,673,911
Soccer, Sports and Show Business Promotion	1,658,928	71,661	—	1,730,589
Publishing – Magazines and Advertising	484,781	—	—	484,781
Publishing Distribution	286,454	—	—	286,454
Transmission Concessions and Facilities	212,406	—	—	212,406
Segment totals	72,597,009	71,661	1,767,016	74,435,686
Intersegment eliminations	(520,254)	—	—	(520,254)
Consolidated total revenues	<u>Ps. 72,076,755</u>	<u>Ps. 71,661</u>	<u>Ps. 1,767,016</u>	<u>Ps. 73,915,432</u>

[Table of Contents](#)

- (a) Digital TV Service revenues include revenue from leasing set-top equipment to subscribers in the Cable segment in the amount of Ps.5,880,517, Ps.5,899,902 and Ps.5,678,042, for the years ended December 31, 2023, 2022 and 2021, respectively. DTH Broadcast Satellite TV revenues include revenue from leasing set-top equipment to subscribers in the Sky segment in the amount of Ps.5,950,288, Ps.7,783,254 and Ps.9,338,664, for the years ended December 31, 2023, 2022 and 2021, respectively. Revenue from leasing set-top equipment to subscribers is recognized when services are rendered to such subscribers. Set-top equipment is part of the Group's property, plant and equipment and is leased to subscribers through operating lease contracts.

Revenues from external customers for the years ended December 31, 2023, 2022 and 2021 are presented by sale source, as follows:

	2023	2022	2021
Services	Ps. 60,216,470	Ps. 59,788,397	Ps. 57,331,417
Royalties	558,163	1,187,135	689,870
Goods	994,471	683,740	775,318
Leases <sup>(1)</sup>	11,998,826	13,867,337	15,118,827
<b>Total</b>	<b>Ps. 73,767,930</b>	<b>Ps. 75,526,609</b>	<b>Ps. 73,915,432</b>

- (1) This line includes primarily revenue from leasing set-top equipment to subscribers in the Cable and Sky segments, which is recognized when services are rendered to such subscribers. Set-top equipment is part of the Group's property and equipment and is leased to subscribers through operating lease contracts.

## 27. Commitments, Lawsuit Settlement Agreement and Contingencies

### Commitments

As of December 31, 2023, the Group had commitments for transmission rights to be acquired, mainly related to special events, in the aggregate amount of U.S.\$481.6 million (Ps.8,155,055) with various payment commitments to be made between 2024 and 2031.

As of December 31, 2023, the Group had commitments in the aggregate amount of Ps.767,457, of which Ps.681,217, were construction commitments for technical facilities and building improvements, Ps.62,410, were commitments for the acquisition of software and related services, Ps.666, were construction commitments related to soccer operations, and Ps.23,164, were commitments related to gaming operations.

As of December 31, 2023, in connection with a long-term credit facility, the Group had commitments to provide financing to GTAC in the principal amounts of U.S.\$2.0 million (Ps.33,865) and Ps.67,472 in 2024 (see Note 10).

At December 31, 2023, the Group had the following aggregate minimum annual commitments (undiscounted) for the use of satellite transponders, which payments will be reimbursed by TelevisaUnivision as the final user of these satellite transponders:

	Thousands of U.S. Dollars
2024	U.S.\$ 6,621
2025	3,498
2026 and thereafter	948
	<b>U.S.\$ 11,067</b>

### Preponderant Economic Agent

On March 6, 2014, the IFT issued a decision whereby it determined that the Company, together with certain subsidiaries with concessions to provide broadcast television, are preponderant economic agents in the broadcasting sector in Mexico (together, the "Preponderant Economic Agent"). The preponderance decision imposes on the Preponderant Economic Agent various measures, terms, conditions and restrictive obligations, some of which may adversely affect the activities of the Group's broadcasting businesses, as well as their results of operations and financial condition. Among these measures, terms, conditions and restrictive obligations are included the following:

[Table of Contents](#)

Infrastructure sharing – The Preponderant Economic Agent must make its passive broadcasting infrastructure (as defined in the preponderance decision) available to third-party concessionaires of broadcast television (as defined in the preponderance decision) for commercial purposes in a non-discriminatory and non-exclusive manner, with the exception of broadcasters that, at the time the measures enter into force, have 12 MHz or more of radio-electric spectrum in the geographic area concerned.

Advertising sales – The Preponderant Economic Agent must deliver to IFT and publish the terms and conditions of certain broadcast advertising services and fee structures, including, without limitation, commercials, packages, bonuses and discount plans and any other commercial offerings, and publish them on its webpage.

Prohibition on acquiring certain exclusive content – The Preponderant Economic Agent may not acquire transmission rights, on an exclusive basis, for any location within Mexico with respect to certain relevant content, determined by IFT in the Ruling whereby IFT identifies the relevant audiovisual contents in terms and for the purposes of the fourth measure and the second transitory article of the fourth attachment whereby the Preponderant Economic Agent in the telecommunication sector was resolved and the eighteenth and thirteenth transitory articles of the first attachment of the resolution whereby the Preponderant Economic Agent in the broadcasting sector as resolved (the “Relevant Content Ruling”), which may be updated every two years by IFT.

Over-the-air channels – When the Preponderant Economic Agent offers any of its over-the-air channels, or channels that have at least 50% of the programming broadcasted between 6:00 a.m. and midnight on such channels in the same day, to its affiliates, subsidiaries, related parties and third parties, for distribution through a different technological platform than over the air broadcast television, the Preponderant Economic Agent must offer these channels to any other person that asks for distribution over the same platform as the Preponderant Economic Agent has offered, on the same terms and conditions.

Prohibition on participating in “buyers’ clubs” or syndicates to acquire audiovisual content, without IFT’s prior approval – The Preponderant Economic Agent may not enter into or remain a member of any “buyers’ club” or syndicates of audiovisual content unless it has received the prior approval of IFT.

There are currently no resolutions from the IFT, judgments or orders that would require the Group to divest any of the assets as a result of being declared a Preponderant Economic Agent in the broadcasting sector.

On February 27, 2017, as part of the biannual review of the broadcasting sector preponderance rules, the IFT issued a ruling that amended some of the existing preponderance rules in broadcasting and included some additional obligations on the Company and some of its subsidiaries (the “New Preponderance Measures”), as follows:

Infrastructure sharing – In addition to the previously imposed obligations regarding the sharing of passive infrastructure, the New Preponderance Measures have included the service of signal emissions only in the event that no passive infrastructure exists on the requested site. In addition, the New Preponderance Measures strengthen the supervision of the infrastructure services provided by the Group, including certain rules relating to the publicity of its tariffs. In addition, more specifications for the Electronic Management System as part of the new measures are included. Likewise, the IFT determined specific tariffs for our infrastructure offers.

Prohibition on acquiring certain exclusive content for broadcasting – This measure has been modified by enabling the Preponderant Economic Agent to acquire relevant content under certain circumstances, as long as it obtains the right to sublicense such transmission rights to the other broadcasters in Mexico on non-discriminatory terms. In December 2018, the Relevant Content Ruling was updated.

Advertising sales – IFT modified this measure mainly by including specific requirements to the Preponderant Economic Agent in its provision of over the air advertising services, particularly, to telecommunications companies. Such requirements include, among others: a) publishing and delivering to IFT specific information regarding tariffs, discount plans, contracting and sales terms and conditions, contract forms and other relevant practices; and b) terms and conditions that prohibit discrimination, or refusals to deal, conditioned sales and other conditions that inhibit competition. The Preponderant Economic Agent began the process of providing very detailed information to IFT on a recurrent basis of over the air advertising services related to telecommunications companies.

Accounting separation – The Group, as Preponderant Economic Agent, is required to implement an accounting separation methodology under the criteria defined by IFT, published in the Official Gazette of the Federation on December 29, 2017, as amended.

On March 28, 2014, the Company, together with its subsidiaries determined to be the Preponderant Economic Agent in the broadcasting sector, filed an *amparo* proceeding challenging the constitutionality of the Preponderance Decision. The Supreme Court resolved the *amparo* proceeding, resolving the constitutionality of the Preponderance Decision and therefore, it is still valid.

[Table of Contents](#)

Additionally, on March 31, 2017, the Company, together with its subsidiaries, filed an *amparo* proceeding challenging the constitutionality of the New Preponderance Measures. On November 21, 2019, the Second Chamber of the Supreme Court granted the *amparo* and revoked the New Preponderance Measures. Consequently, the valid and applicable measures in force are resolved in accordance with the Preponderance Decision.

The biannual review of the broadcasting sector preponderance rules that began in 2019 was concluded due to the resolution of the *amparo*. A new biannual review began in 2023 and is pending to be concluded.

The Company will continue to assess the extent and impact of the various measures, terms, conditions and restrictive obligations in connection with its designation by IFT as Preponderant Economic Agent, including the revised preponderance measures that may arise from the 2023 biannual review, and will analyze carefully any actions and/or remedies (legal, business and otherwise) that the Company should take and/or implement regarding these matters.

***Substantial Power Economic Agent***

On November 26, 2020, the IFT notified the Company of the final resolution confirming the existence of substantial power in the 35 relevant markets of restricted television and audio services. Consequently, on December 17, 2020, the Company filed three *amparos* challenging the constitutionality of the resolution. On January 25, 2024, a Federal Court entered a final judgment ordering the IFT to revoke the resolution on substantial power. On March 6, 2024, in compliance with the ruling, the IFT left the substantial power resolution void and determined to close the file only for Televisa, S. de R.L. de C.V. The two remaining *amparos* are now under review by the competent court. Some of the consequences derived from the determination of substantial market power, are applicable as a matter of law and others may be imposed by IFT in a new procedure in accordance with the LFTR; these may consist of: (i) the obligation to obtain IFT's approval and to register the rates for our services; (ii) to inform the IFT in case of the adoption of new technology or modifications to the network; (iii) the agent with substantial power may not be entitled to the benefits of some rules of the "must carry" and "must offer" provisions; and (iv) the implementation of accounting separation.

In October 2022, The Company, Televisa, S. de R.L. de C.V. and certain subsidiaries of the Company of the Cable and Sky segments (the "Complainants") obtained favorable *amparo* resolutions from a Federal specialized judge, ruling the determination by the IFT of substantial power in the market of restricted television and audio services in 35 municipalities of Mexico as a result of the acquisition of the residential optical fiber-to-the home and related assets from Axtel, S.A.B. de C.V., on 2018, to be unconstitutional. In the event the authority challenges this resolution, the Complainants would continue defending the judgment and will seek to extend the effects of its protection. On January 25, 2024, a Federal Court entered a final judgment ordering the IFT to revoke the resolution on substantial power. On March 6, 2024, in compliance with the ruling, the IFT left the substantial power resolution void and determined to close the file only for Televisa, S. de R.L. de C.V. The two remaining *amparos* are now under review by the competent court.

**Lawsuit Settlement Agreement**

On March 5, 2018, a purported stockholder class action lawsuit was filed in the United States District Court for the Southern District of New York (the "District Court"), alleging securities law violations in connection with allegedly misleading statements and/or omissions in the Company's public disclosures. The lawsuit alleged that the Company and two of its executives failed to disclose alleged involvement in bribery activities relating to certain executives of Fédération Internationale de Football Association ("FIFA"), and wrongfully failed to disclose weaknesses in the Company's internal control over its financial reporting as of December 31, 2016.

On May 17, 2018, the District Court appointed a lead plaintiff for the putative stockholder class. On August 6, 2018, the lead plaintiff filed an amended complaint. The Company thereupon filed a motion to dismiss the amended complaint. On March 25, 2019, the District Court issued a decision denying the Company's motion to dismiss, holding that plaintiff's allegations, if true, were sufficient to support a claim. The parties began to exchange discovery materials, and the discovery process continued into 2022. On June 8, 2020, the District Court issued a decision denying class certification based on the inadequacy of the proposed class representative. On June 29, 2020, the District Court issued a decision granting class certification to a new class representative. The Company sought permission for leave to appeal the District Court's order.

On October 6, 2020, the United States Court of Appeals for the Second Circuit (the "Court of Appeals") denied the Company's request for leave to appeal the District Court's class certification order.

[Table of Contents](#)

On May 19, 2021, the District Court issued an order disqualifying class counsel and stayed the case for thirty days so the class representative could identify replacement counsel. On June 17, 2021, the District Court granted a request from the class representative and disqualified counsel to extend the stay for an additional sixty days. On June 18, 2021, a petition for a writ of mandamus was filed in the Court of Appeals, seeking reinstatement of disqualified counsel. On June 23, 2021, the Court of Appeals granted a request from the petitioners to stay proceedings in the District Court pending the Court of Appeals' decision on the petition. On August 24, 2021, the Court of Appeals denied the petition. On September 14, 2021, the case was returned to the District Court. On October 8, 2021, the District Court appointed new class counsel. On October 22, 2021, the Company filed a motion to define the class period. On March 31, 2022, the discovery period concluded, with exceptions.

On July 20, 2022, the District Court issued a decision on the Company's class definition motion, defining the class period as April 11, 2013 through November 17, 2017, inclusive. On August 3, 2022, the Company filed a petition with the Court of Appeals seeking permission for leave to appeal the District Court's order. On November 15, 2022, the Court of Appeals denied the Company's petition. On August 5, 2022, the Company filed a motion for summary judgment.

On November 23, 2022, the Company announced that it had reached an agreement in principle to settle the securities class action. As set forth in that disclosure, approximately U.S.\$21.5 million of the total settlement amount of U.S.\$95 million was to be provided by the Company, with the remainder to be funded under the Company's insurance policies. On December 28, 2022, the parties executed a memorandum of understanding memorializing the agreement in principle.

On February 28, 2023, the parties executed a settlement agreement to fully resolve and settle the class's claims, which the lead plaintiff filed with the District Court the same day, along with a motion for preliminary approval of the settlement. On April 20, 2023, the District Court granted preliminary approval of the settlement agreement. Prior funding from the insurance company of its portion of the settlement, on May 4, 2023, the Company paid the plaintiffs the total settlement amount. On August 8, 2023 the Court finally approved the settlement agreement, thus concluding the action, expressly releasing the defendants from any fault, liability, wrongdoing or damages. While the Company continues to believe that the allegations in the case were without merit, it also believed that eliminating the distraction, expense and risk of continued litigation was in the best interest of the Company and its shareholders.

In the fourth quarter of 2022, the Company recognized a provision for the settlement of this class action lawsuit in the amount of U.S.\$95.0 million (Ps.1,850,220), and a receivable for a related reimbursement in the amount of U.S.\$73.5 million (Ps.1,431,486) to be funded by the Company's insurance contracts, which were classified in current liabilities and current assets, respectively, in the Group's consolidated statement of financial position as of December 31, 2022. The net amount of U.S.\$21.5 million (Ps.425,762) was recognized in other expense in the Group's consolidated statement of income for the year ended December 31, 2022, and paid by the Company in the second quarter of 2023 (see Note 22).

### **Contingencies**

On April 27, 2017, the tax authorities initiated a tax audit to the Company, with the purpose of verifying compliance with tax provisions for the fiscal period from January 1 to December 31, 2011, regarding federal taxes as direct subject of Income Tax (*Impuesto sobre la Renta or ISR*), Flat tax (*Impuesto Empresarial a Tasa Única*) and Value Added Tax (*Impuesto al Valor Agregado*). On April 25, 2018, the authorities informed the observations determined as a result of such audit, that could entail a default on the payment of the abovementioned taxes. On May 25, 2018, by a document submitted before the authority, the Company asserted arguments and offered evidence to undermine the authority's observations. On June 27, 2019, the Company was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.682 million for ISR, penalties, surcharges and inflation adjustments. On August 22, 2019, the Company filed an administrative proceeding (*recurso de revocación*) against such tax liability, before the Legal area of the Tax Authorities. On July 7, 2023, the resolution to the administrative proceeding was notified, in which the appealed resolution was confirmed. On September 4, 2023, a claim (*juicio de nulidad*) against the resolution issued in the referred administrative proceeding was filed in the Third Regional Court of Mexico City of the Federal Court of Administrative Justice (*Tribunal Federal de Justicia Administrativa*), which is still pending of resolution. As of the date of these financial statements, there are no elements to determine if the outcome would be adverse to the Company's interests.

On June 1, 2016, the tax authority initiated a tax audit to a Company's indirect subsidiary that carries out operations in the Gaming business, which is presented in the Other Businesses segment, with the purpose of verifying compliance with tax provisions for the period from January 1 to December 31, 2014, regarding federal taxes as direct subject, as well as withholder. On April 24, 2017, the authorities informed the facts and omissions detected during the development of the verification process, that could entail a default on the payment of the abovementioned taxes. On May 30, 2017, by a document submitted before the authorities, the Company's subsidiary asserted arguments and offered evidence to undermine the facts and omissions included in the authority's last partial record. On June 21, 2019, such entity was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.1,334 million, essentially related to IEPS (*Impuesto Especial sobre Producción y Servicios* or Excise Tax); on August 16, 2019, an administrative proceeding (*recurso de revocación*) was filed before the Legal area of the Tax Authorities. On January 7, 2021, the resolution to the administrative proceeding was notified, in which the appealed resolution was confirmed. On February 19, 2021 a claim (*juicio de nulidad*) against the resolution issued in the referred administrative proceeding was filed in the Second Regional Court of Puebla of the Federal Court of Administrative Justice (*Tribunal Federal de Justicia Administrativa*), which is still pending of resolution. As of the date of these financial statements, there are no elements to determine if the outcome would be adverse to the Company's interests.

On August 12, 2019, the tax authority initiated a Foreign Trade Audit of one of the Company's indirect subsidiaries (Cablebox. S.A. de C.V.), with the purpose of verifying the correct payment of the contributions and levies on the import of the merchandise, as well as compliance with non-customs regulations and restrictions applicable to 26 foreign trade operations carried out during fiscal year 2016. On April 30, 2020, the tax authority released the observations determined as a result of the aforementioned review, which could lead to non-compliance with the payment of the referred contributions. On April 30, 2020, the tax authority informed the facts and omissions detected during the development of the verification process, that could entail a default on several provisions of the Customs Act (*Ley Aduanera*). On June 2 and 29, 2020, by several documents submitted before the authorities, the Company's subsidiary asserted arguments and offered evidence to undermine the facts and omissions included in the tax authority's last partial record. On July 16, 2020 such entity was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.290 million for a fine consisting of 70% of the commercial value of the merchandise subject to review, due to the alleged failure to comply with the *Norma Oficial Mexicana*, or Official Mexican Standards (NOM-019-SCFI-1998), as well as on the amount of the commercial value of the merchandise due to the material impossibility of the merchandise becoming property of the Federal Treasury. On August 27, 2020, an administrative proceeding (*recurso de revocación*) was filed before the Legal department of the Tax Authority, which is in the process of being resolved. As of the date of these financial statements, there are no elements to determine if the outcome would be adverse to the Company's interests.

On July 29, 2019, the tax authority initiated a Foreign Trade Audit of one of the Company's indirect subsidiaries (CM Equipos y Soporte, S.A. de C.V.), with the purpose of verifying the correct payment of the contributions and levies on the import of the merchandise, as well as compliance with non-customs regulations and restrictions applicable to 32 foreign trade operations carried out during fiscal year 2016. On July 10, 2020, the tax authority released the observations determined as a result of the aforementioned review, which could lead to a determination of non-compliance with the payment of the referred contributions. On August 21, 2020, through several documents submitted to the authorities, the Company's subsidiary asserted arguments and offered evidence to undermine the facts and omissions included in the tax authority's most recent partial record. On May 28, 2021, the subsidiary was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.256.3 million for a fine consisting of 70% of the commercial value of the merchandise subject to review, due to the alleged failure to comply with the *Normas Oficiales Mexicanas*, or Official Mexican Standards (NOM-019-SCFI-1998, NOM-EM-015-SCFI-2015 and NOM-024-SCFI-2013), as well as on the amount of the commercial value of the merchandise due to the material impossibility of the merchandise becoming property of the Federal Treasury. On July 12, 2021, an administrative proceeding (*recurso de revocación*) was filed before the Legal department of the Tax Authority, which is in the process of being resolved. As of the date of these financial statements, there are no elements to determine if the outcome would be adverse to the Company's interests.

On June 19, 2020, the tax authority initiated a tax audit of an indirect subsidiary of the Company that carries out operations in the soccer business. The purpose of the tax audit was to verify compliance with tax provisions for the period from January 1 to December 31, 2014, regarding federal taxes as direct subject, as well as its withholding of income tax and value added tax. On August 9, 2022, the authorities informed the subsidiary of the facts and omissions detected during the development of the verification process, that could entail a default on the payment of the abovementioned taxes. On December 8, 2022, such entity was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.575 million, for income tax of the abovementioned fiscal year. On January 31, 2023, an administrative proceeding (*recurso de revocación*) was filed before the Legal department of the Tax Authority against such tax liability, which is in process of being resolved. As of the date of these financial statements, there are no elements to determine if the outcome would be adverse to the Company's interests.

[Table of Contents](#)

The matters discussed as contingencies in the previous paragraphs did not require the recognition of a provision as of December 31, 2023.

There are several legal actions and claims pending against the Group, which are filed in the ordinary course of business. In the opinion of the Company's management, none of these actions and claims is expected now to have a material adverse effect on the Group's financial statements as a whole; however, the Company's management is unable to predict the outcome of any of these legal actions and claims.

### Gaming Regulations

On November 16, 2023, the President of Mexico issued a decree ("Decree") published in the *Diario Oficial de la Federación* or Official Gazette ("DOF") amending and adding several provisions to the *Reglamento de la Ley Federal de Juegos y Sorteos*, or Gaming Regulations. The Decree came into force the day after its publication in the DOF.

The Decree prohibits the operation of slot machines. Permits for the operation of slot machines granted before the entry into force of the Decree will remain valid in their terms.

Additionally, the Decree establishes that permits will have a minimum term of one year and a maximum term of fifteen years, counted from the publication of the Decree in the DOF. Previously, permits had a maximum term of twenty-five years. However, the Decree specifies that all existing permits currently in operation will remain valid during their current validity, considering the new maximum term of fifteen years, and without any extension.

On December 14, 2023, the subsidiaries of the Company in the Gaming Business challenged this Decree through an *amparo* lawsuit against the new provisions. On January 16, 2024, the relevant entities obtained the provisional suspension of the Decree so that the new provisions are not applied while the *amparo* trial is resolved (see Note 2).

### 28. Income from Discontinued Operations, Net

The operations of the Group's former Content segment and feature-film production and distribution business were discontinued on January 31, 2022, in connection with the closing of the TelevisaUnivision Transaction. As a result, the Group's consolidated statements of income for the years ended December 31, 2022 and 2021, present the results of operations of the Group's former Content segment and feature-film production and distribution business as net income from discontinued operations for the month ended January 31, 2022, and for the year ended December 31, 2021. Accordingly, the Group's consolidated statement of income for the year ended December 31, 2021, have been modified from this previously reported by the Company for this year to present the results from discontinued operations for the businesses disposed of by the Group on January 31, 2022 (see Note 3).

Income from discontinued operations, net, for the years ended December 31, 2022 and 2021, is presented as follows:

	2022	2021
Net income from discontinued operations	Ps. 156,655	Ps. 8,529,547
Gain (loss) on disposition of discontinued operations, net	56,065,530	(1,943,647)
Income from discontinued operations, net	<u>Ps. 56,222,185</u>	<u>Ps. 6,585,900</u>



[Table of Contents](#)

Net income from discontinued operations for the years ended December 31, 2022 and 2021, is presented as follows:

	2022	2021
Revenues	Ps. 2,302,875	Ps. 35,822,423
Cost of revenues and operating expenses	1,922,035	22,818,205
Income before other expense	380,840	13,004,218
Other expense, net	19,796	397,584
Operating income	361,044	12,606,634
Finance (expense) income, net	(137,251)	151,788
Share of income of associates, net	—	847
Income before income taxes	223,793	12,759,269
Income taxes	67,138	4,229,722
Net income from discontinued operations	Ps. 156,655	Ps. 8,529,547

In connection with the TelevisaUnivision Transaction, the Group recognized an income from disposition of discontinued operations in the aggregate amount of Ps.93,066,741 in its consolidated statement of income for the year ended December 31, 2022, comprising a consideration in cash from TelevisaUnivision in the aggregate amount of U.S.\$2,971.3 million (Ps.61,214,741); consideration in the form of common and preferred stock of TelevisaUnivision, in the aggregate amount of U.S.\$1,500.0 million (Ps.30,912,000); and a cash consideration received from Tritón Comunicaciones, S.A. de C.V., a company of the Azcárraga family, in the amount of Ps.940,000, related to the purchase of the rights for the production of news content for Mexico. The gain on disposition of discontinued operations related to the TelevisaUnivision Transaction, net of income taxes, amounted to Ps.56,065,530, for the year ended December 31, 2022, and a loss of Ps.1,943,647, for the year ended December 31, 2021, and consisted of the total consideration received by the Group for the shares of those companies that were disposed of by the Group on January 31, 2022, and certain other net assets and rights that were transferred by the Group to TelevisaUnivision and Tritón, less the carrying amounts of these consolidated net assets as of January 31, 2022, and related expenses and income taxes incurred by the Group in connection with the TelevisaUnivision Transaction for the years ended December 31, 2022 and 2021 (see Note 3).

Gain or (loss) on disposition of discontinued operations, net, for the years ended December 31, 2022, and 2021, is presented as follows:

	2022	2021
Gain (loss) on disposition of discontinued operations before income taxes	Ps. 75,192,421	Ps. (1,100,645)
Income taxes	19,126,891	843,002
Gain (loss) on disposition of discontinued operations, net	Ps. 56,065,530	Ps. (1,943,647)

[Table of Contents](#)

The total carrying amount of the consolidated net assets disposed of by the Group on January 31, 2022, in connection with the TelevisaUnivision Transaction is presented, as follows:

	<b>January 31, 2022</b>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	Ps.	(1,890,141)
Trade accounts and notes receivable, net		(1,997,862)
Other accounts, taxes receivable and notes receivable, net		(2,388,939)
Transmission rights and programming		(7,162,846)
Other current assets		(2,312,941)
Total current assets		<u>(15,752,729)</u>
Non-current assets:		
Transmission rights and programming		(8,513,024)
Investments in financial instruments		(1,721,654)
Property, plant and equipment, net		(3,955,680)
Right-of-use assets, net		(2,179,704)
Intangible assets, net and goodwill		(623,818)
Deferred income tax assets		(7,847,995)
Other assets		(9,716)
Total non-current assets		<u>(24,851,591)</u>
Total assets	Ps.	<u>(40,604,320)</u>
<b>LIABILITIES</b>		
Current liabilities:		
Current portion of lease liabilities		470,686
Trade accounts payable and accrued expenses		6,856,041
Customer deposits and advances		2,071,060
Due from related parties		5,383,763
Other current liabilities		1,983,995
Total current liabilities		<u>16,765,545</u>
Non-currents liabilities:		
Lease liabilities, net of current portion		1,703,747
Post-employment benefits		1,105,376
Other non-current liabilities		4,246,327
Total non-current liabilities		<u>7,055,450</u>
Total liabilities		<u>23,820,995</u>
Other net assets		3,598,567
<b>Total net assets</b>	Ps.	<u>(13,184,758)</u>
Consideration received, satisfied in cash		
Cash and cash equivalents disposed of	Ps.	67,985,597
<b>Net cash inflows</b>	Ps.	<u>66,095,454</u>

**Cash flows provided by (used in) discontinued operations:**

	<u>2022</u>	<u>2021</u>
Net cash provided by operating activities	Ps. —	Ps. 6,993,434
Net cash provided by (used in) investing activities	66,025,838	(2,016,523)
Net cash used in financing activities	(15,218)	(758,999)
Net cash flows	Ps. <u>66,010,620</u>	Ps. <u>4,217,912</u>

## 29. Events after the Reporting Period

As discussed in Note 3, the Company completed the Spin-off on January 31, 2024 by creating Ollamani, which holds the Spun-off Businesses and has the same shareholding structure as the Company. The businesses of Cable and Sky, the Group's investment in TelevisaUnivision, broadcasting concessions and infrastructure, as well as other assets and real estate related to these businesses, remained in the Group. The Company obtained all required corporate and regulatory authorizations for the Spin-off on February 12, 2024. The shares of Ollamani began trading separately from the Company on the Mexican Stock Exchange on February 20, 2024, in the form of CPOs, under the ticker symbol "AGUILAS CPO." Beginning with the first quarter of 2024, the Group will begin presenting the results of operations of the Spun-off Businesses as discontinued operations in its consolidated statements of income for any comparative prior period and for the month ended January 31, 2024.

As a result of the Spin-off carried out on January 31, 2024, and the Company's distribution of the related Spun-off Businesses to Ollamani, the Company's capital stock reflected a reduction of Ps.752,071 (nominal Ps.376,844) in the first quarter of 2024, without having modified the number of outstanding shares of the Company.

The carrying amount of consolidated net assets of the Group's Spun-off Businesses as of December 31, 2023, represented approximately 4.5% of the Group's consolidated equity as of that date. The segment revenues and segment income of the Group's Spun-off Businesses for the year ended December 31, 2023, represented approximately 8.3% and 4.7%, respectively, of the Group's total segment revenues and total segment income, respectively, for that year.

On February 22, 2024, the Company's Board of Directors approved a proposed dividend of Ps.0.35 per CPO payable in the second quarter of 2024, subject to approval of the Company's stockholders.

On April 3, 2024, the Company announced that it has reached an agreement with AT&T for the acquisition of its participation in Sky, by which the Company would become an owner of 100% of the Sky's capital stock. As part of this agreement, the transaction price would be paid by the Group in 2027 and 2028. The transaction is subject to customary regulatory approvals.

On April 9, 2024, we (i) executed a credit agreement with a syndicate of banks (the "Credit Agreement") for a five-year term loan in a principal amount of Ps.10,000 million, and a five-year revolving credit facility in the amount of U.S.\$500 million, with loans thereunder to be funded in Mexican pesos; and (ii) terminated an unused revolving credit facility entered into 2022 with a syndicate of banks in the amount of U.S.\$650 million, with an original maturity in 2025. The loans under the Credit Agreement will bear interest at a floating rate based on a spread of 125 bps or 150 bps over the 28 day THIE Rate depending on our net leverage ratio. The Credit Agreement requires the maintenance of financial ratios related to indebtedness and interest expense. On April 11, 2024, we used the proceeds of the loans under the Credit Agreement to prepay in full amounts outstanding under the credit agreement entered into by the Company in 2019 with a syndicate of banks in the principal amount of Ps.10,000 million, with an original maturity in June 2024.

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS18"), introducing new requirements to (i) improve comparability in the statement of income; (ii) enhance transparency of management-defined performance measures; and (iii) provide more useful grouping of information in the financial statements. IFRS 18 replaces IAS 1 *Presentation of Financial Statements* ("IAS 1") and carries forward many requirements from IAS 1 unchanged. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted.

On April 26, 2024, the Company's stockholders approved, among other resolutions, (i) the audited consolidated financial statements of the Company as of December 31, 2023, and for the year ended on that date; and (ii) the payment of a dividend of Ps.0.35 per CPO and Ps.0.002991452991 per share of Series "A," "B," "D," and "L" Shares, not in the form of a CPO, which will be paid in May 2024.

**Grupo Televisa, S.A.B.**  
**Subsidiaries, Associates, Joint Ventures and Other Investments**  
**as of December 31, 2023**

<u>Name of Company</u>	<u>Country of Incorporation</u>
Alektis Consultores, S. de R.L. de C.V.	Mexico
Club de Fútbol América, S.A. de C.V. (4)	Mexico
Coisa, Consultores Industriales, S.A. de C.V.	Mexico
Controladora de Juegos y Sorteos de México, S.A. de C.V. (4)	Mexico
Apuestas Internacionales, S.A. de C.V. (4)	Mexico
Magical Entertainment, S. de R.L. de C.V. (4)	Mexico
Telestar de Occidente, S.A. de C.V. (4)	Mexico
Teatro de los Insurgentes, S.A. de C.V. (4)	Mexico
Corporativo Vasco de Quiroga, S.A. de C.V.	Mexico
Administradora de Sistemas de Comunicación, S.A. de C.V.	Mexico
Alvafig Holdings, S.A. de C.V.	Mexico
Aryadeba, S.A. de C.V.	Mexico
Cable y Comunicación de Morelia, S.A. de C.V.	Mexico
Cablemás Telecomunicaciones, S.A. de C.V.	Mexico
Cablemás International Telecomm, LLC (1)	United States of America
CM Equipos y Soporte, S.A. de C.V.	Mexico
Equipos e Insumos de Telecomunicaciones, S.A. de C.V.	Mexico
Grupo Mapsani, S.A. de C.V.	Mexico
IZZIT, S.A. de C.V.	Mexico
Sumant, S.A. de C.V.	Mexico
Amur Importaciones, S.A. de C.V.	Mexico
Apocali, S.A. de C.V.	Mexico
Apoyo Telefónico Cablemás, S.A. de C.V.	Mexico
Arretis, S.A.P.I. de C.V.	Mexico
Cable Administradora, S.A. de C.V.	Mexico
Grupo Cable Asesores, S.A. de C.V.	Mexico
Cable Servicios Corporativos, S.A. de C.V.	Mexico
México Red de Telecomunicaciones, S. de R.L. de C.V.	Mexico
Metrored Telecom Services, Inc.	United States of America
Teleicable Regional, S.A. de C.V.	Mexico
TIN, S.A. de C.V.	Mexico
Brokers Mol, S.A. de C.V.	Mexico
Cable TV Internacional, S.A. de C.V.	Mexico
Cablemás Holdings, S.A. de C.V.	Mexico
Cablevisión Red, S.A. de C.V.	Mexico
Caredteletv Servicios Administrativos FTTH de México, S.A. de C.V.	Mexico
Constructora Cablemás, S.A. de C.V.	Mexico
Desarrollos H5, S.A. de C.V.	Mexico
DKM Broker, S.A. de C.V.	Mexico
Empresas Cablevisión, S.A.B. de C.V.	Mexico
Mílar, S.A. de C.V.	Mexico
Cablebox, S.A. de C.V.	Mexico
Cablestar, S.A. de C.V.	Mexico
Bestel USA, Inc.	United States of America

Name of Company	Country of Incorporation
Letsab, S.A. de C.V.	Mexico
Operbes, S.A. de C.V.	Mexico
Servicios Operbes, S.A. de C.V.	Mexico
Cablevisión, S.A. de C.V.	Mexico
Grupo Mexicano de Cable, S.A. de C.V.	Mexico
Integravisión de Occidente, S.A. de C.V.	Mexico
Servicios Cablevisión, S.A. de C.V.	Mexico
Servicios Técnicos Cablevisión, S.A. de C.V.	Mexico
Telestar del Pacífico, S.A. de C.V.	Mexico
Fodels, S.A. de C.V.	Mexico
Gerit Profesionales, S.A. de C.V.	Mexico
Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. and subsidiary (*)	Mexico
Inmobiliaria Cablemás, S.A. de C.V.	Mexico
Bekyc Apoyo y Servicios de Ventas, S.A. de C.V.	Mexico
La Esquina de Prado Norte, S.A. de C.V.	Mexico
Mega Com-M Servicios, S.A. de C.V.	Mexico
Operadora de Redes, S.A. de C.V. (*) (1)	Mexico
Profesionales en Ventas y Mercadeo, S.A. de C.V.	Mexico
Punta Mita H5, S.A. de C.V.	Mexico
Ruta de Arte y Cultura, S.A. de C.V.	Mexico
San Angel Telecom, S.A. de C.V.	Mexico
Servicios Administrativos Cablemás, S.A. de C.V.	Mexico
Servicios Integrales para Sistemas de Cable, S.A. de C.V.	Mexico
SJT Restaurantes, S.A. de C.V.	Mexico
Sky DTH, S.A. de C.V.	Mexico
Innova Holdings, S. de R.L. de C.V.	Mexico
Innova, S. de R.L. de C.V.	Mexico
Corporación Novaimagen, S. de R.L. de C.V.	Mexico
Corporación Novavisión, S. de R.L. de C.V.	Mexico
Corporación Satelital Novavisión Dominicana, S.A.S	Dominican Republic
Novavisión Group, Inc.	United States of America
Novavisión Honduras, S.A. de C.V.	Honduras
Novavisión Panamá, S.A.	Panama
Media Visión de Panamá, S.A.	Panama
Ridge Manor, S.R.L.	Spain
Servicios Directos de Satélite, S.A.	Spain
Sky El Salvador, S.A. de C.V.	Costa Rica
Televisión Novavisión de Guatemala, S.A.	El Salvador
Corporación de Radio y Televisión del Norte de México, S. de R.L. de C.V.	Guatemala
Galaxy Nicaragua, S.A.	Mexico
Innovación Sistemática y Comercial, S. de R.L. de C.V.	Nicaragua
Novabox, S. de R.L. de C.V.	Mexico
Nova Call-Center, S. de R.L. de C.V.	Mexico
Servicios Corporativos de Telefonía, S. de R.L. de C.V.	Mexico
Servicios Novasat, S. de R.L. de C.V.	Mexico
Tele Cable de Michoacán, S.A. de C.V.	Mexico
Televisión Internacional, S.A. de C.V.	Mexico
Grupo Servicomicación, S.A. de C.V.	Mexico
Multibip, S.A. de C.V. (1)	Mexico
R.H. Servicios Administrativos, S.A. de C.V.	Mexico
R.H. Servicios Ejecutivos, S.A. de C.V.	Mexico
Servicios Telum, S.A. de C.V.	Mexico
Sintonía Fina, S.A. de C.V. (1)	Mexico
Técnica Avanzada en Cableados, S.A. de C.V.	Mexico
TV Cable de Oriente, S.A. de C.V.	Mexico
Traslados Electrónicos, S.A. de C.V.	Mexico
Unisat Mexicana, S.A. de C.V.	Mexico
DTH Europa, S.A.U.	Spain
Editorial Televisa, S.A. de C.V. (4)	Mexico
Editorial Televisa Colombia, S.A. (1) (4)	Colombia
Editorial Televisa Venezuela, S.A. (1) (4)	Venezuela
Editorial Zinet Televisa, S.A. de C.V. (4)	Mexico
VeneTel Servicios Publicitarios, S.A. (1) (4)	Venezuela

<b>Name of Company</b>	<b>Country of Incorporation</b>
Factum Más, S.A. de C.V.	Mexico
Fútbol del Distrito Federal, S.A. de C.V. (4)	Mexico
Grupo Distribuidoras Intermex, S.A. de C.V. (4)	Mexico
Distribuidora Intermex, S.A. de C.V. (4)	Mexico
Gonarmex, S.A. de C.V. (4)	Mexico
Distribuidora Los Andes, S.A. (2) (4)	Ecuador
Vanipubli Ecuatoriana, S.A. (2) (4)	Ecuador
Grupo Telesistema, S.A. de C.V. (3)	Mexico
Altavista Sur Inmobiliaria, S.A. de C.V.	Mexico
Auto Rent Acuario, S. de R.L. de C.V.	Mexico
Televisa Argentina, S.A. (1)	Argentina
Corporativo TD Sports, S.A. de C.V. (3)	Mexico
En Vivo Espectáculos, S. de R.L. de C.V.	Mexico
G. Televisa-D, S.A. de C.V.	Mexico
Grupo Bissagio, S.A. de C.V.	Mexico
Multimedia Telecom, S.A. de C.V. (3)	Mexico
Comunicaciones Tieren, S.A. de C.V. (3)	Mexico
TelevisaUnivision, Inc. and subsidiaries (*)	United States of America
Villacezán, S.A. de C.V. (3)	Mexico
CVQ Espectáculos, S.A. de C.V.	Mexico
Flyacross, S.A. de C.V. (*)	Mexico
Periódico Digital Sendero, S.A.P.I. de C.V. and subsidiary (*)	Mexico
Grupo Comunicación y Esfuerzo Comercial, S.A. de C.V. (1)	Mexico
Marcas y Desarrollos, S.A. de C.V. (*) (1)	Mexico
Mednet, S.A. de C.V. (*) (2)	Mexico
Productora Contadero, S.A. de C.V. (*) (1)	Mexico
Inmobiliaria Amber, S.A. de C.V.	Mexico
Medios y Estrategias Promocionales, S.A. de C.V.	Mexico
Mexvisa Ltd.	Switzerland
Mountrigi Management Group Ltd.	Switzerland
Operadora Dos Mil, S.A. de C.V. (1)	Mexico
Teleinmobiliaria, S. de R.L. de C.V.	Mexico
Televisa Transmedia, S.A. de C.V.	Mexico
TelevisaUnivision, Inc. and subsidiaries (*)	United States of America
Televisión Independiente de México, S.A. de C.V.	Mexico
Desarrollo Milaz, S.A. de C.V.	Mexico
Radio Televisión, S.A. de C.V.	Mexico
Teleimagen del Noroeste, S.A. de C.V.	Mexico
Telemercado Alameda, S. de R.L. de C.V. (*) (2)	Mexico
Televimex, S.A. de C.V.	Mexico
Televisora de Navojoa, S.A.	Mexico
Televisora de Occidente, S.A. de C.V.	Mexico
Televisora Peninsular, S.A. de C.V.	Mexico
Terma, S.A. de C.V.	Mexico
Todos Los Jugadores, S.A. de C.V. (*)	Mexico
Kapa Capital, S.A. de C.V.	Mexico
Multimedia CTI, S.A. de C.V.	Mexico
Promo-Industrias Metropolitanas, S.A. de C.V. (3)	Mexico
Distribuidora Panamex, S.A. (1)	Panama
Servicios Administrativos DYE, S.A. de C.V. (4)	Mexico
SOC Servicio Operativo Centralizado, S.A. de C.V. (4)	Mexico
Ulvik, S.A. de C.V.	Mexico
Televisa Corporación, S.A. de C.V.	Mexico
Administradora de Prestaciones Sociales, S.C.	Mexico

(\*) Associate or Joint Venture.

(1) Without current operations.

(2) In process of liquidation.

(3) Companies with investment in shares of TelevisaUnivision, Inc.

(4) Companies that were separated from Grupo Televisa, S.A.B. through a spin-off of the companies on January 31, 2024, to create a new controlling entity listed on the Mexican Stock Exchange. For more information regarding the spin-off, please see "Information on the Company—Business Overview—Other Businesses—Spin-off of Our Other Businesses Segment" in the Form 20-F.

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Alfonso de Angoitia Noriega, certify that:

1. I have reviewed this annual report on Form 20-F of Grupo Televisa, S.A.B.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 30, 2024

By: /s/ Alfonso de Angoitia Noriega  
Name: Alfonso de Angoitia Noriega  
Title: Co-Chief Executive Officer

---

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Bernardo Gómez Martínez, certify that:

1. I have reviewed this annual report on Form 20-F of Grupo Televisa, S.A.B.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 30, 2024

By: /s/ Bernardo Gómez Martínez  
Name: Bernardo Gómez Martínez  
Title: Co-Chief Executive Officer

---



**CERTIFICATION OF CHIEF FINANCIAL OFFICER**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Carlos Phillips Margain, certify that:

1. I have reviewed this annual report on Form 20-F of Grupo Televisa, S.A.B.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 30, 2024

By: /s/ Carlos Phillips Margain

Name: Carlos Phillips Margain

Title: Chief Financial Officer

---

**GRUPO TELEVISA, S.A.B.**  
**SECTION 906 CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER**

I, Alfonso de Angoitia Noriega, Co-Chief Executive Officer of Grupo Televisa, S.A.B. (the “Company”), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Company’s annual report on Form 20-F for the fiscal year ended December 31, 2023, to which this statement is filed as an exhibit (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2024

By: /s/ Alfonso de Angoitia Noriega

Name: Alfonso de Angoitia Noriega

Title: Co-Chief Executive Officer

---

**GRUPO TELEVISA, S.A.B.**  
**SECTION 906 CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER**

I, Bernardo Gómez Martínez, Co-Chief Executive Officer of Grupo Televisa, S.A.B. (the "Company"), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Company's annual report on Form 20-F for the fiscal year ended December 31, 2023, to which this statement is filed as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2024

By: /s/ Bernardo Gómez Martínez

Name: Bernardo Gómez Martínez

Title: Co-Chief Executive Officer

---

**GRUPO TELEVISA, S.A.B.**  
**SECTION 906 CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Carlos Phillips Margain, Chief Financial Officer of Grupo Televisa, S.A.B. (the “Company”), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Company’s annual report on Form 20-F for the fiscal year ended December 31, 2023, to which this statement is filed as an exhibit (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2024

By: /s/ Carlos Phillips Margain

Name: Carlos Phillips Margain

Title: Chief Financial Officer

---

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the registration statements on Form S-8 (No. 333-126827) and Form F-3 (No. 333- 266477) of our reports dated April 30, 2024, with respect to the consolidated financial statements of Grupo Televisa, S.A.B. and the effectiveness of internal control over financial reporting.

/s/ KPMG Cardenas Dosal, S. C.  
Mexico City, Mexico  
April 30, 2024

---

**CONSENT OF INDEPENDENT AUDITORS**

We consent to the incorporation by reference in the following Registration Statements of Grupo Televisa, S.A.B.:

- (a) Registration Statement on Form S-8 (No. 333-126827); and
- (b) Registration Statement on Form F-3 (No. 333-266477).

of our report dated April 15, 2024, with respect to the consolidated financial statements of TelevisaUnivision, Inc. included in this Annual Report on Form 20-F of Grupo Televisa, S.A.B. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

New York, New York  
April 30, 2024

---

**GRUPO TELEVISIA, S.A.B.**  
**POLICY FOR THE**  
**RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION**

Grupo Televisa, S.A.B. (the “*Company*”) has, on October 26, 2023, adopted this Policy for the Recovery of Erroneously Awarded Compensation (the “*Policy*”), effective as of October 2, 2023 (the “*Effective Date*”) in order to comply with the rules of the U.S. Securities and Exchange Commission and the listing rules of New York Stock Exchange (“*NYSE*”). Capitalized terms used in this Policy but not otherwise defined in the text of this policy are defined in Section 13.

The purpose of this Policy is to describe the circumstances in which Officers will be required to repay or return Erroneously Awarded Compensation to the Company in accordance with the Applicable Rules. This Policy shall apply to, and be enforceable against, any Officer and his or her successors (as specified in Section 11 of this Policy) regardless of whether or not such Officer properly signs and returns to the Company any acknowledgement and acceptance form of this Policy, and regardless of whether or not such Officer is aware of his or her status as such.

**1. Persons Subject to Policy**

This Policy applies to current and former Officers of the Company.

**2. Compensation Subject to Policy**

This Policy applies to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is “received” or is deemed to be “received” will be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is “received” in the Company’s fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

**3. Recovery of Compensation**

In the event that the Company is required to prepare a Restatement, the Company is required to recover, reasonably promptly, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be impracticable, which may occur if:

- the recovery would violate the laws of Mexico adopted prior to November 28, 2022, including Mexican labor laws; provided that the Company has (i) obtained an opinion of Mexican counsel, acceptable to the relevant listing exchange, that recovery would result in such violation, and (ii) provided such opinion to NYSE;
  - the direct costs payable to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company has (i) made reasonable attempts to recover the Erroneously Awarded Compensation, (ii)
-

- documented such attempt(s), and (iii) provided such documentation to NYSE; or
- recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

Recovery will be required regardless of whether the applicable Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any person's right to voluntarily terminate employment for "good reason," or due to a "constructive termination" (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

#### **4. Manner of Recovery; Limitation on Duplicative Recovery.**

The Committee will, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation or Erroneously Awarded Compensation, reimbursement or repayment by any Officer subject to this Policy, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation against other compensation payable by the Company or an affiliate of the Company to such Officer. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously Awarded Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation will be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such Officer.

#### **5. Administration**

This Policy will be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the "**Board**") may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the "Committee" will be deemed to be references to the Board. Subject to any permitted review by the applicable U.S. national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy will be final, conclusive and binding on all persons, including the Company and its affiliates, equity holders, current and former Officers, and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

---



**6. Interpretation**

This Policy will be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules or its application is, based on an opinion of local counsel determined to be illegal or unenforceable under Mexican law, it will be deemed amended to the minimum extent necessary to ensure compliance therewith.

**7. No Indemnification; No Personal Liability**

The Company will not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor will the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under this Policy. No member of the Committee or the Board will have any personal liability to any person as a result of actions taken under this Policy in such capacity, and each member of the Committee and the Board will be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any actions taken under this Policy. The foregoing sentence will not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

**8. Application; Enforceability**

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the "*Other Recovery Arrangements*"). The remedy specified in this Policy will not be exclusive and will be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company.

**9. Severability**

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, including but not limited to the laws of Mexico, such provision will be applied to the maximum extent permitted, and will automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

**10. Amendment and Termination**

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a U.S. national securities exchange or association.

---

## 11. Successors

This Policy will be binding and enforceable against all current or former Officers who are subject to the Policy and their beneficiaries, heirs, executors, administrators, and other legal representatives.

## 12. Required Disclosures

The Company will file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including any disclosures required by the SEC.

## 13. Definitions

“**Applicable Rules**” means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the U.S. national securities exchange or association on which the Company’s securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any U.S. national securities exchange or association on which the Company’s securities are listed.

“**Committee**” means the committee of the Board responsible for executive compensation decisions comprised solely of independent directors (as determined under the Applicable Rules), currently named *Comité de Prácticas Societarias* (Corporate Practices and Compensation Committee).

“**Erroneously Awarded Compensation**” means, in the event of a Restatement, the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Financial Reporting Measure**” means any measure determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures derived wholly or in part from such measures, including IFRS and non- IFRS financial measures, as well as stock or share price and total equity holder return.

“**IFRS**” means international financial reporting standards as adopted by the International Accounting Standards Board.

“**Incentive-Based Compensation**” means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after beginning service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the Company has a class of its securities listed on a national securities exchange; and (d) during the applicable Three-Year Period.

“**Officer**” means each person who serves as an executive officer of the Company, as defined

---

in Rule 10D-1(d) under the Exchange Act.

**“Restatement”** means an accounting restatement to correct the Company’s material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

**“Three-Year Period”** means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The “Three-Year Period” also includes any transition period (that results from a change in the Company’s fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months will be deemed a completed fiscal year.

---

**TELEVISAUNIVISION, INC. AND SUBSIDIARIES**  
**2023 Year End Financial Information**



TELEVISAUNIVISION, INC. AND SUBSIDIARIES

INDEX

	<u>Page</u>
<b>Financial Information:</b>	
Report of Independent Auditors .....	3
Consolidated Balance Sheets at December 31, 2023 and December 31, 2022 .....	5
Consolidated Statements of Operations for the years ended December 31, 2023 and December 31, 2022 and for the periods from May 18, 2021 through December 31, 2021 and from January 1, 2021 through May 17, 2021 (Successor entity) and from January 1, 2021 through May 17, 2021 (Predecessor entity) .....	6
Consolidated Statements of Comprehensive (Loss) Income for the years ended December 31, 2023 and December 31, 2022 and for the periods from May 18, 2021 through December 31, 2021 and from January 1, 2021 through May 17, 2021 (Successor entity) and from January 1, 2021 through May 17, 2021 (Predecessor entity) .....	7
Consolidated Statements of Changes in Redeemable Convertible Preferred Stock and Stockholders' Equity for the years ended December 31, 2023 and December 31, 2022 and for the periods from May 18, 2021 through December 31, 2021 and from January 1, 2021 through May 17, 2021 (Successor entity) and from January 1, 2021 through May 17, 2021 (Predecessor entity) .....	8
Consolidated Statements of Cash Flows for the years ended December 31, 2023 and December 31, 2022 and for the periods from May 18, 2021 through December 31, 2021 and from January 1, 2021 through May 17, 2021 (Successor entity) and from January 1, 2021 through May 17, 2021 (Predecessor entity) .....	9
Notes to Consolidated Financial Statements .....	10



Ernst & Young LLP  
1 Manhattan West Ave  
New York, NY 10001-2177

Tel: +1 212 773 3000  
Fax: +1 212 773 6350  
ey.com

## Report of Independent Auditors

Board of Directors and Stockholders of  
TelevisaUnivision, Inc. and subsidiaries

### Opinion

We have audited the consolidated financial statements of TelevisaUnivision, Inc. and subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022 (Successor entity), and the related consolidated statements of operations, comprehensive (loss) income, changes in redeemable convertible preferred stock and stockholder's equity and cash flows for the year ended December 31, 2023 (Successor entity), for the year ended December 31, 2022 (Successor entity), and the periods from January 1, 2021 through May 17, 2021 (Successor entity) and May 18, 2021 through December 31, 2021 (Successor entity), and the period from January 1, 2021 through May 17, 2021 (Predecessor entity), and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022 (Successor entity), and the results of its operations and its cash flows for the years ended December 31, 2023 and 2022 (Successor entity) and the periods from January 1, 2021 through May 17, 2021 (Successor entity) and May 18, 2021 through December 31, 2021 (Successor entity), and the period from January 1, 2021 through May 17, 2021 (Predecessor entity) in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

A member firm of Ernst & Young Global Limited



- 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Ernst + Young LLP*

April 15, 2024

**TELEVISION UNIVISION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share and per-share data)

	December 31, 2023	December 31, 2022
	(Successor entity)	(Successor entity)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 220,900	\$ 538,600
Accounts receivable, net	1,160,600	971,200
Program rights and prepayments	116,000	68,800
Income taxes	216,300	143,100
Prepaid expenses and other	327,900	327,400
Total current assets	<u>2,041,700</u>	<u>2,049,100</u>
Property and equipment, net	1,202,600	1,113,000
Intangible assets, net	6,234,600	6,579,200
Goodwill	5,911,200	6,319,800
Program rights and prepayments	1,165,400	731,500
Investments	279,300	239,100
Operating lease right-of-use assets	136,500	176,000
Deferred tax assets	248,500	131,300
Other assets	106,100	155,400
Total assets	<u>\$ 17,325,900</u>	<u>\$ 17,494,400</u>
<b>LIABILITIES, REDEEMABLE CONVERTIBLE STOCK AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,153,100	\$ 1,041,200
Deferred revenue	284,100	204,100
Current operating lease liabilities	34,700	45,900
Current portion of long-term debt and finance lease obligations	308,500	113,800
Total current liabilities	<u>1,780,400</u>	<u>1,405,000</u>
Long-term debt and finance lease obligations	9,571,100	9,911,400
Deferred tax liabilities, net	818,900	818,800
Deferred revenue	78,300	70,800
Noncurrent operating lease liabilities	126,300	171,800
Other long-term liabilities	289,100	186,500
Total liabilities	<u>12,664,100</u>	<u>12,564,300</u>
Redeemable Convertible Preferred Stock:		
Series A Preferred Stock, par value \$1,000 per share, 500,000 authorized and none issued at December 31, 2023 and 2022	\$ —	\$ —
Series B Preferred Stock, par value \$1,000 per share, 750,000 authorized and issued at December 31, 2023 and 2022	852,600	852,600
Series C Preferred Stock, par value \$1,000 per share, 1,008,640 authorized and 1,008,014 issued at December 31, 2023 and 2022	1,007,100	1,007,100
Stockholders' equity:		
Class A Common Stock, par value \$0.001 per share, 50,000,000 authorized and 19,984,500 issued at December 31, 2023 and 19,564,852 issued at December 31, 2022	—	—
Class C Subordinated Common Stock, par value \$0.001 per share, 5,000,000 authorized and 842,128 issued at December 31, 2023 and 2022	—	—
Additional paid-in-capital	3,462,800	3,417,400
Treasury stock, at cost: 128,004 shares	(9,600)	(9,600)
Accumulated deficit	(1,676,900)	(822,900)
Accumulated other comprehensive income	1,025,800	485,500
Total stockholders' equity	<u>2,802,100</u>	<u>3,070,400</u>
Total liabilities, redeemable convertible preferred stock, and stockholders' equity	<u>\$ 17,325,900</u>	<u>\$ 17,494,400</u>

See Notes to Consolidated Financial Statements.



**TELEVISAUNIVISION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands)

	Successor entity				Predecessor entity
	Year Ended December 31, 2023	Year Ended December 31, 2022	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021	Period from January 1, 2021 through May 17, 2021
Revenue .....	\$ 4,928,000	\$ 4,625,900	\$ 1,864,100	\$ —	\$ 976,900
Direct operating expenses .....	1,914,900	1,751,100	718,200	—	377,000
Selling, general and administrative expenses .....	1,496,100	1,359,500	534,500	—	230,300
Impairment loss .....	1,011,800	1,663,200	9,300	—	92,900
Restructuring, severance and related charges .....	53,400	68,500	59,300	—	7,600
Depreciation and amortization .....	570,700	524,300	198,600	—	52,900
(Gain) loss on dispositions .....	(27,500)	(40,600)	900	—	500
Operating (loss) income .....	(91,400)	(700,100)	343,300	—	215,700
Other expense (income):					
Interest expense .....	680,400	572,200	252,100	—	167,400
Interest income .....	(19,800)	(11,400)	(400)	—	—
Amortization of deferred financing costs .....	15,400	12,600	2,600	—	6,200
(Gain) loss on refinancing of debt .....	(6,900)	(5,400)	4,100	—	—
Loss (gain) on investments .....	51,800	41,300	(23,400)	(637,000)	(16,000)
Other, net .....	8,200	65,700	13,900	—	4,000
(Loss) income before income taxes .....	(820,500)	(1,375,100)	94,400	637,000	54,100
Provision for income taxes .....	33,500	167,100	8,900	3,200	5,900
Net (loss) income attributable to Successor/ Predecessor entity .....	<u>\$ (854,000)</u>	<u>\$ (1,542,200)</u>	<u>\$ 85,500</u>	<u>\$ 633,800</u>	<u>\$ 48,200</u>

See Notes to Consolidated Financial Statements.

**TELEVISAUNIVISION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**  
(In thousands)

	Successor entity				Predecessor entity
	Year Ended December 31, 2023	Year Ended December 31, 2022	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021	Period from January 1, 2021 through May 17, 2021
Net (loss) income .....	\$ (854,000)	\$ (1,542,200)	\$ 85,500	\$ 633,800	\$ 48,200
Other comprehensive income (loss), net of tax:					
Unrealized (loss) gain on hedging activities .....	(37,200)	165,000	32,100	—	16,900
Reclassification of hedging activities .....	(17,400)	(17,300)	(15,700)	—	—
Unrealized (loss) gain on pension activities, net of taxes .....	(9,100)	7,800	—	—	—
Amortization of unrealized gain on pension activities, net of taxes .....	(1,300)	—	—	—	—
Currency translation adjustment .....	605,300	313,900	(300)	—	(100)
Other comprehensive income .....	540,300	469,400	16,100	—	16,800
Comprehensive (loss) income attributable to Successor/Predecessor entity .....	<u>\$ (313,700)</u>	<u>\$ (1,072,800)</u>	<u>\$ 101,600</u>	<u>\$ 633,800</u>	<u>\$ 65,000</u>

See Notes to Consolidated Financial Statements.

**TELEVISAUNIVISION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE**  
**CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY**  
(In thousands)

**Univision Holdings, Inc. and Subsidiaries Stockholders' Equity (Predecessor entity)**

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in-Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Total
	Shares '000	Amount	Shares '000	Amount				
	Predecessor Balance, December 31, 2020	100	\$ 100,000	14,036				
Net income	—	—	—	—	—	48,200	—	48,200
Other comprehensive income	—	—	—	—	—	—	16,800	16,800
Net share settlement on equity awards to employees	—	—	—	—	(800)	—	—	(800)
Share-Based compensation	—	—	—	—	4,000	—	—	4,000
Predecessor Balance, May 17, 2021	100	\$ 100,000	14,036	\$ —	\$ 5,447,100	\$ (4,912,300)	\$ (141,400)	\$ 393,400

**TelevisaUnivision, Inc. (formerly known as Univision Holdings II, Inc.) and Subsidiaries Stockholders' Equity (Successor entity)**

	Redeemable Convertible Preferred Stock		Common Stock		Treasury Stock	Additional Paid-in-Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Total
	Shares '000	Amount	Shares '000	Amount					
	Successor Balance, January 1, 2021	100	\$ 100,000	4,167					
Net income	—	—	—	—	—	633,800	—	—	633,800
Successor Balance, May 18, 2021	100	\$ 100,000	4,167	\$ —	\$ 215,300	\$ —	\$ 633,800	\$ —	\$ 849,100
Issuance of equity consideration due to UH Holdco Business Combination	—	269,400	10,028	—	2,024,200	—	—	—	2,024,200
Share-based awards assumed due to UH Holdco Business Combination	—	—	—	—	5,400	—	—	—	5,400
Net income	—	—	—	—	—	85,500	—	—	85,500
Other comprehensive income	—	—	—	—	—	—	16,100	—	16,100
Repurchase of common stock	—	—	(7)	—	(1,000)	—	—	—	(1,000)
Net share settlement on equity awards to employees	—	—	—	—	(3,200)	—	—	—	(3,200)
Share-Based compensation	—	—	37	—	23,000	—	—	—	23,000
Successor Balance, December 31, 2021	100	\$ 369,400	14,225	\$ —	\$ 2,263,700	\$ —	\$ 719,300	\$ 16,100	\$ 2,999,100
Net loss	—	—	—	—	—	—	(1,542,200)	—	(1,542,200)
Other comprehensive income	—	—	—	—	—	—	469,400	—	469,400
Equity issuance to effectuate the TelevisaUnivision transaction	—	—	3,590	—	742,600	—	—	—	742,600
Conversion of preferred shares into common shares	(100)	(369,400)	1,845	—	369,400	—	—	—	369,400
Issuance of series B preferred stock	750	852,600	—	—	—	—	—	—	—
Issuance of series C preferred stock	1,008	1,007,100	—	—	—	—	—	—	—
Repurchase of common stock	—	—	(128)	—	(3,700)	(9,600)	—	—	(13,300)
Net share settlement on equity awards to employees	—	—	—	—	(4,100)	—	—	—	(4,100)
Share-Based compensation	—	—	33	—	86,000	—	—	—	86,000
Dividend payments	—	—	—	—	(37,800)	—	—	—	(37,800)
Capital contribution	—	—	—	—	1,300	—	—	—	1,300
Successor Balance, December 31, 2022	1,758	\$ 1,859,700	19,565	\$ —	\$ 3,417,400	\$ (9,600)	\$ (822,900)	\$ 485,500	\$ 3,070,400
Net loss	—	—	—	—	—	—	(854,000)	—	(854,000)
Other comprehensive income	—	—	—	—	—	—	540,300	—	540,300
Issuance of common stock	—	—	147	—	—	—	—	—	—
Net share settlement on equity awards to employees	—	—	272	—	—	—	—	—	—
Share-Based compensation	—	—	—	—	87,800	—	—	—	87,800
Dividend on behalf of TelevisaUnivision, Inc.	—	—	—	—	(42,400)	—	—	—	(42,400)
Successor Balance, December 31, 2023	1,758	\$ 1,859,700	19,985	\$ —	\$ 3,462,800	\$ (9,600)	\$ (1,676,900)	\$ 1,025,800	\$ 2,802,100

See Notes to Consolidated Financial Statements.

**TELEVISAUNIVISION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	Successor entity				Predecessor entity
	Year Ended December 31, 2023	Year Ended December 31, 2022	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021	Period from January 1, 2021 through May 17, 2021
Cash flows from operating activities:					
Net (loss) income	\$ (854,000)	\$ (1,542,200)	\$ 85,500	\$ 633,800	\$ 48,200
Adjustments to reconcile net (loss) income to net cash provided by operating activities:					
Depreciation	223,300	197,300	60,100	—	31,000
Amortization of intangible assets	347,400	327,000	138,500	—	21,900
Amortization of deferred financing costs	15,400	12,600	2,600	—	6,200
Amortization of program rights and prepayments	889,300	909,400	171,800	—	69,600
Deferred income taxes	(81,800)	45,200	(200)	3,200	(2,600)
Non-cash deferred advertising commitments	(37,300)	(27,400)	(38,100)	—	(17,500)
Impairment loss	1,011,800	1,663,200	9,300	—	92,900
Debt extinguishment expense	—	17,600	4,100	—	—
Share-based compensation	87,800	87,500	23,000	—	4,000
(Gain) loss on dispositions	(27,500)	(40,600)	900	—	500
Other non-cash items	12,900	(24,800)	(63,200)	(637,000)	(16,100)
Changes in assets and liabilities:					
Accounts receivable, net	(181,300)	88,900	(104,200)	—	67,000
Program rights and prepayments	(1,345,100)	(1,049,800)	(186,800)	—	(76,400)
Prepaid expenses and other	(42,000)	(15,900)	(49,800)	—	(4,800)
Accounts payable and accrued liabilities	(21,100)	10,900	131,600	—	(42,500)
Deferred revenue	75,200	(318,300)	(6,100)	—	(2,100)
Other long-term liabilities	40,500	(17,500)	(14,900)	—	6,500
Other assets	(10,500)	(5,500)	(2,700)	—	22,900
Net cash provided by operating activities	<u>103,000</u>	<u>317,600</u>	<u>161,400</u>	<u>—</u>	<u>208,700</u>
Cash flows from investing activities:					
Capital expenditures	(168,400)	(133,700)	(29,700)	—	(12,500)
Proceeds on sale of investments and other assets	1,200	60,000	—	—	34,200
Investments and other acquisitions, net of cash acquired	(67,400)	(43,000)	(2,000)	—	(31,300)
Acquisition of businesses, net of cash acquired	100	(3,202,900)	—	—	—
Net cash used in investing activities	<u>(234,500)</u>	<u>(3,319,600)</u>	<u>(31,700)</u>	<u>—</u>	<u>(9,600)</u>
Cash flows from financing activities:					
Proceeds from issuance of long-term debt	1,503,500	2,937,300	3,013,800	—	—
Proceeds from revolving debt	—	—	107,100	—	—
Payments of long-term debt and finance leases	(1,708,600)	(1,969,800)	(1,977,700)	—	(54,500)
Payments of revolving debt	—	—	(117,100)	—	(63,200)
Payments of financing fees	(14,200)	(83,300)	(36,100)	—	—
Proceeds from (payments of) swap interest	70,600	(9,900)	(9,700)	—	—
Dividend payments	(42,400)	(37,800)	—	—	—
Repurchase of common stock	—	(13,300)	(1,000)	—	—
Tax payment related to net share settlement	—	(4,100)	(3,200)	—	(800)
Proceeds from stock options exercised	—	300	—	—	—
Capital contribution, net of fees	—	1,002,400	8,300	—	—
Net cash provided by (used in) financing activities	<u>(191,100)</u>	<u>1,821,800</u>	<u>984,400</u>	<u>—</u>	<u>(118,500)</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash	(322,600)	(1,180,200)	1,114,100	—	80,600
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	4,900	5,300	—	—	—
Cash, cash equivalents, and restricted cash, beginning of period	545,200	1,720,100	606,000	—	525,400
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 227,500</u>	<u>\$ 545,200</u>	<u>\$ 1,720,100</u>	<u>\$ —</u>	<u>\$ 606,000</u>
Supplemental disclosure of cash flow information:					
Interest paid	\$ 691,700	\$ 590,400	\$ 315,600	\$ —	\$ 131,800
Income taxes paid	\$ 165,300	\$ 206,300	\$ 4,400	\$ —	\$ 3,100
Finance lease obligations incurred to acquire assets	\$ 8,800	\$ 1,800	\$ —	\$ —	\$ 2,300

See Notes to Consolidated Financial Statements.

**TELEVISAUNIVISION, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2023**

**(Dollars in thousands, except share and per-share data, unless otherwise indicated)**

## **I. Company Background**

*Nature of operations*—TelevisaUnivision, Inc. (“TelevisaUnivision”), (formerly known as Univision Holdings II, Inc. (“UH Holdco”) or Searchlight III UTD L.P. (“Searchlight”)) is a holding company and the ultimate parent of Univision Communications Inc. Searchlight was originally formed on February 19, 2020 and held a 26.04% equity investment in Univision Holdings, Inc. (“UHI”). Effective May 18, 2021, UH Holdco became the owner of 100% of the issued and outstanding capital stock of UHI, (see “May 18, 2021 Reorganization Transaction” below). UHI owns Broadcast Media Partners Holdings, Inc. (“Broadcast Holdings”) which owns Univision Communications Inc. (together with its subsidiaries, collectively referred to herein as “UCI”). UH Holdco was renamed TelevisaUnivision upon the completion of the TelevisaUnivision Transaction (see “TelevisaUnivision Transaction” below). TelevisaUnivision together with its subsidiaries, are collectively referred to herein as the “Company”, except where the context indicates otherwise.

As the leading Spanish-language media and content company in the world, TelevisaUnivision features the largest Spanish-language library of owned content and industry-leading production capabilities that power its streaming, digital and linear television offerings, as well as its radio platforms. The Company’s linear networks include the top-rated broadcast networks *Univision* and *UniMás* in the U.S. and Las Estrellas and Canal 5 in Mexico. TelevisaUnivision is home to 38 Spanish-language cable networks, including *Galavisión* and TUDN, the No. 1 Spanish-language sports network in the U.S. and Mexico. With the most compelling portfolio of Spanish-language sports rights in the world, TelevisaUnivision has solidified itself as the home of soccer. TelevisaUnivision also owns and manages 59 television stations across the U.S. and four broadcast channels in Mexico, which are affiliated with 265 television stations and Videocine studio. TelevisaUnivision is home to premium streaming services VIX, which host over 50,000 hours of high-quality, original Spanish-language programming from distinguished producers and top talent. The Company’s prominent digital assets include *Univision.com*, *Univision NOW*, and several top-rated digital apps. The Radio operations, known as the *Uforia Audio Network*, the Home of Latin Music, which encompasses 34 owned or operated U.S. radio stations, a live event series and a robust digital audio footprint. Additionally, the Company incurs corporate expenses separately from the linear/digital and radio operation which include general corporate overhead and unallocated, shared company expenses related to human resources, finance, legal and executive services, which are centrally managed and support the Company’s operating and financing activities. Unallocated assets include the retained interest in the Company’s accounts receivable facility, fixed assets and deferred financing costs that are not allocated to the segment.

*TelevisaUnivision Transaction*—On January 31, 2022 Grupo Televisa, S.A.B (“Televisa”; NYSE:TV; BMV:TLEVISA CPO) and UH Holdco announced the completion of the transaction between Televisa’s media content and production assets and UCI (the “TelevisaUnivision Transaction”). The combined new company, which was named TelevisaUnivision, Inc., created the world’s leading Spanish-language media and content company. TelevisaUnivision produces and delivers premium content for its own platforms and for others, while also providing innovative solutions for advertisers and distributors globally. As a result of the TelevisaUnivision Transaction, TelevisaUnivision reaches nearly 60% of the respective TV audiences in both the U.S. and Mexico. Across television, digital, streaming, and audio, the Company reaches over 100 million Spanish speakers every day, holding leading positions in both markets. See Note 3. *TelevisaUnivision Transaction*.

*May 18, 2021 Reorganization Transaction*—On May 18, 2021, UH Holdco became the owner of 100% of the issued and outstanding capital stock of UHI through a series of transactions pursuant to the Reorganization Agreement, dated as of March 12, 2021, (the “Reorganization”). Prior to the Reorganization, UH Holdco (formerly known as Searchlight) held a non-controlling interest in UHI. Upon consummation of the Reorganization, Searchlight was converted into a Delaware corporation named Univision Holdings II, Inc. (which was subsequently re-named TelevisaUnivision, Inc. at the closing of the TelevisaUnivision Transaction. Pursuant to the Reorganization, the following transactions, among others, were effected contemporaneously:

- the existing stockholders of UHI (other than UH Holdco) exchanged their shares of UHI for the same number and class of shares of UH Holdco;
- the existing parent of UH Holdco converted its equity interests into the same number and class of shares of UH Holdco; and
- UH Holdco issued shares of common stock for aggregate consideration of \$8.3 million to a new investor, which common stock represented approximately 1.1% of the issued and outstanding stock of UH Holdco, on a undiluted basis.

The Reorganization required Federal Communications Commission approval and was effectuated primarily to (i) prepare for the TelevisaUnivision Transaction and other potential strategic transactions, (ii) facilitate a new investment in UH Holdco and (iii) allow Televisa to recognize significant capital tax losses. Through the Reorganization, UH Holdco acquired a controlling financial

interest in UHI. As a result, the Reorganization was accounted for under Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 805, Business Combinations ("ASC 805") ("UH Holdco Business Combination").

See Note 4. *Acquisition of UHI*

Pursuant to the Reorganization, UH Holdco's stockholders adopted a certificate of incorporation and UH Holdco adopted a certificate of designations, powers, preferences and rights that together provided for, among other things, the authorization of 50,000,000 shares of Class A common stock, 50,000,000 shares of Class B common stock, 5,000,000 shares of Class C subordinated common stock (which was subdivided into four sub-classes) and 500,000 shares of preferred stock (of which 100,000 shares were designated as Series A preferred stock). Immediately following the Reorganization, the issued and outstanding capital stock of the Company consisted of Class A common stock, Class C subordinated common stock and Series A preferred stock. On January 31, 2022, the Series A preferred stock was converted into 1,845,293 Class A common stock.

*Radio Stations Sale* - On June 3, 2022, the Company entered into an agreement to sell 18 non-strategic radio stations. On December 30, 2022, the Company completed the sale of 17 non-strategic radio stations. The Company recorded a gain of \$28.3 million in "Other, net" within the consolidated statements of operations for the year ended December 31, 2022.

## 2. Summary of Significant Accounting Policies

*Basis of presentation*—The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States.

*Predecessor and Successor Reporting*—On May 18, 2021, the Company consummated the acquisition of all outstanding and issued equity interests of UHI, pursuant to the Reorganization, which resulted in the Company owning 100% of UHI and its wholly owned subsidiaries. The UH Holdco Business Combination is accounted for under the scope of ASC 805, in which UH Holdco was deemed to be the accounting acquirer. Due to the primary activity for the acquirer prior to the acquisition being limited to a step-up gain and equity earnings in UHI, UHI is deemed the "Predecessor". Accordingly, the business combination is accounted for using the acquisition method, which requires the Company to record the fair value of assets acquired and liabilities assumed from UHI. See Note 1. *Company Background* and Note 4. *Acquisition of UHI*.

The financial statements separate the Company's presentation into distinct periods between the Successor entity (TelevisaUnivision) and the Predecessor entity (UHI). Due to the significance of remeasuring the Company's prior equity interest in UHI held before the UH Holdco Business Combination (See Note 4. *Acquisition of UHI*) we have presented a stub period statement of operations, redeemable convertible preferred stock and stockholders' equity, and cash flows for the period prior to the consummation of the UH Holdco Business Combination (January 1, 2021 to May 17, 2021) and a stub period statement of operations, redeemable convertible preferred stock and stockholders' equity, and cash flows for the periods on or after May 18, 2021, after the consummation of the UH Holdco Business Combination. As a result of the application of the acquisition method of accounting under the scope of ASC 805 as of the closing of the UH Holdco Business Combination, the financial statements for Predecessor entity and for the Successor entity are presented on a different basis of accounting and are, therefore not comparable.

*Principles of consolidation*—The consolidated financial statements include the accounts and operations of the Company and its majority owned and controlled subsidiaries. All intercompany accounts and transactions have been eliminated. Non-controlling interests have been recognized where a controlling interest exists, but the Company owns less than 100% of the controlled entity. Non-controlling interest is recorded for the portion of an investment's equity which is not controlled by the Company. The Company has consolidated the special purpose entities associated with its accounts receivable facility (see Note 16. *Debt*). This determination was based on the fact that these special purpose entities lack sufficient equity to finance their activities without additional support from the Company and, additionally, that the Company retains the risks and rewards of their activities. The consolidation of these special purpose entities does not have a significant impact on the Company's consolidated financial statements.

The Company accounts for investments over which it has significant influence but not a controlling financial interest using the equity method of accounting. Under the equity method of accounting, the Company's share of the earnings and losses of these companies is included in "Other, net" in the accompanying consolidated statements of operations. For equity investments which are not accounted for under the equity method, the Company measures these investments at fair value, with changes in fair value recognized in earnings. The Company holds equity positions in several small early-stage entities which may not have readily determinable fair values. For such securities, the Company utilizes the measurement alternative to carry these investments at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. A security will be considered identical or similar if it has identical or similar rights to the equity securities held by the Company. The Company reviews its investments in equity securities without readily determinable fair values for impairment each reporting period when there are qualitative factors or events that indicate possible impairment. Factors the Company considers in making this determination include negative changes in industry and market conditions, financial performance,



business prospects, and other relevant events and factors. When indicators of impairment exist, the Company prepares quantitative assessments of the fair value of its investments in equity securities, which require judgment and the use of estimates. When the Company's assessment indicates that the fair value of the investment is below its carrying amount, the Company writes down the investment to its fair value and records the corresponding charge in "Other, net", within the Company's consolidated statements of operations.

*Use of estimates*—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses, including impairments, during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include: estimated credit losses, business combinations, shared-based compensation, the valuation of derivatives, pension and post retirement benefits, lease assets and liabilities, investments, property, plant and equipment, definite lived intangibles, indefinite-lived intangibles and goodwill; amortization of program rights and prepayments; and reserves for income tax uncertainties and other contingencies.

*Foreign Currency*—The reporting currency of the Company is the U.S. dollar. The functional currency of most of the Company's international subsidiaries is the local currency. Financial statements of subsidiaries whose functional currency is not the U.S. dollar are translated at exchange rates in effect at the balance sheet date for assets and liabilities and at average exchange rates for revenues and expenses for the respective periods. Translation adjustments are recorded in accumulated other comprehensive income (loss). Foreign currency transaction gains and losses resulting from the conversion of the transaction currency to functional currency are included in "Other, net". For the year ended December 31, 2023, the Company recorded total foreign currency transactions loss of \$2.6 million within "Other, net" within the Company's consolidated statement of operations. For the year ended December 31, 2022, the Company recorded total foreign currency transactions loss of \$13.6 million within "Other, net" in the Company's consolidated statement of operations. There were no foreign currency transactions loss/gain for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor).

*Cash equivalents*—The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

*Fair value measurements*—The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1, inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

*Revenue*—Revenue is recognized upon transfer of control of promised services or goods to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those services or goods. Revenues do not include taxes collected from customers on behalf of taxing authorities such as sales tax and value-added tax.

*Advertising*—The Company generates advertising revenue from the sale of commercial time on broadcast and cable networks, local television and radio stations. The Company also generates revenue from the sale of display, mobile and video advertising, as well as sponsorships, on our various digital properties. In some cases, the network advertising sales are subject to ratings guarantees that require the Company to provide additional advertising time if the guaranteed audience levels are not achieved. Revenues for any audience deficiencies are deferred until the guaranteed audience levels are met, by providing additional advertisements. Advertising contracts, which are generally short-term, are billed monthly, with payments due shortly after the invoice date.

Advertising revenue from the sale of advertising on broadcast and cable networks, local television and radio station is recognized when advertising spots are aired and performance guarantees, if any, are achieved. The achievement of performance guarantees related to U.S. broadcasting operations are based on audience ratings from an independent research company. If there is a guarantee to deliver a targeted audience rating, revenues are recognized based on the proportion of the audience rating delivered to the total guaranteed in the contract. For impression-based digital advertising, revenue is recognized when "impressions" are delivered, while revenue from non-impression-based digital advertising (primarily sponsorship) is recognized over the period that the

advertisement run. “Impressions” are defined as the number of times that an advertisement appears in pages viewed by users of the Company’s digital properties. Sponsorship advertisement revenue is recognized ratably over the contract period.

**Subscriber Fee**—Subscriber fee revenue includes fees charged for the right to view the programming content of the Company’s broadcast networks, cable networks and stations through a variety of distribution platforms and viewing devices. Subscriber fee revenue is principally comprised of fees received from multichannel video programing distributors (“MVPDs”) and third-party live streaming services (“virtual MVPD’s”) for carriage of the Company’s networks and for retransmission consent of Univision and UniMás broadcast networks aired on the Company’s owned television stations as well as fees for digital content. Typically, the Company’s networks and stations are aired by MVPDs and vMVPDs pursuant to multi-year carriage agreements that provide for the level of carriage that the Company’s networks and stations will receive, and if applicable, for annual rate increases. Subscriber fee revenue is largely dependent on the market demand for the content that the Company provides, the contractual rate-per-subscriber negotiated in the agreements, and the number of subscribers that receive the Company’s networks or content. Subscriber fees received from cable and satellite MVPDs are recognized as revenue in the period during which services are provided. Subscriber fee revenues are net of the amortization of any capitalized amounts paid to MVPDs. The Company defers these capitalized amounts and amortizes such amounts through the term of the agreement.

Additionally, the Company’s subscriber fee revenue includes monthly fees related to access to our SVOD global streaming platform. Subscribers are billed on a monthly basis in advance of obtaining access to the platform. Subscription fees related to the SVOD service are recognized ratably over the term of the subscription.

The Company also receives retransmission consent fees related to television stations that the Company does not own (referred to as “affiliates”) affiliated with Univision and UniMás broadcast networks. The Company has agreements with its affiliates whereby the Company negotiates the terms of retransmission consent agreements for substantially all of its Univision and UniMás stations with MVPDs. As part of these arrangements, the Company shares the retransmission consent fees received with certain of its affiliates.

**Program Licensing**—The Company licenses programming content for digital streaming and to other cable and satellite providers. Program licensing revenue is recognized when the content is delivered, and all related obligations have been satisfied. For licenses of internally-produced television programming, each individual episode delivered represents a separate performance obligation and revenue is recognized when the episode is made available to the licensee for exhibition and the license period has begun.

**Other Revenue**—The Company classifies revenue from contractual commitments (including non-cash advertising and promotional revenue) primarily related to Televisa as Other Revenue”. The Company also recognizes other revenue related to support services provided to joint ventures and related to spectrum access in channel sharing arrangements. From time to time the Company enters into transactions involving its spectrum.

**Program rights and prepayments**—The Company produces and acquires program rights to exhibit programming on its broadcast and cable networks and one digital streaming platform. Program rights principally consist of television series, specials, movies, and sporting events. Program rights aired on the Company’s broadcast and cable networks and digital streaming platforms is sourced from a wide range of third-party producers, wholly-owned production studios, and sports associations. Costs for internally-produced and acquired programming rights, including prepayments for such costs, are recorded within the non-current portion of “Program rights and prepayments” on the consolidated balance sheet, with the exception of content acquired with an initial license period of 12 months or less and prepaid sports rights expected to air within 12 months.

The Company capitalizes costs for produced program rights, including direct production costs, development costs, print costs, and production overhead, of original programs when incurred. For licensed program rights, the costs incurred to acquire programming are capitalized as a program right and prepayment and a corresponding liability payable to the licensor are recorded when (i) the cost of the programming is reasonably determined; (ii) the programming has been accepted in accordance with the terms of the agreement; (iii) the programming is available for its first showing or telecast and (iv) the license period has commenced. Programming rights and prepayments includes advance payments for rights to air sporting events that will take place in the future.

For purposes of amortization and impairment, the capitalized content costs are classified based on their predominant monetization strategy. Programs rights are either monetized individually or as part of a film group. The substantial majority of our program rights and prepayments are predominantly monetized as a film group on our broadcast and cable networks or on our digital streaming platform. Programming rights that are predominantly monetized as part of our broadcast and cable networks film group, which includes licensed content and internally-produced television programs, capitalized costs are amortized based on an estimate of the timing of our usage of and benefit from such programming, generally resulting in an accelerated or straight-line amortization pattern. Programming rights that are predominantly monetized as part of our digital streaming platform due to a lack of historical information with respect to usage pattern on our digital platform are generally amortized on a straight-line basis over an initial estimated economic life of six (6) years or the lesser of a license period, if applicable. As we obtain more historical information,



our estimate used to amortize our programming rights monetized on our digital streaming platform will be adjusted as necessary. Adjustments to projected usage are applied prospectively in the period of the change. Such changes in the future could be material. Programming costs that are predominantly monetized on an individual basis, are amortized utilizing an individual-film-forecast-computation method over the title's life cycle based upon the ratio of current period revenue to estimated remaining total expected revenue. Licensed content for multi-year sports programming arrangements are generally amortized over the license period based on the ratio of current-period direct revenue to estimated remaining total direct revenue over the remaining contract period. Licensed content costs for entertainment programming are generally amortized over the shorter of the estimated period of benefit or licensed period. Amortization expense of program rights and prepayments is included in "Direct Operating Expense," in the Company's consolidated statement of operations.

All program rights and prepayments on the Company's balance sheet are subject to regular recoverability assessments. The Company has a three-year development cycle which begins with the initial capitalization of the development costs. Film development costs that have not been set for production are expensed within three years unless they are abandoned earlier, in which case these projects are written down to their estimated fair value in the period the decision to abandon the project is determined.

The Company's predominant monetization strategy determines how the impairment testing is performed for program rights and prepayments whenever events or changes in circumstances indicate that the carrying amount of content monetized on its own or as a film group may exceed its estimated fair value. In addition, a change in the predominant monetization strategy is considered a triggering event for impairment testing before a title is accounted for as part of a film group. If the carrying amount of an individual monetized content or film group, exceeds the estimated fair value, an impairment charge will be recorded in the amount of the difference. For content that is predominately monetized individually, we utilize estimates including ultimate revenues and additional costs to be incurred (including exploitation and participation costs), in order to determine whether the carrying amount of the program rights is impaired. In the event the Company decides not to air a program, an impairment loss reducing the corresponding asset to zero is recorded to reflect the programming asset abandonment.

*Accounting for goodwill, other intangibles and long-lived assets*—Goodwill and other intangible assets with indefinite lives are tested annually for impairment on October 1 or more frequently if circumstances indicate a possible impairment exists.

The Company first assesses the qualitative factors for reporting units that carry goodwill. A reporting unit is defined as an operating segment or one level below an operating segment. In performing a qualitative assessment, the Company considers relevant events and circumstances that could affect the reporting unit fair value. These circumstances may include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and entity-specific events, business plans, and strategy. The Company considers the totality of these events, in the context of the reporting unit, and determines if it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If the qualitative assessment results in a conclusion that it is more likely than not that the fair value of a reporting unit exceeds the carrying amount, then no further testing is performed for that reporting unit.

When a qualitative assessment is not used, or if the qualitative assessment is not conclusive and it is necessary to calculate fair value of a reporting unit, then the impairment analysis for goodwill is performed at the reporting unit level. The quantitative impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying value, including goodwill. If the carrying value exceeds the fair value, an impairment charge is recognized equal to the difference between the carrying value of the reporting unit and its fair value, considering the related income tax effect of any goodwill deductible for tax purpose.

In performing the quantitative assessment, we measure the fair value of the reporting unit using a combination of the income and market approaches. The assessment requires us to make judgments and involves the use of significant estimates and assumptions. Under the income approach, the Company calculates the present value of the reporting unit's estimated future cash flows (discounted cash flow analysis). Significant estimates and assumptions include the amount and timing of expected future cash flow, risk-adjusted discount rates based on a weighted-average cost of capital ("WACC") adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the reporting unit's ability to execute on its projected cash flows. The expected cash flows used in the income approach are based on the Company's most recent forecast and budget and, for years beyond the budget, the Company's estimates, which are based, in part, on forecasted growth rates. Assumptions used in the estimate of future cash flows, including the WACC, are assessed based on the reporting units' current results and forecasted future performance, as well as macroeconomic and industry specific factors.

Determining fair value using a market approach considers multiples of financial metrics based on both acquisitions and trading multiples of a selected peer group of companies. From the comparable companies, a representative market multiple is determined which is applied to financial metrics to estimate the fair value of a reporting unit.

The Company also has indefinite-lived intangible assets, such as television and radio broadcast licenses and tradenames. The Company's United States television and radio broadcast licenses have indefinite lives because the Company expects to renew them and renewals are routinely granted with little cost, provided that the licensee has complied with the applicable rules and regulations of the Federal Communications Commission ("FCC"). Historically, all material television and radio licenses that have been up for renewal have been renewed. The Company is unable to predict the effect that further technological changes will have on the television and radio industry or the future results of its television and radio broadcast businesses. Indefinite-lived intangible assets are tested for impairment annually or more frequently if circumstances indicate a possible impairment exists.

The fair value of the television and radio broadcast licenses is determined using the direct valuation method which is classified as a Level 3 measurement. The Company's broadcast license impairment testing, significant unobservable inputs utilized included discount rates and terminal growth rates. Under the direct valuation method, the fair value of the television and radio broadcast licenses is calculated at the network or market level as applicable. The application of the direct valuation method attempts to isolate the income that is properly attributable to the television and radio broadcast licenses alone (that is, apart from tangible and identified intangible assets). It is based upon modeling a hypothetical "greenfield" build-up to a "normalized" enterprise that, by design, lacks inherent goodwill and whose only other assets have essentially been paid for (or added) as part of the build-up process. Under the direct valuation method, it is assumed that rather than acquiring television and radio broadcast licenses as part of a going concern business, the buyer hypothetically develops television and radio broadcast licenses and builds a new operation with similar attributes from inception. Thus, the buyer incurs start-up costs during the build-up phase. Initial capital costs are deducted from the discounted cash flow model which results in a value that is directly attributable to the indefinite-lived intangible assets. The key assumptions used in the direct valuation method are market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs and losses incurred during the build-up period, the risk-adjusted discount rate and terminal values. The market revenue growth rate assumption is impacted by, among other things, factors affecting the local advertising market for local television and radio stations. This data is populated using industry normalized information representing an average FCC license within a market.

*Univision Network and UniMás network programming* is broadcast on the television stations. FCC broadcast licenses associated with the *Univision Network* and *UniMás* stations are tested for impairment at their respective network level. Broadcast licenses for television stations that are not dependent on network programming are tested for impairment at the local market level. Radio broadcast licenses are tested for impairment at the local market level.

The Company has the option to first assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test. If the qualitative assessment determines that it is more likely than not that the fair value of the intangible asset is more than its carrying amount, then the Company concludes that the intangible asset is not impaired.

If the Company does not choose to perform the qualitative assessment, or if the qualitative assessment determines that it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount, then the Company calculates the fair value of the intangible asset and compares it to the corresponding carrying value. If the carrying amount of the indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized for the excess carrying value over the fair value.

Long-lived assets, such as property and equipment, intangible assets with definite lives, channel-sharing arrangements and program right prepayments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to its estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

*Derivative instruments*—The Company recognizes all derivative instruments as either assets or liabilities in the consolidated balance sheet at their respective fair values. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. The Company may enter into derivative contracts that are intended to economically hedge certain of its risks, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

For all hedging relationships, the Company formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged transaction, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method used to measure ineffectiveness. The Company also formally assesses, both at the inception of the hedging relationship and on an ongoing basis, whether the derivatives that are used in hedging relationships are highly effective in offsetting changes in cash flows of hedged transactions. For derivative instruments that are designated and qualify as part of a cash flow hedging

relationship, the gain or loss on the derivative is reported as a component of other comprehensive (loss) income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. For derivative instruments not designated as hedging instruments, the derivative is marked to market with the change in fair value recorded directly into interest expense. The Company classifies cash flows from its derivative transactions as cash flow from operating activities in the consolidated statement of cash flows. For derivative transactions that have an other-than-insignificant financing element, all cash flows are classified as cash flows from financing activities in the consolidated statement of cash flows.

The Company discontinues hedge accounting prospectively when (i) it determines that the derivative is no longer effective in offsetting cash flows attributable to the hedged risk; (ii) the derivative expires or is sold, terminated, or exercised; (iii) the cash flow hedge is de-designated because a forecasted transaction is not probable of occurring; or (iv) management determines to remove the designation of the cash flow hedge. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company continues to carry the derivative at its fair value on the consolidated balance sheet and recognizes any subsequent changes in its fair value in earnings, and any associated balance in accumulated other comprehensive (loss) income will be reclassified into interest expense in the same periods during which the forecasted transactions that originally were being hedged affect earnings. When it is probable that a forecasted transaction will not occur, the Company discontinues hedge accounting and recognizes immediately in earnings gains and losses that were accumulated in other comprehensive (loss) income related to the hedging relationship.

*Treasury Stock* - When stock is acquired for purposes other than formal or constructive retirement, the purchase price of the acquired stock is recorded in a separate treasury stock account, which is separately reported as a reduction of equity.

*Property and equipment, net* —Property and equipment are carried at historical cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The Company removes the cost and accumulated depreciation of its property and equipment upon the retirement or disposal of such assets and the resulting gain or loss, if any, is then recognized. Land improvements are depreciated up to 15 years, buildings and improvements are depreciated up to 50 years, broadcast equipment over 5 to 20 years and furniture, computer and other equipment over 3 to 7 years. Property and equipment financed with finance leases are amortized over the shorter of their useful life or the remaining life of the lease. Repairs and maintenance costs are expensed as incurred.

*Leases* —The Company has long-term operating leases expiring on various dates for office, studio, automobile and tower rentals. The Company's operating leases, which are primarily related to buildings and tower properties, have various renewal terms and escalation clauses. The Company also has long-term finance lease obligations for facilities and transmission and technical equipment assets that are used to transmit and receive its network signals in the U.S. and Mexico. Our leases generally have remaining terms ranging from 3 to 45 years and often contain renewal options to extend the lease for periods ranging from 5 years to 25 years. For leases that contain renewal options, we include the renewal period in the lease term if it is reasonably certain that the option will be exercised.

We evaluate whether our contractual arrangements contain leases at the inception of such arrangements. Specifically, we consider whether we can control the underlying asset and have the right to obtain substantially all of the economic benefits or outputs from the asset. Contracts containing a lease are further evaluated for classification as an operating or finance lease where the Company is a lessee. Our right-of-use operating lease assets represent our right to use an underlying asset for the lease term, and our operating lease liabilities represent our obligation to make lease payments. The underlying assets under finance leases are recorded as components of property and equipment and the corresponding finance lease liability is recorded as a component of long-term debt and finance lease obligations. Variable lease payments consist primarily of common area maintenance and service related costs, personnel costs, utilities and taxes, which are not included in the recognition of Right-of-Use ("ROU") assets and related lease liabilities. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Both the operating lease right to use asset and liability are recognized as of the lease commencement date at the present value of the lease payments over the lease term. Most of our leases do not provide an implicit rate that can readily be determined. Therefore, we use a discount rate based on our incremental borrowing rate, which is determined using secured borrowings of companies with similar credit ratings and adjusted for the Company's current issuing rates for senior secured debt. The Company combines the lease and non-lease components of lease payments in determining right-of-use assets and related lease liabilities. Lease expense is recognized on a straight-line basis over the term of the lease. As permitted by ASC 842, leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying consolidated balance sheet. Lease cost for finance leases includes the amortization of the ROU asset included within property and equipment, which is amortized on a straight-line basis and recorded to Depreciation and amortization, and interest expense on the finance lease liability, which is calculated using the interest method and recorded to Interest expense.

The Company also has operating subleases which have been accounted for by reference to the underlying asset subject to the lease rather than by reference to their associated right-of-use asset.

*Deferred financing costs*—Deferred financing costs consist of payments made by the Company in connection with its debt offerings, primarily ratings fees, legal fees, accounting fees, private placement fees and costs related to the offering circular and other related expenses. Deferred financing costs are amortized over the life of the related debt using the effective interest method.

*Advertising and promotional costs*—The Company expenses advertising and promotional costs in the period in which they are incurred. The Company recorded advertising and promotional costs of \$380.9 million, \$306.1 million, \$49.7 million and \$10.5 million for years ended December 31, 2023(Successor) and December 31, 2022 (Successor), for the periods from May 18 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), respectively.

*Share-based compensation*—Compensation expense relating to share-based payments is recognized in earnings using a fair-value measurement method. The Company uses the straight-line attribution method of recognizing compensation expense over the requisite service period which generally matches the stated vesting schedule. The Company's stock options vest over periods of between three and five years from the date of grant. The Company's restricted stock unit awards vest over periods of between three and four years from the date of grant. The fair value of each new stock option award is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. The Black-Scholes-Merton option-pricing model was developed for use in estimating the value of traded options that have no vesting restrictions and are fully transferable. In addition, option-pricing models require the input of highly subjective assumptions. Inherent in this model are assumptions related to stock price, expected stock-price volatility, expected term, risk-free interest rate and dividend yield. The risk-free interest rate is based on data derived from public sources. In general, the estimated stock price is based on comparable public company information and the Company's estimated discounted cash flows. The expected stock-price volatility is primarily based on comparable public company information. Expected term and dividend yield assumptions are based on management's estimates. The fair value of restricted stock units awarded to employees is measured at estimated intrinsic value at the date of grant. The Company accounts for forfeitures when they occur.

*Employee benefits*—The Company maintains a defined benefit retirement pension plan and seniority premium plan that covers Mexican based employees. Under the provisions of the Mexican Labor Law, seniority premiums plans are payable based on salary and years of service to employees who resign or are terminated prior to reaching retirement age. After retirement age, employees are no longer eligible for seniority premiums plans. The Company has legal indemnity employee benefit that required by Mexican Labor Law and it covers employees who are dismissed unjustifiably. Such employees receive up to three months of salary, plus 20 days of salary for each year of service.

We recognize the funded status of defined benefit postretirement plans in the consolidated balance sheet. The funded status is measured as the difference between the fair value of plan assets and the projected benefit obligation. We recognize the net changes in the funded status of these plans as a component of Other Comprehensive (Loss) Income in the year in which such changes occur. Actuarial gains and losses in excess of 10% of the greater of the benefit obligation or the market value of plan assets are amortized over the average remaining service period of active employees or the remaining average expected life if a plan's participants are predominantly inactive.

These post-employment benefits are funded through Company contributions to irrevocable trusts. These post-employment benefits increase or decrease based upon actuarial calculations. Contributions to the trusts are determined in accordance with actuarial estimates of funding requirements. Payments of post-employment benefits are made by the trust administrators. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

*Income taxes*— Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company classifies all deferred tax assets and liabilities, net as non-current on the consolidated balance sheet. Valuation allowances are established when management determines that it is more likely than not that some portion or the entire deferred tax asset will not be realized. The future realization of deferred tax assets depends on the existence of sufficient taxable income of the appropriate character in either the carry back or carry forward period under the tax law for the deferred tax asset. In a situation where the net operating losses are more likely than not to expire prior to being utilized the Company has established the appropriate valuation allowance. If estimates of future taxable income during the net operating loss carryforward period are reduced the realization of the deferred tax assets may be impacted. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company recognizes interest and penalties, if



any, related to uncertain income tax positions in income tax expense. There is considerable judgment involved in assessing whether deferred tax assets will be realized and in determining whether positions taken on the Company's tax returns are more likely than not of being sustained.

*Concentration of credit risk*—Financial instruments that potentially subject the Company to concentrations of credit risk include primarily cash and cash equivalents, trade receivables and financial instruments used in hedging activities. The Company's objective for its cash and cash equivalents is to invest in high-quality money market funds that are prime AAA rated, have diversified portfolios and have strong financial institutions backing them. The Company sells its services and products to a large number of diverse customers in a number of different industries, thus spreading the trade credit risk. No one customer represented more than 10% of revenue of the Company for the years ended December 31, 2023 and December 31, 2022 (Successor) and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), or more than 10% of the Company's accounts receivable as of December 31, 2023 and December 31, 2022. The Company extends credit based on an evaluation of the customers' financial condition and historical experience. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses. The counterparties to the agreements relating to the Company's financial instruments consist of major international institutions. The Company does not believe that there is significant risk of nonperformance by these counterparties as the Company monitors the credit ratings of such counterparties and limits the financial exposure with any one institution.

*Securitizations*—Securitization transactions in connection with UCI's accounts receivable facility are classified as debt on the Company's consolidated balance sheet and the related consolidated cash flows from any advances or reductions are reflected as cash flows from financing activities. UCI sells to investors, on a revolving non-recourse basis, a percentage ownership interest in certain accounts receivable through wholly owned special purpose entities. UCI retains interests in the accounts receivable that have not been sold to investors. The retained interest is subordinated to the sold interest in that it absorbs 100% of any credit losses on the sold receivable interests. UCI services the receivables sold under the accounts receivable facility.

*Pending accounting guidance* — In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment reporting (ASC 280): Reportable Segment Disclosures* to enhance disclosure of segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. The ASU does not change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. The provisions of ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, with early adoption permitted, including adoption in an interim period. The company is currently evaluating the potential impact that adopting this guidance could have on its consolidated financial statements.

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (ASC 740): Improvements to Income Tax Disclosures* which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The provisions of ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, with early adoption permitted, including adoption in an interim period. The company is currently evaluating the potential impact that adopting this guidance could have on its consolidated financial statements.

*Subsequent events*—The Company evaluates subsequent events and the evidence they provide about conditions existing at the date of the balance sheet as well as conditions that arose after the balance sheet date but before the financial statements are issued. The effects of conditions that existed at the date of the balance sheet date are recognized in the financial statements. Events and conditions arising after the balance sheet date but before the financial statements are issued are evaluated to determine if disclosure is required to keep the financial statements from being misleading. To the extent such events and conditions exist, disclosures are made regarding the nature of events and the estimated financial effects for those events and conditions. For purposes of preparing the accompanying consolidated financial statements and the following notes to these financial statements, the Company evaluated subsequent events through April 15, 2024, the date the financial statements were issued.

### **3. TelevisaUnivision Transaction**

On January 31, 2022 (the "acquisition date"), Televisa and UH Holdco (together with its wholly owned subsidiary, Univision Communications Inc.) announced the completion of the TelevisaUnivision Transaction. As a result, UH Holdco through its subsidiary Univision acquired a 100% equity interest in Televisa's content and media business and is deemed to be the accounting acquirer. Accordingly, the TelevisaUnivision Transaction is accounted as a business combination under the scope of ASC 805. The TelevisaUnivision Transaction created the world's leading Spanish-language media and content company, producing and delivering premium content for its own platforms and for others, while also providing innovative solutions for advertisers and distributors globally.

The total consideration consisted of \$3,146.5 million in cash and total equity consideration of \$1,545.4 million, comprised of UH Holdco Class A common stock and Series B participating preferred stock of UH Holdco, with an annual cumulative dividend of 5.5%. The fair value of the equity consideration was determined using a contingent claims analysis. The TelevisaUnivision Transaction was financed through (i) \$1.0 billion of UH Holdco Series C preferred stock investment led by the SoftBank Latin American Fund ("SoftBank"), along with ForgeLight, with participation from Google and The Raine Group, (ii) \$1.05 billion of 4.0% Term loan due 2029 and (iii) \$1.05 billion of 4.5% Senior Secured Notes due 2029, See Note 16. *Debt*. Prior to the transaction, the Company had an obligation to provide future advertising and promotion time at no charge to Televisa. Concurrent with the transaction, this obligation was settled. See Note 15. *Related Party Transactions*.

The fair value of the assets acquired and liabilities assumed was determined based on assumptions that reasonable market participants would use in the principal (or most advantageous) market for the business. The following represents the purchase price allocation for the TelevisaUnivision Transaction:

	<b>January 31, 2022</b>
	<b>(Fair Value)</b>
Cash consideration .....	\$ 3,146,500
Equity consideration .....	1,545,400
Total consideration transferred .....	<b>4,691,900</b>
Cash and cash equivalents .....	85,400
Accounts receivables, net .....	363,200
Other current assets .....	782,000
Property and equipment, net .....	680,700
Intangible assets, net .....	1,703,300
Other non-current assets .....	814,100
Total identifiable assets acquired .....	<b>4,428,700</b>
Current liabilities .....	(1,002,600)
Long-term debt and finance lease obligations .....	(618,000)
Other non-current liabilities .....	(395,800)
Goodwill .....	<b>\$ 2,279,600</b>

During 2023, the Company completed the purchase accounting for the TelevisaUnivision Transaction, which resulted in a goodwill increase of \$43.4 million. The primary adjustments were related to the completion of the assessment of the fair value of certain leased assets and intangible assets, and to reflect tax obligations acquired as part of the TelevisaUnivision Transaction for which an acquired liability was not initially established at the acquisition date.

The Company recorded net deferred tax assets of \$366.9 million from the TelevisaUnivision Transaction primarily related to licenses, content rights, and advanced deposits for taxes. Such amounts are included in the table as Other non-current assets and Other non-current liabilities.

A summary of intangible assets acquired and the estimated useful life of these assets as of the acquisition date:

	<b>Fair Value</b>	<b>Estimated Useful</b>
	<b>(Successor)</b>	<b>Life in Years</b>
Description of intangible assets:		
Broadcast and Multi System Operator Relationships .....	\$ 400,000	15.5
Advertiser Relationships .....	790,000	12
Mexico Broadcast License .....	273,300	20
Televisa tradenames .....	240,000	Indefinite
Total intangible assets acquired .....	<b>\$ 1,703,300</b>	

Goodwill recognized of \$2,279.6 million, was assigned to the Media and Entertainment reportable segment. The full amount of goodwill is not deductible for tax purposes. The goodwill recognized is due to the (i) expected cash flow savings related to the elimination of the Program License Agreement with Televisa, (ii) ability to generate in-house content beyond the existing content library which would be expected to drive advertising, subscription and streaming revenue, (iii) existing assembled workforce and know how acquired as part of the transaction, and (iv) enhanced opportunities and ability to add new MSO and advertiser relationships to further grow the combined business.

The Company used discounted cash flow (“DCF”) analyses, which represent Level 3 fair value measurements, to assess certain components of its purchase price allocation as a result of the acquisition. The fair value of the programming contents acquired was determined using an income approach based on existing portfolio usage and historical content decay curves. The fair value of trade names and trademarks was determined using an income approach based on the relief from royalty method. The fair value for MSO and advertiser relationships was determined using the multi-period excess earnings method. The fair value for Broadcast license in Mexico, which was renewed on January 1, 2022, and the fair value for property, plant and equipment were determined using the current cost method. For the fair value estimates, the Company used: (i) projected discounted cash flows, (ii) historical and projected financial information, (iii) synergies including cost savings, (iv) royalty rates and (v) attrition and decay rates, as relevant, that market participants would consider when estimating fair values. The Company is amortizing the acquired identifiable definite-lived intangible assets over their estimated useful lives from the acquisition date. The TelevisaUnivision Transaction resulted in the Company recording deferred tax assets related to the step up in tax basis of certain assets and deferred tax liability related to acquired intangibles not amortizable for tax purposes.

For the year ended December 31, 2023, the Company incurred an additional \$0.9 million of acquisition-related expenses which were expensed and included in “Other, net” within the Company’s consolidated statements of operations. For the year ended December 31, 2022, the Company incurred \$103.1 million of acquisition-related expenses, of which \$47.3 million were expensed and included in Other, net and \$55.8 million primarily related to financing fees which were capitalized and recorded as deferred financing costs and presented as a direct reduction of the Company’s “Long-term debt” in the consolidated balance sheet.

*Unaudited Pro Forma Impact of the TelevisaUnivision Transaction and the Reorganization*

The following unaudited pro forma financial information presents the results of the Company’s consolidated statements of operations as if the TelevisaUnivision Transaction and the Acquisition of UHI (see Note 4) (presented on a combined basis) had occurred on January 1, 2021, for both the twelve months ended December 31, 2022 and 2021, after giving effect to certain adjustments, including depreciation and amortization of the assets acquired and interest expenses of the new debt. For the years ended December 31, 2022 and 2021, pro forma adjustments include an increase in depreciation and amortization expense of \$5.2 million and \$57.9 million, respectively, and increase in interest expense of \$5.8 million and \$88.5 million, respectively related to new debt adjustments in purchase accounting. To present transaction-related costs in the beginning of the earliest comparative period presented pro forma adjustments include a reduction in transaction-related costs of \$47.3 million for the year ended December 31, 2022. The unaudited pro forma financial information includes adjustments required under the acquisition method of accounting, is presented for informational purposes only and is not necessarily indicative of the results that would have been achieved had these acquisitions occurred on the aforementioned dates.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Pro Forma</u>	<u>Pro Forma</u>
Revenue .....	\$ 4,711,800	\$ 4,183,300
Net (loss) income .....	(1,454,700)	349,800

**4. Acquisition of UHI**

The Reorganization discussed in Note 1. *Company Background* was accounted for by UH Holdco in accordance with the acquisition method of accounting pursuant to ASC 805, as UH Holdco obtained a controlling financial interest in UHI and UHI constitutes a business with inputs, processes, and outputs. Accordingly, the acquisition of UHI constitutes the acquisition of a business for purposes of ASC 805 and due to the change in control of UHI, was accounted for using the acquisition method. The fair value of assets deemed acquired and liabilities assumed was determined based on assumptions that reasonable market participants would use in the principal (or most advantageous) market for the asset or liability.

Prior to the Reorganization date, UH Holdco accounted for its 26.04% interest in UHI as an equity-method investment with a balance of \$227.9 million. The acquisition-date fair value of the previous equity interest was \$849.1 million and is included in the measurement of the total UH Holdco Business Combination consideration. The Company recognized a gain of \$621.2 million as a result of remeasuring its prior equity interest in UHI held before the business combination. The gain was included in (Gain) loss on investments within the Company’s consolidated statement of operations for the period January 1, 2021 through May 17, 2021 (Successor entity). The Company determined the fair value of its previously-held equity interest in UHI using the business enterprise value approach as discussed further below.

The Company’s management, with the assistance of a third-party valuation firm, estimated the fair value of the Company’s assets and liabilities as of the Reorganization Date.

The following represents the purchase price allocation for the UH Holdco Business Combination.

	Fair Value
	(Successor)
Equity consideration .....	\$ 2,015,900
Redeemable preferred shares .....	369,400
Share-based awards assumed due to business combination .....	5,400
Consideration transferred .....	2,390,700
Fair value of previously-held equity interest .....	849,100
Total purchase consideration .....	<b>3,239,800</b>
Cash and cash equivalents .....	603,700
Accounts receivable .....	561,800
Other current assets .....	123,700
Property and equipment .....	489,400
Intangible assets .....	5,336,000
Other non-current assets .....	339,800
Total identifiable assets acquired .....	<b>7,454,400</b>
Accounts payable and accrued liabilities .....	409,700
Other liabilities .....	723,200
Long term debt assumed .....	7,446,700
Deferred tax liabilities .....	960,900
Net identifiable assets acquired .....	<b>(2,086,100)</b>
Goodwill .....	<b>\$ 5,325,900</b>

Intangible assets balances comprises the following:

Description	Fair Value	Useful Life
	(Successor)	in Years
Broadcast and Multi System Operator Relationships .....	\$ 2,090,000	14
TV FCC License .....	1,901,600	Indefinite
Advertiser Relationships .....	520,000	8-9
Trade names / Trademarks - Non amortizable .....	462,200	Indefinite
Radio FCC License .....	307,300	Indefinite
Trade names / Trademarks - Amortizable .....	19,900	5-10
Tower Customer Relationships .....	35,000	20
Total intangible assets acquired .....	<b>\$ 5,336,000</b>	

UHI's fair value was determined using the business enterprise valuation approach that discounted UHI's projected cash flows based on a probability weighted scenario of the TelevisaUnivision Transaction occurring or not occurring and associated weighted average cost of capital. UHI's fair value was estimated to be \$10,422.5 million which resulted in recognition of Goodwill of \$5,325.9 million, which has been assigned to the Media and Entertainment reportable segment. The Goodwill recognized is due to the expected significant synergies from the TelevisaUnivision Transaction such as (i) improved monetization of the combined libraries and advertising inventory resulting from the TelevisaUnivision Transaction, leading to anticipated revenue synergies, (ii) anticipated costs synergies from relocation of personnel and production to Mexico and procurement efficiencies due to economies of scale and (iii) anticipated significant recurring subscriber fee and streaming revenue as a result of the launching of the global Spanish Language streaming service.

The Company used discounted cash flow ("DCF") analyses, which represent Level 3 fair value measurements, to assess certain components of its purchase price allocation. The fair value of tradenames and trademarks was determined using an income approach based on the relief from royalty method. The fair value for broadcast, MSO relationships, advertiser relationships and tower customer relationships was determined using the multi-period excess earnings method. The fair value for FCC license was determined using the greenfield method. The fair value of property, plant and equipment was determined using the current cost method. The fair value of



interest-bearing debt was determined using publicly-traded prices. For the fair value estimates, the Company used: (i) projected discounted cash flows, (ii) historical and projected financial information, (iii) synergies including cost savings, (iv) royalty rates and (v) attrition rates, as relevant, that market participants would consider when estimating fair values. The Company is amortizing the acquired identifiable definite-lived intangible assets over their estimated useful lives from the acquisition date. The acquisition of UHI did not result in a step-up in the basis of any of the Company's assets (including Goodwill) for U.S. federal income tax purposes.

Transaction costs incurred in the UH Holdco Business Combination were immaterial and expensed in the Successor period.

## 5. Cash, Cash Equivalents and Restricted Cash

The following table provides the balance sheet details that sum to the total of cash, cash equivalents and restricted cash in the statement of cash flows.

	December 31, 2023 (Successor)	December 31, 2022 (Successor)	December 31, 2021 (Successor)
Cash and cash equivalents	\$ 220,900	\$ 538,600	\$ 647,000
Restricted cash related to debt	—	—	1,071,300
Restricted cash included in Prepaid expenses and other	5,100	5,100	300
Restricted cash included in Other assets	1,500	1,500	1,500
Total cash, cash equivalents and restricted cash shown in the consolidated statement of cash flows	<u>\$ 227,500</u>	<u>\$ 545,200</u>	<u>\$ 1,720,100</u>

Amounts included in restricted cash within "Prepaid expenses and other and Other assets" as of December 31, 2023 and December 31, 2022 pertain to escrow amounts for certain lease, grant payments and transition service agreement on the non-strategic radio stations sold on December 30, 2022. Amounts included in restricted cash within "Prepaid expenses and Other assets" as of December 31, 2021 pertain to escrow amounts for certain lease and grant payments. Amounts included in restricted cash related to debt as of December 31, 2021 consists of the escrow amounts for the 4.500% Senior Secured Notes due 2029 deposited in escrow for the TelevisaUnivision Transaction and were released from escrow at closing (See Note 16. *Debt* and Note 3. *TelevisaUnivision Transaction*).

## 6. Property and Equipment

Property and equipment consists of the following:

	December 31, 2023		
	U.S.	Mexico	Total
Land and improvements	\$ 65,100	\$ 31,700	\$ 96,800
Buildings and improvements	350,700	26,900	377,600
Broadcast and production equipment	441,400	197,100	638,500
Furniture, computer and other equipment	414,800	139,300	554,100
Land, building, transponder equipment and vehicles financed with finance leases	51,000	511,800	562,800
	<u>1,323,000</u>	<u>906,800</u>	<u>2,229,800</u>
Accumulated depreciation	(913,200)	(114,000)	(1,027,200)
Property and equipment, net	<u>\$ 409,800</u>	<u>\$ 792,800</u>	<u>\$ 1,202,600</u>
	<b>December 31, 2022</b>		
	U.S.	Mexico	Total
Land and improvements	\$ 67,500	\$ 27,400	\$ 94,900
Buildings and improvements	364,900	32,800	397,700
Broadcast and production equipment	436,300	117,600	553,900
Furniture, computer and other equipment	356,100	143,600	499,700
Land, building, transponder equipment and vehicles financed with finance leases	100,900	383,800	484,700
	<u>1,325,700</u>	<u>705,200</u>	<u>2,030,900</u>
Accumulated depreciation	(874,500)	(43,400)	(917,900)
Property and equipment, net	<u>\$ 451,200</u>	<u>\$ 661,800</u>	<u>\$ 1,113,000</u>

For the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor) and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), depreciation expense on property and equipment was \$223.3 million, \$197.3 million, \$60.1 million, and \$31.0 million, respectively. Accumulated depreciation related to assets financed with finance leases at December 31, 2023 (Successor) and December 31, 2022 (Successor) is \$79.6 million and \$87.9 million, respectively.

## 7. Leases

The Company's leases are primarily related to buildings (office and studios), automobiles and tower properties, that have various renewal terms and escalation clauses. The Company also have lease obligations for facilities, transmission and technical equipment assets that are used to transmit and receive its network signals in the U.S. and Mexico.

The components of lease costs are as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021
	(Successor)	(Successor)	(Successor)	(Predecessor)
Finance lease cost				
Amortization of right-of-use assets	\$ 26,900	\$ 36,400	\$ 6,600	\$ 4,100
Interest on lease liabilities	35,100	25,100	1,700	1,000
Operating lease cost (a)	37,500	28,500	16,500	10,000
Variable lease cost and other (b)	52,800	44,200	—	—
Short term lease cost	31,600	18,300	1,600	100
Total lease cost	<u>\$ 183,900</u>	<u>\$ 152,500</u>	<u>\$ 26,400</u>	<u>\$ 15,200</u>

- (a) For the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor) and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), the Company recorded total sublease income associated with operating leases of \$9.4 million, \$10.2 million, \$6.1 million, and \$3.8 million, respectively, primarily recorded as an offset to the rent expense in "Restructuring, severance and related charges" within the Company's consolidated statement of operations.
- (b) Represents variable lease costs that are not based on an index or rate related to finance leases arrangements acquired in the TelevisaUnivision Transaction between the Company and Televisa and its affiliates, for the buildings, transmission and technical equipment assets required to transmit and receive broadcast signals in Mexico. For further details on related party balances and transactions, See Note 15. *Related Party Transactions*.

The Company's finance and operating leases weighted average discount rate and remaining lease term are as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Finance leases			
Discount rate	7.29%	6.96%	5.30%
Period (years)	20.8	21.0	17.4
Operating leases			
Discount rate	4.83%	4.89%	4.40%
Period (years)	6.6	7.9	7.2

Fair value for the impairment of right-of-use assets are determined with Level 3 inputs by using the discounted cash flows associated with the head lease obligation and associated sublease income. There was no impairment related to operating lease right-of-use assets recognized for the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor) and for the periods from May 18, 2021 through December 31, 2021 (Successor). For the period from January 1, 2021 through May 17, 2021 (Predecessor), the Company recognized non-cash impairment losses of \$4.3 million related to operating lease right-of-use assets as a result of the Company's decision to cease occupying the leased space.

Cash paid for amounts included in the measurement of operating and finance lease liabilities were as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Finance lease liabilities .....	\$ 42,100	\$ 33,400	\$ 9,900
Operating lease liabilities .....	44,700	45,200	42,400
Total .....	<u>\$ 86,800</u>	<u>\$ 78,600</u>	<u>\$ 52,300</u>

The expected future payments relating to the Company's operating and finance lease liabilities at December 31, 2023 are as follows:

	Operating	Finance
2024 .....	\$ 38,000	\$ 64,300
2025 .....	41,200	47,500
2026 .....	35,600	38,000
2027 .....	31,400	37,000
2028 .....	24,300	36,200
2029 and thereafter .....	48,000	724,900
Total minimum payments .....	<u>\$ 218,500</u>	<u>\$ 947,900</u>
Less amounts representing interest .....	57,500	522,900
Present value of minimum payments .....	<u>\$ 161,000</u>	<u>\$ 425,000</u>

As of December 31, 2023 (Successor), we had no material leases that were executed but not yet commenced.

## 8. Goodwill and Other Intangible Assets

The carrying amount and changes in the carrying amount of goodwill were as follows:

	2023	2022
Balances as of January 1, .....		
Goodwill .....	\$ 7,817,800	\$ 5,325,900
Accumulated impairment losses .....	(1,498,000)	—
Goodwill, net .....	<u>\$ 6,319,800</u>	<u>\$ 5,325,900</u>
Goodwill resulting from acquisitions (See Note 3 and 14) .....	62,300	2,333,000
Impairment loss .....	(778,700)	(1,498,000)
Foreign exchange impact .....	307,800	158,900
Balances as of December 31, .....		
Goodwill, gross .....	8,187,900	7,817,800
Accumulated impairment losses .....	(2,276,700)	(1,498,000)
Goodwill, net .....	<u>\$ 5,911,200</u>	<u>\$ 6,319,800</u>

See Note 2. *Summary of Significant Accounting Policies* for further discussion of the Company's assessments of impairment of goodwill and indefinite-lived intangible assets.

Goodwill associated with our linear/digital reporting unit was tested quantitatively as of October 1, 2023. Based on our annual impairment assessment process for goodwill, the Company had a \$778.7 million impairment during the fiscal year ended December 31, 2023 (Successor) which primarily reflects reduced estimated future cash flows as a result of macroeconomic conditions, and is recorded in the Impairment loss within the consolidated statement of operations.

Goodwill associated with our linear/digital reporting unit was tested quantitatively as of October 1, 2022. Based on our annual impairment assessment process for goodwill, the Company had a \$1,498.0 million impairment during the fiscal year ended December 31, 2022 (Successor) which primarily reflects an increased risk adjusted discount rate and reduced estimated future cash flows as a result of macroeconomic conditions, and is recorded in the Impairment loss within the Consolidated statement of operations.

*Indefinite-Lived Intangible Assets other than Goodwill*

For the year ended December 31, 2023 (Successor), the Company recognized a non-cash impairment loss of \$211.1 million related to certain television broadcast licenses due to the macro-conditions affecting traditional television in the United States and \$4.6 million related to certain trade names. For the year ended December 31, 2022 (Successor), the Company recognized a non-cash impairment loss of \$128.4 million related to certain television broadcast licenses due to the macro-conditions affecting traditional television in the United States and \$15.3 million related to certain trade names. For the period from May 18, 2021 through December 31, 2021 (Successor), the Company recognized an impairment loss of \$3.4 million related to certain television broadcast licenses due to the decision not to renew such licenses. For the period from January 1, 2021 through May 17, 2021 (Predecessor), due to market indicators in connection with determining the fair value of intangible assets as of the Reorganization Date, the Company recognized an impairment loss of \$68.3 million related to certain radio broadcast licenses.

*Definite-Lived Intangible Assets*

There were no impairment losses for the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor).

The Company has various intangible assets with definite lives that are being amortized on a straight-line basis. Advertiser relationships are primarily being amortized through 2029, broadcast and multi system operator relationships are primarily being amortized through 2035, Mexican broadcast license primarily being amortized through 2041 and other amortizable intangibles. For the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor) and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), the Company incurred amortization expenses of \$347.4 million, \$327.0 million, \$138.5 million, and \$21.9 million, respectively.

The following is an analysis of the Company's intangible assets currently being amortized, intangible assets not being amortized and estimated amortization expense for the years ending December 31, 2024 through 2028:

	As of December 31, 2023		
	(Successor)		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Intangible Assets Being Amortized</b>			
Broadcast and Multi System Operator relationships	\$ 2,438,400	\$ 433,200	\$ 2,005,200
Advertiser relationships	1,367,500	313,900	1,053,600
Mexican Broadcast license	292,700	29,600	263,100
Other amortizable intangibles	159,800	34,600	125,200
Total	<u>\$ 4,258,400</u>	<u>\$ 811,300</u>	<u>\$ 3,447,100</u>
<b>Intangible Assets Not Being Amortized</b>			
Broadcast licenses			2,057,400
Trade names and other assets			707,300
Total			<u>2,764,700</u>
Impairment loss			(215,700)
Disposition			(900)
Foreign exchange rate impact			239,400
Total intangible assets, net			<u>\$ 6,234,600</u>

	As of December 31, 2022		
	(Successor)		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Intangible Assets Being Amortized</b>			
Broadcast and Multi System Operator relationships	\$ 2,410,000	\$ 259,500	\$ 2,150,500
Advertiser relationships	1,330,000	172,500	1,157,500
Mexican Broadcast license	273,300	13,900	259,400
Other amortizable intangibles	159,800	18,000	141,800
Total	<u>\$ 4,173,100</u>	<u>\$ 463,900</u>	<u>\$ 3,709,200</u>
<b>Intangible Assets Not Being Amortized</b>			
Broadcast licenses			2,184,000
Trade names and other assets			707,300
Total			<u>2,891,300</u>
Impairment loss			(143,700)
Foreign exchange rate impact			122,400
Total intangible assets, net			<u>\$ 6,579,200</u>

The Company's estimated amortization expense is approximately \$330.1 million, \$330.0 million, \$326.6 million, \$323.2 million and \$322.6 million for each of the years ending December 31, 2024, 2025, 2026, 2027 and 2028, respectively.

#### 9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	December 31, 2023	December 31, 2022
	(Successor)	(Successor)
Trade accounts payable	\$ 239,400	\$ 242,900
Accrued compensation	205,500	162,700
Program rights obligations	119,300	63,200
Related party obligations (See Note 15)	101,300	30,000
Accrued Value Added Tax payable	83,100	33,400
Accrued interest	64,500	79,100
Studio production payable	35,700	47,200
Accrued restructuring, severance and related charges	29,400	26,600
Accrued revenue obligations	17,400	35,300
Income tax payable	6,100	23,600
Other accounts payable and accrued liabilities	251,400	297,200
	<u>\$ 1,153,100</u>	<u>\$ 1,041,200</u>

*Restructuring, Severance and Related Charges*

The Company's restructuring, severance and related charges, net of reversals, for the years ended December 31, 2023 and December 31, 2022 (Successor), and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor) are summarized below.

	Year Ended December 31, 2023	Year Ended December 31, 2022	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021
	(Successor)	(Successor)	(Successor)	(Predecessor)
Restructuring:				
Activities initiated in 2020 and prior .....	\$ 5,200	\$ 6,400	\$ 6,700	\$ 7,600
Activities initiated in 2021 .....	—	—	52,600	—
Activities related to recent acquisitions .....	48,200	56,700	—	—
Severance for individual employees and related charges .....	—	5,400	—	—
Total restructuring, severance, and related charges .....	<u>\$ 53,400</u>	<u>\$ 68,500</u>	<u>\$ 59,300</u>	<u>\$ 7,600</u>

The restructuring activities initiated in 2020 and prior were primarily intended to rationalize costs and the disruption caused by the COVID-19 pandemic, including lease-related expenses for leased properties no longer used. The restructuring activities initiated in 2021 were due to further initiatives to rationalize costs.

Severance for individual employees and related charges relate primarily to severance arrangements with former employees unrelated to the Company's restructuring activities.

The following tables present the restructuring charges, net of reversals, by segment for the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor).

	Year Ended December 31, 2023		
	(Successor)		
	Employee Termination Benefits	Contract Termination Costs/Other	Total
<b><u>Charges Resulting From Restructuring Activities Initiated in 2020 and Prior</u></b>			
Media and Entertainment .....	\$ —	\$ 2,300	\$ 2,300
Corporate .....	—	2,900	2,900
<b><u>Charges Related to Recent Acquisitions</u></b>			
Media and Entertainment .....	30,700	1,900	32,600
Corporate .....	7,400	8,200	15,600
Consolidated .....	<u>\$ 38,100</u>	<u>\$ 15,300</u>	<u>\$ 53,400</u>
	Year Ended December 31, 2022		
	(Successor)		
	Employee Termination Benefits	Contract Termination Costs/Other	Total
<b><u>Charges Resulting From Restructuring Activities Initiated in 2020 and Prior</u></b>			
Media and Entertainment .....	\$ —	\$ 6,400	\$ 6,400
Corporate .....	—	—	—
<b><u>Charges Related to Recent Acquisitions</u></b>			
Media and Entertainment .....	27,900	5,200	33,100
Corporate .....	11,600	12,000	23,600
Consolidated .....	<u>\$ 39,500</u>	<u>\$ 23,600</u>	<u>\$ 63,100</u>

	Period from May 18, 2021 through December 31, 2021			Period from January 1, 2021 through May 17, 2021		
	(Successor)			(Predecessor)		
	Employee Termination Benefits	Contract Termination Costs/Other	Total	Employee Termination Benefits	Contract Termination Costs/Other	Total
<b>Charges Resulting From Restructuring Activities Initiated in 2020 and Prior</b>						
Media and Entertainment	\$ (400)	\$ 4,500	\$ 4,100	\$ 900	\$ 2,600	\$ 3,500
Corporate	(100)	2,700	2,600	1,300	2,800	4,100
<b>Charges Resulting From Restructuring Activities Initiated in 2021</b>						
Media and Entertainment	6,400	3,200	9,600	—	—	—
Corporate	11,500	31,500	43,000	—	—	—
Consolidated	<u>\$ 17,400</u>	<u>\$ 41,900</u>	<u>\$ 59,300</u>	<u>\$ 2,200</u>	<u>\$ 5,400</u>	<u>\$ 7,600</u>

The following tables present the activity in the restructuring liabilities for the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor).

	Accrued Restructuring as of December 31, 2022	Restructuring Expense	Reversals	Cash Payments and Other	Accrued Restructuring as of December 31, 2023
	(Successor)				(Successor)
<b>Restructuring Activities Initiated in 2020 and Prior</b>					
Employee termination benefits	\$ 500	\$ —	\$ —	\$ —	\$ 500
Contract termination costs/other	—	5,200	—	(5,200)	—
<b>Restructuring Activities Related to Recent Acquisitions</b>					
Employee termination benefits	23,700	42,400	(4,300)	(34,600)	27,200
Contract termination costs/other	2,400	12,600	(2,500)	(10,800)	1,700
Consolidated	<u>\$ 26,600</u>	<u>\$ 60,200</u>	<u>\$ (6,800)</u>	<u>\$ (50,600)</u>	<u>\$ 29,400</u>

	Accrued Restructuring as of December 31, 2021	Restructuring Expense	Reversals	Cash Payments and Other	Accrued Restructuring as of December 31, 2022
	(Successor)				(Successor)
<b>Restructuring Activities Initiated in 2020 and Prior</b>					
Employee termination benefits	\$ 2,400	\$ —	\$ —	\$ (1,900)	\$ 500
Contract termination costs/other	—	6,400	—	(6,400)	—
<b>Restructuring Activities Related to Recent Acquisitions</b>					
Employee termination benefits	15,000	39,500	—	(30,800)	23,700
Contract termination costs/other	15,100	20,800	(3,600)	(29,900)	2,400
Consolidated	<u>\$ 32,500</u>	<u>\$ 66,700</u>	<u>\$ (3,600)</u>	<u>\$ (69,000)</u>	<u>\$ 26,600</u>

Employee termination benefits accrued as of December 31, 2023 (Successor) are expected to be paid within twelve months from December 31, 2023 (Successor). Contract termination costs and other costs primarily relate to non-employees related items. All of the restructuring activities accrued as of December 31, 2023 (Successor) and December 31, 2022 (Successor) are included in current liabilities on the consolidated balance sheet.

## 10. Revenue Contract Balances

### Contract Liabilities

For certain contractual arrangements, the Company receives cash consideration prior to providing the associated services resulting in deferred revenue recognition. In addition, the Company has recorded non-cash deferred revenue in connection with an obligation to Televisa to provide future advertising and promotion time. See Note 15. *Related Party Transactions*, under the heading "Televisa."



The following table presents the deferred revenue for the Media and Entertainment segment as follows:

	December 31, 2023 (Successor)	December 31, 2022 (Successor)
<i>Current portion:</i>		
Deferred advertising and licensing revenue	\$ 234,600	\$ 169,100
Televisa deferred advertising	10,600	10,300
Other deferred revenue	38,900	24,700
Total current deferred revenue	<u>\$ 284,100</u>	<u>\$ 204,100</u>
<i>Non-current portion:</i>		
Deferred advertising and licensing revenue	\$ 47,200	\$ 28,500
Televisa deferred advertising	15,600	26,200
Other deferred revenue	15,500	16,100
Total non-current deferred revenue	<u>\$ 78,300</u>	<u>\$ 70,800</u>
Total deferred revenue	<u>\$ 362,400</u>	<u>\$ 274,900</u>

At December 31, 2023 (Successor), approximately \$207.1 million of revenue was recognized that was included in the deferred revenue balance at December 31, 2022 (Successor). At December 31, 2022 (Successor), approximately \$192.2 million of revenue was recognized that was included in the deferred revenue balance at December 31, 2021 (Successor).

## 11. Program Rights and Prepayments

The table below present the components of the Company's program rights and prepayments:

	December 31, 2023 (Successor)	December 31, 2022 (Successor)
<b>Film group monetization:</b>		
Internally produced program rights		
Completed and released	\$ 328,800	\$ 231,500
Completed and not released	16,600	4,400
In-production	353,000	150,400
Licensed movies and series program rights	309,900	302,700
<b>Individual monetization:</b>		
Licensed program rights and prepayments including sport rights	273,100	111,300
Total program rights and prepayments, at cost	<u>1,281,400</u>	<u>800,300</u>
Current portion	(116,000)	(68,800)
Non-current portion	<u>\$ 1,165,400</u>	<u>\$ 731,500</u>

Program rights amortization is recorded in direct operating expense and program rights impairments are recorded in the impairment loss line within consolidated statement of operations as follows:

	Year Ended December 31, 2023 (Successor)	Year Ended December 31, 2022 (Successor)	Period from May 18, 2021 through December 31, 2021 (Successor)	Period from January 1, 2021 through May 17, 2021 (Predecessor)
<b>Film group monetization:</b>				
Program rights amortization	\$ 590,900	\$ 445,100	\$ 7,000	\$ 4,200
Program rights impairment	10,900	19,000	—	—
<b>Individual monetization:</b>				
Program rights amortization	298,400	464,300	164,800	65,400
Program rights impairment	6,500	2,500	5,900	19,700
Total program rights amortization and impairment expense	<u>\$ 906,700</u>	<u>\$ 930,900</u>	<u>\$ 177,700</u>	<u>\$ 89,300</u>

For the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor), the Company recognized non-cash impairment loss of \$17.4 million and \$21.5 million, respectively, primarily related to the write-down for content which will no longer be aired and sports rights with certain payments made in excess of recoverable amounts. During the period from May 18, 2021,



through December 31, 2021 (Successor), the Company recognized non-cash impairment loss of \$5.9 million related to the write-down for content that was no longer aired. During the period from January 1, 2021, through May 17, 2021 (Predecessor), the Company recognized non-cash impairment loss of \$19.7 million, related to the write-down of sports program rights, primarily resulting from the reduction in the number of games aired on the linear networks as well as certain payments made in excess of recoverable amounts

Total expected amortization by fiscal year of completed (released and not released) produced, licensed and acquired library content on the consolidated balance sheet as of December 31, 2023 (Successor) is as follows:

	<b>Monetized As a Group</b>	<b>Monetized Individually</b>	<b>Total</b>
<b>Produced content</b>			
<i>Completed and released</i>			
2024.....	\$ 172,700	\$ —	\$ 172,700
2025.....	147,900	—	147,900
2026.....	74,500	—	74,500
<i>Completed and not released</i>			
2024.....	7,200	—	7,200
<b>Licensed content - Program rights and advances</b>			
2024.....	83,200	113,900	197,100
2025.....	71,000	8,700	79,700
2026.....	55,100	110,000	165,100

## 12. Financial Instruments and Fair Value Measures

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value.

*Accounts Receivable* – The Company’s accounts receivable arise from the sale of advertising on broadcast and cable networks, local television and radio stations that generate advertising revenue. The Company also generates revenue from the sale of display, mobile and video advertising, as well as sponsorships, on our various digital properties. In addition, accounts receivable arise through subscriber fee revenue from fees charged for the right to view the programming content of the Company’s broadcast networks, cable networks and stations through a variety of distribution platforms and viewing devices. Subscriber fee revenue is principally comprised of fees received from MVPDs and vMVPDs for carriage of the Company’s networks and for carriage of the Univision and UniMás broadcast networks aired on the Company’s owned television stations as well as fees for digital content.

The Company considers a number of factors in estimating the credit losses associated with its accounts receivable including historical experience, the current financial condition of an individual customer and overall market conditions. The Company evaluates its credit losses on a customer by customer basis.

The following table provides the details of the Company’s expected credit loss reserve:

	<b>Balance as of December 31, 2022 (Successor)</b>	<b>Provision for expected credit losses</b>	<b>Write-offs</b>	<b>Recoveries</b>	<b>Foreign currency exchange rate impact and others</b>	<b>Balance as of December 31, 2023 (Successor)</b>
Expected credit loss reserve .....	\$ 25,800	\$ 31,200	\$ (5,500)	\$ (18,800)	\$ (1,500)	\$ 31,200
	<b>Balance as of December 31, 2021 (Successor)</b>	<b>Provision for expected credit losses</b>	<b>Write-offs</b>	<b>Recoveries</b>	<b>Foreign currency exchange rate impact and others</b>	<b>Balance as of December 31, 2022 (Successor)</b>
Expected credit loss reserve .....	\$ 4,400	\$ 20,100	\$ (2,300)	\$ (200)	\$ 3,800	\$ 25,800

*Interest Rate Swaps*—The Company uses interest rate swaps to manage its interest rate risk. These interest rate swaps are measured at fair value primarily using significant other observable inputs (Level 2). In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees. See Note 17. *Interest Rate Swaps*.

The majority of inputs into the valuations of the Company's interest rate swap derivatives include market-observable data such as interest rate curves, volatilities, and information derived from, or corroborated by market-observable data. Additionally, a specific unobservable input used by the Company in determining the fair value of its interest rate derivatives is an estimation of current credit spreads to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. The inputs utilized for the Company's own credit spread are based on implied spreads from its privately placed debt securities with an established trading market. For counterparties with publicly available credit information, the credit spreads over the Secured Overnight Financing Rate ("SOFR") used in the calculations represent implied credit default swap spreads obtained from a third-party credit data provider. Once these spreads have been obtained, they are used in the fair value calculation to determine the credit valuation adjustment ("CVA") component of the derivative valuation. Based on the Company's assessment of the significance of the CVA, it is not considered a significant input. The Company has determined that its derivative valuations in their entirety are classified as Level 2 measurements. The Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio.

*Equity Investments Not Accounted for Under the Equity Method*—The fair value of the Entravision Communications Corporation ("Entravision") investment is based on the market value of Entravision's Class A common stock which is a Level 1 input. See Note 13. *Investments*. The Company holds equity positions in several small early-stage entities which may not have readily determinable fair values. For such securities, the Company utilizes the measurement alternative to carry these investments at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. When indicators of impairment exist for these investments, the Company prepares quantitative assessments of the fair value of its investments in equity securities, which require judgment and the use of estimates that are generally based on unobservable Level 3 inputs.

*Asset measured at fair value on a nonrecurring basis*—The Company's non-financial assets, such as goodwill, intangible assets, right-of-use assets, property and equipment, are adjusted to fair value when an impairment is recognized and purchase accounting occurs. The Company's financial assets, comprising equity securities without readily determinable fair values, are adjusted to fair value when observable price changes are identified or an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

*Fair Value of Debt Instruments*—The carrying amount and fair value of the Company's debt instruments as of December 31, 2023 and December 31, 2022 are set out in the following table. The fair values of the credit facilities are based on market prices (Level 1). The fair values of the senior notes are based on market yield curves based on credit rating (Level 2). See Note 16. *Debt* for information on recent financing transactions.

	As of December 31, 2023		As of December 31, 2022	
	(Successor)		(Successor)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Replacement bank senior secured revolving credit facility maturing in 2025	\$ —	\$ —	\$ —	\$ —
Replacement bank senior secured revolving credit facility maturing in 2027	—	—	—	—
Bank senior secured term loan facility maturing in 2024	—	—	361,400	360,800
Bank senior secured term loan facility maturing in 2026	1,899,700	1,917,100	1,912,900	1,900,400
2022 Term Loan A Facility maturing in 2027	750,500	752,700	484,600	481,400
Bank senior secured term loan facility maturing in January 2029	995,500	1,027,800	998,900	1,010,800
2022 Term Loan B Facility maturing in June 2029	478,300	493,100	480,100	490,000
Senior Secured Notes:				
5.125% Senior Secured Notes due 2025	342,500	340,200	1,493,700	1,409,100
6.625% Senior Secured Notes due 2027	1,561,900	1,494,100	1,578,000	1,450,900
8.000% Senior Secured Notes due 2028	1,191,100	1,239,300	—	—
4.500% Senior Secured Notes due 2029	1,036,800	938,700	1,034,300	876,200
7.375% Senior Secured Notes due 2030	892,500	898,900	891,400	860,500
Accounts receivable facility maturing in 2026	100,000	100,000	100,000	100,000
Note payable with Grupo Televisa	198,700	209,500	294,700	294,700
Other long-term debt	7,100	7,100	—	—
	<u>\$9,454,600</u>	<u>\$9,418,500</u>	<u>\$9,630,000</u>	<u>\$9,234,800</u>

### 13. Investments

The carrying amount of the Company's unconsolidated investments is as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	<b>(Successor)</b>	<b>(Successor)</b>
Entravision	\$ 39,000	\$ 44,900
Equity method investments:		
Combate	—	28,600
Other equity method investments	1,600	1,900
Equity investments without readily determinable values	238,700	163,700
Total investments	<u>\$ 279,300</u>	<u>\$ 239,100</u>

#### *Entravision*

The Company holds 9.4 million shares of Entravision Class U shares which have limited voting rights and are not publicly traded but are convertible into Class A common stock upon sale of these shares to a third party. The Company considers these Class U shares to have a readily determinable fair value based on Entravision's Class A shares. The fair value of the Company's investment of Entravision as of December 31, 2023 (Successor) and December 31, 2022 (Successor) is \$39.0 million and \$44.9 million, respectively. For the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor), the Company recorded a loss on this investment of \$5.9 million and \$18.5 million, respectively, in "Other, net" within the Company's consolidated statements of operations related to changes in the fair value of Entravision's shares. For the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), the Company recorded a gain on this investment of \$25.3 million and \$12.4 million, respectively, in "Other, net" within the Company's consolidated statements of operations related to changes in the fair value of Entravision's shares.

#### *Equity Method Investments*

##### *Combate*

On April 9, 2021, the Company acquired a 27.6% equity interest in Combate Americas, LLC ("Combate") a premier Hispanic Mixed Martial Arts sports franchise and includes reality TV programming, live events and mobile programming for \$32.1 million. The carrying amount of the Company's investment in Combate as of December 31, 2023 (Successor) and December 31, 2022 (Successor), zero and \$28.6 million, respectively. For the year ended December 31, 2023 (Successor), the Company recorded a loss of \$29.2 million, in "Other, net" within the Company's consolidated statements of operations reflecting the full impairment of our Combate equity investment and share of equity loss. For the year ended December 31, 2022 (Successor), periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), the Company recorded a loss of \$1.9 million, \$1.6 million and zero, respectively, in "Other, net" within the Company's consolidated statements of operations related to the equity investment in Combate.

##### *Equity investments without readily determinable fair values*

The Company holds several equity positions in small early-stage entities in various industries and these equity investment do not have readily determinable fair values.

The following table presents a summary of the unrealized pre-tax gains and losses in "Other, net" within the Company's consolidated statements of operations as adjustments to the carrying amounts of equity securities without readily determinable fair values held at:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	<b>(Successor)</b>	<b>(Successor)</b>
Upward adjustments gross unrealized	\$ —	\$ —
Downward adjustments gross unrealized	17,100	20,200
	<u>\$ 17,100</u>	<u>\$ 20,200</u>

The cumulative upward and downward adjustments (including impairments) to the carrying amount of equity securities without readily determinable fair values at December 31, 2023 and December 31, 2022 were \$37.3 million and \$20.2 million, respectively.

## 14. Acquisitions

### *Argos Acquisition*

On June 1, 2023, the Company increased ownership in Argos, a Mexican entity, from an existing equity-method investment of 39.5% to a 95% controlling financial interest by primarily assuming existing long-term debt net of cash acquired. The transaction of Argos is accounted for as a business combination under the scope of ASC 805. The overall purchase consideration was not material and there was no material effect in the consolidated balance sheets or statements of operations regarding this step acquisition. This is a strategic transaction that brings state-of-the-art production equipment and expands the production capacity in the Company's original Spanish content.

### *Pantaya Acquisition*

On September 13, 2022, the Company acquired a 100% equity interest in Pantaya, LLC ("Pantaya"), a U.S. streaming platform focused on Spanish-language content for a preliminary purchase consideration of \$141.7 million, which was subject to a working capital adjustment and the transfer of some Puerto Rican assets pending FCC approval. In 2023 the Company recognized a gain of \$32.4 million within "Gain on disposition" in the consolidated statements of operations related to the transfer of these assets. During 2023, the Company completed the purchase accounting which resulted in a goodwill increase of \$12.1 million. The primary adjustment related to the completion of the assessment of the fair value of the radio assets transferred after obtaining the approval by the FCC which increased the estimated preliminary purchase consideration. The final purchase consideration of \$151.2 million was comprised of \$120.2 million cash consideration and the fair value of the Puerto Rican radio assets transferred on August 31, 2023 after obtaining FCC approval. The acquisition of Pantaya is accounted for as a business combination under the scope of ASC 805. The Pantaya acquisition enhanced our ongoing digital transformation by bringing together highly complementary streaming assets and building up our subscriber base.

The fair value of the assets acquired and liabilities assumed was determined based on assumptions that reasonable market participants would use in the principal (or most advantageous) market for the business.

The fair value for the e-commerce and wholesale/partner relationships was determined using the multi-period excess earnings method. The summary of intangible assets acquired and the estimated useful life as of the acquisition date (amounts in thousands).

	Fair Value	Estimated Useful Life in Years
e-commerce relationships.....	\$ 13,100	4.5
Wholesale / Partner relationships.....	11,500	3.5
Total intangible assets acquired.....	<u>\$ 24,600</u>	

The Pantaya acquisition resulted in the recognition of goodwill of \$108.9 million which is assigned to the Media and Entertainment reportable segment. The full amount of goodwill is not deductible for tax purposes. The goodwill recognized is due to (i) the ability to integrate the Pantaya subscribers into the Company's ViX, subscription streaming service and (ii) existing Pantaya assembled workforce and know-how acquired as part of the transaction.

The Pantaya acquisition did not materially affect the Company's results. For the year ended December 31, 2022 (Successor), the Company incurred \$4.2 million of acquisition related costs which are expensed and recorded within "Other, net" in the consolidated statements of operations.

## 15. Related Party Transactions

### **Televisa, Searchlight, ForgeLight, Liberty and Google**

#### *Management Services Agreement*

An affiliate of ForgeLight (the "Consultant") and the Company's Chief Executive Officer, Mr. Wade Davis, have entered into a management services agreement with UHI and UCI dated January 28, 2021. The term of the management services agreement is indefinite, subject to certain rights of termination and resignation by either party. In compensation for the services provided under the management services agreement, UCI has agreed to pay the Consultant an annual management services fee of \$3.0 million, a supplemental fee in a target amount of 100% of the management services fee, certain aircraft allowances and certain other benefits. In

addition, the Consultant holds an equity grant of Class C subordinated common stock 842,128 shares of TelevisaUnivision. The shares of Class C subordinated common stock issued in the equity grant are subject to time-based vesting and automatic vesting upon the occurrence of certain specified events. As of December 31, 2023 the Consultant has vested in 631,596 of the Class C subordinated stock. If the Consultant is terminated or resigns under certain circumstances, TelevisaUnivision has agreed to pay a termination fee of 150% of the management services fee over the twelve months following such termination or resignation and a prorated portion of the supplemental fee.

#### *Google Agreements*

In connection with the TelevisaUnivision Transaction, on January 31, 2022, Google LLC (“Google”) became an investor in UH Holdco. As of December 31, 2023, Google held 14.9% of UH Holdco’s Series C preferred shares. In addition, during 2021, the Company and certain of its Affiliates entered into a suite of commercial agreements with Google and certain of its Affiliates, to provide the Company with the technology framework necessary for the Company’s engineering team to build its streaming platform for the ViX streaming services. These commercial arrangements include, most notably, a \$1.1 billion commitment to purchase Google’s cloud services over eight years and a \$61.0 million commitment to purchase advertising and related services over five years. Later in 2021, the Company also entered into an agreement to launch its stations and services on Google’s YouTubeTV vMVPD platform. Other ordinary course agreements between Google and the Company also exist, such as a market developer agreement for inclusion of the Company’s streaming apps in Google’s Play store.

#### *Pantaya Transaction*

On September 12, 2022, the Company acquired a 100% equity interest in Pantaya, LLC (“Pantaya”) from a subsidiary of Searchlight, (see Note 14. *Acquisitions*). As part of this acquisition the Company signed an agreement with the subsidiary of Searchlight to provide certain consulting services related to the operations of the radio stations transferred as part of the Pantaya acquisition.

#### *Other Agreements and Transactions*

Pursuant to the Second Amended and Restated Stockholders Agreement, dated as of January 31, 2022 (as amended from time to time), entered into by UCI, TelevisaUnivision (formerly known as UH Holdco), and Broadcast Media Partners Holdings, Inc., with Searchlight, ForgeLight, Liberty, Google, Raine, Softbank, Televisa and other stockholders party thereto, UCI’s Board of Directors and any observers to the Board of Directors are entitled to reimbursement by UCI of any reasonable out-of-pocket expenses incurred by such directors or observers in connection with attending any meeting of the Board of Directors or any committee thereof. There were no out-of-pocket expenses for the years ended December 31, 2023, 2022 or 2021.

Searchlight and ForgeLight are private investment firms that may have investments in companies that may do business with the Company.

### **Televisa Transactions**

#### *Program License Agreement (as amended, the “PLA”)*

Prior to the TelevisaUnivision Transaction and pursuant to the program license agreement entered into effective 2011 (the “2011 PLA”) and a predecessor program license agreement (the “Prior PLA”) between Televisa and UCI, UCI committed to provide future advertising and promotion time at no charge to Televisa, with a cumulative historical fair value of \$970.0 million. The remaining carrying amount under these advertising and promotion time commitments as of December 31, 2021 was \$197.3 million, based on the fair value of UCI’s advertising commitments determined in the Reorganization purchase accounting and was recorded as deferred revenue. As result of the TelevisaUnivision Transaction and the termination of the 2011 PLA and Prior PLA, the fair value of the remaining obligation related to the advertising and promotion time was settled in full, and separately, as part of the total consideration exchanged in the TelevisaUnivision Transaction. No gain or loss was recorded in conjunction with settling this pre-existing contractual relationship as the \$196.5 million deferred revenue obligation as of the settlement date was determined to be equal to its fair value. The PLA deferred revenue obligation was settled through a combination of cash and non- cash consideration, including commitment to provide free advertising for use by Televisa and its subsidiaries at no cost for promotion of the soccer team and related assets of Club Fútbol América S.A. de C.V., a subsidiary of Televisa, through the 2025/2026 Mexican soccer season, which was determined to have a fair value of \$45.7 million with remaining amount deferred included in deferred revenue (See Note 10. *Revenue Contract Balances*).

For the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), UCI satisfied its commitment to provide advertising and promotion time at no charge to Televisa for the periods resulting in revenue recognized of



\$10.3 million, \$10.0 million, \$22.1 million and \$16.8 million, respectively. The deferred revenue is earned and revenue is recognized as advertising revenue as the related advertising and promotion time is provided.

As discussed in Note 3. *TelevisaUnivision Transaction*, on April 13, 2021, a definite agreement was entered into (the “Transaction Agreement”) pursuant to which, among other things, a subsidiary of UHI agreed to acquire Televisa’s content and media assets (other than certain assets related to the news content business and concessions). The TelevisaUnivision Transaction closed on January 31, 2022. As a result of the TelevisaUnivision Transaction, the Company and its subsidiaries and Televisa and its subsidiaries have entered into a number of commercial agreements with respect to certain broadcasting rights, licenses, leasing agreements, and transition services.

The following table lists the significant related party arrangements between the Company and Televisa and its affiliates as of December 31, 2023 (Successor) and December 31, 2022 (Successor):

Description	Consolidated Balance Sheet Location	December 31, 2023	December 31, 2022
Accounts receivable (a) .....	Accounts receivable, net	\$ 64,800	\$ 45,900
Prepaid assets .....	Prepaid expenses and other	—	300
Accrued interest .....	Accounts payable & accrued liabilities	—	32,200
Accrued expenses (a) .....	Accounts payable & accrued liabilities	101,300	30,000
Televisa deferred advertising - current .....	Deferred revenue	10,600	10,300
Televisa deferred advertising - non current .....	Deferred revenue (non current)	15,600	26,200
Note Payable - current .....	Current portion of long-term debt and finance lease obligations	106,100	294,700
Note Payable - non-current .....	Long-term debt and finance lease obligations	92,600	—
Finance lease obligation and related assets - current .....	Current portion of long-term debt and finance lease obligations	13,500	39,500
Finance lease obligation and related assets - non-current .....	Long-term debt and finance lease obligations	353,500	272,800
Accrued interest .....	Other long-term liabilities	74,800	—

(a) Accounts receivable primarily relates to advertising and subscription revenue with Televisa and its affiliates. The Company recognized \$365.8 and \$267.1 million primarily of subscription revenue from Televisa and its affiliates for the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), respectively. The Company recognized \$224.8 million of expenses primarily related to depreciation expense and interest expense related to leases, interest expense related to the note payable and other administrated services from Televisa and its affiliates for the years ended December 31, 2023 (Successor). The Company recognized \$223.7 million of expenses primarily related to license fees, depreciation expense and interest expense related to leases, interest expense related to the note payable and other administrated services from Televisa and its affiliates for the years ended and December 31, 2022 (Successor). Accrued expenses primarily relates to administrative services provided by Televisa and its affiliates, net of certain related party receivables. As of December 31, 2023 (Successor) and December 31, 2022 (Successor), the Company paid \$308.0 million and \$242.6 million, respectively to Televisa and its affiliates.

#### **Univision Holdings, Inc. and TelevisaUnivision, Inc.**

During the year ended December 31, 2023 (Successor), and December 31, 2022 (Successor), the Company paid Series B cumulative preferred stock dividends on behalf of TelevisaUnivision of \$41.3 million and \$37.8 million, respectively.

During the year ended December 31, 2022 (Successor), the Company repurchased shares of common stock of \$13.3 million and made tax payments related to net share settlement equity awards to Univision employees of \$4.1 million.

During the period from January 1, 2021 through May 17, 2021 (Predecessor), UHI made tax payments related to net share settlement on its equity awards to employees of \$0.8 million. During the period from May 18, 2021 through December 31, 2021 (Successor), UH Holdco repurchased shares of common stock of \$1.0 million and made tax payments related to net share settlement equity awards to Univision employees of \$3.2 million.

## 16. Debt

Long-term debt consists of the following:

	December 31, 2023	December 31, 2022
	(Successor)	(Successor)
Replacement bank senior secured revolving credit facility maturing in 2025	\$ —	\$ —
Replacement bank senior secured revolving credit facility maturing in 2027	—	—
Bank senior secured term loan facility maturing in 2024	—	361,400
Bank senior secured term loan facility maturing in 2026	1,899,700	1,912,900
2022 Term Loan A Facility maturing in 2027	750,500	484,600
Bank senior secured term loan facility maturing in January 2029	995,500	998,900
2022 Term Loan B Facility maturing in June 2029	478,300	480,100
Senior Secured Notes:		
5.125% Senior Secured Notes due 2025	342,500	1,493,700
6.625% Senior Secured Notes due 2027	1,561,900	1,578,000
8.000% Senior Secured Notes due 2028	1,191,100	—
4.500% Senior Secured Notes due 2029	1,036,800	1,034,300
7.375% Senior Secured Notes due 2030	892,500	891,400
Accounts receivable facility maturing in 2026	100,000	100,000
Note payable to Grupo Televisa	198,700	294,700
Finance lease	425,000	395,200
Other long-term debt	7,100	—
	<u>9,879,600</u>	<u>10,025,200</u>
Less current portion	(308,500)	(113,800)
Long-term debt and finance lease and other obligations	<u>\$ 9,571,100</u>	<u>\$ 9,911,400</u>

Approximately \$83.1 million and \$83.1 million of deferred financing costs are presented as a direct reduction of the Company's long-term debt in the consolidated balance sheet as of December 31, 2023 (Successor) and December 31, 2022 (Successor), respectively. At December 31, 2023 (Successor) and December 31, 2022 (Successor), other assets include \$1.0 million and \$1.3 million, respectively, of deferred financing costs related to the Company's revolving credit facilities. The following table details the principal and carrying amounts of the Company's long-term debt as of December 31, 2023 (Successor). The difference between principal and carrying amount is made up of the \$83.1 million of deferred financing costs discussed above and \$47.7 million of unamortized fair value adjustments resulting from the Reorganization and the premium or discount arising from the new debt issuance.

	Principal	Fair Value Adjustments/ (Discount) and (Deferred Financing Costs)	Carrying Amount
Bank senior secured term loan facility maturing in 2026	1,914,700	(15,000)	1,899,700
2022 Term Loan A Facility maturing in 2027	754,600	(4,100)	750,500
Bank senior secured term loan facility maturing in January 2029	1,031,700	(36,200)	995,500
2022 Term Loan B Facility maturing in June 2029	492,500	(14,200)	478,300
Senior Secured Notes:			
5.125% Senior Secured Notes due 2025	340,700	1,800	342,500
6.625% Senior Secured Notes due 2027	1,500,000	61,900	1,561,900
8.000% Senior Secured Notes due 2028	1,200,000	(8,900)	1,191,100
4.500% Senior Secured Notes due 2029	1,050,000	(13,200)	1,036,800
7.375% Senior Secured Notes due 2030	900,000	(7,500)	892,500
Accounts receivable facility maturing in 2026	100,000	—	100,000
Note payable with Grupo Televisa	198,700	—	198,700
Finance lease	425,000	—	425,000
Other long-term debt	7,100	—	7,100
	<u>\$ 9,915,000</u>	<u>\$ (35,400)</u>	<u>\$ 9,879,600</u>

## Debt Instruments

### *2023 Financing Transactions*

On December 18, 2023, UCI issued an additional \$700.0 million aggregate principal amount of its existing 8.000% senior notes due August 15, 2028 (the “December 2023 senior notes”). The December 2023 senior notes were issued under the same indenture governing the initial 2028 senior notes (as defined below), have the same terms as the initial 2028 senior notes and are treated as a single series with the initial 2028 notes. The December 2023 senior notes were priced at 100.500%. UCI concurrently used the proceeds to make a \$700.0 million partial redemption of the 5.125% senior notes due 2025.

On August 28, 2023, UCI issued senior secured debt of \$100.0 million made up of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date (as defined below)), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the “August 2023 Term Loan A Facility”). UCI concurrently utilized the proceeds of the August 2023 Term Loan A Facility to make a \$100.0 million partial redemption of the 5.125% senior notes due 2025.

On August 7, 2023, UCI issued \$500.0 million 8.000% senior notes due August 15, 2028 (the “initial 2028 senior notes”). UCI concurrently used the proceeds to prepay all of the \$161.3 million the remaining balance of the bank senior secured term B facility maturing in 2024 (the “2024 term loans”) and to make a \$338.7 million partial redemption of the 5.125% senior notes due 2025.

On July 26, 2023, UCI issued senior secured debt of \$100.0 million made up of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date (as defined below)), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the “July 2023 Term Loan A Facility”). UCI concurrently utilized the proceeds of the July 2023 Term Loan A Facility to make a \$100.0 million partial prepayment of the 2024 term loans.

On June 30, 2023, UCI issued senior secured debt of \$100.0 million made up entirely of a bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date (as defined below)), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (as defined below) (the “June 2023 Term Loan A Facility”). UCI utilized the proceeds of the June 2023 Term Loan A Facility to make a \$100.0 million partial prepayment of the 2024 term loans.

### *2022 Financing Transactions*

On August 26, 2022, UCI issued \$400.0 million in additional aggregate principal amount of its existing 7.375% Senior Secured Notes due 2030 (the “additional 2030 notes”). The additional 2030 notes were issued under the same indenture governing the initial 2030 notes, have the same terms as the initial 2030 notes and are treated as a single series with the initial 2030 notes. The additional 2030 notes were priced at 101.500%. As of December 31, 2022, after giving effect to the issuance of the additional 2030 notes, UCI has \$900.0 million aggregate principal amount of its 7.375% Senior Secured Notes due 2030 outstanding.

On June 24, 2022, UCI issued senior secured debt of \$1.5 billion made up of (i) a \$500.0 million bank senior secured term loan A facility maturing in 2027 (the “2022 Term Loan A Facility”), (ii) a \$500.0 million bank senior secured term loan B facility maturing in June 2029 (the “2022 Term Loan B Facility”) and (iii) \$500.0 million in aggregate principal amount of 7.375% Senior Secured Notes due 2030 (the “initial 2030 notes”). UCI utilized the debt issuance proceeds to (x) redeem all of the outstanding 9.5% Senior Secured Notes due 2025 of \$370.0 million and (y) make a \$1,130.0 million partial prepayment of the bank senior secured term loan B facility maturing in 2024 (the “2024 term loans”).

On January 31, 2022, UCI entered into a new bank credit agreement (the “2022 Credit Agreement”) with JPMorgan Chase Bank, N.A., as administrative agent, which provided a new senior secured term loan B facility of \$1,050.0 million with a maturity date of January 31, 2029 (the “January 2029 term loans”). The 2022 Credit Agreement was further amended on June 24, 2022 to provide for the 2022 Term Loan B Facility, which is treated as a separate class of term loans from the January 2029 term loans. As of December 31, 2022, UCI had two separate credit agreements (i) the 2007 Credit Agreement with Goldman Sachs, as administrative agent, and (ii) the 2022 Credit Agreement (defined above).

### *Senior Secured Credit Facilities*

*Bank senior secured revolving credit facility* — At December 31, 2023, UCI had no outstanding balance on the bank revolving credit facility and UCI had \$610.0 million available for borrowing under its bank revolving credit facility following the June 2022 Amendment (as defined below).



On June 24, 2020, UCI entered into an amendment (the “June 2020 Amendment”) to the 2007 Credit Agreement governing UCI’s senior secured revolving credit facility and senior secured term loan facility, which are referred to collectively as the “Senior Secured Credit Facilities.” The June 2020 Amendment, among other things, (a) provided for a new class of revolving credit commitments that refinanced and decreased the commitments under the then existing revolving credit facility from \$850.0 million to \$610.0 million (with a letter of credit sub-facility thereunder of \$175.0 million), subject to an unused commitment fee in an amount equal to 0.35% per annum on the average unused daily revolving credit balance, which matures on April 30, 2025 (subject to an earlier maturity if certain indebtedness of UCI is not repaid or refinanced on or prior to the dates set forth in the credit agreement), and (b) facilitated the incurrence of replacement term loans in an aggregate principal amount of approximately \$2.0 billion (the “2026 term loans”) to refinance a portion of the 2024 term loans, with the replacement term loans having a maturity date of March 15, 2026 and amortizing at 1.0% per annum on a quarterly basis, commencing on September 30, 2020. The revolver drawings bear interest at SOFR (with no floor) and a margin of 3.75% per annum or an alternate base rate and a margin of 2.75% per annum (in each case, with leverage-based step downs consistent with the 2007 Credit Agreement), and the replacement term loans bear interest at SOFR (with a SOFR floor of 1.00% per annum) plus an applicable margin of 3.75% per annum or an alternate base rate and a margin of 2.75% per annum (with no leveraged-based step downs).

Approximately \$1,922.7 million of 2024 term loans were not amended in the June 2020 Amendment, and continued to have a maturity date of March 15, 2024 and bear interest at the rates otherwise set forth in the existing credit agreement. The full \$1,922.7 million balance was subsequently repaid with proceeds from the applicable 2022 and 2023 refinancing transactions described above.

As a result of the amendment UCI entered into on July 7, 2021 to the 2007 Credit Agreement (the “July 2021 Amendment”), a portion of UCI’s existing term loans, to the extent not prepaid at the election of the Lenders, were converted into a new tranche of term loans, in an aggregate principal amount of approximately \$1,963.8 million as of March 31, 2021 having a maturity date of March 15, 2026 (on and after the effectiveness of the July 2021 Amendment, the “2026 Term Loans”). The July 2021 Amendment decreased, upon the consummation of the TelevisaUnivision Transaction, the interest rate payable on such term loans to a percentage per annum of either (i) an adjusted LIBOR rate plus 3.25% or (ii) an alternate base rate (defined as the highest of (x) The Wall Street Journal prime rate, (y) the federal funds effective rate plus 0.50% per annum and (z) the one-month adjusted LIBOR rate plus 1%) plus 2.25%. For interest periods starting after the cessation of LIBOR on June 30, 2023, the 2026 term loans bear interest at adjusted Term SOFR plus a margin of 3.25% per annum with a 0.75% per annum SOFR floor or an alternate base rate plus a margin of 2.25% per annum. The July 2021 Amendment also made additional changes to align the material terms of the 2007 Credit Agreement with the 2029 Term Loan Facility upon the effective date of the 2022 Credit Agreement.

On June 24, 2022, UCI entered into an amendment (the “June 2022 Amendment”) to its Senior Secured Credit Facilities to, among other things, establish a new class of revolving credit commitments in an aggregate principal amount of \$522.0 million, which have a five year maturity date (subject to an earlier maturity if certain indebtedness of UCI is not repaid or refinanced on or prior to the dates set forth in the credit agreement; such earlier date, the “Springing Maturity Date”) and accrue interest at the Term SOFR rate with an interest rate margin tied to UCI’s leverage ratio ranging from 2.75%-3.75% per annum for Term SOFR loans and ranging from 1.75%-2.75% per annum for base rate loans (each with leverage-based step downs), which replace substantially all of the existing senior secured revolving credit facility described above, with exception to Deutsche Bank AG New York Branch’s \$88.0 million commitment which matures on April 30, 2025 (subject to the springing maturity date provided in the June 2020 Amendment); provided that, UCI may, in its sole discretion and subject to the terms of the Senior Secured Credit Facilities, elect to terminate any of such non-extended commitments under the senior secured revolving credit facility altogether and/or cause any of such non-extended commitments to be assigned to a lender who will cause them to be a part of the new class of revolving credit commitments. The extended senior secured revolving credit facility and non-extended senior secured revolving credit facility are collectively referred to as the “senior secured revolving credit facilities”.

*Bank senior secured term loan facility maturing in 2024* – On June 24, 2022, UCI partially prepaid the principal balance of \$1,130.0 million of the 2024 term loan using the proceeds from the issuance of 2022 Term Loan A Facility, the 2022 Term Loan B Facility and the initial 2030 notes. On August 26, 2022, UCI used the net proceeds from the additional 2030 notes issuance to prepay an additional \$406.0 million of the 2024 term loans. On June 30, 2023, UCI partially prepaid the principal balance of \$100.0 million using the proceeds from the issuance of the June 2023 Term Loan A Facility. On July 26, 2023, UCI partially prepaid the principal balance of \$100.0 million using the proceeds from the issuance of the July 2023 Term Loan A Facility. On August 7, 2023, UCI fully prepaid all of the remaining principal balance of \$161.3 million using proceeds from the issuance of the initial 2028 senior notes. The interest rate payable on such term loans was equal to a percentage per annum of either (i) an adjusted LIBOR rate plus 2.75% or (ii) an alternate base rate (defined as the highest of (x) The Wall Street Journal prime rate, (y) the federal funds effective rate plus 0.50% per annum and (z) the one-month adjusted LIBOR rate plus 1%) plus 1.75%.

*Bank senior secured term loan facility maturing in 2026* – As of December 31, 2023, the total aggregate principal amount of the 2026 term loan was \$1,914.7 million, the unamortized deferred financing costs balance was \$4.6 million, and the unamortized fair value adjustment as a result of the Reorganization was \$10.4 million. In July 2021, UCI entered into an amendment of its senior

secured credit agreement to reprice the 2026 term loans to LIBOR plus a margin of 3.25% per annum with a 0.75% per annum LIBOR floor. For interest periods starting after the cessation of LIBOR on June 30, 2023, the 2026 term loans bear interest at adjusted Term SOFR plus a margin of 3.25% per annum with a 0.75% per annum SOFR floor or an alternate base rate and a margin of 2.25% per annum. The repriced 2026 term loans have a maturity date of March 15, 2026 and amortize at 1.0% per annum on a quarterly basis, commencing on September 30, 2021.

*Bank senior secured term loan facility maturing in 2027* - On June 24, 2022, UCI entered into the June 2022 Amendment to its Senior Secured Credit Facilities to, among other things, (a) establish a non-fungible tranche of senior secured "term A" loans (the "Term Loan A Facility") and (b) make a prepayment of the 2024 term loans. The Term Loan A Facility has a five-year maturity date (subject to the Springing Maturity Date) and has an interest rate margin tied to UCI's leverage ratio ranging from 2.75%-3.75% per annum for Term SOFR loans and ranging from 1.75%-2.75% per annum for base rate loans (each with leverage-based step downs). The loans under the Term Loan A Facility amortize at 5.0% per annum on a quarterly basis, commencing on September 30, 2022. UCI used the proceeds from the issuance of the Term Loan A Facility to fund the partial prepayment of the 2024 terms loans. The partial prepayment occurred concurrently with the closing of the Term Loan A Facility on June 24, 2022.

On June 30, 2023, UCI issued a \$100.0 million bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the June 2023 Term Loan A Facility). The loans under the June 2023 Term Loan A Facility bear interest and amortize at the same rates as the loans under the 2022 Term Loan A Facility. UCI used the proceeds from the issuance of the June 2023 Term Loan A Facility to make a partial prepayment of the 2024 term loans. The partial prepayment occurred concurrently with the closing of the June 2023 Term Loan A Facility on June 30, 2023.

On July 26, 2023, UCI issued a \$100.0 million bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the July 2023 Term Loan A Facility). The loans under the July 2023 Term Loan A Facility bear interest and amortize at the same rates as the loans under the 2022 Term Loan A Facility. UCI used the proceeds from the issuance of the July 2023 Term Loan A Facility to make a partial prepayment of the 2024 term loans. The partial prepayment occurred concurrently with the closing of the July 2023 Term Loan A Facility on July 26, 2023.

On August 28, 2023, UCI issued a \$100.0 million bank senior secured term loan A facility maturing in 2027 (subject to the Springing Maturity Date), which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (the August 2023 Term Loan A Facility). The loans under the August 2023 Term Loan A Facility bear interest and amortize at the same rates as the loans under the 2022 Term Loan A Facility. UCI used the proceeds from the issuance of the August 2023 Term Loan A Facility to make a partial prepayment of the 5.125% senior notes due 2025. The partial prepayment occurred concurrently with the closing of the August 2023 Term Loan A Facility on August 28, 2023.

As of December 31, 2023, the total aggregate principal amount of the Term Loan A Facility was \$754.6 million, which includes the issuance of June 2023 Term Loan A Facility discussed above, and the unamortized deferred financing costs balance was \$4.1 million.

*Bank senior secured term loan facilities maturing in 2029* - On January 31, 2022, UCI entered into the 2022 Credit Agreement, which initially provided for the January 2029 term loans that were funded in full in connection with the closing of the TelevisaUnivision Transaction on January 31, 2022. UCI may choose to pay interest on the January 2029 term loans at either a SOFR-based rate (with a SOFR floor of 0.75%) or a base rate, in each case plus a margin of (i) 2.250% per annum for base rate loans or (ii) 3.250% per annum for SOFR rate loans. The January 2029 term loans are subject to amortization in equal quarterly installments (commencing on June 30, 2022) of principal in an aggregate amount equal to 1.00% per annum, with the remaining balance payable at the final date of maturity. The January 2029 term loans are guaranteed by Broadcast Holdings and UCI's material, wholly-owned restricted domestic subsidiaries (subject to certain exceptions), and are secured by, among other things, substantially all of the assets of UCI, Broadcast Holdings and UCI's material, wholly-owned restricted domestic subsidiaries (subject to certain exceptions). The priority of security interests and related creditors' rights for the January 2029 term loans are set forth in an intercreditor agreement. As of December 31, 2023, the total aggregate principal amount of the January 2029 term loans was \$1,031.7 million, and the unamortized deferred financing costs balance was \$36.2 million.

On June 24, 2022, UCI entered into the June 2022 Amendment of the 2022 Credit Agreement to, among other things, (a) establish a new class of incremental first lien term B loans constituting the 2022 Term Loan B Facility and (b) make a prepayment of the 2024 term loans (the term loans outstanding under the 2022 Credit Agreement, as amended, are referred to collectively as the "2022 Term Loan Facility"). The loans under the 2022 Term Loan B Facility bear an interest rate margin of 4.25% per annum for Term SOFR loans and 3.25% per annum for base rate loans. The loans under the 2022 Term Loan B Facility have a maturity date of June 24, 2029 and amortize at 1.0% per annum on a quarterly basis, commencing on September 30, 2022. As of December 31, 2023,

the total aggregate principal amount of the 2022 Term Loan B Facility was \$492.5 million, the unamortized deferred financing costs balance was \$3.1 million, and the unamortized discount was \$11.1 million.

The 2022 Credit Agreement provides for an incremental facility that UCI may use to add one or more incremental term loan facilities, increase commitments under the existing term loan facility and/or add one or more incremental revolving loan facilities by up to (i) a fixed amount of \$750.0 million, plus (ii) an unlimited amount of additional first-lien obligations so long as the consolidated first-lien leverage ratio, on a pro forma basis, does not exceed 6.00:1.00 or, if incurred in connection with an acquisition or other investment permitted under the credit agreement, would be leverage neutral, plus (iii) an unlimited amount of additional junior lien obligations, so long as the consolidated secured leverage ratio, on a pro forma basis, does not exceed 7:00:1.00, plus (iv) an unlimited amount of additional unsecured debt, so long as the consolidated total leverage ratio, on a pro forma basis, does not exceed 8.50:1.00, in each case, subject to other customary conditions and exceptions.

Additionally, UCI will be permitted to further refinance (whether by repayment, conversion or extension) its existing Senior Secured Credit Facilities and the 2022 Term Loan Facility (in addition to the new incremental facilities described above) with certain permitted additional first-lien, second-lien, senior and/or subordinated indebtedness, in each case if certain conditions are met.

UCI used the net proceeds from the 2022 Term Loan Facility as described above.

In addition, mandatory prepayments will be required to prepay amounts outstanding under the 2022 Term Loan Facility in an amount equal to:

- 100% (which percentage will be reduced upon the achievement of specified performance targets) of net cash proceeds from certain asset dispositions by UCI or any of its restricted subsidiaries, subject to certain exceptions, ratable sharing provisions and reinvestment provisions; and
- 100% of the net cash proceeds from the issuance or incurrence after the closing date of any additional debt by UCI or any of its restricted subsidiaries (excluding debt permitted under the 2022 Credit Agreement, other than any indebtedness which serves to refinance or extend indebtedness then outstanding under the 2022 Credit Agreement, which shall be required to prepay loans as set forth in such credit agreement).

Voluntary prepayments of principal amounts outstanding under loans governed by the 2022 Credit Agreement will be permitted at any time; however, if a prepayment of principal is made with respect to an adjusted Term SOFR loan, on a date other than the last day of the applicable interest period, the lenders will require compensation for any funding losses and expenses incurred as a result of the prepayment.

The 2022 Credit Agreement contains restrictive covenants which, among other things, limit the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, prepayments of subordinated indebtedness, liens and encumbrances and other matters customarily restricted in such agreements. The 2022 Credit Agreement does not contain any financial maintenance covenant.

The 2022 Credit Agreement contains customary events of default, including without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain other indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, judgment defaults in excess of specified amounts, failure of any material provision of any guaranty or security document supporting the term loans thereunder to be in full force and effect, and a change of control.

The Company used the proceeds from the issuance of the 2022 Term Loan B Facility to fund the partial prepayment of the 2024 term loans. The partial prepayment occurred concurrently with the closing of the 2022 Term Loan B Facility on June 24, 2022.

For the year ended December 31, 2023, the effective interest rate related to UCI's senior secured term loans was 6.37% including the impact of interest rate swaps and 8.59% excluding the impact of interest rate swaps. UCI is permitted to further refinance (whether by repayment, conversion or extension) UCI's senior secured credit facilities (including the extended credit facilities) with certain permitted additional first-lien, second-lien, senior and/or subordinated indebtedness, in each case, if certain conditions are met.

#### ***5.125% Senior Secured Notes due 2025***

The 5.125% senior notes due 2025 (the "5.125% 2025 senior notes") are ten-year notes. On February 19, 2015, UCI issued \$750.0 million aggregate principal amount of 5.125% 2025 senior notes, pursuant to an indenture dated as of February 19, 2015. UCI issued an additional \$810.0 million in aggregate principal amount of the 5.125% 2025 notes on April 21, 2015. The 5.125% 2025 senior notes mature on February 15, 2025 and pay interest on February 15 and August 15 of each year, commencing on August 15, 2015. Interest on the 5.125% 2025 senior notes accrues at a fixed rate of 5.125% per annum and is payable in cash. On September 5,

2017, UCI purchased \$80.6 million aggregate principal amount of its 5.125% 2025 senior notes through asset sale offers at a purchase price of 100% of the principal amount thereof plus accrued and unpaid interest thereon to, but not including, the date of purchase.

At December 31, 2023, the outstanding principal balance of the 5.125% 2025 senior notes was \$340.7 million and the unamortized fair value adjustment as a result of the Reorganization was \$1.8 million.

On and after February 15, 2020, the 5.125% 2025 senior notes may be redeemed, at UCI's option, in whole or in part, at any time and from time to time at the redemption prices set forth below. The 5.125% 2025 senior notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 5.125% 2025 senior notes to be redeemed) plus accrued and unpaid interest thereon to the applicable redemption date if redeemed during the twelve-month period beginning on February 15 of each of the following years: 2021 (101.708%), 2022 (100.854%), 2023 and thereafter (100.000%). If UCI undergoes a change of control, as defined under its debt agreements, it may be required to offer to purchase the 5.125% 2025 senior notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest. Subject to certain exceptions and customary reinvestment rights, UCI is required to offer to repay the 5.125% 2025 senior notes at par with the proceeds of certain assets sales.

UCI utilized the net proceeds from the issuance of the \$750.0 million 5.125% 2025 senior notes to fund a tender offer to purchase a portion or any and all of UCI's \$1,200.0 million aggregate principal amount of 6.875% senior secured notes due 2019, including any fees and expenses relating to and in connection with the tender offer, and UCI also used the net proceeds from the issuance of the \$810.0 million 5.125% 2025 senior notes to fund a tender offer to purchase a portion or any and all of UCI's \$750.0 million aggregate principal amount of the 7.875% senior secured notes due 2020, including any fees and expenses relating to and in connection with the tender offer.

On August 7, 2023, UCI partially redeemed \$338.7 million of the 5.125% 2025 senior notes, funding such partial redemption using net proceeds from the issuance of the initial 2028 senior notes.

On August 28, 2023, UCI partially redeemed \$100.0 million of the 5.125% 2025 senior notes, funding such the partial redemption using the net proceeds from the issuance of the August 2023 Term Loan A Facility.

On December 18, 2023, UCI partially redeemed \$700.0 million of the 5.125% 2025 senior notes, funding such partial redemption using net proceeds from the issuance of the additional 2028 senior notes.

#### ***9.500% Senior Secured Notes due 2025***

On April 28, 2020, UCI issued \$370.0 million aggregate principal amount of the 9.500% senior secured notes due 2025 (the "9.5% 2025 senior notes") at an original issuance discount of 99.026%, plus accrued and unpaid interest from April 28, 2020. The 9.5% 2025 senior notes will mature on May 1, 2025. UCI will pay interest on the 9.5% 2025 senior notes at a fixed rate of 9.500% per annum semi-annually in cash in arrears on May 1 and November 1 of each year, commencing on November 1, 2020. UCI may redeem the 9.5% 2025 senior notes, at UCI's option, in whole or in part, upon not less than 10 nor more than 60 days' notice at any time and from time to time at the redemption prices set forth below. The 9.5% 2025 senior notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 9.5% 2025 senior notes to be redeemed) plus accrued and unpaid interest thereon to, but excluding, the applicable redemption date if redeemed during the twelve month period beginning on May 1 of each of the following years: 2022 (104.750%), 2023 (102.375%) and 2024 and thereafter (100.000%).

Subject to certain exceptions and customary reinvestment rights, UCI is required to offer to repay the 9.5% 2025 senior notes at par with the proceeds of certain assets sales.

UCI utilized the net proceeds from the issuance of \$370.0 million aggregate principal amount of the 9.5% 2025 senior notes to fund the redemption of the 6.750% senior secured notes due 2022, including accrued and unpaid interest. The redemption occurred on May 28, 2020.

On June 24, 2022, UCI redeemed all of the outstanding 9.5% 2025 senior notes, funding such redemption using the net proceeds from the issuance of the 2030 senior notes (defined below) and the 2022 Term Loan B Facility.

#### ***6.625% Senior Secured Notes due 2027***

On June 18, 2020, UCI issued \$1,500.0 million aggregate principal amount of 6.625% senior secured notes due 2027 (the "2027 senior notes") at par, plus accrued and unpaid interest from June 18, 2020. The 2027 senior notes will mature on June 1, 2027. UCI will pay interest on the 2027 senior notes at a fixed rate of 6.625% per annum semi-annually in cash in arrears on June 1 and December 1 of each year, commencing on December 1, 2020. UCI may redeem the 2027 senior notes, at UCI's option, in whole or in



part, upon not less than 10 nor more than 60 days' notice at any time and from time to time at the redemption prices forth below. The 2027 senior notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2027 senior notes to be redeemed) plus accrued and unpaid interest thereon to, but excluding, the applicable redemption date if redeemed during the twelve-month period beginning on June 1 of each of the following years: 2023 (103.313%), 2024 (101.656%) and 2025 and thereafter (100.000%). At any time prior to June 1, 2023, UCI may redeem the 2027 senior notes at a redemption price equal to 100% of the principal amount of the 2027 senior notes to be redeemed plus accrued and unpaid interest plus the greater of (i) 1.0% of the principal amount and (ii) the excess, if any, of (A) an amount equal to the present value at such redemption date of (1) the redemption price of such note at June 1, 2023, plus (2) all required interest payments due on such note through June 1, 2023 (excluding accrued but unpaid interest to, but excluding, the redemption date), computed using a discount rate equal to the Treasury Rate (as defined in the indenture) as of such redemption date plus 50 basis points; over (B) the principal amount of such note to be redeemed on such redemption date. At December 31, 2023, the outstanding principal balance of the 2027 senior notes was \$1,500.0 million and the unamortized fair value adjustment as a result of the Reorganization was \$61.9 million.

At any time, or from time to time, until June 1, 2023, UCI was able, at UCI's option, use the net cash proceeds of one or more equity offerings to redeem up to 40% of the then outstanding aggregate principal amount of the 2027 senior notes issued under the indenture at a redemption price equal to 106.625% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, provided that (i) at least 50% of the aggregate principal amount of 2027 senior notes issued under the indenture remains outstanding and (ii) UCI makes such redemption not more than 180 days after the consummation of any such equity offering. In addition, if UCI undergoes a change of control, it may be required to offer to purchase the 2027 senior notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest. Subject to certain exceptions and customary reinvestment rights, UCI is required to offer to repay the 2027 senior notes at par with the proceeds of certain assets sales.

UCI used the net proceeds from the issuance of the 2027 senior notes to fund the redemption of the 5.125% senior secured notes due 2023 (the "2023 senior notes"), including related fees and expenses. The redemption occurred on July 20, 2020. In addition, UCI prepaid \$265.0 million aggregate principal amount of the 2024 term loans with a portion of the proceeds of the 2027 senior notes.

#### ***8.000% Senior Secured Notes due 2028***

On August 7, 2023, UCI issued \$500.0 million aggregate principal amount of 8.000% senior notes due 2028 and on December 18, 2023, UCI issued an additional \$700.0 million aggregate principal amount of the 8.000% senior notes due on 2028 at a premium of 100.500%, plus accrued and unpaid interest from August 7, 2023 (collectively, the "2028 senior notes"). The 2028 senior notes mature on August 15, 2028. UCI will pay interest on the 2028 senior notes at a fixed rate of 8.000% per annum semi-annually in cash in arrears on February 15 and August 15 of each year, commencing on February 15, 2024. UCI concurrently used the proceeds of the 2028 senior notes to prepay all of the \$161.3 million remaining balance of the 2024 term loans and to make a \$1,038.7 million partial redemption of the 5.125% senior notes due 2025.

The 2028 senior notes are jointly and severally guaranteed by substantially all of UCI's material, direct and indirect wholly-owned restricted domestic subsidiaries (subject to certain exceptions) that guarantee its Senior Secured Credit Facilities. The 2028 senior notes and the related guarantees are secured by a first priority lien, subject to permitted liens, on substantially all of the assets of UCI and UCI's material, wholly-owned restricted domestic subsidiaries (subject to certain exceptions) and the guarantors' property and assets that secure obligations under UCI's Senior Secured Credit Facilities, UCI's 2022 Term Loan Facility and existing senior notes.

At any time prior to August 15, 2025, UCI may redeem the 2028 senior notes at a redemption price equal to 100% of the principal amount of the 2028 senior notes to be redeemed plus accrued and unpaid interest, if any, to, but excluding the applicable redemption date plus the greater of (i) 1.0% of the principal amount of such note on the redemption date and (ii) the excess, if any, of (A) an amount equal to the present value at such redemption date of (1) the redemption price of such note at August 15, 2025, plus (2) all required interest payments due on such note through August 15, 2025 (excluding accrued but unpaid interest to, but excluding, the redemption date), computed using a discount rate equal to the Treasury Rate (as defined in the indenture) as of such redemption date plus 50 basis points; over (B) the principal amount of such note to be redeemed on such redemption date. If redeemed on or after August 15, 2025, UCI may redeem the 2028 senior notes at the redemption price set forth next to the corresponding year, plus accrued and unpaid interest, if any, to, but excluding the applicable redemption date: 2025 (104.000%), 2026 (102.000%), 2027 and thereafter (100.000%).

At December 31, 2023, the outstanding principal balance of the 2028 senior notes was \$1,200.0 million, the unamortized deferred financing costs balance was \$12.4 million and the unamortized premium was \$3.5 million.

At any time, or from time to time, until August 15, 2025, UCI may, at its option, use the net cash proceeds of one or more equity offerings to redeem up to 40% of the then outstanding aggregate principal amount of the 2028 senior notes issued under the indenture at a redemption price equal to 108.000% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any,

to, but excluding the applicable redemption date, provided that (i) at least 50% of the aggregate principal amount of 2028 senior notes issued under the indenture remains outstanding and (ii) UCI makes such redemption not more than 180 days after the closing of any such equity offering. If UCI undergoes a change of control, it will be required to offer to purchase the 2028 senior notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest, unless a third party makes an offer to purchase all of the 2028 senior notes or UCI has previously or concurrently sent a redemption notice with respect to all the outstanding 2028 senior notes.

#### ***4.500% Senior Secured Notes due 2029***

On May 21, 2021, UCI issued \$1,050.0 million aggregate principal amount of 4.500% senior secured notes due 2029 (the “2029 senior notes”) at par plus accrued and unpaid interest from May 21, 2021. The 2029 senior notes will mature on May 1, 2029. UCI will pay interest on the Notes at a fixed rate of 4.500% per annum semi-annually in cash in arrears on May 1 and November 1 of each year. UCI used the net proceeds from the issuance of the notes to finance a portion of the TelevisaUnivision Transaction and to pay certain related transaction fees and expenses. At December 31, 2023, the outstanding principal balance of the 2029 senior notes was \$1,050.0 million and the unamortized deferred financing costs balance was \$13.2 million.

The Notes are jointly and severally guaranteed by substantially all of UCI’s material, direct and indirect wholly-owned restricted domestic subsidiaries (subject to certain exceptions) that guarantee its Senior Secured Credit Facilities. The Notes and the related guarantees are secured by a first priority lien, subject to permitted liens, on substantially all of the assets of the Company and UCI’s material, wholly-owned restricted domestic subsidiaries (subject to certain exceptions) and the guarantors’ property and assets that secure obligations under UCI’s Senior Secured Credit Facilities, UCI’s 2022 Term Loan Facility and existing senior notes.

Upon consummation of the offering of the 2029 senior notes, (i) the net proceeds of this offering were deposited into a segregated escrow account and (ii) UCI deposited into such escrow account an amount of cash that, when taken together with the net proceeds of this offering, would have been sufficient to fund a special mandatory redemption of the 2029 senior notes on April 13, 2022. Upon the closing of the TelevisaUnivision Transaction on January 31, 2022, the proceeds of the offering were used to pay a portion of the purchase price for the TelevisaUnivision Transaction and the amounts deposited in respect of pre-funded interest were returned to UCI.

UCI may redeem the 2029 senior notes, at UCI’s option, in whole or in part, upon not less than 10 nor more than 60 days’ notice at any time and from time to time at the redemption prices forth below. The 2029 senior notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2029 senior notes to be redeemed) plus accrued and unpaid interest thereon to, but excluding, the applicable redemption date if redeemed during the twelve-month period beginning on May 1 of each of the following years: 2024 (102.250%), 2025 (101.125%) and 2026 and thereafter (100.000%). At any time prior to May 1, 2024, UCI may redeem the 2029 senior notes at a redemption price equal to 100% of the principal amount of the 2029 senior notes to be redeemed plus accrued and unpaid interest plus the greater of (i) 1.0% of the principal amount and (ii) the excess, if any, of (A) an amount equal to the present value at such redemption date of (1) the redemption price of such 2029 senior note at May 1, 2024, plus (2) all required interest payments due on such 2029 senior note through May 1, 2024 (excluding accrued but unpaid interest to, but excluding, the redemption date), computed using a discount rate equal to the Treasury Rate (as defined in the indenture) as of such redemption date plus 50 basis points; over (B) the principal amount of such 2029 senior notes to be redeemed on such redemption date.

At any time, or from time to time, until May 1, 2024, UCI may, at UCI’s option, use the net cash proceeds of one or more equity offerings to redeem up to 40% of the then outstanding aggregate principal amount of the 2029 senior notes issued under the indenture at a redemption price equal to 104.500% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, provided that (i) at least 50% of the aggregate principal amount of the 2029 senior notes issued under the indenture remains outstanding and (ii) UCI makes such redemption not more than 180 days after the consummation of any such equity offering. In addition, if UCI undergoes a change of control, it may be required to offer to purchase the 2029 senior notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest.

#### ***7.375% Senior Secured Notes due 2030***

UCI issued \$500.0 million aggregate principal amount of 7.375% senior secured notes due 2030 on June 24, 2022, at an original issuance discount of 99.255%, plus accrued and unpaid interest from June 24, 2022, and \$400.0 million additional aggregate principal amount of the 2030 senior notes on August 26, 2022 at a premium of 101.500%, plus accrued and unpaid interest from June 24, 2022 (collectively, the “2030 senior notes”).

The 2030 senior notes will mature on June 30, 2030. UCI will pay interest on the 2030 senior notes at a fixed rate of 7.375% per annum semi-annually in cash in arrears on June 30 and December 30 of each year, commencing December 30, 2022. At

December 31, 2023, the outstanding principal balance of the 2030 senior notes was \$900.0 million, the unamortized deferred financing costs balance was \$9.5 million and the unamortized premium was \$2.0 million.

UCI may redeem the 2030 senior notes, at UCI's option, in whole or in part, upon not less than 10 nor more than 60 days' notice at any time and from time to time at the redemption prices set forth below. The Notes will be redeemable at the applicable redemption price (expressed as percentages of principal amount of the 2030 senior notes to be redeemed) plus accrued and unpaid interest thereon to, but excluding, the applicable redemption date if redeemed during the twelve-month period beginning on June 30 of each of the following years: 2025 (103.688%), 2026 (101.844%) and 2027 and thereafter (100.000%). At any time prior to June 30, 2025, UCI may redeem the 2030 senior notes at a redemption price equal to 100% of the principal amount of the 2030 senior notes to be redeemed plus accrued and unpaid interest plus the greater of (i) 1.0% of the principal amount and (ii) the excess, if any, of (A) an amount equal to the present value at such redemption date of (1) the redemption price of such note at June 30, 2025, plus (2) all required interest payments due on such note through June 30, 2025 (excluding accrued but unpaid interest to, but excluding, the redemption date), computed using a discount rate equal to the Treasury Rate (as defined in the indenture) as of such redemption date plus 50 basis points; over (B) the principal amount of such note to be redeemed on such redemption date.

At any time, or from time to time, until June 30, 2025, UCI may use the net cash proceeds of one or more equity offerings to redeem up to 40% of the then outstanding aggregate principal amount of the notes issued under the indenture at a redemption price equal to 107.375% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, provided that (1) at least 50% of the aggregate principal amount of notes originally issued under the indenture remains outstanding and (2) UCI makes such redemption not more than 180 days after the consummation of any such equity offering. In addition, if UCI undergoes a change of control, it may be required to offer to purchase the 2030 senior notes from holders at a purchase price equal to 101% of the principal amount plus accrued interest.

UCI used the net proceeds from the issuance of the 2030 senior notes and the bank senior secured term loan facility maturing in June 2029 to fund the redemption of all \$370.0 million outstanding aggregate principal amount of its 9.500% 2025 senior notes and discharged all obligations under the indenture pursuant to which the 9.500% 2025 senior notes were issued. The redemption occurred concurrently with the closing of the 2030 senior notes on June 24, 2022.

#### ***Accounts Receivable Facility***

On October 5, 2021, UCI renewed its accounts receivable sale facility (as amended, the "Facility"), which, among other things, (i) extended the expiration date of the Facility to October 5, 2026, (ii) increased the letter of credit sublimit to \$160.0 million under the revolving component of the Facility and (iii) lowered the interest rate on the borrowings under the Facility to a LIBOR market index rate (with a floor of 0.00%) plus a margin of 1.40% per annum. Interest is paid monthly on the Facility. On May 1, 2023, UCI entered into an amendment to the Facility to transition the interest rate on the borrowings under the Facility to a SOFR market index rate plus a SOFR term adjustment and margin of 1.40% per annum.

Under the terms of the Facility, certain subsidiaries of UCI sell accounts receivable on a true sale and non-recourse basis to their respective wholly-owned special purpose subsidiaries, and these special purpose subsidiaries in turn sell such accounts receivable to Univision Receivables Co., LLC, a bankruptcy-remote subsidiary in which certain special purpose subsidiaries of UCI and its parent, Broadcasting Partners, each holds a 50% voting interest (the "Receivables Entity"). Thereafter, the Receivables Entity sells to investors, on a revolving non-recourse basis, senior undivided interests in such accounts receivable pursuant to the Receivables Purchase Agreement. UCI (through certain special purpose subsidiaries) holds a 100% economic interest in the Receivables Entity. The assets of the special purpose entities and the Receivables Entity are not available to satisfy the obligations of UCI or its other subsidiaries.

The Facility is comprised of a \$100.0 million term component and a \$300.0 million revolving component that is subject to the availability of qualifying receivables. At December 31, 2023, UCI had \$100.0 million outstanding under the term component and none outstanding under the revolving component, and the interest rate was 6.855% applicable to both the term component and the revolving component. In addition, at December 31, 2023, there was \$30.6 million of outstanding letters of credit against the accounts receivable revolving component resulting in \$269.4 million being available for borrowing under the accounts receivable revolving facility. In addition, the Receivables Entity is obligated to pay a commitment fee to the purchasers, such fee to be calculated based on the unused portion of the Facility. The Receivables Purchase Agreement contains customary default and termination provisions, which provide for the early termination of the Facility upon the occurrence of certain specified events including, but not limited to, failure by the Receivables Entity to pay amounts due, defaults on certain indebtedness, change in control, bankruptcy and insolvency events. The Receivables Entity is consolidated in the Company's consolidated financial statements

### ***Note Payable to Grupo Televisa***

As of December 31, 2023, UCI (through one of its wholly-owned subsidiaries) has an unsecured note payable to Grupo Televisa with an outstanding principal balance of \$198.7 million with a final maturity date of April 30, 2026. The loan has payment dates on October 31 of 2023, 2024, 2025 and April 30, 2026. The note payable has a fixed annual interest rate of 12.8%. The outstanding principal balance is translated from Mexican pesos to U.S. dollars at the spot rate at each consolidated balance sheet date. UCI repaid \$136.4 million of the note payable on October 31, 2023.

### ***Other long-term debt***

As of December 31, 2023, UCI has bank loans with outstanding principal balance of \$7.1 million. The outstanding principal balance is translated from Mexican pesos to U.S. dollars at the spot rate.

### ***Gain / Loss on Refinancing of Debt***

For the year ended December 31, 2023 (Successor), the Company recorded a gain on refinancing of debt of \$6.9 million, due to the write-off of unamortized premium for the partial redemption of the 5.125% Senior Notes due 2025 and paid down 2024 Term Loan. For the year ended December 31, 2022 (Successor), the Company recorded a gain on refinancing of debt of \$5.4 million, as a result of the redemption of the 9.5% Senior Notes due 2025 and the write-off of unamortized premium of the partially paid down 2024 Term Loan. For the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), the Company recorded a loss on refinancing of debt of \$4.1 million and zero, respectively. The loss includes the premium, fees, the write-off of certain unamortized deferred financing costs and the write-off of certain unamortized premium related to instruments that were repaid.

### ***Other Matters Related to Debt***

Voluntary prepayment of principal amounts outstanding under the Senior Secured Credit Facilities and/or the 2022 Term Loan Facility is permitted at any time; however, if a prepayment of principal is made with respect to an adjusted LIBOR loan on a date other than the last day of the applicable interest period, the lenders will require compensation for any funding losses and expenses incurred as a result of the prepayment. Additionally, as noted above, certain prepayments of the 2022 Term Loan Facility during the first six months of the 2022 Term Loan Facility may require the payment of a 1.00% prepayment premium on the amounts so prepaid.

The agreements governing the Senior Secured Credit Facilities, the 2022 Term Loan Facility and the senior secured notes contain various covenants and a breach of any covenant could result in an event of default under those agreements. If any such event of default occurs, the lenders of the Senior Secured Credit Facilities, the 2022 Term Loan Facility or the holders of the senior secured notes may elect (after the expiration of any applicable notice or grace periods) to declare all outstanding borrowings, together with accrued and unpaid interest and other amounts payable thereunder, to be immediately due and payable. In addition, an event of default under the indentures governing the senior secured notes would cause an event of default under the Senior Secured Credit Facilities and the 2022 Term Loan Facility, and the acceleration of debt under the Senior Secured Credit Facilities and/or the 2022 Term Loan Facility or the failure to pay that debt when due would cause an event of default under the indentures governing the senior secured notes (assuming certain amounts of that debt were outstanding at the time). The lenders under the Senior Secured Credit Facilities also have the right upon an event of default thereunder to terminate any commitments they have to provide further borrowings. Further, following an event of default under the Senior Secured Credit Facilities, the lenders will have the right to proceed against the collateral. The Senior Secured Credit Facilities, the 2022 Term Loan Facility, the 2030 senior notes, the 2029 senior notes, the 2028 senior notes, the 2027 senior notes, the 9.5% 2025 senior notes, and the 5.125% 2025 senior notes are secured by, among other things (a) a first priority security interest in substantially all of the assets of UCI, and UCI's material restricted domestic subsidiaries (subject to certain exceptions), as defined, including without limitation, all receivables, contracts, contract rights, equipment, intellectual property, inventory, and other tangible and intangible assets, subject to certain customary exceptions; (b) a pledge of (i) all of the present and future capital stock of each subsidiary guarantor's direct domestic subsidiaries and the direct domestic subsidiaries of UCI and (ii) 65% of the voting stock of each of UCI's and each guarantor's material direct foreign subsidiaries, subject to certain exceptions; and (c) all proceeds and products of the property and assets described above. In addition, the Senior Secured Credit Facilities and the 2022 Term Loan Facility (but not the Notes, the 2030 senior notes, the 2029 senior notes, the 2028 senior notes, the 2027 senior notes, 9.5% 2025 senior notes, or the 5.125% 2025 senior notes) are secured by all of the assets of Broadcast Holdings and a pledge of the capital stock of UCI and all proceeds of the foregoing.

Additionally, the agreements governing the Senior Secured Credit Facilities, the 2022 Term Loan Facility and the senior secured notes include various restrictive covenants (including in the credit agreement governing the Senior Secured Credit Facilities when there are certain amounts outstanding under the senior secured revolving credit facility thereunder on the last day of a fiscal quarter, a first lien debt ratio covenant) which, among other things, limit the incurrence of indebtedness, making of investments, payment of dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, prepayments of other



indebtedness, liens and encumbrances and other matters customarily restricted in such agreements. The credit agreements governing the Senior Secured Facilities and the 2022 Term Loan Facility and the indentures governing the senior secured notes thereunder allow UCI to make certain pro forma adjustments for purposes of calculating certain financial ratios, some of which would be applied to adjusted operating income before depreciation and amortization (“Bank Credit Adjusted OIBDA”). UCI is in compliance with these covenants under the agreements governing its Senior Secured Credit Facilities, 2022 Term Loan Facility and senior secured notes.

UCI may from time to time designate a subsidiary as “unrestricted subsidiaries” for purposes of its credit agreements governing the Senior Secured Credit Facilities and the 2022 Term Loan Facility and indentures governing the senior secured notes. As unrestricted subsidiaries, the operations of these subsidiaries are excluded from, among other things, covenant compliance calculations and compliance with the affirmative and negative covenants of the credit agreements governing the Senior Secured Credit Facilities the 2022 Term Loan Facility and indentures governing the senior secured notes. UCI may redesignate these subsidiaries as restricted subsidiaries at any time at its option, subject to compliance with the terms of its credit agreements governing the Senior Secured Credit Facilities and the 2022 Term Loan Facility and indentures governing the senior secured notes.

The subsidiary guarantors under UCI’s Senior Secured Credit Facilities, the 2022 Term Loan Facility and senior secured notes are substantially all of UCI’s domestic subsidiaries. The subsidiaries that are not guarantors include certain immaterial subsidiaries, special purpose subsidiaries that are party to UCI’s Facility and the designated unrestricted subsidiaries. The guarantees are full and unconditional and joint and several. Univision Communications Inc. has no independent assets or operations.

UCI and its subsidiaries, affiliates or significant shareholders may from time to time, in their sole discretion, purchase, repay, redeem or retire any of UCI’s outstanding debt or equity securities (including any privately placed debt securities with an established trading market), in privately negotiated or open market transactions, by tender offer or otherwise.

Contractual maturities of long-term debt as of December 31, 2023 are as follows:

Year	Amount
2024 .....	\$ 283,500
2025 .....	318,200
2026 (a) .....	2,126,200
2027 .....	2,149,900
2028 .....	1,215,500
Thereafter .....	3,396,700
	<u>9,490,000</u>
Less current portion .....	(283,500)
Long-term debt, excluding finance leases .....	<u>\$ 9,206,500</u>

(a) Includes the term component of the Company’s accounts receivable sale facility and long-term portion of the Note Payable to Grupo Televisa.

## 17. Interest Rate Swaps

The Company’s objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. These interest rate swaps involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. UCI has agreements with each of its interest rate swap counterparties which provide that UCI could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to UCI’s default on the indebtedness. UCI does not enter into derivatives for trading purposes.

### *Derivatives Designated as Hedging Instruments*

On February 28, 2020, the Company entered into two forward-starting interest rate swaps that converted the interest payable on \$2.5 billion of variable rate debt into fixed rate debt, at a weighted-average rate of approximately 2.94% became effective and to mature in February 2024. On September 10, 2021, the Company modified these two outstanding forward-starting interest rate swaps to extend the maturity from February 2024 to February 2026 and the floor was reduced from 1.00% to 0.75%. As a result of this modification, there was an other-than-insignificant financing element identified which resulted in our swap settlement payments being classified as financing cash flows. In June 2023, the Company entered into bilateral agreements with its swap counterparties to transition all of its interest rate swap agreements to SOFR. The Company made various ASC 848 elections related to changes in critical terms of the hedging relationships due to reference rate reform to not result in a de-designation of these hedging relationships.

As result of the SOFR transition, the floor was also reduced from 0.75% to 0.63552% on the two outstanding forward-starting interest rate swaps maturing in February 2026. As of December 31, 2023, all of the Company's interest rate swap agreements were indexed to SOFR. As of December 31, 2023, the weighted average interest rate was approximately 2.23%.

As a result of the Reorganization that occurred on May 17 2021 and UH Holdco's election of pushdown accounting, all Predecessor Other Comprehensive Income ("OCI") balances were adjusted to zero and at the Reorganization date the Company re-designated its two swaps totaling \$2.5 billion as hedges under the Successor financials.

As of December 31, 2023, the Company has two remaining effective cash flow hedges, as shown in the table below.

	Number of Instruments	Current Notional (in whole dollars)
Interest Rate Derivatives		
Interest Rate Swap Contracts (February 2020 through February 2026).....	2	\$ 2,500,000,000

#### *Impact of Interest Rate Derivatives on the Consolidated Financial Statements*

The table below presents the fair value of the Company's derivative financial instruments, as well as their classification on the consolidated balance sheets:

	Consolidated Balance Sheet Location	As of December 31, 2023	As of December 31, 2022
		(Successor)	(Successor)
Derivatives Designated as Hedging Instruments			
Interest Rate Swap Contracts—Current Assets .....	Prepaid expenses and other	\$ 60,000	\$ 64,100
Interest Rate Swap Contracts—Non-Current Assets .....	Other assets	\$ 31,800	\$ 77,500

The Company does not offset the fair value of interest rate swaps in an asset position against the fair value of interest rate swaps in a liability position on the balance sheet. Because all of the Company's interest rate swaps were in an asset position as of December 31, 2023 (Successor) and as of December 31, 2022 (Successor), if the Company had presented the fair value of the interest rate swaps on a net basis by counterparty, there would be no change to the consolidated balance sheet as of that date. As of December 31, 2023 (Successor), UCI has not posted any collateral related to any of the interest rate swap contracts.

The table below presents the effect of the Company's derivative financial instruments designated as cash flow hedges on the consolidated statements of operations and the consolidated statements of comprehensive income (loss) for the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), for periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor):

Derivatives Designated as Cash Flow Hedges	Amount of Derivative Gain or (Loss) Recognized in Other Comprehensive (Loss) Income (AOCLI)	Location of Derivative Gain or (Loss) Reclassified from AOCLI into Income	Derivative Gain or (Loss) Reclassified from AOCLI into Income <sup>(a)</sup>	Total Interest Expense on the Consolidated Statement of Operations
Successor, For the year ended December 31, 2023 .....	\$ 21,100	Interest expense	\$ 94,200	\$ 680,400
Successor, For the year ended December 31, 2022 .....	\$ 212,600	Interest expense	\$ 13,700	\$ 572,200
Successor, Period from May 18, 2021 through December 31, 2021 .....	\$ 15,900	Interest expense	\$ (6,200)	\$ 252,100
Predecessor, Period from January 1, 2021 through May 17, 2021 .....	\$ 1,800	Interest expense	\$ (20,900)	\$ 167,400

- (a) For the period from January 1, 2021 through May 17, 2021 (Predecessor), the amount of gain or (loss) reclassified from AOCLI into income includes amounts that have been reclassified related to current effective hedging relationships and for the period from May 18, 2021 through December 31, 2021 (Successor), amortizing AOCLI amounts related to the de-designation and re-designation of the hedges as a result of the Reorganization and subsequent modification of the outstanding swaps. In 2022 and 2023, the amount of gain or (loss) reclassified from accumulated other comprehensive (loss) income ("AOCLI") into income includes amounts that have been reclassified related to current effective hedging relationships as well as amortizing AOCLI amounts related to the off market component of the hedges as a result of the Reorganization and subsequent modification of the outstanding swaps. For the year ended December 31, 2023 (Successor), the Company amortized approximately \$23.3 million of reduction to interest expense on activities from AOCLI. For the year ended December 31, 2022 (Successor), the Company amortized approximately \$23.3 million of reduction to interest expense on activities from AOCLI. For the period from May 18, 2021 through December 31, 2021 (Successor), the Company amortized approximately \$21.2 million of a reduction to interest expense on hedging activities from AOCLI related to the de-designation and re-designation of the hedges as a result of the Reorganization and subsequent modification of the outstanding swaps. There were no corresponding unrealized gains (or

losses) on hedging activities amortized from AOCLI into interest expense for the period from January 1, 2021 through May 17, 2021 (Predecessor).

During the next twelve months, from December 31, 2023 (Successor), approximately \$85.7 million of net unrealized gain will be reclassified from AOCLI to interest expense (inclusive of the amounts being amortized related to discontinued cash flow hedging relationships).

## 18. Capital Stock

On January 31, 2022, (the “acquisition date”), Televisa and UH Holdco (together with its wholly owned subsidiary, Univision Communications Inc.) announced the completion of the TelevisaUnivision Transaction, See Note 3. *TelevisaUnivision Transaction*.

In connection with the consummation of the TelevisaUnivision Transaction, UH Holdco changed its name to TelevisaUnivision, Inc. and filed a certificate of incorporation providing for the following classes of capital stock:

- 50,000,000 shares of Class A common stock, with a par value of \$0.001 per share;
- 50,000,000 shares of Class B common stock, with a par value of \$0.001 per share;
- 5,000,000 shares of Class C subordinated common stock, with a par value of \$0.001 per share, which were further divided into four subclasses; Class C-1 Subordinated common stock, Class C-2 Subordinated common stock, Class C-3 Subordinated common stock, and Class C-4 Subordinated common stock, and
- 5,000,000 shares of preferred stock (of which 100,000 shares were designated as Series A preferred stock, 750,000 shares were designated as Series B preferred stock, pursuant to a certificate of designation filed on January 31, 2022, and 1,008,640 shares were designated as Series C preferred stock, pursuant to a certificate of designation filed on January 31, 2022), with a par value of \$1,000 per share.

On the TelevisaUnivision Transaction acquisition date, TelevisaUnivision issued the following shares of capital stock:

- 3,589,664 shares of Class A common stock to Grupo Televisa, S.A.B. and its affiliates for an aggregate principal amount of \$750.0 million;
- 750,000 shares of Series B preferred stock to Grupo Televisa and its affiliates for an aggregate principal amount of \$852.6 million;
- 1,008,014 shares of Series C preferred stock to, among other parties, Forgelight, Google, SoftBank Latin American Fund and The Raine Group for an aggregate principal amount of \$1,007.1 million; and
- 1,000 shares of Series D preferred stock to Guggenheim Securities, LLC. for an aggregate principal amount of \$1.0 million.

Immediately following the acquisition date, the issued and outstanding capital stock of the Company consisted of Class A common stock, Class C subordinated common stock, Series B preferred stock, Series C preferred stock and Series D preferred stock.

On May 18, 2021, pursuant to the May 2021 Reorganization, UH Holdco’s stockholders adopted a certificate of incorporation and UH Holdco adopted a certificate of designations, powers, preferences and rights that together provided for, among other things, the authorization of:

- 50,000,000 shares of Class A common stock, with a par value of \$0.001 per share;
- 50,000,000 shares of Class B common stock, with a par value of \$0.001 per share;
- 5,000,000 shares of Class C subordinated common stock, with a par value of \$0.001 per share, which were further divided into four subclasses; Class C-1 Subordinated common stock, Class C-2 Subordinated common stock, Class C-3 Subordinated common stock, and Class C-4 Subordinated common stock, and
- 500,000 shares of preferred stock (of which 100,000 shares were designated as Series A preferred stock), with a par value of \$1,000 per share.

Immediately following the May 2021 Reorganization, the issued and outstanding capital stock of the Company consisted of Class A common stock, Class C subordinated common stock and Series A preferred stock.

### Description of Common Stock

Pursuant to the Reorganization, on May 18, 2021, UH Holdco became the owner of 100% of the issued and outstanding capital stock of UHI and the existing stockholders of UHI (other than the predecessor to UH Holdco, which previously held a non-controlling financial interest in UHI) exchanged their shares for the same number and class of shares of UH Holdco. UH Holdco was renamed TelevisaUnivision, Inc. on January 31, 2022 in connection with the TelevisaUnivision Transaction.

Holders of the Company’s common stock are entitled to the rights, preferences, privileges and limitations summarized below.

*Voting Rights:* Holders of Class A common stock have all voting powers and voting rights, and vote together as a single class, with each share entitled to one vote.

Directors will be elected by the stockholders subject to the board designation rights of certain stockholders set forth in the stockholders agreement among certain stockholders of the Company (the "Stockholders Agreement").

*Dividend Rights:* Except as a described below with respect to shares of Class C Subordinated common stock, holders of common stock will share, on a pro rata basis, in any dividend declared by the Company's board, subject to the rights of the holders of outstanding shares of Series A preferred stock and any other preferred stock and the approval rights of Class A common stockholders with respect to certain dividends provided for in the Certificate of Incorporation.

Each of the sub-classes of the Class C Subordinated common stock is subject to a liquidation preference that is reduced by dividends or distributions paid to holders of the Company's common stock. The holders of shares of Class A common stock, Class B common stock, and any sub-class of Class C Subordinated common stock whose liquidation preference has been reduced to \$0.00 will share, on a pro rata basis, in any dividend declared by the Company's board. The shares of any sub-class of Class C Subordinated common stock whose liquidation preference has not been reduced to \$0.00 will not share in any dividend declared by the Company's board.

*Stock Split, Reverse Stock Splits and Stock Dividends:* In the event of a subdivision, increase or combination in any manner (by stock split, reverse stock split, stock dividend or other similar manner) of the outstanding shares of any class of common stock, the outstanding shares of the other classes of common stock will be adjusted proportionally, subject to approval rights of Class A common stockholders with respect to certain stock split and reverse stock splits provided for in the Certificate of Incorporation.

*Conversion Rights:*

*Optional Conversions.* The following conversion rights are exercisable at the holder's option, subject in certain cases to federal stock ownership regulations applicable to U.S. broadcast companies and restrictions set forth in the Certificate of Incorporation and the Stockholders Agreement:

- Each share of Class A common stock may be converted at any time into one share of Class B common stock;
- Each share of Class B common stock may be converted into one share of Class A common stock;
- In the event of any registered public offering, holders of Class C Subordinated common stock shall have the option, but not the obligation, to convert shares of Class C Subordinated common stock into shares of Class A common stock to be sold in such public offering (or shares of Class B common stock if the shares sold are required to be non-voting). Each share of any sub-class of Class C Subordinated common stock converted for such sale shall be converted into a number of shares of Class A common stock or Class B common stock, as applicable, equal to (i) the value of a share of such sub-class of Class C Subordinated stock as determined by a third-party valuation firm as of the time of such public offering, divided by (ii) the offering/sale price of a share of Class A common stock or Class B common stock, as applicable.

*Mandatory Conversions.* The Company may require a holder of Class A common stock to convert its shares of Class A common stock into shares of Class B common stock if such holder does not provide certain information required by the Certificate of Incorporation or if the Company concludes in its sole discretion that such holder's ownership or exercise of rights of ownership would result in certain events, in each case in relation to the application of federal communications laws.

*Liquidation Rights:* In the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of common stock will share, on a pro rata basis, in any distribution of the assets of the Company to the stockholders, subject to the rights of the holders of outstanding shares of Series A preferred stock and any other preferred stock; provided that holders of shares of Class C Subordinated common stock will share in such distributions only to the extent such shares would share in a dividend, as further described under "—Dividend Rights" above.

*Preferred Stock:* Subject to the consent rights of various parties under the Stockholders Agreement and the Certificate of Incorporation and the rights of the holders of outstanding shares of preferred stock, the Company's board is authorized to provide for the issuance of preferred stock in one or more series. See Note 15. *Related Party Transactions*, under the heading "Redeemable Shares."

### **Series A Preferred Stock**

In connection with the Stock Purchase Agreement dated February 24, 2020, on December 29, 2020 (Predecessor), UHI authorized and issued 100,000 Series A convertible preferred stock (the "Series A preferred stock") to Liberty through the Certificate of Designation ("CoD"), each with a stated value of \$1,000 (the "Series A Stated Price"), for an aggregate principal amount of \$100.0 million. The Series A preferred stock are not entitled or permitted to vote on any matter required or permitted to be voted upon by the

stockholders of the Company. Due to the Reorganization, the Series A preferred stock consisting of 100,000 shares in UHI were exchanged for same number shares and class in UH Holdco that were valued at \$369.4 million due to the fair value re-measurement at the Reorganization date.

As a result of the TelevisaUnivision Transaction, Liberty converted their Series A preferred stock into 1,845,293 Class A common stock of TelevisaUnivision.

### **Series B Preferred Stock**

*Voting Rights:* Holders of Series B preferred stock have the right to vote along with holders of the class A common stock on an as-converted basis.

*Dividend Rights:* The Series B preferred stock is entitled to preferential cumulative dividends equal to 5.5% per annum. Holders of Series B preferred stock will share with holders of common stock in any dividend declared by the Company's board as if such shares were converted into common stock on the record date of such dividend.

*Conversion Rights and Anti-Dilution Adjustments:* Each share of Series B preferred stock may be converted at the option of the holder at any time into a number of shares of Class A common stock or Class B common stock equal to \$1,000 divided by the conversion price then in effect. At the date of issuance of the Series B preferred stock, the conversion ratio was 4.16 per common share. The conversion price and the securities into which shares of Series B preferred stock are convertible are subject to customary anti-dilution adjustments in the event of dividends, subdivisions, combinations or reclassifications of common stock.

#### *Redemption:*

*Redemption By the Company.* The Company may redeem each share of Series B preferred stock at any time after the later of the fifth anniversary of the issuance date or the consummation of an initial public offering under certain circumstances.

*Redemption at the Option of the Holder.* Each share of Series B preferred stock is entitled to a preference upon liquidation of the Company equal to at least the Accumulated Stated Value described therein, and thereafter will share ratably in any distributions or payments on an as-converted basis with the holders of Common Stock.

*Liquidation Rights:* In the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of Series B preferred stock will share, on a pro rata basis, with any other capital stock that ranks on a *pari passu* basis with it in any distribution of the assets of the Company to the stockholders in an amount equal to the greater of (i) \$1,000 per share of Series B preferred stock and (ii) the amount payable upon such liquidation, dissolution or wind-up in respect of the number of shares of common stock into which shares of Series B preferred stock were convertible immediately prior thereto. Such distribution to the Series B preferred stock will be made prior to any payment to the common stock or other junior stock.

As of December 31, 2023 (Successor), and December 31, 2022 (Successor), the Series B Preferred Stock of \$852.6 million are classified as temporary equity and presented in Redeemable Shares within the Consolidated Balance Sheet.

### **Series C Preferred Stock**

In connection with the TelevisaUnivision Transaction, the Company issued 1,000,000 shares of the Series C preferred stock to Forgelight, Google, SoftBank Latin American Fund and The Raine Group, among others.

*Voting Rights:* Holders of Series C preferred stock have the right to vote along with holders of the class A common stock on an as-converted basis.

*Dividend Rights:* Holders of Series C preferred stock will share with holders of common stock in any dividend declared by the Company's board as if such shares were converted into common stock on the record date of such dividend.

*Conversion Rights and Anti-Dilution Adjustments:* Each share of Series C preferred stock may be converted at the option of the holder at any time into a number of shares of Class A common stock or Class B common stock equal to \$1,000 divided by the conversion price then in effect. At the date of issuance of the Series C preferred stock, the conversion ratio was 4.7862 per common share. The conversion price and the securities into which shares of Series C preferred stock are convertible are subject to customary anti-dilution adjustments in the event of dividends, subdivisions, combinations, or reclassifications of common stock.



### Redemption:

**Redemption By the Company.** The Company may redeem each share of Series C preferred stock at any time after the later of the fifth anniversary of the issuance date or the consummation of an initial public offering under certain circumstances.

**Redemption at the Option of the Holder.** Each share of Series C preferred stock is entitled to a preference upon liquidation of the Company equal to at least the Accumulated Stated Value described therein, and thereafter will share ratably in any distributions or payments on an as-converted basis with the holders of Common Stock.

**Liquidation Rights:** In the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of Series C preferred stock will share, on a pro rata basis, with any other capital stock that ranks on a *pari passu* basis with it in any distribution of the assets of the Company to the stockholders in an amount equal to the greater of (i) \$1,000 per share of Series C preferred stock and (ii) the amount payable upon such liquidation, dissolution or wind-up in respect of the number of shares of common stock into which shares of Series C preferred stock were convertible immediately prior thereto. Such distribution to the Series C preferred stock will be made prior to any payment to the common stock or other junior stock.

As of December 31, 2023 (Successor), and December 31, 2022 (Successor), the Series C Preferred Stock of \$1,007.1 million are classified as temporary equity and presented in Redeemable Shares within the Consolidated Balance Sheet.

### Treasury Stock

In November 2022, the Company repurchased 128,004 shares of its Class A common stock. Such repurchased shares were designated as treasury stock. As of December 31, 2023 (Successor), and December 31, 2022 (Successor), the Company had 128,004 treasury stock of its Class A common stock.

### 19. Accumulated Other Comprehensive (Loss) Income

Comprehensive income (loss) is reported in the consolidated statements of comprehensive income (loss) and consists of net income (loss) and other gains (losses) that affect stockholder's equity but, under GAAP, are excluded from net income (loss). For the Company, items included in other comprehensive income (loss) are foreign currency translation adjustments, unrealized gain (loss) on hedging activities and the amortization of unrealized (gain) loss on hedging activities, pension and post-retirement benefits.

The following tables present the changes in accumulated other comprehensive (loss) income by component for the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), respectively. All amounts are net of tax.

	Gains and (Losses) on Hedging Activities	Currency Translation Adjustment	Total
<b>(Predecessor)</b>			
Balance as of December 31, 2020	\$ (152,800)	\$ (5,400)	\$ (158,200)
Other comprehensive income (loss) before reclassifications	16,900	(100)	16,800
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net other comprehensive income	16,900	(100)	16,800
Balance as of May 17, 2021	\$ (135,900)	\$ (5,500)	\$ (141,400)
<b>(Successor)</b>			
Balance as of May 17, 2021	\$ (135,900)	\$ (5,500)	\$ (141,400)
Pushdown accounting adjustments	135,900	5,500	141,400
Balance as of May 18, 2021	—	—	—
Other comprehensive income before reclassifications	32,100	(300)	31,800
Amounts reclassified from accumulated other comprehensive income	(15,700)	—	(15,700)
Net other comprehensive income	16,400	(300)	16,100
Balance as of December 31, 2021	\$ 16,400	\$ (300)	\$ 16,100



	2023		
	Pretax	Tax (provision) benefit	Net of tax
<b>Year Ended December 31, 2023</b>			
Unrealized (loss) on hedging activities	\$ (49,800)	\$ 12,600	\$ (37,200)
Amortization of unrealized gain on hedging activities	(23,300)	5,900	(17,400)
Unrealized (loss) on pension activities	(9,100)	—	(9,100)
Amortization of unrealized gain on pension	(1,800)	500	(1,300)
Currency translation adjustment	605,300	—	605,300
Successor, Other comprehensive income	<u>\$ 521,300</u>	<u>\$ 19,000</u>	<u>\$ 540,300</u>

For the years ended December 31, 2023 (Successor) unrealized gain on hedging activities is primarily due to the change in one-month SOFR rates for interest rate swaps. For the year ended December 31, 2022 (Successor), for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), unrealized gain on hedging activities is primarily due to the change in one-month LIBOR rates for interest rate swaps. Amounts reclassified from accumulated other comprehensive (loss) income related to hedging activities are recorded to interest expense. See Note 17. *Interest Rate Swaps* for further information related to amounts reclassified from accumulated other comprehensive (loss) income.

## 20. Income Taxes

(Loss) income before income taxes:

	Successor Entity				Predecessor Entity
	Year Ended December 31, 2023	Year Ended December 31, 2022	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021	Period from January 1, 2021 through May 17, 2021
Domestic	\$ (466,100)	\$ (874,400)	\$ 93,100	\$ 637,000	\$ 53,300
International	(354,400)	(500,700)	1,300	—	800
(Loss) income before income taxes	<u>(820,500)</u>	<u>(1,375,100)</u>	<u>\$ 94,400</u>	<u>\$ 637,000</u>	<u>\$ 54,100</u>

The provision (benefit) for income tax for the years ended December 31, 2023 (Successor Entity) and December 31, 2022 (Successor Entity) and the periods ended May 18, 2021 through December 31, 2021 (Successor Entity) and from January 1, 2021 through May 17, 2021 (Successor Entity) and from January 1, 2021 through May 17, 2021 (Predecessor Entity) comprised the following charges and (benefits):

	Successor Entity				Predecessor Entity
	Year Ended December 31, 2023	Year Ended December 31, 2022	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021	Period from January 1, 2021 through May 17, 2021
<b>Current:</b>					
Federal	\$ 75,600	\$ 52,600	\$ 850	\$ —	\$ 250
State	(8,000)	19,600	8,000	—	8,000
Foreign	47,700	49,800	250	—	250
Total current income tax (benefit) expense	<u>115,300</u>	<u>122,000</u>	<u>9,100</u>	<u>—</u>	<u>8,500</u>
<b>Deferred:</b>					
Federal	(64,600)	32,900	3,600	2,700	1,500
State	(27,300)	(1,000)	(3,600)	500	(4,100)
Foreign	10,100	13,300	(200)	—	—
Total deferred income tax (benefit) expense	<u>(81,800)</u>	<u>45,200</u>	<u>(200)</u>	<u>3,200</u>	<u>(2,600)</u>
Income tax (benefit) expense	<u>\$ 33,500</u>	<u>\$ 167,200</u>	<u>\$ 8,900</u>	<u>\$ 3,200</u>	<u>\$ 5,900</u>



For the years ended December 31, 2023 (Successor Entity) and December 31, 2022 (Successor Entity) and for the periods from May 18, 2021 through December 31, 2021 (Successor Entity) and from January 1, 2021 through May 17, 2021 (Successor Entity) and the period from January 1, 2021 through May 17, 2021 (Predecessor Entity), a reconciliation of the federal statutory tax rate to the Company's effective tax rate is as follows:

	Successor Entity				Predecessor Entity
	Year Ended December 31, 2023	Year Ended December 31, 2022	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021	Period from January 1, 2021 through May 17, 2021
Federal statutory tax rate	21.0%	21.0%	21.0%	21.0%	21.0%
State and local income taxes, net of federal tax benefit	4.5	3.5	3.0	0.1	5.8
Effect of international operations	(0.5)	(2.9)	—	—	—
Valuation allowance	2.2	(4.0)	(8.8)	—	(15.2)
Equity based compensation	(2.5)	(0.6)	—	—	4.7
Searchlight step-up gain on investment	—	—	—	(20.6)	—
Televisa settlements (non-taxable)	—	—	(7.6)	—	(7.6)
Transaction related costs	—	(0.4)	1.5	—	1.1
Foreign rate differential	2.7	—	—	—	—
Base erosion tax	2.4	—	—	—	—
Inflationary Adjustment	(1.9)	—	—	—	—
Goodwill impairment	(22.9)	(28.4)	—	—	—
Puerto Rico disposition	(8.2)	—	—	—	—
Prior period adjustment	(0.3)	—	—	—	—
Other	(0.6)	(0.2)	0.3	—	1.2
Total effective tax rate	<u>(4.1)%</u>	<u>(12.0)%</u>	<u>9.4%</u>	<u>0.5%</u>	<u>11.0%</u>

As a result of the TelevisaUnivision Transaction (See Note 3. *TelevisaUnivision Transaction*), the Company's international operations that are subject to local income taxes has increased significantly. The acquired entities operate in territories where the statutory rate is in excess of the 21% U.S. federal statutory rate. With the exception of certain licenses and other assets acquired directly by the Company, the Transaction was a non-taxable business combination resulting in goodwill that is not tax deductible.

The Company's deferred tax assets and liabilities as of December 31, 2023 (Successor) and December 31, 2022 (Successor) are as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	<b>(Successor)</b>	<b>(Successor)</b>
Deferred tax assets:		
Tax loss carry-forwards	\$ 255,000	\$ 305,200
Advanced deposits for taxes	101,000	200,900
Investments related	47,200	34,600
Interest	152,400	99,500
Tax credits	127,900	104,400
Compensation related costs	24,000	42,500
Lease liability	184,500	193,800
Accrued liabilities	—	119,800
Debt related	18,300	12,900
Deferred revenue	226,600	—
Other	49,800	81,300
Valuation allowance	(426,100)	(443,400)
Total deferred tax assets	<u>760,600</u>	<u>751,500</u>
Deferred tax liabilities:		
Property, equipment and intangible assets	(1,212,200)	(1,360,100)
Right of use asset	(77,300)	(78,900)
Other	(41,500)	—
Total deferred tax liability	<u>(1,331,000)</u>	<u>(1,439,000)</u>
Net deferred tax liability	<u>\$ (570,400)</u>	<u>\$ (687,500)</u>

At December 31, 2023 (Successor), the Company has various state tax effected net operating loss carryforwards of approximately \$21.0 million (based on the current state income apportionment, the Company would require approximately \$220.3 million of future taxable income to fully utilize such net operating loss carryforwards), which will expire in 2024 through 2035. We have \$30.7 million of foreign tax loss carryforwards that begin to expire in 2024 and \$218.7 million of foreign tax losses with an indefinite carryforward period in various international jurisdictions. In addition, we have \$17.0 million of U.S. foreign tax credits, \$30.9 million of foreign tax credits in foreign jurisdictions, and \$82.0 million of various U.S. State credit carryforwards at December 31, 2023 (Successor). The utilization of these carryforwards as an available offset to future tax is subject to limitations under U.S. and foreign income tax laws. These carryforwards begin to expire in fiscal year 2029. At December 31, 2022 (Successor), the Company has various state tax effected net operating loss carryforwards of approximately \$23.5 million (based on the current state income apportionment, the Company would require approximately \$495.3 million of future taxable income to fully utilize such net operating loss carryforwards), which will expire in 2023 through 2035. We have \$182.9 million of tax losses in various international territories that begin to expire in 2023 and \$136.1 million of tax losses with an indefinite carryforward period. In addition, we have \$30.5 million of foreign tax credit carryforwards at December 31, 2022 (Successor). The utilization of these carryforwards as an available offset to future tax is subject to limitations under current local income tax laws. These carryforwards begin to expire in fiscal year 2029.

At December 31, 2023 (Successor), the Company has U.S. capital loss carryforwards of approximately \$658.1 million, resulting in a deferred tax asset of \$170.2 million for federal and state income tax purposes that will expire in 2024. At December 31, 2022 (Successor), the Company has U.S. capital loss carryforwards of approximately \$692.7 million, resulting in a deferred tax asset of \$182.0 million for federal and state income tax purposes. Management assessed the realizability of this deferred tax asset and provided a full valuation allowance as it was not more-likely-than-not to be realized.

At December 31, 2023 (Successor), and December 31, 2022 (Successor), the Company has recorded a deferred tax asset of \$101.0 million and \$200.9 million, respectively, related to an advanced deposit for Mexican corporate income taxes. This amount is expected to be realized by end of fiscal year 2025.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities

(including the impact of available carryback and carryforward periods), projected future taxable income, and tax-planning strategies in making this assessment.

At December 31, 2023 (Successor) and December 31, 2022 (Successor), the Company maintained a valuation allowance in the amount of \$426.1 million and \$443.4 million, respectively. These valuation allowances were primarily comprised of capital loss carryforwards, foreign net operating loss carryforwards, and tax credits, as it is more likely than not that the benefits of these deductible differences will not be realized. The decrease of \$17.3 million to the valuation allowance is primarily driven by the disposition of Univision Puerto Rico, Inc., and the related net operating loss carryforwards, offset by losses in foreign jurisdictions and impairments.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Predecessor, Balance at December 31, 2020	\$ 28,300
Addition based on tax positions related to current year	1,400
Increase for tax position of prior years	800
Predecessor, Balance at May 17, 2021	<u>\$ 30,500</u>
Addition based on tax positions related to current year	2,000
Increase for tax position of prior years	1,200
Lapse in statute of limitations	<u>(1,100)</u>
Successor, Balance at December 31, 2021	<u>\$ 32,600</u>
Addition based on tax positions related to current year	3,800
Decrease for tax position of prior years	(1,500)
Lapse in statute of limitations	(1,400)
Settlements	(500)
Successor, Balance at December 31, 2022	<u>\$ 33,000</u>
Addition based on tax positions related to current year	4,200
Decrease for tax position of prior years	(2,600)
Lapse in statute of limitations	<u>(18,400)</u>
Successor, Balance at December 31, 2023	<u><u>\$ 16,200</u></u>

For the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor) the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is approximately \$13.4 million, \$26.2 million, \$14.7 million and \$11.1 million in the aggregate respectively. The Company recognizes interest and penalties, if any, related to uncertain income tax positions in income tax expense. The Company had approximately \$5.2 million and \$12.4 million of accrued interest and penalties related to uncertain tax positions as of December 31, 2023 (Successor) and December 31, 2022 (Successor), respectively. The Company recognized interest and penalties of \$7.2 million, \$0.9 million, \$1.8 million and \$0.4 million related to uncertain tax positions for the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), respectively. It is reasonably possible that certain income tax examinations may be concluded, or statutes of limitation may lapse, during the next twelve months, which could result in a decrease in unrecognized tax benefits of approximately \$13.5 million that would, if recognized, impact the effective tax rate.

The Company and its subsidiaries file income tax returns with the IRS and various state and international jurisdictions. The Company files a consolidated federal income tax return for U.S. purposes and has substantially concluded all U.S. federal income tax matters for years through 2021. Tax authorities are also conducting examinations of Company subsidiaries in various international and state and local jurisdictions. The Company has concluded substantially all income tax matters for all major jurisdictions through 2017.

## 21. Share-Based Compensation

On December 1, 2010, UHI established the 2010 Equity Incentive Plan (the “2010 Plan”), which replaced the amended and restated 2007 Equity Incentive Plan (the “2007 Plan”). The 2010 Plan expired on January 2, 2021. On June 16, 2021, UH Holdco established the 2021 Equity Incentive Plan (the “2021 Plan”).

The 2010 Plan reflected the recapitalization of UHI and Broadcast Holdings whereby the original Class A common stock and Class L common stock of UHI and shares of Preferred Stock of Broadcast Holdings were converted to new classes of stock of UHI. Shares and strike prices for awards made under the 2007 Plan were converted to reflect such capital structure.

Both the 2021 Plan and 2010 Plan were adopted to attract, retain and motivate officers and employees of, consultants to, and non-employee directors. Under the 2021 Plan, the maximum number of shares that may be issued pursuant to awards made under the plan is 2,350,000 shares of all classes of stock. The Committee or Board of Directors, as applicable, may grant options, stock appreciation rights, restricted stock, restricted stock units or other stock-based awards. Awards may also be made under the 2021 Plan, in the Board of Directors or Committee's sole discretion, in assumption of, or substitution for, outstanding awards previously granted by UH Holdco or an affiliate or a company acquired by UH Holdco or an affiliate or a company with which UH Holdco combines. Upon the exercise of a stock option award or the vesting of a restricted stock unit, shares of UH Holdco common stock are issued from authorized but unissued shares.

The exercise price of stock options granted pursuant to the 2021 Plan and 2010 Plan may not be less than 100% of the fair market value of UH Holdco's common stock on the date of grant. No non-qualified stock option or stock appreciation right award will be exercisable after ten years from the date granted. The number of shares subject to an award, the consequences of a participant's termination of service with UH Holdco or any subsidiary or affiliate, and the dates and events on which all or any portion of an award shall be vested and non-forfeitable is set out in an individual award agreement.

The Company's share-based compensation pre-tax expense is presented below:

	Year Ended December 31, 2023	Year Ended December 31, 2022	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021
	(Successor)	(Successor)	(Successor)	(Predecessor)
Employee share-based compensation .....	\$ 87,800	\$ 87,500	\$ 23,000	\$ 4,000

The total income tax benefit for share-based compensation recognized in the consolidated statements of operations (including restricted stock units) for the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), for the periods from May 18, 2021 through December 31, 2021 (Successor), and January 1, 2021 through May 17, 2021 (Predecessor) were \$4.3 million, \$9.1 million, \$5.9 million, and \$1.0 million, respectively.

#### Stock Options

A summary of stock options as of December 31, 2023 (Successor) and the changes during the year then ended is presented below:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (thousands)
Outstanding at December 31, 2022 .....	1,175,706	\$ 214.59	6.9	500
Granted .....	200,387	\$ 208.93		
Exercised .....	—	\$ —		
Forfeited, canceled, or expired .....	(126,182)	\$ 241.74		
Outstanding at December 31, 2023 .....	<u>1,249,911</u>	\$ 211.92	6.2	500
Exercisable at December 31, 2023 .....	<u>576,772</u>	\$ 216.76	6.0	500

The weighted-average grant-date fair value of options granted during the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and the periods from May 18, 2021 through December 31, 2021 (Successor) and January 1, 2021 through May 17, 2021 (Predecessor) was \$50.58, \$49.61, \$46.38, and zero, respectively. The majority of the Company's stock options are time-based and vest over periods of between three and five years. The fair value of shares vested during the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and the periods from May 18, 2021 through December 31, 2021 (Successor) and January 1, 2021 through May 17, 2021 (Predecessor) was \$162.65, \$163.12, \$208.93, and \$39.51, respectively. The total intrinsic value of options outstanding during the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor) and for the periods from May 18, 2021 through December 31, 2021 (Successor) and January 1, 2021 through May 17, 2021 (Predecessor) was \$0.5, \$0.5, zero, and zero million, respectively. Total unrecognized compensation cost related to unvested stock options that will vest upon satisfaction of service conditions as of December 31, 2023 (Successor) is \$23.9 million, which is expected to be recognized over a weighted-average period of 1.5 years.

### Restricted Stock Units

The following table presents the changes in the number of restricted stock unit awards during the year ended December 31, 2023 (Successor):

	Restricted Stock Unit Awards	Weighted Average Grant-date Fair Value
Outstanding at December 31, 2022	1,250,159	\$ 145.07
Granted	3,000	\$ 130.49
Vested	(482,767)	\$ 163.80
Surrendered/Canceled	—	\$ —
Outstanding at December 31, 2023	<u>770,392</u>	\$ 148.62

The restricted stock unit awards vest over periods of between three and four years from the date of grant. The fair value of restricted stock units awarded to employees is measured at estimated intrinsic value at the date of grant. The weighted-average grant-date fair value of restricted stock units granted during the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and the periods from May 18, 2021 through December 31, 2021 (Successor), January 1, 2021 through May 17, 2021 (Predecessor) was \$130.49, \$145.07, \$144.93, and \$15.16, respectively. The total fair value of shares vested during the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor) and the periods from May 18, 2021 through December 31, 2021 (Successor), January 1, 2021 through May 17, 2021 (Predecessor) was \$44.3 million, \$6.8 million, \$7.1 million, and \$6.1 million, respectively. Total unrecognized compensation cost related to unvested restricted stock awards that will vest upon satisfaction of service conditions as of December 31, 2023 (Successor) is \$71.8 million, which is expected to be recognized over a weighted-average period of 1.1 years.

## 22. Employee Benefits

As a result of the TelevisaUnivision Transaction (See Note 3. *TelevisaUnivision Transaction*), the Company assumed the pension and seniority premium (post-retirement benefits) obligations relating to the defined benefit plan for its Mexican employees. The Company also assumed a legal indemnity obligation, which, pursuant to Mexican Labor Law, covers employees in Mexico who are dismissed unjustifiably and entitles such employees to three months of salary, plus 20 days of salary per year of service.

### Pension Plan and Seniority Premium Plan

The defined benefit retirement pension plan and seniority premium plan (the "Retirement Plans") covers Mexican based employees. Under the provisions of the Mexican Labor Law, seniority premiums plans are payable based on salary and years of service to employees who resign or are terminated prior to reaching retirement age. After retirement age, employees are no longer eligible for seniority premiums plans.

The actuarial assumptions to determine the present value of defined benefit obligations and the net periodic pension costs for the defined benefit obligations are as follows:

	December 31, 2023 (Successor)	December 31, 2022 (Successor)
Discount rate	10.45%	10.15%
Salary increase	5.25%	5.25%
Inflation rate	3.75%	3.75%
Expected return on plan assets	10.45%	10.15%

The components of net periodic cost of the Retirement Plans for the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), other than the service costs component, are included in "Other, net" within the consolidated statement of operations, consisted of the following:

	December 31, 2023 (Successor)	December 31, 2022 (Successor)
Service cost	\$ 4,300	\$ 3,800
Interest cost	9,300	5,700
Expected return on plan assets	(2,200)	(1,900)
Actuarial gain - amortization	(1,400)	—
Net periodic cost	<u>\$ 10,000</u>	<u>\$ 7,600</u>

The Company's defined benefit obligations, plan assets, and the funded status balances of our retirement pension plans as of December 31, 2023 (Successor) and December 31, 2022 (Successor) are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>(Successor)</u>	<u>(Successor)</u>
<b>Change in benefit obligations:</b>		
Benefit obligation, beginning of the year .....	\$ (78,300)	\$ —
Acquisition .....	—	(84,700)
Service cost .....	(4,300)	(3,800)
Interest cost .....	(9,300)	(5,700)
Benefits paid .....	9,100	5,600
Actuarial (loss) gain .....	(3,200)	5,600
Foreign currency translation (gain) loss .....	(10,600)	4,700
Benefit obligation, end of the year .....	<u>\$ (96,600)</u>	<u>\$ (78,300)</u>
<b>Change in plan assets:</b>		
Fair value of plan assets, beginning of the year .....	\$ 26,800	\$ —
Acquisition .....	—	31,700
Return on plan assets .....	2,200	1,900
Benefits paid .....	(4,100)	(5,600)
Foreign currency exchange translation loss (gain) .....	4,500	(1,200)
Fair value of plan assets, end of the year .....	<u>\$ 29,400</u>	<u>\$ 26,800</u>
Under funded status, end of the year .....	<u>\$ (67,200)</u>	<u>\$ (51,500)</u>

The net unfunded amounts related to the Company's defined benefit plans are recorded within "Other long-term liabilities" within the Company's consolidated balance sheet.

#### *Plan Assets - Pension and Seniority Premium*

The plan assets are invested according to specific investment guidelines determined by the technical committees of the pension plan and seniority premiums trusts and in accordance with actuarial computations of funding requirements. These investment guidelines require a minimum investment of 30% of the plan assets in fixed rate instruments, or mutual funds comprised of fixed rate instruments. The plan assets that are invested in mutual funds are all rated "AA" or "AAA" by at least one of the main rating agencies. These mutual funds vary in liquidity characteristics ranging from one day to one month. The investment goals of the plan assets are to preserve principal, diversify the portfolio, maintain a high degree of liquidity and credit quality, and deliver competitive returns subject to prevailing market conditions.

The weighted average asset allocation by asset category was as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Equity securities	32%	33%
Fixed rate instruments	68%	67%
Total	<u>100%</u>	<u>100%</u>

The weighted average expected long-term rate of return of plan assets of 7.08% as of December 31, 2023 (Successor). The rate used reflected an estimate of long-term future returns for the plan assets. This estimate was primarily a function of the asset classes (equities versus fixed income) in which the plan assets were invested and the analysis of past performance of these asset classes over a long period of time. This analysis included expected long-term inflation and the risk premiums associated with equity investments and fixed income investments.

The plan assets are measured at fair value annually. The Company plan assets in the aggregate amount of \$29.4 million as of December 31, 2023 (Successor) includes primarily investments in equity securities and mutual funds (fixed rate instruments). Investments in equity securities, are measured at the closing price reported on the active market on which the individual securities are traded. Investments in mutual funds consist of fixed rate instruments and are measured at the net asset value provided by the administrator of the fund. The plan assets return for \$2.2 million for the year ended December 31, 2023 (Successor).

The weighted average durations of the defined benefit plans were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Pensions .....	5.2 years	5.2 years
Seniority Premium .....	7.1 years	7.2 years

*Pension and Seniority Premium - Expected Benefit Payments*

The following table presents the estimated future benefit payments expected to be paid out of our retirement pension plans over the next ten years:

Year	<u>Amount</u>
2024 .....	\$ 17,200
2025 .....	11,500
2026 .....	13,600
2027 .....	13,200
2028 .....	15,200
Thereafter .....	\$ 75,200

*Legal Indemnity*

The components of net periodic cost of the legal indemnity for the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor), other than the service costs component, are included in Other, net within the consolidated statement of operations and consisted of the following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>(Successor)</u>	<u>(Successor)</u>
Service cost .....	\$ 5,700	\$ 5,200
Interest cost .....	11,100	4,200
Actuarial gain - amortization .....	(400)	—
Net periodic cost .....	<u>\$ 16,400</u>	<u>\$ 9,400</u>

The Company's unfunded legal indemnity obligation associated with post-employment benefits, is presented as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>(Successor)</u>	<u>(Successor)</u>
<b>Change in benefit obligations:</b>		
Benefit obligation, beginning of the year .....	\$ (69,600)	\$ —
Acquisition .....	(200)	(73,700)
Service cost .....	(5,700)	(5,200)
Interest cost .....	(11,100)	(4,200)
Benefits paid .....	3,500	14,900
Actuarial (loss) gain .....	(9,500)	2,200
Foreign currency translation gain .....	(8,100)	(3,600)
Benefit obligation, end of the year .....	<u>\$ (100,700)</u>	<u>\$ (69,600)</u>

The legal indemnity obligation is recorded within "Other long-term liabilities" within the Company's consolidated balance sheet.



### *Legal Indemnity - Expected Benefit Payments*

The following table presents the estimated future benefit payments expected to be paid out for the defined benefits plans over the next ten years (in thousands):

<b>Year</b>	<b>Amount</b>
2024 .....	\$ 12,800
2025 .....	13,700
2026 .....	14,100
2027 .....	14,900
2028 .....	15,300
Thereafter .....	78,600

### *Other Employee Benefits*

UCI has a 401(k) retirement savings plan (the “401(k) Plan”) covering all eligible employees over the age of 21. The 401(k) Plan allows the employees to defer a portion of their annual compensation, and UCI may match a portion of the employees’ contributions generally after the first day of service. Since April 1, 2021, UCI match 100% of the first 3% of eligible employee compensation that was contributed to the 401(k) Plan. From May 1, 2020 through March 31, 2021, UCI elected to not match any eligible employee compensation that was contributed to the 401(k) Plan. For the years ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), UCI recognized expense for matching cash contributions of \$26.6 million, \$18.2 million, \$4.7 million, and \$1.0 million, respectively.

## **23. Contingencies and Commitments**

### *Contingencies*

The Company maintains insurance coverage for various risks, where deemed appropriate by management, at rates and terms that management considers reasonable. The Company has deductibles for various risks, including those associated with windstorm and earthquake damage. The Company self-insures its employee medical benefits and its media errors and omissions exposures. In management’s opinion, the potential exposure in future periods, if uninsured losses were to be incurred, should not be material to the consolidated financial position or results of operations.

The Company is subject to various lawsuits and other claims in the normal course of business. In addition, from time to time, the Company receives communications from government or regulatory agencies concerning investigations or allegations of noncompliance with law or regulations in jurisdictions in which the Company operates.

The Company establishes reserves for specific liabilities in connection with regulatory and legal actions that the Company deems to be probable and estimable. The Company believes the amounts accrued in its financial statements are sufficient to cover all probable liabilities. In other instances, the Company is not able to make a reasonable estimate of any liability because of the uncertainties related to the outcome and/or the amount or range of loss. The Company does not expect that the ultimate resolution of pending regulatory and legal matters in future periods will have a material effect on the Company’s financial condition or result of operations.

The Alternative Reference Rates Committee (“ARRC”) previously identified the SOFR as the rate that represents best practice as the alternative to USD-LIBOR for use in derivatives and other financial contracts that are currently indexed to USD-LIBOR. During the second quarter ended June 30, 2023, the Company amended the terms of its Term Loans and interest rate hedging arrangements to transition to SOFR-based interest rates, effective July 31, 2023, except for its 2024 Term Loans, which did not include LIBOR transition language and transitioned to synthetic LIBOR after June 30, 2023 pursuant to its terms and has been fully prepaid as of December 31, 2023 (Successor).

### *Commitments*

In the normal course of business, UCI enters into multi-year contracts for programming content, sports rights, research and other service arrangements and in connection with joint ventures.

The Company has long-term operating leases expiring on various dates for office, studio, automobile and tower rentals. The Company’s operating leases, which are primarily related to buildings and tower properties, have various renewal terms and escalation



clauses. The Company also has long-term finance lease obligations for facilities and transmission and technical equipment assets that are used to transmit and receive its network signals in the U.S. and Mexico.

The following is a schedule by year of future minimum payments under programming and other non-lease related contracts as of December 31, 2023 (Successor):

Year	Programming and Other (a)
2024	\$ 905,700
2025	1,006,100
2026	634,000
2027	635,700
2028	465,900
Thereafter	724,100
Total minimum payments	<u>\$ 4,371,500</u>

(a) Other amounts in commitments are associated with research tools, information technology and other contractual obligations.

## 24. Segments

The Company has one reportable segment, Media and Entertainment. The Company's operating segments have been determined in accordance with the Company's internal management structure, which is organized based on operating activities that are reviewed by the Company's chief operating decision maker. The Company evaluates performance based on several factors. In addition to considering primary financial measures including revenue, management evaluates operating performance for planning and forecasting future business operations by considering Adjusted OIBDA (as defined below). Adjusted OIBDA eliminates the effects of certain items the Company does not consider indicative of its core operating performance.

Based on its customers and type of content, the Company has linear/digital and radio operations. The Company's linear networks operations includes the *Univision* and *UniMás* broadcast networks; 9 cable networks, including *Galavisión* and *TUDN*; and the Company's owned or operated television stations. In Mexico, the Company operates 4 broadcast channels in Mexico, 29 pay-TV channels, and the Videocine movie studio. The digital operations include digital properties consisting of online and mobile websites and applications including *Univision.com*, free ad-based video on demand (AVOD) streaming service and subscription streaming service, ViX, formerly known as PrendeTV. The radio operations, known as the *Uforia Audio Network*, includes the Company's owned and operated radio stations; a live event series; and the *Uforia* music application which includes the digital audio elements of *Univision.com*.

The Company incurs corporate expenses separate from the linear/digital and radio operating segments which include general corporate overhead and unallocated, shared company expenses related to human resources, finance, legal, other corporate departments and executive function which are centrally managed and support the Company's operating and financing activities. Unallocated assets include the retained interest in the Company's accounts receivable facility, fixed assets and deferred financing costs that are not allocated to its operating segments. The operating segments have separate financial information which is used by the chief operating decision maker to evaluate performance and allocate resources. The reporting segment results reflected in the disclosures below illustrate how management evaluates its financial performance and allocates resources.

Adjusted OIBDA represents operating income before depreciation, amortization and certain additional adjustments to operating income. In calculating Adjusted OIBDA the Company's operating income is adjusted for share-based compensation and other non-cash charges, restructuring and severance charges, as well as certain unusual and infrequent items and other non-operating related items.

Adjusted OIBDA is not, and should not be used as, an indicator of or alternative to operating income or net income (loss) as reflected in the consolidated financial statements. It is not a measure of financial performance under GAAP and it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Since the definition of Adjusted OIBDA may vary among companies and industries, it should not be used as a measure of performance among companies.

The Media and Entertainment reportable segment information is presented in the following table:

	Year Ended December 31, 2023 (Successor)	Year Ended December 31, 2022 (Successor)	Period from May 18, 2021 through December 31, 2021 (Successor)	Period from January 1, 2021 through May 17, 2021 (Predecessor)
Disaggregated revenues:				
Advertising:				
US .....	\$ 1,777,600	\$ 1,797,000	\$ 1,086,700	\$ 540,800
Mexico .....	1,204,700	968,800	—	—
Total .....	<u>\$ 2,982,300</u>	<u>\$ 2,765,800</u>	<u>\$ 1,086,700</u>	<u>\$ 540,800</u>
Subscriber and licensing:				
US .....	\$ 1,309,300	\$ 1,360,200	\$ 711,100	\$ 401,200
Mexico .....	504,100	380,000	—	—
Total .....	<u>\$ 1,813,400</u>	<u>\$ 1,740,200</u>	<u>\$ 711,100</u>	<u>\$ 401,200</u>
Other:				
US .....	\$ 72,800	\$ 36,200	\$ 66,300	\$ 34,900
Mexico .....	59,500	83,700	—	—
Total .....	<u>\$ 132,300</u>	<u>\$ 119,900</u>	<u>\$ 66,300</u>	<u>\$ 34,900</u>
Revenue:				
US .....	\$ 3,159,700	\$ 3,193,400	\$ 1,864,100	\$ 976,900
Mexico .....	1,768,300	1,432,500	—	—
Consolidated .....	<u>\$ 4,928,000</u>	<u>\$ 4,625,900</u>	<u>\$ 1,864,100</u>	<u>\$ 976,900</u>
Depreciation and amortization:				
Media and Entertainment .....	\$ 552,400	\$ 508,700	\$ 188,300	\$ 47,700
Corporate .....	18,300	15,600	10,300	5,200
Consolidated .....	<u>\$ 570,700</u>	<u>\$ 524,300</u>	<u>\$ 198,600</u>	<u>\$ 52,900</u>
Operating income (loss):				
Media and Entertainment .....	\$ 99,100	\$ (488,500)	\$ 493,500	\$ 247,800
Corporate .....	(193,000)	(211,600)	(150,200)	(32,100)
Consolidated .....	<u>\$ (93,900)</u>	<u>\$ (700,100)</u>	<u>\$ 343,300</u>	<u>\$ 215,700</u>
Adjusted OIBDA:				
Media and Entertainment .....	\$ 1,746,000	\$ 1,791,100	\$ 711,000	\$ 396,300
Corporate .....	(130,800)	(136,300)	(72,900)	(19,600)
Consolidated .....	<u>\$ 1,615,200</u>	<u>\$ 1,654,800</u>	<u>\$ 638,100</u>	<u>\$ 376,700</u>
Capital expenditures:				
Media and Entertainment .....	\$ 137,300	\$ 115,500	\$ 22,200	\$ 9,500
Corporate .....	31,100	18,200	7,500	3,000
Consolidated .....	<u>\$ 168,400</u>	<u>\$ 133,700</u>	<u>\$ 29,700</u>	<u>\$ 12,500</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	(Successor)	(Successor)
Total assets:		
Media and Entertainment .....	\$ 16,241,900	\$ 16,207,900
Corporate .....	1,084,000	1,286,500
Consolidated .....	<u>\$ 17,325,900</u>	<u>\$ 17,494,400</u>

Presented below on a consolidated basis is a reconciliation of net (loss) income, which is the most directly comparable GAAP financial measure, to the non-GAAP measure Adjusted OIBDA:

	<u>Year Ended December 31, 2023</u>	<u>Year Ended December 31, 2022</u>	<u>Period from May 18, 2021 through December 31, 2021</u>	<u>Period from January 1, 2021 through May 17, 2021</u>	<u>Period from January 1, 2021 through May 17, 2021</u>
	(Successor)	(Successor)	(Successor)	(Successor)	(Predecessor)
Net (loss) income .....	\$ (854,000)	\$ (1,542,200)	\$ 85,500	\$ 633,800	\$ 48,200
Provision for income taxes .....	33,500	167,100	8,900	3,200	5,900
(Loss) income before income taxes .....	(820,500)	(1,375,100)	94,400	637,000	54,100
Other expense (income):					
Interest expense .....	680,400	572,200	252,100	—	167,400
Interest income .....	(19,800)	(11,400)	(400)	—	—
Amortization of deferred financing costs .....	15,400	12,600	2,600	—	6,200
(Gain) loss on refinancing of debt .....	(6,900)	(5,400)	4,100	—	—
Other, net (a) .....	60,000	107,000	(9,500)	(637,000)	(12,000)
Operating (loss) income .....	(91,400)	(700,100)	343,300	—	215,700
Depreciation and amortization .....	570,700	524,300	198,600	—	52,900
Impairment loss (b) .....	1,011,800	1,663,200	9,300	—	92,900
Restructuring, severance and related charges .....	53,400	68,500	59,300	—	7,600
(Gain) loss on dispositions (c) .....	(27,500)	(40,600)	900	—	500
Share-based compensation .....	87,800	87,500	23,000	—	4,000
Purchase price adjustment (d) .....	9,100	45,000	—	—	—
Other adjustments to operating income (e) .....	1,300	7,000	3,700	—	3,100
<b>Adjusted OIBDA .....</b>	<b>\$ 1,615,200</b>	<b>\$ 1,654,800</b>	<b>\$ 638,100</b>	<b>\$ —</b>	<b>\$ 376,700</b>

- (a) Other, net is primarily comprised of income or expense arising from the non-cash fair value adjustments on the Company's investments and acquisition and transaction related costs and other costs.
- (b) Impairment loss in 2023 and 2022 is related to goodwill, the write-down of television broadcast licenses, program rights and tradenames. Impairment loss in 2021 is related to the write-down of radio broadcast licenses, program rights, television broadcast licenses, charges on certain lease assets and other assets.
- (c) Gain on dispositions in 2023 primarily relates to the transfer of Puerto Rico radio assets to complete the Acquisition of Pantaya. Gain on dispositions in 2022 primarily relates to the sale of certain non-strategic radio stations and the retirement of fixed assets. Loss on disposition in 2021 primarily related to the write-off of facility-related assets.
- (d) Purchase price adjustment relates to programming amortization resulting from the fair value step-up of the program rights acquired as part of the TelevisaUnivision Transaction.
- (e) Other adjustments to operating income are primarily comprised of unusual and infrequent items as permitted by the Company's 2007 Credit Agreement, including operating expenses in connection with COVID-19.

The Company is providing the supplemental information below which is the portion of the Company's revenue equal to the royalty base used to determine the license fee payable by the Company under the program license agreement with Televisa. As a result of the TelevisaUnivision Transaction on January 31, 2022, the Company was no longer subject to a license fee under its program license agreement with Televisa.

	Month Ended January 31, 2022	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021
	(Successor)	(Successor)	(Predecessor)
Consolidated Revenue .....	\$ 216,500	\$ 1,864,100	\$ 976,900
Less:			
Radio revenue (including Radio digital revenue) .....	(14,600)	(163,900)	(70,800)
Other adjustments to arrive at revenue included in royalty base .....	(13,100)	(128,500)	(36,400)
Royalty base used to calculate Televisa license fee .....	<u>\$ 188,800</u>	<u>\$ 1,571,700</u>	<u>\$ 869,700</u>

## 25. Subsequent Events

On January 22, 2024, UCI issued an additional \$240.7 million aggregate principal amount of its existing 8.000% senior notes due August 15, 2028 (the "additional 2028 senior notes"). The additional 2028 senior notes were issued under the same indenture governing the 2028 senior notes, have the same terms as the 2028 senior notes and are treated as a single series with the 2028 senior notes. The additional 2028 senior notes were priced at 101.000%. UCI concurrently used the proceeds to make redeem all of the remaining outstanding 5.125% senior notes due 2025. See Note 16. *Debt* for further details about the 5.125% senior notes due 2025.

On January 4, 2024, UCI issued senior secured debt of \$100.0 million made up of a bank senior secured term loan A facility maturing in 2027, which constitutes part of the same class of indebtedness as the Term Loan A Facility under the 2007 Credit Agreement (subject to the Springing Maturity Date) (the "January 2024 Term Loan A Facility"). UCI concurrently utilized the proceeds of the January 2024 Term Loan A Facility to make a \$100.0 million partial redemption of the 5.125% senior notes due 2025. As of December 31, 2023, UCI classified the \$100.0 million of the 5.125% senior notes due 2025 as current debt within the Consolidated Balance Sheet as the redemption notice was irrevocably delivered before December 31, 2023 and therefore created a legally-binding obligation to redeem the amount within one year from the balance sheet date. See Note 16. *Debt* for further details about the 5.125% senior notes due 2025.

## 26. International Financial Reporting Standards

The consolidated financial statements of TelevisaUnivision are prepared in accordance with GAAP which differs in certain respects from International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Under both GAAP and IFRS, as a result of the Reorganization transaction (See Note 1. *Company Background* and 4. *Acquisition of UHI*), on May 18, 2021 (the "Reorganization Date"), the consolidated financial statements and certain footnote disclosures included herein are presented in two distinct periods to indicate the application of two different bases of accounting, which may not be comparable, between the periods presented. The periods prior to the Reorganization Date are identified as "Predecessor" and the periods after the Reorganization Date are identified as "Successor". In addition, and as result of the Reorganization, certain historical GAAP to IFRS differences have been eliminated. Below are the IFRS differences that existed as of and for the year ended December 31, 2023 (Successor) and for each applicable period presented as described below.

### a. Share-Based Payments

Under GAAP, the Company accounts for share-based payment awards that vest in installments based on service conditions on a straight-line basis. In addition, deferred tax assets for awards that are expected to result in a future tax deduction are calculated based on the cumulative GAAP expense recognized. Under IFRS 2, Share-based payment, as amended, compensation expense associated with share-based payment awards is accounted for using the accelerated method (straight-line basis over the requisite service period for each separately vesting portion of the award). Deferred tax assets are calculated based on the estimated tax deduction determined at each reporting date under applicable tax law.

The following summarizes the adjustments related to the statement of operations and balance sheet accounts for the periods presented:

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Direct operating expenses	\$ 1,914,900	\$ (600)	\$ 1,914,300	\$ 1,751,100	\$ 2,400	\$ 1,753,500
Selling, general and administrative expenses	1,496,100	(11,900)	1,484,200	1,359,500	46,400	1,405,900
Provision for income taxes	33,500	10,800	44,300	167,100	14,700	181,800

  

	Period from May 18, 2021 through December 31, 2021			Period from January 1, 2021 through May 17, 2021		
	(Successor)			(Predecessor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Direct operating expenses	\$ 718,200	\$ 1,000	\$ 719,200	\$ 377,000	\$ (100)	\$ 376,900
Selling, general and administrative expenses	534,500	15,300	549,800	230,300	(600)	229,700
Provision for income taxes	8,900	(1,500)	7,400	5,900	3,200	9,100

  

	As of December 31, 2023			As of December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Goodwill <sup>1</sup>	\$ 5,911,200	\$ 18,100	\$ 5,929,300	\$ 6,319,800	\$ 18,100	\$ 6,337,900
Deferred tax assets	248,500	8,200	256,700	131,300	7,800	139,100
Deferred tax liabilities, net	818,900	50,400	869,300	818,800	39,100	857,900
Additional paid-in capital	3,462,800	52,600	3,515,400	3,417,400	65,100	3,482,500
Accumulated (deficit) retained earnings	(1,676,900)	(76,600)	(1,753,500)	(822,900)	(78,300)	(901,200)

<sup>1</sup> Goodwill adjustment reflects impact of cumulative GAAP to IFRS tax differences related to share based payments at the time of the Company's reorganization that occurred on May 18, 2021. Please see Note 4. *Acquisition of UHI* for further discussion.

#### b. Deferred Financing Costs

During the year ended December 31, 2023, the Company had the following debt refinance transactions (See Note 16. *Debt*):

- On June 30, 2023, the Company issued senior secured debt of \$100.0 million, bank senior secured term loan A facility maturing in 2027 and utilized the proceeds to make a \$100.0 million partial prepayment of the bank senior secured term B facility maturing in 2024 (the "2024 term loans").
- On July 26, 2023, the Company issued senior secured debt of \$100.0 million, bank senior secured term loan A facility maturing in 2027 and used the proceeds to make a \$100.0 million partial prepayment of the 2024 term loans.
- On August 7, 2023, the Company issued \$500.0 million 8.000% senior notes due August 15, 2028 (the "initial 2028 senior notes"). The Company concurrently used the proceeds to prepay all of the \$161.3 million the remaining balance of the 2024 term loans and to make a \$338.7 million partial redemption of the 5.125% senior notes due 2025.
- On August 28, 2023, the Company issued senior secured debt of \$100.0 million made up of a bank senior secured term loan A facility maturing in 2027. The Company concurrently utilized the proceeds of the August 2023 Term Loan A Facility to make a \$100.0 million partial redemption of the 5.125% senior notes due 2025.
- On December 18, 2023, the Company issued an additional \$700.0 million aggregate principal amount of its existing 8.000% senior notes due August 15, 2028 (the "December 2028 senior notes"). The December 2028 senior notes were issued under the same indenture governing the initial 2028 senior notes (as defined above), have the same terms as the initial 2028 senior notes and are treated as a single series with the initial 2028 notes. The December 2028 senior notes were priced at 100.500%. The Company concurrently used the proceeds to make a \$700.0 million partial redemption of the 5.125% senior notes due 2025.

Under GAAP, the Company capitalized \$19.7 million related to third party costs incurred for the 2023 debt refinance transactions and are expensed over the respective terms. Under IFRS, in accordance with IFRS 9, these third-party costs are expensed as incurred.

On June 24, 2022, the Company issued senior secured debt of \$1.5 billion made up of (i) Bank senior secured term loan facility maturing on June 24, 2027 of \$500.0 million, (ii) Bank senior secured term loan facility maturing on June 30, 2029 of \$500.0 million and (i) 7.375% Senior Secured Notes due June 30, 2030 of \$500.0 million. The Company utilized the debt issuance proceeds to (i) redeem all of the outstanding 9.5% 2025 senior notes of \$370.0 million and (ii) make a \$1,130 million partial prepayment of the bank senior secured term loan facility maturing in 2024. On August 26, 2022, \$400.0 million additional aggregate principal amount of the 2030 senior notes were issued and the proceeds were used to make a \$406.0 million partial prepayment of the bank senior secured term loan facility maturing in 2024. Under GAAP, the Company capitalized \$17.8 million related to third party costs that were incurred with the issuance of the senior secured debt and will be expensed over the respective terms. Under IFRS, in accordance with IFRS 9, these third-party costs are expensed as incurred.

In July 2021, the Company entered into an amendment to the credit agreement governing the Company's Senior Secured Credit Facilities. See Note 16. *Debt*. Under GAAP, for the period ended December 31, 2021 (Successor), the Company recorded a loss on refinancing of debt of \$4.1 million of third-party costs related to this amendment. Under IFRS, in accordance with IFRS 9, third-party costs associated with this modification are capitalized and amortized over the remaining term of the modified debt.

The following summarizes the adjustments related to the statement of operations and balance sheet accounts for the periods presented:

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Amortization of deferred financing costs .....	\$ 15,400	\$ (2,600)	\$ 12,800	\$ 12,600	\$ (600)	\$ 12,000
(Gain) loss on refinancing of debt .....	(6,900)	19,700	12,800	(5,400)	17,800	12,400
Provision for income taxes .....	33,500	(4,400)	29,100	167,100	(4,400)	162,700

  

	Period from May 18, 2021 through December 31, 2021			Period from January 1, 2021 through May 17, 2021		
	(Successor)			(Predecessor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Amortization of deferred financing costs .....	\$ 2,600	\$ 400	\$ 3,000	\$ 6,200	\$ 1,600	\$ 7,800
Loss on refinancing of debt .....	4,100	(4,100)	—	—	—	—
(Benefit) provision for income taxes .....	8,900	900	9,800	5,900	(400)	5,500

  

	As of December 31, 2023			As of December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Goodwill <sup>1</sup> .....	\$ 5,911,200	\$ 3,800	\$ 5,915,000	\$ 6,319,800	\$ 3,800	\$ 6,323,600
Long-term debt and finance lease obligations	9,571,100	30,600	9,601,700	9,911,400	13,500	9,924,900
Deferred tax liabilities, net .....	818,900	(4,100)	814,800	818,800	300	819,100
Accumulated (deficit) retained earnings .....	(1,676,900)	(22,800)	(1,699,700)	(822,900)	(10,000)	(832,900)

<sup>1</sup> Goodwill adjustment reflects impact of cumulative GAAP to IFRS tax differences related to deferred financing costs at the time of the Company's reorganization that occurred on May 18, 2021. Please see Note 4. *Acquisition of UHI* for further discussion.

### c. Leases

The Company records its operating leases and associated liabilities on its Consolidated Balance Sheet. GAAP preserves the distinction between operating and finance leases whereas under IFRS all leases except as it relates to short-term or low value leases, are recognized as finance leases.

The following summarizes the adjustments related to the statement of operations and balance sheet accounts for the periods presented:

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Direct operating expenses	\$ 1,914,900	\$ (3,500)	\$ 1,911,400	\$ 1,751,100	\$ (6,000)	\$ 1,745,100
Selling, general and administrated expenses	1,496,100	(3,100)	1,493,000	1,359,500	(900)	1,358,600
Finance expense	—	10,000	10,000	—	10,000	10,000
Provision for income taxes	33,500	(900)	32,600	167,100	(800)	166,300

	Period from May 18, 2021 through December 31, 2021			Period from January 1, 2021 through May 17, 2021		
	(Successor)			(Predecessor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Direct operating expenses	\$ 718,200	\$ (100)	\$ 718,100	\$ 377,000	\$ (600)	\$ 376,400
Selling, general and administrated expenses	534,500	(2,200)	532,300	230,300	(1,700)	228,600
Finance expense	—	7,800	7,800	—	5,400	5,400
Provision (benefit) for income taxes	8,900	(1,400)	7,500	5,900	(800)	5,100

	As of December 31, 2023			As of December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Goodwill <sup>1</sup>	\$ 5,911,200	\$ (6,800)	\$ 5,904,400	\$ 6,319,800	\$ (6,800)	\$ 6,313,000
Operating right-of-use assets	136,500	(12,000)	124,500	176,000	(8,600)	167,400
Deferred tax assets	248,500	9,900	258,400	131,300	9,000	140,300
Accumulated (deficit) retained earnings	(1,676,900)	(8,900)	(1,685,800)	(822,900)	(6,400)	(829,300)

<sup>1</sup> Goodwill adjustment reflects the impact of cumulative GAAP to IFRS tax differences related to leases at the time of the Company's reorganization that occurred on May 18, 2021. Please see Note 4. *Acquisition of UHI* for further discussion.

#### d. Program Rights Impairment

Under GAAP, program rights are tested for impairment on a stand-alone basis and impaired if the book value exceeds the fair value due to diminished forecasted profitability. Under IAS 36, Impairment of Assets, program rights are tested for impairment as a part of their associated cash-generating unit ("CGU") and no impairment is recognized if the associated CGU is not impaired, or if the CGU is impaired, until any associated goodwill is fully impaired. Under both GAAP and IFRS, cancelled program rights which will never be broadcasted are considered obsolete and fully impaired.

The following summarizes the adjustments related to the statement of operations and balance sheet accounts for the periods presented:

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Direct operating expenses	\$ 1,914,900	\$ 5,400	\$ 1,920,300	\$ 1,751,100	\$ —	\$ 1,751,100
Impairment loss	1,011,800	(6,500)	1,005,300	1,663,200	(7,600)	1,655,600
Provision for income taxes	33,500	300	33,800	167,100	2,000	169,100

	Period from May 18, 2021 through December 31, 2021			Period from January 1, 2021 through May 17, 2021		
	(Successor)			(Predecessor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Direct operating expenses	\$ 718,200	\$ 4,200	\$ 722,400	\$ 377,000	\$ 29,800	\$ 406,800
Impairment loss	9,300	(5,900)	3,400	92,900	(19,600)	73,300
Provision (benefit) for income taxes	8,900	400	9,300	5,900	(2,600)	3,300



	As of December 31, 2023			As of December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Program rights and prepayments (current).....	\$ 116,000	\$ 10,400	\$ 126,400	\$ 68,800	\$ 9,300	\$ 78,100
Goodwill <sup>1</sup> .....	5,911,200	14,800	5,926,000	6,319,800	14,800	6,334,600
Deferred tax liabilities, net.....	818,900	17,500	836,400	818,800	17,200	836,000
Accumulated (deficit) retained earnings.....	(1,676,900)	7,600	(1,669,300)	(822,900)	6,800	(816,100)

<sup>1</sup> Goodwill adjustment reflects the impact of cumulative GAAP to IFRS tax differences related to program rights and prepayments at the time of the Company's reorganization that occurred on May 18, 2021. Please see Note 4. *Acquisition of UHI* for further discussion.

#### e. Media Networks CGU Impairments

Under GAAP, long-lived assets, intangible assets with definite lives and indefinite lives are tested for impairment at an individual asset level and goodwill is allocated to the reportable unit. Under IFRS, the Company tests such assets for impairment at a CGU level, goodwill is allocated to CGUs or groups of CGUs. An accounting adjustment is made to reflect differences due to the level in which assets may be tested for impairment.

During the year ended December 31, 2023, under GAAP the Company recorded Goodwill impairment of \$778.7 million, FCC Television license impairment of \$211.1 million and Tradename impairment of \$4.6 million. Under IFRS, the Company performed an impairment analysis at the CGU level and recorded an impairment of \$734.9 million that was allocated in its entirety to Goodwill as IFRS requires that if a CGU is impaired that impairment is allocated first to reduce goodwill to zero, then, subject to certain limitations, the carrying amount of other assets in the CGU are reduced pro rata based on the carrying amount of each asset. As a result the FCC Television license and Tradenames impairment charges recorded under GAAP were reversed.

During the year ended December 31, 2022, under GAAP the Company recorded Goodwill impairment of \$1,498.0 million, FCC Television license impairment of \$128.4 million and Tradename impairment of \$15.3 million. Under IFRS, the Company performed an impairment analysis at the CGU level and recorded an impairment of \$1,473.6 million that was allocated in its entirety to Goodwill as IFRS requires that if a CGU is impaired that impairment is allocated first to reduce goodwill to zero, then, subject to certain limitations, the carrying amount of other assets in the CGU are reduced pro rata based on the carrying amount of each asset. As a result the FCC Television license and Tradenames impairment charges recorded under GAAP were reversed.

The following summarizes the adjustments related to the income statement and balance sheet for each applicable period presented:

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Impairment loss.....	\$ 1,011,800	\$ (259,500)	\$ 752,300	\$ 1,663,200	\$ (168,100)	\$ 1,495,100
Provision for income taxes.....	33,500	55,500	89,000	167,100	37,000	204,100

  

	As of December 31, 2023			As of December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Intangible assets, net.....	\$ 6,234,600	\$ 359,400	\$ 6,594,000	\$ 6,579,200	\$ 143,700	\$ 6,722,900
Goodwill.....	5,911,200	68,200	5,979,400	6,319,800	24,400	6,344,200
Deferred tax liabilities, net.....	818,900	92,500	911,400	818,800	37,000	855,800
Accumulated deficit.....	(1,676,900)	335,100	(1,341,800)	(822,900)	131,100	(691,800)

#### f. Radio CGU Impairment

Under GAAP, long-lived assets, intangible assets with definite lives and indefinite lives are tested for impairment at an individual asset level and goodwill is allocated to the reportable unit. Under IFRS, the Company tests such assets for impairment at a CGU level and goodwill is allocated to CGUs or groups of CGUs. An accounting adjustment is made to reflect differences due to the level in which assets may be tested for impairment.



The following summarizes the adjustments related to the statement of operations and the balance sheet for each applicable period presented.

	Period from May 18, 2021 through December 31, 2021			Period from January 1, 2021 through May 17, 2021		
	(Successor)			(Predecessor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Impairment loss	\$ 9,300	\$ —	\$ 9,300	\$ 92,900	\$ (68,300)	\$ 24,600
Provision for income taxes	8,900	—	8,900	5,900	17,600	23,500

  

	As of December 31, 2023			As of December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Goodwill <sup>1</sup>	\$ 5,911,200	\$ 25,000	\$ 5,936,200	\$ 6,319,800	\$ 25,000	\$ 6,344,800
Deferred tax liabilities, net	818,900	25,000	843,900	818,800	25,000	843,800

<sup>1</sup> Goodwill adjustment reflects the impact of cumulative GAAP to IFRS tax differences related to indefinite lived assets within the radio cash generating unit at the time of the Company's reorganization that occurred on May 18, 2021. Please see Note 4. *Acquisition of UHI* for further discussion.

#### g. Preferred Shares

Under GAAP, the Convertible Preferred Shares are classified as temporary equity and presented as Redeemable Convertible Shares within the Consolidated Balance Sheet. Under IFRS, the Convertible Preferred Shares discussed below are accounted as a convertible financial instrument with an embedded derivative liability in accordance with IFRS 9. Under IFRS, the bifurcated derivative liability of the Convertible Preferred Shares is marked-to-market at each reporting period, with corresponding changes going through Finance expense or income.

*Series A Preferred Shares* - As noted in Note 15. *Related Party Transactions*, the Series A preferred shares were converted into 1,845,293 class A common stock resulting in the reclassification to shareholders' equity of amounts recorded within other long-term liabilities and derivative financial liabilities related to the debt and embedded derivative liability component of the Series A preferred shares. Prior to this conversion the Company recorded a mark-to-market adjustment to Finance expense of \$7.6 million in January 2022 to increase the amount of the recorded bifurcated derivative liability component under IFRS. Additionally, upon conversion the Company also reclassified to shareholders' equity a deferred tax asset of \$70.4 million recorded under IFRS relating to the cumulative mark-to-market adjustments of the derivative liability component of the Series A preferred shares prior to their conversion to Class A common stock.

For the period from January 1, 2021 through May 17, 2021 (Predecessor) and prior to the consummation of the Reorganization, there was a \$265.8 million mark-to-market adjustment of the bifurcated derivative liability component under IFRS of the Series A preferred shares recorded as Finance expense, along with a \$69.3 million deferred tax benefit, to reflect the increase in value for these shares as a result of the probable TelevisaUnivision Transaction.

*Series B Preferred Shares* - On January 31, 2022, the Company authorized and issued 750,000 Series B cumulative convertible Preferred Shares to Grupo Televisa, which were recorded at fair value of \$852.6 million, pursuant to the TelevisaUnivision Transaction (refer to Note 3. *TelevisaUnivision Transaction*). The Company recorded a mark-to-market adjustment to Finance income of \$31.8 million and \$46.4 million to decrease the amount of the recorded bifurcated derivative liability component under IFRS for the years ended December 31, 2023 and 2022, respectively. The Company paid Series B preferred stock dividends of \$41.3 million and \$37.8 million which are recorded as interest expense under IFRS for the years ended December 31, 2023 and 2022, respectively. This stock dividend was recorded as a reduction of shareholders' equity under GAAP.

*Series C Preferred Shares* - On January 31, 2022, the Company authorized 1,008,640 and issued 1,008,014 Series C convertible Preferred Shares to Soft Bank, Google, ForgeLight, Raine Group, and Other for \$1,007.1 million, issued to finance the TelevisaUnivision Transaction (refer to Note 3. *TelevisaUnivision Transaction*). The Company recorded a mark-to-market adjustment to Finance income of \$48.7 million and \$86.4 million to decrease the amount of the recorded bifurcated derivative liability component under IFRS for the years ended December 31, 2023 and 2022, respectively.

The following tables summarizes the adjustments related to the income statement and the balance sheet for each applicable period presented:

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Interest expense	\$ 680,400	\$ 41,300	\$ 721,700	\$ 572,200	\$ 37,800	\$ 610,000
Finance expense	—	—	—	—	7,900	7,900
Finance (income)	—	(80,500)	(80,500)	—	(133,100)	(133,100)
Provision for income taxes	33,500	30,400	63,900	167,100	22,500	189,600

	Period from May 18, 2021 through December 31, 2021			Period from January 1, 2021 through May 17, 2021		
	(Successor)			(Predecessor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Interest expense	\$ 252,100	\$ (1,800)	\$ 250,300	\$ 167,400	\$ 3,600	\$ 171,000
Finance (income)	—	6,300	6,300	—	265,800	265,800
Provision (benefit) for income taxes	8,900	(1,100)	7,800	5,900	(69,300)	(63,400)

	As of December 31, 2023			As of December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Goodwill <sup>1</sup>	\$ 5,911,200	\$ (69,300)	\$ 5,841,900	\$ 6,319,800	\$ (69,300)	\$ 6,250,500
Derivative financial liabilities	—	307,000	307,000	—	387,500	387,500
Other long-term liabilities	289,100	1,340,500	1,629,600	186,500	1,340,500	1,527,000
Deferred tax liabilities, net	818,900	53,300	872,200	818,800	22,900	841,700
Redeemable shares	1,859,700	(1,859,700)	—	1,859,700	(1,859,700)	—
Additional paid-in-capital	3,462,800	(16,000)	3,446,800	3,417,400	(57,300)	3,360,100
Accumulated (deficit) retained earnings	(1,676,900)	105,600	(1,571,300)	(822,900)	96,800	(726,100)

<sup>1</sup> Goodwill adjustment reflects the impact of cumulative GAAP to IFRS tax differences related to preferred shares at the time of the Company's reorganization that occurred on May 18, 2021. Please see Note 4. *Acquisition of UHI* for further discussion.

#### h. Deferred Revenue

Under GAAP (ASC 805 Business Combinations and ASU 2021-08: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers), contract liabilities from contracts with customers assumed in business combination are recognized and measured in accordance with ASC 606. Under IFRS (IFRS 3 – Business Combinations), contract liabilities assumed in business combination are recognized and measured at fair value at the acquisition date.

The following tables summarizes the adjustments related to the statement of operations and the balance sheet for each applicable period presented:

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Revenue	\$ 4,928,000	\$ —	\$ 4,928,000	\$ 4,625,900	\$ (16,300)	\$ 4,609,600
Provision for income taxes	33,500	—	33,500	167,100	(4,200)	162,900

	As of December 31, 2023			As of December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Goodwill	\$ 5,911,200	\$ (16,300)	\$ 5,894,900	\$ 6,319,800	\$ (16,300)	\$ 6,303,500
Deferred tax liabilities, net	818,900	(4,200)	814,700	818,800	(4,200)	814,600
Accumulated deficit	(1,676,900)	(12,100)	(1,689,000)	(822,900)	(12,100)	(835,000)

## i. Interest Rate Swap

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. As of December 31, 2023 (Successor), and December 31, 2022 (Successor), the Company has two remaining effective cash flow hedges. See Note 17. *Interest Rate Swaps*. Under GAAP (ASC 815 – Derivatives and Hedging), hedge ineffectiveness is not separately measured and recognized in income each reporting period. If the hedge is highly effective, all changes in the fair value of the derivative hedging instrument is deferred into other comprehensive income (OCI) and subsequently reclassified to earnings when the hedge transaction affects earnings.

Under IFRS 9, for cash flow hedges, the effective portion of the change in the fair value of the hedging instrument is also deferred into OCI. However, the amount recognized in OCI should be the lower of (1) the cumulative gain or loss on the hedging instrument from the inception of the hedge, and (2) the cumulative change in the fair value (present value) of the expected cash flows on the hedged item from the inception of the hedge. The remaining ineffective portion of the change in the fair value of the hedging instrument (if any) is recognized immediately in profit or loss.

The following summarizes the adjustments related to the statement of operations and balance sheet for each applicable period presented:

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Interest expense	\$ 680,400	\$ (4,900)	\$ 675,500	\$ 572,200	\$ 300	\$ 572,500
Provision (benefit) for income taxes	33,500	1,300	34,800	167,100	(100)	167,000

  

	Period from May 18, 2021 through December 31, 2021			Period from January 1, 2021 through May 17, 2021		
	(Successor)			(Predecessor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Interest expense	\$ 252,100	\$ (900)	\$ 251,200	\$ 167,400	\$ —	\$ 167,400
Provision for income taxes	8,900	200	9,100	5,900	—	5,900

  

	As of December 31, 2023			As of December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Deferred tax liabilities, net	\$ 818,900	\$ 1,400	\$ 820,300	\$ 818,800	\$ 100	\$ 818,900
Accumulated deficit	(1,676,900)	4,100	(1,672,800)	(822,900)	500	(822,400)
Accumulated other comprehensive income	1,025,800	(5,500)	1,020,300	485,500	(600)	484,900

## j. Pensions and post-employment benefits

As a result of the TelevisaUnivision Transaction (refer to Note 3. *TelevisaUnivision Transaction*), the Company assumed a legal indemnity post-employment benefits under the Mexican Labor Law. The plan covers for employees who are dismissed unjustifiably and such employees are entitled to three months of salary plus 20 days of salary per year of service.

Under GAAP - ASC 715, the Company records the liability when it is probable that the benefits will be paid and the amount can be reasonably estimated. The Company records the legal indemnity net period costs other than service costs in Other, net line under US GAAP. Under IFRS (IAS 19 – Employee Benefits), the Company records the liability when there is a legal or constructive obligation, which is met at the earlier of recognizing the restructuring, severance and related costs or when the Company can no longer withdraw the offer of the benefits. The Company records the legal indemnity related expenses in restructuring, severance and relates charges line as actual payments occur under IFRS.

Under US GAAP, actuarial remeasurements gains/losses are recognized in the statement of operations either immediately or in the future in systematic manner. Under IFRS, these actuarial gains/losses are recognized immediately in Other Comprehensive Income and are not subsequently recycled through the statement of operations.

The following summarizes the adjustments related to the statement of operations and balance sheet for each applicable period presented:

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Selling, general and administrative expenses	\$ 1,496,100	\$ (5,700)	\$ 1,490,400	\$ 1,359,500	\$ —	\$ 1,359,500
Restructuring, severance and related charges	53,400	3,500	56,900	68,500	5,500	74,000
Other, net	8,200	(8,600)	(400)	65,700	—	65,700
Provision for income taxes	33,500	2,700	36,200	167,100	(1,400)	165,700

  

	As of December 31, 2023			As of December 31, 2022		
	(Successor)			(Successor)		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
Goodwill	\$ 5,911,200	\$ (73,700)	\$ 5,837,500	\$ 6,319,800	\$ (73,700)	\$ 6,246,100
Deferred tax liabilities, net	818,900	1,300	820,200	818,800	(1,400)	817,400
Other long-term liabilities	289,100	(80,400)	208,700	186,500	(69,600)	116,900
Accumulated deficit	(1,676,900)	4,000	(1,672,900)	(822,900)	(4,100)	(827,000)
Accumulated other comprehensive income	1,025,800	1,400	1,027,200	485,500	1,400	486,900

#### k. Classification of Consolidated Statement of Operations Line Items

Under IFRS, in addition to the adjustments noted above, the classification of certain income and expense items within the Statement of Operations differs from the classifications under GAAP. The reclassifications, after required adjustments, are summarized below:

- Under GAAP, the Company presents “Depreciation and amortization” as a separate line item on its consolidated statements of operations, while such costs are classified based on their function under IFRS. Accordingly, depreciation and amortization have been reclassified to “Cost of sales” and “Administrative expenses” for each period presented based on their function. Similarly, a portion of rent expense attributable to operating leases under U.S. GAAP has been reclassified to “Cost of sales” and “Administrative expenses” based on the underlying lease. For the year ended December 31, 2023 (Successor), \$552.4 million was reclassified to “Cost of sales” and \$18.3 million to “Administrative expenses.” For the year ended December 31, 2022 (Successor), \$508.7 million was reclassified to “Cost of sales” and \$15.6 million to “Administrative expenses.” For the periods from May 18, 2021 through December 31, 2021 (Successor), \$184.1 million was reclassified to “Cost of sales” and \$10.3 million to “Administrative expenses.” For the period from January 1, 2021 through May 17, 2021 (Predecessor), \$47.7 million was reclassified to “Cost of sales” and \$5.2 million to “Administrative expenses.”
- Under GAAP, the Company presents “Restructuring, severance and related charges” as a separate line item on its consolidated statements of operations. These amounts have been reclassified to “Other expense, net.” For the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), \$56.9 million, \$74.0 million, \$59.3 million and \$7.6 million, respectively, has been reclassified to “Other expense, net.”
- Under GAAP, the Company presents “Selling, general and administrative expenses” within one line item on its consolidated statements of operations while such costs are classified based on the function into two separate line items under IFRS: “Selling expenses” and “Administrative expenses.” Accordingly, for the year ended December 31, 2023 (Successor) \$1,003.7 million was reclassified to “Selling expenses” and \$490.0 million to “Administrative expenses”. For the year ended December 31, 2022 (Successor) \$896.1 million was reclassified to “Selling expenses” and \$508.9 million to “Administrative expenses”. For the period from May 18, 2021 through December 31, 2021 (Successor) \$327.0 million was reclassified to “Selling expenses” and \$220.7 million to “Administrative expenses.” For the period from January 1, 2021 through May 17, 2021 (Predecessor) \$153.7 million was reclassified to “Selling expenses” and \$74.4 million to “Administrative expenses.”
- Under GAAP, the Company presents “Loss (gain) on dispositions” as a separate line item on its consolidated statements of operations while such costs are classified within “Other expense, net” under IFRS. Accordingly, for the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), \$27.5 million, \$40.6 million, \$0.9 million and \$0.5 million loss (gain) on dispositions, respectively, has been reclassified to “Other expense, net.”

- Under GAAP, the Company presents “Impairment loss” as a separate line item on its consolidated statements of operations while such costs are classified within “Other expense, net” under IFRS. Accordingly, for the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), \$745.8 million, \$1,487.5 million, \$3.4 million and \$5.0 million, respectively, has been reclassified to “Other expense, net”.
- Under GAAP, the Company presents “Loss (gain) on investments” as a non-operating component of its consolidated statements of operations and under IFRS, this is classified as “Other expense, net,” a component of operating income. Accordingly, for the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor), for the periods from May 18, 2021 through December 31, 2021 (Successor), January 1, 2021 through May 17, 2021 (Successor Entity), and from January 1, 2021 through May 17, 2021 (Predecessor), \$51.8 million loss, \$41.3 million loss, \$25.3 million gain, \$624.4 million gain and \$15.9 million gain, respectively, has been reclassified to “Other expense, net,” a component of operating income.
- Under GAAP, the Company presents “Other, net” as a non-operating component of its consolidated statements of operations and under IFRS, this is classified as “Other expense, net,” a component of operating income. Accordingly, for the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), \$36.1 million expense, \$45.0 million expense, \$13.9 million expense, and \$4.0 million expense, respectively, has been reclassified to “Other expense, net,” a component of operating income.
- Under GAAP, the Company presents “Interest expense,” “Interest income,” “Amortization of deferred financing costs” and “Loss on refinancing of debt” as separate line items on its consolidated statements of operations. Under IFRS, such costs are classified within “Finance expense” or “Finance income,” as applicable. Accordingly, interest expense, amortization of deferred financing costs, and loss on refinancing of debt have been reclassified to “Finance expense” for all periods presented, while interest income has been reclassified to “Finance income” for all periods presented. This resulted in \$752.4 million, \$652.6 million, \$266.4 million, and \$450.0 million, being reclassified to “Finance expense” for the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), respectively. In addition, for the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and for the periods from May 18, 2021 through December 31, 2021 (Successor) and from January 1, 2021 through May 17, 2021 (Predecessor), \$100.3 million, \$144.5 million, \$0.4 million and zero, respectively, has been reclassified to “Finance income.”
- Under GAAP, the Company presents (income) loss on equity method investments as part of “(Gains) loss on investments” on its consolidated statements of operations, while this is classified within “Share of gain of associates and joint ventures, net” under IFRS. Accordingly, for the year ended December 31, 2023 (Successor) and December 31, 2022 (Successor), and for the periods from May 18, 2021 through December 31, 2021 (Successor), January 1, 2021 through May 17, 2021 (Successor Entity) and January 1, 2021 through May 17, 2021 (Predecessor), \$35.7 million loss, \$20.7 million loss, \$1.9 million loss, \$12.6 million gain and \$0.1 million gain, respectively, has been reclassified to “Share of (income) loss of associates and joint ventures, net.”

#### **I. Classification of Consolidated Balance Sheet Line Items**

Under IFRS, in addition to the adjustments noted above, the classification of certain assets and liabilities within the Balance Sheet differ from the classifications under GAAP. The reclassifications, after required adjustments, are summarized below:

- Under GAAP, the Company presented interest rate swaps within “Other assets” and “Other long-term liabilities,” while the current portion of the liability was presented in “Accounts payable and accrued liabilities” on its consolidated balance sheet, while under IFRS, derivatives are presented as a separate line item. As of December 31, 2023 (Successor), \$31.8 million has been reclassified to “Derivative financial assets - non current” and \$60.0 million has been reclassified to “Derivative financial assets - current.” As of December 31, 2022 (Successor), \$77.5 million has been reclassified to “Derivative financial assets” and \$64.1 million has been reclassified to “Current derivative financial assets.”
- Under GAAP, the Company presented program rights and prepayments as “Program rights and prepayments” on its consolidated balance sheet, while under IFRS, this is presented as “Transmission rights and programming.” As of December 31, 2023 (Successor) and December 31, 2022 (Successor), \$825.9 million and \$464.4 million was reclassified to “Transmission rights and programming” within current assets, respectively. As of December 31, 2023 (Successor) and December 31, 2022 (Successor), \$465.9 million and \$345.2 million was reclassified to “Transmission rights and programming” within noncurrent assets, respectively.



- Under GAAP, the Company presents all investments in one line item “Investments” on its consolidated balance sheet, while under IFRS, investments are presented into separate categories based on their nature: “Investments in financial instruments” and “Investments in associates and joint ventures.” Accordingly, as of December 31, 2023 (Successor), \$277.7 million and \$1.6 million has been reclassified to “Investment in financial instruments” and “Investments in associates and joint ventures,” respectively. As of December 31, 2022 (Successor), \$208.6 million and \$30.5 million has been reclassified to “Investment in financial instruments” and “Investments in associates and joint ventures,” respectively.
- Under GAAP, the Company presents “Goodwill” as a separate line item on its consolidated balance sheet, while under IFRS, goodwill is presented within “Intangible assets, net.” Accordingly, as of December 31, 2023 (Successor) and December 31, 2022 (Successor), \$5,875.0 million and \$6,239.8 million, respectively, has been reclassified to “Intangible assets, net.”
- Under GAAP, the Company presents “Accrued interest” as part of “Accounts payable and accrued liabilities” on its consolidated balance sheet. Under IFRS, accrued interest is presented within the current portion of long-term debt. Accordingly, \$64.5 million and \$46.9 million of accrued interest has been reclassified to “Current portion of long-term debt and interest payable” as of December 31, 2023 (Successor) and December 31, 2022 (Successor), respectively.
- Under GAAP, the Company presents other taxes payable as part of “Accounts payable and accrued liabilities” on its consolidated balance sheet. Under IFRS, other taxes payable is presented as a separate line on the balance sheet. Accordingly, \$103.6 million and \$52.1 million of other taxes payable has been reclassified to “Other taxes payable” as of December 31, 2023 (Successor) and December 31, 2022 (Successor), respectively.
- Under GAAP, the Company presents current income taxes payable as part of “Accounts payable and accrued liabilities” on its consolidated balance sheet. Under IFRS, current income taxes payable is presented as a separate line on the balance sheet. As of December 31, 2023 (Successor) and December 31, 2022 (Successor) the income taxes payable included in “Accounts payable and accrued liabilities” was \$25.6 million and \$23.6 million, respectively.
- Under GAAP, the Company presents employee benefits payable as part of “Accounts payable and accrued liability” and “Other long-term liabilities” on its consolidated balance sheet. Under IFRS, employee benefits payable is presented as a separate line on the balance sheet. Accordingly, as of December 31, 2023 (Successor), \$105.3 million and \$1.3 million has been reclassified from “Accounts payable and accrued liabilities” and “Other long-term liabilities,” respectively, to “Employee Benefits” and “Post-employment benefits,” respectively. As of December 31, 2022 (Successor), \$98.1 million and \$1.7 million has been reclassified from “Accounts payable and accrued liabilities” and “Other long-term liabilities,” respectively, to “Employee Benefits” and “Post-employment benefits,” respectively.
- Under GAAP, the Company presents finance lease obligations as part of “Current portion of long-term debt and finance lease obligations” and “Long-term debt and finance lease obligations” on its consolidated balance sheet. Under IFRS, finance lease obligations are presented separately from long-term debt. Accordingly, finance lease obligations (current and non-current) have been reclassified to a separate line on the consolidated balance sheet. Similarly, the operating lease liabilities recorded as right-of-use liabilities due to the adoption of ASC 842 has been reclassified to “Finance lease obligations.” As of December 31, 2023 (Successor), \$46.2 million has been reclassified to “Current portion of finance lease obligations” and \$172.8 million has been reclassified to “Finance lease obligations, net of current portion.” As of December 31, 2022 (Successor), \$60.1 million has been reclassified to “Current portion of finance lease obligations” and \$240.5 million has been reclassified to “Finance lease obligations, net of current portion.”
- Under GAAP, the Company presents deferred tax assets and liabilities on a net basis within “Deferred tax liabilities, net.” Under IFRS, deferred tax assets and liabilities are presented on a gross basis and accordingly, items have been reclassified to reflect the gross presentation. As of December 31, 2023 (Successor) and December 31, 2022 (Successor), \$779.5 million and \$781.6 million, respectively, inclusive of the GAAP to IFRS differences discussed above, has been reclassified to “Deferred income tax assets.”
- Under GAAP, the Company presents capitalized software costs within “Property and equipment, net” on its consolidated balance sheet. Under IFRS, capitalized software costs are presented within “Intangible assets, net.” Accordingly, \$126.4 million and \$90.2 million has been reclassified to “Intangible assets, net,” as of December 31, 2023 (Successor) and December 31, 2022 (Successor), respectively.
- Under GAAP, the Company presents post-employment benefits as part of “Other long-term liabilities” on its consolidated balance sheet. Under IFRS, post-employment benefits are presented as a separate line item within the balance sheet. As of December 31, 2023 (Successor) and December 31, 2022 (Successor), \$57.7 million and \$60.1 million has been reclassified

from “Other long-term liabilities” to “Post-employment benefits”, respectively, including \$1.3 million and \$1.7 million of employee benefits payable disclosed above.

- Under GAAP, the Company presents balances due from related parties within “Accounts receivable, net”, “Prepaid expenses and other assets”, and balance to related parties within “Accounts payable and accrued liabilities”, “Deferred revenue”, “Current portion of long-term debt and finance lease obligations” and “Long-term debt and finance lease obligations” on its consolidated balance sheet, respectively. Under IFRS, related party balances are presented as separate line items as “Due from related parties” and “Due to related parties” as applicable. As of December 31, 2023 (Successor), \$64.8 million was reclassified from “Accounts receivable, net” and “Prepaid expenses and other assets” to “Due from related parties”, \$231.5 million was reclassified from “Accounts payable and accrued liabilities”, “Deferred revenue” current portion, “Current portion of long-term debt and finance lease obligations” to “Due to related parties” and \$536.5 million was reclassified from “Long-term debt and finance lease obligations”, “Deferred revenue noncurrent” and “Other long-term liabilities” to “Due to related parties noncurrent”. As of December 31, 2022 (Successor), \$46.2 million was reclassified from “Accounts receivable, net” and “Prepaid expenses and other assets” to “Due from related parties”, \$112.0 million was reclassified from “Accounts payable and accrued liabilities”, “Deferred revenue” current portion, “Current portion of long-term debt and finance lease obligations” to “Due to related parties” and \$593.7 million was reclassified from “Long-term debt and finance lease obligations” and “Deferred revenue noncurrent” to “Due to related parties noncurrent”.

#### m. Net (Loss) Income and Stockholders’ Equity Reconciliation Between GAAP and IFRS

The table below summarizes the adjustments to net (loss) income and stockholders’ equity which would be required if IFRS had been applied instead of GAAP:

	Year Ended December 31, 2023	Year Ended December 31, 2022	Period from May 18, 2021 through December 31, 2021	Period from January 1, 2021 through May 17, 2021	Period from January 1, 2021 through May 17, 2021
	(Successor)	(Successor)	(Successor)	(Successor Entity)	(Predecessor)
Net (loss) income as reported under GAAP	\$ (854,000)	\$ (1,542,200)	\$ 85,500	\$ 633,800	\$ 48,200
Share-based payments (a)	1,700	(63,500)	(14,800)	—	(2,500)
Deferred financing costs (b)	(12,700)	(12,800)	2,800	—	(1,200)
Leases (c)	(2,500)	(2,300)	(4,100)	—	(2,300)
Program rights impairment (d)	800	5,600	1,300	—	(7,600)
Media networks CGU impairment (e)	204,000	131,100	—	—	—
Radio CGU impairment (f)	—	—	—	—	50,700
Preferred shares (g)	8,800	64,900	(3,400)	—	(200,100)
Deferred revenue (h)	—	(12,100)	—	—	—
Interest rate swap (i)	3,600	(200)	700	—	—
Pension and post-employment benefits (j)	8,100	(4,100)	—	—	—
Net (loss) income under IFRS	\$ (642,200)	\$ (1,435,600)	\$ 68,000	\$ 633,800	\$ (114,800)

	December 31, 2023	December 31, 2022
	(Successor)	(Successor)
Stockholders’ equity as reported under GAAP	\$ 2,802,100	\$ 3,070,400
Share-based payments (a)	(24,000)	(13,200)
Deferred financing costs (b)	(22,800)	(10,000)
Leases (c)	(8,900)	(6,400)
Program rights impairment (d)	7,600	6,800
Media networks CGU impairment (e)	335,100	131,100
Preferred shares (g)	89,600	39,500
Deferred revenue (h)	(12,100)	(12,100)
Interest rate swap (i)	(1,400)	(100)
Pension and post-employment benefits (j)	5,400	(2,700)
Stockholders’ equity under IFRS	\$ 3,170,600	\$ 3,203,300