BOLSA MEXICANA DE VALORES, S.A.B. DE C.V.
AND SUBSIDIARIES

Consolidated Financial Statements

December 31st, 2022 and 2021
with Independent Auditor's Report

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AND SUBSIDIARIES

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Contents:

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
Bolsa Mexicana de Valores, S.A.B. de C.V.

Opinion

We have audited the accompanying consolidated financial statements of Bolsa Mexicana de Valores, S.A.B. de C.V. and its subsidiaries (the Company), which comprise the consolidated statement of financial position as at December 31st, 2022 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Bolsa Mexicana de Valores, S.A.B. de C.V. and its subsidiaries as at December 31st, 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico in accordance with the *Código de Ética Profesional del Instituto Mexicano de Contadores Públicos* (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report, including in relation to these key audit matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the accompanying consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

- *Goodwill*

Description and why the matter was determined to be a key audit matter

We consider the calculation of goodwill to be a key audit matter since this calculation requires significant Management judgment and the use of subjective estimates and forecasts of economic inflows and outflows that are subject to future market conditions.

See Notes 2 and 6 to the accompanying consolidated financial statements at December 31st, 2022 for disclosures on goodwill recognized by the Company for a total of MXN 3,084 million arising on the acquisition of the subsidiaries described in such Notes.

How we responded to this key audit matter

Our audit procedures consisted of the following:

a) We assessed the design of significant controls related to the impairment testing process as at December 31st, 2022; b) We assessed the key assumptions and methods used by Management to calculate impairment in accordance with the applicable accounting requirements. We received assistance from our own specialists for the audit procedures applied with respect to this point; c) We assessed the valuation model used to ensure appropriate measurement techniques were applied to determine the present value of future cash flows; d) We assessed the Company's business plan, taking into account the financial projections used by Company management for the impairment testing of the Cash Generating Units (CGUs) within the audit scope; e) We assessed the composition of each CGU and the assets subject to impairment testing within each CGU. We compared the revenue and profit margin forecasts for a CGU sample against the budgets approved by Company management; f) We assessed the key assumptions taking into account the highly sensitive nature of the inputs used in an impairment analysis, such as the discount rate and the expected revenue increase rate, and compared these assumptions against key data from external sources; g) We independently re-performed the arithmetic calculation using the valuation methods applied by the Company, taking into account the consistency of the CGU grouping criteria; and h) We assessed the disclosures related to goodwill in the consolidated financial statements as at December 31st, 2022.

- *Revenue from cash equities, issuers and Central Securities Depository services*

Description and why the matter was determined to be a key audit matter

Revenue from cash equities corresponds to operating fees (stock trading) charged to customers trading on the stock exchange. Revenue from issuers corresponds primarily to listing and maintenance fees charged to issuers trading on the stock exchange. Revenue from Central Securities Depository services corresponds to commissions earned from customers that utilize the Company's services. We consider this revenue to be a key audit matter since the calculation relies on a variety of automated processes, which are strictly regulated and must be charged to customers based on rates previously approved by the National Banking and Securities Commission (CNBV, by its acronym in Spanish).

See Note 2 to the accompanying consolidated financial statements for revenue recognition policies corresponding to revenue from cash equities, issuers and Central Securities Depository services, totaling MXN 2,276 million.

How we responded to this key audit matter

Our audit procedures consisted of the following: a) We assessed the calculation and recognition processes applied by Management for revenue from cash equities, issuers and Central Securities Depository services; b) We assessed the design of significant controls over the revenue recognition process for 2022; c) We performed substantive audit procedures to assess the integrity of operating information that gives rise to the recognition of book income; d) We selected a representative sample of revenue from cash equities, issuers and Central Securities Depository services and recalculated the revenue for such sample applying the CNBV-approved rates for each type of revenue; e) We selected a representative sample of revenue from cash equities, issuers and Central Securities Depository services and compared the revenue against the invoices and billings shown in the Company's banking statements; and f) We assessed the disclosures related to revenue in the consolidated financial statements as at December 31st, 2022.

Other information included in the annual report

Management is responsible for the other information. The other information comprises the information included in the annual report filed in accordance with the General Rules Applicable to Securities Issuers and other stock market participants issued by the CNBV; but does not include the consolidated financial statements and our auditor's report thereon. We expect to obtain the other information after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read and consider the other information when we have access to it and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read and consider the Annual Report filed with the CNBV, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to issue a statement on the Annual Report required by the CNBV that contains a description of the matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from 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 a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- We 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.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance of Bolsa Mexicana de Valores, S.A.B. de C.V. and Subsidiaries, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is the undersigned.

Mancera, S.C.
A Member Practice of
Ernst & Young Global Limited

C.P.C. Gabriel Alejandro Baroccio Pompa

Mexico City,
February 14th, 2023

BOLSA MEXICANA DE VALORES, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Financial Position

(Amounts in thousands of Mexican pesos)

	As at December 31st	
Assets	2022	2021
Current assets:		
Cash and cash equivalents (Note 3)	MXN 3,922,793	MXN 3,704,671
Trade receivables, net (Notes 4 and 11)	407,326	444,732
Total current assets	4,330,119	4,149,403
Non-current assets:		
Goodwill, net (Note 6)	3,083,600	3,083,600
Property, furniture and equipment, net (Note 7)	427,529	445,909
Right-of-use assets (Note 8)	194,679	253,506
Equity instruments (Note 5)	175,041	185,451
Intangible assets, net (Note 10)	263,760	244,155
Deferred income tax (Note 14)	104,961	86,044
Equity investments in associates and joint ventures (Note 9)	25,764	24,153
Employee benefits (Note 13)	13,475	13,693
Other assets, net	123,926	103,746
Total non-current assets	4,412,735	4,440,257
Total assets	MXN 8,742,854	MXN 8,589,660

	As at December 31st	
Liabilities	2022	2021
Current liabilities:		
Lease liabilities (Note 8)	MXN 104,274	MXN 115,163
Suppliers and other accounts payable (Note 12)	512,905	435,492
Income tax payable (Note 14)	57,686	38,484
Related parties (Note 11)	11,480	11,887
Total current liabilities	686,345	601,026
Non-current liabilities:		
Employee benefits (Note 13)	7,733	5,443
Lease liabilities (Note 8)	96,192	145,127
Other accounts payable	117,695	108,673
Total non-current liabilities	221,620	259,243
Total liabilities	907,965	860,269
Equity (Note 15):		
Share capital	4,507,303	4,507,303
Retained earnings (Note 17a)	92,657	141,955
Reserve for repurchase of shares (Note 17b)	641,056	704,382
Share premium on repurchased shares (Note 17c)	218	218
Legal reserve	644,726	564,866
Net profit for the year	1,661,730	1,597,188
Other components of equity	661	707
Other comprehensive loss	(82,115)	(56,249)
Equity holders of the parent	7,466,236	7,460,370
Non-controlling interests (Note 18)	368,653	269,021
Total equity	7,834,889	7,729,391
Total liabilities and equity	MXN 8,742,854	MXN 8,589,660

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

BOLSA MEXICANA DE VALORES, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Profit or Loss

(Amounts in thousands of Mexican pesos)

	For the year ended December 31st 2022	2021
Operating activities		
Customer revenue		
Cash equities	MXN 531,981	MXN 518,337
Issuers	492,258	497,990
Derivatives	221,655	188,415
Over-the-counter (SIF ICAP)	733,834	634,990
Central Securities Depository	1,251,714	1,256,432
Information services	682,934	618,942
	3,914,376	3,715,106
Other non-operating income	185,139	209,145
Total income	4,099,515	3,924,251
Expenses		
Personnel	(883,070)	(849,435)
Technology	(321,446)	(291,500)
Depreciation and amortization	(219,471)	(232,397)
Rent and maintenance	(71,176)	(59,437)
Fees	(180,994)	(185,884)
CNBV fees	(33,150)	(30,874)
Other	(106,724)	(97,774)
Total expenses	(1,816,031)	(1,747,301)
Operating profit	2,283,484	2,176,950
Finance income (Note 23)	400,684	288,111
Finance expense (Note 23)	(159,761)	(137,823)
Share of profit/(loss) of associates (Note 9)	2,580	(258)
Dividend income	13,808	6,859
Consolidated profit before income tax	2,540,795	2,333,839
Income tax (Note 14)	(694,167)	(601,941)
Consolidated net profit	MXN 1,846,628	MXN 1,731,898
Consolidated net profit attributable to:		
Equity holders of the parent	MXN 1,661,730	MXN 1,597,188
Non-controlling interests	184,898	134,710
	MXN 1,846,628	MXN 1,731,898

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

BOLSA MEXICANA DE VALORES, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

(Amounts in thousands of Mexican pesos)

	For the year ended December 31st	
	2022	2021
Consolidated net profit	MXN 1,846,628	MXN 1,731,898
Other comprehensive income, net of income tax		
Items not to be reclassified to profit or loss:		
Actuarial gain/(loss)	(3,789)	1,590
Valuation allowance on equity instruments	(10,454)	8,084
Items to be reclassified to profit or loss:		
Foreign currency translation reserve of foreign subsidiaries	(26,069)	(29,697)
Consolidated comprehensive income	MXN 1,806,316	MXN 1,711,875
Consolidated comprehensive income attributable to:		
Equity holders of the parent	MXN 1,635,818	MXN 1,592,820
Non-controlling interests	170,498	119,055
	MXN 1,806,316	MXN 1,711,875
Earnings per share of equity holders of the parent:		
Basic and diluted earnings per share (in Mexican pesos) (Note 20)	MXN 2.87	MXN 2.71
Earnings per share of equity holders of the parent from continuing operations:		
Basic and diluted earnings per share (in Mexican pesos) (Note 20)	$ 2.87	$ 2.71
Weighted average number of shares	578,615,746	590,373,223

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

BOLSA MEXICANA DE VALORES, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Years Ended December 31st, 2022 and 2021

(Amounts in thousands of Mexican pesos)

	Contributed capital	Earned capital						Other comprehensive income					
	Share capital	Retained earnings	Share premium on repurchased shares	Reserve for repurchase of shares	Legal reserve	Net profit for the year	Other components of equity	Actuarial loss on labor obligations	Foreign currency translation reserve of foreign subsidiaries	Changes in the value of financial assets	Equity holders of the parent	Non-controlling interests	Total equity
Balance as at December 31st, 2020	MXN4,507,303	MXN 219,718	MXN 211	MXN 600,000	MXN 490,228	MXN1,492,770	MXN 707	MXN(17,592)	MXN 24,718	MXN(59,000)	MXN7,259,063	MXN 306,345	MXN7,565,408
				-	-	-	-	-	-	-	-	-	-
Consolidated net profit for the year	-	-	-	-	-	1,597,188	-	-	-	-	1,597,188	134,710	1,731,898
Other comprehensive loss for the year (Note 16)	-	-	7	-	-	-	-	1,590	(14,042)	8,077	(4,368)	(15,655)	(20,023)
Comprehensive income for the year	-	-	7	-		1,597,188	-	1,590	(14,042)	8,077	1,592,820	119,055	1,711,875
Appropriation of net profit from prior year	-	1,418,132	-	-	74,638	(1,492,770)	-	-	-	-	-	-	-
Dividends declared (Note 15)	-	(1,195,609)	-	-	-	-	-	-	-	-	(1,195,609)	(155,958)	(1,351,567)
Share buybacks	-	(300,000)	-	104,382	-	-	-	-	-	-	(195,618)	-	(195,618)
Other	-	(286)	-	-	-	-	-	-	-	-	(286)	(421)	(707)
	-	(77,763)	-	104,382	74,638	(1,492,770)	-	-	-	-	(1,391,513)	(156,379)	(1,547,892)
Balance as at December 31st, 2021	4,507,303	141,955	218	704,382	564,866	1,597,188	707	(16,002)	10,676	(50,923)	7,460,370	269,021	7,729,391
Consolidated net profit for the year	-	-	-	-	-	1,661,730	-	-	-	-	1,661,730	184,898	1,846,628
Other comprehensive loss for the year (Note 16)	-	-	-	-	-		(46)	(3,789)	(11,669)	(10,408)	(25,912)	(14,400)	(40,312)
Comprehensive income for the year	-	-	-	-	-	1,661,730	(46)	(3,789)	(11,669)	(10,408)	1,635,818	170,498	1,806,316
Appropriation of net profit from prior year	-	1,517,328	-	-	79,860	(1,597,188)	-	-	-	-	-	-	-
Dividends declared (Note 15)	-	(1,269,237)	-	-	-	-	-	-	-	-	(1,269,237)	(70,866)	(1,340,103)
Share buybacks	-	(300,000)	-	(63,326)	-	-	-	-	-	-	(363,326)	-	(363,326)
Other	-	2,611	-	-	-	-	-	-	-	-	2,611	-	2,611
	-	(49,298)		(63,326)	79,860	(1,597,188)					(1,629,952)	(70,866)	(1,700,818)
Balance as at December 31st, 2022	MXN4,507,303	MXN 92,657	MXN 218	MXN 641,056	MXN 644,726	MXN1,661,730	MXN 661	MXN(19,791)	MXN(993)	MXN(61,331)	MXN7,466,236	MXN 368,653	MXN7,834,889

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

BOLSA MEXICANA DE VALORES, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Amounts in thousands of Mexican pesos)

	For the year ended December 31st 2022	For the year ended December 31st 2021
Operating activities		
Consolidated net profit	MXN 1,846,628	MXN 1,731,898
Adjustments for:		
Depreciation and amortization	219,471	232,397
Share of profit/(loss) of associates	2,580	258
Income tax recognized in profit or loss	694,167	601,941
	2,762,846	2,566,494
Changes in operating assets and liabilities:		
Accounts receivable and other assets	17,226	(102,212)
Suppliers and related parties	65,858	(38,437)
Employee benefits	2,508	(3,562)
Accounts payable	(28,046)	115,719
Income tax paid	(682,070)	(748,450)
Net cash flows from operating activities	2,138,322	1,789,552
Investing activities		
Purchase of furniture and equipment	(16,734)	(10,825)
Investments in project development	(70,335)	(68,583)
Capital contribution	(18,990)	(10,590)
Dividends received	13,808	6,859
Net cash flows used in investing activities	(92,251)	(83,139)
Financing activities		
Dividends paid	(1,269,237)	(1,195,609)
Cash dividends paid to non-controlling interests	(59,719)	(146,727)
Finance lease payments	(135,667)	(142,567)
Share buybacks	(363,326)	(195,618)
Net cash flows used in financing activities	(1,827,949)	(1,680,521)
Net increase in cash and cash equivalents	218,122	25,892
Cash and cash equivalents at beginning of year	3,704,671	3,678,779
Cash and cash equivalents at end of year	MXN 3,922,793	MXN 3,704,671

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

(Amounts in thousands of Mexican pesos)

1. Description of the Business and Approval of the Consolidated Financial Statements

a) Description of the business

Bolsa Mexicana de Valores, S.A.B. de C.V. and subsidiaries (the Company) is authorized by the Ministry of Finance and Public Credit (SHCP, Spanish acronym) to operate as a Stock Exchange and as a self-regulated entity in accordance with the Mexican Securities Trading Act (the Act). The Company is located at Avenida Paseo de la Reforma 255, Colonia Cuauhtémoc in Mexico City.

The Company's activities, in accordance with the Act and the CNBV's general rules, include establishing facilities and automated mechanisms to enable securities trading relationships and transactions. The Company's activities also include providing information on stocks traded through its platform and implementing measures to ensure that trading operations meet all applicable regulations, as well as to promote the growth of the Mexican securities market.

The Company operates as a stock exchange, for derivatives and establishes mechanisms to enable securities trading transactions. It provides financial brokerage services, central security depository services, clearing services, price supply services and stock exchange education.

An analysis of the Company's equity investments in its subsidiaries as at December 31st, 2022 and 2021 is as follows:

Entity	% equity interest 2022	% equity interest 2021	Activity
MexDer, Mercado Mexicano de Derivados, S.A. de C.V. (MexDer)	97.98%	97.98%	The only derivatives exchange in Mexico. It provides facilities and other services to enable these transactions.
Corporativo Mexicano del Mercado de Valores, S.A. de C.V. (Corporativo)	100.00%	100.00%	Provides specialized accounting, tax, commercial, legal, financial, administrative, recruiting, selection, preparation, training and development services to BMV Group companies.
Valuación Operativa y Referencias de Mercado, S.A. de C.V. (Valmer)	99.99%	99.99%	Provides pricing information for government and corporate bonds, stocks and warrants, and offers risk management advisory services.
SIF ICAP, S.A. de C.V. (SIF ICAP)	50.00%	50.00%	Provides financial brokerage services with debt instruments registered in the National Securities Registry (RNV). Owns 100% of the shares of SIF-ICAP Chile Holding Limitada, a financial brokerage for derivatives.

Entity	% equity interest 2022	% equity interest 2021	Activity
SIF ICAP Servicios, S.A. de C.V. (SIF Servicios)	50.00%	50.00%	Provides professional and personnel services to SIF-ICAP (through July 20th,2021).
Fideicomiso F/30430 Asigna, Compensación y Liquidación (Asigna)	93.33%	93.33%	Provides clearinghouse services for derivatives contracts in MexDer. The Company, through its equity investment in PGBMV, indirectly owns 20.76% of Asigna's Trustee rights.
Participaciones Grupo BMV, S.A. de C.V. (PGBMV)	99.99%	99.99%	A spin-off from Indeval; acquires CCV's representative shares and inherited all of Indeval's fiduciary rights in Asigna.
Contraparte Central de Valores de México, S.A. de C.V. (CCV)	99.97%	99.97%	Counterparty for the clearing of transactions in capital markets. CCV helps reduce compliance risk for securities transactions in capital markets carried out by settling and non-settling agents of transactions in the Company and regulated by the Act. CCV defines and applies the safeguard systems for those transactions in which it acts as the counterparty to ensure security in such transactions. The Company, through its equity investment in PGBMV, indirectly owns 50.93% of CCV.
S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V. (Indeval)	97.56%	97.56%	Indeval acts as a depository for custody of securities registered in the RNV and provides securities management services related to clearing of securities in the terms of the Act and the CNBV's general rules.
Intergloval BMV, S.A. de C.V.	100.00%	100.00%	Provides reception, validation, routing and courier services, domestically and abroad, using standard communication protocols, electronic and optical means, to Mexican and foreign financial entities.
Latam Exchanges Data México, S.A. de C.V.	51.00%	51.00%	Focuses on hosting technical and production infrastructure, as well as on providing top-level support for the services of promotion, generation, distribution and sale of information on Latin American financial markets provided by Latam Exchanges Data, Inc. (LED México).

b) Approval of consolidated financial statements

On February 14th, 2023, the consolidated financial statements and these notes were authorized by the Company's General Director, José-Oriol Bosch Par, and the Deputy Administrative, Finance and Sustainability Director, Ramón Güémez Sarre, for their issue and subsequent approval at the ordinary shareholders' meeting to be held by no later than April 30th, 2023 by the Board of Directors and shareholders, who have the authority to modify the financial statements. These consolidated financial statements were approved by the Company's Board of Directors on February 14th, 2023.

c) Significant events in 2022 and 2021

Significant events in 2022

i) Dividends declared and paid in 2022

At an ordinary shareholders' meeting held on April 28th, 2022, the Company's shareholders declared a cash dividend of MXN 1,269,237, equal to MXN 2.16 per share for all current outstanding shares, to be paid from the Net Taxed Profits Account (CUFIN, by its acronym in Spanish). Such dividend was paid out on May 16th, 2022.

On this same date, the shareholders agreed to increase the maximum amount that can be used to purchase treasury shares to up to MXN 300,000, which will remain unchanged until it is subsequently revised at an ordinary shareholders' meeting and all requirements under Article 56 of the Act are met.

ii) Other non-operating income from Indeval

For the year ended December 31st, 2022, the Company recognized MXN 97,881 as part of other non-operating income in the consolidated statement of profit or loss related to the clearing and adjusting of balances of the Deutsche Bank account. Deutsche Bank supported Indeval's international transactions through 2018. Due to a regulatory change, Indeval was designated "sponsor" of SIC-listed securities. Therefore, Indeval appointed Citi (New York) as its foreign custodian for such transactions.

After the appointment of Citi as a custodian and reaching a final settlement with Deutsche Bank, Indeval identified balances for which there were no unsettled transactions. These balances are not assets owned by Indeval, since it only acts as a custodian for such balances which are subsequently delivered to depositors. Therefore, Indeval believes that these balances must be extinguished after a five-year statute of limitations or a liberative prescription has elapsed.

Indeval is in the process of reinforcing its controls for the reconciliation of funds in order to return any and all resources to the custodian when no buy/sell instruction has been identified.

iii) Capital contribution to Latam Exchanges Data, Inc.

On January 6th, 2022, the Company made a fifth capital contribution to Latam Exchanges Data, Inc. of USD 735 (MXN 15,049). On December 29th, 2022, the Company made a sixth capital contribution to Latam Exchanges Data, Inc. of USD 203 (MXN 3,941).

iv) Vacation reform

The vacation reform published in the *Official Gazette* on December 27th, 2022 amends Articles 76 and 78 of the Federal Labor Law, which address vacation periods. The vacation reform extends the vacation period to which workers are entitled from 6 to 12 days.

The reform's transitional provisions specify that the modifications will apply to individual or collective contracts that were in force on the effective date, provided that such modifications are more favorable to the workers' existing benefits.

Since the vacation fringe benefits currently granted by the Company exceed the benefits established by the reform, there is no impact on the Company's contractual terms agreed on with its employees or on its financial information as at December 31st, 2022.

Significant events in 2021

i) Transfer of employees and labor obligations for past services without a settlement price

On April 23th, 2021, the Mexican Congress passed a decree that amends, adds and repeals several labor outsourcing provisions related to labor, social security and tax matters. The new provisions came into force on the day following their publication, except for the tax provisions, which became effective on August 1st, 2021. The reform prohibits the insourcing or outsourcing of personnel, except for the so-called provision of specialized services or the execution of specialized work, as well as supplementary or shared services between entities belonging to the same business group, provided that such services or works are not essential for the fulfillment of the entity's corporate purpose or primary economic activity.

The reform imposes the obligation on individuals or legal entities providing specialized services to register with the Ministry of Labor and Social Welfare, as well as to report their service agreements to the social security authorities, with information regarding the purpose thereof and the personnel involved in providing the specialized services. It also establishes labor and tax penalties against entities that use or benefit from outsourcing of personnel in violation of the law, or that provide specialized services without the respective registration, with tax implications in terms of deductibility and transfer of certain taxes.

In accordance with the transitory regime established in the labor outsourcing reform, the Company had a period of 90 days to transfer all operating personnel and obtain the related social security benefits. Such personnel was transferred in the months of August and September.

The reform also establishes a cap on employee profit sharing equal to 90 days of the employee's salary or the average of the last three years, whichever represents the workers' highest benefit.

ii) Dividends declared and paid in 2021

At an ordinary shareholders' meeting held on April 29th, 2021, the Company's shareholders declared a cash dividend of MXN 1,195,609, equal to MXN 2.02 per share for all current outstanding shares, to be paid from the CUFIN account. Such dividend was paid out on May 14th, 2021.

On this same date, the shareholders agreed to increase the maximum amount that can be used to purchase treasury shares to up to MXN 900,000, which will remain unchanged until it is subsequently revised at an ordinary shareholders' meeting and all requirements under Article 56 of the Act are met.

iii) Other non-operating income from Indeval

For the year ended December 31st, 2021, the Company recognized MXN 50,263 as part of other non-operating income in the consolidated statement of profit or loss related to the clearing and adjusting of balances of the Deutsche Bank account. Deutsche Bank supported Indeval's international transactions through 2018. Due to a regulatory change, Indeval was designated "sponsor" of SIC-listed securities. Therefore, Indeval appointed Citi (New York) as its foreign custodian for such transactions.

After the appointment of Citi as a custodian and reaching a final settlement with Deutsche Bank, Indeval identified balances for which there were no unsettled transactions. These balances are not assets owned by Indeval, since it only acts as a custodian for such balances which are subsequently delivered to depositors. Therefore, Indeval believes that these balances must be extinguished after a five-year statute of limitations or a liberative prescription has elapsed.

Indeval is in the process of reinforcing its controls for the reconciliation of funds in order to return any and all resources to the custodian when no buy/sell instruction has been identified.

iv) Capital contribution to Latam Exchanges Data, Inc.

On January 20th, 2021, the Company made a fourth capital contribution to Latam Exchanges Data, Inc. of USD 526 (MXN 10,590)

2. Summary of Significant Accounting Policies

a) Compliance with International Financial Reporting Standards

The consolidated financial statements as at December 31st, 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

b) Basis of presentation

The consolidated financial statements as at December 31st, 2022 and 2021 have been prepared on a historical cost basis, except for financial assets at fair value and defined benefit obligations at fair value, as explained further below.

The Company classifies its expenses by function in the consolidated statement of profit or loss.

The Company prepares its consolidated statement of cash flows using the indirect method.

i. Historical cost

Historical cost is generally equal to the fair value of the consideration paid for goods and services at the date of the transaction.

ii. Fair value

Fair value is the price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 - Unobservable inputs for the asset or liability.

As at December 31st, 2022 and 2021, the fair values of the Company's financial assets and liabilities do not differ significantly from their carrying amounts, except for its equity instruments designated at fair value through OCI.

c) Functional and presentation currency

The accompanying consolidated financial statements are presented in Mexican pesos, which is the Company's functional currency. Except where otherwise indicated, the amounts shown in the accompanying financial statements and these notes are in thousands of Mexican pesos.

d) Basis of consolidation of financial statements

The consolidated financial statements comprise the financial statements of the Company and those of its subsidiaries. Control is obtained when the Company has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Company has less than a majority of the voting, or similar, rights of an investee, it has power over the investee when the voting rights grant it the practical ability to direct the investee's activities unilaterally. When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the investor, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

All intercompany balances and transactions (assets, liabilities, equity, revenue, expenses and cash flows) have been eliminated on consolidation.

- *Changes in ownership interests of existing subsidiaries*

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. When the proportion of the equity held by non-controlling interests changes, the Company shall adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The Company shall recognize directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent.

When the Company loses control over a subsidiary, the gain or loss on the disposal of the shares shall be calculated as the difference between (i) the fair value of the consideration received, and (ii) the carrying amount of the assets and liabilities of the subsidiary prior to the loss of control and any non-controlling interests.

Amounts corresponding to the equity investment in the subsidiary that were previously recognized in other comprehensive income shall be recognized based on the accounting treatment applicable to the disposal of the related assets and liabilities (that is, they shall be reclassified to profit or loss or recognized directly in other components of equity, as permitted under the applicable IFRS).

Associates - An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. An investment in an associate or joint venture is accounted for using the equity method from the date on which it becomes an associate or joint venture.

e) Significant accounting judgments, estimates and assumptions

In the process of applying the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not easily observable from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results could differ from these estimates.

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

- *Fair value measurement of financial instruments*

Fair value is determined primarily on the basis of prices quoted in an active market.

For financial instruments not held for trading, fair value is determined by applying model-based techniques supported by sufficient observable market inputs. The Company determines its price curve projections based on quoted market prices. Company management considers that the valuation techniques and assumptions used are appropriate to determine the fair value of its financial instruments.

- *Impairment of financial assets*

i) Allowance for doubtful accounts

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

Trade receivables that are specifically identified as potentially uncollectible are charged to the allowance account. Subsequent recovery of previously recognized impairment losses are reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

The average credit term extended by the Company to its customers is 30 days. The Company creates an allowance for doubtful accounts on the balance of accounts receivable that are more than 90 days old, while also taking into consideration its past collection experience and its current financial situation.

IFRS 9 *Financial Instruments* introduces a new impairment model based on expected credit losses and replaces the incurred-loss approach established in IAS 39.

The new approach is structured in three stages from initial recognition of the financial instrument, which are based on the risk grade of the credit and credit exposures where there has been a significant increase in credit risk since initial recognition. IFRS 9 provides for a "simplified" approach, which does not require financial instruments to be classified into one of the three stages and allows entities to recognize expected credit losses over the lifetime of the trade receivable. The simplified impairment model is applicable to the Company's trade receivables.

ii) Impairment of equity instruments designated at fair value through OCI

Equity instruments designated at fair value through OCI are reviewed for impairment.

- *Impairment of non-financial assets*

The carrying amount of the Company's non-financial assets, other than deferred tax assets (please refer to the section on impairment of deferred taxes), is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets with indefinite useful lives or that are not yet available for use, recoverable amount is estimated annually on the same dates.

For purposes of goodwill impairment testing, goodwill that is acquired through a business acquisition is distributed among the group of cash generating units that are expected to benefit from the synergies of the combination. This distribution is subject to an operating segment cap test and reflects the lowest level at which goodwill is monitored for internal reporting purposes.

If there are indicators that a corporate asset may be impaired, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

- *Defined benefits*

The net cost of the defined benefit plans and the present value of these labor obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, and mortality, disability, employee turnover rates, as well as certain financial and demographic assumptions. Due to the complexities involved in the valuation, the underlying assumptions and the long-term nature of the valuation, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- *Deferred taxes*

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. This reduction is reversed when the likelihood of generating future taxable earnings increases.

- *Lawsuits and litigations*

The Company and its subsidiary Indeval are party to several lawsuits and labor claims arising from its normal course of business. Company management does not expect the outcome of these lawsuits to have a material effect on the Company's financial position or its future operating results.

- *Leases*

Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease.

The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Company included the renewal period as part of the lease term for leases of computer and server equipment with shorter non-cancelable periods (i.e., three to five years). For leases with longer non-cancellable periods, the renewal periods are not included as part of the lease term since the Company is not reasonably certain that the lease will be renewed.

Lease classification - Company as a lessor

The Company classifies its leases based on an assessment of their contractual terms and conditions, including: i) whether the lease term is not for the major part of the economic life of the underlying asset; ii) whether the present value of the lease payments does not represent substantially all of the fair value of the underlying asset; and iii) whether the lease does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. Leases that meet these conditions are classified as operating leases.

Leases - Estimating the incremental borrowing rate

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). As at December 31st, 2022 and 2021, the incremental borrowing rate used by the Company was 2.51%.

f) Cash and cash equivalents

Cash and cash equivalents principally consist of petty cash and highly liquid investments with maturities of no more than three months, including short-term repo transactions, which are not exposed to a significant risk of change in their value, and are used mainly to fund the Company's short-term obligations.

g) Accounts receivable

Trade receivables are financial assets with fixed or determinable payments and are initially measured at their fair value plus costs directly attributable to the transaction. Subsequent to initial recognition, trade receivables are measured at amortized cost less any allowance for expected losses. Receivables include trade receivables and other accounts receivable. Balances payable to customers are presented as a part of Suppliers and other accounts payable.

h) Goodwill

Goodwill arising from business combinations is recognized at the cost determined on the acquisition date of the business, net of any accumulated impairment losses.

Goodwill represents the difference between the acquisition cost and the fair value of the net assets acquired at the purchase date. Goodwill is considered to have an indefinite life and is therefore not amortized, but instead is subject to impairment testing at the end of the reporting period, or whenever there are indicators of impairment.

Impairment losses are recognized when the carrying amount of goodwill exceeds its recoverable amount (the greater of the asset's net selling price and its value in use). For the years ended December 31st, 2022 and 2021, the Company recognized no loss from impairment in the value of goodwill.

i) Property, furniture and equipment

- *Recognition and measurement*

Property, furniture and equipment is initially measured at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Costs include all expenditures directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

For property, furniture and equipment made up of components with different useful lives, the major individual components are depreciated over their individual useful lives.

Any gain or loss arising on the sale of an item of property, furniture and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized on a net basis in profit or loss.

- *Subsequent costs*

The cost of replacing part of an item of property, furniture and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the asset will flow to the Company and its cost can be measured reliably. The carrying amounts of replaced parts are derecognized. Repair and maintenance costs are expensed as incurred.

- *Depreciation*

Depreciation is calculated at the cost of the asset or the value that comes to replace it.

Depreciation of property, furniture and equipment is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, furniture and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. An analysis of the estimated useful lives is as follows:

Property (excluding land)	30 years
Computer equipment	3 years
Office furniture and equipment	10 years
Automotive equipment	4 years

The residual values, useful lives and methods of depreciation of furniture and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j) Financial assets and financial liabilities

- *Recognition*

IFRS 9 has three categories in which financial assets are classified: a) amortized cost, b) fair value through other comprehensive income, and c) fair value through profit or loss. The classification of financial assets under IFRS 9 is determined by both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

The Company's financial liabilities include trade and other payables.

i) Financial assets carried at amortized cost

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

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

Financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less any expected credit loss. Gains and losses are recognized in profit or loss when the assets are derecognized, modified or impaired.

The Company's financial assets at amortized cost include highly-liquid investments, trade receivables and related party receivables included under financial assets.

ii) Debt and equity instruments measured at fair value through other comprehensive income

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

- The financial asset is held within a business model in which assets are managed to achieve a particular objective by 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.

Equity instruments represent investments that the Company intends to maintain in the long term for strategic purposes.

iii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

As at December 31st, 2022 and 2021, the Company's financial assets measured at fair value through profit or loss include petty cash and bank deposits.

- *Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired.

iv) Financial liabilities

- *Initial recognition and measurement*

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

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

The Company's financial liabilities include trade, creditors and other related party payables.

- *Subsequent measurement*

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

The maturities of the Company's financial liabilities are short-term; therefore, their carrying amount is similar to their fair value.

- *Derecognition of financial liabilities*

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

A financial liability is derecognized when the associated obligation is discharged or cancelled or expires.

- *Offsetting a financial asset and financial liability*

The Company offsets a financial asset and a financial liability and presents the net amount in its statement of financial position only when it:

- has an enforceable legal right to set off the recognized amounts under any circumstance; and at the same time
- intends either to settle on a net basis the financial asset and liability, or to realize the financial asset and settle the financial liability simultaneously.

k) Intangible assets

- *Intangible assets acquired separately*

Intangible assets with finite useful lives acquired separately are carried at cost less any accumulated amortization and accumulated impairment losses. Amortization is determined on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives and methods of amortization are reviewed at each financial year-end and adjusted prospectively, if appropriate. Intangible assets with indefinite useful lives acquired separately are carried at cost less any accumulated impairment losses.

- *Internally generated intangible assets - research and development expenditure*

Research and development expenditure are recognized as an expense during the period in which they are incurred.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and either use it or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria. When an internally generated intangible asset does not meet the recognition criteria, development expenditure is recognized as an expense during the period.

After initial recognition, internally generated intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, determined on the same basis as assets that are acquired on a stand-alone basis. The amortization periods for internally generated intangible assets have been determined to be 3 to 7 years based on the assessments performed by the relevant area.

\- *Derecognition of intangible assets*

Intangible assets are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. This gain or loss is recognized in profit or loss when the asset is derecognized.

l) Income tax

Income tax expense is the aggregate amount of current tax and deferred tax. Current and deferred taxes are recognized as either income or an expense in profit or loss, except for tax items that must be recognized as other comprehensive income items or in equity.

\- *Current income tax*

Current income tax is the Company’s income tax expense for the year and it is recognized in profit or loss.

- *Deferred income tax*

Deferred taxes are recognized by applying the applicable tax rate to temporary differences resulting from the comparison of the book and tax values of assets and liabilities and, when applicable, deferred tax assets also include the available tax loss carryforward benefit and certain tax credits. Deferred tax liabilities are recognized for all temporary differences, with certain exceptions. The Company recognizes a deferred tax asset for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax assets and liabilities are not recognized when the deductible temporary difference arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

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

- *Uncertain tax positions*

The Company assesses whether it has any uncertain tax positions at the reporting date in accordance with IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments* in order to measure the potential impact on its consolidated financial statements.

As at December 31st, 2022 and 2021, management determined that the Company holds no uncertain tax positions.

m) Employee benefits

Contributions to defined benefit plans and defined contributions as well as seniority premiums are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gains and losses exceeding 10% of the present value of the Company's defined benefit obligation or the fair value of plan assets at the end of the previous reporting period (whichever is greater) are amortized over the average remaining working lives of the employees under the plan. Past service costs are recognized immediately as the benefits accrue, or otherwise are amortized on a straight-line basis over the average remaining period until the benefits become vested.

The defined benefit retirement plan obligation recognized in the statement of financial position comprises the present value of the defined benefit obligation, plus or less the effect of unrecognized actuarial gains and losses and past service costs, and less the fair value of the plan assets. The value of any defined benefit asset is restricted to the sum of any unrecognized actuarial losses and past service costs, plus the present value of any refunds from the plan or reductions in the future contributions to the plan.

Short-term employee benefits are measured on an undiscounted basis and charged to profit or loss as the services are rendered.

The Company recognizes a liability for the amount it expects to pay under its short-term bonus plans or employee profit sharing plans whenever it has present obligations (legal or constructive) resulting from a past event and the amount of the obligation can be reasonably estimated.

- *Pension plan*

The Company has a pension plan with two components: (a) a defined contribution plan covering employees who were less than 45 years old as at January 1st, 2004; or who are more than 45 years old and have worked for the Company for less than 5 years (Group 1); and (b) a defined benefit plan covering employees who were more than 45 years old as at January 1st, 2004 and who have worked for the Company for at least 5 years (Group 2). The amounts of defined benefits are based on the number of years of service and the salaries of employees during their last three years of service. Employees who are more than 60 years old and have worked for the Company for 30 years, and employees who are more than 65 years old, are entitled to retirement benefits.

The Company's defined benefit plan contributions are determined as 8.5% of each respective worker's salary.

The defined benefit plan includes only employees who are more than 45 years old and have worked for the Company for at least 5 years. When an employee retires after the age of 60, they receive a lump sum payment equal to a certain number of months' wages based on their seniority.

All other personnel stopped accruing benefits under this plan and instead are affiliated to the new defined contributions plan with minimum benefit guarantees. Under this plan, when an employee retires after the age of 60, they receive the total balance of their individual account, with a minimum guaranteed amount equal to two-thirds of their monthly wage multiplied by the number of years of service, plus 4.5 units. If an employee separates from the Company before they reach 60 years of age, they are entitled to collect a portion of their individual account based on their years of service, through prior mutual agreement. Employees are required to have 25 or more years of service to be entitled to collect the total amount in their individual account.

Due to the specific demographic characteristics of the workers of the subsidiaries SIF ICAP, S.A. de C.V. (for 2021) and SIF Servicios, S.A. de C.V. (for 2020), the new pension plan has different defined benefits: employees retiring after they are 60 years old receive a lump sum payment equal to one month's salary per year of service. Workers retiring before the age of 60 are entitled to a similar payment provided they have worked for the Company for at least 10 years.

- *Seniority premiums*

The Company's employees are entitled to receive a seniority premium equal to 12 days salary for each year of service in the following cases: a) voluntary termination when the employee has worked for the Company for at least 15 years, b) dismissal, counting the years of service from the date the employee started working for the Company or as of May 1st,1970, whichever is later, and c) death or disability. In all cases, the base salary for calculating the seniority premium is capped at two times the general minimum wage established for the economic zone where the employee provides their services.

- *Recognition of defined benefit obligations*

The Company annually recognizes the cost for pensions, seniority premiums and termination benefits based on independent actuarial calculations applying the projected unit credit method.

Contributions made under the defined benefit pension plan are recognized in profit or loss as incurred.

Actuarial gains and losses are recognized in other comprehensive income in the period in which they are incurred.

Company policy is to contribute the maximum amount deductible for income tax purposes to the pension plan and seniority premium fund.

- *Employee profit sharing*

Employee profit sharing is presented as part of personnel expenses in the statement of profit or loss.

- *Compensated absences*

The Company creates a provision for the costs of compensated absences, such as paid annual leave, which is recognized using the accrual method.

n) Equity investment in associates

Investments in associates are accounted for using the equity method. The Company recognizes its share of profit or loss of its subsidiaries and associates in profit or loss.

o) Other assets

Other assets consist primarily of fees, prepaid insurance and unamortized expenses, and are stated at cost. Amortization is calculated on the carrying amounts of the assets on a straight-line basis over the estimated useful lives of the assets.

p) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured based on the estimated cash flows required to settle the present obligation, its carrying amount represents the present value of these cash flows (if the effect of the time value of money is material).

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized when, and only when, it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

q) Share capital

Ordinary shares - Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognized as a deduction from equity, net of the effect of taxes.

Share buybacks - Share buybacks are measured at cost. Share buybacks are classified as treasury shares and recognized as a deduction from equity.

When treasury shares are subsequently reissued, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premiums.

r) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The core principle of IFRS 15 *Revenue from Contracts with Customers* is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model:

1 - Identify the contract(s) with a customer;
2 - Identify the performance obligations in the contract
3 - Determine the transaction price
4 - Allocate the transaction price to the performance obligations in the contract
5 - Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied; i.e., when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company has generally concluded that it is the principal in its revenue arrangements, as follows:

Equities: Commission revenue on transactions charged to stock exchanges is recognized on a monthly basis in the consolidated statement of profit or loss and other comprehensive income as it is realized.

Issuers: Includes the following:

i) Listing: Corresponds to issuers' registration fees. These fees are charged at the time the issuance is placed and are effective through December 31st of the year in which they are charged. These fees are recognized as deferred revenue and amortized over the course of the year.

ii) Maintenance: Issuers' maintenance fees for quoted securities are charged over the issuance period of the listed security. These fees are charged on an annual basis and collected in advance at the beginning of the year. These fees are recognized as deferred revenue and amortized over the course of the year.

iii) Derivatives: Commission revenue from derivative trading operations, software licenses and information sales is recognized in profit or loss as it accrues.

Discounts are recognized based on the volume of contracts operated during the year and are netted from profit or loss of the period in which they are granted.

Derivatives revenue includes revenue from commissions earned on offsetting and settlement, management of Minimum Initial Contributions, use of the network, facilities and maintenance of systems used to clear derivatives. Commission revenue is recognized on a monthly basis in accordance with the volume of contracts, subsequent to offsetting and regardless of the date on which the derivative transaction is offset. Central Securities Depository revenue is recognized on a monthly basis in accordance with the average cash balance of Minimum Initial Contributions and managed securities during each respective month.

iv) Over-the-counter (SIF ICAP): Commission revenue is recognized during the period in which the services are provided.

Revenue from service agreements is recognized based on the established rates as the services are rendered and indirect expenses are incurred.

v) Central Securities Depository: Corresponds to commission revenue earned from registration, and clearing and settlement of transactions. Revenue is recognized on a monthly basis in accordance with the volume of contracts operated and as services are provided subsequent to offsetting and regardless of the date on which the derivative transaction is offset.

vi) Information services: Corresponds to information services provided by the Company related to trading activity in newsletters, databases, access to the SIBOLSA Information System, information about issuers, issuances, etc. Revenue from information services is recognized in profit or loss and other comprehensive income as it accrues.

s) Other operating income

In addition to its revenue from contracts with customers, the Company obtains other operating income, as follows:

- Rental income: Income earned from leasing the Stock Exchange Floor Building to third parties and from maintenance fees, which are recognized as they accrued over the lease term.

t) Finance income and borrowing costs

Finance income includes interest accrued on financial assets, dividends and foreign exchange gains. Interest income is recognized as it accrues in profit or loss, using the effective interest rate method.

Dividend income is recognized in profit or loss when the Company’s right to receive the payment is established.

Borrowing costs include interest payable on loans, the effect of the discount for the passage of time and foreign exchange losses.

Foreign exchange gains and losses are recognized in profit or loss on a net basis.

u) Memorandum accounts

The Company's subsidiaries, Indeval, CCV and Asigna, recognize the Central Securities Depository and management of securities received from customers and pending transactions in memorandum accounts, as follows:

i) Indeval

Securities deposited in Indeval vaults: Securities received from customers, which are measured in accordance with the most recent mark-to-market valuation provided by an independent price supplier.

Government securities: Securities received from customers.

Securities deposited abroad: Securities, such as shares from foreign entities listed on the Company's Stock Exchange, foreign debt bonds, government bonds and corporate bonds, which are stated at nominal value translated into Mexican pesos.

ii) CCV and Asigna

Pending unsettled transactions: Security transactions scheduled by liquidating and non-liquidating agents that are recognized by CCV before their settlement date.

Overdue payments: Obligations that were not settled by CCV liquidating agents at the scheduled date.

Defaulted obligations: Transactions that have not been settled after both the normal and late periods for payment have expired.

v) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. All other contracts are considered service contracts.

Company as a lessee

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

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation or amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated or amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Computer equipment	2 - 4 years

The Company's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation or amortization is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2e) Use of estimates, specifically about the impairment in the value of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company presents its lease liabilities separately from other liabilities in the statement of financial position.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

The Company leases a portion of its real estate investment under contracts that are renewable annually.

For the years ended December 31st, 2022 and 2021, the Company recognized income from operating leases of MXN 29,172 and MXN 34,632, respectively, under Other income.

w) Basis of translation of financial statements of foreign subsidiaries and associates

The financial statements of each subsidiary are presented in the currency of the economic environment in which the subsidiary operates (functional currency). As such, the Company's consolidated operating results and financial position are presented in Mexican pesos, which is the Company's functional and presentation currency.

The financial statements of the Company's foreign subsidiaries are translated into the presentation currency as required under IFRS. The financial statements are translated into Mexican pesos applying the following methodologies:

Foreign operations translate their financial statements from their recording currency to the functional currency using the following exchange rates: 1) closing rate for monetary assets and liabilities; 2) historical exchange rate for non-monetary assets and liabilities and equity accounts; and 3) exchange rate ruling on the date of transaction for revenue, costs and expenses, except for non-monetary items translated at historical exchange rates. Foreign currency gains and losses are recognized as part of Net financing cost. Foreign exchange gains and losses are recognized in equity in accordance with IAS 21.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Company are reclassified to profit or loss.

In the case of a partial disposal (i.e., no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e., of associates or jointly controlled entities that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

x) Earnings per share

The Company presents basic and diluted earnings per share (EPS) attributable to ordinary equity holders of the parent. Diluted and basic EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. As at December 31st, 2022 and 2021, the Company has no shares with dilutive effects.

y) Exchange differences

The consolidated financial statements are presented in the currency of the economic environment in which the Company operates (functional currency). As such, the Company's consolidated operating results and financial position are presented in Mexican pesos, which is the Company's functional and presentation currency.

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the prevailing exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated using the exchange rate ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items carried at historical cost in foreign currency are not retranslated.

Exchange differences are recognized in profit or loss.

z) Segment information

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by Company management to make decisions about resources to be allocated to the segment and assess its performance (see Note 24).

aa) New accounting pronouncements and other amendments to IFRS

The standards and interpretations that are issued, but not yet effective, up to the date of issue of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards, if applicable, when they become effective.

2022

IFRS 1 *First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*.

These amendments had no effect on the Company's consolidated financial statements as at December 31st, 2022.

2021

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1st, 2021 (unless otherwise indicated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2, *Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Company.

Covid-19-Related Rent Concessions beyond June 30th, 2021 *Amendments to IFRS 16*

On May 28th, 2020, the IASB issued *Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases*.

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

The amendment was intended to apply until June 30th, 2021, but as the impact of the Covid-19 pandemic is continuing, on March 31st, 2021, the IASB extended the period of application of the practical expedient to June 30th, 2022.

The amendment applies to annual reporting periods beginning on or after April 1st, 2021. However, the Company has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

Definition of Accounting Estimates - Amendments to IAS 8 (effective for annual periods beginning on or after January 1st, 2023)

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of "accounting estimates".

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

The amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates unless they result from the correction of prior period errors.

The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.

The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Early adoption is permitted.

These amendments should provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the differentiation between accounting estimates and accounting policies. Although the Company does not expect these amendments to have a material effect on its consolidated financial statements, such amendments should provide useful information to help entities determine whether the changes should be treated as a change in estimates, a change in policies or as an error.

These amendments had no impact on the consolidated financial statements of the Company.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective for annual periods beginning on or after January 1st, 2023)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgments*, in which it provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

In the absence of a definition of the term 'significant' in IFRS, the IASB decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements.

In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

Although standardized information is less useful to users than entity-specific accounting policy information, the IASB agreed that, in some circumstances, standardized accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardized accounting policy information is material, and should be disclosed.

Earlier application is permitted as long as this fact is disclosed.

These amendments had no impact on the consolidated financial statements of the Company.

3. Cash and Cash Equivalents

An analysis of cash and cash equivalents as at December 31st, 2022 and 2021 is as follows:

	2022	2021
Cash in hand and in banks	MXN 391,791	MXN 471,194
Liquid investments	3,531,002	3,233,477
	MXN 3,922,793	MXN 3,704,671

As at December 31st, 2022 and 2021, liquid investments are comprised of government securities under repos as follows:

	2022	2021
Amount	MXN 3,531,002	MXN 3,233,477
Range of annual interest rates	10.45% - 10.52%	5.43% - 5.45%
Maturity	3 days	3 days

- Cash and cash equivalents reserve

The Company maintains reserves of cash and cash equivalents for different circumstances that depend on each subsidiary. An analysis of the Company's cash and cash equivalents reserves as at December 31st, 2022 and 2021 is as follows:

1. For the years ended December 31st, 2022 and 2021, CCV, 100% of the Company's nominal share capital of MXN 209,855 and MXN 209,860, respectively, plus the 6-month operating expense of MXN 51,500 resulting in a total restricted cash amount of MXN 261,355 and MXN 256,860, respectively.

2. Asigna, reserve to mitigate business risk which adheres to the guidelines established by the Committee on Payment and Settlement Systems and the then Technical Committee of the International Organization of Securities Commissions (CPSS-IOSCO), derived from the mandates of the G-20 agreement of November 27th, 2014, for MXN 41,951 in both years.

3. Indeval, reserve to mitigate business risk which adheres to the standards applicable to the Financial Market Infrastructure. This reserve is equal to six-month operating expenses, excluding depreciation and amortization amounting to MXN 190,500 and MXN 189,063, respectively.

4. Accounts Receivable, net

An analysis of trade receivables and other accounts receivable as at December 31st, 2022 and 2021 is as follows:

	2022		2021	
Trade receivables	MXN	250,123	MXN	302,061
Less - Allowance for doubtful accounts [(a)]	(	5,780)	(	15,030)
Trade receivables, net		244,343		287,031
Sundry debtors [(b)]		72,391		84,983
Related parties (Note 11)		90,592		72,718
Total accounts receivable, net	MXN	407,326	MXN	444,732

(a) An analysis of changes in the allowance for doubtful accounts for the years ended December 31st, 2022 and 2021 is as follows:

	2022		2021	
Balance at beginning of year	MXN(	15,030)	MXN(	17,851)
Increases during the year	(	3,656)		-
Charges against the allowance		12,906		2,821
Balance at end of year	MXN(	5,780)	MXN(	15,030)

To determine the recoverability of its trade receivables, the Company considers any change in the credit rating of the receivable from the date the credit was originally granted through the reporting date. The Company's concentration of credit risk is low because its accounts receivable have short turnover periods. The Company's average credit term for commissions, fees and services is 90 days. Accordingly, the carrying amount of these accounts is similar to their fair value.

Increases and charges to the allowance for doubtful accounts for the years ended December 31st, 2022 and 2021 were recognized in profit or loss. Increases and decreases to the allowance are recognized in net profit or loss for the year.

(b) An analysis of sundry debtors as at December 31st, 2022 and 2021 is as follows:

		2022		2021
Recoverable taxes	MXN	35,971	MXN	54,638
Recoverable value added tax		30,545		13,791
Other debtors		5,875		16,554
	MXN	72,391	MXN	84,983

As at December 31st 2022 and 2021, management considers that other debtor balances are recoverable and accordingly, it is not necessary to create an allowance for doubtful accounts.

5. Equity Instruments

In 2013, the Company purchased 5,201,827 shares representing the share capital of Bolsa de Valores de Lima (BVL) for an acquisition price of 56,670 Peruvian soles, equal to MXN 268,480. The acquisition of this equity investment was recognized as an available-for-sale asset valued at cost.

At the annual shareholders' meeting of BVL held on March 15th, 2016, the shareholders approved a capital increase, which resulted in a reduction of the Company's equity interest in BMV. This change in equity interest gave rise to a dilution of MXN 49,069 for the Company, which was recognized in OCI.

As at December 31st, 2022 and 2021, the balance of equity instruments for strategic purposes amounted to MXN 175,041 and MXN 185,451, respectively.

For the years ended December 31st, 2022 and 2021, the changes in the fair value and currency of the Company's equity instruments of MXN 10,408 and MXN 8,077, respectively, were recognized in OCI.

The Company used Level 1 of the fair value hierarchy.

6. Goodwill

An analysis of the Company's goodwill as at December 31st, 2022 and 2021 is as follows:

	2022	2021
Indeval	MXN 2,373,085	MXN 2,373,085
Asigna	933,662	933,662
CCV	641,853	641,853
	3,948,600	3,948,600
Less - Accumulated impairment		
Indeval	(133,000)	(133,000)
Asigna	(613,000)	(613,000)
CCV	(119,000)	(119,000)
	(865,000)	(865,000)
	MXN 3,083,600	MXN 3,083,600

Indeval

In May and June 2008, the Company entered into various purchase-sale and assignment of rights agreements. Under these agreements, the Company agreed to make an initial payment of 75% of the market value of Indeval equal to MXN 1,576,361, with the remaining 25% corresponding to a share purchase option, which the Company exercised in 2015 and 2014.

Company management analyzed the fair values of the assets acquired and liabilities assumed as a result of this transaction and recognized goodwill of MXN 2,373,085.

Asigna

In 2008, the Company acquired 69.24% of Asigna's trust beneficiary rights for MXN 865,513. At the date of acquisition, the carrying amount of these rights was MXN 121,220, and the Company therefore recognized goodwill of MXN 933,662 on this transaction.

CCV

In 2008, the Company acquired 23.05% of the shares of CCV; 21.13% through the exchange of 12,681,306 of the Company's series A shares, equal to MXN 209,242 and 1.92% through a cash payment of MXN 23,057. The carrying amount of the shares at the acquisition date was MXN 38,168, and the Company therefore recognized goodwill of MXN 641,853 on this transaction.

Impairment testing of cash generating units with goodwill

For purposes of impairment testing, in the internal monitoring performed by Management, goodwill is assigned to the Company's lowest level operating divisions within the same CGU as goodwill.

As at December 31st, 2022 and 2021, there was no increase in goodwill impairment with respect to prior years.

Value in use is calculated based on the following key assumptions:

- Cash flows are projected based on past experience, actual operating results, and the 5-year business plan, as well as the budget for the current year, which is approved by the Board of Directors.

- The projections include 5 years, plus the last perpetuity flow, considering a range of revenue growth for all of the CGUs of between 3.0% and 5.0% during the projection period (2023-2027), an expense range of 2.5% to 4.0% (10% for Indeval), a discount rate in Mexican pesos of 12.31% (10.13% in 2021) and a perpetuity rate of 3.0% for both years. Based on the projection, the annual investment in fixed assets over the projection period is, on average, MXN 43 million, MXN 5 million and MXN 4 million for Indeval, CCV and Asigna, respectively. With respect to the related taxes, the Company considered the income tax rate for the current year and the expected rate for upcoming years of 30%.

- Average operating profits assume a growth rate higher than inflation for the first 5 years, based on the information obtained from the industry analyses.

- The values assigned to the key assumptions represent Management assessment of future industry trends considering both external and internal sources.

With respect to value in use, Company management considered and analyzed the following: a) estimated future cash flows that the entity expects to obtain from the asset; b) expectations of potential variances in the amount or in the temporary distribution of such future cash flows; c) the time value of money, represented by the risk-free market interest rate; d) the price, due to the inherent uncertainty of the asset; and other factors, such as liquidity, that market participants would reflect in pricing the future cash flows that the entity expects from the asset.

7. Property, Furniture and Equipment

An analysis of property, furniture and equipment as at December 31st, 2022 and 2021 is as follows:

	Property	Computer equipment	Office furniture and equipment	Automotive equipment	Total
Cost					
Balance as at December 31st, 2020	MXN 821,247	MXN 104,634	MXN 121,485	MXN 19,860	MXN 1,067,226
Additions	-	6,515	2,045	11,069	19,629
Disposals	-	-	-	(16,755)	(16,755)
Foreign currency translation effect	-	(2,009)	(721)	-	(2,730)
Balance as at December 31st, 2021	821,247	109,140	122,809	14,174	1,067,370
Additions	7,782	4,862	2,016	2,939	17,599
Disposals	-	(1,796)	(3,212)	(1,628)	(6,636)
Foreign currency translation effect	-	1,118	2,550	-	3,668
Balance as at December 31st, 2022	MXN 829,029	MXN 113,324	MXN 124,163	MXN 15,485	MXN 1,082,001
Depreciation					
Balance as at December 31st, 2020	MXN 379,052	MXN 98,617	MXN 114,858	MXN 8,023	MXN 600,550
Depreciation for the year	24,107	2,702	1,391	3,393	31,593
Disposals	-	-	-	(8,363)	(8,363)
Foreign currency translation effect	-	(1,702)	(617)	-	(2,319)
Balance as at December 31st, 2021	403,159	99,617	115,632	3,053	621,461
Depreciation for the year	24,071	5,856	1,321	3,866	35,114
Disposals	-	(1,796)	(2,782)	(1,244)	(5,822)
Foreign currency translation effect	-	1,196	2,523	-	3,719
Balance as at December 31st, 2022	MXN 427,230	MXN 104,873	MXN 116,694	MXN 5,675	MXN 654,472

	Property	Computer equipment	Office furniture and equipment	Automotive equipment	Total
Balance as at December 31st, 2021	MXN 418,088	MXN 9,523	MXN 7,177	MXN 11,121	MXN 445,909
Balance as at December 31st, 2022	MXN 401,799	MXN 8,451	MXN 7,469	MXN 9,810	MXN 427,529

As at December 31st, 2022 and 2021, property includes land with a value of MXN 132,765.

8. Right-of-use Assets

Leases of computer equipment and servers generally have lease terms between 2 and 4 years. Lease payments are generally made on a quarterly basis.

Generally, each lease establishes a restriction that, unless there is a contractual right for the Company to sublease the asset to a third party, the right-of-use asset can only be used by the Company. These types of leases are non-cancellable or can only be cancelled if a significant termination penalty is incurred. Some leases contain the option to buy the underlying leased asset at the end of the lease term or to extend the lease for additional periods. The Company is prohibited from selling or pledging the underlying leased asset.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	2022	2021
January 1st	MXN 253,506	MXN 249,678
Additions	74,800	143,856
Depreciation	(133,627)	(140,028)
December 31st	MXN 194,679	MXN 253,506

Set out below are the carrying amounts of lease liabilities recognized and the movements during the period:

	2022	2021
January 1st	MXN 260,290	MXN 250,463
Additions	74,800	143,846
Accretion of interest	6,317	6,137
Revaluation	(5,274)	2,411
Payments	(135,667)	(142,567)
December 31st	MXN 200,466	MXN 260,290
Current	MXN 104,274	MXN 115,163
Non-current	MXN 96,192	MXN 145,127

The following are the amounts recognized in profit or loss:

	2022	2021
Depreciation of property, furniture and equipment	MXN 35,114	MXN 31,593
Depreciation of right-of-use assets	133,627	140,028
Total depreciation	168,741	171,621
Amortization of intangible assets	50,730	60,776
Total	MXN 219,471	MXN 232,397

9. Equity Investments in Associates and Joint Ventures

An analysis of equity investments in associates and joint ventures as at December 31st, 2022 and 2021 is as follows:

Company	Equity interest	Equity investment December 31st, 2022	Share of profit/(loss) December 31st, 2022
Bolsa de Productos Agropecuarios	14.30%	MXN 11,507	MXN 1,537
Datos Técnicos, S.A. (Datatec)	50.00%	9,838	15,475
Latam Exchanges Data, Inc. (LEDMI)	49.00%	4,419	(14,432)
		MXN 25,764	MXN 2,580

Company	Equity interest	Equity investment December 31st, 2021	Share of (loss)/profit December 31st, 2021
Bolsa de Productos Agropecuarios	14.30%	MXN 10,527	MXN(208)
Datos Técnicos, S.A. (Datatec)	50.00%	12,880	13,063
Latam Exchanges Data, Inc. (LEDMI)	49.00%	746	(13,113)
		MXN 24,153	MXN(258)

10. Intangible Assets, net

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

	Software licenses (1)	Investment for Monet development	SCO project	Other (2)	Total
Balance as at December 31st, 2020	MXN 23,656	MXN 48,410	MXN 43,117	MXN 121,165	MXN 236,348
Additions	10,087	-	-	58,496	68,583
Amortization	(22,131)	(10,492)	(12,084)	(16,069)	(60,776)
Balance as at December 31st, 2021	11,612	37,918	31,033	163,592	244,155
Additions	18,208	-	-	52,127	70,335
Amortization	(16,518)	(7,034)	(12,084)	(15,094)	(50,730)
Balance as at December 31st, 2022	MXN 13,302	MXN 30,884	MXN 18,949	MXN 200,625	MXN 263,760

(1) During 2022, additions of software licenses in the amount of MXN 18,208 correspond primarily to the Monet overhaul project of MXN 9,288, investors apps of MXN 5,125, DRP underpinning of MXN 3,063, and web page and security system of MXN 732.

During 2021, additions of software licenses in the amount of MXN 10,087 correspond primarily to the Monet overhaul project of MXN 3,572, DRP underpinning of MXN 1,901, stations upgrade of MXN 1,836, and others of MXN 2,778.

(2) During 2022, Other additions in the amount of MXN 52,127 include the following investments: a) DRP and Dalí underpinning project of MXN 19,028; b) MVP securities lending project of MXN 6,019 and others of MXN 27,080.

During 2021, Other additions in the amount of MXN 58,496 include the following investments: a) ERP Indeval project of MXN 12,045; b) DRP and Dali underpinning project of MXN 8,836; c) CCS multicurrency and gap closures of MXN 8,433; d) Secondary SPEI supplier of MXN 9,569; g) Direct Securities Depository of MXN 5,725; and Others of MXN 13,888.

11. Related Party Balances and Transactions

For the years ended December 31st, 2022 and 2021, an analysis of transactions between the Company and its related parties not subject to consolidation is as follows:

	2022	2021
Revenue:		
Brokerage:		
Commission revenue (ICAP Energy LLC) [(b)]	MXN 340,498	MXN 296,890
Recovery of expenses (ICAP Energy LLC, ICAP Bio Organic, Datatec)	9,917	9,272
	MXN 350,415	MXN 306,162
Expenses:		
Commission expenses (ICAP Energy LLC)	MXN 20,457	MXN 17,870
Communication and software licenses (ICAP Energy LLC)	5,224	5,324
Administrative services (ICAP Ecuador)	14,274	14,305
	MXN 39,955	MXN 37,499

An analysis of balances due from and to related parties as at December 31st, 2022 and 2021 is as follows:

	2022	2021
Receivables (Note 4):		
ICAP Energy LLC (formerly Capital Markets, LLC) (a)	MXN 90,592	MXN 72,718
Payables:		
ICAP Energy Ecuador	MXN 1,307	MXN -
ICAP Energy LLC (formerly Capital Markets LLC)	10,173	11,887
	MXN 11,480	MXN 11,887

[(a)] This receivable corresponds to fees charged in the normal course of the Company's operations.

[(b)] Revenue from brokerage transactions with SIF ICAP carried out in the normal course of the Company's operations.

12. Suppliers and Other Accounts Payable

An analysis of suppliers and other accounts payable as at December 31st, 2022 and 2021 is as follows:

	2022	2021
Suppliers and other accounts payable	MXN 291,103	MXN 264,714
Dividends declared not yet paid	14,125	9,829
Withheld taxes and social security contributions	31,394	30,318
Employee performance bonus	176,283	130,631
	MXN 512,905	MXN 435,492

13. Employee Benefits

An analysis of the Company's obligation for seniority premiums as at December 31st, 2022 and 2021 is as follows:

	2022	2021
Defined benefit obligation	MXN 9,554	MXN 14,424
Segregated fund	(1,821)	(12,268)
Net projected obligation	MXN 7,733	MXN 2,156
Net projected obligation at beginning of year	MXN 5,446	MXN 2,446
Net periodic benefit expense	948	1,087
Contributions to the fund	(497)	(1,090)
Actuarial loss to be recognized in equity	2,473	500
Seniority premiums paid	(637)	(787)
Net projected obligation at end of year	MXN 7,733	MXN 2,156

An analysis of the pension plan as at December 31st, 2022 and 2021 is as follows:

	2022	2021
Defined benefit obligation	MXN 19,060	MXN 13,877
Segregated fund	(32,535)	(24,281)
Net projected asset	MXN(13,475)	MXN(10,404)

	2022	2021
Net projected asset at beginning of year	MXN(13,693)	MXN(7,118)
Net periodic benefit expense	800	719
Contributions to the fund	(670)	(813)
Actuarial loss/(gain) to be recognized in equity	88	(3,192)
Net projected asset	MXN(13,475)	MXN(10,404)

a) Plan assets

	2022	2021
Shares	MXN 353	MXN 203
Corporate debt	5,440	5,213
Federal government securities	26,742	18,865
	MXN 32,466	MXN 24,281

b) Changes in the present value of the defined benefit obligations for the years ended December 31st, 2022 and 2021

	2022	2021
Defined benefit obligation as at January 1st	MXN 28,299	MXN 38,554
Current year service cost and interest cost	4,512	4,963
Payments to employees	(4,565)	(9,676)
Actuarial loss/(gain) recognized in OCI	1,923	(5,542)
Defined benefit obligation as at December 31st	MXN 30,169	MXN 28,299
Fair value of plan assets as at January 1st	MXN 36,549	MXN 43,242
Plan contributions	1,099	1,902
Benefits paid	(3,928)	(10,331)
Expected return on plan assets	2,763	2,837
Actuarial gain recognized in OCI	(612)	(1,101)
Fair value of plan assets as at December 31st	MXN 35,871	MXN 36,549

c) Net employee benefits

	2022	2021
Defined benefit obligation	MXN 30,129	MXN 28,299
Fair value of plan assets	(35,871)	(36,549)
Net defined benefit obligation	MXN(5,742)	MXN(8,250)

d) Expense recognized in profit or loss for the years ended December 31st, 2022 and 2021

	2022	2021
Current-year service cost	MXN 1,748	MXN 2,561
Interest cost	2,764	2,402
Expected return on plan assets	(2,763)	(2,837)
	MXN 1,749	MXN 2,126

e) Actuarial gain or loss recognized in OCI

	2022	2021
Accumulated amount as at January 1st	MXN 18,482	MXN 22,234
Recognized during the year	2,564	(3,752)
Accumulated amount as at December 31st	MXN 21,046	MXN 18,482

The basic actuarial assumptions considered in the calculation of the discount rate, return on plan assets and salary increase rate (expressed as weighted averages) are as follows:

	2022	2021
Discount rate as at December 31st	8.80%	7.52%
Expected return on plan assets as at January 1st	8.92%	4.50%
Rate of future salary increases (Group 1)	4.50%	4.50%
Rate of future salary increases (Group 2)	3.60%	3.50%
Long-term inflation rate	3.60%	3.50%

The calculation of the defined benefit obligation is subject to the mortality assumptions indicated above. As the actuarial mortality estimates continue to be updated, an increase of one year in the life expectancies shown above is considered to be reasonably possible in the coming year.

As at December 31st, 2022 and 2021, the overall long-term expected return on plan assets is 8.92% and 4.50%, respectively. This estimate is based on the expected return on the overall portfolio and not on the sum of returns on the individual categories of assets. Plan assets are invested in a mix of federal government securities and shares in order to both provide investment security and increase profitability.

14. Income Tax

The Mexican Income Tax Law (MITL) establishes a corporate income tax rate of 30% for 2022 and 2021.

An analysis of income tax recognized in profit or loss for the years ended December 31st, 2022 and 2021 is as follows:

a) Income tax recognized in profit or loss

	2022	2021
Current income tax	MXN (711,675)	MXN (630,353)
Deferred income tax:		
Generation and reversal of temporary differences	17,508	28,412
	MXN (694,167)	MXN (601,941)

b) Reconciliation of the effective income tax rate

A reconciliation of the effective income tax rate for the years ended December 31st, 2022 and 2021 is as follows:

	2022		2021	
	Amount	%	Amount	%
Consolidated profit before income tax	MXN2,540,795	100	MXN2,333,839	100
Statutory income tax	(762,239)	(30)	(700,152)	(30)
Non-deductible expenses	(6,668)	-	(6,758)	-
Deductible inflation adjustment	78,085	3	84,560	4
Other, net	(3,345)	-	20,409	1
Income tax expense	MXN(694,167)	(27)	MXN(601,941)	(26)

c) Deferred tax assets and liabilities

An analysis of the Company's deferred tax assets and liabilities as at December 31st, 2022 and 2021 is as follows:

	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
Property, furniture and equipment	MXN 26,011	MXN 30,074	MXN (2,792)	MXN -	MXN 23,219	MXN 30,074
Provisions	75,156	68,763	-	-	75,156	68,763
Prepaid expenses and intangible assets	2,998	-	(28,627)	(32,491)	(25,629)	(32,491)
Available tax loss carryforward	9,533	9,404	-	-	9,533	9,404
Other	22,735	10,294	(53)	-	22,682	10,294
					MXN 104,961	MXN 86,044

An analysis of changes in temporary differences for the years ended December 31st, 2022 and 2021 is as follows:

	As at December 31st, 2021		Recognized in profit or loss		As at December 31st, 2022	
Property, furniture and equipment	MXN	30,074	MXN(	6,855)	MXN	23,219
Provisions		68,763		6,393		75,156
Prepaid expenses and intangible assets	(	32,491)		6,862	(	25,629)
Available tax loss carryforward		9,404		129		9,533
Other		10,294		12,388		22,682
	MXN	86,044	MXN	18,917	MXN	104,961

	As at December 31st, 2020		Recognized in profit or loss		As at December 31st, 2021	
Property, furniture and equipment	MXN	16,019	MXN	14,055	MXN	30,074
Provisions		69,097	(	334)		68,763
Prepaid expenses and intangible assets	(	24,132)	(	8,359)	(	32,491)
Available tax loss carryforward		17,214	(	7,810)		9,404
Other		1,804		8,490		10,294
Valuation allowance	(	22,370)		22,370		-
	MXN	57,632	MXN	28,412	MXN	86,044

As at December 31st, 2022, changes in deferred tax for the year consist of MXN 17,508 recognized in the statement of profit or loss and MXN 1,409 recognized in equity. As at December 31st, 2021, the effect of this change is less than MXN 1.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Deferred tax asset balances which are likely to be realized may be reduced if future taxable earnings are lower than expected.

An analysis of taxes of the Company's associates is as follows:

d) Foreign taxes (unaudited information)

	Bolsa de Productos Agropecuarios		Datos Técnicos, S.A.		SIF ICAP Holding consolidated	
Primary activity		Financial brokerage		Financial services		Brokerage
Number of employees		50		9		31
Revenue	MXN	41,516	MXN	66,832	MXN	523,287
Profit before income tax	MXN	8,448	MXN	44,351	MXN	296,123
Income tax for 2022	MXN	-	MXN	13,036	MXN	63,240
Income tax paid	MXN	531	MXN	11,801	MXN	79,795

15. Equity

An analysis of the Company's equity is as follows:

a) Share capital structure

As at December 31st, 2022 and 2021 the Company's share capital is MXN 4,507,303, which corresponds to fixed minimum share capital with no withdrawal rights represented by 578,615,746 and 588,270,649 common Series "A" Class "I" shares with no par value, issued and outstanding, respectively.

b) Foreign currency translation reserve

Represents the exchange gains or losses arising on the translation of the financial statements of the Company's foreign subsidiaries.

c) Reserve for repurchase of shares

At ordinary shareholders' meetings held on April 28th, 2022 and April 29th, 2021, the Company's shareholders agreed to increase the maximum amount allocated for share repurchases to up to MXN 300,000.

As at December 31st, 2022 and 2021, the quoted price of the Company's shares is $ 37.73 pesos and $ 38.92 pesos per share, respectively. At the date of issue of these financial statements, the quoted price of the Company's shares is $ 39.65 pesos per share.

d) Reserve fund

In accordance with the Mexican Corporations Act, the Company is required to appropriate at least 5% of the net profit of each year to increase the legal reserve. This practice must be continued each year until the legal reserve reaches 20% of the value of the Company's share capital. As at December 31st, 2022 and 2021, the legal reserve is MXN 644,726 and MXN 564,866, respectively.

e) Restrictions on equity

Company shareholders

All of the Company's shares can be freely subscribed and each share series confers the same rights and obligations on the holders, except with respect to shareholders who directly or indirectly own a ten percent or more stake in brokerage firms, credit institutions, insurance and bonding companies, mutual funds, mutual fund operating companies and retirement savings fund management companies, which in no case can hold equity interest in the Company.

In addition, foreign governments cannot participate, directly or indirectly, in the Company's share capital, except in the cases set forth in the Mexican Securities Trading Act.

Brokerage firms, credit institutions, insurance and bonding companies, mutual funds, mutual fund operating companies and retirement savings fund management companies, can invest in the Company's shares, with the corresponding charge to their equity.

Subscribing and paying in shares representing the Company's share capital does not in and of itself give the holder the right to carry out transactions through the Company.

Limits on equity interest

A. No person or group of persons may acquire, directly or indirectly, through one or several transactions of any kind, either simultaneous or successive, control over shares representing the Company's share capital without express authorization from the Ministry of Finance and Public Credit.

B. Notwithstanding the restriction set forth in paragraph A above, no person or group of persons may directly or indirectly acquire, through one or several transactions of any kind, either simultaneous or successive, control over shares representing the Company's share capital that represent five percent or more of the Company's total outstanding shares, unless all of the applicable provisions set forth in the Company's bylaws are met.

f) Dividends and other changes in equity

At an ordinary shareholders' meeting held on April 28th, 2022, the Company's shareholders declared a cash dividend of MXN 1,269,237, equal to $ 2.16 pesos per share for all current outstanding shares, to be paid from the CUFIN account. Such dividend was paid out on May 16th, 2022.

At an ordinary shareholders' meeting held on April 29th, 2021, the Company's shareholders declared a cash dividend of MXN 1,195,609, equal to $ 2.02 pesos per share for all current outstanding shares, to be paid from the CUFIN account. Such dividend was paid out on May 14th, 2021.

16. Other Comprehensive Income

a) Employee benefits, net of deferred taxes

	2022	2021
Balance at beginning of year	MXN(16,002)	MXN(17,592)
Actuarial gain, net	(3,789)	1,590
Balance at end of year	MXN(19,791)	MXN(16,002)

b) Foreign currency translation reserve of foreign subsidiaries

	2022	2021
Balance at beginning of year	MXN 10,676	MXN 24,718
Differences in exchange rate for translation of net assets of foreign operations	(11,669)	(14,042)
Balance at end of year	MXN(993)	MXN 10,676

The differences in the exchange rate used to translate the net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (Mexican pesos) are recognized directly in OCI and accumulated in the foreign currency translation reserve in the consolidated statement of profit or loss.

Exchange differences previously recognized in the foreign currency translation reserve (arising from the translation of the net assets of the foreign operation) are reclassified to profit or loss upon disposal of the foreign operation either in full or in part.

c) Changes in fair value of equity instruments

	2022	2021
Balance at beginning of year	MXN(50,923)	MXN(59,000)
Changes in fair value of equity instruments	(10,408)	8,077
Balance at end of year	MXN(61,331)	MXN(50,923)

17. Retained Earnings

a) Retained earnings

	2022	2021
Beginning balance	MXN 141,955	MXN 219,718
Net profit attributable to equity holders of the parent	1,597,188	1,492,770
Dividends declared	(1,269,237)	(1,195,609)
Share buybacks	(300,000)	(300,000)
Other comprehensive income/(loss)	2,611	(286)
Legal reserve	(79,860)	(74,638)
Balance at end of year	MXN 92,657	MXN 141,955

b) Reserve for repurchase of shares

	2022	2021
Balance at beginning of year	MXN 704,382	MXN 600,000
Increase to reserve for repurchase of shares	300,000	300,000
Share buybacks	(363,326)	(195,618)
Balance at end of year	MXN 641,056	MXN 704,382

c) Share premium on repurchased shares

	2022	2021
Balances at beginning and end of year	MXN 218	MXN 218

18. Non-controlling Interests

An analysis of non-controlling interests as at December 31st, 2022 and 2021 is as follows:

	2022	2021
Balance at beginning of year	MXN 269,021	MXN 306,345
Share of profit for the year	184,898	134,710
Dividends paid to non-controlling interests	(59,719)	(146,642)
Dividends declared not yet paid	(11,147)	(9,316)
Foreign currency translation reserve and labor obligations	(14,400)	(15,655)
Other	-	(421)
Balance at end of year	MXN 368,653	MXN 269,021

19. Foreign Currency Balances

The financial statements as at December 31st, 2022 and 2021 include the following U.S. dollar denominated assets and liabilities (amounts in thousands of U.S dollars):

	2022		2021	
Assets	USD	16,806	USD	22,381
Liabilities	(	11,742)	(	14,375)
Net monetary asset position	USD	5,064	USD	8,006

The Company has payment commitments in U.S dollars for operating leases of computer equipment and licenses.

As at December 31st, 2022 and 2021, the Company also has a net monetary liability position in thousands of euros of EUR 1 and EUR 2, respectively.

The U.S dollar exchange rate published in the *Official Gazette* as at December 31st, 2022 and 2021 was $19.36 pesos and $20.52 pesos, respectively, per U.S. dollar. As at February 13th, 2023, one day before the date of issue of these consolidated financial statements, the exchange rate was $18.95 pesos per U.S. dollar.

20. Earnings per Share (in Mexican pesos)

The calculation of basic earnings per share as at December 31st, 2022 and 2021 was based on the profit attributable to equity holders of the parent of MXN 1,661,730 and MXN 1,597,188, respectively, and a weighted average of common shares outstanding of 578,615,746 and 590,373,223, respectively. The Company does not have any common shares with a potential dilutionary effect.

21. Memorandum Accounts

An analysis of customer securities received in Central Securities Depository, unsettled transactions and overdue payments as at December 31st, 2022 and 2021 is as follows:

a) Customer securities received in Central Securities Depository

An analysis of customer securities received in Central Securities Depository as at December 31st, 2022 and 2021 is as follows:

	Number of securities		Market value	
	2022	2021	2022	2021
Securities deposited in Indeval vaults	3,715,410,361,378	3,596,452,560,628	MXN 20,055,049,658	MXN 20,153,693,695
Government securities	178,837,292,326	190,936,703,703	9,581,954,592	9,229,886,740
Securities deposited abroad:				
Shares of foreign companies traded on stock exchanges	1,630,231,322	1,732,896,467	1,252,023,658	1,514,921,275
Foreign debt and federal government bonds	259,040,384	296,358,519	84,418,948	78,702,264
Foreign private debt bonds	378,157,423	178,745,034	177,950,064	146,606,776
	2,267,429,129	2,208,000,020	1,514,392,670	1,740,230,315
Securities received in Central Securities Depository	3,896,515,082,833	3,789,597,264,351	MXN 31,151,396,920	MXN 31,123,810,750

b) Unsettled transactions

	2022		2021	
Type of security	Settlement date	Amount	Settlement date	Amount
Shares	January 2nd, 2023	MXN 14,242,574	January 3rd, 2022	MXN 14,952,568
Shares	January 3rd, 2023	10,367,310	January 4th, 2022	6,563,487
		MXN 24,609,884		MXN 21,516,055

As at December 31st, 2022 and 2021, the balance of memorandum accounts for overdue payments is MXN 39,033 and MXN 148,337, respectively.

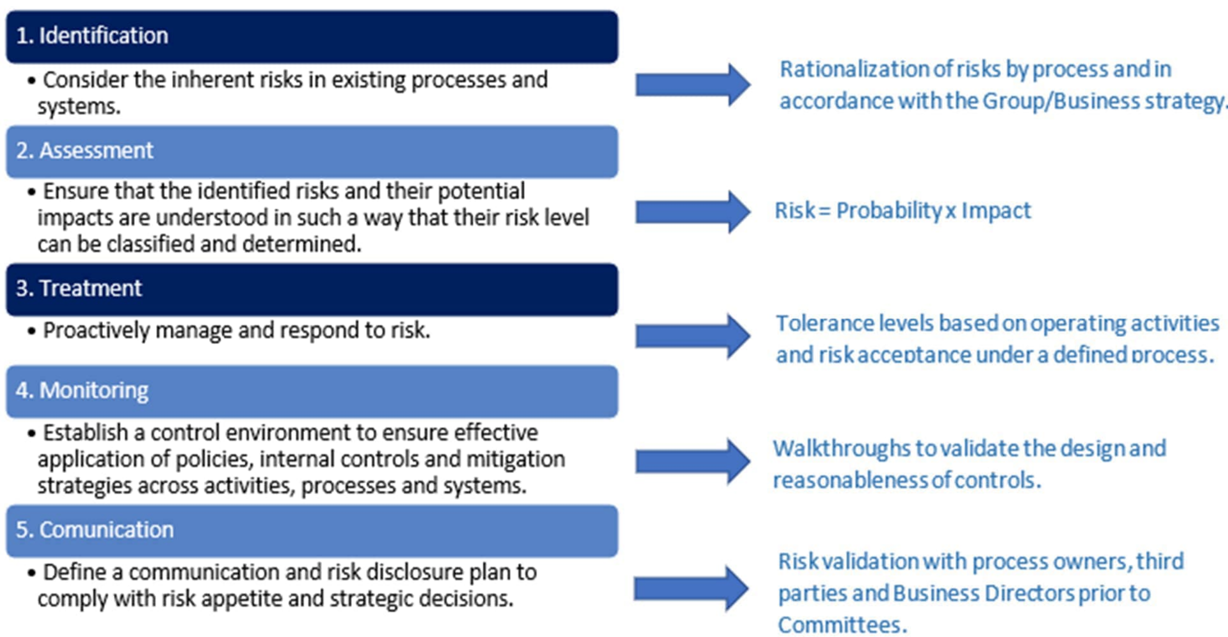
As at December 31st, 2022 and 2021, there are no defaulted obligations.

22. Financial Risk Management (Unaudited Information)

Comprehensive Risk Management Framework

The Company delegates the responsibility for the implementation and oversight of the approved risk management system to the Deputy General Regulation and Compliance Committee and the Comprehensive Risk Management Committee. This system includes benchmarks of international models such as COSO-ERM, and best practices such as Principles applicable to Financial Market Infrastructure (PFMI) in its Comprehensive Risk Management Model. In this way, the company is able to implement the guidelines, conceptual framework, techniques and tools required and foresee and strategically manage any potential adverse events that might prevent the fulfillment of the Company's objectives.

The model strategy is mainly based on the following stages:



The risk management framework is supported by policies, guidelines and internal procedures. It identifies risks in alignment with the Company's strategy through the execution of process walkthroughs to verify the control design, design standardization and process documentation, monitoring of events with root cause analysis and determination of tolerance levels based on business operations.

The Company's risk management is supported by a Risk Management and Control (GRC, by its acronym in Spanish) system that continuously documents and manages Risk Inventories and Indicators and monitors risk mitigation plans and incident analyses.

Governance

In order to coordinate institutional activities aimed at ensuring appropriate risk assessment and management, the Company has established a Risk Management Committee (comprised of the entities over which the Company exercises control). This Committee assists the Audit Committee in coordinating institutional activities to ensure appropriate risk assessment and management in the Company with the collaboration of Internal Audit, Comprehensive Risk Management and other relevant areas.

The Company's risk management process has been developed based on the following three lines of defense (best practice):

First line of defense

Led by: Lines of business, directors of each business area, and process owners.

In addition to carrying out the Company's operating activities, the first line of defense is responsible for the timely communication of operational events and the documentation of corrective actions, as well as their implementation. They are the first to identify and manage risks due to their process expertise.

This structure promotes active involvement from process owners, fostering a Risk Management Culture and thereby improving knowledge and identification of risks in order to evolve towards more advanced controls.

Second line of defense

Led by: Comprehensive Risk Management, Compliance and Information Security.

Specialized in the design and oversight of risk controls. They focus on effective control and management risks based on the risk appetite established by management. They are responsible for assisting the first line of defense in the identification, measurement, management and reporting of risks and controls. They promote the Company's risk culture and internal control, providing expert guidance, advice and judgment in all matters related to risks and controls, defining institutional methodologies which are used as benchmarks.

The second line of defense is independent from the first line of defense, allowing the Company to achieve a holistic risk management approach and combine efforts to strengthen all aspects of Non-Discretionary Risks, working hand in hand with Comprehensive Risk Management, Information Security and Compliance.

As a second line of defense, relevant operational risks managed by Comprehensive Risk Management (DAIR, by its acronym in Spanish) are reported to BMV Group's Risk Committee and the Audit Committee.

Third line of defense

Led by: Internal Audit

Internal audit maintains close communication with the operational risk team for the purpose of promptly communicating findings obtained independently, information verifications and progress of action plans for mitigating such findings.

The Company leverages its value chain, applies its methodology to identify risks in its processes and projects, and classifies such risks as follows:

Risks inherent to the Company

i. Non-discretionary risks

Operational risk: The risk of the deficiencies arising in IT systems or internal processes, human errors, management gaps or alterations caused by external events leading to a reduction, impairment or disruption of the services provided.

Technology risk: Failures, disruptions or delays in trading platform services, which could result in economic losses to customers.

The Company's business success depends on the integrity of its trading platforms, systems and infrastructure. Its IT systems are subject to failures, capacity limits and disruptions that could result in increased operating costs and cause losses for the customers.

Compliance or regulatory risk: Existing or emerging threat related to breaches of regulatory frameworks and standards applicable to Group companies, internal policies or breaches of the BMV Code of Ethics and Conduct, which could result in a negative impact on the image and reputation of the Company and its employees, as well as adverse financial effects.

The Company is exposed to litigation risk. Certain aspects of the Company's business involve the risk of facing litigation, which could result in significant legal expenses.

Changes to Mexican laws could impact the Company's operations, which could lead to a decrease in the number of listed entities.

Regulatory changes could have an adverse impact on the Company's business. The Company operates various business under concessions and authorizations granted by the Mexican government, which could be withdrawn due to severe and repeated violations of the applicable legal and administrative provisions. The Mexican government could also grant new concessions leading to increased competition against the Company's business.

Conflicts of interest between self-regulation functions and the Company's interests as a listed entity.

If a group company is unable to adjust its fee structure, either by reducing its fees to improve its competitiveness or increase its fees to improve its profitability, its operations may be adversely affected.

In the future, the requirement that all securities registered with the RNV be traded on the Stock Exchange could be eliminated.

Reputational risk: any internal and/or external threat or danger that could damage the Company's reputation or public opinion and perception, thereby preventing the fulfillment of objectives and relationships with third parties.

Damage to an entity's reputation, leading to a loss of credibility or trust in the integrity and competence from clients, shareholders, employees or the general public due to fraud, insolvency, irregular employee behavior, rumors, errors made when performing a certain transaction due to lack of training of key personnel or deficiencies in the design of procedures. This risk could lead to a decrease in demand or the loss of business attributable to the reputational damage.

Strategic risk: Current and future impact on business continuity and sustainability that may arise from decisions contrary to the business purpose, inappropriate decision-making or lack of responsiveness to changes in the financial sector. This risk relates to the institutional objectives underlying the Company's key processes.

This type of risk arises on the basis of the alignment between the entity's strategic objectives, strategies developed to achieve such objectives, the resources allocated to achieve them and the quality of execution.

The resources needed to carry out business strategies are determined based on the impact of economic, technological, competitive and regulatory changes.

Continuity risk: Certain continuity risks have become relevant in view of current circumstances and are considered critical risks to be managed moving forward. Such risks are: infectious diseases/pandemics, which are managed in accordance with the Business Continuity Plan, which is continuously monitoring business performance and provides strategies to manage risks when they materialize, including an annual testing plan.

Cybersecurity risks: Unauthorized access to the Company's trading platform that may impact its operations and generate inaccurate data

Climate Change Risks and Opportunities: These can be classified into: a) Risks related to the transition to a low-emission economy (new regulations, technological and reputational changes, and changes in investor and customer priorities); and b) Risks related to the physical impacts of climate change (meteorological events that could suddenly or gradually disrupt a business operation).

ii. Discretionary risks

The Company is exposed to the following risks from its use of financial instruments:

Credit risk: Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises primarily from the Company's financial assets at FVTPL and its trade receivables.

Regarding investments, the Company limits its exposure to credit risk by investing exclusively in highly liquid securities with counterparties with AAA+ credit ratings, and investing no more than 30% of its total investments in equity instruments. Management constantly monitors counterparty credit ratings so it can react quickly to any reductions in the credit ratings of the securities in its portfolio.

Market risk: Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices of equity instrument will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to control exposure to market risks within acceptable parameters, while optimizing resources.

The Company is exposed to foreign currency risk due to its cash and accounts payable denominated in a currency other than its functional currency. These transactions are primarily denominated in U.S. dollars.

With regard to other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept at an acceptable level to cover any market contingency which may result in a significant loss.

Achievements in Risk Management for 2022:

- Implementation of the BMV Company Manual and Methodology for Business Risk Management and Control (2022).
- Documentation of all the Risk Matrices of the work plan (27 matrices for 21 areas/entities), with all information consolidated in the new GRC platform.
- Enablement of portals in GRC system (with risks, controls, events, KRIs, action plans and events).
- Updating of authorization charts.
- Identification, monitoring and implementation of backups among personnel with critical functions and documentation of undocumented procedures.
- Reporting to the BMV Group Risk Committee
- Determination of BMV Group's risk appetite
- Fulfillment of the risk self-identification role by the first line of defense
- As part of the improvement to the BCP communication protocol, the mass notification tool was implemented to enable agile, secure, and real-time activation, response monitoring and follow-up.
- Execution of 21 tests of the different scenarios established by the BCP (5 more tests than in 2021).
- Improvements in mitigation of continuity risks and remote access scheme
- Updating of BCM documentation to include the modifications recommended by auditors and authorities.

23. Finance Income and Expenses

An analysis of finance income and expenses is as follows:

	2022	2021
Finance income:		
Interest on cash equivalents	MXN 272,058	MXN 136,954
Foreign exchange gain	128,626	151,157
	400,684	288,111
Finance expense:		
Interest expense	(4,930)	(6,986)
Foreign exchange loss	(148,513)	(124,700)
Interest expense on lease liabilities	(6,317)	(6,137)
	(159,760)	(137,823)
Finance income, net	MXN 240,924	MXN 150,288

24. Operating Segments

The Company has five operating segments, which represent its business units. The business units offer different services and are managed separately as they each require different strategies and technologies. Management reviews the reports prepared by each business unit at least every quarter. The main operations of each of the operating segments are described below:

Stock exchange - Stock exchange for entities registered in accordance with the Act. This business segment is operated by BMV.

Financial derivatives - Exchange for derivatives, including facilities and other services to enable these transactions. This business segment is operated by MexDer.

Clearing - Clearinghouses for capital markets and derivatives, operated by CCV and Asigna, respectively.

Brokerage - Financial brokerage service with debt instruments registered in the National Securities Registry (RNV). This business segment is operated by SIF ICAP.

Central Securities Depository - Securities management services related to clearing of securities in terms of the Act and the CNBV's general rules. This business segment is operated by Indeval.

Some operating activities require the interaction of various operating segments. This interaction primarily involves technology services and shared personnel services.

	2022				
	Domestic revenue	Foreign revenue	Subtotal	Intercompany revenue	Cumulative revenue
Cash equities	MXN 305,357	MXN 226,624	MXN 531,981	MXN -	MXN 531,981
Cash equities trading - BMV	93,058	226,624	319,682	-	319,682
Cash equities clearing - CCV	212,299	-	212,299	-	212,299
Issuers	492,257	-	492,257	-	492,257
Listing fees - BMV	61,937	-	61,937	-	61,937
Maintenance fees - BMV	430,320	-	430,320	-	430,320
Derivatives	206,104	16,686	222,790	1,135	221,655
MexDer	93,137	15,484	108,621	702	107,919
Derivatives trading	70,357	15,484	85,841	-	85,841
Data sales - MexDer	13,450	-	13,450	522	12,928
Other - MexDer	9,330	-	9,330	180	9,150
Asigna	112,967	1,202	114,169	433	113,736
Asigna trading	109,211	1,202	110,413	-	110,413
Data sales - Asigna	687	-	687	-	687
Other - Asigna	3,069	-	3,069	433	2,636

	2022				
	Domestic revenue	Foreign revenue	Subtotal	Intercompany revenue	Cumulative revenue
Over-the-counter (SIF ICAP)	211,335	524,582	735,917	2,084	733,834
SIF ICAP trading	160,933		160,932	666	160,267
SIF ICAP Chile	-	524,582	524,582	-	524,582
Data sales - SIF ICAP	2,831	-	2,831	1,418	1,413
Other - SIF ICAP	47,572	-	47,572	-	47,572
Central Securities Depository	1,263,352	7,563	1,270,915	19,202	1,251,714
Central Securities Depository trading	1,154,456	7,563	1,162,018	11,344	1,150,675
Other - Central Securities Depository	108,897	-	108,897	7,858	101,039
Information services	692,087	-	692,087	9,152	682,934
Valmer	201,584	-	201,583	6,587	194,997
Market Data BMV	490,503	-	490,503	2,566	487,937
Co-Location	21,550	-	21,550	2,408	19,142
Other - BMV	163,184	-	163,184	26,572	136,612
Other	735,587	28,366	763,954	734,568	29,386
Revenue	MXN4,090,815	MXN 803,821	MXN4,894,636	MXN 795,121	MXN4,099,515

	2021				
	Domestic revenue	Foreign revenue	Subtotal	Intercompany revenue	Cumulative revenue
Cash equities	MXN518,337	MXN -	MXN518,337	MXN -	MXN518,337
Cash equities trading - BMV	312,555	-	312,555	-	312,555
Cash equities clearing - CCV	205,782	-	205,782	-	205,782
Issuers	497,990	-	497,990	-	497,990
Listing fees - BMV	58,037	-	58,037	-	58,037
Maintenance fees - BMV	439,953	-	439,953	-	439,953
Derivatives	171,921	17,789	189,710	1,295	188,415
MexDer	67,569	16,595	84,164	855	83,309
Derivatives trading	65,313	-	65,313	-	65,313
Data sales - MexDer	0	13,601	13,601	509	13,092
Other - MexDer	2,256	2,994	5,250	346	4,904
Asigna	104,352	1,194	105,546	440	105,106
Asigna trading	102,613	-	102,613	-	102,613
Data sales - Asigna	480	-	480	-	480
Other - Asigna	1,259	1,194	2,453	440	2,013
Over-the-counter (SIF ICAP)	312,656	327,173	639,829	4,839	634,990
SIF ICAP trading	121,525	47,373	168,898	638	168,260
SIF ICAP Chile	139,948	279,800	419,748	-	419,748
Data sales - SIF ICAP	4,345	-	4,345	2,744	1,601
Other - SIF ICAP	46,838	-	46,838	1,457	45,381
Central Securities Depository	1,267,839	8,014	1,275,853	19,421	1,256,432
Central Securities Depository trading	1,217,362	-	1,217,362	11,479	1,205,883
Other - Central Securities Depository	50,477	8,014	58,491	7,942	50,549
Information services	298,882	330,933	629,815	10,873	618,942
Valmer	153,389	38,678	192,067	8,415	183,652
Market Data BMV	145,493	292,255	437,748	2,458	435,290
Co-Location	-	21,060	21,060	2,428	18,632
Other - BMV	157,754	9,859	167,613	24,190	143,423
Other	1,000,388	-	1,000,388	953,298	47,090
Revenue	MXN4,225,767	MXN714,828	MXN4,940,595	MXN1,016,344	MXN3,924,251

The profits of each segment are used to measure performance, since Management considers this information to be the best approach to assessing the results of each segment.

Below is an analysis of the results of the operating segments for the years ended December 31st, 2022 and 2021:

	2022	2021
BMV and corporate entities *	MXN439,429	MXN403,806
CCV	173,525	176,961
LEDMEX	218	5,470
MexDer	63,747	56,448
Asigna	77,247	84,618
SIF ICAP	340,397	234,581
Indeval	1,058,047	1,084,543
Valmer	130,874	130,523
Total	MXN2,283,484	MXN2,176,950

* BMV has the following lines of business:

- Issuers
- Cash equities trading
- Market Data
- Education

25. Commitments and Contingent Liabilities

Commitments and payment obligation

The Company's subsidiary, Indeval, has entered into agreements with foreign custodians who bill their services in foreign currency (primarily U.S. dollars and euros) based on the Central Securities Depository volume and transfers of securities. Indeval in turn bills this consideration, plus a markup, to its customers as part of its service fees.

To carry out its activities, Indeval must have open accounts in its name in European central securities depositories (such as Clearstream and Euroclear) so as to deposit securities owned by its customers at their request. Indeval therefore has cash accounts with these foreign depositories, primarily to receive payments of principal and interest for securities. Clearstream and Euroclear can apply a reversal process for payments of principal and interest, which involves reversal of the credits made to Indeval's cash accounts, without any justification being provided by the central depositories. These reversals are usually caused by the issuer's financial agent providing incorrect or late information. In these cases, Indeval must ask its depositors in Mexico to whom the payments of principal and interest that were reversed in full or in part were made to return the corresponding amounts. Although to date Indeval has recovered the amounts claimed from its depositors when cases of this kind have arisen, there is no guarantee or certainty that this will continue to occur in the future.

Lawsuits and litigation

The Company and its subsidiary Indeval are party to several lawsuits and labor claims arising from the normal course of their business. Company management does not expect the outcome of these lawsuits to have a material effect on the Company's financial position or its future operating results.

Tax contingencies

In accordance with the current Mexican tax laws, the Company's income tax returns are open to review by the tax authorities for a period of five years from the date they are filed.

In accordance with the MITL, companies that carry out transactions with related parties are subject to tax restrictions and obligations with respect to the determination of the prices charged, since such prices should be similar to the prices that would have been used with or between independent parties in comparable transactions. Should the tax authorities review and reject the Company's intercompany pricing, they may demand payment of the omitted taxes, plus restatements and surcharges, as well as fines for amounts of up to 100% of the restated omitted taxes.

26. Sustainability (Unaudited Information)

The financial statements must provide comprehensive and relevant financial information to users. Accordingly, environmental data should also be an integral part of these financial statements.

Sustainability is a key part of the Bolsa Mexicana de Valores Group (the Company), which has been at the forefront of the Environmental, Social and Governance (ESG) agenda in the financial sector in Mexico for over a decade.

The Company is a hub for issuers, investors and market intermediaries, as well as an engine in the transition of the Mexican economy towards sustainable development. The Company's strategy has evolved from the creation of the infrastructure and processes necessary to promote sustainability practices into the development of actual capabilities and active participation with stakeholder grouMXN

ESG products and services

ESG index

- Sustainable IPC – Created in 2011, this is the first sustainability index in Mexico and the second in Latin America, which increases visibility for issuers who achieve the best ESG performance. It has laid the groundwork to position Mexico as a country with a stock market committed to sustainability.

The Company has an array of ESG indexes: S&P/BMV Total México ESG, S&P/BMV IPC ESG Tilted, and S&P/BMV IPC CompMx Rentable ESG Tilted, to strengthen the Company's comprehensive ESG strategy. It has also allowed the S&P/BMV IPC CompMx Rentable ESG Tilted index to be replicated by BBVA's MEXTRAC ETF.

These indexes have had a 3% more profitable performance than the traditional CPI.

Financial instruments

- Labeled bonds consisting of green, social and sustainable bonds; as well as sustainability-linked bonds. The issuance of this type of security is increasingly relevant. Since their launch in 2016, the Company has financed over MXN 175 billion through 60 labeled bonds. In terms of demand, in 2021, 27% of the long-term debt issued by the Company was ESG-related, while in 2022 this figure was 46%.

- Through its International Quoting System (SIC), the Company has listed Exchange Trade Funds (ETFs), which replicate the behavior of ESG indexes and are available for the investing public in Mexico. Currently, 67 instruments of this type are traded on the Stock Exchange.

Building Market Sustainability Capabilities

The Company is aware that, in order for the ESG market to grow, it should build capabilities among its stakeholders.

- Workshops: In addition to the Company's webinars where various ESG topics are addressed, the Company also offers the Sustainable Accompaniment Program (PAS, by its acronym in Spanish), to assist all types of companies, including small and medium enterprises, on their journey towards compliance with international sustainability standards. The Company has already held 3 workshops with over 300 attendees.

- Publications:

  - The Sustainability Guide launched in 2016, enables companies to identify, implement and measure their ESG strategies, as well as inform the investing public about their performance.
  - Carbon Neutrality Guide published in 2022 aims to be a practical way for companies to develop a carbon-neutral strategy.

<u>Corporate Governance – PRIME Certification</u>

The Company is working together with the Development Bank and AMIB to incorporate more companies into the "Prime" Certification, which allows them to obtain financing to improve their debt profile and funds for expansion projects, based on the process of institutionalization of their governing bodies. Companies obtain the "Prime" Certification by implementing strategic plans that allow them to comply with corporate governance standards. The above, to comply with the requirements of the Stock Market for the issuance of debt and/or initial placement of securities.

Leadership in green markets

- In 2013, the MÉXICO2 Carbon platform was created to help develop environmental markets and push Mexico towards a low-carbon economy. Thanks to projects in the Voluntary Carbon Market, more than 78,000 metric tons of CO2 have been offset from 2016 to 2020.

- The Company is a founding member of the Green Finance Advisory Board (CCFV, by its acronym in Spanish), through which it has promoted sustainable finance alongside companies from various sectors and industries since 2016.

- The Company has promoted Investor Statements in favor of green investments and ESG-related disclosures, with the participation of more than 70 signing institutional investors.

- Through MÉXICO2 and the Green Finance Advisory Board, the Company has strengthened the management of ESG capabilities with a stronger focus on environmental issues across private and public sector companies in Mexico and Latin America.

- As of 2021, MexDer and Asigna, Group entities, contribute 4% of their operating revenue towards developing projects that will generate a positive environmental impact, driven by the CCFV.

Social impact

- Strengthening of financial culture in Mexico

- Escuela Bolsa Mexicana - Online education. At the end of 2022, 50,903 students received training through 116 courses.

- MUBO, Mexico's only interactive stock exchange museum, has received 205,000 physical and virtual visitors since its opening in April 2019.

- Free conferences offered by industry experts on Exchange Thursdays, and participation in the National Financial Education Week held by the Commission for the Protection and Defense of Users of Financial Services (CONDUSEF, by its acronym in Spanish).

- Corporate communications (Blog, podcasts, website and social media)

Through an individual investors app, the Company has strengthened its financial culture.

In terms of social development, the Company has a corporate volunteer program managed by Company employees; i.e., a Foundation that promotes arts and culture from emerging artists. Through this program the Company also makes donations to charitable organizations.

Strategic alliances

- The Company adheres to the 10 principles of the United Nations Global Compact.
- The Company is part of the UN's Sustainable Stock Exchanges Initiative, through which the Company promotes sustainable development goals, shares best practices and has created, together with other stock exchanges, a framework for other stock exchanges and markets to improve their environmental performance, gender equality, and sustainability in the derivatives market, among others.
- MexDer, the Company's derivatives exchange, is a founding member of the Network of Sustainable Derivatives Exchanges together with another ten derivatives exchanges from all over the world.
- The Company is a member of the Sustainability Committee of the Iberoamerican Federation of Stock Exchanges (FIAB, by its acronym in Spanish), which promotes ESG best practices in the industry.

The Company leads by example:

- The Company strengthens its governance through organization-wide policies and an organizational culture based on values, innovation and excellence.
- The Company identifies ESG material issues and identifies and manages ESG risks and opportunities.
- The Company has aligned its ESG reporting structure with international methodologies (GRI, SASB, TCFD).
- The Company has strengthened a culture of sustainability throughout the organization.

The Company has strengthened diversity and inclusion in the workplace

At the end of 2021, the Company launched its Inclusion and Diversity Program in order to seek and identify new practices and a more inclusive organizational culture that reflects the Company's values.

This program has generated communities in which employees will actively participate by contributing ideas to drive initiatives that enrich the Company. Such communities are:

1. Gender equality community (for women), which will generate initiatives that promote equal opportunities across the organization, giving women and men the same working conditions and treatment, without neglecting their specific characteristics.

   To promote gender equality, at present, 50% of the Company's independent directors are women, with increased participation of women across various areas of the group, including STEM.

   As a Stock Exchange, the Company is in a privileged position to make an impact in promoting more balanced, resilient and egalitarian markets.

   For this reason, as members of the UN Sustainable Stock Exchanges Initiative, the Company has held the "Ring the Bell for Gender Equality" event for four consecutive years, urging listed companies and the private sector in general to have equity in their organizational practices and to disclose them in their annual or sustainability reports and formalize their commitments by signing the UN Women's Empowerment Principles (WEPs).

   This has positioned the Company as a finalist in the Equity Award granted by the IMEF and MEF.

2. LGBT+ Community, which aims, on the one hand, to raise awareness in the Company, and on the other hand, to forge initiatives that allow all employees to experience respect and inclusion through respect for sexual diversity.

3. Disability Community, aimed at detecting the opportunities in which the Company can offer a space where people with disabilities are included in the work environment.

In this regard, the Company's strategy is aligned with its Human Rights, Inclusion and Workplace Well-being policy, as well as recruitment guidelines.

Additionally, the Company has fostered a culture of sustainability at the First Conference on Sustainability, where the three pillars of sustainability were addressed using different digital media; a panel was held with the Company's DGAs to highlight how our day-to-day tasks have an impact on the Company's sustainability. Finally, the Company set up the Museum of Sustainable Development Goals (SDG) for employees and the general public in order to communicate, in a lighthearted way, the importance of meeting the 2030 agenda and how to achieve various goals at a personal and corporate level.

In terms of environment, the Company has an environmental strategy that aims to reduce carbon emissions to net zero by no later than 2050, and it has also joined the Alliance of Financial Institutions for Net Zero; it is one of only six stock exchanges around the world to formally commit towards such objective. The path towards net zero will consider, on one hand, the Company's own CO2 emissions, and on the other hand, it will promote a transition towards a low-carbon economy through financial instruments that benefit the environment and encourage the generation of green capabilities.

As part of its strategy, the Company has identified climate-change risks and opportunities, and prepared a report based on TCFD recommendations, which allows the Company to strengthen its environmental governance, mitigate risks and communicate progress in this regard.

The Company has also accounted for Scope 3 emissions in the business travel and waste management categories.

As a result of the measurement of its carbon footprint, the Company has offset 100% of its residual CO^2 emissions in 2020 and 2021 by supporting a wind farm project in the Mexican state of Oaxaca.

These efforts have earned the Company a place in the S&P/BMV Total México ESG Index, which recognizes Mexican companies with the best sustainable practices, as well as the Dow Jones Sustainability MILA Pacific Alliance Index (DJSI MILA 2021), which chooses the most sustainable companies in the Pacific Alliance (Mexico, Chile, Peru and Colombia). This reflects the Company's commitment and leadership towards a sustainable future by being the first stock exchange in the region to be listed in this index.

This is part of the Company's Sustainability Model built on eight dimensions, which is essential to its business strategy and enables it to deliver added value to all stakeholders, elevate investment practices and stay at the forefront of financial market development in Mexico.

The Company regards itself as Mexico's Sustainable Stock Exchange, and will continue driving forward the development of ESG markets.