

Axtel, S. A. B. de C. V. and Subsidiaries
(Subsidiary of Controladora Axtel,
S. A. B. de C. V.)

Consolidated Financial Statements as of
and for the Years Ended December 31,
2025, 2024 and 2023, and Independent
Auditors' Report Dated January 31,
2026



Axtel, S. A. B. de C. V. and Subsidiaries
(Subsidiary of Controladora Axtel, S. A. B. de C. V.)

Independent Auditors' Report and Consolidated Financial Statements as of and for the years ended December 31, 2025, 2024 and 2023

Table of contents	Page
Independent Auditors' Report	1
Consolidated Statements of Financial Position	5
Consolidated Statements of Income	6
Consolidated Statements of Comprehensive Income (Loss)	7
Consolidated Statements of Changes in Stockholders' Equity	8
Consolidated Statements of Cash Flows	9
Notes to the Consolidated Financial Statements	10



Independent Auditors' Report to the Board of Directors and Stockholders of Axtel, S. A. B. de C. V. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Axtel, S. A. B. de C. V. and Subsidiaries (the "Company" or the "Group"), which comprise the consolidated statements of financial position as of December 31, 2025, 2024 and 2023, the consolidated statements of income, the consolidated statements of comprehensive income (loss), the consolidated statements of changes in stockholders' equity and the consolidated statements of cash flows for the years then ended, and the explanatory notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Axtel, S. A. B. de C. V. and Subsidiaries, as of December 31, 2025, 2024 and 2023, and their consolidated financial performance and their consolidated cash flows for the years then ended, in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditors' 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) together with the Code of Ethics issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The accompanying consolidated financial statements have been translated from Spanish to English for the convenience of readers.

Key Audit Matter

The key audit matter is the matter that, in our professional judgment, is of most significance in our audit of the 2025 consolidated financial statements. This matter was addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined that the matter described below is the key audit matter that should be communicated in our report.

Assessment of Impairment of Long-lived Assets

As described in Note 3n and 5b to the consolidated financial statements, the Company performs impairment tests to the long-lived assets.



We have identified management's assessment of impairment of long-lived assets with definite useful life and goodwill as a key audit matter, mainly due to the fact that impairment tests involve the application of judgments and significant estimates by the Company's management in determining the assumptions, premises, cash flows, budgeted income, and the selection of discount rates used to estimate the recoverable value of the cash generating unit ("CGU"), besides the relevance of the balance for the consolidated financial statements of the Company, which is made up of property, plant and equipment for \$7,154,702 thousand pesos, goodwill of \$322,782 thousand pesos, and intangible assets with a definite useful life of \$720,012 thousand pesos. This requires a high level of judgement, an important level of audit effort and the incorporation of our expert valuation specialists.

We performed, among others, the following audit procedures on the following significant assumptions that the Company considered when estimating future projections to evaluate the recovery value of long-lived assets, among others; projections of income and expenses, expected gross and operating profit margins, discount rate, the industry growth rate, comparison of the expected gross profit margin, projected flows. As follows:

- We tested the design and implementation of the controls on the determination of the recovery value and the assumptions used.
- We evaluated with the assistance of our valuation specialists, the reasonableness of the i) methodology for determining the recovery value of intangible assets with definite useful lives and goodwill and ii) we challenge the financial projections, comparing them with the performance and historical trends of the business and corroborating the explanations of the variations with the administration. Likewise, we evaluated internal processes and management's ability to accurately carry out projections.
- We analyzed the projection assumptions used in the impairment model, specifically including the projections of cash flow, operating margins, gross margin, profit margin before financial result, taxes, depreciation and amortization ("EBITDA") and long-term growth. We test the mathematical accuracy, completeness, and accuracy of the impairment model. The valuation specialists performed a sensitivity analysis for the CGU, independent calculations of the recovery value to assess whether the assumptions used would need to be modified and the probability that such modifications would occur.
- We independently evaluated the applicable discount rates, comparing them with the discount rates used by management.

The results of our procedures were satisfactory.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

The Company's management is responsible for the other information. The other information will include the sustainability information that the Company is required to prepare in accordance to Article 33, Section I, subsection a); as well as the information that will be included in the Annual Report that the Company is required to prepare in accordance with Article 33, section I, subsection b) of Title Four, Chapter One of the General Provisions Applicable to Issuers and other Participants of the Securities Market in Mexico and the Instructions accompanying those provisions (the "Provisions"). The sustainability information, as well as the Annual Report, are expected to be available for our review after the date of this audit report; and iii) other additional information, which corresponds to measures not required by IFRS Accounting Standards, and has been included to provide further explanation to its investors and key readers of its consolidated financial statements to evaluate the performance of each operating segment and other indicators of the ability to meet obligations regarding earnings before interest, taxes, depreciation, amortization and impairment of assets ("adjusted EBITDA") and the Business Unit Contribution ("BUC") of the Company, this information is presented in Note 28.

Our opinion of the consolidated financial statements will not cover the other information, and we will not express any form of assurance about it.



In connection with our audit of the consolidated financial statements, our responsibility will be to read the sustainability information, as well as the Annual Report, when available, and in doing so, consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or with our knowledge obtained during the audit, or appears to contain a material misstatement. When we read the Annual Report, we will issue the declaration on its reading, as required by Article 33, Section I, subsection b), paragraph 1.2. of the Provisions. Additionally, in relation to our audit of the consolidated financial statements, our responsibility is to read and recalculate the additional information, which in this case consists of measures not required by IFRS Accounting Standards, and in doing so, consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or with our knowledge obtained during the audit, or appears to contain a material misstatement. If, based on the work we have performed, we conclude that the other information contains a material misstatement, we are required to inform the matter. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, as issued by the IASB, 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 responsible with governance are responsible for overseeing the Company's consolidated financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 evasion of internal control.
- Obtain knowledge 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.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



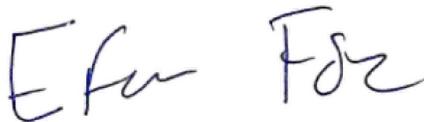
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision, and review of the work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the 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 have communicated to 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, we determine those matters that were of most significance in the audit of the consolidated financial statements for 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.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Affiliated member firm of Deloitte Touche Tohmatsu Limited



C. P. C. Efraín Omar Fernández Mendoza
Monterrey, Nuevo León México

January 31, 2026



Axtel, S. A. B. de C. V. and Subsidiaries
(Subsidiary of Controladora Axtel, S. A. B. de C. V.)

Consolidated Statements of Financial Position

As of December 31, 2025, 2024 and 2023

Thousands of Mexican pesos

	Note	2025	2024	2023
Assets				
Current assets:				
Cash and cash equivalents	6	\$ 1,319,628	\$ 1,255,690	\$ 1,207,174
Trade and other accounts receivable, net	7	2,286,288	2,474,803	1,814,136
Inventories	8	53,976	36,490	62,856
Derivative financial instruments	4	-	32,743	-
Prepayments	3.i	820,180	752,952	603,818
Total current assets		<u>4,480,072</u>	<u>4,552,678</u>	<u>3,687,984</u>
Non-current assets:				
Property, plant and equipment, net	9	7,154,702	7,502,607	8,253,618
Right-of-use asset, net	10	366,616	306,021	312,698
Goodwill and intangible assets, net	11	1,042,794	983,755	1,064,179
Deferred income taxes	19	2,761,361	3,363,046	2,961,659
Other non-current assets	12	556,913	528,139	429,015
Total non-current assets		<u>11,882,386</u>	<u>12,683,568</u>	<u>13,021,169</u>
Total assets		<u>\$16,362,458</u>	<u>\$17,236,246</u>	<u>\$16,709,153</u>
Liabilities and Stockholders' Equity				
Current liabilities:				
Debt	16	\$ 312,530	\$ 277,754	\$ 214,351
Lease liability	17	118,520	109,080	107,755
Trade and other accounts payable	13	2,429,561	2,350,940	1,798,753
Provisions	14	21,307	11,844	98,176
Deferred income	15	108,987	103,592	66,791
Derivative financial instruments	4	13,027	-	31,987
Total current liabilities		<u>3,003,932</u>	<u>2,853,210</u>	<u>2,317,813</u>
Non-current liabilities:				
Debt	16	8,822,881	10,709,965	10,155,319
Lease liability	17	225,059	164,915	153,109
Employee benefits	18	1,378,172	1,157,430	965,673
Deferred income taxes	19	-	36	404
Total non-current liabilities		<u>10,426,112</u>	<u>12,032,346</u>	<u>11,274,505</u>
Total liabilities		<u>13,430,044</u>	<u>14,885,556</u>	<u>13,592,318</u>
Stockholders' equity:				
Capital stock	20	446,277	454,620	454,621
Retained earnings		2,618,582	1,974,637	2,726,588
Other comprehensive loss		(132,445)	(78,567)	(64,374)
Total stockholders' equity		<u>2,932,414</u>	<u>2,350,690</u>	<u>3,116,835</u>
Total liabilities and stockholders' equity		<u>\$16,362,458</u>	<u>\$17,236,246</u>	<u>\$16,709,153</u>

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



Axtel, S. A. B. de C. V. and Subsidiaries
(Subsidiary of Controladora Axtel, S. A. B. de C. V.)

Consolidated Statements of Income

For the years ended December 31, 2025, 2024 and 2023

Thousands of Mexican pesos, except for earnings per share amounts

	Note	2025	2024	2023
Revenues	21	\$12,367,176	\$11,556,488	\$10,955,886
Cost of sales	22	<u>(5,407,607)</u>	<u>(5,391,829)</u>	<u>(5,269,308)</u>
Gross profit		6,959,569	6,164,659	5,686,578
Administration and selling expenses	22	(5,414,154)	(4,821,971)	(5,105,107)
Other income (expenses), net	23	<u>118,118</u>	<u>(8,340)</u>	<u>(5,730)</u>
Operating income		1,663,533	1,334,348	575,741
Financial income	24	46,595	71,034	256,720
Financial expenses	24	(1,009,535)	(1,277,969)	(1,234,589)
Exchange fluctuation gain (loss), net	24	<u>558,776</u>	<u>(1,212,810)</u>	<u>655,391</u>
Financial result, net		<u>(404,164)</u>	<u>(2,419,745)</u>	<u>(322,478)</u>
Income (loss) before income taxes		1,259,369	(1,085,397)	253,263
Income (taxes) benefit	19	<u>(623,767)</u>	<u>394,204</u>	<u>61,043</u>
Net consolidated income (loss)		<u>\$ 635,602</u>	<u>\$ (691,193)</u>	<u>\$ 314,306</u>
Income (loss) per basic and diluted share		<u>\$ 0.033</u>	<u>\$ (0.035)</u>	<u>\$ 0.016</u>
Weighted average common outstanding shares (thousands of shares)		<u>19,460,373</u>	<u>19,694,527</u>	<u>19,809,648</u>

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



Axtel, S. A. B. de C. V. and Subsidiaries
(Subsidiary of Controladora Axtel, S. A. B. de C. V.)

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025, 2024 and 2023

Thousands of Mexican pesos

	Note	2025	2024	2023
Net consolidated income (loss)		\$ 635,602	\$ (691,193)	\$ 314,306
Other comprehensive income (loss) for the year:				
<i>Items that will be reclassified to the consolidated statement of income:</i>				
Effect of currency translation	19	(2,215)	3,514	(2,881)
Fair value of derivative financial instruments, net of taxes		(18,384)	34,094	(25,964)
<i>Items that will not be reclassified to the consolidated statement of income:</i>				
Remeasurements of employee benefits, net of taxes	19	<u>(33,279)</u>	<u>(18,129)</u>	<u>(14,998)</u>
Total other comprehensive (loss) income for the year		<u>(53,878)</u>	<u>19,479</u>	<u>(43,843)</u>
Comprehensive income (loss) of the year		<u>\$ 581,724</u>	<u>\$ (671,714)</u>	<u>\$ 270,463</u>

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



Axtel, S. A. B. de C. V. and Subsidiaries
(Subsidiary of Controladora Axtel, S. A. B. de C. V.)

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2025, 2024 and 2023

Thousands of Mexican pesos

	Capital stock	Retained earnings	Other comprehensive income	Total stockholders' equity
Balances as of January 1, 2023	\$ 454,621	\$ 2,416,317	\$ (20,531)	\$ 2,850,407
Transactions with stockholders:				
Repurchase of shares	-	(4,035)	-	(4,035)
Total transactions with stockholders	-	(4,035)	-	(4,035)
Net consolidated income	-	314,306	-	314,306
Total other comprehensive loss for the year	-	-	(43,843)	(43,843)
Comprehensive income	-	314,306	(43,843)	270,463
Balances as of December 31, 2023	454,621	2,726,588	(64,374)	3,116,835
Transactions with stockholders:				
Repurchase of shares	-	(60,759)	-	(60,759)
Cancellation of shares	(1)	1	-	-
Adjustment to employee benefits	-	-	(33,672)	(33,672)
Total transactions with stockholders	(1)	(60,758)	(33,672)	(94,431)
Net consolidated loss	-	(691,193)	-	(691,193)
Total other comprehensive income for the year	-	-	19,479	19,479
Comprehensive loss	-	(691,193)	19,479	(671,714)
Balances as of December 31, 2024	454,620	1,974,637	(78,567)	2,350,690
Transactions with stockholders:				
Cancellation of shares	(8,343)	8,343	-	-
Total transactions with stockholders	(8,343)	8,343	-	-
Net consolidated income	-	635,602	-	635,602
Total other comprehensive income for the year	-	-	(53,878)	(53,878)
Comprehensive income	-	635,602	(53,878)	581,724
Balances as of December 31, 2025	\$ 446,277	\$ 2,618,582	\$ (132,445)	\$ 2,932,414

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



Axtel, S. A. B. de C. V. and Subsidiaries
(Subsidiary of Controladora Axtel, S. A. B. de C. V.)

Consolidated Statements of Cash Flows

For the years ended December 31, 2025, 2024 and 2023

Thousands of Mexican pesos

	2025	2024	2023
Cash flows from operating activities			
Income (loss) before income taxes	\$ 1,259,369	\$(1,085,397)	\$ 253,263
Depreciation and amortization	2,131,659	2,275,177	2,450,587
Exchange fluctuation (gain) loss, net	(558,776)	1,212,810	(655,391)
Allowance for expected credit loss	(27,794)	(188,114)	179,824
(Gain) loss from sale of property, plant and equipment	(17,752)	3,160	(78,417)
Financial income	(46,595)	(71,034)	(256,720)
Financial expenses	1,009,535	1,277,969	1,234,589
Employee profit sharing	(1,598)	(3,013)	9,968
Others	(21,068)	46,210	(28,763)
Changes in working capital:			
Trade and other accounts receivable, net	81,134	(642,925)	(287,175)
Inventories	(17,486)	18,884	108,874
Trade accounts payable and other accounts payable	150,086	291,672	(186,088)
Employee benefits	173,200	117,756	52,992
Paid PTU	-	(3,284)	(4,830)
Deferred income	5,395	36,801	21,583
Subtotal	<u>4,119,309</u>	<u>3,286,672</u>	<u>2,814,296</u>
Income taxes paid	(2,403)	(2,288)	(4,428)
Net cash flows generated by operating activities	<u>4,116,906</u>	<u>3,284,384</u>	<u>2,809,868</u>
Cash flows from investing activities			
Acquisitions of property, plant and equipment	(1,462,749)	(1,276,578)	(1,311,101)
Disposal of property, plant and equipment	42,532	73,000	-
Acquisition of intangible assets	(179,813)	(24,931)	(29,306)
Interest received	46,055	70,793	29,637
Notes receivable	(2,207)	(2,931)	(25)
Others	21,966	-	-
Net cash flows used in investing activities	<u>(1,534,216)</u>	<u>(1,160,647)</u>	<u>(1,310,795)</u>
Cash flows from financing activities			
Proceeds of current and non-current debt	1,600,000	-	7,992,451
Payments of current and non-current debt	(2,787,706)	(743,078)	(8,060,864)
Lease payments	(206,414)	(188,891)	(218,498)
Repurchase of shares	-	(60,759)	(4,035)
Interest paid and other financial expenses	(1,051,167)	(1,198,754)	(1,440,072)
Net cash flows used in financing activities	<u>(2,445,287)</u>	<u>(2,191,482)</u>	<u>(1,731,018)</u>
Net increase (decrease) of cash and cash equivalents	137,403	(67,745)	(231,945)
Effect of changes in exchange rates	(73,465)	116,261	(103,712)
Cash and cash equivalents at the beginning of the year	<u>1,255,690</u>	<u>1,207,174</u>	<u>1,542,831</u>
Cash and cash equivalents at the end of the year	<u>\$ 1,319,628</u>	<u>\$1,255,690</u>	<u>\$1,207,174</u>

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



Axtel, S. A. B. de C. V. and Subsidiaries
(Subsidiary of Controladora Axtel, S. A. B. de C. V.)

Notes to the Consolidated Financial Statements

As of and for the years December 31, 2025, 2024 and 2023

Thousands of Mexican pesos, unless otherwise indicated

1. General information

Axtel, S. A. B. de C. V. and subsidiaries (“Axtel” or the “Company”) was incorporated in Mexico as a capital stock company. Axtel’s corporate offices are located at Avenida Munich No. 175 Colonia Cuauhtémoc, 66450 San Nicolás de los Garza, Nuevo León, Mexico.

Axtel is a publicly owned corporation, whose shares are registered at the National Securities Registry and are traded at the Mexican Stock Exchange (“Bolsa Mexicana de Valores” in Spanish) through Certificates of Participation (“CPOs”) issued under the Trust whose trustee is Nacional Financiera, Sociedad Nacional de Crédito, Development Finance Institution. The Company is a subsidiary of Controladora Axtel, S. A. B. de C. V. (“Controladora Axtel”) as of May 29, 2023, due to the fact that, on that date, the conditions precedent defined in the Extraordinary General Meeting of Alfa S.A.B. de C.V. (“ALFA”) held on July 12, 2022, with retroactive effect to that date.

The Company is an Information and Communication Technology company that serves the enterprise, government and wholesale markets, through its business units. The business and government portfolios include advanced solutions for managed networks, collaboration and information technology (IT) such as systems integration, cloud services, cybersecurity, among others. On the other hand, the connectivity solutions of the wholesale unit for wholesale clients or operators include last-mile access, IP transit, spectrum, fiber to the tower and fiber to the data center, among others. Concessions are required to provide these services and conducting the Company’s business activities (see Note 11).

Axtel conducts its activities through subsidiary companies of which it is the owner or of which it controls directly most of the common shares representing their capital stock (see Note 3.c).

When reference is made to the controlling entity Axtel, S. A. B. of C. V. as an individual legal entity, it will be referred to as “Axtel SAB”.

In the following notes to the consolidated financial statements, references to pesos or “\$” mean thousands of Mexican pesos; additionally, references to “US\$” or dollars mean thousands of U.S. dollars, unless otherwise indicated for both cases.

2. Relevant events

2025

a. Debt

On March 26, 2025, Axtel made a partial prepayment of a bank loan for \$783,594 (US\$38,915) using funds from its operating cash flow.

Derived from this transaction, the Company immediately recognized in its consolidated statement of income the portion of the corresponding debt issuance costs related to the aforementioned bank loan which amounted to \$5,351.

On June 16, 2025, Axtel made a partial prepayment of a bank loan for \$276,882 (US\$14,622) using funds from its operating cash flow.

Derived from this transaction, the Company immediately recognized in its consolidated statement of income the portion of the corresponding debt issuance costs related to the aforementioned bank loan which amounted to \$1,727.



On December 18, 2025, the Company announced that it had formalized a loan with the National Foreign Trade Bank (Bancomext) for \$1,600,000 with a 10-year term. The proceeds were used for the early prepayment of \$1,083,258 (US\$60,000) of a loan granted by the International Finance Corporation (“IFC”), as well as for the partial prepayment of \$512,908 (US\$28,580) of a syndicated bank loan. As a result of this transaction, the Company immediately recognized in its consolidated statement of income the portion of the debt issuance costs related to the aforementioned bank loan which amounted to \$15,623.

2024

b. Debt

On December 16, 2024, Axtel announced the partial prepayment of a \$695,612 (US\$34,422) bank loan, paid from the cash flow generated by the Company. This loan, obtained from nine institutions, was reduced by 13% to US\$224 million, equally in dollars and pesos, while the Company's total debt decreased by 6%.

Derived from this transaction, the corresponding debt issuance costs, related to the aforementioned bank loan, recognized by the Company in the consolidated statements of income was \$4,248.

2023

c. Purchase of Senior Notes

On January 17, 2023, the Company announced that it had initiated a tender offer to buy back up to US\$75,000 of its 6.375% Senior Notes due 2024 (the “Notes”). On January 31, 2023, the results of the tender offer were announced, and the Notes tendered by the holders and accepted by the Company totaled US\$77,700. Given this, the Company increased the tender offer from US\$75,000 to US\$120,000, and extended the tender offer date to February 13, 2023, the expiration date of said offer. As of February 13, 2023, the Notes tendered by the holders and accepted for purchase by Axtel totaled \$1,786,124 (US\$88,657), leaving a balance of US\$313,576 for the Notes, which were then repurchased during the year (Note 2.g).

Derived from this transaction, the corresponding debt issuance costs, related to the aforementioned Senior Notes due 2024, recognized by the Company in the consolidated statements of income was \$8,711.

d. Debt

On January 26, 2023, the Company entered into a loan credit agreement with Export Development Canada for an aggregate amount of US\$100,000, of which \$758,172 (US\$40,000) was drawn down on February 13, 2023, with maturities from January 2027 to January 2028, and a one-month term SOFR plus an applicable margin of 3.55%. On July 19, 2023, the remaining \$1,007,148 (US\$60,000) was drawn down with the same maturity and rate.

On January 27, 2023, the Company drew down \$200,000 from its revolving committed line with BBVA México, due in July 2024 and with a 28-day TIE + 1.75 percentage points variable interest rate. This credit was settled on April 26, 2023.

The cash resources obtained from these loans were used to repurchase the Senior Notes mentioned in the previous event.

On May 25, 2023, the Company drew down \$180,000 from its Export Development Canada credit line, due on June 25, 2024, and with a TIE plus 1.75% variable interest rate.

On April 27, 2023, the Company entered into a syndicated loan agreement for \$3,525,018 (US\$210,000) and \$971,545 to refinance all Senior Notes due 2024. The loan redemption became effective on July 21, 2023. The new agreement has quarterly payments of the principal amounts starting in July 2025 and until maturity in April 2028, has a TIE plus 3.25% interest rate for the peso portion and a SOFR plus 3.25% interest rate for the dollar portion.

Derived from this transaction, the corresponding debt issuance costs, related to the aforementioned Senior Notes due 2024, recognized by the Company in the consolidated statements of income was \$25,219.



e. Merger of subsidiary companies

At the Extraordinary General Stockholders' Meeting held on March 7, 2023, the merger by incorporation of Alestra Innovación Digital, S. de R.L. de C.V., Estrategias en Tecnología Corporativa, S.A. de C.V. and Allied Inmuebles, S.A. de C.V. (merged companies) in Axtel S.A.B. de C.V. was approved; which will subsist with the same corporate name as a merging company and will take charge of the rights and obligations of the merged companies. In addition, it was resolved that the merger takes full effect between parties and third parties as of April 1, 2023. This merger has no impact on the Company's consolidated operations.

f. Reserve for the repurchase of shares

At the Ordinary General Stockholders' Meeting held on March 7, 2023, a reserve of \$100,000 was approved and created for share repurchases. Additionally, it was resolved that said maximum amount of resources remain in place during the following fiscal years, unless an Ordinary Stockholders' Meeting resolves to allocate a different amount to the purchase of own shares.

As of December 31, 2023, 28,938,371 shares were repurchased.

As of December 31, 2023, the balance of the reserve for share repurchase is \$95,965.

g. Spin-off of ALFA's equity participation in Axtel and creation of Controladora Axtel

On May 19, 2023, the Company announced that Controladora Axtel, S.A.B. de C.V. ("Controladora Axtel"), a company resulting from the spin-off of Alfa, S.A.B. de C.V., received authorization from the National Banking and Securities Commission ("CNBV", for its acronym in Spanish) for the registration of its shares in the National Securities Registry.

The distribution of Controladora Axtel shares represents the end of the spin-off process approved by ALFA stockholders on July 12, 2022, with retroactive effect to that date. As a result of the transaction, ALFA stockholders received one share of Controladora Axtel for each ALFA share they owned.

The number of shares of the Company remained unchanged. Controladora Axtel began trading on the Stock Exchange on May 29, 2023, date from which the Company is now a subsidiary of Controladora Axtel due to the fact that, on said date, the suspensive conditions defined at the Alfa Shareholders' Meeting were met. Controladora Axtel, the latest holding company of the Group, exercises control and is the owner of 53.9% of the shares representing the Company's capital stock.

h. Prepayment of Senior Notes

On June 16, 2023, Axtel announced that it decided to prepay the entire principal amount totaling \$5,296,455 (US\$313,576) of its 6.375% Senior Notes due in 2024 (Note 2.b). The prepayment occurred on July 21, 2023, at a price equal to 101.594% of the total principal, plus accrued interest. Axtel financed the prepayment of the Notes with existing bank loans announced on May 9, 2023, including a 5-year loan with development banks, as well as a bank loan with nine financial institutions for a 5-year term. Once the prepayment is made, the Company extended the average life of its debt by approximately 3 to 5 years.

i. Debt

On December 6, 2023, Axtel entered into a \$1,024,038 (US\$60,000) loan with the International Finance Corporation ("IFC"), a member of the World Bank Group, due on November 15, 2030, linked to commitments in environmental and social matters. The long-term loan will allow Axtel to finance the strategic deployment of its fiber optic network to telecommunications towers and data centers, promoting the development of digital infrastructure in Mexico, as well as extending the maturity profile of its debt.

3. Summary of material accounting policies

The following are the most material accounting policies followed by Axtel and its subsidiaries, which have been consistently applied in the preparation of their financial information in the years presented, unless otherwise indicated:



a. Basis of preparation

The consolidated financial statements of Axtel have been prepared in accordance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). IFRS include International Accounting Standards (“IAS”) in force and all related interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”), including those previously issued by the Standard Interpretations Committee (“SIC”).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. Additionally, it requires management to exercise judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, as well as the areas where judgments and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

b. Changes in accounting policies and disclosures

i. New standards and modifications adopted by the Company

In the current year, the Company has applied a series of amendments to IFRS issued by the IASB that are mandatorily effective for an accounting period that begins on or after January 1, 2025. The conclusions related to their adoption are described as follows:

Amendments to IAS 21 – Lack of Exchangeability

The amendments specify when a currency is exchangeable for another currency and when it is not. A currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. A currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

The amendments specify how an entity determines the exchange rate to apply when a currency is not exchangeable.

The amendments require additional disclosures that enable users of its financial statements to evaluate how a currency’s lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The Company evaluated the amendments to IAS 21 and determined that the implementation of these amendments had no effect on its financial information, since it does not transact in non-convertible currencies.

ii. New, revised and issued IFRS, but not yet effective

As of the date of these consolidated financial statements, the Company has not applied the following amendments to IFRS that have been issued, but are not yet effective, and the adoption of these amendments, except for IFRS 18, is not expected to have a material impact on the consolidated financial statements in future periods, considering that they are not of significant applicability. The amendments to the IFRS are included below:

- Amendments to IFRS 7 and IFRS 9 – Classification and measurement requirements for financial instruments ⁽¹⁾
- Amendments to IFRS 7 and IFRS 9 – Nature-dependent electricity contracts ⁽¹⁾
- Annual Improvements to IFRS Standards – Volume 11 – Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial Instruments: Disclosures* and its *Implementation Guidance*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statement of Cash Flows* ⁽¹⁾
- Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency ⁽²⁾
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures ⁽²⁾

⁽¹⁾ Effective for annual reporting periods beginning on January 1, 2026.

⁽²⁾ Effective for annual reporting periods beginning on January 1, 2027.



IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1, however, many requirements established in IAS 1 remain unchanged and complement them with new requirements. In addition, certain paragraphs from IAS 1 have been relocated to IAS 8 and IFRS 7, and minor amendments were made to IAS 7 and IAS 33.

IFRS 18 introduces new requirements to:

- Present of specified categories and defined subtotals in the income statement.
- Provide disclosure on management-defined performance measures (“MPMs”) in the notes to the financial statements.
- Improve requirements for the aggregation and disaggregation of information.

The IFRS 18 is effective for annual periods beginning on or after 1 January 2027. Early adoption is permitted. The amendments to IAS 7, IAS 33, IAS 8 and IFRS 7 become effective when the entity first applies IFRS 18. An entity is required to apply IFRS 18 retrospectively, with specific transition provisions.

The Company is conducting an analysis to determine the applicable changes to the presentation of the consolidated income statement and the consolidated statement of cash flows, and to identify the MPMs that will be disclosed within its consolidated financial statements.

c. Consolidation

i. Subsidiaries

The subsidiaries are all the entities over which the Company has control. The Company controls an entity when it is exposed or has the right to variable returns from its interest in the entity and it is capable of affecting the returns through its power over the entity. When the Company's interest in subsidiaries is less than 100%, the interest attributed to external stockholders is recorded as non-controlling interest. Subsidiaries are fully consolidated in the date on which control is transferred to the Company and up to the date it loses such control.

The accounting method used by the Company for business combinations is the acquisition method. The Company defines a business combination as a transaction in which it gains control of a business, and through which it is able to direct and manage the relevant activities of the set of assets and liabilities of such business with the purpose of providing a return in the form of dividends, smaller costs or other economic benefits directly to stockholders.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable acquired assets and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquire based on the share of the non-controlling interest in the net identifiable assets of the acquired entity.

The Company accounts for business combinations using the predecessor method in a jointly controlled entity. The predecessor method involves the incorporation of the carrying amounts of the acquired entity, which includes the goodwill recognized at the consolidated level with respect to the acquiree. Any difference between the transferred consideration and the carrying amount of the net assets acquired at the level of the subsidiary are recognized in equity.

The acquisition-related costs are recognized as expenses when incurred.

Goodwill is initially measured as excess of the sum of the consideration transferred and the fair value of the non-controlling interest in the subsidiary acquired over the net identifiable assets and liabilities assumed. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statements of income.

If the business combination is achieved in stages, the book value at the acquisition date of the interest previously held by the Company in the acquired entity is remeasured at its fair value at the acquisition date. Any loss or gain resulting from such remeasurement is recognized in the consolidated statements of income for the year.



Transactions and intercompany balances, as well as unrealized gains on transactions between Axtel companies are eliminated in preparing the consolidated financial statements. In order to ensure consistency with the policies adopted by the Company, the amounts reported by subsidiaries have been modified where it was deemed necessary.

As of December 31, 2025, 2024 and 2023, the main subsidiary companies of Axtel were as follows:

	Country	Stockholding interest (%)			Functional currency
		2025	2024	2023	
Axtel, S. A. B. de C. V. (Holding company) ⁽²⁾⁽⁴⁾	Mexico				Mexican Peso
Alestra USA, Inc. ⁽¹⁾	USA	100	100	100	U.S. dollar
S&C Constructores de Sistemas, S. A. de C. V.	Mexico	100	100	100	Mexican Peso
Servicios Alestra TI, S. A. de C. V. ⁽²⁾	Mexico	100	100	100	Mexican Peso
Alestra Procesamiento de Pagos, S. A. de C. V. ⁽²⁾	Mexico	100	100	100	Mexican Peso
Alestra Servicios Móviles, S. A. de C. V. ⁽²⁾	Mexico	100	100	100	Mexican Peso
Fomento de Educación Tecnológica, S.C. ⁽³⁾	Mexico	100	100	100	Mexican Peso
Axtel Networks, S. A. de C. V.	Mexico	100	100	100	Mexican Peso
AXE Redes e Infraestructura S. A. de C. V.	Mexico	100	100	100	Mexican Peso

(1) Leasing of telecommunications and infrastructure equipment.

(2) Provider of telecommunication services.

(3) Training and development services.

(4) At the Extraordinary General Stockholders' Meeting held on March 7, 2023, the merger by incorporation of Alestra Innovación Digital, S. de R.L. de C.V., Estrategias en Tecnología Corporativa, S.A. de C.V. and Allied Inmuebles, S.A. of C.V. (merged companies) into Axtel S.A.B. of C.V. was approved; these will subsist with the same corporate name as a merging company and will take charge of the rights and obligations of the merged companies. In addition, it was resolved that the merger takes full effect between parties and third parties as of April 1, 2023; this merger has no impact on the Company's consolidated operations.

As of December 31, 2025, 2024 and 2023, there are no significant restrictions for the investment in shares of the subsidiary companies mentioned above.

ii. Absorption (dilution) of control in subsidiaries

The effect of absorption (dilution) of control in subsidiaries, that is, an increase or decrease in the percentage of control, is recorded in stockholders' equity, directly in retained earnings, in the period in which the transactions that cause such effects occur. The effect of absorption (dilution) of control is determined by comparing the book value of the investment in shares before the event of dilution or absorption against the book value after the relevant event. In the case of loss of control, the dilution effect is recognized in income.

When the Company issues a call option on certain non-controlling interests in a consolidated subsidiary and the non-controlling stockholders retain the risks and benefits over such interests in the consolidated subsidiary, these are recognized as financial liabilities at the present value of the amount to be reimbursed from the options, initially recorded with the corresponding reduction in equity and subsequently accruing through financial charges in results during the contractual period.

iii. Sale or disposal of subsidiaries

When the Company ceases to have control, any retained interest in the entity is remeasured at fair value, and the change in the carrying amount is recognized in the consolidated statement of income. The fair value is the initial carrying amount for accounting purposes for any subsequent retained interest in the associate, joint venture or financial asset. Any amount previously recognized in comprehensive income (loss) in respect of that entity is accounted for as if the Company had directly disposed of the related assets and liabilities. This results in the amounts previously recognized in comprehensive income (loss) being reclassified to income for the year.



d. Foreign currency translation

i. Functional and presentation currency

The amounts included in the financial statements of each of the Company's subsidiaries should be measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Mexican pesos, which is the Company’s presentation currency. Note 3c. describes the functional currency of the Company and its subsidiaries.

When there is a change in the functional currency of one of the subsidiaries, according to IAS 21, *Effects of Changes in Foreign Currency Exchange Rates*, this change is accounted for prospectively, translating at the date of the functional currency change, all assets, liabilities, equity and income items at the exchange rate on that date.

ii. Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the foreign exchange rates prevailing at the transaction date or valuation date when the amounts are remeasured. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates are recognized as foreign exchange gain or loss in the consolidated statement of income, except for those which are deferred in comprehensive income (loss) and qualify as cash flow hedges.

The exchange differences in monetary assets classified as financial instruments at fair value with changes through profit or loss are recognized in the consolidated statement of income as part of the gain or loss in fair value.

Translation of subsidiaries with recording currency other than the functional currency

The financial statements of foreign subsidiaries, having a recording currency different from their functional currency were translated into the functional currency in accordance with the following procedure:

- a. The balances of monetary assets and liabilities denominated in the recording currency were translated at the closing exchange rate.
- b. To the historical balances of monetary assets and liabilities and stockholders' equity translated into the functional currency the movements that occurred during the period were added, which were translated at historical exchange rates. In the case of the movements of non-monetary items recognized at fair value, which occurred during the period stated in the recording currency, these were translated using the historical exchange rates in effect on the date when the fair value was determined.
- c. Revenues, costs, and expenses of the period, expressed in the recording currency, were translated at the historical exchange rates of the date they were accrued and recognized in the consolidated statement of income, except when they arose from non-monetary items, in which case the historical exchange rate of the non-monetary items was used.
- d. The exchange differences arising in the translation are recognized in the consolidated statement of income in the period they arose.

The primary exchange rates in the different translation procedures are listed below:

Country	Local currency	Local currency to Mexican pesos			Average annual exchange rate		
		Closing exchange rate as of December 31,			Average annual exchange rate		
		2025	2024	2023	2025	2024	2023
United States	U.S. dollar	17.97	20.27	16.89	19.14	18.52	17.61

e. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits available for operations and other short-term investments of high credit-quality and liquidity with original maturities of three months or less, all of which are subject to insignificant risk of changes in value.



f. Financial instruments

Financial assets

The Company classifies and measures its financial assets based on the Company's business model to manage financial assets, and on the characteristics of the contractual cash flows of such assets. This way financial assets can be classified at amortized cost, at fair value through other comprehensive (loss) income, and at fair value through profit or loss. Management determines the classification of its financial assets upon initial recognition. Purchases and sales of financial assets are recognized at settlement date.

Financial assets are entirely written off when the right to receive the related cash flows expires or is transferred, and the Company has also substantially transferred all the risks and rewards of its ownership, as well as the control of the financial asset.

Classes of financial assets

i. Financial assets at amortized cost

Financial assets at amortized cost are financial assets that i) are held within a business model whose objective is to hold said assets in order to collect contractual cash flows and ii) 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 outstanding principal.

ii. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss, in addition to those described in point *i* in this section, are financial assets that do not meet the characteristics to be measured at amortized cost or fair value through other comprehensive (loss) income, since i) they have a business model different to those that seek to collect contractual cash flows, or collect contractual cash flows and sell the financial assets, or otherwise ii) the generated cash flows are not solely payments of principal and interest on the amount of outstanding principal.

Impairment of financial assets

The Company uses a new impairment model based on expected credit losses rather than losses incurred, applicable to financial assets subject to such assessment (i.e., financial assets measured at amortized cost and at fair value through other comprehensive (loss) income), as well as lease receivables, contract assets, certain written loan commitments, and financial guarantee contracts. The expected credit losses on these financial assets are estimated from the initial recognition of the asset at each reporting date, using as a reference the past experience of the Company's credit losses, adjusted for factors that are specific to the debtors or groups of debtors, the general economic conditions and an assessment of both, the current management and the forecast of future conditions.

a) Trade accounts receivable

The Company adopted a simplified expected loss calculation model, through which expected credit losses during the accounts payable's lifetime are recognized.

The Company carries out an analysis of its portfolio of accounts receivable from clients, in order to determine if there are significant clients for whom it requires an individual evaluation; on the other hand, customers with similar characteristics that share credit risks (participation in the portfolio of accounts receivable, market type, sector, geographic area, etc.), are grouped to be evaluated collectively.

In its impairment assessment, the Company may include indications that the debtors or a group of debtors are experiencing significant financial difficulties, as well as observable data indicating that there is a significant decrease in the estimate of the cash flows to be received, including delays.

For purposes of the previous estimate, the Company considers that the following constitutes an event of default, since historical experience indicates that financial assets are not recoverable when they meet any of the following criteria:

- The debtor incompletes the financial agreements; or
- The information developed internally or obtained from external sources indicates that it is unlikely that the debtor will pay its creditors, including the Company, completely (without considering any guarantee held by the Company).



The Company set a default threshold, defined as the period from which the recovery of the account receivable subject to analysis is marginal; in this case, 120 days for the business clients, 150 days for the government clients, and 120 days for the wholesale segment, which is in line with the management of internal risks.

Other financial instruments

The Company recognizes credit losses expected during the asset's lifetime of all financial instruments for which credit risk has significantly increased since its initial recognition (assessed on a collective or individual basis), considering all the reasonable and sustainable information, including the one referring to the future. If at the presentation date, the credit risk a financial instrument has not significantly increased since its initial recognition, the Company calculates the loss allowance for that financial instrument as the amount of expected credit losses in the following 12 months.

In both cases, the Company recognizes in profit or loss of the period the decrease or increase in the expected credit loss allowance at the end of the period, as an impairment gain or loss.

Management assesses the impairment model and the input used therein at least once every year, in order to ensure that they remain in effect based on the current situation of the portfolio.

Financial liabilities

Financial liabilities that are not derivatives are initially recognized at fair value and subsequently valued at amortized cost using the effective interest rate method. Liabilities in this category are classified as current liabilities if they are expected to be settled within the following 12 months; otherwise, they are classified as non-current liabilities.

Trade accounts payable are obligations to pay for goods or services that have been purchased or received from suppliers in the ordinary course of business. Loans are initially recognized at fair value, net of transaction costs incurred. Loans are subsequently recognized at amortized cost; any difference between the resources received (net of transaction costs) and the settlement value is recognized in the consolidated statement of income during the loan's term using the effective interest method.

Derecognition of financial liabilities

The Company derecognizes financial liabilities if, and only if, the obligations of the Company are met, canceled or have expired. The difference between the carrying value of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Additionally, when the Company carries out a refinancing transaction and the previous liability qualifies to be derecognized, the costs incurred in the refinancing are recognized immediately in results as of the date of termination of the previous financial liability.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is presented in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle them on a net basis or to realize the asset and settle the liability simultaneously.

g. *Derivative financial instruments and hedging activities*

All derivative financial instruments are identified and classified as fair value hedges or cash flow hedges, for trading or hedging of market risk, and are recognized in the consolidated statement of financial position as assets and/or liabilities at fair value and subsequently measured at fair value. Fair value is determined based on recognized market prices and when non-quoted in an observable market, it is determined using valuation techniques accepted in the financial sector.

Fair value of hedging derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.



Derivative financial instruments classified as hedges are contracted for risk hedging purposes and meet all hedging requirements; their designation at the beginning of the hedging operation is documented, describing the objective, primary position, risks to be hedged and the effectiveness of the hedging relationship, characteristics, accounting recognition and how the effectiveness will be measured applicable to that operation.

Cash flow hedges

The changes in the fair value of derivative instruments associated to cash flow hedges are recorded in stockholders' equity. The effective portion is temporarily recorded in comprehensive income (loss), within stockholders' equity and is reclassified to profit or loss when the hedged position is affected; the ineffective portion is immediately recorded in profit or loss.

Suspension of hedge accounting

The Company suspends hedge accounting when the derivative financial instrument or the non-derivative financial instrument has expired, is cancelled or exercised, when the derivative or non-derivative financial instrument is not highly effective to offset the changes in the fair value or cash flows of the hedged item. The substitution or successive renewal of a hedge instrument by another is not an expiration or resolution if said replacement or renewal is part of the Company's documented risk management objective and is consistent with it.

On suspending hedge accounting, in the case of fair value hedges, the adjustment to the carrying amount of a hedged amount for which the effective interest rate method is used, is amortized to profit or loss over the maturity period. In the case of cash flow hedges, the amounts accumulated in equity as part of comprehensive income (loss) remain in equity until the time when the effects of the forecasted transaction affect profit or loss. In the event the forecasted transaction is not likely to occur, the gain or loss accumulated in comprehensive income (loss) are immediately recognized in profit or loss. When the hedge of a forecasted transaction is satisfactory and subsequently does not meet the effectiveness test, the cumulative effects in comprehensive income (loss) in stockholders' equity are proportionally transferred to profit or loss, to the extent the forecasted transaction impacts it.

Fair value of derivative financial instruments reflected in the Company's consolidated financial statements, is a mathematical approximation of their fair value. It is computed using proprietary models of independent third parties using assumptions based on past and present market conditions and future expectations at closing date.

h. Inventories

Inventories are shown at the lesser of its cost and net realization value. The cost is determined using the weighted average cost method. The cost of inventories corresponding to materials and consumables, includes equipment installation costs, other direct costs and indirect expenses. Excludes borrowing costs. The net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

i. Prepayments

Prepayments mainly comprise insurance and prepayments to service providers. The amounts are recorded on the basis of contractual values and are recorded monthly in the consolidated statement of income every month over the lifetime of the corresponding prepayment: the amount corresponding to the proportion to be considered over the following 12 months is shown under current assets and the remaining amount is shown under non-current assets.

j. Property, plant and equipment

Items of property, plant and equipment are recorded at cost, less accumulated depreciation and any accrued impairment losses. Costs include expenses directly attributable to the asset acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognized. Repairs and maintenance are recognized in the consolidated statement of income during the year they are incurred. Major improvements are depreciated over the remaining useful life of the related asset.



Depreciation is calculated using the straight-line method, considering separately each of the asset's components, except for land, which is not subject to depreciation. The estimated useful lives of the assets classes indicated below:

	Years
Buildings	40 – 60
Computers	3 – 5
Vehicles	4
Office equipment	10
Telecommunications network	3 to 28

Borrowing costs related to financing of property, plant and equipment whose acquisition or construction relates to qualifying assets, that require a substantial period of time to be ready for their use or sale, are capitalized as part of the cost of acquiring such qualifying assets, up to the moment when they are suitable for their intended use or sale.

Assets classified as property, plant and equipment are subject to impairment tests whenever events or circumstances occur indicating that the carrying amount of the assets may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount in the consolidated statement of income in other expenses, net. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

Residual value, useful lives and depreciation method of assets are reviewed at least at the end of each reporting period and, if expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate.

Gains and losses on disposal of assets are determined by comparing the sale value with the carrying amount and are recognized in other expenses, net, in the consolidated statement of income.

k. Leases

The Company as lessee

The Company evaluates whether a contract is or contains a lease agreement at inception of a contract. A lease is defined as an agreement or part of an agreement that conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. The Company recognizes a right-of-use asset and the corresponding lease liability, for all lease agreements in which it acts as lessee, except in the following cases: short-term leases (defined as leases with a lease term of less than 12 months); leases of low-value assets (defined as leases of assets with an individual market value of less than US\$5,000 (five thousand dollars)); and, lease agreements whose payments are variable (without any contractually defined fixed payment). For these agreements, which exempt the recognition of a right-of-use asset and a lease liability, the Company recognizes the rent payments as an operating expense in a straight-line method over the lease period.

The right-of-use asset comprises all lease payments discounted at present value; the direct costs to obtain a lease; the advance lease payments; and the obligations of dismantling or removal of assets. The Company depreciates the right-of-use asset over the shorter of the lease term and the useful life of the underlying asset; in this sense, when the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Depreciation begins on the lease commencement date.

The lease liability is initially measured at the present value of the future minimum lease payments that are not paid at that date, using a discount rate that reflects the cost of obtaining funds for an amount similar to the value of the lease payments, for the acquisition of the underlying asset, in the same currency and for a similar period to the corresponding contract (incremental borrowing rate). When lease payments contain non-lease components (services), the Company has chosen, for some class of assets, not to separate them and measure all payments as a single lease component; however, for the rest of the class of assets, the Company measures the lease liability only considering lease payments, while all of the services implicit in the payments, are recognized directly in the consolidated statement of income as operating expenses.

To determine the lease term, the Company considers the non-cancellable period, including the probability to exercise any right to extend and/or terminate the lease term.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and reducing the carrying amount to reflect the lease payments made.



When there is a modification in future lease payments resulting from changes in an index or a rate used to determine those payments, the Company remeasures the lease liability when the adjustment to the lease payments takes effect, without reassessing the discount rate. However, if the modifications are related to the lease term or exercising a purchase option, the Company reassesses the discount rate during the liability's remeasurement. Any increase or decrease in the value of the lease liability subsequent to this remeasurement is recognized as an adjustment to the right-of-use asset to the same extent.

Finally, the lease liability is derecognized when the Company fulfills all lease payments. When the Company determines that it is probable that it will exercise an early termination of the contract that leads to a cash disbursement, such disbursement is accounted as part of the liability's remeasurement mentioned in the previous paragraph; however, in cases in which the early termination does not involve a cash disbursement, the Company cancels the lease liability and the corresponding right-of-use asset, recognizing the difference immediately in the consolidated statement of income.

l. Intangible assets

Intangible assets are recognized when they meet the following conditions: they are identifiable, they provide future economic benefits, and the Company has control over such benefits.

Intangible assets are classified as follows:

i. Finite useful life

These assets are recognized at cost less accumulated amortization and accrued impairment losses. They are amortized on a straight-line basis over their estimated useful life, determined based on the expectation of generating future economic benefits, and are subject to impairment tests when triggering events of impairment are identified.

The estimated useful lives of intangible assets with finite useful lives are summarized as follows:

	Years
Software and licenses	3 to 7
Concessions	20 to 30
Capacity of communications network ⁽¹⁾	13
Other	4
Relationships with customers	15

(1) Included in "Others" in Note 11.

a. Licenses

Licenses acquired in a separate transaction are recorded at acquisition cost. Licenses acquired in a business combination are recognized at fair value at acquisition date.

Licenses that have a definite useful life are presented at cost less accumulated amortization. Amortization is recorded on a straight-line basis over its estimated useful life.

The acquisition of software licenses is capitalized based on the costs incurred to acquire and use the specific software.

b. Concessions

The Company holds three single concessions for commercial use granted by the Federal Telecommunications Institute ("IFT"), now the Telecommunications Regulatory Commission. The Company assessed the scope of the requirements established by IFRIC 12, *Service Concession Arrangements*, concluding that its concessions are outside the scope of IFRIC 12. With respect to these services, the Company is assessing whether the grantor controls or regulates (i) which services the operator must provide, (ii) the recipients of these services, and (iii) the price that can be set.

The Company applied the initial and subsequent measurement requirements established by IAS 36, *Intangible Assets*, initially recognizing them at their acquisition cost. Amortization is recognized based on the straight-line method over their estimated useful life.



m. Goodwill

Goodwill represents the excess of the acquisition cost of a subsidiary over the Company's interest in the fair value of the identifiable net assets acquired, determined at the date of acquisition, and is not subject to amortization. Goodwill is shown under goodwill and intangible assets and is recognized at cost less accumulated impairment losses, which are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

n. Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not depreciable or amortizable and are subject to annual impairment tests. Assets that are subject to amortization are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels at which separately identifiable cash flows exist (cash generating units). Non-financial long-term assets other than goodwill that have suffered impairment are reviewed for a possible reversal of the impairment at each reporting date.

o. Income tax

The amount of income taxes in the consolidated statement of income represents the sum of current and deferred income taxes.

The amount of income taxes included in the consolidated statement of income represents the current tax of the year and the effects of deferred income tax determined in each subsidiary by the assets and liabilities method, applying the rate established by the legislation enacted or substantially enacted at the statement of financial position date, wherever the Company operates, and generates taxable income on the total temporary differences resulting from comparing the accounting and tax bases of assets and liabilities, and that are expected to be applied when the deferred tax asset is realized or the deferred tax liability is expected to be settled, considering, when applicable, any tax-loss carryforwards, prior to the recovery analysis. The effect of a change in current tax rates is recognized in profit or loss of the period in which the rate change is determined.

Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable law is subject to interpretation. Provisions are recognized when appropriate based on the amounts expected to be paid to the tax authorities.

Deferred tax assets are recognized only when it is probable that future taxable profits will exist against which the deductions for temporary differences can be taken.

Deferred income tax on temporary differences arising from investments in subsidiaries, associates and joint agreements is recognized, unless the period of reversal of temporary differences is controlled by Axtel and it is probable that the temporary differences will not revert in the foreseeable future.

Deferred tax assets and liabilities are offset when a legal right exists and when taxes are levied by the same tax authority.

p. Employee benefits

i. Pension plans

Defined contribution plans:

A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their service in the current and past periods. The contributions are recognized as employee benefit expense on the date that the contribution is required.



Defined benefit plans:

A defined benefit plan is a plan, which specifies the amount of the pension an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the consolidated statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the consolidated statement of financial position date less the fair value of plan assets. As of December 2025, 2024, and 2023, the Company does not have plan assets. The defined benefit obligation is calculated annually by independent third parties using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rates in conformity with IAS 19, *Employee Benefits*, which are denominated in the currency in which the benefits will be paid and have maturities that approximate the terms of the pension liability.

Actuarial remeasurements arising from adjustments and changes in actuarial assumptions are recognized directly in other items of the comprehensive income (loss) in the year as they occur, and there will be no reclassified to profit or loss of the period.

The Company determines the net finance expense (income) by applying the discount rate to the liability (asset) from net defined benefits.

Past-service costs are recognized immediately in the consolidated statement of income.

ii. Post-employment medical benefits

The Company provides medical benefits to retired employees after termination of employment. Eligibility for these benefits usually depends on the employee having worked up to the retirement age and having completed a minimum number of years of service. The expected costs of these benefits are accrued over the period of employment using the same criteria as those described for defined benefit pension plans.

iii. Termination benefits

Termination benefits are payable when the Company terminates the employment contract before the normal retirement date or when the employee accepts voluntary severance in exchange for these benefits. The Company recognizes benefits on the following dates, whichever occurs first: (a) when the Company can no longer withdraw the offer of these benefits, and (b) when the Company recognizes the costs from restructuring within the scope of the IAS 37 and it involves the payment of termination benefits. If there is an offer that promotes the termination of the employment relationship voluntarily by employees, termination benefits are valued based on the number of employees expected to accept the offer. Benefits that will be paid in the long term are discounted at their present value.

As of December 31, 2025, 2024 and 2023, the Company recognized a termination expense in the consolidated statement of income for \$21,492, \$17,344 and \$387,553, respectively.

iv. Short-term benefits

The Company provides benefits to employees in the short term, which may include wages, salaries, annual compensation and bonuses payable within 12 months. The Company recognizes an undiscounted provision when it is contractually obligated or when past practice has created an obligation.

v. Statutory employee profit sharing (“PTU”, for its acronym in Spanish) and bonuses

The Company recognizes a liability and an expense for bonuses and statutory employee profit sharing when it has a legal or assumed obligation to pay these benefits and determines the amount to be recognized based on the tax profit for the year after certain adjustments.

q. Stockholders’ equity

Axtel SAB’s common shares are classified as capital stock within stockholders’ equity. Incremental costs directly attributable to the issuance of new shares are included in equity as a reduction from the consideration received, net of tax.

Upon the occurrence of a repurchase of its own shares, they become treasury shares, and the amount is presented as a reduction to stockholders' equity at the purchase price. These amounts are stated at their historical value.



r. Revenue recognition

Revenues comprise the fair value of the consideration received or for the sale of goods and services in the ordinary course of the transactions, and are presented in the consolidated statement of income, net of the amount of variable considerations, which comprise the estimated amount of rebates and discounts.

To recognize revenues from contracts with customers, the comprehensive model for revenue accounting is used, which is based on a five-step approach consisting of the following: (1) identify the contract; (2) identify performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize the revenue when the company satisfies a performance obligation.

The Company maintains managed service agreements with customers from the government and business portfolios, which may include multiple deliverables mainly consisting of the delivery of equipment and provision of telecommunications services and information technologies. The Company evaluates certain agreements, in which it identifies more than one separable performance obligation, which consists of the equipment used to provide the service and that is installed in the facilities of the customers. In addition to the equipment, telecommunications and information technologies are identified as another separable performance obligation.

Where the equipment delivered to the customer is a separable performance obligation of the service, the Company assigns the price of managed service agreements to the performance obligations identified and described in the preceding paragraph according to independent market values and related discounts.

The Company recognizes the revenue derived from managed services agreements, as follows:

- Revenues from equipment installed in the facilities of customers is recognized upon transfer of control or right to use them, i.e., at some point in time. This performance obligation has a financial component; therefore, revenues are recognized in accordance with the effective interest rate method over the term of the agreement.

- Revenues from services are recognized as they are provided, i.e. as the customer consumes them in relation to services of voice, data and general telecommunications.

Dividend income from investments is recognized once the rights of stockholders to receive this payment have been established (when it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured).

Interest income is recognized when it is likely that the economic benefits will flow to the entity and the amount of revenue can be reliably measured by applying the effective interest rate.

Costs of acquiring new contracts are recognized as contractual assets and are amortized over the period of those contracts in profit or loss, which is when they will generate economic benefits.

s. Earnings per share

Earnings per share are calculated by dividing the profit attributable to the stockholders by the weighted average number of common shares outstanding during the year.

4. Financial instruments and financial risk management

The Company's activities expose it to various financial risks: market risk (including exchange rate risks, interest rate risk on cash flows and interest rate risk on fair values), credit risk and liquidity risk.

The Company has a general risk management program focused on the unpredictability of financial markets and seeks to minimize the potential adverse effects on its financial performance.

The objective of the risk management program is to protect the financial health of the businesses, taking into account the volatility associated with foreign exchange and interest rates. Sometimes, regarding market risks, the Company uses derivative financial instruments to hedge certain exposures to risks.

Axtel has an Executive Committee, comprised of the Co-Chairmans of the Board, the Chief Executive Officer and Chief Financial Officer. The Executive Committee reviews derivative transactions proposed by the Company, in which a potential loss analysis surpasses US\$1 million.



All derivative transactions which the Company proposes to enter into, as well as the renewal or cancellation of derivative arrangements, must be approved by Axtel's Chief Executive Officer, in accordance with the following schedule of authorizations:

	Maximum Possible Loss US\$1 million
Executive Committee	0 – 100
Board of Directors	>100

The proposed transactions must meet certain criteria, including that the hedges are lower than established risk parameters, and that they are the result of a detailed analysis and are properly documented. Sensitivity analysis and other risk analyses should be performed before the transactions are conducted.

Capital management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to stockholders and benefits to other stakeholders, as well as maintaining an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to stockholders, return equity to stockholders, issue new shares or sell assets to reduce debt.

As part of its risk and capital management process, Axtel monitors the financial ratios established in its bank credit and debt agreements (covenants), which are detailed in Note 16.

Financial instruments by category

Below are the Company's financial instruments by category:

	As of December 31,		
	2025	2024	2023
Cash and cash equivalents	\$ 1,319,628	\$ 1,255,690	\$ 1,207,174
Financial assets at amortized cost:			
Trade and other accounts receivable	2,203,061	2,357,209	1,698,833
Financial assets measured at fair value through profit or loss:			
Derivative financial instruments	-	32,743	-
	<u>\$ 3,522,689</u>	<u>\$ 3,645,642</u>	<u>\$ 2,906,007</u>
Financial liabilities at amortized cost:			
Current debt	\$ 312,530	\$ 277,754	\$ 214,351
Lease liability	343,579	273,995	260,864
Trade accounts payable and related parties	2,116,096	1,953,445	1,375,315
Non-current debt	8,822,881	10,709,965	10,155,319
Financial liabilities measured at fair value through profit or loss:			
Derivative financial instruments ⁽¹⁾	13,027	-	31,987
	<u>\$11,608,113</u>	<u>\$13,215,159</u>	<u>\$12,037,836</u>

(1) The Company designated the derivative financial instruments that comprise this balance, as hedges for accounting purposes, in accordance with what is described later in Note 4.



Fair value of financial assets and liabilities valued at amortized cost

The amount of cash and cash equivalents, trade and other accounts receivable, other current assets, trade and other accounts payable, current debt, current provisions and other current liabilities approximate their fair value since their maturity date is less than 12 months. The net carrying amount of these accounts represents the expected cash flow as of December 31, 2025, 2024 and 2023.

The carrying amount and estimated fair value of financial assets and liabilities valued at amortized cost is presented below:

	As of December 31, 2025		As of December 31, 2024		As of December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities:						
Debt ⁽¹⁾	\$9,059,290	\$9,022,635	\$10,880,967	\$11,162,946	\$10,290,217	\$10,784,708

⁽¹⁾ The carrying amount of debt, for purposes of calculating its fair value, is presented gross of interest payable and issuance costs.

Market risk

(i). *Exchange rate risk*

The Company is exposed to the exchange risk arising from exposure of its currency, mainly with respect to the U.S. dollar. Axtel's indebtedness, and part of its accounts payable, are stated in U.S. dollars, which means that it is exposed to the risk of variations in the exchange rate.

The Company's interest expense on the dollar debt, stated in Mexican pesos in the Axtel consolidated financial statements, varies with the movements in the exchange rate. Depreciation of the peso gives rise to increases in the interest expense recorded in pesos.

The Company records exchange gains or losses when the Mexican peso appreciates or depreciates against the U.S. dollar. Due to the fact that the Company's monetary liabilities denominated in dollars have exceeded (and are expected to continue exceeding) Axtel's monetary assets stated in that same currency, depreciation of the Mexican peso to the U.S. dollar will give rise to exchange losses.

The Company has the following assets and liabilities in foreign currency in relation to the functional currency of its subsidiaries, translated to thousands of Mexican pesos at the closing exchange rate as of December 31, 2025, 2024 and 2023.

	USD (converted to thousands of MXN)		
	2025	2024	2023
Financial assets	\$ 945,324	\$ 651,423	\$ 1,289,533
Financial liabilities	<u>(4,946,194)</u>	<u>(8,024,900)</u>	<u>(7,194,222)</u>
Foreign exchange monetary position	<u>\$ (4,000,870)</u>	<u>\$ (7,373,477)</u>	<u>\$ (5,904,689)</u>

During 2025, 2024 and 2023, Axtel contracted several derivative financial instruments, mainly forward contracts, to hedge this risk. These derivatives have been designated at fair value with changes through profit or loss for accounting purposes as explained in the next section of this note.

Based on the financial positions in foreign currency maintained by the Company, a hypothetical variation of 10% in the MXN/USD exchange rate and keeping all other variables constant, would result in an effect of \$400,087 on the consolidated statement of income and consequently on the stockholders' equity.



Derivative financial instruments

Financial instruments

Derivative financial instruments

As of December 31, 2025, 2024 and 2023, the Company does not have interest rate swaps due to their natural maturities.

- a. Forward contracts to hedge risks related to the USD/MXN exchange rate variability.

As of December 31, 2025, 2024 and 2023, the Company holds forward contracts (USD/MXN) to hedge capital expenditures (Capex) made in a foreign currency other than its functional currency. Likewise, as of December 2025, the Company holds forward contracts (USD/MXN) to hedge future interest payments related to diverse loans in U.S. dollars. Therefore, a highly probable forecasted transaction has been designated as a hedged item related to the Capex and interest payments incurred in U.S. dollars.

For accounting purposes, the Company has designated these forward contracts as cash flow hedges to cover the aforementioned hedged items and has formally documented these relationships, establishing the objectives, management's hedge strategy, the identification of the hedging instruments, the hedged items, the nature of the risk being hedged and the methodology for evaluating effectiveness.

The conditions of the derivative financial instruments and the considerations of their valuation as hedging instruments are mentioned below:

Forwards	Interest USD/MXN	Capex USD/MXN
Characteristics	2025	2025
Currency	USD	USD
Notional (thousands)	\$7,260	\$31,380
Strike (average)	18.51	18.50
Maturity	June 24, 2026	June 24, 2026
Book value	\$(3,206)	\$(9,821)
Change in the fair value to measure ineffectiveness	\$95	\$(9,640)
Reclassification from OCI to income	\$(3,301)	\$(181)
Recognized in OCI, net of reclassifications	\$95	\$(9,640)
Change in the fair value of the hedged item to measure ineffectiveness	\$(95)	\$9,640

Forwards	Interest USD/MXN	Capex USD/MXN	Capex USD/MXN
Characteristics	2024	2024	2023
Currency	USD	USD	USD
Notional (thousands)	\$7,260	\$27,940	\$11,200
Strike (average)	19.5742	20.3990	19.8775
Maturity	March 24, 2025	March 24, 2025	January 24, 2024
Book value	\$15,054	\$17,689	\$(31,987)
Change in the fair value to measure ineffectiveness	\$10,877	\$1,372	\$(32,189)
Reclassification from OCI to income	\$16,024	-	-
Recognized in OCI, net of reclassifications	\$(970)	\$17,689	\$(31,987)
Change in the fair value of the hedged item to measure ineffectiveness	\$(8,212)	\$5,275	\$33,553



As of December 31, 2025, 2024 and 2023, the Company maintains USD/MXN forward contracts to entered into to mitigate the risk of exchange rate fluctuations. The Company has determined that the hedging relationships are highly effective, based on the characteristics and modeling of the hedged items, resulting in 99%, 99% and 98% effectiveness for Capex hedging in 2025, 2024 and 2023, respectively; while interest hedging on debt achieved 99% and 98% effectiveness in 2025 and 2024, respectively.

Based on the reference amounts and the way derivative flows are exchanged, the average hedge ratio for the USD/MXN exchange rate was 95%, 75%, and 87% in 2025, 2024 and 2023, respectively, for Capex hedges; while for debt interest hedges, the hedge ratio was 100% in 2025 and 2024. If necessary, a rebalancing will be performed to maintain this ratio for the strategy. As of December 31, 2025, no ineffectiveness was recognized in the consolidated statements of income.

(ii). *Interest rate and cash flow risk*

The Company's interest rate risk arises from long-term loans. Loans at variable rates expose the Company to interest rate risks in cash flows that are partially offset by cash held at variable rates. Loans at fixed rates expose the Company to interest rate risk at fair value.

As of December 31, 2025, 4.8% of Axtel's total debt is at fixed interest rates, while the remaining 95.2% is at variable interest rates.

The Company analyzes its exposure to interest rate risk on a dynamic basis. Several scenarios are simulated, taking into account the refinancing, renewal of existing positions, financing and alternative coverage. Based on these scenarios, the Company calculates the impact on the annual result of a change in the interest rate defined for each simulation, using the same change in the interest rate for all currencies. The scenarios are produced only for liabilities that represent the main positions that generate the highest interest.

Axtel's results and cash flows can be impacted if additional financing is required in the future when interest rates are high in relation to the Company's current conditions.

As of December 31, 2025, if the interest rates on variable rate loans were increased or decreased by 100 basis points, the interest expense would affect the revenue and stockholders' equity by \$89,498 and \$(89,498), respectively.

Credit risk

Credit risk represents the risk of financial loss for the Company, if a customer or counterpart of a financial instrument defaults on its contractual obligations, mainly in connection with accounts receivable from customers, as well as from investment instruments.

Accounts receivable

The Company evaluates and aggregates groups of clients that share a credit risk profile, in accordance with the service channel in which they operate, in line with business management and internal risk management.

The Company is responsible for managing and analyzing the credit risk for each of its new customers prior to establishing the terms and conditions of payment to offer. Credit risk arises from exposure of credit to customers, including accounts receivable. If there is no independent rating in place, the Company evaluates the credit risk pertaining to its customers, taking into account the financial position, past experience and other factors such as historical lows, net recoveries and an analysis of accounts receivable balances aging with reserves that are usually increased to the extent the accounts receivable increases in age. The credit risk concentration is moderate due to the number of unrelated clients.

Axtel determines its allowance for impairment of accounts receivable taking into account the probability of recovery, based on past experiences, as well as current collection trends and overall economic factors. Accounts receivable are entirely reserved when there are specific collection problems; based on past experience. Moreover, collection problems such as bankruptcy or catastrophes are also taken into account.

Accounts receivable are analyzed monthly, and the allowance for impairment of accounts receivable is adjusted in profit or loss.



Additionally, the Company performs a qualitative evaluation of economic projections, in order to determine the possible impact on probabilities of default and the recovery rate assigned to its customers. Finally, in the evaluation of the derecognition of an account receivable, the Company evaluates whether there is any current expectation of recovery of the asset, before proceeding to execute the corresponding derecognition.

During the year ended December 31, 2025, there have been no changes in estimation techniques or assumptions.

Axtel conducts an economic evaluation of the efforts necessary to initiate legal proceedings for the recovery of past-due balances.

As of December 31, 2025, the Company does not have significant exposure to credit risk from any single customer or group of customers with similar characteristics. A group of customers is defined as having similar characteristics if they are related parties. The concentration of credit risk from major customers should not exceed 20% of the gross amount of monetary assets at any time during the year. The concentration of credit risk from any other customer should not exceed 5% of the gross amount of monetary assets at any time during the year.

As of December 31, 2025, 2024 and 2023, the estimated expected credit loss was \$97,753, \$457,541 and \$755,239, respectively. Axtel considers this allowance sufficient to cover the probable loss of accounts receivable; however, it cannot guarantee that an increase in this reserve will not be necessary.

Investments

The Company has conservative policies for managing cash and short-term investments, which minimizes risk in these types of financial assets, especially considering that transactions are only conducted with financial institutions with high credit ratings.

The Company's maximum exposure to credit risk is equivalent to the total carrying amount of its financial assets.

Liquidity risk

The Company's finance department continuously monitors the cash flows' projections and the Company's liquidity requirements, ensuring that cash and investments in marketable securities are sufficient to meet operating needs.

The Company regularly monitors and makes its decisions based on not violating its limits or covenants established in its debt contracts. Projections consider the Company's financing plans, compliance with covenants, compliance with minimum internal liquidity ratios and legal or regulatory requirements.

Management's responsibility with respect to liquidity risk corresponds to the Company's board of directors, which has established a general framework for proper handling of liquidity risk in the short, medium and long term. The Company manages liquidity risks, maintaining a proper level of reserves, use of credit lines from banks, and is vigilant of real and projected cash flows.

The following table includes the Company's derivative and non-derivative financial liabilities grouped according to maturity from the reporting date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are required to understand the terms of the Company's cash flows.

The figures shown in the chart are the non-discounted contractual cash flows.

	Less than 1 year	Between 1 and 5 years	More than 5 years
December 31, 2025			
Current portion of non-current debt	\$ 312,530	\$ -	\$ -
Trade accounts payable and related parties	2,116,096	-	-
Derivative financial instruments	13,027	-	-
Non-current debt	-	5,736,685	3,119,081
Lease liability	118,520	205,037	20,022
Non-accrued interest payable	753,595	1,753,704	739,014



	Less than 1 year	Between 1 and 5 years	More than 5 years
December 31, 2024			
Current portion of non-current debt	\$ 277,754	\$ -	\$ -
Trade accounts payable and related parties	1,953,445	-	-
Non-current debt	-	8,380,703	2,395,531
Lease liability	109,080	148,684	16,231
Non-accrued interest payable	1,039,059	2,255,079	508,025
December 31, 2023			
Current portion of non-current debt	\$ 214,351	\$ -	\$ -
Trade accounts payable and related parties	1,375,315	-	-
Derivative financial instruments	31,987	-	-
Non-current debt	-	7,418,750	2,829,571
Lease liability	107,755	131,295	21,814
Non-accrued interest payable	1,111,695	2,994,078	790,646

The Company expects to meet its obligations with the cash flows provided by operations and/or cash flows provided by its main stockholders. Furthermore, the Company has access to credit lines as mentioned in Note 16.

As of December 31, 2025, Axtel has committed credit lines for US\$50,000, of which 100% are available.

Supplier Finance Arrangements

The Company operates the following types of supplier finance arrangements:

In order to ensure easy access to credit for its suppliers and facilitate early settlement, the Company has supplier finance arrangements that permit the suppliers to obtain payment from the banks for the amounts billed up to 7 days before the invoice's due date, subject to a variable interest rate discount between TIEE + 3.10 and SOFR + 3.10. The arrangements permit the banks to settle their invoices early, for up to the total amount published. The discount represents less than the discount for early repayment commonly used in the market. The Company repays the full invoice amount to the banks on the scheduled payment date, as required by the invoice. As the arrangements do not permit the Company to extend finance from the banks by paying them later than the Company would have paid its suppliers, the Company considers amounts payable to the banks should be presented as part of trade and other accounts payables. As of December 31, 2025, 20% of the trade accounts payable were the amounts owed under these arrangements.

The following is a detailed account of supplier finance arrangements and their presentation within the consolidated statements of financial position:

	As of December 31,	
	2025	2024
Presented as part of "Trade and other accounts payable":	412,624	235,628
Trade accounts payable for which suppliers have already received payment from the finance provider	259,086	186,197

A breakdown of the payment due dates of supplier finance arrangements is as follows:

	Days	
	2025	2024
For liabilities presented as "Trade and other accounts payable":		
Liabilities that are part of supplier finance arrangements	74	83
Comparable trade accounts payable that are not part of supplier finance arrangements	90	90

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. There were no material non-cash changes in these liabilities.

The Company does not face a significant liquidity risk as a result of its supplier finance arrangements given the limited amount of liabilities subject to supplier finance arrangements and the Company's access to other sources of finance on similar terms.



Fair value hierarchy

The following is an analysis of financial instruments measured in accordance with the fair value hierarchy. Three different levels are used as presented below:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Other valuations including quoted prices for similar instruments in active markets, which are directly or indirectly observable.
- Level 3: Valuations made through techniques where one or more of their significant data inputs are unobservable.

The following table presents the Company's assets and liabilities that are measured at fair value as of December 31, 2025, 2024 and 2023:

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities):				
Forwards	\$ -	\$(13,027)	\$ -	\$ (13,027)
	<u>\$ -</u>	<u>\$(13,027)</u>	<u>\$ -</u>	<u>\$ (13,027)</u>
	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities):				
Forwards	\$ -	\$ 32,743	\$ -	\$ 32,743
	<u>\$ -</u>	<u>\$ 32,743</u>	<u>\$ -</u>	<u>\$ 32,743</u>
	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets (liabilities):				
Forwards	\$ -	\$(31,987)	\$ -	\$ (31,987)
	<u>\$ -</u>	<u>\$(31,987)</u>	<u>\$ -</u>	<u>\$ (31,987)</u>

There were no transfers between Level 1 and 2 or between Level 2 and 3 during the period.

The specific valuation techniques used to value financial instruments include:

- Market quotations or quotations for similar instruments.
- The fair value of forward exchange agreements is determined using exchange rates at the closing balance date, with the resulting value discounted at present value.
- Other techniques such as the analysis of discounted cash flows, which are used to determine fair value of the remaining financial instruments.

5. Critical accounting estimates and significant judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a. Impairment and useful lives of long-lived assets

The Company reviews depreciable and amortizable assets on an annual basis for signs of impairment, or when certain events or circumstances indicate that the book value may not be recovered during the remaining useful life of the assets. For intangible assets with an indefinite useful life, the Company performs impairment tests annually and at any time that there is an indication that the asset may be impaired.



To test for impairment, the Company uses projected cash flows, which consider the estimates of future transactions, including estimates of revenues, costs, operating expenses, capital expenditures and debt service. In accordance with IFRS, discounted future cash flows associated with an asset or CGU are compared to the book value of the asset or CGU being tested to determine if impairment exists whenever the aforementioned discounted future cash flows are less than its book value. In such case, the carrying amount of the asset or group of assets is reduced to its value in use, unless its fair value is higher.

The Company estimates the useful lives of long-lived assets in order to determine the depreciation and amortization expenses to be recorded during the reporting period. The useful life of an asset is calculated when the asset is acquired and is based on past experience with similar assets, considering anticipated technological changes or any other type of changes. Were technological changes to occur faster than estimated, or differently than anticipated, the useful lives assigned to these assets could have to be reduced. This would lead to the recognition of a greater depreciation and amortization expense in future periods. Alternatively, these types of technological changes could result in the recognition of a charge for impairment to reflect the reduction in the expected future economic benefits associated with the assets.

b. Estimated impairment of goodwill and intangible assets with indefinite useful lives

The Company conducts annual tests to determine whether goodwill and intangibles assets with indefinite useful lives have suffered any impairment (Note 11). For impairment testing, goodwill and intangibles assets with indefinite lives is allocated with those cash generating units (CGUs) of which the Company has considered that economic and operational synergies of the business combinations are generated. The recoverable amounts of the groups of CGUs were determined based on the calculations of their value in use, which require the use of estimates, within which the most significant are the following:

- Estimation of future gross and operating margins according to the historical performance and expectations of the industry for each CGU group.
- Discount rate based on the weighted cost of capital (WACC) of each CGU or CGU group.
- Long-term growth rates.

c. Recoverability of deferred tax assets

The Company has applicable tax-loss carryforwards, which can be used in the following years until maturity expires (see Note 19). Based on the projections of income and taxable income that the Company will generate in the following years through a structured and robust business plan, management has considered that current tax losses will be used before they expire and, therefore, it was considered appropriate to recognize a deferred tax asset for such losses.

d. Commitments and contingencies

The Company exercises its judgment in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation or other pending claims subject to negotiation for liquidation, mediation, arbitration or government regulation, as well as other contingent liabilities. The Company applies its judgment to evaluate the probability that a pending claim is effective, or results in recognition of a liability, and to quantify the possible range of the liquidation. Due to the uncertainty inherent to this evaluation process, actual losses could differ from the provision originally estimated.

Contingencies are recorded as provisions when a liability has probably been incurred, and the amount of the loss can be reasonably estimated. It is not practical to conduct an estimate regarding the sensitivity to potential losses, of all other assumptions that have been made to record these provisions, due to the number of underlying assumptions and to the range of reasonable results possible, in connection with the potential actions of third parties, such as regulators, both in terms of probability of loss and estimates of said loss.



e. Default probability and recovery rate to apply the expected credit losses model in the impairment measurement of financial assets

The Company assigns to customers with whom it has an account receivable at each reporting date, either individually or as a group, an allowance for the probability of default in the account receivable and the estimated recovery rate, in order to reflect the cash flows expected to be received from the outstanding balances as of that date.

f. Estimation of the discount rate to calculate the present value of future minimum lease payments

The Company estimates the discount rate to use in the determination of the lease liability, based on the incremental borrowing rate (“IBR”).

The Company uses a three-tier model, with which it determines the three elements that comprises the discount rate: (i) reference rate, (ii) credit risk component and (iii) adjustment for characteristics of the underlying asset. In this model, management also considers its policies and practices to obtain financing, distinguishing between the one obtained at the corporate level (that is, the holding company), or at the level of each subsidiary. Finally, for real estate leases, or in which there is significant and observable evidence of their residual value, the Company estimates and evaluates an adjustment for characteristics of the underlying asset, based on the possibility that said asset is granted as collateral or guarantee against the risk of default.

g. Estimation of the lease term

The Company defines the lease term as the period for which there is a contractual payment commitment, considering the non-cancelable period of the contract, as well as the renewal and early termination options that are probable to be exercised. The Company participates in lease contracts that do not have a defined non-cancellable term, a defined renewal period (in case it contains a renewal clause), or automatic annual renewals, so, to measure the lease liability, it estimates the contracts term considering their contractual rights and limitations, their business plan, as well as management’s intentions for the use of the underlying asset.

Additionally, the Company considers the clauses of early termination of its contracts and the probability of exercising them as part of its estimate of the lease term.

6. Cash and cash equivalents

Cash and cash equivalents presented in the consolidated statement of financial position consist of the following:

	2025	2024	2023
Cash on hand and in banks	\$ 215,838	\$ 347,089	\$ 147,285
Short-term investments	1,103,790	908,601	1,059,889
Total cash and cash equivalents	<u>\$1,319,628</u>	<u>\$1,255,690</u>	<u>\$1,207,174</u>

7. Trade and other accounts receivable, net

Trade and other accounts receivable are comprised as follows:

	2025	2024	2023
Current:			
Trade accounts receivable	\$2,222,069	\$2,721,002	\$2,145,872
Allowance for expected credit loss ⁽¹⁾	(97,753)	(457,541)	(755,239)
Trade accounts receivable, net	2,124,316	2,263,461	1,390,633
Recoverable taxes	83,227	117,594	115,303
Notes and other accounts receivable	59,816	51,138	286,278
Related parties	18,929	42,610	21,922
	<u>\$2,286,288</u>	<u>\$2,474,803</u>	<u>\$1,814,136</u>



(1) Movements of the allowance for expected credit loss are as follows:

	2025	2024	2023
Initial balance	\$ 457,541	\$ 755,239	\$ 614,108
(Cancellation) Increase in allowance ⁽²⁾	(27,794)	(188,114)	179,824
Write-off of doubtful accounts ⁽²⁾	(331,994)	(109,584)	(38,693)
Ending balance	<u>\$ 97,753</u>	<u>\$ 457,541</u>	<u>\$ 755,239</u>

(2) The variance in the expected credit loss estimate for the year ended December 31, 2025, is primarily due to the write-off of certain receivables along with their corresponding expected credit loss of \$330,261. Additionally, the variance includes adjustments resulting from changes in the loss severity of the various stakeholder groups. In addition, it also considers impairment reversals that arise when a previously impaired receivable becomes recoverable.

The following describes the probability of default ranges and the severity of loss allocated to the main customer groups with which the company has balances receivable in its different businesses:

As of December 31, 2025		
Clients or group of clients	Probability of default range	Severity of loss
Carriers (Wholesale)	10.0% - 100.0%	24.61%
Business	7.5% - 100.0%	53.02%
Government	10.0% - 100.0%	18.00%

As of December 31, 2024		
Clients or group of clients	Probability of default range	Severity of loss
Carriers (Wholesale)	10.0% - 100.0%	46.98%
Business	7.5% - 100.0%	54.80%
Government	10.0% - 100.0%	89.39%

As of December 31, 2023		
Clients or group of clients	Probability of default range	Severity of loss
Carriers (Wholesale)	10.0% - 100.0%	26.14%
Business	7.5% - 100.0%	41.24%
Government	10.0% - 100.0%	88.36%

8. Inventories

As of December 31, 2025, 2024 and 2023, inventories of \$53,976, \$36,490, and \$62,856, respectively, were composed by materials and consumables.

The cost of inventories recognized as an expense and included in the cost of sales amounted to \$127,700, \$133,021, and \$132,924, for the years ended 2025, 2024 and 2023, respectively. As of December 31, 2025, 2024 and 2023, there were no inventories pledged as collateral.



9. Property, plant and equipment, net

	Depreciable assets					Non-depreciable assets			Total
	Buildings	Telecommunications network	Office equipment	Computers	Vehicles	Leasehold improvements	Land	Investments in process	
For the year ended December 31, 2023									
Net opening balance	\$ 253,863	\$ 7,606,227	\$ 26,890	\$ 54,027	\$ 78	\$ 27,322	\$ 463,466	\$ 612,194	\$ 9,044,067
Translation effect	-	(1,835)	-	-	-	-	-	-	(1,835)
Additions	-	8,206	-	-	-	-	-	1,328,746	1,336,952
Transfers	1,705	1,270,488	3,735	3,399	-	1,563	-	(1,280,890)	-
Disposals, net	(3,350)	(10,502)	-	(90)	-	(2,539)	(7,821)	(11,900)	(36,202)
Depreciation charges recognized in the year	(12,943)	(2,034,719)	(7,275)	(23,359)	(20)	(11,048)	-	-	(2,089,364)
Ending balance as of December 31, 2023	<u>\$ 239,275</u>	<u>\$ 6,837,865</u>	<u>\$ 23,350</u>	<u>\$ 33,977</u>	<u>\$ 58</u>	<u>\$ 15,298</u>	<u>\$ 455,645</u>	<u>\$ 648,150</u>	<u>\$ 8,253,618</u>
As of December 31, 2023									
Cost	\$ 632,105	\$ 43,056,308	\$ 322,871	\$ 3,326,249	\$ 83,302	\$ 437,034	\$ 455,645	\$ 648,150	\$ 48,961,664
Accumulated depreciation	(392,830)	(36,218,443)	(299,521)	(3,292,272)	(83,244)	(421,736)	-	-	(40,708,046)
Net carrying amount as of December 31, 2023	<u>\$ 39,275</u>	<u>\$ 6,837,865</u>	<u>\$ 23,350</u>	<u>\$ 33,977</u>	<u>\$ 58</u>	<u>\$ 15,298</u>	<u>\$ 455,645</u>	<u>\$ 648,150</u>	<u>\$ 8,253,618</u>
For the year ended December 31, 2024									
Net opening balance	\$ 239,275	\$ 6,837,865	\$ 23,350	\$ 33,977	\$ 58	\$ 15,298	\$ 455,645	\$ 648,150	\$ 8,253,618
Translation effect	-	2,351	-	-	-	-	-	-	2,351
Additions	-	38,564	-	302	-	-	-	1,226,167	1,265,033
Transfers	(5,967)	1,275,349	2,004	5,521	207	11,755	(11,344)	(1,277,525)	-
Disposals, net	-	(21,053)	(32)	(18)	(51)	-	-	(3,389)	(24,543)
Impairment recognized in the year	(23,197)	-	-	-	-	-	-	-	(23,197)
Depreciation charges recognized in the year	(8,543)	(1,929,059)	(6,019)	(18,390)	(33)	(8,611)	-	-	(1,970,655)
Ending balance as of December 31, 2024	<u>\$ 201,568</u>	<u>\$ 6,204,017</u>	<u>\$ 19,303</u>	<u>\$ 21,392</u>	<u>\$ 181</u>	<u>\$ 18,442</u>	<u>\$ 444,301</u>	<u>\$ 593,403</u>	<u>\$ 7,502,607</u>
As of December 31, 2024									
Cost	\$ 584,698	\$ 44,082,111	\$ 322,218	\$ 3,330,106	\$ 68,676	\$ 448,409	\$ 444,301	\$ 593,403	\$ 49,873,922
Accumulated depreciation	(383,130)	(37,878,094)	(302,915)	(3,308,714)	(68,495)	(429,967)	-	-	(42,371,315)
Net carrying amount as of December 31, 2024	<u>\$ 201,568</u>	<u>\$ 6,204,017</u>	<u>\$ 19,303</u>	<u>\$ 21,392</u>	<u>\$ 181</u>	<u>\$ 18,442</u>	<u>\$ 444,301</u>	<u>\$ 593,403</u>	<u>\$ 7,502,607</u>
For the year ended December 31, 2025									
Net opening balance	\$ 201,568	\$ 6,204,017	\$ 19,303	\$ 21,392	\$ 181	\$ 18,442	\$ 444,301	\$ 593,403	\$ 7,502,607
Translation effect	-	(1,456)	-	-	-	-	-	-	(1,456)
Additions	-	85,197	83	-	-	-	-	1,399,807	1,485,087
Transfers	(9,668)	1,205,553	5,155	9,182	-	55,107	9,668	(1,274,997)	-
Disposals, net	(7,675)	(5,241)	(2)	(13)	-	-	(16,654)	(2,135)	(31,720)
Depreciation charges recognized in the year	(5,123)	(1,761,902)	(5,740)	(13,378)	(56)	(13,617)	-	-	(1,799,816)
Ending balance as of December 31, 2025	<u>\$ 179,102</u>	<u>\$ 5,726,168</u>	<u>\$ 18,799</u>	<u>\$ 17,183</u>	<u>\$ 125</u>	<u>\$ 59,932</u>	<u>\$ 437,315</u>	<u>\$ 716,078</u>	<u>\$ 7,154,702</u>
As of December 31, 2025									
Cost	\$ 541,678	\$ 45,288,608	\$ 327,022	\$ 3,337,131	\$ 46,037	\$ 498,248	\$ 437,315	\$ 716,078	\$ 51,192,117
Accumulated depreciation	(362,576)	(39,562,440)	(308,223)	(3,319,948)	(45,912)	(438,316)	-	-	(44,037,415)
Net carrying amount as of December 31, 2025	<u>\$ 179,102</u>	<u>\$ 5,726,168</u>	<u>\$ 18,799</u>	<u>\$ 17,183</u>	<u>\$ 125</u>	<u>\$ 59,932</u>	<u>\$ 437,315</u>	<u>\$ 716,078</u>	<u>\$ 7,154,702</u>



Of the total depreciation expense, \$1,774,199, \$1,942,646 and \$2,055,752 were charged to cost of sales, \$25,617, \$28,009 and \$33,612 to selling and administrative expenses for the years ended December 31, 2025, 2024 and 2023, respectively.

Projects in process mainly include telecommunications network equipment to extend the Company's infrastructure and the capitalization period is approximately twelve months.

For the years ended December 31, 2025, 2024 and 2023, the Company capitalized \$21,363, \$18,072 and \$18,307, respectively, of borrowing costs related to qualifying assets of \$670,997, \$425,320 and \$458,243, respectively. These amounts were capitalized based on an interest rate of 8.64%, 9.69%, and 9.19%, respectively.

10. Right of use asset, net

The Company leases a different set of fixed assets including buildings, telecommunications network, office equipment, computer equipment and vehicles. The average term of the lease contracts is 3 to 8 years.

a) The right of use recognized in the consolidated statement of financial position as of December 31, 2025, 2024 and 2023, is as follows:

	Land & buildings	Telecommunications equipment and networks	Furniture and office equipment	Computer equipment	Vehicles	Total
Net book value						
Balances as of December 31, 2023	\$ 171,261	\$ 79,004	\$ 288	\$ 13,847	\$ 48,298	\$ 312,698
Balances as of December 31, 2024	\$ 155,665	\$ 58,033	\$ 220	\$ 21,151	\$ 70,952	\$ 306,021
Balances as of December 31, 2025	\$ 142,242	\$ 120,167	\$ 153	\$ 14,624	\$ 89,430	\$ 366,616
Accumulated depreciation 2023	\$ (139,219)	\$ (22,435)	\$ (68)	\$ (11,195)	\$ (16,995)	\$ (189,912)
Accumulated depreciation 2024	\$ (113,458)	\$ (20,821)	\$ (68)	\$ (4,745)	\$ (20,672)	\$ (159,764)
Accumulated depreciation 2025	\$ (120,376)	\$ (25,369)	\$ (68)	\$ (6,435)	\$ (29,042)	\$ (181,290)

Additions to the net book value of the right of use asset as of December 31, 2025, 2024 and 2023 amounted to \$242,729, \$153,994, and \$137,981, respectively.

b) Expenses recognized in the consolidated statement of income for the year ended December 31, 2025, 2024 and 2023, are as follows.

	2025	2024	2023
Rent expenses from short-term leases	\$ 1,158,127	\$ 1,084,339	\$1,007,233

The Company has not entered into any lease agreements that have not yet started as of the date of these consolidated financial statements.

During the year, the Company extended the terms of its land and building lease agreements, increasing the average term by 4 years.



11. Goodwill and intangible assets, net

	Definite life				Indefinite life	Total
	Concessions	Relationships with customers	Software and licenses	Other	Goodwill	
As of January 1, 2023	\$ 92,475	\$ 62,218	\$ 141,238	\$ 245,027	\$ 322,782	\$ 1,163,740
Additions	-	-	67,350	4,400	-	71,750
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment recognized in the year	-	-	-	-	-	-
Amortization charges recognized in the year	(22,508)	(12,371)	(95,399)	(41,033)	-	(171,311)
Ending balance as of December 31, 2023	<u>\$ 369,967</u>	<u>\$ 49,847</u>	<u>\$ 113,189</u>	<u>\$ 208,394</u>	<u>\$ 322,782</u>	<u>\$ 1,064,179</u>
Cost	\$ 468,838	\$ 190,739	\$ 1,571,998	\$ 581,649	\$ 322,782	\$ 3,136,006
Accumulated amortization	(98,871)	(140,892)	(1,458,809)	(373,255)	-	(2,071,827)
Ending balance as of December 31, 2023	<u>\$ 369,967</u>	<u>\$ 49,847</u>	<u>\$ 113,189</u>	<u>\$ 208,394</u>	<u>\$ 322,782</u>	<u>\$ 1,064,179</u>
As of January 1, 2024	\$ 369,967	\$ 49,847	\$ 113,189	\$ 208,394	\$ 322,782	\$ 1,064,179
Additions	-	-	62,125	2,209	-	64,334
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Impairment recognized in the year	-	-	-	-	-	-
Amortization charges recognized in the year	(22,508)	(9,494)	(71,160)	(41,596)	-	(144,758)
Ending balance as of December 31, 2024	<u>\$ 347,459</u>	<u>\$ 40,353</u>	<u>\$ 104,154</u>	<u>\$ 169,007</u>	<u>\$ 322,782</u>	<u>\$ 983,755</u>
Cost	\$ 468,838	\$ 190,739	\$ 1,634,122	\$ 583,858	\$ 322,782	\$ 3,200,339
Accumulated amortization	(121,379)	(150,386)	(1,529,968)	(414,851)	-	(2,216,584)
Ending balance as of December 31, 2024	<u>\$ 347,459</u>	<u>\$ 40,353</u>	<u>\$ 104,154</u>	<u>\$ 169,007</u>	<u>\$ 322,782</u>	<u>\$ 983,755</u>
As of January 1, 2025	\$ 347,459	\$ 40,353	\$ 104,154	\$ 169,007	\$ 322,782	\$ 983,755
Additions	-	-	66,451	143,141	-	209,592
Disposals	-	-	-	-	-	-
Transfers	(785)	-	-	785	-	-
Impairment recognized in the year	-	-	-	-	-	-
Amortization charges recognized in the year	(22,373)	(9,495)	(73,489)	(45,196)	-	(150,553)
Ending balance as of December 31, 2025	<u>\$ 324,301</u>	<u>\$ 30,858</u>	<u>\$ 97,116</u>	<u>\$ 267,737</u>	<u>\$ 322,782</u>	<u>\$ 1,042,794</u>
Cost	\$ 446,581	\$ 190,739	\$ 1,700,573	\$ 594,848	\$ 322,782	\$ 3,255,523
Accumulated amortization	(122,280)	(159,881)	(1,603,457)	(327,111)	-	(2,212,729)
Ending balance as of December 31, 2025	<u>\$ 324,301</u>	<u>\$ 30,858</u>	<u>\$ 97,116</u>	<u>\$ 267,737</u>	<u>\$ 322,782</u>	<u>\$ 1,042,794</u>



The intangible assets with indefinite life of the Company include only goodwill. The rest of the intangible assets are of definite life.

Of the total amortization expense, \$22,436, \$22,508 and \$22,508 were charged to cost of sales and \$128,117, \$122,250 and \$148,803 to selling and administrative expenses for the years ended December 31, 2025, 2024 and 2023, respectively.

Company Concessions

Axtel, as a group, has 3 (three) single concessions for commercial use granted by the Federal Telecommunications Institute (“IFT” for its acronym in Spanish), now the Telecommunications Regulatory Commission, one in favor of Axtel S.A.B. de C.V., another one granted to Alestra Servicios Móviles, S.A. de C.V., and one more in favor of Axe Redes e Infraestructura, S.A. de C.V, under which the Company is duly authorized to provide any telecommunications and/or broadcasting service, including, but not limited to the services of local fixed and mobile telephony; national and international long distance, SMS (short message service), purchase or rental of network capacity for the generation, transmission or reception of data, signals, writings, images, voice, sounds and other information of any nature; rental of digital circuits, etc.

In addition, Axtel S.A.B. de C.V. has concessions to use, take advantage of, and exploit frequency bands for specific use in the frequencies of 7 GHz. (2 concessions), 10 GHz. (17 concessions), 15 GHz. (4 concessions), 23 GHz. (6 concessions) and 38 GHz. (5 concessions).

The concession of Axtel S.A.B de C.V. is currently used to provide fixed services to the business, government and wholesale market. Alestra Servicios Móviles uses its only concession to provide mobile services in both the MVNE and MVNO modalities and the Axe Redes concession is used to provide residential services.

The Company's main concessions are as follows:

Service	Use	Period	Expiration
Single concession for commercial use of Axtel ⁽¹⁾	Commercial	30 years	2046
Single concession for commercial use of Alestra Servicios Móviles ⁽²⁾	Commercial	30 years	2048
Single concession for commercial use of Axe Redes ⁽³⁾	Commercial	30 years	2060
Various radio spectrum frequencies for the provision of point-to-point and point-to-multipoint microwave links ⁽⁴⁾	Commercial	20 years	2038

(1) Concession valid for 30 years and renewable for up to equal terms, provided that the Company is in compliance with all of its obligations under the concession, as well as those contained in the legal, regulatory and administrative provisions.

(2) Concession valid for 30 years and renewable up to equal terms, provided that the Company is in compliance with all its obligations of the concession, as well as those contained in the legal, regulatory and administrative provisions.

(3) In 2024, the AXE REDES concession was extended for a period of 30 additional years starting on November 9, 2030. Until the new concession comes into effect, AXE REDES operates under the conditions of the Concession that expires in 2030.

(4) The radio spectrum concessions are to operate services in the following Radio Frequency Bands: 7 GHz, 10 GHz, 15 GHz, 23 GHz and 38 GHz.

Impairment testing of goodwill

At the date of issuance of the consolidated financial statements there was no impairment.

The following describes the discount rates and long-term growth rates used for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Discount rate, after tax	12.5%	12.7%	12.5%
Long-term growth rate	3.4%	3.8%	3.8%



12. Other non-current assets

	2025	2024	2023
Investments of shares	\$ 825	\$ 825	\$ 825
Prepaid connection leases	3,557	4,313	7,820
Guarantee deposits	59,580	48,551	47,435
Prepaid maintenance	280,826	293,458	244,969
Fund for defined contribution liability and other	212,125	180,992	127,966
Total other non-current assets	<u>\$ 556,913</u>	<u>\$ 528,139</u>	<u>\$ 429,015</u>

13. Trade and other accounts payable

Trade and other accounts payable are analyzed as follows:

	2025	2024	2023
Trade accounts payable	\$2,106,977	\$1,937,529	\$1,360,792
Related parties	9,119	15,916	14,523
Value added tax and other federal and local taxes payable	132,670	222,315	190,586
Accrued expenses payable	91,644	80,102	147,875
Other	89,151	95,078	84,977
	<u>\$2,429,561</u>	<u>\$2,350,940</u>	<u>\$1,798,753</u>

14. Provisions

	Litigation	Restructuring ⁽¹⁾	Total
As of January 1, 2023	\$ 25,316	\$ -	\$ 25,316
Additions	-	387,553	387,553
Payments	(11,573)	(303,120)	(314,693)
As of December 31, 2023	13,743	84,433	98,176
Additions	928	-	928
Payments	(2,827)	(84,433)	(87,260)
As of December 31, 2024	11,844	-	11,844
Additions	12,176	-	12,176
Payments	(2,713)	-	(2,713)
As of December 31, 2025	<u>\$ 21,307</u>	<u>\$ -</u>	<u>\$ 21,307</u>

⁽¹⁾ Provisions due to restructuring include indemnities due to personnel changes.

Provisions as of December 31, 2025, 2024 and 2023 are short-term.

15. Deferred income

Deferred income movements during the year are shown as follows:

	2025	2024	2023
Beginning balance	\$ 103,592	\$ 66,791	\$ 45,208
Increases	182,762	175,401	216,028
Recognized income of the year	(177,367)	(138,600)	(194,445)
Ending balance	<u>\$ 108,987</u>	<u>\$ 103,592</u>	<u>\$ 66,791</u>



16. Debt

	2025	2024	2023
Banco Nacional de Comercio Exterior, S.N.C (Bancomext)	\$ 4,535,396	\$ 3,026,182	\$ 3,026,182
Syndicated loan	2,617,715	4,530,375	4,519,180
Export Development Canada (EDC)	1,796,670	2,026,830	1,689,350
International Finance Corporation (IFC)	-	1,216,098	1,013,610
Other loans	109,509	81,482	41,894
Accrued interest payable	109,006	173,020	172,456
Issuance costs	(32,885)	(66,268)	(93,002)
Total debt	9,135,411	10,987,719	10,369,670
Current portion of debt	(312,530)	(277,754)	(214,351)
Non-current debt	\$ 8,822,881	\$10,709,965	\$10,155,319

The terms, conditions and carrying amounts of debt are as follows:

	Country	Currency	Interest rate		Maturity date	Interest payment periodicity	As of December 31,		
			Contractual	Effective			2025	2024	2023
Bancomext	Mexico	MXN	TIIE + 2.10%	9.49%	05/01/2033	Quarterly	\$ 2,935,396	\$ 3,026,182	\$ 3,026,182
Bancomext	Mexico	MXN	TIIE + 2.00%	9.20%	15/12/2035	Quarterly	1,600,000	-	-
Syndicated loan	International	MXN	TIIE + 2.75%	10.07%	15/04/2028	Monthly	551,545	841,545	971,545
Syndicated loan	International	USD	SOFR + 2.75%	6.37%	15/04/2028	Quarterly	2,066,170	3,688,830	3,547,635
EDC	Canada	USD	SOFR + 2.80%	6.49%	26/01/2028	Monthly	1,796,670	2,026,830	1,689,350
IFC	USA	USD	SOFR + 2.90%	6.59%	15/11/2030	Quarterly	-	1,216,098	1,013,610
Other loans	Mexico	MXN	Various	Various	Various	Quarterly	109,509	81,482	41,894
Total bank loans							9,059,290	10,880,967	10,290,216
Debt issuance costs							(32,885)	(66,268)	(93,002)
Accrued interest payable							109,006	173,020	172,456
Total debt							\$ 9,135,411	\$ 10,987,719	\$ 10,369,670

As of December 31, 2025, annual maturities of non-current debt are as follows:

	2027	2028	2029	2030 onwards	Total ⁽¹⁾
Bank loans	\$3,104,678	\$ 1,758,033	\$ 327,278	\$ 3,611,510	\$ 8,801,499
Other loans	19,323	22,319	12,275	350	54,267
	<u>\$3,124,001</u>	<u>\$ 1,780,352</u>	<u>\$ 339,553</u>	<u>\$ 3,611,860</u>	<u>\$ 8,855,766</u>

⁽¹⁾ The total is presented gross of debt issuance costs.

Debt issuance costs are directly attributable to issuance of the Company's debt and is amortized according to the effective interest rate over the lifetime of the debt.

Fair value of non-current debt is disclosed in Note 4. Estimated fair values as of December 31, 2025, 2024 and 2023 were determined using rates that reflect a similar credit risk depending on the currency, maturity period and country where the debt was acquired, regarding financial liabilities with financial institutions, finance leases, other liabilities and related parties. Measurement at fair value of such financial liabilities valued at amortized cost is deemed within Level 2 of the fair value hierarchy.



Covenants:

Loan agreements currently in effect contain restrictions for the Company, mainly to comply with certain financial ratios, delivery of financial information, keeping accounting records, compliance with applicable laws, rules and provisions. Failure to comply with these requirements within a specific term to the satisfaction of the creditors could be considered a cause for early termination.

Financial ratios to be fulfilled include the following:

- a. Interest coverage ratio: which is defined as adjusted EBITDA (see Note 28) divided by financial expenses, net, for the last four quarters of the period analyzed. As of December 31, 2025, this ratio cannot be less than 3.00 times.
- b. Net leverage ratio: which is defined as net consolidated debt (current and non-current debt, net of debt issuance costs, less unrestricted cash and cash equivalents) divided by adjusted EBITDA (see Note 28) for the last four quarters of the analyzed period. As of December 31, 2025, this ratio cannot be greater than 3.50 times.

Covenants contained in credit agreements establish certain obligations, conditions and exceptions that require or limit the capacity of the Company to:

- Grant liens on assets;
- Enter into transactions with affiliates;
- Conduct a merger in which the Company is dissolved;
- Unfavorable sale of assets;
- Change of control; and
- Pay dividends

As of December 31, 2025, and as of the date of issuance of these consolidated financial statements, the Company and its subsidiaries complied satisfactorily with the covenants established in the credit agreements.

17. Lease liability

	As of December 31,		
	2025	2024	2023
Current portion:			
In U.S. dollars:	\$ 30,991	\$ 32,180	\$ 29,532
In Mexican pesos:	87,529	76,900	78,223
Current lease liability	<u>\$ 118,520</u>	<u>\$ 109,080</u>	<u>\$ 107,755</u>
In U.S. dollars:	\$ 118,673	\$ 55,177	\$ 69,728
In Mexican pesos:	224,906	218,818	191,136
	<u>343,579</u>	<u>273,995</u>	<u>260,864</u>
Less: Current portion of lease liability	<u>118,520</u>	<u>109,080</u>	<u>107,755</u>
Non-current lease liability	<u>\$ 225,059</u>	<u>\$ 164,915</u>	<u>\$ 153,109</u>
	2025	2024	2023
Beginning balance	\$ 273,995	\$ 260,864	\$ 320,958
Additions/new contracts	242,729	153,994	137,981
Write-offs	(2,261)	(221)	(766)
Interest expense from lease liability	44,141	36,475	29,927
Lease payments	(206,414)	(188,891)	(218,498)
Foreign exchange (loss) gain	(8,611)	11,774	(8,738)
Ending balance	<u>\$ 343,579</u>	<u>\$ 273,995</u>	<u>\$ 260,864</u>



The maturity of the lease liability is analyzed as follows:

	As of December 31,		
	2025	2024	2023
Less than 1 year	\$ 145,334	\$ 135,076	\$ 114,318
Over 1 year and less than 5 years	247,085	181,895	139,699
Over 5 years	27,361	22,157	21,814
Total	<u>\$ 419,780</u>	<u>\$ 339,128</u>	<u>\$ 275,831</u>

18. Employee benefits

Defined contributions plans:

The Company has a defined contribution plan. According to the structure of this plan, the reduction on labor liabilities is reflected progressively. The Company has established irrevocable trust funds for payment of the defined contribution plan. Due to the changes made in the 2014 tax reform, the Company interrupted the deposits to the trust; however, it has maintained this benefit and recognized labor obligations of \$639,281, \$559,291 and \$502,661 as of December 31, 2025, 2024 and 2023, respectively.

Defined benefit plans:

The valuation of employee benefits for retirement plans is based primarily on their years of service, current age and estimated salary at retirement date.

Following is a summary of the primary financial data of these employee benefits:

	2025	2024	2023
Obligations in the consolidated statement of financial position:			
Pension benefits	\$ 725,621	\$ 587,092	\$ 451,731
Post-employment medical benefits	13,270	11,047	11,281
Defined contribution additional liability	639,281	559,291	502,661
Liability recognized in the consolidated statement of financial position	<u>\$1,378,172</u>	<u>\$1,157,430</u>	<u>\$ 965,673</u>
Charge in the consolidated statement of income for:			
Pension benefits	\$ 101,606	\$ 64,520	\$ 69,977
Medical benefits to retirement	-	1,014	806
	<u>\$ 101,606</u>	<u>\$ 65,534</u>	<u>\$ 70,783</u>
Remeasurements for accrued employee benefit obligations recognized in other comprehensive income for the year	<u>\$ 47,542</u>	<u>\$ 25,898</u>	<u>\$ 21,426</u>

Pension and post-employment medical benefits

The Company manages defined benefit pension plans based on employees' pensionable remuneration and length of service. Most of the plans are externally funded. The Company operates post-employment medical benefit plans. The accounting method, assumptions and frequency of the valuations are similar to those used for defined benefits in pension schemes. These plans are not fully funded.

The movement in the defined benefit obligation during the year was as follows:

	2025	2024	2023
As of January 1,	\$ 598,139	\$ 463,012	\$ 469,824
Current service cost	39,058	26,201	28,979
Financial cost	62,548	39,333	41,804
Actuarial remeasurements	47,542	74,001	21,426
Benefits paid	(8,405)	(4,746)	(9,083)
Increases (reductions), net	9	338	(89,938)
As of December 31,	<u>\$ 738,891</u>	<u>\$ 598,139</u>	<u>\$ 463,012</u>



The primary actuarial assumptions were as follows:

	2025	2024	2023
Discount rate	9.50%	10.50%	9.75%
Future wage increase	6.00%	6.00%	5.50%
Medical inflation rate	7.00%	7.00%	7.00%

The sensitivity analysis of the main assumptions for defined benefit obligations were as follows:

	Impact on defined benefit obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	\$(48,032)	\$54,167
Medical inflation rate	1%	\$15,900	\$(11,399)

The sensitivity analyses mentioned above are based on a change in an assumption, while all other assumptions remain constant. In practice, this is not likely to happen, and there may be changes in other correlated assumptions. When calculating the sensitivity of pension plans to principal actuarial assumptions, the same method has been used as if it involved calculation of liabilities pertaining to pension benefit plans recorded in the consolidated statement of financial position. The methods and type of assumptions used in preparing the sensitivity analysis suffered no changes with respect to the prior period.

19. Income taxes

a) Income taxes recognized in the consolidated statement of income:

	2025	2024	2023
Current income tax	\$ -	\$ -	\$ -
Deferred income tax	(623,767)	394,204	61,194
Prior years' adjustment	-	-	(151)
Income tax expense	<u>\$ (623,767)</u>	<u>\$ 394,204</u>	<u>\$ 61,043</u>

b)

	2025	2024	2023
Income (loss) before taxes	\$ 1,259,369	\$(1,085,398)	\$ 253,262
Statutory rate	30%	30%	30%
(Expense) benefit at statutory rate	<u>(377,811)</u>	<u>325,619</u>	<u>(75,979)</u>
(Plus) less tax effect on:			
Tax effects of inflation	(87,779)	(101,735)	(115,018)
Non-deductibles	(36,025)	(30,748)	(33,892)
Other differences, net	<u>(122,152)</u>	<u>201,068</u>	<u>285,932</u>
Total income tax (expense) benefit recognized in income statement	<u>\$ (623,767)</u>	<u>\$ 394,204</u>	<u>\$ 61,043</u>
Effective rate	<u>50%</u>	<u>(36)%</u>	<u>24%</u>

c) The detail of deferred income tax asset (liability) is as follows:

	2025	2024	2023
Tax loss carryforwards	\$ 397,029	\$1,408,114	\$1,102,946
Allowance for doubtful accounts	194,239	262,382	387,590
Property, plant and equipment	1,835,782	1,457,913	1,346,101
Provisions and other	212,576	180,624	134,683
Intangible assets and other	121,735	54,013	(9,661)
Deferred tax asset	<u>\$2,761,361</u>	<u>\$3,363,046</u>	<u>\$2,961,659</u>



	2025	2024	2023
Property, plant and equipment	\$ -	\$ (1,141)	\$ (2,007)
Intangible assets and other	-	1,105	1,603
	<u>\$ -</u>	<u>\$ (36)</u>	<u>\$ (404)</u>

Deferred income tax assets are recognized against tax loss carryforwards to the extent the realization of the related tax benefit through future taxable profits is probable. Tax losses as of December 31, 2025, for which a deferred income tax asset was recognized, amount to \$1,323,430.

Tax losses as of December 31, 2025, expire in the following years:

Year of expiration	Amount
2026	\$404,775
2029 onwards	918,655
	<u>\$1,323,430</u>

d) The tax charge/(credit) related to other comprehensive (loss) income is as follows:

	2025			2024			2023		
	Before taxes	Tax charged/(credited)	After taxes	Before taxes	Tax charged/(credited)	After taxes	Before taxes	Tax charged/(credited)	After taxes
Effect of currency translation	\$ (2,215)	\$ -	\$ (2,215)	\$ 3,514	\$ -	\$ 3,514	\$ (2,881)	\$ -	\$ (2,881)
Fair value of derivative financial instruments	(26,263)	7,879	(18,384)	48,706	(14,612)	34,094	(37,091)	11,127	(25,964)
Remeasurements of employee benefits	(47,542)	14,263	(33,279)	(25,899)	7,770	(18,129)	(21,426)	6,428	(14,998)
	<u>\$ (76,020)</u>	<u>\$ 22,142</u>	<u>\$(53,878)</u>	<u>\$ 26,321</u>	<u>\$ (6,842)</u>	<u>\$19,479</u>	<u>\$(61,398)</u>	<u>\$17,555</u>	<u>\$(43,843)</u>

20. Stockholders' equity

At the Extraordinary General Stockholders' Meeting held on March 18, 2025, the cancellation of 363,818,224 Class "I", Series "B" shares was approved, and, as consequence of the foregoing, a reduction of the fixed capital stock in the amount of \$8,343.

At the Extraordinary General Stockholders' Meeting held on March 8, 2024, a reserve for share repurchase of \$100 million pesos was approved. For the year ended December 31, 2024, 334,879,853 shares were repurchased.

At the Extraordinary General Stockholders' Meeting held on March 8, 2024, the cancellation of 45,000 Class "I", Series "B" shares was approved, and, as consequence of the foregoing, a reduction of the fixed capital stock in the amount of \$1.

At the Extraordinary General Stockholders' Meeting held on March 7, 2023, a reserve for share repurchase of \$100 million pesos was approved. For the year ended December 31, 2023, 28,938,371 shares were repurchased.

As of December 31, 2025, 2024 and 2023, the balance of the reserve for the repurchase of share is \$100,000, \$39,242 and \$95,965, respectively.

Following the aforementioned events, the Company's share capital, as of December 31, 2025, is \$446,277 and is comprised of 19,460,893 Class "I", Series "B" common nominative shares, with no par value, entirely subscribed and paid in. As of that date, all series "B" shares issued by the Company were placed in a trust (CPO Trust).



Movements on the number of common shares of the Company during the year was as follows:

	Number of shares
Shares as of January 1, 2023	19,824,236,117
Repurchase of shares	(28,938,371)
Shares as of December 31, 2023	<u>19,795,297,746</u>
Repurchase of shares	(334,879,853)
Cancellation of shares	(45,000)
Shares as of December 31, 2024	<u>19,460,372,893</u>
Repurchase of shares	-
Shares as of December 31, 2025	<u><u>19,460,372,893</u></u>

Net income for the year is subject to the legal provision requiring at least 5% of the profit for each period to be set aside to increase the legal reserve until it reaches an amount equivalent to one fifth of the capital stock.

Dividends paid are not subject to income tax if paid from the Net Tax Profit Account (“CUFIN” for its acronym in Spanish). Dividends exceeding CUFIN will generate income tax at the applicable rate of the period in which they are paid. This tax incurred is payable by the Company and may be credited against income tax in the same year or the following two years. Dividends paid from previously taxed profits are not subject to tax withholding or additional tax payments. As of December 31, 2025, the tax value of the CUFIN and tax value of the Capital Contribution Account (“CUCA”, for its acronym in Spanish) amounted to \$1,198,868 and \$9,543,991, respectively.

In case of capital reduction, the procedures established by the Income Tax Law provide that any surplus of stockholders’ equity be given over the balances of the fiscal accounts of the capital contributed, the same tax treatment applicable to dividends.

21. Revenues

a. Income for services:

	2025	2024	2023
Voice	\$ 841,133	\$ 841,967	\$ 842,326
Managed networks	2,789,994	2,911,409	3,328,828
Internet data	5,461,141	4,808,632	4,233,654
Administrative applications	101,083	173,839	180,352
Hosting	409,386	351,390	343,124
System integration	1,211,049	919,750	829,230
Security	866,159	918,089	613,723
Cloud services	584,013	541,228	495,706
Other services	103,218	90,184	88,943
Total	<u>\$12,367,176</u>	<u>\$11,556,488</u>	<u>\$10,955,886</u>

b. Income by geographical areas:

	2025	2024	2023
Mexico	\$12,367,176	\$11,556,488	\$10,949,069
Outside Mexico	-	-	6,817
Total	<u>\$12,367,176</u>	<u>\$11,556,488</u>	<u>\$10,955,886</u>



22. Expenses classified by their nature

Total cost of sales and selling and administrative expenses, classified by nature of the expense, were as follows:

	2025	2024	2023
Service cost ⁽¹⁾	\$ 3,590,318	\$ 3,405,812	\$ 3,168,613
Employee benefit expenses (Note 25)	2,805,473	2,515,314	2,425,943
Maintenance	514,861	505,658	544,803
Depreciation and amortization	2,131,659	2,275,177	2,450,587
Advertising expenses	22,328	36,788	18,686
Energy and fuel consumption	265,997	242,130	261,981
Travel expenses	29,442	31,095	28,884
Lease expenses	1,158,127	1,084,339	1,007,233
Technical assistance, professional fees and administrative services	214,318	191,683	188,494
Other	89,238	(74,196)	279,191
Total	<u>\$10,821,761</u>	<u>\$10,213,800</u>	<u>\$10,374,415</u>

⁽¹⁾ Service cost consists mainly of interconnection costs and costs related to implementation of IT solutions, including:

- Charges related to leased lines, normally paid on a per-circuit basis per month to Telmex and to other suppliers of last-mile access.
- Interconnection costs, including charges for local and resale access, paid on a per-minute basis mainly to Telmex.
- International payments to foreign operators on a per-minute basis to complete international calls originating in Mexico.

23. Other income (expenses), net

	2025	2024	2023
Reversal (impairment) of non-current assets	\$ 20,515	\$ (42,259)	\$ (16,011)
Gain (loss) on sale of property, plant and equipment	17,752	(3,160)	78,417
Other income (expenses), net ⁽¹⁾	79,851	37,079	(68,136)
Total other income (expenses), net	<u>\$118,118</u>	<u>\$ (8,340)</u>	<u>\$ (5,730)</u>

⁽¹⁾ Reorganization expenses of \$0, \$17,344 and \$387,553 for the years ended 2025, 2024 and 2023, respectively.

24. Financial result, net

	2025	2024	2023
Financial income:			
Interest income on short-term bank deposits	\$ 46,055	\$ 70,793	\$ 43,301
Other financial income	540	241	213,419
Total financial income	<u>\$ 46,595</u>	<u>\$ 71,034</u>	<u>\$ 256,720</u>
Financial expenses:			
Interest expense on bank loans	\$ (860,073)	\$(1,192,907)	\$ (787,193)
Interest expense on senior notes	-	-	(259,753)
Interest expense on leases	(44,141)	(36,475)	(29,927)
Financial expenses related to employee benefits	(62,548)	(39,333)	(41,804)
Other financial expenses	(42,773)	(9,254)	(115,912)
Total financial expenses	<u>\$(1,009,535)</u>	<u>\$(1,277,969)</u>	<u>\$(1,234,589)</u>



	2025	2024	2023
Exchange fluctuation gain (loss), net:			
Gain on exchange fluctuation	\$ 2,271,435	\$ 3,500,838	\$ 5,080,696
Loss on exchange fluctuation	(1,712,659)	(4,713,648)	(4,425,305)
Exchange fluctuation gain (loss), net	<u>\$ 558,776</u>	<u>\$ (1,212,810)</u>	<u>\$ 655,391</u>

25. Employee benefit expenses

	2025	2024	2023
Salaries, wages and benefits	\$2,232,161	\$2,017,290	\$1,965,226
Social security fees	429,208	384,648	356,125
Employee benefits	39,058	26,201	28,979
Other fees	105,046	87,175	75,613
Total	<u>\$2,805,473</u>	<u>\$2,515,314</u>	<u>\$2,425,943</u>

26. Transactions with related parties

Balances with related parties as of December 31, 2025, 2024 and 2023, were as follows:

	December 31, 2025	
	Accounts receivable	Accounts payable
Affiliates	\$ 12,983	\$ 9,119
Holding	5,946	-
Total	<u>\$ 18,929</u>	<u>\$ 9,119</u>
	December 31, 2024	
	Accounts receivable	Accounts payable
Affiliates	\$ 39,412	\$ 15,916
Holding	3,198	-
Total	<u>\$ 42,610</u>	<u>\$ 15,916</u>
	December 31, 2023	
	Accounts receivable	Accounts payable
Affiliates	\$ 21,896	\$ 14,523
Holding	26	-
Total	<u>\$ 21,922</u>	<u>\$ 14,523</u>

Transactions with related parties for the years ended December 31, 2025, 2024 and 2023, which were carried out in terms similar to those of arm's-length transactions with independent third parties, were as follows:

	Year ended December 31, 2025		
	Income	Costs and expenses	
	Telecommunication services	Interests	Others
Affiliates	\$ 170,517	\$ -	\$ 49,698
Holding	-	541	-
Total	<u>\$ 170,517</u>	<u>\$ 541</u>	<u>\$ 49,698</u>
	Year ended December 31, 2024		
	Income	Costs and expenses	
	Telecommunication services	Interests	Others
Affiliates	\$ 176,056	\$ -	\$ 47,662
Holding	-	241	-
Total	<u>\$ 176,056</u>	<u>\$ 241</u>	<u>\$ 47,662</u>



	Year ended December 31, 2023		
	Income	Costs and expenses	
	Telecommunication services	Interests	Others
Affiliates	\$ 160,637	\$ -	\$ 45,933
Holding	-	1	-
Total	<u>\$ 160,637</u>	<u>\$ 1</u>	<u>\$ 45,933</u>

For the years ended December 31, 2025, 2024 and 2023, compensation and benefits paid to the Company's main officers totaled \$103,402, \$109,376 and \$95,565, respectively, comprised of base salary and benefits required by law, complemented by a program of variable compensation basically based on the Company's results and the market value of Axtel's shares.

27. Contingencies and commitments

As of December 31, 2025, there are the following commitments and contingencies with respect to Axtel and subsidiaries:

I. Contingencies of Axtel S.A.B. de C.V.

a. Radiomovil Dipsa, S. A. de C. V. (Telcel).

2020 rates

- i. An amparo lawsuit, regarding ITX and virtual mobile networks, where Axtel is recognized as an interested third party.
- ii. January 2020: The Company received a notice of judgment filed by Telcel against the rates determined by the IFT, in terms of ITX and as Axtel's OMV, for the year 2020.
- iii. Current status: The matter was definitively concluded in June 2025 in favor of Axtel.

2021 rates

- i. An amparo lawsuit regarding ITX and virtual mobile networks, where Axtel is recognized as an interested third party.
- ii. January 2021: The Company received a notice of judgment filed by Telcel against the rates determined by the IFT, in terms of ITX and as Axtel's OMV, for the year 2021.
- iii. Current status: The matter was definitively concluded in May 2025 in favor of Axtel.

2022 rates

- i. An amparo lawsuit regarding ITX, where Axtel is recognized as an interested third party.
- ii. January 2022: The Company received a notice of judgment filed by Telcel against the rates determined by the IFT, in terms of ITX, for the year 2022.
- iii. Current status: The matter was definitively concluded in January 2025 in favor of Axtel.

2023 rates

- i. An amparo lawsuit, regarding ITX, where Axtel is recognized as an interested third party.
- ii. January 2023: The Company received a notice of judgment filed by Telcel against the rates determined by the IFT, in terms of ITX, for the year 2023.
- iii. Current status: The matter was definitively concluded in August 2025 in favor of Axtel.

2024 rates

- i. An amparo lawsuit regarding ITX, where Axtel is recognized as an interested third party.
- ii. December 2023: The Company received a notice of judgment filed by Telcel against the rates determined by the IFT, in terms of ITX, for the year 2024.
- iii. Current status: In first instance, given the precedents resolved by the SCJN, the outlook is favorable.



2025 rates

- i. An amparo lawsuit, regarding ITX, where Axtel is recognized as an interested third party.
- ii. January 2023: The Company received a notice of judgment filed by Telcel against the rates determined by the IFT, in terms of ITX, for the year 2025.
- iii. Current status: First instance ruling in favor of Axtel, pending res judicata or second instance. Given the precedents established by the SCJN, the outlook for the matter is favorable .

As of the date of issuance, the Company and its advisors consider that the rates will prevail based on the resolutions obtained before the regulatory body, especially since the precedents resolved by the SCJN are favorable to Axtel's interests, therefore, it is estimated that there is no longer an adverse scenario.

Furthermore, Axtel has recognized and paid the cost based on the rates determined by the regulatory body, and there are no provisions associated with this contingency.

b. Telmex & Telnor.

2024 rates

- i. A lawsuit regarding ITX / OMV, Axtel is recognized as an interested third party.
- ii. December 2023: The Company was notified of an amparo lawsuit against the rates for the year 2024, determined by the IFT.
- iii. Current status: Trial in first instance, given the precedents resolved by the SCJN, the outlook is favorable.

As of the date of issuance, the Company and its advisors consider that the rates will remain in effect based on the rulings obtained from the regulatory body, especially given the Supreme Court's precedents in Axtel's favor, therefore, it is estimated that an adverse scenario no longer exists.

Furthermore, Axtel has recognized and paid the cost based on the rates determined by the regulatory body, and there are no provisions associated with this contingency.

II. Contingencies of Alestra Servicios Moviles (ASM).

a. Radiomovil Dipsa, S. A. de C. V. (Telcel).

2022 rates

- i. An amparo lawsuit in matters of ITX and virtual mobile networks, where Alestra Servicios Moviles is recognized as an interested third party.
- ii. January 2022: The Company received a notice of judgment filed by Telcel against the rates determined by the IFT, in terms of ITX and ASM's OMV, for the year 2022.
- iii. Current status: The matter was definitively concluded in July 2025 in favor of ASM.

2023 rates

- i. An amparo lawsuit, in matters of ITX and virtual mobile networks, Alestra Servicios Moviles is recognized as an interested third party.
- ii. January 2023: The Company received a notice of judgment filed by Telcel against the rates determined by the IFT, in terms of ITX and ASM's OMV, for the year 2023.
- iii. Current status: The matter was definitively concluded in May 2025 in favor of ASM.

2024 rates

- i. An amparo lawsuit in matters of ITX and virtual mobile networks, where Alestra Servicios Moviles is recognized as an interested third party.
- ii. December 2023: The Company received a notice of judgment filed by Telcel against the rates determined by the IFT, in terms of ITX and ASM's OMV, for the year 2024.
- iii. Current status: In first instance, given the precedents resolved by the SCJN, the outlook is favorable.



2025 rates

- i. An amparo lawsuit in matters of ITX and virtual mobile networks, where Alestra Servicios Moviles is recognized as an interested third party.
- ii. December 2023: The Company received a notice of judgment filed by Telcel against the rates determined by the IFT, in terms of ITX and ASM's OMV, for the year 2025.
- iii. Current status: First instance ruling in favor of ASM, pending res judicata or second instance; given the precedents established by the SCJN, the outlook for the matter is favorable.

As of the date of issuance, the Company and its advisors consider that the rates will prevail based on the rulings obtained before the regulatory body, especially given the Supreme Court's precedents favorable to ASM's interests, therefore, it is estimated that an adverse scenario no longer exists.

Furthermore, ASM has recognized and paid the cost based on the rates determined by the regulatory body, and there are no provisions associated with this contingency.

III. Strategic Commercial Litigation.

a. Litigation between Axtel and Integradores y Operadores del Norte S. A. de C. V.

In 2007, Axtel hired Integradores y Operadores del Norte S.A. de C.V. (ION).

In 2017, ION filed a lawsuit asking for Axtel to pay \$113,000 for services, interest, damages and costs.

In October 2020, ION obtained a favorable protection, managing to modify the sentence in his favor to collect \$12,199. The Company has made the corresponding reserve to face this contingency.

In 2022, the Company obtained an amparo ruling in its favor, modifying the sentence against it.

In December 2024, a new ruling was issued in compliance with an injunction granted to ION condemning Axtel. Resolutions are pending on new appeals against said ruling filed by the Company and the opposing party; considering that the effects of the contested judgment are contradictory and reiterate aspects already judged that favored the Company, a suspension has been granted so that the established sentence is not executed.

b. Litigation between Axtel and Ministry of Welfare.

In 2022, Axtel filed a lawsuit for annulment before the Federal Court of Administrative Justice, against the Ministry of Welfare, claiming payment of \$24,300 (including VAT) for services rendered in 2020, in addition to financial expenses.

Currently, the matter has been definitively concluded in favor of Axtel, S.A.B de C.V., with the corresponding payment received in November 2025.

c. Dispute between Axtel and the Ministry of Welfare.

In 2025, the Ministry of Welfare ("Bienestar") filed a request for Alternative Dispute Resolution with the Federal Court of Administrative Justice regarding its debt of \$80,000 (including VAT) to Axtel for services rendered during 2024 and 2025.

In December 2025, an agreement was signed between Axtel and Bienestar, which became final and binding in January 2026.

IV. Other contingencies and notes:

The Company is involved in various lawsuits and claims, derived from the normal course of its operations, which are expected not to have a relevant effect on its financial position and future results.

28. Segment information

The information used by the Chief Executive Officer, who is the highest authority in operational decision-making, resource allocation, and performance evaluation, is presented through its business units: Enterprise, Government and Wholesale.



The Enterprise and Government Services portfolio includes advanced managed network, collaboration, and information technology (IT) solutions such as systems integration, cloud services, and cybersecurity, among others. Meanwhile, the Wholesale unit's connectivity solutions for wholesale customers or operators (including the Services unit) include last-mile access, IP transit, spectrum, fiber to the tower and fiber to the data center, among others.

Axtel believes it has the second largest fiber optic network in Mexico, with an infrastructure of approximately 55,600 kilometers, 25,000 kilometers of national transport network (including 13,500 kilometers of long-term capacity agreements), and 30,600 kilometers of metropolitan rings, providing Ethernet access to 77 cities.

In addition to the three customer-focused operating segments, the Company's remaining operations are included in the "Unallocated Expenses" category to be included in the Company's consolidated statements of income. This category includes expenses associated with centralized functions, including procurement, supply chain and the Company's management.

These operating segments are managed separately because the products and services offered and the markets they target are different. Resources are allocated to the operating segments based on the strategies defined by the Company's Management. Transactions between operating segments are conducted at market value.

The performance of operating segments is measured based on Business Unit Contribution (BUC), defined as the operating profit of each segment, including sales, segment costs and direct segment expenses, as reported in the internal financial statements reviewed by the Chief Executive Officer.

The Company defines Adjusted EBITDA as the sum of operating profit (loss), depreciation and amortization and impairment of non-current assets; Adjusted EBITDA is considered a useful measure of the business's operating performance because it provides a meaningful analysis of business performance by excluding specific items reported separately due to their nature or impact. Interest income or expense is not allocated to reportable segments, as this activity is handled globally by central treasury.

When projects are not directly attributed to a particular operating segment, capital expenditures are allocated to each segment based on the rate of future economic benefits expected from the capital expenditure.

Below is the consolidated financial information of the information segments:

I. Financial information by segments:

	2025			
	Enterprise	Government	Wholesale	Total
Sales by segment	\$8,668,960	\$1,601,819	\$2,096,397	\$ 12,367,176
Service cost	(2,260,045)	(944,243)	(386,030)	(3,590,319)
Expenses	(1,679,361)	(194,757)	72,967	(1,801,151)
Business unit contribution (BUC)	4,729,554	462,819	1,783,334	6,975,707
Unallocated expenses				(3,201,030)
Adjusted EBITDA				<u>3,774,677</u>
Reversal of impairment of non-current assets				(20,515)
Depreciation and amortization				<u>(2,131,659)</u>
Operating income				1,663,533
Financial result, net				(404,164)
Profit before taxes				<u><u>\$ (1,259,369)</u></u>



