

FOURTH QUARTER 2023

CORPORATE PRESENTATION



axtel



I. Axtel at a Glance

II. Financial Performance

III. Spin-off

B2B Company; Moving Towards Specialization

WHAT WE DO:

- Facilitate digital transformation through the most advanced Telecom, IT, Cybersecurity and Mobility solutions.
- Provide connectivity and infrastructure services (largest neutral fiber network in Mexico).

ENTERPRISE

GOVERNMENT

INFRASTRUCTURE

Horizontal Differentiation – Business Lines

Vertical focus - Industries

- Specialized and consultative commercial model
- ~11,000 customers

- Larger federal & state presence; diversification & smoothing out political cycles
- New organization & redesigned strategy
- ~200 customers

- Capitalize nearshoring opportunities
- Network coverage: industrial parks, data centers, metro rings
- Metro with high capillarity
- ~60 wholesale customers

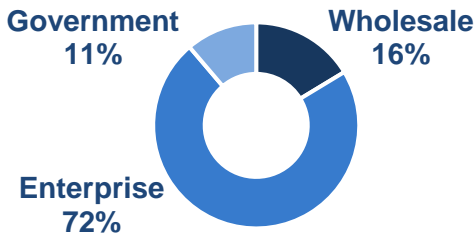
Alestra
Movil

- Multi-operator network
- Capitalize on Alestra's positioning

- ~50,800 km fiber network
- +90% A+/A buildings and industrial parks covered

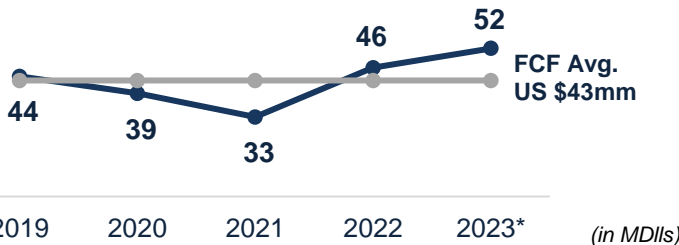


Culture: Agility, empowerment & talent development



LTM 4Q23 REVENUES

US \$618M
Ps. 10,956M

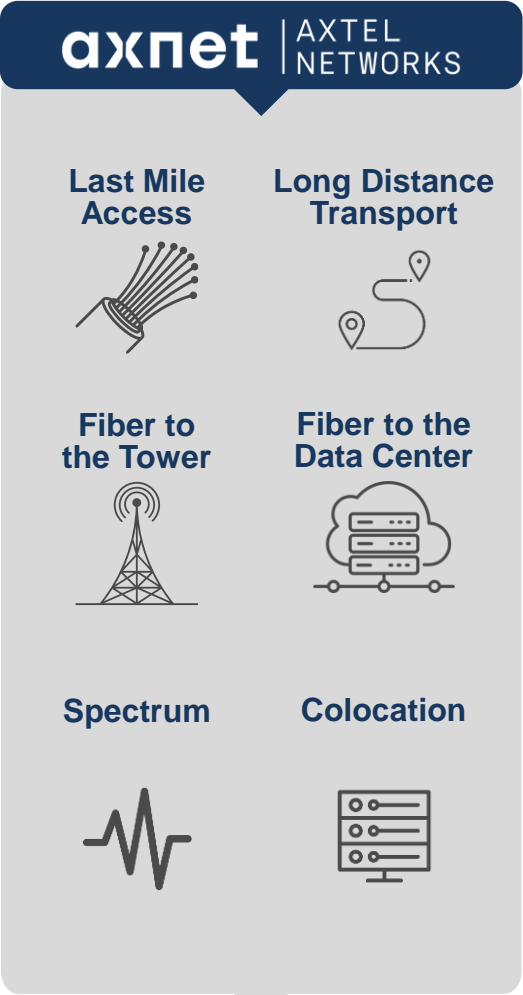


Free Cash Flow

Stable FCF Generation ~US \$40M
- Recurrent revenues and success-based CapEx model

* Normalized (excluding reorganization expenses).

Wholesale (Axnet), Enterprise & Government (Alestra) Segments



Mobile and fixed carriers (national and int'l), internet giants, data centers, tower operators

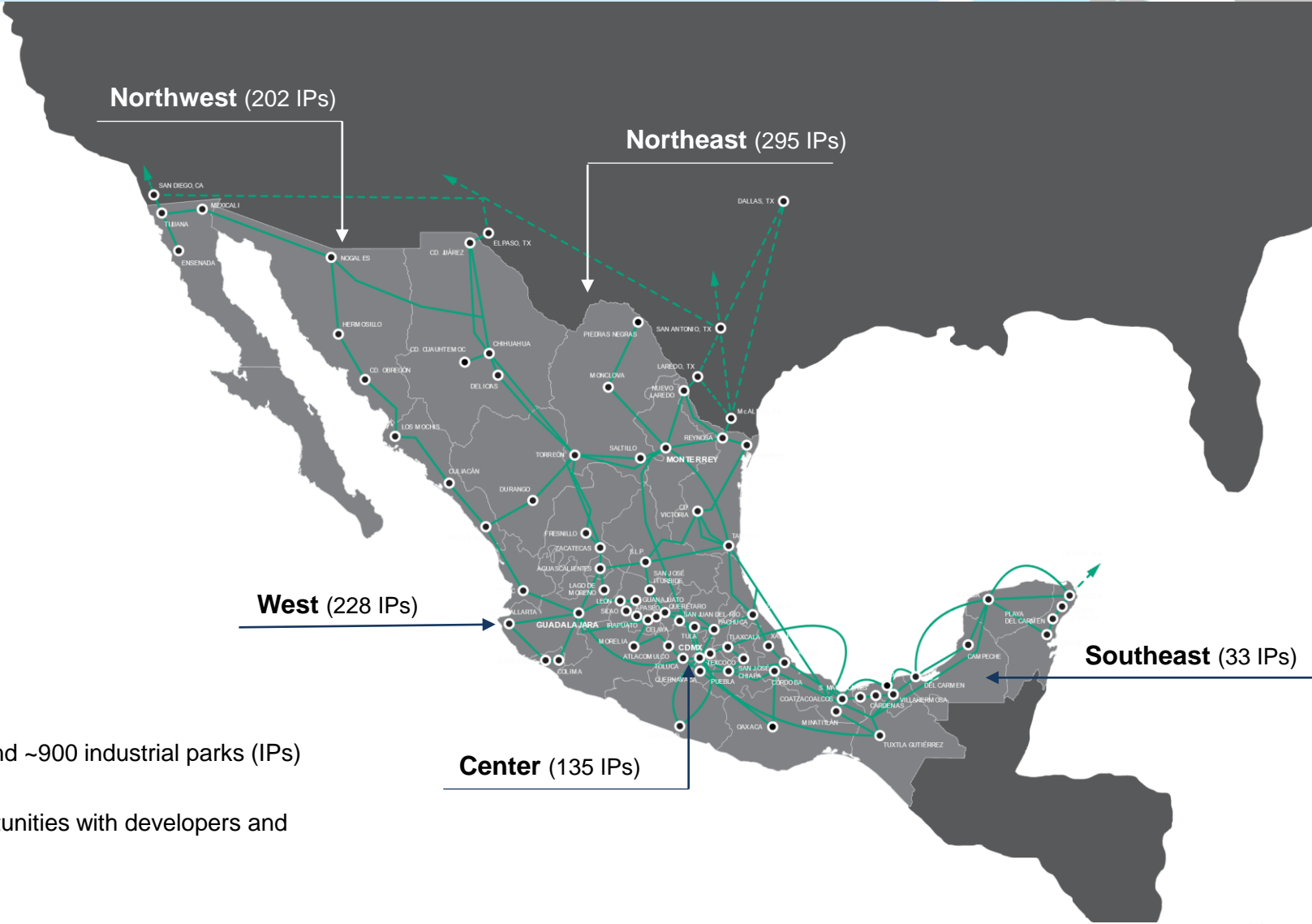


Enterprise and Government Segments

Our Network & Capabilities

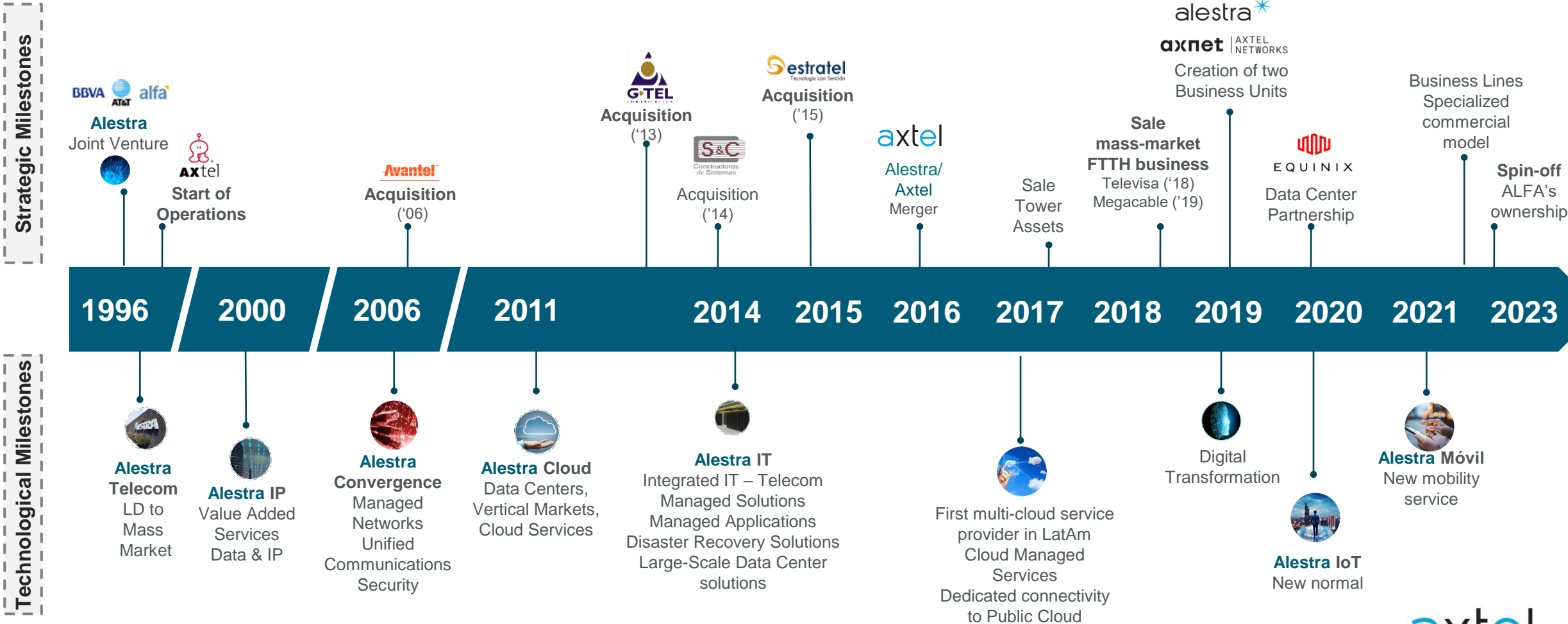
- ~50,800 km**
Optical Fiber Network
- 27,000 km – 76 cities**
Metropolitan Rings
- 23,800 km**
Long Distance Network
- +260,000**
Business Locations Covered
- ~1,100**
Network Points of Presence
- 5**
International border crossings
- 7, 10.5, 15, 23, 38**
Ghz Spectrum
- 5 Operating Centers**
NOC, CASTI, MSNOC, CDC, HD

- +90%**
A+/A buildings and ~900 industrial parks (IPs) covered
- Identifying opportunities with developers and industries



Strategic Evolution

MISSION: Enable companies to be more productive through digitalization



Management with 20+ years average experience in Information and Communication Technology (ICT) Industry



Armando de la Peña
CEO
Axtel
21 years *



Sergio Antonio Bravo García
Executive Director
Government Segment
27 years



Carlos Buchanan
Executive Director
Human Capital
22 years



Andrés Cordovez
Executive Director
Infrastructure and Operations
25 years



Adrián De Los Santos
Chief Financial
Officer
17 years



Bernardo García
Executive Director
Enterprise Segment
27 years



Raúl Ortega
Executive Director
Legal and Regulatory
27 years



Alicia Saucedo
Director
Business Development
24 years

* Include years at ALFA.

Operating and Commercial Model – focus on specialization

**Consolidate Business Lines comprehensive model;
greater proximity and specialization**

- **Agile and collaborative organization**
- **Optimize Solutions Portfolio**
- **Commercial strategy closer to the client,
generating growth and opportunities**
- **Lean organization**
 - Sustained growth with a focus on profitability
 - Discipline in expenses and costs

Enterprise & Government
Commercial

Business Line

e.g. Cybersecurity

Product

Presale

Delivery

Customer Service
Operation

Business Lines – Specialization and P&L accountability

Strategies oriented to profitable growth

Potential Customer

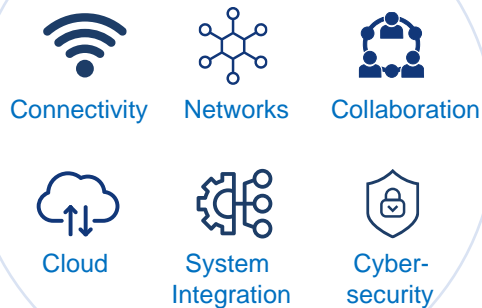
- *Business Line*
- *Region / Segment*
- *Verticals / Sectors*

Strategies / Commercial Tactics

- Focus on strategic accounts
- Change in vision (*potential vs Alestra's market share*)
- Organization by verticals



Business Lines



Region / Segment Commercial

Corporate | Enterprise



Verticals



Sustainability Model

Sustainability Model Pillars



Energy & Emissions

- In 2020, Axtel began decommissioning obsolete equipment
- In 2023, 54% of its energy consumption came from clean sources. (51% in 2022)

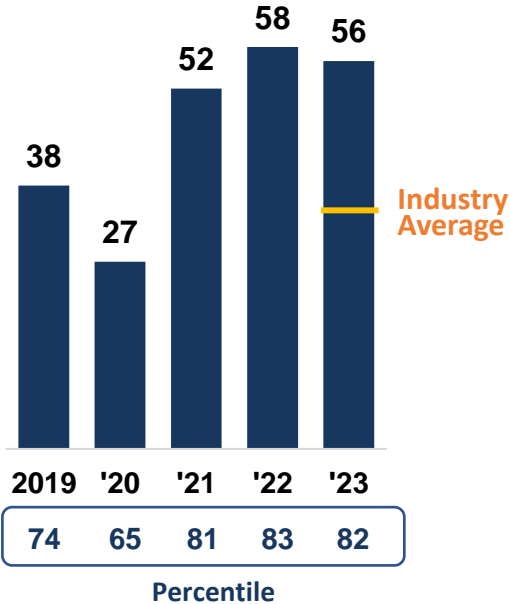
Diversity and Inclusion

- In 2022 & 2023, women represented 26% of total employees.

Cybersecurity & Sustainability Awareness

- Adhered to multiple best practices in international standards
- No data breaches in 2022 & 2023.

S&P Global - CSA





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Revenues & Comparable EBITDA (FY 2023)

ENTERPRISE:

- Driven by *cloud, cybersecurity* and *managed networks* services.

GOVERNMENT:

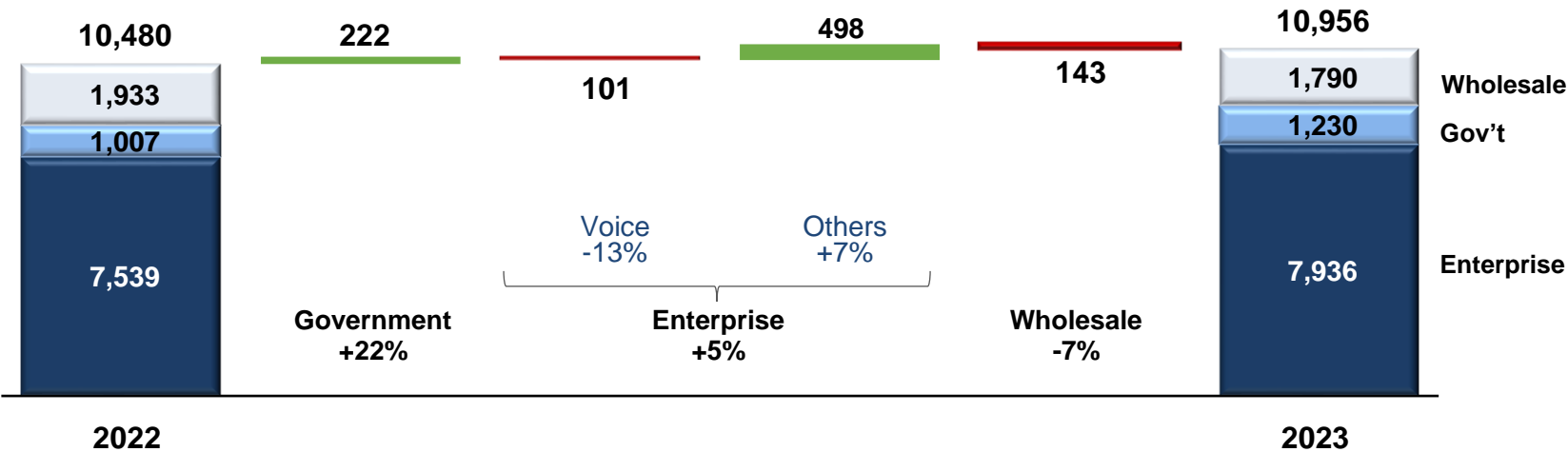
- Achieved renewal of 100% of contracts.

WHOLESALE:

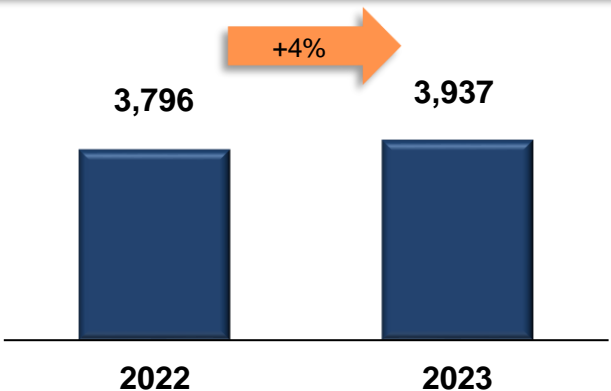
- New recurring revenues and disconnections 23% better than budget.
- Impact due to lower level in dark fiber contracts and gradual phase out of continuity services related to mass market divestment.

(in MXN \$M)

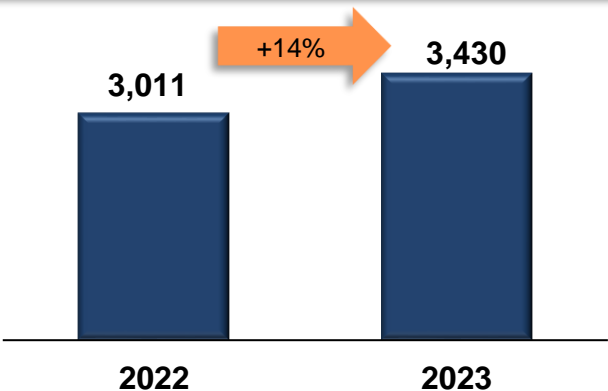
Revenues – total revenues increased 5%



Business Segments' Contribution to EBITDA



Comparable EBITDA*



* Note: Excludes one-time reorganization charge.

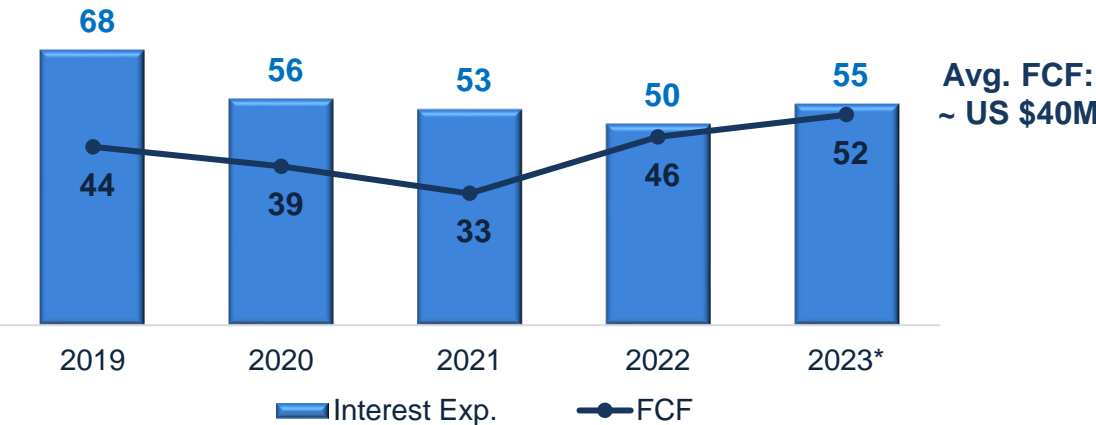
Debt Profile & FCF

Capital Structure

- In 2023, refinancing of all debt – extending maturity profile to 4.5 yrs
 - Refinancing of Ps. 3,026M Bancomext Loan – 10-year term
 - 2024 Notes refinanced in July:
 - US \$268M, 5-year Syndicated Loan with nine banks
 - US \$100M, 5-year term bilateral loan
 - US \$60M, 7-year new bilateral loan
- Available committed credit lines: US \$50M

FCF & Interest Expense

(in US\$M)

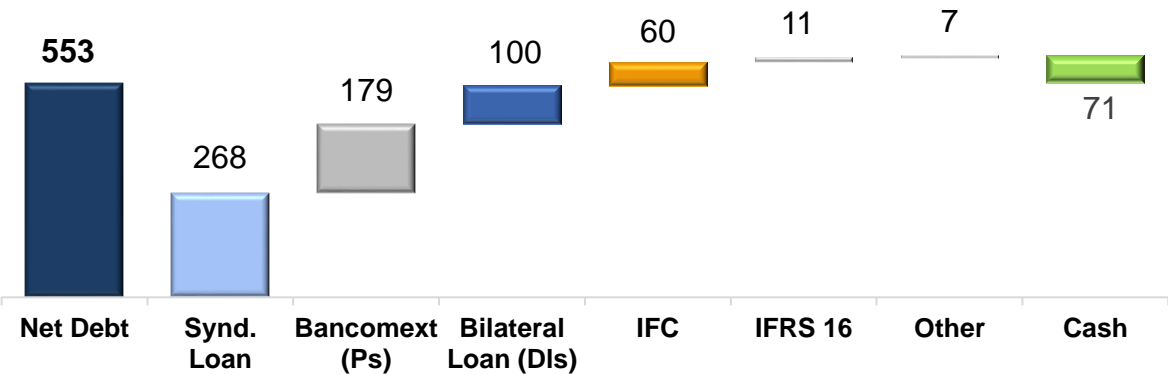


* Normalized FCF – excluding reorganization expenses.

Debt Composition

(as of 2023, in US\$M)

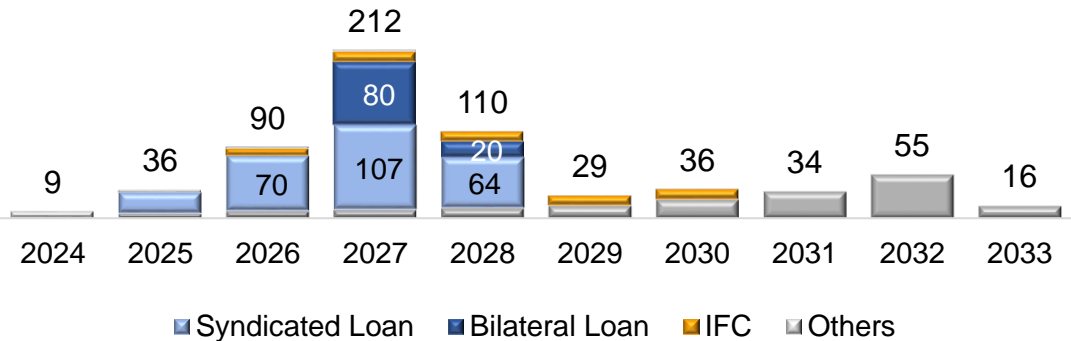
Net Debt / EBITDA = 2.9x



Maturity Profile

(as of 2023, in US\$M)

Avg. life: 4.5 yrs
60% in USD





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Glance

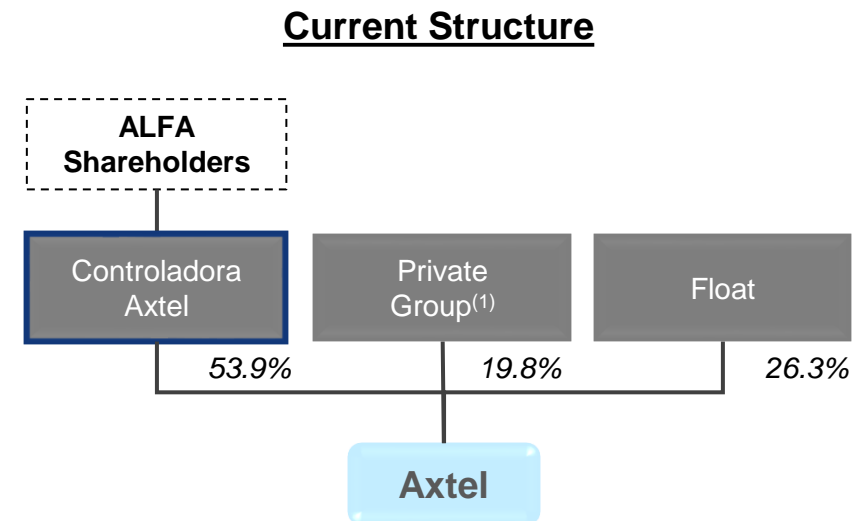
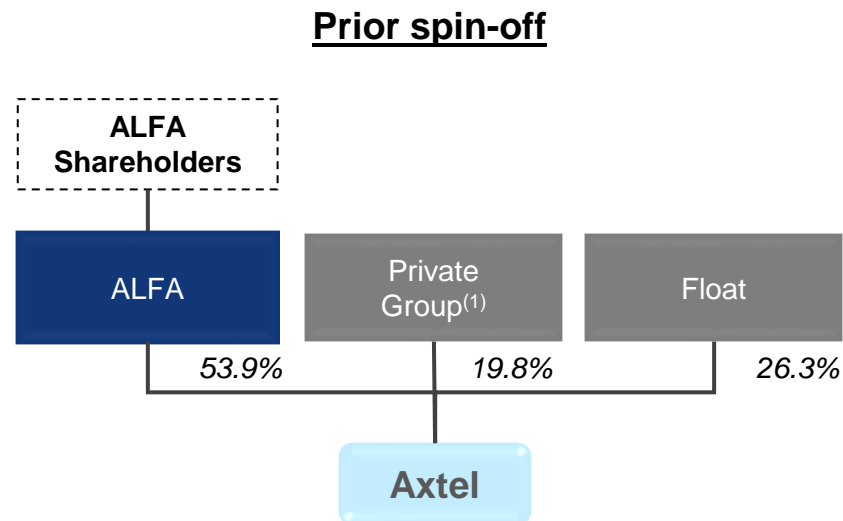
II. Financial Performance

III. Spin-off

Axtel: Second independent ALFA subsidiary

- Ratio CTAXTEL to AXTELCPO = **0.302**.
- Spin-off represents opportunity for Axtel to continue driving its organic and strategic initiatives independently.
- Board of Directors, Executive Committees, management team and corporate governance remained unchanged.
- Controladora Axtel is capable of merging with Axtel, subject to the approval of its shareholders.

Axtel Shareholder Structure



(1) Group of Shareholders (Milmo, Santos, Garza Santos, Santos de Hoyos Families & Cemex S.A.B. de C.V.)

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