

EARNINGS REPORT

Second Quarter 2021 (2Q21)



Monterrey, Mexico, July 21, 2021. - Axtel, S.A.B. de C.V. (BMV: AXTELCPO) ("Axtel" or "the Company"), a Mexican Information and Communications Technology company, announced today its unaudited results for the second quarter of 2021 ("2Q21").

Axtel reports 2Q21 EBITDA of US \$57 million (Ps. 1,141 million)

SELECTED FINANCIAL INFORMATION

(IN MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				1Q21	2Q20			
Revenues (Ps.)	2,983	2,835	3,078	5	(3)	5,818	6,184	(6)
US \$	149	140	132	7	13	288	289	(0)
EBITDA (Ps.) ¹	1,141	916	1,222	25	(7)	2,057	4,197	(51)
US \$	57	45	53	26	8	102	208	(51)
Net Income (loss) (Ps.)	344	(286)	142	--	141	58	742	(92)
US \$	17	(14)	6	--	179	3	48	(94)
CAPEX (Ps.) ²	349	274	433	27	(19)	623	1,119	(44)
US \$	17	13	18	29	(6)	31	54	(43)
Net Debt (US \$)	625	627	593	(0)	5			
Net Debt / LTM EBITDA*	3.1	3.2	1.8					
LTM Interest Coverage*	3.6	3.4	5.1					

* Times. LTM = Last twelve months. See page 7 for ratio calculation details.

1) EBITDA = Operating income + depreciation & amortization + impairment of assets.

2) Gross amount; does not include divestments.

2Q21 HIGHLIGHTS

Results

- 2Q21 EBITDA grew 25% sequentially and 1% year-over-year (adjusted for the benefit of the spectrum transfer agreement in 2Q20), driven by the positive performance of the Infrastructure Unit, value-added and digital transformation services of the Enterprise segment and operating efficiencies; offsetting negative results from the Government segment.
- Prospects for the Infrastructure Unit and Enterprise segment remain positive; the acquisition of new projects during the quarter for the Enterprise segment increased 45% year-over-year and 17% sequentially.

Liquidity

- In July, Axtel secured a second committed revolving credit facility for Ps. 400 million with a maturity of three years.

Certifications

- Alestra was awarded with certifications and recognitions from its technology partners:
 - April: DELL Technologies Partner Platinum
 - May: AWS Direct Connect certification and Poly Partner Platinum
 - July: VMware Cloud Verified certification

Strategic Process

- During the quarter, the Company maintained conversations with potential investors interested in the Infrastructure Business Unit.

MESSAGE FROM AXTEL'S CEO

“Second quarter results reflect consistent and strong performance at Axtel Networks and a continued improvement in IT and telecom investments by Alestra’s enterprise customers, however, perspectives for the Government segment remain uncertain.

Revenues from third party clients in the Infrastructure Unit increased 10% year-on-year, confirming the resilience and visibility of its cashflow. Moreover, revenue from value-added and digital transformation Enterprise segment services increased 7% year-over-year, derived from the acceleration in the acquisition of new projects since the end of last year, particularly since March this year. In the quarter, such acquisition increased 17% sequentially and 45% year-on-year, driven by less volatile economic conditions and a recovery in the investment sentiment.

Concerning the process to attract investors, we maintain conversations with those interested in the Infrastructure Unit, seeking to capitalize on opportunities that can accelerate value creation for shareholders. Internally, we continue to make progress in achieving that the separation of the business units maximizes the potential and profitability of each one and allows us to pursue incremental growth projects for both units.

Axtel’s operations continue to be largely remote, taking advantage of the capabilities of Axtel Digital project initiatives, which are part of our digital transformation solutions portfolio available to our customers. In our interest for the well-being of the organization, we maintain proactive campaigns encouraging employees and their families to get vaccinated.

Finally, with the uptrend in the level of acquisitions of new Infrastructure and Enterprise segment projects, coupled with the benefits of digital transformation and efficiencies that we continue to achieve, Axtel’s performance should continue improving in the second half of the year.”

Eduardo Escalante

REVENUES – Business Units

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD
				1Q21	2Q20			Δ (%)
SERVICES (Ps.)	2,210	2,219	2,372	(0)	(7)	4,429	4,924	(10)
US \$	110	109	102	1	8	219	231	(5)
Enterprise (Ps.)	1,884	1,880	1,925	0	(2)	3,764	3,940	(4)
US \$	94	93	82	2	14	187	185	1
Government (Ps.)	326	339	447	(4)	(27)	665	984	(32)
US \$	16	17	19	(3)	(15)	33	46	(29)
INFRASTRUCTURE (Ps.)	1,387	1,230	1,316	13	5	2,617	2,485	5
US \$	69	60	56	14	23	130	115	12
ELIMINATIONS (Ps.) *	(614)	(614)	(610)	0	(1)	(1,227)	(1,225)	(0)
US \$	(31)	(30)	(26)	(1)	(17)	(61)	(57)	(6)
TOTAL REVENUES (Ps.)	2,983	2,835	3,078	5	(3)	5,818	6,184	(6)
US \$	149	140	132	7	13	288	289	(0)

* For consolidation purposes, revenues of Infrastructure Unit coming from Services Unit are presented as “eliminations”.

Total revenues were US \$149 million in 2Q21, up 13% when compared to 2Q20. In pesos, revenues decreased 3%, due to a 7% decline in Alestra’s revenues, partially mitigated by a 5% increase in Axtel Networks.

INFRASTRUCTURE BUSINESS UNIT (“AXTEL NETWORKS”)

Revenues reached US \$69 million in 2Q21; up 23% compared to 2Q20. In pesos, revenues were 5% higher, driven by a strong 10% increase in revenues coming from third-party customers, mainly due to up-front payment contracts providing dark-fiber to mobile and wholesale operators.

Revenues coming from Alestra increased 1% and represented 44% of total Infrastructure Unit revenues.

SERVICES BUSINESS UNIT (“ALESTRA”)

Revenues totaled US \$110 million in 2Q21, up 8% compared to 2Q20. In pesos, revenues decreased 7%, due to 2% and 27% declines in Enterprise and Government segment revenues, respectively.

ENTERPRISE SEGMENT (85% of Services Unit YTD revenues)

Enterprise segment revenues totaled US \$94 million in 2Q21. In pesos, revenues were 2% lower than 2Q20, due to a 6% decline in *Standard* services, partially offset by a 14% increase in *Digital Transformation* services. (Table 1).

STANDARD SERVICES revenues reached Ps. 1,252 million in 2Q21, down 6% year-over-year, mainly due to a 20% decrease in *voice* revenues related to its secular declining trend and the substitution effect from collaboration solutions; as well as a 5% decline in *VPN & Ethernet* solutions.

VALUE-ADDED SERVICES revenues reached Ps. 264 million in 2Q21, marginally down 1% when compared to 2Q20, mainly due to a 6% decrease in *managed services*; partially mitigated by a 12% increase in *system integration* solutions.

DIGITAL TRANSFORMATION revenues reached Ps. 368 million in 2Q21, up 14% compared to 2Q20, mainly due to a 28% increase in *cybersecurity* and a combined 11% increase in *cloud, managed applications* and *collaboration* solutions, due to both new customers and incremental services with existing customers.

REVENUES – Business Units

SERVICES BUSINESS UNIT (“ALESTRA”) (cont’d)

GOVERNMENT SEGMENT (15% of Services Unit YTD revenues)

Government segment revenues amounted US \$16 million in 2Q21. In pesos, revenues declined 27% compared to 2Q20, due to termination of contracts and others in the process of renewal, mainly with federal government (Table 2). Besides pursuing business opportunities with federal government entities, the Company continues working to expand its presence with state and local governments.

STANDARD SERVICES revenues reached Ps. 127 million in 2Q21, 50% lower than 2Q20, mainly due to a 93% decrease in *hosting* services and a 58% decline in *data & internet*.

VALUE-ADDED SERVICES revenues reached Ps. 130 million in 2Q21, up 23% when compared to 2Q20, mostly due to an increase in non-recurrent *system integration* revenues.

DIGITAL TRANSFORMATION revenues reached Ps. 69 million in 2Q21, a 19% decline compared to 2Q20, mainly due to a decline in *collaboration* solutions.

GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 2Q21, gross profit was US \$111 million. In pesos, gross profit totaled Ps. 2,220 million, down 2% compared to 2Q20.

SERVICES UNIT (ALESTRA) gross profit amounted to Ps. 946 million, down 9% compared to the year-earlier quarter, mainly due to declines in *voice* and *VPN* revenues and lower *data & internet* margins for the enterprise segment; as well as declines in *hosting* revenues and lower *value-added* services margins for the government segment.

INFRASTRUCTURE UNIT (AXTEL NETWORKS) gross profit amounted to Ps. 1,275 million, 4% higher compared to the year-earlier quarter, in line with the increase in revenues and affected for comparison purposes by a decline in margins due to the cancelation of a provision associated to the spectrum transaction executed in the second quarter of 2020.

OPERATING EXPENSES AND OTHER INCOME (EXPENSES)

Operating expenses reached US \$54 million in 2Q21; in pesos, operating expenses decreased 4%.

SERVICES UNIT (ALESTRA) operating expenses decreased 5% compared to 2Q20, due to declines in personnel due to right-sizing, as well as maintenance efficiencies and lower advertising expenses.

INFRASTRUCTURE UNIT (AXTEL NETWORKS) operating expenses decreased 3% compared to 2Q20, due to decreases in personnel, advertising, maintenance expenses and rents due to the downsizing in office space.

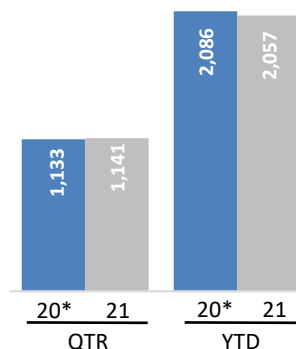
Other income reached Ps. 8 million during 2Q21, compared to other expenses of Ps. 3 million during 2Q20.

EBITDA

EBITDA totaled US \$57 million in 2Q21. In pesos, EBITDA reached Ps. 1,141 million, compared to Ps. 1,133 million in 2Q20 adjusted for the extraordinary Ps. 90 million benefit from the transfer of spectrum. (Table 4).

EBITDA margin was 38.3% in 2Q21, reflecting the high gross profit margin of dark fiber contracts in Axtel Networks, as well as expenses efficiency initiatives in both Business Units.

(in Million Ps.)



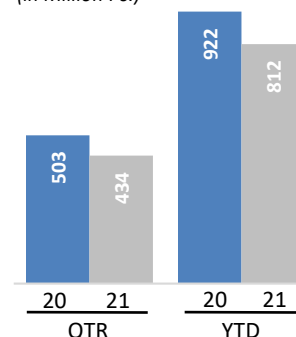
* Adjusted for data center divestment (1Q20) and spectrum (2Q20) transactions.

SERVICES UNIT (ALESTRA)

(39% of Axtel's YTD EBITDA)

Services Business Unit EBITDA amounted to US \$22 million in 2Q21. In pesos, EBITDA reached Ps. 434 million, a 14% decrease year-over-year, due to the decline in gross profits, partially mitigated by a decline in operating expenses previously described.

(in Million Ps.)

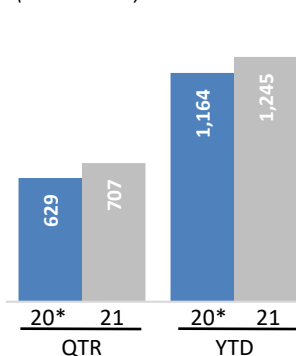


INFRASTRUCTURE UNIT (AXTEL NETWORKS)

(61% of Axtel's YTD EBITDA)

Infrastructure Unit EBITDA reached US \$35 million in 2Q21. In pesos, EBITDA reached Ps. 707 million, up 12% compared to 2Q20 (adjusted for the spectrum transaction), due to increases in gross profit and decline in operating expenses previously described.

(in Million Ps.)



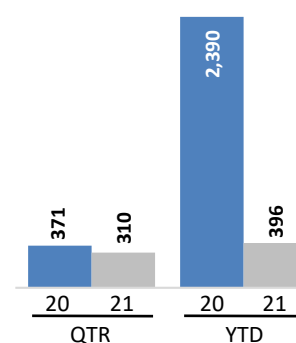
* Adjusted for data center divestment (1Q20) and spectrum (2Q20) transactions.

OPERATING INCOME

In the 2Q21, operating income totaled US \$15 million.

In pesos, 2Q21 operating income totaled Ps. 310 million, compared to Ps. 371 million in 2Q20, a Ps. 61 million decrease mainly due to the extraordinary spectrum transaction benefit of Ps. 90 million in 2Q20.

(in Million Ps.)



COMPREHENSIVE FINANCING RESULT

The comprehensive financing result reached US \$6 million in 2Q21 or Ps. 117 million, compared to a Ps. 94 million cost in 2Q20; mostly explained by a Ps. 393 million FX gain during 2Q21 resulting from an appreciation of the Mexican peso against the US dollar, higher than the Ps. 261 million FX gain in 2Q20. In addition, net interest expenses declined 29% mainly related to the US \$60 million partial redemption of the 2024 Senior Notes in March 2021. (Table 5).

NET DEBT

As of 2Q21, net debt was US \$625 million, an increase of 5% or US \$32 million in comparison with 2Q20; comprised of an US \$86 million decrease in debt, a US \$27 million non-cash increase in debt caused by a 16% appreciation of the Mexican peso year-over-year and a US \$91 million decrease in cash.

Total debt reduction of US \$86 million year-over-year is explained by (i) a US \$60 million decrease related to the partial redemption of the 2024 Senior Notes in March 2021; (ii) a US \$14 million decrease in short-term loans; (iii) a US \$7 million decrease in other loans and financial leases; (iv) a US \$3 million decrease in the long-term facility; and (v) a US \$3 million decrease in accrued interests.

As of 2Q21, cash balance totaled US \$66 million (Ps. 1,313 million). Cash in 2Q20 totaled US \$157 million (Ps. 3,616 million), which included US \$13 million of restricted cash and approximately US \$60 million from remaining proceeds from the data centers transaction, which were used in March this year for the partial redemption of the 2024 Notes.

Financial ratios for the second quarter 2021 were: Net Debt to EBITDA of 3.1 times and Net Interest Coverage of 3.6 times. (Table 6).

CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US \$17 million in 2Q21, compared to US \$18 million in 2Q20. YTD 2021 Capex totaled US \$31 million, a US \$23 million decline compared to US \$54 million YTD 2020.

YTD 2020 figure includes an extraordinary investment of US \$22 million related to the renovation of spectrum frequencies, and excludes a US \$167 million benefit from the data center divestment.

OTHER INFORMATION

- This report presents unaudited financial information based on International Financial Reporting Standards (IFRS). Figures are presented in Mexican Pesos (Ps.) or US Dollars (US \$), as indicated. Where applicable, Peso amounts were translated into US Dollars using the average exchange rate of the months during which the operations were recorded.
- This report may contain forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions and financial performance of the company, all of which are difficult or impossible to predict accurately. These statements reflect management's current views, which are subject to different risks. Accordingly, results could vary from those set forth in this release. The company disclaims any obligation to update statements in this release based on new information available.
- Net Debt / EBITDA ratio: means net debt translated into US Dollars using the end-of-period exchange rate divided by LTM EBITDA translated into US Dollars using the average exchange rate for each month during which the operations were recorded. Net debt means total debt (including accrued interests) minus cash (including restricted cash).
- Net interest coverage ratio: means the ratio of LTM EBITDA to interest expense (net of interest income), both translated into US Dollars using the average exchange rate for each month during which the operations were recorded. Interest expense calculated *pro forma* for debt prepayments.
- To reduce exchange rate risk exposure Axtel maintains forward transactions for an outstanding amount of US \$26 million @ 20.06 MXN/USD, where Axtel buys USD and sells MXN, hedging approximately 70% of its USD-denominated Capex and interest obligations up to November 2021. Additionally, Axtel maintains an interest rate swap ("IRS") for Ps. 3,380 million, maturing in December 2022, where Axtel pays 8.355% and receives TIE 28d.
- Subject to market conditions, the Company's liquidity position and its contractual obligations, from time to time, the Company may acquire or divest its own shares (AxtelCPOs) or its Senior Notes.

ABOUT AXTEL

Axtel is a Mexican Information and Communication Technology company that serves the enterprise, government and wholesale segments through its business units Alestra (Services) and Axtel Networks (Infrastructure).

Axtel is a subsidiary of ALFA, which owns 52.8% of its equity.

Axtel adhered to the UN Global Compact in 2011 the world's largest social responsibility initiative. It has received recognition from CEMEFI as a Socially Responsible Company since 2008.

Axtel shares, represented by Ordinary Participation Certificates, or CPOs, trade on the Mexican Stock Market under the symbol "AXTELCPO" since 2005.

Axtel's Investor Relations Center: axtelcorp.mx
Enterprise and Government services website: alestra.mx

NOTE: Axtel no longer offers services for the residential segment. In December 2018, it sold part of its residential business to Televisa (IZZI) and, in May 2019, the rest to Megacable.

Appendix A – Tables

TABLE 1 | SERVICES BUSINESS UNIT (ALESTRA) REVENUES - ENTERPRISE SEGMENT
(IN MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				1Q21	2Q20			
STANDARD SERVICES (Ps.)	1,252	1,315	1,336	(5)	(6)	2,568	2,779	(8)
VALUE ADDED (Ps.)	264	222	266	19	(1)	486	518	(6)
DIGITAL TRANSFORMATION (Ps.)	368	342	324	8	14	710	644	10
TOTAL ENTERPRISE (Ps.)	1,884	1,880	1,925	0	(2)	3,764	3,940	(4)
<i>US \$</i>	<i>94</i>	<i>93</i>	<i>82</i>	<i>2</i>	<i>14</i>	<i>187</i>	<i>185</i>	<i>1</i>
<i>Recurrent (Ps.)</i>	1,780	1,822	1,842	(2)	(3)	3,602	3,767	(4)
<i>Non recurrent (Ps.)</i>	104	57	83	82	25	161	173	(7)

TABLE 2 | SERVICES BUSINESS UNIT (ALESTRA) REVENUES - GOVERNMENT SEGMENT
(IN MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				1Q21	2Q20			
STANDARD SERVICES (Ps.)	127	160	257	(20)	(50)	287	500	(43)
VALUE ADDED (Ps.)	130	93	105	39	23	223	299	(25)
DIGITAL TRANSFORMATION (Ps.)	69	86	85	(20)	(19)	155	185	(16)
TOTAL GOVERNMENT (Ps.)	326	339	447	(4)	(27)	665	984	(32)
<i>US \$</i>	<i>16</i>	<i>17</i>	<i>19</i>	<i>(3)</i>	<i>(15)</i>	<i>33</i>	<i>46</i>	<i>(29)</i>
<i>Recurrent (Ps.)</i>	250	317	393	(21)	(37)	567	826	(31)
<i>Non recurrent (Ps.)</i>	76	22	54	244	42	98	157	(38)

TABLE 3 | INFRASTRUCTURE BUSINESS UNIT (AXTEL NETWORKS) REVENUES
(IN MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				1Q21	2Q20			
TOTAL INFRASTRUCTURE (Ps.)	1,387	1,230	1,316	13	5	2,617	2,485	5
<i>US \$</i>	<i>69</i>	<i>60</i>	<i>56</i>	<i>14</i>	<i>23</i>	<i>130</i>	<i>115</i>	<i>12</i>
ELIMINATIONS (Ps.) *	(614)	(614)	(610)	0	(1)	(1,227)	(1,225)	(0)
<i>US \$</i>	<i>(31)</i>	<i>(30)</i>	<i>(26)</i>	<i>(1)</i>	<i>(17)</i>	<i>(61)</i>	<i>(57)</i>	<i>(6)</i>

* For consolidation purposes, revenues coming from Services Unit (Alestra) are presented as "eliminations".

Appendix A – Tables

TABLE 4 | OPERATING INCOME AND EBITDA
(IN MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				1Q21	2Q20			
Operating Income (Ps.)	310	86	371	261	(17)	396	2,390	(83)
US \$	15	4	16	271	(5)	20	123	(84)
EBITDA (Ps.)	1,141	916	1,222	25	(7)	2,057	4,197	(51)
US \$	57	45	53	26	8	102	208	(51)
Adjustments* (Ps.)	0	0	(90)	--	--	0	(2,110)	--
US \$	0	0	(4)	--	--	0	(111)	--
Comparable EBITDA (Ps.)	1,141	916	1,133	25	1	2,057	2,086	(1)
US \$	57	45	49	26	17	102	97	5
Services Unit (Ps.)	434	378	503	15	(14)	812	922	(12)
Infrastructure Unit (Ps.)	707	538	629	31	12	1,245	1,164	7

*Adjustments include one-time (gains) losses, such as the Data Centers divestment in 1Q20 and spectrum transfer transaction in 2Q20.

TABLE 5 | COMPREHENSIVE FINANCING RESULT
(IN MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				1Q21	2Q20			
Net interest expense	(276)	(362)	(387)	24	29	(637)	(744)	14
FX gain (loss), net	393	(307)	261	--	51	86	(1,733)	--
Ch. FV of Fin. Instruments	0	0	33	--	--	0	27	--
Total (Ps.)	117	(668)	(94)	--	--	(552)	(2,449)	77
US \$	6	(33)	(5)	--	--	(27)	(115)	76

TABLE 6 | NET DEBT AND FINANCIAL RATIOS
(US \$ MILLIONS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.	
				1Q21	2Q20
Senior Notes 2024	440	440	500	0	(12)
Long-term bank loan	162	156	142	3	14
Short-term bank loans	50	49	63	0	(21)
Other loans + leases	35	39	39	(9)	(9)
Accrued interests	5	12	7	(61)	(30)
Total Debt	691	697	751	(1)	(8)
% US \$ denominated debt	72%	71%	74%		
(-) Cash and cash eq.	(66)	(69)	(157)	4	58
Net Debt	625	627	593	(0)	5
Net Debt / LTM EBITDA*	3.1	3.2	1.8		
LTM Interest Coverage*	3.6	3.4	5.1		

* Times. LTM = Last twelve months. See page 7 for calculation details.

Appendix B – SERVICES UNIT (ALESTRA) – New vs. Former Services Families

TABLE 7 | 2020 and 2021 REVENUES (NEW SERVICES FAMILIES)
(IN MILLIONS)

	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21
SERVICES UNIT (Ps.)	2,552	2,372	2,427	2,473	9,824	2,219	2,210
US \$	129	102	110	120	461	109	110
ENTERPRISE (Ps.)	2,015	1,925	1,959	1,935	7,834	1,880	1,884
STANDARD SERVICES	1,443	1,336	1,320	1,297	5,396	1,315	1,252
VALUE ADDED	253	266	295	283	1,096	222	264
DIGITAL TRANSFORMATION	320	324	343	355	1,342	342	368
GOVERNMENT (Ps.)	537	447	468	538	1,990	339	326
STANDARD SERVICES	243	257	243	219	961	160	127
VALUE ADDED	194	105	104	157	560	93	130
DIGITAL TRANSFORMATION	100	85	121	163	469	86	69

TABLE 8 | 2020 AND 2021 REVENUES (FORMER SERVICES FAMILIES – as reported in 2020)
(IN MILLIONS)

	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21
SERVICES UNIT (Ps.)	2,552	2,372	2,427	2,473	9,824	2,219	2,210
US \$	129	102	110	120	461	109	110
ENTERPRISE (Ps.)	2,015	1,925	1,959	1,935	7,834	1,880	1,884
TELECOM	1,710	1,610	1,589	1,570	6,478	1,549	1,527
IT	305	316	370	366	1,356	330	357
GOVERNMENT (Ps.)	537	447	468	538	1,990	339	326
TELECOM	239	236	226	258	960	187	141
IT	298	211	242	280	1,030	152	185

Appendix C – Financial Statements

Axtel, S.A.B. de C.V. and Subsidiaries

Unaudited Consolidated Balance Sheet

(IN MILLION PESOS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.	
				1Q21	2Q20
ASSETS					
CURRENT ASSETS					
Cash and equivalents	1,313	1,428	3,314	(8)	(60)
Restricted cash	-	-	302	--	--
Accounts receivable	2,250	1,826	4,614	23	(51)
Related parties	13	9	30	37	(57)
Refundable taxes and other acc. rec.	1,057	1,060	643	(0)	64
Advances to suppliers	697	741	776	(6)	(10)
Inventories	115	140	111	(18)	4
Financial Instruments	2	-	18	--	(90)
Financial Instruments (ZSC)	-	-	120	--	--
Total current assets	5,447	5,204	9,928	5	(45)
NON CURRENT ASSETS					
Property, plant and equipment, net	10,938	11,134	12,141	(2)	(10)
Intangible assets, net	1,755	1,860	1,885	(6)	(7)
Deferred income taxes	2,759	2,857	3,780	(3)	(27)
Investment shares associated co.	292	292	295	(0)	(1)
Other assets	336	366	481	(8)	(30)
Total non current assets	16,079	16,509	18,582	(3)	(13)
TOTAL ASSETS	21,526	21,713	28,510	(1)	(24)
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	2,433	2,359	4,638	3	(48)
Accrued Interest	93	249	154	(63)	(40)
Short-term debt	-	-	315	--	--
Current portion of long-term debt	459	1,520	1,630	(70)	(72)
Taxes payable	-	2	39	--	--
Financial Instruments	88	127	134	(30)	(34)
Deferred Revenue	90	104	175	(14)	(49)
Provisions	26	22	213	17	(88)
Other accounts payable	885	815	1,155	9	(23)
Total current liabilities	4,073	5,198	8,452	(22)	(52)
LONG-TERM LIABILITIES					
Long-term debt	13,041	12,492	15,011	4	(13)
Employee Benefits	781	750	741	4	5
Derivative Financial Instruments	8	28	126	(69)	(93)
Other LT liabilities	1	1	103	1	(99)
Total long-term debt	13,831	13,270	15,981	4	(13)
TOTAL LIABILITIES	17,904	18,468	24,433	(3)	(27)
STOCKHOLDERS' EQUITY					
Capital stock	464	464	464	-	-
Reserve for repurchase of shares	192	198	391	(3)	(51)
Cumulative earnings (losses)	2,967	2,583	3,221	15	(8)
TOTAL STOCKHOLDERS' EQUITY	3,623	3,245	4,077	12	(11)
TOTAL LIABILITIES AND EQUITY	21,526	21,713	28,510	(1)	(24)

Appendix C – Financial Statements

Axtel, S.A.B. de C.V. and Subsidiaries

Unaudited Consolidated Income Statement

(IN MILLION PESOS)

	2Q21	1Q21	2Q20	(%) 2Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				1Q21	2Q20			
Total Revenues	2,983	2,835	3,078	5	(3)	5,818	6,184	(6)
Cost of sales and services	(763)	(773)	(814)	1	6	(1,536)	(1,723)	11
Gross Profit	2,220	2,063	2,264	8	(2)	4,283	4,461	(4)
Operating expenses	(1,087)	(1,146)	(1,129)	5	4	(2,233)	(2,379)	6
Other income (expenses), net	8	(1)	87	--	(91)	7	2,115	(100)
Depr., amort. & impairment assets	(832)	(830)	(851)	(0)	2	(1,661)	(1,807)	8
Operating income	310	86	371	261	(17)	396	2,390	(83)
Comprehensive financing result, net	117	(668)	(94)	--	--	(552)	(2,449)	77
Equity in results of associated company	(0)	(0)	-	--	--	(0)	-	--
Income (loss) before income taxes	427	(583)	277	--	54	(156)	(59)	(162)
Income taxes	(83)	297	(135)	--	39	214	801	(73)
Net Income (Loss)	344	(286)	142	--	141	58	742	(92)