

EARNINGS REPORT

First Quarter 2021 (1Q21)



Monterrey, Mexico, April 20, 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 first quarter of 2021 ("1Q21").

Axtel reports 1Q21 EBITDA of US \$45 million (Ps. 916 million)

SELECTED FINANCIAL INFORMATION

(IN MILLIONS)

	1Q21	4Q20	1Q20	(%) 1Q21 vs.		YTD'21	YTD'20	YTD
				4Q20	1Q20			Δ (%)
Revenues (Ps.)	2,835	3,077	3,106	(8)	(9)	2,835	3,106	(9)
US \$	140	150	157	(7)	(11)	140	157	(11)
EBITDA (Ps.) ¹	916	1,052	2,974	(13)	(69)	916	2,974	(69)
US \$	45	51	156	(12)	(71)	45	156	(71)
Net Income (loss) (Ps.)	(286)	(207)	599	(38)	--	(286)	599	--
US \$	(14)	(11)	42	(29)	--	(14)	42	--
CAPEX (Ps.) ²	274	657	686	(58)	(60)	274	686	(60)
US \$	13	32	36	(58)	(62)	13	36	(62)
Net Debt (US \$)	627	602	586	4	7			
Net Debt / LTM EBITDA*	3.2	2.0	1.8					
LTM Interest Coverage*	3.2	5.1	5.3					

* 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.

1Q21 HIGHLIGHTS

Business Units Separation

- During the quarter, conversations to attract potential investors for Business Units continued, with an emphasis on the Infrastructure Unit.
- Concurrently, the Company is working on legally separating the two business units into separate corporate entities.

Financial Structure

- In March, Axtel redeemed US \$60 million of its 6.375% Senior Notes due 2024 ("Notes").
 - The amount outstanding of the Notes is US \$440 million.
- In process to renew the US \$50 million committed, revolving credit facility for an additional 3 years.
- Fitch Ratings upgraded Axtel's ratings to 'BB' from 'BB-'; revised outlook to stable.

Annual Shareholders' Meeting

- In March, shareholders approved a share repurchase program for up to Ps. 200 million.

Frecuencia Alestra and NAVE

- In March, the Company hosted the first edition of its virtual event "Frecuencia Alestra" to showcase the latest innovations in Digital Transformation solutions.
 - More than 2,300 participants
- Axtel celebrated its first five years of promoting digital B2B scaleups and startups through NAVE, its business accelerator program.
 - 26 scaleups and 21 startups have been accelerated.
 - 7 product launches for Alestra's portfolio.

MESSAGE FROM AXTEL'S CEO

“Business prospects in 2021, particularly for our Enterprise and Infrastructure customers, are improving despite a challenging first quarter. The Enterprise segment reflected the contracted acquisition of new projects that prevailed in 2020. This quarter, new contracts’ acquisition experienced a relevant increase, an enticing trend for the rest of the year. In the Government segment, we saw a meaningful impact largely due to a slowdown in new Digital Transformation projects for the federal government. For its part, Axtel Networks’ results were in line with our positive view for the year.

In the quarter, we continued conversations to attract investment proposals for our Business Units, with a focus in Axtel Networks. Alongside, we are moving forward to legally separate the two business units taking into consideration all relevant legal, regulatory, operational and contractual aspects, and their corresponding implications.

Internally, we remained working remotely, waiting for a widely available vaccination program in Mexico to protect the well-being of all collaborators in Axtel. Until then, we will start the transition to a hybrid, in-office and remote working scheme under the “Axtel Digital” project.

Looking ahead, we will continue pursuing opportunities with Enterprise and Axtel Networks’ customers, amid more favorable economic expectations and will refocus on opportunities with state and local government entities. Our “Axtel Digital” project will continue to drive the reshaping of our operations and processes, producing a more streamlined and efficient operation. Finally, we will continue maximizing cashflow to improve our capital structure and pursue all strategic efforts to attract new investors to our Business Units.”

Eduardo Escalante

REVENUES – Business Units

	1Q21	4Q20	1Q20	(% 1Q21 vs.)		YTD'21	YTD'20	YTD
				4Q20	1Q20			Δ (%)
SERVICES (Ps.)	2,219	2,473	2,552	(10)	(13)	2,219	2,552	(13)
US \$	109	120	129	(9)	(15)	109	129	(15)
Enterprise (Ps.)	1,880	1,935	2,015	(3)	(7)	1,880	2,015	(7)
US \$	93	94	102	(1)	(9)	93	102	(9)
Government (Ps.)	339	538	537	(37)	(37)	339	537	(37)
US \$	17	26	27	(37)	(38)	17	27	(38)
INFRASTRUCTURE (Ps.)	1,230	1,218	1,169	1	5	1,230	1,169	5
US \$	60	59	59	2	2	60	59	2
ELIMINATIONS (Ps.) *	(614)	(614)	(615)	0	0	(614)	(615)	0
US \$	(30)	(30)	(31)	(1)	3	(30)	(31)	3
TOTAL REVENUES (Ps.)	2,835	3,077	3,106	(8)	(9)	2,835	3,106	(9)
US \$	140	150	157	(7)	(11)	140	157	(11)

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

Total revenues were US \$140 million in 1Q21, down 11% when compared to 1Q20. In pesos, revenues decreased 9%, due to a 13% decrease in Alestra’s revenues, partially mitigated by a 5% increase in Axtel Networks.

INFRASTRUCTURE BUSINESS UNIT (“AXTEL NETWORKS”)

Revenues reached US \$60 million in 1Q21; up 2% compared to 1Q20. In pesos, revenues were 5% higher, driven by a strong 11% increase in revenues coming from third-party customers, mainly due to up-front payment contracts providing dark-fiber to wholesale and mobile operators.

Revenues coming from Alestra remained flat and represented 50% of total Infrastructure Unit YTD revenues.

SERVICES BUSINESS UNIT (“ALESTRA”)

Revenues totaled US \$109 million in 1Q21, down 15% compared to 1Q20. In pesos, revenues decreased 13%, due to 7% and 37% declines in Enterprise and Government segment revenues, respectively.

ENTERPRISE SEGMENT (85% of Services Unit YTD revenues)

Enterprise segment revenues totaled US \$93 million in 1Q21. In pesos, revenues were 7% lower than 1Q20, due to 9% and 12% declines in *Standard* services and *Value-added* services, respectively, partially offset by a 7% increase in *Digital Transformation* services. (Table 1).

STANDARD SERVICES revenues reached Ps. 1,315 million in 1Q21, down 9% year-over-year, mainly due to a 29% decrease in *voice* revenues mainly due to a one-time revenue recognition of equipment component under IFRS 15 during 1Q20, and also due to its maturing technological cycle and less voice traffic due to remote work for many clients. This decline was partially mitigated by a 6% growth in *hosting* solutions.

VALUE-ADDED SERVICES revenues reached Ps. 222 million in 1Q21, down 12% when compared to 1Q20, mainly due to a 20% decrease in *managed services* mainly due to fewer non-recurring wiring and equipment sales projects during 1Q21, as premises and capacity expansions are not yet a priority for clients; partially mitigated by a 9% increase in *system integration* solutions.

DIGITAL TRANSFORMATION revenues reached Ps. 342 million in 1Q21, up 7% compared to 1Q20, mainly due to a 21% increase in *cybersecurity* and a combined 8% increase in *cloud* 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 \$17 million in 1Q21. In pesos, revenues declined 37% compared to 1Q20, due to termination of contracts mainly with federal government and contraction in non-recurrent revenues, which declined 80% this quarter (Table 2). The Company is emphasizing opportunities with state and local governments to compensate for the uncertainty in *Value-added* and *Digital Transformation* projects with federal government entities.

STANDARD SERVICES revenues reached Ps. 160 million in 1Q21, 34% lower than 1Q20, mainly due to a 90% decrease in *hosting* services and a 24% decline in *data & internet*.

VALUE-ADDED SERVICES revenues reached Ps. 93 million in 1Q21, down 52% when compared to 1Q20, due to a combined decline in *system integration* solutions and *managed services*.

DIGITAL TRANSFORMATION revenues reached Ps. 86 million in 1Q21, a 14% decline compared to 1Q20, mainly due to declines in *managed applications* and *cybersecurity* solutions.

GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 1Q21, gross profit was US \$102 million. In pesos, gross profit totaled Ps. 2,063 million, down 6% compared to 1Q20.

SERVICES UNIT (ALESTRA) gross profit amounted to Ps. 942 million, down 14% compared to the year-earlier quarter, mainly due to the decline in *voice* revenues for the enterprise segment and *Value-added* and *Digital Transformation* revenues in the government segment, with fairly stable margins.

INFRASTRUCTURE UNIT (AXTEL NETWORKS) gross profit amounted to Ps. 1,121 million, 2% higher compared to the year-earlier quarter, due to increases in revenues, marginally affected by a reclassification of certain intra-business units’ costs.

OPERATING EXPENSES AND OTHER INCOME (EXPENSES)

Operating expenses reached US \$56 million in 1Q21; in pesos, operating expenses decreased 8%.

SERVICES UNIT (ALESTRA) operating expenses decreased 18% compared to 1Q20, due to declines in personnel due to right-sizing, as well as declines in maintenance and lower debt-provision charge.

INFRASTRUCTURE UNIT (AXTEL NETWORKS) operating expenses increased 3% compared to 1Q20, due to increases in personnel and maintenance expenses reclassified from Alestra this year, partially mitigated by a decline in rents due to the downsizing in office space .

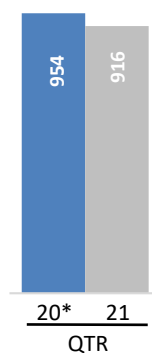
Other expenses reached Ps. 1 million during 1Q21, compared to other income of Ps. 2,028 million during 1Q20, which includes a Ps. 2,021 million (US \$107 million) gain from the divestment of the data centers.

EBITDA

EBITDA totaled US \$45 million in 1Q21. In pesos, EBITDA reached Ps. 916 million, a 4% decrease compared to Ps. 954 million in 1Q20 adjusted for the Ps. 2,021 million gain of the data centers divestment. (Table 4).

EBITDA margin increased from 30.7% in 1Q20 to 32.3% in 1Q21, driven by a greater proportion of higher-margin Infrastructure unit EBITDA.

(in Million Ps.)

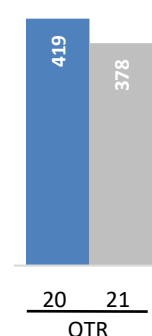


* Adjusted for data center divestment transaction.

SERVICES UNIT (ALESTRA) (41% of Axtel's YTD EBITDA)

Services Business Unit EBITDA amounted to US \$19 million in 1Q21. In pesos, EBITDA reached Ps. 378 million, a 10% 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) (59% of Axtel's YTD EBITDA)

Infrastructure Unit EBITDA reached US \$26 million in 1Q21. In pesos, EBITDA reached Ps. 538 million, up 1% compared to 1Q20, due to increases in gross profit mitigated by increases in operating expenses previously described.

(in Million Ps.)

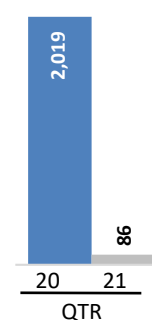


* Adjusted for data center divestment transaction.

OPERATING INCOME

In the 1Q21, operating income totaled US \$4 million. In pesos, operating income totaled Ps. 86 million, compared to Ps. 2,019 million in 1Q20, a Ps. 1,933 million decrease due to the extraordinary data centers divestment gain of Ps. 2,021 million in 1Q20.

(in Million Ps.)



COMPREHENSIVE FINANCING RESULT

The comprehensive financing cost reached US \$33 million in 1Q21 or Ps. 668 million, down 72% compared to Ps. 2,355 million cost in 1Q20; mostly explained by a Ps. 307 million FX loss during 1Q21 resulting from a 3% depreciation of the Mexican peso against the US dollar, compared to a Ps. 1,993 million FX loss in 1Q20 resulting from a 20% depreciation of the peso. Interest expenses declined less than 1% notwithstanding the Ps. 60 million premium paid in March related to the US \$60 million partial redemption of the 2024 Senior Notes. (Table 5).

NET DEBT

For 1Q21, net debt was US \$627 million, an increase of 7% or US \$42 million in comparison with 1Q20; comprised of an US \$18 million decrease in debt, a US \$25 million non-cash increase in debt caused by a 14% appreciation of the Mexican peso year-over-year and a US \$35 million decrease in cash.

Total debt reduction of US \$18 million year-over-year is explained by i) a US \$60 million decrease related to the partial redemption of the 2024 Senior Notes; ii) a US \$47 million increase in short-term loans; iii) a US \$2 million decrease in the long-term facility; and iv) a US \$3 million decrease in accrued interests.

As of 1Q21, cash balance totaled US \$69 million (Ps. 1,428 million). Cash in 1Q20 totaled US \$104 million (Ps. 2,448 million), which included US \$13 million of restricted cash and US \$60 million from remaining proceeds from the data centers transaction, which were used in March this year to partially redeem the 2024 Senior Notes.

Financial ratios for the first quarter 2021 were: Net Debt to EBITDA of 3.2 times and Interest Coverage of 3.2 times. (Table 6).

CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US \$13 million in 1Q21, compared to US \$36 million in 1Q20.

Capex in the first quarter of 2020 includes an extraordinary investment of US \$19 million related to the renovation of spectrum frequencies, and excludes a US \$167 million benefit from the data center divestment.

OTHER INFORMATION

- The 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).
- 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.
- 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 and/or its Senior Notes, as well as enter into or unwind financial instruments whose underlying is related to the performance of its shares.

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)

	1Q21	4Q20	1Q20	(% 1Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				4Q20	1Q20			
STANDARD SERVICES	1,315	1,297	1,443	1	(9)	1,315	1,443	(9)
VALUE-ADDED	222	283	253	(21)	(12)	222	253	(12)
DIGITAL TRANSFORMATION	342	355	320	(4)	7	342	320	7
TOTAL ENTERPRISE (Ps.)	1,880	1,935	2,015	(3)	(7)	1,880	2,015	(7)
<i>US \$</i>	<i>93</i>	<i>94</i>	<i>102</i>	<i>(1)</i>	<i>(9)</i>	<i>93</i>	<i>102</i>	<i>(9)</i>
<i>Recurrent (Ps.)</i>	1,822	1,839	1,925	(1)	(5)	1,822	1,925	(5)
<i>Non recurrent (Ps.)</i>	57	96	90	(40)	(37)	57	90	(37)

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

	1Q21	4Q20	1Q20	(% 1Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				4Q20	1Q20			
STANDARD SERVICES	160	219	243	(27)	(34)	160	243	(34)
VALUE-ADDED	93	157	194	(40)	(52)	93	194	(52)
DIGITAL TRANSFORMATION	86	163	100	(47)	(14)	86	100	(14)
TOTAL GOVERNMENT (Ps.)	339	538	537	(37)	(37)	339	537	(37)
<i>US \$</i>	<i>17</i>	<i>26</i>	<i>27</i>	<i>(37)</i>	<i>(38)</i>	<i>17</i>	<i>27</i>	<i>(38)</i>
<i>Recurrent (Ps.)</i>	317	375	433	(16)	(27)	317	433	(27)
<i>Non recurrent (Ps.)</i>	22	163	104	(86)	(79)	22	104	(79)

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

	1Q21	4Q20	1Q20	(% 1Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				4Q20	1Q20			
TOTAL INFRASTRUCTURE (Ps.)	1,230	1,218	1,169	1	5	1,230	1,169	5
<i>US \$</i>	<i>60</i>	<i>59</i>	<i>59</i>	<i>2</i>	<i>2</i>	<i>60</i>	<i>59</i>	<i>2</i>
ELIMINATIONS (Ps.) *	(614)	(614)	(615)	0	0	(614)	(615)	0
<i>US \$</i>	(30)	(30)	(31)	(1)	3	(30)	(31)	3

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

Appendix A – Tables

TABLE 4 | OPERATING INCOME AND EBITDA
(IN MILLIONS)

	1Q21	4Q20	1Q20	(%) 1Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				4Q20	1Q20			
Operating Income (Ps.)	86	179	2,019	(52)	(96)	86	2,019	(96)
US \$	4	9	107	(53)	(96)	4	107	(96)
EBITDA (Ps.)	916	1,052	2,974	(13)	(69)	916	2,974	(69)
US \$	45	51	156	(12)	(71)	45	156	(71)
Adjustments* (Ps.)	0	0	(2,021)	--	--	0	(2,021)	--
US \$	0	0	(107)	--	--	0	(107)	--
Comparable EBITDA (Ps.)	916	1,052	954	(13)	(4)	916	954	(4)
US \$	45	51	48	(12)	(7)	45	48	(7)
Services Unit (Ps.)	378	512	419	(26)	(10)	378	419	(10)
Infrastructure Unit (Ps.)	538	540	535	(0)	1	538	535	1

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

TABLE 5 | COMPREHENSIVE FINANCING RESULT
(IN MILLIONS)

	1Q21	4Q20	1Q20	(%) 1Q21 vs.		YTD'21	YTD'20	YTD Δ (%)
				4Q20	1Q20			
Net interest expense	(362)	(270)	(356)	(34)	(2)	(362)	(356)	(2)
FX gain (loss), net	(307)	1,125	(1,993)	--	85	(307)	(1,993)	85
Ch. FV of Fin. Instruments	0	0	(6)	--	--	0	(6)	--
Total (Ps.)	(668)	855	(2,355)	--	72	(668)	(2,355)	72
US \$	(33)	41	(110)	--	70	(33)	(110)	70

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

	1Q21	4Q20	1Q20	(%) 1Q21 vs.	
				4Q20	1Q20
Senior Notes 2024	440	500	500	(12)	(12)
Long-term bank loan	156	163	139	(4)	13
Short-term bank loans	49	65	2	(24)	>1,000
Other loans + leases	39	38	35	1	10
Accrued interests	12	5	14	128	(11)
Total Debt	697	771	690	(10)	1
% US \$ denominated debt	71%	72%	74%		
(-) Cash and cash eq.	(69)	(170)	(104)	59	33
Net Debt	627	602	586	4	7
Net Debt / LTM EBITDA*	3.2	2.0	1.8		
LTM Interest Coverage*	3.2	5.1	5.3		

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

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

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

Appendix C – Financial Statements

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

Unaudited Consolidated Balance Sheet

(IN MILLION PESOS)

	1Q21	4Q20	1Q20	(% 1Q21 vs.)	
				4Q20	1Q20
ASSETS					
CURRENT ASSETS					
Cash and equivalents	1,428	3,124	2,132	(54)	(33)
Restricted cash	-	262	316	--	--
Accounts receivable	1,826	1,795	2,631	2	(31)
Related parties	9	8	40	12	(77)
Refundable taxes and other acc. rec.	1,060	1,098	877	(3)	21
Advances to suppliers	741	714	626	4	18
Inventories	140	79	122	78	15
Financial Instruments	-	-	63	--	--
Financial Instruments (ZSC)	-	-	87	--	--
Total current assets	5,204	7,079	6,894	(26)	(25)
NON CURRENT ASSETS					
Restricted cash	-	-	-	--	--
Property, plant and equipment, net	11,134	11,578	12,493	(4)	(11)
Long-term accounts receivable	-	-	-	--	--
Intangible assets, net	1,860	1,854	1,917	0	(3)
Deferred income taxes	2,857	2,541	3,853	12	(26)
Investment shares associated co.	292	292	295	(0)	(1)
Other assets	366	361	457	1	(20)
Total non current assets	16,509	16,624	19,014	(1)	(13)
TOTAL ASSETS	21,713	23,704	25,908	(8)	(16)
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	2,359	2,376	3,394	(1)	(30)
Accrued Interest	249	106	320	135	(22)
Short-term debt	-	310	-	--	--
Current portion of long-term debt	1,520	1,488	458	2	231
Taxes payable	2	376	16	(100)	(91)
Financial Instruments	127	154	89	(18)	43
Deferred Revenue	104	116	191	(10)	(45)
Provisions	22	18	232	21	(90)
Other accounts payable	815	1,100	963	(26)	(15)
Total current liabilities	5,198	6,044	5,663	(14)	(8)
LONG-TERM LIABILITIES					
Long-term debt	12,492	13,367	15,302	(7)	(18)
Employee Benefits	750	743	700	1	7
Derivative Financial Instruments	28	53	97	(48)	(71)
Other LT liabilities	1	1	153	(29)	(99)
Total long-term debt	13,270	14,165	16,253	(6)	(18)
TOTAL LIABILITIES	18,468	20,209	21,916	(9)	(16)
STOCKHOLDERS' EQUITY					
Capital stock	464	464	464	-	-
Reserve for repurchase of shares	198	186	396	6	(50)
Cumulative earnings (losses)	2,583	2,845	3,131	(9)	(18)
TOTAL STOCKHOLDERS' EQUITY	3,245	3,495	3,991	(7)	(19)
TOTAL LIABILITIES AND EQUITY	21,713	23,704	25,908	(8)	(16)

Appendix C – Financial Statements

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

Unaudited Consolidated Income Statement

(IN MILLION PESOS)

	1Q21	4Q20	1Q20	(% 1Q21 vs.)		YTD'21	YTD'20	YTD
				4Q20	1Q20			Δ (%)
Total Revenues	2,835	3,077	3,106	(8)	(9)	2,835	3,106	(9)
Cost of sales and services	(773)	(861)	(910)	10	15	(773)	(910)	15
Gross Profit	2,063	2,216	2,197	(7)	(6)	2,063	2,197	(6)
Operating expenses	(1,146)	(1,189)	(1,250)	4	8	(1,146)	(1,250)	8
Other income (expenses), net	(1)	25	2,028	--	--	(1)	2,028	--
Depr., amort. & impairment assets	(830)	(873)	(956)	5	13	(830)	(956)	13
Operating income	86	179	2,019	(52)	(96)	86	2,019	(96)
Comprehensive financing result, net	(668)	855	(2,355)	--	72	(668)	(2,355)	72
Equity in results of associated company	(0)	-	-	--	--	(0)	-	--
Income (loss) before income taxes	(583)	1,035	(337)	--	(73)	(583)	(337)	(73)
Income taxes	297	(1,242)	936	--	(68)	297	936	(68)
Net Income (Loss)	(286)	(207)	599	(38)	--	(286)	599	--