

EARNINGS REPORT

Fourth Quarter 2022 (4Q22)



Monterrey, Mexico, February 15, 2023.- Axtel, S.A.B. de C.V. (BMV: AXTELCPO) ("Axtel", the "Company"), a Mexican Information and Communications Technology company, announced today its unaudited results for the fourth quarter of 2022 ("4Q22").

Axtel reports 4Q22 EBITDA of US \$41 million (Ps. 803 million)

SELECTED FINANCIAL INFORMATION

(IN MILLIONS)

	4Q22	3Q22	4Q21	(% 4Q22 vs.)		YTD'22	YTD'21	YTD
				3Q22	4Q21			Δ (%)
Revenues (Ps.)	2,652	2,736	2,812	(3)	(6)	10,480	11,389	(8)
US \$	135	135	136	(0)	(1)	521	562	(7)
EBITDA (Ps.) ¹	803	790	824	2	(3)	3,011	3,793	(21)
US \$	41	39	40	4	3	150	187	(20)
Net Income (loss) (Ps.)	137	(116)	(553)	--	--	(39)	(797)	95
US \$	7	(6)	(27)	--	--	(2)	(39)	95
CAPEX (Ps.) ²	361	285	424	27	(15)	1,291	1,533	(16)
US \$	18	14	20	31	(10)	64	76	(15)
Net Debt (US \$)	537	566	574	(5)	(6)			
Net Debt / LTM EBITDA*	3.6	3.8	3.1					
LTM Interest Coverage*	3.9	3.3	3.3					

* 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.

4Q22 | 2022 HIGHLIGHTS

- RESULTS**
- 4Q22 EBITDA increased 2% on a sequential basis, contributing to a 12% increase in second semester EBITDA compared to first semester, with improving results in all three business segments: Axnet, Enterprise and Government.
 - Control on expenses and optimization of investments generated a free cash flow of US \$47 million in 2022.
 - Improving EBITDA and solid cash flow, contributed to reducing net leverage ratio to 3.6x.
- CAPITAL STRUCTURE**
- In 2022, the Company repurchased US \$38 million of its Senior Notes due 2024.
 - This year, Axtel signed an agreement to refinance its Ps. 3,026 million long-term bank loan for a new, 10-year tenor loan, and an average life of 8 years.
 - Additionally, the Company executed a US \$100 million, 5-year term bank loan. Use of proceeds and availability of funds under this facility is to refinance its 2024 Senior Notes.
 - In January, the Company launched an offer to purchase up to US \$120 million principal amount of its 2024 Senior Notes. The Company received US \$89 million in tendered notes.
- ESG**
- Axtel obtained a score of 58/100 in the S&P Global Corporate Sustainability Assessment; reaching the 83rd percentile in the global Telecommunications industry. (Score date: Sept'22).

MESSAGE FROM AXTEL'S CEO

“Axtel’s operating performance continues its improving trend, results in the fourth quarter showed a recovery that was reflected since the third quarter.

In the Enterprise segment, supported by our specialized business model, we increased the acquisition of new projects by 13%, compared to the previous year. The fastest growing lines were cybersecurity, cloud and managed networks with 22%, 35% and 52% increases, respectively.

In the Government segment, we strengthened the commercial vision and team, and laid the foundations to expand opportunities and presence in new states and federal entities, which translated into a 10% growth in revenues in the second semester, compared to the first semester of 2022.

In 2023, we will be working on multiple initiatives to support revenue growth and improve profitability. These initiatives will help us to maximize data utilization, develop a more agile implementation of services, continue our commercial segmentation and specialization model and reinforce the culture, teamwork and agility of our organization.

This year, we have a stronger foundation on which to build better results. We will continue with strict financial discipline, focused on protecting the profitability of the business and maintaining a solid level of cash flow, which may result in a reduction of net leverage ratio.”

Armando de la Peña

REVENUES

	4Q22	3Q22	4Q21	(% 4Q22 vs.)		YTD'22	YTD'21	YTD Δ (%)
				3Q22	4Q21			
SERVICES (Ps.)	2,195	2,150	2,220	2	(1)	8,547	8,828	(3)
US \$	112	106	107	5	4	425	435	(2)
Enterprise (Ps.)	1,915	1,902	1,853	1	3	7,539	7,492	1
US \$	97	94	89	3	9	375	370	1
Government (Ps.)	280	248	366	13	(23)	1,007	1,336	(25)
US \$	14	12	18	17	(19)	50	66	(24)
INFRASTRUCTURE (Ps.)	1,071	1,200	1,206	(11)	(11)	4,388	5,017	(13)
US \$	54	59	58	(8)	(6)	218	247	(12)
ELIMINATIONS (Ps.) *	(614)	(614)	(614)	0	(0)	(2,455)	(2,455)	(0)
US \$	(31)	(30)	(30)	(3)	(5)	(122)	(121)	(1)
TOTAL REVENUES (Ps.)	2,652	2,736	2,812	(3)	(6)	10,480	11,389	(8)
US \$	135	135	136	(0)	(1)	521	562	(7)

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

Total revenues reached US \$135 million in 4Q22. In pesos, revenues decreased 6% year-over-year, due to 11% and 1% declines in Axtel Networks and Alestra's revenues, respectively. Full-year 2022 ("FY2022") revenues totaled Ps. 10,480 million, an 8% decline due to 13% and 3% decreases in Axtel Networks and Alestra's revenues, respectively.

INFRASTRUCTURE BUSINESS UNIT ("AXTEL NETWORKS", "AXNET")

Revenues reached US \$54 million in 4Q22. In pesos, revenues posted an 11% decrease compared to the year-earlier quarter, mainly due to decreases in wholesale connectivity revenues and dark fiber contracts.

FY2022 revenues totaled Ps. 4,388 million, 13% lower than 2021 due to decreases in dark fiber contracts, along with lower revenues from a wholesale mobile operator customer. Revenues coming from Alestra represented 56% of total Infrastructure Unit's FY2022 revenues.

SERVICES BUSINESS UNIT ("ALESTRA")

Revenues totaled US \$112 million in 4Q22. In pesos, revenues declined 1% compared to 4Q21, due to a 23% decline in Government segment revenues, partially compensated by a 3% increase in Enterprise segment revenues. FY2022 revenues decreased 3%, due to a 25% decline in Government segment, partially mitigated by a 1% increase in Enterprise segment revenues.

ENTERPRISE SEGMENT (88% of Alestra's FY2022 revenues)

Enterprise segment revenues totaled US \$97 million in 4Q22. In pesos, revenues increased 3% compared to 4Q21, due to 9%, 4%, and 2% increases in *digital transformation*, *value added* and *standard services*, respectively. FY2022 revenues increased 1%. (Table 1).

STANDARD SERVICES revenues reached Ps. 1,225 million in 4Q22, a 2% increase year-over-year, due a 10% increase in *internet services*, compensating declines in *VPN* and *voice* revenues. FY2022 revenues declined 3%, due to a 12% decrease in *voice services*, which continue its declining trend and represented 11% of total enterprise segment revenues in 2022, compared to 12% in 2021.

VALUE-ADDED SERVICES revenues reached Ps. 271 million in 4Q22, 4% higher when compared to 4Q21, due to a 9% increase in *managed services*. FY2022 revenues also increased 4%, led by increases in *system integration* solutions.

DIGITAL TRANSFORMATION revenues reached Ps. 418 million in 4Q22, up 9% compared to 4Q21, driven by increases in *cloud*, *cybersecurity*, *collaboration* and *mobile* solutions. FY2022 revenues increased 11%, mainly due to a 20% increase in *cybersecurity* and *cloud* solutions.



REVENUES

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

GOVERNMENT SEGMENT (12% of Alestra’s FY2022 revenues)

Government segment revenues amounted US \$14 million in 4Q22. In pesos, revenues declined 23% compared to 4Q21, mostly explained by lower recurrent revenues due to the termination of federal entity contracts. However, on a sequential basis, revenues posted a 13% increase, driven by a strong 47% increase in recurring revenues as the government segment’s management team is successfully extending expiring contracts and expanding the state and federal customer base. FY2022 revenues decreased 25%, however government segment results should continue recovering. (Table 2).

STANDARD SERVICES revenues reached Ps. 147 million in 4Q22, 7% lower than 4Q21. However, on a sequential basis, revenues increased 60% mainly due to connectivity solutions.

VALUE-ADDED SERVICES revenues reached Ps. 88 million in 4Q22, a 24% decrease vs 4Q21.

DIGITAL TRANSFORMATION revenues reached Ps. 46 million in 4Q22, 50% lower than 4Q21.

GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 4Q22, gross profit was US \$101 million. In pesos, gross profit increased 1% compared to 4Q21, due to better gross profit margins in Alestra. FY2022 gross profit declined 7%, in line with revenues, and its margin represented 73% of total revenues, compared to 72% in 2021.

SERVICES UNIT (ALESTRA) gross profit amounted Ps. 988 million in 4Q22, a 15% increase compared to the year-earlier quarter, mainly explained by higher contribution margins in both Enterprise and Government segments. FY2022 gross profit remained unchanged, as a decline in revenues was compensated by higher margins, particularly in the Government segment.

INFRASTRUCTURE UNIT (AXNET) gross profit amounted to Ps. 991 million in 4Q22, a 10% decrease compared to the year-earlier quarter, while FY2022 gross profit declined 12% year-over-year, in line with the decline in revenues.

OPERATING EXPENSES AND OTHER INCOME (EXPENSES)

Operating expenses reached US \$63 million in 4Q22; in pesos, operating expenses increased 12%, compared to the year-earlier quarter, due to higher expenses in both Alestra and Axnet. FY2022 expenses increased 8%, due to a 16% increase in Axnet’s operating expenses.

SERVICES UNIT (ALESTRA) 4Q22 operating expenses increased 15% compared to 4Q21, due to increases in personnel and an extraordinary bad-debt recovery booked in 4Q21. FY2022 expenses remained unchanged compared to 2021.

INFRASTRUCTURE UNIT (AXNET) 4Q22 operating expenses increased 10% compared to 4Q21 and FY2022 expenses increased 16%, mainly as a result of a bad debt provision related to a mobile wholesale operator.

Other income reached Ps. 56 million during 4Q22, compared to Ps. 43 million of other expenses recorded in 4Q21 mostly related to organization efficiencies. FY2022 other income reached Ps. 107 million, compared to Ps. 32 million of other expenses in 2021.

EBITDA

EBITDA totaled US \$41 million in 4Q22. In pesos, EBITDA reached Ps. 803 million, a 3% decline compared to 4Q21, due to a decline in Axnet, partially mitigated by an increase in Alestra's EBITDA. FY2022 EBITDA reached Ps. 3,011 million, 21% lower than 2021, mainly due to the decline in Axnet's EBITDA.

EBITDA margin increased from 29% in 4Q21 to 30% in 4Q22 as the increase in gross profit margins compensated the increase in operating expenses previously mentioned. FY2022 EBITDA margin reached 29%, lower than 33% in 2021, mainly due to Axnet's higher operating expenses, as well as a lower contribution to total EBITDA by Axnet, whose margin is greater than that of Alestra.

SERVICES UNIT (ALESTRA)

(53% of Axtel's FY2022 EBITDA)

Alestra's EBITDA amounted US \$23 million in 4Q22. In pesos, 4Q22 EBITDA increased 31%, due to the increase in gross profit margin which compensated the increase in operating expenses.

FY2022 EBITDA increased 4% year-over-year, due to improved second semester and better other income/(expenses) compared to 2021.

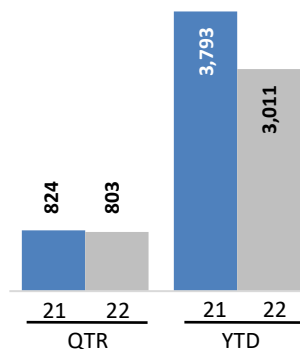
INFRASTRUCTURE UNIT (AXNET)

(47% of Axtel's FY2022 EBITDA)

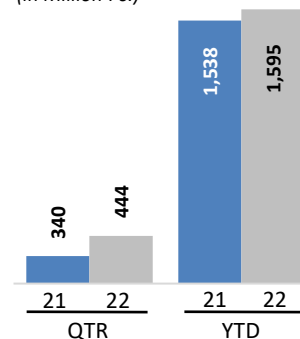
Axnet's EBITDA reached US \$18 million in 4Q22. In pesos, EBITDA declined 26% compared to 4Q21, due to the decline in gross profit and increase in operating expenses previously explained.

FY2022 EBITDA declined 37%, mainly explained by the decline in gross profit and higher operating expenses related to the extraordinary bad debt provision charge.

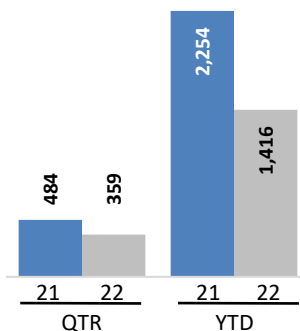
(in Million Ps.)



(in Million Ps.)



(in Million Ps.)



(in Million Ps.)



OPERATING INCOME (LOSS)

Operating income in 4Q22 reached Ps. 94 million, compared to an operating loss of Ps. 207 million a year ago, which includes the recognition of an impairment of Ps. 290 million in minority participation investments.

FY2022 operating income totaled Ps. 174 million, 41% lower when compared to 2021, mainly due to the decline in EBITDA previously explained, partially mitigated by lower depreciation and amortization.



COMPREHENSIVE FINANCING RESULT

The comprehensive financing result reached US \$13 million in 4Q22, or Ps. 268 million, compared to a comprehensive financing cost of Ps. 378 million in 4Q21. Mostly explained by a Ps. 394 million FX gain during 4Q22 resulting from an appreciation of the Mexican peso against the US dollar, compared to a Ps. 117 million FX loss in 4Q21. Net interest expenses decreased 52% from 4Q21 to 4Q22, mainly due to an increase in interest income resulting from the open market repurchases of the 2024 Senior Notes.

FY2022 comprehensive financial cost of Ps. 261 million was 82% lower than the Ps. 1,441 million cost in 2021, mainly explained by a 34% decline in net interest expense, as well as a Ps. 511 million FX gain resulting from an appreciation of the Mexican peso against the US dollar in 2022, compared to a Ps. 278 million FX loss in 2021.

NET DEBT

As of December 31, 2022, net debt was US \$537 million, a decrease of 6% or US \$37 million in comparison with 4Q21; comprised of a US \$47 million decrease in debt, a US \$11 million non-cash increase in debt caused by a 6% appreciation of the Mexican peso year-over-year and a US \$1 million increase in cash.

Total debt reduction of US \$47 million year-over-year is explained by i) a US \$38 million decrease related to open market repurchases of the 2024 Senior Notes; ii) a US \$6 million decrease due to the amortization of the long-term facility; and iii) a US \$3 million decrease in other loans and financial leases.

As of 4Q22, cash balance totaled US \$80 million (Ps. 1,543 million), compared to US \$78 million (Ps. 1,614 million) in 4Q21, a 2% increase.

Financial ratios for year-end 2022 were: Net Debt to EBITDA of 3.6 times and Interest Coverage of 3.9 times (Table 6).

CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US \$18 million in 4Q22, compared to US \$20 million in 4Q21. FY2022 Capex totaled US \$64 million (69% for Axnet and 31% for Alestra); a US \$11 million decline compared to US \$76 million in 2021.

Capex as a percentage of total revenues reached 12% in FY2022, compared to 13% a year ago.

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, as of the December 31, 2022, Axtel maintained forward transactions for an outstanding amount of US \$90 million @ 19.87 MXN/USD, where Axtel buys USD and sells MXN, hedging its USD denominated Capex and interest obligations up to August 2023. During the 4Q22, January and February 2023, Axtel executed forward transactions for a total amount of US\$160 million for an average forward exchange rate of approximately 19.80 MXN/USD, hedging its USD obligations up to January 2024.
- 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 Alestra, its services business unit, and Axtel Networks (Axnet), its infrastructure unit. 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 is currently undergoing a partial spin-off from former parent company Alfa, S.A.B. de C.V., who is in the process of contributing all of its shareholding in the Company to Controladora Axtel, S.A.B. de C.V., a company which will be listed on the Mexican Stock Exchange.

Axtel's Investor Relations Center: axtelcorp.mx

Alestra's website: alestra.mx

Axtel Networks' website: axtelnetworks.mx

Appendix A – Tables

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

	4Q22	3Q22	4Q21	(% 4Q22 vs.)		YTD'22	YTD'21	YTD Δ (%)
				3Q22	4Q21			
STANDARD SERVICES (Ps.)	1,225	1,218	1,207	1	2	4,856	5,005	(3)
VALUE ADDED (Ps.)	271	243	261	12	4	1,037	998	4
DIGITAL TRANSFORMATION (Ps.)	418	441	385	(5)	9	1,647	1,488	11
TOTAL ENTERPRISE (Ps.)	1,915	1,902	1,853	1	3	7,539	7,492	1
US \$	97	94	89	3	9	375	370	1

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

	4Q22	3Q22	4Q21	(% 4Q22 vs.)		YTD'22	YTD'21	YTD Δ (%)
				3Q22	4Q21			
STANDARD SERVICES (Ps.)	147	92	158	60	(7)	448	595	(25)
VALUE ADDED (Ps.)	88	104	116	(15)	(24)	318	419	(24)
DIGITAL TRANSFORMATION (Ps.)	46	53	93	(13)	(50)	241	322	(25)
TOTAL GOVERNMENT (Ps.)	280	248	366	13	(23)	1,007	1,336	(25)
US \$	14	12	18	17	(19)	50	66	(24)

TABLE 3 | INFRASTRUCTURE BUSINESS UNIT (AXNET) REVENUES
(IN MILLIONS)

	4Q22	3Q22	4Q21	(% 4Q22 vs.)		YTD'22	YTD'21	YTD Δ (%)
				3Q22	4Q21			
TOTAL INFRASTRUCTURE (Ps.)	1,071	1,200	1,206	(11)	(11)	4,388	5,017	(13)
US \$	54	59	58	(8)	(6)	218	247	(12)
ELIMINATIONS (Ps.) *	(614)	(614)	(614)	0	(0)	(2,455)	(2,455)	(0)
US \$	(31)	(30)	(30)	(3)	(5)	(122)	(121)	(1)

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

Appendix A – Tables

TABLE 4 | OPERATING INCOME AND EBITDA

(IN MILLIONS)

	4Q22	3Q22	4Q21	(% 4Q22 vs.)		YTD'22	YTD'21	YTD Δ (%)
				3Q22	4Q21			
Operating Income (Ps.)	94	85	(207)	11	--	174	292	(41)
US \$	5	4	(10)	14	--	9	15	(41)
EBITDA (Ps.)	803	790	824	2	(3)	3,011	3,793	(21)
US \$	41	39	40	4	3	150	187	(20)
Services Unit (Ps.)	444	386	340	15	31	1,595	1,538	4
Infrastructure Unit (Ps.)	359	404	484	(11)	(26)	1,416	2,254	(37)

* Adjustments include one-time (gains) losses.

TABLE 5 | COMPREHENSIVE FINANCING RESULT

(IN MILLIONS)

	4Q22	3Q22	4Q21	(% 4Q22 vs.)		YTD'22	YTD'21	YTD Δ (%)
				3Q22	4Q21			
Net interest expense	(126)	(164)	(260)	23	52	(772)	(1,164)	34
FX gain (loss), net	394	(144)	(117)	--	--	511	(278)	--
Ch. FV of Fin. Instruments	0	0	0	--	--	0	0	--
Total (Ps.)	268	(308)	(378)	--	--	(261)	(1,441)	82
US \$	13	(15)	(18)	--	--	(13)	(71)	82

TABLE 6 | NET DEBT AND FINANCIAL RATIOS

(US \$ MILLIONS)

	4Q22	3Q22	4Q21	(% 4Q22 vs.)	
				3Q22	4Q21
Senior Notes 2024	402	423	440	(5)	(9)
Long-term bank loan	156	151	153	4	2
Other bank loans	30	29	29	0	1
Other loans + leases	23	24	25	(4)	(8)
Accrued interests	5	12	5	(57)	11
Total Debt	616	640	652	(4)	(6)
% US \$ denominated debt	70%	71%	73%		
(-) Cash and cash eq.	(80)	(74)	(78)	(8)	(2)
Net Debt	537	566	574	(5)	(6)
Net Debt / LTM EBITDA*	3.6	3.8	3.1		
LTM Interest Coverage*	3.9	3.3	3.3		

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

TABLE 7 | CHANGE IN NET DEBT

(US \$ MILLIONS)

	4Q22	3Q22	4Q21	(% 4Q22 vs.)		YTD'22	YTD'21	YTD Δ (%)
				3Q22	4Q21			
EBITDA	41	39	40	4	3	150	187	(20)
Net Working Capital	23	(14)	30	--	(24)	11	(5)	--
Capex & Acquisitions	(18)	(14)	(20)	(31)	10	(64)	(76)	15
Financial expenses	(13)	(12)	(12)	(7)	(6)	(50)	(56)	11
Taxes	(0)	(0)	(0)	--	--	(0)	(21)	99
Other Sources (Uses)	(3)	6	2	--	--	(9)	(2)	(412)
Decrease (increase) Net Debt	29	4	39	558	(25)	37	28	34

Appendix B – Financial Statements

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

Unaudited Consolidated Balance Sheet

(IN MILLION PESOS)

	4Q22	3Q22	4Q21	(% 4Q22 vs.)	
				3Q22	4Q21
ASSETS					
CURRENT ASSETS					
Cash and equivalents	1,543	1,499	1,614	3	(4)
Restricted cash	-	-	-	--	--
Accounts receivable	1,194	1,740	1,695	(31)	(30)
Related parties	15	19	35	(20)	(57)
Refundable taxes and other acc. rec.	719	708	762	2	(6)
Advances to suppliers	739	780	635	(5)	16
Inventories	170	101	85	69	99
Financial Instruments	5	4	0	23	--
Total current assets	4,385	4,850	4,827	(10)	(9)
NON CURRENT ASSETS					
Property, plant and equipment, net	9,044	9,203	10,133	(2)	(11)
Long-term accounts receivable	-	-	20	--	--
Intangible assets, net	1,528	1,595	1,799	(4)	(15)
Deferred income taxes	2,958	3,123	2,856	(5)	4
Investment shares associated co.	1	23	2	(96)	(52)
Other assets	435	434	338	0	29
Total non current assets	13,966	14,379	15,148	(3)	(8)
TOTAL ASSETS	18,351	19,229	19,974	(5)	(8)
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	1,833	1,901	2,138	(4)	(14)
Accrued Interest	104	254	100	(59)	4
Short-term debt	-	-	-	--	--
Current portion of long-term debt	492	487	416	1	18
Taxes payable	-	-	-	--	--
Financial Instruments	0	1	34	--	(100)
Deferred Revenue	45	51	86	(11)	(47)
Provisions	25	25	29	2	(14)
Other accounts payable	749	746	706	0	6
Total current liabilities	3,250	3,465	3,510	(6)	(7)
LONG-TERM LIABILITIES					
Long-term debt	11,285	12,186	12,827	(7)	(12)
Employee Benefits	891	860	766	4	16
Derivative Financial Instruments	-	-	-	--	--
Other LT liabilities	76	1	1	>1,000	>1,000
Total long-term debt	12,251	13,047	13,595	(6)	(10)
TOTAL LIABILITIES	15,501	16,512	17,105	(6)	(9)
STOCKHOLDERS' EQUITY					
Capital stock	455	455	464	-	(2)
Reserve for repurchase of shares	200	200	190	-	5
Cumulative earnings (losses)	2,196	2,062	2,215	6	(1)
TOTAL STOCKHOLDERS' EQUITY	2,850	2,716	2,870	5	(1)
TOTAL LIABILITIES AND EQUITY	18,351	19,229	19,974	(5)	(8)

Appendix B – Financial Statements

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

Unaudited Consolidated Income Statement
(IN MILLION PESOS)

	4Q22	3Q22	4Q21	(% 4Q22 vs.)		YTD'22	YTD'21	YTD Δ (%)
				3Q22	4Q21			
Total Revenues	2,652	2,736	2,812	(3)	(6)	10,480	11,389	(8)
Cost of sales and services	(673)	(677)	(847)	1	21	(2,793)	(3,138)	11
Gross Profit	1,979	2,059	1,965	(4)	1	7,687	8,251	(7)
Operating expenses	(1,232)	(1,311)	(1,099)	6	(12)	(4,783)	(4,426)	(8)
Other income (expenses), net	56	42	(43)	33	--	107	(32)	--
Depr., amort. & impairment assets	(709)	(704)	(1,031)	(1)	31	(2,837)	(3,500)	19
Operating income	94	85	(207)	11	--	174	292	(41)
Comprehensive financing result, net	268	(308)	(378)	--	--	(261)	(1,441)	82
Equity in results of associated company	0	(0)	(0)	--	--	0	(0)	--
Income (loss) before income taxes	362	(223)	(585)	--	--	(87)	(1,149)	92
Income taxes	(225)	108	32	--	--	48	352	(86)
Net Income (Loss)	137	(116)	(553)	--	--	(39)	(797)	95