

EARNINGS REPORT

Fourth Quarter 2023 (4Q23)



Monterrey, Mexico, February 7, 2024.- Axtel, S.A.B. de C.V. (BMV: AXTELCPO) and Controladora Axtel, S.A.B. de C.V. (BMV: CTAXTEL) (jointly, "Axtel", the "Company"), a Mexican Information and Communications Technology company, announced today its unaudited results for the fourth quarter of 2023 ("4Q23").

Axtel reports 4Q23 Comparable EBITDA of Ps. \$1,128 million

SELECTED FINANCIAL INFORMATION

(IN MILLIONS)

	4Q23	3Q23	4Q22	(%) 4Q23 vs.		YTD'23	YTD'22	YTD Δ (%)
				3Q23	4Q22			
Revenues (Ps.)	2,798	2,782	2,652	1	5	10,956	10,480	5
US \$	159	163	135	(2)	18	618	521	19
EBITDA (Ps.) ¹	930	801	803	16	16	3,042	3,011	1
US \$	53	47	41	13	30	172	150	15
Comparable EBITDA (Ps.) ²	1,128	801	803	41	41	3,430	3,011	14
US \$	65	47	41	38	58	194	150	30
Net Income (loss) (Ps.)	287	(258)	137	--	110	314	(39)	--
US \$	17	(15)	7	--	147	17	(2)	--
CAPEX (Ps.) ³	269	346	361	(22)	(26)	1,340	1,291	4
US \$	15	20	18	(25)	(17)	76	64	18
Net Debt (US \$)	563	570	537	(1)	5			
Net Debt / Comparable EBITDA ⁴	2.9	3.3	3.6					
Interest Coverage ⁴	3.5	3.7	3.9					

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

2) Comparable EBITDA excludes one-time (gains) losses, such as expenses related to organizational efficiencies.

3) Gross amount; does not include divestments.

4) Times. See page 7 for ratio calculation details.

4Q23 | 2023 HIGHLIGHTS

RESULTS

- FY2023 Comparable EBITDA reached Ps. 3,430 million, a 14% increase compared to 2022. Positive performance during the quarter was supported by strong Enterprise and Government segment results, contribution from asset optimization and a benefit from lower accounting provisions than previously estimated.
- Net Debt to Comparable EBITDA ratio declined to 2.9x as of the end of 2023, from 3.6x the previous year.
- New contracts' net recurrent revenues in the Enterprise segment nearly double the comparable amount of 2022, while the renewal rate in the Government segment reached 100%. In the Wholesale segment, the effect of disconnections and price reductions were 23% better than budget.
- The Company realigned *Alestra Movil* as a startup business model, independent and with agile processes, thus producing a higher hit rate and improved customer satisfaction.

CAPITAL STRUCTURE

- During 2023, Axtel concluded the refinancing of all its indebtedness, extending the maturity profile to 5 years.
 - During 4Q23, Axtel formalized a US \$60 million loan from the International Finance Corporation (IFC), a member of the World Bank Group, with a seven-year tenor, linked to environmental and social commitments.
 - In December, the Company renewed a US\$50 million committed revolving facility for three additional years, which is fully available.

2024 GUIDANCE

- Axtel estimates revenues of Ps. 11,900 million, EBITDA of Ps. 3,650 million and Capex of US \$78 million, or 12% of total revenues.
 - Guidance figures are based on certain macroeconomic assumptions for 2024, including Mexico's GDP growth of 2% and an average exchange rate of \$18.30 MXP/USD.

ESG

- In the 2023 S&P Global Corporate Sustainability Assessment, Axtel ranked in the 82nd percentile in the global Telecommunications industry.

MESSAGE FROM AXTEL'S CEO

“2023 was a notable year in terms of achievements, supported by solid growth in the Enterprise and Government segments, reaching a 14% increase in Comparable EBITDA.

In the Enterprise segment, the new specialized commercial model continued to mature during the year. Leaders in each business line are embracing their new roles and responsibilities, both in revenue and profitability, reflected in a revenue growth of 30% in cybersecurity and 16% in cloud services, to name a few. Based on this new model, we implemented an organization aligned horizontally with business lines, and vertically with target industries, matching internal resources with opportunities, which will allow us to accelerate this positive trend and optimize expenses.

In the Government segment, in addition to achieving the renewal of 100% of the contracts, we approached new federal agencies and expanded our presence in 10 states. In 2024, we will continue to emphasize the balance between federal and local entities, obtaining new certifications and alliances with strategic partners to participate in public tender processes.

On the other hand, for the Wholesale segment, we will continue to gradually build the recurring revenue base with attractive demand from industrial parks, data centers and wavelengths to global operators.

Finally, for 2024, we expect that a more efficient and agile organization will contribute to optimizing time and costs in our processes, translating into an important cash flow generation, thus creating value for our shareholders.”

Armando de la Peña

In line with the new operating and commercial model announced in 1Q23 Earnings Report, results are presented in three main segments according to the markets served: enterprise, government and wholesale. Revenues of Infrastructure Unit coming from Services Unit, previously presented as “eliminations”, are not included. See Appendix B, for results by business unit (Services “Alestra” and Infrastructure “Axnet”), as reported in 2022.

REVENUES

(IN MILLIONS)

	4Q23	3Q23	4Q22	(% 4Q23 vs.)		YTD'23	YTD'22	YTD Δ (%)
				3Q23	4Q22			
Enterprise (Ps.)	2,018	2,016	1,915	0	5	7,936	7,539	5
US \$	115	118	97	(3)	18	448	375	19
Government (Ps.)	372	291	280	28	33	1,230	1,007	22
US \$	21	17	14	25	48	69	50	38
Wholesale (Ps.)	407	475	457	(14)	(11)	1,790	1,933	(7)
US \$	23	28	23	(17)	(0)	101	96	5
TOTAL REVENUES (Ps.)	2,798	2,782	2,652	1	5	10,956	10,480	5
US \$	159	163	135	(2)	18	618	521	19

Total revenues reached Ps. 2,798 million in 4Q23, a 5% increase year-over-year, due to 5% and 33% increases in Enterprise and Government segments, respectively, partially mitigating an 11% decline in the Wholesale segment. Full-year 2023 (“FY2023”) revenues totaled Ps. 10,956 million, a 5% gain due to 5% and 22% increases in Enterprise and Government segment revenues, respectively, mitigating a 7% decrease in the Wholesale segment.

WHOLESALE SEGMENT (INFRASTRUCTURE) (16% of FY2023 revenues)

Revenues reached Ps. 407 million in 4Q23, 11% lower compared to the year-earlier quarter, while FY2023 revenues totaled Ps. 1,790 million, a 7% decline compared to 2022. These are mainly explained by a decline in wholesale connectivity access revenues with multinational operators and a lower level of up-front, dark fiber contract revenues.

ENTERPRISE SEGMENT (72% of FY2023 revenues)

Enterprise segment revenues totaled Ps. 2,018 million in 4Q23, a 5% gain compared to 4Q22, due to 17% and 15% increases in *value added* and *digital transformation* services, respectively. FY2023 revenues increased 5%, also driven by *value added* and *digital transformation* services. (Table 1).

STANDARD SERVICES revenues reached Ps. 1,216 million in 4Q23, 1% lower year-over-year, mainly explained by the recurring decline in *voice* services. FY2023 revenues increased 1%, mainly due to a 3% gain in *connectivity* and *hosting* revenues, mitigated by a 13% decrease in *voice*, which represented 9% of total Enterprise revenues in 2023, compared to 11% in 2022.

VALUE-ADDED SERVICES revenues totaled Ps. 319 million in 4Q23; a 17% increase compared to 4Q22, due to higher *managed services* revenues resulting from extraordinary one-time sales to existing customers. FY2023 revenues increased 11%, also led by *managed services* revenues.

DIGITAL TRANSFORMATION revenues reached Ps. 483 million in 4Q23, 15% higher compared to 4Q22, driven by a combined 25% increase in *cloud* and *cybersecurity* solutions, and a 38% growth in *managed applications*, both due to incremental services with existing clients. FY2023 revenues also increased 15%, resulting from the positive performance of all business lines, particularly *cybersecurity*.



REVENUES (cont'd)

GOVERNMENT SEGMENT (11% of FY2023 revenues)

Government segment revenues amounted Ps. 372 million in 4Q23, a 33% increase compared to 4Q22 due to the accomplishment in contracts renewals. *Value added* and *digital transformation* services recorded strong increments but were partially mitigated by lower *standard* services revenues. FY2023 revenues increased 22%, evidencing the success of the strengthened commercial vision and Government segment team, implemented more than a year ago. (Table 2)

STANDARD SERVICES revenues reached Ps. 92 million in 4Q23, 37% lower than 4Q22, mainly explained by decreases in *VPN & Ethernet* solutions.

VALUE-ADDED SERVICES revenues reached Ps. 188 million in 4Q23, which represented more than double the amount recorded in 4Q22 due to a higher level of low margin, non-recurring revenues from *system integration* solutions.

DIGITAL TRANSFORMATION revenues reached Ps. 92 million in 4Q23, twice the amount registered in 4Q22, driven by strong increases in all business lines, primarily in *cybersecurity*.

GROSS PROFIT

Gross profit is defined as revenues minus cost of revenues. For 4Q23, gross profit was Ps. 1,969 million, a 1% decrease compared to 4Q22, affected by the Wholesale segment. FY2023 gross profit increased 1%, mainly due to an increase in Enterprise segment's gross profit, mitigated by a decline in the Wholesale segment.

ENTERPRISE gross profit amounted Ps. 1,453 million in 4Q23, 2% higher compared to the year-earlier quarter. FY2023 gross profit increased 4% year-over-year, in line with revenues.

GOVERNMENT gross profit reached Ps. 179 million in 4Q23, a 4% gain compared to the year-earlier quarter. FY2023 gross profit posted a 5% decrease compared to 2022, this is mostly explained by cancelations of excess cost provisions during 2022.

WHOLESALE gross profit amounted to Ps. 336 million in 4Q23, an 11% decrease, while FY2023 gross profit declined 7% year-over-year; both aligned with the drop in revenues.

OPERATING AND COMMERCIAL EXPENSES

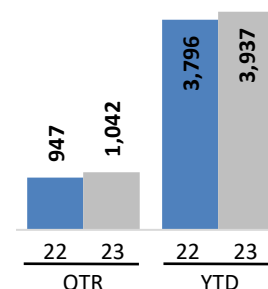
Starting 2023, expenses are broken down in operating and commercial expenses, which are directly related to the Enterprise, Government and Wholesale segments; and general corporate expenses, which consist of central business areas such as finance, human resources and legal departments.

Operating and commercial expenses reached Ps. 927 million in 4Q23, a 10% decrease compared to the year-earlier quarter, mainly due to a decline in bad debt provisions associated with a mobile wholesale operator customer. FY2023 expenses decreased 1%, also due to a decline in bad debt provisions, mitigated by increases in personnel and tower lease expenses due to inflationary pressures.

CONTRIBUTION TO EBITDA (BEFORE GENERAL EXPENSES)

Business segments' contribution to EBITDA reached Ps. 1,042 million in 4Q23, a 10% increase compared to 4Q22, mainly due to the 10% drop in operating and commercial expenses. FY2023 business segments' contribution to EBITDA reached Ps. 3,937 million, a 4% increase compared to 2022, explained by the increase in gross profit and decline in operating and commercial expenses previously mentioned.

(in Million Ps.)



GENERAL EXPENSES AND OTHER INCOME (EXPENSES)

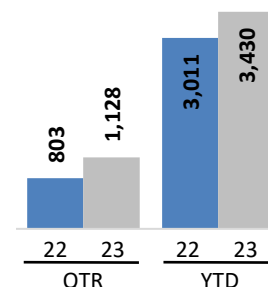
General expenses (consisting of central business areas) reached Ps. 157 million in 4Q23, a 22% drop mainly associated with benefits related to the reorganizational efforts made in early 2023. FY2023 general expenses reached Ps. 905 million, a 1% growth vs 2022.

Other income reached Ps. 45 million in 4Q23 (including a Ps. 198 million extraordinary reorganization charge) compared to Ps. 56 million in 4Q22. FY2023 other income recorded Ps. 10 million (including a Ps. 388 million extraordinary reorganization charge), compared to Ps. 107 million from a year ago.

EBITDA

Comparable EBITDA, excluding the effect of the extraordinary Ps. 198 million reorganization charge, reached Ps. 1,128 million in 4Q23, 41% higher compared to 4Q22, mainly due to the decline in total expenses and increase in other income. Comparable EBITDA margin increased from 30% in 4Q22 to 40% in 4Q23. EBITDA totaled Ps. 930 million, a 16% increase year-over-year.

(in Million Ps.)

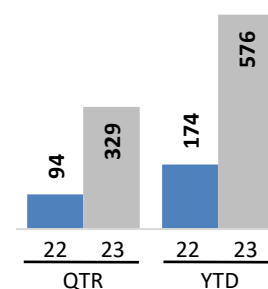


FY2023 Comparable EBITDA increased 14% year-over-year, excluding Ps. 388 million extraordinary reorganization expenses, due to the increase in contribution to EBITDA and other income. Margin increased from 29% in 2022 to 31% in 2023. FY 2023 EBITDA totaled Ps. 3,042 million, a 1% increase year-over-year.

(in Million Ps.)

OPERATING INCOME (LOSS)

Operating income in 4Q23 reached Ps. 329 million, compared to Ps. 94 million a year ago, mainly due to higher EBITDA and lower depreciation and amortization (D&A). FY2023 operating income totaled Ps. 576 million compared to Ps. 174 million in 2022, the increase is explained by lower D&A and higher Comparable EBITDA, partially mitigated by the extraordinary reorganization expenses in 2023 previously mentioned.



COMPREHENSIVE FINANCING RESULT

The comprehensive financing cost reached Ps. 121 million in 4Q23, compared to a benefit of Ps. 268 million in 4Q22. The variation is mostly explained by the decline in interest income due to the gain in 4Q22 of open market repurchases of the 2024 Senior Notes, as well as a lower FX gain in 4Q23, compared to 4Q22, resulting from an appreciation of the Mexican peso against the US dollar.

FY2023 comprehensive financial cost of Ps. 322 million was 24% higher than Ps. 261 million cost in 2022, this is explained by a 17% increment in interest expense, mainly explained by the 2024 Senior Notes refinancing, including the redemption premium in July and higher interest rates. This was partially compensated by a higher FX gain of Ps. 655 million in 2023 compared to Ps. 511 million in 2022.

NET DEBT

As of December 31, 2023, net debt was US \$563 million, an increase of 5% or US \$27 million in comparison with 4Q22; comprised of a US \$15 million decrease in debt, a US \$33 million non-cash increase in debt caused by a 15% appreciation of the Mexican peso year-over-year and a US \$8 million decrease in cash.

Total debt reduction of US \$15 million year-over-year is explained by i) a US \$402 million decrease related to the 2024 Senior Notes refinancing; ii) a US \$260 million increase related to the new 5-year syndicated bank loan with nine financial institutions; iii) a US \$100 million increase related to the 5-year bilateral loan with an export credit agency; iv) a US \$60 million increase related to the new 7-year bilateral loan with the International Finance Corporation; v) a US \$30 million decrease related to the prepayment of the committed facilities and vi) a US \$3 million decrease in other loans and financial leases.

As of 4Q23, cash balance totaled US \$71 million (Ps. 1,207 million), compared to US \$80 million (Ps. 1,543 million) in 4Q22, a 10% decrease.

Financial ratios for 4Q23 were: Net Debt to Comparable EBITDA of 2.9 times and Interest Coverage of 3.5 times (Table 6).

CAPITAL EXPENDITURES (CAPEX)

Capital investments totaled US \$15 million in 4Q23, compared to US \$18 million in 4Q22. FY2023 Capex totaled US \$76 million; a US \$11 million increase compared to US \$64 million in 2022.

Capex as a percentage of total revenues reached 12% in FY2023, same as last year.

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 / Comparable EBITDA ratio: means net debt translated into US Dollars using the end-of-period exchange rate divided by LTM Comparable 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 Comparable 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.
- To reduce exchange rate risk exposure, as of December 31, 2023, Axtel maintained forward transactions for an outstanding amount of US \$11 million @ 19.88 MXN/USD, where Axtel buys USD and sells MXN, 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).
- S&P CSA Score as of September 2023.

ABOUT CONTROLADORA AXTEL

Company resulting from Alfa, S.A.B. de C.V.'s (BMV: ALFAA, "ALFA") spin-off of its entire ownership stake in Axtel, approved by ALFA's shareholders on July 12, 2022. As a result of the transaction, ALFA's shareholders received one share of Controladora Axtel for each of their ALFA shares. Controladora Axtel began trading on the Mexican Stock Exchange ("BMV") on May 29, 2023. The number of shares and Ordinary Participation Certificates ("CPO") of Axtel remains unchanged; each CPO represents seven Axtel shares.

Controladora Axtel's website: controladoraaxtel.mx

ABOUT AXTEL

Axtel is a Mexican Information and Communication Technology company that serves the enterprise and government segments with its brand Alestra, and the wholesale segment through its brand Axtel Networks (Axnet). 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

Alestra's website: alestra.mx

Axtel Networks' website: axtelnetworks.mx

Appendix A – Tables

TABLE 1 | REVENUES - ENTERPRISE SEGMENT

(IN MILLIONS)

	4Q23	3Q23	4Q22	(% 4Q23 vs.)		YTD'23	YTD'22	YTD Δ (%)
				3Q23	4Q22			
STANDARD SERVICES (Ps.)	1,216	1,223	1,225	(1)	(1)	4,897	4,856	1
VALUE ADDED (Ps.)	319	302	271	6	17	1,148	1,037	11
DIGITAL TRANSFORMATION (Ps.)	483	491	418	(2)	15	1,892	1,647	15
TOTAL ENTERPRISE (Ps.)	2,018	2,016	1,915	0	5	7,936	7,539	5
<i>US \$</i>	115	118	97	(3)	18	448	375	19

TABLE 2 | REVENUES - GOVERNMENT SEGMENT

(IN MILLIONS)

	4Q23	3Q23	4Q22	(% 4Q23 vs.)		YTD'23	YTD'22	YTD Δ (%)
				3Q23	4Q22			
STANDARD SERVICES (Ps.)	92	119	147	(23)	(37)	424	448	(5)
VALUE ADDED (Ps.)	188	112	88	68	114	563	318	77
DIGITAL TRANSFORMATION (Ps.)	92	59	46	56	100	242	241	0
TOTAL GOVERNMENT (Ps.)	372	291	280	28	33	1,230	1,007	22
<i>US \$</i>	21	17	14	25	48	69	50	38

TABLE 3 | REVENUES - WHOLESALE (INFRASTRUCTURE) SEGMENT

(IN MILLIONS)

	4Q23	3Q23	4Q22	(% 4Q23 vs.)		YTD'23	YTD'22	YTD Δ (%)
				3Q23	4Q22			
TOTAL WHOLESALE (Ps.)	407	475	457	(14)	(11)	1,790	1,933	(7)
<i>US \$</i>	23	28	23	(17)	(0)	101	96	5

TABLE 4 | OPERATING INCOME AND EBITDA

(IN MILLIONS)

	4Q23	3Q23	4Q22	(% 4Q23 vs.)		YTD'23	YTD'22	YTD Δ (%)
				3Q23	4Q22			
Operating Income (Ps.)	329	184	94	78	249	576	174	231
<i>US \$</i>	19	11	5	75	291	34	9	282
Segment Contribution to EBITDA	1,042	1,023	947	2	10	3,937	3,796	4
<i>US \$</i>	59	60	48	(1)	23	222	189	18
EBITDA (Ps.)	930	801	803	16	16	3,042	3,011	1
<i>US \$</i>	53	47	41	13	30	172	150	15
Adjustments (Ps.)*	198	0	0	--	--	388	0	--
<i>US \$</i>	12	0	0	--	--	22	0	--
Comparable EBITDA (Ps.)	1,128	801	803	41	41	3,430	3,011	14
<i>US \$</i>	65	47	41	38	58	194	150	30

*Adjustments include one-time (gains) losses, such as expenses related to organizational efficiencies in the first and fourth quarters of 2023.

Appendix A – Tables

TABLE 5 | COMPREHENSIVE FINANCING RESULT
(IN MILLIONS)

	4Q23	3Q23	4Q22	(% 4Q23 vs.)		YTD'23	YTD'22	YTD Δ (%)
				3Q23	4Q22			
Net interest expense	(300)	(403)	(126)	26	(138)	(978)	(772)	(27)
FX gain (loss), net	179	(297)	394	--	(54)	655	511	28
Ch. FV of Fin. Instruments	0	0	0	--	--	0	0	--
Total (Ps.)	(121)	(700)	268	83	--	(322)	(261)	(24)
<i>US \$</i>	<i>(6)</i>	<i>(41)</i>	<i>13</i>	<i>84</i>	<i>--</i>	<i>(20)</i>	<i>(13)</i>	<i>(57)</i>

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

	4Q23	3Q23	4Q22	(% 4Q23 vs.)	
				3Q23	4Q22
Senior Notes 2024	0	0	402	--	--
Syndicated Loan	268	265	0	1	--
Long-term bank loan	179	172	156	4	15
Bilateral Loan	100	100	0	0	--
IFC Facility	60	0	0	--	--
Other loans + leases	17	58	45	(71)	(63)
Accrued interests	11	10	13	17	(13)
Total Debt	635	604	616	5	3
<i>% US \$ denominated debt</i>	<i>59%</i>	<i>57%</i>	<i>70%</i>		
(-) Cash and cash eq.	(71)	(34)	(80)	(112)	10
Net Debt	563	570	537	(1)	5
Net Debt / Comparable EBITDA*	2.9	3.3	3.6		
Interest Coverage*	3.5	3.7	3.9		

* Times. See page 7 for calculation details.

TABLE 7 | CHANGE IN NET DEBT
(US \$ MILLIONS)

	4Q23	3Q23	4Q22	(% 4Q23 vs.)		YTD'23	YTD'22	YTD Δ (%)
				3Q23	4Q22			
EBITDA	53	47	41	13	30	172	150	15
Net Working Capital	6	(6)	23	--	(73)	(12)	11	--
Capex & Acquisitions	(15)	(20)	(18)	25	17	(76)	(64)	(18)
Financial expenses	(17)	(16)	(13)	(4)	(29)	(61)	(50)	(21)
Taxes	(0)	0	(0)	--	--	(0)	(0)	(113)
Other Sources (Uses)	(20)	(11)	(3)	(79)	(558)	(51)	(9)	(450)
Decrease (increase) Net Debt	7	(7)	29	--	(75)	(27)	37	--

* EBITDA includes one-time expenses related to organizational efficiencies in the first and fourth quarters of 2023.

Appendix B – SEGMENT CONTRIBUTION TO EBITDA (New)

TABLE 8 | 2022 & 2023 SEGMENT CONTRIBUTION TO EBITDA
(IN MILLIONS)

	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Gross Profit (Ps.)	1,804	1,845	2,059	1,979	7,687	1,891	1,918	2,009	1,969	7,787
Enterprise	1,374	1,338	1,384	1,430	5,526	1,415	1,432	1,465	1,453	5,765
Government	117	101	174	172	564	106	105	145	179	535
Wholesale	312	406	501	378	1,597	370	381	400	336	1,487
Commercial & Operating Expenses (Ps.)	(904)	(907)	(1,048)	(1,032)	(3,891)	(978)	(959)	(972)	(901)	(3,810)
Segment Contribution to EBITDA (Ps.)	900	938	1,011	947	3,796	912	960	1,038	1,068	3,977
General exp. & Other inc. (exp.) (Ps.)	(183)	(237)	(221)	(144)	(785)	(176)	(195)	(237)	61	(547)
EBITDA (Ps.)	717	701	790	803	3,011	547	764	801	930	3,042
US \$	35	35	39	41	150	29	43	47	52	172
Adjustments (Ps.)*	0	0	0	0	0	189	0	0	198	388
Comparable EBITDA (Ps.)	717	701	790	803	3,011	736	764	801	1,128	3,430
US \$	35	35	39	41	150	40	43	47	64	193

*Adjustments include one-time (gains) losses, such as expenses related to organizational efficiencies in the first and fourth quarters of 2023.

TABLE 9 | 2022 & 2023 BUSINESS UNITS EBITDA (As reported in 2022)
(IN MILLIONS)

	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
EBITDA (Ps.)	717	701	790	803	3,011	547	764	801	930	3,042
US \$	35	35	39	41	150	29	43	47	52	172
Adjustments (Ps.)*	0	0	0	0	0	189	0	0	198	388
US \$	0	0	0	0	0	10	0	0	11	21
Comparable EBITDA (Ps.)	717	701	790	803	3,011	736	764	801	1,128	3,430
US \$	35	35	39	41	150	40	43	47	64	193
Services Unit (Ps.)	396	375	380	444	1,595	387	379	401	618	1,785
Infrastructure Unit (Ps.)	322	326	409	359	1,416	350	385	400	510	1,645

*Adjustments include one-time (gains) losses, such as expenses related to organizational efficiencies in the first and fourth quarters of 2023.

Appendix C – Financial Statements

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

Unaudited Consolidated Balance Sheet

(IN MILLION PESOS)

	4Q23	3Q23	4Q22	(% 4Q23 vs.)	
				3Q23	4Q22
ASSETS					
CURRENT ASSETS					
Cash and equivalents	1,207	595	1,543	103	(22)
Accounts receivable	1,391	1,868	1,194	(26)	16
Related parties	22	20	15	9	44
Refundable taxes and other acc. rec.	402	412	719	(3)	(44)
Advances to suppliers	604	666	739	(9)	(18)
Inventories	63	115	170	(45)	(63)
Financial Instruments	-	-	5	--	--
Total current assets	3,688	3,677	4,385	0	(16)
NON CURRENT ASSETS					
Property, plant and equipment, net	8,917	9,133	9,617	(2)	(7)
Intangible assets, net	5,511	5,541	5,663	(1)	(3)
Deferred income taxes	2,962	2,897	2,958	2	0
Investment shares associated co.	1	1	1	(0)	(0)
Other assets	428	423	435	1	(2)
Total non current assets	17,819	17,995	18,673	(1)	(5)
TOTAL ASSETS	21,507	21,672	23,058	(1)	(7)
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	1,361	1,887	1,833	(28)	(26)
Accrued Interest	172	172	104	1	65
Current portion of long-term debt	150	859	492	(83)	(70)
Financial Instruments	32	107	0	(70)	>1,000
Deferred Revenue	67	68	45	(1)	48
Provisions	98	13	25	658	288
Other accounts payable	438	440	749	(0)	(42)
Total current liabilities	2,318	3,545	3,250	(35)	(29)
LONG-TERM LIABILITIES					
Long-term debt	10,308	9,540	11,285	8	(9)
Employee Benefits	966	1,004	891	(4)	8
Other LT liabilities	759	755	807	1	(6)
Total long-term debt	12,033	11,299	12,983	6	(7)
TOTAL LIABILITIES	14,351	14,845	16,233	(3)	(12)
STOCKHOLDERS' EQUITY					
Capital stock	15	15	15	-	-
Cumulative earnings (losses)	4,887	4,710	4,710	4	4
Total controlling interest	4,902	4,725	4,725	4	4
Non-controlling interest	2,253	2,102	2,101	7	7
TOTAL STOCKHOLDERS' EQUITY	7,156	6,827	6,826	5	5
TOTAL LIABILITIES AND EQUITY	21,507	21,672	23,058	(1)	(7)

Appendix C – Financial Statements

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

Unaudited Consolidated Income Statement
(IN MILLION PESOS)

	4Q23	3Q23	4Q22	(%) 4Q23 vs.		YTD'23	YTD'22	YTD Δ (%)
				3Q23	4Q22			
Total Revenues	2,798	2,782	2,652	1	5	10,956	10,480	5
Cost of sales and services	(829)	(772)	(673)	(7)	(23)	(3,169)	(2,793)	(13)
Gross Profit	1,969	2,009	1,979	(2)	(1)	7,787	7,687	1
Operating expenses	(1,084)	(1,246)	(1,232)	13	12	(4,755)	(4,783)	1
Other income (expenses), net	45	37	56	21	(19)	10	107	(90)
Depr., amort. & impairment assets	(588)	(581)	(703)	(1)	16	(2,376)	(2,808)	15
Operating income	342	220	99	56	244	666	203	229
Comprehensive financing result, net	(121)	(700)	268	83	--	(322)	(261)	(24)
Equity in results of associated company	(0)	(0)	0	--	--	(0)	0	--
Income (loss) before income taxes	222	(480)	367	--	(40)	344	(58)	--
Income taxes	75	247	(227)	(70)	--	34	40	(14)
Net Income (Loss)	297	(233)	141	--	111	378	(19)	--

Appendix D – Financial Statements

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

Unaudited Consolidated Balance Sheet
(IN MILLION PESOS)

	4Q23	3Q23	4Q22	(% 4Q23 vs. 3Q23 4Q22)	
ASSETS					
CURRENT ASSETS					
Cash and equivalents	1,207	595	1,543	103	(22)
Accounts receivable	1,391	1,868	1,194	(26)	16
Related parties	22	20	15	9	45
Refundable taxes and other acc. rec.	402	412	719	(3)	(44)
Advances to suppliers	604	666	739	(9)	(18)
Inventories	63	115	170	(45)	(63)
Financial Instruments	-	-	5	--	--
Total current assets	3,688	3,677	4,385	0	(16)
NON CURRENT ASSETS					
Property, plant and equipment, net	8,254	8,483	9,044	(3)	(9)
Intangible assets, net	1,377	1,407	1,528	(2)	(10)
Deferred income taxes	2,962	2,897	2,958	2	0
Investment shares associated co.	1	1	1	(0)	(0)
Other assets	428	423	435	1	(2)
Total non current assets	13,021	13,211	13,966	(1)	(7)
TOTAL ASSETS	16,709	16,888	18,351	(1)	(9)
LIABILITIES & STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Account payable & Accrued expenses	1,361	1,887	1,833	(28)	(26)
Accrued Interest	172	172	104	1	65
Current portion of long-term debt	150	859	492	(83)	(70)
Financial Instruments	32	107	0	(70)	>1,000
Deferred Revenue	67	68	45	(1)	48
Provisions	98	13	25	658	288
Other accounts payable	438	440	749	(0)	(42)
Total current liabilities	2,318	3,545	3,250	(35)	(29)
LONG-TERM LIABILITIES					
Long-term debt	10,308	9,540	11,285	8	(9)
Employee Benefits	966	1,004	891	(4)	8
Other LT liabilities	0	1	76	(19)	(99)
Total long-term debt	11,275	10,545	12,251	7	(8)
TOTAL LIABILITIES	13,592	14,090	15,501	(4)	(12)
STOCKHOLDERS' EQUITY					
Capital stock	455	455	455	-	-
Reserve for repurchase of shares	96	96	200	-	(52)
Cumulative earnings (losses)	2,566	2,247	2,196	14	17
TOTAL STOCKHOLDERS' EQUITY	3,117	2,798	2,850	11	9
TOTAL LIABILITIES AND EQUITY	16,709	16,888	18,351	(1)	(9)

Appendix D – Financial Statements

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

Unaudited Consolidated Income Statement (IN MILLION PESOS)

	4Q23	3Q23	4Q22	(% 4Q23 vs.)		YTD'23	YTD'22	YTD
				3Q23	4Q22			Δ (%)
Total Revenues	2,798	2,782	2,652	1	5	10,956	10,480	5
Cost of sales and services	(829)	(772)	(673)	(7)	(23)	(3,169)	(2,793)	(13)
Gross Profit	1,969	2,009	1,979	(2)	(1)	7,787	7,687	1
Operating expenses	(1,084)	(1,246)	(1,232)	13	12	(4,755)	(4,783)	1
Other income (expenses), net	45	37	56	21	(19)	10	107	(90)
Depr., amort. & impairment assets	(602)	(617)	(709)	2	15	(2,467)	(2,837)	13
Operating income	329	184	94	78	249	576	174	231
Comprehensive financing result, net	(121)	(700)	268	83	--	(322)	(261)	(24)
Equity in results of associated company	(0)	(0)	0	--	--	(0)	0	--
Income (loss) before income taxes	208	(515)	362	--	(43)	253	(87)	--
Income taxes	79	258	(225)	(69)	--	61	48	27
Net Income (Loss)	287	(258)	137	--	110	314	(39)	--