



**Maxcom Telecomunicaciones, S.A.B de C.V.**

**Fourth Quarter Results 2018**

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# Fourth Quarter 2018 Results

## Earnings Results Summary and Relevant Events

### Maxcom's 4Q18 Performance

**TOTAL REVENUE**  
Ps.269 million

**NETWORK OPERATION COST**  
Ps.143 million  
-43% vs 4Q17

**GROSS PROFIT MARGIN**  
47%  
vs 44% 4Q17

**EBITDA**  
Ps.21 million  
-76% vs 4Q17

**OPERATING INCOME (LOSS)**  
Ps.-102 million  
vs Ps.-1 million 4Q17

**NET INCOME**  
Ps.-244 million

Maxcom recorded a consolidated net loss of Ps.244 million for the 4Q18, representing a reduction of Ps.213 million compared with the previous quarter and Ps.56 million against the same quarter of last year.

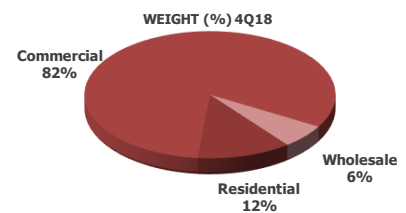
Quarterly consolidated EBITDA was Ps.21 million and Ps.42 million without Celmax operation. Compared with 4Q17, EBITDA decreased Ps.68 million and Ps.54 million, respectively. The main factors that explain these variations are:

- The strategic decision of winding down our retail operation, a process that we expect to conclude in the 2Q19
- The current reduction of our Wholesale revenue stream
- A lower than expected growth in the recurrent commercial revenue as a consequence of lower acquisition growth rates across all segments and higher churn rates

It is worth mentioning that the Company continues offsetting these effects with the execution of several cost efficiencies and operational improvements, mainly on direct cost, network maintenance, payroll and general expenses. Maxcom recorded a 3% decrease in total expenses compared with the previous quarter and 45% annually when compared with the 12 months ended on December 31, 2018.

In accordance with the previous explanations, during 4Q18 Maxcom showed a 47% gross margin.

The improvement in Company's margins is a direct effect of the growth in the commercial segment within the revenue mix. This business unit accounted for 82% of total revenue in this reporting quarter, compared to only 48% for 4Q17. Conversely, Wholesale accounted to only 6% of total revenue, dropping from 35% for the same quarter of 2017.



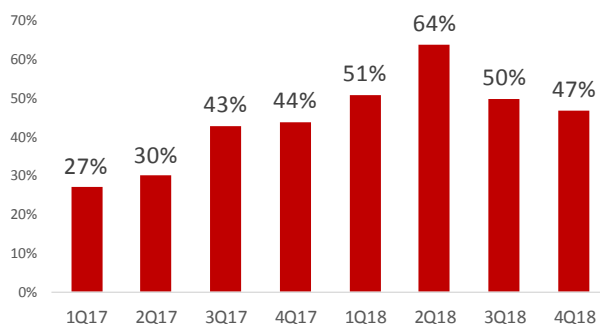
### Relevant Events

On November 7, 2018, Maxcom published a relevant event in the Mexican Stock Exchange, announcing Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte) as the Company's external auditors' firm from 2018 onwards. PricewaterhouseCoopers, S.C. acted as external auditor for the 5 previous years.

As a part of the renovation and granting of Maxcom's Unique Concession, on October 9, 2018 it was celebrated Maxcom's Extraordinary General Shareholders' Meeting in order to modify Maxcom's bylaws for including the obligation established in article 112 of the "Ley Federal de Telecomunicaciones y Radiodifusión" ("LFTR"), which includes among others, the disclosure to the IFT of the stockholding of the Company. Additionally, in order to comply with LFTR issued on 2013, in the same Shareholders' Meeting bylaws were modified in order to allow direct foreign investment in telecommunications and satellite communications for up to 100% of equity.

During January 2019, Maxcom successfully signed an IRU contract over two of its long distance backbone routes for a period of 10 years, and an excess capacity fiber optic sale. These transactions will represent a \$8.1 million dollar cash inflow, amount that will allow the company to execute its commercial business plan for 2019.

### GROSS MARGIN



# Fourth Quarter 2018 Results

## MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES FINANCIAL AND OPERATING HIGHLIGHTS

Figures in millions of pesos, except operating data

Item	4Q18	3Q18	% var
Total Revenues	269	270	-
EBITDA	21	15	40%
EBITDA margin (%)	8%	6%	
Net income (loss)	(244)	(31)	(687%)
Net margin (%)	(91%)	(11%)	
Cash and financial instruments <sup>1</sup>	499	562	(11%)
CAPEX	19	50	(62%)
Debt <sup>2</sup>	2,270	2,216	2%
Net debt / LTM EBITDA (X)	7.1	5.2	37%
Customers	39,472	51,175	(23%)
Commercial	1,128	1,155	(2%)
Residential	38,344	50,020	(23%)
RGUs <sup>3</sup>	214,405	234,230	(8%)

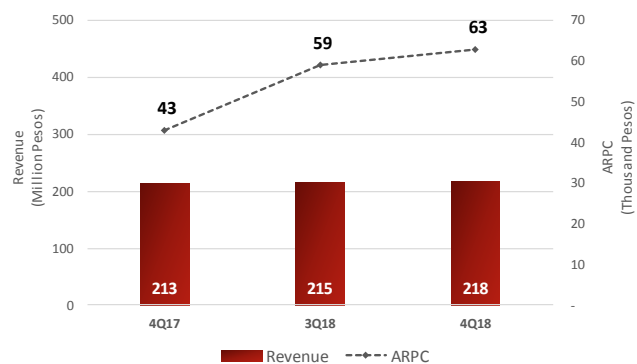
<sup>1</sup> Includes long-term restricted cash.

<sup>2</sup> Debt is considered at face value and includes interest payable as of the end of the period

<sup>3</sup> Revenue generating units

## Commercial Business Unit

- The weight of commercial revenue within the revenue mix continues to strengthen, increasing from 48% in 4Q17 to 82% in 4Q18.
- Commercial revenue totaled Ps. 219 million, representing an increase of 3% or Ps. 6 million compared to Ps. 213 million registered during 4Q17.
- On a sequential basis, revenue grew Ps. 4 million or 2% compared with the 3Q18.
- The average revenue per customer (ARPC) of the Commercial business during 4Q18 was Ps. 63 thousand, 47% higher than the Ps. 43 thousand registered in 4Q17 and Ps. 4 thousand more when compared with the same figure for 3Q18. The improvement is a direct consequence of the upsale strategies implemented to increase the share of wallet per customer and the focus on new customers with a minimum billing ticket of Ps. 40 thousands.



• For the twelve months ended December 31, 2018, Maxcom recorded an accumulated income in this business unit for Ps. 1,037 million, Ps. 283 million more or 37% above when compare to the same period of 2017. Excluding the sale and lease back transaction, annual growth would be Ps. 76 million or 10%.

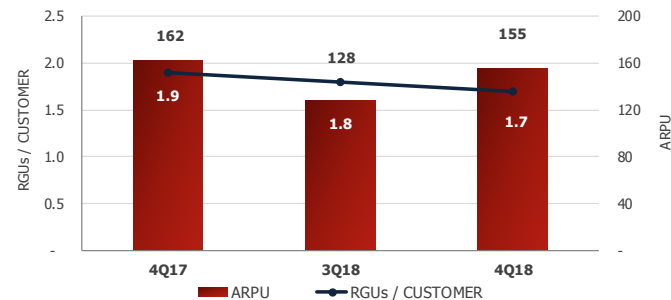
# Fourth Quarter 2018 Results

## Wholesale Business Unit

- During this quarter, the revenue in this business unit was Ps. 16 million, a significant decrease of 90% compared to the same period of 2017 and 10% below on a sequential basis.
- For the twelve months ended on December 31, 2018, total revenue was Ps.79 million, representing a 93% decrease against the Ps.1,132 million registered in the same period of 2017.
- Maxcom is currently evaluating the possibility to restart this type of transactions. The termination of international calls in Mexico will not be part of Maxcom's strategy until certainty over pending VAT tax refunds can be provided by the SAT. However, the company is looking to operate long distance traffic coming from the US for delivery overseas, which is 0% VAT taxable.

## Residential Business Unit

- The Company continues the execution of its wind down process, which will be concluded on June 2019. However, we will continue to explore alternatives to maximize the cash flow generated from this business unit through a potential sale or an elongation of the shut down process.
- As already mentioned, on a cumulative basis 22 clusters have been closed during the year. The Company will operate the remaining 32 clusters until the closing of the business unit.
- The revenue generated by the segment represented 12% of all the revenues recorded during 4Q18. This participation will continue to decrease in the following quarters as the Company grows its Commercial operations and the wind down process continues.
- Comparing 4Q18 with the 4Q17, residential revenue decreased 60% or Ps. 47 million. This was mainly due to the programmed closing of clusters contemplated in the original plan and the shutdown of TV. Sequentially, the decrease was 14% or Ps. 5 million.

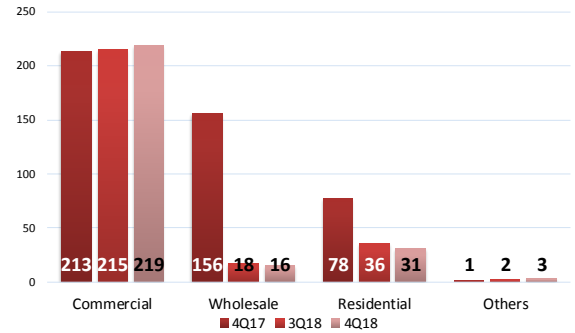
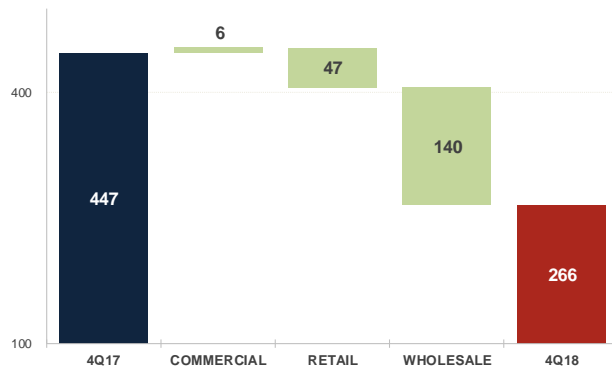


- For the twelve months ended December 31, 2018, Maxcom reported an accumulated income of Ps. 189 million. This figure represents a reduction of Ps. 176 million or 48% compared to the same period of 2017.
- The contribution margin of this business unit for the quarter was 52% or Ps. 99 million, generated by a base at the end of the period of 38 thousand customers.
- ARPU of residential customers was Ps. 155 in 4Q18, 4% lower than the ARPU of Ps. 162 reported in 4Q17 and 21% above the Ps. 128 registered in 3Q18. The rate of RGUs per customer during this quarter was 1.7, while in 4Q17 it was 1.9. Both figures are a direct consequence of the TV service shut down in June, 2009.

# Fourth Quarter 2018 Results

## Consolidated Revenue

- Total consolidated revenues reported in 4Q18 amounted to Ps. 269 million, a decrease of 40% when compared to 4Q17, explained by the reduction of revenues from the Wholesale and Residential business units.

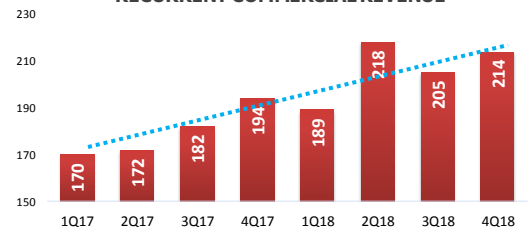


- Sequentially, the income registered a decrease of 1% or Ps. 3 million.

	4Q18	3Q18	QoQ Δ%	4Q17	YoY Δ%
Commercial	Ps. 218	Ps. 215	1%	Ps. 213	2%
Wholesale	16	18	(11%)	156	(90%)
Residential	31	36	(14%)	78	(60%)
Others	3	2	50%	1	200%
<b>Total</b>	<b>Ps. 269</b>	<b>Ps. 270</b>	-	<b>Ps. 448</b>	<b>(40%)</b>

- For the twelve months ended December 31, 2018, total revenues reached Ps. 1,315 million, reflecting a decrease of 42% with respect to the Ps. 2,255 million registered in the same period of 2017. However, commercial revenue is gaining strength within the revenue mix, as 79% of the total revenue came from this segment, compared to only 33% in the same period of 2017.

### RECURRENT COMMERCIAL REVENUE



## Costs, Expenses and Other Items

### Network Operation Cost

- Network operating cost for 4Q18 decreased 43%, totaling Ps. 143 million. This amount compares favorably with the Ps. 251 million reported in 4Q17. This improvement is mainly explained by the significant decrease in traffic termination attributable to the wholesale business and the strategic reduction in the operational structure of the residential segment. In addition, Maxcom continues generating efficiencies in the commercial operations.
- Due to this cost reduction and other efficiencies,

gross margin increased from 44% in 4Q17 to 47% in 4Q18. The change in the revenue mix and the initiatives to increase profitability per customer in the commercial business contributed to this improvement.

- For the twelve months ended December 31, 2018, costs were reduced by 60% compared to the same period of 2017. Gross margin for the year was 55%, 20 p.p. above the registered in the same period of 2017.

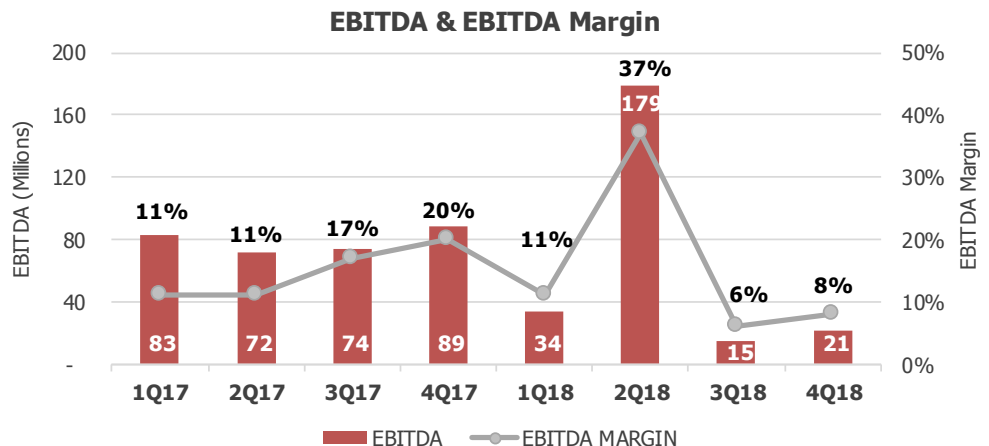
# Fourth Quarter 2018 Results

## SG&A Expenses

- During 4Q18, the Company reported a total SG&A expenses of Ps. 105 million, 3% below the Ps. 108 million reported in 4Q17. On a sequential basis, total expenses decreased 12%.  
The decrease in expenses was mainly due to efficiencies generated in several items, such as consultants and fees, software maintenance and energy. In addition to these reductions, payroll expenses decreased 6% vs 3Q18 and 13% compared to 4Q17.
- Headcount at the end of the quarter was 361 employees, a decrease of 18% compared to the same period of 2017.
- Cumulatively, for the twelve months of 2018 total expense amounted Ps. 469 million, 4% above the Ps. 452 million registered in the same period of 2017. The increase is mainly by:
  - Non recurring fees from the towers transaction for Ps. 13 million
  - An increase of Ps. 17 million in sale force expenses for Celmax.
  - Non recurring expense savings recorded in 2017

## EBITDA

- During 4Q18 the EBITDA was Ps. 21 million, which compares unfavorably against the Ps.89 million registered during 4Q17. The reduction is a direct consequence of the reduction in revenues from the Wholesale and Residential business units, a lower than expected growth in the Commercial business as a result of lower acquisition rates than the average generated during the first half of the year.
- Sequentially, the EBITDA registered an increase of 39% or Ps. 6 million, mainly derived from savings in general expenses for the quarter and a significant reduction in reserves for bad debt.
- On a cumulative basis, EBITDA for the twelve months ended December 31, 2018, reached Ps. 248 million, Ps. 70 million or 22% less compared with the figure reported in the same period of 2017. The accumulated EBITDA margin was 19% and 14% during the twelve months of 2018 and 2017, respectively.
- Maxcom's quarterly EBITDA without Celmax operation was Ps. 42 million with 15% margin. On a cumulative basis, for the twelve months ended December 31,2018 EBITDA without Celmax was Ps. 313 million with 23% margin.



# Fourth Quarter 2018 Results

## Operating Income (Loss)

- The Company registered an operating loss of Ps. 102 million in 4Q18, which compares with an operating loss of Ps. 1 million reported in the same period of 2017, mainly derived from the contraction in EBITDA and the increase in depreciation for the quarter (Ps. 13 million). The company also recorded a Ps. 43 million impairment of unproductive intangible assets associated with the several SAP platforms.
- For the twelve months ended December 31, 2018, the Company reported an operating loss of Ps. 65 million which compares unfavorably against the operating income of Ps. 7 million registered in the same period of 2017.

## Comprehensive Financing Result

- During 4Q18, the Company recorded a comprehensive financing loss of Ps. 127 million, 32% less compared with the loss of Ps. 186 million reported in the same period of 2017. This is a result of a higher cash position in dollars and a higher depreciation of the peso in 2017, 5% in 4Q18 against 8% in 4Q17. Offsetting the previous effect, the bond interest rate increase from 7% in 4Q17 to 8% in 4Q18.
- For the twelve months ended December 31, 2018, the comprehensive financing loss was Ps.221 million a decrease of compared to the Ps. 22 million loss registered in the same period of 2017. The variation is mainly explained by the appreciation of the Mexican peso during the first semester of 2017, and the income generated in the bond repurchase recorded in May 2017.

	4Q18	4Q17	ΔPs.	Δ%
Interest Expense	50	38	12	30%
Interest (Income)	(13)	(21)	8	(36%)
Valuation Effects – Net	5	14	(9)	(63%)
Exchange Rate (Gain) Loss – Net	86	156	(70)	(45%)
Total	127	186	(59)	(32%)

## Taxes

- During the 4Q18, Maxcom recorded Ps. 11 million form income tax and Ps. 4 million of deferred tax. At the end of 2018 Maxcom recorded Ps. 12 million of consolidated income tax and Ps. 17 million of deferred taxes.

## Net Income (Loss)

- During 4Q18, the Company registered a net loss of Ps. 244 million, compared to a net loss of Ps. 188 million registered in the same period of 2017.
- For the twelve months ended September 30, 2018, the Company recorded a net loss of Ps. 315 million compared to the net income of Ps. 16 million registered in the same period of 2017.
- Excluding the results of Celmax, Maxcom generated a net loss of Ps. 221 million in the quarter and Ps.244 million for the twelve months ended on December 31, 2018.

## Capital Expenditure

Million Pesos	Fourth Quarter of 2018	Fourth Quarter of 2017
Operating Activities	(59)	(31)
CAPEX	(19)	(57)
Financing Activities	9	146
Increase (Decrease) in Cash and Financial Instruments	(68)	57
Cash and Financial Instruments at Beginning of Period	532	528
Cash and Financial Instruments at End of Period	463	585



# Fourth Quarter 2018 Results

## Indebtedness

- As of December 31, 2018, the Company reported an indebtedness of 2,270 million (the debt is valued at face value and includes interest payable at ended period). The Company's leverage ratio measured by the Debt to EBITDA ratio was 9.14 times, while the Net Debt to EBITDA ratio stood at 7.13 times (last twelve months EBITDA is used in these calculations).

### Maxcom Financial Liabilities at December 31, 2018

Figures in Millions	Face Value			Due date	Rate
	Pesos	Dollars	Total Pesos <sup>1</sup>		
Step-Up Senior Notes 2020	-	112.4	2,208.7	June, 2020	6%, 7% y 8% <sup>2</sup>
Bancomext	52.5	-	52.5	September, 2020	9.86% <sup>3</sup>
<b>Total financial debt</b>	<b>52.5</b>	<b>112.4</b>	<b>2,261.2</b>		

<sup>1</sup> Considers the FIX exchange rate at December 31, 2018: P.s. 19.6566 per dollar

<sup>2</sup> The Step-Up Senior Notes bear interest (i) from the date of issuance (October 2013) until June 14, 2016, at the annual fixed rate of 6% per annum, (ii) from June 15, 2016 until June 14, 2018, at the annual fixed rate of 7% per annum, and (iii) from June 15, 2018 until the maturity date, at the annual fixed rate of 8% per annum; have a maturity date of June 15, 2020

<sup>3</sup> This loan was signed on October 2015 at 9.86% fixed interest rate

	4Q18	3Q18	2Q18	1Q18
Net Debt/LTM EBITDA	7.13	5.23	4.42	6.39

- As of December 31, 2018, Maxcom maintains cross currency swap to cover the interests of the Step-Up Senior Notes 2020 for a notional amount of USD\$70 million maturing on June 15, 2020.

## Stockholders' Equity

- At the end of 4Q18, the Company reported a total shareholder's equity of Ps. 741 million.

### Capital Structure

	4Q18	4Q17
Subscribed and paid shares	144,471,081	140,710,530

## Celmax Summary

- Revenues of this business unit came from Ps.1 million on the 4Q17 to Ps.3 million in the same quarter of 2018. The variation is mainly due to the increase in recharges, SIMs sales
- Total cost reach Ps.5 million during this quarter, 99% above the Ps.3 million reported in the same quarter of previous year. The increase is mainly explained by the growth in traffic and implementation costs.
- Regarding expenses, the increase in sale force expenses and IT platform maintenance generated a rise of Ps. 15 million compared expenses on the 4Q17.
- Negative EBITDA for the business unit was Ps.21 million, which represents a diminish of Ps.14 million compared with the same quarter of last year.
- Main indicators for 2018 showed an uptrend, such as the compound annual growth rate on recharges that was 82%, passing from Ps.0.4 million on the 1Q18 to Ps.2.4 million on the 4Q18. Net new users registered a growth rate of 62% between the 1Q18 and 4Q18.



# Fourth Quarter 2018 Results

## About MAXCOM

MAXCOM Telecomunicaciones, S.A.B. de C.V., headquartered in Mexico City, is a facilities-based telecommunications provider using a “smart-build” approach to deliver “last-mile” connectivity to enterprises and residential customers in the Mexican territory. MAXCOM launched its commercial operations in May 1999 and is currently offering local and long distance telephony services; wired, wireless and cellular data transmission; IP-based TV services and value-added services in Mexico City metropolitan area, Monterrey, Puebla, Querétaro, León, Guadalajara, San Luis Potosí, Tehuacán and Toluca, and on a selected basis in several cities in Mexico. The information contained in this press release is the exclusive responsibility of Maxcom Telecomunicaciones, S.A.B. de C.V. and has not been reviewed by the Mexican National Banking and Securities Commission (CNBV) or any other authority. The registration of the securities described in this press release before the National Registry of Securities (Registro Nacional de Valores) held by the CNBV, shall it be the case, does not imply any certification as to the investment quality of the securities or of Maxcom’s solvency. The trading of these securities by an investor will be made under such investor’s own responsibility.

For more information contact:

Rodrigo Wright

México, D.F., México

(52 55) 4770-1170

[rodrigo.wright@maxcom.com](mailto:rodrigo.wright@maxcom.com)

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Unless otherwise specified, all references to “USD\$” are to United States dollars and references to “Ps.” are to Mexican pesos. Amounts presented in this quarterly report may not add up or may be slightly inconsistent due to rounding.

# Fourth Quarter 2018 Results

**MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)**  
Thousands of Mexican Pesos ("Ps.")

	<b>As of December 31, 2018</b>	<b>As of December 31, 2017</b>	<b>Var \$</b>	<b>Var %</b>
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and financial instruments	Ps. 463,146	Ps. 585,271	Ps. (122,125)	(21%)
	463,146	585,271	(122,125)	(21%)
Accounts receivable:				
Customers, net of allowance	157,289	253,674	(96,385)	(38%)
Recoverable value added tax	54,522	110,502	(55,980)	(51%)
Other sundry debtors	3,489	14,857	(11,368)	(77%)
	215,300	379,033	(163,733)	(43%)
Inventory	1,874	3,404	(1,530)	(45%)
Prepaid expenses	34,306	37,153	(2,847)	(8%)
<b>Total current assets</b>	<b>714,626</b>	<b>1,004,861</b>	<b>(290,235)</b>	<b>(29%)</b>
Telephone network systems and equipment, net	2,216,637	2,338,606	(121,969)	(5%)
Intangible assets, net	271,125	264,307	6,818	3%
Long-term restricted cash	35,791	33,145	2,646	8%
Deposits in guarantee	9,129	10,955	(1,826)	(17%)
Deferred taxes	6,033	22,710	(16,677)	(73%)
Other accounts receivable of long term	32,899	-	32,899	-
	<b>Ps. 3,286,240</b>	<b>Ps. 3,674,584</b>	<b>Ps. (388,344)</b>	<b>(11%)</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES:</b>				
Bank loans	Ps. 30,000	Ps. 30,000	Ps. -	-
Interest payable	8,428	6,801	1,627	24%
Accounts payable and accrued expenses	215,510	317,642	(102,132)	(32%)
Customer deposits	21,692	2,157	19,535	906%
Derivative financial instruments	3,542	4,784	(1,242)	-
Other taxes payable	18,960	18,463	497	3%
<b>Total current liabilities</b>	<b>298,132</b>	<b>379,847</b>	<b>(81,715)</b>	<b>-</b>
<b>LONG-TERM LIABILITIES:</b>				
Step-up senior notes	2,135,562	2,089,402	46,160	2%
Bank loans	22,500	52,500	(30,000)	(57%)
Deferred income	41,720	35,010	6,710	19%
Labor obligations	1,625	1,898	(273)	(14%)
Other long-term liabilities	45,491	95,038	(49,547)	(52%)
Long-term liabilities	2,246,898	2,273,848	(26,950)	(1%)
<b>Total liabilities</b>	<b>Ps. 2,545,030</b>	<b>Ps. 2,653,695</b>	<b>Ps. (108,665)</b>	<b>(4%)</b>
<b>SHAREHOLDERS' EQUITY</b>				
Capital stock	Ps. 1,533,254	Ps. 1,455,066	Ps. 78,188	5%
Capital stock subscribed not exhibited	(12,300)	-	(12,300)	-
Additional paid-in capital	50,170	50,170	-	-
Accumulated losses	(615,864)	(592,919)	(22,945)	4%
Net income (loss) for the period	(280,149)	2,272	(282,421)	(12,430%)
Other comprehensive income	4,475	9,496	(5,021)	(53%)
<b>Controlling interest</b>	<b>679,586</b>	<b>924,085</b>	<b>(244,499)</b>	<b>(26%)</b>
Non-controlling interest	61,624	96,804	(35,180)	-
<b>Total shareholders' equity</b>	<b>Ps. 741,210</b>	<b>Ps. 1,020,889</b>	<b>Ps. (279,679)</b>	<b>(27%)</b>
	<b>Ps. 3,286,240</b>	<b>Ps. 3,674,584</b>	<b>Ps. (388,344)</b>	<b>(11%)</b>



# Fourth Quarter 2018 Results

MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)  
Thousands of Mexican Pesos ("Ps.")

	3 months ended December 31				vs 3M 2017		12 months ended December 31				vs 12M 2017	
	2018	%	2017	%	\$ var	% var	2018	%	2017	%	\$ var	% var
<b>TOTAL REVENUES</b>	<b>Ps. 269,409</b>	100%	<b>Ps. 447,989</b>	100%	<b>Ps. (178,580)</b>	<b>(40%)</b>	<b>Ps. 1,315,245</b>	100%	<b>Ps. 2,255,580</b>	100%	<b>Ps. (940,335)</b>	<b>(42%)</b>
Network operating services	85,101	32%	198,061	44%	(112,960)	(57%)	373,719	28%	1,273,893	56%	(900,174)	(71%)
Technical expenses	53,960	20%	49,758	11%	4,202	8%	218,181	17%	202,993	9%	15,188	7%
Installation expenses	4,263	2%	3,153	1%	1,110	35%	5,414	0%	8,051	0%	(2,637)	(33%)
<b>Network operation cost</b>	<b>143,324</b>	<b>53%</b>	<b>250,972</b>	<b>56%</b>	<b>(107,648)</b>	<b>(43%)</b>	<b>597,314</b>	<b>45%</b>	<b>1,484,937</b>	<b>66%</b>	<b>(887,623)</b>	<b>(60%)</b>
<b>GROSS PROFIT</b>	<b>126,085</b>	<b>47%</b>	<b>197,017</b>	<b>44%</b>	<b>(70,932)</b>	<b>(36%)</b>	<b>717,931</b>	<b>55%</b>	<b>770,643</b>	<b>34%</b>	<b>(52,712)</b>	<b>(7%)</b>
Selling, general and administrative expenses	105,092	39%	107,957	24%	(2,865)	(3%)	469,489	36%	452,474	20%	17,015	4%
<b>EBITDA</b>	<b>20,993</b>	<b>8%</b>	<b>89,060</b>	<b>20%</b>	<b>(68,067)</b>	<b>(76%)</b>	<b>248,442</b>	<b>19%</b>	<b>318,169</b>	<b>14%</b>	<b>(69,727)</b>	<b>(22%)</b>
Depreciation and amortization	65,658		52,564		13,094	25%	237,070		210,341		26,729	13%
Other (income) expense	57,236		37,852		19,384	51%	76,658		100,393		(23,735)	(24%)
<b>Operating income (loss)</b>	<b>(101,901)</b>		<b>(1,356)</b>		<b>(100,545)</b>	<b>7,415%</b>	<b>(65,286)</b>		<b>7,435</b>		<b>(72,721)</b>	<b>(978%)</b>
<b>Comprehensive (income) cost of financing:</b>												
Interest expense	49,513		38,031		11,482	30%	178,881		174,165		4,716	3%
Interest (income) loss, net	(13,441)		(21,044)		7,603	(36%)	(12,317)		(122,388)		110,071	(90%)
Valuation effects, net	5,044		13,710		(8,666)	(63%)	44,270		72,788		(28,518)	(39%)
Exchange (income) loss, net	86,007		155,656		(69,649)	(45%)	10,537		(102,644)		113,181	(110%)
	<b>127,123</b>		<b>186,353</b>		<b>(59,230)</b>	<b>(32%)</b>	<b>221,371</b>		<b>21,921</b>		<b>199,450</b>	<b>910%</b>
<b>INCOME (LOSS) BEFORE TAXES</b>	<b>(229,024)</b>		<b>(187,709)</b>		<b>(41,315)</b>	<b>22%</b>	<b>(286,657)</b>		<b>(14,486)</b>		<b>(272,171)</b>	<b>1,879%</b>
Taxes:												
Income taxes	11,301		10,571		730	7%	11,995		11,228		767	7%
<b>Total taxes</b>	<b>15,422</b>		<b>782</b>		<b>14,640</b>	<b>1,873%</b>	<b>28,672</b>		<b>1,439</b>		<b>27,233</b>	<b>1,893%</b>
<b>NET INCOME (LOSS)</b>	<b>Ps. (244,446)</b>		<b>Ps. (188,491)</b>		<b>Ps. (55,955)</b>	<b>30%</b>	<b>Ps. (315,329)</b>		<b>Ps. (15,925)</b>		<b>Ps. (299,404)</b>	<b>1,880%</b>
Other comprehensive result	7,591		14,494		(6,903)	(48%)	(5,021)		(31,748)		26,727	(84%)
<b>COMPREHENSIVE NET INCOME (LOSS)</b>	<b>Ps. (236,855)</b>		<b>Ps. (173,997)</b>		<b>Ps. (62,858)</b>	<b>36%</b>	<b>Ps. (320,350)</b>		<b>Ps. (47,673)</b>		<b>Ps. (272,677)</b>	<b>572%</b>
Controlling interest	(232,826)		(184,411)		(48,415)	26%	(280,149)		2,271		(282,420)	(12,436%)
Non-controlling interest	(11,620)		(4,080)		(7,540)	185%	(35,180)		(18,196)		(16,984)	93%
<b>NET INCOME (LOSS)</b>	<b>Ps. (244,446)</b>		<b>Ps. (188,491)</b>		<b>Ps. (55,955)</b>	<b>30%</b>	<b>Ps. (315,329)</b>		<b>Ps. (15,925)</b>		<b>Ps. (299,404)</b>	<b>1,880%</b>
Average basic shares	143,186		139,426				142,246		121,214			
Average diluted shares	143,186		139,426				142,246		121,214			
Earnings per basic share	(1.63)		(1.32)				(1.97)		0.02			
Earnings per diluted share	(1.63)		(1.32)				(1.97)		0.02			

# Fourth Quarter 2018 Results

**MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (IFRS)**  
Thousands of Mexican Pesos ("Ps.")

	<b>Capital stock</b>	<b>Capital stock not exhibited</b>	<b>Additional paid-in capital</b>	<b>Accumulated losses</b>	<b>Other comprehensive income</b>	<b>Controlling interest</b>	<b>Non-controlling interest</b>	<b>Total shareholders' equity</b>
Balances as of December 31, 2016	Ps. 7,628,698	Ps. -	Ps. 41,113	Ps. (6,920,751)	Ps. 41,244	Ps. 790,304	Ps. -	Ps. 790,304
Increase of non-controlling interest	-	-	-	-	-	-	115,000	115,000
Increase in capital stock	154,200	-	-	-	-	154,200	-	154,200
Stock option plan	-	-	9,057	-	-	9,057	-	9,057
Restitution of accumulated losses	(6,327,832)	-	-	6,327,832	-	-	-	-
Comprehensive net income	-	-	-	2,272	(31,748)	(29,476)	(18,196)	(47,672)
<b>Balances as of December 31, 2017</b>	<b>Ps. 1,455,066</b>	<b>Ps. -</b>	<b>Ps. 50,170</b>	<b>Ps. (590,647)</b>	<b>Ps. 9,496</b>	<b>Ps. 924,085</b>	<b>Ps. 96,804</b>	<b>Ps. 1,020,889</b>
	<b>Capital stock</b>	<b>Capital stock not exhibited</b>	<b>Additional paid-in capital</b>	<b>Accumulated losses</b>	<b>Other comprehensive income</b>	<b>Controlling interest</b>	<b>Non-controlling interest</b>	<b>Total shareholders' equity</b>
Balances as of December 31, 2017	Ps. 1,455,066	Ps. -	Ps. 50,170	Ps. (590,647)	Ps. 9,496	Ps. 924,085	Ps. 96,804	Ps. 1,020,889
Initial effect of adoption of IFRS 9	-	-	-	(25,217)	-	(25,217)	-	(25,217)
Increase in capital stock	78,188	(12,300)	-	-	-	65,888	-	65,888
Stock option plan	-	-	-	-	-	-	-	-
Restitution of accumulated losses	-	-	-	-	-	-	-	-
Comprehensive net income	-	-	-	(280,149)	(5,021)	(285,170)	(35,180)	(320,350)
<b>Balances as of December 31, 2018</b>	<b>Ps. 1,533,254</b>	<b>Ps. (12,300)</b>	<b>Ps. 50,170</b>	<b>Ps. (896,013)</b>	<b>Ps. 4,475</b>	<b>Ps. 679,586</b>	<b>Ps. 61,624</b>	<b>Ps. 741,210</b>



# Fourth Quarter 2018 Results

MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW (IFRS)  
 Thousands of Mexican Pesos ("Ps.")

	3 months ended December 31		vs 3M 2017		9 months ended December 31		vs 9M 2017	
	2018	2017	\$ var	% var	2018	2017	\$ var	% var
<b>Operating Activities:</b>								
Income (loss) before taxes	Ps. (229,024)	Ps. (187,709)	Ps. (41,315)	22%	Ps. (286,657)	Ps. (14,485)	Ps. (272,171)	1,879%
Items not requiring the use of cash	120,918	99,285	21,633	22%	306,131	97,164	208,967	215%
Cash flow from income (loss) before taxes	(108,106)	(88,425)	(19,681)	22%	19,474	82,678	(63,204)	(76%)
Cash flow from:								
Accounts receivable	76,591	10,785	65,806	610%	43,352	(7,519)	50,871	(677%)
Inventory	(845)	(2,040)	1,195	(59%)	1,530	(1,890)	3,420	(181%)
Accounts payable	(49,865)	31,040	(80,905)	(261%)	(102,132)	(75,123)	(27,009)	36%
Other assets and liabilities	23,129	17,508	5,621	32%	47,374	(94,116)	141,490	(150%)
Cash flow from operating activities	49,010	57,293	(8,283)	(14%)	(9,877)	(178,648)	168,771	(94%)
<b>Net cash flow from operating activities</b>	<b>(59,096)</b>	<b>(31,132)</b>	<b>(27,965)</b>	<b>90%</b>	<b>9,598</b>	<b>(95,970)</b>	<b>105,567</b>	<b>(110%)</b>
<b>Investing Activities:</b>								
Telephone network systems and equipment, net	(18,685)	(57,261)	38,576	(67%)	(121,640)	(232,602)	110,962	(48%)
<b>Net cash flow used in investing activities</b>	<b>(18,685)</b>	<b>(57,261)</b>	<b>38,576</b>	<b>(67%)</b>	<b>(121,640)</b>	<b>(232,602)</b>	<b>110,962</b>	<b>(48%)</b>
<b>Financing Activities:</b>								
Bank loans	(7,500)	(7,500)	-	-	(30,000)	(30,000)	-	-
Senior notes	-	92,019	(92,019)	(100%)	-	(154,328)	154,328	(100%)
Other financing activities	(5,712)	5,149	(10,861)	(211%)	(2,646)	(8,637)	5,991	(69%)
<b>Net cash flow from financing activities</b>	<b>9,351</b>	<b>145,821</b>	<b>(136,470)</b>	<b>(94%)</b>	<b>(10,083)</b>	<b>76,235</b>	<b>(86,318)</b>	<b>(113%)</b>
<b>Increase (decrease) in cash and financial instruments</b>	<b>(68,430)</b>	<b>57,428</b>	<b>(125,858)</b>	<b>(219%)</b>	<b>(122,125)</b>	<b>(252,337)</b>	<b>130,212</b>	<b>(52%)</b>
Cash and financial instruments at beginning of period	531,576	527,843	3,733	1%	585,271	837,608	(252,337)	(30%)
<b>Cash and financial instruments at end of period</b>	<b>Ps. 463,146</b>	<b>Ps. 585,271</b>	<b>Ps. (122,125)</b>	<b>(21%)</b>	<b>Ps. 463,146</b>	<b>Ps. 585,271</b>	<b>Ps. (122,125)</b>	<b>(21%)</b>

- **Important notice:** In compliance with provision 4.033.01 and other applicable provisions of the internal regulations of the Mexican Stock Exchange ("MSE"), regarding the "Independent Analyst", Maxcom Telecomunicaciones S.A.B. de C.V. attests that its share, which is listed on the MSE (Maxcom A) and on the OTCQX (MXMTY), is being covered by more than two financial institutions, thus the Company will not request nor has requested registration to the program "Independent Analyst", likewise Maxcom complies with all applicable regulations of the MSE and the National Banking and Securities Commission.