



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

Third Quarter Results 2019

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Recent Developments

Successfully restructure of Step-up Senior Notes 2020

- Maxcom Telecomunicaciones S.A.B. de C.V. and its subsidiary Maxcom USA Telecom, Inc. (collectively, the “Company” or “Maxcom”) today announced that it has successfully completed the Company's debt restructuring process and exchange of its old notes pursuant to the Chapter 11 Prepackaged Plan of Reorganization (the “Plan”) confirmed by Judge Robert D. Drain of the U.S. Bankruptcy Court for the Southern District of New York on September 17, 2019. With majority support from the Old Notes holders, and as a result of completing the bankruptcy process and implementing the Plan, the Company significantly reduced its debt. Effective at emergence, the Company has exchanged its Old Notes for \$57 million in Senior Notes, \$20 million in Junior PIK Notes and \$10 million in cash payment to the note holders. In addition to the exchange of its Old Notes, the Company's shareholders have committed for a total equity contribution of MX\$ 330 million.
- With the restructuring now successfully completed, Maxcom anticipates closing its Chapter 11 case shortly.

Summary of the restructuring process of the Step-up Senior Notes 2020

- With the purpose to extend the maturity of the Step-up Senior Notes 2020 (the “Old Notes”), as well as reducing the debt service and finally reducing the Maxcom's leverage, on June 17, 2019 the Company announced the exchange offer for each and every one of its Old Notes for 1) cash, 2) new Senior Secured Notes 2024 (the “New Notes”), with an interest rate of 8.00%, semiannual coupon payments and due on 2024, and 3) Junior Payment-in-Kind Notes (the “Junior PIK Notes”).
- The restructuring could have been accomplished through either (1) an out-of-court exchange offer if more than 90% of bondholders accepted the Exchange Offer during the voting process, or (2) the in-court Reorganization Plan, in the event that the holders of the Old Notes accepted the prepacked plan with more than two-thirds in amount of bonds held by holders casting a vote and more than one-half in number of the total votes. The Company reached the approval of the plan by the second via, with a support of 83.33% of the outstanding amount after modifications to the initial Plan.
- Benefits of the restructure
 - a) Reduction of long term indebtedness level corresponding to the principal amount of the Old Notes, came from USD\$103.4 million to USD\$56.9 million with the New Notes
 - b) General reduction on leverage and significant improvement in capital structure through the capital increase of Ps.330 million
 - c) Diminish of Maxcom's total finance cost and release of operative cash to support the consolidation of business plan at mid-term
 - d) Projected debt ratios aligned to Mexican industry equivalents
- Summary of restructure process
 - ✓ June 17th, 2019: Distribution of the Offering Memorandum, Consent Solicitation and Reorganization Plan to holders. Press release announcing the Company's efforts to restructure the Old Notes through the votes solicitation
 - ✓ July 15th, 2019: First expiration date of the offer and performed the first Exchange Offer extension. In addition release amendments to the offer:
 - Changing the applicable currency of the Junior PIK Notes from Mexican pesos to U.S. dollars.

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- Increasing the cash payout on the junior payment in kind notes via a greater sharing of the equity upside in certain circumstances
 - Removing the Company's optional redemption right with respect to the Junior PIK Notes.
- ✓ July 30th, 2019: Second expiration date for offer and performed the second Exchange Offer extension with an amendment through the extension of the early participation date
- ✓ August 14th, 2019: Exchange offer expires. The voting held 118 holders, for which 100 accepted the offer (84.75%) representing an amount of US\$41.6 million out of US\$62.4 million of voting amount (66.73%)
- ✓ August 15th, 2019: As a consequence that the Company reached the necessary votes, the Company announced the intent to file the Prepackage Reorganization Plan on New York court
- ✓ August 19th, 2019: The Company filed voluntary petitions in the court to enter to Chapter 11, along with the Plan of Reorganization and Disclosure Statement
- ✓ August 20th, 2019: First Day Hearing takes place, approving First Day Motions so the Company continues to operate as usual
- ✓ September 17th, 2019: Confirmation Hearing takes place, resulting in the confirmation to a modified Prepackage Reorganization Plan, with support from the Ad-Hoc Group Holders, obtaining a consensus of US\$86.14 million (83.33%) of the total principal outstanding amount (US\$103.4 million) and 149 bondholders in number; therefore, having support of the big majority
- ✓ October 25, 2019: Effective date in which the Company emerges from Chapter 11 and performs the exchange of the Old Notes by the New Notes, Junior PIK Notes, payment in cash and settlement of accrued interest
- Final terms and conditions of transaction
 - a) Exchange of every US\$1,000 of Old Notes by US\$550 of New Notes, with 8% interest rate and maturity until 2024
 - b) Installment of Junior PIK Notes, securities which eventually may give to the holders an advantage in capital in case of change in control
 - c) Payment in cash of 10% of the outstanding principal amount of the Old Notes (US\$10.34 million)
 - d) Early Participation of US\$10 in cash for every US\$1,000 of the Old Notes
 - e) Capital increase by Ps.330 million, from which Ps.300 million has been already contributed and the pending amount will be paid prior to November 30, 2019
 - f) The Holders of the Junior PIK Notes will have the right to appoint one board member which will also participate in the Executive, Audit and Corporate Practices Committees. This director must be approved by the members of the Board of Directors
- As a representation of the restructuring process, the proforma figures at the end of 3Q19 are as follow:

Cifras proforma al 30 de septiembre de 2019				
Concepto	Cifras reales antes del intercambio de notas		Cifras ajustadas después del intercambio de notas	
	(US\$) ⁽¹⁾	(Ps.)	(US\$) ⁽¹⁾	(Ps.)
Efectivo y equivalentes de efectivo	22,321	438,300	18,602	365,281
Deuda:				
Bonos por pagar 2020	101,338	1,989,913	-	-
Intereses	6,933	136,135	-	-
Bonos por pagar 2024	-	-	51,896	1,019,051
Préstamos bancarios	1,528	30,000	1,528	30,000
Arrendamientos	27,663	543,200	27,663	543,200
Total deuda	137,462	2,699,248	81,087	1,592,251
Junior PIK Note	-	-	20,000	392,726
Capital Contable	24,137	473,965	54,551	1,071,174
Total capitalización	161,599	3,173,213	155,638	3,056,150

Note. Old Notes and New Notes are recorded at amortized cost, according to IFRS accounting standards



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Capital Increase

Maxcom

- In line with the financial restructuring process, on July 3, 2019, a Maxcom's Ordinary General Shareholders Meeting was celebrated in which an equity increase of the Company was approved for an amount of Ps.\$300 million through the issuance of 120 million common shares, nominative, without expression of face value, Series "A", Class II, representing the variable part of the capital stock at a subscription price of \$2.50 per share, amount that was fully subscribed and paid, through two contribution rounds. This capital increase concluded on October 10, 2019.
- Considering this contribution, Maxcom's capital stock subscribed and paid rose to Ps.1,854.42 million, represented by 264,471,081 common shares, nominative and without expression of face value.
- Additionally and according to modifications to the Plan, on October 11, 2019, a Maxcom's Ordinary General Shareholders Meeting was celebrated in which an additional equity increase by Ps.30 million was approved through the issuance of 12 million common shares, nominative, without expression of face value, Series "A", Class II, representing the variable part of the capital stock at a subscription price of \$2.50 per share.

Celmax

- On June 21, 2019, was approved to increase the capital stock in the variable part up to the amount of Ps.10 million through the issuance of 426,953 common shares, nominative, without expression of face value, Series "B", Class II at a subscription price of \$23.4219 per share. The increase concluded with a contribution of Ps.5.6 million, where Maxcom resigned to its preemptive rights. As a consequence, Maxcom's total participation in Celmax was reduced from 51% to 44.8211%.
- During 4Q19 Celmax's bylaws will be modified in order to consummate the deconsolidation of the subsidiary, thus recognizing its results within Maxcom financial statements via participation method.

Follow-on to Relevant Tax Matters

- As a follow up to the document dated July 4 where the Procuraduría de la Defensa del Contribuyente (the "PRODECON") notified to the Company the response of the SAT, in which, although it recognized the existence and traceability of the long distance operations, it denied to Maxcom the request for a conclusive agreement and communicated the amount of the possible tax credit that the company would have to settle for the fiscal year reviewed (2015), on August 27, 2019, PRODECON issued a closing agreement and determined three serious and obvious rights violation against Maxcom in the following terms:
 - a) The evidence that proves the materiality of the operations were not analyzed in an integral manner and were dismissed without reason
 - b) A new fact observation was introduced once the SAT's Audit process was concluded, which represents the base for the authority's decision for rejecting the conclusive agreement
 - c) In accordance with the PRODECON criteria, the authority cannot reject the deduction of an expense, making it dependable of the compliance of others' fiscal obligations that are not attributable to the Taxpayer
- On September 4, 2019, the Company responded the observations letter dated February 5, 2019 issued by the SAT. Additional information was provided, including the Violation of Rights Agreement to detract them. The SAT is in process to resolve.
- In the event that the authority maintains its position, Maxcom will seek to lodge a revocation appeal into the SAT's legal area, seeking to enforce the Violation of Rights Agreement issued by PRODECON.

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Earnings Results Summary

Maxcom's 3Q19 Performance

**TOTAL
REVENUE**
Ps.337 million

**NETWORK
OPERATION
COST**
Ps.200 million
46% vs 3Q18

**GROSS PROFIT
MARGIN**
41%
vs 50% 3Q18

EBITDA
Ps.50 million
229% vs 3Q18

**OPERATING
INCOME (LOSS)**
Ps.-53 million
vs Ps.-53 million
3Q18

**NET INCOME
(LOSS)**
Ps.-167 million

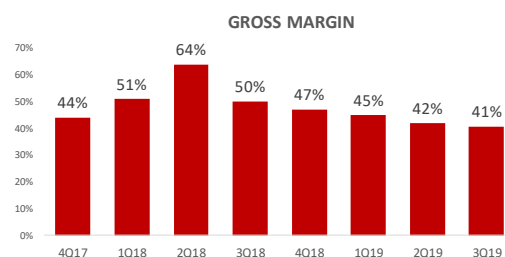
EBITDA for the quarter amounted to Ps.50 million on a consolidated basis, representing an increase of 229% with respect to 3Q18. Excluding the accounting effect of Ps.39 million from the recognition of operating leases under accounting standard IFRS 16 which came into effect as of January 1, 2019, the consolidated EBITDA was Ps. 11 million and Ps.24 million excluding Celmax operations., The variation with respect to 3Q18 was a decrease of Ps.4 million and an increase of Ps.9 million, respectively. The main factors that explain the variation were:

- The progressive revenues downtrend in the Residential segment as a result of the execution of the wind down plan
- The reactivation of the Wholesale business unit, which generated revenues of Ps. 113 million

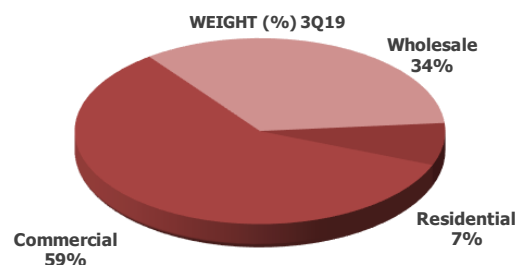
The Company continues the execution of efficiencies mainly in consultants fees, payroll, network maintenance, electricity and site maintenance. As a result of the foregoing, excluding the effects of IFRS 16 accounting standard, Maxcom presented a 11% decrease in expenses compared to the same quarter of 2018.

Regarding cost, the Company recorded an increase of Ps. 78 million or 95%.

Such incremental cost is mainly due to a higher volume of traffic coming from the Wholesale business unit. Excluding wholesales's cost, the Company presented a reduction of Ps.11 millones or 17% compared to 3Q18.



The decrease in Company's margins is a consequence of the reactivation of Wholesale operations with substantial volume, thus impacting the revenue mix. This business unit reflects an increase in its participation, going from 7% in 3Q18 to 34% in this reported quarter.



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

Figures in millions of pesos, except operating data

Item	3Q19	2Q19	% var
Total Revenues	337	366	(8%)
EBITDA	50	58	(14%)
EBITDA margin (%)	15%	16%	
Net income (loss)	(167)	(93)	79%
Net margin (%)	(50%)	(25%)	
Cash and financial instruments ¹	438	397	10%
CAPEX	75	41	83%
Debt ²	2,739	2,635	4%
Net debt / LTM EBITDA (X)	11.4	13.4	(15%)
Customers	31,313	32,910	(5%)
Commercial	1,291	1,270	2%
Residential	30,022	31,640	(5%)
RGUs ³	245,270	191,802	28%

¹ Includes long-term restricted cash.

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

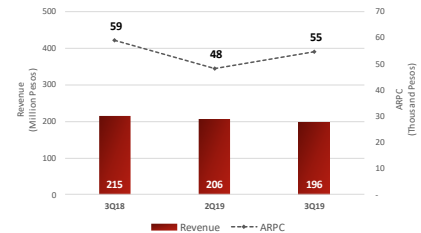
³ Revenue generating units

Third Quarter 2019 Results

Commercial Business Unit

- In line with Maxcom's focus, the consolidation of the commercial business unit continues, maintaining its weight within the total revenue mix. Commercial revenue accounted for 59% of total revenues during the quarter, improving 2 p.p. when compared to the previous quarter.
- Commercial revenue reached Ps. 196 million, representing a 9% decrease or Ps. 19 million compared to Ps. 215 million registered during 3Q18. This is due to the traffic loss of some customers that had an adverse effect on Maxcom's variable income. The Company is actively developing strategies and campaigns to recover these consumptions, seeking to compensate the revenue loss during 4Q19.
- Sequentially, the commercial revenue had a decrease of Ps. 10 million or 5%. This variation is explained by the seasonality in variable consumption of voice for some customers, as well as by the delay in the acquisition and implementation of projects for new and existing

customers which were postponed as a result of the restructuring process that the Company started since 2Q19.

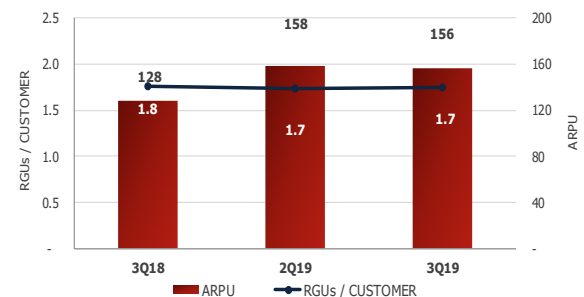


- The average revenue per customer (ARPC) of the commercial business during 3Q19 was Ps. 55 thousand, 8% lower than the Ps. 59 thousand registered in 3Q18 and 13% higher on a sequential basis.
- Cumulatively, total commercial revenue reached Ps. 635 million, which represents a decrease of 22% or Ps. 183 million. Without considering the extraordinary revenue from the sale of the towers in 2Q18, commercial revenue presented an increase of 2% or Ps. 13 million.

Residential Business Unit

- Diligent management in this business unit has resulted in stable income with controlled margins, so the Management has decided to extend its wind down process until the profitability of the business allows for it. At the end of 3Q19 there are 32 active clusters and around 30 thousand customers.
- The revenue generated by the segment was Ps. 24 million, which represented 7% of all revenues recorded during 3Q19. This participation will continue to decrease in the following quarters as the Company continues the shutting down of clusters and grows its operations in the Commercial segment.
- Comparing 3Q19 against 3Q18, the revenue of this business unit presents a decrease of 32% or Ps. 11 million. This is mainly due to the organic churn in the customer base.

- Sequentially, the decrease was 9% or Ps. 3 million.



- The contribution margin for this business unit for the 9 months ended September, 2019, was 53% or Ps. 43 million.
- The cumulative revenue of this business unit at the end of September, 2019 was Ps. 80 million, which represents a decrease of 49% or Ps. 77 million when compared to the nine months of 2018.

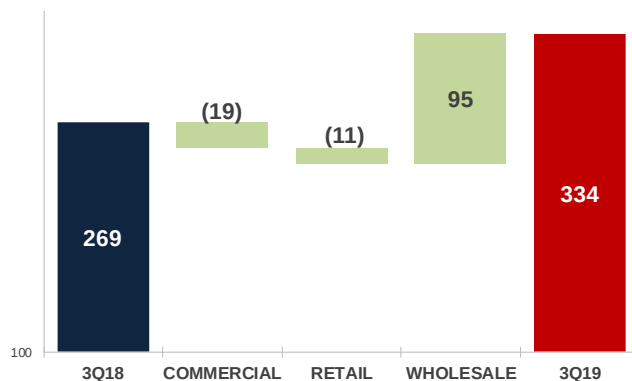
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Wholesale Business Unit

- During the quarter, the revenue in this business unit was Ps. 113 million, an increase of 500% compared to the same period of 2018 and 12% below the revenue reported in 2Q19. These increases YoY are a direct consequence of the reactivation of this business unit.
- In a cumulative basis, wholesale revenue reached Ps. 352 million for the nine months ended on September 30, 2019, reflecting an increase of 458% or Ps. 289 million compared to the figures reported in the same period of the previous year.
- As a consequence of this increase, the participation in the total revenue mix at the end of the quarter was 34%, which compares favorably with 7% reported in 3Q18. On a cumulative basis, the participation of this business unit represented 33% against 6% registered during the nine months of 2018.

Consolidated Revenue

- On a consolidated basis, total revenues reported in 3Q19 amounted to Ps. 337 million, a 25% decrease when compared to 3Q18, mainly explained by the increase in wholesale revenues and the decrease in both Commercial and Residential revenues..

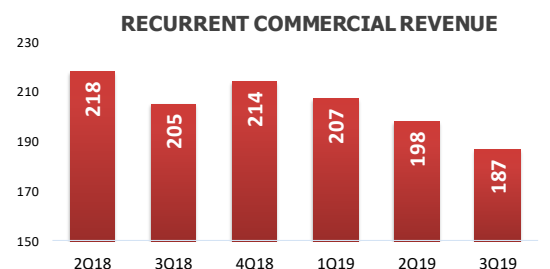


- Sequentially, the revenue registered a decrease of 8% or Ps. 29 million mainly explained by the lost of traffic of some customers and the deferral of expansion projects of new and existing customers.

		3Q19	2Q19	QoQ Δ%	3Q18	YoY Δ%
Commercial	Ps.	196	Ps. 206	(5%)	Ps. 215	(9%)
Wholesale		113	128	(12%)	18	526%
Residential		24	27	(9%)	36	(32%)
Others		3	5	(35%)	2	100%
Total	Ps.	337	Ps. 366	(8%)	Ps. 270	25%



- Recurrent Commercial revenue had a slight decline due to a decrease in variable traffic revenues, nevertheless Maxcom is making efforts to recover those revenues in 4Q19. The participation of this revenue stream was 55% within the Company's total revenues. Compared to 3Q18, it had an increase in the revenue mix of 20 p.p.



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Network Operating Cost

- Network operating costs for the quarter increased 46% to reach Ps. 200 million, compared to Ps. 136 million reported in 3Q18. The increase is mainly explained by:
 - The increase in the cost of traffic from the Wholesale segment. The cost recorded during the quarter for this business was Ps 106 million, 541% more than the registered in the same period of 2018.
 - The favorable effects of reclassification of operating leases under IFRS 16 accounting rule
- Excluding the IFRS 16 accounting effect, the increase in cost compared to 3Q18 is 67%, totaling Ps. 228 million for the quarter. The effect without wholesale cost was a reduction of Ps.26 million or 21%.
- Gross profit had a slight increase of 2% or Ps. 3 million compared to 3Q18. Sequentially, gross profit registered a decrease of Ps. 15 million or 10%.
- On a cumulative basis, for the 9 months ended on September 2019, gross profit totaled of Ps. 460 million, which represents a decrease of 22% or Ps. 132 million. This effect is mainly due to the extraordinary revenue from the towers sale during 2Q18.

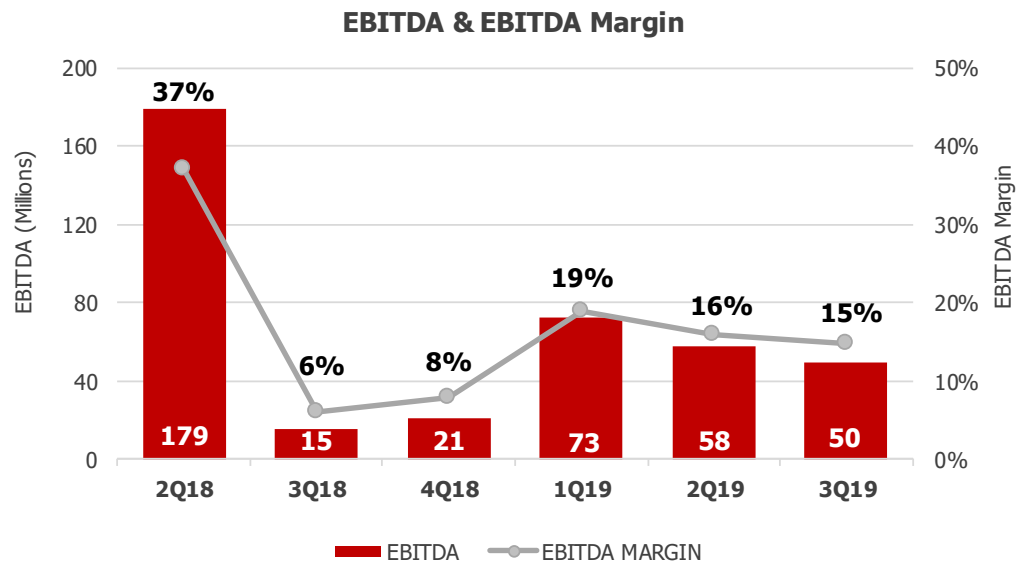
SG&A Expenses

- During 3Q19, the Company reported a total Sale and Administration Expenses of Ps. 87 million, 27% less than the Ps. 119 million reported in 3Q18. On a sequential basis, total expenses decreased 7% or Ps. 7 million.
- Excluding the effect of IFRS 16, Sale and Administration Expenses decreased by Ps. 21 million or 18% compared to 3Q18. On a sequential basis it had a decrease of 5% or Ps. 5 million.
- The decrease in expenses is mainly due to the efficiency effort that has been executed during previous quarters, mainly in payroll, consultants and fees, energy expenditure and software maintenance.
- The headcount at the end of the period was 321 employees, a decrease of 11% compared to the same period of 2018 and a decrease of 2% on a sequential basis.
- On a cumulative basis, the total expense recorded was Ps. 279 million, which represents a decrease of 23% or Ps. 85 million compared to the same period of 2018. Without the effects of IFRS 16 the decrease was 16% or Ps. 57 million.

EBITDA

- During 3Q19 the EBITDA was Ps. 50 million, which compares favorably against the Ps.15 million recorded during 3Q18. The increase is a direct result of IFRS 16 accounting standard effects.
- On a sequential basis, EBITDA presents a decrease of 14% or Ps. 8 million as a consequence of the revenue decrease. Discounting the accounting effects of IFRS 16, EBITDA presents a decrease of 46% or Ps. 10 million.
- Maxcom's quarterly EBITDA without Celmax operations was Ps. 61 million. This amount compares favorably with the Ps. 33 million reported in 3Q18.

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Operating Income (Loss)

- The Company recorded an operating loss of Ps. 53 million in 3Q19, being the same to the figure reported in the same period of 2018. The effect that was generated by accounting standard of leases was Ps. 31 million in the quarter.
- On a sequential basis, operating loss decreased by Ps. 8 million or 18% due to the decrease in EBITDA.
- On a cumulative basis, the operating loss reached Ps. 140 million, which compares unfavorably with the operating profit of Ps. 37 million reported in the nine months of 2018, explained by the sale transaction of 72 towers made in 2Q18.

Comprehensive Financing Result

- During 3Q19, the Company recorded an integral financing loss of Ps. 114 million, which compares unfavorably against the profit of Ps. 23 million reported in the same period of 2018. This is mainly due to the favorable exchange rate effect recorded in 3Q18.
- In addition, it is worth mentioning that the negative effect of the reclassification of leases under IFRS 16 accounted for Ps. 13 million during the quarter, thus increasing the Company's financing cost.
- On a cumulative basis, there was an integral financing loss of Ps. 124 million, which compares unfavorably with the loss recorded in the same period of 2018 of Ps. 94 million. This is mainly due to an increase in interest due to the change in the interest rate of the Senior Step-Up Notes from 7% to 8% as of the second half of 2018.

	3Q19	3Q18	ΔPs.	Δ%
Interest Expense	57	46	10	23%
Interest (Income)	(3)	8	(10)	(136%)
Valuation Effects – Net	13	13	0	1%
Exchange Rate (Gain) Loss – Net	47	(90)	137	(153%)
Total	114	(23)	137	(599%)

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Taxes

- During 3Q19, was recorded Ps. 1 million of taxes by ISR, which are countered by the deferred tax recorded for Ps.2 million.

Net Income (Loss)

- During 3Q19, the Company recorded a net loss of Ps. 167 million, compared to a net loss of Ps. 31 million registered in the same period of 2018. As part of the total loss, Ps. 103 million corresponds to the depreciation effect, which includes Ps. 31 million of IFRS16 accounting effects and the rest is mainly caused by the comprehensive financing result, which amounted to Ps. 114 million in the quarter.

Capital Expenditure

Million Pesos	Third Quarter of 2019	Third Quarter of 2018
Operating Activities	144	(12)
CAPEX	(120)	(50)
Financing Activities	45	(8)
Increase (Decrease) in Cash and Financial Instruments	69	(69)
Cash and Financial Instruments at Beginning of Period	369	601
Cash and Financial Instruments at End of Period	438	532

Indebtedness

- As of September 30, 2019, the Company reported an indebtedness of Ps. 2,739 million (the debt is valued at face value and includes interest payable at the end of the period). The Company's leverage ratio measured through the Debt to EBITDA ratio was 11.38 times, while the Net Debt to EBITDA indicator was 9.56 times (for these calculations, is used the annualized EBITDA of the last nine months). It is worth mentioning that the calculations consider the effects of adoption of the IFRS 16 accounting standard both in EBITDA and in total indebtedness. The increase in debt due to the IFRS accounting standard amounts to Ps. 543 million, corresponding to the recognition of total operating leases plus the new signed contracts during the quarter.

Maxcom Financial Liabilities at September 30, 2019

Figures in Millions	Face Value			Due date	Rate
	Pesos	Dollars	Total Pesos ¹		
Step-Up Senior Notes 2020	-	103.4	2,030.0	June, 2020	6%, 7% y 8% ²
Bancomext	30.0	-	30.0	September, 2020	9.86% ³
Total financial debt	30.0	103.4	2,060.0		

¹ Considers the exchange rate to settle obligations at September 30, 2018: Ps\$19.6363 per dollar

² 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

³ This loan was signed on October 2015 at 9.86% fixed interest rate

	3Q19	2Q19	1Q19	4Q18
Net Debt/LTM EBITDA	9.56	8.55	7.73	7.15

- As we have mentioned in the recent developments' section, on June 17, 2019, Maxcom made an "unwind" of the cross currency swaps to covered the interest of the Step-Up Senior Notes 2020 for a notional amount of USD \$ 70 million maturing on 15 June 2020. This operation had a net cashback effect of USD\$1.4 million corresponding to the independent amount and collateral return.

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Stockholders' Equity

- At the end of 3Q19, the Company reported a total shareholder's equity of Ps. 474 million.

Capital Structure

	3Q19	3Q18
Subscribed and paid shares	144,471,081	144,471,081

Celmax Summary

- Revenues from this unit come from Ps.1.6 million in 3Q18 to Ps.3.2 million in the third quarter of 2019 which represents an increase of 100%. The variation is mainly due to the increase in lines and the increase in sales of SIMs, which amounted to Ps.1.5 million and Ps.0.5 million, respectively.
- Subscribers at the end of 3Q19 amounted to 17,260 which represents a decrease of 37% compared to the same period of the previous year, and a reduction of 41% sequentially. The sequential reductions were due to a cleaning of the customer base by our MVNOs customers.
- Total cost reached Ps. 5.3 million during this quarter, 14% below the Ps.6.1 million reported in the same quarter of the previous year. The variation is due to accounting effects from IFRS 16.
- Total expenses registered a decrease of Ps.3.9 million against 3Q18, achieving Ps. 9.5 million at the end of the quarter. The main factors of this decrease are due to the reduction of the commercial sales force.
- As a consequence of the above, the negative EBITDA of the business was Ps.12 million, which represents a decrease in the loss of Ps.6 million or 36% compared to 3Q18. Sequentially, Celamx recorded a decrease of 22%, from a loss of Ps. 9 million to Ps. 12 million registered in this period.
- Cumulatively, the Company reached a negative EBITDA of Ps. 38 million, which compares favorably with negative EBITDA of Ps. 43 million registered in the same period of 2018.
- On June 21, 2019, the Shareholders' Meeting approved a capital increase by 10 million pesos. Maxcom has expressed its decision not to participate of the capital increase, as a consequence the weight of minority shareholders will increase to 59% and the Maxcom's shareholding will decrease to 41%. This will imply that Maxcom will no longer have control over Celmax and thus will no longer consolidate Celmax's operations as of 4Q19.



Third Quarter 2019 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 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.

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This document may include forward-looking statements that are subject to risks, uncertainties and other factors which could cause real results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Words such as “estimate,” “project,” “plan,” “believe,” “expect,” “anticipate,” “intend,” and similar expressions may identify such forward-looking statements. Maxcom cautions readers that any forward-looking statement in this press release or made by the Company’s management involves risks and uncertainties that may change based on various important factors not under Maxcom’s control. These forward-looking statements represent Maxcom’s judgment as of the date of this press release. Maxcom disclaims any intent or obligation to update these forward-looking statements.

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.



Third Quarter 2019 Results

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

	As of September 30, 2019	As of December 31, 2018	Var \$	Var %
ASSETS:				
CURRENT ASSETS:				
Cash and financial instruments	Ps. 359,685	Ps. 283,235	Ps. 76,450	27%
Short-term restricted cash	Ps. 78,499	Ps. 173,309	Ps. (94,810)	(55%)
	438,184	456,544	(18,360)	(4%)
Accounts receivable:				
Customers, net of allowance	170,937	157,289	13,648	9%
Recoverable value added tax	51,023	54,522	(3,499)	(6%)
Other sundry debtors	12,008	10,091	1,917	19%
	233,968	221,902	12,066	5%
Inventory	1,143	1,874	(731)	(39%)
Prepaid expenses	40,227	34,306	5,921	17%
Total current assets	713,522	714,626	(1,104)	(0%)
Telephone network systems and equipment, net	2,236,302	2,216,637	19,665	1%
Intangible assets, net	208,692	271,125	(62,433)	(23%)
Rights of use of leased assets, net	527,550	-	527,550	100%
Long-term restricted cash	116	35,791	(35,675)	(100%)
Deposits in guarantee	9,374	9,130	244	3%
Deferred taxes	7,962	6,033	1,929	32%
Other accounts receivable of long term	32,899	32,899	-	-
Total assets	Ps. 3,736,417	Ps. 3,286,241	Ps. 450,176	14%
LIABILITIES				
CURRENT LIABILITIES:				
Step-up senior notes	Ps. 1,989,913	Ps. -	Ps. 1,989,913	100%
Bank loans	30,000	30,000	-	-
Interest payable	136,135	8,428	127,707	1,515%
Accounts payable and accrued expenses	255,887	215,513	40,374	19%
Leases	98,853	-	98,853	100%
Deferred income	55,738	18,840	36,898	196%
Customer deposits	19,397	21,692	(2,295)	(11%)
Other taxes payable	1,305	18,960	(17,655)	(93%)
Total current liabilities	2,587,228	313,433	2,273,795	725%
LONG-TERM LIABILITIES:				
Step-up senior notes	-	2,135,562	(2,135,562)	(100%)
Leases	444,347	-	444,347	100%
Bank loans	-	22,500	(22,500)	(100%)
Derivative financial instruments	-	3,542	(3,542)	(100%)
Deferred income	181,580	22,880	158,700	694%
Labor obligations	1,919	1,625	294	18%
Other long-term liabilities	47,378	45,491	1,887	4%
Long-term liabilities	675,224	2,231,600	(1,556,376)	(70%)
Total liabilities	Ps. 3,262,452	Ps. 2,545,033	Ps. 717,419	28%
SHAREHOLDERS' EQUITY				
Capital stock	Ps. 1,842,576	Ps. 1,533,254	Ps. 309,322	20%
Capital stock not exhibited	(321,622)	(12,300)	(309,322)	2,515%
Additional paid-in capital	50,170	50,170	-	-
Accumulated losses	(896,015)	(615,864)	(280,151)	45%
Net income (loss) for the period	(255,037)	(280,151)	25,114	(9%)
Other comprehensive income	-	4,475	(4,475)	(100%)
Controlling interest	420,072	679,584	(259,512)	(38%)
Non-controlling interest	53,893	61,624	(7,731)	(13%)
Total shareholders' equity	Ps. 473,965	Ps. 741,208	Ps. (267,243)	(36%)
Total liabilities and shareholders' equity	Ps. 3,736,417	Ps. 3,286,241	Ps. 450,176	14%



Third Quarter 2019 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 September 30				vs 3M 2019		9 months ended September 30				vs 9M 2018	
	2019	%	2018	%	\$ var	% var	2019	%	2018	%	\$ var	% var
TOTAL REVENUES	Ps. 336,804	100%	Ps. 270,342	100%	Ps. 66,462	25%	Ps. 1,080,033	100%	Ps. 1,045,837	100%	Ps. 34,196	3%
Network operating services	160,261	48%	82,160	30%	78,101	95%	502,163	46%	288,619	28%	213,544	74%
Technical expenses	39,391	12%	53,602	20%	(14,211)	(27%)	117,527	11%	164,221	16%	(46,694)	(28%)
Installation expenses	175	0%	679	0%	(504)	(74%)	478	0%	1,151	0%	(673)	(58%)
Network operation cost	199,827	59%	136,441	50%	63,386	46%	620,168	57%	453,991	43%	166,177	37%
GROSS PROFIT	136,977	41%	133,901	50%	3,076	2%	459,865	43%	591,846	57%	(131,981)	(22%)
Selling, general and administrative expenses	87,158	26%	118,757	44%	(31,599)	(27%)	279,268	26%	364,397	35%	(85,129)	(23%)
EBITDA	49,819	15%	15,144	6%	34,675	229%	180,597	17%	227,449	22%	(46,852)	(21%)
Depreciation and amortization	103,445		61,162		42,283	69%	310,379		171,412		138,967	81%
Other (income) expense	(508)		7,459		(7,967)	(107%)	10,301		19,422		(9,121)	(47%)
Operating income (loss)	(53,118)		(53,477)		359	(1%)	(140,083)		36,615		(176,698)	(483%)
Comprehensive (income) cost of financing:												
Interest expense	56,578		46,153		10,425	23%	172,715		129,368		43,347	34%
Interest (income) loss, net	(2,701)		7,575		(10,276)	(136%)	(7,978)		1,124		(9,102)	(810%)
Valuation effects, net	13,335		13,194		141	1%	(39,850)		39,226		(79,076)	(202%)
Exchange (income) loss, net	47,260		(89,872)		137,132	(153%)	(941)		(75,470)		74,529	(99%)
	114,472		(22,950)		137,422	(599%)	123,946		94,248		29,698	32%
INCOME (LOSS) BEFORE TAXES	(167,590)		(30,527)		(137,063)	449%	(264,029)		(57,633)		(206,396)	358%
Taxes:												
Income taxes	1,098		-		1,098	-	6,320		694		5,626	811%
Deferred taxes	(1,929)		-		(1,929)	-	(1,929)		12,556		(14,485)	(115%)
Total taxes	(831)		-		(831)	-	4,391		13,250		(8,859)	(67%)
NET INCOME (LOSS)	Ps. (166,759)		Ps. (30,527)		Ps. (136,232)	446%	Ps. (268,420)		Ps. (70,883)		Ps. (197,537)	279%
Other comprehensive result	-		(13,685)		13,685	(100%)	(4,475)		(12,612)		8,137	(65%)
COMPREHENSIVE NET INCOME (LOSS)	Ps. (166,759)		Ps. (44,212)		Ps. (122,547)	277%	Ps. (272,895)		Ps. (83,495)		Ps. (189,400)	227%
Controlling interest	(163,821)		(20,341)		(143,480)	705%	(255,037)		(47,323)		(207,714)	439%
Non-controlling interest	(2,938)		(10,186)		7,248	(71%)	(13,383)		(23,560)		10,177	(43%)
NET INCOME (LOSS)	Ps. (166,759)		Ps. (30,527)		Ps. (136,232)	446%	Ps. (268,420)		Ps. (70,883)		Ps. (197,537)	279%
Average basic shares	144,471		144,471				144,471		143,218			
Average diluted shares	273,120		146,521				188,721		146,521			
Earnings per basic share	-1.13		(0.14)				-1.77		(0.33)			
Earnings per diluted share	-0.60		(0.14)				-1.35		(0.32)			



Third Quarter 2019 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.")

	Capital stock	Capital stock not exhibited	Additional paid-in capital	Accumulated losses	Other comprehensive income	Controlling interest	Non-controlling interest	Total shareholders' equity
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
Comprehensive net income	-	-	-	(47,323)	(12,612)	(59,935)	(23,560)	(83,495)
Balances as of September 30, 2018	Ps. 1,455,066	Ps. -	Ps. 50,170	Ps. (637,970)	Ps. (3,116)	Ps. 864,150	Ps. 73,244	Ps. 937,394
	Capital stock	Capital stock not exhibited	Additional paid-in capital	Accumulated losses	Other comprehensive income	Controlling interest	Non-controlling interest	Total shareholders' equity
Balances as of December 31, 2018	Ps. 1,533,254	Ps. (12,300)	Ps. 50,170	Ps. (896,015)	Ps. 4,475	Ps. 679,584	Ps. 61,624	Ps. 741,208
Increase of non-controlling interest	-	-	-	-	-	-	5,652	5,652
Increase in capital stock	309,322	(309,322)	-	-	-	-	-	-
Comprehensive net income	-	-	-	(255,037)	(4,475)	(259,512)	(13,383)	(272,895)
Balances as of September 30, 2019	Ps. 1,842,576	Ps. (321,622)	Ps. 50,170	Ps. (1,151,052)	Ps. -	Ps. 420,072	Ps. 53,893	Ps. 473,965



Third Quarter 2019 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 September 30		vs 3M 2019		9 months ended September 30		vs 9M 2018	
	2017	2016	\$ var	% var	2017	2016	\$ var	% var
Operating Activities:								
Income (loss) before taxes	Ps. (167,590)	Ps. (30,527)	Ps. (137,063)	449%	Ps. (264,029)	Ps. (57,633)	Ps. (206,396)	358%
Items not requiring the use of cash	214,254	20,506	193,748	945%	405,663	185,213	220,450	119%
Cash flow from income (loss) before taxes	46,664	(10,021)	56,685	(566%)	141,634	127,580	14,054	11%
Cash flow from:								
Accounts receivable	127,807	(21,506)	149,313	(694%)	(30,092)	(33,239)	3,147	(9%)
Inventory	69	802	(733)	(91%)	731	2,375	(1,644)	(69%)
Accounts payable	(14,116)	24,000	(38,116)	(159%)	40,374	(52,267)	92,641	(177%)
Other assets and liabilities	(16,622)	(4,832)	(11,790)	244%	166,926	24,245	142,681	588%
Cash flow from operating activities	97,138	(1,536)	98,674	(6,424%)	177,939	(58,886)	236,825	(402%)
Net cash flow from operating activities	143,802	(11,557)	155,359	(1,344%)	319,573	68,694	250,879	365%
Investing Activities:								
Telephone network systems and equipment, net	(75,140)	(49,697)	(25,443)	51%	(178,877)	(102,955)	(75,922)	74%
Rights of use of leased assets, net	(44,866)	-	(44,866)	-	(616,524)	-	(616,524)	-
Net cash flow used in investing activities	(120,006)	(49,697)	(70,309)	141%	(795,401)	(102,955)	(692,446)	673%
Financing Activities:								
Bank loans	(7,500)	(7,500)	-	0%	(22,500)	(22,500)	-	0%
Senior notes	-	-	-	-	(104,559)	-	(104,559)	-
Leases	18,869	-	18,869	-	543,200	-	543,200	-
Increase of non-controlling interest	5,652	-	5,652	-	5,652	-	5,652	0%
Other financing activities	28,287	(399)	28,686	(7,189%)	35,675	3,066	32,609	1,064%
Net cash flow from financing activities	45,308	(7,899)	53,207	(674%)	457,468	(19,434)	476,902	(2,454%)
Increase (decrease) in cash and financial instruments	69,104	(69,153)	138,257	(200%)	(18,360)	(53,695)	35,335	(66%)
Cash and financial instruments at beginning of period	369,080	600,729	(231,649)	(39%)	456,544	585,271	(128,727)	(22%)
Cash and financial instruments at end of period	Ps. 438,184	Ps. 531,576	Ps. (93,392)	(18%)	Ps. 438,184	Ps. 531,576	Ps. (93,392)	(18%)

- 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.