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

Fourth Quarter Results 2019

Content

Fourth Quarter 2019 Results

Recent Developments

Succesful Restructure of the Step-up Senior Notes 2020

- During the fourth quarter of 2019, Maxcom successfully completed the debt restructuring by exchanging USD$ 103.3 million of its Step-up Senior Notes 2020 (“the old notes”) for USD $56.9 million of Senior Secured Notes 2024 (“the new notes ”), $ 20 million of Junior payment in kind notes (“Junior PIK notes”) and $ 10.3 million in cash payment, achieving a decrease in debt of USD$46.5 million. With this, Maxcom achieves a financial restructure that allows to extend the maturity of the notes, improve its debt profile and reduce the burden of interest expense. Likewise, the exchange of debt allows Maxcom to face the capital expenditures necessity in order to consolidate.

- As part of the restructuring process, Maxcom Telecomunicaciones S.A.B. de C.V. and its subsidiary Maxcom USA Telecom, Inc. announced on November 27, 2019 the formal closure of their Chapter 11 cases, which began on August 19, 2019. The above through the order issued by Judge Robert D. Drain of the Court of Bankruptcy of the United States for the Southern District of New York. In this way, the debt restructuring was completed, which means greater financial flexibility and better positioning for the Company to execute its long-term business plan.

- The effects of the restructuring process on the financial statements are:

  - Cash payment of 10% of the old notes for USD$10.3 million
  - Capital contributions for a total of Ps.330 million
  - Record of the Junior PIK Notes of USD $ 20 million as perpetual bonds in the capital
  - New debt representing 55% of the old notes or USD$56.9 million
  - Record of USD$16.2 million as profit in the comprehensive financing result

Balance Sheet Strengthening

Maxcom

- As a consequence of the restructuring process, on July 3, 2019, an ordinary shareholders meeting of Maxcom was held in which it was approved to increase the capital stock in its variable part, by the amount of Ps.300 million through the issuance of 120 million Series “A”, Class II shares at a price of Ps.2.50 per share, amount that was subscribed and paid in full, through two rounds. The increase concluded on October 10, 2019. Additionally and in line with the amedments to the Debt Restructuring Plan, on October 11, 2019, an ordinary shareholders meeting of Maxcom was held in order to approve an increase of Ps.30 million , through the issuance of 12 million ordinary shares, registered, without expression of nominal value, Series "A", Class II, representative of the variable part of the capital stock at a price of Ps.2.50 per share. This increase concluded on November 26, 2019.

Merger of Subsidiaries

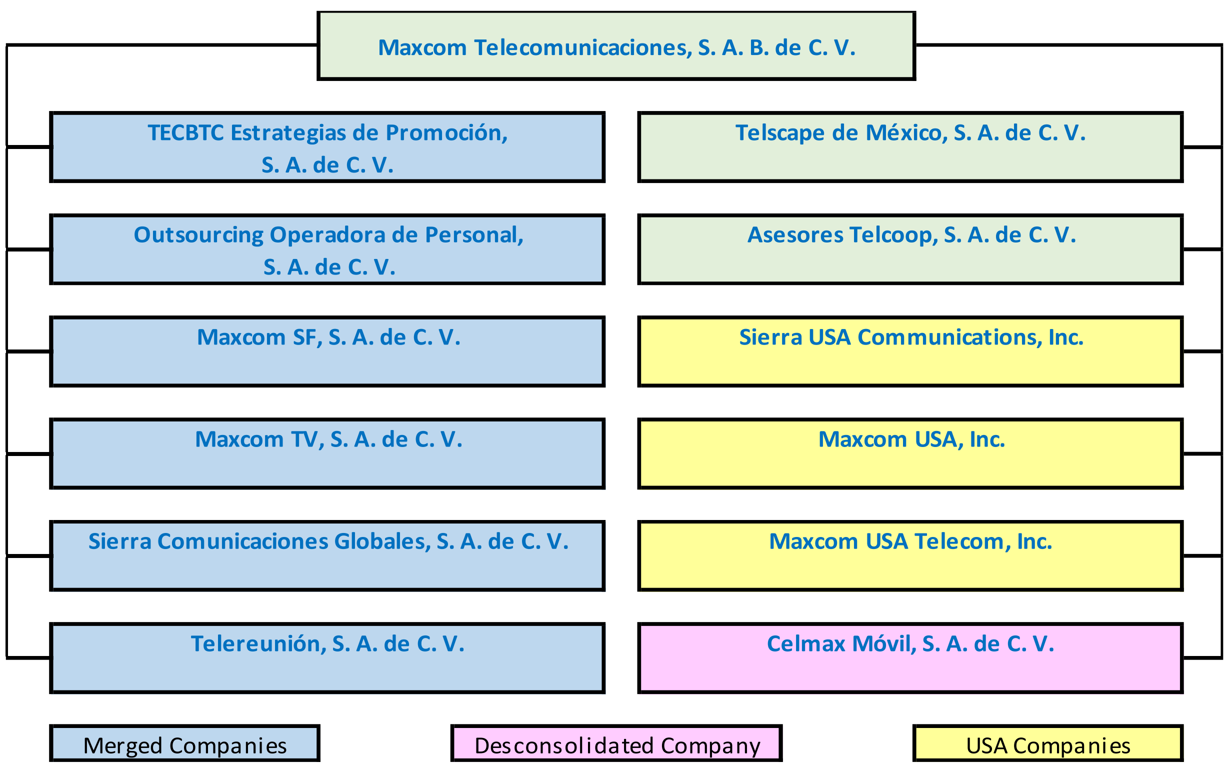
- In addition to the capital increase, during the month of December 2019 the Company carried out the merger of 6 of its subsidiaries and the deconsolidation of Celmax looking to generate operational and administrative efficiencies in the corporate structure.

- The main benefits are as follows:

  - Optimization of the Company's resources by reducing administrative and operational burdens. Of the 7 remaining companies, Celmax Móvil S, A, de C.V. was desconsolidated as of December 31, 2019.

  - Maxcom is going to have savings on income tax derived from the reduction of intercompany operations such as interest, leasing and service provision.

  - VAT balances originated by the subsidiaries TECBTC and TELEREUNION will be recovered by Maxcom.



Celmax

- As mentioned in previous reports, on June 21, 2019 Celmax Móvil approved the increase of the capital stock in its variable part for the amount of Ps.10 million, of which the amount of Ps.5.7 million has been fully paid. With this increase, the Company's ownership percentage in Celmax decreased from 51% to 45%. Likewise, on December 31, 2019, the amendment to the statutes of Celmax entered into force and within the most important modifications, it was agreed that Maxcom would lose most of the voting rights over Celmax, with which Maxcom ceases to consolidate the results of Celmax and will no longer incorporate its assets and liabilities, recording as of that date only the percentage of participation in the associated company.

Radiofrequency Renewal

- On June 4, 1998, the SCT granted to the Company seven national point-to-point microwave concessions, with an initial term of 20 years. These concessions cover two frequency segments in the 15 GHz band, three frequency segments in the 23 GHz band, with a bandwidth of 56 MHz and two frequency segments in the 23 GHz band, with a bandwidth of 100 MHz. The term of the previous concessions expired on June 3, 2018 and Maxcom complied with the times for the renewal request to the IFT.

- In June 2019, the resolution by the IFT was notified regarding the extension of the validity of the 7 concessions to use, take advantage and exploit these frequency bands of the radio spectrum.

- As part of the consideration, during January 2020, Maxcom made the payment of the 20-year renewal term of the 7 concessions on the radio spectrum; now with microwave point to multipoint, for a total amount of $ 200 million pesos.

Follow-on to Relevant Tax Matters

- As reported in the relevant event published on February 17, the Tax Administration Service ("SAT") issued a settlement notice claiming the payment of income tax and value-added tax totaling 631 million, which is related to the auditing process for the 2015 fiscal year. The authority considered that the materiality and indispensability of the transactions entered into with two of its providers of international call termination services were not demonstrated and therefore they did not meet the requirements to be considered as deductible expenses. The amount of omitted contributions determined by the SAT includes inflation updating, surcharges and fees.

- As we have communicated in the different quarterly reports throughout 2019, Maxcom has presented all the elements and proofs (in time, form and in accordance with the applicable regulation) that demonstrate the materiality and indispensableity of the services received by such suppliers, which have valid and current permits to commercialize telecommunications services duly authorized by the Federal Telecommunications Institute ("IFT").

- Given the clear existence and materiality of the long-distance services received, Maxcom considers that the mentioned statement is inadmissible and therefore will perform the corresponding legal means of defense, clarifying that the aforementioned tax credit is not firm or final, so in strict adherence to the provisions of International Standard IAS 37, the Company has not recognized in its Financial Statements a provision in this regard.

Fourth Quarter 2019 Results

Earnings Results Summary

Maxcom´s 4Q19 Performance

TOTAL REVENUE

Ps.348 million

NETWORK OPERATION COST

Ps.207 million

45% vs 4Q18

GROSS PROFIT MARGIN

40%

vs 47% 4Q18

EBITDA

Ps.58 million

175% vs 4Q18

OPERATING INCOME (LOSS)

Ps.-73 million

vs Ps.-102 million 4Q18

NET INCOME (LOSS)

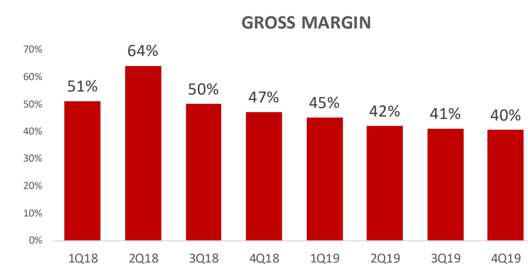
Ps.198 million

EBITDA for the quarter was Ps.58 million on a consolidated basis, which represents an increase of 175% compared to 4Q18. Excluding the effect of Ps.38 million from the accounting standard "IFRS 16" that entered into force on January 1, 2019, consolidated EBITDA was Ps. 20 million and Ps.29 million excluding the operation of Celmax, so the variation with respect to 4Q18 was a decrease of Ps.1 million and a decrease of Ps.13 million, respectively. The main factors that explain the variations were:

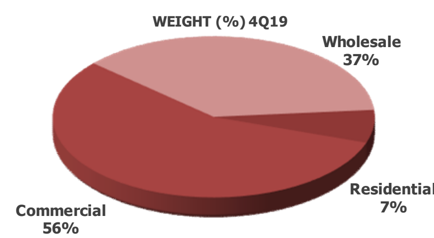
- The decrease in Commercial income due to traffic reduction in the Call Center segment, as well as the cancelation of a relevant government client that affected Maxcom´s monthly recurring fixed income
- The decrease in revenues of the Residential segment as a result of the execution of our wind-down plan for around Ps. 9 million

In an effort to mitigate revenue reduction, the Company continues with the execution of efficiencies, so, excluding the effects of the accounting standard for leases, Maxcom presented a 12% decrease in total expenses compared to 4Q18.

With respect to the cost, the Company presents an increase of Ps.87 million or 102%. This incremental cost effect is due to a greater volume of traffic coming from the Wholesale business unit. Excluding the cost of Wholesale, the Company presented a decrease of Ps.18 million or 25% compared to 4Q18.



The Company presents a decrease in margins as a result of the reactivation of the Wholesale operation. As for the revenue mix, the Wholesale business unit presented an increase within the revenue mix, from 2% in 4Q18 to 37% in this reporting quarter.



MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES
FINANCIAL AND OPERATING HIGHLIGHTS
Figures in millions of pesos, except operating data

Item	4Q19	3Q19	% var
Total Revenues	348	337	3%
EBITDA	58	50	16%
EBITDA margin (%)	17%	15%	
Net income (loss)	198	(167)	(219%)
Net margin (%)	57%	(50%)	
Cash and financial instruments [1]	313	438	(29%)
CAPEX	187	75	148%
Debt [2]	1,622	2,739	(41%)
Net debt / LTM EBITDA (X)	5.5	11.4	(52%)
Customers	29,996	31,313	(4%)
Commercial	1,177	1,291	(9%)
Residential	28,819	30,022	(4%)
RGUs [3]	256,209	245,270	4%

[1] Debt is considered at face value and includes interest payable as of the end of the period

2 Revenue Generating units

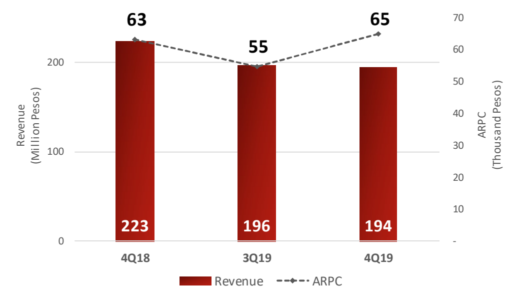
maxcom

Fourth Quarter 2019 Results

Commercial Business Unit

- The participation in the revenue mix of this business unit closed the quarter with a 56% concentration. Compared with the previous quarter, it fell 3 p.p. as a result of the increase in Wholesale revenue.
- Commercial revenue reached Ps.194 million, representing a decrease of 11% or Ps.24 million compared to Ps. 219 million registered during 4Q18. As we mentioned previously, this was due to the loss of traffic of some clients that negatively impacted Maxcom's variable revenue and the loss of a relevant client from the government segment.
- Sequentially, revenue had a decrease of Ps.2 million or 1%. This variation is explained by the recognition of a non-recurring revenue the previous quarter.

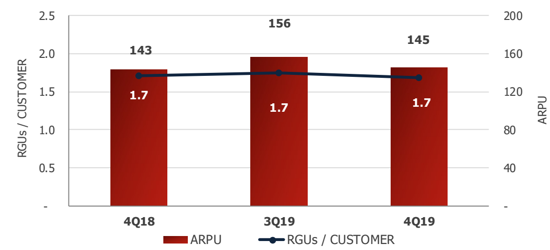
Notwithstanding, the reduction in total Commercial revenue, average revenue per customer (ARPC) of the commercial business during 4Q19 was Ps.65 thousand, 3% above the Ps. 63 thousand registered in 4Q18 and 19% above on a sequential basis.



- On a cumulative basis, total Commercial revenue reached Ps.829 million, representing a decrease of 20% or Ps.207 million. Without considering the extraordinary income from the sale of the towers during 2018, the Commercial revenue remained constant, since the growth in the recurring fixed income that was achieved by the acquisition of new customers and the greater penetration in the current customer base, allowed Maxcom to compensate the reductions already mentioned in variable and government revenues.

Residential Business Unit

- The Company maintains stable revenues with controlled margins and continues operating an installed customer base of 28 thousand clients at the end of the quarter. Management maintains the position of extending the wind down process until the profitability of the business allows it.
- The revenue generated by the segment was Ps.23 million, maintaining a 7% participation within the revenue mix during 4Q19. Such participation is expected to decrease as the organic churn reduces the number of active customers and the Company consolidates its operations in the Commercial business unit.
- Comparing 4Q19 against 4Q18, the income of this business unit has a decrease of Ps.8 million or 27%.
- Sequentially, the decrease was 7% or Ps. 2 million, in line with expected behavior.



- The accumulated revenue of this business unit at the end of December 2019, was Ps.103 million, representing a decrease of 45% or Ps.85 million compared to revenue recorded in the twelve months of 2018.
- The contribution margin for this business unit for the 12 months ended December 2019 was 52% or Ps. 54 million.

Fourth Quarter 2019 Results

Wholesale Business Unit

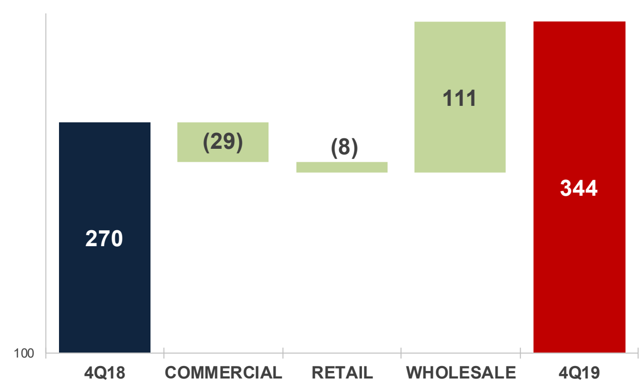
- During the quarter, revenue in this business unit was Ps.127 million, an increase of more than 690% compared to the same period of 2018 and 13% above the revenue reported in 3Q19. The YoY increase is a direct consequence of the reactivation of the business unit.

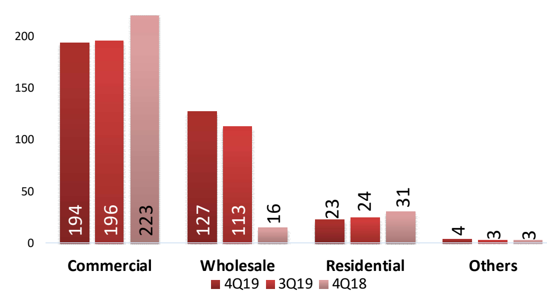
- On a cumulative basis, the Wholesale revenue reached Ps.479 million for the twelve months ended December 31, 2019, reflecting an increase of 506% or Ps.400 million compared to the amount reported in the previous year.

- As a result of the increase in traffic, the participation in the total revenue mix at the end of the quarter was 37%, a figure that compares favorably with the 6% reported in 4Q18. On a cumulative basis, the participation of the Wholesale business represented 34% against 6% registered during the twelve months of 2018.

Consolidated Revenue

- On a consolidated basis, total revenues reported in 4Q19 amounted to Ps.348 million, an increase of 30% when compared to 4Q18, mainly explained by the increase in revenues from the Wholesale business unit.

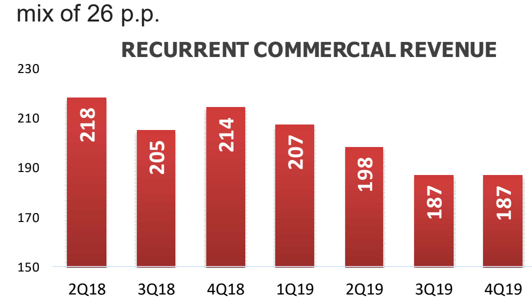




- Sequentially, revenue registered an increase of 3% or Ps.11 million, mainly explained by the increase in international traffic termination services through the long distance network.

- Recurrent Commercial Revenue; which has been the main focus of the Company in the last 3 years, remained at the same levels as the previous quarter. Although there was a decrease in revenues due to lower traffic and disconnections, we worked on the search for new clients and projects that would replace this decrease. The participation of the segment was 54% in the total revenues of the Company. Compared to 4Q18, it had a decrease in the revenue mix of 26 p.p.

		4Q19		3Q19	QoQ Δ%		4Q18	YoY Δ%
Commercial	Ps.	194	Ps.	196	(1%)	Ps.	223	(13%)
Wholesale		127		113	13%		16	697%
Residential		23		24	(7%)		31	(27%)
Others		4		3	12%		3	22%
Total	Ps.	348	Ps.	337	3%	Ps.	273	27%



Fourth Quarter 2019 Results

Network Operating Cost

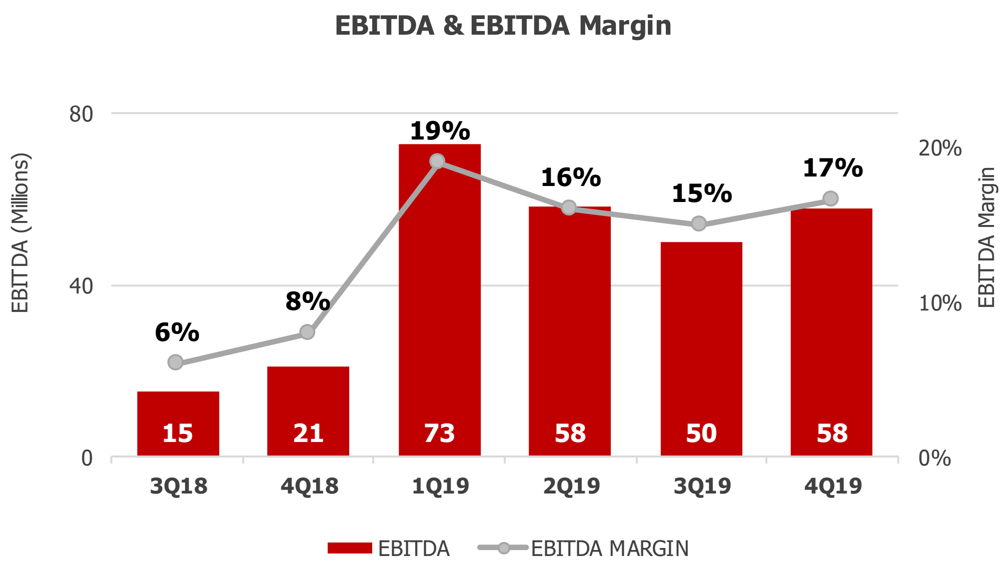
- Network operating costs in 4Q19 increased 45% to reach Ps. 207 million compared to the Ps.143 million reported in 4Q18. The variation is explained by:
  - The increase in the cost of traffic for the Wholesale business. The cost recorded during the quarter was Ps 119 million, 702% higher than the registered in the same period of 2018.
  - The favorable effect of reclassification of operating leases under IFRS 16.
- Excluding the effect by the accounting standard for leases, the increase in cost compared to 4Q18 is 65% totaling Ps.236 million in the quarter. However, the effect without considering the cost of Wholesale is a decrease of Ps.11 million or 9%, as a consequence of the efficiencies that the company continues to generate in its operational processes.
- Gross profit increased 12% or Ps.15 million compared to 4Q18. On a sequential basis, gross profit registered an increase of Ps.3 million or 3%.
- Cumulatively for the 12 months ended December 2019, gross profit totaled Ps.601 million, representing a decrease of 16% or Ps. 117 million compared to the previous year. This effect is mainly due to the extraordinary revenue from the sale of the towers recorded in 2Q18. Excluding this effect, the accumulated gross profit increased by Ps.47 million or 9%.

SG&A Expenses

- During 4Q19, the Company reported a total of Sales and Administrative Expenses of Ps.83 million, 21% less than the Ps.105 million reported in 4Q18. On a sequential basis, total expenditure decreased 5% or Ps.4 million.
- Excluding the effect of IFRS 16, Selling and Administrative Expenses decreased by Ps.14 million or 13% compared to 4Q18. On a sequential basis it had a decrease of 6% or Ps.6 million.
- The decrease in expenses is mainly due to the efficiency execution efforts made during the previous quarters, mainly in payroll, consultants and fees, energy expenditure and software maintenance.
- The workforce at the end of the quarter was 293 employees, a decrease of 19% compared to the same period of 2018 and a sequential decrease of 9%.
- On a cumulative basis, the total recorded expense was Ps. 362 million, representing a decrease of 23% or Ps.107 million compared to the same period of 2018. Without the effects of IFRS 16, the decrease was 15% or Ps.71 million.

EBITDA

- During 4Q19 EBITDA was Ps. 58 million, which compares favorably against the Ps.21 million recorded during 4Q18. The improvement is mainly the result of the effects of the “IFRS 16” accounting standard.
- Sequentially, EBITDA presents an increase of 16% or Ps. 8 million mainly due to the continuous effort in the execution of efficiencies, as well as in the increase in the income of the Wholesale business. Discounting the accounting effects of “IFRS 16”, EBITDA presents an increase of 82% or Ps. 9 million.
- Maxcom's quarterly EBITDA without the Celmax operation was Ps. 64 million, a figure that compares favorably with the Ps. 42 million reported in 4Q18.



Operating Income (Loss)

- The Company recorded an operating loss of Ps.73 million in 4Q19, which represents an improvement of Ps.29 million or 28% compared to the same period of 2018. The unfavorable effect that was generated in depreciation due to the change in the accounting standard for leases was Ps. 28 million in the quarter.

- On a sequential basis, the operating loss increased by Ps.20 million or 38%, mainly due to the increase in other expenses of Ps.14 million, which reflects the increase in the cost of the company's stock option plan for its executives as a consequence the modifications made during 2019.

- On a cumulative basis, the operating loss reached Ps. 213 million, which compares unfavorably with the operating loss of Ps. 65 million reported for the 12 months of 2018. This variation is mainly due to the sale of the 72 telecommunications towers recorded during 2Q18.

Comprehensive Financing Result

- During 4Q19, the Company recorded a comprehensive financing income of Ps. 276 million, which compares favorably against the loss of Ps. 127 million reported in the same period of 2018. This is mainly due to the profit generated by the debt restructuring and a favorable exchange rate effect registered in the quarter.

- Additionally, it is worth mentioning that the negative effect of the reclassification of leases under IFRS 16 accounted for Ps.5 million, leading to an increase in the financial cost.

- On a cumulative basis, the comprehensive financing income was Ps. 152 million, which compares favorably with the loss recorded during 2018 of Ps.221 million. This is mainly due to the effects generated by the repurchase of bonds made in 1Q19 per USD.8.9 million of the old notes that generated a profit of Ps.70 million and the exchange of the old notes for the new notes that generated a profit of Ps.310 million. Additionally, a negative effect was recognized as a result of the adoption of IFRS 16 for a total of Ps.55 million.

	4Q19	4Q18	ΔPs.	Δ%
Interest Expense	55	50	5	11%
Interest (Income)	(4)	(5)	0	(9%)
Valuation Effects – Net	(268)	(4)	(265)	7,037%
Exchange Rate (Gain) Loss – Net	(58)	86	(144)	(168%)
Total	(276)	127	(403)	(317%)

Taxes

- During 4Q19, taxes of Ps.5 million were recorded for ISR and deferred tax. Compared to 4Q18, it represents a decrease of Ps.11 million or 71%.

Net Income (Loss)

- During 4Q19, the Company recorded a net income of Ps. 198 million, compared to a net loss of Ps.244 million recorded in the same period of 2018. The variation is mainly explained by the effect of the exchange of the old notes for the new notes with maturity in 2024.

- On a cumulative basis, the Company recorded a net loss of Ps.70 million, which compares favorably with a net loss of Ps.315 million reported in 2018.

Capital Expenditure

Millions of Pesos	Twelve Months Ended December 31 2019	Twelve Months Ended December 31 2018
Operating Activities	217	3
CAPEX	(187)	(122)
Financing Activities	(174)	(10)
Increase (Decrease) in Cash and Financial Instruments	(144)	(129)
Cash and Financial Instruments at Beginning of Period	457	585
Cash and Financial Instruments at End of Period	313	457

Indebtedness

- As of December 31, 2019 and after the successful restructuring of the debt, the Company reported a financial debt of Ps. 1,110 million at the end of the period (debt valued at face value and includes interest payable at the end of the period). As mentioned previously, this restructuring allows us to improve the debt profile and reduce the burden of interest expenses, so the ratio of Financial Debt to EBITDA in the period was 4.7 times while the Net Debt to EBITDA ratio was 3.3 times

- Considering the effects of adopting the accounting standard “IFRS 16”, total debt including operating leases amounted to Ps. 1,622 million. The Company's leverage rate measured through the Debt to EBITDA ratio including operating leases was 6.8 times, while the Net Debt to EBITDA indicator was 5.5 times.

Fourth Quarter 2019 Results

Maxcom Financial Liabilities at December 31, 2019

	Face Value				
Figures in Millions	Pesos	Dollars	Total Pesos[1]	Due date	Rate
Senior Notes 2024	-	56.9	1,071.5	October, 2024	8%[2]
Bancomext	22.5	-	22.5	September, 2020	9.86%[3]
Total financial debt	22.5	56.9	1,094.0		

1 Considers the exchange rate to settle obligations at December 31, 2019: Ps$ 18.8452 per dollar

2 The Step-Up Senior Notes bear interest (i) from the date of issuance (October 2019) until the maturity date, at the annual fixed rate of 8%

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

	4Q19	3Q19	2Q19	1Q19
Net Debt/LTM EBITDA	5.49	9.56	8.55	7.73

Stockholders´ Equity

- At the end of 4Q19, the Company reported an accounting capital of Ps. 1,358 million representing an increase of 83% or Ps.617 million compared to that reported at the end of 2018. This is mainly explained both by the net profit generated in the quarter as a result of the debt restructuring, as well as by the increase in share capital of Ps. 330 million

Capital Structure

	4Q19	4Q18
Subscribed and paid shares	276,471,081	144,471,081

Celmax Summary

- As mentioned in the relevant events, on June 21, 2019 Celmax Móvil approved an increase in the capital stock of Ps.10 million, of which the amount of Ps.5.7 million has been paid. With this increase, Maxcom lost most of the voting rights over Celmax, as well as the power over it to grant it the practical ability to direct its relevant activities unilaterally, with which Maxcom ceases to consolidate Celmax's results as of December 31, 2019.

- The revenues of this business unit come from Ps.3.2 million in 4Q18 to Ps.3.7 million in the fourth quarter of 2019, representing an increase of 15%. The subscribers at the end of 4Q19 were 14,234 which represents a 70% decrease compared to the same period last year, and a 18% reduction sequentially.

- The total cost reached Ps.70 thousand during this quarter, 99% less than the Ps.5.5 million reported in the same quarter of the previous year. The variation is due to the accounting effects by IFRS 16 as well as the decrease in MVNO cost. Total expenses registered a decrease of Ps.9.6 million against 4Q18, being Ps.9.6 million at the end of the quarter.

- As a consequence of the above, the negative EBITDA of the business was Ps.6 million, which represents a decrease in the loss of Ps.15 million or 72% compared to 4Q18. Sequentially, there was a 48% decrease, from a loss of Ps.12 million to Ps.6 million recorded in this period.

- On a cumulative basis, the Company reached a negative EBITDA of Ps.44 million, which compares favorably with negative EBITDA of Ps.64 million recorded in the same period of 2018.

Fourth 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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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.

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Fourth 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 December 31, 2019		As of December 31, 2018		Var $	Var %
ASSETS:							
CURRENT ASSETS:							
Cash and financial instruments	Ps.	312,508	Ps.	456,544	Ps.	(144,036)	(32%)
Short-term restricted cash		20		-		20	100%
		312,528		456,544		(144,016)	(32%)
Accounts receivable:							
Customers, net of allowance	Ps.	175,238	Ps.	157,289	Ps.	17,949	11%
Recoverable value added tax		41,884		54,522		(12,638)	(23%)
Other sundry debtors		89,126		10091		79035	783%
Accounts receivable from related parties		598		-		598	100%
		306,846		221,902		84,944	38%
Inventory	Ps.	918	Ps.	1,874	Ps.	(956)	(51%)
Prepaid expenses		29,079		34,306		(5,227)	(15%)
Total current assets		649,371		714,626		(65,255)	(9%)
Telephone network systems and equipment, net	Ps.	2,186,831	Ps.	2,216,637	Ps.	(29,806)	(1%)
Intangible assets, net		370,366		271,125		99,241	37%
Investment in associates		9,346		-		9,346	100%
Rights of use of leased assets, net		491,480		-		491,480	100%
Long-term restricted cash		-		35,791		(35,791)	(100%)
Deposits in guarantee		7,627		9,130		(1,503)	(16%)
Deferred taxes		4,642		6,033		(1,391)	(23%)
Other accounts receivable of long term		32,899		32,899		-	-
		3,103,191		2,571,615		531,576	21%
Total assets	**Ps.**	**3,752,562**	**Ps.**	**3,286,241**	**Ps.**	**466,321**	**14%**
LIABILITIES							
CURRENT LIABILITIES:							
Bank loans	Ps.	22,500		30,000		(7,500)	(25%)
Interest payable		16,525		8,428		8,097	96%
Accounts payable and accrued expenses		526,546		215,513		311,033	144%
Leases		87,388		-		87,388	100%
Deferred income		47,375		18,840		28,535	151%
Customer deposits		1,032		21,692		(20,660)	(95%)
Other taxes payable		4,394		18,960		(14,566)	(77%)
Total current liabilities		705,760		313,433		392,327	125%
LONG-TERM LIABILITIES:							
Step-up senior notes	Ps.	992,828	Ps.	2,135,562	Ps.	(1,142,734)	(54%)
Leases		424,211		-		424,211	100%
Bank loans		-		22,500		(22,500)	(100%)
Derivative financial instruments		-		3,542		(3,542)	(100%)
Deferred income		227,149		22,880		204,269	893%
Labor obligations		2,524		1,625		899	55%
Other long-term liabilities		41,610		45,491		(3,881)	(9%)
Long-term liabilities		1,688,322		2,231,600		(543,278)	(24%)
Total liabilities	**Ps.**	**2,394,082**	**Ps.**	**2,545,033**	**Ps.**	**(150,951)**	**(6%)**
SHAREHOLDERS' EQUITY							
Capital stock	Ps.	1,874,155	Ps.	1,533,254	Ps.	340,901	22%
Capital stock not exhibited		(23,201)		(12,300)		(10,901)	89%
Additional paid-in capital		64,080		50,170		13,910	28%
Junior PIK Notes		354,087		-		354,087	100%
Accumulated losses		(910,641)		(896,015)		(14,626)	2%
Other comprehensive income		-		4,475		(4,475)	(100%)
Controlling interest		1,358,480		679,584		678,896	100%
Non-controlling interest		-		61,624		(61,624)	(100%)
Total shareholders' equity	**Ps.**	**1,358,480**	**Ps.**	**741,208**	**Ps.**	**617,272**	**83%**
Total liabitilies and shareholders' equity	**Ps.**	**3,752,562**	**Ps.**	**3,286,241**	**Ps.**	**466,321**	**14%**

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Fourth 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 December 31				vs 3M 2019		12 months ended December 31				vs 12M 2018	
	2019	%	2018	%	$ var	% var	2019	%	2018	%	$ var	% var
TOTAL REVENUES	**Ps. 347,991**	100%	**Ps. 269,409**	100%	**Ps. 78,582**	29%	**Ps. 1,428,024**	100%	**Ps. 1,315,245**	100%	**Ps. 112,779**	9%
Network operating services	171,686	49%	85,101	32%	86,585	102%	673,849	47%	373,720	28%	300,129	80%
Technical expenses	35,301	10%	53,960	20%	(18,659)	(35%)	152,828	11%	218,181	17%	(65,353)	(30%)
Installation expenses	164	0%	4,263	2%	(4,099)	(96%)	642	0%	5,414	0%	(4,772)	(88%)
Network operation cost	**207,152**	**60%**	**143,324**	**53%**	**63,828**	**45%**	**827,319**	**58%**	**597,315**	**45%**	**230,004**	**39%**
GROSS PROFIT	**140,839**	**40%**	**126,085**	**47%**	**14,754**	**12%**	**600,705**	**42%**	**717,930**	**55%**	**(117,225)**	**(16%)**
Selling, general and administrative expenses	83,023	24%	105,092	39%	(22,069)	(21%)	362,291	25%	469,489	36%	(107,198)	(23%)
EBITDA	**57,816**	**17%**	**20,993**	**8%**	**36,823**	**175%**	**238,414**	**17%**	**248,441**	**19%**	**(10,027)**	**(4%)**
Depreciation and amortization	98,654		65,658		32,996	50%	409,033		237,070		171,963	73%
Other (income) expense	32,410		57,236		(24,826)	(43%)	42,711		76,659		(33,948)	(44%)
Operating income (loss)	**(73,247)**		**(101,901)**		**28,654**	**(28%)**	**(213,330)**		**(65,288)**		**(148,042)**	**227%**
Comprehensive (income) cost of financing:												
Interest expense	54,925		49,513		5,413	11%	227,640		178,881		48,759	27%
Interest (income) loss, net	(4,229)		(4,637)		408	(9%)	(14,691)		(11,435)		(3,256)	28%
Valuation effects, net	(268,297)		(3,759)		(264,537)	7,037%	(305,662)		43,389		(349,051)	(804%)
Exchange (income) loss, net	(58,201)		86,007		(144,208)	(168%)	(59,142)		10,537		(69,679)	(661%)
	(275,801)		**127,123**		**(402,924)**	**(317%)**	**(151,855)**		**221,371**		**(373,226)**	**(169%)**
INCOME (LOSS) BEFORE TAXES	**202,554**		**(229,024)**		**431,578**	**(188%)**	**(61,475)**		**(286,659)**		**225,184**	**(79%)**
Taxes:												
Income taxes	1,209		11,301		(10,092)	(89%)	7,529		11,995		(4,466)	(37%)
Deferred taxes	3,320		4,121		(801)	(19%)	1,391		16,677		(15,286)	(92%)
Total taxes	4,529		15,422		(10,893)	(71%)	8,920		28,672		(19,752)	(69%)
NET INCOME (LOSS)	**Ps. 198,025**		**Ps. (244,446)**		**Ps. 442,471**	**(181%)**	**Ps. (70,395)**		**Ps. (315,331)**		**Ps. 244,936**	**(78%)**
Other comprehensive result	-		7,591		(7,591)	(100%)	(4,475)		(5,021)		546	(11%)
COMPREHENSIVE NET INCOME (LOSS)	**Ps. 198,025**		**Ps. (236,855)**		**Ps. 434,880**	**(184%)**	**Ps. (74,870)**		**Ps. (320,352)**		**Ps. 245,482**	**(77%)**
Controlling interest	203,961		(232,826)		436,787	(188%)	(51,076)		(280,151)		229,075	(82%)
Non-controlling interest	(5,936)		(11,620)		5,684	(49%)	(19,319)		(35,180)		15,861	(45%)
NET INCOME (LOSS)	**Ps. 198,025**		**Ps. (244,446)**		**Ps. 442,471**	**(181%)**	**Ps. (70,395)**		**Ps. (315,331)**		**Ps. 244,936**	**(78%)**
Average basic shares	272,471		144,471				176,471		143,531			
Average diluted shares	285,752		146,521				212,978		146,521			
Earnings per basic share	0.75		(1.61)				(0.29)		(1.95)			
Earnings per diluted share	0.71		(1.59)				(0.24)		(1.91)			

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Fourth 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	Junior PIK Notes	Accumulated losses	Other comprehensive income	Controlling interest	Non-controlling interest	Total shareholders' equity
Balances as of January 1, 2018	Ps. 1,455,066	Ps. -	Ps. 50,170	Ps. -	Ps. (590,647)	Ps. 9,496	Ps. 924,085	Ps. 96,804	Ps. 1,020,889
Effect of IFRS adoption	-	-	-	-	(25,217)	-	(25,217)	-	(25,217)
Issuance of common shares under the stock option plan	78,188	(12,300)	-	-	-	-	65,888	-	65,888
Comprehensive net loss	-	-	-	-	(280,151)	(5,021)	(285,172)	(35,180)	(320,352)
Balances as of December 31, 2018	**Ps. 1,533,254**	**Ps. (12,300)**	**Ps. 50,170**	**Ps. -**	**Ps. (896,015)**	**Ps. 4,475**	**Ps. 679,584**	**Ps. 61,624**	**Ps. 741,208**

	Capital stock	Capital stock not exhibited	Additional paid-in capital	Junior PIK Notes	Accumulated losses	Other comprehensive income	Controlling interest	Non-controlling interest	Total shareholders equity
Balances as of January 1, 2019	Ps. 1,533,254	Ps. (12,300)	Ps. 50,170	Ps. -	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	340,901	(10,901)	-	-	-	-	330,000	-	330,000
Junior PIK Notes	-	-	-	354,087	-	-	354,087	-	354,087
Stock option plan	-	-	13,910	-	-	-	13,910	-	13,910
Subsidiary disincorporation	-	-	-	-	36,450	-	36,450	(47,957)	(11,507)
Comprehensive net loss	-	-	-	-	(51,076)	(4,475)	(55,551)	(19,319)	(74,870)
Balances as of December 31, 2019	**Ps. 1,874,155**	**Ps. (23,201)**	**Ps. 64,080**	**Ps. 354,087**	**Ps. (910,641)**	**Ps. -**	**Ps. 1,358,480**	**Ps. -**	**Ps. 1,358,480**

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Fourth 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 December 31		vs 3M 2019		12 months ended December 31		vs 12M 2018	
	2019	2018	$ var	% var	2019	2018	$ var	% var
Operating Activities:								
Income (loss) before taxes	Ps. 202,554	Ps. (229,024)	Ps. 431,578	(188%)	Ps. (61,475)	Ps. (286,657)	Ps. 225,182	(79%)
Items not requiring the use of cash	(334,517)	120,918	(455,435)	(377%)	71,146	306,131	(234,985)	(77%)
Subtotal	(131,963)	(108,106)	(23,857)	22%	9,671	19,474	(9,803)	(50%)
Cash flow from:								
Accounts receivable	(15,357)	76,591	(91,948)	(120%)	(45,449)	43,352	(88,801)	(205%)
Inventory	225	(845)	1,070	(127%)	956	1,530	(574)	(38%)
Accounts payable	86,882	(49,865)	136,747	(274%)	127,256	(102,132)	229,389	(225%)
Other assets and liabilities	(42,569)	16,527	(59,096)	(358%)	124,357	40,772	83,585	205%
Subtotal	29,181	42,408	(13,226)	(31%)	207,120	(16,479)	223,599	(1,357%)
Net cash flow from operating activities	**(102,782)**	**(65,698)**	**(37,083)**	**56%**	**216,791**	**2,996**	**213,796**	**7,137%**
Investing Activities:								
Telephone network systems and equipment, net	(8,825)	(18,685)	9,860	(53%)	(187,702)	(121,640)	(66,062)	54%
Subsidiary Disincorporation	1,159	-	1,159	-	1,159	-	1,159	-
Net cash flow used in investing activities	**(7,666)**	**(18,685)**	**11,019**	**(59%)**	**(186,543)**	**(121,640)**	**(64,903)**	**53%**
Financing Activities:								
Bank loans	(7,500)	(7,500)	-	-	(30,000)	(30,000)	-	-
Senior notes	(197,720)	-	(197,720)	-	(302,279)	-	(302,279)	-
Debt Restructuring Expenses	(109,251)	-	(109,251)	-	(109,251)	-	(109,251)	-
Leases	(30,853)	-	(30,853)	-	(104,177)	-	(104,177)	-
Increase of non-controlling interest	-	-	-	-	5,652	-	5,652	-
Capital stock	330,000	22,563	307,437	1,363%	330,000	22,563	307,437	1,363%
Other financing activities	116	(5,712)	5,828	(102%)	35,791	(2,646)	38,437	(1,453%)
Net cash flow from financing activities	**(15,208)**	**9,351**	**(24,559)**	**(263%)**	**(174,264)**	**(10,083)**	**(164,181)**	**1,628%**
Increase (decrease) in cash and financial instruments	**(125,656)**	**(75,032)**	**(50,624)**	**67%**	**(144,016)**	**(128,727)**	**(15,289)**	**12%**
Cash and financial instruments at beginning of period	438,184	531,576	(93,392)	(18%)	456,544	585,271	(128,727)	(22%)
Cash and financial instruments at end of period	**Ps. 312,528**	**Ps. 456,544**	**Ps. (144,016)**	**(32%)**	**Ps. 312,528**	**Ps. 456,544**	**Ps. (144,016)**	**(32%)**

- **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 OTCB (MXMTY) 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.