



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

Second Quarter Results 2020

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Second Quarter 2020 Results

Recent Developments

Coupon Payment of Senior Secured Notes

On April 25, 2020, the Company made the payment of its first coupon, corresponding to the October 2019 restructured debt which amounts to USD\$56.9 million. The total coupon payment was Ps.55.4 million or USD \$2.3 million derived from accrued interests from October 25, 2019 to April 24, 2020.

Pandemic Mitigation Plan

Derived from the contingency caused by the COVID-19 pandemic and based on an adverse scenario and high economic uncertainty regarding its duration and effects, Maxcom developed a financial and operating scenario of minimum cash consumption to responsibly face the challenges of 2020. As a result, the Company has successfully implemented the following measures to maintain liquidity and keep expenses minimal:

1.- Negotiations with suppliers - Different negotiations have been carried out with suppliers in order to obtain discounts and improvements in payment conditions, as well as extensions thereof. Among these negotiations, the following stand out:

- a) Discounts on rents from corporate offices and rents from sites, representing a total cash flow savings of around USD \$750 thousand during 2020 and 2021.
- b) Negotiation of payment conditions that allow us to extend accounts payable terms and access payment plans in installments, with which Maxcom will be able to defer commitments for the following year for around Ps. 20 million.
- c) Negotiations with US dollar based suppliers in order to establish preferential exchange rates for prompt payment, mitigating the risk of exchange rate volatility and its impact on cash flow.

2.- Consolidation of synergies - In addition to the permanent efforts to reduce administrative, technical and operational expenses, in April 2020, by mutual agreement and with the support of 80 of its employees, the Company signed before the Procuraduría Federal de la Defensa del Trabajo (PROFEDET) an agreement to reduce salaries and other benefits for a period of 6 months, effective from May to November of this year. The agreement will represent savings in payroll expense of around Ps.10 million. Additionally, in June 2020, an efficiency exercise was carried out on the headcount, which will allow an additional decrease in payroll expenses of around Ps.1.2 million from July onwards.

3.- Client Support- We have implemented diverse support mechanisms for our clients to facilitate the payment of their commitments in order to keep healthy accounts receivable balance. At the end of the quarter, we have supported more than 70 clients, which represented a decrease in income of Ps. 2.2 million for the quarter.

Maxcom continues to search for alternatives to better align its financial situation with its main financial obligations in order to guarantee the continuity of the Company's operations, seeking at all times to fulfill the acquired financial commitments.



Second Quarter 2020 Results

Deferment of Bancomext's Capital Payments

As part of the efforts made to face the pandemic threat on more favorable conditions, on May 21, 2020, a Debit Recognition and Restructuring Agreement was signed with Bancomext, formalizing the rescheduling of payments on the Ps.150 million loan granted to Maxcom on October 14, 2015. The mentioned loan had 5 pending monthly payments and an outstanding balance at the time of signing of Ps.12.5 million. The rescheduling will allow Maxcom to avoid making principal payments for the period from May 2020 to January 2021 and will resume the 5 remaining payments starting in February 2021, thus existing an extension to the original term of the credit for 9 months.

Follow up on Tax Matters

In follow-up to the settlement notice of February 14, 2020 issued by the Servicio de Administración Tributaria ("SAT"); on May 15, 2020, Maxcom presented two additional proof documents to the revocation resource presented on March 30 and 31st, 2020 through the tax mailbox and at the offices of the Administración Central de lo Contencioso de Grandes Contribuyentes of the SAT: an Expert Opinion in Engineering of Telecommunications and Expert Opinion on Accounting Matters. These proofs list all the grievances asserted in the Revocation Appeal and demonstrate the materiality of the telecommunications services provided by Maxcom's suppliers.

The company continues evaluating the different defense alternatives that could be exercised once the authority resolves the appeal presented. Although the 3-month period that the authority has to vent the appeal has expired, as of the date of this report, we have not received the corresponding resolution.

CFE Lease Agreement - Fiber OPGW

The ordinary civil lawsuit filed against CFE's refusal to renew the Lease Contract on the OPGW Puebla - Poza Rica Route, is suspended until July 31, due to the health contingency of COVID-19. Currently, and derived from an amparo filed by CFE, the Civil Judge was ordered to re-evaluate whether or not to grant the requested precautionary measures, without considering the State's public policy. Once this is resolved and the period of suspension of the courts has ended, the analysis of the trial will resume.

Second Quarter 2020 Results

Earnings Results Summary

Maxcom's 2Q20 Performance

**TOTAL
REVENUE**
Ps.230 million

**NETWORK
OPERATION
COST**
Ps.113 million
-47% vs 2Q19

**GROSS PROFIT
MARGIN**
51%
vs 42% 2Q19

EBITDA
Ps.50 million
-15% vs 2Q19

**OPERATING
INCOME (LOSS)**
Ps.-61 million
vs Ps.-48 million
2Q19

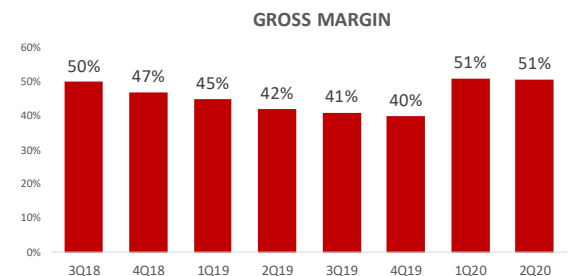
**NET INCOME
(LOSS)**
Ps.-74 million

EBITDA for the quarter was Ps.50 million on a consolidated basis, which represents a decrease of 15% compared to 2Q19. The main factors that explain the variation were:

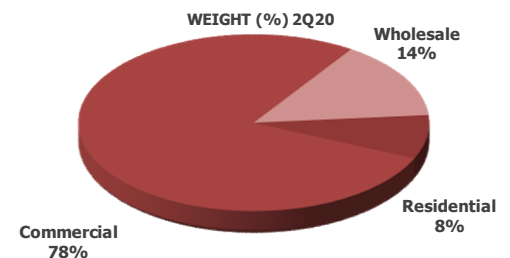
- The decrease in traffic in the Wholesale segment as a consequence of the decrease in the Company's revenue
- Decrease in Commercial recurrent revenue by Ps.20 million derived from the reduction in the Call Center, Government and Business segments
- The organic decrease in the income of the Residential segment for Ps. 9 million associated with the execution of our "wind down" plan

As we mentioned in the previous quarter, considering the uncertainty scenario that we are currently experiencing as a result of COVID-19, the Company maintains the position of continuing to reduce its costs and expenses in order to mitigate the negative financial effects, as well as the impact on decreasing recurrent revenue. As a result of this effort, Maxcom presented a 29% decrease in general expenses compared to 2Q19.

Regarding costs, the Company presents a decrease of Ps.101 million or 47% compared to the same period in 2019. This effect is a direct consequence of the decrease in the volume of traffic from the Wholesale business unit. Excluding the Wholesale cost, the Company presented a decrease of Ps.11 million or 12% compared to 2Q19.



Regarding the revenue mix, the Wholesale business unit showed a decrease in its participation, going from 35% in 2Q19 to 14% in this quarter.



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

Figures in millions of pesos, except operating data

Item	2Q20	1Q20	% var
Total Revenues	230	245	(6%)
EBITDA	50	59	(16%)
EBITDA margin (%)	22%	24%	
Net income (loss)	(74)	(367)	(80%)
Net margin (%)	(32%)	(150%)	
Cash and financial instruments	101	149	(32%)
CAPEX	16	219	(93%)
Debt ¹	1,845	1,906	(3%)
Net debt / LTM EBITDA (X)	8.1	7.8	3%
Customers	25,648	27,782	(8%)
Commercial	1,220	1,221	(0%)
Residential	24,428	26,561	(8%)

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

Second Quarter 2020 Results

Commercial Business Unit

- Commercial revenue amounted to Ps.178 million, which represented a decrease of 13% or Ps.28 million compared to the Ps.206 million registered during 2Q19. This as a consequence of the loss of revenue due to the disconnection of a client from the Government segment, the decrease in traffic of some Call Center clients due to the marked reduction in activity in this segment for the pandemic, and the recognition of non-recurrent revenue derived from the sale of the optical channel made in 2019.
- The participation in the revenue mix of this business unit closed the quarter with 78%, maintaining the same concentration levels compared to the previous quarter.
- On a cumulative basis, commercial revenue reached Ps.367 million, which represents a decrease of Ps.72 million or 16% compared to the first half of 2019.
- The main deflection is due to non-recurrent revenue recorded in the first half of 2019 for Ps. 18 million as well as the decrease in the variable traffic revenue base, the disconnection in the Government segment derived from the “México Conectado” project and the non-recurrent revenue derived from the sale of the optical channel.
- Sequentially, revenue decreased by Ps.11 million or 6%. This variation is mainly explained by the decrease in variable revenues from voice traffic, as well as the impact of pandemic support granted to some of the clients during 2Q20. This deviation was partially offset by higher income in the Carriers segment, going from Ps.38 million in 1Q20 to Ps.41 in 2Q20.

Residential Business Unit

- The revenue generated by the business unit was Ps.18 million, maintaining its participation in the revenue mix compared to 1Q20. Comparing 2Q20 versus 2Q19, the revenue of this business unit presents a decrease of Ps.9 million or 32%. Sequentially, the decrease was 10% or Ps. 2 millions.
- On a cumulative basis, Residential revenue reached Ps.39 million, a decrease of 31% or Ps.17 compared to the same period in 2019. This reduction is in line with the internal estimates and with historical churn.
- The participation of Residential revenue remained at 8% when compared against the previous quarter. Said participation is expected to continue decreasing as organic churn reduces the number of active clients.
- The Company maintains the position of extending the “wind down” process until the profitability of the business allows it. Management maintains stable income as well as controlled margins. The installed customer base at the end of the quarter is approximately 24 thousand customers.

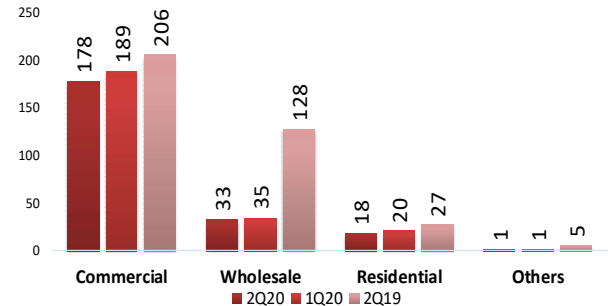
Wholesale Business Unit

- During the quarter, revenue in this business unit was Ps.33 million, a decrease of 74% or Ps.95 million compared to the same period of 2019 and 5% or Ps.2 million compared to the revenue reported in 1Q20. The decrease in both cases is due to the reduction of revenue in the Residential and Commercial business units, which limits the ability to operate in this segment.
- On a cumulative basis, the income of this business unit reached Ps.67 million, which compares unfavorably with the Ps.239 million registered in the first half of 2019.
- As a consequence of the decrease in traffic, the participation in the total revenues mix at the end of the quarter was 14%, a figure that compares unfavorably with the 35% reported in 2Q19. Sequentially, participation remains at 14%.

Second Quarter 2020 Results

Consolidated Revenue

- On a consolidated basis, total revenue reported in 2Q20 amounted to Ps.230 million, a decrease of 37% or Ps.136 million when compared to 2Q19, largely explained by the decrease in Wholesale activity.

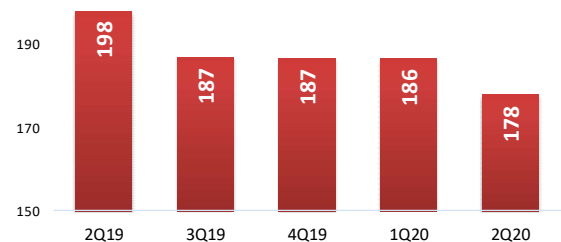


- Sequentially, revenue registered a decrease of 6% or Ps.15 million, explained by the decrease in traffic in the Call Center segment and the deviations in non-recurrent revenue recorded in 2Q19.

		2Q20		1Q20	QoQ Δ%	2Q19	YoY Δ%
Commercial	Ps.	178	Ps.	189	(6%)	206	(13%)
Wholesale		33		35	(5%)	128	(74%)
Residential		18		20	(10%)	27	(32%)
Others		1		1	(60%)	5	(90%)
Total	Ps.	230	Ps.	245	(6%)	366	(37%)

- Recurrent Commercial Revenue decreased considerably due to the decrease in the revenue base from traffic in the Call Center and Business segments. The participation of this type of revenue was 77% of the Company's total revenue. Compared to 2Q19, it had an increase in the income mix of 23 p.p.

RECURRENT COMMERCIAL REVENUE



Network Operating Cost

- Network operating costs in 2Q20 decreased 47% to reach Ps.113 million compared to the Ps.214 million reported in 2Q19. The variation is explained by:

- The decrease in the cost of traffic for the Wholesale business. The cost recorded during the quarter was Ps.31 million, 75% lower than the Ps.120 million registered in the same period of 2019
- Efficiencies in connection & capacity, rents and traffic cost
- 19% decrease in energy cost
- Lower software maintenance costs

- The net savings without considering the Wholesale cost was a decrease of Ps.11 million or 12%, as a

result of the efficiencies that the Company continues to generate in its operating processes.

- As mentioned above, the Company will seek to have greater efficiencies in this area with the intention of mitigating the negative financial effects that the health contingency may cause.
- On a cumulative basis, the cost had a considerable decrease of Ps.187 million or 45% compared to the same period of 2019. Total savings without considering the costs of the wholesale business unit were Ps.23 million or 12%.
- Gross profit decreased 23% or of Ps.35 million compared to 2Q19. Sequentially, gross profit registered a decrease of Ps.9 million or 7%.

Second Quarter 2020 Results

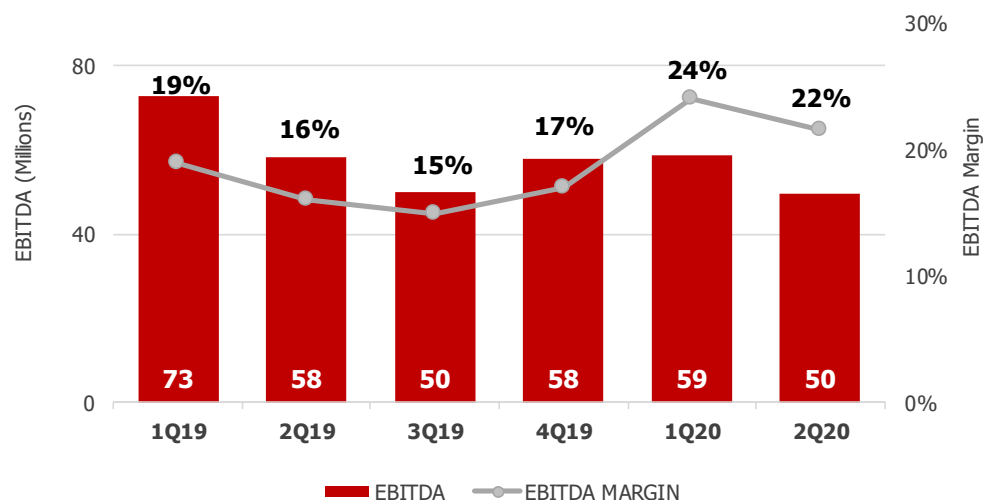
SG&A Expenses

- During 2Q20, the Company reported a total of SG&A Expenses of Ps.67 million, 29% or Ps.27 million less than the Ps. 94 million reported in 2Q19. On a sequential basis, total expenses remained at the same levels.
- The decrease in expenses is mainly due to the efficiency execution effort made during the previous quarters, mainly in:
 - Payroll, with a decrease of 29% or Ps.15 million compared to 2Q19 and 11% or Ps.4 million sequentially, as a consequence of the payroll reduction plan and the headcount efficiencies derived from the health contingency
 - Lower expense for Consultants, Fees and Selling Expenses
 - A significant decrease in expenses for bad debt reserves
- On a cumulative basis, the Company's general expense; as in the network cost items presented savings that totaled Ps.58 million when compared to the first 6 months of 2019.
- The workforce at the end of the quarter was 265 employees, a decrease of 18% or 61 people compared to the same period in 2019 and a sequential decrease of 7% or 21 people.
- The Company maintains efforts to reduce Selling Expenses and General Expenses to only what is strictly necessary for the proper functioning of the network without affecting our customers and the quality of our services.

EBITDA

- During 2Q20 EBITDA was Ps. 50 million, which compares unfavorably against the Ps.58 million registered during 2Q19. This decrease due mainly to the decrease in revenue of the Commercial and Residential business units, which could not be fully compensated with the aforementioned efficiencies in operating costs and expenses.
- Sequentially, EBITDA also presented a decrease of 16% or Ps.9 million. This as a consequence of the decrease in consolidated revenue.
- On a cumulative basis, the Company recorded EBITDA of Ps.108 million, which compares unfavorably with the Ps.131 million reported in the same period of 2019.

EBITDA & EBITDA Margin



Second Quarter 2020 Results

Operating Income (Loss)

- The Company recorded an operating loss of Ps.61 million at the end of 2Q20, which compares unfavorably at Ps.13 million or 27% with the loss of Ps.48 million registered in the same period of 2019. The main deviation is a consequence of the decrease in EBITDA as well as the liquidation expenses derived from the exercise of efficiencies that the Company executed during the quarter.
- On a sequential basis, the operating loss presented an increase of Ps.12 million or 24% derived mainly from the expenses associated with the personnel restructuring.
- On a cumulative basis, operating loss at the end of June was Ps.110 million, Ps.23 million or 27% more compared to the Ps.87 million reported in 2019.

Comprehensive Financing Result

- During 2Q20, the Company recorded a comprehensive financing cost of Ps.8 million, which compares favorably against the loss of Ps.40 million reported in the same period of 2019. This is mainly due to a higher exchange rate profit generated by a depreciation of the dollar against the peso, with an exchange rate of Ps.22.97 per dollar at the end of this reporting quarter. Additionally, we have lower accrued interests that compares favorably at Ps.15 million or 35% as a result of the restructuring of the Step-up Senior Notes in October of last year.

	2Q20	2Q19	ΔPs.	Δ%
Interest Expense	41	57	(15)	(27%)
Interest (Income)	(1)	(3)	2	(68%)
Valuation Effects – Net	4	(1)	5	(414%)
Exchange Rate (Gain) Loss – Net	(36)	(12)	(24)	201%
Total	8	40	(32)	(81%)

Taxes

- During 2Q20, taxes of Ps.1.7 million were recorded for ISR and deferred tax. Compared to 2Q19, it represents a decrease of Ps.3 million or 65%. On a sequential basis, the Company had an increase of Ps. 200 thousand or 16%.

Net Income (Loss)

- During 2Q20, the Company recorded a net loss of Ps.74 million, which compares favorably with a net loss of Ps.93 million registered in the same period of 2019. The variation is mainly explained by a lower interest payment derived from the recently restructured bond and the effect on foreign exchange earnings that we had during the quarter.
- On a cumulative basis, the Company presented a loss of Ps.441 million at the end of the half-year. This figure compares unfavorably with the loss of Ps.102 million registered in the same period of 2019. This is mainly explained by a higher exchange loss during the first semester of 2020 and by the profit in bond repurchase registered during the first quarter 2019.
- In addition to the aforementioned results, the Company recorded a loss for investment in associates of Ps.3 million corresponding to the investment in its associate Celmax, a company that was deconsolidated in 4Q19. On a cumulative basis, this loss amounts to Ps.9 million.

Second Quarter 2020 Results

Capital Expenditure & Cash Flow

Million Pesos	Second Quarter of 2020	Second Quarter of 2019
Operating Activities	(2)	52
CAPEX	(16)	(41)
Financing Activities	(30)	(28)
Increase (Decrease) in Cash and Financial Instruments	(48)	(17)
Cash and Financial Instruments at Beginning of Period	149	386
Cash and Financial Instruments at End of Period	101	369

Indebtedness

- As of June 30, 2020 and after successfully completing the debt restructuring, the Company reported a financial indebtedness of Ps. 1,338 million at the end of this quarter (debt valued at face value and includes interest payable at the end of the period). As previously mentioned, this restructuring allowed us to improve the debt profile and reduce the interest expense burden, so the Financial Debt* to EBITDA ratio in the period was 6.2 times, while the Net Debt to EBITDA ratio was 5.7 times.
- Considering the effects of adopting the accounting standard "IFRS 16", the total debt amounted to Ps. 1,845 million. The Company's leverage rate measured through the Debt to EBITDA ratio including operating leases was 8.5 times, while the indicator of Net Debt to EBITDA was 8 times. The increase in debt due to the application of said standard amounts to Ps. 507 million, corresponding to the recognition of the present value of the total operating leases and long-term contracts.

Maxcom Financial Liabilities at June 30, 2020

Figures in Millions	Face Value			Due date	Rate
	Pesos	Dollars	Total Pesos ¹		
Senior Notes 2024	-	56.9	1,306.1	October, 2024	8% ²
Bancomext	12.5	-	12.5	September, 2020	9.86% ³
Total financial debt	12.5	56.9	1,318.6		

¹ Considers the exchange rate to settle obligations at June 30, 2020: Ps\$22.9715 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

	2Q20	1Q20	4Q19	3Q19
Net Debt/LTM EBITDA	8.07	7.82	5.49	9.56

Stockholders' Equity

- At the end of 2Q20, the Company reported stockholders' equity of Ps. 897 million, which represents a decrease of 34% or Ps.461 million compared to that reported at the end of 2019. This is mainly explained by the net loss registered in the period.

Capital Structure

	2Q20	2Q19
Subscribed and paid shares	276,471,081	144,471,081

* Debt valued at face value plus accrued interest for the period without considering the amount of operating leases.



Second Quarter 2020 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.



Second Quarter 2020 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 June 30, 2020		As of December 31, 2019		Var \$	Var %
<u>ASSETS:</u>						
CURRENT ASSETS:						
Cash and financial instruments	Ps.	100,817	Ps.	312,508	Ps.	(211,691) (68%)
Short-term restricted cash		20		20		-
		100,837		312,528		(211,691) (68%)
Accounts receivable:						
Customers, net of allowance	Ps.	94,785	Ps.	175,238	Ps.	(80,453) (46%)
Recoverable value added tax		39,892		41,884		(1,992) (5%)
Other sundry debtors		6,595		89,126		(82,531) (93%)
Accounts receivable from related parties		11		598		(587) (98%)
		141,283		306,846		(165,563) (54%)
Inventory	Ps.	797	Ps.	918	Ps.	(121) (13%)
Prepaid expenses		60,839		29,079		31,760 109%
Total current assets		303,756		649,371		(345,615) (53%)
Telephone network systems and equipment, net	Ps.	2,092,974	Ps.	2,186,831	Ps.	(93,857) (4%)
Intangible assets, net		351,066		370,366		(19,300) (5%)
Investment in associates		162		9,346		(9,184) (98%)
Rights of use of leased assets, net		478,970		491,480		(12,510) (3%)
Long-term restricted cash		-		-		- 100%
Deposits in guarantee		8,174		7,627		547 7%
Deferred taxes		2,418		4,642		(2,224) (48%)
Other accounts receivable of long term		12,518		32,899		(20,381) (62%)
		2,946,282		3,103,191		(156,909) (5%)
Total assets	Ps.	3,250,038	Ps.	3,752,562	Ps.	(502,524) -13%
<u>LIABILITIES</u>						
CURRENT LIABILITIES:						
Bank loans	Ps.	12,500		22,500		(10,000) (44%)
Interest payable		19,838		16,525		3,313 20%
Accounts payable and accrued expenses		286,182		526,546		(240,364) (46%)
Leases		94,173		87,388		6,785 8%
Deferred income		53,561		47,375		6,186 13%
Customer deposits		1,020		1,032		(12) (1%)
Other taxes payable		26,987		25,314		1,673 7%
Total current liabilities		494,261		726,680		(232,419) (32%)
LONG-TERM LIABILITIES:						
Step-up senior notes	Ps.	1,218,187	Ps.	992,828	Ps.	225,359 23%
Leases		412,833		424,211		(11,378) (3%)
Bank loans		-		-		- 100%
Deferred income		203,486		227,149		(23,663) (10%)
Labor obligations		2,786		2,524		262 10%
Other long-term liabilities		21,354		20,690		664 3%
Long-term liabilities		1,858,646		1,667,402		191,244 11%
Total liabilities	Ps.	2,352,907	Ps.	2,394,082	Ps.	(41,175) (2%)
<u>SHAREHOLDERS' EQUITY</u>						
Capital stock	Ps.	1,874,155	Ps.	1,874,155	Ps.	-
Capital stock not exhibited	Ps.	(23,201)	Ps.	(23,201)	Ps.	-
Stock issue premium		43,698		64,080		(20,382) (32%)
Junior PIK Notes		354,087		354,087		-
Deficit		(910,641)		(879,675)		(30,966) 4%
Net profit (loss) for the period		(440,967)		(30,966)		(410,001) 1,324%
Other comprehensive income		-		-		- 100%
Controlling interest		897,131		1,358,480		(461,349) (34%)
Non-controlling interest		-		-		- 100%
Total shareholders' equity	Ps.	897,131	Ps.	1,358,480	Ps.	(461,349) (34%)
Total liabilities and shareholders' equity	Ps.	3,250,038	Ps.	3,752,562	Ps.	(502,524) (13%)



Second Quarter 2020 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 June 30				vs 3M 2019		6 months ended June 30				vs 6M 2019	
	2020	%	2019	%	\$ var	% var	2020	%	2019	%	\$ var	% var
TOTAL REVENUES	Ps. 229,921	100%	Ps. 365,824	100%	Ps. (135,903)	(37%)	Ps. 475,254	100%	Ps. 743,229	100%	Ps. (267,975)	(36%)
Network operating services	79,094	34%	174,182	48%	(95,088)	(55%)	162,890	34%	341,902	46%	(179,012)	(52%)
Technical expenses	34,141	15%	39,676	11%	(5,535)	(14%)	69,700	15%	78,136	11%	(8,436)	(11%)
Installation expenses	143	0%	113	0%	30	27%	409	0%	303	0%	106	35%
Network operation cost	113,378	49%	213,971	58%	(100,593)	(47%)	232,999	49%	420,341	57%	(187,342)	(45%)
GROSS PROFIT	116,543	51%	151,853	42%	(35,310)	(23%)	242,255	51%	322,888	43%	(80,633)	(25%)
Selling, general and administrative expenses	66,975	29%	93,702	26%	(26,727)	(29%)	133,823	28%	192,109	26%	(58,286)	(30%)
EBITDA	49,568	22%	58,151	16%	(8,583)	(15%)	108,432	23%	130,779	18%	(22,347)	(17%)
Depreciation and amortization	98,733		103,618		(4,885)	(5%)	199,115		206,933		(7,818)	(4%)
Other (income) expense	11,786		2,459		9,327	379%	19,581		10,810		8,771	81%
Operating income (loss)	(60,951)		(47,926)		(13,025)	27%	(110,264)		(86,964)		(23,300)	27%
Comprehensive (income) cost of financing:												
Interest expense	41,116		56,558		(15,442)	(27%)	78,532		116,137		(37,605)	(32%)
Interest (income) loss, net	(1,011)		(3,206)		2,195	(68%)	(3,004)		(7,762)		4,758	(61%)
Valuation effects, net	4,085		(1,301)		5,386	(414%)	7,591		(50,701)		58,292	(115%)
Exchange (income) loss, net	(36,448)		(12,127)		(24,321)	201%	235,331		(48,202)		283,533	(588%)
	7,742		39,924		(32,182)	(81%)	318,450		9,472		308,978	3,262%
Investment in associates	(3,190)		-		(3,190)	-	(9,185)		-		(9,185)	-
INCOME (LOSS) BEFORE TAXES	(71,883)		(87,850)		15,967	(18%)	(437,899)		(96,436)		(341,463)	354%
Taxes:												
Income taxes	583		4,695		(4,112)	(88%)	843		5,222		(4,379)	(84%)
Deferred taxes	1,068		-		1,068	-	2,225		-		2,225	-
Total taxes	1,651		4,695		(3,044)	(65%)	3,068		5,222		(2,154)	(41%)
NET INCOME (LOSS)	Ps. (73,534)		Ps. (92,545)		Ps. 19,011	(21%)	Ps. (440,967)		Ps. (101,658)		Ps. (339,309)	334%
Other comprehensive result	-		130		(130)	(100%)	-		(4,475)		4,475	(100%)
COMPREHENSIVE NET INCOME (LOSS)	Ps. (73,534)		Ps. (92,415)		Ps. 18,881	(20%)	Ps. (440,967)		Ps. (106,133)		Ps. (334,834)	315%
Controlling interest	(73,534)		(91,695)		18,161	(20%)	(440,967)		(91,216)		(349,751)	383%
Non-controlling interest	-		(850)		850	(100%)	-		(10,442)		10,442	(100%)
NET INCOME (LOSS)	Ps. (73,534)		Ps. (92,545)		Ps. 19,011	(21%)	Ps. (440,967)		Ps. (101,658)		Ps. (339,309)	334%
Average basic shares	276,471		144,471				276,471		176,471			
Average diluted shares	285,752		146,521				285,752		212,978			
Earnings per basic share	(0.27)		(0.63)				(1.59)		(0.52)			
Earnings per diluted share	(0.26)		(0.63)				(1.54)		(0.43)			



Second Quarter 2020 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 June 30		vs 3M 2019		6 months ended June 30		vs 6M 2019	
	2020	2019	\$ var	% var	2020	2019	\$ var	% var
Operating Activities:								
Income (loss) before taxes	Ps. (71,883)	Ps. (87,849)	Ps. 15,966	(18%)	Ps. (437,899)	Ps. (96,439)	Ps. (341,460)	354%
Items not requiring the use of cash	58,109	133,855	(75,746)	(57%)	447,313	191,409	255,904	134%
Cash flow from income (loss) before taxes	(13,774)	46,006	(59,780)	(130%)	9,414	94,970	(85,556)	(90%)
Cash flow from:								
Accounts receivable	4,949	(111,497)	116,446	(104%)	80,268	(157,899)	238,167	(151%)
Inventory	74	210	(136)	(65%)	121	662	(541)	(82%)
Accounts payable	10,996	22,447	(11,451)	(51%)	(40,376)	54,490	(94,866)	(174%)
Other assets and liabilities	(4,007)	95,005	(99,012)	(104%)	37,069	183,548	(146,479)	(80%)
Cash flow from operating activities	12,012	6,165	5,847	95%	77,082	80,801	(3,719)	(5%)
Net cash flow from operating activities	(1,762)	52,171	(53,933)	(103%)	86,496	175,771	(89,275)	(51%)
Investing Activities:								
Telephone network systems and equipment, net	(16,066)	(40,888)	24,822	(61%)	(234,965)	(103,737)	(131,228)	127%
Subsidiary Disincorporation	-	-	-	-	-	-	-	-
Net cash flow used in investing activities	(16,066)	(40,888)	24,822	(61%)	(234,965)	(103,737)	(131,228)	127%
Financing Activities:								
Bank loans	(2,500)	(7,500)	5,000	(67%)	(10,000)	(15,000)	5,000	(33%)
Senior notes	-	-	-	-	-	(104,559)	104,559	(100%)
Debt Restructuring Expenses	-	-	-	-	-	-	-	-
Leases	(27,648)	(23,910)	(3,738)	16%	(53,222)	(47,327)	(5,895)	12%
Increase of non-controlling interest	-	-	-	-	-	-	-	-
Capital stock	-	-	-	-	-	-	-	-
Other financing activities	-	3,172	(3,172)	(100%)	-	7,388	(7,388)	(100%)
Net cash flow from financing activities	(30,148)	(28,238)	(1,910)	7%	(63,222)	(159,498)	96,276	(60%)
Increase (decrease) in cash and financial instruments	(47,976)	(16,955)	(31,021)	183%	(211,691)	(87,464)	(124,227)	142%
Cash and financial instruments at beginning of period	148,813	386,035	(237,222)	(61%)	312,528	456,544	(144,016)	(32%)
Cash and financial instruments at end of period	Ps. 100,837	Ps. 369,080	Ps. (268,243)	(73%)	Ps. 100,837	Ps. 369,080	Ps. (268,243)	(73%)



Second Quarter 2020 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 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
Comprehensive net loss	-	-	-	-	(91,216)	(4,475)	(95,691)	(10,442)	(106,133)
Balances as of June 30, 2019	Ps. 1,533,254	Ps. (12,300)	Ps. 50,170	Ps. -	Ps. (987,231)	Ps. -	Ps. 583,893	Ps. 51,182	Ps. 635,075
	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 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
Stock option plan	-	-	(20,382)	-	-	-	(20,382)	-	(20,382)
Comprehensive net loss	-	-	-	-	(440,967)	-	(440,967)	-	(440,967)
Balances as of June 30, 2020	Ps. 1,874,155	Ps. (23,201)	Ps. 43,698	Ps. 354,087	Ps. (1,351,608)	Ps. -	Ps. 897,131	Ps. -	Ps. 897,131

- 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.