3rd Quarter 2019 Earnings Release GRUPO VIVA AEROBUS

Enhancing air travel options through a strong focus on profitability and innovation

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GRUPO VIVA AEROBUS ATTAINS GROWTH RATES OF 40.1% IN OPERATING REVENUE, 58.3% IN EBITDAR AND 75.9% IN OPERATING INCOME DURING 3Q19

Mexico City, October 24th, 2019 - Grupo Viva Aerobus, S.A de C.V. ("Grupo Viva") holding of Aeroenlaces Nacionales S.A. de C.V. ("VivaAerobus"), the carrier with the lowest costs in Mexico and fares comparable to bus transportation, announced today its earnings results for the third quarter 2019. The figures presented in this report have been prepared in accordance with IFRS (including the adoption of IFRS 16 "Leases"), and are expressed in current nominal Mexican Pesos, unless otherwise stated. Totals may slightly differ from individual sums due to rounding.

3Q19 Highlights

- Passengers carried during 3Q19 totaled 3,347,000, 20.6% more than that of 2,774,000 passengers in 3Q18
- 3Q19 Total Operating Revenue reached Ps.3,964 million, a 40.1% climb when compared to the Ps.2,830 million obtained in 3Q18, mainly driven by the 60.7% YoY surge in Fare Revenue
- Capacity measured in available seat kilometers (ASKs) increased 29.2%, to 4,267 million in 3Q19, from 3,303 million in 3Q18, reflecting the expansion of our portfolio of routes and destinations, together with the incorporation of new aircraft to our fleet
- Load Factor went from 91.2% in 3Q18 to 88.0% this quarter, as the higher capacity in available seats is still under its process of absorption
- At the end of 3Q19, EBITDAR amounted to Ps.1,519 million (+58.3% YoY), Ps.559 million more than the Ps.960 million in 3Q18, fueled by the revenue climb, which more than offset the rise in operating expenses. Consequently, 3Q19 EBITDAR margin went up 4.4 p.p. YoY, to 38.3%. These results boosted a 75.9% surge in operating income, which amounted to Ps.597 million as of quarter-end
- As of quarter-end, Net Income reached Ps.226 million (compared to Ps.510 million recorded in the same quarter last year) as it was affected by a Ps.293 million negative Comprehensive Financial Result "CFR" (vs. positive Ps.299 million in 3Q18). Quarterly's negative CFR reflected a non-cash Fx loss related to the inherent effects from the adoption of IFRS 16. 3Q19 Net Margin stood at 5.7%
- Cash and cash equivalents balance as of quarter-end totaled Ps.3,803 million, accounting to 31.2% of LTM total operating revenue. The foregoing contributes to ensure the access to the required liquidity to carry out our expansion plans
- As of September 30th, 2019, Viva Aerobus' Gross Debt amounted to Ps.3,370 million, a QoQ decrease of 11.7%, following the amortization of PDP financing, due to the delivery of new aircraft during 3Q19, which coupled with the Company's cash & cash equivalents' level resulted in a negative Net Debt of Ps.433 million as of quarter-end.

3Q19 Operational Considerations

- The Agencia Federal de Aviacion Civil (Federal Agency of Civil Aviation or "AFAC", by its Spanish acronym) reported an increase of 8.1% YoY in the domestic passenger traffic carried by Mexican airlines, from January to August 2019.
- YTD to August, Viva Aerobus carried approximately 7.2 million passengers, 19.0% higher than the 6.1 million recorded in the same period 2018, thus positioning Viva Aerobus as the second Mexican airline with the highest growth rates in total, domestic and international, passenger traffic. In these 8-months period, Viva Aerobus contributed with a 38.8% share of the domestic passenger increase in Mexico.
- Between January and August 2019, Viva Aerobus posted a 1.6 p.p. growth in its share of domestic passengers, amounting to 19.7% of the total carried by national airlines. As of August, the domestic share of Viva Aerobus reached 22.4% (+2.1 p.p. YoY). In both periods, Viva Aerobus stood as the second airline with the highest growth in the domestic market.
- The quarterly average reference cost per gallon of jet fuel was USD$1.86, 12.5% lower than the USD$2.13 in 3Q18. Therefore, in these 9M, cost per gallon of jet fuel decreased 7.3% YoY, from the USD$2.03 in the 9M18 to USD$1.88, allowing Viva Aerobus both to expand and reach an advance closing of its hedging instruments.
- During 3Q19, MXN depreciated 2.3% YoY vs. USD, recording an average exchange rate of Ps.19.42/USD (from Ps.18.98/USD in 3Q18). The latter mainly impacted rent and maintenance payments denominated in USD.
- At the end of 3Q19, Grupo Viva Aerobus fleet was comprised of 36 aircraft, 20 Airbus 320ceo and 16 Airbus 320neo, being one of the most modern fleets in the global industry, with an average age of 3.8 years.

Financial Information

Financial Indicators (MXN Million)	3Q19	3Q18	Ch. %	9M19	9M18	Ch. %
Operating revenue	3,964	2,830	40.1%	9,146	7,046	29.8%
EBITDAR	1,519	960	58.3%	2,753	2,358	16.7%
EBITDAR margin	38.3%	33.9%	4.4 p.p.	30.1%	33.5%	(3.4 p.p.)
Operating income	597	339	75.9%	620	680	(8.8%)
Operating margin	15.1%	12.0%	3.1 p.p.	6.8%	9.7%	(2.9 p.p.)
Profit before income taxes	303	638	(52.5%)	(79)	452	(>100.0%)
PBT margin	7.7%	22.6%	(14.9 p.p.)	(0.9%)	6.4%	(7.3 p.p.)
Net income	226	510	(55.8%)	50	554	(91.1%)
Net margin	5.7%	18.0%	(12.3 p.p.)	0.5%	7.9%	(7.4 p.p.)

Operational Information

Operational Indicators	3Q19	3Q18	Ch. %	9M19	9M18	Ch. %
ASKs (million)	4,267	3,303	29.2%	10,927	8,767	24.6%
RPKs (million)	3,753	3,014	24.5%	9,728	7,908	23.0%
Total Passengers (thousands)	3,347	2,774	20.6%	8,732	7,300	19.6%
Load factor (%)	88.0%	91.2%	(3.3 p.p.)	89.0%	90.2%	(1.2 p.p.)
RASK (MXN cents)	0.93	0.86	8.4%	0.84	0.80	4.2%
Adjusted RASK* (MXN cents)	0.77	0.70	10.1%	0.69	0.66	5.5%
Fare Revenue per Passenger (MXN)	730	548	33.2%	584	510	14.5%
Ancillary Revenue per Passenger (MXN)	455	472	(3.7%)	464	455	1.8%
Operating Revenue per Passenger (MXN)	1,185	1,020	16.1%	1,047	965	8.5%
CASK (MXN cents)	0.79	0.75	4.6%	0.78	0.73	-7.5%
Cost per seat (MXN cents)	878	814	7.9%	861	781	10.2%
CASK ex-fuel (MXN cents)	0.49	0.42	16.4%	0.47	0.42	12.4%
Adjusted CASK* (MXN cents)	0.66	0.62	6.3%	0.65	0.59	8.8%
Adjusted CASK* ex-fuel (MXN cents)	0.41	0.35	18.2%	0.39	0.34	13.9%
Stage Length (km)	1,113	1,079	3.2%	1,104	1,076	2.6%

*Adjusted to 1,609 km

Financial Ratios

Financial Ratios	3Q19	3Q18	Ch. %
Liquidity ratio*	0.75x	0.32x	0.43x
Current ratio**	**0.77x**	**0.33x**	**0.44x**
Cash as % of LTM revenue***	31.2%	17.0%	14.2 p.p.
Total Debt / Shareholders' Equity	**1.34x**	**1.85x**	**(0.51x)**
Adjusted Net Leverage / EBITDAR****	**3.56x**	**4.84x**	**(1.28x)**

+Liquidity ratio = (Current assets – Inventory) / Current Liabilities
**Current ratio = Current assets / Current Liabilities
***Includes restricted cash
****Adjusted net leverage: Net debt (Total financial debt minus cash) plus operational leases. 3Q18 does not contemplate IFRS 16

Message from Grupo Viva Aerobus' CEO

We started the second half of the year with the required drive to keep advancing on the sustainable growth path that we have traced for almost 13 years, as Viva Aerobus continued bolstering its business model within the airline industry, despite the challenging environment. Proof of the latter is that, from January to August 2019, we contributed with a 38.8% share in the domestic passengers' growth in Mexico, thus positioning Viva Aerobus as the second airline in passengers carried in the domestic market, with over 7.2 million customers during the period.

As well, we continued to cope up with the challenges posed by a strong competition, through an operational efficiency and customer centered approach, coupled with improvements in costs and optimization of revenue. In relation to our operating results, it is important to note the 40.1% climb in our total operating revenue, which amounted to Ps.3,964 million, as double-digit growth rates were recorded in both Fare (+60.7% YoY) and Ancillary (+16.1% YoY) Revenue.

It should be noted that Ancillary Revenue reached a 38% share of total operating revenue, derived from our fare unbundling strategy, based on the customer empowerment, as it allows travelers to select and pay only for the services they need. Therefore, quarterly EBITDAR reached Ps.1,519 million, a 58.3% surge, driven by the increase in total operating revenue that offset the rise in operating expenses.

These results prove the support that our ultra-low-cost business model provides us. Drawing from the high use of our assets and wide contribution of ancillary revenue; we are able to offer very competitive fares. In parallel, our disciplined operative efficiency and deployment of the most modern fleet in Mexico (comprised of 36 Airbus A320, with an average age of 3.8 years) enabled us to obtain operating costs per available seat kilometer of 79 cents, one of the lowest in the sector.

Moreover, during the quarter, we posted a 20.6% annual growth on passengers carried, above the 3.3 million travelers, with a load factor of 88%. These results clearly show the progress attained in the execution of our strategy oriented to increase passenger acquisition; result of the efforts we have gone through to provide all people the opportunity to fly.

In this sense, we carried over one million passengers in both July and August, allowing us to reach 8.7 million customers YTD (January - September 2019); and, just about to exceed our annual traffic record-high of 10 million passengers.

It is important to mention that we remain open-eyed on arising opportunities of both improvement and expansion; drawing on the demand momentum. Therefore, with the aim of meeting the incremental traveler's preference for Viva Aerobus, we raised our capacity measured in available seat kilometers by 29.2% this quarter; incorporating 2 new Airbus A320 aircraft and launched 9 new routes. Moreover, so far 2019, we have already added 23 routes into our portfolio, thus reaching a total of 118 routes: 100, national, and 18, international.

We are heading towards year-end, near to complete 13 years of service. Time where we have been focusing our efforts in controlling costs and boosting efficiency. Our long-term goals remain unchanged, oriented to maintain strong levels of profitability, widen the customers base, and expand air connectivity at affordable prices.

Once again, I thank our passengers and investors for their trust, as it encourages us to give our greatest effort and raising our service standards. In addition, I would like to take the opportunity to recognize the never ending and excellent work performed by the Viva Aerobus' team.

Gian Carlo Nucci
CEO of Grupo Viva Aerobus

Message from Viva Aerobus' CEO

We are pleased to end the quarter with new achievements in terms of expansion, growth and connectivity. We launched 9 new routes, 5 of them international (to Chicago), as well as reaching a paramount milestone, the launch of our #-100 national route, Puerto Vallarta - Tijuana. The foregoing is a clear indication of the sound execution of our domestic expansion strategy, without overlooking the international front, leveraging on our wide knowledge of traveler needs. In addition, we recorded a double-digit growth rate in carried passengers during July, August and September, result of our continuous improvement approach to offer a quality service at the best price.

Next, I will discuss in detail each of the performed tasks and targets achieved this quarter, as we remained firm in our very commitment of enabling a larger number of people the access of air travel, by taking advantage of our low fares (flagship of Viva Aerobus and driving force behind our advancement within the domestic market).

- As It was announced at the 2019 Mexico's Tourist Market ("Tianguis Turístico 2019"), we increased the flight frequency of the Toluca - Cancun route, from 3 to 5 flights per week, starting on July 1st, thus bolstering our customer's connectivity.

- We announced our arrival to San Luis Potosi, through the new regular route from Monterrey, which will start operations as of November 1st. These flights will help the San Luis Potosi state to maintain its tourism growth trend above than the national average.

- We informed over the Monterrey - La Paz route opening, which will also start operations on November 1st. With this launch, we reached 10 routes from Baja California Sur: 4, from La Paz, and 6, from Los Cabos, thus contributing to the development of this state's tourist potential towards an accessible connectivity and a non-stop flight offering.

- We were named the airline with the highest share of Ancillary Revenue in the global industry in 2018, according to the ranking published by the consulting firm Idea Work Company (https://www.cartrawler.com/ct/media/2019/07/2018-Top-10-Airline-Ancillary-Revenue-Rankings-.pdf). This reflects the freedom of choice that we offer to our passengers for customizing their flights, factor that help us in return to maintain competitive fares. Our fare unbundling strategy enables us to cope with the macroeconomic variables that affect ticket prices, for the direct benefit of the travelers.

- Seeking to meet the needs of the Mexican population living in the United States (our main target for this endeavor), we celebrated the announcement of 5 new winter seasonal routes to the Chicago - O'Hare International Airport from Guadalajara, León, Monterrey, Morelia and Zacatecas.

- Bearing in mind the need to meet the high demand of holiday seasons, we announced that our Monterrey - Ixtapa Zihuatanejo seasonal route, which operated during Holy Week, will also serve passengers in winter, from December 14th, 2019 to January 4th, 2020. Additionally, these flights provide passengers from Guerrero the possibility of traveling to all Mexico, through our connection flight services offered at our Monterrey's hub.

- We accomplished an important milestone, as we started the commercial operations of our #100 route (Puerto Vallarta - Tijuana). With this achievement, we strengthened our leadership in Tijuana, one of our 5 hubs, where we already offer 10 routes, thus consolidating our place as the 2nd airline with more destinations from this airport.

We are convinced that with the offer of incremental flight options under the best prices and service, we will generate a positive impact for everyone: passengers, connected destinations, the airline industry and Mexico as a whole. We face the future with the conviction of continue widening our routes portfolio and keep betting on innovation, to improve customer's experience; objectives that we will only meet through the effort and commitment of the Viva Aerobus' team, and the support of all passengers, suppliers and investors who trust us.

Juan Carlos Zuazua
CEO of Viva Aerobus

Message from Grupo Viva Aerobus' CFO

The effectiveness of our ultra-low cost model allowed us to maintain healthy and stable numbers this quarter, mainly reflected in the growths posted in Total Operating Revenue (+ 40% YoY), EBITDAR (+ 58% YoY) and Operating Income (+ 76% YoY).

These results were supported by an offer of highly competitive fares, which allowed us to achieve a load factor of 88% during the quarter, one of the highest in the sector, thus propelling a good level of profitability for Viva Aerobus. Even when we have solidly increased our capacity (new routes, incremental flight frequencies and aircraft) we still foresee an increasing number of passengers seeking for our air travel solutions, as we prospect on the base of the customer growth trend recorded over these 9M of 2019 (+ 21% YoY).

In this regard, our strategy, anchored on an efficient operation at all time, enables Viva Aerobus to face challenging external factors, such as the exchange rate volatility, as well as have control over rents and maintenance expenses denominated in American dollars.

Turning to the balance sheet, especially outstanding was the Company's total debt sequential reduction (-11.7% QoQ), which follows the amortization of PDP financing, as a result of delivery of new aircraft during the quarter. Consequently, as of September 30th, 2019, Viva Aerobus leverage ratio (defined as net debt plus operational leases to LTM EBITDAR) stood at 3.56x, a healthy level which allows us to move forward at a solid pace in our expansion strategy.

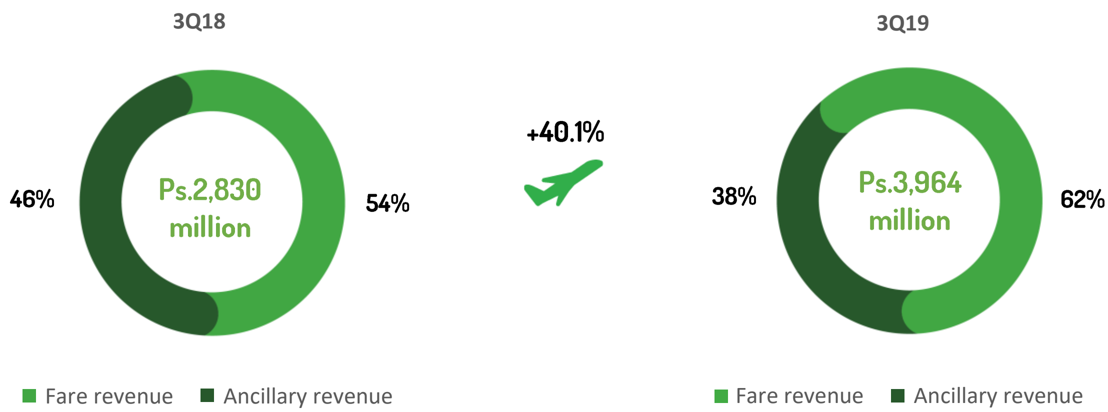
As for the cash and cash equivalents balance, as of the end of 3Q19, amounted to Ps.3.803 million, representing 31.2% of LTM Total Operating Revenue. This figure ensures a smooth access to the liquidity required to advance towards the development of our strategic pipeline of projects towards the short and medium term.

We are heading to year-end on a strong footing, with our thoughts and efforts focused on keep positioned as a leading airline of high growth and profitability. Our attachment to our ultra-low-cost approach, the diligence of our team and our commitment to improve customers' experience will be the pillars to sustain our goals of financial and operational strength.

Jose Golffier
CFO of Grupo Viva Aerobus

Income Statement Analysis (P&L)

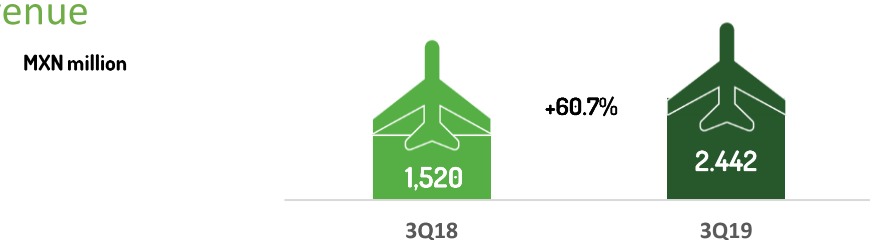
Consolidated Revenue



3Q19 Total Operating revenue amounted to Ps.3,964 million, climbing 40.1% vs. the Ps.2,830 million recorded in the same quarter last year, driven by the annual growth rates of 60.7% and 16.1%, registered in fare and ancillary revenue, respectively. YTD, Total Operating Revenue increased 29.8% YoY.

Out of the Ps.3,064 million recorded in 3Q19 Total Operating Revenue, 62% stemmed from Fare Revenue (Ps.2,442 million) and the remaining Ps.1,522 million came from Ancillary Revenue (38%). The lower participation of Ancillary Revenue in the Total Operating Revenue was result of the Company's operational flexibility, as this quarter's demand allowed us to reach higher fare levels, that boosted in return fare revenue. And, on the other hand, we were able to fully tap into the incremental offer of available seat kilometers (ASKs), which increased more than 29% YoY. Consequently, the Ancillary Revenue share in Total Operating Revenue softened this quarter, as a direct effect of the growth in Total Operating Revenue that followed the surge in Fare Revenue. Notwithstanding, Viva Aerobus still maintains one of the highest contributions of Ancillary Revenue at international standards.

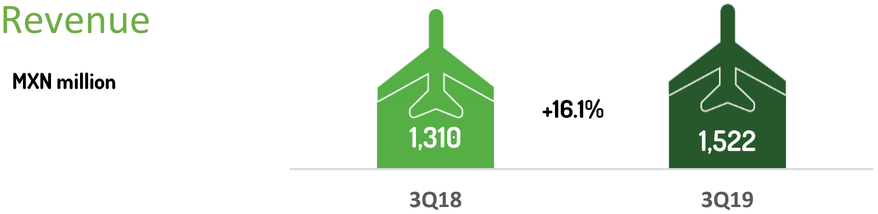
Fare Revenue



In the 3Q19, Fare Revenue surged 60.7%, reaching Ps.2,442 million (vs. Ps.1,520 million in 3Q18), fueled by the combined effect of a 20.6% annual increase in passengers carried and a 33.2% growth in the average fare per passenger. The increase in passengers was mainly due to the 29.2% annual growth in capacity, measured by available seat kilometers (ASKs), which has been absorbed by the demand.

These figures follow the execution of our strategy oriented to consolidate a wide and accessible connectivity network, clearly reflected on the incorporation of over 20 routes into our portfolio so far this year, while providing to all air travelers a wide offer of 100 national and 18 international routes, at the most attractive fares.

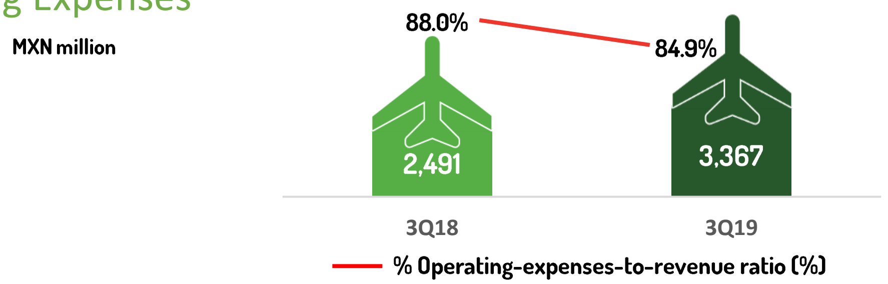
Ancillary Revenue



Ancillary Revenue totaled Ps.1,522 million, growing 16.1% when compared to the Ps.1,310 million recorded in the same quarter 2018, driven by the proven efficiency of our fare unbundling strategy, one of the paramount pillars behind our operational strength, which allow us to stimulate demand through the offering of products and services dedicated to enrich passenger experience, thus providing the possibility of having a tailored made travel experience that embraces solutions as pet quality care.

Examples of the above are the "Flexi Pass" (opportunity to forward or delay flights to the next option available), a variety of insurances to have protection against any eventuality, and ground transportation, taking advantage of the synergies reached with Grupo IAMSA.

Operating Expenses



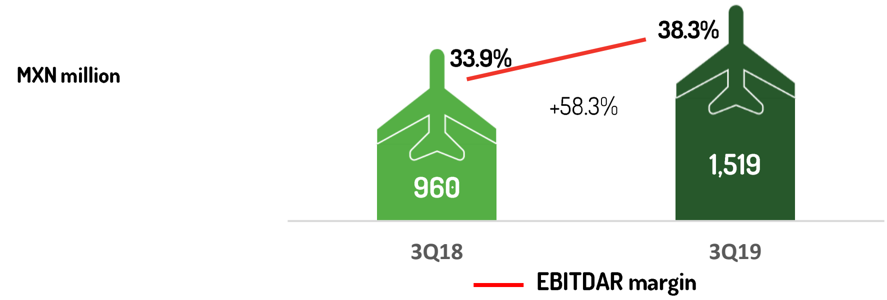
This quarter, total operating expenses totaled Ps.3,367 million, up 35.2% when compared to that of 3Q18, mainly explained by the Ps.375 million increase in depreciation and amortization items (+82.6% YoY), in line with the application of the component depreciation method, pursuant to the adoption of the IFRS 16, as well as the increase in fuel (+15.8% YoY) and selling, administrative and advertising expenses (+39.4% YoY), given the higher operating volume, from the steady expansion of our routes portfolio.

Nevertheless, the achieved operating efficiencies, together with the inherent benefits from our cutting-edge aircraft fleet (one of the most modern in the industry), contributed to cut by 3.1 p.p. the operating-expenses-to-revenue ratio, from 88.0% in 3Q18 to 84.9% this quarter.

It is worth noting that seeking to mitigate risks related to fuel price fluctuations, Viva Aerobus maintains a risk management policy that uses a portfolio of instruments, comprised by forwards, call and call spread options, hedging approximately 50% of the forecasted jet fuel requirements for the following two months, 40% for the third month, 30% for the fourth month, continuing iteratively until reaching 5% of the forecasted consumption for the twelfth month.

(MXN Million)	3Q19	3Q18	Ch. %	9M19	9M18	Ch. %
Fuel	1,267	1,094	15.8%	3,411	2,715	25.6%
Maintenance	171	76	>100.0%	399	250	59.8%
Salaries, wages and other benefits	385	308	25.1%	998	841	18.6%
Selling, administrative &advertising expenses	519	372	39.4%	1,331	1,107	20.2%
Other operating expenses	102	19	>100.0%	254	(225)	(>100.0%)
Supplemental rents	94	167	(43.7%)	247	430	(42.5%)
Depreciation and amortization	829	454	82.6%	1,885	1,248	51.1%
Total operating expenses	3,367	2,491	35.2%	8,526	6,366	33.9%
Operating-expenses-to-revenue ratio (%)	84.9%	88.0%	(3.1 p.p.)	93.2%	90.3%	2.9 p.p.

EBITDAR



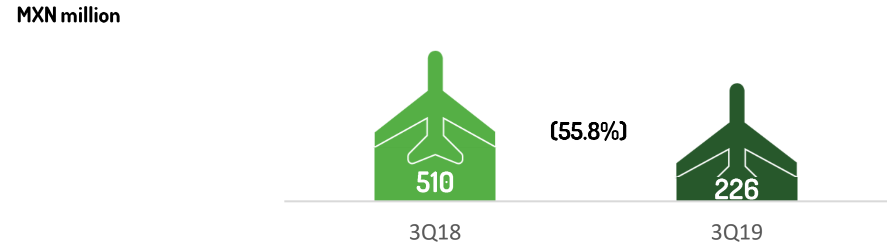
From July to September 2019, EBITDAR amounted to Ps.1,519 million, up Ps.560 million (+58.3%) vs. the Ps.960 million recorded in 3Q18, as a result of the growth achieved in total operating revenue, which more than offset the increase in operating expenses during the quarter. 3Q19 EBITDAR margin stood at 38.3%, up 4.4 p.p. YoY. YTD, EBITDAR growth rate was 16.7% YoY.

(MXN Million)	3Q19	3Q18	Ch. %	9M19	9M18	Ch. %
Operating income	597	339	75.9%	620	680	(8.8%)
Depreciation & amortization	829	454	82.6%	1,885	1,248	51.1%
Rents	94	167	(43.7%)	247	430	(42.5%)
EBITDAR	1,519	960	58.3%	2,753	2,358	16.7%
EBITDAR margin	38.3%	33.9%	4.4 p.p.	30.1%	33.5%	(3.4 p.p.)

Income Tax

3Q19 income tax totaled Ps.78 million, Ps.51 million less, or a 39.4% decrease when compared to the Ps.128 million in 3Q18. YTD, the tax line posted a benefit of Ps.129 million, increasing 26.9% when compared to the Ps.101 million benefit recorded in the same period 2018.

Net Income (Loss)



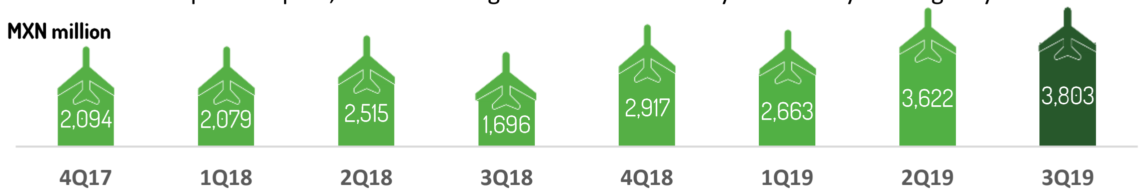
3Q19 Net Income totaled Ps.226 million, decreasing 55.8% when compared to that of Ps.510 million in 3Q18, following a negative Comprehensive Financial Result "CFR" of Ps.293 million, vs. the positive figure of Ps.299 million recorded in 3Q18. This effect derives from a non-cash FX loss of Ps.193 million (vs. a non-cash Fx gain of Ps.474 million in 3Q18) related to the application of the IFRS 16. YTD, net income reached Ps.50 million.

(MXN Million)	3Q19	3Q18	Ch. %	9M19	9M18	Ch. %
Net income (Loss)	226	510	(55.8%)	50	554	(91.1%)
Net margin	5.7%	18.0%	(12.3 p.p.)	0.5%	7.9%	(7.4 p.p.)

Financial Position

Cash & Cash Equivalents

3Q19 cash & cash equivalents, including restricted cash balance, recorded a growth rate of over 100%, from Ps.1,696 million in 3Q18 to Ps.3,803 million this quarter, given the higher operating revenue, coupled with the obtained proceeds from the refinancing activities of LTM (considering settlements made on pre-delivery payments). The Company considers that this balance of cash allows it to have the required solvency to move forward with its expansion plan, while ensuring the financial stability to face any contingency.



Financial Debt

(MXN Million)	Sep-19	Sep-18	Ch. %
Bank debt (mostly for PDP financing)	1,370	1,793	(23.6%)
Debt securities	**2,000**	**1,684**	**18.8%**
Short-term	1,773	2,847	(37.7%)
Long-term	**1,596**	**629**	**>100.0%**
Gross debt	3,370	3,477	(3.1%)
Net debt*	**(433)**	**1,781**	**(>100.0%)**

* Net debt: Total financial debt – cash (including restricted cash).

The Company's Total Debt as of September 30th, 2019, was Ps.3,370 million, i.e. an 11.7% sequential drop, in line with the short-term amortizations conducted during the quarter. The foregoing was also reflected in the 13.4% sequential decrease in maturities due <= 1 year.

Consequently, debt securities stood for 59.3% of total debt, amounting to Ps.2,000 million, while the remaining 40.7% (Ps.1,370 million) stemmed from advance payments on aircraft, which do not represent a risk to the Company's cash flow, as they will be repaid through sale & lease back operations executed at the delivery date of the aircraft.

It is worth mentioning that before the Company's high level of cash & cash equivalents, 3Q19 net debt was negative for Ps.433 million, vs. the positive Ps.1,781 million in 3Q18.

The Company's leverage ratio, defined as Adjusted Net Leverage (Net Debt + Operational Leases) to EBITDAR, decreased from 4.51x in 2Q19 to 3.56x this quarter, down 0.95x times, supported by the combined effect of a lower net debt and a higher LTM EBITDAR.

It is important to recall that Adjusted Net Leverage calculated under IFRS16 reflects Company's leverage in a more precise way, vs. the previously applied standard that used a lease capitalization ratio of 7x.

	Sep-19	Sep-18	Ch. %
Adjusted net debt / EBITDAR*	3.56x	4.84x	(1.28x)

*3Q18 reformulated under IFRS16

Fleet

Aircraft	September 2019	December 2018	September 2018
Airbus 320ceo	20	21	22
Airbus 320neo	16	10	5

Grupo Viva Aerobus fleet increased from 27 aircraft in 3Q18 to 36, as of quarter-end. Out of which, 20 were Airbus 320ceo units and the remaining 16 were Airbus 320neo. During 3Q19, higher operational efficiencies were achieved, mainly in fuel costs, as 2 new Airbus 320neo were delivered.

3Q19 available seat kilometer (ASKs) reached 4,267 million, a 29.2% growth when compared to that of 3,303 million in 3Q18, driven by an ongoing fleet expansion, coupled with an Increasing portfolio of routes and destinations.

It is worth noting that Company's renovation process is scheduled to last at least towards year-end 2025, when Viva Aerobus will receive the remaining aircrafts, out of the 80 aircraft request made in July 2018 comprised of 24 A320neo and 41 A321neo (model featured by Its lower fuel consumption). Thus, the Company expects to: i) further achieve higher efficiencies, to support its ultra-low-cost model; ii) continue improving the experience and satisfaction of its passengers; and, iii) deliver positive results for the benefit of its investors and stakeholders.

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Adoption of IFRS16 "Leases"

All details related to the application of IFRS 16, in compliance with the stated at paragraphs 30 to 31 of the IAS 8 are explained herein. IFRS 16 introduces a comprehensive model for lease contracts identification and its accounting treatment, for both the lessee and lessor. The IFRS 16 "Leases" became applicable on January 2016 and it was adopted by the Company on January 2019. The IFRS 16 distinguishes between leases and service contracts, on the basis of recognizing if an identified asset is effectively controlled by the client. The distinction between operational (not included in the Statement of Financial Position) and financial (Included in the Statement of Financial Position) leasing is removed in the lessee's accounting and replaced by a model in which they have to recognize a right-of-use asset and its respective liability (both in the Statement of Financial Position), excepting the leases maturing within a term lesser than 12 months and those in which the value of the leased asset is below USD$5,000.

The initial application of IFRS 16 considered that all lease contracts with outstanding payments past January 1st, 2018 had to be treated in full compliance to the new accounting standard (by using a discount rate commencing from the lease contract effective start date, depreciating the right-of-use asset during the contract term and adjusting the lease liability in accordance to the effective interest method).

However, given the new standard complexity, as well as its impact on the global aviation industry, In recent dates, accounting representatives of different airlines, together with the IATA's Industry Accounting Working Group and external audit firms, decided to adopt changes in the implementation of IFRS 16 in the airlines industry. As a result, several airlines are recalculating and adjusting the effects of IFRS 16 on its interim financial statements for fiscal year 2019.

In this context, Viva Aerobus carried out modifications and adjustments to its previously reported financial information, in accordance to the adjusted retrospective method. Thus, the right-of-use assets are no longer 100% amortized during the lease term. Therefore, airlines are bound to apply the depreciation method by components, thus identifying the material components, being the main one the engines, which are amortized according to its planned maintenance schedule. Additionally, Viva Aerobus recognizes a provision for the estimated aircraft redelivery costs at the start date of the lease contract, in relation to the asset's right-of-use.

Fixed-income Analysts

Institution	Credit Rating	Analyst	E-mail
HR Ratings	HR AA (E) – HR3	Samuel Egure-Lascano	samuel.egurelascano@hrratings.com
Verum	AA/M (e) – 2/M	Jonathan Félix	jonathan.felix@verum.mx

About Grupo Viva Aerobus

Grupo Viva Aerobus is a holding Company of several businesses, among those is the airline Viva Aerobus.

About Viva Aerobus

Viva Aerobus is Mexico's low-cost airline. It started operations in 2006 and today operates one of the most modern Latin American fleet with 36 Airbus 320, in 118 routes to 45 destinations. With a clear vision of giving all people the opportunity to fly, Viva Aerobus has democratized the airline industry with the lowest rates in Mexico, making their flights the best value offer, which in 2018 enabled Viva to carry more than 10 million passengers in one year for the first time since its foundation and during July and August to carry more than 1 million passengers in each of these two months.

Passengers Segment

The passengers segment targets the large Mexican market of price-sensitive leisure passengers and passengers visiting friends and relatives ("VFRs"), as well as bussiness travelers from small and medium enterprises ("SMEs"), and have a particular focus on travelers currently traveling by bus, to create opportunities for travelers to trade up from long distance bus travel to air travel. For this purpose, we leverage our long-term, strategic relationship with Grupo IAMSA, which serves millions of bus passengers each year, since Viva Aerobus is the only airline in Mexico that has within its distribution channels over 300 bus stations which sell flight tickets.

Ancillary Revenue

The ancillary revenue seeks to maximize the satisfaction level of passengers traveling with Viva Aerobus by offering a broad portfolio of products and services adaptable to the unique needs of each client, while also being an important source of revenue for the Company.

Forward-looking Statements

This earnings release may contain forward looking statements that reflect the vision of the Company's management and are not based on historical facts. Grupo Viva Aerobus cautions readers that the statements or estimations herein contained, or stated by the Company's management team, are subject to risks and uncertainties that might change from time to time as a result of a number of factors that are out of the Company's control.

Glossary

ASKs: Stands for "available seat kilometers" and represents aircraft seating capacity multiplied by the number of kilometers the seats are flown.
CASK: Stands for “cost per available seat kilometer” and represents operating expenses divided by available seat kilometers (ASKs).
CASK ex-fuel: Represents operating expenses other than fuel divided by available seat kilometers (ASKs)
EBITDAR: Stands for "Earnings before interest, taxes, depreciation, amortization and restructuring and rent costs" and it is calculated as revenue minus expenses, excluding interests, depreciation, amortization, restructuring and rental costs.
Load Factor: Represents the percentage of aircraft seating capacity that is currently used and is calculated by dividing revenue passenger kilometers (RPKs) by available seat kilometers (ASKs).
RASK: Stands for “operating revenue per available seat kilometer” and represents operating revenue divided by available seat kilometers.
RPKs: Stands for “revenue passenger kilometers” and represents the number of kilometers flown by passengers.

Investor Relations Contact

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Financial Statements

Income Statement*

Grupo Viva Aerobus, S.A. de C.V. and Subsidiaries

Consolidated Statement of Comprehensive Income

Three-and nine-months period ended September 30, 2019 and 2018

(Thousands of Mexican Pesos)

MXN thousand	3Q19	3Q18	Ch. %	9M19	9M18	Ch. %
Operating Revenue						
Passengers	2,442,080	1,519,755	60.7%	5,098,610	3,722,822	37.0%
Ancillary revenue	1,521,977	1,310,458	16.1%	4,047,880	3,323,233	21.8%
Total Revenue	3,964,057	2,830,213	40.1%	9,146,490	7,046,055	29.8%
Operating Expenses						
Fuel	1,267,300	1,094,334	15.8%	3,411,181	2,715,390	25.6%
Maintenance	170,971	76,406	>100.0%	399,258	249,802	59.8%
Salaries, wages and other benefits	385,376	308,084	25.1%	997,683	840,908	18.6%
Rights for the usage of air space	159,724	104,554	52.8%	407,502	279,188	46.0%
Selling, administrative and advertising expenses	519,090	372,297	39.4%	1,331,119	1,107,193	20.2%
Other operating (income) expenses	(57,674)	(85,228)	(32.3%)	(153,180)	(504,681)	(69.6%)
EBITDAR	**1,519,270**	**959,766**	**58.3%**	**2,752,927**	**2,358,255**	**16.7%**
EBITDAR Margin	***38.3%***	***33.9%***	***4.4 p.p.***	***30.1%***	***33.5%***	***(3.4 p.p.)***
Rents	93,798	166,714	(43.7%)	247,395	430,055	(42.5%)
EBITDA	**1,425,472**	**793,052**	**79.7%**	**2,505,532**	**1,928,200**	**29.9%**
EBITDA Margin	***36.0%***	***28.0%***	***8.0 p.p.***	***27.4%***	***27.4%***	***0.0 p.p.***
Depreciation and amortization	828,633	453,704	82.6%	1,885,310	1,248,057	51.1%
Operating Income	**596,839**	**339,348**	**75.9%**	**620,222**	**680,143**	**(8.8%)**
Operating Margin	***15.1%***	***12.0%***	***3.1 p.p.***	***6.8%***	***9.7%***	***(2.9 p.p.)***
Net Interest Expenses (income)	(100,768)	(175,281)	(42.5%)	(758,336)	(507,532)	>100.0%
Net FX Gain (Loss)	(192,584)	474,322	(>100.0%)	58,942	279,524	(78.9%)
Net Income Before Taxes	**303,487**	**638,389**	**(52.5%)**	**(79,172)**	**452,135**	**(>100.0%)**
Net Income Margin Before Taxes	***7.7%***	***22.6%***	***(14.9 p.p.)***	***(0.9%)***	***6.4%***	***(7.3 p.p.)***
Income taxes	(77,842)	(128,424)	(39.4%)	128,674	101,396	26.9%
Consolidated Net Income	**225,645**	**509,965**	**(55.8%)**	**49,502**	**553,531**	**(91.1%)**
Net Income Margin	***5.7%***	***18.0%***	***(12.3 p.p.)***	***0.5%***	***7.9%***	***(7.4 p.p.)***

* Income Statement Notes:

As of January 1st, 2019, the Company adopted the IFRS 16 standard applying the backwards method, therefore, the 2018 comparative information presented in this report has been reformulated.

- As of September 30th, 2018, the entity reported as selling, administrative & advertising expenses, the expenses for luggage services and passengers review; those are presented as services and other charges.
- As of September 30th, 2018, the entity reported as selling, administrative & advertising expenses, commissions from credit cards, that are now accrued on interest income (expenses).

Balance Sheet

Grupo Viva Aerobus, S.A. de C.V. and Subsidiaries

Consolidated Statement of Financial Position

As of September 30, 2019 and 2018 and December 31, 2018

(Thousands of Mexican Pesos)

MXN thousand	As of September 30, 2019	As of September 30, 2018	As of December 31, 2018 (audited)	Ch. % Sep. 19 vs. Sep. 18	Ch. % Sep. 19 vs Dec. 18
Assets					
Cash and cash equivalents	3,802,909	1,695,624	2,917,396	>100.0%	30.4%
Accounts receivable and others	304,551	402,640	435,387	(24.4%)	(30.1%)
Inventories	149,990	94,563	99,016	58.6%	51.5%
Prepayments for maintenance	930,510	799,455	918,320	16.4%	1.3%
Guarantee deposits and prepaid expenses	3,832,316	4,240,628	3,852,017	(9.6%)	(0.5%)
Operating equipment, furniture and equipment, net	1,004,416	1,169,093	1,058,387	(14.1%)	(5.1%)
Derivative financial instruments	131,217	53,522	14,278	>100.0%	>100.0%
Deferred income taxes	894,096	634,756	765,121	40.9%	16.9%
Right-of-use assets	13,497,579	8,234,985	11,408,216	63.9%	18.3%
Other assets	805,391	562,260	578,963	43.2%	39.1%
Total Assets	**25,352,975**	**17,887,526**	**22,047,101**	**41.7%**	**15.0%**
Liabilities					
Short-term financial debt	1,773,249	2,847,181	2,784,570	(37.7%)	(36.3%)
Accounts payable	804,099	814,081	1,077,246	(1.2%)	(25.4%)
Accrued liabilities	367,910	363,717	386,331	1.2%	(4.8%)
Operative allowances	2,104,326	1,538,438	1,817,654	36.8%	15.8%
Air traffic liability	711,720	443,745	483,937	60.4%	47.1%
Long-term financial debt	1,596,264	629,445	427,317	>100.0%	>100.0%
Prepayments for services	161,698	262,471	165,448	(38.4%)	(2.3%)
Leasing liabilities	15,265,216	9,090,734	12,711,954	67.9%	20.1%
Other liabilities	56,740	21,903	102,262	>100.0%	(44.5%)
Total Liabilities	**22,841,222**	**16,011,715**	**19,956,719**	**42.7%**	**14.5%**
Shareholders' equity					
Capital stock	552,187	552,187	552,187	0.0%	0.0%
Other capital accounts	471,649	61,643	88,726	>100.0%	>100.0%
Retained profits	1,487,917	1,261,981	1,449,469	17.9%	2.7%
Total stockholders' equity	**2,511,753**	**1,875,811**	**2,090,382**	**33.9%**	**20.2%**
Total liabilities and stockholders' equity	**25,352,975**	**17,887,526**	**22,047,101**	**41.7%**	**15.0%**

* As of January 1st, 2019, the Company adopted the IFRS 16 standard applying the backwards method. Therefore, the 2018 comparative information herein presented has been reformulated.