



**QUARTERLY REPORT
3Q2019**

Red de Carreteras de Occidente, S.A.B. de C.V.

Highlights of the period.

- RCO achieved the following 3Q2019 results:
 - 10.75% increase in total toll revenues and other income, compared to 3Q2018.
 - 4.73% increase in Adjusted EBITDA, compared to 3Q2018.
 - 85.46% Adjusted EBITDA margin.
 - 3.27% increase in ADT for FARAC I, 7.07% decrease in ADT for COVIQSA, 0.22% increase in ADT for CONIPSA and 12.77% increase in ADT for COTESA.
- On July 2, 2019 RCO entered into a senior loan agreement with Banco Santander for a total amount of MXN\$2,000.0 million, that will be used primarily for capital expenditures. The acquisition of such credit occurs in the context of the refinancing completed by RCO on June 28th, 2019 (CBs with ticker RCO18U and RCO19) and the prepayment of Santander Capex Loans 2016 and 2017, for an aggregate principal amount of MXN\$3,650.0 million.
- On September 25th, 2019 RCO completed a cash distribution to its shareholders for a total amount of MXN\$7,000.0 million pro-rata.

Consolidated Financial Information for 3Q2019 and 3Q2018.

(MXN million)	Revenue, Income from operations and EBITDA			Cumulative		
	3Q2019	3Q2018	% Var	2019	2018	% Var
Total toll and other concession revenues ¹	2,538.0	2,291.6	10.75%	7,187.3	6,615.9	8.64%
Construction revenues	38.8	124.9	(68.94%)	116.1	516.3	(77.51%)
Total revenues	2,576.8	2,416.5	6.63%	7,303.4	7,132.2	2.40%
Costs and expenses (without construction costs)	836.9	680.8	22.93%	2,258.5	2,124.0	6.33%
Construction costs	38.8	124.9	(68.94%)	116.1	516.3	(77.51%)
Total costs and expenses	875.7	805.7	8.69%	2,374.6	2,640.3	(10.06%)
Income before other income -net	1,701.1	1,610.8	5.61%	4,928.8	4,491.9	9.73%
Other income -net	11.0	8.8	25.00%	21.7	21.6	0.46%
Income from operations	1,712.1	1,619.6	5.71%	4,950.5	4,513.5	9.68%
EBITDA	2,017.2	1,859.3	8.49%	5,868.4	5,232.3	12.16%
Adjusted EBITDA	2,169.0	2,071.0	4.73%	6,253.8	5,867.5	6.58%
Income from operations margin	67.46%	70.68%		68.88%	68.22%	
EBITDA margin	79.48%	81.14%		81.65%	79.09%	
Adjusted EBITDA margin	85.46%	90.37%		87.01%	88.69%	

¹ Total toll and other concession revenues exclude Construction revenues.

RCO (FARAC I, COVIQSA, CONIPSA and COTESA)

Red de Carreteras de Occidente, S.A.B. de C.V. (indistinctly, "RCO", the "Concessionaire" or the "Company"), whose primary purpose is to operate, maintain and exploit the highways and toll-free roads that are the subject matter of the FARAC I, COVIQSA, CONIPSA and COTESA concession agreements, announces its unaudited financial results as of September 30th, 2019.

The unaudited condensed consolidated financial statements as of September 30th, 2019 have been prepared in accordance with International Accounting Standard No. 34 "Interim Financial Information" in force. The accounting policies are the same used in the latest audited consolidated financial statements.

Selected Financial Information and Key Indicators.

Key indicators		3Q2019	3Q2018	% Var	Cumulative		% Var
Revenue by road (MXN million) / Toll Revenues					2019	2018	
FARAC I ⁽ⁱ⁾	Guadalajara-Zapotlanejo	279.4	255.2	9.49%	789.3	739.5	6.73%
	Maravatío-Zapotlanejo	702.3	640.4	9.66%	2,022.9	1,864.8	8.48%
	Zapotlanejo-Lagos	615.9	561.7	9.64%	1,728.1	1,584.9	9.03%
	León -Aguascalientes	488.9	431.7	13.26%	1,398.9	1,258.2	11.18%
	Total FARAC I⁽ⁱⁱ⁾	2,086.5	1,889.0	10.46%	5,939.2	5,447.4	9.03%
COVIQSA	Irapuato-Querétaro	276.1	247.5	11.56%	759.9	723.5	5.03%
CONIPSA	Irapuato-La Piedad	79.0	70.9	11.42%	211.5	216.3	(2.22%)
COTESA	Tepic- San Blas	16.9	15.2	11.18%	55.1	46.5	18.49%
Average daily traffic (ADT)							
FARAC I	By road stretch						
	Guadalajara-Zapotlanejo	44,069.6	42,863.7	2.81%	42,089.5	41,590.7	1.20%
	Maravatío-Zapotlanejo	10,776.5	10,494.4	2.69%	10,488.0	10,300.4	1.82%
	Zapotlanejo-Lagos	17,408.5	16,874.7	3.16%	16,456.7	15,906.2	3.46%
	León -Aguascalientes	15,335.1	14,604.5	5.00%	14,895.7	14,295.6	4.20%
	By type of vehicle						
	Buses	848.4	848.0	0.04%	831.2	825.8	0.65%
	Trucks	4,630.6	4,426.8	4.60%	4,590.2	4,383.1	4.73%
	Cars	9,106.0	8,848.0	2.92%	8,627.0	8,483.5	1.69%
	Weighted average Total⁽ⁱⁱⁱ⁾	14,585.0	14,122.8	3.27%	14,048.5	13,692.4	2.60%
COVIQSA	Irapuato-Querétaro	35,353.2	38,042.5	(7.07%)	35,383.0	38,501.4	(8.10%)
CONIPSA	Irapuato-La Piedad	22,126.8	22,078.0	0.22%	22,149.0	22,779.1	(2.77%)
COTESA	Tepic- San Blas	2,990.8	2,652.3	12.77%	3,189.5	2,862.4	11.42%
Consolidated results (MXN million)							
Total toll and other concession revenues ^(iv)		2,538.0	2,291.6	10.75%	7,187.3	6,615.9	8.64%
Income from operations		1,712.1	1,619.6	5.71%	4,950.5	4,513.5	9.68%
EBITDA		2,017.2	1,859.3	8.49%	5,868.4	5,232.3	12.16%
Adjusted EBITDA		2,169.0	2,071.0	4.73%	6,253.8	5,867.5	6.58%
Long-term debt ^(v)					48,602.0	41,532.8	17.02%
Stockholders' equity ^(v)					5,655.2	13,217.6	(57.21%)

⁽ⁱ⁾ Does not include: (i) ancillary revenues from the use of Right of Way and (ii) Construction revenues.

⁽ⁱⁱ⁾ Data extracted from daily operations system, there is a difference in timing compared to the accounting records.

⁽ⁱⁱⁱ⁾ According to each road's kilometers.

^(iv) Total toll and other concession revenues excluding Construction revenues.

^(v) Figures for 2019, correspond to the statement of financial position as of the end of September 2019. Figures for 2018, correspond to the statement of financial position as of December 2018.

- **Revenues.** Total toll and other concession revenues for 3Q2019 were MXN\$2,538.0 million, which represented a 10.75% increase as compared to 2Q2018 which had revenues for MXN\$2,291.6 million. Consolidated total revenues are comprised of:
 - **Toll revenues (FARAC I/COTESA)**, which increased by 10.51% during 3Q2019 as compared to 3Q2018, to MXN\$2,103.4 million; this increase is mainly due to an increase in toll rates based on inflation and an increase in ADT. As of today, AUTOVIM has not recorded revenues since it is in construction stage.
 - **Shadow toll payments from the SCT (CONIPSA/COVIQSA)**, comprised of the shadow toll payments by the SCT in connection with the operation of toll-free roads Irapuato - La Piedad and Querétaro - Irapuato, pursuant to the corresponding PPS agreements. The registered amount increased by MXN\$25.8 million to MXN\$233.6 million in 3Q2019 from MXN\$207.8 million in 3Q2018. Specifically, for COVIQSA, although traffic decreased, this is enough to reach the maximum quarterly payment settled in the PPS contract.
 - **Availability Payments from the SCT (CONIPSA/COVIQSA)**, comprised of Availability Payments made by SCT (financial asset) in connection with the toll-free roads Irapuato - La Piedad and Querétaro - Irapuato, pursuant to the corresponding PPS agreements. The registered amount increased by MXN\$14.8 million to MXN\$121.4 million in 3Q2019 as compared to MXN\$106.6 million in 3Q2018.
 - **Ancillary revenue from the use of right of way and other related revenues**, revenues generated by the businesses operated directly by RCO alongside its toll roads, such as restaurants and convenience stores; the fees charged to third parties for the businesses they operate alongside the toll roads, such as gas stations; and the easement fees charged to other third parties for the installation or construction of water and gas pipelines, power lines and telecommunications and other infrastructure within the right of way of the toll roads. The registered amount increased by MXN\$5.8 million to MXN\$79.6 million in 3Q2019 as compared to 3Q2018.

The amount of construction revenues and expenses are derived from the Expansion Works executed in FARAC I. Therefore, the revenue is the same as the incurred cost of certain works required post operations kick-off in Jiquilpan - La Barca requested by the SCT's General Direction of Highway Development; such cost represents an increase to the value of intangible assets derived from the concessions and have a zero net effect on the Company's results. The amounts registered at the end of 3Q2019 were MXN\$38.8 million as compared to MXN\$124.9 million in 3Q2018, a decrease of MXN\$86.1 million.

- **Costs and expenses (excluding construction costs).** Total costs and expenses for 3Q2019 were MXN\$836.9 million, an increase of MXN\$156.1 million as compared to 3Q2018; these costs and expenses are comprised of:
 - **Amortization of assets derived from the concessions**, which increased by MXN\$64.3 million to MXN\$297.3 million as compared to 3Q2018. This increase primarily due to the amortization factor increase of the intangible asset for FARAC I, derived from the traffic increase.
 - **Operation and maintenance provisions**, which decreased by MXN\$31.8 million during 3Q2019 as compared to 3Q2018 to MXN\$253.8 million.
 - **Toll collection costs**, which increased to MXN\$34.3 million during 3Q2019, or MXN\$3.4 million as compared to 3Q2018, mainly due to the increase in the variable portion of COTESA payment to SCT derived at the same time from its increase in revenue.
 - **Cost of ancillary revenue from the use of right of way and other related revenues**, increased by MXN\$8.9 million during 3Q2019 as compared to MXN\$36.4 million during 3Q2018, mainly due to the increase of cost of sales from ancillary services.
 - **General and administrative expenses**, which increase to MXN\$206.2 million during 3Q2019 from MXN\$94.9 million during 3Q2018, mainly due to the increase in the liability related to compensation plans for relevant executives.

- **Other income net.** Other income for 3Q2019 was MXN\$11.0 million, an increase of MXN\$2.2 million compared to MXN\$8.8 million during 3Q2018.
- **Income from operations:** increased by MXN\$92.5 million to MXN\$1,712.1 million during 3Q2019 from MXN\$1,619.6 million of 3Q2018 derived mainly from the revenue increase and thus representing an Income from Operations Margin of 67.46%.
- **EBITDA.** EBITDA increased by MXN\$157.9 million, to MXN\$2,017.2 million in 3Q2019 from MXN\$1,859.3 million in 3Q2018.
- **Adjusted EBITDA.** Adjusted EBITDA increased by MXN\$98.0 million, to MXN\$2,169.0 million in 3Q2019 from MXN\$2,071.0 million in 3Q2018.

Net financing cost, income taxes, and net income for the period.

Net financing cost, income taxes and Consolidated net income for the period						
(MXN million)				Cumulative		
	3Q2019	3Q2018	% Var	2019	2018	% Var
Income from operations	1,712.1	1,619.6	5.71%	4,950.5	4,513.5	9.68%
Net financing cost	1,350.4	1,066.6	26.61%	2,650.6	2,974.4	(10.89%)
Interest expense	1,439.8	1,013.2	42.10%	2,868.6	2,988.3	(4.01%)
Adjustments to principal amount of UDI denominated debt	94.1	139.2	(32.40%)	150.4	255.4	(41.11%)
Interest income	(183.6)	(85.6)	(114.49%)	(368.5)	(269.3)	(36.84%)
Net foreign exchange (gain) expense	0.1	(0.2)	150.00%	0.1	-	100.00%
Income before income taxes	361.7	553.0	(34.59%)	2,299.9	1,539.1	49.43%
Income taxes	113.3	64.1	76.76%	678.4	313.6	116.33%
Consolidated net income for the period	248.4	488.9	(49.19%)	1,621.5	1,225.5	32.31%

- **Net financing cost.** During 3Q2019, the net financing cost increased by MXN\$283.8 million as compared to 3Q2018, primarily comprised of:
 1. **Interest expense**, during 3Q2019 increased by MXN\$426.6 million, mainly due to the following: (i) increase of MXN\$281.9 million in premiums and interest on financing, (ii) decrease of MXN\$4.8 million in effects of valuation of derivative financial instruments, (iii) MXN\$50.5 million increase related to restructuring of derivative financial instruments, (iv) increase of MXN\$88.5 million in amortization of premiums and debt expenses, (v) MXN\$8.5 million increase in interest on Major Maintenance Provision, and (vi) MXN\$2.0 million increase in interest on right of use from leased assets.
 2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 3Q2019¹, a loss of MXN\$94.1 million was registered during 3Q2019, compared to the loss of MXN\$139.2 million during 3Q2018, mainly due to a lower inflation index of the year. This variation reflects a lower accumulated inflation of 3Q2019 as compared to 3Q2018. This line item reflects the UDI value of the CBs RCO 12U and RCO 18U.
 3. **Interest income**, which registered MXN\$183.6 million during 3Q2019 compared to MXN\$85.6 million in 3Q2018.

¹ UDI value as of September 30th, 2019 was 6.2914 compared to 6.2587 as of June 30st, 2019, a variation of 0.52%; UDI value as of September 30th, 2018 was 6.106995 compared to 6.01299 as of June 30st, 2018, a variation of 1.56%.

- **Income before income taxes.** The consolidated income before income taxes decreased by MXN\$191.3 million to MXN\$361.7 million in 3Q2019 compared to the consolidated income before taxes of MXN\$553.0 million in 3Q2018, primarily due to the increase on interest expense.
- **Income taxes.** During 3Q2019 the income taxes were MXN\$113.3 million, an MXN\$49.2 million increase from the registered during 3Q2018. This was mainly due to the inflation decrease of 3Q2019 vs 3Q2018, which decreases the amount of certain tax deductions.
- **Consolidated net income for the period.** During 3Q2019 the Company recorded a net income of MXN\$248.4 million, an MXN\$240.5 million decrease over the net income of MXN\$488.9 million in 3Q2018 derived mainly from the increase in net financing cost and income taxes.

CASH AND LONG-TERM DEBT

- **Cash and cash equivalents.** For 2Q2019 registered MXN\$7,382.5 million, which represented an increase of 2.24% compared to MXN\$7,220.9 million at the end of 2018.
- **Long-term debt.** The long-term debt is comprised of the following ten items, (i) FARAC I CBs RCO 12 and RCO12 U, (ii) FARAC I Senior Notes, (iii) FARAC I Banobras Loan, (iv) FARAC I Inbursa Loan, (v) FARAC I CBs RCO 14, (vi) FARAC I CBs RCO 18 U (vii) FARAC I CBs RCO 19 (viii) FARAC I 2019 Capex Loan, (ix) COVIQSA Loan and (x) CONIPSA Loan. In accordance with IFRS, long-term debt is presented net of fees and debt issuance costs.

As of 3Q2019, long-term debt increased by MXN\$7,069.2 million to MXN\$48,602.0 million from MXN\$41,532.8 million at the end of 2018. This net increase mainly stems from: (i) the provisions of the 2019 Capital Expenditure Credits and FARAC I Banobras Simple Credit, (ii) the issuance of FARAC I CBs RCO18U, and (iii) the issuance of FARAC I CBs RCO19; This increase was partially offset by the amortization of COVIQSA and CONIPSA credit, as well as the total payment of Santander Capex Loan2016 and 2017.

LIQUIDITY

The liquidity ratio (current assets/current liabilities) increased to 2.92 as of 3Q2019 compared to 2.83 at the end of 2018, mainly due to the increase in cash and cash equivalents, an increase in accounts receivable, as well as the increase in recoverable taxes.

FARAC I

Pursuant to the FARAC I Concession Agreement, the Company holds the right to build, operate, exploit, enhance and maintain (i) Guadalajara-Zapotlanejo, (ii) Maravatío-Zapotlanejo, (iii) Zapotlanejo-Lagos de Moreno and (iv) León-Aguascalientes toll roads with maturity in 2042.

Likewise, according to the FARAC I Concession Agreement, the Company is required to build and maintain the Expansion Works. See "FARAC I Expansion Works."

Selected Financial Information and key indicators for the period.

(MXN million)	3Q2019	3Q2018	% Var	Cumulative		
				2019	2018	% Var
Total toll and other concession revenues	2,165.3	1,958.0	10.59%	6,160.8	5,629.6	9.44%
Administrative service revenues	33.6	15.4	118.18%	81.3	66.1	23.00%
Costs and expenses (excluding construction costs)	711.6	525.8	35.34%	1,966.2	1,671.8	17.61%
Income from operations	1,496.2	1,453.6	2.93%	4,294.0	4,041.1	6.26%
EBITDA	1,758.1	1,652.2	6.41%	5,082.0	4,636.6	9.61%
Adjusted EBITDA	1,837.9	1,762.6	4.27%	5,337.7	4,967.9	7.44%
Income from operations margin	69.10%	74.24%		69.70%	71.78%	
EBITDA margin	81.19%	84.38%		82.49%	82.36%	
Adjusted EBITDA margin	84.88%	90.02%		86.64%	88.25%	
ADT by road						
Guadalajara-Zapotlanejo	44,069.6	42,863.7	2.81%	42,089.5	41,590.7	1.20%
Maravatío-Zapotlanejo	10,776.5	10,494.4	2.69%	10,488.0	10,300.4	1.82%
Zapotlanejo-Lagos	17,408.5	16,874.7	3.16%	16,456.7	15,906.2	3.46%
León -Aguascalientes	15,335.1	14,604.5	5.00%	14,895.7	14,295.6	4.20%
ADT by type of vehicle						
Buses	848.4	848.0	0.04%	831.2	825.8	0.65%
Trucks	4,630.6	4,426.8	4.60%	4,590.2	4,383.1	4.73%
Cars	9,106.0	8,848.0	2.92%	8,627.0	8,483.5	1.69%
Weighted average ADT Total FARAC I¹	14,585.0	14,122.8	3.27%	14,048.5	13,692.4	2.60%

¹ According to each road's kilometers.

- **Weighted Average Daily Traffic (ADT)**, during 3Q2019 a 3.27% increase was recorded compared to the same period of 2018, derived mainly from the increase in traffic of trucks.
- **Total toll and other concession revenues**, total toll and concession revenues for 3Q2019 were MXN\$2,165.3 million, an increase of MXN\$207.3 million compared to MXN\$1,958.0 million in 3Q2018. Total toll and other concession revenues are comprised of:
 - **Toll revenues**, which increased by MXN\$197.4 million to MXN\$2,086.5 million in 3Q2019 from MXN\$1,889.1 million in 3Q2018, this increase is mainly due to the increase in toll rates updated based on inflation.
 - **Ancillary revenue from the use of right of way and other related revenues**, additional revenues generated by the businesses operated by the Company alongside its toll roads, such as restaurants and convenience stores; during 3Q2019 the amount increased by MXN\$9.9 million to MXN\$78.8 million from MXN\$68.9 million during 3Q2018.

- **Administrative services revenues.** During 3Q2019, administrative services revenues were MXN\$33.6 million. These revenues, which are eliminated in the consolidation process, represent the personnel services rendered to COVIQSA, CONIPSA and COTESA by the Company's subsidiaries Prestadora de Servicios RCO and RCO Carreteras.

The amount of construction revenues and expenses are derived from the Expansion Works executed in FARAC I. Therefore, the revenue is the same as the incurred cost of certain works required post operations kick-off in Jiquilpan - La Barca requested by the SCT's General Direction of Highway Development; such cost represents an increase to the value of intangible assets derived from the concessions and have a zero net effect on the Company's results. The amounts registered at the end of 3Q2019 were MXN\$38.8 million as compared to MXN\$124.9 million in 3Q2018, a decrease of MXN\$86.1 million.

- **Costs and expenses (excluding construction costs),** total costs and expenses were MXN\$711.6 million in 3Q2019 as compared to MXN\$525.8 million in 3Q2018, comprised of:
 - **Amortization of assets derived from the concessions,** which increased by MXN\$62.0 million, to MXN\$254.7 million in 3Q2019 from MXN\$192.7 million in 3Q2018. Mainly derived from the increase in the amortization factor of the intangible asset for FARAC I as a result of the traffic increase.
 - **Operation and maintenance provisions** increased by MXN\$0.5 million during 3Q2019 compared to 3Q2018.
 - **Toll collection costs,** which increased by MXN\$2.6 million, to MXN\$29.9 million in 3Q2019 from MXN\$27.3 million in 3Q2018, mainly due to the increase in insurance and fees.
 - **Cost of ancillary revenue from the use of right of way and other related revenues,** increased by MXN\$9.4 million during 3Q2019 as compared to MXN\$45.2 million during 3Q2018.
 - **General and administrative expenses,** which registered MXN\$205.5 million in 3Q2019 from MXN\$94.2 million in 3Q2018, mainly due to the increase in the liability related to compensation plans for relevant executives.
- **Other income net.** During 3Q2019, FARAC I recorded an income of MXN\$8.9 million, an increase of MXN\$2.9 million from MXN\$6.0 million during 3Q2018.
- **Income from operations.** In 3Q2019, income from operations was MXN\$1,496.2 million, an increase of MXN\$42.6 million compared to MXN\$1,453.6 million in 3Q2018, which represents an Income from Operations Margin of 69.10%².
- **EBITDA.** EBITDA for 3Q2019 increased by MXN\$105.9 million, to MXN\$1,758.1 million from MXN\$1,6,52.2 million in 3Q2018, which represents an EBITDA Margin of 81.19%³.
- **Adjusted EBITDA.** Adjusted EBITDA for 3Q2019 was MXN\$1,837.9 million, an increase of MXN\$75.3 million compared to MXN\$1,762.6 million from 3Q2018, which represents an Adjusted EBITDA Margin of 84.88%⁴.
- **Net financing cost.** During 3Q2019, the net financing cost increased by MXN\$282.9 million, mainly due to the following:
 1. **Interest expense,** during 3Q increased by MXN\$425.8 million, mainly due to the following: (i) increase of MXN\$284.1 million in premiums and interest on financing, (ii) decrease of MXN\$3.8 million in effects

² *Income from operations / Total toll and other concession revenues*

³ *EBITDA / Total toll and other concession revenues*

⁴ *Adjusted EBITDA / Total toll and other concession revenues*

of valuation of derivative financial instruments, (iii) MXN\$50.5 million increase related to restructuring of derivative financial instruments, (iv) increase of MXN\$88.4 million in amortization of premiums and debt expenses, (v) MXN\$4.7 million increase in interest on Major Maintenance Provision, and (vi) and MXN\$1.9 increase in interest on right of use from leased assets.

2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 3Q2019⁵, a loss of MXN\$94.1 million was registered during 3Q2019, compared to the loss of MXN\$139.2 million during 3Q2018; This variation reflects a lower accumulated inflation of 3Q2019 as compared to 3Q2018. This line item reflects the UDI value of the CBs RCO 12U and RCO 18U.
3. **Interest income**, which increased by MXN\$98.0 million, to MXN\$166.4 million during 3Q2019 from MXN\$68.4 million during 3Q2018.

FARAC I Debt Service Coverage Ratio.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) decreased by 20.14%, to 1.99 in 3Q2019 from 2.49 in 3Q2018.

FARAC I Debt Service Coverage Ratio for the period.

DSCR FARAC I (MXN million)				Cumulative		
	3Q2019	3Q2018	% Var	2019	2018	% Var
(+) Income from operations	1,496.2	1,453.6	2.93%	4,294.0	4,041.1	6.26%
(+) Amortization of assets derived from the concession	254.7	192.7	32.17%	767.1	577.4	32.85%
(+) Depreciation	7.2	5.9	22.03%	20.9	18.1	15.47%
(+) Major Maintenance Provision	79.8	110.4	(27.72%)	255.7	331.3	(22.82%)
(=) Adjusted EBITDA	1,837.9	1,762.6	4.27%	5,337.7	4,967.9	7.44%
(-) Major Maintenance Expenses	115.1	-	100.00%	165.5	168.4	(1.71%)
(+) Available Cash ¹	1,067.5	762.2	40.06%	1,260.5	2,786.3	(54.76%)
(+) COVIQSA / CONIPSA excess cash to FARAC I	-	-	-	175.0	189.0	(7.41%)
(=) Amount Available for Debt Service	2,790.3	2,524.8	10.52%	6,607.7	7,774.8	-15.01%
(/) Debt Service ²	1,400.6	1,012.1	38.39%	2,855.9	2,977.1	(4.07%)
Debt Service Coverage Ratio (DSCR)	1.99	2.49	(20.14%)	2.31	2.61	(11.40%)

¹ Cash and cash equivalents net of amounts held in the Expansion Trust and certain project accounts that cannot be used to pay Total Debt Service.

² Includes interest expense net of certain non-cash items and principal amortizations. (More detail about the items of this ratio are in the definition of Debt Service Coverage Ratio). Includes Inbursa Loan amortization as well as RCO12 and RCO12U amortization. Does not include prepayment of Capex Loans 2016 and 2017 completed with RCO19 proceeds.

⁵ UDI value as of September 30th, 2019 was 6.2914 compared to 6.2587 as of June 30st, 2019, a variation of 0.52%; UDI value as of September 30th, 2018 was 6.106995 compared to 6.01299 as of June 30st, 2018, a variation of 1.56%.

FARAC I Debt Maturity Profile (MXN Million)

Year	Bank Debt			Debt Capital Markets						Total
	Capex Santander 2019	Banobras	Inbursa	CBs Pesos RCO12	CBs UDI RCO12 U ¹	CBs Pesos RCO14	CBs RCO18 U ¹	CBs RCO19	Senior Notes	
2019									225.0	225.0
2020			9.2	131.6	147.8				450.0	738.6
2021		57.9	73.5	138.8	155.6	44.0			525.0	994.9
2022	0.9	62.7	83.6	145.8	163.3	132.0			675.0	1,263.3
2023	3.5	84.5	100.2	152.3	172.1	264.0			900.0	1,676.6
2024	3.5	107.3	149.8	156.8	180.9	396.0			1,200.0	2,194.3
2025	3.5	134.8	200.4	157.0	190.7	528.0	156.7	28.0	1,350.0	2,749.2
2026	8.7	163.3	299.7	145.8	201.1	572.0	266.5	47.6	1,125.0	2,829.6
2027	8.7	190.9	299.7	93.0	210.9	616.0	376.2	67.2	750.0	2,612.5
2028	8.7	218.4	299.7		220.2	616.0	485.9	86.8	300.0	2,235.7
2029	8.7	243.1	299.7		227.4	616.0	595.6	106.4		2,096.9
2030	8.7	250.7	554.3		227.4	616.0	705.4	126.0		2,488.5
2031	8.7	1,128.1	554.3		211.4		815.1	145.6		2,863.1
2032	8.7	1,128.1	554.3		134.4		924.8	165.2		2,915.5
2033	8.7	1,128.1	554.3				1,034.5	184.8		2,910.4
2034	6.1	1,128.1	554.3				1,144.3	204.4		3,037.1
2035		1,128.1					1,254.0	224.0		2,606.1
2036		1,128.1					1,363.7	243.6		2,735.4
2037		1,213.5					1,473.4	543.2		3,230.2
2038							1,943.7	627.2		2,570.9
2039							2,053.4			2,053.4
2040							1,081.6			1,081.6
Total	87.2	9,495.6	4,586.8	1,121.2	2,443.1	4,400.0	15,674.7	2,800.0	7,500.0	48,108.6
Reserve ²	116.1	531.4	252.9	233.5	325.0	501.4	516.7	138.4	1,132.5	3,747.9
Total net	-	8,964.2	4,333.9	887.7	2,118.1	3,898.6	15,158.0	2,661.6	6,367.5	44,360.6

¹ UDI value as of September 30, 2019 of 6.291411

² Contractual cash reserve.

FARAC I Expansion Works

During 3Q2019, RCO completed capital expenditures of MXN\$16.5 million in connection with the Expansion Works. Since the inception of FARAC I Concession Agreement, RCO has invested a total of MXN\$3,174.4 million in connection with the Expansion Works detailed in the following table. The aforementioned amounts do not include taxes or payments in connection with Right of Way.

FARAC I Expansion Works status

Project	Beginning date	Closing date	Status
Rehabilitation of El Desperdicio-Lagos de Moreno feeder	Jun-09	Jan-10	Finished
León - Aguascalientes rehabilitation of 104 - 108 segment	Jun-09	Dec-09	Finished
Zapotlanejo - Guadalajara widening to six lanes between Tonalá and Guadalajara Km 21 to Km 26	May-10	Jun-11	Finished
Zapotlanejo - Guadalajara construction of toll free lanes between Tonalá and Guadalajara	Feb-11	Jun-12	Finished
Zapotlanejo - Guadalajara widening to three lanes carriageway A between El Vado and Tonalá	Jun-12	Feb-13	Finished
Zapotlanejo - Guadalajara construction of two overpasses in El Vado	Oct-12	Sep-13	Finished
Zapotlanejo - Guadalajara - reinforcement Fernando Espinosa bridge	Oct-12	Sep-13	Finished
Zapotlanejo - Guadalajara construction of toll free lanes between Arroyo de Enmedio and Tonalá	Dec-12	Jan-14	Finished
León - Aguascalientes construction of El Desperdicio II - Encarnación de Díaz feeder	Oct-12	Ago-14	Finished
Zacapu / Maravatío - Zapotlanejo	Jan-16	Dec - 17	Finished
* Jiquilpan-La Barca	Oct-14	May - 19	Finished

* The certificate of commencement of operation granted by the SCT's General Direction of Highway Development, as well as delivery-reception official minute of the highway, stipulates certain post operation works of Jiquilpan-La Barca Highway, which will be completed during the next months.

COVIQSA

COVIQSA holds the concession to operate, preserve and maintain a 93-km federal toll-free road located in the states of Querétaro and Guanajuato, for a 20-year period beginning in June 2006.

Selected Financial Information and key indicators for the period.

(MXN million)	3Q2019	3Q2018	% Var	Cumulative		
				2019	2018	% Var
Total toll and other concession revenues	276.1	247.5	11.56%	759.9	723.5	5.03%
Income from operations	155.4	155.1	0.19%	501.2	429.7	16.64%
EBITDA	189.9	188.7	0.64%	605.1	530.4	14.08%
Adjusted EBITDA	253.8	237.9	6.68%	705.9	678.0	4.12%
Income from operations margin	56.28%	62.67%		65.96%	59.39%	
EBITDA margin	68.78%	76.24%		79.63%	73.31%	
Adjusted EBITDA margin	91.92%	96.12%		92.89%	93.71%	
ADT for the period	35,353.2	38,042.5	(7.07%)	35,383.0	38,501.4	(8.10%)

- **Weighted Average Daily Traffic (ADT)**, during 3Q2019 a decrease of 7.07% was registered compared to the same period in 2018, explained by the contraction of the economic growth of the region and the migration of transit to other highways as Querétaro bypass.
- **Revenues.** COVIQSA total shadow toll and other concession revenues for 3Q2019 increased by MXN\$28.6million, to MXN\$276.1 million from MXN\$247.5 million in 3Q2018. Although traffic decreased, this is enough to reach the maximum quarterly payment settled in the PPS contract.
- **Costs and expenses.** Total costs and expenses for 3Q2019 were MXN\$122.2 million, an increase of MXN\$28.4 million compared to MXN\$93.8 million for 3Q2018. Mainly due to the update of the capex study and the consequent update to the Major Maintenance Provision.
- **Other income, net.** In 3Q2019 other income recorded MXN\$1.5 million, an increase of MXN\$0.1 million compared to an income of MXN\$1.4 million in 3Q2018.
- **Income from operations.** In 3Q2019, income from operations was MXN\$155.4 million as compared to MXN\$155.1 million in 3Q2018, which represents an Income from Operations Margin of 56.28%⁶.
- **EBITDA.** EBITDA for 3Q2019 was MXN\$189.9 million as compared to an EBITDA of MXN\$188.7 million in 3Q2018, which represents an EBITDA Margin of 68.78%⁷.
- **Adjusted EBITDA.** Adjusted EBITDA for 3Q2019 was MXN\$263.8 million as compared to an Adjusted EBITDA of MXN\$237.9 million in 3Q2018, which represents an Adjusted EBITDA Margin of 91.92%⁸.
- **Net financing cost.** During 3Q2019, the net financing cost registered an income of MXN\$16.0 million, from an income of MXN\$16.2 million during 3Q2018, mainly due to (i) a decrease in premiums and interests on financing by MXN\$4.9 million, (ii) increase of \$0.9 in the income of interest on derivative financial

⁶ Income from operations / Total toll and other concession revenues

⁷ EBITDA / Total toll and other concession revenues

⁸ Adjusted EBITDA / Total toll and other concession revenues

instruments, (iii) an increase of MXN\$2.1 million in interest on Major Maintenance Provision and, (iv) a decrease of MXN\$3.9 million in interest income.

COVIQSA | Debt Service Coverage Ratio for the period.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) decrease by 40.81% to 4.18 during 3Q2019 from 7.06 in 3Q2018.

COVIQSA (MXN million)				Cumulative		
	3Q2019	3Q2018	% Var	2019	2018	% Var
(+) Income from operations	155.4	155.1	0.19%	501.2	429.6	16.67%
(+) Amortization of assets derived from the concession	34.2	33.0	3.64%	102.7	99.2	3.53%
(+) Depreciation	0.3	0.5	(40.00%)	1.2	1.5	(20.00%)
(+) Major Maintenance Provision	63.9	49.2	29.88%	100.8	147.6	(31.71%)
(=) Adjusted EBITDA	253.8	237.8	6.73%	705.9	677.9	4.13%
(-) Income Tax	50.0	44.8	11.65%	193.8	136.2	42.30%
(-) Major Maintenance Expense	49.0	25.7	90.81%	131.6	80.1	64.26%
(+) Available Cash ¹	293.0	571.4	(48.72%)	605.6	467.8	29.46%
(=) Amount Available for Debt Service	447.7	738.7	(39.39%)	986.1	929.4	6.10%
(/) Debt Service ²	107.1	104.6	2.39%	322.4	312.6	3.13%
Debt Service Coverage Ratio (DSCR)	4.18	7.06	(40.81%)	3.06	2.97	2.88%

¹ Cash and cash equivalents net of amounts held in the Expansion Trust and certain project accounts that cannot be used to pay Total Debt Service.

² Includes interest expense net of the costs of unwinding derivative financial instruments and certain non-cash interest expense items; and principal amortizations. (More detail about the items of this ratio are in the definition of Debt Service Coverage Ratio).

COVIQSA's Debt Maturity Profile (MXN Million)

	Bank Debt
Year	Acquisition
2019	64.4
2020	305.2
2021	323.1
2022	364.0
2023	364.0
2024	364.0
2025	193.5
Total	1,978.2
Reserve ¹	123.2
Net total	1,855.0

¹ Contractual cash reserve.

CONIPSA

CONIPSA holds the concession to operate, preserve and maintain a 73.5-km federal toll-free road located in the states of Michoacán and Guanajuato, for a 20-year period beginning in September 2005.

Selected Financial Information and key indicators for the period.

(MXN million)	3Q2019	3Q2018	% Var	Cumulative		
				2019	2018	% Var
Total toll and other concession revenues	79.0	70.9	11.42%	211.5	216.3	(2.22%)
Income from operations	59.0	11.6	408.62%	151.7	39.0	288.97%
EBITDA	61.0	13.4	355.22%	157.6	44.7	252.57%
Adjusted EBITDA	67.9	63.5	6.93%	182.3	195.0	(6.51%)
Income from operations margin	74.68%	16.36%		71.73%	18.03%	
EBITDA margin	77.22%	18.90%		74.52%	20.67%	
Adjusted EBITDA margin	85.95%	89.56%		86.19%	90.15%	
ADT for the period	22,126.8	22,078.0	0.22%	22,149.0	22,779.1	(2.77%)

- **Weighted Average Daily Traffic (ADT)**, during 3Q2019 an increase of 0.22% was registered compared to the same period in 2018.
- **Revenues.** CONIPSA Total shadow toll and other concession revenues for 3Q2019 increased by MXN\$8.1 million, to MXN\$79.0 million from MXN\$70.9 million in 3Q2018. Mainly due to the inflationary increase in toll services and operations payments.
- **Costs and expenses.** Total costs and expenses during 3Q2019 were MXN\$20.7 million, a decrease of MXN\$40.1 million compared to MXN\$60.8 million in 3Q2018. Mainly due to the update of the capex study and the consequent update to the Major Maintenance Provision.
- **Other income, net.** During 3Q2019, other income was MXN\$0.7 million, a decrease of MXN\$0.8 million as compared to MXN\$1.5 million in 3Q2018.
- **Income from operations.** Derived from the decrease in costs and expenses, income from operations was MXN\$59.0 million during 3Q2019, an increase of MXN\$47.4 million compared to 3Q2018, which represents an Income from Operations Margin of 74.68%⁹, mainly due to the decrease in Major Maintenance Provision.
- **EBITDA.** For 3Q2019 increased by MXN\$47.6 million, to MXN\$61.0 million compared to MXN\$13.4 million in 3Q2018, which represents an EBITDA Margin of 77.22%¹⁰.
- **Adjusted EBITDA.** For 3Q2019 was MXN\$67.9 million, an increase of MXN\$4.4 million compared to MXN\$63.5 million for 3Q2018, which represents an Adjusted EBITDA Margin of 85.95%¹¹.
- **Net financing cost.** During 3Q2019, the net financing cost registered MXN\$1.6 million, an increase of MXN\$1.6 million compared to the net financing income of MXN\$0.0 million registered in 3Q2018. Mainly due to an increase of MXN\$1.4 million in interest on Major Maintenance Provision.

⁹ Income from operations / Total toll and other concession revenues

¹⁰ EBITDA / Total toll and other concession revenues

¹¹ Adjusted EBITDA / Total toll and other concession revenues

CONIPSA I Debt Service Coverage Ratio for the period.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) decreased by 24.27% to 23.41 in 3Q2019 from 30.91 in 3Q2018.

CONIPSA (MXN million)	3Q2019	3Q2018	% Var	Cumulative		
				2019	2018	% Var
(+) Income from operations	59.0	11.6	408.62%	151.7	39.0	288.97%
(+) Amortization of assets derived from the concession	1.7	1.6	6.25%	5.0	4.8	4.17%
(+) Depreciation	0.3	0.2	50.00%	0.9	0.9	(0.00%)
(+) Major Maintenance Provision	6.9	50.1	(86.23%)	24.7	150.3	(83.57%)
(=) Adjusted EBITDA	67.9	63.5	6.93%	182.3	195.0	(6.51%)
(-) Income Tax	3.6	9.8	(63.42%)	13.0	44.2	(70.57%)
(-) Major Maintenance Expense	14.9	62.0	(75.90%)	53.9	132.7	(59.40%)
(+) Available Cash ¹	201.1	326.7	(38.45%)	283.0	282.3	0.25%
(=) Amount Available for Debt Service	250.5	318.4	(21.33%)	398.4	300.4	32.62%
(/) Debt Service ²	10.7	10.3	3.88%	33.1	31.8	4.09%
Debt Service Coverage Ratio (DSCR)	23.41	30.91	(24.27%)	12.04	9.45	27.41%

¹ Cash and cash equivalents net of amounts held in the Expansion Trust and certain project accounts that cannot be used to pay Total Debt Service.

² Includes interest expense net of the costs of unwinding derivative financial instruments and certain non-cash interest expense items; and principal amortizations. (More detail about the items of this ratio are in the definition of Debt Service Coverage Ratio).

CONIPSA's Debt Maturity Profile (MXN Million)

Year	Bank Debt
	Acquisition
2019	6.9
2020	32.9
2021	34.8
2022	39.3
2023	39.3
2024	29.5
Total	182.6
Reserve¹	13.1
Net total	169.5

¹ Contractual cash reserve.

COTESA

COTESA holds the concession to operate, preserve and maintain a 30.9-km federal toll road located in the state of Nayarit, for a 30-year period beginning in 2016. On May 4th, 2016 COTESA was incorporated and as of 2019 gathers a total contributed capital stock of MXN\$270.4 million.

On November 10th, 2016 the SCT granted the authorization for the construction and initial rehabilitation programs and on February 21st 2017, granted the authorization to start operations partially. The SCT granted the definitive authorization to start operations on October 13th 2017.

Selected Financial Information and key indicators for the period.

(MXN million)	3Q2019	3Q2018	% Var	Cumulative		
				2019	2018	% Var
Total toll and other concession revenues	17.7	15.2	16.45%	55.1	46.5	18.49%
Income from operations	6.8	4.9	38.78%	20.1	20.9	(3.83%)
EBITDA	8.2	5.4	51.85%	24.5	22.2	10.36%
Adjusted EBITDA	9.4	7.4	27.03%	28.7	28.1	2.14%
Income from operations margin	38.42%	32.24%	19.17%	36.48%	44.95%	(18.84%)
EBITDA margin	46.33%	35.53%	30.40%	44.46%	47.74%	(6.86%)
Adjusted EBITDA margin	53.11%	48.68%	9.09%	52.09%	60.43%	(13.81%)
Weighted average ADT Total COTESA	2,990.8	2,652.3	12.77%	3,189.5	2,862.4	11.42%

- **Weighted Average Daily Traffic (ADT)**, during 3Q2019 an increase of 12.77% was registered compared to the same period in 2018.
- **Total toll and other concession revenues (without construction revenues)**. During 3Q2019, an increase of MXN\$2.5 million to MXN\$17.7 million, compared to MXN\$15.2 million in 3Q2018, mainly due to the increase in toll revenue based on inflation as well as the increase in traffic.
- **Construction revenues**. They are derived from the construction and initial rehabilitation programs executed in COTESA. Therefore, the revenue is equivalent to the incurred cost of the construction and rehabilitation; works that represent an increase to the value of intangible asset for COTESA and have a zero net effect on COTESA's results. The amounts registered were MXN\$0.0 million as of 3Q2019, a decrease of MXN\$12.7 million compared to 3Q2018 mainly derived from the completion of the construction works of the project.
- **Costs and expenses (without construction costs)**. Costs and expenses during 3Q2019 were MXN\$10.9 million, an increase of MXN\$0.6 million from MXN\$10.3 million in 3Q2018. Mainly due to the increase portion of COTESA payment to SCT derived at the same time from its increase in revenue. In addition, the capex study was updated and consequent the Major Maintenance Provision was updated as well.
- **Income from operations**. Income from operations registered an increase of MXN\$1.9 million to MXN\$4.9 million in 3Q2019 compared to 3Q2018 or an income from operations margin of 38.42%.
- **EBITDA**. EBITDA during 3Q2019 registered MXN\$8.2million, or a margin of 46.33%, an increase of MXN\$2.8 million compared to MXN\$5.4 million in 3Q2018.
- **Adjusted EBITDA**. Adjusted EBITDA registered MXN\$9.4 million, or a margin of 53.11%, an increase of MXN\$2.0 million compared to MXN\$7.4 million registered in 3Q2018, mainly due to the previously detailed increase in income from operations.

- **Net financing result:** 3Q2019 registered a net financing income of MXN\$0.8 million, with no variation compared to 3Q2018. Mainly derived from the net effect of: (i) an increase of MXN\$0.2 million in interest of Major Maintenance provision and (ii), an increase of MXN\$0.2 million in interest income.

AUTOVIM

On February 21, 2019, the acquisition of 100% of the shares issued by the Concession holder company was completed to project, build, operate, exploit, preserve and maintain, for a period of 30 years, the high-specification highway called "Zamora-La Piedad" (Autovim) in the State of Michoacán. Given this, from this report, RCO consolidates the results of Autovim; the fair value of the assets minus the liabilities, at the closing date of the transaction, was \$ 0.9 million, without a significant financial impact on RCO; the MXN\$124.5 million goodwill arising from the acquisition is related to the synergies that will be generated from Autovim's operations along with the highways of FARAC I.

As of 3Q2019, AUTOVIM gathers a total contributed capital stock of MXN\$244.0 million of which MXN\$180.0 were contributed in September 2019; furthermore, the project is in process of construction and therefore has no operation. More detail about its financial statements in the corresponding section at the end of this report.

RELEVANT EVENTS

- **July 3, 2019 – Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”)** On July 2, 2019 RCO entered into a senior loan agreement with Banco Santander (México), S.A., Institución de Banca Múltiple, Grupo Financiero Santander México (“Santander”), for an amount of up to MXN\$2,000’000,000.00, which use of proceeds will be for capital expenditures. The contracting of said credit occurs in the context of the refinancing carried by RCO on June 28th, 2019 (CBs with ticker RCO18U and RCO19); use of proceeds were applied to (i) prepay capital expenditure loans entered into with Banco Santander since 2016 and 2017, for an aggregate principal amount of MXN\$3,650,000,000.00 million and (ii) corporate purposes.
- **July 16, 2019 – Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”)** informs about the amendment of Annex 4 of the Concession Title, regarding the Toll Rates and Update Methodology. RCO informs that, in terms of the Concession Title dated October 3, 2007, the Ministry of Communications and Transportation (the “SCT”) authorized the updating of the toll rates regulatory basis established in Annex 4 of its Concession Title, in order to implement a maximum average tariff methodology. With this methodology, a toll can be implemented by differentiating between vehicle classes and highway sections, maintaining the current average rate, in order to optimize the traffic and service levels of the concessioned toll roads.
- **August 12, 2019 – Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”)** goes public the Technical Note related to a certain Traffic and Revenue Study.
RCO makes public the Technical Note related to the Traffic and Income Study prepared by Steer Davies & Gleave México, S.A. de C.V. by RCO request, in relation to the highway Toll Concession Maravatío-Zapotlanejo, Zapotlanejo-Lagos de Moreno, Zapotlanejo-Guadalajara and León-Aguascalientes. The complete content of the referred study may be consulted on: <https://redviacorta.mx/es/inversionistas>
- **September 26, 2019 – Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”)** confirms a cash distribution to its shareholders. RCO confirms that, on September 25, 2019, a total amount of MXN\$7,000,000,000.00 (seven billion Pesos 00/100) which was carried out proportionally to all RCO shareholders. The foregoing, following a capital stock reduction approved by its shareholders on September 13, 2019, previous recommendation by its board of directors.

SUBSEQUENT EVENTS

- **October 11, 2019** – Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) announces that the Series A shareholders holding a 70% interest in RCO have reached an agreement with Abertis, a global toll road operator, and GIC, an investment firm that manages Singapore’s foreign reserves, in order to sell Abertis and GIC the Series A shares.

The structure established for the transaction contemplates a public tender offer through the Mexican Stock Exchange, to all the shareholders of the company, where the Series B shareholders shall have the right, but no the obligation, to sell all or a portion of their shares at the same price as part of the offer. The Tender offer and closing are expected in H1 2020.

The launch of the offer and the offer itself are subject to a set of conditions established in the respective agreement, among which are the obtaining of the required governmental authorizations, including the approvals of the Federal Economic Competition Commission (Comisión Federal de Competencia Económica or COFECE), the Ministry of Communications and Transports (Secretaría de Comunicaciones y Transportes or SCT), the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores o CNBV) and the Foreign Investment Commission (Comisión Nacional de Inversiones Extranjeras or CNIE) and these authorizations being the ones that will define the date in which the offer may begin.

CONSOLIDATED FINANCIAL INFORMATION

Red de Carreteras de Occidente, S.A.B. de C.V. and Subsidiaries
 COMPARATIVE CONSOLIDATED STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)
 (MXN million)

	From July 1 to September 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	2,576.8	2,416.5	160.3	6.63	7,303.4	7,132.2	171.2	2.40
Toll revenues	2,103.4	1,903.4	200.0	10.51	5,990.8	5,493.1	497.7	9.06
Shadow toll payments from the SCT	233.6	207.8	25.8	12.42	645.5	616.1	29.4	4.77
Availability payments from the SCT	121.4	106.6	14.8	13.88	325.7	316.4	9.3	2.94
Ancillary revenues from the use of right of way and other related revenues	79.6	73.8	5.8	7.86	225.3	190.3	35.0	18.39
Total toll and other concession revenues	2,538.0	2,291.6	246.4	10.75	7,187.3	6,615.9	571.4	8.64
Construction revenues	38.8	124.9	(86.1)	(68.94)	116.1	516.3	(400.2)	(77.51)
COSTS AND EXPENSES	875.7	805.7	70.0	8.69	2,374.6	2,640.3	(265.7)	(10.06)
Amortization of assets derived from the concessions	297.3	233.0	64.3	27.60	894.9	698.2	196.7	28.17
Operation and maintenance provisions	253.8	285.6	(31.8)	(11.13)	638.4	831.6	(193.2)	(23.23)
Toll collection costs	34.3	30.9	3.4	11.00	101.2	91.3	9.9	10.84
Cost of ancillary revenues from the use of right of way and other related revenues	45.3	36.4	8.9	24.45	124.4	95.8	28.6	29.85
General and administrative expenses	206.2	94.9	111.3	117.28	499.6	407.1	92.5	22.72
Total costs and expenses excluding construction costs	836.9	680.8	156.1	22.93	2,258.5	2,124.0	134.5	6.33
Construction costs	38.8	124.9	(86.1)	(68.94)	116.1	516.3	(400.2)	(77.51)
INCOME BEFORE OTHER INCOME NET	1,701.1	1,610.8	90.3	5.61	4,928.8	4,491.9	436.9	9.73
Other income, net	11.0	8.8	2.2	25.00	21.7	21.6	0.1	0.46
INCOME FROM OPERATIONS	1,712.1	1,619.6	92.5	5.71	4,950.5	4,513.5	437.0	9.68
Net financing cost	1,350.4	1,066.6	283.8	26.61	2,650.6	2,974.4	(323.8)	(10.89)
Interest expense	1,439.8	1,013.2	426.6	42.10	2,868.6	2,988.3	(119.7)	(4.01)
Premiums and interests on financing	1,265.8	983.9	281.9	28.65	2,595.5	2,881.3	(285.8)	(9.92)
Interest on derivative financial instruments	(9.9)	(5.1)	(4.8)	(94.12)	(35.1)	(6.2)	(28.9)	(466.13)
Unwind and restructure of derivative financial instruments	50.5	-	50.5	100.00	50.5	-	50.5	100.00
Amortization of premiums and debt expenses	116.7	28.2	88.5	313.83	212.1	93.0	119.1	128.06
Major maintenance interests	14.4	5.9	8.5	144.07	43.2	17.7	25.5	144.07
Right of use interests	2.3	0.3	2.0	666.67	2.4	2.5	(0.1)	(4.00)
Adjustments to principal amount of UDI denominated debt	94.1	139.2	(45.1)	(32.40)	150.4	255.4	(105.0)	(41.11)
Interest income	(183.6)	(85.6)	(98.0)	(114.49)	(368.5)	(269.3)	99.2	36.84
Net foreign exchange expense	0.1	(0.2)	0.3	150.00	0.1	-	0.1	100.00
INCOME BEFORE INCOME TAXES	361.7	553.0	(191.3)	(34.59)	2,299.9	1,539.1	760.8	49.43
INCOME TAXES	113.3	64.1	49.2	76.76	678.4	313.6	364.8	116.33
CONSOLIDATED NET INCOME FOR THE PERIOD	248.4	488.9	(240.5)	(49.19)	1,621.5	1,225.5	396.0	32.31
Other comprehensive income items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	(50.6)	10.8	(61.4)	(568.52)	(334.3)	1.5	(335.8)	(22,386.67)
Deferred income taxes of derivative financial instruments	15.2	(3.3)	18.5	560.61	100.3	(0.4)	100.7	25,175.00
COMPREHENSIVE INCOME FOR THE PERIOD	213.0	496.4	(283.4)	(57.09)	1,387.5	1,226.6	160.9	13.12
BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)	0.0087	0.0170	(0.0084)	(49.19)	0.0565	0.0427	0.0138	32.31

Red de Carreteras de Occidente, S.A.B. de C.V. and Subsidiaries
COMPARATIVE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF
(MXN million)

	September 2019	December 2018	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	7,382.5	7,220.9	161.6	2.24
Trade accounts receivable - net	530.0	145.2	384.8	265.01
Recoverable taxes	281.3	68.6	212.7	310.06
Interest on derivative financial instruments receivable	2.8	4.3	(1.5)	(34.88)
Financial asset from the concessions-current portion	404.5	403.7	0.8	0.20
Other accounts receivable and prepaid expenses	98.1	163.4	(65.3)	(39.96)
Total current assets	8,699.2	8,006.1	693.1	8.66
Non-current assets				
Long-term restricted cash	147.1	105.6	41.5	39.30
Financial assets derived from the concessions - long-term portion	831.1	846.8	(15.7)	(1.85)
Intangible assets derived from the concessions	41,460.1	42,232.1	(772.0)	(1.83)
Goodwill	124.5	-	124.5	100.00
Furniture and equipment and franchise rights - net	21.7	19.0	2.7	14.21
Machinery and equipment - net	5.8	6.6	(0.8)	(12.12)
Right of use asset - net	49.7	62.4	(12.7)	(20.35)
Derivate financial instruments	21.3	227.4	(206.1)	(90.63)
Deferred income tax asset	6,351.2	6,734.1	(382.9)	(5.69)
Other assets	7.3	6.5	0.8	12.31
Total non-current assets	49,019.8	50,240.5	(1,220.7)	(2.43)
TOTAL ASSETS	57,719.0	58,246.6	(527.6)	(0.91)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	304.3	317.3	(13.0)	(4.10)
Interest payable	687.1	835.5	(148.4)	(17.76)
Interest payable on derivative financial instruments	-	0.1	(0.1)	(100.00)
Other current liabilities	64.3	74.0	(9.7)	(13.11)
Provisions	130.6	299.4	(168.8)	(56.38)
Current portion of long-term debt	1,063.5	883.5	180.0	20.37
Short-term employee benefits	340.2	214.6	125.6	58.53
Accounts payable for work executed, not yet approved	9.0	7.1	1.9	26.76
Taxes other than income tax	196.1	136.0	60.1	44.19
Income taxes payable	188.3	60.8	127.5	209.70
Total current liabilities	2,983.4	2,828.3	155.1	5.48
Non-current liabilities				
Long-term debt	48,602.0	41,532.8	7,069.2	17.02
Provisions for major maintenance	96.3	427.4	(331.1)	(77.47)
Long-term employee benefits	54.5	45.8	8.7	19.00
Post-employment employee benefits	4.4	3.7	0.7	18.92
Other long term liabilities	32.0	33.6	(1.6)	(4.76)
Derivative financial instruments	127.5	0.6	126.9	21,150.00
Deferred income tax liability	163.7	156.8	6.9	4.40
Total-non current liabilities	49,080.4	42,200.7	6,879.7	16.30
TOTAL LIABILITIES	52,063.8	45,029.0	7,034.8	15.62
STOCKHOLDERS' EQUITY				
Capital stock	4,307.0	13,257.0	(8,950.0)	(67.51)
Accumulated deficit	1,423.8	(197.8)	1,621.6	819.82
Other comprehensive loss	(76.1)	157.9	(234.0)	(148.20)
Actuarial income / (losses)	0.5	0.5	-	-
TOTAL STOCKHOLDERS' EQUITY	5,655.2	13,217.6	(7,562.4)	(57.21)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	57,719.0	58,246.6	(527.6)	(0.91)

Red de Carreteras de Occidente, S.A.B. de C.V. and Subsidiaries
COMPARATIVE CONSOLIDATED STATEMENTS OF CASH FLOWS
(Indirect methodology)
(MXN million)

From January 1 to September 30 of:

C o n c e p t	2019	2018
OPERATING ACTIVITIES		
Income before income taxes	2,299.9	1,539.1
Adjustments for:		
Depreciation and amortization	918.0	718.8
Financing related activities:		
Interest expense	2,641.1	2,901.6
Reclassifications for amounts recognized in profit and loss	15.4	(6.2)
Amortization of commissions and debt issuance costs	212.1	93.0
Unrealized exchange loss	-	(0.1)
Adjustments to principal amount of UDI denominated debt	150.4	255.4
	<u>6,236.9</u>	<u>5,501.6</u>
+/- Decrease / (increase) in:		
Trade accounts receivable	(384.7)	(43.9)
Recoverable taxes	83.1	144.4
Financial asset from the concession	14.9	14.1
Other accounts receivable and other prepaid expenses	97.0	28.0
Other assets	(0.8)	(0.4)
+/- Increase / (decrease) in:		
Accounts payable to suppliers	(13.1)	51.6
Other current liabilities	-	(0.3)
Provisions	(543.1)	124.7
Taxes other than income tax	(159.8)	(215.2)
Income taxes paid	(168.3)	(185.8)
Employee benefits - net	134.2	77.7
Post-employment employee benefits	0.8	0.7
Net cash provided by operating activities	5,297.1	5,497.2
INVESTING ACTIVITIES		
Acquisition of subsidiary	(124.5)	-
Acquisition of furniture and equipment and franchise rights	(8.5)	(2.9)
Acquisition of machinery and equipment	(6.2)	(15.9)
Intangible assets derived from the concessions	(121.0)	(425.2)
Net cash (used in) provided by investing activities	(260.2)	(444.0)
FINANCING ACTIVITIES		
Proceeds from long-term debt	11,147.3	729.3
Payments of debt	(4,138.8)	(274.3)
Interest paid	(2,743.8)	(3,164.8)
Payment for liabilities for lease	(11.3)	(10.2)
Payments of derivative financial instruments	(15.4)	6.2
Commissions and debt issuance costs paid	(121.8)	(31.7)
Capital stock reduction	(8,950.0)	(3,772.0)
Net cash used in financing activities	(4,833.8)	(6,517.5)
+/- Increase in cash, cash equivalents and restricted cash	203.1	(1,464.3)
Cash, cash equivalents and restricted cash at the beginning of the period	<u>7,326.5</u>	<u>8,840.1</u>
Cash, cash equivalents and restricted cash at the end of the period	<u>7,529.6</u>	<u>7,375.8</u>

Red de Carreteras de Occidente, S.A.B. de C.V. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(MXN million)

2019

	Capital stock	Acumulated deficit	Other comprehensive income	Total stockholders' equity
Balance as of January 1, 2018	18,259.0	(1,790.5)	81.1	16,549.6
Capital stock reduction	(3,950.0)	-	-	(3,950.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	1.5	1.5
Deferred income taxes of derivative instruments	-	-	(0.4)	(0.4)
Net loss for the period	-	1,225.5	-	1,225.5
Comprehensive loss	-	1,225.5	1.0	1,226.6
Balance as of September 30, 2018	14,309.0	(565.0)	82.1	13,826.1
Balance as of January 1, 2019	13,257.0	(197.8)	158.3	13,217.6
Capital stock reduction	(8,950.0)	-	-	(8,950.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	(334.3)	(334.3)
Deferred income taxes of derivative instruments	-	-	100.3	100.3
Net income for the period	-	1,621.6	-	1,621.6
Comprehensive income	-	1,621.6	(234.0)	1,387.6
Balance as of September 30, 2019	4,307.0	1,423.8	(75.6)	5,655.2

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Red de Carreteras de Occidente, S.A.B. de C.V.								
COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)								
(MXN million)								
	From July 1 to September 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	2,224.1	2,086.0	138.1	6.62	6,341.5	6,158.4	183.1	2.97
Toll revenues	2,086.5	1,889.1	197.4	10.45	5,937.8	5,447.7	490.1	9.00
Ancillary revenues from the use of right of way and other related revenues	78.8	68.9	9.9	14.37	223.0	181.9	41.1	22.59
Total toll and other concession revenues	2,165.3	1,958.0	207.3	10.59	6,160.8	5,629.6	531.2	9.44
Administrative service revenues	33.6	15.4	18.2	118.18	81.3	66.1	15.2	23.00
Construction revenues	25.2	112.6	(87.4)	(77.62)	99.4	462.7	(363.3)	(78.52)
COSTS AND EXPENSES	736.8	638.4	98.4	15.41	2,065.6	2,134.5	(68.9)	(3.23)
Amortization of assets derived from the concessions	254.7	192.7	62.0	32.17	767.1	577.4	189.7	32.85
Operation and maintenance provisions	176.3	175.8	0.5	0.28	492.0	509.0	(17.0)	(3.34)
Toll collection costs	29.9	27.3	2.6	9.52	87.6	83.7	3.9	4.66
Cost of ancillary revenues from the use of right of way and other related revenues	45.2	35.8	9.4	26.26	123.0	95.1	27.9	29.34
General and administrative expenses	205.5	94.2	111.3	118.15	496.5	406.6	89.9	22.11
Total costs and expenses excluding construction costs	711.6	525.8	185.8	35.34	1,966.2	1,671.8	294.4	17.61
Construction costs	25.2	112.6	(87.4)	(77.62)	99.4	462.7	(363.3)	(78.52)
INCOME BEFORE OTHER INCOME NET	1,487.3	1,447.6	39.7	2.74	4,275.9	4,023.9	252.0	6.26
Other income, net	8.9	6.0	2.9	48.33	18.1	17.2	0.9	5.23
INCOME FROM OPERATIONS	1,496.2	1,453.6	42.6	2.93	4,294.0	4,041.1	252.9	6.26
Net financing cost	1,366.7	1,083.8	282.9	26.10	2,125.1	2,529.8	(404.7)	(16.00)
Interest expense	1,438.9	1,013.1	425.8	42.03	2,865.3	2,989.7	(124.4)	(4.16)
Premiums and interests on financing	1,263.7	979.6	284.1	29.00	2,587.6	2,872.4	(284.8)	(9.92)
Interest on derivative financial instruments	(0.6)	3.2	(3.8)	(118.75)	(6.5)	16.5	(23.0)	(139.39)
Unwind and restructure of derivative financial instruments	50.5	-	50.5	100.00	50.5	-	50.5	100.00
Amortization of premiums and debt expenses	114.9	26.5	88.4	333.58	206.8	87.9	118.9	135.27
Major maintenance interests	8.2	3.5	4.7	134.29	24.7	10.6	14.1	133.02
Right of use interests	2.2	0.3	1.9	633.33	2.2	2.3	(0.1)	(4.35)
Adjustments to principal amount of UDI denominated debt	94.1	139.2	(45.1)	(32.40)	150.4	255.4	(105.0)	(41.11)
Interest income	(166.4)	(68.4)	98.0	143.27	(315.7)	(218.3)	(97.4)	(44.62)
Dividends from subsidiaries	-	-	-	-	(575.0)	(497.0)	(78.0)	(15.69)
Net foreign exchange income	0.1	(0.1)	0.2	200.00	0.1	-	0.1	100.00
INCOME BEFORE INCOME TAXES	129.5	369.8	(240.3)	(64.98)	2,168.9	1,511.3	657.6	43.51
INCOME TAXES	49.1	26.6	22.5	84.59	474.5	183.7	290.8	158.30
CONSOLIDATED NET INCOME FOR THE PERIOD	80.4	343.2	(262.8)	(76.57)	1,694.4	1,327.6	366.8	27.63
Other comprehensive income items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	(18.1)	16.8	(34.9)	(207.74)	(238.8)	16.8	(255.6)	(1,521.43)
Deferred income taxes of derivative financial instruments	5.4	(5.1)	10.5	205.88	71.7	(5.1)	76.8	1,505.88
COMPREHENSIVE INCOME FOR THE PERIOD	67.7	354.9	(287.2)	(80.92)	1,527.3	1,339.3	188.0	14.04
BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)	0.0028	0.0120	(0.0092)	(76.57)	0.0590	0.0462	0.0128	27.63

Red de Carreteras de Occidente, S.A.B. de C.V. COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF (MXN million)				
	September 2019	December 2018	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	6,425.8	6,069.0	356.8	5.88
Trade accounts receivable - net	136.4	119.0	17.4	14.62
Recoverable taxes	77.0	31.0	46.0	148.39
Accounts receivable to related parties	72.2	48.8	23.4	47.95
Derivate financial instruments - current portion	-	0.6	(0.6)	(100.00)
Other accounts receivable and prepaid expenses	112.1	181.6	(69.5)	(38.27)
Total current assets	6,823.5	6,450.0	373.5	5.79
Non-current assets				
Intangible assets derived from the concessions	39,944.6	40,620.5	(675.9)	(1.66)
Furniture and equipment and franchise rights -net	21.4	18.7	2.7	14.44
Machinery and equipment-net	5.3	4.9	0.4	8.16
Right of use asset - net	44.1	56.0	(11.9)	(21.25)
Investment in shares	2,569.2	2,201.8	367.4	16.69
Derivate financial instruments	-	111.4	(111.4)	(100.00)
Deferred income tax asset	6,395.0	6,782.8	(387.8)	(5.72)
Other assets	6.9	6.0	0.9	15.00
Total non-current assets	48,986.5	49,802.1	(815.6)	(1.64)
TOTAL ASSETS	55,810.0	56,252.1	(442.1)	(0.79)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	34.1	44.2	(10.1)	(22.85)
Interest payable	667.2	813.4	(146.2)	(17.97)
Interest payable on derivative financial instruments	-	0.2	(0.2)	(100.00)
Other current liabilities	54.9	65.7	(10.8)	(16.44)
Provisions	42.2	213.7	(171.5)	(80.25)
Accounts payable to related parties	-	0.1	(0.1)	(100.00)
Current portion of long-term debt	738.6	598.1	140.5	23.49
Short-term employee benefits	340.1	214.6	125.5	58.48
Accounts payable for work executed, not yet approved	9.0	7.1	1.9	26.76
Taxes other than income tax	95.6	98.9	(3.3)	(3.34)
Income taxes payable	13.8	2.7	11.1	411.11
Total current liabilities	1,995.5	2,058.7	(63.2)	(3.07)
Non-current liabilities				
Long-term debt	46,797.9	39,480.4	7,317.5	18.53
Provisions for major maintenance	48.5	247.1	(198.6)	(80.37)
Long-term employee benefits	54.5	45.8	8.7	19.00
Post-employment employee benefits	4.4	3.7	0.7	18.92
Accounts payable to related parties - long-term	2,438.6	2,650.3	(211.7)	(7.99)
Other long term liabilities	28.5	29.6	(1.1)	(3.72)
Derivative financial instruments	127.5	0.6	126.9	21,150.00
Deferred income tax liability	3.60	2.2	1.4	63.64
Total-non current liabilities	49,503.5	42,459.7	7,043.8	16.59
TOTAL LIABILITIES	51,499.0	44,518.4	6,980.6	15.68
STOCKHOLDERS' EQUITY				
Capital stock	4,307.0	13,257.0	(8,950.0)	(67.51)
Accumulated deficit	92.8	(1,601.7)	1,694.5	105.79
Other comprehensive income (loss)	(89.3)	77.9	(167.2)	(214.63)
Actuarial income / (losses)	0.5	0.5	-	-
TOTAL STOCKHOLDERS' EQUITY	4,311.0	11,733.7	(7,422.7)	(63.26)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	55,810.0	56,252.1	(442.1)	(0.79)

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Concesionaria de Vías Irapuato Querétaro S.A. de C.V.
COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)
(MXN million)

	From July 1 to September 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	276.1	247.5	28.6	11.56	759.9	723.5	36.4	5.03
Shadow toll payments from the SCT	217.4	192.2	25.2	13.11	601.4	564.0	37.4	6.63
Availability payments from the SCT	58.7	51.3	7.4	14.42	158.3	152.3	6.0	3.94
Ancillary revenues from the use of right of way and other related revenues	-	4.0	(4.0)	(100.00)	0.2	7.2	(7.0)	(97.22)
Total toll and other concession revenues	276.1	247.5	28.6	11.56	759.9	723.5	36.4	5.03
COSTS AND EXPENSES	122.2	93.8	28.4	30.28	261.6	296.2	(34.6)	(11.68)
Amortization of assets derived from the concessions	34.2	33.1	1.1	3.32	102.7	99.2	3.5	3.53
Operation and maintenance provisions	68.2	54.0	14.2	26.30	112.5	160.9	(48.4)	(30.08)
Toll collection costs	0.5	0.7	(0.2)	(28.57)	1.9	2.2	(0.3)	(13.64)
General and administrative expenses	19.3	6.0	13.3	221.67	44.5	33.9	10.6	31.27
INCOME BEFORE OTHER INCOME NET	153.9	153.7	0.2	0.13	498.3	427.3	71.0	16.62
Other income, net	1.5	1.4	0.1	7.14	2.9	2.4	0.5	20.83
INCOME FROM OPERATIONS	155.4	155.1	0.3	0.19	501.2	429.7	71.5	16.64
Net financing cost	(16.0)	(16.2)	0.2	1.23	(49.9)	(49.3)	(0.6)	(1.22)
Interest expense	47.5	51.2	(3.7)	(7.23)	143.8	152.8	(9.0)	(5.89)
Premiums and interests on financing	50.7	55.6	(4.9)	(8.81)	153.8	163.9	(10.1)	(6.16)
Interest on derivative financial instruments	(8.0)	(7.1)	(0.9)	(12.68)	(24.5)	(19.2)	(5.3)	(27.60)
Amortization of premiums and debt expenses	1.4	1.4	-	-	4.3	4.2	0.1	2.38
Major maintenance interests	3.3	1.2	2.1	175.00	10.0	3.7	6.3	170.27
Right of use interests	0.1	0.1	-	-	0.2	0.2	-	-
Interest income	(63.5)	(67.4)	3.9	5.79	(193.7)	(202.1)	8.4	4.16
INCOME BEFORE INCOME TAXES	171.4	171.3	0.1	0.06	551.1	479.0	72.1	15.05
INCOME TAXES	47.6	38.3	9.3	24.28	159.4	122.9	36.5	29.70
NET INCOME FOR THE PERIOD	123.8	133.0	(9.2)	(6.92)	391.7	356.1	35.6	10.00
Other comprehensive income / (loss) items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	(28.6)	(5.0)	(23.6)	(472.00)	(83.8)	(12.8)	(71.0)	(554.69)
Deferred income taxes of derivative financial instruments	8.6	1.5	7.1	473.33	25.2	3.9	21.3	546.15
COMPREHENSIVE INCOME FOR THE PERIOD	103.8	129.5	(25.7)	(19.85)	333.1	347.2	(14.1)	(4.06)

Concesionaria de Vías Irapuato Querétaro S.A. de C.V.
COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF
(MXN million)

	September 2019	December 2018	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	430.0	773.2	(343.2)	(44.39)
Trade accounts receivable - net	296.9	21.8	275.1	1,261.93
Recoverable taxes	159.7	-	159.7	100.00
Accounts receivable to related parties	-	0.1	(0.1)	(100.00)
Interest receivable on derivative financial instruments	2.4	3.1	(0.7)	(22.58)
Financial asset from the concessions -current portion	179.4	176.9	2.5	1.41
Other accounts receivable and prepaid expenses	11.0	48.7	(37.7)	(77.41)
Total current assets	1,079.4	1,023.8	55.6	5.43
Non-current assets				
Long-term restricted cash	80.1	49.7	30.4	61.17
Accounts receivable to related parties- long term portion	2,438.6	2,650.3	(211.7)	(7.99)
Financial asset derived from the concessions - long-term portion	361.7	365.2	(3.5)	(0.96)
Intangible assets derived from the concessions	1,025.8	1,128.5	(102.7)	(9.10)
Machinery and equipment- net	0.4	1.2	(0.8)	(66.67)
Right of use asset - net	3.3	3.7	(0.4)	(10.81)
Derivate financial instruments	17.5	100.7	(83.2)	(82.62)
Other assets	0.2	0.2	-	-
Total non-current assets	3,927.6	4,299.5	(371.9)	(8.65)
TOTAL ASSETS	5,007.0	5,323.3	(316.3)	(5.94)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	269.7	269.7	-	-
Interest payable	18.1	20.0	(1.9)	(9.50)
Other current liabilities	0.4	1.1	(0.7)	(63.64)
Provisions	-	41.9	(41.9)	(100.00)
Accounts payable to related parties	52.4	34.8	17.6	50.57
Current portion of long-term debt	293.3	257.6	35.7	13.86
Taxes other than income tax	132.9	116.6	16.3	13.98
Income taxes payable	134.5	58.1	76.4	131.50
Total current liabilities	901.3	799.8	101.5	12.69
Non-current liabilities				
Long-term debt	1,658.2	1,882.8	(224.6)	(11.93)
Provisions for major maintenance	23.9	99.6	(75.7)	(76.00)
Other long term liabilities	2.4	2.7	(0.3)	(11.11)
Deferred income tax liability	82.7	83.0	(0.3)	(0.36)
Total non-current liabilities	1,767.2	2,068.1	(300.9)	(14.55)
TOTAL LIABILITIES	2,668.5	2,867.9	(199.4)	(6.95)
STOCKHOLDERS' EQUITY				
Capital stock	1,226.7	1,226.7	-	-
Accumulated results	1,097.8	1,156.0	(58.2)	(5.03)
Other comprehensive income	14.0	72.7	(58.7)	(80.74)
TOTAL STOCKHOLDERS' EQUITY	2,338.5	2,455.4	(116.9)	(4.76)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	5,007.0	5,323.3	(316.3)	(5.94)

CONIPSA

Concesionaria Irapuato La Piedad S.A. de C.V.
COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)
(MXN million)

	From July 1 to September 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	79.0	70.9	8.1	11.42	211.5	216.3	(4.8)	(2.22)
Shadow toll payments from the SCT	16.3	15.6	0.7	4.49	44.1	52.1	(8.0)	(15.36)
Availability payments from the SCT	62.7	55.3	7.4	13.38	167.4	164.1	3.3	2.01
Ancillary revenues from the use of rights of way	-	-	-	-	-	0.1	(0.1)	(100.00)
Total toll and other concession revenues	79.0	70.9	8.1	11.42	211.5	216.3	(4.8)	(2.22)
COSTS AND EXPENSES	20.7	60.8	(40.1)	(65.95)	61.3	180.0	(118.7)	(65.94)
Amortization of assets derived from the concessions	1.7	1.6	0.1	6.25	5.0	4.8	0.2	4.17
Operation and maintenance provisions	11.4	55.5	(44.1)	(79.46)	37.4	162.3	(124.9)	(76.96)
Toll collection costs	0.6	0.6	-	-	1.7	1.7	-	-
General and administrative expenses	7.0	3.1	3.9	125.81	17.2	11.2	6.0	53.57
INCOME BEFORE OTHER INCOME NET	58.3	10.1	48.2	477.23	150.2	36.3	113.9	313.77
Other income, net	0.7	1.5	(0.8)	(53.33)	1.5	2.7	(1.2)	(44.44)
INCOME FROM OPERATIONS	59.0	11.6	47.4	408.62	151.7	39.0	112.7	288.97
Net financing cost	1.6	-	1.6	100.00	5.0	(0.3)	5.3	1,766.67
Interest expense	6.7	5.8	0.9	15.52	21.3	18.0	3.3	18.33
Premiums and interests on financing	5.1	5.5	(0.4)	(7.27)	16.5	17.2	(0.7)	(4.07)
Interest on derivative financial instruments	(1.3)	(1.2)	(0.1)	(8.33)	(4.2)	(3.5)	(0.7)	(20.00)
Amortization of premiums and debt expenses	0.3	0.3	-	-	1.0	0.9	0.1	11.11
Major maintenance interests	2.6	1.2	1.4	116.67	7.9	3.4	4.5	132.35
Right of use interests	-	-	-	-	0.1	-	0.1	100.00
Interest income	(5.1)	(5.8)	0.7	12.07	(16.3)	(18.3)	2.0	10.93
INCOME BEFORE INCOME TAXES	57.4	11.6	45.8	394.83	146.7	39.3	107.4	273.28
INCOME TAXES	16.2	0.3	15.9	5,300.00	42.9	6.7	36.2	540.30
NET INCOME FOR THE PERIOD	41.2	11.3	29.9	264.60	103.8	32.6	71.2	218.40
Other comprehensive income items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	(3.9)	(0.9)	(3.0)	(333.33)	(11.6)	(2.5)	(9.1)	(364.00)
Deferred income taxes of derivative financial instruments	1.2	0.3	0.9	300.00	3.5	0.7	2.8	400.00
COMPREHENSIVE INCOME FOR THE PERIOD	38.5	10.7	27.8	259.81	95.7	30.8	64.9	210.71

Concesionaria Irapuato La Piedad S.A. de C.V.
COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF
(MXN million)

	September 2019	December 2018	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	260.3	348.6	(88.3)	(25.33)
Trade accounts receivable - net	96.7	4.4	92.3	2,097.73
Recoverable taxes	25.8	14.8	11.0	74.32
Interest receivable on derivative financial instruments	0.4	0.5	(0.1)	(20.00)
Financial asset from the concessions-current portion	225.1	226.8	(1.7)	(0.75)
Other accounts receivable and prepaid expenses	16.1	15.5	0.6	3.87
Total current assets	624.4	610.6	13.8	23.75
Non-current assets				
Long-term restricted cash	67.0	56.0	11.0	19.64
Financial assets derived from the concessions - long-term portion	469.4	481.7	(12.3)	(2.55)
Intangible assets derived from the concessions	41.9	46.8	(4.9)	(10.47)
Machinery and equipment- net	0.1	0.6	(0.5)	(83.33)
Right of use asset - net	-	-	-	-
Derivate financial instruments	3.8	15.3	(11.5)	(75.16)
Other assets	0.2	0.1	0.1	100.00
Total non-current assets	584.7	603.1	(18.4)	(3.05)
TOTAL ASSETS	1,209.1	1,213.7	(4.6)	(0.38)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Interest payable	1.8	2.0	(0.2)	(10.00)
Other current liabilities	0.6	0.6	-	-
Provisions	84.7	38.5	46.2	120.00
Accounts payable to related parties	16.8	11.6	5.2	44.83
Current portion of long-term debt	31.6	27.8	3.8	13.67
Taxes other than income tax	16.5	4.8	11.7	243.75
Income taxes payable	34.3	-	34.3	100.00
Total current liabilities	186.5	85.3	101.2	118.64
Non-current liabilities				
Long-term debt	145.9	169.6	(23.7)	(13.97)
Provisions for major maintenance	21.7	79.4	(57.7)	(72.67)
Other long term liabilities	1.2	1.3	(0.1)	(7.69)
Deferred income tax liability	76.7	71.6	5.1	7.12
Total non-current liabilities	245.5	321.9	(76.4)	(23.73)
TOTAL LIABILITIES	432.0	407.2	24.8	6.09
STOCKHOLDERS' EQUITY				
Capital stock	264.4	264.4	-	-
Accumulated results	509.8	531.0	(21.2)	(3.99)
Other comprehensive income	2.9	11.1	(8.2)	(73.87)
TOTAL STOCKHOLDERS' EQUITY	777.1	806.5	(29.4)	(3.65)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,209.1	1,213.7	(4.6)	(0.38)

COTESA

Concesionaria Tepic San Blas, S. de R.L. de C.V.								
COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)								
(MXN million)								
	From July 1 to September 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	17.7	27.9	(10.2)	(36.56)	55.1	101.3	(46.2)	(45.61)
Toll revenues	16.9	14.4	2.5	17.36	53.0	45.3	7.7	17.00
Ancillary revenues from the use of right of way and other related revenues	0.8	0.8	-	-	2.1	1.2	0.9	75.00
Total toll and other concession revenues	17.7	15.2	2.5	16.45	55.1	46.5	8.6	18.49
Construction revenues	-	12.7	(12.7)	(100.00)	-	54.8	(54.8)	(100.00)
COSTS AND EXPENSES	10.9	23.0	(12.1)	(52.61)	35.0	80.4	(45.4)	(56.47)
Amortization of assets derived from the concessions	1.4	0.5	0.9	180.00	4.3	1.3	3.0	230.77
Operation and maintenance provisions	2.9	4.5	(1.6)	(35.56)	10.2	11.0	(0.8)	(7.27)
Toll collection costs	3.3	2.4	0.9	37.50	9.9	3.8	6.1	160.53
Cost of ancillary revenues from the use of right of way and other related revenues	0.4	1.1	(0.7)	(63.64)	2.2	1.3	0.9	69.23
General and administrative expenses	2.9	1.8	1.1	61.11	8.4	8.2	0.2	2.44
Total costs and expenses excluding construction costs	10.9	10.3	0.6	5.83	35.0	25.6	9.4	36.72
Construction costs	-	12.7	(12.7)	(100.00)	-	54.8	(54.8)	(100.00)
INCOME FROM OPERATIONS	6.8	4.9	1.9	38.78	20.1	20.9	(0.8)	(3.83)
Net financing cost	(0.8)	(0.8)	-	-	(1.6)	(2.7)	1.1	40.74
Interest expense	0.2	-	0.2	100.00	0.6	-	0.6	100.00
Major maintenance interests	0.2	-	0.2	100.00	0.6	-	0.6	100.00
Interest income	(1.0)	(0.8)	(0.2)	(25.00)	(2.2)	(2.7)	0.5	18.52
INCOME BEFORE INCOME TAXES	7.6	5.7	1.9	33.33	21.7	23.6	(1.9)	(8.05)
INCOME TAXES	1.7	0.5	1.2	240.00	5.7	4.9	0.8	16.33
NET AND COMPREHENSIVE INCOME FOR THE PERIOD	5.9	5.2	0.7	13.46	16.0	18.7	(2.7)	(14.44)

Concesionaria Tepic San Blas, S. de R.L. de C.V.
COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF
(MXN million)

	September 2019	December 2018	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	59.5	30.1	29.4	97.67
Recoverable taxes	18.4	22.9	(4.5)	(19.65)
Other accounts receivable and prepaid expenses	1.6	2.0	(0.4)	(20.00)
Total current assets	79.5	55.0	24.5	44.55
Non-current assets				
Intangible assets derived from the concessions	258.8	263.1	(4.3)	(1.63)
Furniture and equipment and franchise rights - net	0.6	0.7	(0.1)	(14.29)
Deferred income tax asset	-	-	-	-
Other assets	4.0	3.9	0.1	2.56
Total non-current assets	263.5	267.8	(4.3)	(1.61)
TOTAL ASSETS	343.0	322.8	20.2	6.26
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	0.3	3.5	(3.2)	(91.43)
Other current liabilities	8.4	6.6	1.8	27.27
Provisions	3.7	5.2	(1.5)	(28.85)
Accounts payable to related parties	3.0	2.4	0.6	25.00
Income taxes payable	5.7	-	5.7	100.00
Total current liabilities	21.1	17.7	3.4	19.21
Non-current liabilities				
Provisions for major maintenance	2.2	1.3	0.9	69.23
Total non-current liabilities	2.2	1.3	0.9	69.23
TOTAL LIABILITIES	23.3	19.0	4.3	22.63
STOCKHOLDERS' EQUITY				
Capital stock	270.4	270.4	-	-
Accumulated results	49.3	33.4	15.9	47.60
TOTAL STOCKHOLDERS' EQUITY	319.7	303.8	15.9	5.23
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	343.0	322.8	20.2	6.26

AUTOVIM

Autovías de Michoacán S.A. de C.V.								
COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)								
(MXN million)								
	From July 1 to September 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	13.6	-	13.6	100.00	16.6	-	16.6	100.00
Construction revenues	13.6	-	13.6	100.00	16.6	-	16.6	100.00
COSTS AND EXPENSES	13.7	-	13.7	100.00	16.8	-	16.8	100.00
Toll collection costs	0.1	-	0.1	100.00	0.1	-	0.1	100.00
General and administrative expenses	-	-	-	-	0.1	-	0.1	100.00
Total costs and expenses excluding construction costs	0.1	-	0.1	100.00	0.2	-	0.2	100.00
Construction costs	13.6	-	13.6	100.00	16.6	-	16.6	100.00
INCOME BEFORE OTHER INCOME NET	(0.1)	-	(0.1)	(100.00)	(0.2)	-	(0.2)	(100.00)
Other income, net	-	-	-	-	(0.5)	-	(0.5)	(100.00)
INCOME FROM OPERATIONS	(0.1)	-	(0.1)	(100.00)	(0.7)	-	(0.7)	(100.00)
Net financing cost	(1.4)	-	(1.4)	(100.00)	(3.0)	-	(3.0)	(100.00)
Interest income	(1.4)	-	(1.4)	(100.00)	(3.0)	-	(3.0)	(100.00)
INCOME BEFORE INCOME TAXES	1.3	-	1.3	100.00	2.3	-	2.3	100.00
INCOME TAXES (BENEFIT)	0.3	-	0.3	100.00	0.7	-	0.7	100.00
CONSOLIDATED AND COMPREHENSIVE NET INCOME FOR THE PERIOD	1.0	-	1.0	100.00	1.6	-	1.6	100.00

Autovías de Michoacán S.A. de C.V.				
COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF				
(MXN million)				
	September 2019	December 2018	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	206.9	-	206.9	100.00
Recoverable taxes	0.4	-	0.4	100.00
Other accounts receivable and prepaid expenses	6.2	-	6.2	100.00
Total current assets	213.5	-	213.5	100.00
Non-current assets				
Intangible assets derived from the concessions	31.8	-	31.8	100.00
Total non-current assets	31.8	-	31.8	100.00
TOTAL ASSETS	245.3	-	245.3	100.00
LIABILITIES AND STOCKHOLDERS' EQUITY				
Non-current liabilities				
Deferred income tax liability	0.7	-	0.7	100.00
Total non-current liabilities	0.7	-	0.7	100.00
TOTAL LIABILITIES	0.7	-	0.7	100.00
STOCKHOLDERS' EQUITY				
Capital stock	244.0	-	244.0	100.00
Accumulated results	0.6	-	0.6	100.00
TOTAL STOCKHOLDERS' EQUITY	244.6	-	244.6	100.00
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	245.3	-	245.3	100.00

GLOSSARY

“Adjusted EBITDA” means the sum of (a) EBITDA plus (b) the Major Maintenance Provision.

“Adjusted EBITDA Margin” means the ratio between (a) Adjusted EBITDA and (b) total toll and other concession revenues.

“ADT” means Weighted Average Daily Traffic, or the ratio between (a) traffic to (b) the number of days in a given period of time. Traffic is the number of vehicle crossings in toll plazas or free toll roads in a given period of time.

“Ancillary revenue from the use of right of way and other related revenues” means the revenues generated by the businesses operated by the Company alongside its toll roads, such as restaurants and convenience stores; the fees charged to vendors for the business they operate alongside the toll roads, such as convenience stores and gas stations; and the easement fees charged to other fourth parties for the installation or construction of water and gas pipelines, power lines and telecommunications and other infrastructure on land adjacent to the toll roads.

“Autovim” means Autovías de Michoacán S.A. de C.V.

“Autovim Concession Agreement” means the concession agreement dated December 2, 2009, issued by the State Government of Michoacán de Ocampo and granted to Autovim in order to project, build, operate, exploit, conserve and maintain for a 30 year period, the high specifications road of Zamora-La Piedad.

“Availability Payments from the SCT” means the amounts in cash payable by the SCT to each of CONIPSA and COVIQSA upon satisfaction of the requirements set forth in the relevant PPS Agreement.

“Banobras” means Banco Nacional de Obras y Servicios Públicos S.N.C., the Mexican development bank responsible for promoting and financing infrastructure projects and public services.

“Banobras Loan”: new credit facility with Banobras dated on October 8th 2013 for a total amount of MXN\$7,135.5 million. On December 21st 2017, it successfully concluded a maturity extension of a bank financing (acquisition loan) obtained from Banobras in 2013 with an original maturity in 2032, to a new maturity in 2037. In addition to the extension, RCO entered into a new credit facility with Banobras (which constitutes Additional Senior Debt under the Common Terms Agreement and RCO’s other financing documents) for an amount of MXN\$4,000 million pesos with maturity in 2037, which may be used within 3 years as of this date.

“Banorte” means Banco Mercantil del Norte, S.A. Institución de Banca Múltiple, Grupo Financiero Banorte.

“BMV” means the Mexican Stock Exchange (*Bolsa Mexicana de Valores S.A.B. de C.V.*).

“Certificados Bursátiles or CBs” means the long-term debt securities issued by the Company with slate keys: RCO 12, RCO 12U, RCO 14, RCO 18U and RCO 19 and whose principal terms are as follows:

Issuer	Red de Carreteras de Occidente S.A.B. de C.V.				
Type	Long-term Debt Securities				
Rating	mxAAA by S&P; AAA(mex) by Fitch.				
Guarantee	Debt Service Reserve for CBs				
	Banobras first losses partial guarantee over 6.5% from unpaid balance.	Without partial guarantee	Without partial guarantee	Without partial guarantee	Without partial guarantee
	"RCO 12" Nominal fixed Interest rate	"RCO 12U" Real Interest rate	"RCO 14" Nominal fixed Interest rate	"RCO 18U" Real Interest rate	"RCO 19" Nominal fixed Interest rate
Issuance amount	MXN \$1.121 billion	MXN \$2.44 billion; 388,322,482.76 UDI	MXN \$4.4 billion	MXN \$15.67 billion; 2,491,451,000.00 UDI	MXN \$2.8 billion
Denomination	Pesos	UDI	Pesos	UDI	Pesos
Type of Interest rate	Fixed	Fixed	Fixed	Fixed	Fixed
Coupon	9.00%	5.25%	9.05%	6.00%	9.67%
Legal term	15 years	20 years	15 years	21 years	19 years
Maturity date	August 2027	August 2032	August 2030	February 2040	August 2038
Amortization schedule	Year 7 to 15; 18 bi-annual coupons since February 10, 2019 using the principal amount and percentage and in the dates established in the offering documents.	Year 7 to 20; 28 bi-annual coupons since February 10, 2019 using the principal amount and percentage and in the dates established in the offering documents.	Year 7 to 15; 20 bi-annual coupons since February 10, 2021 using the principal amount and percentage and in the dates established in the offering documents.	Year 7 to 22; 31 bi-annual coupons since February 10, 2025 using the principal amount and percentage and in the dates established in the offering documents.	Year 6 to 19; 28 bi-annual coupons since February 10, 2025 using the principal amount and percentage and in the dates established in the offering documents.

“CONIPSA” means Concesionaria Irapuato La Piedad, S.A. de C.V.

“CONIPSA Concession Agreement” means the concession title (*Título de Concesión*) dated September 12th, 2005, issued by the Federal Government, through the SCT, which entitles CONIPSA to (i) operate, preserve and maintain a 73.520 km federal toll-free road otherwise known as the “Irapuato-La Piedad” highway, which extends from the junction between the Querétaro-Irapuato and the Irapuato-La Piedad toll roads to the junction with the La Piedad de Cabañas bypass at kilometer 76+520 in the State of Guanajuato, and (ii) expand and rehabilitate the Irapuato-La Piedad highway and enter into a PPS Agreement with the Mexican Federal Government in respect thereto, for a 20 year period beginning on the aforementioned date.

“CONIPSA Loan” means the MXN\$580 million loan granted to CONIPSA for purposes of the completion of the Expansion Works and the Rehabilitation Works contemplated by the CONIPSA Concession Agreement and the relevant PPS Agreement.

“Cost of ancillary revenues from the use of Right of Way and other related revenues” means cost and expenses related with businesses operated by the Company alongside its toll roads, such as restaurants and convenience stores.

“COTESA” means Concesionaria Tepic San Blas, S. de R.L. de C.V.

“COTESA Concession Agreement” means the concession title (*Título de Concesión*) dated May 19, 2016, issued by the Federal Government, through the SCT, which entitles COTESA to (i) operate, preserve and maintain a 30.929 km federal toll road located in the state of Nayarit for a 30 year period beginning on the aforementioned date.

“COVIQSA” means Concesionaria de Vías Irapuato Querétaro, S.A. de C.V.

“COVIQSA Concession Agreement” means concession title (*Título de Concesión*) dated June 21st, 2006, issued by the Federal Government, through the SCT, which entitles COVIQSA to (i) operate, preserve and maintain a 92.979 km federal toll-free road located in the states of Querétaro and Guanajuato and (ii) expand and rehabilitate Irapuato-Querétaro highway, and enter into a PPS Agreement with the Mexican Federal Government in respect thereto, for a 20 year period beginning on the aforementioned date.

“COVIQSA Loan” means the MXN\$2,800.0 million loan comprised by: (i) MXN\$1,048.8 million loan granted by Banobras and (ii) MXN\$1,751.2 million loan granted by Santander and Banorte.

“Debt Service Coverage Ratio” means DSCR, or the ratio between (A) the amount available for debt service purposes and (B) the Debt Service, where:

- A. **Amount available for debt service purposes** is the sum of (a) the Adjusted EBITDA, (b) the available cash and (c) the net prepayment, divided by the amount disbursed under the existing credit facilities. The available cash is equal to FARAC I’s cash and cash equivalents as of the beginning of the relevant period, net of the amounts held in the Expansion Project Trust and the amounts that cannot be used to pay the adjusted interest expenses; and
- B. **Debt Service** is FARAC I’s Interest expense, net of the costs associated with the cancellation of derivative financial instruments and certain non-cash interest expense items; and principal amortizations.

“EBITDA” means the sum of (a) earnings before interest and income taxes, plus (b) depreciation and amortization; calculated for RCO as income from operations plus depreciation and amortization.

“EBITDA Margin” means the ratio between (a) EBITDA and (b) total toll and other concession revenues.

“EMISNET” means the data transmission system operated by the BMV, through which listed companies relay, via the Internet, relevant news and financial reports to the BMV’s web page.

“EPS” means earnings per share, or the ratio between (a) consolidated net income and (b) the weighted average number of common shares outstanding during a given year.

“Expansion Project Trust” means Administration Trust No. F/300209 (formerly known as Trust No. F/882), pursuant to which the Company contributed MXN\$1.5 billion as security for the performance of its obligations under the FARAC I Concession Agreement, including its obligation to carry out the Expansion Works in accordance with the terms and specifications set forth in the relevant executive plan, subject to the delivery of the applicable Right of Way by the SCT.

“**FARAC**” means the Mexican National Infrastructure Fund (*Fondo Nacional de Infraestructura*), formerly known as the Concessioned Highways Rescue Trust (*Fideicomiso de Apoyo para el Rescate de Autopistas Concesionadas*).

“**FARAC I**” means the first set of toll roads auctioned off by the FARAC, namely (i) the Guadalajara-Zapotlanejo highway, (ii) the Maravatío-Zapotlanejo highway, (iii) the Zapotlanejo-Lagos de Moreno highway, and (iv) the León-Aguascalientes highway.

“**FARAC I Acquisition Loan**” means the MXN\$31.0 billion loan granted to RCO for purposes of the acquisition of the FARAC I Concession Agreement.

“**FARAC I Original Capex Loan**” means the original MXN\$3.0 billion capex loan granted to RCO to finance the cost of the initial road improvements required by the SCT, and of major maintenance expenses; and

“**FARAC I HSBC Capex Loan**” means the 2013 MXN\$500.0 million capex loan granted to RCO by HSBC to finance the toll roads’ major maintenance expenses.

“**FARAC I 2016 Capex Loan**” means the Santander Loan dated December 2nd, 2014 as it was amended and extended on November 9th, 2016 in order to: (i) extend the original maturity from December 10th, 2021 to September 10th, 2028, and (ii) increase the amount in MXN\$650.0 million resulting in a total amount of MXN\$1,650.0 million; and afterwards partially granted from Santander to “*Banco Interacciones, S.A. Institución de Banca Múltiple, Grupo Financiero Interacciones*” through a cession agreement dated December 29th, 2016.

“**FARAC I 2017 Capex Loan**” means the Santander Loan dated April 27th, 2017 intended to be used by RCO to pay Capex and expansion works expenses for an amount of MXN\$2,000.0 million.

“**FARAC I Concession Agreement**” means the concession title (*Título de Concesión*) pursuant to which the Company has the right and obligation to build, operate, exploit, enhance and maintain (i) the Guadalajara-Zapotlanejo, (ii) the Maravatío-Zapotlanejo, (iii) the Zapotlanejo-Lagos de Moreno and (iv) the León-Aguascalientes toll roads, and to build and maintain the Expansion Works, for a period of 30 years beginning on the date of award of the concession.

“**FARAC I Expansion Works**” or “**Expansion Works**” means the construction works contemplated by the FARAC I Concession Agreement.

“**FARAC I Inbursa Loan**” new credit facility with Banco Inbursa S.A. dated on August 8th, 2014 for a total amount of MXN\$4,596.0 million due 2029. On January 16th 2018, it successfully concluded a maturity extension originally in 2029, to a new maturity in 2034.

“**IAS**” means International Accounting Standards.

“**IFRIC**” means Interpretations originated from the International Financial Reporting Interpretations Committee.

“**IFRS**” means International Financial Reporting Standards.

“**Income from Operations Margin**” means the ratio between (a) income from operations to (b) total toll and other concession revenues.

“**Indeval**” means S.D. Indeval Institución para el Depósito de Valores S.A. de C.V.

“**Major Maintenance Provision**” means the amount recognized by the Company on account of the anticipated maintenance cost of the roads under concession, which affects the Company’s results from the commencement of operations of a highway. Amounts are provisioned through the date the maintenance and/or repair work is performed. Amounts for maintenance are recognized at present value, as required by IAS 37, “Provisions, Contingent Liabilities and Contingent Assets,” and IFRIC 12.

“**NCPI**” means the Mexican National Consumer Price Index (*Índice Nacional de Precios al Consumidor*).

“**Phase I of the Rehabilitation Works**” means the construction works required to achieve the toll-road standards established by the SCT, taking into consideration the initial road conditions.

“PPS Agreement” means, as the case may be, the agreement between COVIQSA or CONIPSA and the Mexican Federal Government, acting through the SCT, pursuant to which the SCT has agreed to make availability payments in exchange for the supply of highway capacity and operation services to, and shadow toll payments based on the number of vehicles that use the Toll-Free Roads operated by COVIQSA or CONIPSA, as the case may be.

“RCO,” the **“Concessionaire”** or the **“Company”** means Red de Carreteras de Occidente, S.A.B. de C.V.

“Right of Way” means the strip of land located alongside the Company’s highways, necessary to carry out the construction, maintenance, expansion, protection, exploitation and in general for the adequate use of the FARAC I highways as well as COTESA and the toll free roads of COVIQSA and CONIPSA; also needed for the Expansion Works required by the SCT.

“Santander” means Banco Santander (México), S.A., Institución de Banca Múltiple, Grupo Financiero Santander México.

“SCT” means the Mexican Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes*).

“Fourth Amendment to the PPS Agreement” means the fourth amendment to the PPS Agreement for the provision of long-term highway capacity on the Querétaro-Irapuato toll-free road (COVIQSA), which amended the payment mechanism and financial model contemplated by such PPS agreement.

“Senior Loan Agreement” means the amended and restated loan agreement among the issuer, the lenders and the administrative agent.

“Senior Notes” means the 9.00% preferred debt securities in the principal amount of MXN\$7.5 billion, due 2028, issued by the Company on May 30th, 2013 pursuant to Rule 144A and Regulation S of the U.S. Securities Act of 1933. Interest on the Senior Notes are payable semi-annually.

“Shadow toll payment from the SCT” means, as with respect to CONIPSA and/or COVIQSA, the traffic payments received from the SCT in respect of the Irapuato-La Piedad and Querétaro-Irapuato highways pursuant to the relevant PPS agreement. COVIQSA entered into an amendment agreement to the long-term PPS, dated September 21st, 2006 (subsequently amended on September 23th, 2011) to calculate the payments under the agreement, establishing a maximum quarterly payment amount of MXN\$192.4 million to be adjusted by inflation.

“Toll revenues” means the revenues derived from the use of the toll roads.

“Toll-free Roads” means the Querétaro-Irapuato highway (COVIQSA) and the Irapuato-La Piedad highway (CONIPSA).

“Total toll and other concession revenues” means the sum of (a) the toll revenues, (b) the shadow toll payments from the SCT, (c) the availability payments from the SCT and (d) the ancillary revenue from the use of Right of Way.

“UDIs” means Mexican Investment Units (*Unidades de Inversión*), which are inflation indexed currency units.