



# Corporate Presentation

Hoteles City Express

February 2021

**cityexpress**  
hoteles

# First Hotel in the World to obtain the “Safehotels CovidClean” Certificate

## Important Considerations (China & USA)

## Client Profile and the New Normal

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>✓ Post-opening spending is mainly done in food and travel</li> <li>✓ Recovery mainly driven by business travelers</li> <li>✓ 60% of reservations are made by people under 30 years old</li> <li>✓ Preference for land routes (including routes over 3 hours)</li> <li>✓ Mainly domestic trips</li> <li>✓ Preference for the “Budget” hotel sector, being the most resilient</li> <li>✓ Luxury hotel sector (&gt;4 stars) affected by low international demand and the decrease in average spending on travel</li> </ul> | <ul style="list-style-type: none"> <li>✓ 90% of travelers are nationals and mainly terrestrial</li> <li>✓ 89% of the room nights sold are to business travelers</li> <li>✓ Average age between 30 and 40 years old</li> <li>✓ About 85% of travelers are terrestrial</li> <li>✓ Constant use of technology (i.e. check in – check out remotely)</li> <li>✓ Typical guest: employees dedicated to the supervision of the distribution and proper functioning of plants and warehouses, among other things</li> </ul> |
|--|---|

## Biosafety Standards

Mitigation and Prevention		Safety and Hygiene
Biosafety Infographics		Maintenance activities
Strict policies in F&B		Strict policies in public areas
Hospital quality cleaning		Action protocols



- First chain worldwide to receive the “Safehotels CovidClean” certification from the World Health Organization
- Biosafety Manual based on WTTC guidelines → the basis on which the industry is currently operating



# Follow-up Processes and Actions Taken in Response to Coronavirus (COVID-19)

1

## Guests and Collaborators

- First hotel chain in the world to be certified as “Safehotels CovidClean” under the strictest World Health Organization standards
- Training and continuous information on the health and biosafety protocols implemented at the chain, as well as on prevention and personal health care mechanisms
- Increased cleaning frequency of our public areas using hospital grade cleaning agents
- Maintaining close collaboration with local, state and federal authorities to keep our guests and collaborators duly informed on everything related to COVID-19
- Changes to reservation policies and loyalty programs to give more flexibility to our guests

2

## Financial Situation

- Draw down of \$1.0 bn pesos from our revolving line of credit in order to guarantee greater liquidity during the most restrictive phase of the health emergency. The aforementioned, solely and exclusively as a preventive measure, so that resources are invested in debt instruments from the day of draw down
- Agreements with all the Banks with which we have a relationship, in order to obtain waivers for 100% of our loans in order to suspend the commitments assumed by financial covenants until 4Q21 for the most part
- Closing of an equity forward contract, under which the exchange of shares is established up to a notional amount not exceeding \$100 million pesos and which will be settled by differences at the expiration date

3

## Possible Strategies

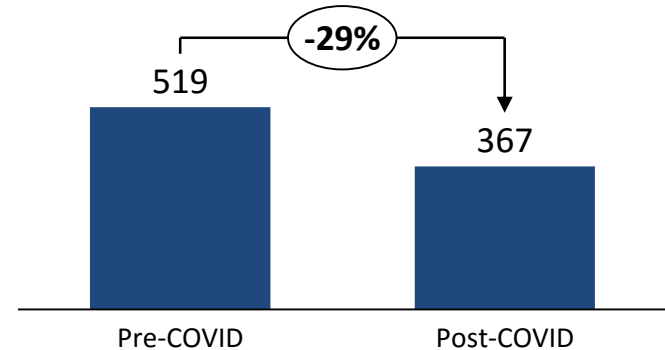
- Main focus is reducing leverage under different action plans:
- Strict feasibility assessment to halt new construction projects until more clarity is gained on the current macroeconomic situation
- Evaluation of land and/or assets recycling
- Increase the number of joint ventures with strategic partners in assets that are currently 100% company owned, with the aim of diversifying risk
- “Asset light” growth strategy focused on management and franchise agreements

# We Reduced the Breakeven Point due to Actions taken and Efficiencies gained from Cost Cutting

## Waiver and Deferral of Capital Payments Status

- ✓ We were able to obtain waivers from our bank creditors to reduce amortization payments by up to 29% in 2020
- ✓ Waivers for non-compliance with financial covenants until December 2021 for the most part. To date we are in compliance with all of our banking obligations

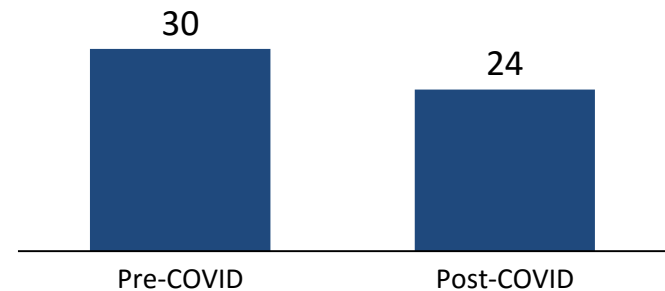
## Amortizations 2020



## Effects and efficiencies at the operational level as a result of cost cutting

- ✓ Our cost base and the flexibility of our business model allow us to operate with lower rates and occupancies than the rest of the industry, as well as with a lower breakeven point
- ✓ In order to avoid layoffs, a compensation negotiation was reached with both unionized employees and trusted personnel
- ✓ Negotiations concluded with construction suppliers, 15-20% price reduction in raw materials
- ✓ Significant reduction in cash flow burn rate. Ability to operate for 18-20 months with zero occupancy (estimated from April 2020)

## EBITDA Breakeven (%)

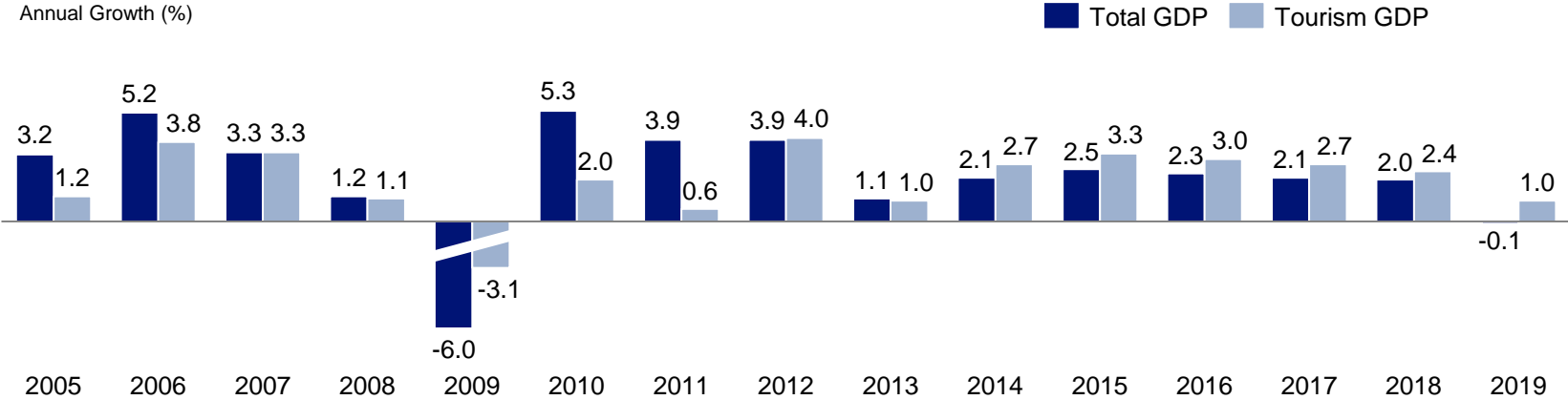


# Mexico's Hospitality Market Update

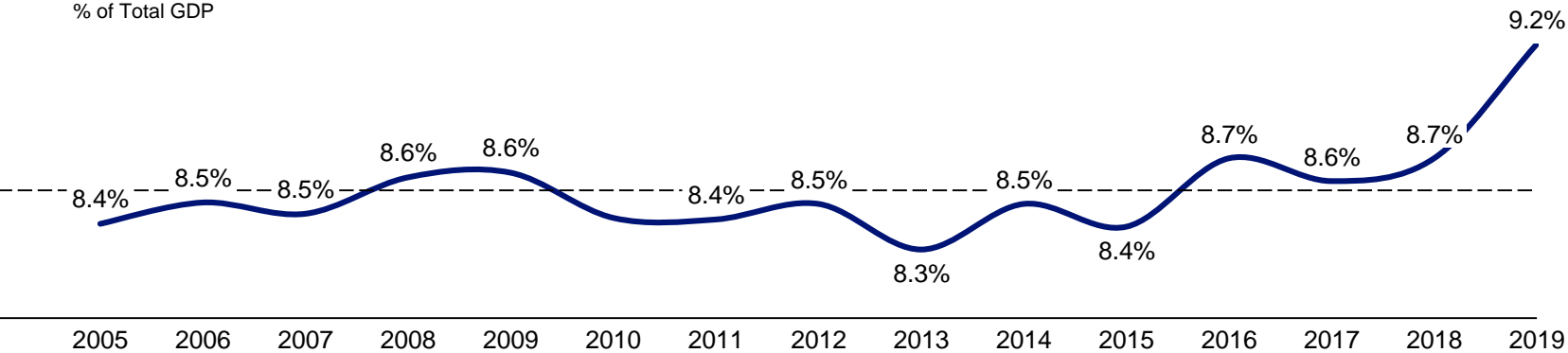
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# Tourism Contributes with 9% of Mexico's GDP

Tourism GDP and Total GDP Historical Evolution



Tourism Expenditure as Percentage of Total GDP

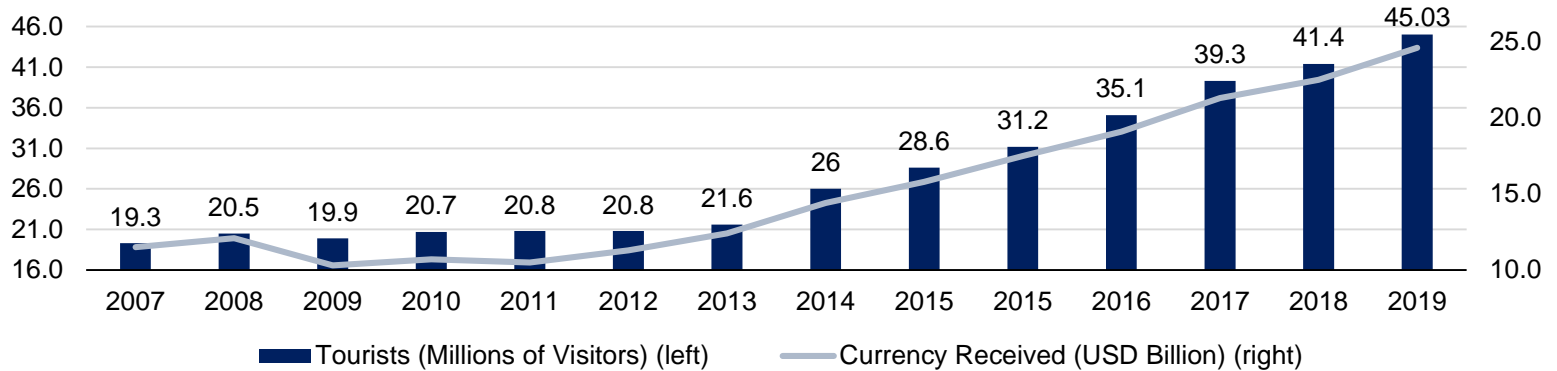


Source: Elaboration and seasonality adjustments by Banco de México with respect to data from the Tourism Ministry of the Federal Government and Airports and Auxiliary Services.



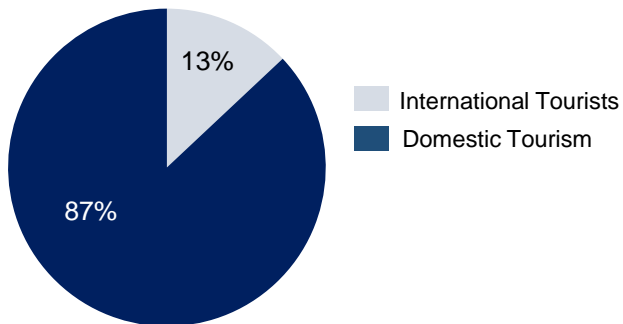
# Tourism Strength Derived From Both Domestic Momentum and International Visitors

## International Tourist Arrivals and Currency Surplus



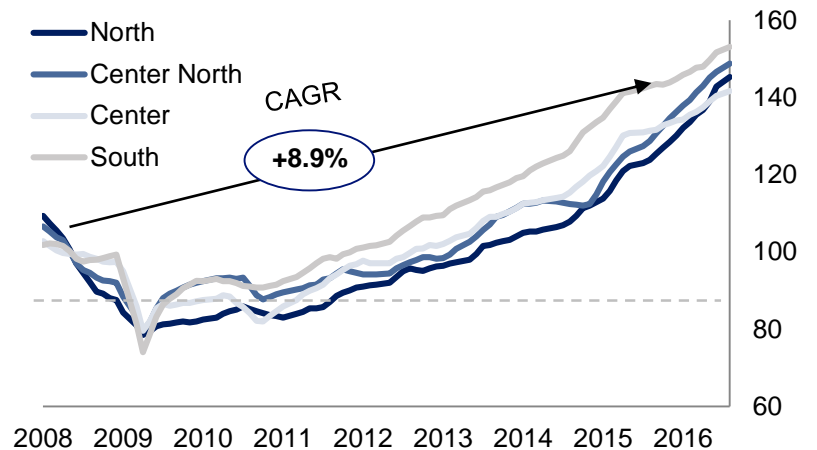
## Tourism Expenditure by Origin

2019



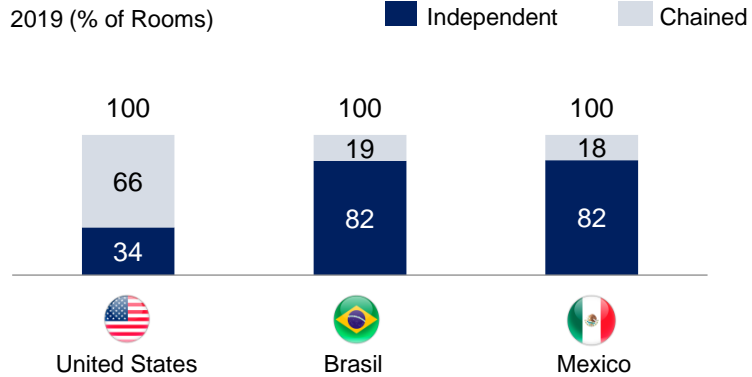
## Hotel Occupancy Index

Base 2008 (2008 = 100)

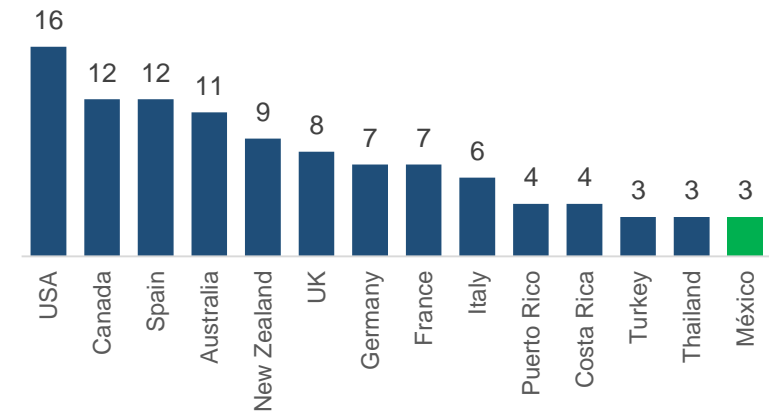


# Hospitality Industry with Consolidation Opportunities Due to Fragmentation

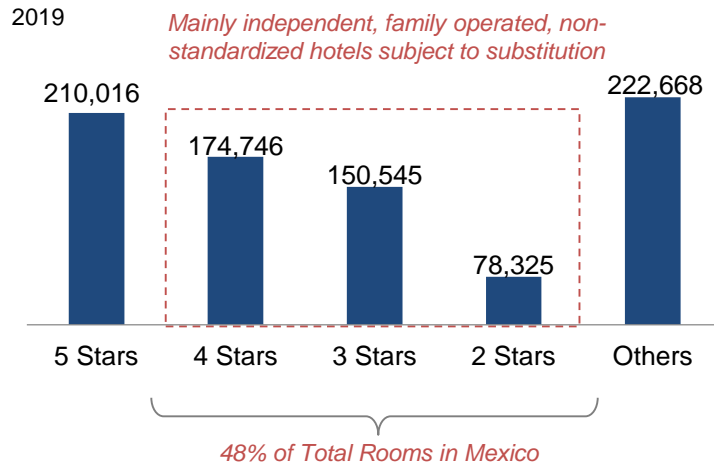
## Breakdown of Independent and Chained Hotels



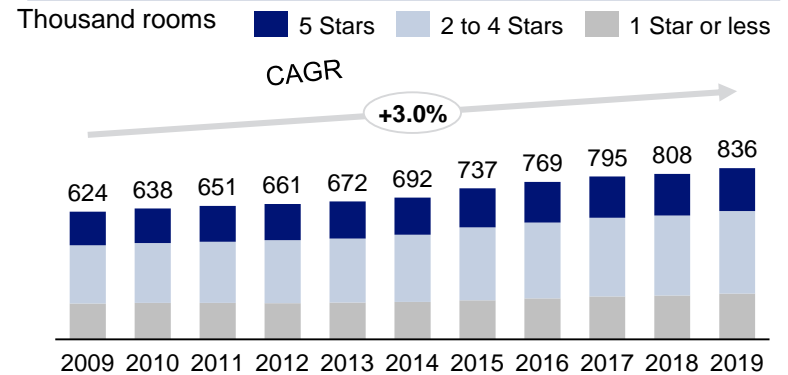
## Hotel Rooms per Thousand Inhabitants



## Hotel Rooms in Mexico by Number of Stars



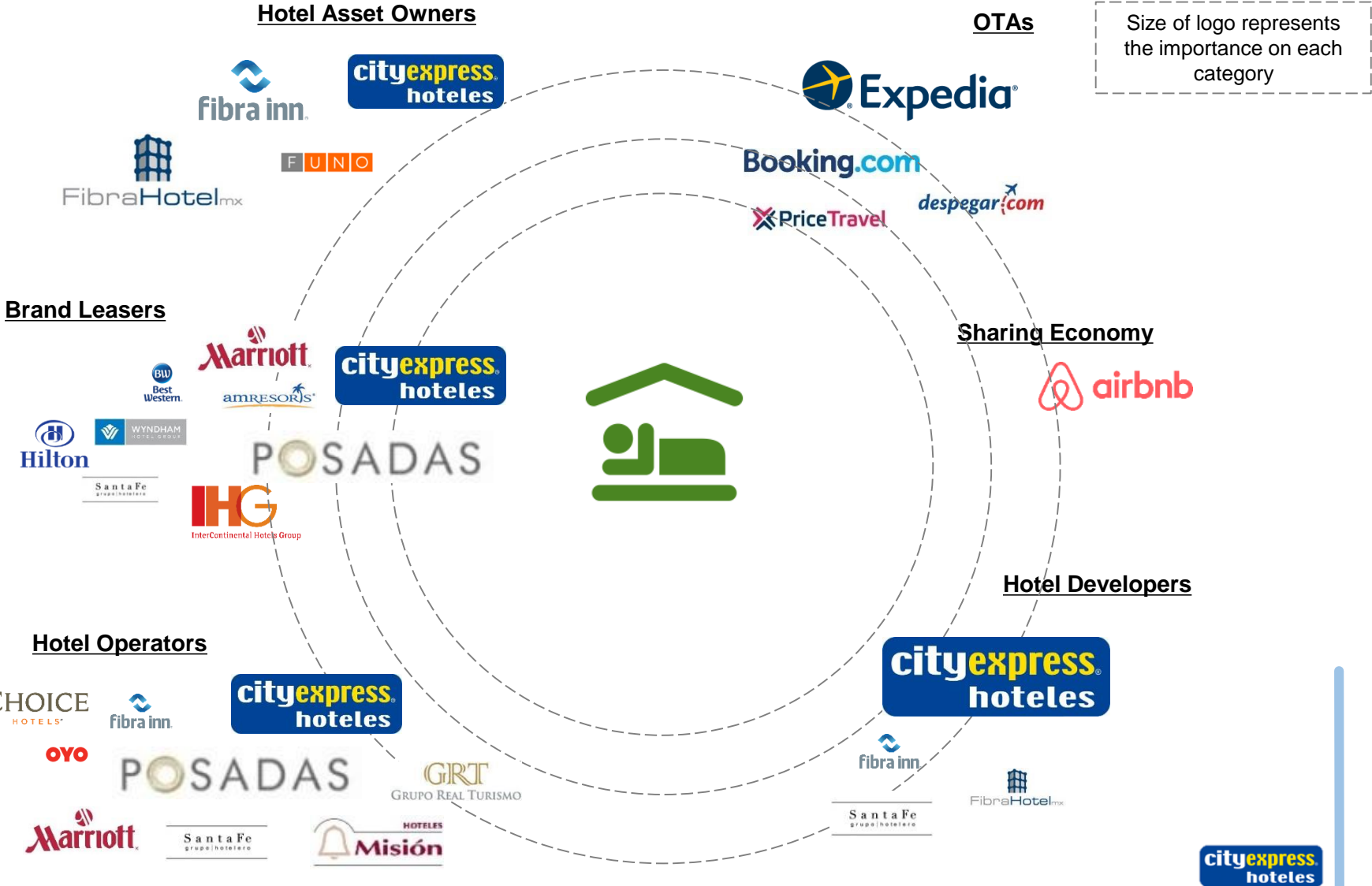
## Hotel Supply Growth



Source: INEGI, Ministry of Tourism, Ministry of Communications and Transportation, JLL, PwC, Euromonitor.



# Hospitality Market Players in Mexico



# Hoteles City Express Today

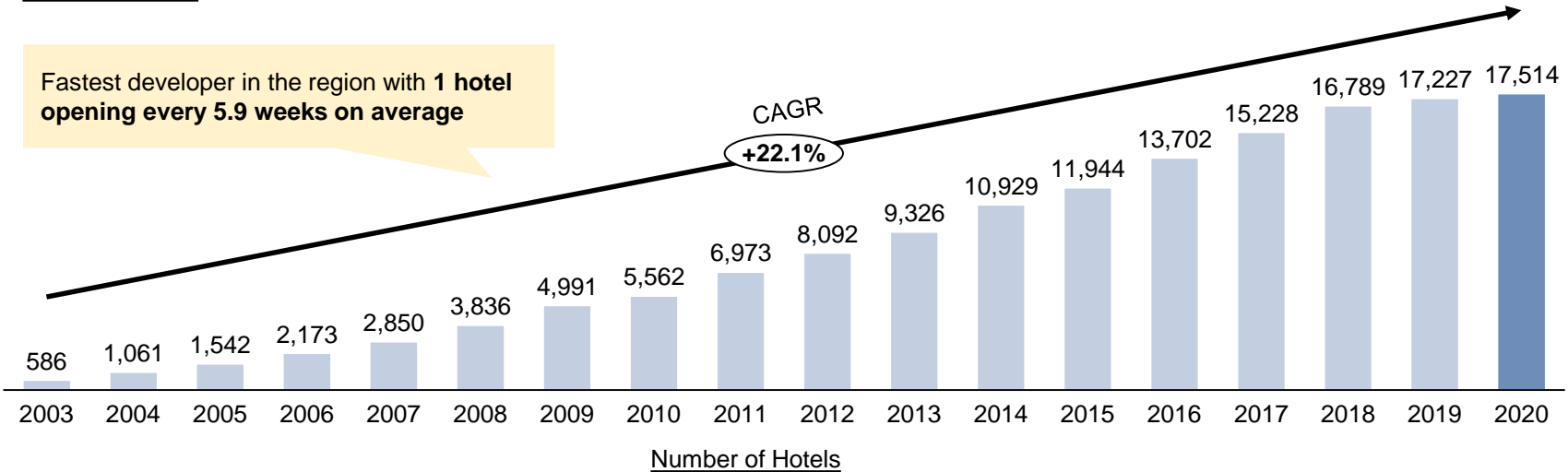
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# We Are the Fastest Growing Hotel Chain in Mexico...

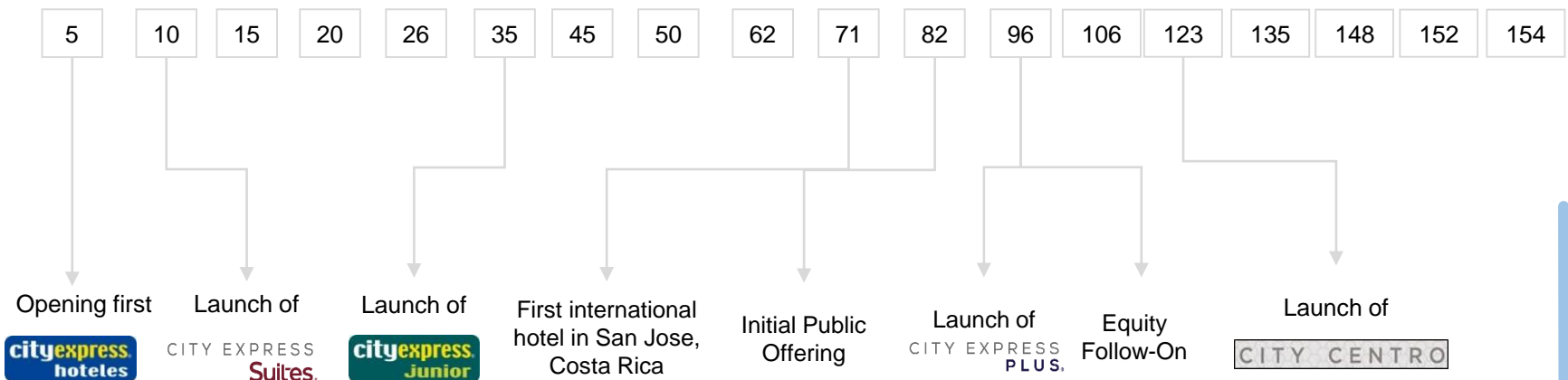
## Historical Chain Growth

### Installed Rooms




Fastest developer in the region with **1 hotel opening every 5.9 weeks on average**

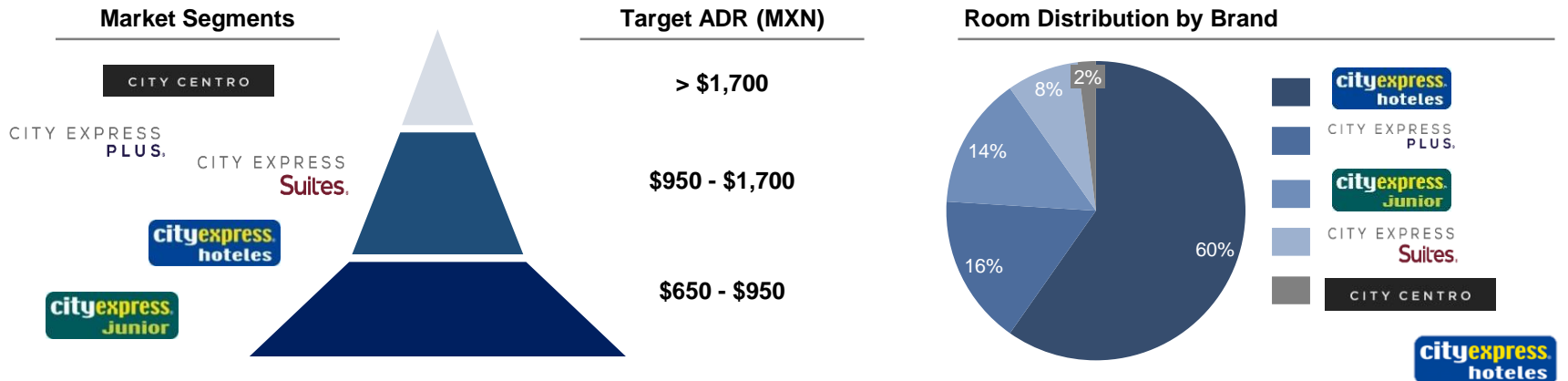


Number of Hotels

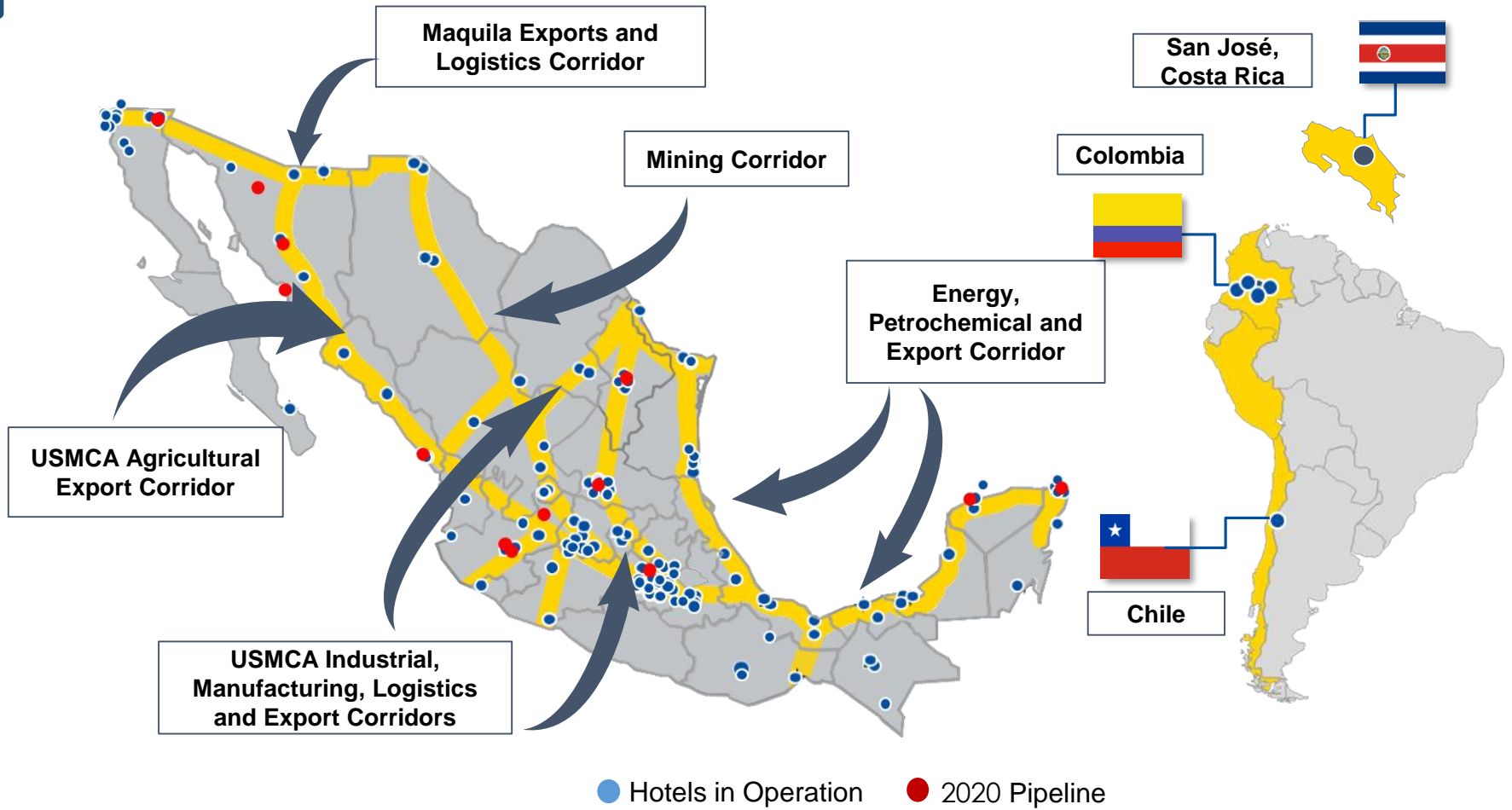


# With One Brand and Five Successful Products to Serve our Market Segment

		CITY EXPRESS PLUS.		CITY EXPRESS Suites.	
Description	<ul style="list-style-type: none"> <li>Flagship Brand</li> <li>Essential amenities</li> <li>Economy segment</li> </ul>	<ul style="list-style-type: none"> <li>City Express product located in Premium locations</li> </ul>	<ul style="list-style-type: none"> <li>Budget segment brand</li> <li>Same quality within smaller rooms</li> </ul>	<ul style="list-style-type: none"> <li>Extended stay brand</li> <li>Apartment-style layout</li> </ul>	<ul style="list-style-type: none"> <li>City Express product within city downtowns with Premium decor</li> </ul>
Average Room Size	23 m <sup>2</sup> (248 ft <sup>2</sup> )	23 m <sup>2</sup> (248 ft <sup>2</sup> )	17 m <sup>2</sup> (183 ft <sup>2</sup> )	30 m <sup>2</sup> (323 ft <sup>2</sup> )	23 m <sup>2</sup> (248 ft <sup>2</sup> )
Average Daily Rate (ADR)	MXN \$650 – \$1,750	MXN \$950 – \$2,900	MXN \$550 – \$1,100	MXN \$950 – \$2,400	MXN \$ 1,600 – \$3,000
Rooms per Hotel	100 – 150	70 – 150	105 – 134	26 – 120	35 – 80
# of Hotels	92	25	22	12	3
# of Rooms	10,758	3,351	2,467	721	217



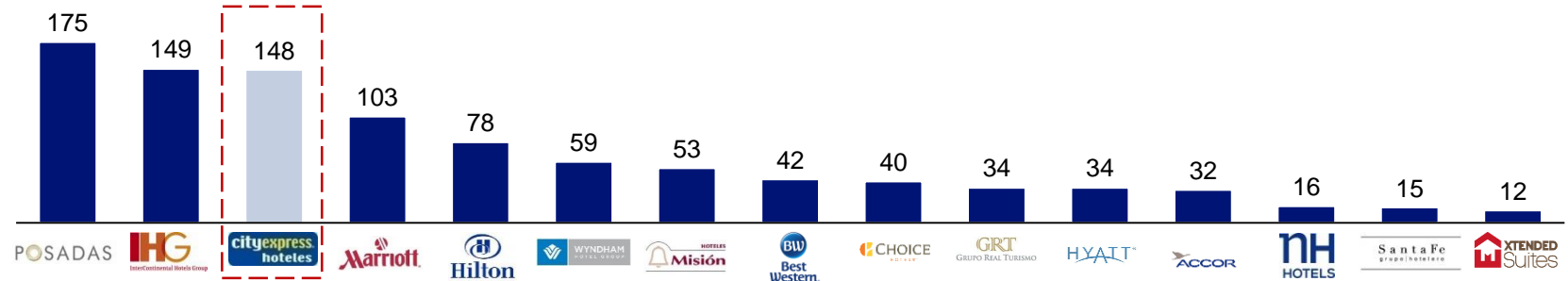
# ...And Significant Diversification Across Geographies and Countries



# Reflected in the Build Up of the Largest Branded Inventory in Mexico

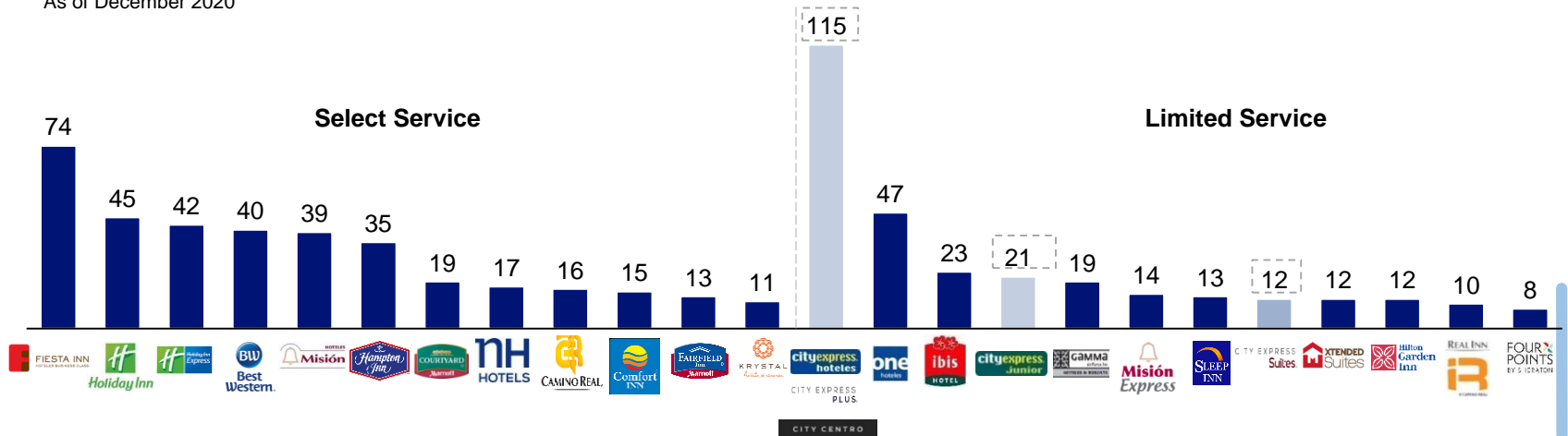
## Number of Hotels by Chain in Mexico

As of December 2020



## Number of Hotels by Brand in Mexico

As of December 2020



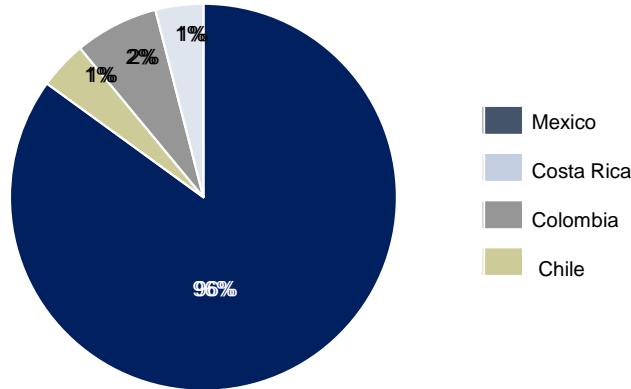
Source: Information prepared by the Company based on publicly available information including prospectuses, quarterly reports, websites and press releases.



# ...And Favoured by Exposure to Different Economic Activities, Brands and Ownership Structures

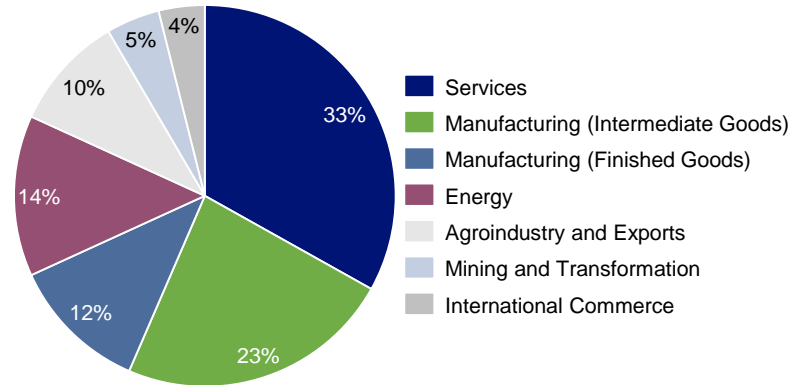
## Geographic Coverage by Country

As of December 2020



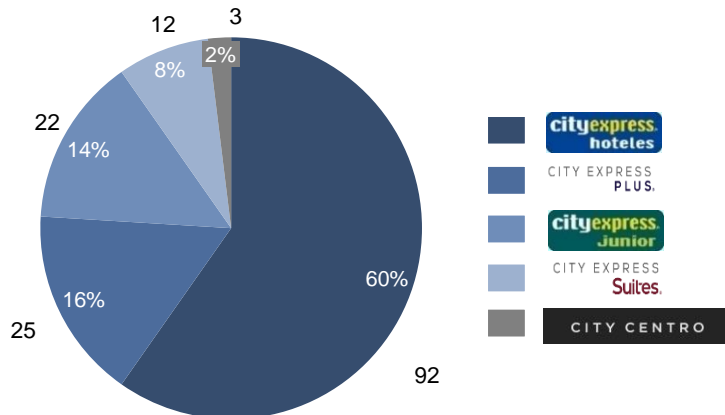
## Presence in Mexico by Economic Activity

As of December 2020, % of Total Portfolio based on Number of Hotels



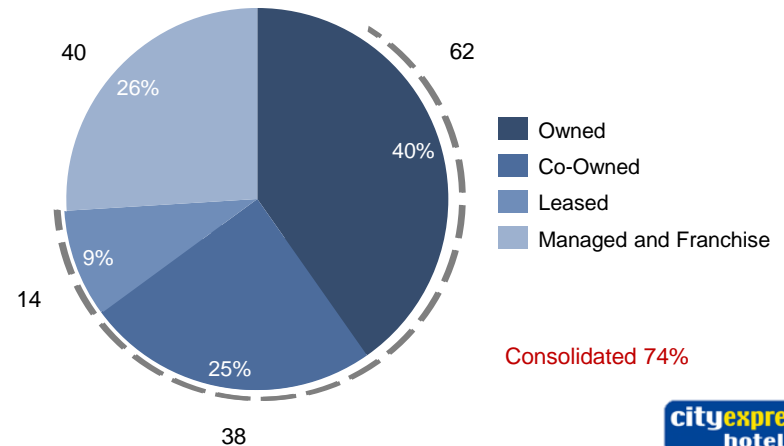
## Hotel Portfolio by Brand

As of December 2020, # of Hotels and % of Total Portfolio



## Hotel Portfolio by Ownership

As of December 2020, # of Hotels and % of total Portfolio

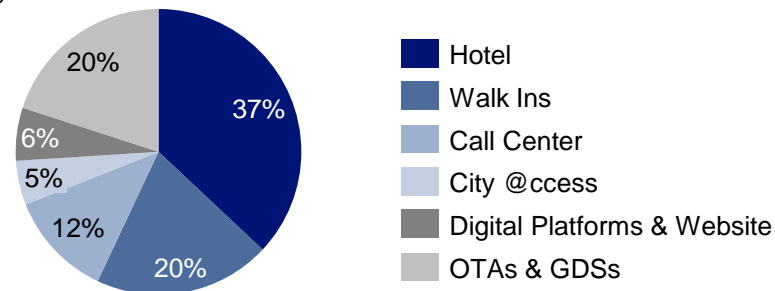


# Coupled With an Innovative and Disruptive Room Operation and Distribution Platform

- Innovative technological platform receiving **more than 80% of reservations through own channels**
- Optimized **Yield Management System** executed in real time focused on maximizing RevPAR
- *City Premios* – **Loyalty program** with over 1,000,000 **active members** accountable for **25%** of total occupied room nights
- More **than 8,000 corporate agreements** that account for approximately **40%** of total occupied room nights
- Solid **commercial agreements and partnerships** that turn into sales

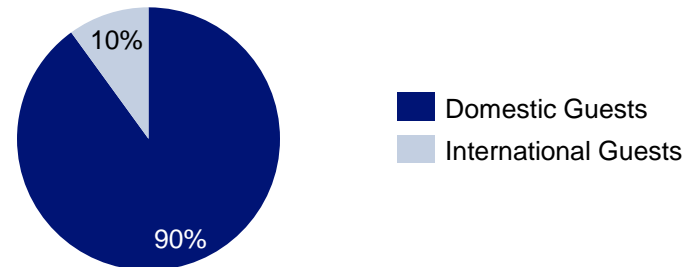
### Room Nights Sold by Channel

2020



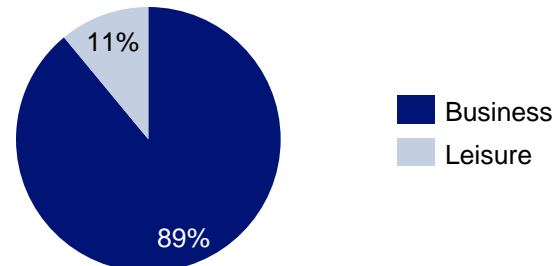
### Room Nights Sold by Guest Type

2020



### Room Nights Sold by Travel Purpose

2020





# ...And Supported by Best in Class Environmental Social and Corporate Governance Practices

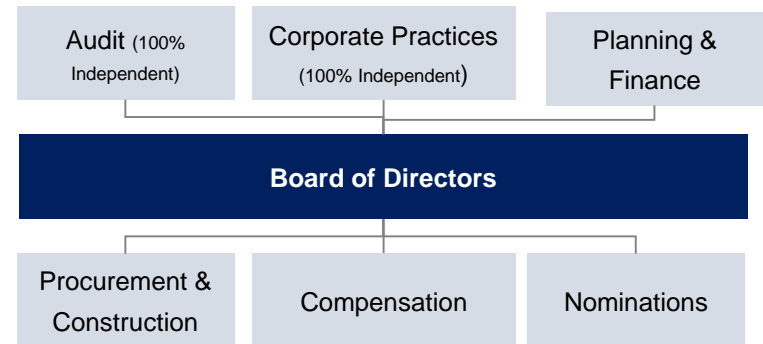
## Strong Institutional Sponsors that Fueled Growth



- Practices aligned to protect minority interests
- Zero corruption tolerance
- Corporate Governance Manuals and Policies effectively implemented: <https://goo.gl/vFvNOV>
- Mainly independent Board of Directors – 10 out of 11 members are independent

## Committed and Capable Board of Directors

### Board Committees



## Sustainability Strategy that Generates Results

- **Sustainability policy and committee** effectively implemented.
- **Top environmental practices** and international certifications for hotels.
- **Catalyst of positive social, economic and environmental impacts** in all our locations.
- Deeply committed with UN's **2030 Goals for Sustainable Development**.

### Portfolio of Certifications



### Strategic Pillars and Initiatives

Economic	Entrepreneurship program, committed to growing employment opportunities
Environmental	Resource optimization and minimization of Carbon Footprint initiatives
Social	Labor Inclusion and welfare programs for employees



Download our 2018 Sustainability Report

<http://cityexpress.com/sustainability>



# Expansion, Financial and Operating Results

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# Hotel Development and Inventory Expansion

## Hotel Openings In the Last 24 Months



Ce Tepic  
Jan. 2018



Ce Atlixco  
March 2018



Ce Comitán  
March 2018



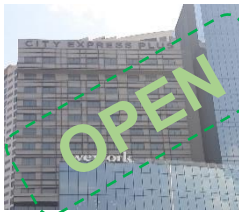
Ce Gustavo  
Baz  
June 2018



CeP Cancún  
Aeropuerto  
Oct. 2018



CS Cancún  
Aeropuerto  
Oct. 2018



CeP Interlomas  
Nov. 2018



CeP Tampico  
Nov. 2018



Cj CDMX  
Sullivan  
Dec. 2018



CeP Mérida  
Dec. 2018



CeP Ensenada  
Dec. 2018



Ce Ensenada  
Dec. 2018



CeP Tijuana  
Dec. 2018



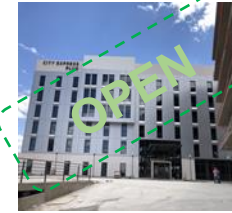
Ce CDMX  
Tlalpan  
Feb. 2019



Ce Tapachula  
March 2019



Ce CDMX La  
Villa  
April 2019



CeP Chihuahua  
April 2019



CC SLP  
Nov. 2019

# Hotel Development and Inventory Expansion

## 2020 – 2021 Development Pipeline



Ce Guaymas  
Enero 2020



CP Mexicali  
Febrero 2020



CP Hermosillo  
Expo  
Agosto 2020



Ce Caborca  
Diciembre 2020



CP San Luis



Ce Monterrey  
San Nicolás



Ce Cuautitlán



Ce Lagos de  
Moreno



Ce Gdl.  
Galerías



CP Mazatlán



CP Mérida Siglo  
XXI



CP Gdl. Prov



CP CDMX Per  
Sur Cuicuilco



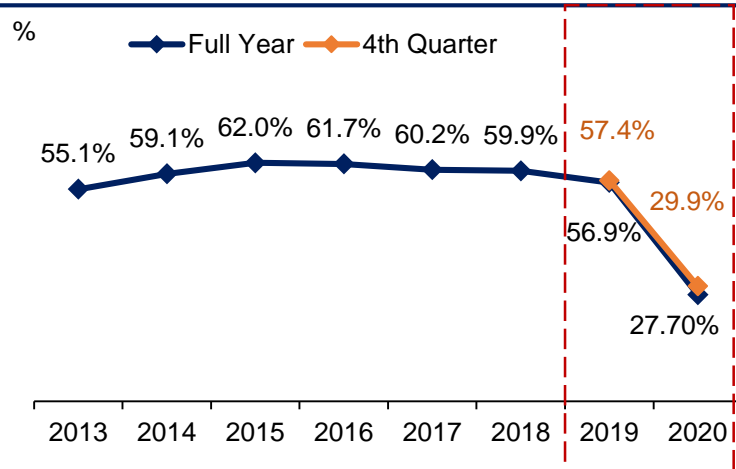
Ce CDMX  
Anzures



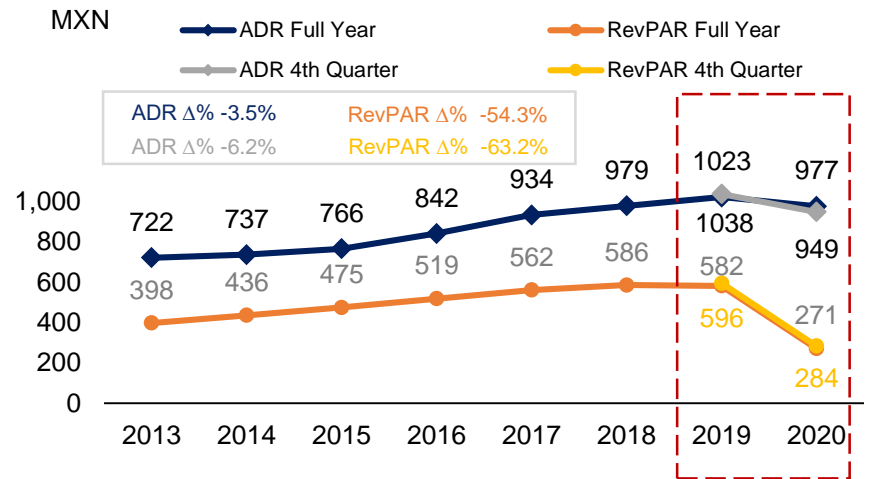
Ce Cancún  
Aeropuerto

# Operating And Financial Summary

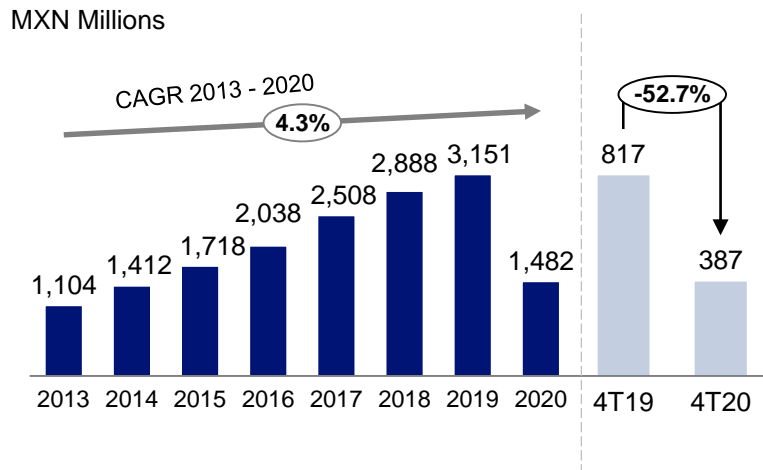
## Occupancy



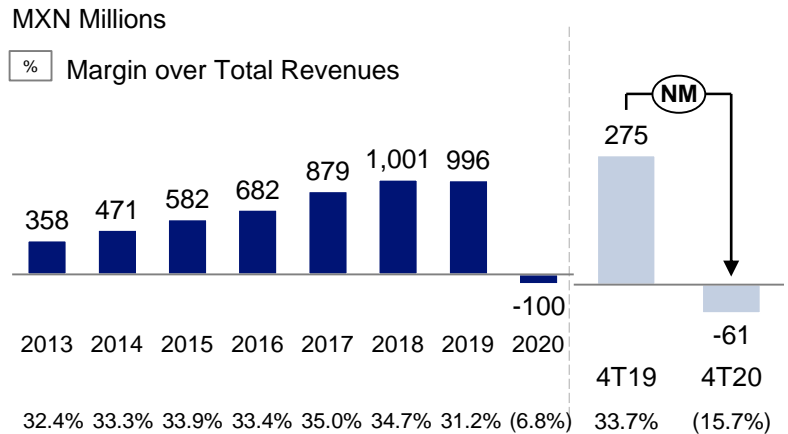
## Average Daily Rate (ADR) and Effective Daily Rate (RevPAR)



## Total Revenues



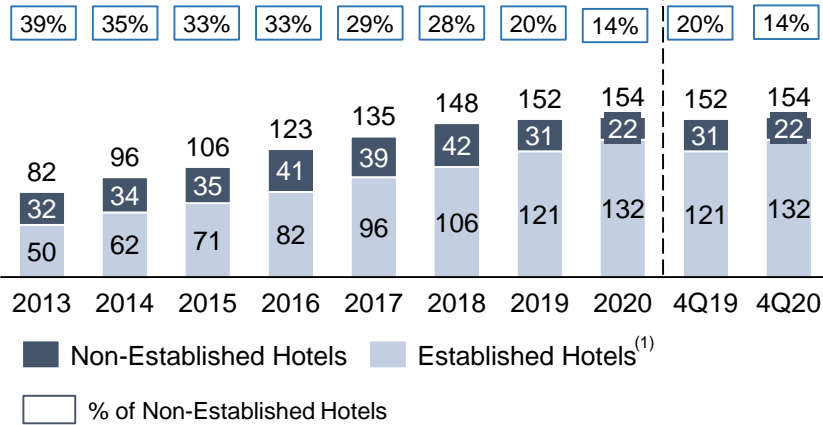
## Adjusted EBITDA and EBITDA Margin



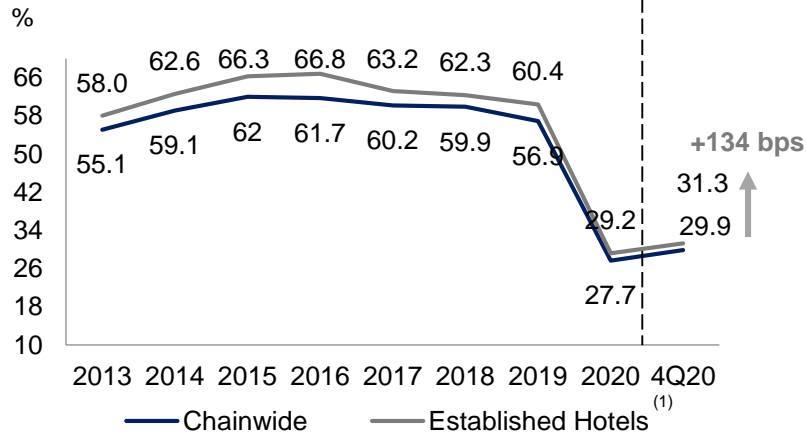
# Established Hotels Metrics

## Number of Hotels in Operation

# of Hotels in Operation at the End of Each Period

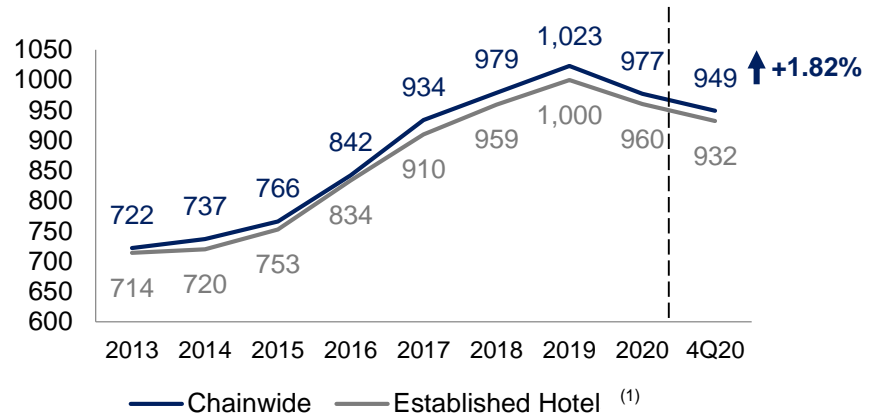


## Occupancy



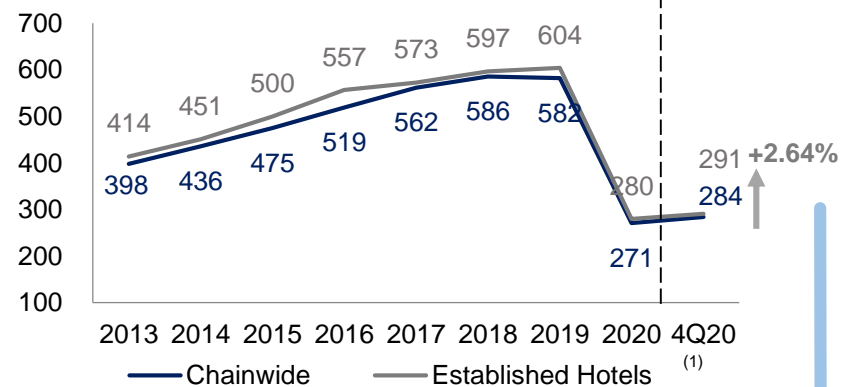
## ADR

MXN



## RevPAR

MXN

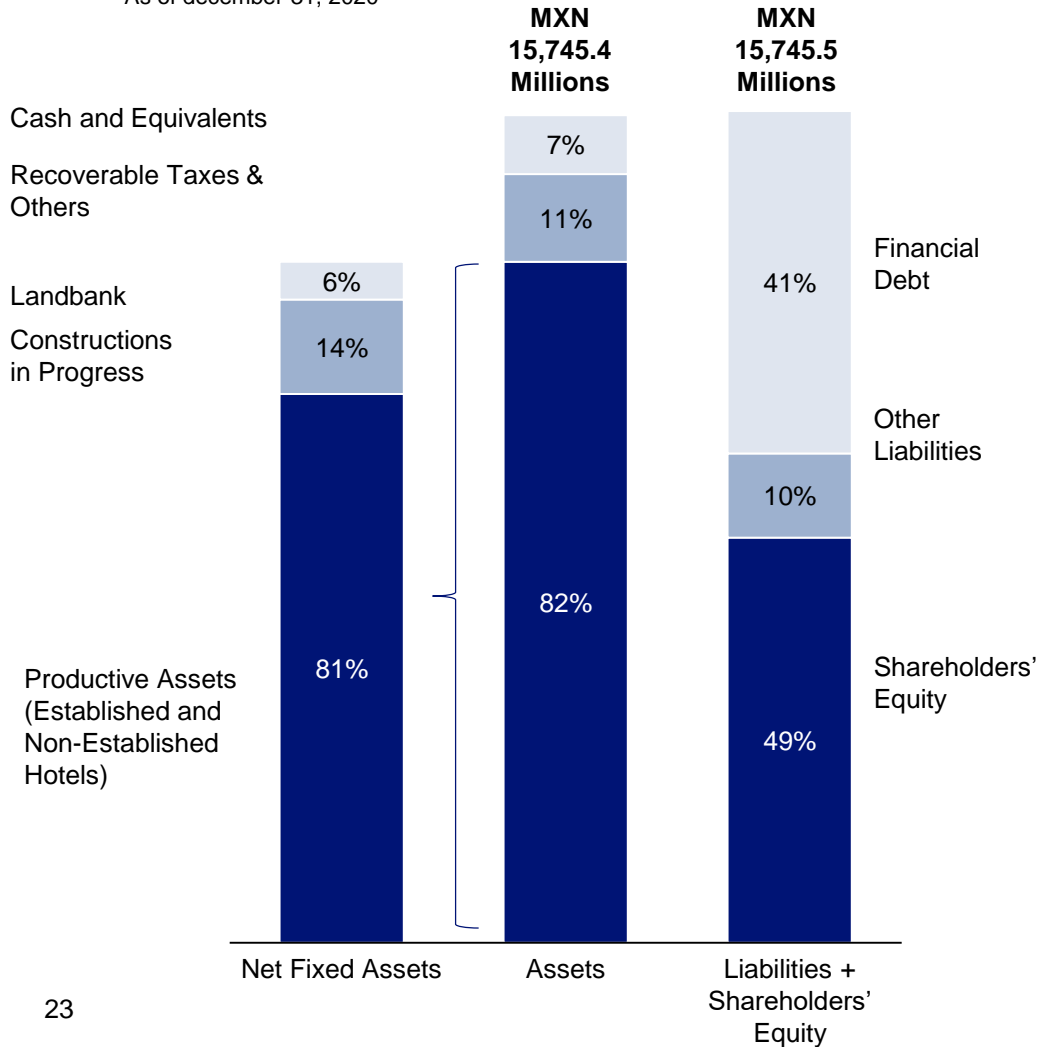


(1) Defined as the hotels with at least 36 months of operation

# Capital Structure and Financial Position

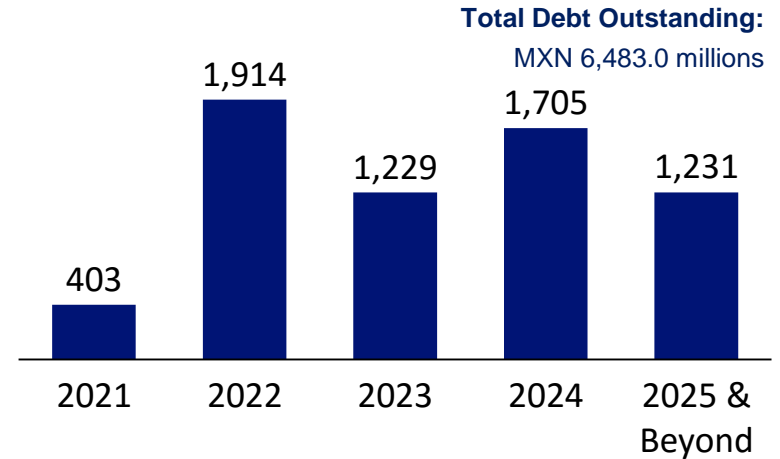
## Balance Sheet Structure

As of december 31, 2020



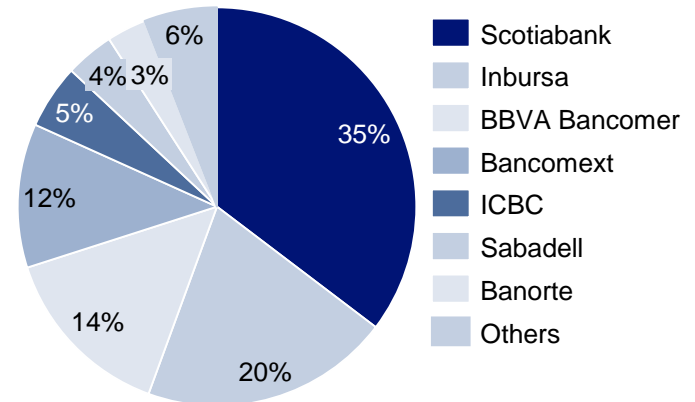
## Financial Debt Maturity Schedule

As of december 31, 2020

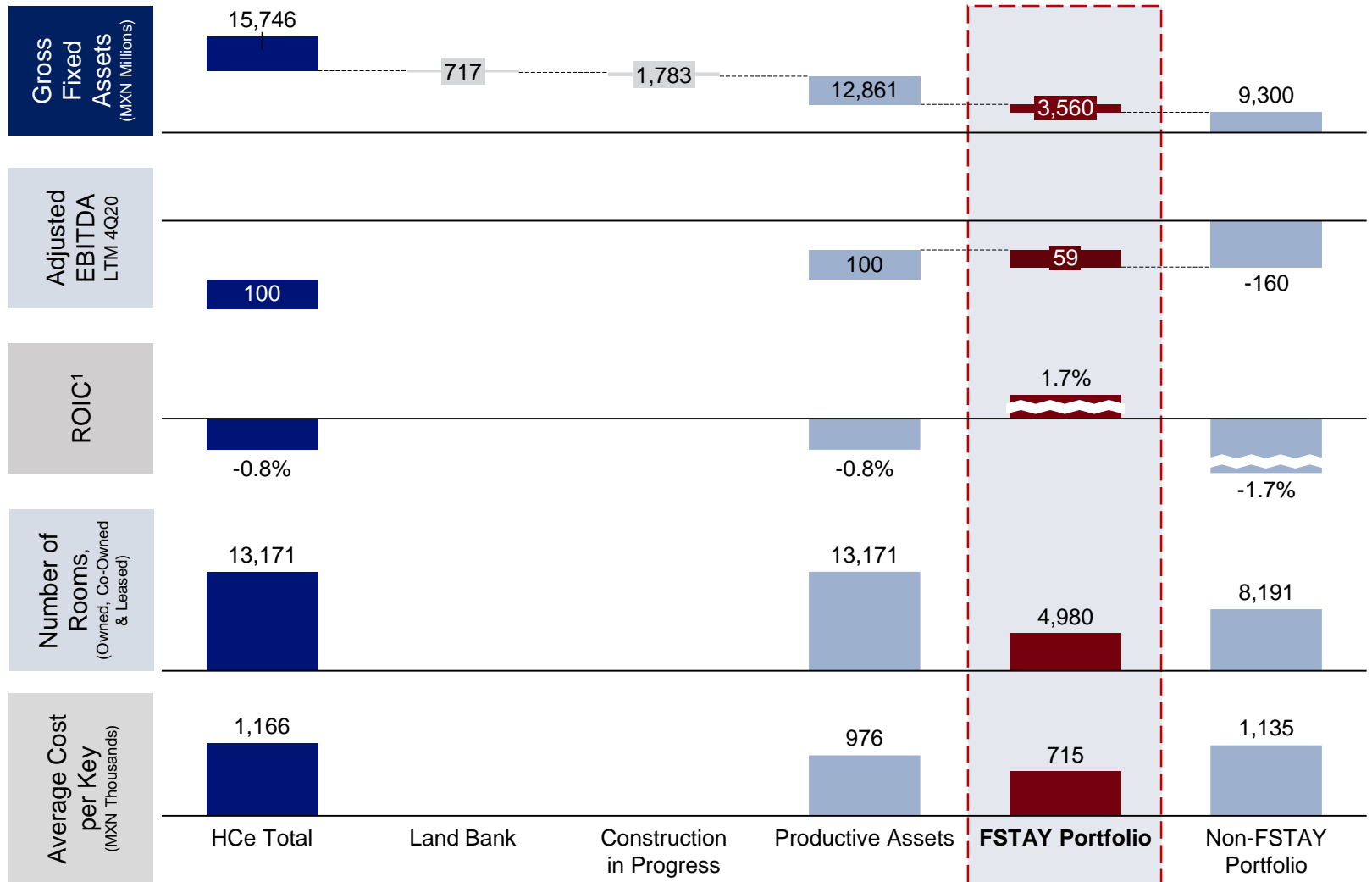


## Access to Diversified Financing Sources

Bank Debt by Counterparty as of december 31, 2020










# Return On Invested Capital





# Pristine Execution Characterized by Robust Performance on All Fronts

		Initial Public Offering (November 2013)	4th Quarter 2020	
Hotel Platform	Hotels / Rooms in Operation	72 / 8,201	154 / 17,514	 113.6%
	Development Pipeline (Projects in Process)	13	30	 130.8%
Operating Metrics <sup>1</sup>	Occupancy	55.1%	29.9%	 25.2 pp
	Average Daily Rate (ADR)	\$722	\$949	 31.4%
	Revenue per Available Room (RevPAR)	\$398	\$284	 28.6%
Financial Performance <sup>1</sup>	Total Revenues	\$968 MM	\$1,482 MM	 53.1%
	Adjusted EBITDA / Margin	\$311 MM / 30.5%	(\$60.7) MM / (15.7%)	 NM

(1) Operating metrics calculated as of 4Q20 and financial performance calculated considering last 12 months

# Fibra STAY



# Fibra STAY Objectives

1

Enhance transparency, capture and take advantage of the market value of HCE's real estate assets



2

Generate liquidity to support the growth in hotel units for the 2020 – 2022 period



3

Establish a sustainable asset recycling mechanism allowing continuous growth without diluting shareholders

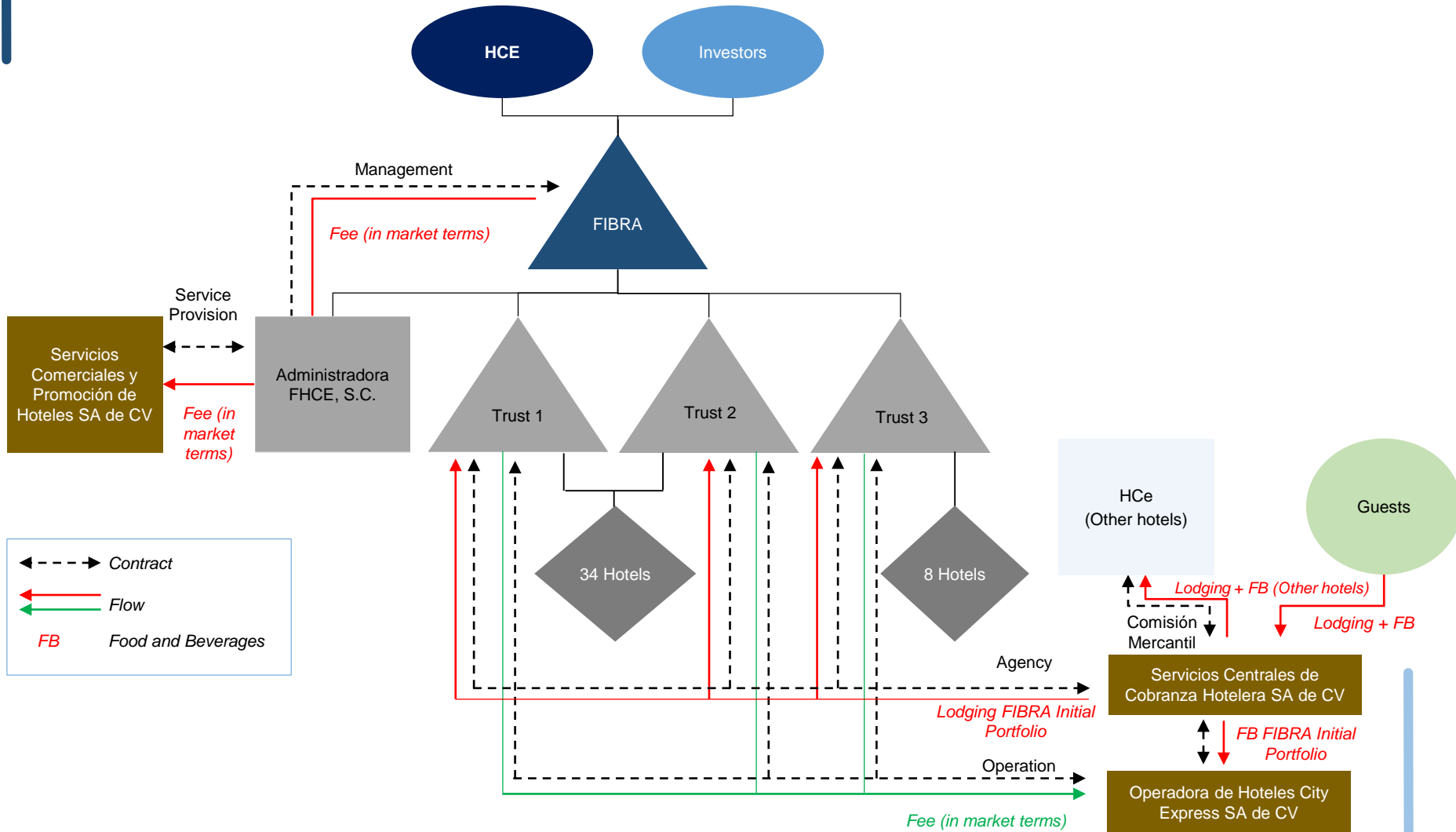


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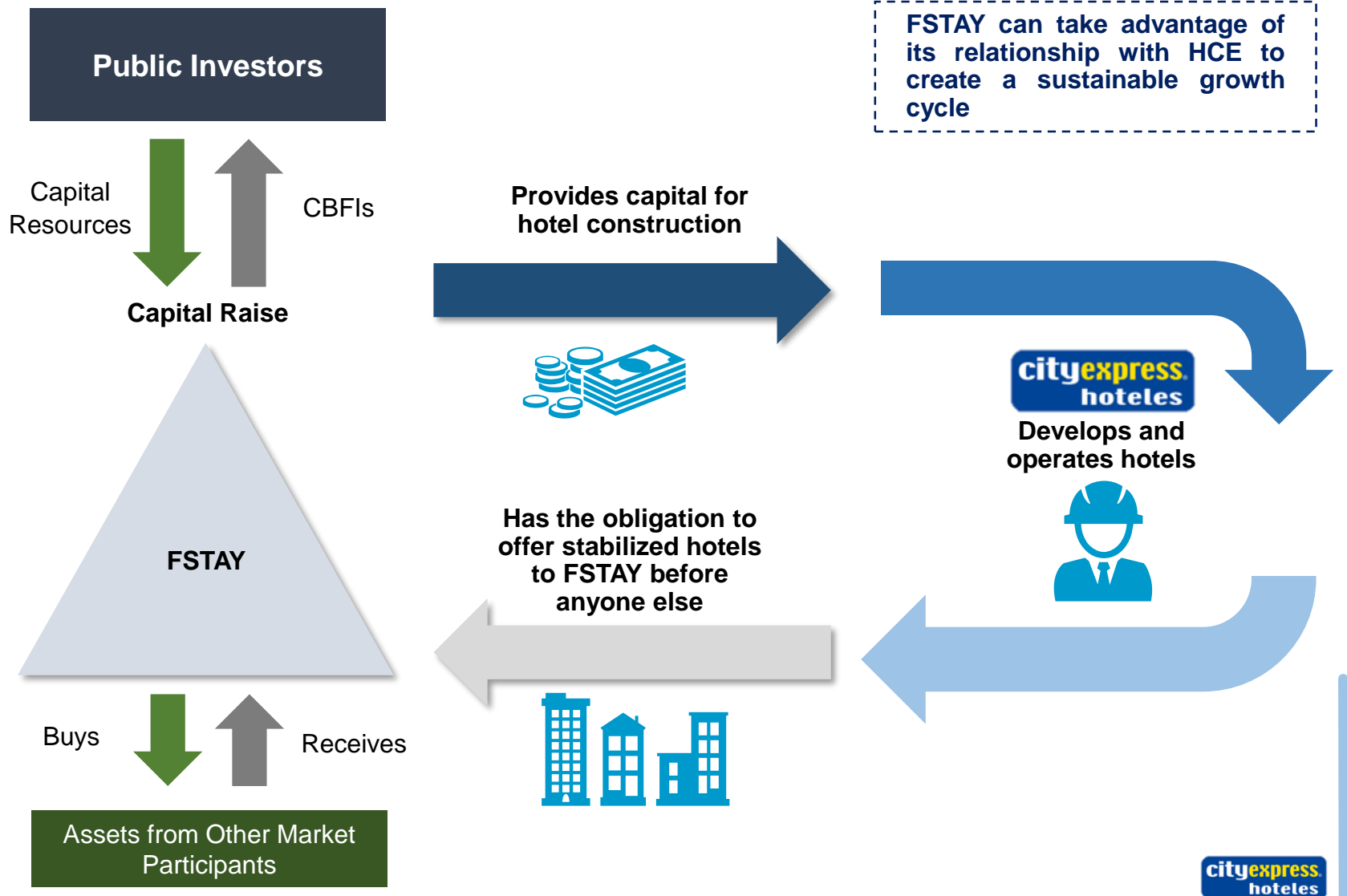
Generate transparency on performance and profitability HCE key business segments



# Fibra STAY Structure



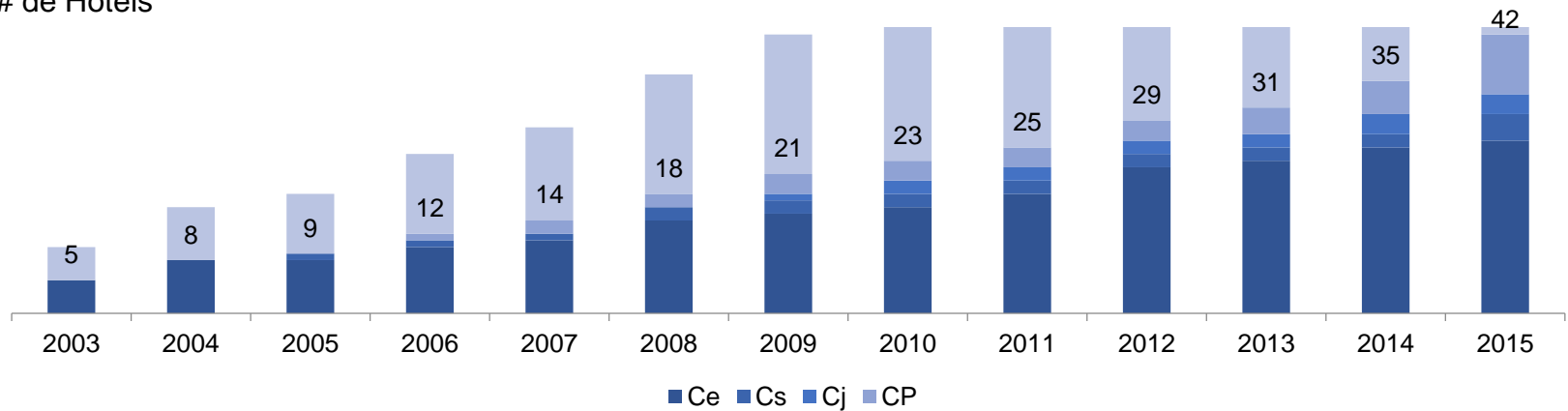
# Sustainable Recycling Capital Vehicle



# Best in Class Diversified and Established Portfolio

## Portfolio Development by Brand

# de Hotels



## Key Points

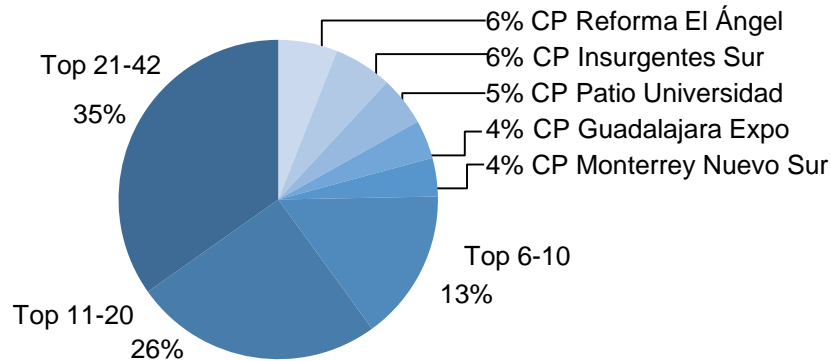
- Hotels developed and operated by Hoteles City Express under the highest quality standards.
- Assets strategically located in regions with high demand for lodging by business travelers and with growth potential.
- Established Portfolio of hotels – All the assets have at least 24 months in operation, and 83% has 36 months or more. No discrimination criteria in addition to compliance with the average stabilization period.



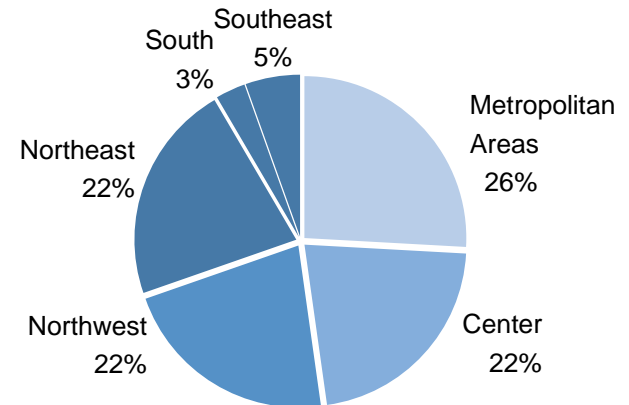
# Diversified Portfolio with Exposure to Different Industrial Regions

## Sales Distribution 4Q 2019 - % of Total

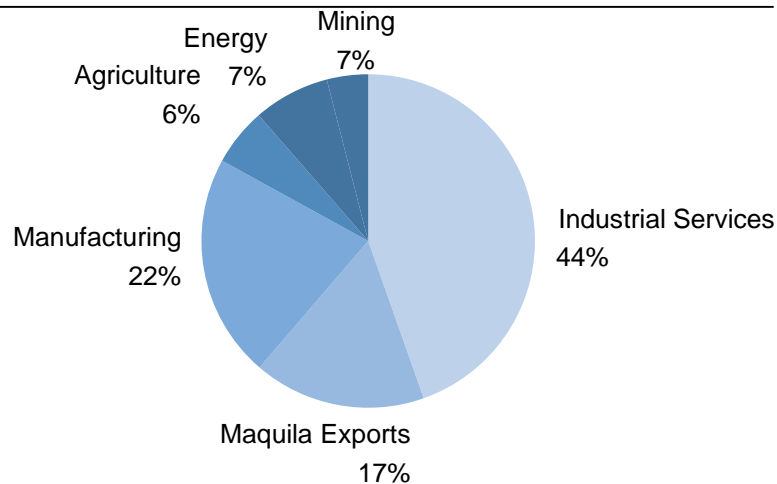
### By Hotel



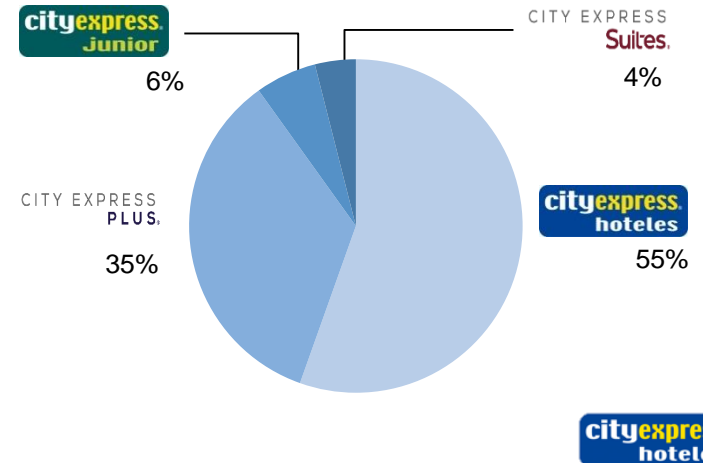
### By Economic Region



### By Economic Corridor

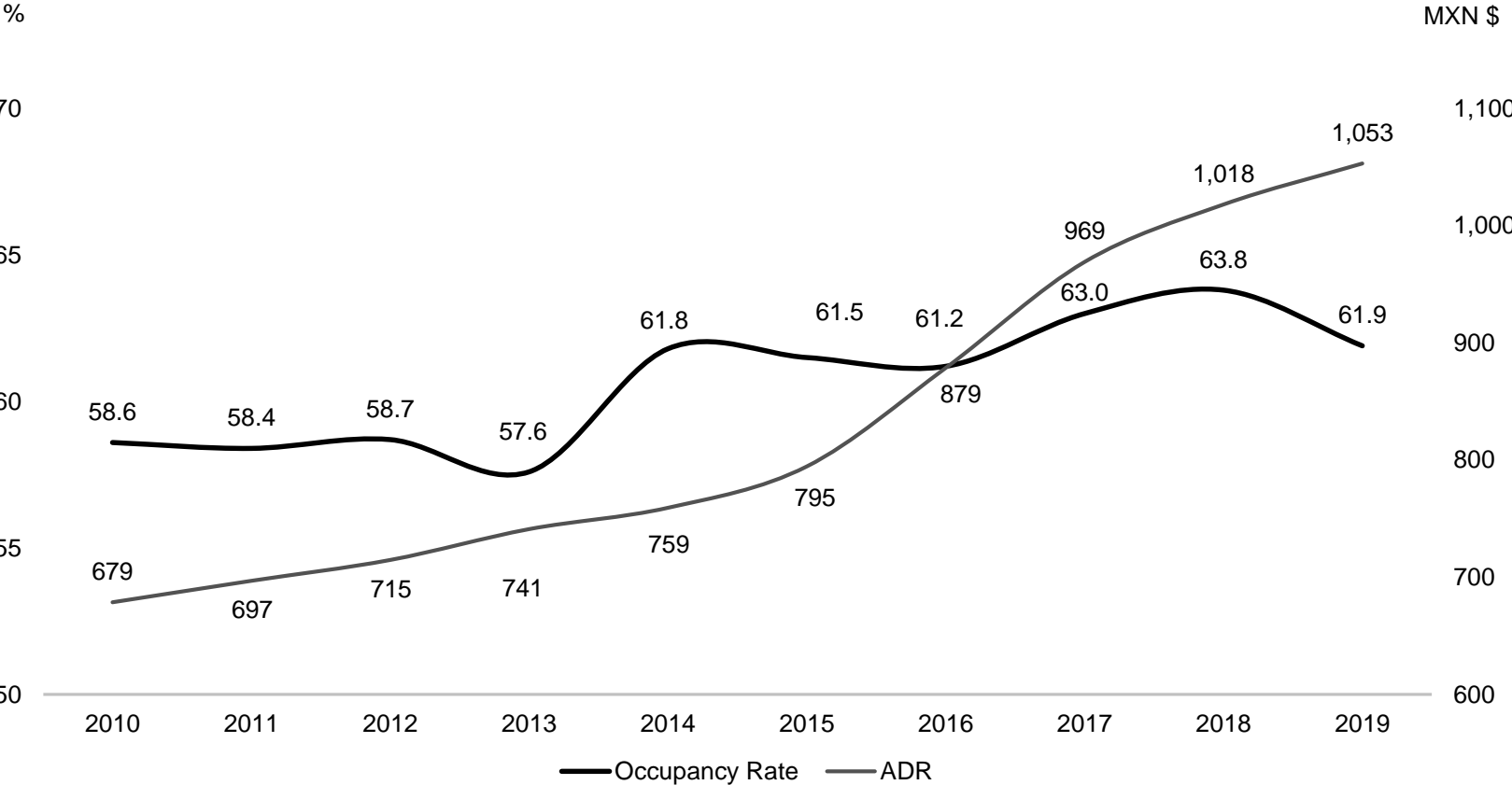


### By Brand



# ADR and Occupancy Rates Growing Even with Hotel Development

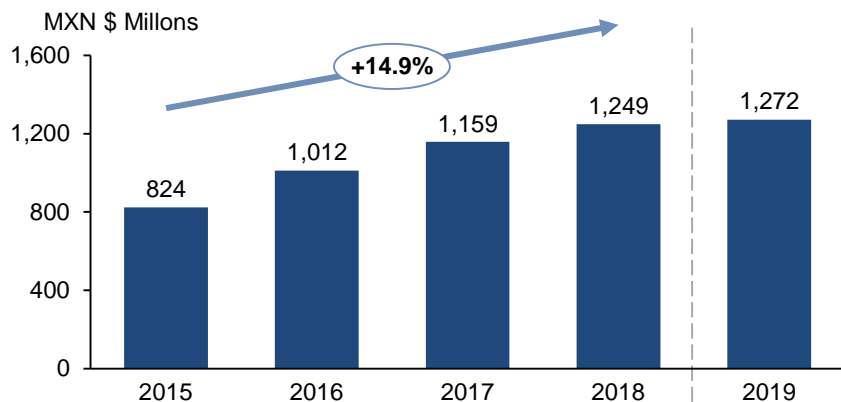
## Occupancy Rate



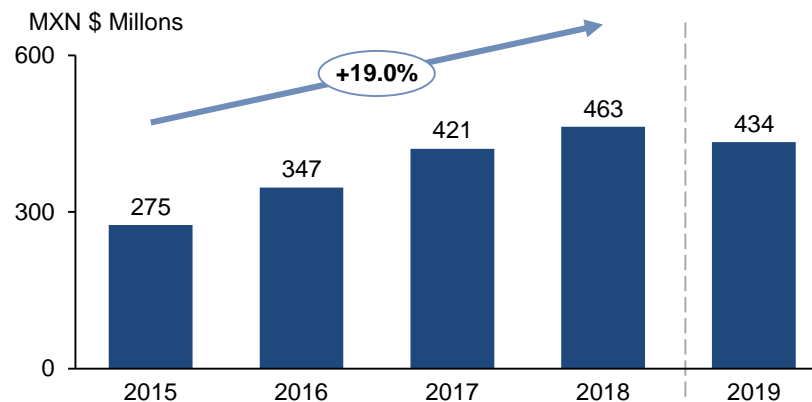


# Robust Operating and Financial Performance

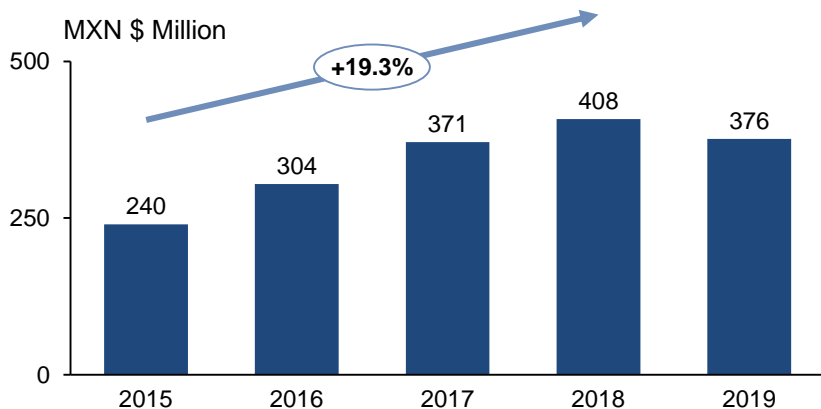
## Total Revenues <sup>(1)</sup>



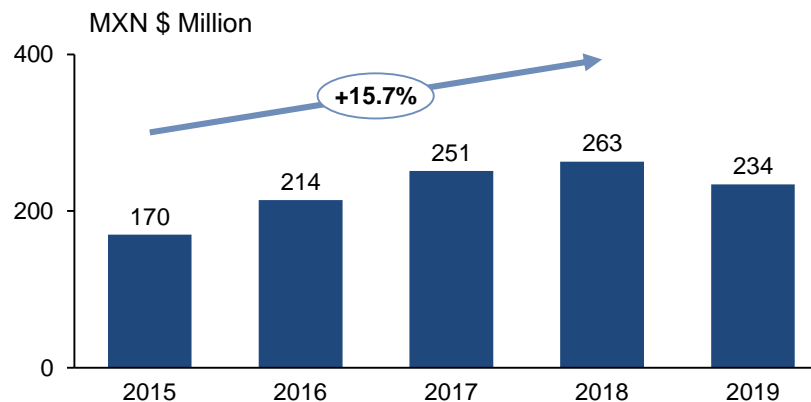
## EBITDA <sup>(2)</sup>



## NOI <sup>(3)</sup>



## AFFO <sup>(4)</sup>

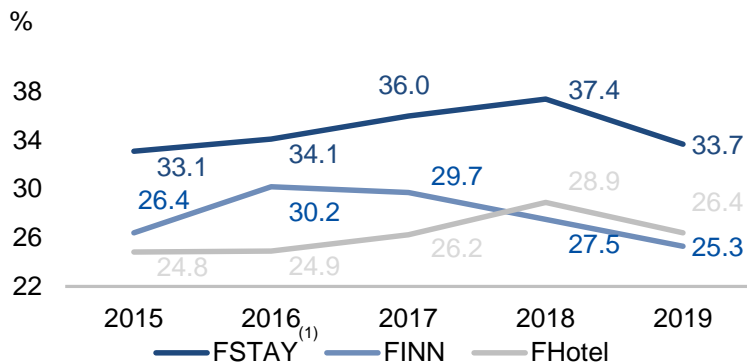


### Notes

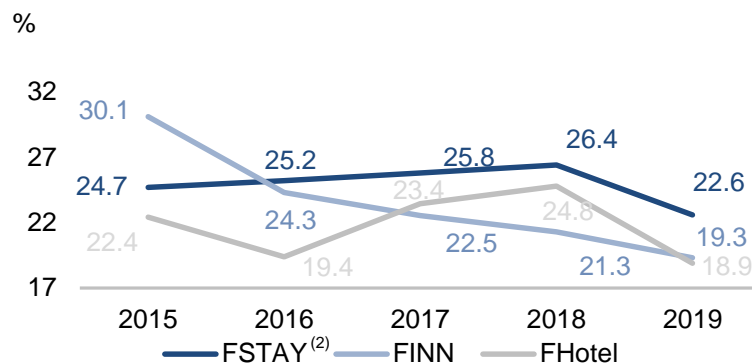
1. Total Revenues considers Room revenues and other incomes
2. Does not consider Ps\$15.5MM, Ps\$15.9MM and Ps\$16.4MM of SG&A for 2015, 2016 y 2017, respectively
3. Calculated as EBITDA – FF&E
4. Net Income + Income Taxes + D&A – FF&E

# Robust Operating and Financial Performance

## EBITDA Margin

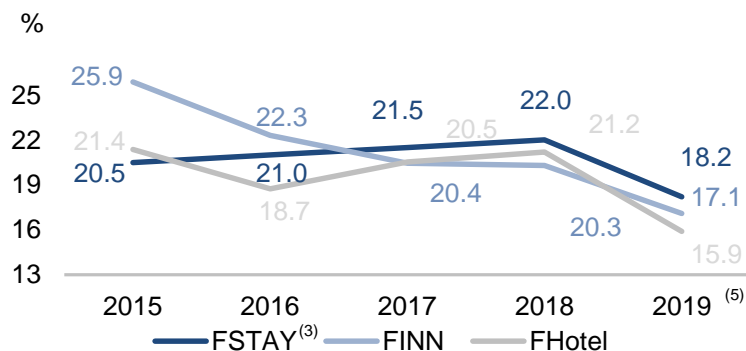


## FFO Margin

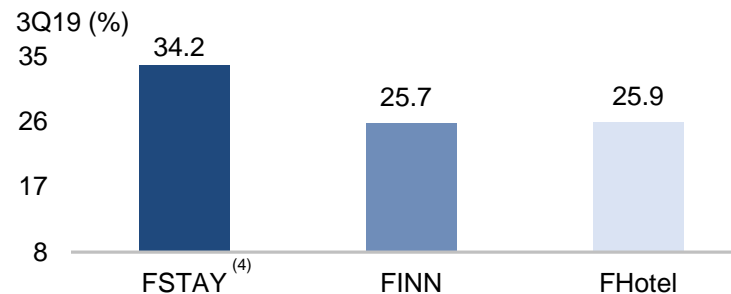


\* Peers' figures are calculated as LTM

## AFFO Margin



## LTV



### Notes

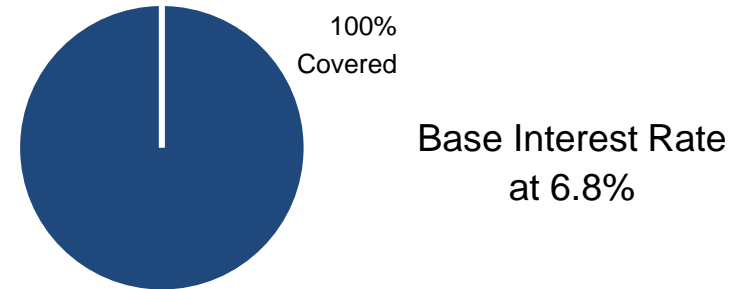
1. Does not consider Ps\$15.5MM, Ps\$15.9MM y Ps\$16.4MM of SG&A for 2015, 2016 y 2017, respectively
2. FFO calculated as Net Income + Income Taxes + D&A
3. AFFO calculated as Net Income + Income Taxes + D&A – FF&E
4. Taking Ps\$1.9Bn of debt and Ps\$5.7Bn of fixed assets, according to last appraisal

# Conservative Capital Structure and Debt Profile

## Leverage Considerations

- Maintain levels of debt / Fixed Assets lowers than 50% (34% initially)
- Actual cost of debt TIIE + 180 bps contemplating hedges of TIIE at 6.8% already signed
- Migrate to a unsecure debt structure with a balloon payment once the issuance of the vehicle has been made

## Hedges over Cost of Debt



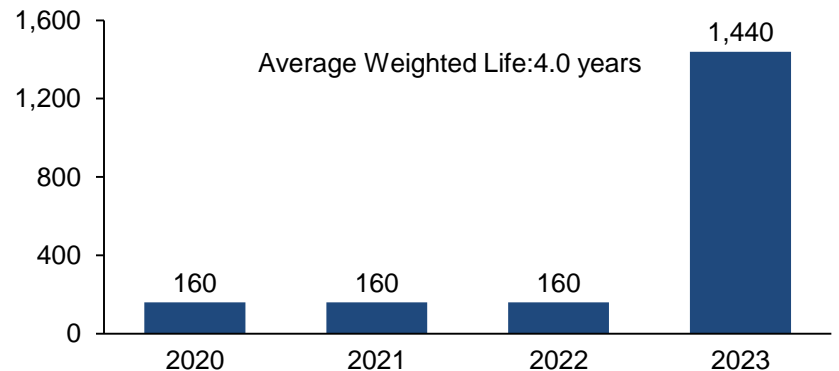
## Main Debt Indicators

2019

- Total Debt MXN \$ 1.9 Bn
- LTV <sup>(1)</sup> 34%
- DSCR <sup>(2)</sup> 2.2x
- Net Debt/ LTM EBITDA 4.3x
- % Guaranteed 100%

## Debt Amortization Schedule

MXN \$ Million



### Notes

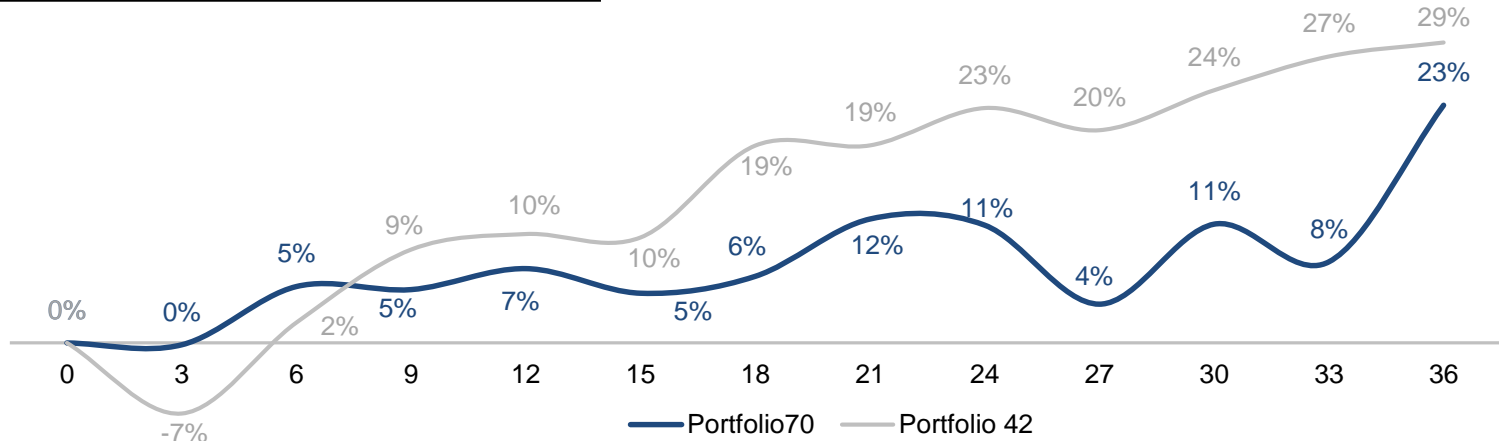
1. Total Debt / Value of the Properties according to last appraisal
2. NTM EBITDA / (Interests+ Amortization + FF&E)

# FSTAY Re-launching

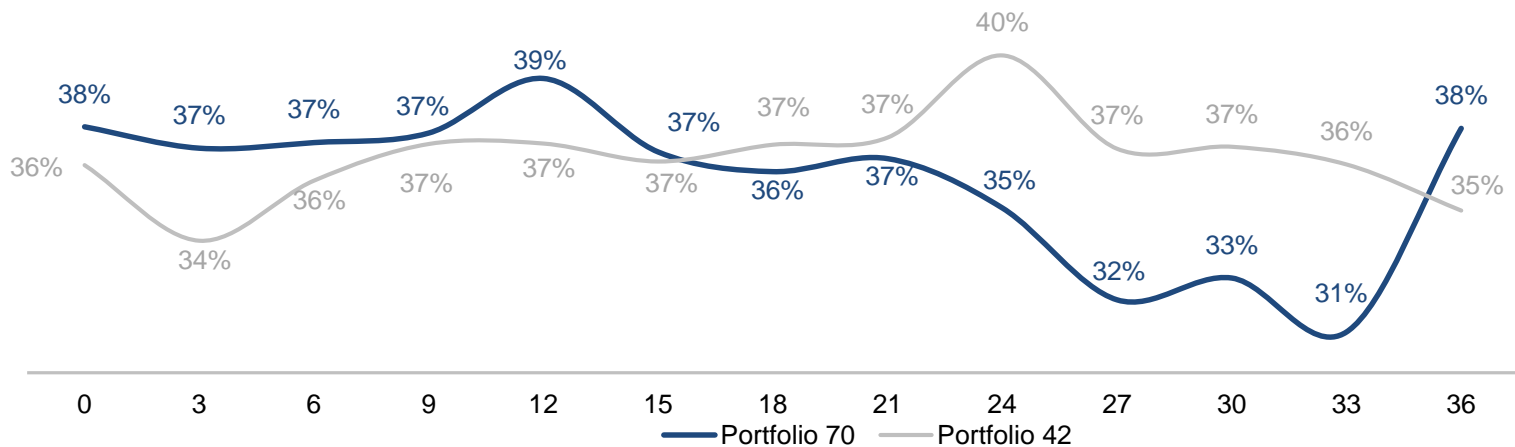
	Initial Portfolio	Co-investment and M&F Hotels	FSTAY Relaunching Portfolio
<ul style="list-style-type: none"> <li>FSTAY re-launching could be activated as soon as market window opens</li> </ul>	42 properties	28 properties	70 properties
<ul style="list-style-type: none"> <li>Investment trust structure created, shareholders' approval set and communication model implemented</li> </ul>	100% owned	JV and 100% owned hotels	JV and 100% owned hotels
<ul style="list-style-type: none"> <li>Re-launching of vehicle bigger in size (\$8.8 billion vs \$5.7 billion) including JVs</li> </ul>	<b>Asset Valuation:</b> MXN \$5.7 billion	<b>Asset Valuation:</b> MXN \$3.1 billion	<b>Asset Valuation:</b> <b>MXN \$8.8 billion</b>
	<b>Debt:</b> MXN \$1.9 billion	<b>Debt:</b> MXN \$1.1 billion	<b>Debt:</b> MXN \$3.0 billion
	<b>Equity:</b> MXN \$3.8 billion	<b>Equity:</b> MXN \$2.0 billion	<b>Equity:</b> MXN \$5.8 billion
	<b>Free float:</b> 1.9 billion (50%)	<b>Free float:</b> \$1.0 billion (50%)	<b>Free float:</b> \$2.9 billion (50%)

# Portfolios Comparison

## RevPar Change%



## EBITDA Margin



# Transparent Operating Contract in Line with Industry

## Fees of Operating Contract

- **Fee of Administration**
  - A percentage is charged on Total Revenues
- **Fee of Operating Incentive**
  - A percentage is charged over Gross Operating Profit
- **Fee on Reservations**
  - A percentage is charged on Room Revenues
- **Fee on Royalties**
  - A percentage is charged on Total Revenues
- **Advances of commissions are contemplated for other income that is not lodging**

## Other Considerations

- **Contract length**
  - Renewable every 25 years
- **Operating Contracts in line with industry standards**
- **All our hotels have contracts with similar and consistent terms**
- **Mechanisms of alignment of operational interests**
- **No hidden fees**

# Growth Potential with a Disciplined Acquisition Strategy

1

## Strengthen Operational Indicators of hotels Recently Opened

2

### Non Established Hotels

- Option to acquire hotels from HCEs portfolio when they are established
  - 5 established hotels and 2 more to be established in 2020 with 792 rooms
  - This acquisitions will represent an increase of 16.0% in available rooms for our portfolio

3

### Co-Owned Hotels

- Possibility to acquire the hotels of HCE under the investment scheme of Co-Owned
  - 23 established hotels and 6 more to be established in 2020 with 3,341 rooms
  - This acquisitions will represent an increase of 67.6% in available rooms for our portfolio

4

### Hotels in Development Pipeline

- Option to acquire the hotels that are planned to be developed between 2020 and 2022
  - 29 potential properties to be developed
  - ~65% will be Owned and Co-Owned hotels

5

### Reinvest in our Hotels

- Reinvestment opportunities will be considered within the FIBRA portfolio
  - Will seek to remodel and relocate the hotels
  - Objective Profitability will be between 12% and 14%

6

## External Opportunities different to Hoteles City Express

# FSTAY Internally Managed Without Fees for Administration

---

## Management Characteristics

- FSTAY Subsidiary
- Relationship between FSTAY and Management through a contract of reimbursement for expenses
  - Maximum budget established from which no surplus will be refunded
- An estimated of administrative expenses of FSTAY will be approximately, Ps\$17.5 Mn a year<sup>(1)</sup>. This will include:
  - Fixed and variable compensation of the management team
  - Office rent
  - Appraisals and auditing
  - Fees of Bolsa Mexicana de Valores (BMV)
  - Other minor expenses



# Corporate Governance Aligned with Investors

## Structure that Mitigates Conflicts of Interest

### Committees

Technical Committee	<ul style="list-style-type: none"><li>• Designate (initially) / approve members of the committees</li><li>• Discuss and approve any asset acquisition that represents between 5-20% of the equity value</li><li>• Approve and remove the third party appraiser</li><li>• Approve accounting policies and financial statements, with prior recommendation of the audit committee</li><li>• Approve dividends and repurchases</li></ul>
Audit Committee	<ul style="list-style-type: none"><li>• Approve and remove external auditor</li><li>• Discuss Financial Statements</li><li>• Recommend accounting policies</li></ul>
Conflicts Committee	<ul style="list-style-type: none"><li>• Approve any operation with related parties</li><li>• Call the Shareholders Assembly to discuss any issue that may create a conflict of interests</li></ul>
Practices Committee	<ul style="list-style-type: none"><li>• Supports the Technical Committee in making decisions on corporate governance and best practices</li></ul>
Leverage Committee	<ul style="list-style-type: none"><li>• Ensure that the mechanisms and controls are established to verify that any leverage comfortably complies with the Fibra's indebtedness policies</li></ul>

### Shareholders Assembly

- Shareholders have the right to name one member of the Technical Committee for every 10% of CBFIs they own
- Shareholders that represent 10% or more of the CBFIs can call an assembly
- Ordinary Assembly  
(Quorum 50% / Approval 50% of the CBFIs represented)
  - Will be able to solve any matter that requires the approval of the Shareholders Assembly that is not reserved for an Extraordinary Assembly
- Extraordinary Assembly  
(Quorum 75% / Approval with simple majority of CBFIs represented)
  - May replace the Common Representative, Management and Trustee
  - Dissolve or delist the FIBRA
  - Remove members of the Technical Committee
- Shareholders with conflict of interests will not have a right to vote

# Transparent Acquisition Mechanism from HCE

## Possible Portfolio to Contribute

- HCE has the obligation to offer a *ROFR* over the portfolios developed and stabilized to FSTAY of which HCE owns 100%
- Stabilized HCE hotels based on any of the following two metrics:
  - Hotels that have more than 36 months in operation
  - Hotels based on their financial metrics have a calculated *ROIC* <sup>(1)</sup> of 12% or higher

## Valuation Mechanism

- The Technical Committee will have the right to choose an independent appraiser (with the majority vote of the independent members)
- The seller will have the right to choose a different independent appraiser
- In the event that the prices differ by less than 10% the price will be the average of the two
- If the price of the appraisers exceeds a 10% difference, a third appraiser must be chosen and the average of the 3 appraiser will be taken

## Approval Process

- Any acquisition of Assets owned by HCE, will require the approval of:
  - Technical Committee
  - Vote in favor of the Shareholders Assembly (related parties in the sale of the assets will not have a right to vote)

# 100% Independent Technical Committee

## Changes to the Technical Committee to be discussed with Investors

### Jorge García Segovia - *President*

- Mr. García Segovia has served as Deputy Director of the Northern Zone in Operadora de Bolsa, S.A. de C.V., Director of following áreas International , Fiduciary, Mortgage, Credit Cards in the Northern área of the country in Banca Serfin, S.A.
- He has been a member of the of the Board of Directors of Cemex México, Maxcom and Compañía Minera Autlan, among other organizations
- Graduate from I.T.E.S.M. of the Bioquimical Engineering career and has a Diploma in Finance

### Carlos Bracho González

- Mr. Bracho has been a member of the of the Board of Directors of many companies such as: Banca Serfín, Compañía Hulera Euzkadi, Grupo Petroquímico Beta, Financiamiento Progreseemos, and Fibra VIA, among others
- He is a Public Accountant at the Universidad Iberoamericana with a Master's Degree in Finance from the University of Rhode Island

### Harald Feldhaus Herrmann

- Mr. Feldhaus serves as advisor to several companies in Mexico such as Quálitas Compañía de Seguros and Safe-Data Resources
- Member of the Patronato of Hospital ABC (English Hospital) and from Consejo Fondo para la Paz
- President of the Mexican-German Chamber of Commerce and Industry, and formed as a member of the Comision México – Alemania 2000
- He was chariman for Latam of Marsh McLennan Co.
- Actuary graduated from UNAM

### Sergio del Valle Cantú

- Mr. Del Valle is partner of WAMEX Private Equity since 2001, mexican firm that manages private equity funds
- Currently a member of the Board of Directors and Committees of KUA Mex Foods and Productos Medix and has been member of the Board of several companies promoted by WAMEX funds
- Industrial Engineer graduated from UP with postgraduate studies at IPADE

# 100% Independent Technical Committee

## Changes to the Technical Committee to be discussed with Investors

### Orlando Loera

- Mr. Loera worked in different executive positions for Bank of America Merrill Lynch for more than 39 years
- During his career at BofAML he was Country Executive for the bank in México and chief of the investment banking, institutional sales and trading unit.
- His last position was Chief Risk Officer for Latin America of BofAML
- Likewise, Mr. Loera was the restructuring director for Casas GEO and Controladora Comercial Mexicana

### Flor Unda Carbot

- Mrs. Unda held senior positions in the financial sector for more than 15 years
- She has been a commissioner of Banks, companies and auxiliary services with a market expertise in marketing
- Currently, she is an independent director in different industries and is a member of the Audit Committee of the Banco Nacional de Comercio Exterior
- Mrs. Unda was president of the Comité Técnico Nacional de Gobierno Corporativo of IMEF
- She has a Bachelor's degree in Mexico and a Masters degree in philosophy in the United States

### Eduardo Güemez

- Mr. Güemez currently holds the position of CFO in Mexico Retail Properties (MRP), company focused in Real Estate development and Real Estate related to retail in Mexico
- Before MRP held the position of CEO at LaSalle Investment Management where he managed an industrial portfolio of US\$ 400 million
- Prior to LaSalle, he served as Managing Director of GE Real Estate and Risk Manager at the company
- Bachelor's degree in Mechanical Engineering from I.T.E.S.M. and Master's degree in operational research at the University of Stanford

# Tax Implications for Foreign Investors

		C-Corp	Fibra
Foreign Pension Fund	Corporate Income Tax	Exempt or 30%	0%
	WHT on dividend distributions	0% based no certain treaties	Exempt
	Capital gains (via private sale)	Either: <ul style="list-style-type: none"> <li>Exempt</li> <li>25% on gross sale amount</li> <li>35% on net gain (certain requirements must be comply)</li> </ul>	Exempt
	Capital gains (via stock market)	N.A.	Exempt
Foreign Investor (Corporate or Individual)	Corporate income tax	30%	N.A.
	WHT on dividend distributions	10% (can be reduced to 0% depending on certain treaties)	30%
	Capital gains (via private sale)	Either: <ul style="list-style-type: none"> <li>25% on gross sale amount</li> <li>35% on net gain (certain requirements must be comply)</li> </ul>	35% on net gain and 10% on gross sale
	Capital gains (via stock market)	N.A.	Exempt

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hoteles

# Products Focused on Maximizing the Price – Value Ratio for our Guests



# Best-in-class Design Translated in Efficient and Comfortable Spaces

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CITY EXPRESS  
PLUS.



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# Products Adapted to Guest Lodging Needs and Budgets

CITY EXPRESS  
**Suites.**



**cityexpress**  
Junior



**cityexpress**  
hotels

# Presence in Premium Locations Hard to Replicate

## CITY CENTRO





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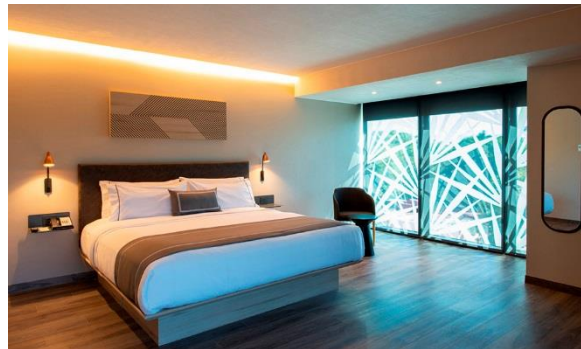
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