



Hoteles City Express Announces Third Quarter 2022 Results

“In addition to Hoteles City Express’ strong third quarter results, which surpassed prepandemic levels, the Company signed a strategic relationship with Marriot that reaffirms HCITY’s potential value. Hoteles City’s leading select-service hotel portfolio will be strengthened by Marriott’s global base of travelers, its capital structure, and provide cost efficiencies.”

Mexico City, October 19th, 2022 – Hoteles City Express S.A.B. de C.V. (BMV: HCITY) (“Hoteles City Express” or “the Company”), releases its results for the third quarter of 2022 (“3Q22”). Accounting figures have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and are presented in Mexican Pesos (“\$”).

Financial and Operating Highlights (3Q22)

- At the Chain level, the Average Daily Rate (“ADR”) increased 8.5% and the Revenue Per Available Room (“RevPAR”) increased 40.7%, compared to 3Q21, reaching levels of \$1,133 and \$641 pesos, respectively. The occupancy rate was 56.6%.
- Total revenue reached \$845.6 million, a 32.6% increase compared to the same quarter of 2021.
- Operating profit reached \$142.2 million in 3Q22, compared to a \$36.6 million profit in the same quarter of last year.
- EBITDA and Adjusted EBITDA were \$270.1 million and \$270.7 million, respectively. This compares to \$159.3 million and \$160.1 million registered in 3Q21. Adjusted EBITDA increased 69.0% from the previous year for a margin of 32.0% for the quarter.
- Net Income for the period was a loss of \$16.2 million compared to the \$106.8 million loss of the same quarter of 2021.
- At the end of the quarter, the Chain had 152 hotels in operation, one less than in the third quarter of the previous year. There were 17,356 rooms in operation during 3Q22, which was ninety-three less than the 17,449 rooms at the end of 3Q21.



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Operating and Financial Highlights	3Q22	3Q21	3Q22 vs 3Q21	9M22	9M21	9M22 vs 9M21
			% Change			% Change
Operating Statistics for the Chain						
Number of Hotels at the End of the Period	152	153	(0.7%)	152	153	(0.7%)
Number of Rooms at the End of the Period	17,356	17,449	(0.5%)	17,356	17,449	(0.5%)
Number of Installed Room Nights	1,599,423	1,614,512	(0.9%)	4,739,572	4,771,805	(0.7%)
Number of Occupied Room Nights	905,157	704,651	28.5%	2,449,571	1,779,658	37.6%
Average Occupancy Rate (%)	56.6%	43.6%	12.9 pps	51.7%	37.3%	14.4 pps
ADR(\$)	1,133	1,044	8.5%	1,112	1,007	10.4%
RevPAR(\$)	641	456	40.7%	575	376	53.0%
Consolidated Financial Information (Thousands of Pesos)						
Total Revenues	845,648	637,797	32.6%	2,250,382	1,547,613	45.4%
Operating Income	142,164	36,624	288.2%	249,730	(94,404)	NM
Operating Income Margin	16.8%	5.7%	11.1 pps	11.1%	(6.1%)	NM
Adjusted EBITDA	270,708	160,137	69.0%	631,225	269,269	134.4%
Adjusted EBITDA Margin (%)	32.0%	25.1%	6.9 pps	28.0%	17.4%	10.7 pps
EBITDA	270,106	159,290	69.6%	630,202	266,710	136.3%
EBITDA Margin (%)	31.9%	25.0%	7.0 pps	28.0%	17.2%	10.8 pps
Net Income	(16,215)	(106,787)	NM	(92,456)	(440,997)	NM
Net Income Margin (%)	(1.9%)	(16.7%)	NM	(4.1%)	(28.5%)	NM

Adjusted EBITDA = operating profit + depreciation + amortization + non-recurring expenses (pre-opening expenses for new hotels).

Comments from Mr. Luis Barrios, CEO of Hoteles City Express:

"The Chain's hotel portfolio reported a solid performance in the third quarter of 2022, with occupancy reaching its highest level since the beginning of the COVID-19 pandemic. The recovery of both business and leisure hotel activity, as well as the rate and demand recovery strategies we have implemented, led the Chain's RevPAR to be at 107.6% of its third quarter 2019 level.

I am pleased to share that the recovery has been more robust than we expected. Our revenue and productivity reached 104.2% and 111.0% of the levels reported in 3Q19. In monetary terms, the portfolio at the chain level also showed strong growth in Adjusted EBITDA, going from \$160.1 million pesos in 3Q21 to \$270.7 million pesos in 3Q22. This led to an Adjusted EBITDA margin of 32.0% for the quarter.

The increase we observed in larger corporations' activity and travel, which we started to see over the past few months, continued in the third quarter. Consequently, we continued to benefit from a strong recovery across hotels in metropolitan areas. The leisure traveler has become an important segment for all of our brands. Our openness and focus on new market segments has allowed us to further diversify our portfolio and mitigate the slow recovery in the Bajío region.

As we previously mentioned, throughout the year we conducted a thorough analysis on how to bring maximum value to our investors. Our goal was to find the best strategy to strengthen Hoteles City Express' capital structure and expand the presence and distribution of our brands.

As a result, Hoteles City recently announced to the market the initiation of a strategic relationship with Marriott International Inc. ("Marriott"), through the sale of the 5 brands, which will work hand in hand to achieve the aforementioned goals. We believe that this strategic relationship will further open the Company to the international market, complementing current revenue and potentially increasing occupancies and rates. In addition, the synergies should allow us to improve our operating margins, identify and analyze opportunities in new markets, and minimize business risk by lowering leverage.

The proceeds from the sale of the brands total US\$100,000,000.00 (one hundred million dollars 00/100). This will allow Hoteles City to strengthen and reposition its capital structure. The Company will use part of the proceeds to deleverage its balance sheet and increase liquidity, facilitating an increase in maintenance CapEx. Certain assets that are on the balance sheet as "Non-Performing Assets" will also be put back into operation with minimal new investment. Additionally, the liquidity obtained from the transaction will eliminate the need for future capital increases and will give us the opportunity to negotiate improved cost and term conditions for the existing syndicated loan.

As part of the strategic relationship, Operadora de Hoteles City Express ("OpCo") will become the preferred operator, developer, project manager, and construction supervisor for future Hoteles City Express properties to be developed by Marriott, and for

other services for select Marriott brands built in Latin America and the Caribbean. This show of confidence from the world's largest lodging brands' franchisor and operator, validates and recognizes Hoteles City's standards, policies, and operating procedures, and reaffirms the value of our technology platforms, which will continue to be used in the ordinary course of business.

The partnership with Marriott will boost the potential of Hoteles City Express' future growth strategy in Mexico, the Caribbean and Latin America. In addition, the Company retains the option to launch the FSTAY vehicle when macroeconomic and market conditions are favorable. The closing of the Transaction is subject to multiple conditions that are standard for this type of transaction, including COFECE's (Federal Commission for Economic Competition, for its acronym in Spanish) approval. Hoteles City estimates that it will close the Transaction between the end of 2022 and mid-2023.

Finally, we are very pleased with our earnings results, and we will continue working hard every day to unlock Hoteles City Express' intrinsic value, and to continue being the best option to achieve profitable growth in Mexico and Latin America. We reiterate our commitment to our shareholders, who have placed their trust in the strategies and development of the Hoteles City Express business model. We invite you to review the pro forma financial statements at the end of this document, as well as the information available about the recent announcement on our website: "[Press Release](#)", "[Informative Memorandum](#)" and the "[Investor Presentation](#)". Thank you for believing in Hoteles City Express."

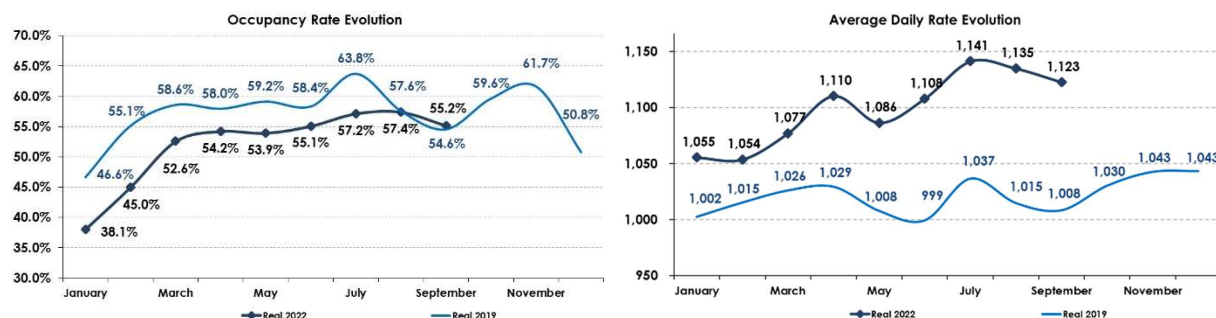
Operating Statistics: Hotel Chain

During the quarter, we observed a recovery in occupancy due to increased traveler confidence, both domestic and international. As a result of our commercial efforts and the positive trend observed since the beginning of the year, occupancy for the quarter was 56.6%.

ADR increased 8.5% year-over-year to \$1,133 pesos. This was due in part to the strength of the export corridors in the northern part of the country, and metropolitan areas, which have shown signs of recovery due to increased activity from large corporations. As a result, RevPAR totaled \$641 pesos at the consolidated level.

Despite seasonality, there has been continuous improvement in monthly occupancy and ADR, as well as an improvement in weekend occupancy and ADR, which was 5% above weekday ADR.

Monthly Indicators and Occupancy and Rate Recovery

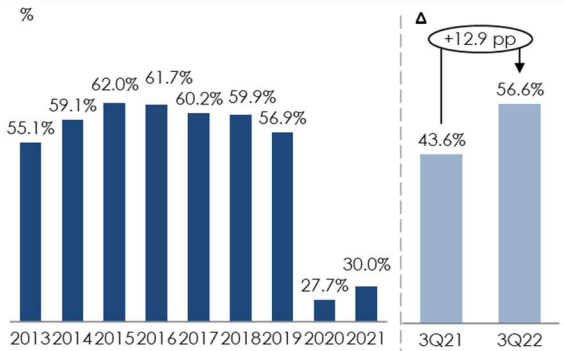


*Occupancy rates considered the total number of hotels open at the end of each period.

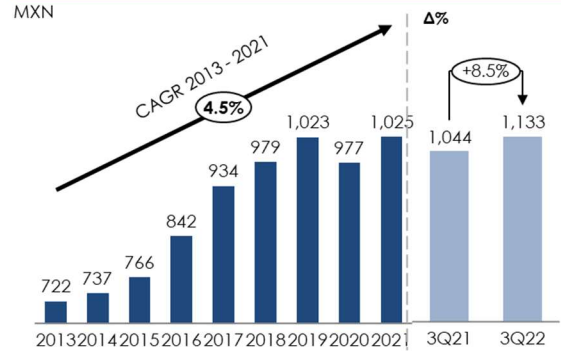
As previously mentioned, the positive trend in the recovery of occupancy and rate levels continued. In September, occupancy reached a 101.1% recovery rate vs the same month in 2019, which was the first time occupancy surpassed pre-pandemic levels, while July and August reached rates of 89.6% and 99.7%, respectively. The Company expects to maintain this positive trend as the sectors that lagged behind, such as real estate, tourism, and retail trade, recover. In line with that, the average daily rate during September was \$1,123 pesos, which represents a recovery rate of 111.3% vs 2019. This caused the RevPAR to reach a 112.6% recovery rate vs 2019.

Comparative Operating Statistics

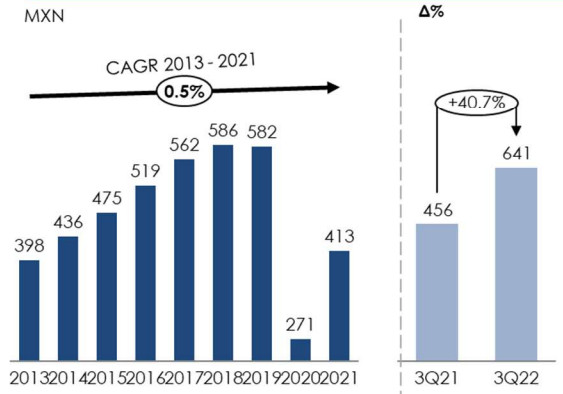
Occupancy



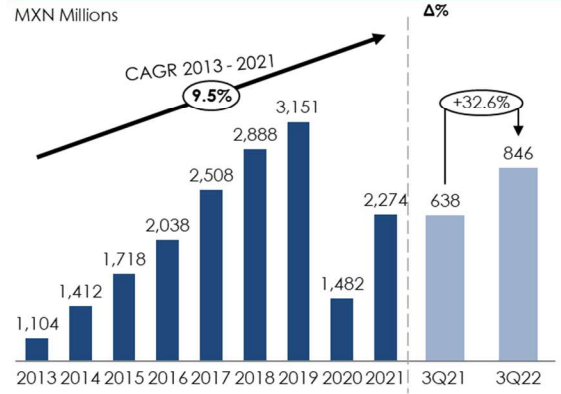
ADR



RevPAR

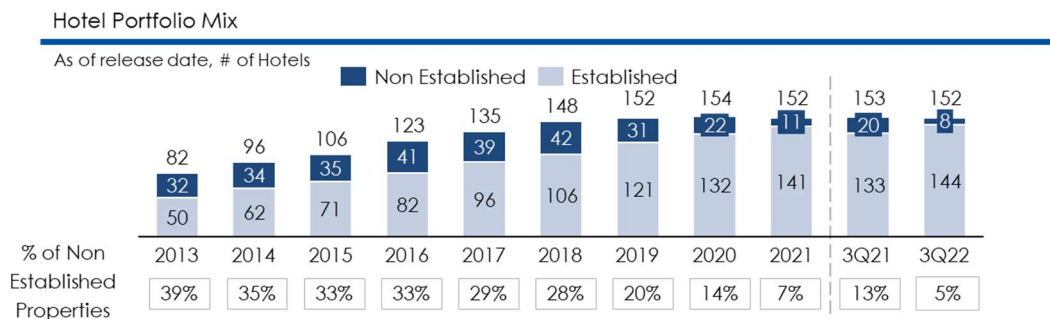


Total Consolidated Revenues



Operating Statistics: Established Hotels

To accurately compare operating data of its hotels with similar maturity periods, Hoteles City Express defines “Established Hotels” as hotels that, on a given date, have been in operation for a period of at least 36 months. Once hotels have reached the third anniversary of their opening date, they have usually stabilized. However, this does not mean that these hotels cannot reach higher levels of occupancy and ADR thereafter. Similarly, hotels classified as “Non-established” are those that have been in operation for less than 36 months and, consequently, are in the market penetration phase, with greater potential for gains in RevPAR.



At the end of 3Q22 the Chain had 144 Established Hotels and 8 Non-Established Hotels.

Established Hotels	3Q22	3Q21	Change 3Q22 vs 3Q21	9M22	9M21	Change 9M22 vs 9M21
Hotels	144	133	8.3%	144	133	8.3%
Rooms	16,394	15,099	8.6%	16,394	15,099	8.6%
Occupancy	57.8%	45.2%	12.6 pps	52.8%	38.6%	14.2 pps
ADR (\$)	1,133	1,009	12.3%	1,113	980	13.5%
RevPAR (\$)	655	456	43.5%	587	378	55.3%

The occupancy of this portfolio closed at 57.8%, 1.2 percentage points above the Chain portfolio and 12.6 pps above last year. The Chain has been positively impacted by a steady recovery from increased numbers of business and leisure travelers. Beginning in the second half of the year, we have seen a recovery in the corridors that had shown a greater lag since the beginning of the year, such as the metropolitan areas, the southeast corridors, and the Bajío region, which has shown a notable improvement vs the first half of the year's performance.

Results by Business Segment (Non-IFRS figures)

Hoteles City Express reports under IFRS. Certain revenues and inter-company expenses are therefore eliminated during the consolidation process, primarily management fees and franchise royalties of hotels that are owned, co-owned, and leased.

Revenues by Segment (Thousands of Pesos)	3Q22	3Q21	3Q22 vs 3Q21	9M22	9M21	9M22 vs 9M21
			% Change			% Change
Hotel Operation	789,970	602,271	31.2%	1,383,021	1,463,223	(5.5%)
Hotel Management	222,561	160,273	38.9%	382,933	382,688	0.1%
Total	1,012,531	762,544	32.8%	1,765,954	1,845,911	(4.3%)

During the quarter, the Hotel Operations segment revenue increased 31.2%, from \$602.3 million in 3Q21 to \$790.0 million in 3Q22.

Hotel Management Revenues increased 38.9% year-on-year, going from \$160.3 million in 3Q21 to \$222.6 million in 3Q22.

Total Combined Segment Revenue grew 32.8% from \$762.5 million in 3Q21 to \$1,012.5 million in 3Q22.

To demonstrate the potential of the Company's hotel inventory, Hoteles City Express publishes the results of the "FSTAY Portfolio" which include forty-two hotels that are 100% owned by the Company and began operations before December 31st, 2015. These hotels perform similar to what would be expected from a portfolio after the ramp-up phase.

Below is a breakdown of the Non-IFRS results by portfolio type and business segment:

Summary of Non IFRS Financial Metrics 3Q22	FSTAY Portfolio	Non FSTAY Portfolio	Total Hotel Operation	Hotel Management	Non IFRS Total	IFRS Eliminations	Total IFRS
Hotels	42	69	111	152	152		152
Rooms	4,980	7,874	12,854	17,356	17,356		17,356
Occupancy	60.1%	53.1%	55.8%	56.6%	56.6%		56.6%
ADR	1,129	1,148	1,140	1,133	1,133		1,133
RevPAR	679	609	636	641	641		641
Total Revenues	323,652	466,318	789,970	222,561	1,012,531	(166,883)	845,648
General Costs and Expenses	(225,237)	(358,400)	(583,637)	(158,186)	(741,823)	166,883	(574,940)
Adjusted EBITDA	98,415	107,918	206,333	64,375	270,708	0	270,708
Margin	30.4%	23.1%	26.1%	28.9%	26.7%		32.0%
Other non recurrent expenses	0	(602)	(602)	0	(602)	0	(602)
EBITDA	98,415	107,317	205,731	64,375	270,106	0	270,106
Margin	30.4%	23.0%	26.0%	28.9%	26.7%		31.9%
Depreciation	(42,726)	(85,215)	(127,942)	0	(127,942)	0	(127,942)
Operating Income	55,688	22,101	77,790	64,375	142,164	0	142,164
Margin	17.2%	4.7%	9.8%	28.9%	14.0%		16.8%

The FSTAY Portfolio occupancy was 60.1%, compared to 53.1% for the Non-FSTAY Portfolio, 7.0 percentage points higher. The ADR for the FSTAY Portfolio was 1.6% lower than the \$1,148 for the Non-FSTAY Portfolio, while RevPAR varied by 11.6% in favor of the FSTAY Portfolio.

The Adjusted EBITDA margin of the FSTAY Portfolio was 7.3 percentage points higher compared to the Non-FSTAY Portfolio.

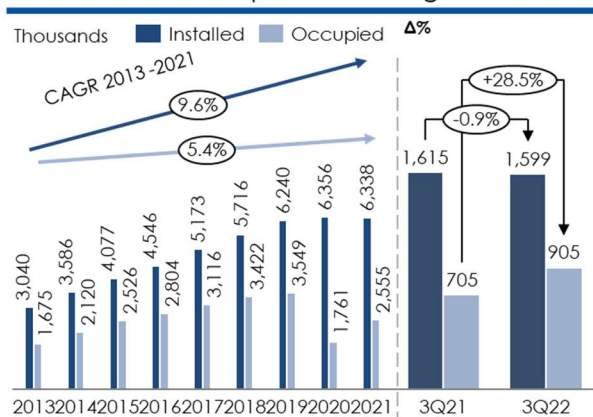
Consolidated Financial Results (IFRS Figures)

Income Statement Highlights (Thousands of Pesos)	3Q22	3Q21	3Q22 vs 3Q21		9M22	9M21	9M22 vs 9M21	
				% Change				% Change
Rooms in Operation	17,356	17,449		(0.5%)	17,356	17,449		(0.5%)
Revenues from Hotel Operation	789,970	602,271		31.2%	2,116,036	1,463,223		44.6%
Revenues from Hotel Management	55,678	35,526		56.7%	134,346	84,390		59.2%
Total Revenues	845,648	637,797		32.6%	2,250,382	1,547,613		45.4%
Operating Income	142,164	36,624		288.2%	249,730	(94,404)		NM
Operating Income Margin	16.8%	5.7%		11.1 pps	11.1%	(6.1%)		NM
Adjusted EBITDA	270,708	160,137		69.0%	631,225	269,269		134.4%
Adjusted EBITDA Margin	32.0%	25.1%		6.9 pps	28.0%	17.4%		10.6 pps
EBITDA	270,106	159,290		69.6%	630,202	266,710		136.3%
EBITDA Margin	31.9%	25.0%		6.9 pps	28.0%	17.2%		10.8 pps
Net Income	(16,215)	(106,787)		NM	(92,456)	(440,997)		NM
Net Margin	(1.9%)	(16.7%)		NM	(4.1%)	(28.5%)		NM

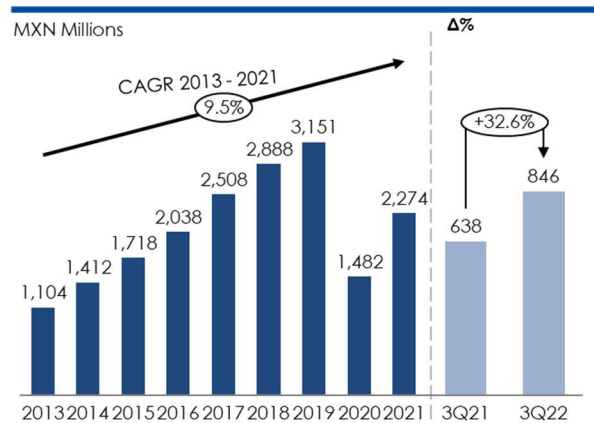
Revenues

During 3Q22, total revenues increased 32.6%, from \$637.8 million in 3Q21 to \$845.6 million in 3Q22. This increase was due to higher rates and occupancy when compared to the same period of the previous year. We also consider that this behavior was due to the more uniform behavior from our regions. It is also worth mentioning that nearshoring trends have mainly benefited the manufacturing regions. For the cumulative 2022 results, total income increased from \$1,547.6 million on September 30th, 2021, to \$2,250.4 million in 2022, a 45.4% increase.

Installed and Occupied Room Nights



Total Consolidated Revenues



Costs and Expenses

Total costs and expenses increased 17.1% year-on-year, from \$600.3 million in 3Q21 to \$702.9 million in 3Q22. The was mainly due to an increase in occupancy, and therefore higher costs per occupied room per night. However, the increase was 15.5 percentage points less than the increase in revenues, given our continued cost and expense containment efforts. The Company has implemented and maintained a cost containment strategy to reduce the effects of inflation throughout the year, mainly through supplier negotiations and reducing fixed expenses.

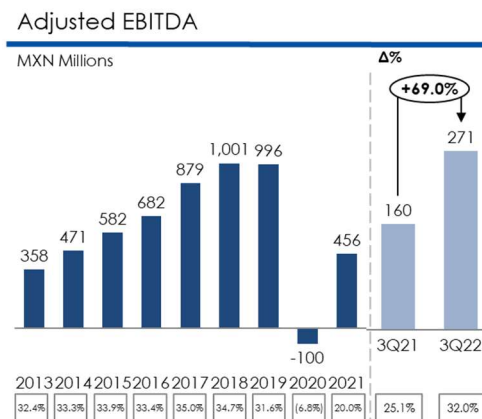
Selling and Administrative Expenses increased 21.4% compared to the same period of the previous year to \$124.5 million.

Operating Income

Operating Income for the third quarter of 2022 was \$142.2 million, compared to the \$36.6 million gain reported in 3Q21. This was due to the gradual recovery of revenues, operating leverage, and cost containment.

EBITDA and Adjusted EBITDA

EBITDA reached \$270.1 million, while Adjusted EBITDA was \$270.7 million in 3Q22, supported by rate increases, cost and expense efficiencies, and operating leverage. This translated into annual increases in EBITDA and Adjusted EBITDA of 69.6% and 69.0%, respectively. The expense for new hotel openings decreased by 29.0% compared to 3Q21.



Since adopting the IFRS 16 accounting rules in 1Q19, the Company's EBITDA and Adjusted EBITDA recognize the effect of capitalizing a portion of income as a cost benefit and its corresponding depreciation increase. These effects are consolidated in the Hotel Operating Costs and Expenses lines, and the Depreciation line, respectively.

Hoteles City Express calculates Adjusted EBITDA by adding depreciation expenses and non-recurring expenses related to hotel openings to Operating Income. Adjusted EBITDA is a useful measure that Hoteles City Express uses to compare its performance against other companies. This facilitates an analysis of its consolidated performance during different periods by eliminating the impact of specific non-recurring expenses related to hotel openings, from its operating results.

Comprehensive Financing Result

The Comprehensive Financing Result increased to \$157.0 million in 3Q22, as a result of higher interest payments on the company's bank obligations due to the reference interest rate increases and, to a lesser extent, the net foreign exchange result. The net cost of financing¹ increased from \$145.9 million in 3Q21 to \$149.5 million in 3Q22.

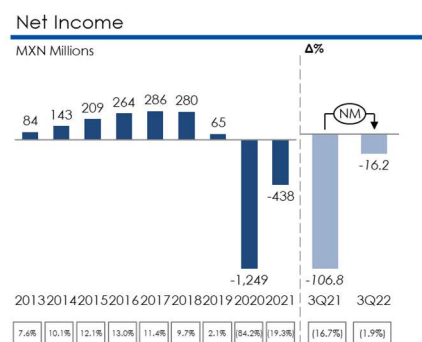
The net foreign exchange result for 3Q22 represented a gain of \$11.1 million, due to the valuation of the equity positions in our Chilean and Colombian subsidiaries. This did not cause any cash outflow for the Company.

The Company has signed financial derivative instruments to cover itself against changes in the interest rates. As of September 30th, 2022, it has eleven instruments with different banks that hedge a total of \$3,726.4 million pesos, which represent 71.4% of the total financial debt. With these hedges, the Company has a capped 8.0% rate plus an average spread of 3.5%.

Since 1Q19, and due to the adoption of accounting rules under IFRS 16, Comprehensive Financing Costs recognize the proportional effect of capitalizing revenues as an incremental cost in interest paid. This effect is recognized on the Interest Paid line of the income statement.

Net Income

Net Loss for 3Q22 was \$16.2 million, compared to the loss of \$106.8 million reported for the same period of the previous year. Majority Net Income for the quarter was a \$0.7 million loss.



Financial Position and Leverage

Balance Sheet Highlights (Thousands of Pesos)	As of September 30, 2022	As of December 31, 2021	September 30, 2022 vs December 31, 2021 % Change
Cash and Equivalents	1,093,979	989,951	10.5%
Financial Debt ⁽¹⁾	5,387,348	5,908,452	(8.8%)
Net Debt	4,293,369	4,918,500	(12.7%)

1. Does not include payable interest for \$25.3 million as of September 30th, 2022, and for \$27.2 million as of December 31st, 2021.

Hoteles City Express's primary objective is the preservation of a healthy balance sheet. To maintain this goal, the Company decided to operate with a minimum Capex level since the beginning of the COVID-19 pandemic to maintain the highest possible liquidity

¹ Net financing cost is calculated as interest paid less interest earned.

and thus preserve cash flow, without affecting the guest experience and the quality of our product. Once the announced Marriot transaction closes, the company will use part of the proceeds to restart projects that were paused during the COVID-19 pandemic.

At the end of 3Q22, the Company held \$1,094.0 million in Cash and Cash Equivalents, a 5.0% increase compared to September 30th, 2021, and an increase of 10.5% versus December 31st, 2021.

Debt with financial institutions net of interest payable decreased 12.5% compared to the end of September 2021 and 8.8% versus December 2021, closing the quarter at \$5,387.3 million. Of this amount, \$469.8 million is due in the next 12 months and \$119.4 million is denominated in Foreign Currency. During 3Q22, the Company made amortization payments of \$143.8 million, which include the prepayments made on the syndicated loan.

As of September 30th, 2022, Hoteles City Express reported a Total Financial Debt to Total Assets ratio of 38.7%. Likewise, the Company is in compliance with all its financial obligations.

Net debt decreased by 16.1%, from \$5,114.8 million as of September 30th, 2021, to \$4,293.4 million in 3Q22. During the quarter, it decreased by 6.0% versus 2Q22, and decreased by 12.7% versus the end of 2021.

The proceeds from the transaction will strengthen and reposition Hoteles City's capital structure. The funds will be used to strengthen the balance sheet by reducing leverage levels and improving liquidity metrics. They will also equip the Company to invest in maintenance CapEx and even complete/reactivate projects paused by the COVID-19 pandemic.

Additionally, Hoteles City Express has agreed with its bank lenders to approve waivers related to the non-compliance of financial covenants, which were granted until 4Q22.

This reflects the solid relationship we have built with our creditors over time and reiterates the confidence that financial institutions have in Hoteles City Express and its continued recovery.

Breakdown of Productive Fixed Assets

To explain the process of planning and managing growth over the coming years, the Company shows various levels of assets in Total Assets.

At the end of the quarter, the Company had a land reserve booked at historical cost of approximately \$559.3 million. It also had construction in progress, active remodeling, and land assigned to such works with a value of \$1,454.2 million. We continue to diligently work on the potential marketing of land as an additional capital recycling measure.

The productive assets or gross fixed assets corresponding to hotels in operation amounted to approximately \$12,797.4 million pesos. Of the portfolio comprising productive assets at the end of 3Q22, 95% of the total number of properties corresponded to Established Hotels and the remaining 5% to Non-Established Hotels.

Cash Flow Generation and Use of Share Repurchase Program

In 3Q22, Hoteles City Express registered \$466.2 million in Positive Net Cash Flow from operating activities. \$102.9 million was invested in the acquisition of property, furnishings, equipment, and leasehold improvements, among other items, compared to the \$11.3 million invested in 3Q21. This is due to the investment process for new projects and the cash expenditure to resume construction that was put on hold during the pandemic. Finally, the Company's Negative Net Cash Flow from financing activities was \$285.9 million, compared to positive \$67.9 million registered in 3Q21, resulting from prepayments made during the quarter and the increase in the interest rates by the central bank. The positive cash flow in 3Q21 was due to the capital increase conducted by the Company.

During 3Q22, the Company did not make use of its share repurchase fund. This is aligned with the objective of preserving liquidity during the period.

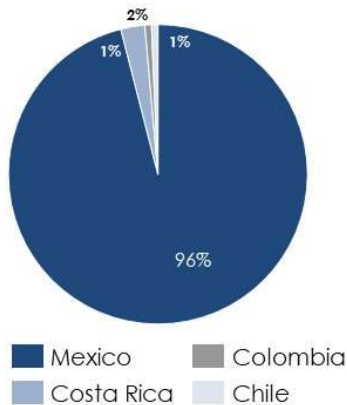
Shares acquired through the Company's share repurchase program are recorded under Stockholders' Equity, and therefore continue to be part of total shares outstanding. The number of shares outstanding has not undergone any reduction or modification since the cancellation of shares at the penultimate Annual Shareholders' Meeting. In addition, due to the method used to record these shares, the Company is able to sell the shares on the market without any restrictions and at a price determined by the market on each trading day.

Portfolio of Hotel Assets

As of today, Hoteles City Express has an inventory of 152 hotels with presence in thirty states and over seventy cities in Mexico, as well as four hotels in Colombia, one in Costa Rica, and one in Chile. The composition of the hotel portfolio is presented below:

By Country

As of release date



Mexico

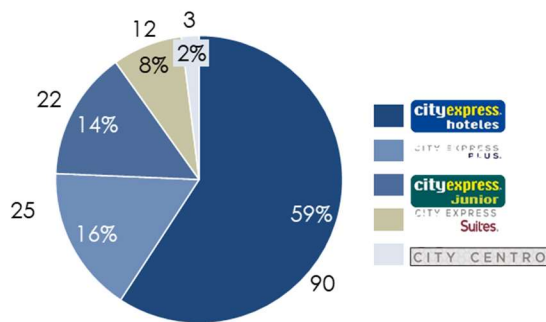
As of release date



(1) Others: Sinaloa, Michoacán, Tabasco, Baja California Sur, Chiapas, Yucatan, Aguascalientes, Colima, Zacatecas, Hidalgo, Durango, Nayarit and Tlaxcala

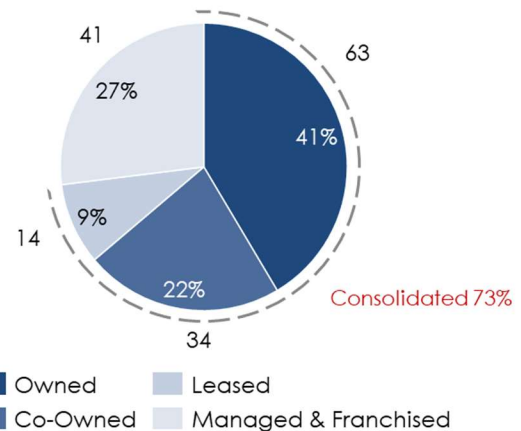
Hotel Portfolio by Brand

As of release date, # of Hotels and % of Total Portfolio



Hotel Portfolio by Ownership

As of release date, # of Hotels and % of Total Portfolio



Hotel Development

As previously mentioned, the obtained funds will be used to strengthen the balance sheet by reducing leverage and improving liquidity metrics. Likewise, the funds will equip the Company to invest in maintenance CapEx and even to complete/restart projects that were put on hold by the COVID-19 pandemic, which will result in an increase in EBITDA.

The Company's Development Plan is described below:

Hotel Number	Development Pipeline	Hotel	Brand	Investment Scheme	Opening	Rooms	Location	Development Stage
2022 Development Plan								
148	1	Ce Hermosillo Expo	City Express Plus	Managed	3Q20	124	Sonora	Open
149	2	Ce Caborca	City Express	Managed	4Q20	101	Sonora	Open
150	3	CP San Luis Potosí	City Express Plus	Co-Owned	2Q21	139	San Luis Potosí	Open
151	4	Ce Lagos de Moreno	City Express	Managed	3Q21	121	Jalisco	Open
152	5	Ce Monterrey Universidad	City Express	Owned	2Q22	147	Monterrey	Open
153	6	CP Guadalajara Providencia	City Express Plus	Owned	1Q23	150	Jalisco	Under Construction
154	7	CP Mérida Siglo XXI	City Express Plus	Co-Owned	4Q23	136	Yucatán	Under Construction
155	8	CP Monterrey Centro	City Express Plus	Owned	4Q23	136	Monterrey	Under Construction
156	9	Ce CDMX Anzures	City Express	Owned	-	112	Ciudad de México	Deferred
157	10	Ce Cancún Aeropuerto Centralía	City Express	Co-Owned	-	137	Quintana Roo	Deferred
158	11	Ce Guadalajara Chapalita	City Express	Co-Owned	-	148	Jalisco	Deferred
159	12	CP Guadalajara La Minerva	City Express Plus	Owned	-	162	Jalisco	Deferred
160	13	Ce Guadalajara Centro	City Express	Owned	-	113	Jalisco	Deferred
161	14	CC Puebla	City Centro	Owned	-	57	Puebla	Deferred
162	15	Ce Tijuana El Florido	City Express	Co-Owned	-	123	Baja California	Deferred
Total						1,906		

Environmental, Social and Economic Sustainability

Hoteles City Express has the following Sustainability Policy:

“To be a catalyst for positive economic, social, and environmental impacts in each of the communities where we operate, incorporating innovation and comprehensive development through long-term value creation.”

All Hoteles City Express' hotels have been built and managed using environmental, social welfare and occupational security standards at a local and international level. The following are some of the most important sustainability and social responsibility certifications that have been awarded to Hoteles City Express:

- Safehotels Covid Clean: Independent certification based on World Health Organization guidelines that support the trust and excellence of the biosafety protocols implemented at each of the properties. This allows Hoteles City Express to position itself as the first hotel chain worldwide to receive this distinction, in addition to obtaining the SafeTravels certification seal, granted by the World Travel and Tourism Council (WTTC).
- LEED-EB-O&M Certification: granted by the United States Green Building Council (USGBC). To date, the following hotels currently have this certification: LEED Gold for the City Express hotels in Reynosa, Saltillo, and León; LEED Silver for the City Express hotels in San Luis Potosí, Puebla Centro, Monterrey Santa Catarina, Playa del Carmen, Puebla Angelópolis, Los Mochis, and Cd. Juárez; and LEED Certification for City Express hotels in Guadalajara, Irapuato, and Querétaro.
- EDGE (Excellence in Design for Greater Efficiencies): a certification system created by the World Bank International Financial Corporation (IFC). Hoteles City Express was the first company in the world to receive a green building EDGE certification for its City Express Hotel in Villahermosa. This certification was also awarded to the City Express Plus hotels in Santa Fe, Durango, City Express Querétaro Júpica, City Express Costa Rica, and City Express Suites Santa Fe. In January 2015, the Company obtained three additional certifications for the City Express Junior Ciudad del Carmen, City Express Junior Irapuato Norte, and City Express Puebla Autopista hotels, with estimated savings of 50% in energy, 45% in water use, and 36% in efficient construction materials, when compared to equivalent properties.
- Sustainable Water Hotel Award: granted by members of the Alliance for Water Sustainability in Tourism, encouraging better environmental practices in water use and care. Hoteles City Express has won this award for the renovation of five of its hotels:

City Express Plus EBC Reforma, City Express Buenavista, City Express Mérida, City Express Villahermosa, and City Express Paraiso Tabasco.

- Distinctive “S” Sustainability Guarantee: The Ministry of Tourism, in collaboration with EarthCheck and the Rainforest Alliance recognizes Hoteles City Express for good sustainable practices in line with sustainability criteria outlined by the World Tourism Organization (WTO). Eight hotels have won this distinction: City Express Mérida, City Express Suites Puebla Autopista, City Express San Luis Potosí Universitaria, City Express Irapuato, City Express Suites Anzures, City Express Manzanillo, City Express Cananea, and City Express Zacatecas.
- Socially Responsible Company Award: an award granted by the Mexican Center for Philanthropy, ranked Hoteles City Express as one of the best companies for corporate governance, quality of work life, environmental commitment, and social engagement in Mexico, with a score placing it 35% higher than all other applicants for the eight consecutive year.
- Adherence to the UN Global Compact: by complying with the UN Global Compact, the Company has become part of a global commitment to ten universally accepted principles relating to human rights, labor standards, environmental conservation, and anti-corruption.
- Adherence to the National Code of Conduct for the Protection of Children and Adolescents in the Travel and Tourism Sector: currently, Hoteles City Express has eighty-nine properties that have signed and implemented this code of conduct, committing to measures that prevent sexual and labor exploitation of children and adolescents within the tourism sector.
- Hoteles City Express, for the third consecutive year, is part of the “Super Company Ranking 2022” published by the *Expansión* magazine. This distinction recognizes the Company as one of the organizations where people want to work and where there is a continuous effort to strengthen the company's culture and organizational environment. Additionally, for the second consecutive year the company was awarded as a “Super Company for Women 2022” by fomenting gender equality.
- In 2021, the Company participated for the first time in the CDP (Carbon Disclosure Project) - Climate Change questionnaire, achieving a "B-Management" level, the companies listed in this category are already taking coordinated actions on climate change issues.

- During 4Q21 and 1Q22 we focused on updating our materiality analysis through discussions and consultations with different stakeholders, including shareholders, suppliers, collaborators, board members and guests. This will help us define the core of our sustainable strategy for the coming years and identify the most relevant issues for the business. All of this is based on Global Reporting Initiative (GRI) standards.
- In 3Q22, the Chain joined a group of leading Mexican companies in signing the Glasgow Declaration on Climate Action in Tourism, an initiative with a global commitment to halve emissions by 2030 and achieve net zero emissions by 2050.

Regarding Corporate Social Responsibility, Hoteles City Express focuses on high-impact projects that generate value for society and increase social and economic well-being within the communities in which it operates. The Company therefore focuses on initiatives related to both entrepreneurship and social cohesion that generate sustainable long-term benefits.

One initiative on this front is a work inclusion program that incorporates hiring people with hearing disabilities that began in the northern part of the country, which has extended into sixty-two hotels in the chain. This demonstrates Hoteles City Express' desire to drive change and improve the countries in which it operates.

Hoteles City Express is currently focusing its sustainability strategy on sixteen of the 17 Sustainable Development Objectives of the 2030 Agenda established by the General Assembly of the United Nations. By creating alliances with high-impact organizations that benefit different communities, the Company is joining a global initiative to end poverty, protect the planet and guarantee that all people can have peace and prosperity.

For more information on Hoteles City Express initiatives, please visit:

www.cityexpress.com/en/investors/sustainability

Conference Call Details:

Hoteles City Express will host a conference call to further discuss these results:

Date: Thursday, October 20th, 2022
Time: 11:00am EST / 10:00am Mexico City time
Dial-In: USA toll free: 1-844-802-2441 / International toll free: 1-412-317-5136
 Mexico toll free: 001-855-817-7630
 Conference ID: 10171955

Please ask to be connected to the Hoteles City Express call.

Webcast: https://viaid.webcasts.com/starthere.jsp?ei=1575192&tp_key=3bad50941b

A replay of the conference will be available for 7 days:
 USA toll free: 1-844-512-2921 / International toll free: 1-412-317-6671
 Passcode: 10171955

About Hoteles City Express:

Hoteles City Express is the leading and fastest-growing limited-service hotel chain in Mexico, in terms of number of hotels, number of rooms, geographic presence, market share and revenues. Founded in 2002, Hoteles City Express specializes in offering high-quality, comfortable, and safe lodging at affordable prices via a limited-service hotel chain geared mainly towards domestic business travelers. With 152 hotels located in Mexico, Costa Rica, Colombia, and Chile, Hoteles City Express operates five distinct brands: City Express, City Express Plus, City Express Suites, City Express Junior and City Centro, to serve different segments of its target market. In September 2013, Hoteles City Express completed its IPO and began trading on the Mexican Stock Exchange under the ticker symbol "HCITY" furthermore, on October 8, 2014, Hoteles City Express completed a follow on with the aim of accelerating its growth in new hotels over the next few years.

HCITY has formal coverage, notes and analytical assessments by the following financial institutions and analysts: Actinver (Valentín Mendoza), Bank of America Merrill Lynch (Carlos Peyrelongue), ITAU BBA (Enrico Trotta), J.P. Morgan (Adrian Huerta), Morgan Stanley (Nikolaj Lippman), Signum Research (Armando Rodriguez) and Monex (Brian Rodriguez). For further information, please visit our website: <https://cityexpress.com/en/investors/>

Disclaimer:

The information presented in this report contains certain forward-looking statements and information regarding Hoteles City Express, S.A.B. de C.V. and its subsidiaries (jointly, "the Company"), which are based on the understanding of its management, as well as assumptions and information currently available to the Company. These statements reflect the Company's current vision regarding future events and are subject to certain risks, factors of uncertainty and assumptions. Many factors may cause the results, performance or current achievements of the Company to be materially different with respect to any future result, performance or accomplishment of the Company that might be included, expressly or implicitly, within such forward-looking statements, including, among other things: changes in general economic and/or political conditions, governmental and commercial changes at the global level and in the countries in which the Company does business, changes in interest rates and inflation, exchange rate volatility, changes in business strategy and various other factors. If one or more of these risks or uncertainty factors should materialize, or if the assumptions used prove to be incorrect, actual results could differ materially from those described herein as anticipated, estimated or expected. The Company does not intend to assume and does not assume any obligation whatsoever to update these forward-looking statements.

-Financial Tables Follow-
Consolidated Income Statement

Consolidated Income Statement (Thousands of Pesos)	3Q22	3Q21	3Q22 vs 3Q21 % Change	9M22	9M21	9M22 vs 9M21 % Change
Total Revenues						
Revenues from Hotel Operation	789,970	602,271	31.2%	2,116,036	1,463,223	44.6%
Revenues from Hotel Management	55,678	35,526	56.7%	134,346	84,390	59.2%
Total Revenues	845,648	637,797	32.6%	2,250,382	1,547,613	45.4%
Costs and expenses						
Hotel operating costs and expenses ⁽¹⁾	450,390	375,084	20.1%	1,259,872	986,538	27.7%
Selling and administrative expenses	124,549	102,577	21.4%	359,285	291,806	23.1%
Depreciation and amortization ⁽²⁾	127,943	122,666	4.3%	380,472	361,113	5.4%
Total Costs and Expenses	702,882	600,327	17.1%	1,999,629	1,639,457	22.0%
Expenses assoc. with new hotel openings	602	847	(29.0%)	1,023	2,560	(60.0%)
Other (income) / Non-recurring expenses	0	0	NM	0	0	NM
Total	602	847	(29.0%)	1,023	2,560	(60.0%)
Operating Income	142,164	36,624	288.2%	249,730	(94,404)	NM
Operating Income Margin (%)	16.8%	5.7%	11.1pp	11.1%	(6.1%)	17.2pp
Adjusted EBITDA	270,708	160,137	69.0%	631,225	269,269	134.4%
Adjusted EBITDA Margin (%)	32.0%	25.1%	6.9pp	28.0%	17.4%	10.7pp
EBITDA	270,106	159,290	69.6%	630,202	266,710	136.3%
EBITDA Margin (%)	31.9%	25.0%	7.0pp	28.0%	17.2%	10.8pp
Finance income	(17,827)	(5,722)	NM	(45,241)	(18,251)	NM
Finance costs ⁽³⁾	167,335	151,619	10.4%	483,208	418,149	15.6%
Effects of valuation of financial instruments	(3,575)	(8,691)	NM	(46,192)	(76,377)	NM
Exchange result, net	11,108	5,147	115.8%	30,297	18,705	62.0%
Financial Expenses	157,041	142,354	10.3%	422,073	342,227	23.3%
Profit before income tax	(14,877)	(105,730)	NM	(172,343)	(436,631)	NM
Income tax expense	1,338	1,057	26.5%	4,503	4,366	3.1%
Net income from discontinued operations	0	0		84,390	0	
Net Income for the Period	(16,215)	(106,787)	NM	(92,456)	(440,997)	NM
Net Majority Income	(751)	(100,743)	NM	(42,460)	(394,009)	NM

- (1) Includes a benefit of \$19.4 million for lease capitalization due to the adoption of IFRS 16 and a benefit for \$58.2 million accrued through September 2022.
- (2) Includes incremental depreciation of \$10.3 million for lease capitalization due to the adoption of IFRS 16 and incremental depreciation of \$30.8 million accrued through September 2022.
- (3) Includes the incremental financial cost of \$7.6 million for lease capitalization derived from the adoption of IFRS 16 and an incremental financing cost of \$22.9 million accrued through September 2022.

Consolidated Balance Sheet

Consolidated Balance Sheet (Thousands of Pesos)	As of September 30,	As of December 31,	September 30, 2022 vs December 31, 2021
	2022	2021	% Change
Cash and equivalents	1,093,979	989,951	10.5%
Trade receivables, net	145,663	142,759	2.0%
Recoverable taxes	268,416	372,583	(28.0%)
Prepaid expenses	82,330	74,164	11.0%
Assets Available for Sale	0	335,363	(100.0%)
Derivative financial instruments	6,520	302	2,062.6%
Other receivables	0	0	NM
Total Current Assets	1,596,908	1,915,122	(16.6%)
Property, equipment and leasehold improvements	11,620,357	12,048,264	(3.6%)
Right of Use (net of amortization)	257,611	288,426	(10.7%)
Trust Investments	36,603	36,603	(0.0%)
Guarantee deposits	2,898	2,772	4.5%
Other assets	71,508	70,935	0.8%
Derivative financial instruments	70,808	39,005	81.5%
Deferred income tax	252,149	264,242	(4.6%)
Total Long Term Assets	12,311,934	12,750,247	(3.4%)
Total Assets	13,908,842	14,665,369	(5.2%)
Liabilities			
Current Liabilities:			
Bank loans and accrued interests	469,776	391,093	20.1%
Trade accounts payable	95,415	108,712	(12.2%)
Other taxes and accrued expenses	330,399	240,446	37.4%
Derivative financial instruments	0	563	(100.0%)
Income tax payable	15,924	41,472	(61.6%)
Direct employee benefits	18,682	36,716	(49.1%)
Current Liabilities from Lease Capitalizations	49,437	47,087	5.0%
Total Current Liabilities	979,633	866,089	13.1%
Long-term debt	4,942,874	5,544,519	(10.9%)
Deferred revenues	27,748	20,204	37.3%
Other Liabilities	351,949	343,176	2.6%
Employee benefits	4,338	4,928	(12.0%)
Derivative financial instruments	0	6,997	(100.0%)
Deferred income tax	60,271	69,490	(13.3%)
Liabilities from Lease Capitalizations	290,662	328,328	(11.5%)
Total Long Term Liabilities	5,677,842	6,317,643	(10.1%)
Total Liabilities	6,657,475	7,183,732	(7.3%)
Equity			
Equity Attributable to the Owners of the Entity			
Issued capital	6,191,212	6,177,258	0.2%
Retained earnings	321,098	363,558	(11.7%)
Other Comprehensive Income	(352,557)	(234,448)	(50.4%)
Total Equity Attributable to the Owners of the Entity	6,159,753	6,306,368	(2.3%)
Non-controlling interests	1,091,614	1,175,268	(7.1%)
Total Equity	7,251,367	7,481,637	(3.1%)
Total Liabilities + Equity	13,908,842	14,665,369	(5.2%)

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement (Thousands of Pesos)	3Q22	3Q21	9M22	9M21
Profit before income tax	(14,876)	(105,730)	(172,342)	(436,631)
Operating Activities				
Discontinued Operations	0	0	(47,700)	0
Depreciation	127,942	122,666	380,471	361,113
Impairment loss recognized in profit	0	0	0	0
Loss on disposal of equipment	32,587	2,394	33,338	5,563
Finance income	(17,827)	(5,722)	(45,241)	(18,251)
Finance costs	167,335	151,619	483,208	418,149
(Gain) Loss on Valuation of Financial Instruments	1,174	(51,509)	(45,248)	(121,283)
Expenses Related to Payments Based on Stocks	5,142	0	13,954	(8,685)
Unrealized foreign currency fluctuations	7,815	63,064	3,168	40,270
	309,292	176,782	603,608	240,246
Changes in Working Capital:				
Trade receivables	66,883	(2,829)	52,096	(13,806)
Recoverable taxes	41,300	57,950	104,167	148,658
Prepaid expenses, net	9,538	(36,261)	(8,166)	(96,637)
Trade and other payables	23,708	23,808	(13,297)	32,877
Accrued Expenses, others and taxes to be paid	42,194	(477)	106,269	54,281
Employee benefits	(4,217)	15,064	(18,625)	39,953
Income tax and business flat tax paid	(22,487)	(27,148)	(56,450)	(82,876)
Net Cash Flows from Operating Activities	466,211	206,890	769,602	322,695
Investing Activities:				
Payments for property, equipment and leasehold	(102,923)	(11,258)	(147,974)	(81,522)
Sale of participation in subsidiary	33,950	0	292,166	0
Other assets	(2,813)	(1,555)	(574)	(2,093)
Finance income received	17,827	5,722	45,241	18,251
Net Cash Flows used in Investing Activities	(53,959)	(7,092)	188,859	(65,364)
Financing Activities:				
Proceeds from the issuance of equity instruments	3,857	291,143	13,954	295,373
Proceeds from contributions rec. from non-controlling interests	24,406	0	55,527	0
Non Controlling Interest Dividends	0	0	0	(7,643)
Finance cost paid	(170,380)	(147,500)	(481,349)	(378,294)
Proceeds from short- and long-term borrowings	0	0	288,000	0
Repayment of borrowings	(143,838)	(75,693)	(757,045)	(267,953)
Net Cash Flows used in Financing Activities	(285,955)	67,951	(880,913)	(358,517)
Net increase (decrease) in cash and equivalents	126,297	267,749	77,548	(101,186)
Cash at the beginning of the period	956,361	763,298	989,951	1,118,464
Effects of exchange rate changes on the balance of cash held in foreign currencies and effects of balances of foreign	11,321	10,686	26,480	24,455
Cash at the End of the Period	1,093,979	1,041,733	1,093,979	1,041,733

Hotel Inventory

Number	Hotel	Brand	Investment Scheme	Opening	Rooms	Location
1	Saltillo	City Express	Owned	May-03	120	Coahuila
2	San Luis	City Express	Owned	Jul-03	120	San Luis Potosí
3	Monterrey Santa Catarina	City Express	Owned	Oct-03	105	Nuevo León
4	Querétaro	City Express	Owned	Nov-03	121	Querétaro
5	León	City Express	Owned	Dec-03	120	Guanajuato
					586	
6	Anzures	City Express Suites	Leased	Apr-04	26	Ciudad de México
7	Puebla	City Express	Owned	May-04	124	Puebla
8	Nuevo Laredo	City Express	Managed	Aug-04	107	Tamaulipas
9	Ciudad Juárez	City Express	Owned	Oct-04	114	Chihuahua
10	Irapuato	City Express	Owned	Nov-04	104	Guanajuato
					1,061	
11	Reynosa	City Express	Owned	Feb-05	104	Tamaulipas
12	Cancun	City Express	Leased	Mar-05	128	Quintana Roo
13	Tuxtla Gutiérrez	City Express	Franchise	Dec-05	124	Chiapas
14	Querétaro	City Express Suites	Owned	Dec-05	45	Querétaro
					1,462	
15	Chihuahua	City Express	Managed	Mar-06	104	Chihuahua
16	Guadalajara	City Express Plus	Owned	Jul-06	145	Jalisco
17	Tampico	City Express	Co-Owned	Nov-06	124	Tamaulipas
18	Mexicali	City Express	Owned	Dec-06	117	Baja California
19	Toluca	City Express	Owned	Dec-06	141	Estado de México
					2,093	
20	EBC Reforma	City Express	Owned	Jan-07	70	Ciudad de México
21	Hermosillo	City Express	Co-Owned	Apr-07	120	Sonora
22	Celaya	City Express	Leased	May-07	104	Guanajuato
23	Insurgentes Sur	City Express Plus	Owned	Jul-07	159	Ciudad de México
24	Tepozotlán	City Express	Leased	Dec-07	109	Estado de México
					2,655	
25	Toluca	City Express Junior	Leased	Feb-08	106	Estado de México
26	Mazatlán	City Express	Managed	Jun-08	110	Sinaloa
27	Morelia	City Express	Franchise	Jul-08	60	Michoacán
28	Lázaro Cárdenas	City Express	Owned	Nov-08	119	Michoacán
29	Puebla Angelópolis	City Express	Co-Owned	Nov-08	118	Puebla
30	Tijuana Río	City Express	Managed	Dec-08	131	Baja California
31	Silao	City Express	Owned	Dec-08	121	Guanajuato
32	Toluca	City Express Suites	Owned	Dec-08	91	Estado de México
33	Monterrey Aeropuerto	City Express	Owned	Dec-08	166	Nuevo León
					3,677	
34	El Angel	City Express Plus	Owned	Jan-09	137	Ciudad de México
35	Mexicali	City Express Junior	Owned	Feb-09	104	Baja California
36	Tula	City Express	Managed	Mar-09	103	Hidalgo
37	Los Mochis	City Express	Owned	Jun-09	124	Sinaloa
38	Zacatecas	City Express	Managed	Jun-09	109	Zacatecas
39	Tijuana Otay	City Express Junior	Managed	Jun-09	134	Baja California
40	Veracruz	City Express	Leased	Sep-09	124	Veracruz
41	Saltillo Sur	City Express	Owned	Dec-09	107	Coahuila
42	Cancun	City Express Junior	Leased	Nov-09	106	Quintana Roo
					4,725	
43	Tlaquepaque	City Express Junior	Leased	Feb-10	107	Jalisco
44	Ciudad Juárez	City Express Junior	Owned	Mar-10	128	Chihuahua
45	Nogales	City Express	Owned	Nov-10	109	Sonora
46	San Luis Univ.	City Express	Co-Owned	Dec-10	109	San Luis Potosí
					5,178	

Number	Hotel	Brand	Investment Scheme	Opening	Rooms	Location
47	Minatitlán	City Express	Co-Owned	Mar-11	109	Veracruz
48	Mérida	City Express	Co-Owned	Apr-11	124	Yucatán
49	Torreón	City Express	Managed	May-11	115	Coahuila
50	Culiacan	City Express	Co-Owned	Jun-11	133	Sinaloa
51	Veracruz	City Express Junior	Leased	Jul-11	104	Veracruz
52	Aguascalientes	City Express	Owned	Aug-11	123	Aguascalientes
53	Playa del Carmen	City Express	Co-Owned	Sep-11	135	Quintana Roo
54	Puebla Autopista	City Express	Co-Owned	Oct-11	108	Puebla
55	Tuxtla Gutierrez	City Express Junior	Leased	Oct-11	106	Chiapas
56	Manzanillo	City Express	Owned	Nov-11	116	Colima
57	Ciudad del Carmen	City Express	Co-Owned	Dec-11	129	Campeche
2011					6,480	
58	Ciudad Obregon	City Express	Owned	Jan-12	120	Sonora
59	Campeche	City Express	Owned	Apr-12	110	Campeche
60	San Luis Potosi	City Express Suites	Managed	Jul-12	120	San Luis Potosí
61	Villahermosa	City Express	Owned	Jul-12	155	Tabasco
62	Queretaro Jurica	City Express	Co-Owned	Sep-12	135	Querétaro
63	Durango	City Express	Co-Owned	Oct-12	120	Durango
64	San José	City Express	Owned	Nov-12	134	Costa Rica
65	Xalapa	City Express	Managed	Dec-12	126	Veracruz
66	Tijuana Insurgentes	City Express	Owned	Dec-12	127	Baja California
2012					7,627	
67	Chetumal	City Express	Leased	Mar-13	109	Quintana Roo
68	Santa fe	City Express Plus	Co-Owned	Jun-13	159	Ciudad de México
69	Santa fe	City Express Suites	Co-Owned	Aug-13	39	Ciudad de México
70	Oaxaca	City Express	Managed	Oct-13	103	Oaxaca
71	Salina Cruz	City Express	Managed	Oct-13	116	Oaxaca
72	Patio Universidad	City Express Plus	Owned	Dec-13	124	Ciudad de México
73	La Paz	City Express	Owned	Dec-13	124	Baja California Sur
74	Puebla Autopista	City Express Junior	Co-Owned	Dec-13	113	Puebla
75	Cali	City Express Plus	Owned	Dec-13	127	Colombia
76	Cananea	City Express	Co-Owned	Dec-13	98	Sonora
77	Irapuato Norte	City Express	Co-Owned	Dec-13	122	Guanajuato
2013					8,861	
78	Cd. Del Carmen Isla de Tris	City Express Junior	Managed	Feb-14	109	Campeche
79	Cd. Del Carmen Aeropuerto	City Express Junior	Co-Owned	Feb-14	124	Campeche
80	Tehuacan Puebla	City Express	Managed	Mar-14	108	Puebla
81	Dos Bocas Tabasco	City Express	Co-Owned	May-14	108	Tabasco
82	Monterrey Norte	City Express	Managed	Aug-14	115	Nuevo León
83	Plaza Central	City Express	Leased	Sep-14	135	Ciudad de México
84	Puebla Autopista	City Express Suites	Co-Owned	Sep-14	72	Puebla
85	Apizaco	City Express	Managed	Sep-14	104	Tlaxcala
86	Cd Victoria	City Express	Managed	Oct-14	108	Tamaulipas
87	Satélite	City Express Plus	Franchise	Oct-14	89	Ciudad de México
88	Monterrey Nuevo Sur	City Express Plus	Owned	Dec-14	138	Nuevo León
89	Matamoros	City Express	Owned	Dec-14	113	Tamaulipas
90	Salamanca	City Express	Owned	Dec-14	113	Guanajuato
91	Villahermosa	City Express Junior	Owned	Dec-14	136	Tabasco
2014					10,433	
92	Los Cabos	City Express Plus	Owned	Apr-15	135	Baja California Sur
93	Los Cabos	City Express Suites	Owned	Apr-15	28	Baja California Sur
94	Tuxpan	City Express	Managed	Jul-15	108	Veracruz
95	Guadalajara Palomar	City Express Plus	Owned	Jul-15	113	Jalisco
96	Guadalajara Aeropuerto	City Express	Managed	Nov-15	118	Jalisco
97	Piedras Negras	City Express	Owned	Dec-15	113	Coahuila
98	Periférico Sur Talpan	City Express Plus	Owned	Dec-15	137	Ciudad de México
99	Monterrey San Jerónimo	City Express Plus	Owned	Dec-15	149	Nuevo León
100	Playa del Carmen	City Express Suites	Co-Owned	Dec-15	56	Quintana Roo
101	Silao	City Express Suites	Owned	Dec-15	58	Guanajuato
2015					11,448	

Number	Hotel	Brand	Investment Scheme	Opening	Rooms	Location
102	Aguascalientes Centro	City Express Junior	Managed	Apr-16	66	Aguascalientes
103	CD MX Aeropuerto	City Express	Managed	Apr-16	98	Ciudad de México
104	San Luis Potosí Centro	City Express Junior	Owned	Apr-16	128	San Luis Potosí
105	CDMX Alameda	City Express	Managed	Jul-16	112	Ciudad de México
106	Reynosa Aeropuerto	City Express	Owned	Jul-16	113	Tamaulipas
107	Tijuana	City Express Suites	Managed	Jul-16	79	Baja California
108	Santiago Aeropuerto	City Express	Co-Owned	Aug-16	142	Santiago, Chile
109	Toluca Zona Industrial	City Express Junior	Managed	Sep-16	92	Estado de México
110	Rosarito	City Express	Owned	Sep-16	113	Baja California
111	Mundo E	City Express Plus	Leased	Dec-16	144	Estado de México
112	Bogotá Aeropuerto	City Express Plus	Owned	Dec-16	120	Bogotá, Colombia
113	Bogotá Aeropuerto	City Express Junior	Owned	Dec-16	116	Bogotá, Colombia
114	CDMX La Raza	City Express	Owned	Dec-16	127	Ciudad de México
115	Mérida Altabrisa	City Express Junior	Co-Owned	Dec-16	106	Yucatán
116	Querétaro Torre II	City Express Suites	Owned	Dec-16	44	Querétaro
117	CDMX	City Centro	Leased	Dec-16	44	Ciudad de México
2016					13,092	
118	Celaya Galerías	City Express	Managed	Jan-17	127	Guanajuato
119	San Luis Potosí Zona Industrial	City Express Junior	Managed	May-17	122	San Luis Potosí
120	Puebla Angelópolis	City Express junior	Co-Owned	Jul-17	122	Puebla
121	Altamira	City Express	Co-Owned	Jul-17	127	Tamaulipas
	Mérida (Ampliación)	City Express	Co-Owned	Jul-17	42	Yucatán
122	Puerto Vallarta	City Express Plus	Owned	Jul-17	126	Jalisco
123	Medellín	City Express Plus	Owned	Sep-17	141	Medellín, Colombia
124	Tuxtpec	City Express junior	Managed	Sep-17	105	Oaxaca
125	Tijuana Otay	City Express	Managed	Dec-17	120	Baja California
126	León Centro de Convenciones	City Express junior	Co-Owned	Dec-17	137	Guanajuato
127	Monterrey Lindavista	City Express	Managed	Dec-17	130	Nuevo León
128	Oaxaca	City Centro	Co-Owned	Dec-17	103	Oaxaca
129	León Centro de Convenciones	City Express Plus	Co-Owned	Dec-17	132	Guanajuato
2017					14,626	
130	Tepic	City Express	Managed	Jan-18	125	Nayarit
131	Comitán	City Express	Managed	Apr-18	105	Chiapas
132	Gustavo Baz	City Express	Managed	Jun-18	125	Ciudad de México
133	Cancun Aeropuerto	City Express Plus	Co-Owned	Oct-18	120	Quintana Roo
134	Cancun Aeropuerto	City Express Suites	Co-Owned	Oct-18	63	Quintana Roo
135	Interlomas	City Express Plus	Owned	Nov-18	141	Estado de México
136	Tampico	City Express Plus	Co-Owned	Nov-18	122	Tamaulipas
137	CDMX Sullivan	City Express Junior	Owned	Dec-18	96	CDMX
138	Mérida	City Express Plus	Co-Owned	Dec-18	135	Yucatán
139	Ensenada	City Express	Managed	Dec-18	127	Baja California
140	Ensenada	City Express Plus	Co-Owned	Dec-18	134	Baja California
141	Tijuana	City Express Plus	Owned	Dec-18	156	Baja California
2018					16,075	
142	CDMX Tlalpan	City Express	Managed	Feb-19	96	CDMX
143	Tapachula	City Express	Owned	Mar-19	117	Chiapas
144	CDMX La Villa	City Express	Managed	Apr-19	106	CDMX
145	San Luis Potosí	City Centro	Owned	Nov-19	70	San Luis Potosí
2019					16,464	
146	Ce Guaymas	City Express	Owned	Jan-20	114	Sonora
147	Mexicali	City Express Plus	Owned	Feb-20	146	Baja California
148	Hermosillo Expo	City Express	Managed	Aug-20	124	Sonora
149	Caborca	City Express	Managed	Dec-20	101	Sonora
2020					16,949	
150	San Luis Potosí	City Express Plus	Co-Owned	May-21	139	San Luis Potosí
151	Lagos de Moreno	City Express	Managed	Jul-21	121	Jalisco
2021					17,209	
152	Monterrey Universidad	City Express	Owned	May-22	147	Nuevo León
2022					17,356	

- Proforma Financial Statements-

Proforma Consolidated Income Statement

For more information relating to the elaboration methods of the financial statements and the transaction's description please refer to the proforma audited consolidated financial statements for the six-month period finished June 30th, 2021 and 2022, and for the year finished December 31st, 2022, as well as the independent public accountants' assurance report of October 14, 2022 available on the websites of the BMV, CNBV and the Company in the following links: www.bmv.com.mx, www.gob.mx/cnbv and www.cityexpress.com/en/investors

Consolidated Income Statement (Thousands of Pesos)	9M22	9M22 Proforma	Proforma Adjustments	9M21	9M21 Proforma	Proforma Adjustments
Total Revenues						
Revenues from Hotel Operation	2,116,036	2,123,803	7,767	1,463,223	1,468,955	5,732
Revenues from Hotel Management	134,346	49,415	(84,931)	84,390	32,517	(51,874)
Total Revenues	2,250,382	2,173,218	(77,164)	1,547,613	1,501,472	(46,142)
Costs and expenses						
Hotel operating costs and expenses ⁽¹⁾	1,259,872	1,396,253	136,381	986,538	1,073,831	87,294
Selling and administrative expenses	359,285	340,825	(18,461)	291,806	274,696	(17,110)
Depreciation and amortization ⁽²⁾	380,471	380,471	0	361,113	361,113	0
Total Costs and Expenses	1,999,628	2,117,549	117,920	1,639,457	1,709,640	70,183
Expenses assoc. with new hotel openings	1,023	1,023	0	2,560	2,560	0
Other (income) / Non-recurring expenses	0	1,867,600	1,867,600	0	1,850,368	1,850,368
Total	1,023	(1,866,577)	(1,867,600)	2,560	(1,847,808)	(1,850,368)
Operating Income	249,730	1,922,246	1,672,516	(94,404)	1,639,639	1,734,043
Operating Income Margin (%)	11.1%	88.5%	77.4%	(6.1%)	109.2%	115.3%
Adjusted EBITDA	631,225	2,303,741	1,672,516	269,269	2,003,313	1,734,043
Adjusted EBITDA Margin (%)	28.0%	106.0%	78.0%	17.4%	133.4%	116.0%
EBITDA	630,202	2,302,718	1,672,516	266,710	2,000,753	1,734,043
EBITDA Margin (%)	28.0%	106.0%	78.0%	17.2%	133.3%	116.0%
Finance income	(45,241)	(113,416)	(68,174)	(18,251)	(58,987)	(40,736)
Finance costs ⁽³⁾	483,208	423,107	(60,101)	418,149	381,348	(36,801)
Effects of valuation of financial instruments	(46,191)	(46,191)	0	(76,377)	(76,377)	0
Exchange result, net	30,297	30,297	0	18,705	18,705	0
Financial Expenses	422,072	293,797	(128,275)	342,227	264,690	(77,537)
Profit before income tax	(172,342)	1,628,449	1,800,791	(436,631)	1,374,949	1,811,580
Income tax expense	4,503	338,480	333,977	4,366	485,143	480,777
Net income from discontinued operations	84,390	84,390	0	0	0	0
Net Income for the Period	(92,455)	1,374,359	1,466,814	(440,997)	889,806	1,330,803
Net Majority Income	(42,461)	1,424,354	1,466,814	(475,351)	855,452	1,330,803

Proforma Consolidated Balance Sheet

Consolidated Balance Sheet (Thousands of Pesos)	As of September 30, 2022	As of September 30, 2022 Proforma	Proforma Adjustment	As of September 30, 2021	As of September 30, 2021 Proforma	Proforma Adjustment
Cash and equivalents	1,093,979	2,235,062	1,141,083	1,041,733	2,115,847	1,074,114
Trade receivables, net	145,662	60,731	(84,931)	146,707	94,833	(51,874)
Recoverable taxes	268,416	251,386	(17,029)	435,595	427,004	(8,591)
Prepaid expenses	82,330	82,330	0	168,424	168,424	0
Assets Available for Sale	0	0	0	98,916	98,916	0
Derivative financial instruments	6,520	6,520	0	0	0	0
Total Current Assets	1,596,908	2,636,030	1,039,122	1,891,375	2,905,024	1,013,649
Property, equipment and leasehold improvements	11,620,357	11,620,357	0	12,506,948	12,506,948	0
Right of Use (net of amortization)	257,611	257,611	0	363,372	363,372	0
Trust Investments	36,603	36,603	0	36,603	36,603	0
Guarantee deposits	2,898	2,898	0	2,898	2,898	0
Accounts Receivables	0	0	0	7,991	7,991	0
Other assets	71,508	71,508	0	70,351	70,351	0
Derivative financial instruments	70,808	70,808	0	0	0	0
Deferred income tax	252,149	252,149	0	238,829	238,829	0
Total Long Term Assets	12,311,934	12,311,934	0	13,226,990	13,226,990	0
Total Assets	13,908,842	14,947,964	1,039,122	15,118,365	16,132,014	1,013,649
Liabilities						
Current Liabilities:						
Bank loans and accrued interests	469,776	469,776	0	299,678	299,678	0
Trade accounts payable	95,415	200,431	105,015	107,914	174,339	66,425
Other taxes and accrued expenses	330,399	330,399	0	266,338	266,338	0
Derivative financial instruments	0	0	0	4,081	4,081	0
Income tax payable	15,924	273,826	257,903	13,711	410,383	396,671
Direct employee benefits	18,682	55,820	37,138	45,421	82,405	36,984
Current Liabilities from Lease Capitalizations	49,437	49,437	0	33,569	33,569	0
Total Current Liabilities	979,633	1,379,689	400,056	770,712	1,270,793	500,081
Long-term debt	4,942,874	4,142,873	(800,001)	5,881,647	5,081,647	(800,000)
Deferred revenues	27,748	0	(27,748)	17,234	0	(17,234)
Other Liabilities	351,949	351,949	0	336,433	336,433	0
Employee benefits	4,338	4,338	0	5,015	5,015	0
Derivative financial instruments	0	0	0	59,825	59,825	0
Deferred income tax	60,271	60,271	0	112,157	112,157	0
Liabilities from Lease Capitalizations	290,662	290,662	0	424,556	424,556	0
Total Long Term Liabilities	5,677,842	4,850,093	(827,748)	6,836,867	6,019,633	(817,234)
Total Liabilities	6,657,475	6,229,783	(427,692)	7,607,579	7,290,426	(317,153)
Equity						
Equity Attributable to the Owners of the Entity						
Issued capital	6,191,212	6,191,212	0	6,170,496	6,170,496	0
Retained earnings	321,098	1,787,913	1,466,815	365,894	1,696,698	1,330,804
Other Comprehensive Income	(352,557)	(352,557)	0	(197,457)	(197,457)	0
Total Equity Attributable to the Owners of the Entity	6,159,753	7,626,568	1,466,815	6,338,933	7,669,737	1,330,803
Non-controlling interests	1,091,614	1,091,614	0	1,171,853	1,171,853	0
Total Equity	7,251,367	8,718,183	1,466,815	7,510,786	8,841,589	1,330,803
Total Liabilities + Equity	13,908,842	14,947,965	1,039,123	15,118,365	16,132,015	1,013,650