



Hoteles City Express Announces Fourth Quarter 2022 Results

Mexico City, February 22nd, 2023 – Hoteles City Express S.A.B. de C.V. (BMV: HCITY) (“Hoteles City Express” or “the Company”), releases its results for the fourth quarter of 2022 (“4Q22”). Accounting figures have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and are presented in Mexican Pesos (“\$”).

Financial and Operating Highlights (4Q22)

- At the Chain level, the Average Daily Rate (“ADR”) increased 12.1% and the Revenue Per Available Room (“RevPAR”) increased 32.6%, compared to 4Q21, reaching levels of \$1,190 and \$692 pesos, respectively. The occupancy rate was 58.1%.
- Total revenue reached \$926.2 million, a 27.5% increase compared to the same quarter of 2021.
- Operating profit reached \$231.1 million in 4Q22, compared to a \$44.5 million profit in the same quarter of last year.
- EBITDA and Adjusted EBITDA were \$334.1 million and \$334.9 million, respectively. This compares to \$185.5 million and \$186.4 million registered in 4Q21. Adjusted EBITDA increased 79.7% from the previous year for a margin of 36.2% for the quarter (10.5 percentage points higher than the same quarter of the previous year). This was the second highest EBITDA margin for a fourth quarter in the Chain's history.
- Net Income for the period was a gain of \$102.3 million compared to the \$2.8 million gain in the same quarter of 2021.
- At the end of the quarter, the Chain had 151 hotels in operation, one less than in the fourth quarter of the previous year. There were 17,296 rooms in operation during 4Q22, which was 35 less than the 17,331 rooms at the end of 4Q21.



INVESTOR RELATIONS CONTACT DETAILS:

Héctor Vázquez

Corporate Finance and Investor Relations

Phone: +52 55-5249-8067

E-mail: hvazquez@hotelescity.com

Joe Leonard

Miranda IR

Phone: +1 530 559-1805

E-mail: joe.leonard@miranda-partners.com



Operating and Financial Highlights	4Q22	4Q21	4Q22 vs 4Q21	12M22	12M21	12M22 vs 12M21
			% Change			% Change
Operating Statistics for the Chain						
Number of Hotels at the End of the Period	151	152	(0.7%)	151	152	(0.7%)
Number of Rooms at the End of the Period	17,296	17,331	(0.2%)	17,296	17,331	(0.2%)
Number of Installed Room Nights	1,596,142	1,597,492	(0.1%)	6,320,004	6,338,175	(0.3%)
Number of Occupied Room Nights	927,626	784,574	18.2%	3,392,984	2,555,225	32.8%
Average Occupancy Rate (%)	58.1%	49.1%	9.0 pps	53.7%	40.3%	13.4 pps
ADR(\$)	1,190	1,062	12.1%	1,126	1,025	9.9%
RevPAR(\$)	692	522	32.6%	605	413	46.4%
Consolidated Financial Information (Thousands of Pesos)						
Total Revenues	926,146	726,188	27.5%	3,176,528	2,273,801	39.7%
Operating Income	231,063	44,453	419.8%	480,793	(49,951)	NM
Operating Income Margin	24.9%	6.1%	18.8 pps	15.1%	(2.2%)	NM
Adjusted EBITDA	334,888	186,370	79.7%	966,113	455,639	112.0%
Adjusted EBITDA Margin (%)	36.2%	25.7%	10.5 pps	30.4%	20.0%	10.4 pps
EBITDA	334,064	185,544	80.0%	964,266	452,254	113.2%
EBITDA Margin (%)	36.1%	25.6%	10.5 pps	30.4%	19.9%	10.5 pps
Net Income	102,277	2,776	36.8x	9,821	(438,221)	NM
Net Income Margin (%)	11.0%	0.4%	10.6 pps	0.3%	(19.3%)	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:

"Over the course of 2022 the Company's results continued to recover. Mexico's economy has performed well and the outlook for our portfolio continues to improve, exceeding expectations. During the year, we implemented a series of strategies that focused on rate recovery to counter inflation, while maintaining our standards to continue being an attractive value option for our guests. As a result, we were able to close the year with a 110.1% recovery in rates and a 94.4% occupancy recovery versus 2019.

We see 2022 as a turning point for Hoteles City Express. We targeted the diverse mix of travelers we serve with communication strategies that homed in on what makes each of our hotel brands unique, connecting them with the features that best fit their profile. These efforts paid off last quarter, with the Company attracting more leisure travelers and making further inroads with international business travelers.

As you know, we also established a key strategic relationship with Marriott International, the world's largest hotel chain, with the sale of our five brands and a series of commercial agreements. This new relationship will be transformative for the Company as it will both strengthen our current operations and will facilitate international expansion with Marriott's support. The alliance will also generate significant improvements from an operations standpoint via synergies with Marriott. The funds received from the sale will allow us to cut debt and obtain better financing terms, vital in the current environment of high interest rates.

As previously mentioned, closing the Marriott deal still requires the approval of Mexico's competition authority (COFECE). From the moment the deal was announced, we have been working with COFECE to meet all requirements with filings submitted in a timely manner. We now await approval, which we believe will come in the next few months. We will inform the market in a timely manner once we have the approval.

In addition, we are advancing on a market-by-market and hotel-by-hotel analysis designed to identify new opportunities for stimulating demand across our various business segments. And while we did observe operations in certain markets recovering more slowly than expected in the first half of 2022, more broadly, we saw a rapid recovery in demand for certain hotels, driven by the resilience of re-opening markets, the rebound in automobile-based tourism, and the return of staff to corporate locations. The recovery of hotels in Metropolitan areas was also particularly noteworthy.

During the last quarter of the year, our hotels located in Metropolitan areas averaged an occupancy rate of 64.3%, 16.6 percentage points higher than in the same quarter of the previous year.

Economic activity is returning quickly to the Bajío corridor, and we are seeing more appetite for our services from the automotive industry, with the region facing a potential



economic boom from investments on proposed electric vehicle manufacturing plants. Analysts now see the auto industry recovering to pre-pandemic levels by the second half of 2023, and we expect this to deliver a direct benefit to more than 25 properties in the Chain.

The Company also carried out a share repurchase program in the fourth quarter, acquiring approximately \$122 million pesos in issued shares. We are working every day to manifest the intrinsic value of Hoteles City Express, and we are convinced our strategic alliance with Marriott is going to enhance the Company's potential on a wide range of strategic fronts.

Meanwhile, we continue to launch new assets located in cities we've identified as having high economic growth potential, while selling off unprofitable properties. It is worth noting that non-productive assets decreased by \$867.5 million pesos from 2019 to date. Despite having paused our development plan in order to preserve liquidity, in 2022, we announced the opening of the City Express Monterrey Universidad hotel with 147 rooms and recently announced the opening of the City Express Plus Guadalajara Providencia and City Express Plus Mazatlán hotels with 150 and 130 rooms, respectively.

Finally, considering the progress of the recovery and current market conditions, as well as the actual state of the Company, we are analyzing new alternatives for our syndicated loan and how best to improve our capital structure. As always, we reiterate our commitment to innovating new forms of alternative value generation for our stakeholders."



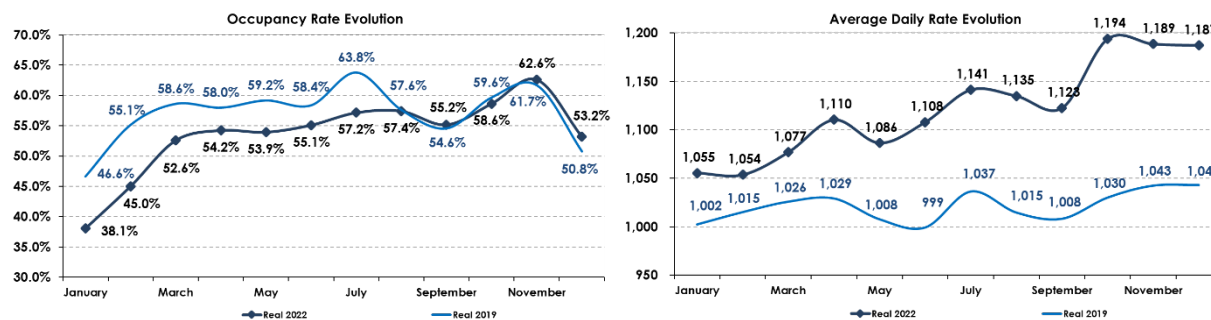
Operating Statistics: Hotel Chain

During the quarter, we observed an improvement in the performance statistics of the Metropolitan area and the Southeast region of the country. As a result of our commercial efforts and the positive trends observed since the beginning of the year, occupancy for the quarter was 58.1%. There was a notable increase in leisure and business travelers in the final months of the year.

ADR increased 12.1% year-over-year to \$1,190 pesos, the highest rate ever recorded in the Chain's history. As a result, RevPAR totaled \$692 pesos at the consolidated level.

The recovery vs. 2019 remained strong during 4Q22, continuing with the trend we have observed since the second quarter of 2022.

Monthly Indicators and Occupancy and Rate Recovery



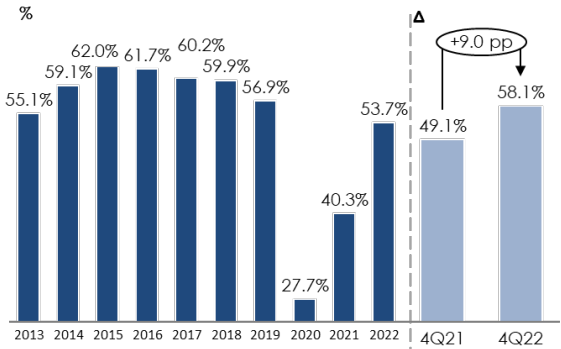
*Occupancy rates considered the total number of hotels open at the end of each period.

As previously mentioned, the positive trend continued in occupancy and rate level recovery. In December, occupancy reached a 104.9% recovery rate vs the same month in 2019. In October and November, recovery rates reached levels of 98.3% and 101.6%, respectively. The rate improvement observed during 4Q22 was mainly due to the increased number of leisure travelers during the quarter, as well as the improved performance from Metropolitan areas and the hotel portfolio in the Southeast. In line with that, the average daily rate during December was \$1,187 pesos, a recovery rate of 113.8% vs. the same month of 2019. This led RevPAR to reach a recovery rate of 119.3% vs. 2019.

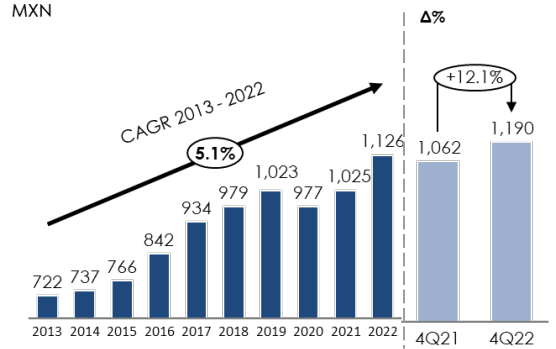


Comparative Operating Statistics

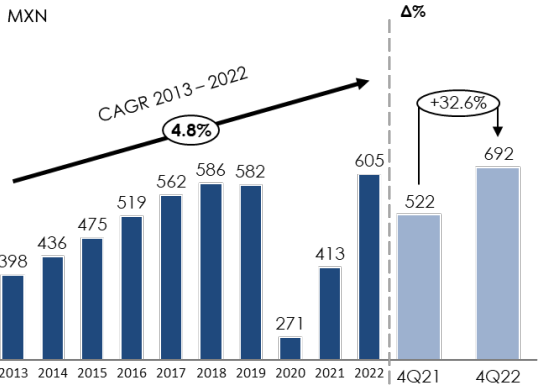
Occupancy



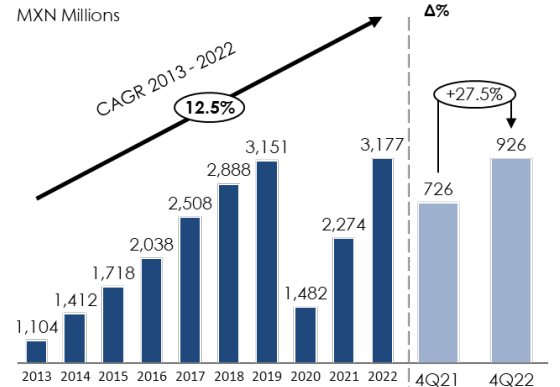
ADR



RevPAR

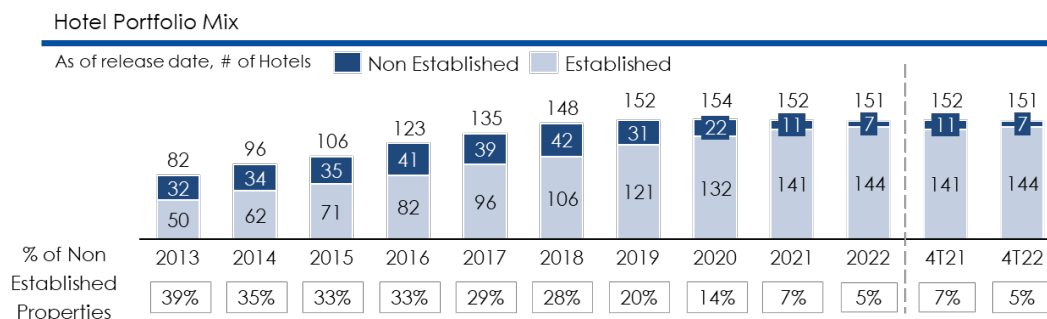


Total Consolidated Revenues



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 4Q22 the Chain had 144 Established Hotels and 7 Non-Established Hotels.

	4Q22	4Q21	Change 4Q22 vs 4Q21	12M22	12M21	Change 12M22 vs 12M21
Established Hotels						
Hotels	144	141	2.1%	144	141	2.1%
Rooms	16,404	16,075	2.0%	16,404	16,075	2.0%
Occupancy	59.0%	50.5%	8.5 pps	54.6%	41.4%	13.2 pps
ADR (\$)	1,191	1,068	11.5%	1,127	1,029	9.5%
RevPAR (\$)	703	539	30.5%	615	426	44.5%

The occupancy of this portfolio closed at 59.0%, approximately one percentage point above the Chain's portfolio and 8.5 pps above last year. The Chain has been positively impacted by a steady recovery from increased numbers of business and leisure travelers.

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)	4Q22	4Q21	4Q22 vs 4Q21	12M22	12M21	12M22 vs 12M21
			% Change			% Change
Hotel Operation	870,686	689,072	26.4%	2,986,722	2,152,295	38.8%
Hotel Management	245,414	181,341	35.3%	828,531	564,029	46.9%
Total	1,116,100	870,413	28.2%	3,815,253	2,716,324	40.5%

During the quarter, the Hotel Operations segment revenue increased 26.4%, from \$689.1 million in 4Q21 to \$870.7 million in 4Q22.

Hotel Management Revenues increased 35.3% year-on-year, going from \$181.3 million in 4Q21 to \$245.4 million in 4Q22.

Total Combined Segment Revenue grew 28.2% from \$870.4 million in 4Q21 to \$1,116.1 million in 4Q22.



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 4Q22	FSTAY Portfolio	Non FSTAY Portfolio	Total Hotel Operation	Hotel Management	Non IFRS Total	IFRS Eliminations	Total IFRS
Hotels	42	69	111	151	151		151
Rooms	4,980	7,874	12,854	17,296	17,296		17,296
Occupancy	63.4%	54.9%	58.2%	58.1%	58.1%		58.1%
ADR	1,212	1,198	1,204	1,190	1,190		1,190
RevPAR	768	658	701	692	692		692
Total Revenues	365,608	505,078	870,686	245,414	1,116,100	(189,954)	926,146
General Costs and Expenses	(235,071)	(406,741)	(641,812)	(139,399)	(781,211)	189,954	(591,258)
Adjusted EBITDA	130,537	98,337	228,874	106,015	334,888	0	334,888
Margin	35.7%	19.5%	26.3%	43.2%	30.0%		36.2%
Other non recurrent expenses	0	(824)	(824)	0	(824)	0	(824)
EBITDA	130,537	97,513	228,050	106,015	334,064	0	334,064
Margin	35.7%	19.3%	26.2%	43.2%	29.9%		36.1%
Depreciation	(42,726)	(60,276)	(103,002)	0	(103,002)	0	(103,002)
Operating Income	87,810	37,237	125,048	106,015	231,063	0	231,063
Margin	24.0%	7.4%	14.4%	43.2%	20.7%		24.9%

The FSTAY Portfolio occupancy was 63.4%, compared to 54.9% for the Non-FSTAY Portfolio, 8.5 percentage points higher. The ADR for the FSTAY Portfolio was 1.2% higher than the \$1,198 for the Non-FSTAY Portfolio, while RevPAR varied by 16.7% in favor of the FSTAY Portfolio.

The Adjusted EBITDA margin of the FSTAY Portfolio was 16.2 percentage points higher compared to the Non-FSTAY Portfolio.



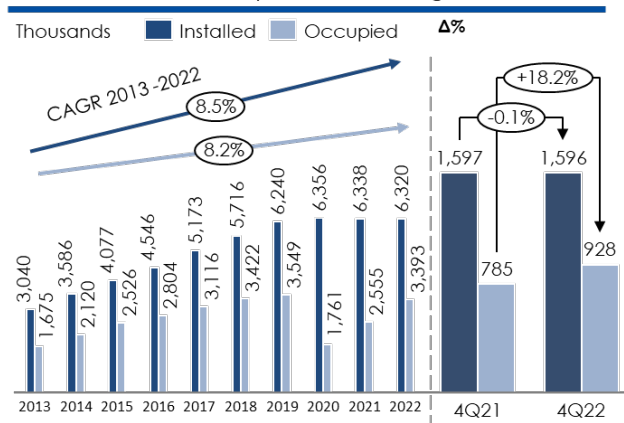
Consolidated Financial Results (IFRS Figures)

Income Statement Highlights (Thousands of Pesos)	4Q22	4Q21	4Q22 vs 4Q21	12M22	12M21	12M22 vs 12M21
			% Change			% Change
Rooms in Operation	17,296	17,331	(0.2%)	17,296	17,331	(0.2%)
Revenues from Hotel Operation	870,686	689,072	26.4%	2,986,722	2,152,295	38.8%
Revenues from Hotel Management	55,460	37,116	49.4%	189,806	121,506	56.2%
Total Revenues	926,146	726,188	27.5%	3,176,528	2,273,801	39.7%
Operating Income	231,063	44,453	419.8%	480,793	(49,951)	NM
Operating Income Margin	24.9%	6.1%	18.8 bps	15.1%	(2.2%)	NM
Adjusted EBITDA	334,888	186,370	79.7%	966,113	455,639	112.0%
Adjusted EBITDA Margin	36.2%	25.7%	10.5 pps	30.4%	20.0%	10.4 pps
EBITDA	334,064	185,544	80.0%	964,266	452,254	113.2%
EBITDA Margin	36.1%	25.6%	10.5 pps	30.4%	19.9%	10.5 pps
Net Income	102,277	2,776	36.8x	9,821	(438,221)	NM
Net Margin	11.0%	0.4%	10.6 bps	0.3%	(19.3%)	NM

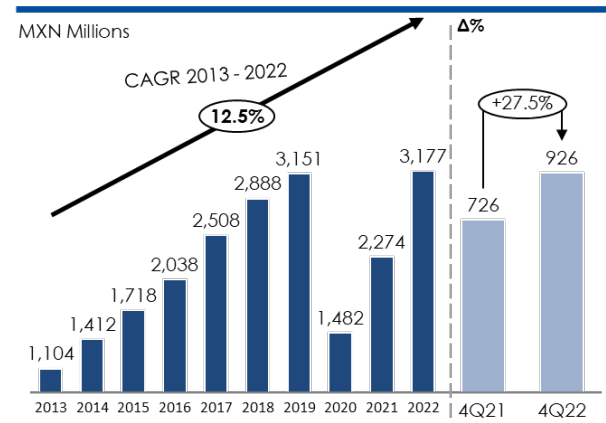
Revenues

During 4Q22, total revenues increased 27.5%, from \$726.2 million in 4Q21 to \$926.2 million in 4Q22. This increase was due to higher rates and occupancy when compared to the same period of the previous year. The Metropolitan and Southeast regions had impressive recoveries and were the highest performing regions of 4Q22. Likewise, the Northwest region benefited from the increased number of business travelers and the positive impact of nearshoring. Total revenue for the year increased from \$2,273.8 million as of December 31, 2021 to \$3,176.5 million in 2022, a 39.7% increase.

Installed and Occupied Room Nights



Total Consolidated Revenues





Costs and Expenses

Total costs and expenses increased 2.0% year-on-year, from \$680.9 million in 4Q21 to \$694.3 million in 4Q22. This was mainly due to an increase in occupancy, and therefore higher costs per occupied room per night. However, the increase was 25.5 percentage points less than the increase in revenues, given our continued cost and expense containment efforts, in order to continue improving profitability.

Selling and Administrative Expenses decreased 10.8% compared to the same period of the previous year to \$111.6 million, primarily due to the cancellation of provisions for unearned expenses and the automation of processes, which led to higher operating leverage.

Operating Income

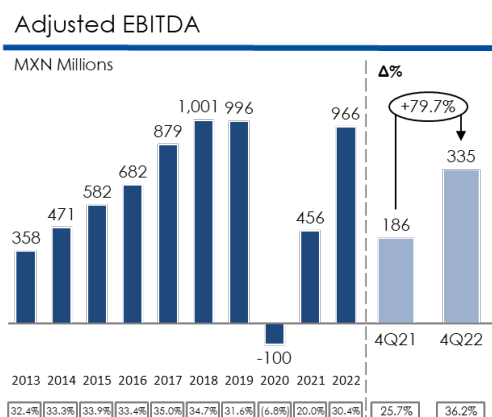
Operating Income for the fourth quarter of 2022 was \$231.1 million, compared to the \$44.5 million income reported in 4Q21. This was due to the cost containment and operational improvement efforts mentioned above.

EBITDA and Adjusted EBITDA

EBITDA reached \$334.1 million, while Adjusted EBITDA was \$334.9 million in 4Q22, due to cost efficiencies and higher operating leverage. This translated into year-on-year increases in EBITDA and Adjusted EBITDA of 80.0% and 79.7%, respectively. The expense for new hotel openings decreased by 0.2% compared to 4Q21.

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 \$190.0 million in 4Q22, 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 \$137.1 million in 4Q21 to \$175.8 million in 4Q22.

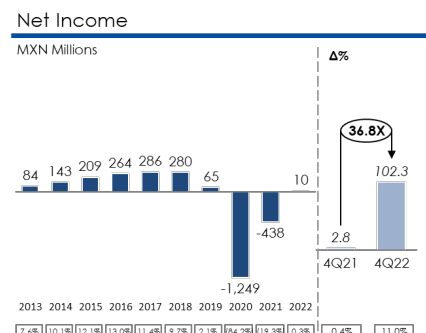
The net foreign exchange result for 4Q22 represented a gain of \$8.4 million, due to the valuation of the equity positions in our Chilean and Colombian subsidiaries. This did not cause any cash inflow for the Company.

The Company has signed financial derivative instruments to cover itself against changes in the interest rates. As of December 31st, 2022, it has nine instruments with different banks that hedge a total of \$3,330.0 million pesos, which represent 61.7% of the total debt. With these hedges, the Company has a capped 12.3% rate considering an average spread of 3.4%.

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 Income for 4Q22 was \$102.3 million, compared to the gain of \$2.8 million reported for the same period of the previous year. Majority Net Income for the quarter was a \$77.5 million gain.



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



Financial Position and Leverage

Balance Sheet Highlights (Thousands of Pesos)	As of December 31, 2022	As of December 31, 2021	December 31, 2022 vs December 31, 2021 % Change
Cash and Equivalents	916,831	989,951	(7.4%)
Financial Debt ⁽¹⁾	5,367,667	5,908,452	(9.2%)
Net Debt	4,450,836	4,918,500	(9.5%)

1. Does not include payable interest for \$31.0 million as of December 31st, 2022, and for \$27.2 million as of December 31st, 2021.

At the end of 4Q22, the Company held \$916.8 million in Cash and Cash Equivalents, a 7.4% decrease compared to December 31st, 2021. During the last quarter of the year, we carried out a share repurchase plan in which we acquired approximately \$122 million pesos of the Company's shares.

Debt with financial institutions net of interest payable decreased 9.2% compared to the end of December 2021, closing the quarter at \$5,367.7 million. Of this amount, \$619.0 million is due in the next 12 months and \$136.1 million is denominated in Foreign Currency. During 4Q22, the Company made amortization payments of \$48.0 million.

As of December 31st, 2022, Hoteles City Express reported a Total Financial Debt to Total Assets ratio of 39.1%. Likewise, the Company is in compliance with all its financial obligations.

Net debt decreased by 9.5%, from \$4,918.5 million as of December 31st, 2021, to \$4,450.8 million in 4Q22. During the quarter, it increased by 3.7% versus 3Q22, mainly due to the use of the repurchase fund.

The Company highlights the analysis process currently being carried out on the syndicated loan, with the aim of preserving the Company's liquidity, as well as to reactivate projects paused since 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 4Q23.

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.



Breakdown of Productive Fixed Assets

To explain the process of planning and managing growth over the coming years, the Company shows different 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 \$1,517.9 million. We continue to diligently work on the potential of land as an additional capital recycling measure.

The productive assets or gross fixed assets corresponding to hotels in operation amounted to approximately \$12,773.3 million pesos. Of the portfolio comprising productive assets at the end of 4Q22, 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 4Q22, Hoteles City Express registered \$381.4 million in Positive Net Cash Flow from operating activities. \$79.9 million was invested in the acquisition of property, furnishings, equipment, and leasehold improvements, among other items, compared to the \$91.0 million invested in 4Q21. This is due to the reactivation of the CapEx program for existing hotels as well as the investment in hotels that were put on-hold during the COVID-19 pandemic. Finally, the Company's Negative Net Cash Flow from financing activities was \$493.8 million, compared to negative \$357.9 million registered in 4Q21, resulting from the share repurchases made during the quarter and the increase in the interest rates by the central bank.

During 4Q22, the Company used its share repurchase fund, and acquired 18,962,251 shares. This amount represented approximately \$122 million pesos.

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.



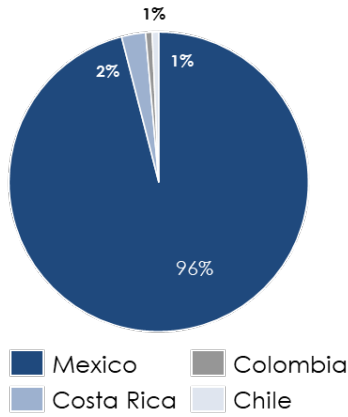
Portfolio of Hotel Assets

As of today, Hoteles City Express has an inventory of 151 hotels with presence in 30 states and over 73 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:

Hotel Portfolio by Geographic Location

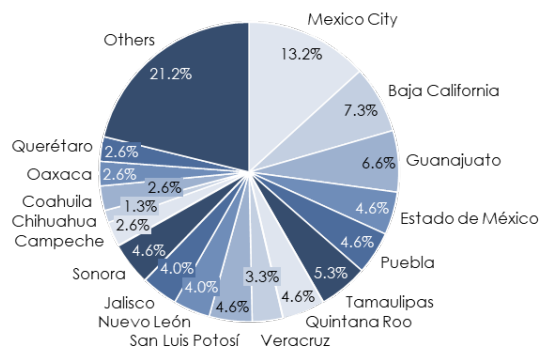
By Country

As of release date



Mexico

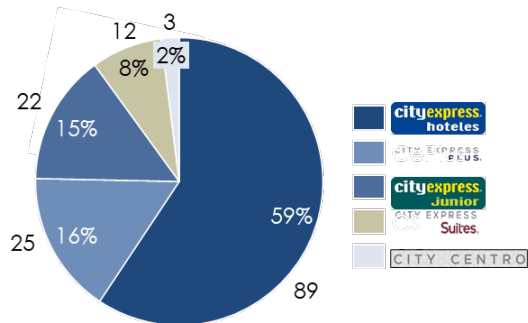
As of release date



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

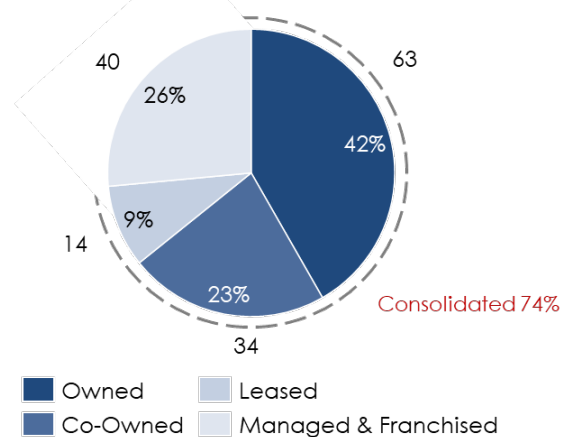
Hotel Portfolio by Brand

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 a result of the sale of the brands to Marriott International, the proceeds will be used to strengthen the balance sheet by reducing leverage and improving liquidity metrics. Likewise, the Company is preparing to invest in maintenance CapEx and reactivate projects paused because of the COVID-19 pandemic, which will result in increased EBITDA.

Hoteles City Express has a development plan focused on regions with attractive market dynamics and solid demand generation. The Company's Development Plan is described below:

Hotel Number	Development Pipeline	Hotel	Brand	Investment Scheme	Opening	Rooms	Location	Development Stage
2023 Development Plan								
146	1	Ce Hermosillo Expo	City Express Plus	Managed	3Q20	124	Sonora	Open
147	2	Ce Caborca	City Express	Managed	4Q20	101	Sonora	Open
148	3	CP San Luis Potosí	City Express Plus	Co-Owned	2Q21	139	San Luis Potosí	Open
149	4	Ce Lagos de Moreno	City Express	Managed	3Q21	121	Jalisco	Open
150	5	Ce Monterrey Universidad	City Express	Owned	2Q22	147	Monterrey	Open
151	6	CP Guadalajara Providencia	City Express Plus	Owned	1Q23	150	Jalisco	Open
152	7	CP Mazatlán	City Express Plus	Managed	1Q23	130	Sinaloa	Open
153	8	CP Mérida Siglo XXI	City Express Plus	Co-Owned	2Q23	136	Yucatán	Under Construction
154	9	CP Monterrey Centro	City Express Plus	Owned	4Q23	136	Monterrey	Under Construction
155	10	Ce CDMX Anzures	City Express	Owned	-	112	Ciudad de México	Deferred
156	11	Ce Cancún Aeropuerto Central	City Express	Co-Owned	-	137	Quintana Roo	Deferred
157	12	Ce Guadalajara Chapalita	City Express	Co-Owned	-	148	Jalisco	Deferred
158	13	CP Guadalajara La Minerva	City Express Plus	Owned	-	162	Jalisco	Deferred
159	14	Ce Guadalajara Centro	City Express	Owned	-	113	Jalisco	Deferred
160	15	CC Puebla	City Centro	Owned	-	57	Puebla	Deferred
161	16	Ce Tijuana El Florido	City Express	Co-Owned	-	123	Baja California	Deferred
Total						2,036		



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, Querétaro Júpica, 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 Paraíso 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 2022, the Company participated for the second time in the CDP (Carbon Disclosure Project) - Climate Change questionnaire, achieving a "C" level, resuming its management and awareness-raising process on climate change impacts.



- 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.

At the end of 4Q22, Hoteles City Express received the HRC EquidadMX 2023 certificate from the Human Rights Campaign Foundation, for adopting anti-discrimination actions and implementing strategies in LGBTQ+ training and creating a more inclusive work environment.

Hoteles City Express is currently focusing its sustainability strategy on 16 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, February 23rd, 2023
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: 10175355

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

Webcast: https://viaavid.webcasts.com/starthere.jsp?ei=1596213&tp_key=b2966d370b

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: 10175355

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 151 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. During 2021, the Company commenced a capital increase process with the emission of ordinary shares, this process has not yet concluded.

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 Rodríguez).

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)	4Q22	4Q21	4Q22 vs 4Q21	12M22	12M21	12M22 vs 12M21
			% Change			% Change
Total Revenues						
Revenues from Hotel Operation	870,686	689,072	26.4%	2,986,722	2,152,295	38.8%
Revenues from Hotel Management	55,460	37,116	49.4%	189,806	121,506	56.2%
Total Revenues	926,146	726,188	27.5%	3,176,528	2,273,801	39.7%
Costs and expenses						
Hotel operating costs and expenses ⁽¹⁾	479,645	414,730	15.7%	1,739,517	1,401,267	24.1%
Selling and administrative expenses	111,612	125,088	(10.8%)	470,897	416,895	13.0%
Depreciation and amortization ⁽²⁾	103,002	141,091	(27.0%)	483,473	502,205	(3.7%)
Total Costs and Expenses	694,259	680,909	2.0%	2,693,888	2,320,367	16.1%
Expenses assoc. with new hotel openings	824	826	(0.2%)	1,847	3,386	(45.4%)
Other (income) / Non-recurring expenses	0	0	NM	0	0	NM
Total	824	826	(0.2%)	1,847	3,386	(45.4%)
Operating Income	231,063	44,453	419.8%	480,793	(49,951)	NM
Operating Income Margin (%)	24.9%	6.1%	18.8 pps	15.1%	(2.2%)	17.3 pps
Adjusted EBITDA	334,888	186,370	79.7%	966,113	455,639	112.0%
Adjusted EBITDA Margin (%)	36.2%	25.7%	10.5 pps	30.4%	20.0%	10.4 pps
EBITDA	334,064	185,544	80.0%	964,266	452,254	113.2%
EBITDA Margin (%)	36.1%	25.6%	10.5 pps	30.4%	19.9%	10.5 pps
Finance income	(23,956)	(9,148)	NM	(69,196)	(27,398)	NM
Finance costs ⁽³⁾	199,789	146,264	36.6%	682,996	564,413	21.0%
Effects of valuation of financial instruments	5,727	(55,278)	NM	(40,464)	(131,656)	NM
Exchange result, net	8,428	7,763	8.6%	38,725	26,469	46.3%
Financial Expenses	189,988	89,601	112.0%	612,061	431,828	41.7%
Profit before income tax	41,075	(45,149)	NM	(131,269)	(481,779)	NM
Income tax expense	(61,202)	(47,924)	27.7%	(56,699)	(43,558)	30.2%
Net income from discontinued operations	0	0	NM	84,390	0	NM
Net Income for the Period	102,277	2,776	36.8x	9,821	(438,221)	NM
Net Majority Income	77,526	(2,336)	NM	35,067	(396,345)	NM

- (1) Includes a benefit of \$19.4 million for lease capitalization due to the adoption of IFRS 16 and a benefit for \$77.6 million accrued through December 2022.
- (2) Includes incremental depreciation of \$10.3 million for lease capitalization due to the adoption of IFRS 16 and incremental depreciation of \$41.1 million accrued through December 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 \$30.5 million accrued through December 2022.



Consolidated Balance Sheet

Consolidated Balance Sheet (Thousands of Pesos)	As of December 31, 2022	As of December 31, 2021	December 31, 2022 vs December 31, 2021
			% Change
Cash and equivalents	916,831	989,951	(7.4%)
Trade receivables, net	154,730	142,759	8.4%
Recoverable taxes	282,410	372,583	(24.2%)
Prepaid expenses	99,315	74,164	33.9%
Assets Available for Sale	0	335,363	(100.0%)
Derivative financial instruments	4,708	302	1,461.4%
Other receivables	0	0	NM
Total Current Assets	1,457,994	1,915,122	(23.9%)
Property, equipment and leasehold improvements	11,573,050	12,048,264	(3.9%)
Right of Use (net of amortization)	270,625	288,426	(6.2%)
Trust Investments	36,603	36,603	(0.0%)
Guarantee deposits	2,898	2,772	4.5%
Other assets	72,186	70,935	1.8%
Derivative financial instruments	66,160	39,005	69.6%
Deferred income tax	333,494	264,242	26.2%
Total Long Term Assets	12,355,017	12,750,247	(3.1%)
Total Assets	13,813,010	14,665,369	(5.8%)
Liabilities			
Current Liabilities:			
Bank loans and accrued interests	649,954	391,093	66.2%
Trade accounts payable	111,075	108,712	2.2%
Other taxes and accrued expenses	244,924	240,446	1.9%
Derivative financial instruments	0	563	(100.0%)
Income tax payable	28,504	41,472	(31.3%)
Direct employee benefits	38,016	36,716	3.5%
Current Liabilities from Lease Capitalizations	53,980	47,087	14.6%
Total Current Liabilities	1,126,453	866,089	30.1%
Long-term debt	4,748,712	5,544,520	(14.4%)
Deferred revenues	31,450	20,204	55.7%
Other Liabilities	381,804	343,176	11.3%
Employee benefits	5,268	4,928	6.9%
Derivative financial instruments	0	6,997	(100.0%)
Deferred income tax	44,268	69,490	(36.3%)
Liabilities from Lease Capitalizations	297,633	328,328	(9.3%)
Total Long Term Liabilities	5,509,136	6,317,643	(12.8%)
Total Liabilities	6,635,589	7,183,732	(7.6%)
Equity			
Equity Attributable to the Owners of the Entity			
Issued capital	6,068,347	6,177,258	(1.8%)
Retained earnings	398,625	363,558	9.6%
Other Comprehensive Income	(404,656)	(234,448)	(72.6%)
Total Equity Attributable to the Owners of the Entity	6,062,316	6,306,368	(3.9%)
Non-controlling interests	1,115,105	1,175,268	(5.1%)
Total Equity	7,177,421	7,481,637	(4.1%)
Total Liabilities + Equity	13,813,010	14,665,369	(5.8%)



Consolidated Cash Flow Statement

Consolidated Cash Flow Statement (Thousands of Pesos)	4Q22	4Q21	12M22	12M21
Profit before income tax	41,073	(45,149)	(131,269)	(481,779)
Operating Activities				
Discontinued Operations	0	0	(47,700)	0
Depreciation	103,003	141,091	483,474	502,205
Impairment loss recognized in profit	0	0	0	0
Loss on disposal of equipment	2,330	31,888	35,668	37,450
Finance income	(23,955)	(9,148)	(69,196)	(27,398)
Finance costs	199,789	146,264	682,996	564,413
(Gain) Loss on Valuation of Financial Instruments	3,830	(92,385)	(41,418)	(213,668)
Expenses Related to Payments Based on Stocks	(11,667)	(1,395)	2,287	(10,081)
Unrealized foreign currency fluctuations	28,316	(140,952)	31,484	(100,681)
	342,717	30,214	946,325	270,460
Changes in Working Capital:				
Trade receivables	(64,067)	11,939	(11,971)	(1,867)
Recoverable taxes	(13,994)	63,799	90,173	212,457
Prepaid expenses, net	33,317	94,261	25,151	(2,375)
Trade and other payables	15,660	798	2,363	33,676
Accrued Expenses, others and taxes to be paid	64,295	113,645	170,564	167,926
Employee benefits	20,573	(8,717)	1,948	31,236
Income tax and business flat tax paid	(17,115)	(18,644)	(73,565)	(101,521)
Net Cash Flows from Operating Activities	381,385	287,296	1,150,988	609,991
Investing Activities:				
Payments for property, equipment and leasehold	(79,855)	(90,950)	(227,829)	(172,471)
Income from sale of land	0	91,403	33,950	91,403
Sale of participation in subsidiary	0	0	258,216	0
Other assets	(678)	(584)	(1,252)	(2,677)
Finance income received	23,955	9,148	69,196	27,398
Net Cash Flows used in Investing Activities	(56,578)	9,017	132,281	(56,347)
Financing Activities:				
Proceeds from the issuance of equity instruments	(13,954)	(6,853)	0	288,521
Proceeds from contributions rec. from non-controlling interests	3,027	72,807	58,554	72,807
Non Controlling Interest Dividends	(4,286)	0	(4,286)	(7,643)
Repurchase of shares	(122,034)	0	(122,034)	0
Finance cost paid	(205,484)	(148,591)	(686,833)	(526,885)
Bank fees	0	(80,258)	0	(80,258)
Proceeds from short- and long-term borrowings	0	0	288,000	0
Repayment of borrowings	(47,995)	(79,730)	(805,041)	(347,683)
Recognition of share-based payments	13,123	13,615	13,123	13,615
Net obtaining (repayment) of loans from partners	(38,628)	(45,621)	(38,628)	(45,621)
Payment of leasehold right-of-use liabilities	(77,584)	(83,262)	(77,584)	(83,262)
Net Cash Flows used in Financing Activities	(493,815)	(357,893)	(1,374,729)	(716,410)
Net increase (decrease) in cash and equivalents	(169,008)	(61,581)	(91,459)	(162,766)
Cash at the beginning of the period	1,093,979	1,041,733	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	(8,140)	9,799	18,339	34,252
Cash at the End of the Period	916,831	989,951	916,831	989,951



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
					2003	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
					2004	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
					2005	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
					2006	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
					2007	2,655
25	Toluca	City Express Junior	Leased	Feb-08	106	Estado de México
26	Mazatlán	City Express	Managed	Jun-08	110	Sinaloa
27	Lázaro Cárdenas	City Express	Owned	Nov-08	119	Michoacán
28	Puebla Angelópolis	City Express	Co-Owned	Nov-08	118	Puebla
29	Tijuana Río	City Express	Managed	Dec-08	131	Baja California
30	Silao	City Express	Owned	Dec-08	121	Guanajuato
31	Toluca	City Express Suites	Owned	Dec-08	91	Estado de México
32	Monterrey Aeropuerto	City Express	Owned	Dec-08	166	Nuevo León
					2008	3,617
33	El Angel	City Express Plus	Owned	Jan-09	137	Ciudad de México
34	Mexicali	City Express Junior	Owned	Feb-09	104	Baja California
35	Tula	City Express	Managed	Mar-09	103	Hidalgo
36	Los Mochis	City Express	Owned	Jun-09	124	Sinaloa
37	Zacatecas	City Express	Managed	Jun-09	109	Zacatecas
38	Tijuana Otay	City Express Junior	Managed	Jun-09	134	Baja California
39	Veracruz	City Express	Leased	Sep-09	124	Veracruz
40	Saltillo Sur	City Express	Owned	Dec-09	107	Coahuila
41	Cancun	City Express Junior	Leased	Nov-09	106	Quintana Roo
					2009	4,665
42	Tlaquepaque	City Express Junior	Leased	Feb-10	107	Jalisco
43	Ciudad Juárez	City Express Junior	Owned	Mar-10	128	Chihuahua
44	Nogales	City Express	Owned	Nov-10	109	Sonora
45	San Luis Univ.	City Express	Co-Owned	Dec-10	109	San Luis Potosí
					2010	5,118



Number	Hotel	Brand	Investment Scheme	Opening	Rooms	Location
46	Minatitlán	City Express	Co-Owned	Mar-11	109	Veracruz
47	Mérida	City Express	Co-Owned	Apr-11	124	Yucatán
48	Torreón	City Express	Managed	May-11	115	Coahuila
49	Culiacan	City Express	Co-Owned	Jun-11	133	Sinaloa
50	Veracruz	City Express Junior	Leased	Jul-11	104	Veracruz
51	Aguascalientes	City Express	Owned	Aug-11	123	Aguascalientes
52	Playa del Carmen	City Express	Co-Owned	Sep-11	135	Quintana Roo
53	Puebla Autopista	City Express	Co-Owned	Oct-11	108	Puebla
54	Tuxtla Gutierrez	City Express Junior	Leased	Oct-11	106	Chiapas
55	Manzanillo	City Express	Owned	Nov-11	116	Colima
56	Ciudad del Carmen	City Express	Co-Owned	Dec-11	129	Campeche
2011					6,420	
57	Ciudad Obregon	City Express	Owned	Jan-12	120	Sonora
58	Campeche	City Express	Owned	Apr-12	110	Campeche
59	San Luis Potosi	City Express Suites	Managed	Jul-12	120	San Luis Potosí
60	Villahermosa	City Express	Owned	Jul-12	155	Tabasco
61	Querétaro Jurica	City Express	Co-Owned	Sep-12	135	Querétaro
62	Durango	City Express	Co-Owned	Oct-12	120	Durango
63	San José	City Express	Owned	Nov-12	134	Costa Rica
64	Xalapa	City Express	Managed	Dec-12	126	Veracruz
65	Tijuana Insurgentes	City Express	Owned	Dec-12	127	Baja California
2012					7,567	
66	Chetumal	City Express	Leased	Mar-13	109	Quintana Roo
67	Santa fe	City Express Plus	Co-Owned	Jun-13	159	Ciudad de México
68	Santa fe	City Express Suites	Co-Owned	Aug-13	39	Ciudad de México
69	Oaxaca	City Express	Managed	Oct-13	103	Oaxaca
70	Salina Cruz	City Express	Managed	Oct-13	116	Oaxaca
71	Patio Universidad	City Express Plus	Owned	Dec-13	124	Ciudad de México
72	La Paz	City Express	Owned	Dec-13	124	Baja California Sur
73	Puebla Autopista	City Express Junior	Co-Owned	Dec-13	113	Puebla
74	Cali	City Express Plus	Owned	Dec-13	127	Colombia
75	Cananea	City Express	Co-Owned	Dec-13	98	Sonora
76	Irapuato Norte	City Express	Co-Owned	Dec-13	122	Guanajuato
2013					8,801	
77	Cd. Del Carmen Isla de Tris	City Express Junior	Managed	Feb-14	109	Campeche
78	Cd. Del Carmen Aeropuerto	City Express Junior	Co-Owned	Feb-14	124	Campeche
79	Tehuacan Puebla	City Express	Managed	Mar-14	108	Puebla
80	Dos Bocas Tabasco	City Express	Co-Owned	May-14	108	Tabasco
81	Monterrey Norte	City Express	Managed	Aug-14	115	Nuevo León
82	Plaza Central	City Express	Leased	Sep-14	135	Ciudad de México
83	Puebla Autopista	City Express Suites	Co-Owned	Sep-14	72	Puebla
84	Apizaco	City Express	Managed	Sep-14	104	Tlaxcala
85	Cd Victoria	City Express	Managed	Oct-14	108	Tamaulipas
86	Satélite	City Express Plus	Franchise	Oct-14	89	Ciudad de México
87	Monterrey Nuevo Sur	City Express Plus	Owned	Dec-14	138	Nuevo León
88	Matamoros	City Express	Owned	Dec-14	113	Tamaulipas
89	Salamanca	City Express	Owned	Dec-14	113	Guanajuato
90	Villahermosa	City Express Junior	Owned	Dec-14	136	Tabasco
2014					10,373	
91	Los Cabos	City Express Plus	Owned	Apr-15	135	Baja California Sur
92	Los Cabos	City Express Suites	Owned	Apr-15	28	Baja California Sur
93	Tuxpan	City Express	Managed	Jul-15	108	Veracruz
94	Guadalajara Palomar	City Express Plus	Owned	Jul-15	113	Jalisco
95	Guadalajara Aeropuerto	City Express	Managed	Nov-15	118	Jalisco
96	Piedras Negras	City Express	Owned	Dec-15	113	Coahuila
97	Periférico Sur Tlalpan	City Express Plus	Owned	Dec-15	137	Ciudad de México
98	Monterrey San Jerónimo	City Express Plus	Owned	Dec-15	149	Nuevo León
99	Playa del Carmen	City Express Suites	Co-Owned	Dec-15	56	Quintana Roo
100	Silao	City Express Suites	Owned	Dec-15	58	Guanajuato
2015					11,388	



Number	Hotel	Brand	Investment Scheme	Opening	Rooms	Location
101	Aguascalientes Centro	City Express Junior	Managed	Apr-16	66	Aguascalientes
102	CD MX Aeropuerto	City Express	Managed	Apr-16	98	Ciudad de México
103	San Luis Potosí Centro	City Express Junior	Owned	Apr-16	128	San Luis Potosí
104	CDMX Alameda	City Express	Managed	Jul-16	112	Ciudad de México
105	Reynosa Aeropuerto	City Express	Owned	Jul-16	113	Tamaulipas
106	Tijuana	City Express Suites	Managed	Jul-16	79	Baja California
107	Santiago Aeropuerto	City Express	Co-Owned	Aug-16	142	Santiago, Chile
108	Toluca Zona Industrial	City Express Junior	Managed	Sep-16	92	Estado de México
109	Rosarito	City Express	Owned	Sep-16	113	Baja California
110	Mundo E	City Express Plus	Leased	Dec-16	144	Estado de México
111	Bogotá Aeropuerto	City Express Plus	Owned	Dec-16	120	Bogotá, Colombia
112	Bogotá Aeropuerto	City Express Junior	Owned	Dec-16	116	Bogotá, Colombia
113	CDMX La Raza	City Express	Owned	Dec-16	127	Ciudad de México
114	Mérida Altabrisa	City Express Junior	Co-Owned	Dec-16	106	Yucatán
115	Querétaro Torre II	City Express Suites	Owned	Dec-16	44	Querétaro
116	CDMX	City Centro	Leased	Dec-16	44	Ciudad de México
					2016	13,032
117	Celaya Galerías	City Express	Managed	Jan-17	127	Guanajuato
118	San Luis Potosí Zona Industrial	City Express Junior	Managed	May-17	122	San Luis Potosí
119	Puebla Angelópolis	City Express junior	Co-Owned	Jul-17	122	Puebla
120	Altamira	City Express	Co-Owned	Jul-17	127	Tamaulipas
	Mérida (Ampliación)	City Express	Co-Owned	Jul-17	42	Yucatán
121	Puerto Vallarta	City Express Plus	Owned	Jul-17	126	Jalisco
122	Medellín	City Express Plus	Owned	Sep-17	141	Medellín, Colombia
123	Tuxtepec	City Express junior	Managed	Sep-17	105	Oaxaca
124	Tijuana Otay	City Express	Managed	Dec-17	120	Baja California
125	León Centro de Convenciones	City Express junior	Co-Owned	Dec-17	137	Guanajuato
126	Monterrey Lindavista	City Express	Managed	Dec-17	130	Nuevo León
127	Oaxaca	City Centro	Co-Owned	Dec-17	103	Oaxaca
128	León Centro de Convenciones	City Express Plus	Co-Owned	Dec-17	132	Guanajuato
					2017	14,566
129	Tepic	City Express	Managed	Jan-18	125	Nayarit
130	Comitán	City Express	Managed	Apr-18	105	Chiapas
131	Gustavo Baz	City Express	Managed	Jun-18	125	Ciudad de México
132	Cancun Aeropuerto	City Express Plus	Co-Owned	Oct-18	120	Quintana Roo
133	Cancun Aeropuerto	City Express Suites	Co-Owned	Oct-18	63	Quintana Roo
134	Interlomas	City Express Plus	Owned	Nov-18	141	Estado de México
135	Tampico	City Express Plus	Co-Owned	Nov-18	122	Tamaulipas
136	CDMX Sullivan	City Express Junior	Owned	Dec-18	96	CDMX
137	Mérida	City Express Plus	Co-Owned	Dec-18	135	Yucatán
138	Ensenada	City Express	Managed	Dec-18	127	Baja California
139	Ensenada	City Express Plus	Co-Owned	Dec-18	134	Baja California
140	Tijuana	City Express Plus	Owned	Dec-18	156	Baja California
					2018	16,015
141	CDMX Talpan	City Express	Managed	Feb-19	96	CDMX
142	Tapachula	City Express	Owned	Mar-19	117	Chiapas
143	CDMX La Villa	City Express	Managed	Apr-19	106	CDMX
144	San Luis Potosí	City Centro	Owned	Nov-19	70	San Luis Potosí
					2019	16,404
145	Ce Guaymas	City Express	Owned	Jan-20	114	Sonora
146	Mexicali	City Express Plus	Owned	Feb-20	146	Baja California
147	Hermosillo Expo	City Express	Managed	Aug-20	124	Sonora
148	Caborca	City Express	Managed	Dec-20	101	Sonora
					2020	16,889
149	San Luis Potosí	City Express Plus	Co-Owned	May-21	139	San Luis Potosí
150	Lagos de Moreno	City Express	Managed	Jul-21	121	Jalisco
					2021	17,149
151	Monterrey Universidad	City Express	Owned	May-22	147	Nuevo León
					2022	17,296



- 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 twelve-month period finished December 31st, 2021 and 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)	12M22	12M22 Proforma	Proforma Adjustments	12M21	12M21 Proforma	Proforma Adjustments
Total Revenues						
Revenues from Hotel Operation	2,986,722	2,997,262	10,540	2,152,295	2,160,437	8,142
Revenues from Hotel Management	189,806	70,234	(119,573)	121,506	42,780	(78,726)
Total Revenues	3,176,528	3,067,495	(109,032)	2,273,801	2,203,217	(70,584)
Costs and expenses						
Hotel operating costs and expenses ⁽¹⁾	1,739,517	1,936,684	197,167	1,401,267	1,528,914	127,647
Selling and administrative expenses	470,897	411,380	(59,517)	416,895	364,718	(52,177)
Depreciation and amortization ⁽²⁾	483,473	483,473	0	502,205	502,205	0
Total Costs and Expenses	2,693,888	2,831,538	137,650	2,320,367	2,395,837	75,470
Expenses assoc. with new hotel openings	1,847	1,847	0	3,386	3,385	-1
Utility from sale of intangible Asset	0	1,786,150	1,786,150	0	1,867,600	1,867,600
Total	1,847	(1,784,303)	(1,786,150)	3,386	(1,864,215)	(1,867,601)
Operating Income	480,793	2,020,261	1,539,468	(49,952)	1,671,595	1,721,547
Operating Income Margin (%)	15.1%	65.9%	50.7%	(2.2%)	75.9%	78.1%
Adjusted EBITDA	966,113	2,505,581	1,539,468	455,639	2,177,185	1,721,546
Adjusted EBITDA Margin (%)	30.4%	81.7%	51.3%	20.0%	98.8%	78.8%
EBITDA	964,266	2,503,734	1,539,468	452,253	2,173,800	1,721,547
EBITDA Margin (%)	30.4%	81.6%	51.3%	19.9%	98.7%	78.8%
Finance income	(69,196)	(171,521)	(102,325)	(27,398)	(70,321)	(42,923)
Finance costs ⁽³⁾	682,996	602,192	(80,805)	564,413	501,405	(63,008)
Effects of valuation of financial instruments	(40,463)	(40,463)	0	(131,656)	(131,656)	0
Exchange result, net	38,725	38,725	0	26,469	26,469	0
Financial Expenses	612,061	428,932	(183,129)	431,828	325,896	(105,932)
Profit before income tax	(131,269)	1,591,328	1,722,597	(481,780)	1,345,699	1,827,479
Income tax expense	(56,699)	277,277	333,977	(43,558)	339,990	383,548
Net income from discontinued operations	84,390	84,390	0	0	0	0
Net Income for the Period	9,821	1,398,441	1,388,621	(438,222)	1,005,709	1,443,931
Net Majority Income	35,067	1,423,687	1,388,620	(396,345)	1,047,584	1,443,929



Proforma Consolidated Balance Sheet

Consolidated Balance Sheet (Thousands of Pesos)	As of December 31, 2022	As of December 31, 2022 Proforma	Proforma Adjustment	As of December 31, 2021	As of December 31, 2021 Proforma	Proforma Adjustment
Cash and equivalents	916,831	2,059,040	1,142,209	989,951	2,516,088	1,526,137
Trade receivables, net	154,730	35,157	(119,573)	142,759	64,033	(78,726)
Recoverable taxes	282,410	265,380	(17,029)	372,583	372,967	384
Prepaid expenses	99,315	99,315	0	74,164	74,164	0
Assets Available for Sale	0	0	0	335,363	335,363	0
Derivative financial instruments	4,708	4,708	0	302	302	0
Total Current Assets	1,457,994	2,463,601	1,005,607	1,915,122	3,362,916	1,447,794
Property, equipment and leasehold improvements	11,573,050	11,573,050	0	12,048,264	12,048,264	0
Right of Use (net of amortization)	270,625	270,625	0	288,426	288,426	0
Trust Investments	36,603	36,603	0	36,603	36,603	0
Guarantee deposits	2,898	2,898	0	2,772	2,772	0
Other assets	72,185	72,186	1	70,935	70,935	0
Derivative financial instruments	66,160	66,159	(1)	39,005	39,005	0
Deferred income tax	333,494	333,494	0	264,241	264,241	0
Total Long Term Assets	12,355,015	12,355,015	0	12,750,246	12,750,246	0
Total Assets	13,813,009	14,818,616	1,005,607	14,665,368	16,113,162	1,447,794
Liabilities						
Current Liabilities:						
Bank loans and accrued interests	649,954	649,954	0	391,093	391,093	0
Trade accounts payable	111,075	264,471	153,396	108,712	209,876	101,164
Other taxes and accrued expenses	244,923	244,923	0	240,446	240,446	0
Derivative financial instruments	0	0	0	562	562	0
Income tax payable	28,504	286,407	257,903	41,472	41,472	0
Direct employee benefits	38,016	75,154	37,138	36,716	70,696	33,980
Right-of-use Liability	53,980	53,980	0	47,087	47,087	0
Total Current Liabilities	1,126,453	1,574,890	448,437	866,088	1,001,232	135,144
Long-term debt	4,748,712	3,948,712	(800,000)	5,544,520	5,544,520	0
Deferred revenues	31,450	0	(31,450)	20,204	20,204	0
Other Liabilities	381,803	381,803	0	343,176	343,176	0
Employee benefits	5,268	5,268	0	4,928	4,928	0
Derivative financial instruments	0	0	0	6,997	6,997	0
Deferred income tax	44,268	44,268	0	69,490	69,490	0
Right-of-use Liability	297,633	297,633	0	328,328	328,328	0
Total Long Term Liabilities	5,509,134	4,677,684	(831,450)	6,317,643	6,317,643	0
Total Liabilities	6,635,587	6,252,573	(383,014)	7,183,731	7,318,875	135,144
Equity						
Equity Attributable to the Owners of the Entity						
Issued capital	6,068,347	6,068,347	0	6,177,258	6,177,258	0
Retained earnings	398,625	1,787,246	1,388,621	363,559	1,676,210	1,312,651
Other Comprehensive Income	(404,656)	(404,656)	0	(234,449)	(234,449)	0
Total Equity Attributable to the Owners of the Entity	6,062,316	7,450,937	1,388,621	6,306,368	7,619,019	1,312,651
Non-controlling interests	1,115,105	1,115,105	0	1,175,269	1,175,269	0
Total Equity	7,177,422	8,566,042	1,388,621	7,481,637	8,794,288	1,312,651
Total Liabilities + Equity	13,813,009	14,818,616	1,005,607	14,665,368	16,113,162	1,447,794