

Hoteles City Express Announces Fourth Quarter 2023 Results

Mexico City, February 28th, 2024 – 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 2023 (“4Q23”). Accounting figures have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and are presented in Mexican Pesos (“\$”).

Financial and Operating Highlights (4Q23 & 2023)

- At the portfolio level, the Average Daily Rate (“ADR”) increased 5.3% and the Revenue Per Available Room (“RevPAR”) increased 2.5%, compared to 4Q22, reaching \$1,253 and \$709 pesos, respectively. The occupancy rate was 56.6%. For the full year, occupancy reached 55.6%, 1.9 percentage points higher than 2022. The average rate was \$1,215, increasing by 7.8% compared to 2022, and the “RevPAR” was \$676, an 11.7% increase from the previous year.
- Total revenue reached \$942.6 million; a 1.8% increase compared to the same quarter of 2022. For the full year, total revenue reached \$3,544.2 million, a 11.6% increase in comparison to 2022.
- Operating income reached \$217.3 million in 4Q23, compared to a \$231.1 million profit in the same quarter of last year. For the full year, operating income was \$618.9 million, compared to a \$480.8 million profit in the previous year.
- EBITDA and Adjusted EBITDA were \$327.4 million and \$329.1 million, respectively, in comparison to \$334.1 million and \$334.9 million in 4Q22. Adjusted EBITDA decreased 1.7% from the previous year with a margin of 34.9% for the quarter. This was mainly due to the decrease in revenues related to the sale of the brands to Marriott. EBITDA and Adjusted EBITDA for the full year was \$1,041.3 million and \$1,045.5 million, respectively, representing an increase of 8.0% and 8.2% over 2022.
- Net Income for the period registered a profit of \$57.1 million compared to a profit of \$102.3 million in the same quarter of 2022. Net Income for the full year was \$1,105.1 million, primarily due to the profit from the sale of five brands to Marriott.
- At the end of the quarter, the portfolio operated 152 hotels, one more hotel with respect to the same quarter of the previous year. There were 17,503 rooms in operation during 4Q23, which was 207 more than the 17,296 rooms in operation at the end of 4Q22.



HCITY



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Operating and Financial Highlights	4Q23	4Q22	4Q23 vs 4Q22	12M23	12M22	12M23 vs 12M22
			% Change			% Change
Operating Statistics for the Portfolio						
Number of Hotels at the End of the Period	152	151	0.7%	152	151	0.7%
Number of Rooms at the End of the Period	17,503	17,296	1.2%	17,503	17,296	1.2%
Number of Installed Room Nights	1,597,980	1,596,142	0.1%	6,346,602	6,320,004	0.4%
Number of Occupied Room Nights	903,696	927,626	(2.6%)	3,530,364	3,392,984	4.0%
Average Occupancy Rate (%)	56.6%	58.1%	(1.5 pps)	55.6%	53.7%	1.9 pps
ADR(\$)	1,253	1,190	5.3%	1,215	1,126	7.8%
RevPAR(\$)	709	692	2.5%	676	605	11.7%
Consolidated Financial Information (Thousands of Pesos)						
Total Revenues	942,605	926,146	1.8%	3,544,172	3,176,528	11.6%
Operating Income	217,266	231,063	(6.0%)	618,946	480,793	28.7%
Operating Income Margin	23.0%	24.9%	(1.9 pps)	17.5%	15.1%	2.4 pps
Adjusted EBITDA	329,078	334,888	(1.7%)	1,045,465	966,113	8.2%
Adjusted EBITDA Margin (%)	34.9%	36.2%	(1.3 pps)	29.5%	30.4%	(0.9 pps)
EBITDA	327,356	334,064	(2.0%)	1,041,269	964,266	8.0%
EBITDA Margin (%)	34.7%	36.1%	(1.4 pps)	29.4%	30.4%	(1.0 pps)
Net Income	57,093	102,277	(44.2%)	1,105,063	9,821	111.5x
Net Income Margin (%)	6.1%	11.0%	(4.9 pps)	31.2%	0.3%	30.9 pps

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:

"During 2023, the Company announced several developments that are crucial to the strategic future of Hoteles City. Among the most significant was the finalization of the Strategic Relationship with Marriott and the refinancing of our syndicated loan. Both events marked a pivotal shift that has enabled us to position ourselves as the leading hotel operator in our segment. This has allowed us to further diversify our international portfolio, which now represents approximately 41% of the total mix.

Throughout the year, we evaluated attractive investment opportunities and, as an additional use of the funds from the brand sale, we acquired minority stakes in select assets. These acquisitions include hotels such as Ce Santiago de Chile, Ce and Cj Puebla Angelópolis, Cs Puebla, and Ce and Cs Playa del Carmen. Furthermore, we continued with the sale of non-strategic assets, which generated approximately \$100 million pesos. We will continue to explore options for divesting non-strategic assets, aiming to enhance the Company's liquidity and further reduce financial liabilities through a healthy cash flow.

As mentioned, our integration process with Marriott has been progressing steadily. During the quarter, we've made significant advancements in merging our distribution channels and implementing certain applications. These developments have improved our operational flexibility in hotel management. While there are still a few minor operational issues to address, we expect to resolve them in the coming weeks, paving the way for comprehensive and efficient integration.

It is worth highlighting the rebound in profitability within our hotel operations segment. Its EBITDA margin was 32.8% in 4Q23, up from 26.3% in 4Q22. The cost savings achieved in our hotel portfolio this quarter have offset the reduced profitability (EBITDA) of Hotel Management Fees resulting from the sale of our brands to Marriott.

On a consolidated basis, 2023 emerged as a record-breaking year for the Company in terms of revenue and EBITDA, with increases of 12% and 8%, respectively. This was achieved even while no longer collecting the 4.5% franchise fees on revenue because of the brand sale. This resulted in total sales of \$3,544 million pesos and an EBITDA of \$1,045 million pesos for the year.

In line with our business strategy, we have begun to provide our hotel management, supervision, and development services to other brands in various categories. Our initial approaches and discussions with other hotel chains have received positive feedback, a testament to our track record, extensive experience, and operational knowledge. These strengths are supported by business intelligence systems and robust market analysis.

We plan to allocate a portion of the cash flow this generates to further increase our investment and continue to promote and expand the reach of our internally developed tools. This will be achieved through collaboration with various hotel chains, independent hotels, and travel agencies (OTAs) across the United States and Latin America.

Regarding regional performance, the Southeast corridor of the country continues to trend favorably, achieving a 62.2% occupancy rate during the quarter. This growth was partly driven by leisure tourism and energy production zones. Similarly, we have observed a positive trend in the border states, due to increased exports and the impact of nearshoring. Finally, the metropolitan areas reported an occupancy rate of 61.9% during the quarter, one of the highest since the onset of the COVID-19 pandemic.

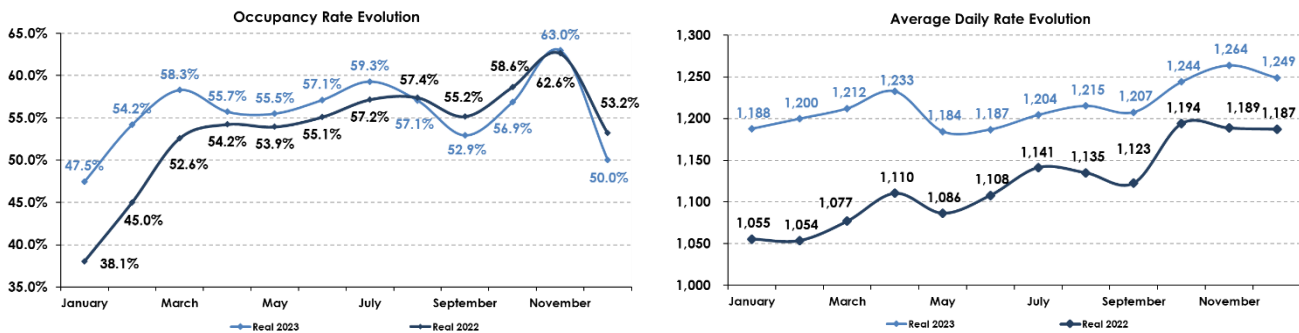
We have continued to analyze merger and acquisition (M&A) opportunities to unlock the true value of the Company and each of its post-brand sale businesses. These include the hotel assets, and the operator, developer, and technology platforms. We believe that the appropriate market window has not yet arrived, with the opportunities analyzed not aligned with our future strategy. I am confident that this new phase will allow us to expand to new territories, providing us with further growth opportunities for the Company."

Operating Statistics: Hotel Portfolio

During the quarter, we observed an increase in the RevPAR of the Metropolitan, Southeastern, and Southern regions of the country. The occupancy rates declined compared to the previous year, primarily due to a reduction in guest levels from OTAs and select travel agencies. On the other hand, we observed an increase in international travelers, which led to a rise in the leisure segment, accounting for 31% of the total during the quarter.

During the quarter, ADR increased 5.3% year-over-year to \$1,253 pesos. As a result, RevPAR totaled \$709 pesos at the portfolio level.

Monthly Indicators and Occupancy and Rate Recovery

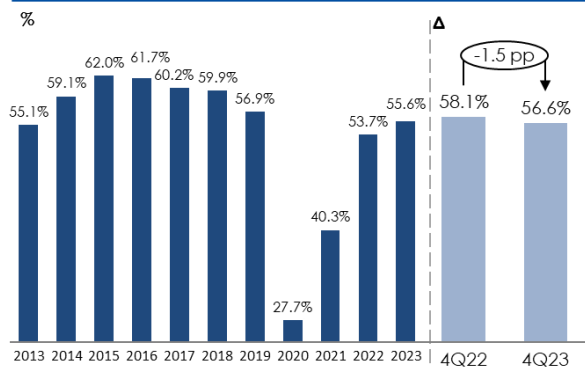


*Occupancy rates are based on the total number of hotels open at the end of each period.

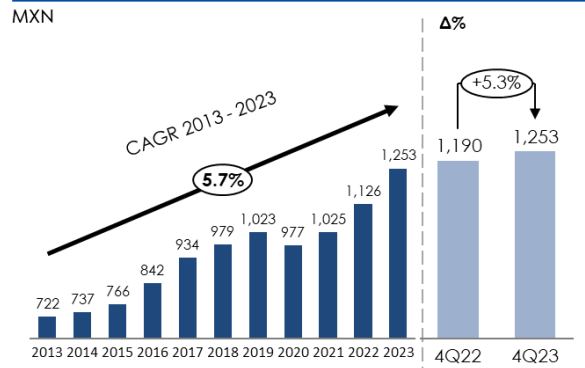
During the quarter, we remained focused on maintaining a competitive average rate in each plaza without compromising occupancy levels. As a result, the average daily rate grew by 5.3% during the quarter, with notable recoveries in rates observed in Metropolitan and Northeastern regions compared to the previous year.

Comparative Operating Statistics

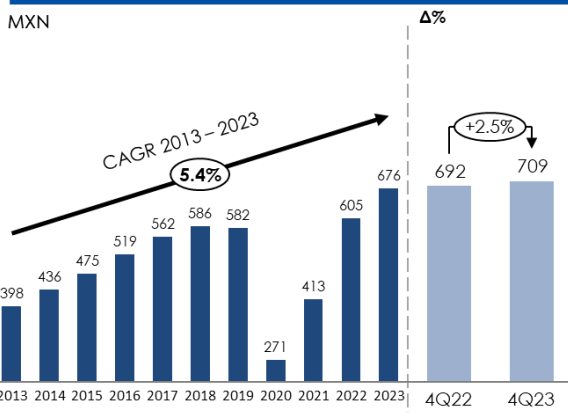
Occupancy



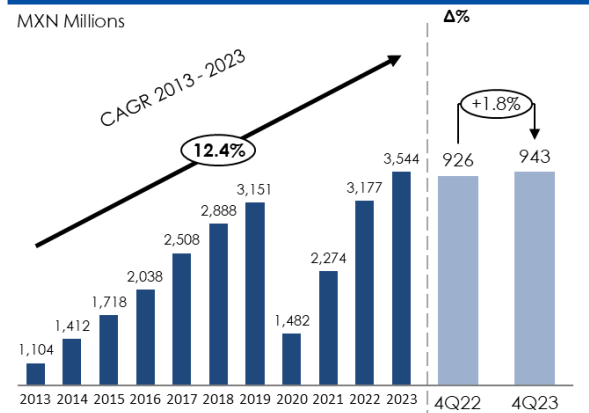
ADR



RevPAR

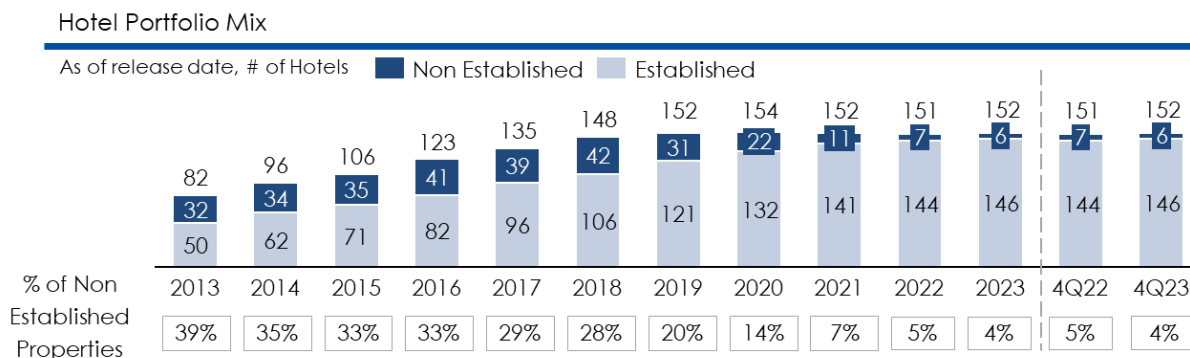


Total Consolidated Revenues



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 4Q23, the portfolio had 146 Established Hotels and 6 Non-Established Hotels.

Established Hotels	4Q23	4Q22	Change 4Q23 vs 4Q22	12M23	12M22	Change 12M23 vs 12M22
Hotels	146	144	1.4%	146	144	1.4%
Rooms	16,679	16,404	1.7%	16,679	16,404	1.7%
Occupancy	57.2%	59.0%	(1.8 pps)	56.5%	54.6%	1.9 pps
ADR (\$)	1,248	1,191	4.8%	1,209	1,127	7.3%
RevPAR (\$)	714	703	1.5%	683	615	11.0%

The occupancy of the hotels closed at 57.2%, 0.6 percentage points above the hotel's portfolio and 1.8 percentage points below last year. As mentioned before, we expect occupancy levels to return to past levels as we leverage from Marriott's platforms.

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)	4Q23	4Q22	4Q23 vs 4Q22	12M23	12M22	12M23 vs 12M22
			% Change			% Change
Hotel Operation	918,141	870,686	5.5%	3,421,289	2,986,722	14.5%
Hotel Management	126,966	245,414	(48.3%)	653,633	828,531	(21.1%)
Total	1,045,107	1,116,100	(6.4%)	4,074,922	3,815,253	6.8%

During the quarter, the Hotel Operations segment revenue increased 5.5%, from \$870.7 million in 4Q22 to \$918.1 million in 4Q23. Throughout the year, the Company has made various efforts to increase the profitability of its hotels, identifying areas for improvement and implementing strategies to capitalize on specific opportunities in each plaza and hotel.

Hotel Management revenues decreased 48.3% year-on-year, falling from \$245.4 million in 4Q22 to \$127.0 million in 4Q23. This was due to the Company no longer receiving certain franchise revenues following the strategic alliance with Marriott for the sale of the five brands.

Total Combined Segment Revenue decreased 6.4%, from \$1,116.1 million in 4Q22 to \$1,045.1 million in 4Q23.

To demonstrate the potential of the Company's hotel inventory, Hoteles City Express publishes the results of the "FSTAY Portfolio" which include 42 hotels that are 100% owned by the Company and which began operations before December 31st, 2015. These hotels perform similarly 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 4Q23	FSTAY Portfolio	Non FSTAY Portfolio	Total Hotel Operation	Hotel Management	Non IFRS Total	IFRS Eliminations	Total IFRS
Hotels	42	71	113	152	152		152
Rooms	4,980	8,160	13,140	17,503	17,503		17,503
Occupancy	60.4%	54.4%	56.7%	56.6%	56.6%		56.6%
ADR	1,285	1,250	1,264	1,253	1,253		1,253
RevPAR	776	680	717	709	709		709
Total Revenues	370,581	547,560	918,141	126,966	1,045,107	(102,501)	942,606
General Costs and Expenses	(258,286)	(359,113)	(617,399)	(98,631)	(716,030)	102,501	(613,528)
Adjusted EBITDA	112,295	188,447	300,742	28,335	329,078	0	329,078
Margin	30.3%	34.4%	32.8%	22.3%	31.5%		34.9%
Other non recurrent expenses	0	(1,722)	(1,722)	0	(1,722)	0	(1,722)
EBITDA	112,295	186,725	299,020	28,335	327,356	0	327,356
Margin	30.3%	34.1%	32.6%	22.3%	31.3%		34.7%
Depreciation	(42,725)	(67,365)	(110,090)	0	(110,090)	0	(110,090)
Operating Income	69,570	119,360	188,930	28,335	217,266	0	217,266
Margin	18.8%	21.8%	20.6%	22.3%	20.8%		23.0%

The FSTAY Portfolio occupancy was 60.4%, 6.0 percentage points higher than the 54.4% recorded by the Non-FSTAY Portfolio. The ADR for the FSTAY Portfolio was 2.8% higher than the \$1,250 for the Non-FSTAY Portfolio, while RevPAR was 14.1% higher in the FSTAY Portfolio.

The Adjusted EBITDA margin of the FSTAY Portfolio was 4.1 percentage points lower compared to the Non-FSTAY Portfolio.

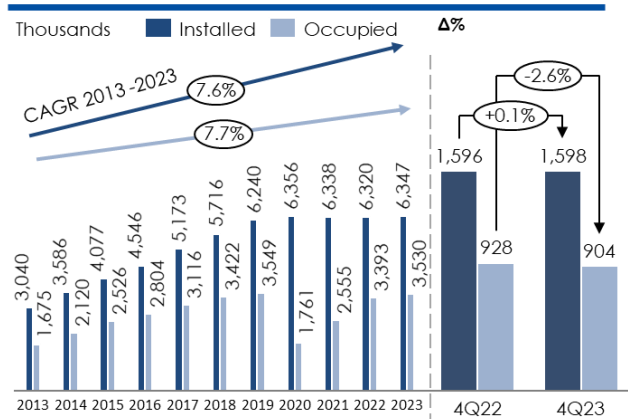
Consolidated Financial Results (IFRS Figures)

Income Statement Highlights (Thousands of Pesos)	4Q23	4Q22	4Q23 vs 4Q22	12M23	12M22	12M23 vs 12M22
			% Change			% Change
Rooms in Operation	17,503	17,296	1.2%	17,503	17,296	1.2%
Revenues from Hotel Operation	918,140	870,686	5.5%	3,421,289	2,986,722	14.5%
Revenues from Hotel Management	24,464	55,460	(55.9%)	122,883	189,806	(35.3%)
Total Revenues	942,605	926,146	1.8%	3,544,172	3,176,528	11.6%
Operating Income	217,266	231,063	(6.0%)	618,946	480,793	28.7%
Operating Income Margin	23.0%	24.9%	(1.9 pps)	17.5%	15.1%	2.4 pps
Adjusted EBITDA	329,078	334,888	(1.7%)	1,045,465	966,113	8.2%
Adjusted EBITDA Margin	34.9%	36.2%	(1.3 pps)	29.5%	30.4%	(0.9 pps)
EBITDA	327,356	334,064	(2.0%)	1,041,269	964,266	8.0%
EBITDA Margin	34.7%	36.1%	(1.4 pps)	29.4%	30.4%	(1.0 pps)
Net Income	57,093	102,277	(44.2%)	1,105,063	9,821	111.5x
Net Margin	6.1%	11.0%	(4.9 pps)	31.2%	0.3%	30.9 pps

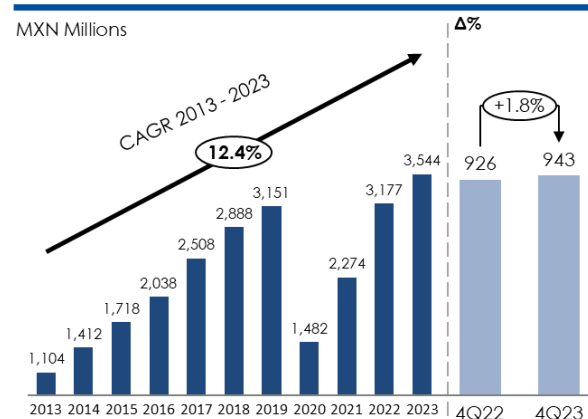
Revenues

During 4Q23, Total Revenues increased 1.8%, from \$926.1 million in 4Q22 to \$942.6 million in 4Q23. For the full year, revenues increased 11.6% from \$3,176.5 million in 2022 to \$3,544.2 million in 2023. This increase is the result of improved average rates, as well as efforts to boost our Food and Beverage revenues during the quarter. The performance in the Metropolitan, South, and Southeast zones stand out, as they exhibited the most favorable results during 4Q23.

Installed and Occupied Room Nights



Total Consolidated Revenues



Costs and Expenses

Total costs and expenses increased 4.2% year-on-year, from \$694.3 million in 4Q22 to \$723.6 million in 4Q23. For the full year, total costs increased 8.4% from \$2,693.9 million in 2022 to \$2,921.0 million pesos this year. This increase is mainly attributed to hotel operating costs, which rose due to higher payroll expenses resulting from increased staff hiring in hotels.

Selling and Administrative Expenses decreased 44.9% compared to the same period of the previous year to \$61.5 million. In 2023, these costs decreased 4.1% compared to the previous year, for a total of \$451.6 million.

Operating Income

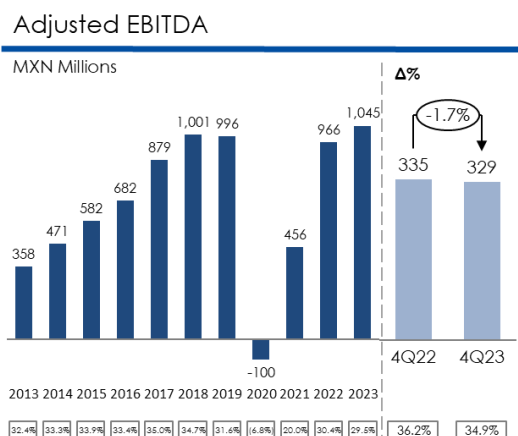
Operating income for the fourth quarter of 2023 was \$217.3 million, compared to the \$231.1 million in income reported in 4Q22. For the full year, operating income increased 28.7% year-on-year, from \$480.8 million in 2022 to \$618.9 million in 2023. As in previous quarters, profit decreased because the Company stopped receiving certain franchise fees related to hotel brandings.

EBITDA and Adjusted EBITDA

EBITDA was \$327.4 million, while Adjusted EBITDA was \$329.1 million in 4Q23. This resulted in year-on-year EBITDA and Adjusted EBITDA decreases of 2.0% and 1.7%, respectively, compared to the same quarter of 2022, and a 1.3 percentage point decrease in the Adjusted EBITDA margin. EBITDA and Adjusted EBITDA for the full year was \$1,041.3 million and \$1,045.5 million, respectively, representing an increase of 8.0% and 8.2% compared to 2022. During the quarter, we

continued our integration with Marriott platforms and are expecting to regain the occupancy levels lost during the integration and consolidation period. New hotel opening expenses increased to \$1.7 million in the quarter, mainly due to the opening of City Express Hotel by Marriott Cancún Aeropuerto in December.

Since adopting the IFRS 16 accounting rules in 1Q19, the Company's EBITDA and Adjusted EBITDA reflect 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 Expense 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 decreased to \$126.8 million in 4Q23, because of a reduction in interest payments on our bank obligations for the \$800.0 million prepayment made in 2Q23, as well as the refinancing of the syndicated loan and other prepayments realized to comply with our deleveraging strategy. The net cost of financing¹ decreased 25.5% from \$175.8 million in 4Q22 to \$131.1 million in 4Q23.

The net foreign exchange result for 4Q23 recorded a loss of \$1.9 million, a result of the valuation of equity interests in our Chilean and Colombian subsidiaries, mainly due to the appreciation of foreign currencies. This did not result in any cash outflow from the Company.

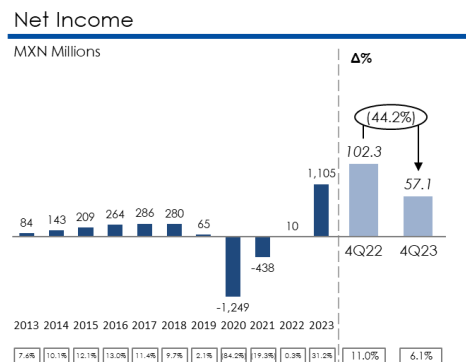
The Company has signed financial derivative instruments to protect itself against changes in the interest rates. As of December 31st, 2023, it has ten instruments with different banks that hedge a total of \$3,066.3 million pesos, which represents 70.6% of the total debt. With these hedges, the Company has capped a 9.0% rate considering an average spread of 2.2% for hotels in Mexico.

Since 1Q19, and due to the adoption of accounting rules under IFRS 16, Comprehensive Financing Cost recognizes 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.

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

Net Income

Net Income for 4Q23 was \$57.1 million, compared to a profit of \$102.3 million for the same period of the previous year. Majority Net Income registered a loss of \$17.6 million.



Financial Position and Leverage

Balance Sheet Highlights (Thousands of Pesos)	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023 vs As of December 31, 2022 % Change
Cash and Equivalents	1,009,640	916,831	10.1%
Financial Debt ⁽¹⁾	4,253,265	5,367,667	(20.8%)
Net Debt	3,243,625	4,450,836	(27.1%)

1. Does not include payable interest for \$33.3 million as of December 31st, 2023, and for \$31.0 million as of December 31st, 2022.

At the end of 4Q23, the Company held \$1,009.6 million in Cash and Cash Equivalents, a 10.1% increase compared to December 31st, 2022. During the quarter, we repurchased around \$35.2 million pesos of the Company's shares.

Debt with financial institutions net of interest payable decreased 20.8% compared to the end of December 2022, closing the quarter at \$4,235.3 million. Of this amount, \$212.6 million is due in the next 12 months and \$67.1 million is denominated in Foreign Currency. During 4Q23, the Company made amortization payments of \$102.9 million.

Net debt decreased by 27.1%, from \$4,450.8 as of December 31st, 2022, to \$3,243.6 million as of December 31st, 2023.

As of December 31st, 2023, Hoteles City reported a Total Financial Debt to Total Assets ratio of 31.2%. The Company continues to comply with all its financial obligations.

Additionally, Hoteles City Express agreed with its bank lenders in 4Q23 to approve waivers related to the non-compliance of financial covenants, which were granted until 4Q24. 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 outline its planning and growth process for the upcoming years, the Company provides a breakdown of its Total Assets into several asset lines.

At the end of the quarter, the Company had a land reserve booked at a historical cost of approximately \$397.1 million, as well as work in progress, renovations, and land assigned to such work of \$1,143.2 million. The variation compared to December 31st, 2022, was by an amount of \$374.7 million pesos, or 24.7%. This was due to the opening of the Ce by Marriott Cancún Aeropuerto hotel and the sale of some of the Company's land. We continue to work diligently in land development as an additional capital recycling measure.

The productive assets or gross fixed assets corresponding to hotels in operation amounted to approximately \$12,278.8 million. The productive assets portfolio at the end of 4Q23 consisted of 96.1% Established Hotels and 3.9% Non-Established Hotels.

Cash Flow Generation and the Share Repurchase Program

In 4Q23, Hoteles City Express registered \$221.3 million in Positive Net Cash Flow from Operating Activities. The Company invested \$184.7 million in the acquisition of property, furnishing, equipment, and leasehold improvements, among other items, compared to \$79.9 million it invested in the same category in 4Q22. This was due to the Company's current investment in the construction of the CP by Marriot Monterrey Centro hotel and the Ce by Marriot Tijuana El Florido hotel. Additionally, during the year, significant maintenance and remodeling expenses were incurred in the portfolio's hotels. These investments were gradually carried out during the pandemic and the subsequent two years. Lastly, the Company's Negative Net Cash Flow from financing activities was \$372.9 million, compared to negative \$493.8 million in 4Q22, due to the prepayment of \$800.0 million towards the syndicated loan, and its refinancing with better conditions.

Throughout the year, we have focused on analyzing and identifying hotels within our portfolio that offer the highest potential for profitability and growth. Accordingly, during the quarter, we acquired minority stakes in subsidiary companies whose hotels demonstrate strong performance. Through this, we aim to further highlight the value of the Company's assets.

Lastly, as part of a strategic transaction, the Company acquired the minority stake in an entity in Chile. Through this deal, the Company sold two plots of land to the partners while retaining the hotel in Santiago and a plot in Copiapó.

During 4Q23, the Company used its share repurchase fund, and acquired 7,288,976 shares, equivalent to approximately \$35.2 million pesos.

Shares acquired through the Company's share repurchase program are recorded under Stockholders' Equity, and therefore continue to be part of total outstanding shares. The number of outstanding shares has not undergone any reduction or modification since the cancellation of shares at the last Annual Shareholders' Meeting for 144,497,023 subscribed and unpaid shares. 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.

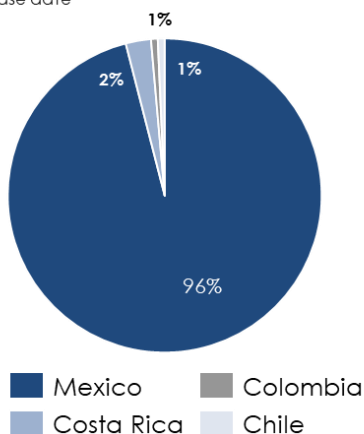
Portfolio of Hotel Assets

As of today, Hoteles City Express has an inventory of 152 hotels with a presence in 30 states and over 68 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

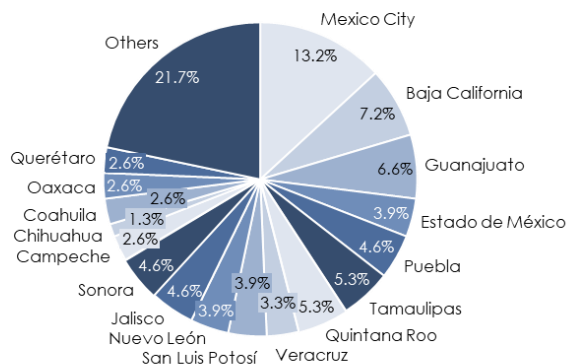
By Country

As of release date



Mexico

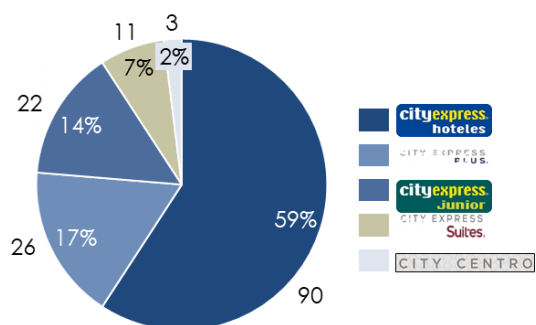
As of release date



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

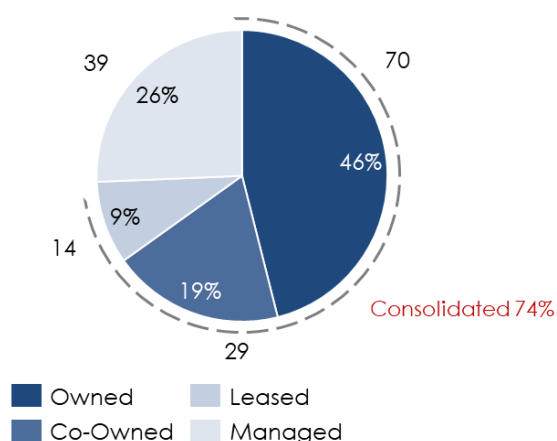
Hotel Portfolio by Brand

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

Using the proceeds from the sale of the brands to Marriott International, the Company has resumed investments in maintenance CapEx and renovations in specific hotels according to each property's needs and in order to enhance individual returns. Furthermore, some of the projects that were paused during the COVID-19 pandemic have been resumed to strengthen our presence and capitalize on the demand of certain strategic locations for the Company. This will result in an increase in the installed asset base and therefore over time an expected increase in EBITDA.

Hoteles City Express has laid out 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
145	1	Ce by Marriott Hermosillo Expo	City Express Plus by Marriott	Managed	3Q20	124	Sonora	Open
146	2	Ce by Marriott Caborca	City Express by Marriott	Managed	4Q20	101	Sonora	Open
147	3	CP by Marriott San Luis Potosí	City Express Plus by Marriott	Co-Owned	2Q21	139	San Luis Potosí	Open
148	4	Ce by Marriott Lagos de Moreno	City Express by Marriott	Managed	3Q21	121	Jalisco	Open
149	5	Ce by Marriott Monterrey Universidad	City Express by Marriott	Owned	2Q22	147	Monterrey	Open
150	6	CP by Marriott Guadalajara Providencia	City Express Plus by Marriott	Owned	1Q23	150	Jalisco	Open
151	7	CP by Marriott Mazatlán	City Express Plus by Marriott	Managed	1Q23	130	Sinaloa	Open
152	8	Ce by Marriott Cancún Aeropuerto	City Express by Marriott	Co-Owned	4Q23	137	Quintana Roo	Open
153	9	CP by Marriott Monterrey Centro	City Express Plus by Marriott	Co-Owned	2Q24	136	Monterrey	Under Construction
154	10	Ce by Marriott Tijuana El Florido	City Express by Marriott	Co-Owned	4Q24	123	Baja California	Under Construction
152	8	CP by Marriott Mérida Siglo XXI	City Express Plus by Marriott	Co-Owned	4Q24	136	Yucatán	Deferred
155	11	Ce by Marriott CDMX Anzures	City Express by Marriott	Owned	-	112	Ciudad de México	Deferred
156	12	Ce by Marriott Guadalajara Chapalita	City Express by Marriott	Co-Owned	-	148	Jalisco	Deferred
157	13	CP by Marriott Guadalajara La Minerva	City Express Plus by Marriott	Owned	-	162	Jalisco	Deferred
158	14	Ce by Marriott Guadalajara Centro	City Express by Marriott	Owned	-	113	Jalisco	Deferred
159	15	CC by Marriott Puebla	City Centro by Marriott	Owned	-	57	Puebla	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 by Marriott hotels in Reynosa, Saltillo, and León; LEED Silver for the City Express by Marriott 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 by Marriott 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 by Marriott hotels in Santa Fe, Durango, Querétaro Jurica, Costa Rica, and City Express Suites by Marriott Santa Fe. In January 2015, the Company obtained three additional certifications for the City Express Junior by Marriott Ciudad del Carmen, City Express Junior by Marriott Irapuato Norte, and City Express by Marriott 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 by Marriott EBC Reforma, City Express by Marriott Buenavista, City Express by Marriott Mérida, City Express by Marriott Villahermosa, and City Express by Marriott 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 by Marriott Mérida, City Express Suites by Marriott Puebla Autopista, City Express by Marriott San Luis Potosí Universitaria, City Express by Marriott Irapuato, City Express Suites by Marriott Anzures, City Express by Marriott Manzanillo, City Express by Marriott Cananea, and City Express by Marriott 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.
- 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 125 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 continues to be part of the “Super Company Ranking”, published by the Expansión magazine. This distinction recognizes the Company as an organization where people want to work and where there is a continuous effort to strengthen the company’s culture and organizational environment. Additionally, it is recognized as a “Super Company for Women” by encouraging gender equality.
- The Company participates in the CDP (Carbon Disclosure Project) – Climate Change questionnaire, achieving a “C” level, resuming its management and awareness-raising process on climate change impacts.
- In addition, Hoteles City Express is a part of a group of pioneering Mexican companies to sign the Glasgow Declaration on Climate Action in Tourism, an initiative that has a global commitment to halve emissions by 2030 and achieve a net zero emissions by 2050.

Impacto City is the platform that houses the sustainable programs and actions that the Company carries out to care for the environment, generate value for society and increase the economic well-being of the communities where it is present.

Regarding social initiatives, Hoteles City Express focuses on those with the highest impact, concentrating its efforts on supporting projects related to entrepreneurship and social engagement that generate sustainable long-term benefits.

One initiative in this regard is the employment inclusion program for hiring individuals with hearing disabilities, which began in the northern region of the country and has since expanded to 62 hotels within the portfolio.

In 2023, the Company allocated a social investment of \$4.8 million pesos. Of this amount, 60% was provided in kind through the donation of 1,922 room nights to various civil society organizations, supporting high-impact projects. The remaining 40% was allocated as financial investment in activities focused on our diversity and inclusion in the workplace program, the #ApoyemosGuerrero volunteer initiative, and our emissions compensation program. We emphasize that all initiatives under Impacto City contribute significantly to the 17 Sustainable Development Objectives of the 2030 Agenda, and that join a global initiative to end poverty, protect the planet, and guarantee that all individuals have peace and prosperity.

In 1Q23, Hoteles City received the "Éntrale 2023" distinction from the Alliance for Work Inclusion of People with Disabilities as a result of its work and commitment in 2022 to promote the inclusion of people with disabilities in the Company. Additionally, Hoteles City Express received the HRC EquidadMX 2023 certificate from the Human Rights Campaign Foundation, for adopting anti-discrimination actions, implementing strategies in LGBTQ+ training, and creating a more inclusive work environment.

In 2Q23, in conjunction with World Environment Day, Hoteles City launched its 2022 sustainability report. This report highlights the main achievements through strategic alliances with over twenty organizations and institutions dedicated to promoting environment and societal well-being, achieving an impact on more than 73,800 individuals across various locations where Hoteles City operates.

In 4Q23, Hoteles City reinforced its environmental commitment by adding to its portfolio of actions an initiative aimed at offsetting up to 40% of the emissions generated by the Company in 2022. This is achieved through the conservation and restoration of ecosystems located in the Selva Maya corridor in Quintana Roo.

In 4Q23, the Company conducted, for the fourth consecutive year, its environmental volunteering program. This initiative saw the participation of over 900 volunteers from 100 hotels and the involvement of 16 government entities. This collaborative effort contributed to the collection of 3.8 tons of waste and aided in the restoration and recovery of parks and green areas in various communities. This initiative was acknowledged by ECOPII, Arte y Conciencia A.C., with the Cladodio Award, a

recognition granted to distinguished brands that contribute significantly to environmental improvement and volunteerism.

In the same period, as part of its social commitment, Hoteles City Express joined the #ApoyemosGuerrero movement. The Company contributed by donating 6.8 tons of provisions to 1,100 families affected by Hurricane Otis in 35 communities across Guerrero.

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

<http://www.hstay.com/en/investors/sustainability>

Conference Call Details:

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

Date: Thursday, February 29th, 2024
Time: 11:00 am EST / 10:00 am Mexico City time
Dial-In: 1-312-626 6799 (Chicago) / 1-346-248-7799 (Houston) /
1-646-558-8656 (Houston)
+52 558 659 6002 (Mexico) / +52 554 161 4288 (Mexico)
+52 554 169 6929 (Mexico)

To join the webinar by phone:

1. Dial one of the domestic or international numbers listed above.
2. Enter the webinar ID **(825 4214 1032)**, followed by #.
3. If the meeting has not yet started, press # to wait.
4. You will be asked to enter your unique participant ID. Press # to skip.

To join online, please register in advance for this webinar:

Webinar: https://us02web.zoom.us/webinar/register/WN_ZYwPtKscQtCpY0InNDKHcA

About Hoteles City Express:

Hoteles City Express considers itself to be the leading owner, operator, and developer of limited-service hotels 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 June 2013, Hoteles City Express completed its IPO and began trading on the Mexican Stock Exchange under the ticker symbol "HCITY" furthermore, on September 8, 2014, Hoteles City Express completed a follow on with the aim of accelerating its growth in new hotels over the next few years. In 2021, the process of increasing equity capital was carried out through the issuance of ordinary shares for an approximate amount of \$290.0 million pesos. Additionally, in 2023, Hoteles City announced the start of a Strategic Relationship with Marriott International, involving the sale of its 5 brands for \$100.0 million dollars.

HCITY has formal coverage, notes and analytical assessments by the following financial institutions and analysts: Bank of America Merrill Lynch (Carlos Peyrelongue), J.P. Morgan (Adrian Huerta), Morgan Stanley (Nikolaj Lippman), Signum Research (Armando Rodríguez) and Monex (Brian Rodríguez).

For further information, please visit our website: <http://www.hstay.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 Below-
Consolidated Income Statement

Consolidated Income Statement (Thousands of Pesos)	4Q23	4Q22	4Q23 vs 4Q22 % Change	12M23	12M22	12M23 vs 12M22 % Change
Total Revenues						
Revenues from Hotel Operation	918,141	870,686	5.5%	3,421,289	2,986,722	14.5%
Revenues from Hotel Management	24,464	55,460	(55.9%)	122,883	189,806	(35.3%)
Total Revenues	942,605	926,146	1.8%	3,544,172	3,176,528	11.6%
Costs and expenses						
Hotel operating costs and expenses ⁽¹⁾	551,980	479,645	15.1%	2,047,097	1,739,517	17.7%
Selling and administrative expenses	61,547	111,612	(44.9%)	451,611	470,897	(4.1%)
Depreciation and amortization ⁽²⁾	110,090	103,002	6.9%	422,323	483,473	(12.6%)
Total Costs and Expenses	723,617	694,259	4.2%	2,921,031	2,693,888	8.4%
Expenses assoc. with new hotel openings	1,722	824	109.0%	4,196	1,847	127.2%
Total	1,722	824	109.0%	4,196	1,847	127.2%
Operating Income	217,266	231,063	(6.0%)	618,946	480,793	28.7%
Operating Income Margin (%)	23.0%	24.9%	(1.9 pps)	17.5%	15.1%	2.4 pps
Adjusted EBITDA	329,078	334,888	(1.7%)	1,045,465	966,113	8.2%
Adjusted EBITDA Margin (%)	34.9%	36.2%	(1.3 pps)	29.5%	30.4%	(0.9 pps)
EBITDA	327,356	334,064	(2.0%)	1,041,269	964,266	8.0%
EBITDA Margin (%)	34.7%	36.1%	(1.4 pps)	29.4%	30.4%	(1.0 pps)
Finance income	(13,188)	(23,956)	(45.0%)	(93,204)	(69,196)	34.7%
Finance costs ⁽³⁾	144,244	199,789	(27.8%)	711,452	682,996	4.2%
Effects of valuation of financial instruments	(2,271)	5,727	NM	24,190	(40,464)	NM
Exchange result, net	(1,937)	8,428	NM	25,038	38,725	(35.3%)
Comprehensive Financing Result	126,848	189,988	(33.2%)	667,475	612,061	9.1%
Profit before income tax	90,418	41,075	120.1%	(48,530)	(131,269)	(63.0%)
Income tax expense	(67,300)	(61,202)	10.0%	(39,511)	(56,699)	(30.3%)
Net income from discontinued operations	(100,625)	0	NM	1,114,082	84,390	12.2x
Net Income for the Period	57,093	102,277	(44.2%)	1,105,063	9,821	111.5x
Net Majority Income	(17,630)	77,526	(122.7%)	1,093,230	35,067	30.2x

- (1) Includes a benefit of \$20.7 million for 4Q23 and \$82.7 million for 2023 for lease capitalization due to the adoption of IFRS.
- (2) Includes incremental depreciation of \$11.3 million for 4Q23 and \$45.0 million for 2023 for lease capitalization due to the adoption of IFRS 16.
- (3) Includes the incremental financial cost of \$7.2 million for 4Q23 and \$28.7 million for 2023 for lease capitalization derived from the adoption of IFRS 16.

Consolidated Balance Sheet

Consolidated Balance Sheet (Thousands of Pesos)	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023 vs As of December 31, 2022 % Change
Cash and equivalents	1,009,640	916,831	10.1%
Trade receivables, net	191,069	154,730	23.5%
Recoverable taxes	272,459	282,410	(3.5%)
Prepaid expenses	92,257	99,315	(7.1%)
Derivative financial instruments	5,146	4,708	9.3%
Total Current Assets	1,570,571	1,457,994	7.7%
Property, equipment and leasehold improvements	11,460,436	11,573,050	(1.0%)
Right of Use (net of amortization)	240,900	270,625	(11.0%)
Trust Investments	36,603	36,603	0.0%
Guarantee deposits	2,898	2,898	0.0%
Other assets	71,800	72,186	(0.5%)
Derivative financial instruments	36,303	66,160	(45.1%)
Deferred income tax	316,861	333,494	(5.0%)
Total Long Term Assets	12,165,801	12,355,016	(1.5%)
Total Assets	13,736,372	13,813,010	(0.6%)
Liabilities			
Current Liabilities:			
Bank loans and accrued interests	245,954	649,954	(62.2%)
Trade accounts payable	173,222	111,075	56.0%
Other taxes and accrued expenses	372,782	244,924	52.2%
Income tax payable	266,563	28,504	835.2%
Direct employee benefits	59,067	38,016	55.4%
Current Liabilities from Lease Capitalizations	60,453	53,980	12.0%
Total Current Liabilities	1,178,041	1,126,453	4.6%
Long-term debt	4,040,643	4,748,712	(14.9%)
Deferred revenues	0	31,450	(100.0%)
Other Liabilities	67,169	381,804	(82.4%)
Employee benefits	76,409	5,268	1350.6%
Deferred income tax	31,132	44,268	(29.7%)
Liabilities from Lease Capitalizations	252,463	297,633	(15.2%)
Total Long Term Liabilities	4,467,815	5,509,136	(18.9%)
Total Liabilities	5,645,856	6,635,589	(14.9%)
Equity			
Equity Attributable to the Owners of the Entity			
Issued capital	5,944,037	6,068,347	(2.0%)
Retained earnings	1,390,302	398,625	248.8%
Other Comprehensive Income	(367,597)	(404,656)	(9.2%)
Total Equity Attributable to the Owners of the Entity	6,966,742	6,062,316	14.9%
Non-controlling interests	1,123,774	1,115,105	0.8%
Total Equity	8,090,515	7,177,421	12.7%
Total Liabilities + Equity	13,736,372	13,813,010	(0.6%)

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement (Thousands of Pesos)	4Q23	4Q22	12M23	12M22
Profit before income tax	90,418	41,073	(48,530)	(131,269)
Operating Activities				
Discontinued Operations	0	0	0	(47,700)
Depreciation	110,089	103,003	422,323	483,474
Impairment loss recognized in profit	0	0	0	0
Loss on disposal of equipment	46,008	2,330	62,707	35,668
Finance income	(13,187)	(23,955)	(93,204)	(69,196)
Finance costs	144,245	199,789	711,452	682,996
(Gain) Loss on Valuation of Financial Instruments	3,084	3,830	28,194	(41,418)
Expenses Related to Payments Based on Stocks	(1,397)	(11,667)	(9,111)	2,287
Unrealized foreign currency fluctuations	(18,205)	28,316	(42,922)	31,484
	361,055	342,717	1,030,909	946,325
Changes in Working Capital:				
Trade receivables	(5,367)	(64,067)	(36,339)	(11,971)
Recoverable taxes	(10,361)	(13,994)	9,951	90,173
Prepaid expenses, net	42,064	33,317	7,058	25,151
Trade and other payables	20,818	15,660	62,147	2,363
Accrued Expenses, others and taxes to be paid	(290,379)	64,295	(218,228)	170,564
Employee benefits	84,600	20,573	91,120	1,948
Income tax and business flat tax paid	18,902	(17,115)	(77,596)	(73,565)
Net Cash Flows from Operating Activities	221,332	381,385	869,022	1,150,988
Investing Activities:				
Payments for property, equipment and leasehold	(184,695)	(79,855)	(518,037)	(227,829)
Income from sale of land	0	0	0	33,950
Income from sale of brands	(47,858)	0	1,604,860	0
Sale of participation in subsidiary	19,000	0	88,855	258,216
Other assets	681	(678)	386	(1,252)
Finance income received	13,188	23,955	93,204	69,196
Net Cash Flows used in Investing Activities	(199,684)	(56,578)	1,269,268	132,281
Financing Activities:				
Proceeds from the issuance of equity instruments	6,275	(13,954)	13,016	0
Proceeds from contributions rec. from non-controlling interests	(222)	3,027	72,913	58,554
Non Controlling Interest Dividends	0	(4,286)	0	(4,286)
Repurchase of shares	(35,196)	(122,034)	(137,326)	(122,034)
Finance cost paid	(140,386)	(205,484)	(685,105)	(686,833)
Bank fees	1	0	(33,001)	0
Proceeds from short- and long-term borrowings	60,682	0	155,682	288,000
Repayment of borrowings	(102,874)	(47,995)	(1,227,925)	(805,041)
Recognition of share-based payments	0	13,123	0	13,123
Net obtaining (repayment) of loans from partners	(39,274)	(38,628)	(39,274)	(38,628)
Payment of leasehold right-of-use liabilities	(84,431)	(77,584)	(84,431)	(77,584)
Payments to acquire non-controlling interests	(37,500)	0	(132,401)	0
Net Cash Flows used in Financing Activities	(372,925)	(493,815)	(2,097,852)	(1,374,729)
Net increase (decrease) in cash and equivalents	(351,277)	(169,008)	40,438	(91,459)
Cash at the beginning of the period	1,292,460	1,093,979	916,831	989,951
Effects of exchange rate changes on the balance of cash held in foreign currencies and effects of balances of foreign	68,457	(8,140)	52,371	18,339
Cash at the End of the Period	1,009,640	916,831	1,009,640	916,831

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	Managed	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	Owned	Nov-08	117	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					3,616	
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					4,664	
42	Guadalajara Periférico Sur	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					5,117	

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	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					6,419	
57	Ciudad Obregon	City Express	Owned	Jan-12	120	Sonora
58	Campeche	City Express	Owned	Apr-12	110	Campeche
59	Villahermosa	City Express	Owned	Jul-12	155	Tabasco
60	Queretaro Jurica	City Express	Co-Owned	Sep-12	135	Querétaro
61	Durango	City Express	Co-Owned	Oct-12	120	Durango
62	San José	City Express	Owned	Nov-12	134	Costa Rica
63	Xalapa	City Express	Managed	Dec-12	126	Veracruz
64	Tijuana Insurgentes	City Express	Owned	Dec-12	127	Baja California
2012					7,446	
65	Chetumal	City Express	Leased	Mar-13	109	Quintana Roo
66	Santa fe	City Express Plus	Co-Owned	Jun-13	159	Ciudad de México
67	Santa fe	City Express Suites	Co-Owned	Aug-13	39	Ciudad de México
68	Oaxaca	City Express	Managed	Oct-13	103	Oaxaca
69	Salina Cruz	City Express	Managed	Oct-13	116	Oaxaca
70	Patio Universidad	City Express Plus	Owned	Dec-13	124	Ciudad de México
71	La Paz	City Express	Owned	Dec-13	124	Baja California Sur
72	Puebla Autopista	City Express Junior	Co-Owned	Dec-13	113	Puebla
73	Cali	City Express Plus	Owned	Dec-13	127	Colombia
74	Cananea	City Express	Co-Owned	Dec-13	98	Sonora
75	Irapuato Norte	City Express	Co-Owned	Dec-13	122	Guanajuato
2013					8,680	
76	Cd. Del Carmen Isla de Tris	City Express Junior	Managed	Feb-14	109	Campeche
77	Cd. Del Carmen Aeropuerto	City Express Junior	Co-Owned	Feb-14	124	Campeche
78	Tehuacan	City Express	Managed	Mar-14	108	Puebla
79	Paraíso	City Express	Co-Owned	May-14	108	Tabasco
80	Monterrey Norte	City Express	Managed	Aug-14	115	Nuevo León
81	Plaza Central	City Express	Leased	Sep-14	135	Ciudad de México
82	Puebla Autopista	City Express Suites	Owned	Sep-14	72	Puebla
83	Apizaco	City Express	Managed	Sep-14	104	Tlaxcala
84	Cd Victoria	City Express	Managed	Oct-14	108	Tamaulipas
85	Monterrey Nuevo Sur	City Express Plus	Owned	Dec-14	138	Nuevo León
86	Matamoros	City Express	Owned	Dec-14	113	Tamaulipas
87	Salamanca	City Express	Owned	Dec-14	113	Guanajuato
88	Villahermosa	City Express Junior	Owned	Dec-14	136	Tabasco
2014					10,163	
89	Los Cabos	City Express Plus	Owned	Apr-15	135	Baja California Sur
90	Los Cabos	City Express Suites	Owned	Apr-15	28	Baja California Sur
91	Tuxpan	City Express	Managed	Jul-15	108	Veracruz
92	Guadalajara Palomar	City Express Plus	Owned	Jul-15	113	Jalisco
93	Guadalajara Aeropuerto	City Express	Managed	Nov-15	118	Jalisco
94	Piedras Negras	City Express	Owned	Dec-15	113	Coahuila
95	Periférico Sur Tlalpan	City Express Plus	Owned	Dec-15	137	Ciudad de México
96	Monterrey San Jerónimo	City Express Plus	Owned	Dec-15	149	Nuevo León
97	Playa del Carmen	City Express Suites	Owned	Dec-15	56	Quintana Roo
98	Silao	City Express Suites	Owned	Dec-15	58	Guanajuato
2015					11,178	

Number	Hotel	Brand	Investment Scheme	Opening	Rooms	Location
99	Aguascalientes Centro	City Express Junior	Managed	Apr-16	66	Aguascalientes
100	CDMX Aeropuerto	City Express	Managed	Apr-16	98	Ciudad de México
101	San Luis Potosí Centro	City Express Junior	Owned	Apr-16	128	San Luis Potosí
102	CDMX Alameda	City Express	Managed	Jul-16	112	Ciudad de México
103	Reynosa Aeropuerto	City Express	Owned	Jul-16	113	Tamaulipas
104	Tijuana	City Express Suites	Managed	Jul-16	79	Baja California
105	Santiago Aeropuerto	City Express	Owned	Aug-16	142	Santiago, Chile
106	Toluca Zona Industrial	City Express Junior	Managed	Sep-16	92	Estado de México
107	Rosarito	City Express	Owned	Sep-16	113	Baja California
108	Mundo E	City Express Plus	Leased	Dec-16	144	Estado de México
109	Bogotá Aeropuerto	City Express Plus	Owned	Dec-16	120	Bogotá, Colombia
110	Bogotá Aeropuerto	City Express Junior	Owned	Dec-16	116	Bogotá, Colombia
111	CDMX La Raza	City Express	Owned	Dec-16	127	Ciudad de México
112	Mérida Altabrisa	City Express Junior	Co-Owned	Dec-16	106	Yucatán
113	Querétaro Torre II	City Express Suites	Owned	Dec-16	44	Querétaro
114	CDMX	City Centro	Leased	Dec-16	44	Ciudad de México
					12,822	
115	Celaya Galerías	City Express	Managed	Jan-17	127	Guanajuato
116	San Luis Potosí Zona Industrial	City Express Junior	Managed	May-17	122	San Luis Potosí
117	Puebla Angelópolis	City Express junior	Owned	Jul-17	122	Puebla
118	Altamira	City Express	Co-Owned	Jul-17	127	Tamaulipas
	Mérida (Ampliación)	City Express	Co-Owned	Jul-17	42	Yucatán
119	Puerto Vallarta	City Express Plus	Owned	Jul-17	126	Jalisco
120	Medellín	City Express Plus	Owned	Sep-17	141	Medellín, Colombia
121	Tuxtpec	City Express junior	Managed	Sep-17	105	Oaxaca
122	Tijuana Otay	City Express	Managed	Dec-17	120	Baja California
123	León Centro de Convenciones	City Express junior	Co-Owned	Dec-17	137	Guanajuato
124	Monterrey Lindavista	City Express	Managed	Dec-17	130	Nuevo León
125	Oaxaca	City Centro	Co-Owned	Dec-17	103	Oaxaca
126	León Centro de Convenciones	City Express Plus	Co-Owned	Dec-17	132	Guanajuato
					14,356	
127	Tepec	City Express	Managed	Jan-18	125	Nayarit
128	Comitán	City Express	Managed	Apr-18	105	Chiapas
129	Gustavo Baz	City Express	Managed	Jun-18	125	Ciudad de México
130	Cancun Aeropuerto	City Express Plus	Co-Owned	Oct-18	120	Quintana Roo
131	Cancun Aeropuerto	City Express Suites	Co-Owned	Oct-18	63	Quintana Roo
132	Interlomas	City Express Plus	Owned	Nov-18	141	Estado de México
133	Tampico	City Express Plus	Co-Owned	Nov-18	122	Tamaulipas
134	CDMX Sullivan	City Express Junior	Owned	Dec-18	96	CDMX
135	Mérida	City Express Plus	Co-Owned	Dec-18	135	Yucatán
136	Ensenada	City Express	Managed	Dec-18	127	Baja California
137	Ensenada	City Express Plus	Co-Owned	Dec-18	134	Baja California
138	Tijuana	City Express Plus	Owned	Dec-18	156	Baja California
					15,805	
139	CDMX Tlalpan	City Express	Managed	Feb-19	96	CDMX
140	Tapachula	City Express	Owned	Mar-19	117	Chiapas
141	CDMX La Villa	City Express	Managed	Apr-19	106	CDMX
142	San Luis Potosí	City Centro	Owned	Nov-19	70	San Luis Potosí
					16,194	
143	Ce Guaymas	City Express	Owned	Jan-20	114	Sonora
144	Mexicali	City Express Plus	Owned	Feb-20	146	Baja California
145	Hermosillo Expo	City Express	Managed	Aug-20	124	Sonora
146	Caborca	City Express	Managed	Dec-20	101	Sonora
					16,679	
147	San Luis Potosí	City Express Plus	Co-Owned	May-21	139	San Luis Potosí
148	Lagos de Moreno	City Express	Managed	Jul-21	121	Jalisco
					16,939	
149	Monterrey Universidad	City Express	Owned	May-22	147	Nuevo León
					17,086	
150	Guadalajara Providencia	City Express Plus	Owned	Feb-23	150	Jalisco
151	Mazatlán	City Express Plus	Managed	Feb-23	130	Sinaloa
152	Cancún Aeropuerto	City Express	Co-Owned	Dec-23	137	Quintana Roo
					17,503	

-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 ending December 31st, 2023 and 2022, as well as the independent public accountant's 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, <https://www.hstay.com/en/investors>

Consolidated Income Statement (Thousands of Pesos)	12M23	12M23 Proforma	Proforma Adjustments	12M22	12M22 Proforma	Proforma Adjustments
Total Revenues						
Revenues from Hotel Operation	3,421,289	3,424,591	3,302	2,986,722	2,997,262	10,540
Revenues from Hotel Management	122,883	79,180	(43,703)	189,806	70,234	(119,573)
Total Revenues	3,544,172	3,503,771	(40,401)	3,176,528	3,067,495	(109,032)
Costs and expenses						
Hotel operating costs and expenses ⁽¹⁾	2,047,097	2,113,998	66,902	1,739,517	1,936,684	197,167
Selling and administrative expenses	451,611	423,257	(28,354)	470,897	411,380	(59,517)
Depreciation and amortization ⁽²⁾	422,323	422,323	0	483,473	483,473	0
Total Costs and Expenses	2,921,031	2,959,578	38,547	2,693,888	2,831,538	137,650
Expenses assoc. with new hotel openings	4,196	4,196	0	1,847	1,847	0
Utility from sale of intangible Asset	0	0	0	0	1,786,150	1,786,150
Total	4,196	4,196	0	1,847	(1,784,303)	(1,786,150)
Operating Income	618,946	539,997	(78,948)	480,793	2,020,261	1,539,468
Operating Income Margin (%)	17.5%	15.4%	(2.1%)	15.1%	65.9%	50.7%
Adjusted EBITDA	1,045,465	966,516	(78,948)	966,113	2,505,581	1,539,468
Adjusted EBITDA Margin (%)	29.5%	27.6%	(1.9%)	30.4%	81.7%	51.3%
EBITDA	1,041,269	962,320	(78,948)	964,266	2,503,734	1,539,468
EBITDA Margin (%)	29.4%	27.5%	(1.9%)	30.4%	81.6%	51.3%
Finance income	(93,204)	(104,634)	(11,431)	(69,196)	(171,521)	(102,325)
Finance costs ⁽³⁾	711,452	684,886	(26,566)	682,996	602,192	(80,805)
Effects of valuation of financial instruments	24,190	24,190	0	(40,463)	(40,463)	0
Exchange result, net	25,038	25,037	(1)	38,725	38,725	0
Financial Expenses	667,475	629,479	(37,997)	612,061	428,932	(183,129)
Profit before income tax	(48,530)	(89,481)	(40,952)	(131,269)	1,591,328	1,722,597
Income tax expense	(39,511)	(39,511)	0	(56,699)	277,277	333,977
Net income from discontinued operations	1,114,082	1,114,082	(0)	84,390	84,390	0
Net Income for the Period	1,105,063	1,064,111	(40,952)	9,821	1,398,441	1,388,621
Net Majority Income	1,093,230	1,052,277	(40,954)	35,067	1,423,687	1,388,620

Proforma Consolidated Balance Sheet

Consolidated Balance Sheet	As of December 31, 2023	As of September 30, 2023 Proforma	Proforma Adjustment	As of December 31, 2022	As of December 31, 2022 Proforma	Proforma Adjustment
<i>(Thousands of Pesos)</i>						
Cash and equivalents	1,009,640	1,064,968	55,327	916,831	2,059,040	1,142,209
Trade receivables, net	191,069	147,366	(43,703)	154,730	35,157	(119,573)
Recoverable taxes	272,459	272,459	0	282,410	265,380	(17,029)
Prepaid expenses	92,257	92,257	0	99,315	99,315	0
Assets Available for Sale	0	0	0	0	0	0
Derivative financial instruments	0	0	0	4,708	4,708	0
Other receivables	5,146	5,146	0	0	0	0
Total Current Assets	1,570,571	1,582,195	11,624	1,457,994	2,463,601	1,005,607
Property, equipment and leasehold improvements	11,460,436	11,460,436	0	11,573,050	11,573,050	0
Right of Use (net of amortization)	240,900	240,900	0	270,625	270,625	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
Other assets	71,799	71,799	0	72,185	72,186	1
Derivative financial instruments	36,303	36,303	0	66,160	66,159	(1)
Deferred income tax	316,861	316,861	0	333,494	333,494	0
Total Long Term Assets	12,165,801	12,165,800	(1)	12,355,015	12,355,015	0
Total Assets	13,736,372	13,747,996	11,624	13,813,009	14,818,616	1,005,607
Liabilities						
Current Liabilities:						
Bank loans and accrued interests	245,954	245,954	0	649,954	649,954	0
Trade accounts payable	173,222	225,799	52,576	111,075	264,471	153,396
Other taxes and accrued expenses	372,782	372,781	(1)	244,923	244,923	0
Income tax payable	266,563	266,563	0	28,504	286,407	257,903
Direct employee benefits	59,067	59,067	0	38,016	75,154	37,138
Right-of-use Liability	60,453	60,453	0	53,980	53,980	0
Total Current Liabilities	1,178,041	1,230,618	52,577	1,126,453	1,574,890	448,437
Long-term debt	4,040,643	4,040,643	0	4,748,712	3,948,712	(800,000)
Deferred revenues	0	0	0	31,450	0	(31,450)
Other Liabilities	67,169	67,168	(1)	381,803	381,803	0
Employee benefits	76,409	76,409	0	5,268	5,268	0
Deferred income tax	31,132	31,132	0	44,268	44,268	0
Right-of-use Liability	252,463	252,463	0	297,633	297,633	0
Total Long Term Liabilities	4,467,815	4,467,815	0	5,509,134	4,677,684	(831,450)
Total Liabilities	5,645,856	5,698,432	52,576	6,635,587	6,252,573	(383,014)
Equity						
Equity Attributable to the Owners of the Entity						
Issued capital	5,944,037	5,944,037	0	6,068,347	6,068,347	0
Retained earnings	1,390,302	1,349,350	(40,952)	398,625	1,787,246	1,388,621
Other Comprehensive Income	(367,597)	(367,597)	0	(404,656)	(404,656)	0
Total Equity Attributable to the Owners of the Entity	6,966,742	6,925,789	(40,953)	6,062,316	7,450,937	1,388,621
Non-controlling interests	1,123,774	1,123,774	0	1,115,105	1,115,105	0
Total Equity	8,090,515	8,049,563	(40,952)	7,177,422	8,566,042	1,388,621
Total Liabilities + Equity	13,736,372	13,747,996	11,624	13,813,009	14,818,616	1,005,607