

Hoteles City Express Announces First Quarter 2023 Results

Mexico City, April 19th, 2023 – Hoteles City Express S.A.B. de C.V. (BMV: HCITY) (“Hoteles City Express” or “The Company”), releases its results for the first quarter of 2023 (“1Q23”). Accounting figures have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and are presented in Mexican Pesos (“\$”).

Financial and Operating Highlights (1Q23)

- At the Chain level, the Average Daily Rate (“ADR”) increased 12.6% and the Revenue Per Available Room (“RevPAR”) increased 32.7%, compared to 1Q22, reaching levels of \$1,198 and \$639 pesos, respectively. The occupancy rate was 53.3%.
- Total revenue reached \$840.3 million, a 34.6% increase compared to the same quarter of 2022.
- Operating profit reached \$159.8 million in 1Q23, compared to a \$10.7 million profit in the same quarter of last year.
- EBITDA and Adjusted EBITDA were \$263.7 million and \$265.7 million, respectively. This compares to \$138.3 million and \$138.7 million registered in 1Q22. Adjusted EBITDA increased 91.6% from the previous year for a margin of 31.6% for the quarter (9.4 percentage points higher than the same quarter of the previous year).
- Net Income for the period was a loss of \$49.2 million compared to the \$29.2 million loss in the same quarter of 2022.
- At the end of the quarter, the Chain had 152 hotels in operation, the same number of hotels with respect to the same quarter of the previous year. There were 17,487 rooms in operation during 1Q23, which was 156 more than the 17,331 rooms at the end of 1Q22.



HCITY



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Operating and Financial Highlights	1Q23	1Q22	1Q23 vs 1Q22
			% Change
Operating Statistics for the Chain			
Number of Hotels at the End of the Period	152	152	0.0%
Number of Rooms at the End of the Period	17,487	17,331	0.9%
Number of Installed Room Nights	1,567,780	1,558,032	0.6%
Number of Occupied Room Nights	836,177	705,228	18.6%
Average Occupancy Rate (%)	53.3%	45.3%	8.0 pps
ADR(\$)	1,198	1,064	12.6%
RevPAR(\$)	639	481	32.7%
Consolidated Financial Information (Thousands of Pesos)			
Total Revenues	840,280	624,101	34.6%
Operating Income	159,763	10,683	1,395.5%
Operating Income Margin	19.0%	1.7%	17.3 pps
Adjusted EBITDA	265,658	138,657	91.6%
Adjusted EBITDA Margin (%)	31.6%	22.2%	9.4 pps
EBITDA	263,692	138,316	90.6%
EBITDA Margin (%)	31.4%	22.2%	9.2 pps
Net Income	(49,174)	(29,151)	NM
Net Income Margin (%)	(5.9%)	(4.7%)	NM

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

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

"The strong first quarter results reflect the positive trajectory of our portfolio's key hotel indicators. Despite the challenging economic landscape at the beginning of the year, we delivered consistently robust results across our brands and regions.

Over the past few months, we focused on implementing a series of sales-oriented strategies to differentiate and position our products to specific market segments. As a result, our CE Plus brand achieved occupancy rates closer to the Chain's average, and its differentiated pricing positively impacted RevPAR at the Chain level. Our continuous hotel-by-hotel and plaza-by-plaza analysis helped us identify properties where we can improve profitability and performance. These opportunities could add 50 basis points to the Chain's EBITDA margin by the end of the year.

We also continued to develop innovative communication and marketing channels to engage our clients, grow new corporate accounts, and attract additional leisure and business travel demand. Our ultimate goal is to establish City Express as an inclusive brand that caters to everyone. Therefore, we are convinced that our strategic relationship with Marriott will strengthen and increase our presence in the international market, as well as our operations, in addition to bolstering various aspects of the Company's long-term strategy and unlocking greater potential. In March, we obtained authorization from COFECE (Federal Economic Competition Commission, for its initials in Spanish) to carry out the transaction, which includes the sale of our five brands. As we have mentioned before, we expect the transaction to be executed in the first week of May.

Looking at our performance by region, our hotels located in the Southeast of the country reached occupancy rates above 62%, driven by the recovery in demand for group travel, conventions, and business and leisure tourism. The Northwest region continued its strong performance due to growing nearshoring activity in the border industrial zone and increased demand for medical tourism in 14 destinations that have directly benefited 30 of the Chain's locations. Moreover, the Metropolitan areas had a notable improvement in the quarter, driven by large corporations resuming corporate travel and a related rise in highway traffic.

During the first quarter, we continued to actively pursue our share buyback plan, acquiring approximately \$16.0 million pesos of shares. As a result, during 2022 and 2023, we repurchased approximately \$138.0 million pesos of shares, leaving our fund with a total of 24 million shares. We remain committed to realizing Hoteles City Express' intrinsic value.

With the intention of maximizing free cash flow, we continue to strive for the most efficient management of our working capital by reducing our debt balance, lowering interest payments, and refinancing our syndicated loan to improve our amortization terms and interest rate. We plan to make a prepayment of approximately \$800.0 million pesos upon receiving the proceeds from the Marriott transaction. We expect to conclude this refinancing during the second quarter of the year. During the quarter, we made debt prepayments of over \$60.0 million pesos and promptly met all our financial obligations. As a result, net debt, excluding interest, at the end of 1Q23 was \$4,545.5 million pesos, an increase of 2.1% vs. 4Q22, mainly due to the share buybacks and the acquisition of minority interests.

After conducting a thorough analysis of the purchase of a minority stake in the Ce & Cs Playa del Carmen and Ce & Cj Puebla Angelópolis hotels, we concluded that they have potential for improvement and Marriott's JV will increase demand in both locations. I am pleased to announce that we acquired 30% and 50% minority interests in the hotels, respectively, for a total of \$88.6 million pesos. As of the first quarter of 2023, the hotels became 100% owned by the Company.

Finally, we closed the quarter with \$1,222.4 million pesos in construction in progress, representing a reduction of 19.0% compared to the previous quarter, due to the CP Guadalajara Providencia hotel opening in February which transitioned from construction in progress to a hotel in operation. Additionally, following our asset recycling strategy, we sold two plots of land in Puebla and Irapuato, for a total of \$69.8 million, thus continuing with our asset recycling strategy.

We are very pleased with the quarter's results and reiterate our commitment to our shareholders, who have always supported Hoteles City's strategies and business model. We invite you to participate in our upcoming Annual General Shareholders Meeting, which will be held on April 27th, 2023. For more information, please visit the following link:

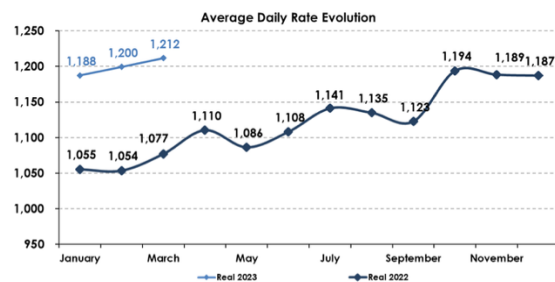
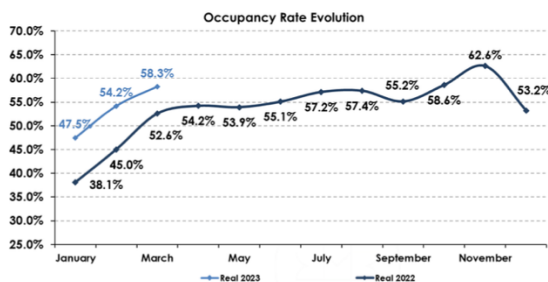
<https://www.cityexpress.com/en/investors/sustainability/corporate-governance>

Operating Statistics: Hotel Chain

During the quarter, we observed an improvement in the performance of the Southeast and Northeast regions, as well as the Metropolitan areas. Due to our operational efforts, the Chain's occupancy increased by 8.0 percentage points vs. 2022. The Metropolitan and Southeast regions of the country also experienced a notable increase in travelers.

ADR increased 12.6% year-over-year to \$1,198 pesos, which was once again the highest rate in the Chain's history. As a result, RevPAR totaled \$639 pesos at the chain level.

Monthly Indicators and Occupancy and Rate Recovery

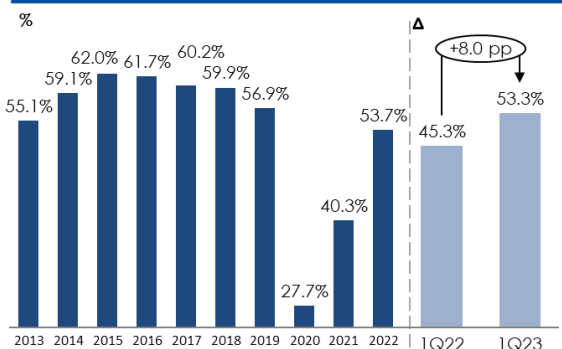


*Occupancy rates based on the total number of hotels open at the end of each period.

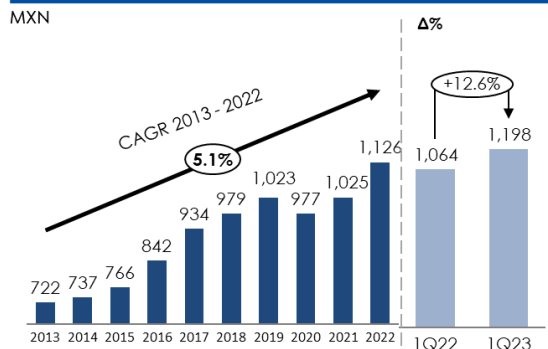
The trend of increasing occupancy and rates, which began last year, has continued. In January and February, occupancy was 9.4 and 9.2 percentage points higher than in the same months of the previous year, respectively. The Company observed an improvement in rates, mainly due to the increase in travelers to the Metropolitan areas and the reactivation of the Bajío and Center areas. Consistent with that trend, the average daily rate during March was \$1,212 pesos, an increase of 12.5% compared to the same month of 2022, leading RevPAR to reach an increase of 24.8%.

Comparative Operating Statistics

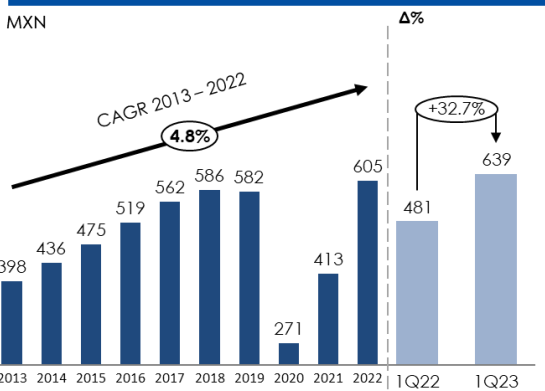
Occupancy



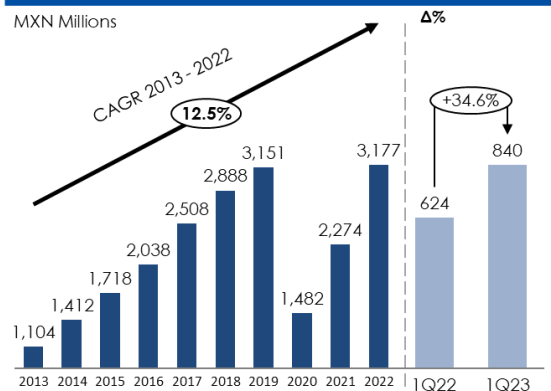
ADR



RevPAR

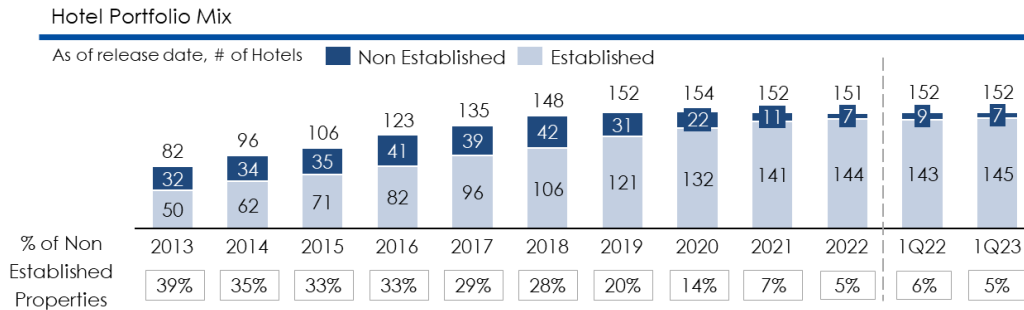


Total Consolidated Revenues



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 1Q23, the Chain had 145 Established Hotels and 7 Non-Established Hotels.

Established Hotels	1Q23	1Q22	Change 1Q23 vs 1Q22
Hotels	145	143	1.4%
Rooms	16,575	16,288	1.8%
Occupancy	54.4%	46.5%	7.9 pps
ADR (\$)	1,196	1,067	12.1%
RevPAR (\$)	651	496	31.2%

The occupancy of this portfolio closed at 54.4%, approximately 1.1 percentage points above the Chain's portfolio and 7.9 percentage points above last year. The Plus brand hotel portfolio also had a notable positive recovery trend.

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)	1Q23	1Q22	1Q23 vs 1Q22 % Change
Hotel Operation	793,797	593,051	33.8%
Hotel Management	216,832	160,372	35.2%
Total	1,010,629	753,423	34.1%

During the quarter, the Hotel Operations segment revenue increased 33.8%, from \$593.1 million in 1Q22 to \$793.8 million in 1Q23.

Hotel Management Revenues increased 35.2% year-on-year, going from \$160.4 million in 1Q22 to \$216.8 million in 1Q23.

Total Combined Segment Revenue grew 34.1%, from \$753.4 million in 1Q22 to \$1,010.6 million in 1Q23.

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 1Q23	FSTAY Portfolio	Non FSTAY Portfolio	Total Hotel Operation	Hotel Management	Non IFRS Total	IFRS Eliminations	Total IFRS
Hotels	42	70	112	152	152		152
Rooms	4,980	8,024	13,004	17,487	17,487		17,487
Occupancy	58.2%	50.1%	53.2%	53.3%	53.3%		53.3%
ADR	1,233	1,193	1,210	1,198	1,198		1,198
RevPAR	717	598	644	639	639		639
Total Revenues	332,450	461,347	793,797	216,832	1,010,629	(170,348)	840,280
General Costs and Expenses	(223,922)	(362,221)	(586,143)	(158,827)	(744,970)	170,348	(574,622)
Adjusted EBITDA	108,529	99,125	207,654	58,004	265,658	0	265,658
Margin	32.6%	21.5%	26.2%	26.8%	26.3%		31.6%
Other non recurrent expenses	0	(1,966)	(1,966)	0	(1,966)	0	(1,966)
EBITDA	108,529	97,159	205,688	58,004	263,692	0	263,692
Margin	32.6%	21.1%	25.9%	26.8%	26.1%		31.4%
Depreciation	(42,726)	(61,203)	(103,929)	0	(103,929)	0	(103,929)
Operating Income	65,802	35,957	101,759	58,004	159,763	0	159,763
Margin	19.8%	7.8%	12.8%	26.8%	15.8%		19.0%

The FSTAY Portfolio occupancy was 58.2%, compared to 50.1% for the Non-FSTAY Portfolio, 8.1 percentage points higher. The ADR for the FSTAY Portfolio was 3.3% higher than the \$1,193 for the Non-FSTAY Portfolio, while RevPAR varied by 19.9% in favor of the FSTAY Portfolio.

The Adjusted EBITDA margin of the FSTAY Portfolio was 11.1 percentage points higher compared to the Non-FSTAY Portfolio.

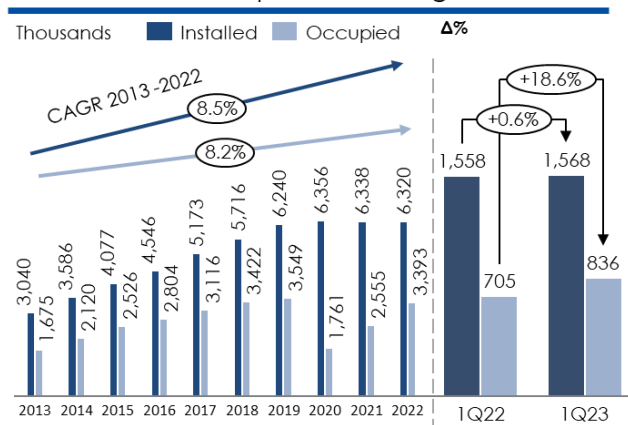
Consolidated Financial Results (IFRS Figures)

Income Statement Highlights (Thousands of Pesos)	1Q23	1Q22	1Q23 vs 1Q22
			% Change
Rooms in Operation	17,487	17,331	0.9%
Revenues from Hotel Operation	793,797	593,051	33.8%
Revenues from Hotel Management	46,483	31,050	49.7%
Total Revenues	840,280	624,101	34.6%
Operating Income	159,763	10,683	1,395.5%
Operating Income Margin	19.0%	1.7%	17.3 pps
Adjusted EBITDA	265,658	138,657	91.6%
Adjusted EBITDA Margin	31.6%	22.2%	9.4 pps
EBITDA	263,692	138,316	90.6%
EBITDA Margin	31.4%	22.2%	9.2 pps
Net Income	(49,174)	(29,151)	NM
Net Margin	(5.9%)	(4.7%)	NM

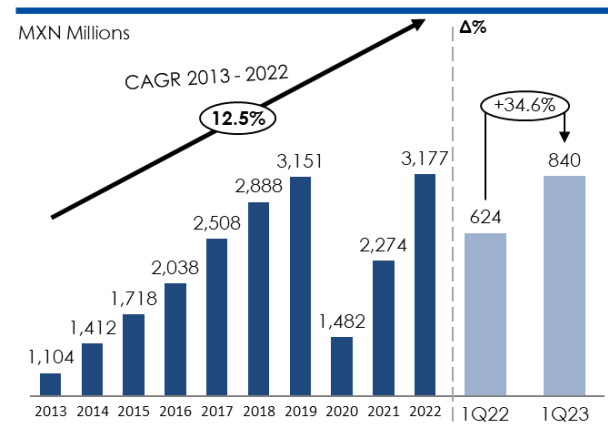
Revenues

During 1Q23, total revenues increased 34.6%, from \$624.1 million in 1Q22 to \$840.3 million in 1Q23. This increase was due to higher rates and occupancy when compared to the same period of the previous year. The Metropolitan, Northwest, and Southeast regions performed the best during 1Q23. The Midwest region also benefited from the increase in business travelers and, to a lesser extent, from the positive impact of nearshoring.

Installed and Occupied Room Nights



Total Consolidated Revenues



Costs and Expenses

Total costs and expenses increased 10.7% year-on-year, from \$613.1 million in 1Q22 to \$678.6 million in 1Q23. This was mainly due to an increase in occupancy, and therefore higher costs per occupied room per night. We highlight that this increase was 23.9 percentage points lower than the increase in revenues, as the Company continues with its strategy to control and reduce operating costs.

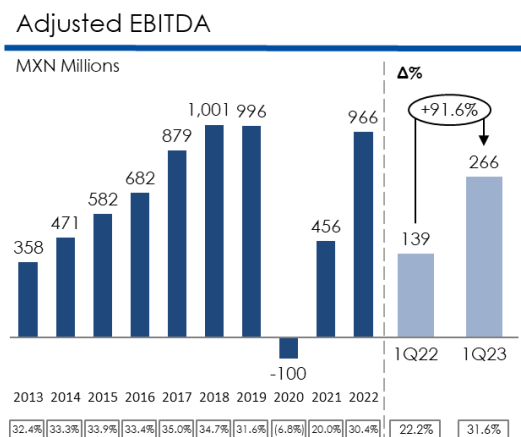
Selling and Administrative Expenses increased 11.3% compared to the same period of the previous year to \$125.0 million.

Operating Income

Operating Income for the first quarter of 2023 was \$159.8 million, compared to the \$10.7 million in income reported in 1Q22. This was due to a higher number of travelers and our operational improvement efforts.

EBITDA and Adjusted EBITDA

EBITDA reached \$263.7 million, while Adjusted EBITDA was \$265.7 million in 1Q23, mainly due to an improvement in operating efficiencies. This translated into year-on-year increases in EBITDA and Adjusted EBITDA of 90.6% and 91.6%, respectively, compared to the same quarter of 2022 and 9.4 percentage point increase in the Adjusted EBITDA margin. The expense for new hotel openings increased by 477.1% compared to 1Q22, due to the opening of the City Express Plus Guadalajara Providencia hotel.



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 \$200.7 million in 1Q23, as a result of interest payments on our bank obligations due to additional increases in reference interest rates and, to a lesser extent, net foreign exchange results. The net cost of financing¹ increased from \$144.3 million in 1Q22 to \$183.8 million in 1Q23.

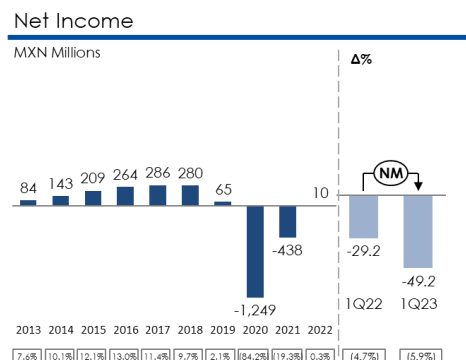
The net foreign exchange result for 1Q23 represented a loss of \$6.6 million, due to the valuation of the equity positions in our Chilean and Colombian subsidiaries. This did not cause any cash inflow for the Company.

The Company has signed financial derivative instruments to cover itself against changes in the interest rates. As of March 31st, 2023, it has ten instruments with different banks that hedge a total of \$3,384.3 million pesos, which represents 63.5% of the total debt. With these hedges, the Company has capped a 9.2% 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 Loss for 1Q23 was \$49.2 million, compared to the loss of \$29.2 million reported for the same period of the previous year. Majority Net Income for the quarter was a \$35.5 million loss.



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

Financial Position and Leverage

Balance Sheet Highlights <i>(Thousands of Pesos)</i>	As of March 31, 2023	As of December 31, 2022	March 31, 2023 vs December 31, 2022
			% Change
Cash and Equivalents	735,208	916,831	(19.8%)
Financial Debt ⁽¹⁾	5,280,658	5,367,667	(1.6%)
Net Debt	4,545,450	4,450,836	2.1%

1. Does not include payable interest for \$29.3 million as of March 31st, 2023, and for \$31.0 million as of December 31st, 2022.

At the end of 1Q23, the Company held \$735.2 million in Cash and Cash Equivalents, a 19.8% decrease compared to December 31st, 2022. During the quarter, we repurchased around \$16.0 million pesos of the Company's shares. We also acquired the existing partners' minority stakes of the Ce and Cs Playa del Carmen and Ce and Cj Puebla Angelópolis hotels for \$88.6 million.

Debt with financial institutions net of interest payable decreased 1.6% compared to the end of December 2022, closing the quarter at \$5,280.7 million. Of this amount, \$739.9 million is due in the next 12 months and \$134.2 million is denominated in Foreign Currency. During 1Q23, the Company made amortization payments of \$91.2 million.

As of March 31st, 2023, Hoteles City Express reported a Total Financial Debt to Total Assets ratio of 39.2%. Likewise, the Company is in compliance with all its financial obligations.

Net debt rose by 2.1%, from \$4,450.8 million as of December 31st, 2022, to \$4,545.5 million at the end of 1Q23. The increase in net debt was mainly driven by the use of the repurchase fund and the acquisition of the minority interests in the previously mentioned hotels.

The Company is also working on the refinancing of the syndicated loan, which is expected to be completed during the second quarter of 2023.

Additionally, Hoteles City Express has agreed with its bank lenders in 4Q22 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 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 \$494.7 million. It also had construction in progress, active remodeling, and land assigned to projects with a value of \$1,222.4 million. During the quarter, a plot of land in Puebla, that was part of the transaction for the purchase of the minority interest of the Ce and Cj Puebla Angelópolis hotels, as well as part of a plot of land in Irapuato, was released from the reserve. 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 reached approximately \$13,098.2 million pesos. At the end of 1Q23, the productive assets portfolio consisted of 95% Established Hotels and 5% Non-Established Hotels.

Cash Flow Generation and the Share Repurchase Program

In 1Q23, Hoteles City Express registered \$227.4 million in Positive Net Cash Flow from operating activities. The Company invested \$56.6 million in the acquisition of property, furnishings, equipment, and leasehold improvements, among other items, compared to the \$22.4 million it invested in 1Q22. This was due to heightened CapEx investments in the Chain's hotels during the quarter, as well as investments in the projects currently under construction. The Company's Negative Net Cash Flow from financing activities was \$386.1 million, compared to negative \$353.0 million in 1Q22, due to the share repurchases made during the quarter and an increase in interest rates by the central bank.

During 1Q23, the Company used its share repurchase fund, and acquired 1,870,347 shares, representing approximately \$16.0 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 antepenultimate Annual Shareholders' Meeting. In addition, due to the method used to record these shares, the Company is able to sell the shares on the market without any restrictions and at a price determined by the market on each trading day.

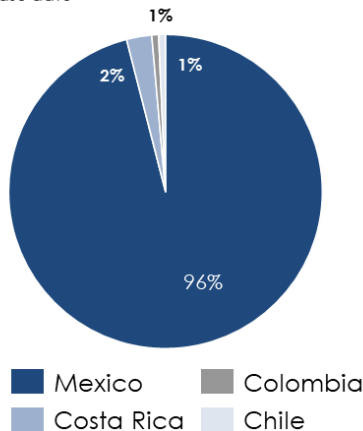
Portfolio of Hotel Assets

As of today, Hoteles City Express has an inventory of 152 hotels with a 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

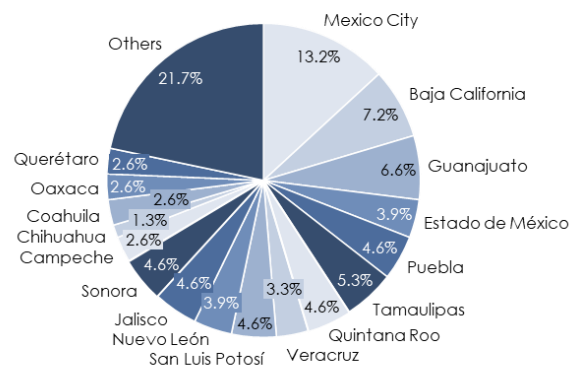
By Country

As of release date



Mexico

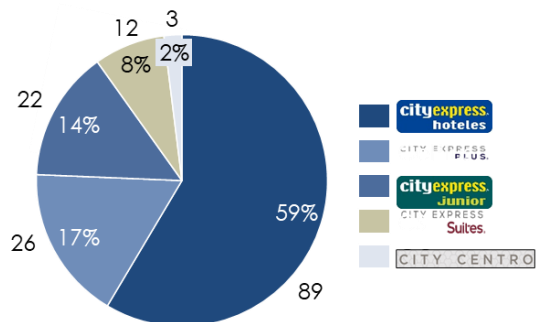
As of release date



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

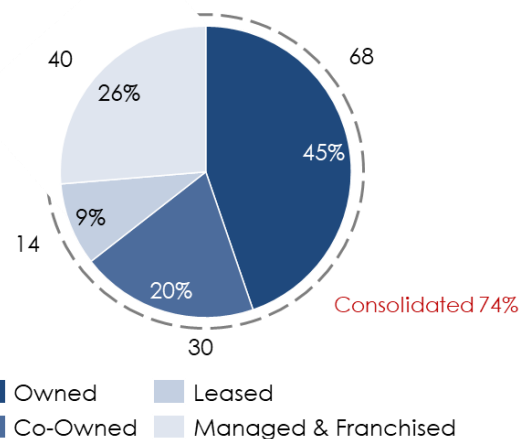
Hotel Portfolio by Brand

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 began investments in maintenance CapEx and in projects paused because of the COVID-19 pandemic, which will result in an increase in the installed base and therefore an increase in 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	Ce Cancún Aeropuerto Centralia	City Express	Co-Owned	3Q23	137	Quintana Roo	Under Construction
155	10	CP Monterrey Centro	City Express Plus	Owned	4Q23	136	Monterrey	Under Construction
156	11	Ce CDMX Anzures	City Express	Owned	-	112	Ciudad de México	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.
- 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 121 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 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, it is recognized as a “Super Company for Women” by fomenting 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.

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.

At the end of 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.

Hoteles City Express is currently focusing its sustainability strategy on the 17 Sustainable Development Objectives of the 2030 Agenda established by the United Nations General Assembly. 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, April 20th, 2023
Time: 12:00 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 (832 5860 2585), 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_TjOp8y5nRLegg9wCRme4Fw

About Hoteles City Express:

Hoteles City Express is the leading and fastest-growing limited-service hotel chain in Mexico, in terms of number of hotels, number of rooms, geographic presence, market share and revenues. Founded in 2002, Hoteles City Express specializes in offering high-quality, comfortable and safe lodging at affordable prices via a limited-service hotel chain geared mainly towards domestic business travelers. With 152 hotels located in Mexico, Costa Rica, Colombia and Chile, Hoteles City Express operates five distinct brands: City Express, City Express Plus, City Express Suites, City Express Junior and City Centro, to serve different segments of its target market. In June 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), J.P. Morgan (Adrian Huerta), Morgan Stanley (Nikolaj Lippman), Signum Research (Armando Rodríguez) 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)	1Q23	1Q22	1Q23 vs 1Q22
			% Change
Total Revenues			
Revenues from Hotel Operation	793,797	593,051	33.8%
Revenues from Hotel Management	46,483	31,050	49.7%
Total Revenues	840,280	624,101	34.6%
Costs and expenses			
Hotel operating costs and expenses ⁽¹⁾	449,674	373,218	20.5%
Selling and administrative expenses	124,948	112,224	11.3%
Depreciation and amortization ⁽²⁾	103,930	127,635	(18.6%)
Total Costs and Expenses	678,552	613,077	10.7%
Expenses assoc. with new hotel openings	1,966	341	477.1%
Other (income) / Non-recurring expenses	0	0	NM
Total	1,966	341	477.1%
Operating Income	159,763	10,683	1,395.5%
Operating Income Margin (%)	19.0%	1.7%	17.3 pps
Adjusted EBITDA	265,658	138,657	91.6%
Adjusted EBITDA Margin (%)	31.6%	22.2%	9.4 pps
EBITDA	263,692	138,316	90.6%
EBITDA Margin (%)	31.4%	22.2%	9.2 pps
Finance income	(26,801)	(5,458)	NM
Finance costs ⁽³⁾	210,612	149,725	40.7%
Effects of valuation of financial instruments	10,333	(27,605)	NM
Exchange result, net	6,597	8,285	(20.4%)
Comprehensive Financing Result	200,741	124,947	60.7%
Profit before income tax	(40,978)	(114,264)	NM
Income tax expense	8,196	(723)	NM
Net income from discontinued operations	0	84,390	NM
Net Income for the Period	(49,174)	(29,151)	NM
Net Majority Income	(35,474)	(15,734)	NM

(1) Includes a benefit of \$20.7 million for lease capitalization due to the adoption of IFRS.

(2) Includes incremental depreciation of \$11.3 million for lease capitalization due to the adoption of IFRS 16.

(3) Includes the incremental financial cost of \$7.2 million for lease capitalization derived from the adoption of IFRS 16.

Consolidated Balance Sheet

Consolidated Balance Sheet <i>(Thousands of Pesos)</i>	As of March 31, 2023	As of December 31, 2022	March 31, 2023 vs December 31, 2022
	% Change		
Cash and equivalents	735,208	916,831	(19.8%)
Trade receivables, net	179,630	154,730	16.1%
Recoverable taxes	255,253	282,410	(9.6%)
Prepaid expenses	143,862	99,315	44.9%
Derivative financial instruments	3,762	4,708	(20.1%)
Total Current Assets	1,317,715	1,457,994	(9.6%)
Property, equipment and leasehold improvements	11,447,180	11,573,050	(1.1%)
Right of Use (net of amortization)	259,373	270,625	(4.2%)
Trust Investments	36,603	36,603	0.0%
Guarantee deposits	2,898	2,898	0.0%
Other assets	72,535	72,186	0.5%
Derivative financial instruments	63,519	66,160	(4.0%)
Deferred income tax	332,054	333,494	(0.4%)
Total Long Term Assets	12,214,161	12,355,016	(1.1%)
Total Assets	13,531,876	13,813,010	(2.0%)
Liabilities			
Current Liabilities:			
Bank loans and accrued interests	769,119	649,954	18.3%
Trade accounts payable	103,924	111,075	(6.4%)
Other taxes and accrued expenses	316,583	244,923	29.3%
Income tax payable	18,100	28,504	(36.5%)
Direct employee benefits	36,941	38,016	(2.8%)
Current Liabilities from Lease Capitalizations	53,980	53,980	0.0%
Total Current Liabilities	1,298,647	1,126,452	15.3%
Long-term debt	4,540,810	4,748,712	(4.4%)
Deferred revenues	33,201	31,452	5.6%
Other Liabilities	353,227	381,804	(7.5%)
Employee benefits	4,492	5,268	(14.7%)
Deferred income tax	53,341	44,268	20.5%
Liabilities from Lease Capitalizations	284,138	297,633	(4.5%)
Total Long Term Liabilities	5,269,208	5,509,137	(4.4%)
Total Liabilities	6,567,855	6,635,589	(1.0%)
Equity			
Equity Attributable to the Owners of the Entity			
Issued capital	6,052,172	6,068,347	(0.3%)
Retained earnings	277,993	398,625	(30.3%)
Other Comprehensive Income	(475,623)	(404,656)	(17.5%)
Total Equity Attributable to the Owners of the Entity	5,854,542	6,062,316	(3.4%)
Non-controlling interests	1,109,479	1,115,105	(0.5%)
Total Equity	6,964,021	7,177,421	(3.0%)
Total Liabilities + Equity	13,531,876	13,813,010	(2.0%)

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement (Thousands of Pesos)	1Q23	1Q22
Profit before income tax	(40,978)	(114,265)
Operating Activities		
Discontinued Operations	0	(47,700)
Depreciation	103,930	117,363
Loss on disposal of equipment	9,907	0
Finance income	(26,801)	(5,458)
Finance costs	210,612	149,725
(Gain) Loss on Valuation of Financial Instruments	8,418	(29,292)
Expenses Related to Payments Based on Stocks	(3,857)	6,240
Unrealized foreign currency fluctuations	(10,963)	6,934
	250,267	83,547
Changes in Working Capital:		
Trade receivables	(24,900)	(1,300)
Recoverable taxes	27,156	39,157
Prepaid expenses, net	(44,547)	(12,810)
Trade and other payables	(7,151)	(13,520)
Accrued Expenses, others and taxes to be paid	44,833	47,244
Employee benefits	(1,851)	(13,065)
Income tax and business flat tax paid	(16,422)	(8,489)
Net Cash Flows from Operating Activities	227,385	120,765
Investing Activities:		
Payments for property, equipment and leasehold	(56,560)	(22,403)
Sale of participation in subsidiary	69,855	258,216
Other assets	(348)	(238)
Finance income received	26,801	5,458
Net Cash Flows used in Investing Activities	39,748	241,033
Financing Activities:		
Proceeds from the issuance of equity instruments	(161)	6,241
Proceeds from contributions rec. from non-controlling interests	11,567	1,060
Repurchase of shares	(16,014)	0
Finance cost paid	(201,715)	(146,258)
Proceeds from short- and long-term borrowings	95,000	0
Repayment of borrowings	(186,167)	(214,081)
Payments to acquire non-controlling interests	(88,651)	0
Net Cash Flows used in Financing Activities	(386,141)	(353,039)
Net increase (decrease) in cash and equivalents	(119,008)	8,759
Cash at the beginning of the period	916,831	989,951
Effects of exchange rate changes on the balance of cash held in foreign currencies and effects of balances of foreign	(62,615)	8,442
Cash at the End of the Period	735,208	1,007,152

Hotel Inventory

Number	Hotel	Brand	Investment Scheme	Opening	Rooms	Location
1	Saltillo	City Express	Owned	May-03	120	Coahuila
2	San Luis	City Express	Owned	Jul-03	120	San Luis Potosí
3	Monterrey Santa Catarina	City Express	Owned	Oct-03	105	Nuevo León
4	Querétaro	City Express	Owned	Nov-03	121	Querétaro
5	León	City Express	Owned	Dec-03	120	Guanajuato
					586	
6	Anzures	City Express Suites	Leased	Apr-04	26	Ciudad de México
7	Puebla	City Express	Owned	May-04	124	Puebla
8	Nuevo Laredo	City Express	Managed	Aug-04	107	Tamaulipas
9	Ciudad Juárez	City Express	Owned	Oct-04	114	Chihuahua
10	Irapuato	City Express	Owned	Nov-04	104	Guanajuato
					1,061	
11	Reynosa	City Express	Owned	Feb-05	104	Tamaulipas
12	Cancun	City Express	Leased	Mar-05	128	Quintana Roo
13	Tuxtla Gutiérrez	City Express	Franchise	Dec-05	124	Chiapas
14	Querétaro	City Express Suites	Owned	Dec-05	45	Querétaro
					1,462	
15	Chihuahua	City Express	Managed	Mar-06	104	Chihuahua
16	Guadalajara	City Express Plus	Owned	Jul-06	145	Jalisco
17	Tampico	City Express	Co-Owned	Nov-06	124	Tamaulipas
18	Mexicali	City Express	Owned	Dec-06	117	Baja California
19	Toluca	City Express	Owned	Dec-06	141	Estado de México
					2,093	
20	EBC Reforma	City Express	Owned	Jan-07	70	Ciudad de México
21	Hermosillo	City Express	Co-Owned	Apr-07	120	Sonora
22	Celaya	City Express	Leased	May-07	104	Guanajuato
23	Insurgentes Sur	City Express Plus	Owned	Jul-07	159	Ciudad de México
24	Tepezotlán	City Express	Leased	Dec-07	109	Estado de México
					2,655	
25	Toluca	City Express Junior	Leased	Feb-08	106	Estado de México
26	Mazatlán	City Express	Managed	Jun-08	110	Sinaloa
27	Lázaro Cárdenas	City Express	Owned	Nov-08	119	Michoacán
28	Puebla Angelópolis	City Express	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
					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
					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 Universidad	City Express	Co-Owned	Dec-10	109	San Luis Potosí
					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	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
					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 Potosi
60	Villahermosa	City Express	Owned	Jul-12	155	Tabasco
61	Queretaro 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
					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
					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	Monterrey Nuevo Sur	City Express Plus	Owned	Dec-14	138	Nuevo León
87	Matamoros	City Express	Owned	Dec-14	113	Tamaulipas
88	Salamanca	City Express	Owned	Dec-14	113	Guanajuato
89	Villahermosa	City Express Junior	Owned	Dec-14	136	Tabasco
					10,284	
90	Los Cabos	City Express Plus	Owned	Apr-15	135	Baja California Sur
91	Los Cabos	City Express Suites	Owned	Apr-15	28	Baja California Sur
92	Tuxpan	City Express	Managed	Jul-15	108	Veracruz
93	Guadalajara Palomar	City Express Plus	Owned	Jul-15	113	Jalisco
94	Guadalajara Aeropuerto	City Express	Managed	Nov-15	118	Jalisco
95	Piedras Negras	City Express	Owned	Dec-15	113	Coahuila
96	Periférico Sur Tlalpan	City Express Plus	Owned	Dec-15	137	Ciudad de México
97	Monterrey San Jerónimo	City Express Plus	Owned	Dec-15	149	Nuevo León
98	Playa del Carmen	City Express Suites	Owned	Dec-15	56	Quintana Roo
99	Silao	City Express Suites	Owned	Dec-15	58	Guanajuato
					11,299	

Number	Hotel	Brand	Investment Scheme	Opening	Rooms	Location
100	Aguascalientes Centro	City Express Junior	Managed	Apr-16	66	Aguascalientes
101	CD MX Aeropuerto	City Express	Managed	Apr-16	98	Ciudad de México
102	San Luis Potosí Centro	City Express Junior	Owned	Apr-16	128	San Luis Potosí
103	CDMX Alameda	City Express	Managed	Jul-16	112	Ciudad de México
104	Reynosa Aeropuerto	City Express	Owned	Jul-16	113	Tamaulipas
105	Tijuana	City Express Suites	Managed	Jul-16	79	Baja California
106	Santiago Aeropuerto	City Express	Co-Owned	Aug-16	142	Santiago, Chile
107	Toluca Zona Industrial	City Express Junior	Managed	Sep-16	92	Estado de México
108	Rosarito	City Express	Owned	Sep-16	113	Baja California
109	Mundo E	City Express Plus	Leased	Dec-16	144	Estado de México
110	Bogotá Aeropuerto	City Express Plus	Owned	Dec-16	120	Bogotá, Colombia
111	Bogotá Aeropuerto	City Express Junior	Owned	Dec-16	116	Bogotá, Colombia
112	CDMX La Raza	City Express	Owned	Dec-16	127	Ciudad de México
113	Mérida Altabrisa	City Express Junior	Co-Owned	Dec-16	106	Yucatán
114	Querétaro Torre II	City Express Suites	Owned	Dec-16	44	Querétaro
115	CDMX	City Centro	Leased	Dec-16	44	Ciudad de México
					12,943	
116	Celaya Galerías	City Express	Managed	Jan-17	127	Guanajuato
117	San Luis Potosí Zona Industrial	City Express Junior	Managed	May-17	122	San Luis Potosí
118	Puebla Angelópolis	City Express junior	Owned	Jul-17	122	Puebla
119	Altamira	City Express	Co-Owned	Jul-17	127	Tamaulipas
	Mérida (Ampliación)	City Express	Co-Owned	Jul-17	42	Yucatán
120	Puerto Vallarta	City Express Plus	Owned	Jul-17	126	Jalisco
121	Medellín	City Express Plus	Owned	Sep-17	141	Medellín, Colombia
122	Tuxtepec	City Express junior	Managed	Sep-17	105	Oaxaca
123	Tijuana Otay	City Express	Managed	Dec-17	120	Baja California
124	León Centro de Convenciones	City Express junior	Co-Owned	Dec-17	137	Guanajuato
125	Monterrey Lindavista	City Express	Managed	Dec-17	130	Nuevo León
126	Oaxaca	City Centro	Co-Owned	Dec-17	103	Oaxaca
127	León Centro de Convenciones	City Express Plus	Co-Owned	Dec-17	132	Guanajuato
					14,477	
128	Tepic	City Express	Managed	Jan-18	125	Nayarit
129	Comitán	City Express	Managed	Apr-18	105	Chiapas
130	Gustavo Baz	City Express	Managed	Jun-18	125	Ciudad de México
131	Cancun Aeropuerto	City Express Plus	Co-Owned	Oct-18	120	Quintana Roo
132	Cancun Aeropuerto	City Express Suites	Co-Owned	Oct-18	63	Quintana Roo
133	Interlomas	City Express Plus	Owned	Nov-18	141	Estado de México
134	Tampico	City Express Plus	Co-Owned	Nov-18	122	Tamaulipas
135	CDMX Sullivan	City Express Junior	Owned	Dec-18	96	CDMX
136	Mérida	City Express Plus	Co-Owned	Dec-18	135	Yucatán
137	Ensenada	City Express	Managed	Dec-18	127	Baja California
138	Ensenada	City Express Plus	Co-Owned	Dec-18	134	Baja California
139	Tijuana	City Express Plus	Owned	Dec-18	156	Baja California
					15,926	
140	CDMX Tlalpan	City Express	Managed	Feb-19	96	CDMX
141	Tapachula	City Express	Owned	Mar-19	117	Chiapas
142	CDMX La Villa	City Express	Managed	Apr-19	106	CDMX
143	San Luis Potosí	City Centro	Owned	Nov-19	70	San Luis Potosí
					16,315	
144	Ce Guaymas	City Express	Owned	Jan-20	114	Sonora
145	Mexicali	City Express Plus	Owned	Feb-20	146	Baja California
146	Hermosillo Expo	City Express	Managed	Aug-20	124	Sonora
147	Caborca	City Express	Managed	Dec-20	101	Sonora
					16,800	
148	San Luis Potosí	City Express Plus	Co-Owned	May-21	139	San Luis Potosí
149	Lagos de Moreno	City Express	Managed	Jul-21	121	Jalisco
					17,060	
150	Monterrey Universidad	City Express	Owned	May-22	147	Nuevo León
					17,207	
151	Guadalajara Providencia	City Express Plus	Owned	Feb-23	150	Jalisco
152	Mazatlán	City Express Plus	Managed	Feb-23	130	Sinaloa
					17,487	

-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 three-month period finished March 31st, 2022 and 2023, 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)	3M23	3M23 Proforma	Proforma Adjustments	3M22	3M22 Proforma	Proforma Adjustments
Total Revenues						
Revenues from Hotel Operation	793,797	796,192	2,395	593,051	594,933	1,882
Revenues from Hotel Management	46,483	15,296	(31,188)	31,051	10,304	(20,746)
Total Revenues	840,280	811,487	(28,793)	624,101	605,237	(18,865)
Costs and expenses						
Hotel operating costs and expenses ⁽¹⁾	449,674	499,263	49,588	373,218	414,374	41,155
Selling and administrative expenses	124,948	135,563	10,616	112,224	131,438	19,214
Depreciation and amortization ⁽²⁾	103,929	103,929	0	127,635	127,635	0
Total Costs and Expenses	678,552	738,756	60,204	613,077	673,447	60,370
Expenses assoc. with new hotel openings	1,966	1,966	0	341	341	0
Utility from sale of intangible Asset	0	1,660,520	1,660,520	0	1,867,600	1,867,600
Total	1,966	(1,658,554)	(1,660,520)	341	(1,867,259)	(1,867,600)
Operating Income	159,763	1,731,286	1,571,523	10,683	1,799,049	1,788,367
Operating Income Margin (%)	19.0%	213.3%	194.3%	1.7%	297.2%	295.5%
Adjusted EBITDA	265,658	1,837,181	1,571,523	138,657	1,927,025	1,788,368
Adjusted EBITDA Margin (%)	31.6%	226.4%	194.8%	22.2%	318.4%	296.2%
EBITDA	263,692	1,835,215	1,571,523	138,316	1,926,684	1,788,368
EBITDA Margin (%)	31.4%	226.2%	194.8%	22.2%	318.3%	296.2%
Finance income	(26,801)	(51,307)	(24,506)	(5,458)	(22,039)	(16,581)
Finance costs ⁽³⁾	210,612	197,550	(13,062)	149,725	129,801	(19,924)
Effects of valuation of financial instruments	10,333	10,333	0	(27,605)	(27,605)	0
Exchange result, net	6,597	6,597	0	8,285	8,285	0
Financial Expenses	200,741	163,174	(37,567)	124,947	88,442	(36,505)
Profit before income tax	(40,978)	1,568,112	1,609,090	(114,264)	1,710,608	1,824,872
Income tax expense	8,196	342,172	333,977	(723)	333,253	333,976
Net income from discontinued operations	0	0	0	84,390	84,390	0
Net Income for the Period	(49,174)	1,225,940	1,275,114	(29,151)	1,461,745	1,490,895
Net Majority Income	(35,474)	1,239,639	1,275,113	(15,734)	1,475,161	1,490,895

Proforma Consolidated Balance Sheet

Consolidated Balance Sheet <i>(Thousands of Pesos)</i>	As of March 31, 2023	As of March 31, 2023 Proforma	Proforma Adjustment	As of December 31, 2022	As of December 31, 2022 Proforma	Proforma Adjustment
Cash and equivalents	735,208	1,559,778	824,570	916,831	2,059,040	1,142,209
Trade receivables, net	179,630	148,442	(31,188)	154,730	35,157	(119,573)
Recoverable taxes	255,253	238,224	(17,029)	282,410	265,380	(17,029)
Prepaid expenses	143,862	143,863	1	99,315	99,315	0
Derivative financial instruments	3,762	3,762	0	4,708	4,708	0
Total Current Assets	1,317,715	2,094,069	776,354	1,457,994	2,463,601	1,005,607
Property, equipment and leasehold improvements	11,447,180	11,447,180	0	11,573,050	11,573,050	0
Right of Use (net of amortization)	259,373	259,373	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	72,535	72,535	0	72,186	72,186	0
Derivative financial instruments	332,054	332,054	0	66,160	66,160	0
Deferred income tax	63,519	63,519	0	333,494	333,494	0
Total Long Term Assets	12,214,161	12,214,161	0	12,355,016	12,355,016	0
Total Assets	13,531,876	14,308,229	776,353	13,813,010	14,818,617	1,005,607
Liabilities						
Current Liabilities:						
Bank loans and accrued interests	769,119	769,119	0	649,954	649,954	0
Trade accounts payable	103,924	143,324	39,399	111,075	264,471	153,396
Other taxes and accrued expenses	316,583	316,583	0	244,923	244,923	0
Income tax payable	18,100	276,003	257,903	28,504	286,407	257,903
Direct employee benefits	36,941	74,079	37,138	38,016	75,154	37,138
Right-of-use Liability	53,980	53,980	0	53,980	53,980	0
Total Current Liabilities	1,298,647	1,633,088	334,441	1,126,452	1,574,890	448,438
Long-term debt	4,540,810	3,740,810	(800,000)	4,748,712	3,948,712	(800,000)
Deferred revenues	33,201	0	(33,201)	31,452	0	(31,452)
Other Liabilities	353,227	353,227	0	381,804	381,804	0
Employee benefits	4,492	4,492	0	5,268	5,268	0
Deferred income tax	53,341	53,341	0	44,268	44,268	0
Right-of-use Liability	284,138	284,138	0	297,633	297,633	0
Total Long Term Liabilities	5,269,208	4,436,007	(833,202)	5,509,137	4,677,685	(831,452)
Total Liabilities	6,567,855	6,069,094	(498,761)	6,635,589	6,252,574	(383,015)
Equity						
Equity Attributable to the Owners of the Entity						
Issued capital	6,052,172	6,052,172	0	6,068,347	6,068,347	0
Retained earnings	277,993	1,553,107	1,275,114	398,625	1,787,246	1,388,621
Other Comprehensive Income	(475,623)	(475,623)	0	(404,656)	(404,656)	0
Total Equity Attributable to the Owners of the Entity	5,854,542	7,129,656	1,275,114	6,062,316	7,450,937	1,388,621
Non-controlling interests	1,109,479	1,109,479	0	1,115,105	1,115,105	0
Total Equity	6,964,021	8,239,135	1,275,114	7,177,421	8,566,042	1,388,622
Total Liabilities + Equity	13,531,876	14,308,229	776,353	13,813,010	14,818,617	1,005,607