



Ordinary General Meeting

Hoteles City Express

July 2021

cityexpress
hoteles

Ordinary General Shareholders' Meeting - Order of the Day

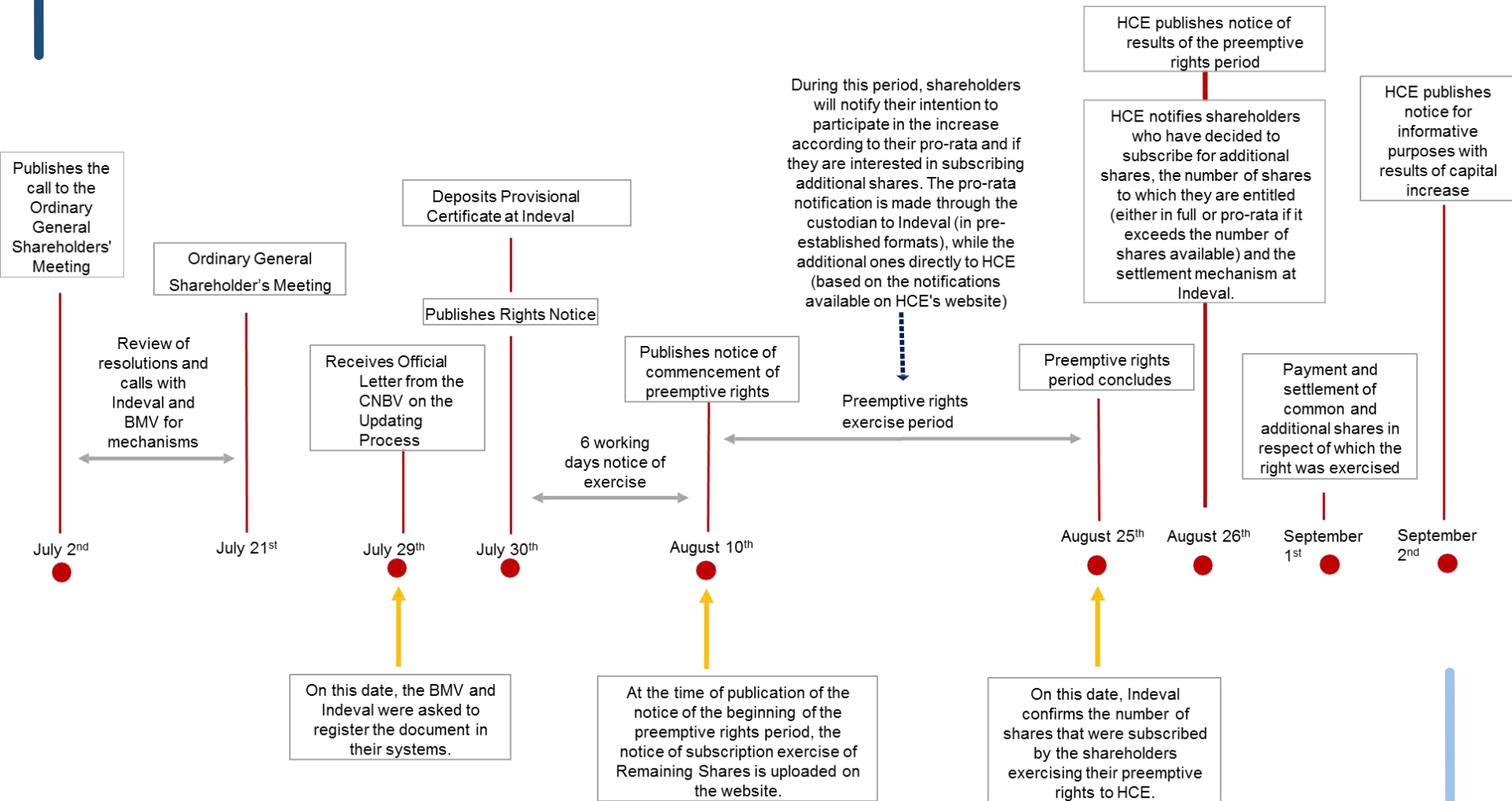
1

Proposal, discussion and, if applicable, approval of: (1) an increase in the Company's capital stock, in its variable portion, for the amount determined by the Meeting, as well as (2) the terms for the subscription and payment of the shares issued for such purpose after, if applicable, the exercise or waiver, in whole or in part, or lack of exercise by the Company's shareholders of their preemptive subscription rights.

2

Appointment of delegates to comply with the resolutions adopted by the Meeting and, if applicable, to formalize them as appropriate.

Suspension mechanism



* Tentative date, to be adjusted once we receive an official communication from the CNBV and the other dates will be adjusted.

General Terms and Conditions of the Transaction

1

Investment Amount

- Up to MX 1,300 million. The transaction will be executed with Newly issued common shares of the existing series (“Rights Offering”)

2

Subscription Price

- The New Shares will have a nominal value of MX \$7.00 (seven Mexican Pesos 00/100) for current shareholders

3

Use of Resources

- The Company expect to use the resources derived from the transaction to strengthen the liquidity of the business and position the Company towards new opportunities that the recovery of the hotel industry may offer. **The resources will not be used for debt prepayments and the current structure allow us to preserve the flexibility of the issuance of FSTAY**

4

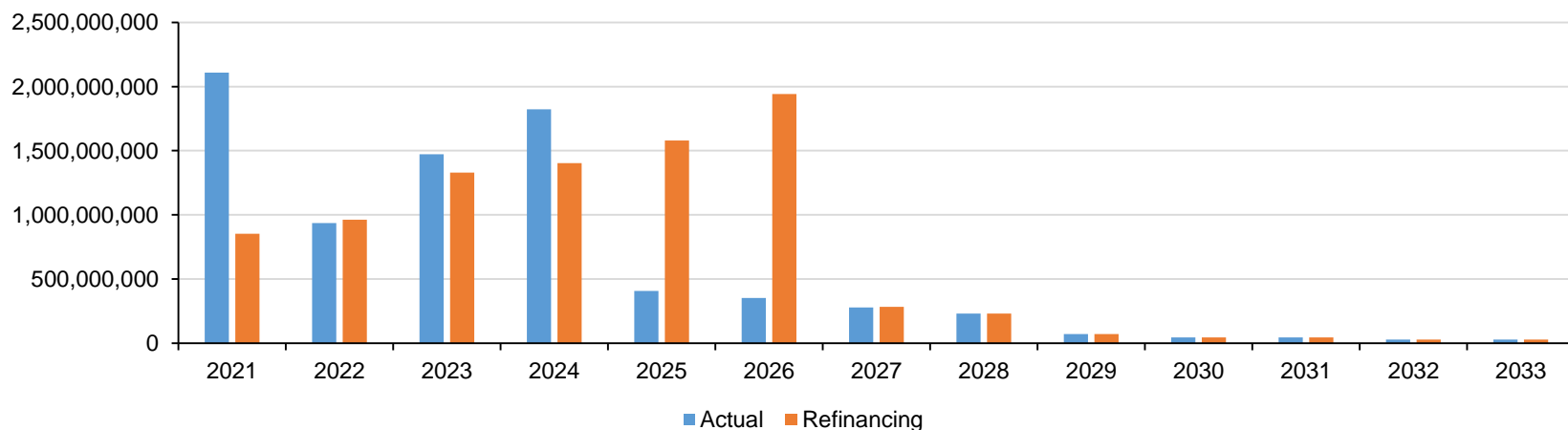
Restrictions

- In order to deleverage the business, the Company Will not be able to carry out new developments unless it reaches a Net Debt to EBITDA ratio of less than 3.5x.

Rational of the Transaction and Current Strategy

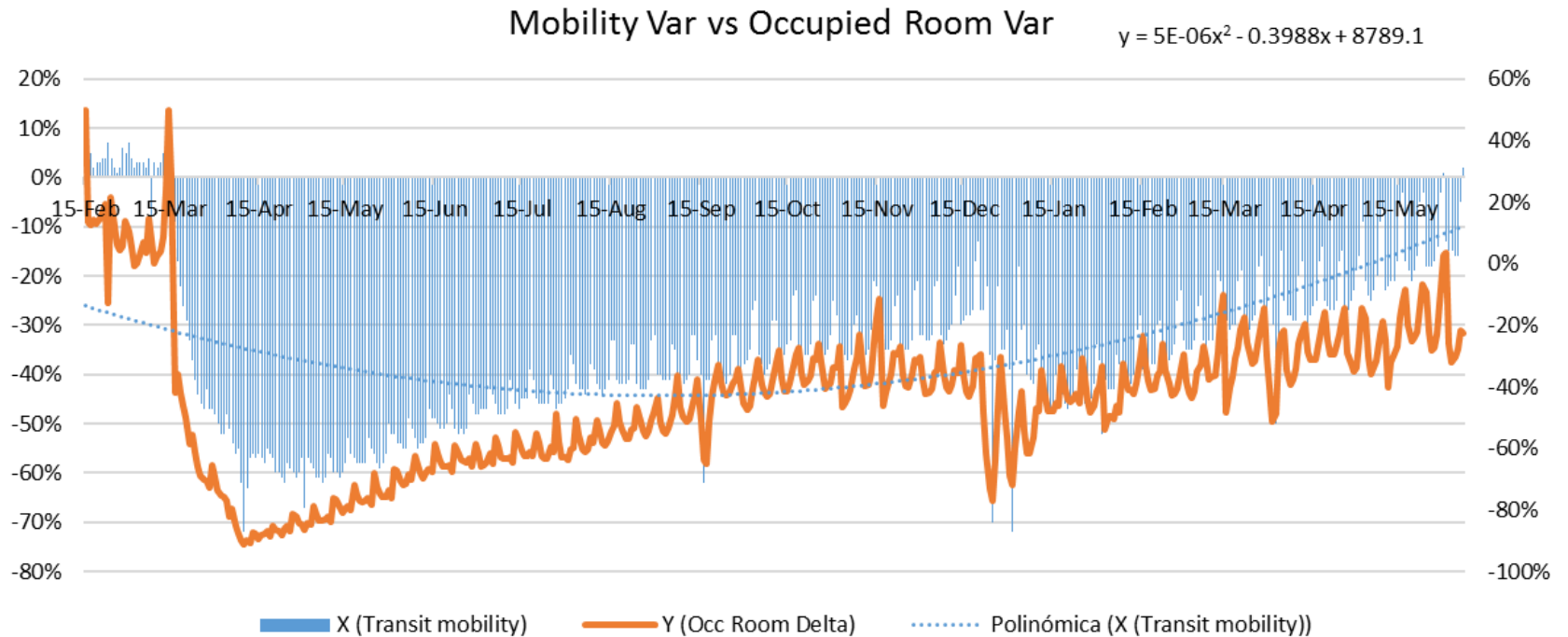
- ✓ In line with the Refinancing held for a total amount of MX \$3,827 million, Hoteles City Express seeks to strengthen the Company's balance sheet in order to guarantee the necessary liquidity during the recovery phase.
- ✓ Once the business has been deleveraged, Hoteles City Express believes that its balance sheet position Will allow to take advantage of consolidation opportunities given the market fragmentation.
- ✓ In line with the deleveraging strategy, the Company Will continue with the recycling process of its current land reserve, which is registered at MX \$717 million.

Principal and Interest Payments (Current vs Refinancing)



The Hotel Industry Has Shown Signs of Recovery Hand in Hand With Increased Mobility

Mobility Variation VS Occupied Rooms Night

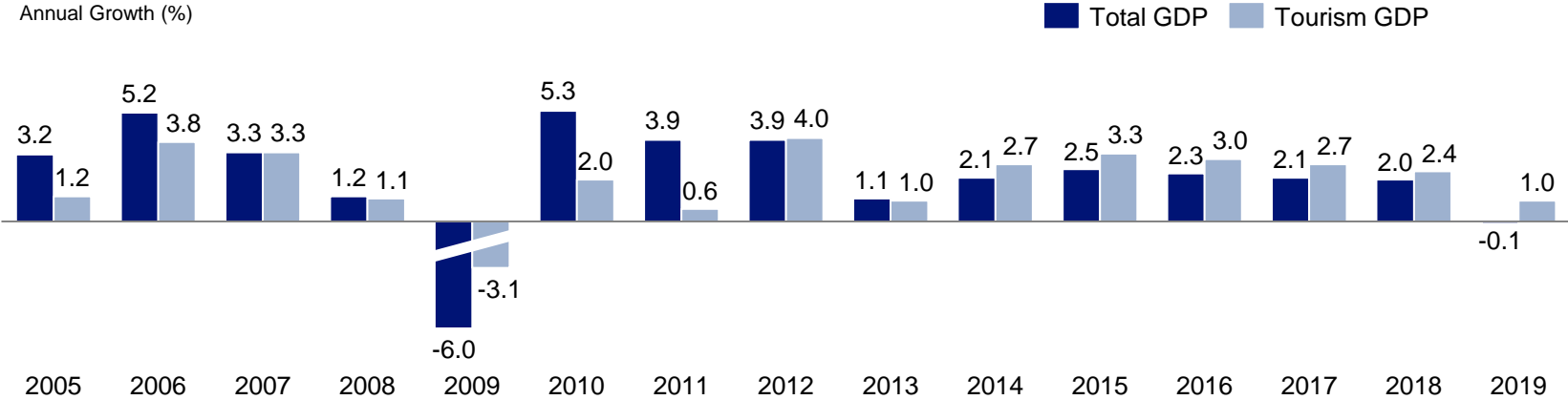


Opportunities in the Hotel Industry in Mexico

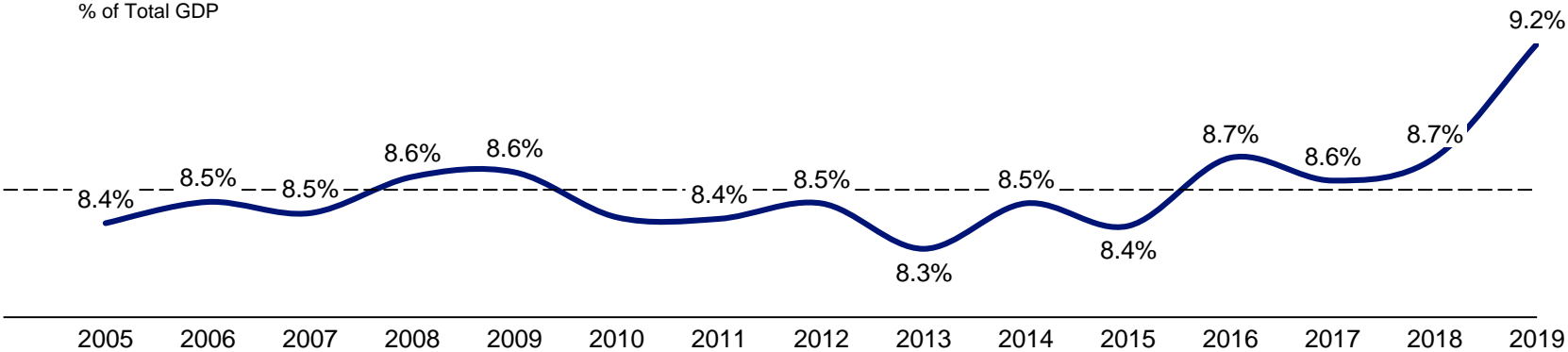
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Tourism Contributes with 9% of Mexico's GDP

Tourism GDP and Total GDP Historical Evolution



Tourism Expenditure as Percentage of Total GDP

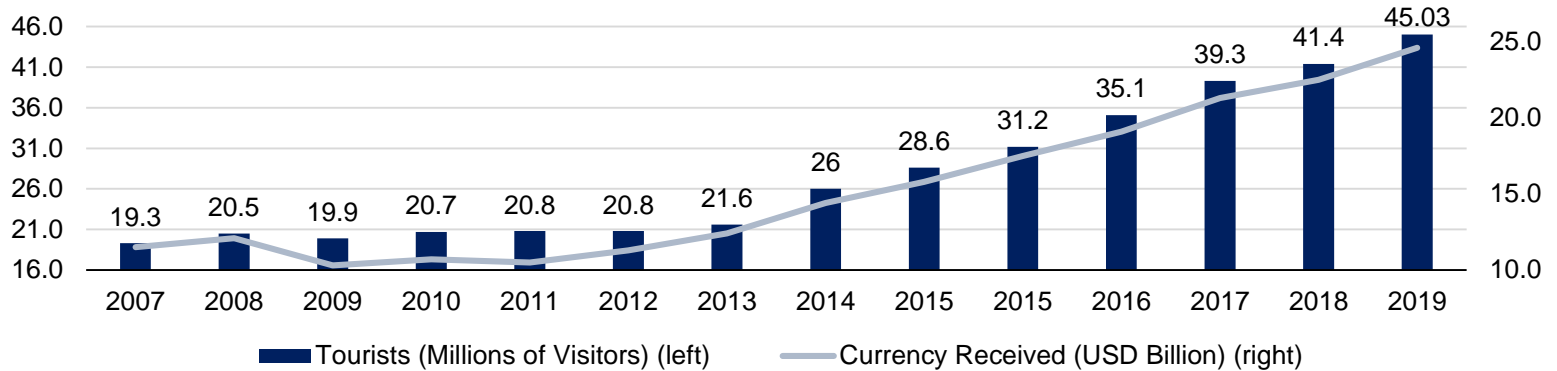


Source: Elaboration and seasonality adjustments by Banco de México with respect to data from the Tourism Ministry of the Federal Government and Airports and Auxiliary Services.



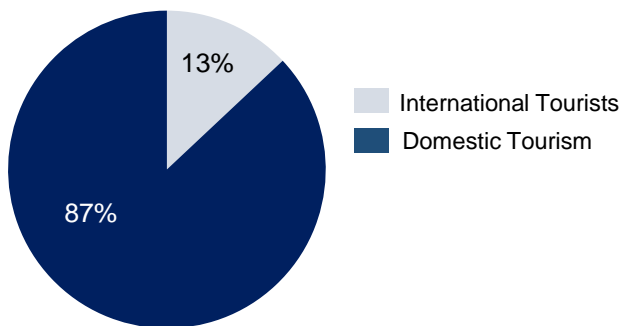
Tourism Strength Derived From Both Domestic Momentum and International Visitors

International Tourist Arrivals and Currency Surplus



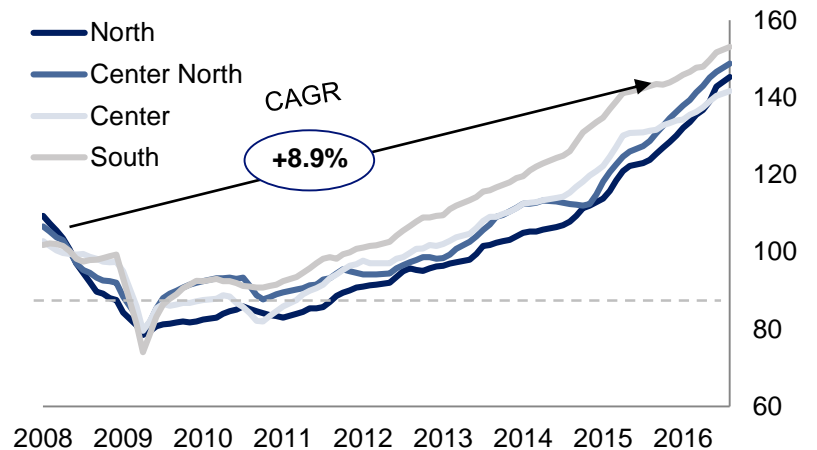
Tourism Expenditure by Origin

2019



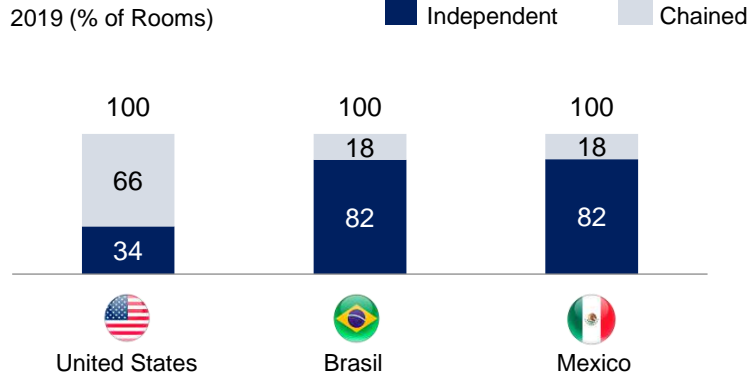
Hotel Occupancy Index

Base 2008 (2008 = 100)

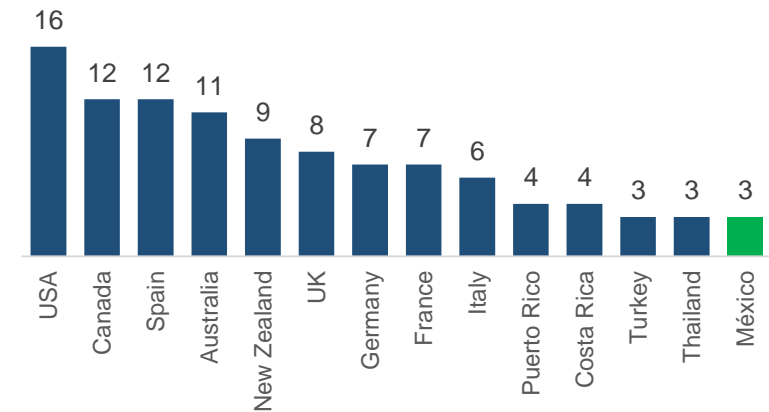


Hospitality Industry with Consolidation Opportunities Due to Fragmentation

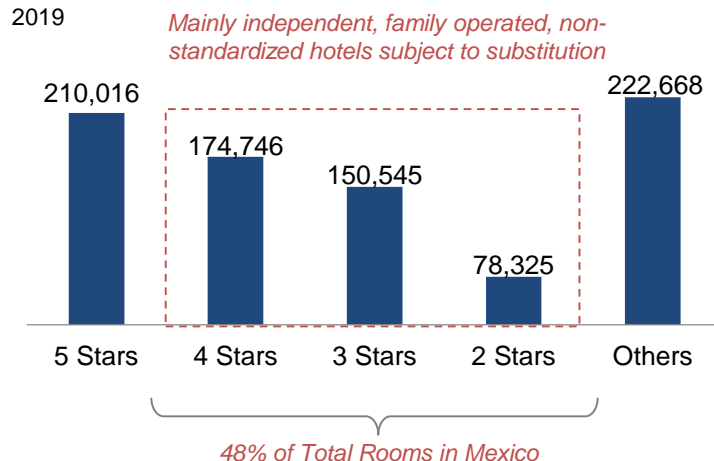
Breakdown of Independent and Chained Hotels



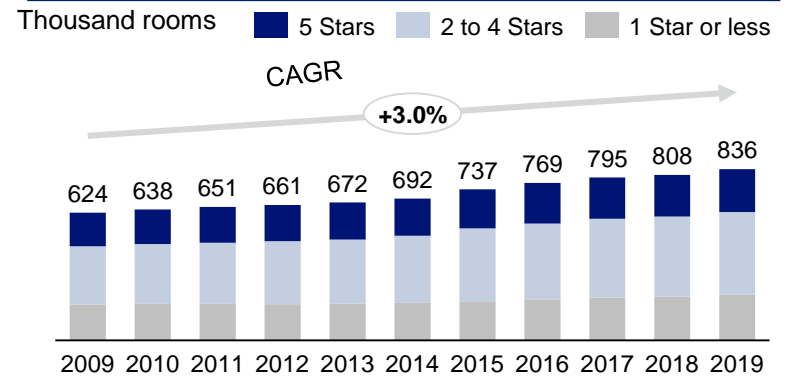
Hotel Rooms per Thousand Inhabitants



Hotel Rooms in Mexico by Number of Stars



Hotel Supply Growth



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

Hospitality Market Players in Mexico



Proposed Methodology to Value HCE



HCE Sum of the Parts Valuation



A

PropCo



- Property company that consolidates the operation of 114 owned, co-owned and leased hotels
- Assets currently valued at 2010 or at cost in balance sheet with significant expected capital appreciation to market value
- Accounts for 78% of Total Revenues and 79% of EBITDA as of 2019

B

OpCo



- Company that operates 147 hotels
- Best distribution, operating and digital marketing platform in LatAm with 80% of total bookings through direct channels
- Yield management systems based on real time market data
- Significant operating leverage capacity due to having infrastructure to operate more than 200 hotels
- Currently accounts for 22% of Total Revenues and 21% of EBITDA

C

DevCo



- Most experienced team in LatAm with more than 25,000 rooms developed
- Pristine investment discipline with lowest-in-industry cost per key
- Proven competence to develop more than 2,000 rooms per year
- Balance sheet as of 1Q21 currently has Ps\$1,817 million on constructions in progress and landbank and Ps\$717.3 million in cash for future expansion



HCE Sum of the Parts Valuation PropCo

■ Non FSTAY Hotels ■ FSTAY Portfolio

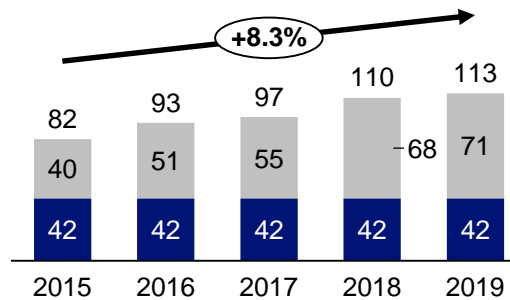
A

PropCo

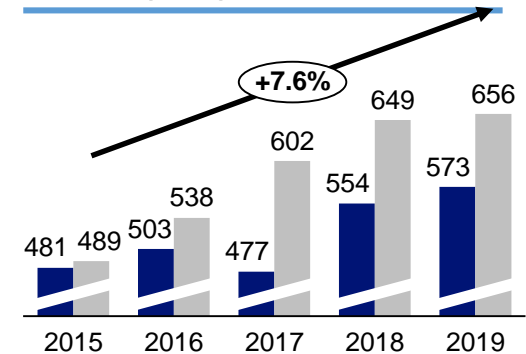


- Property company that consolidates the operation of 114 owned, co-owned and leased hotels
- Assets valued at cost in Balance Sheet with significant capital appreciation to market value
- Accounts for 78% of Total Revenues and 79% of EBITDA as of 2019

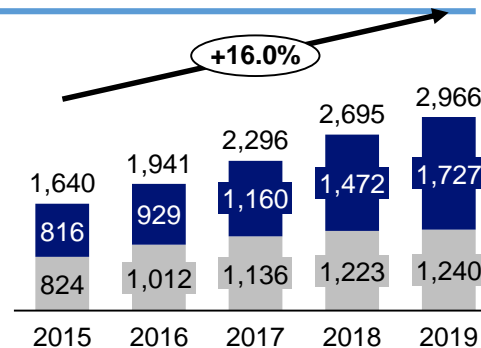
Number of Hotels Consolidated



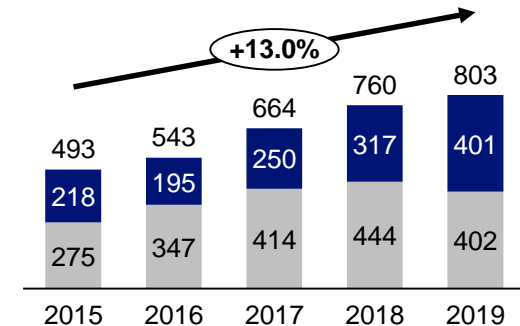
RevPAR (MXN)



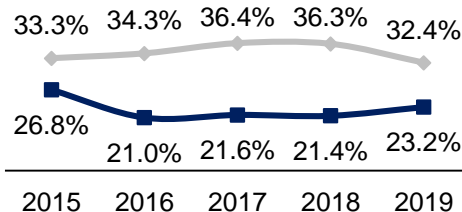
Total Revenues (MXN MM)



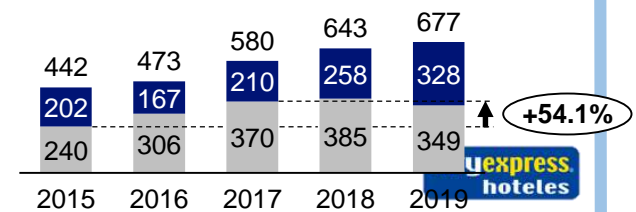
EBITDA



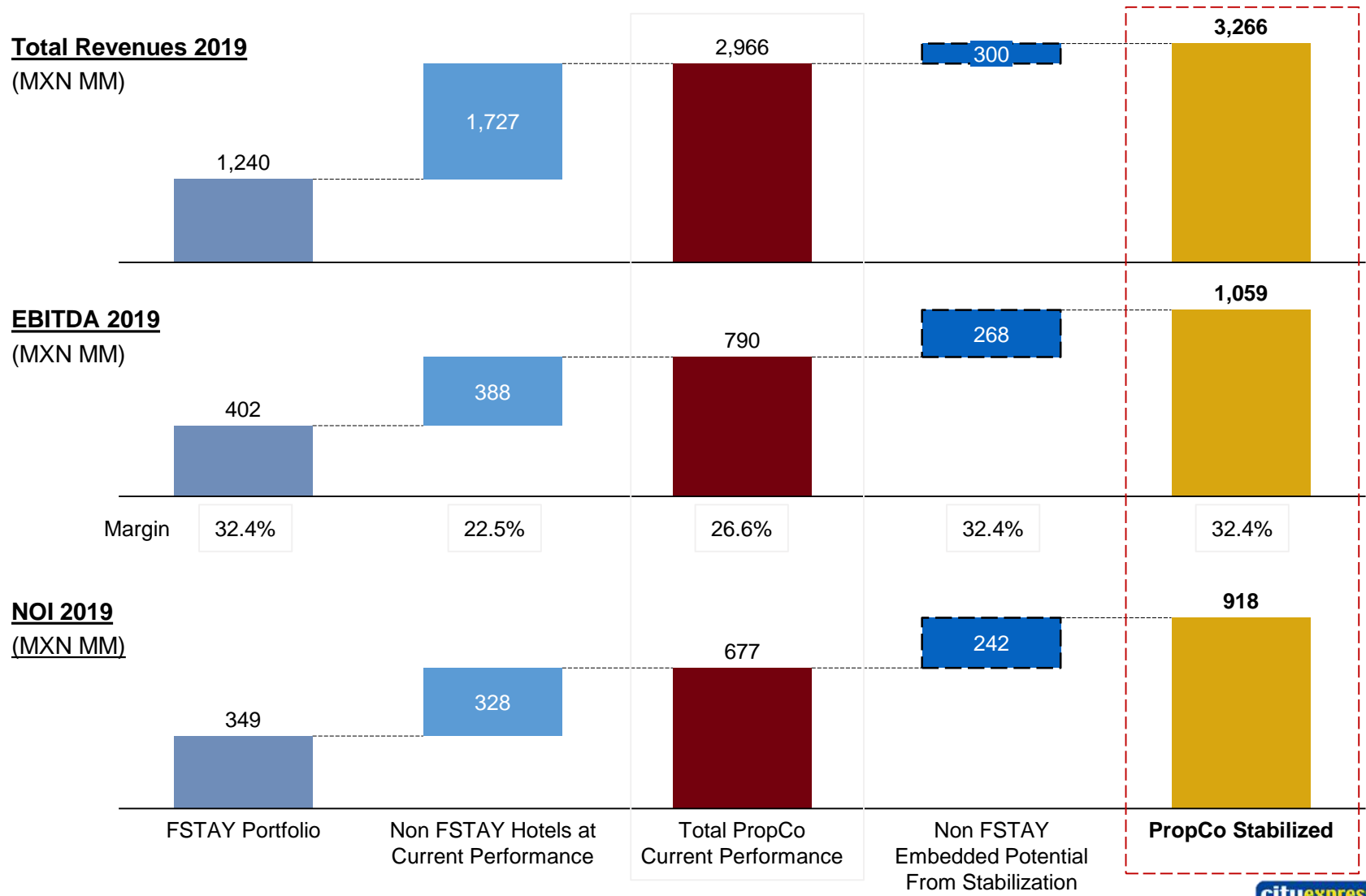
EBITDA Margin



NOI



HCE Sum of the Parts Valuation: PropCo with Significant Incremental Value Derived from Asset Stabilization



HCE Sum of the Parts Valuation OpCo

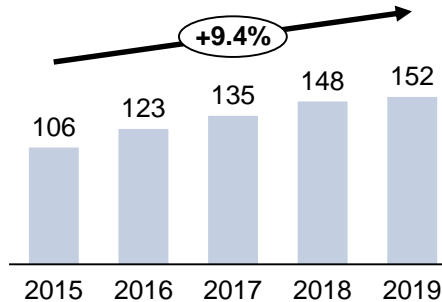
B

OpCo

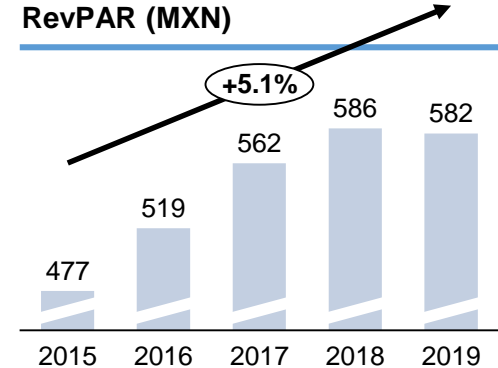


- Company that operates 152 hotels
- Best distribution, operating and digital marketing platform in LatAm with 80% of total revenues through direct channels
- Yield management systems based on real time market data
- Significant operating leverage capacity due to having infrastructure to operate more than 200 hotels
- Accounts for 22% of Total Revenues and 21% of EBITDA

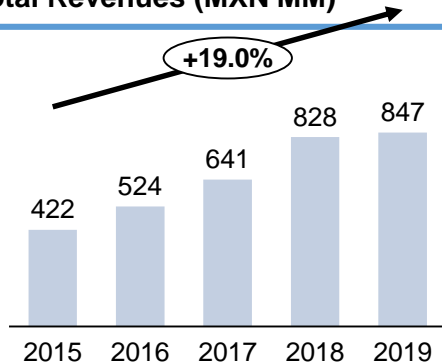
Number of Hotels Operated



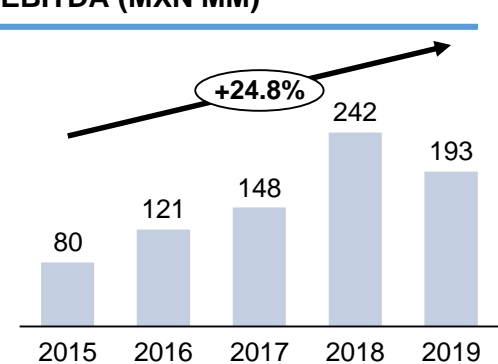
RevPAR (MXN)



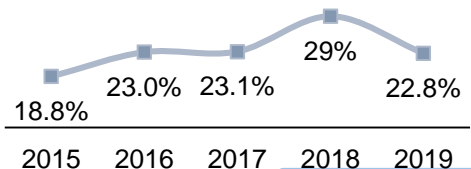
Total Revenues (MXN MM)



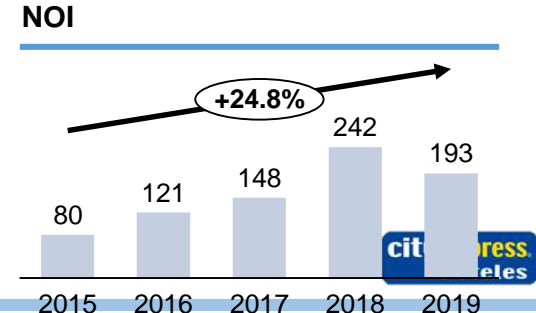
EBITDA (MXN MM)



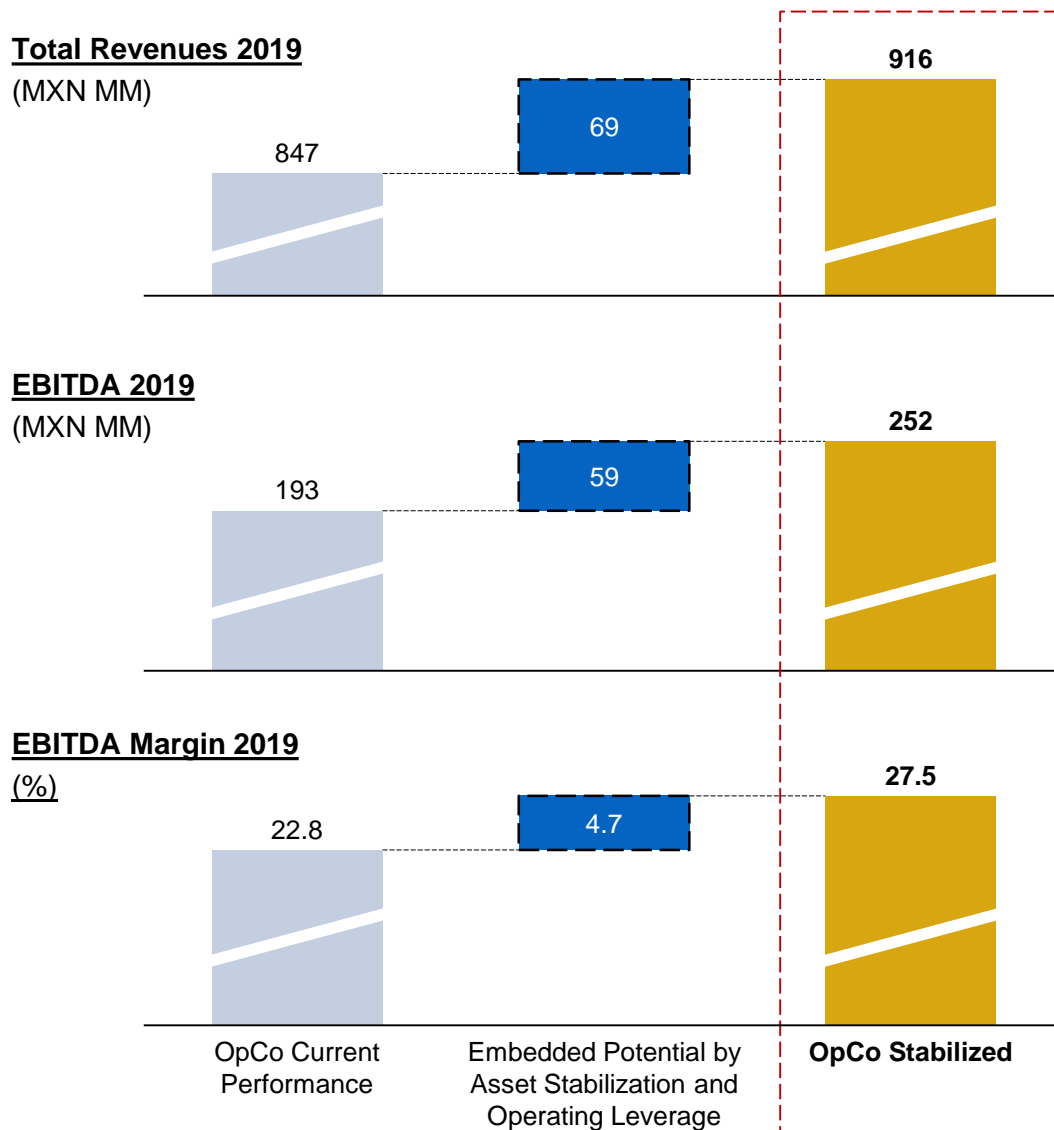
EBITDA Margin



NOI



HCE Sum of the Parts Valuation: OpCo With Additional Potential by Asset Stabilization and Operating Leverage



HCE Sum of the Parts Valuation: DevCo with Value to Untap From NPV of Hotels Currently Under Construction

C

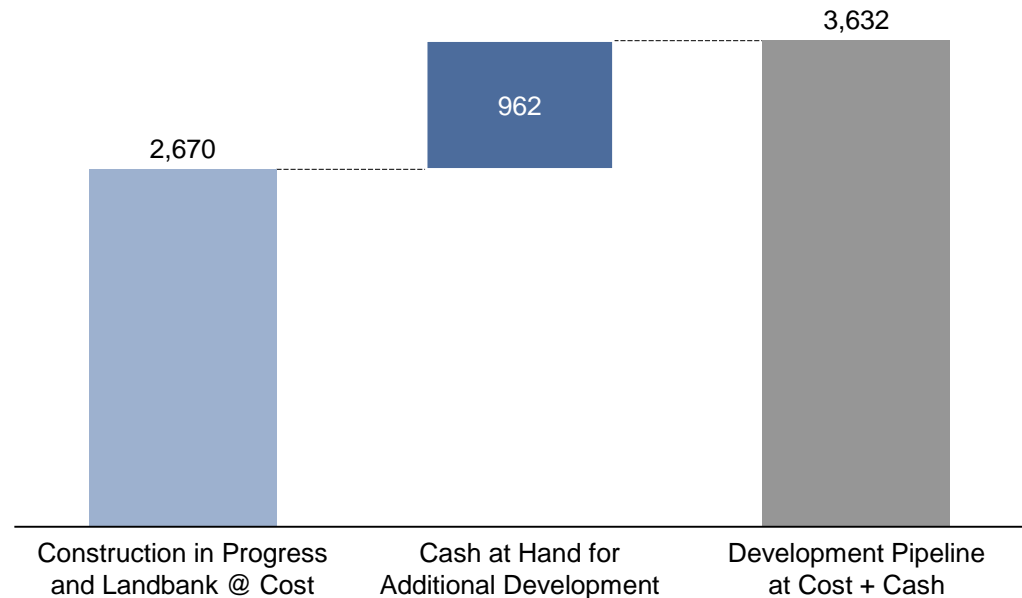
DevCo



- Most experienced team in LatAm with more than 25,000 rooms developed
- Pristine investment discipline with lowest-in-industry cost per key
- Proven competence to develop more than 2,000 rooms per year
- During 2019, the Company had more than 35 projects under different stages of development and additional 50 locations under analysis
- More than \$1.8 bn on constructions in progress and landbank for \$717.3 million

2019 Development Pipeline

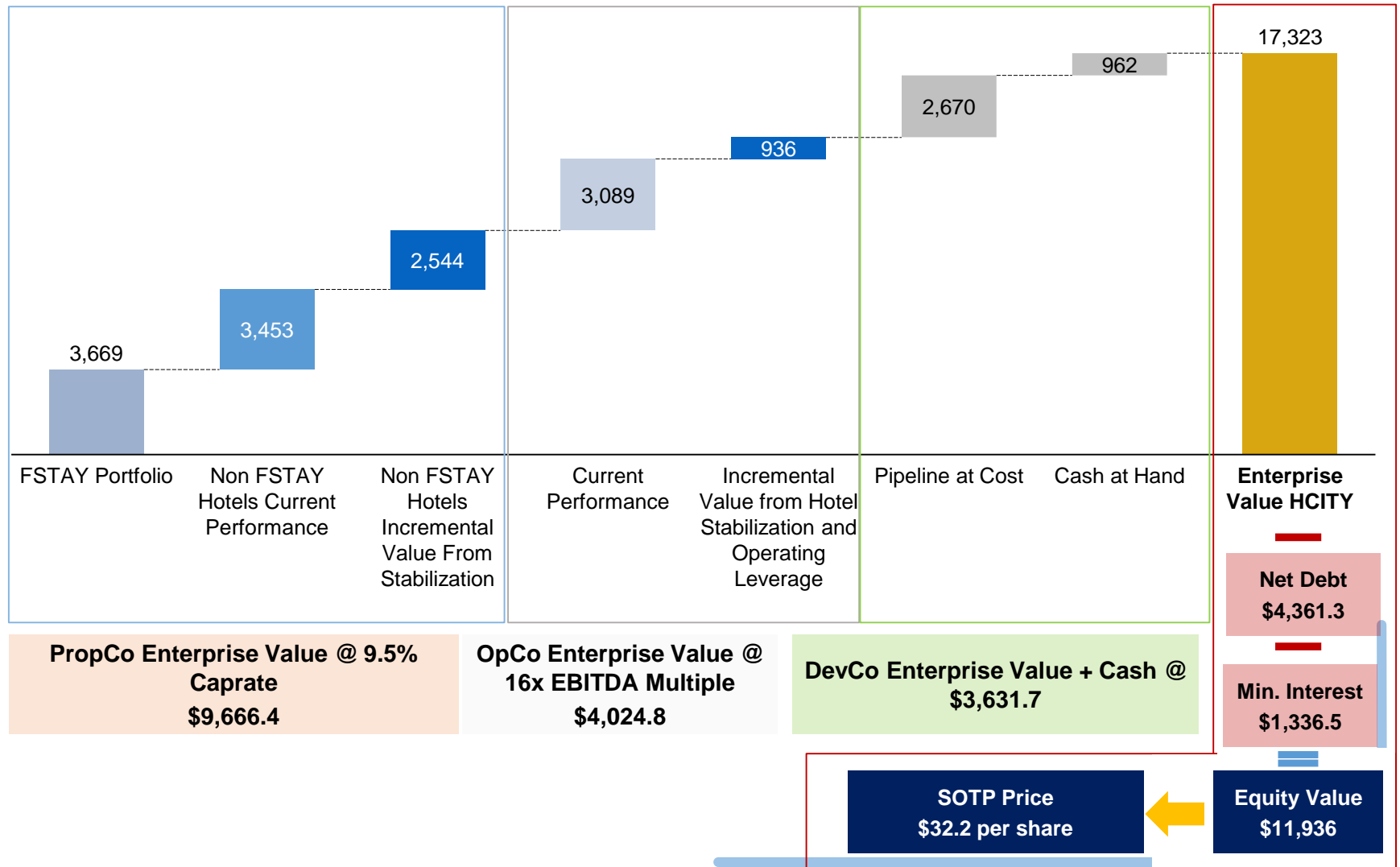
Figures in MXN MM except hotels and rooms



HCE Sum of the Parts Valuation @2019

Sum of the Parts to Enterprise Value

Figures in MXN MM



Hoteles City Express Today

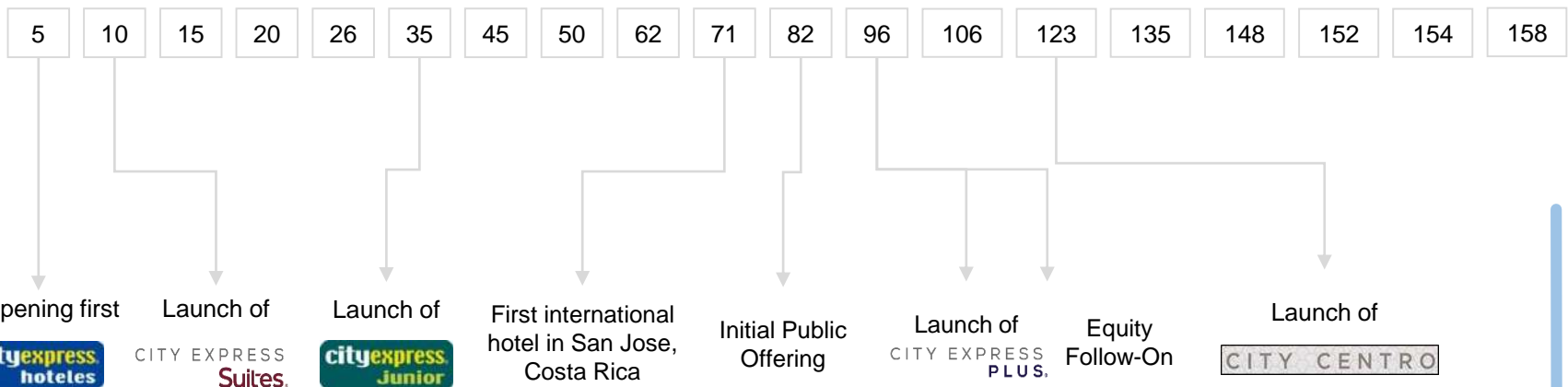
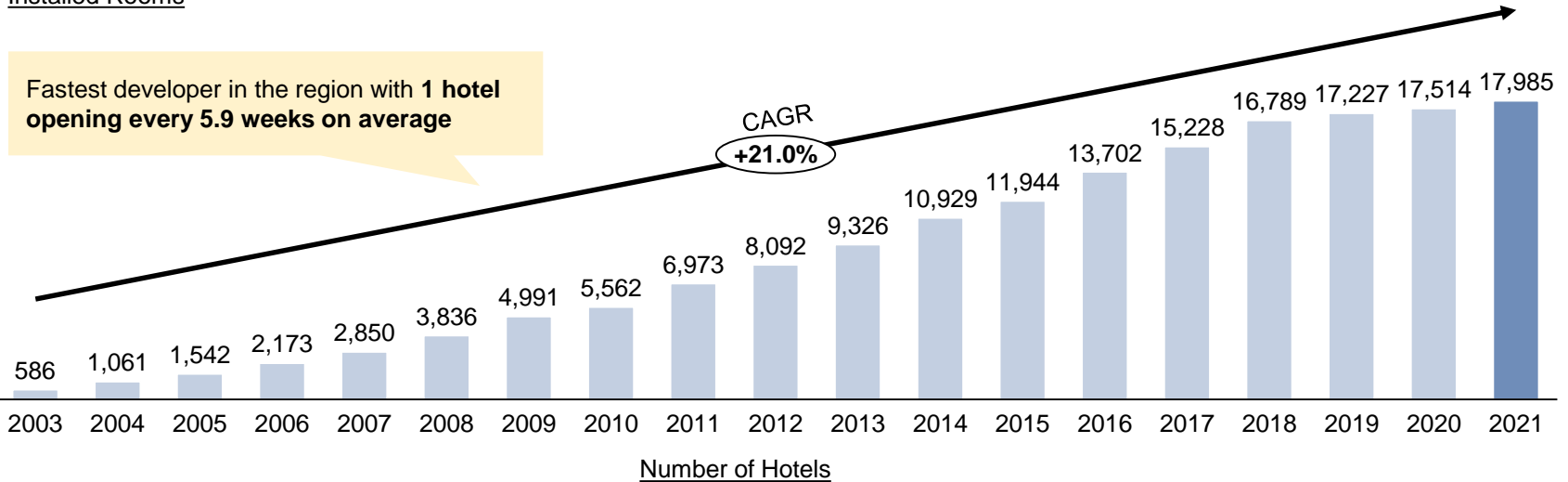
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We Are the Fastest Growing Hotel Chain in Mexico...




Historical Chain Growth

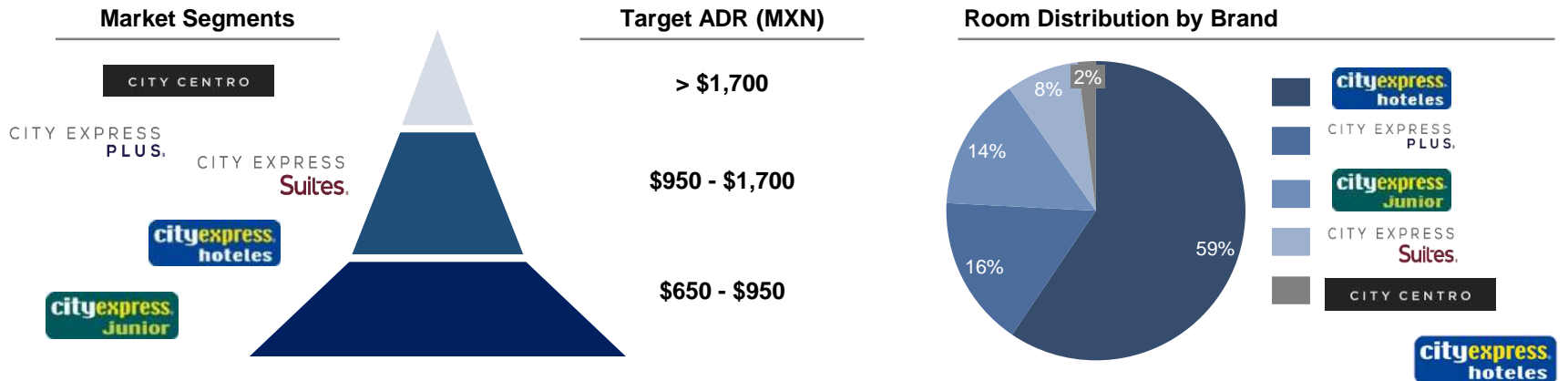
Installed Rooms

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

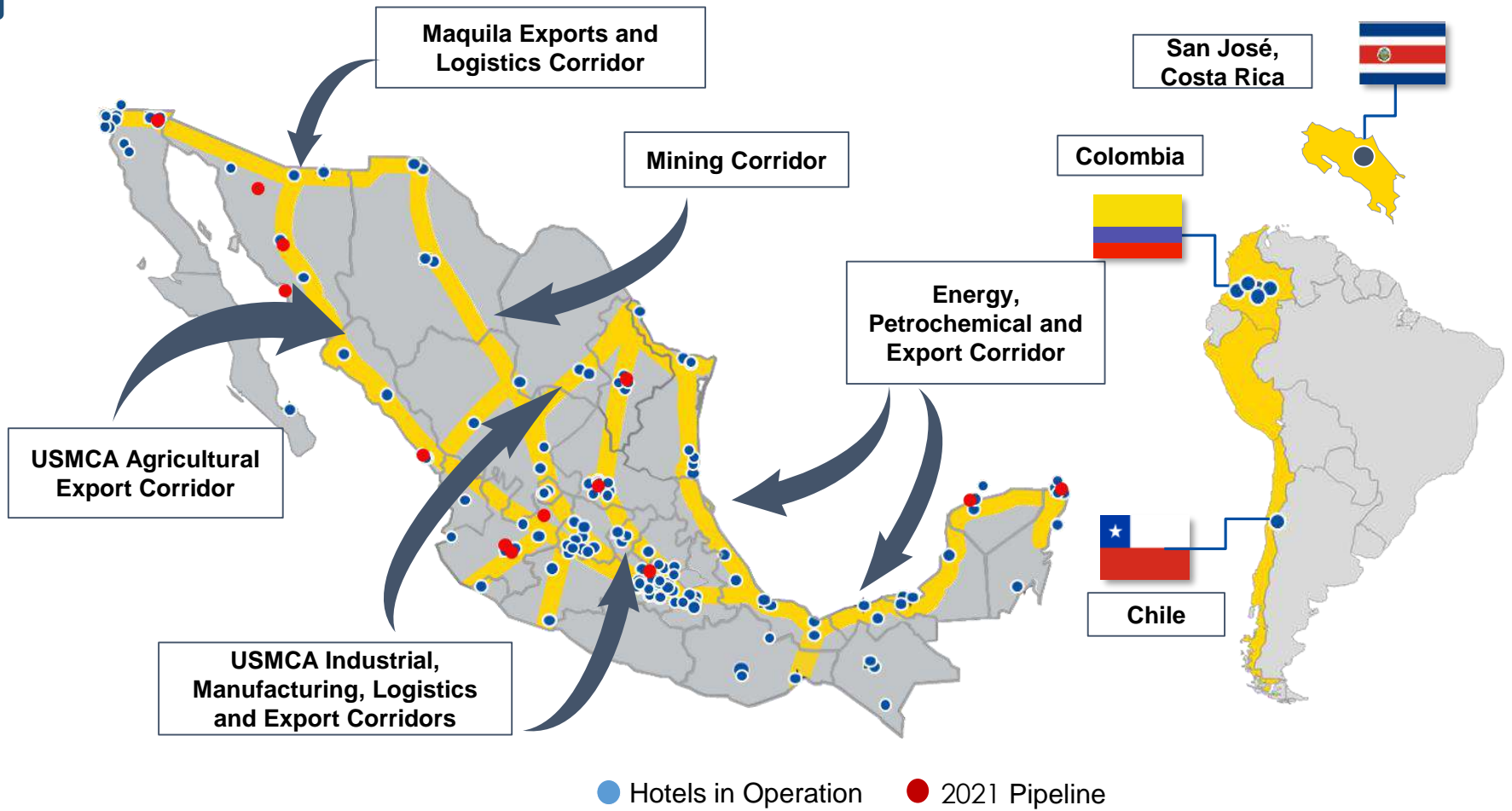


With One Brand and Five Successful Products to Serve our Market Segment

		CITY EXPRESS PLUS.		CITY EXPRESS Suites.	
Description	<ul style="list-style-type: none"> • Flagship Brand • Essential amenities • Economy segment 	<ul style="list-style-type: none"> • City Express product located in Premium locations 	<ul style="list-style-type: none"> • Budget segment brand • Same quality within smaller rooms 	<ul style="list-style-type: none"> • Extended stay brand • Apartment-style layout 	<ul style="list-style-type: none"> • City Express product within city downtowns with Premium decor
Average Room Size	23 m ² (248 ft ²)	23 m ² (248 ft ²)	17 m ² (183 ft ²)	30 m ² (323 ft ²)	23 m ² (248 ft ²)
Average Daily Rate (ADR)	MXN \$650 – \$1,750	MXN \$950 – \$2,900	MXN \$550 – \$1,100	MXN \$950 – \$2,400	MXN \$ 1,600 – \$3,000
Rooms per Hotel	100 – 150	70 – 150	105 – 134	26 – 120	35 – 80
# of Hotels	91	25	22	12	3
# of Rooms	10,655	3,351	2,467	721	217



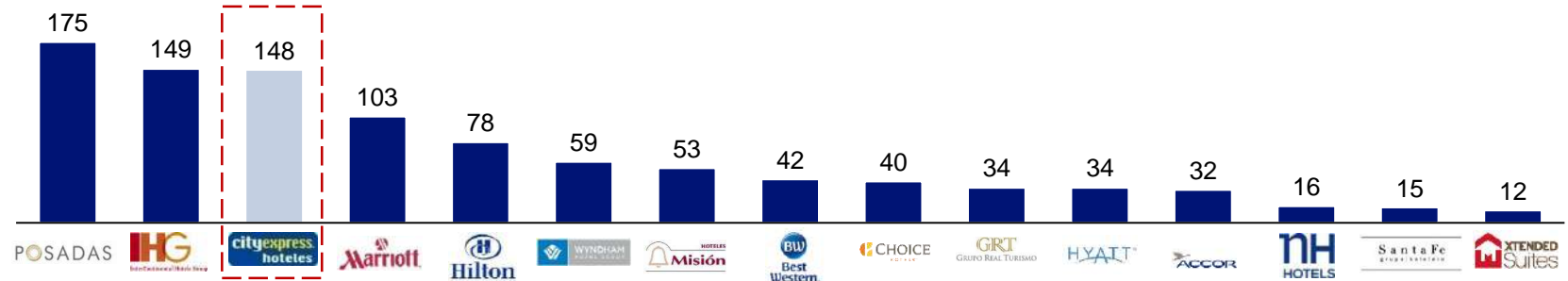
...And Significant Diversification Across Geographies and Countries



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

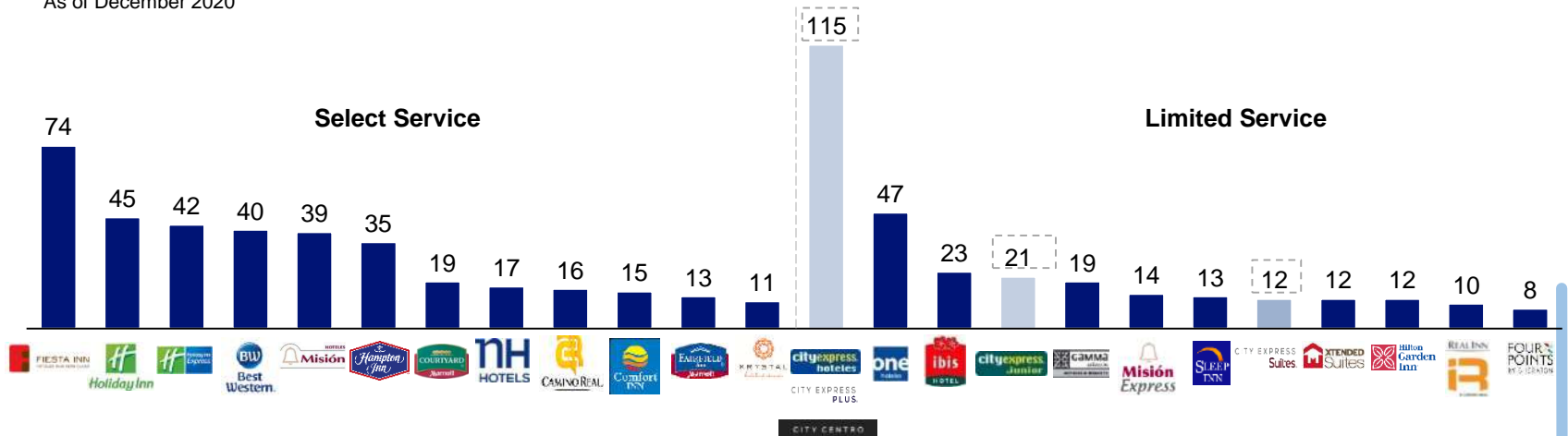
Number of Hotels by Chain in Mexico

As of December 2020



Number of Hotels by Brand in Mexico

As of December 2020

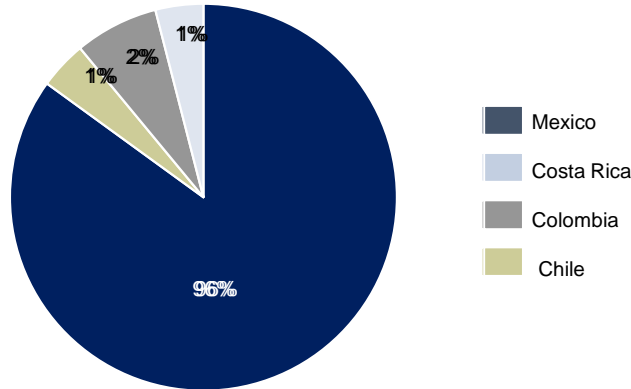


Source: Information prepared by the Company based on publicly available information including prospectuses, quarterly reports, websites and press releases.

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

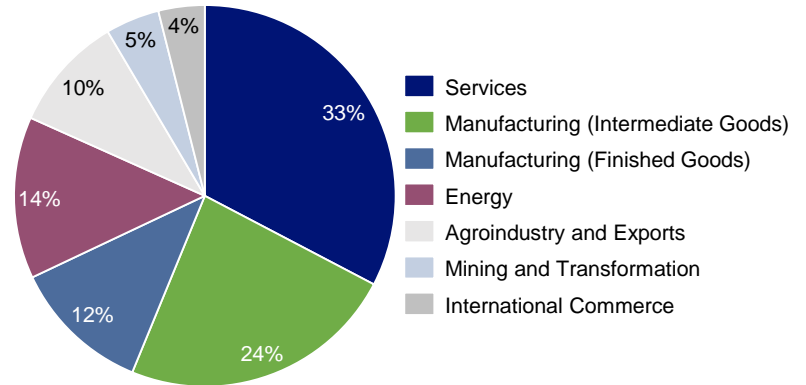
Geographic Coverage by Country

As of March 2021



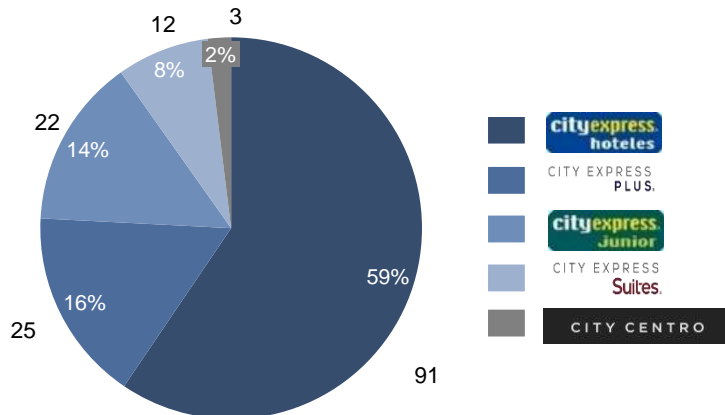
Presence in Mexico by Economic Activity

As of March 2021, % of Total Portfolio based on Number of Hotels



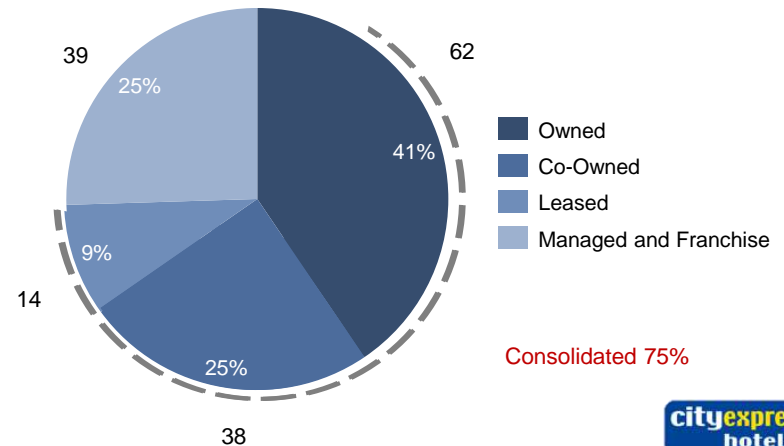
Hotel Portfolio by Brand

As of March 2021, # of Hotels and % of Total Portfolio



Hotel Portfolio by Ownership

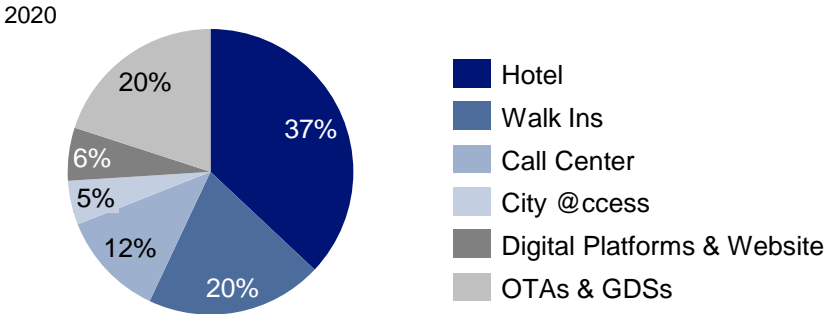
As of March 2021, # of Hotels and % of total Portfolio



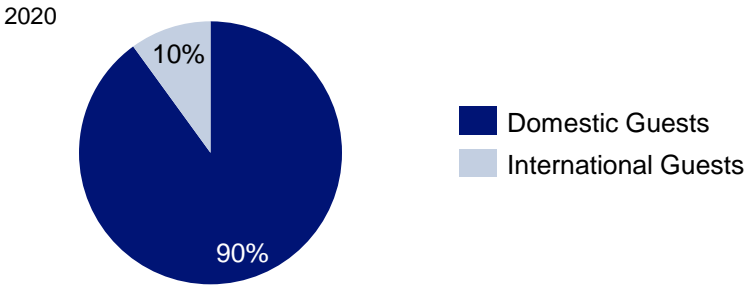
Coupled With an Innovative and Disruptive Room Operation and Distribution Platform

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

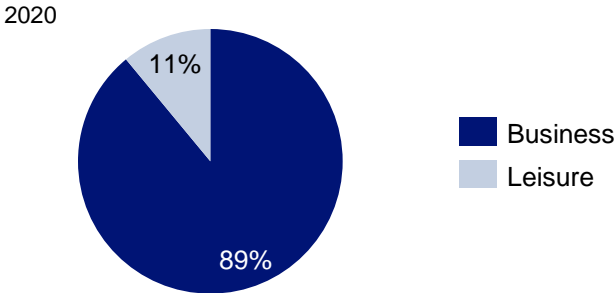
Room Nights Sold by Channel



Room Nights Sold by Guest Type



Room Nights Sold by Travel Purpose



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

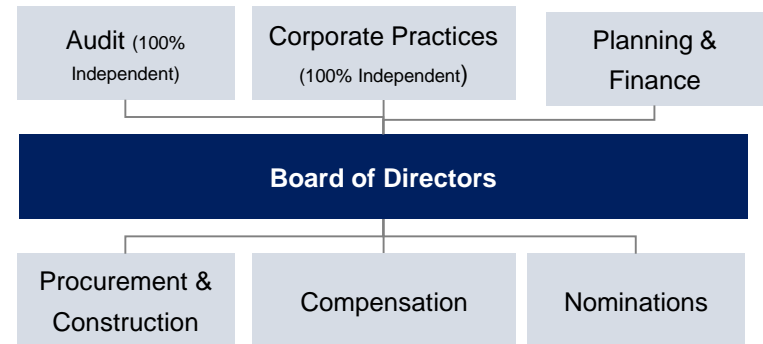
Strong Institutional Sponsors that Fueled Growth



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

Committed and Capable Board of Directors

Board Committees



Sustainability Strategy that Generates Results

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

Portfolio of Certifications



Strategic Pillars and Initiatives

Economic	Entrepreneurship program, committed to growing employment opportunities
Environmental	Resource optimization and minimization of Carbon Footprint initiatives
Social	Labor Inclusion and' welfare programs for employees
	
Download our 2019 Sustainability Report http://cityexpress.com/sustainability	

A photograph of a modern multi-story hotel building at dusk. The building has a mix of white and reddish-brown facades. The name 'city express junior.' is visible on the upper part of the building in illuminated letters. The sky is a deep blue, and the building's windows are lit from within, creating a warm glow. In the foreground, there's a white van parked near a street with some trees and streetlights.

Expansion, Financial and Operating Results

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hoteles

Hotel Development and Inventory Expansion

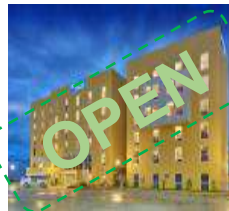
Hotel Openings In the Last 24 Months



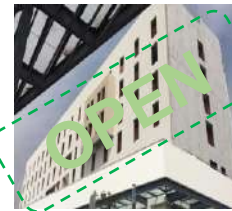
Ce Tepic
Jan. 2018



Ce Atlixco
March 2018



Ce Comitán
March 2018



Ce Gustavo
Baz
June 2018



CeP Cancún
Aeropuerto
Oct. 2018



CS Cancún
Aeropuerto
Oct. 2018



CeP Interlomas
Nov. 2018



CeP Tampico
Nov. 2018



Cj CDMX
Sullivan
Dec. 2018



CeP Mérida
Dec. 2018



CeP Ensenada
Dec. 2018



Ce Ensenada
Dec. 2018



CeP Tijuana
Dec. 2018



Ce CDMX
Tlalpan
Feb. 2019



Ce Tapachula
March 2019



Ce CDMX La
Villa
April 2019



CeP Chihuahua
April 2019



CC SLP
Nov. 2019

Hotel Development and Inventory Expansion

2020 – 2021 Development Pipeline



Ce Guaymas
Enero 2020



CP Mexicali
Febrero 2020



CP Hermosillo
Expo
Agosto 2020



Ce Caborca
Diciembre 2020



CP San Luis



Ce Monterrey
San Nicolás



Ce Lagos de
Moreno



Ce Gdl.
Galerías



CP Mazatlán



CP Mérida Siglo
XXI



CP CDMX Per
Sur Cuicuilco



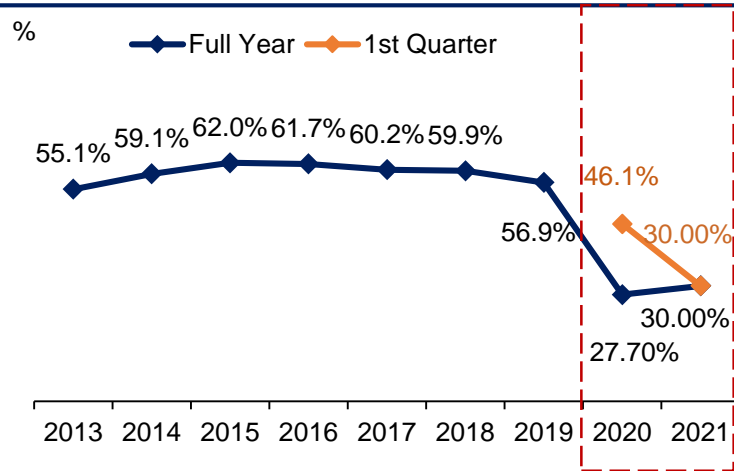
Ce CDMX
Anzures



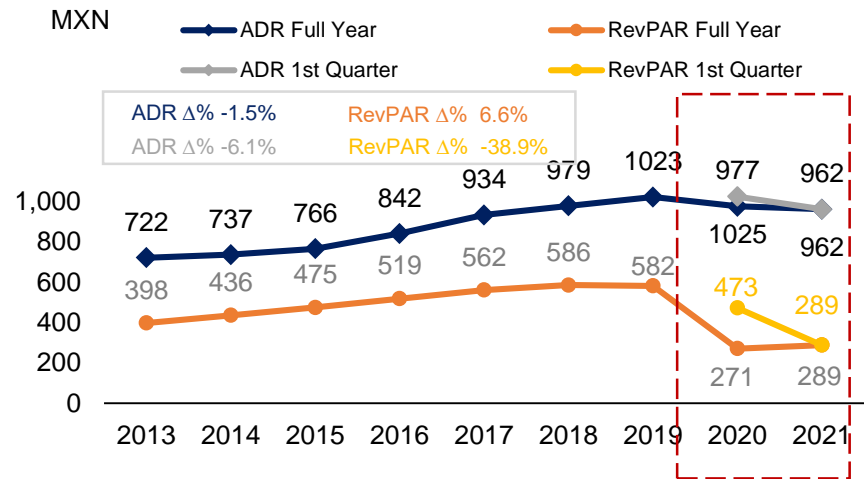
Ce Cancún
Aeropuerto

Operating And Financial Summary

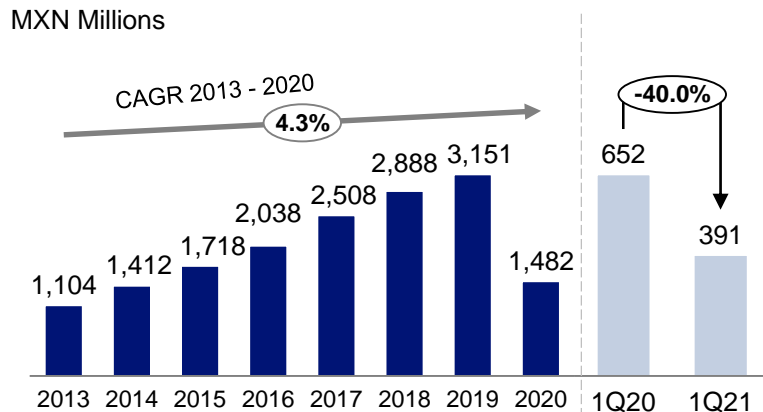
Occupancy



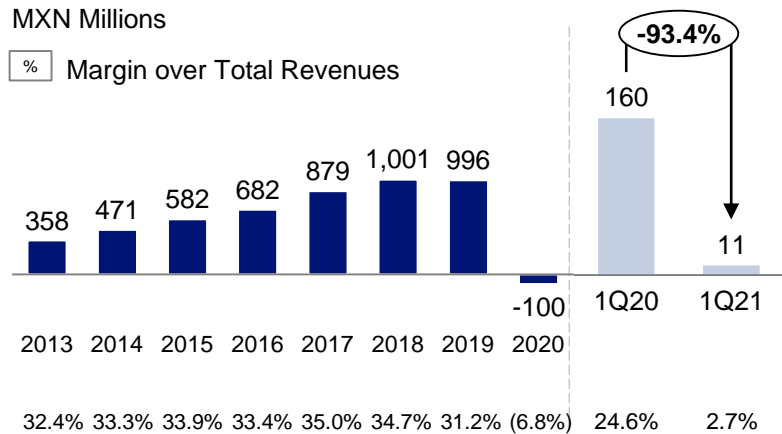
Average Daily Rate (ADR) and Effective Daily Rate (RevPAR)



Total Revenues



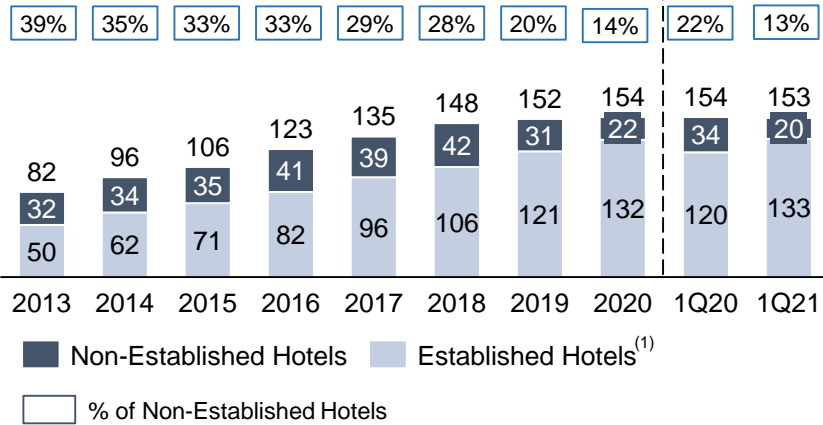
Adjusted EBITDA and EBITDA Margin



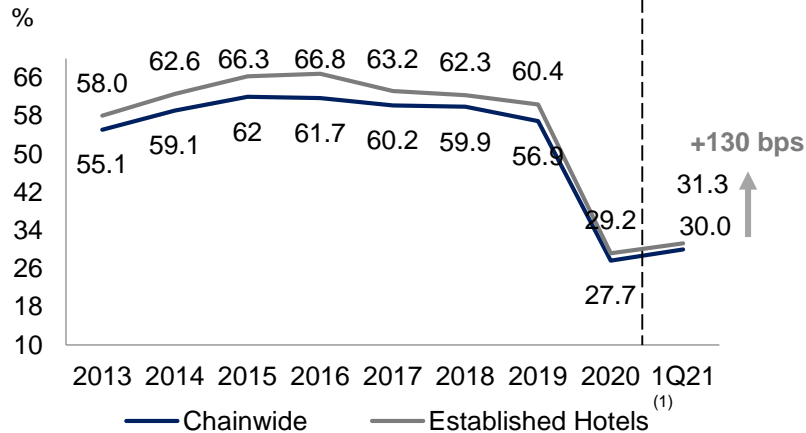
Established Hotels Metrics

Number of Hotels in Operation

of Hotels in Operation at the End of Each Period

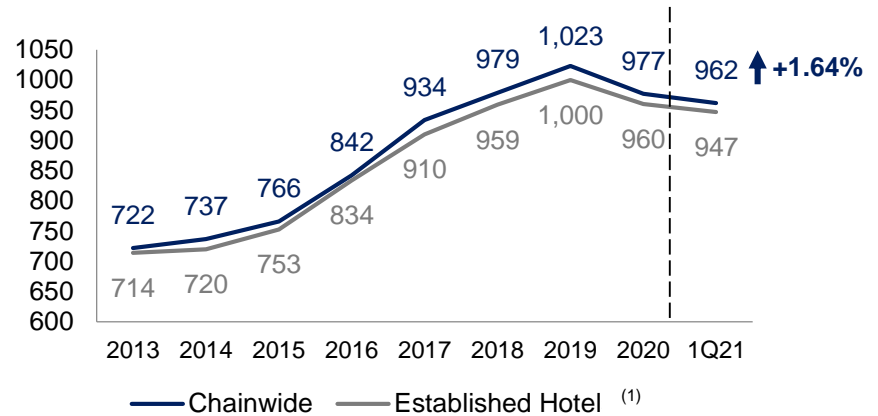


Occupancy



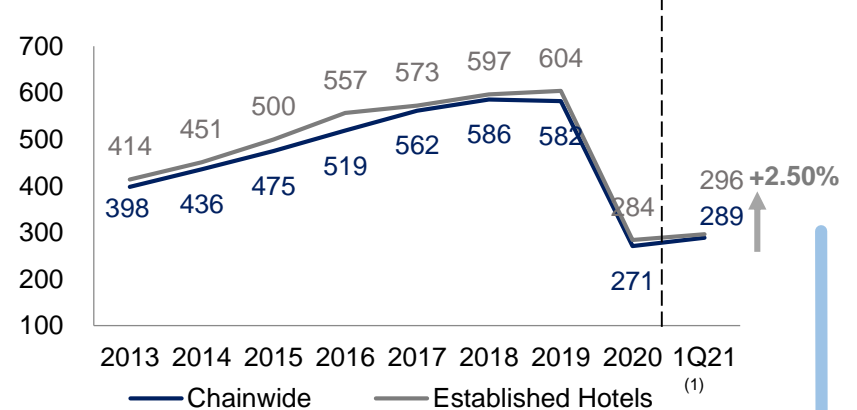
ADR

MXN



RevPAR

MXN

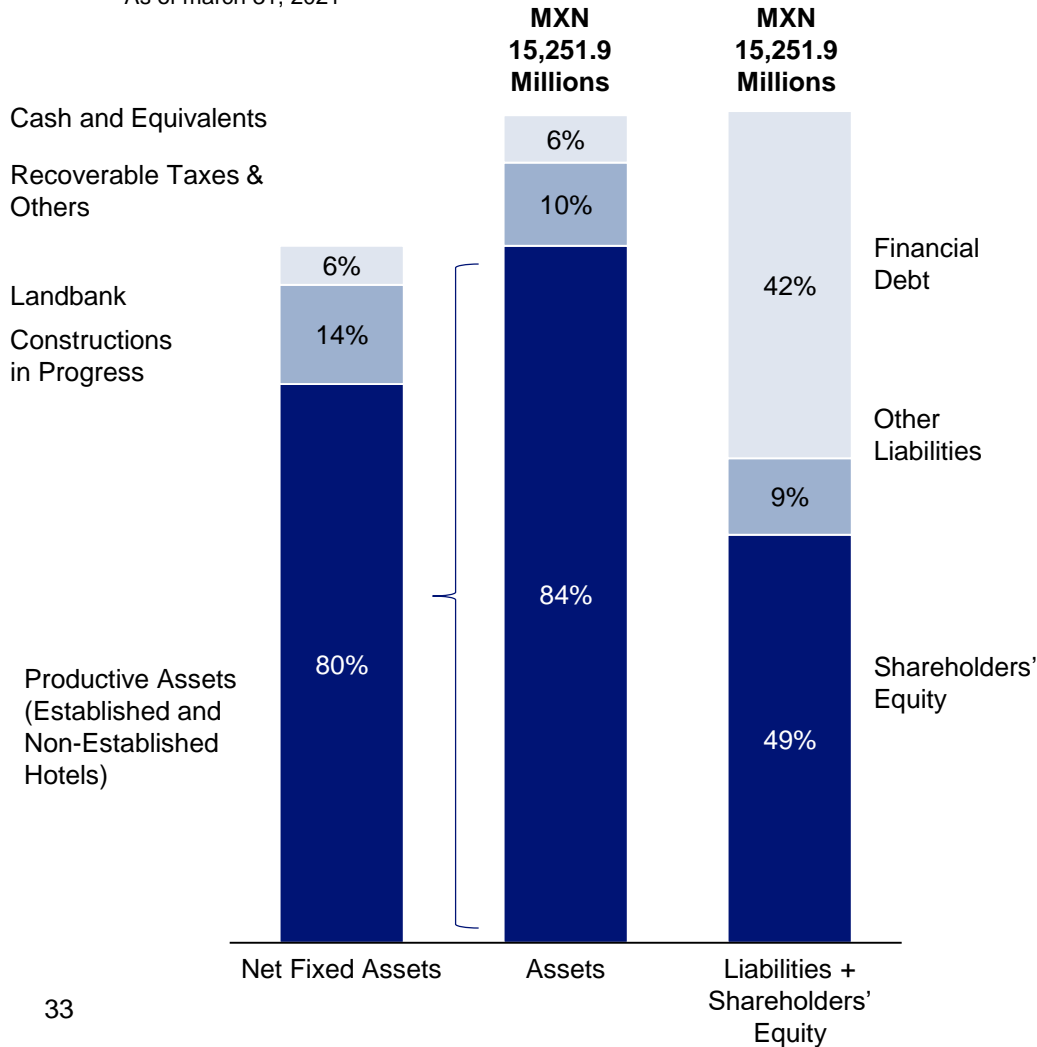


(1) Defined as the hotels with at least 36 months of operation

Capital Structure and Financial Position

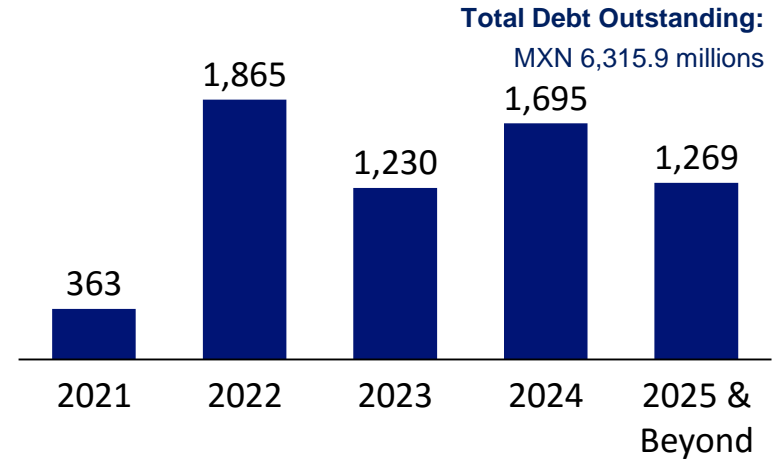
Balance Sheet Structure

As of march 31, 2021



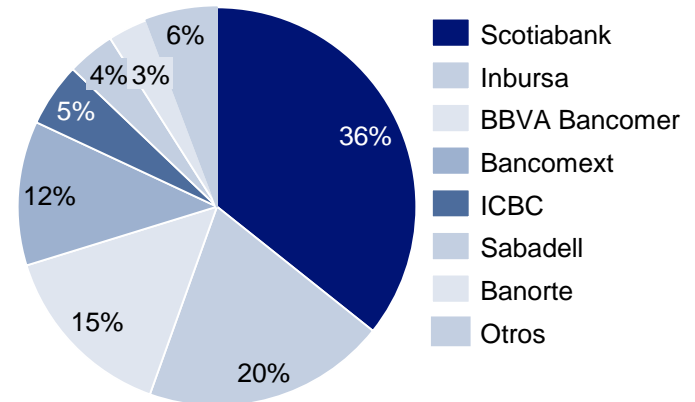
Financial Debt Maturity Schedule

As of march 31, 2021

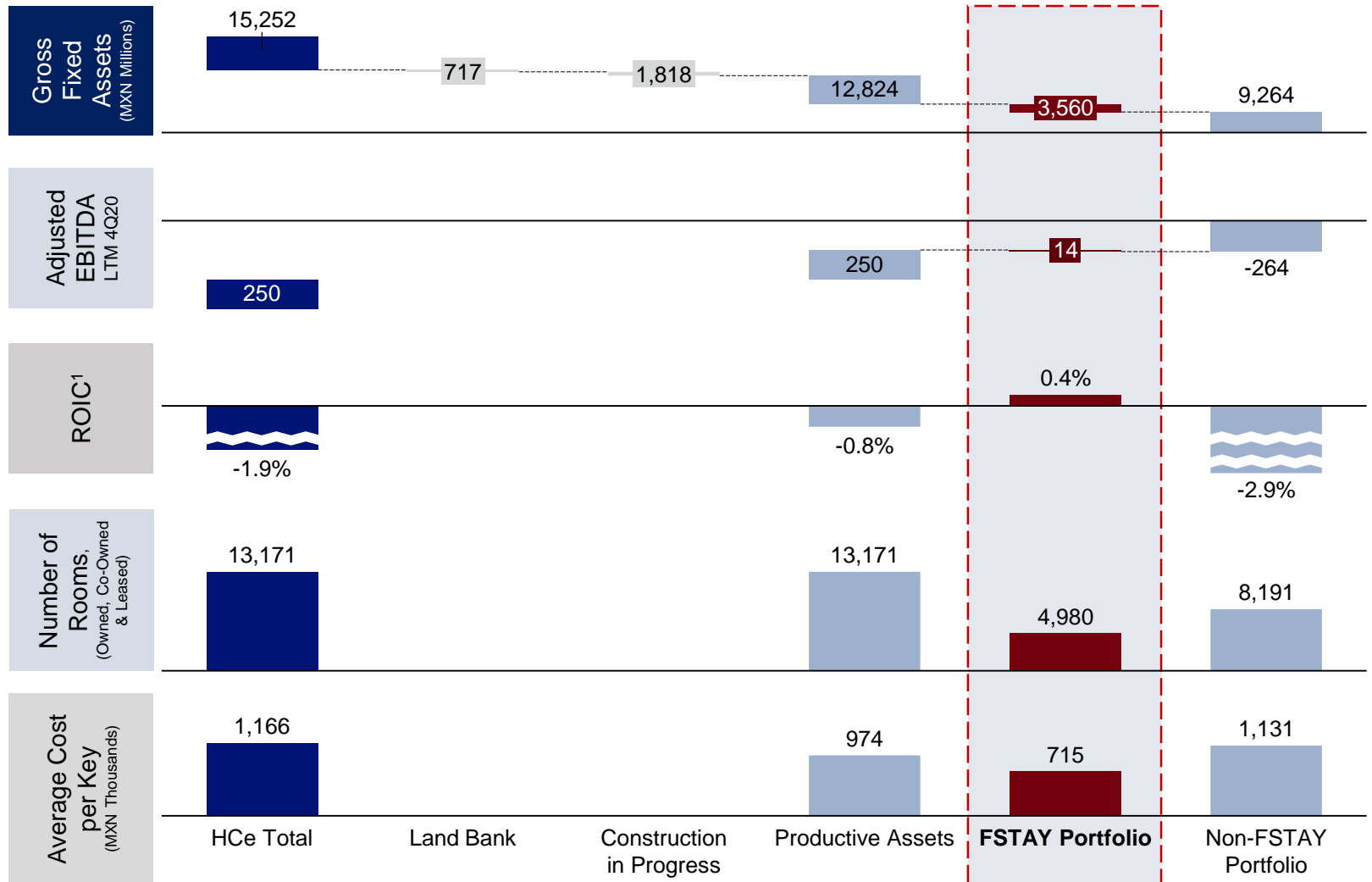


Access to Diversified Financing Sources








Bank Debt by Counterparty as of march 31, 2021



Return On Invested Capital



Pristine Execution Characterized by Robust Performance on All Fronts

		Initial Public Offering (November 2013)	1st Quarter 2021	
Hotel Platform	Hotels / Rooms in Operation	72 / 8,201	153 / 17,411	 12.3%
	Development Pipeline (Projects in Process)	13	30	 130.8%
Operating Metrics ¹	Occupancy	55.1%	30.0%	 25.1 pp
	Average Daily Rate (ADR)	\$722	\$962	 33.2%
	Revenue per Available Room (RevPAR)	\$398	\$289	 27.4%
Financial Performance ¹	Total Revenues	\$968 MM	\$1,221 MM	 26.1%
	Adjusted EBITDA / Margin	\$311 MM / 30.5%	(\$250) MM / (20.5%)	 NM

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

Fibra STAY

cityexpress
hoteles

Fibra STAY Objectives

1

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



2

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



3

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

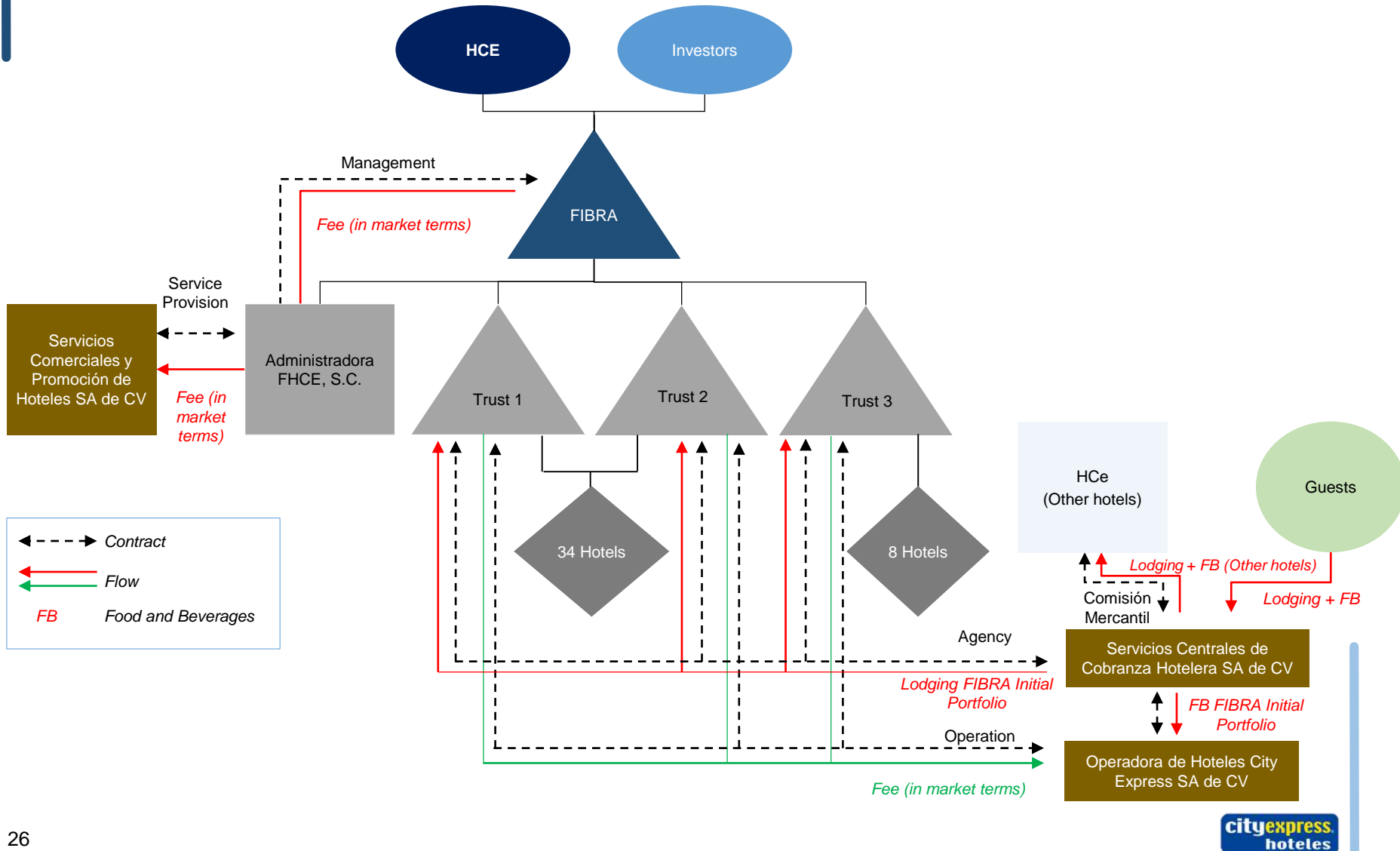


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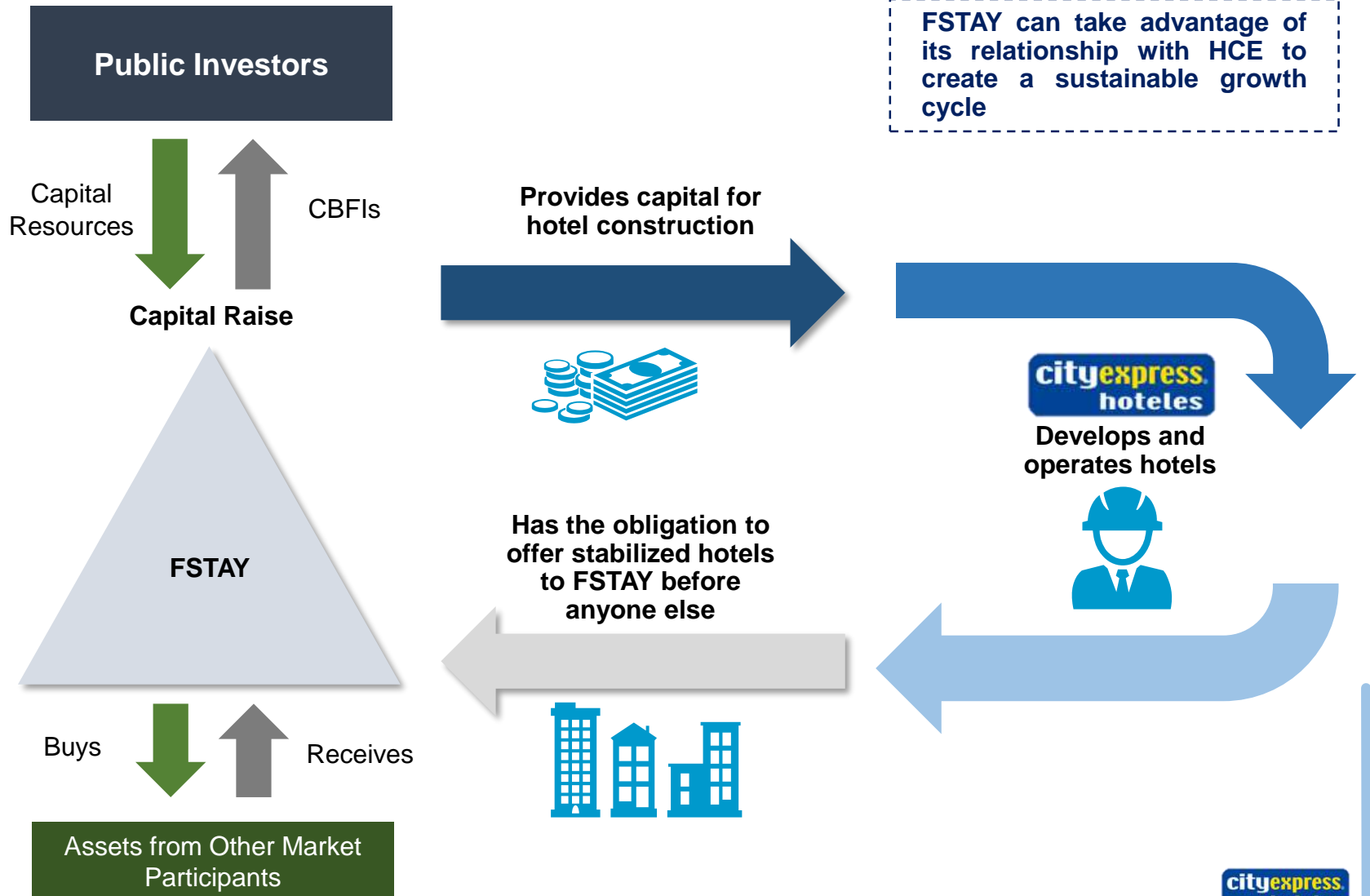
Generate transparency on performance and profitability HCE key business segments



Fibra STAY Structure



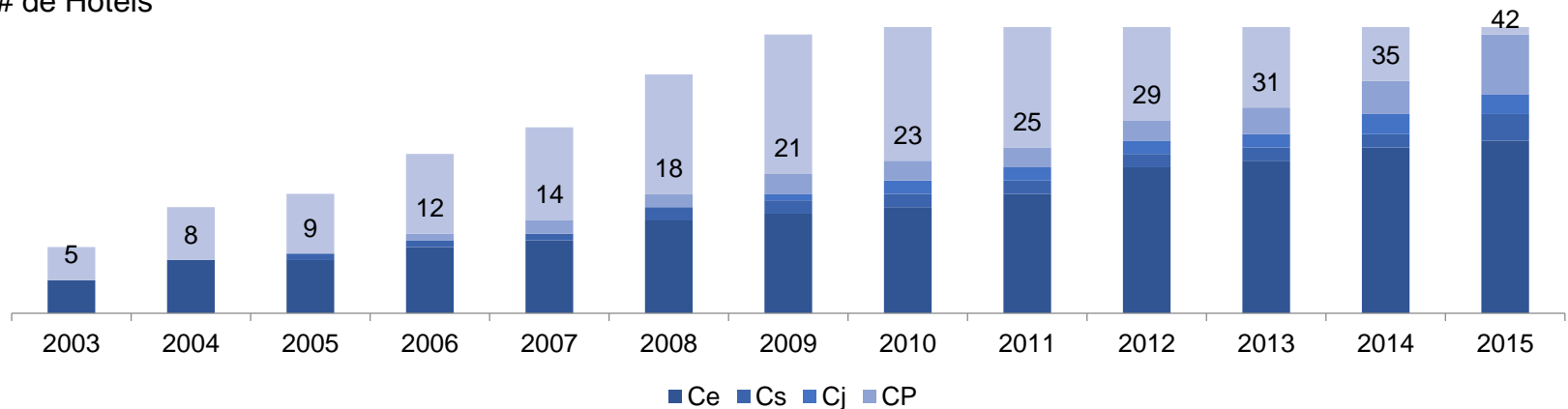
Sustainable Recycling Capital Vehicle



Best in Class Diversified and Established Portfolio

Portfolio Development by Brand

de Hotels



Key Points

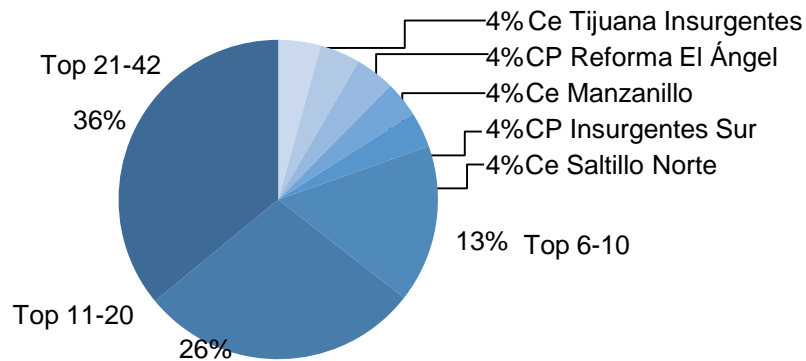
- Hotels developed and operated by Hoteles City Express under the highest quality standards.
- Assets strategically located in regions with high demand for lodging by business travelers and with growth potential.
- Established Portfolio of hotels – All the assets have at least 24 months in operation,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



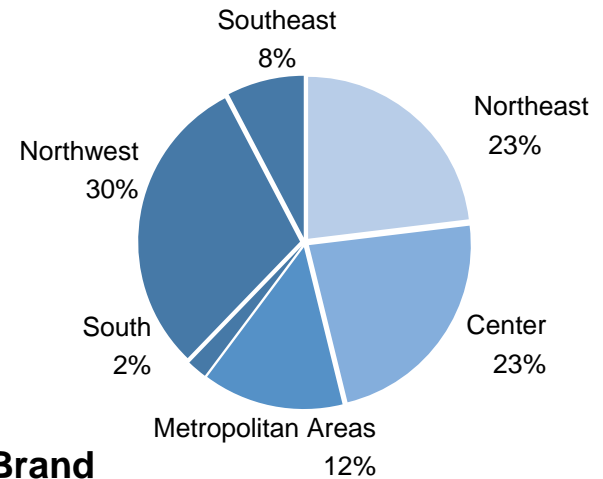
Diversified Portfolio with Exposure to Different Industrial Regions

Sales Distribution 4Q 2020 - % of Total

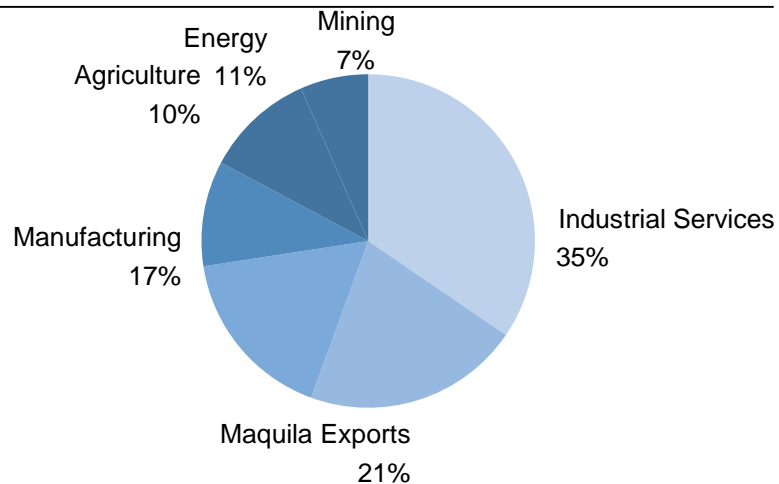
By Hotel



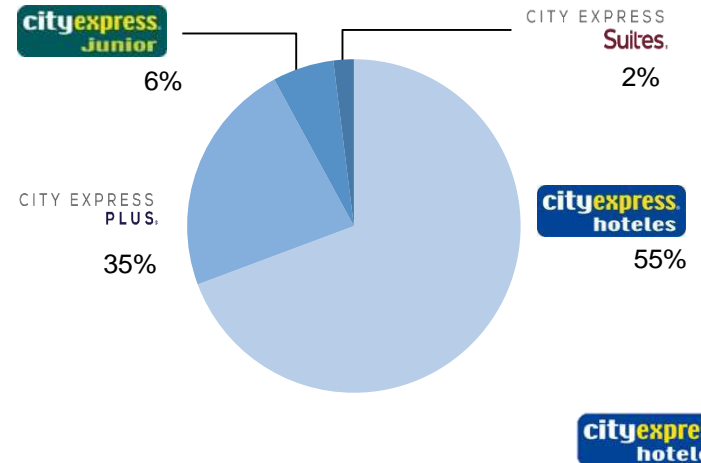
By Economic Region



By Economic Corridor

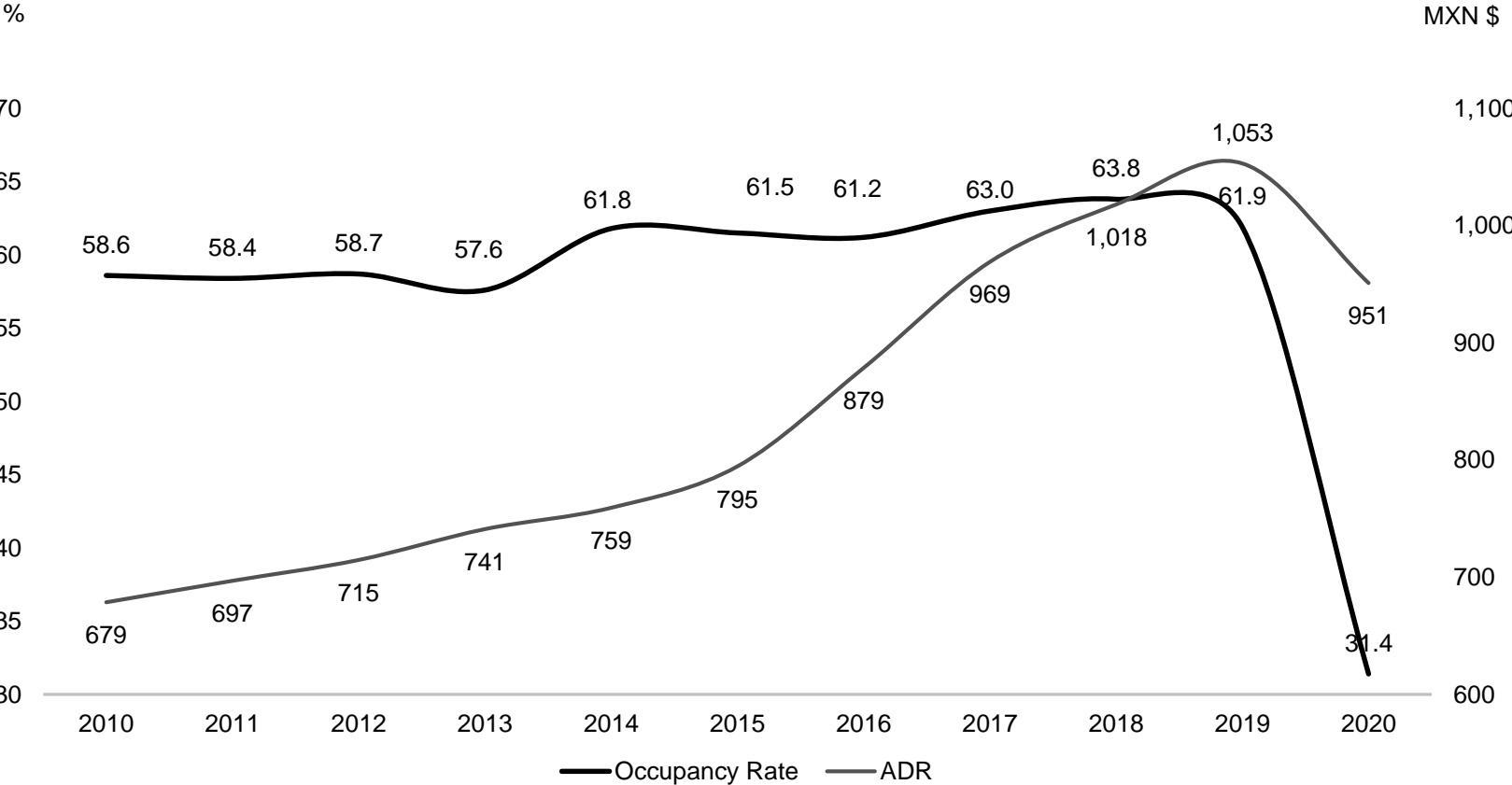


By Brand



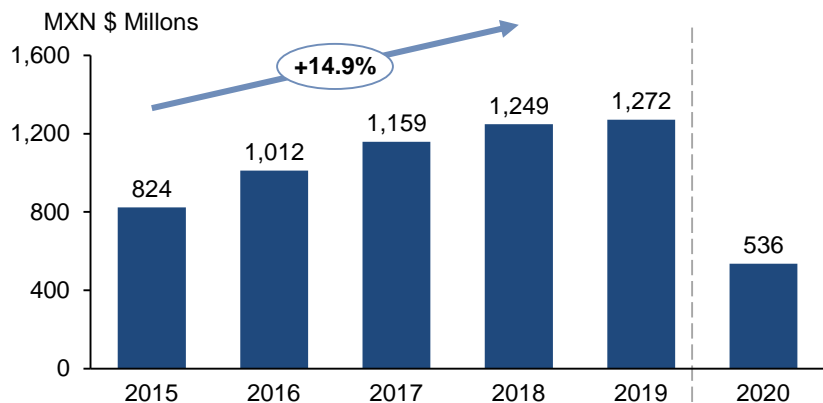
ADR and Occupancy Rates Growing Even with Hotel Development

Occupancy Rate

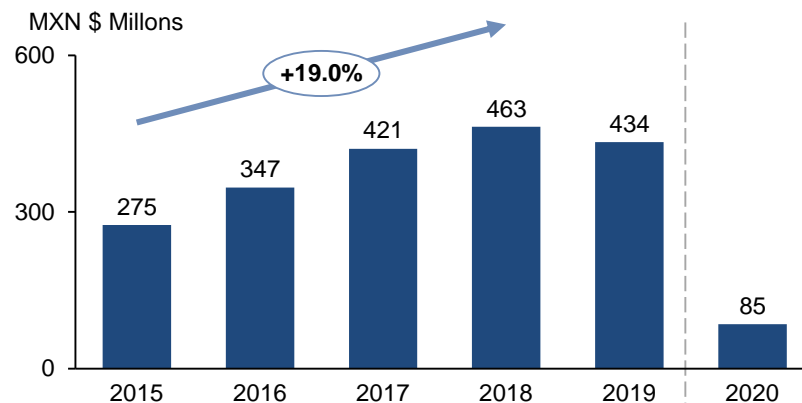


Robust Operating and Financial Performance

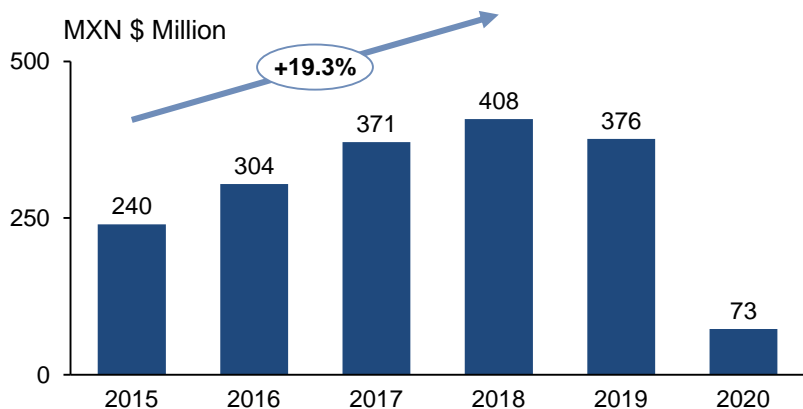
Total Revenues ⁽¹⁾



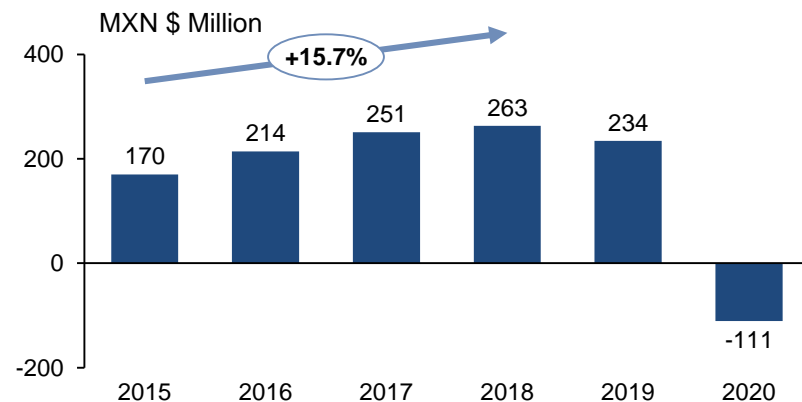
EBITDA ⁽²⁾



NOI ⁽³⁾



AFFO ⁽⁴⁾

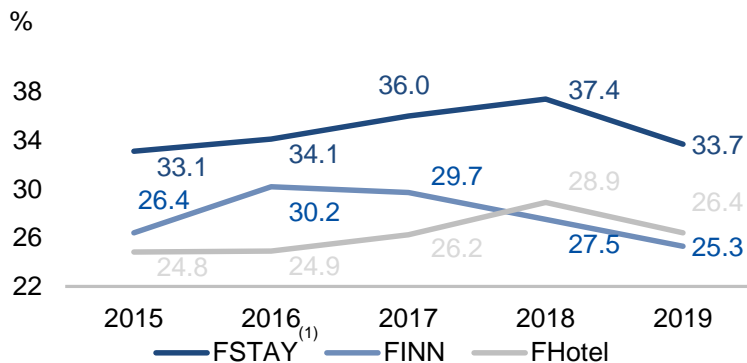


Notes

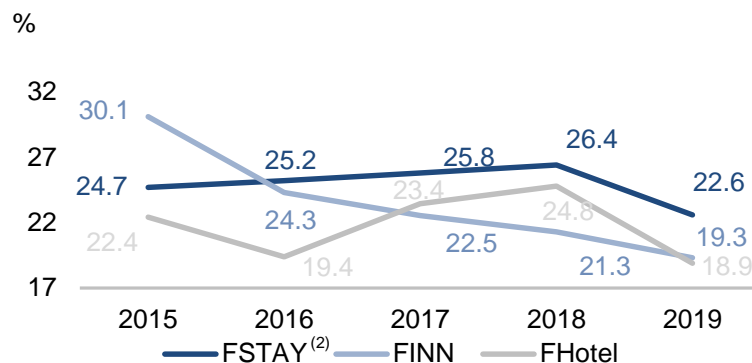
1. Total Revenues considers Room revenues and other incomes
2. Does not consider Ps\$15.5MM, Ps\$15.9MM and Ps\$16.4MM of SG&A for 2015, 2016 y 2017, respectively
3. Calculated as EBITDA – FF&E
4. Net Income + Income Taxes + D&A – FF&E

Robust Operating and Financial Performance

EBITDA Margin

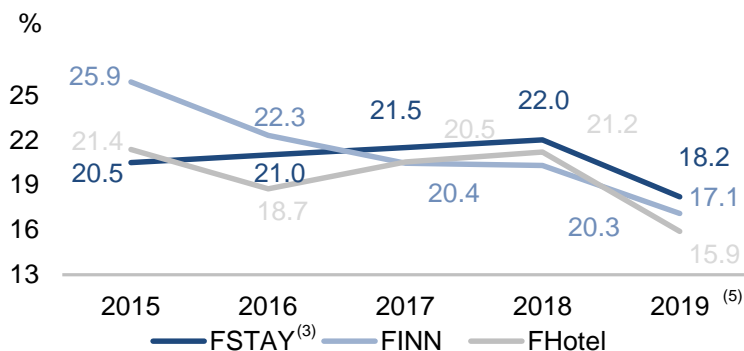


FFO Margin

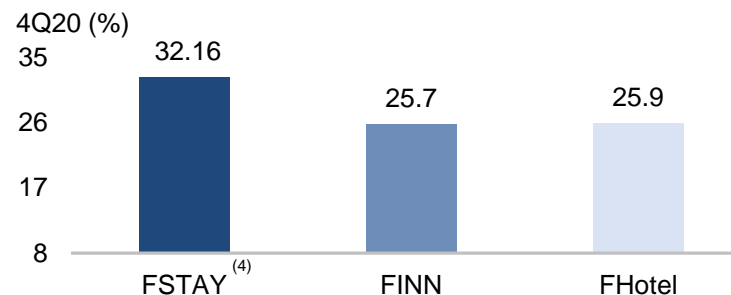


* Peers' figures are calculated as LTM

AFFO Margin



LTV



Notes

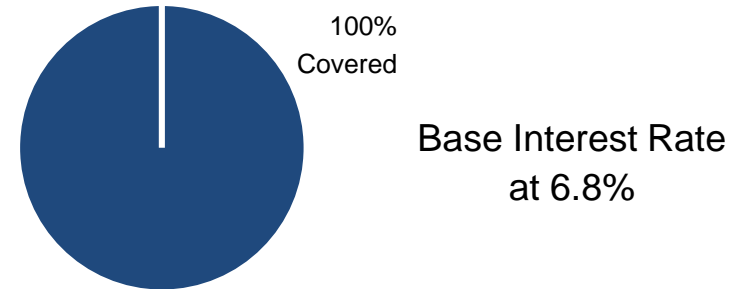
- Does not consider Ps\$15.5MM, Ps\$15.9MM y Ps\$16.4MM of SG&A for 2015, 2016 y 2017, respectively
- FFO calculated as Net Income + Income Taxes + D&A
- AFFO calculated as Net Income + Income Taxes + D&A – FF&E
- Taking Ps\$1.9Bn of debt and Ps\$5.7Bn of fixed assets, according to last appraisal

Conservative Capital Structure and Debt Profile

Leverage Considerations

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

Hedges over Cost of Debt



Main Debt Indicators

2020

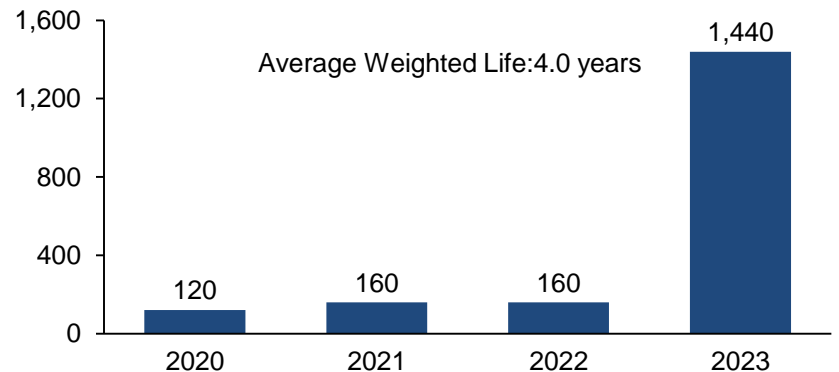
- Total Debt MXN \$ 1.8 Bn
- LTV (1) 32%
- DSCR (2) 2.2x
- Net Debt/ LTM EBITDA 20.1x
- % Guaranteed 100%

Notes

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

Debt Amortization Schedule

MXN \$ Million

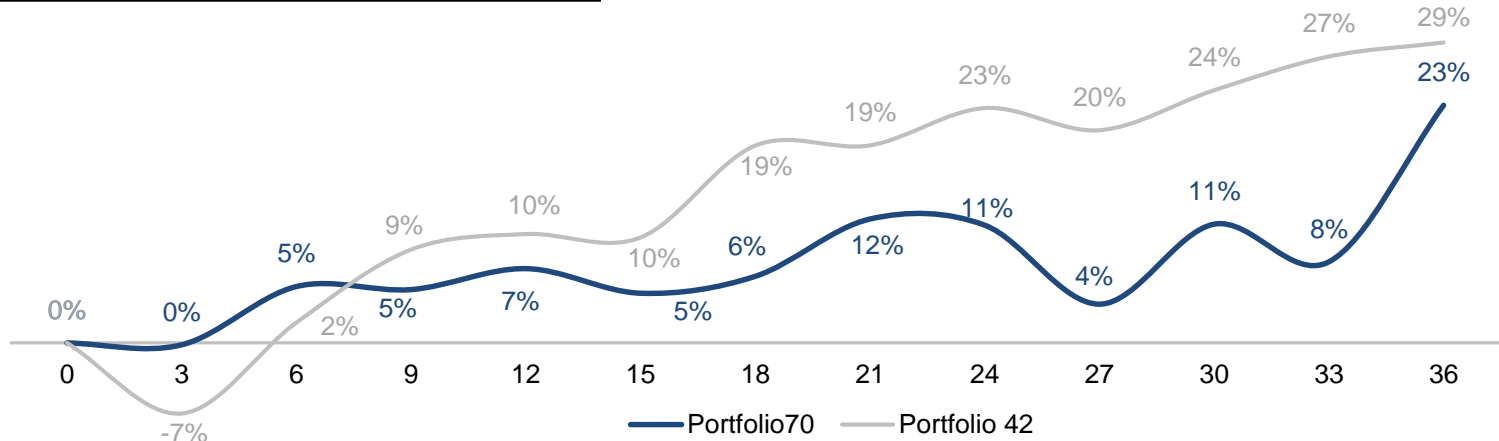


FSTAY Re-launching

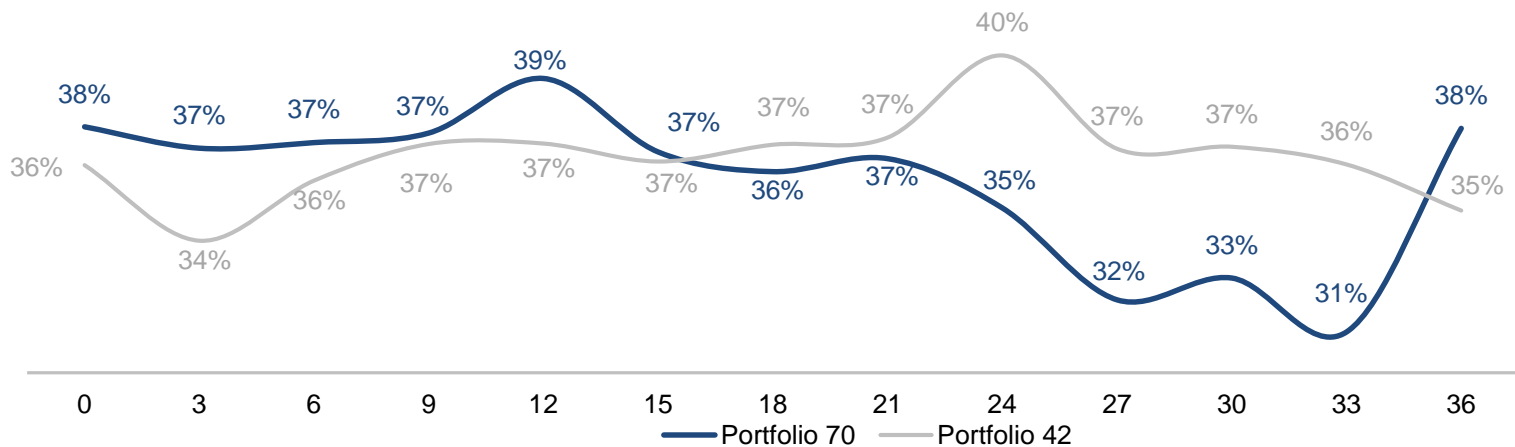
	Initial Portfolio	Co-investment and M&F Hotels	FSTAY Relaunching Portfolio
<ul style="list-style-type: none"> FSTAY re-launching could be activated as soon as market window opens 	42 properties	28 properties	70 properties
<ul style="list-style-type: none"> Investment trust structure created, shareholders'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

Portfolios Comparison

RevPar Change%



EBITDA Margin



Transparent Operating Contract in Line with Industry

Fees of Operating Contract

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

Other Considerations

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

Growth Potential with a Disciplined Acquisition Strategy

1

Strengthen Operational Indicators of hotels Recently Opened

2

Non Established Hotels

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

3

Co-Owned Hotels

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

4

Hotels in Development Pipeline

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

5

Reinvest in our Hotels

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

6

External Opportunities different to Hoteles City Express

FSTAY Internally Managed Without Fees for Administration

Management Characteristics

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

Corporate Governance Aligned with Investors

Structure that Mitigates Conflicts of Interest

Committees

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

Shareholders Assembly

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

Transparent Acquisition Mechanism from HCE

Possible Portfolio to Contribute

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

Valuation Mechanism

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

Approval Process

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

100% Independent Technical Committee

Changes to the Technical Committee to be discussed with Investors

Jorge García Segovia - *President*

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

Carlos Bracho González

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

Harald Feldhaus Herrmann

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

Sergio del Valle Cantú

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

100% Independent Technical Committee

Changes to the Technical Committee to be discussed with Investors

Orlando Loera

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

Flor Unda Carbot

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

Eduardo Güemez

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

Tax Implications for Foreign Investors

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

Hoteles City Express Brands

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



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

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CITY EXPRESS
PLUS.



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Products Adapted to Guest Lodging Needs and Budgets

CITY EXPRESS
Suites



cityexpress
Junior



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hotels

Presence in Premium Locations Hard to Replicate

CITY CENTRO





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Hoteles City Express Brands

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Mexico City, July 30, 2021

Capital Increase - Preemptive Period

Notice of Exercise

Hoteles City Express, S.A.B. de C.V. ("HCE" or the "Company") publishes this notice in terms of and for all purposes of paragraph (a) of section (IV) of article 34 of the "General provisions applicable to issuers of securities and other participants in the stock exchange" published in the Official Gazette of the Federation on March 19, 2003 (as amended).

Key Dates

August 10, 2021:	Publication of the Preemptive Notice through the electronic system established by the Ministry of Economy, a newspaper of major circulation and via EMISNET.
August 11, 2021:	Commencement of the Preemptive Period
August 12, 2021:	Ex-Right
August 11, 2021- August 25, 2021:	The Company receives Additional Preemptive Notices.
August 25, 2021:	End of the Preemptive Period
August 26, 2021:	Publication of Preemptive Period Results Notice (including Remaining Shares).
August 27, 2021:	Notification to the shareholders of the allocation of Remaining Shares, definitive amounts to be subscribed and/or paid by the shareholders in excess of their pro rata based on the Additional Preemptive Notice, as well as the terms and conditions under which such shareholders must subscribe and pay for the Remaining Shares.
September 1, 2021	Deadline for payment of the increase in the proportional part (or below the proportional part) and of the Remaining Shares.
September 2, 2021	Publication of final results of the Capital Increase, considering the final number of shares effectively subscribed and paid as part of the Capital Increase (including Remaining Shares).

Capital stock increase, subscription factor and preemptive right

HCE informs that, as is known to the investor public, on July 21, 2021, an General Ordinary Shareholders' Meeting (the "Meeting") was held, in which, among other items, it was approved to carry out a capital increase for a total amount of up to \$1,300,000,000.00 (one billion three hundred million pesos 00/100 Mexican pesos) (the "Capital Increase"), which corresponds to a total amount per share of \$7.00 (seven pesos 00/100 Mexican pesos) (the "Subscription Price"), and that the totality of such Subscription Price would be the amount by which the variable part of the capital stock of the Company would be increased, through the issuance of up to 185,714,285 (one hundred eighty-five million seven hundred fourteen thousand two hundred eighty-five) ordinary, common, nominative, fully voting, single series shares with no par value.

Considering and giving effect to the increase referred to in the preceding paragraphs, the authorized amount of the Company's capital stock is \$7,194,496,942. 00 (seven thousand one hundred ninety-four million four hundred ninety-six thousand nine hundred forty-two pesos 00/100 Mexican pesos), represented by a total of (i) 300 (three hundred) ordinary, nominative, single series shares, without par value, representing the fixed portion of the capital stock of the Company (ii) 556,823,985 (five hundred and fifty-six million, eight hundred and twenty-three thousand, nine hundred and eighty-five) ordinary, nominative, single series shares, without par value, representing the variable portion of the capital stock of the Company.

In compliance with and pursuant with the provisions of Article 132 of the General Law of Commercial Corporations, Clause Eleven of the Company's bylaws and the resolutions adopted at the Meeting, we hereby inform that all of the Company's shareholders will have a period of 15 (fifteen) calendar days, as from the calendar day immediately following the date on which the Preemptive Notice is published in a newspaper of major circulation in the Company's domicile, in the electronic system established by the Ministry of Economy (the "Preemptive Period"), which will also be published in EMISNET, to exercise their preemptive right in proportion to their shareholding or below their shareholding to subscribe and pay the Capital Increase (the "Preemptive Right").

HCE expects to publish the Preemptive Period on August 10, 2021 (although it may be on any later date determined by HCE) in a newspaper of major circulation in the Company's domicile, in the electronic system established by the Ministry of Economy and via EMISNET and, therefore, the Preemptive Period during which shareholders may exercise their preemptive right in proportion to their current shareholding (or below such proportion), **will commence on August 11, 2021 and will conclude on August 25, 2021.**

The Ex-Right will be effective as of the second Business Day following the date on which the Stock Exchange Market receives the Preemptive Notice (i.e., if such Notice is published on

August 10, 2021, the Ex-Right will be effective as of August 12, 2021).

Each shareholder shall be entitled to subscribe 1 (one) share for each 1.972561201 (one point nine seven two five five six one two zero one) shares owned by each shareholder. The foregoing, in the understanding that fractional shares of the increase may not be subscribed and paid and, consequently, any number of shares less than 0.99 will be rounded down.

It is also informed that, pursuant with the Company's bylaws, the Meeting approved that the failure of one or more shareholders to exercise, waive or partially exercise their Preemptive Right, either at the Meeting itself or during the Preemptive Period, will result in the remaining shareholders who so decide and notify the Company in writing, being able to subscribe and pay for the increase for an amount greater than what such shareholders are entitled to based on their current participation in the Company's capital stock.

In this regard, the Meeting resolved that, to the extent that, after the expiration of the Preemptive Period, there are shares pending subscription and payment (the "Remaining Shares"), the Company's shareholders who so decide, may subscribe and pay for shares in excess of their pro rata share based on current holdings, at the Subscription Price (the "Additional Preemptive Right"); clarifying that the subscription and payment of Remaining Shares in excess of each shareholder's pro rata share will result in the dilution by existing shareholders who choose not to exercise their Preemptive Right or do not exercise their Preemptive Right for their full pro rata share.

Shareholders who wish to exercise the Additional Preemptive Right may do so **at any time during the Preemptive Period** by delivering a written notice to the Company in which the shareholder or shareholders in question state their desire to subscribe and pay for the Capital Increase in excess of their pro rata share, indicating the total amount for which such shareholder would subscribe and pay for the Capital Increase in excess of their pro rata share and the corresponding total number of Remaining Shares (the "Additional Preemptive Notice"); the foregoing, with the understanding that **(i)** the exercise of the Additional Preemptive Right will be conditioned upon the condition that, once the Preemptive Period has concluded, there are effectively Remaining Shares available for subscription and payment, **(ii)** any Additional Preemptive Notice must be delivered during the Preemptive Period, and **(iii)** to the extent that any Additional Preemptive Notice is delivered after the date on which the Preemptive Period concludes, the Company will have no obligation to consider the additional amount offered by the shareholder(s) in question.

The Company's shareholders may exercise their Preemptive Right at any time during the Preemptive Period by delivering such instructions and resources as may be necessary to pay for the shares they subscribe for in connection with the Capital Increase to the financial intermediary or intermediaries through which such shareholders hold their shareholding

position.

Additional Preemptive Notice must be delivered to the Company at any time during the Preemptive Period by e-mail to the following addresses psmith@hotelescity.com, msaccucci@hotelescity.com and hvazquez@hotelescity.com.

Any shareholder of HCE who wishes to subscribe and pay for the Capital Increase **in proportion to or below its shareholding** must inform the financial intermediary acting as custodian of its shares or through which each shareholder holds its shareholding position of the amount such shareholder wishes to subscribe, deliver to such intermediary the cash proceeds, and instruct the intermediary to subscribe and pay for the Capital Increase on its own account.

Any shareholder of HCE who wishes to subscribe and pay for the Capital Increase **in excess of his or her shareholding** and in exercise of the Additional Preemptive Right must deliver to HCE an Additional Preemptive Notice. Once the Preemptive Period has ended and, if applicable, the number of Remaining Shares that may be subscribed and paid for by the shareholders who have exercised the Additional Preemptive Right, the Company will **(a)** allocate the Remaining Shares to such shareholders based on the notices it has received to that effect, and **(b)** as soon as practicable after the end of the Preemptive Period, notify the relevant shareholder(s) of the final amount that may be subscribed and paid for in excess of their pro rata the number of Remaining Shares based on such amount, as well as the terms and conditions under which such shareholders must subscribe and pay for the Remaining Shares in excess of their pro rata.

The cash resources with which the shareholders pay the Remaining Shares will be delivered pursuant with the terms to be informed by HCE. In turn, HCE will inform Indeval of the amount subscribed and paid in excess of the proportional part in order for Indeval to make the corresponding entries and allocations.

Exercise of Rights// Payment of the Increase

In compliance with and pursuant with the resolutions adopted at the Meeting held on July 21, 2021, the following is hereby reported:

- I. **Payment of shares subscribed in exercise Preemptive Right (in proportion to or less than the shareholding).**
 - (1) Notify the stock exchange intermediary or intermediaries through which they hold the shares of the Company owned by them, of the exercise of the Preemptive Right, with respect to the shares held through such intermediary. The shareholder, through its intermediary, will make this notice by delivering the official form provided by Indeval for such purposes, but with the understanding that each shareholder and intermediary must make sure to

carry out the necessary actions before Indeval; and

Likewise, shareholders shall notify the exercise of their Preemptive Right to the Company, by e-mail to the following addresses psmith@hotelescity.com, msaccucci@hotelescity.com and hvazquez@hotelescity.com in the understanding that failure to deliver such notice shall not affect the validity of the exercise of the Preemptive Right by any shareholder.

- (2) Make a payment, through the corresponding stock exchange intermediary or intermediaries, directly to Indeval's account, for an amount equivalent to the price of the shares subscribed in accordance with paragraph (1) above.
- (3) The shareholders must settle and pay this part of the Capital Increase through their intermediaries or custodians **on or before September 1, 2021**, so that, in turn, the intermediary will deliver the proceeds to HCE, through Indeval, by electronic transfer through Indeval, whose offices are located at Avenida Paseo de la Reforma 255, 3rd floor, Col. Cuauhtémoc, C.P. 06500, Mexico City.

II. Payment of the shares subscribed in exercise of the Additional Preemptive Right:

- (1) Any shareholder of HCE who wishes to subscribe and pay for the Capital Increase **in excess of its proportionate shareholding** must deliver an Additional Preemptive Notice indicating the aggregate amount for which such shareholder would subscribe and pay for the Capital Increase in excess of its proportionate shareholding and the corresponding total number of Remaining Shares **at any time during the Preemptive Period**; and
- (2) The shareholders must settle and pay this part of the Capital Increase on the terms and dates notified and published by the Company. In turn, HCE will inform Indeval of the amount subscribed and paid in excess of the proportional part in order for Indeval to make the corresponding entries and allocations.

Issuance of the Share Certificates

As a result of the Capital Increase, the Meeting resolved to issue 185,714,285 (one hundred eighty-five million seven hundred fourteen thousand two hundred eighty-five) ordinary, common, nominative, fully voting, single series shares, without par value, representing the variable portion of the Company's capital stock.

Prior to the commencement of the Preemptive Period, the Company will deposit the provisional share certificate with Indeval for safekeeping and administration.

Shares which, if any, are not subscribed and paid by the shareholders in exercise of their preemptive rights may be cancelled or kept in the treasury of the Company, as determined by the Company through the persons expressly authorized for such purposes.

Registry

The shares issued as a result of the Capital Increase have been registered in the Securities Section of the National Securities Registry maintained by the National Banking and Securities Commission and listed on the Bolsa Mexicana de Valores, S.A.B. de C.V.

Registration in the National Securities Registry does not imply and may not be considered as a certification on the goodness of the shares or on the solvency, liquidity, or credit quality of the Company.

This notice does not constitute an offer to sell or a tender offer to acquire the securities described and is published in compliance with Article 34, Section IV, paragraph a) of the Sole Bulletin for Issuers (*Circular Única de Emisores*).

Hoteles City Express, S.A.B. de C.V.



By Luis Eduardo Barrios Sanchez

Title: Attorney in Fact