



## Hoteles City Express Announces the Signing of a Binding Agreement for the Acquisition of the City Express Chihuahua Hotel

**Mexico City, May 22, 2019 - Hoteles City Express, S.A.B. of C.V. ("Hotels City Express" or the "Company") (BMV: HCITY),** announced the signing of a binding agreement with Deutsche Bank Mexico, SA, Multiple Banking Institution, Fiduciary Division F / 1616 or "Fibra Inn" for the acquisition of the City Express Chihuahua hotel.

The total sale price agreed was Ps. \$95.0 million plus VAT. This price represents a cap rate of 9.4% considering an NOI of Ps. \$8.9 million generated by the hotel from May 2018 to April 2019 according to the information provided by Fibra Inn and on which a Due Dilligence process was carried out.

The hotel, which until now was a pure franchise and was operated by Gestor de Activos Prisma (entity related to Fibra Inn), will become part of the wholly owned hotel inventory of the Company and of Fibra STAY and will be operated by Operadora de Hoteles City Express with the objective of optimizing its performance over the next 12 months according to the parameters of maintenance, quality, productivity and profitability of the Company.

The Company considers that the acquisition of the City Express Chihuahua hotel complements the competitive position of its proprietary hotel inventory in the northwest region of the country, which in the last 12 months has presented high single digit growth in revenues and represents one of the main poles of development and economic activity in Mexico derived from the arrival of new investments boosted by the Free Trade Agreement between Mexico, the United States and Canada ("USMCA"), the strengthening of the "maquila" activity and the convergence between the industrial, manufacturing, mining, logistics and export economic corridors.

The acquisition of the hotel, subject of the binding agreement, will be executed over the next 62 days.



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**About Hoteles City Express:**

Hoteles City Express is considered 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 in operation located throughout 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 in coming years.

For further information, please visit our website: <https://cityexpress.com/en/investors/>

