



## Hoteles City Express Reports on the Monitoring Processes and Measures Taken in Response to the Coronavirus (COVID-19) (BMV:HCITY)

**Mexico City March 19th, 2020 – Hoteles City Express, S.A.B. de C.V.** (“Hoteles City Express”) (BMV: HCITY), informs about the monitoring processes and measures that are being taken in response to the coronavirus (COVID-19) pandemic for our guests and employees, as well as our financial situation and possible strategies to be implemented in light of this situation.

Hoteles City Express is sensitive to the impact that the spread of the coronavirus (COVID-19) has had in the world and reaffirms its commitment to safeguard the integrity of both our guests and employees, maintaining the highest standards of cleanliness and hygiene.

Our employees receive constant training and information on the health and safety protocols implemented by the chain, as well as on prevention and personal health care procedures with the goal of being able to swiftly respond to any COVID-19-related eventuality in any of our properties. We have also increased the frequency of cleaning in public spaces using hospital-grade cleaning agents.

We believe that it is vital to maintain a close collaboration with local, state and federal authorities to keep both our guests and employees properly informed about everything related to COVID-19.

At Hoteles City Express we are aware that the current contingency plans may impact our clients' travel plans. For this reason, we have implemented changes to reservation policies, providing more flexibility to our guests in case they need to change or cancel bookings. Likewise, we have kicked back the expiration date for loyalty program points that were due to expire between May 11<sup>th</sup> and June 15<sup>th</sup> 2020. In addition, our sales team is in close contact with our corporate accounts in order to capture as much demand as possible once the current situation stabilizes.



CITY EXPRESS  
PLUS.

CITY EXPRESS  
Suites.

CITY CENTRO



HCITY



EMPRESA  
SOCIALMENTE  
RESPONSABLE

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Moving on to our financial situation and liquidity, we have preemptively taken measures, making \$1,000,000,000.00 (one billion pesos 00/100 MN) available from our revolving credit facility. This has the objective of guaranteeing liquidity during the most restrictive phase of the health emergency. This measure is solely and exclusively a preventive move. The resources are and will be invested in debt instruments from the day of their disposition unless they are required. In addition, we would like to reiterate that over 97% of our debt matures in 2023 or later.

Additionally, as a measure to provide liquidity to the equity market, we have closed an Equity Forward contract with a maximum notional of \$ 100,000,000.00 (one hundred million pesos 00/100 MN). As usual with these instruments, at maturity we will settle the contract by differences, paying the only a differential between the price of the shares at settlement and the strike. The financial cost for this instrument is TIE plus 2.5 percentage points over the amount of the operations carried out. Its use will be subject to the current regulatory framework and as usual the best corporate governance practices on this matter.

Finally, due to current market conditions, our Company has evaluated different strategies to provide flexibility in order to maintain a healthy balance sheet. Some of these strategies consider doing some land or asset recycling, as well as increasing the number of co-investments with strategic partners in assets that today are 100% owned by the Company. Our goal here is to diversify our risks and continue with our "asset light" strategy focused on growth through management and franchise contracts and reduce the company's leverage. That said, we have carried out a strict feasibility evaluation to stop projects that are under construction until we have more visibility on the current macroeconomic situation.

#### **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 153 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 in the next few years.

At Hoteles City Express we seek to be a catalyst for positive economic, social and environmental impacts in each of the communities where we operate, incorporating innovation and comprehensive development of these through the creation of long-term value. All the hotels in the chain have been built to meet international certification standards. As for our Social Responsibility initiatives, Hoteles City Express focuses on high impact projects that generate value for society and increase the social and economic well-being of communities. For this reason, it concentrates its efforts on supporting initiatives related to entrepreneurship and social bonding that generate long-term, sustainable benefits.

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