



## Hoteles City Express Publishes Notice for the beginning of Capital Increase Exercise set for August 11th, 2021 (BMV:HCITY)

**Mexico City, July 30th, 2021 – Hoteles City Express, S.A.B. de C.V.** ("Hoteles City Express" or the "company") (BMV: HCITY) informs investors that today, July 30th, 2021. Hoteles City Express published the capital increase exercise notices, as agreed upon at the last General Ordinary Shareholder's Meeting (the "Meeting"), Said exercise will begin on August 11th, 2021.

For more information, please visit the website:

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

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



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HCITY



#### CONTACTOS DE RELACIÓN CON INVERSIONISTAS:

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<b>August 11, 2021- August 25, 2021:</b>	The Company receives Additional Preemptive Notices.
<b>August 25, 2021:</b>	End of the Preemptive Period
<b>August 26, 2021:</b>	Publication of Preemptive Period Results Notice (including Remaining Shares).
<b>August 27, 2021:</b>	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.
<b>September 1, 2021</b>	Deadline for payment of the increase in the proportional part (or below the proportional part) and of the Remaining Shares.
<b>September 2, 2021</b>	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](mailto:psmith@hotelescity.com), [msaccucci@hotelescity.com](mailto:msaccucci@hotelescity.com) and [hvazquez@hotelescity.com](mailto: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](mailto:psmith@hotelescity.com), [msaccucci@hotelescity.com](mailto:msaccucci@hotelescity.com) and [hvazquez@hotelescity.com](mailto: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



**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 154 hotels located in Mexico, Costa Rica, Columbia 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 2014, Hoteles City Express completed a follow on with the aim of accelerating its growth in new hotels in the next few years. For further information, please visit our website:

<https://www.cityexpress.com/en/investors>