

POSADAS®



Operating & Financial Results: Third Quarter 2023



Grupo Posadas, S.A.B. de C.V. & Subsidiaries Mexico City, September 26, 2023.

Information presented with respect to the same quarter of previous year under IFRS accounting standards (figures in MXN):

- Hotel occupancy rate was 66%, 3 pp higher year-over-year.
- RevPAR (revenue per available room) increased by 1 pp despite the appreciation of the MXN vs. USD of 16% QoQ.
- Q3 revenue was \$2,492¹ million, 5.0% lower QoQ. \$7,987 million in the first three quarters of 2023, increasing 6.3% year-over-year.
- 3Q EBITDA was \$310 million, 26% lower QoQ and \$1,365 million in the first three quarters of 2023, 14% higher.
- Year to date net income was \$638 million. Including a foreign exchange gain of \$582 mm in the first three quarters of 2023.
- Grupo Posadas was upgraded to 'B' from 'B-' by S&P Ratings on continued improvement in operating and financial performance.
- Four hotel openings with 678 rooms in 3Q.
- Pipeline with 21 new hotels with 3,820 rooms, 13% growth.
- Cash available as of September 30, 2023 was \$1,645 million (73% denominated in USD).

Million pesos as of September 30, 2023	3Q23		Var. YY %	9M 2023		Var. AA %
	\$	%		\$	%	
Total Revenues	2,492.1	100	(5.0)	7,987.0	100	6.3
EBIT	95.7	3.8	(55.9)	727.7	9	30.5
EBITDA	309.9	12.4	(28.3)	1,365.5	17	13.9

Relevant Events

We recorded a third quarter with good occupancies in all segments in a more competitive environment. As a result of the fact that the MXN/USD exchange rate has appreciated by 16% QQ, The results in MXN of dollarized hotels were impacted by the appreciation of the U.S. dollar. This was mainly in Resorts located in Quintana Roo (Cancun area) and Baja California Sur (Los Cabos).

The occupancy rate was 66%, with an ADR (available daily rate) of \$1,805. This resulted in RevPAR of \$1,192, which was 1% higher than in 2022 and 20% higher than 2019.

Coastal hotels (Resorts) had an occupancy rate of 71% (-4pp vs 3Q22) and an available daily rate of \$6,166. This yielded a RevPAR of \$4,403, 17% lower than 3Q22 but 44% higher than 2019. The variation is

mainly due to the strength of the peso (MXN) against the USD (15% vs. 3Q22 average exchange rate). When we compare the performance of these hotels in USD, the same occupancy with the ADR of US\$363 (+5% QoQ), resulted in a RevPAR of US\$260, which remains unchanged with 2022 and 66% higher than that of 2019.

In the Upscale & Luxury segment, occupancy was 62%, and the available daily rate was \$2,344. This resulted in a RevPAR of \$1,463, an increase of 4% and 16% in RevPAR for 2022 and 2019, respectively.

Midscale & Economy urban hotels had an occupancy and available daily rate of 66% and \$1,208, respectively, resulting in a RevPAR of \$803. This compares favorably with the previous year, 14% higher than the same quarter of 2022 and 15% higher than 2019.

1: Includes \$293.7 million from advertising, marketing, commissions and centralized services recoverable revenue.

The Loyalty segment (vacation properties) saw an increase in net sales of 0.4% QQ.

Fiesta Americana Vacation Club Access net sales grew 49% QoQ, representing 53% of current sales, increasing from \$282 million to \$421 million over the same period. Notably, this product is not recorded as timeshare.

FAVC (Fiesta Americana Vacation Club) and LARC (Live Aqua Residence Club) sales represented 47% of net sales in 3Q23, a decrease of 26%.

The balance of vacation club receivables was \$6,868 million, as of September 30, 2023, representing an increase of 6% compared to the previous year.

The cash balance as of September 30, 2023 was \$1,645 million, including US\$62 million which represents 73% of the total balance.

\$34 million of cash flow generated was used for the repurchase of "Senior Notes Due 2027" (notional US\$2.3 mm).

Posadas announced a strategic alliance with Kempinski, a European luxury hotel brand, to market the 363 rooms of Kempinski Hotel Cancún in Quintana Roo. The decision is due to the strong marketing network that Posadas has in Mexico, the United States and the Americas (LATAM).

On September 21, 2023, S&P Ratings upgraded Grupo Posadas to 'B' from 'B-' on continued improvement in operating and financial performance; The stable outlook on Posadas reflects S&P Ratings expectation that its RevPAR and EBITDA will continue to improve in the next 12 months due to solid occupancy rates, increasing ADRs, and tight operating costs control.

As of 2023, we have added the revenue and costs related to advertising and marketing, centralized services (payroll of the executive committees of the hotels and other recoverable expenses, among others) that were previously presented net, in the profit and loss statement. This change has enabled revenue from the Management segment to be more appropriately sized. The contribution margin for this segment is 32.5% net (+1.5pp) and 21.9% (gross) (+1.2pp) when the aforementioned revenues and costs are included.

> Hotel Development

As of September 30, 2023, the Company continues its development plan that includes agreements to operate 21 new hotels with 3,820 rooms. Of the total investment for these projects worth \$14,388 million (US\$817 million), Posadas will contribute 2% of the resources, with 98% contributed by other investors. This will increase the supply of rooms by 13%.

These hotel openings will begin during the third quarter of 2023, and according to the commitments assumed by the owners of said properties, it is estimated that all of them will be in operation by 2026. The average life of these operating contracts is more than 15 years.

During the quarter we opened the following four hotels with a total of 678 rooms: One Mazatlán Zona Dorada, Gamma Los Cabos, Fiesta Inn Mazatlán Zona Dorada and Kempinski Cancún-commercial franchise.

New Hotels by Brand	Mexico		Caribbean		Total		%
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	
Live Aqua	5	1,179			5	1,179	30.9
Live Aqua Residence Club	1	33			1	33	0.9
Grand Fiesta Americana	2	763			2	763	20.0
Fiesta Americana	1	184			1	184	4.8
Curamoria Collection	1	95			1	95	2.5
Fiesta Inn	1	40			1	40	1.0
Fiesta Inn Loft/Express							
Gamma	3	300			3	300	7.9
One	6	728			6	728	19.1
IOH							
Others			1	498	1	498	13.0
Total	20	3,322	1	498	21	3,820	100

We end the quarter with a total of 196 hotels and 29,966 rooms, in more than 60 destinations.

Openings LTM	No. of rooms	Type of Contract
Gamma Querétaro	116	Franchised
Tres79	14	Franchised
El Hotel Casona142	8	Franchised
One Mazatlán Zona Dorada	144	Managed
Gamma Los Cabos	33	Franchised
Kempinski Cancún	363	Franchised
Fiesta Inn Mazatlán Zona Dorada	138	Managed
Total	816	

> EBITDA

EBITDA IFRS-16 in the quarter was \$310 million, while in the same quarter of the previous year it was \$432 million on a comparable basis.

> Comprehensive Financial Results

At the end of the quarter (LTM), the net coverage ratio was 4.0 times, 1.5x higher than in 3Q22. Net Debt to EBITDA was 4.7x, 1.8 times lower than in 3Q22.

The exchange loss in 3Q23 was \$167 million (including leases) as a result of a 5.7% depreciation of the MXN/USD compared to the previous quarter. For the first nine months of 2023, the foreign exchange gain was \$582 million. Compared to the same period of the previous year (September 30, 2023 v. September 30, 2022), the end of period exchange rate appreciated 15.3%, MXN\$2.69.

Concept	3Q23	3Q22	2023	2022
Interest Income	(22,750)	(15,144)	(81,686)	(32,704)
Accrued interest	89,990	87,374	282,018	250,762
Exchange (gain) loss, net	123,989	88,174	(428,476)	(79,754)
Exchange (gain) loss, from lease payments	43,724	28,190	(153,800)	(27,108)
Accrued interest from lease payments	70,078	73,236	207,918	222,807
Other financial costs (products)	(6,086)	0	(10,018)	(107,972)
Other financial expenses	16,454	16,127	51,291	77,899
Total	315,399	277,957	(132,753)	303,931

Figures in thousands of pesos

> Capital Expenses

In first nine months of 2023, capital expenditures were \$232 million, invested in hotels, vacation properties and in corporate.

> Net Majority Income

As a result of the above, net loss in the quarter was \$36 million versus \$73 million for the prior year. For the 9M of 2023, net income reached \$638 million, while in 2022 it was \$90 million.

> Indebtednes

Concept (Figures in millions)	3Q23		3Q22	
	US\$	MXN	US\$	MXN
FX eop:		17.6195		20.3058
EBITDA LTM		1,034		933
Asset Sale				
EBITDA with sales		1,034		933
Cash		1,645		1,860
Indebtedness:				
Interests		90		84
Senior Notes 2027	389	6,858	393	7,985
Secured Loan				
Subsidiary	6	111	7	144
Issuance expenses (IFRS)		(232)		(277)
Total	395	6,827	400	7,936
Net Debt to EBITDA		5.0		6.5
Lease liabilities		3,012		3,198
Leases LTM		696		693
Adjusted Net Debt to EBITDA		4.7		5.7

As of September 30, 2023, the outstanding balance of the "Senior Notes Due 2027" was US\$389,223,128 million after having repurchased US\$2,300,000 on the market (OMR) during the quarter; US\$1,711,894 for the 9M. This liability is presented as long-term.

The \$210 million secured bank loan drawn in June 2017 in our subsidiary that holds the Fiesta Americana Mérida hotel has an outstanding balance of \$111 million after amortizing \$8 million in the quarter. The outstanding balance is recorded as a short-term liability since the loan matures in June 2024.

The corporate rating assigned by the S&P Global agency is "B".

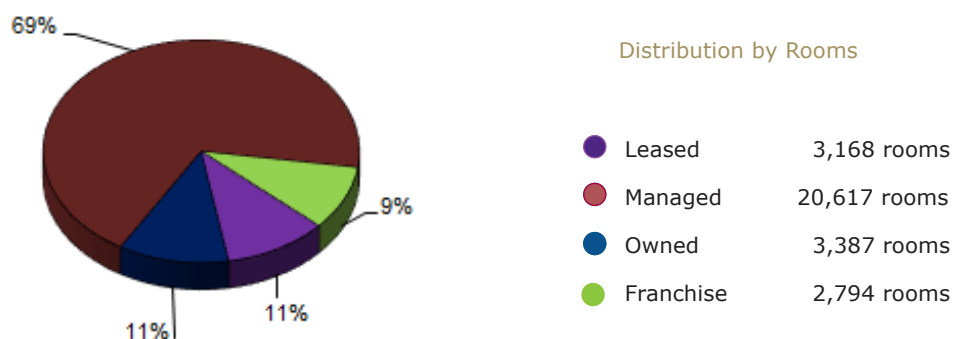
In compliance with Article 4.033.02 Section VIII of the Mexican Stock Exchange rules, Grupo Posadas coverage is provided by:

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> Grupo Posadas as of September 30, 2023.

Posadas is the leading hotel operator in Mexico that owns, leases, franchises and manages 196 hotels and 29,966 rooms in the most important and visited urban and coastal destinations in Mexico. Urban hotels represent 86% of total rooms and coastal hotels represent 14%. Posadas operates the following brands: Live Aqua Beach Resort, Live Aqua Urban Resort, Live Aqua Boutique Resort, Live Aqua Residence Club, Curamoria Collection, Grand Fiesta Americana, Fiesta Americana, Fiesta Americana Vacation Club, The Exploreal, IOH, Fiesta Inn, Fiesta Inn LOFT, Fiesta Inn Express, Gamma y One Hoteles.

Posadas has been trading on the Mexican Stock Exchange since 1992.



Brand	Mexico		Caribbean		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Live Aqua	4	726	1	347	5	1,073
Live Aqua Residence Club	2	160			2	160
Grand Fiesta Americana	8	1,910			8	1,910
Curamoria	7	156			7	156
Fiesta Americana	14	3,951			14	3,951
The Exploreal	2	96			2	96
FAVC	5	1,774			5	1,774
IOH	1	136			1	136
Fiesta Inn	71	10,316			71	10,316
Fiesta Inn Loft	4	388			4	388
Fiesta Inn Express	3	378			3	378
Gamma	24	3,124			24	3,124
One	49	6,141			49	6,141
Kempinski	1	363			1	363
Total	195	29,619	1	347	196	29,966
%		99%		1%		100%

> Income Statement IFRS (million pesos)

Concepto	3Q23		3Q22		Var %	2023		2022		Var %
	\$	%	\$	%		\$	%	\$	%	
Total Revenues	2,492.1	100.0	2,622.6	100.0	(5.0)	7,987.0	100.0	7,513.7	100.0	6.3
Owned & Leased Hotels										
Revenues	1,066.2	100.0	1,112.7	100.0	(4.2)	3,537.3	100.0	3,191.4	100.0	10.8
Direct cost	910.3	85.4	879.7	79.1	3.5	2,862.8	80.9	2,525.2	79.1	13.4
<i>Business Contribution</i>	155.9	14.6	233.0	20.9	(33.1)	674.5	19.1	666.2	20.9	1.2
Managed										
Revenues (1)	610.0	67.5	581.9	66.6	4.8	1,963.9	68.5	1,734.2	67.0	13.2
Advertising and marketing revenues	78.0	8.6	71.3	8.2	9.4	221.8	7.7	191.8	7.4	15.6
Centralized services revenues	215.8	23.9	221.1	25.3	(2.4)	683.3	23.8	662.2	25.6	3.2
<i>Total revenues managed</i>	903.8	100.0	874.3	100.0	3.4	2,868.9	100.0	2,588.2	100.0	10.8
Direct cost (1)	412.0	45.6	401.4	45.9	2.6	1,203.8	42.0	1,236.2	47.8	(2.6)
Advertising and marketing cost	78.0	8.6	71.3	8.2	9.4	221.8	7.7	191.8	7.4	15.6
Centralized services cost	215.8	23.9	220.4	25.2	(2.1)	682.8	23.8	659.3	25.5	3.6
<i>Total cost managed</i>	705.8	78.1	693.1	79.3	1.8	2,108.3	73.5	2,087.3	80.6	1.0
<i>Business Contribution IFRS managed</i>	198.0	21.9	181.2	20.7	9.3	760.6	26.5	500.8	19.4	51.9
<i>Business Contribution IFRS non recoverable expenses</i>	198.0	32.5	180.5	31.0	9.7	760.2	38.7	498.0	28.7	52.6
Vacation Properties										
Revenues	501.7	100.0	616.8	100.0	(18.7)	1,519.1	100.0	1,675.6	100.0	(9.3)
Direct cost	442.3	88.2	506.3	82.1	(12.6)	1,261.8	83.1	1,372.4	81.9	(8.1)
<i>Business Contribution</i>	59.4	11.8	110.6	17.9	(46.3)	257.3	16.9	303.2	18.1	(15.1)
Other Businesses (2)										
Revenues	20.5	100.0	18.8	100.0	9.3	61.6	100.0	58.6	100.0	5.1
Direct cost	7.8	38.2	4.8	25.8	61.9	24.2	39.3	21.5	36.7	12.6
<i>Business Contribution</i>	12.7	61.8	13.9	74.2	(9.0)	37.4	60.7	37.1	63.3	0.8
Corporate Expenses	105.7	4.2	108.3	4.1	(2.4)	335.8	4.2	314.3	4.2	6.8
Depreciation/Amortization and asset impairment	224.2	9.0	215.3	8.2	4.1	667.8	8.4	641.5	8.5	4.1
Other expenses (revenue)	0.3	0.0	(1.8)	(0.1)	na	(1.5)	(0.0)	(6.0)	(0.1)	(75.3)
Other	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Operating Profit	95.7	3.8	216.9	8.3	(55.9)	727.7	9.1	557.5	7.4	30.5
EBITDA	319.9	12.8	432.2	16.5	(26.0)	1,395.5	17.5	1,199.0	16.0	16.4
Special operations	(10.0)	(0.4)	0.0	0.0	na	(30.0)	(0.4)	0.0	0.0	na
EBITDA IFRS	309.9	12.4	432.2	16.5	(28.3)	1,365.5	17.1	1,199.0	16.0	13.9
Comprehensive financing cost	315.4	12.7	278.0	10.6	13.5	(132.8)	(1.7)	303.9	4.0	na
Other	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Part. in results of Associated Companies	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Profit Before Taxes	(229.7)	(9.2)	(61.1)	(2.3)	(276.0)	830.4	10.4	253.5	3.4	227.5
Discontinued Operations	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Income taxes	0.0	0.0	8.5	0.3	na	8.5	0.1	27.6	0.4	(69.2)
Deferred taxes	(196.1)	(7.9)	3.1	0.1	na	177.6	2.2	135.0	1.8	31.6
Net Income before Minority	(33.5)	(1.3)	(72.7)	(2.8)	53.9	644.3	8.1	91.0	1.2	608.3
Minority Interest	2.0	0.1	0.7	0.0	165.6	6.4	0.1	0.9	0.0	592.0
Net Majority Income	(35.5)	(1.4)	(73.4)	(2.8)	51.6	638.0	8.0	90.0	1.2	608.5

(1) Includes products not recorded as timeshare.

(2) Includes third parties operations for Conectum, Konexo.

> Consolidated Balance Sheet as of September 30, 2023 and December 31st, 2022 IFRS (million pesos)

CONCEPT	SEP-23	%	DEC-22	%	VAR. %
ASSETS					
Current Assets					
Cash and cash equivalents	1,645.4	9.1	1,938.9	10.8	(15.1)
Trade and other current receivables	2,930.7	16.3	2,852.7	15.9	2.7
Current tax assets, current	-	0.0	-	-	-
Other current financial assets	-	0.0	-	-	-
Current inventories	215.9	1.2	200.5	1.1	7.7
Other current non-financial assets	300.0	1.7	213.1	1.2	40.8
Total	5,091.9	28.3	5,205.3	29.0	(2.2)
Assets held for sale	-	0.0	-	-	-
Total current assets	5,091.9	28.3	5,205.3	29.0	(2.2)
Non current assets					
Trade and other non-current receivables	4,668.3	26.0	4,427.8	24.7	5.4
Non-current inventories	-	0.0	-	0.0	-
Other non-current financial assets	-	0.0	-	-	-
Investments in subsidiaries, joint ventures and associates	129.1	0.7	129.1	0.7	(0.0)
Property, plant and equipment	3,866.0	21.5	3,904.4	21.8	(1.0)
Right-of-use assets that do not meet definition of investment property	2,757.6	15.3	2,666.0	14.9	3.4
Intangible assets other than goodwill	572.0	3.2	538.4	3.0	6.2
Deferred tax assets	900.3	5.0	1,077.9	6.0	(16.5)
Other non-current non-financial assets	-	0.0	-	-	-
Total non-current assets	12,893.2	71.7	12,743.6	71.0	1.2
Total assets	17,985.1	100.0	17,948.9	100.0	0.2
LIABILITIES					
Current Liabilities					
Trade and other current payables	2,372.6	13.2	2,667.8	14.9	(11.1)
Current tax liabilities, current	0.0	0.0	412.1	2.3	(100.0)
Other current financial liabilities	109.2	0.6	33.8	0.2	223.2
Current lease liabilities	421.8	2.3	424.5	2.4	(0.6)
Other current non-financial liabilities	1,314.7	7.3	1,263.3	7.0	4.1
Current provisions for employee benefits	249.2	1.4	188.3	1.0	32.4
Total current liabilities other than liabilities included in disposal groups classified as held for sale	4,467.6	24.8	4,989.8	27.8	(10.5)
Liabilities included in disposal groups classified as held for sale	-	0.0	-	0.0	-
Total current liabilities	4,467.6	24.8	4,989.8	27.8	(10.5)
Non Current Liabilities					
Trade and other non-current payables	1,388.4	7.7	715.7	4.0	94.0
Non-current lease liabilities	2,590.5	14.4	2,593.0	14.4	(0.1)
Bank loans	0.0	0.0	100.0	0.6	(100.0)
Stock market loans	6,627.0	36.8	7,343.6	40.9	(9.8)
Other non-current financial liabilities	6,627.0	36.8	7,443.6	41.5	(11.0)
Non-current provisions for employee benefits	326.6	1.8	297.0	1.7	10.0
Other non-current provisions	-	0.0	-	-	-
Total non-current provisions	326.6	1.8	297.0	1.7	10.0
Deferred tax liabilities	687.2	3.8	654.7	3.6	5.0
Total non-current liabilities	11,619.9	64.6	11,704.0	65.2	(0.7)
Total liabilities	16,087.4	89.4	16,693.8	93.0	(3.6)
EQUITY					
Total equity attributable to owners of parent	1,712.5	9.5	1,076.2	6.0	59.1
Non-controlling interests	185.2	1.0	178.8	1.0	3.6
Total equity	1,897.7	10.6	1,255.0	7.0	51.2
Total equity and liabilities	17,985.1	100.0	17,948.8	100.0	0.2

> Consolidated Cash Flow Statement - IFRS

(Million pesos from January 1st to September 30, 2023 & 2022)

STATEMENT OF CASH FLOWS		
	3Q23	3Q22
Cash flows from (used in) operating activities		
Profit (loss)	644.3	91.0
Adjustments to reconcile profit (loss)		
Discontinued operations	0.0	0.0
Adjustments for income tax expense	186.1	162.6
Adjustments for finance costs	436.8	311.6
Adjustments for depreciation and amortisation expense	667.8	641.5
Adjustments for unrealised foreign exchange losses (gains)	(839.8)	(139.5)
Adjustments for fair value losses (gains)	0.0	0.0
Adjustments for losses (gains) on disposal of non-current assets	(0.9)	0.3
Participation in associates and joint ventures	0.0	0.0
Adjustments for decrease (increase) in inventories	(15.4)	21.3
Adjustments for decrease (increase) in trade accounts receivable	(231.4)	(363.5)
Adjustments for decrease (increase) in other operating receivables	(229.8)	150.1
Adjustments for increase (decrease) in trade accounts payable	(89.4)	91.5
Adjustments for increase (decrease) in other operating payables	526.8	408.1
Other adjustments for which cash effects are investing or financing cash flow	0.0	0.0
Other adjustments to reconcile profit (loss)	0.0	(6.4)
Total adjustments to reconcile profit (loss)	410.8	1,277.7
Cash flows from (used in) operations	1,055.1	1,368.7
Income taxes paid (refund), classified as operating activities	416.6	557.6
Cash flows from (used in) operating activities	638.5	811.0
Other cash payments to acquire interests in joint ventures, classified as investing activities	0.0	0.0
Proceeds from sales of property, plant and equipment, classified as investing activities	2.9	2.2
Purchase of property, plant and equipment, classified as investing activities	199.3	120.3
Purchase of intangible assets, classified as investing activities	33.4	119.2
Interest received, classified as investing activities	81.7	32.7
Other inflows (outflows) of cash, classified as investing activities	0.0	0.0
Cash flows from (used in) investing activities	(148.1)	(204.5)
Proceeds from borrowings, classified as financing activities	0.0	0.0
Repayments of borrowings, classified as financing activities	84.6	15.4
Payments of lease liabilities	522.3	519.1
Dividends paid, classified as financing activities	0.0	0.0
Interest paid, classified as financing activities	176.9	171.9
Income taxes paid (refund), classified as financing activities	0.0	0.0
Other inflows (outflows) of cash, classified as financing activities	0.0	0.0
Cash flows from (used in) financing activities	(783.9)	(706.5)
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(293.5)	(99.9)
Effect of exchange rate changes on cash and cash equivalents	0.0	0.0
Increase (decrease) in cash and cash equivalents	(293.5)	(99.9)
Cash and cash equivalents at beginning of period	1,938.9	1,960.1
Cash and cash equivalents at end of period	1,645.4	1,860.2