

# POSADAS®



## Operating & Financial Results: Second Quarter 2022



## Grupo Posadas, S.A.B. de C.V. & Subsidiaries Mexico City, July 28<sup>th</sup>, 2022.

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

- Hotel RevPAR (revenues per available room) increased 47% year-over-year and 14% higher than 2019.
- Q2 revenue was \$2,293.3 million, a 19% increase QoQ.
- 2QEBITDA was \$440.1 million, 40% higher QoQ.
- Net income was \$146 million, and \$163 million in 1H22.
- Robust pipeline with 21 new hotels with 3,913 rooms.
- Acapulco Diamante project agreement with 29 units in a trust was reached.
- US\$8 million interest payment for the Senior Notes due 2027 was made on June 30.
- Cash available as of June 30, 2022 was \$1,629 million pesos (US\$82 million).

Million pesos as of June 30, 2022.	2Q22		Var. YY %
	\$	%	
<b>Total Revenues</b>	2,293.3	100	18.6
<b>EBIT</b>	228.3	10.0	150.6
<b>EBITDA</b>	440.1	19.2	39.7

### Relevant Events:

During the second quarter of 2022 revenues increased in all the segments that the company operates year-over-year.

Q2 financial performance exceeded expectations, with the center of the country, mainly Mexico City, registering higher occupancies.

As of the date of issuance of this report, based on the epidemiological traffic light system that we have been monitoring since the start of the pandemic, all the states of the Mexican Republic are green. However, due to the recent "fifth wave", some states have reinstated certain containment measures.

Hotel occupancies were 64% with an average available rate of \$1,838 resulting in a RevPAR (revenues per available room) of \$1,183. This compares very favorably with the previous year, representing a 47% increase and 14% higher than 2019.

Resort (coastal) (Live Aqua, Grand Fiesta Americana y Fiesta Americana) hotels recorded an occupancy of 78% with an available daily rate (ADR) of \$7,251,

resulting in a RevPAR of \$5,646, 36% higher than the previous year and 30% higher than 2019.

Upscale & Luxury Hotels (urban) recorded an occupancy of 61% with an ADR of \$2,256 resulting in a RevPAR of \$1,385, 83% higher than the previous year and 9% higher than 2019.

Midscale & Economy hotels (urban and coastal) (Fiesta Inn, Gamma y one hotels) recorded an occupancy of 64% with an ADR of \$1,082 resulting in a RevPAR of \$691, 45% higher than the previous year, still 3% lower than 2019.

The Loyalty segment (vacation properties) recorded an increase in net sales of 2% QoQ. The balance of vacation club receivables, as of June 30, 2022, was \$6,245 million, representing an increase of 5% compared to the previous year.

In June, we reached an agreement to develop a facility on a plot of land that the company acquired in 2013 in the Acapulco Diamante area in Acapulco, Guerrero.

The project consists of Posadas contributing the land in a trust and a third party as developer of a building with 128 units and service areas, of which Posadas will receive 29 units. The entire complex will operate under the Live Aqua Residence Club brand and is expected to open in early 2025. Posadas will use the property for its Loyalty products. As part of the commitments assumed with its financial creditors, Posadas pledged the rights of this development trust as collateral for its Senior Notes.

### > Senior Notes Due 2027

The Senior Notes were issued to Qualified Holders on Effective Date in an amount of USD\$366,384,452 received cash interests on June 30.

On June 30, 2022, US\$26,850,570 principal amounts tendered post Effective Date were issued. The sale of Notes in the amount of \$6,598,938 was completed. This sale would otherwise have been issued to Non-Qualified Holders.

Notes in an amount of USD\$5,346,298 were fully discharged with no further distributions as part of the financial restructuring process (Chapter 11 prepackaged).

As of June 30, 2022, the outstanding balance of the "Senior Notes Due 2027" is USD\$393,235,022 and is categorized as a long-term liability on the balance sheet.

## > Hotel Development

As of June 30, 2022, the Company continues its development plan that includes agreements to operate 21 new hotels with 3,913 rooms. Of the total investment for these projects worth \$17,135 million (US\$857 million), Posadas will contribute with 2% of the resources and 98% is being made by other investors. This will increase the supply of rooms of 13%.

These hotel openings will begin during the second quarter of 2022, and according to the commitments assumed by the owners of said properties, it is estimated that most of them will be in operation by 2023. The average life of these operating contracts is more than 15 years.

Additionally, there is a project to develop 29 units in Acapulco Diamante, which are estimated to be in operation over the course of the next three years.

It is important to mention the following hotels are in our pipeline: Live Aqua Playa Mujeres, Dayforia Puerto Vallarta, Live Aqua Valle de Guadalupe and Grand Fiesta Americana Funeeq Punta Cana Los Corales in the Dominican Republic.

New Hotels by Brand	México		Caribbean		Total		%
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	
<b>Live Aqua</b>	4	958			4	958	24.5
<b>Live Aqua Residence Club</b>	1	29			1	29	0.7
<b>Grand Fiesta Americana</b>	1	600			1	600	15.3
<b>Fiesta Americana</b>	1	170			1	170	4.3
<b>Curamoria Collection</b>	3	31			3	31	0.8
<b>Fiesta Inn</b>	2	180			2	180	4.6
<b>Fiesta Inn Loft/Express</b>							
<b>Gamma</b>	3	261			3	261	6.7
<b>One</b>	4	482			4	482	12.3
<b>IOH</b>							
<b>Others</b>	1	704	1	498	2	1,202	30.7
<b>Total</b>	<b>20</b>	<b>3,415</b>	<b>1</b>	<b>498</b>	<b>21</b>	<b>3,913</b>	<b>100</b>

As of 2Q22, 188 hotels with 29,066 rooms were in operation in more than 60 destinations. The Fiesta Inn Coatzacoalcos and Fiesta Inn Poza hotels were converted from managed to franchised contracts.

During the second quarter we opened the first IOH Merida MID hotel with 136 rooms as well as the opening of the Gamma Villahermosa and Gamma Guaymas Armida hotels.

Openings LTM	No. of rooms	Type of Contract
<b>Dos Patios Querétaro Curamoria</b>	20	Franchised
<b>One Coatzacoalcos Fórum</b>	126	Managed
<b>One Saltillo Aeropuerto</b>	139	Managed
<b>One Chihuahua Norte</b>	126	Managed
<b>Pug Seal Curamoria collection</b>	26	Franchised
<b>Gamma Ciudad de México Santa Fe</b>	198	Managed
<b>Huayacán Cuernavaca Curamoria Collection</b>	40	Franchised
<b>IOH Mérida MID Center</b>	136	Administrado
<b>Gamma Villahermosa</b>	72	Franquiciado
<b>Gamma Guaymas Armida</b>	82	Franquiciado
<b>Total</b>	<b>965</b>	

## > EBITDA

EBITDA in the first quarter was \$440 million, while in the same quarter of the previous year it was \$315 million.

## > Comprehensive Financial Results

At the end of the quarter (LTM), the net coverage ratio was 2.2 times, considering the effect of IFRS 16.

Concept	2Q22	2Q21	2022	2021
<b>Interest Income</b>	(9,211)	(4,459)	(17,560)	(7,818)
<b>Accrued interest</b>	73,981	195,673	163,389	380,471
<b>Exchange (gain) loss, net</b>	1,407	(295,734)	(167,927)	(33,212)
<b>Exchange (gain) loss, from lease payments</b>	(819)	(72,971)	(55,298)	(12,437)
<b>Accrued interest from lease payments</b>	73,653	94,731	149,571	191,177
<b>Other financial costs (products)</b>	(78,480)	17,517	(51,584)	35,033
<b>Other financial expenses</b>	2,739	5,508	5,384	7,893
<b>Total</b>	<b>63,269</b>	<b>(59,736)</b>	<b>25,975</b>	<b>561,108</b>

Figures in thousands of pesos

## > Net Majority Income

As a result of the above, net income in the quarter was \$146 million and \$163 million in 1H22, while in the previous year it was a \$432 million loss.

> Indebtedness

Concept (Figures in millions)	2Q22		2Q21	
	US\$	MXN	US\$	MXN
<b>FX eop:</b>		19,9847		19,8027
<b>EBITDA LTM</b>		1,079		(507)
<b>Cash</b>		1,629		810
<b>Indebtedness:</b>				
<b>Interests</b>		-		1027
<b>Senior Notes 2027</b>	393	7,859	393	7,775
<b>Secured Loan</b>			23	450
<b>Subsidiary</b>	8	152	8	159
<b>Issuance expenses (IFRS)</b>		(287)		(85)
<b>Total</b>	401	7,723	423	9,326
<b>Net Debt to EBITDA</b>		5.7		na
<b>Lease liabilities</b>		3,214		4,006
<b>Leases LTM</b>		690		837
<b>Adjusted Net Debt to EBITDA</b>		5.3		na

As of June 30, 2022, the outstanding balance of the “Senior Notes Due 2027” is USD\$393,235,022. The \$210 million bank loan drawn in June 2017 in our subsidiary that holds the Fiesta Americana Mérida hotel has an outstanding balance of \$152 million as of 2Q22.

The Total Debt mix under IFRS at the end of the quarter was 100% long-term, 98% U.S. dollar denominated and 100% with a fixed rate. The average life was 6 years and 100% was secured debt.

The corporate rating assigned by the S&P Global agency is “B-”

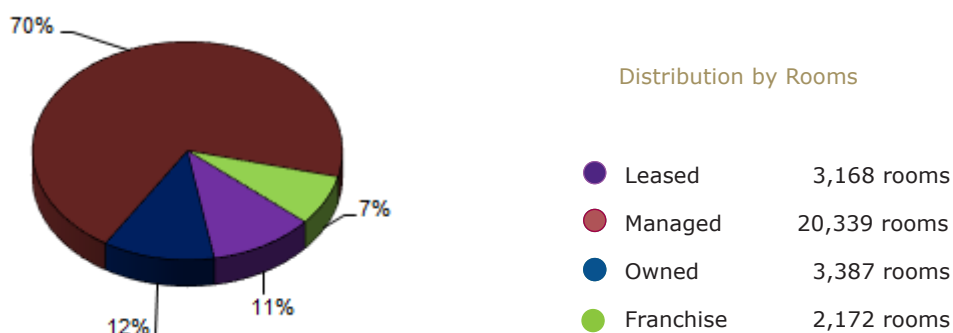
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> Grupo Posadas as of June 30, 2022.

Posadas is the leading hotel operator in Mexico that owns, leases, franchises and manages 188 hotels and 29,066 rooms in the most important and visited urban and coastal destinations in Mexico. Urban hotels represent 87% of total rooms and coastal hotels represent 13%. 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
<b>Live Aqua</b>	4	729	1	347	5	1,076
<b>Live Aqua Residence Club</b>	2	160			2	160
<b>Grand Fiesta Americana</b>	8	1,910			8	1,910
<b>Curamoria</b>	5	139			5	139
<b>Fiesta Americana</b>	14	3,952			14	3,952
<b>The Exploreal</b>	2	96			2	96
<b>FAVC</b>	5	1,774			5	1,774
<b>IOH</b>	1	136			1	136
<b>Fiesta Inn</b>	70	10,178			70	10,178
<b>Fiesta Inn Loft</b>	4	388			4	388
<b>Fiesta Inn Express</b>	3	378			3	378
<b>Gamma</b>	21	2,882			21	2,882
<b>One</b>	48	5,997			48	5,997
<b>Total</b>	<b>187</b>	<b>28,719</b>	<b>1</b>	<b>347</b>	<b>188</b>	<b>29,066</b>
<b>%</b>		<b>99%</b>		<b>1%</b>		<b>100%</b>

## > Income Statement IFRS (million pesos)

Concepto	2Q22		2Q21		Var %	2022		2021		Var %
	\$	%	\$	%		\$	%	\$	%	
Total Revenues	2,293.3	100.0	1,933.6	100.0	18.6	4,294.4	100.0	3,321.1	100.0	29.3
<b>Owned &amp; Leased Hotels</b>										
Revenues	1,090.4	100.0	868.7	100.0	25.5	2,078.7	100.0	1,501.5	100.0	38.4
Direct cost	865.1	79.3	666.5	76.7	29.8	1,649.2	79.3	1,233.4	82.1	33.7
<i>Business Contribution</i>	225.3	20.7	202.2	23.3	11.4	429.4	20.7	268.1	17.9	60.2
<b>Managed</b>										
Revenues	390.2	100.0	252.1	100.0	54.8	692.1	100.0	424.8	100.0	62.9
Direct cost	168.1	43.1	187.9	74.5	(10.6)	323.3	46.7	387.5	91.2	(16.6)
<i>Business Contribution</i>	222.1	56.9	64.2	25.5	245.9	368.8	53.3	37.3	8.8	887.6
<b>Vacation Properties</b>										
Revenues	792.5	100.0	789.6	100.0	0.4	1,483.8	100.0	1,347.0	100.0	10.2
Direct cost	658.8	83.1	599.4	75.9	9.9	1,257.5	84.7	1,056.8	78.4	19.0
<i>Business Contribution</i>	133.7	16.9	190.3	24.1	(29.7)	226.4	15.3	290.3	21.6	(22.0)
<b>Other Businesses (1)</b>										
Revenues	20.1	100.0	23.1	100.0	(12.9)	39.8	100.0	47.6	100.0	(16.5)
Direct cost	9.1	45.1	10.8	46.7	(15.8)	16.7	41.9	24.6	51.7	(32.3)
<i>Business Contribution</i>	11.0	54.9	12.3	53.3	(10.4)	23.1	58.1	23.0	48.3	0.5
Corporate Expenses	147.2	6.4	157.5	8.1	(6.5)	287.3	6.7	305.8	9.2	(6.1)
Depreciation/Amortization and asset impairment	211.8	9.2	224.0	11.6	(5.4)	426.2	9.9	475.9	14.3	(10.4)
Other expenses (revenue) (3)	4.8	0.2	(3.5)	(0.2)	na	(6.3)	(0.1)	(37.2)	(1.1)	(83.0)
Other	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Operating Profit	228.3	10.0	91.1	4.7	150.6	340.6	7.9	(125.7)	(3.8)	na
<b>EBITDA</b>	<b>440.1</b>	<b>19.2</b>	<b>315.1</b>	<b>16.3</b>	<b>39.7</b>	<b>766.8</b>	<b>17.9</b>	<b>350.2</b>	<b>10.5</b>	<b>119.0</b>
Comprehensive financing cost	63.3	2.8	(59.7)	(3.1)	na	26.0	0.6	561.1	16.9	(95.4)
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	(15.0)	(0.2)	0.0	0.0	na
<b>Profit Before Taxes</b>	<b>165.0</b>	<b>7.2</b>	<b>150.8</b>	<b>7.8</b>	<b>9.4</b>	<b>314.6</b>	<b>7.3</b>	<b>(686.8)</b>	<b>(20.7)</b>	<b>na</b>
Discontinued Operations	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Income taxes	4.5	0.2	3.8	0.2	19.7	19.1	0.4	24.9	0.8	(23.3)
Deferred taxes	14.0	0.6	(77.7)	(4.0)	na	131.8	3.1	(274.5)	(8.3)	na
<b>Net Income before Minority</b>	<b>146.5</b>	<b>6.4</b>	<b>224.7</b>	<b>11.6</b>	<b>(34.8)</b>	<b>163.7</b>	<b>3.8</b>	<b>(437.2)</b>	<b>(13.2)</b>	<b>na</b>
<b>Minority Interest</b>	<b>0.1</b>	<b>0.0</b>	<b>(2.6)</b>	<b>(0.1)</b>	<b>na</b>	<b>0.2</b>	<b>0.0</b>	<b>(5.7)</b>	<b>(0.2)</b>	<b>na</b>
<b>Net Majority Income</b>	<b>146.5</b>	<b>6.4</b>	<b>227.4</b>	<b>11.8</b>	<b>(35.6)</b>	<b>163.5</b>	<b>3.8</b>	<b>(431.5)</b>	<b>(13.0)</b>	<b>na</b>

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



## > Consolidated Balance Sheet as of June 30, 2022 and December 31<sup>st</sup>, 2021 IFRS (million pesos)

CONCEPT	JUN-22	%	DEC-21	%	VAR. %
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	1,629.3	9.2	1,960.1	10.7	(16.9)
Trade and other current receivables	2,877.7	16.2	2,741.2	15.0	5.0
Current tax assets, current	-	0.0	-	-	-
Other current financial assets	-	0.0	-	-	-
Current inventories	206.1	1.2	192.2	1.1	7.2
Other current non-financial assets	91.1	0.5	97.5	0.5	(6.6)
<b>Total</b>	<b>4,804.3</b>	<b>27.1</b>	<b>4,991.0</b>	<b>27.4</b>	<b>(3.7)</b>
Assets held for sale	-	0.0	-	-	-
<b>Total current assets</b>	<b>4,804.3</b>	<b>27.1</b>	<b>4,991.0</b>	<b>27.4</b>	<b>(3.7)</b>
<b>Non current assets</b>					
Trade and other non-current receivables	4,111.9	23.2	4,062.4	22.3	1.2
Non-current inventories	-	0.0	-	0.0	-
Other non-current financial assets	17.2	0.1	6.3	0.0	172.9
Investments in subsidiaries, joint ventures and associates	1.1	0.0	1.1	0.0	0.0
Property, plant and equipment	4,089.1	23.0	4,187.6	23.0	(2.4)
Right-of-use assets that do not meet definition of investment property	2,839.8	16.0	2,866.6	15.7	(0.9)
Intangible assets other than goodwill	651.6	3.7	759.4	4.2	(14.2)
Deferred tax assets	1,238.2	7.0	1,370.1	7.5	(9.6)
Other non-current non-financial assets	-	0.0	-	-	-
<b>Total non-current assets</b>	<b>12,949.0</b>	<b>72.9</b>	<b>13,253.5</b>	<b>72.6</b>	<b>(2.3)</b>
<b>Total assets</b>	<b>17,753.3</b>	<b>100.0</b>	<b>18,244.5</b>	<b>100.0</b>	<b>(2.7)</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other current payables	2,222.3	12.5	2,009.3	11.0	10.6
Current tax liabilities, current	395.9	2.2	553.5	3.0	(28.5)
Other current financial liabilities	32.3	0.2	23.5	0.1	37.3
Current lease liabilities	426.7	2.4	398.5	2.2	7.1
Other current non-financial liabilities	1,292.8	7.3	1,065.0	5.8	21.4
Current provisions for employee benefits	181.4	1.0	176.4	1.0	2.8
<b>Total current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>4,551.6</b>	<b>25.6</b>	<b>4,226.2</b>	<b>23.2</b>	<b>7.7</b>
Liabilities included in disposal groups classified as held for sale	-	0.0	-	0.0	-
<b>Total current liabilities</b>	<b>4,551.6</b>	<b>25.6</b>	<b>4,226.2</b>	<b>23.2</b>	<b>7.7</b>
<b>Non Current Liabilities</b>					
Trade and other non-current payables	654.4	3.7	807.2	4.4	(18.9)
Non-current lease liabilities	2,786.9	15.7	2,861.4	15.7	(2.6)
Bank loans	117.4	0.7	133.2	0.7	(11.9)
Stock market loans	7,573.6	42.7	7,951.9	43.6	(4.8)
<b>Other non-current financial liabilities</b>	<b>7,691.0</b>	<b>43.3</b>	<b>8,085.1</b>	<b>44.3</b>	<b>(4.9)</b>
Non-current provisions for employee benefits	283.6	1.6	262.2	1.4	8.2
Other non-current provisions	-	0.0	-	-	-
<b>Total non-current provisions</b>	<b>283.6</b>	<b>1.6</b>	<b>262.2</b>	<b>1.4</b>	<b>8.2</b>
Deferred tax liabilities	615.8	3.5	990.0	5.4	(37.8)
<b>Total non-current liabilities</b>	<b>12,031.6</b>	<b>67.8</b>	<b>13,006.0</b>	<b>71.3</b>	<b>(7.5)</b>
<b>Total liabilities</b>	<b>16,583.2</b>	<b>93.4</b>	<b>17,232.2</b>	<b>94.5</b>	<b>(3.8)</b>
<b>EQUITY</b>					
Total equity attributable to owners of parent	996.7	5.6	839.1	4.6	18.8
Non-controlling interests	173.3	1.0	173.2	0.9	0.1
<b>Total equity</b>	<b>1,170.1</b>	<b>6.6</b>	<b>1,012.3</b>	<b>5.5</b>	<b>15.6</b>
<b>Total equity and liabilities</b>	<b>17,753.2</b>	<b>100.0</b>	<b>18,244.5</b>	<b>100.0</b>	<b>(2.7)</b>

## > Consolidated Cash Flow Statement - IFRS

(Million pesos from January 1<sup>st</sup> to June 30, 2022 & 2021)

STATEMENT OF CASH FLOWS		
	2Q22	2Q21
Cash flows from (used in) operating activities		
Profit (loss)	163.7	(437.2)
Adjustments to reconcile profit (loss)		
Discontinued operations	0.0	0.0
Adjustments for income tax expense	151.0	(249.6)
Adjustments for finance costs	156.1	585.8
Adjustments for depreciation and amortisation expense	426.2	475.9
Adjustments for unrealised foreign exchange losses (gains)	(294.0)	(68.9)
Adjustments for fair value losses (gains)	0.0	0.0
Adjustments for losses (gains) on disposal of non-current assets	(1.0)	(38.2)
Participation in associates and joint ventures	0.0	0.0
Adjustments for decrease (increase) in inventories	-13.9	37.4
Adjustments for decrease (increase) in trade accounts receivable	-102.1	-156.6
Adjustments for decrease (increase) in other operating receivables	114.6	-95.3
Adjustments for increase (decrease) in trade accounts payable	33.2	239.7
Adjustments for increase (decrease) in other operating payables	277.9	355.9
Other adjustments for which cash effects are investing or financing cash flow	0.0	0.0
Other adjustments to reconcile profit (loss)	(5.2)	(122.1)
Total adjustments to reconcile profit (loss)	742.8	963.9
Cash flows from (used in) operations	906.5	526.7
Income taxes paid (refund), classified as operating activities	560.0	358.9
Cash flows from (used in) operating activities	346.5	167.7
Other cash payments to acquire interests in joint ventures, classified as investing activities	0.0	2.5
Proceeds from sales of property, plant and equipment, classified as investing activities	1.3	157.6
Purchase of property, plant and equipment, classified as investing activities	67.6	104.7
Purchase of intangible assets, classified as investing activities	108.3	22.5
Interest received, classified as investing activities	17.6	7.8
Other inflows (outflows) of cash, classified as investing activities	0.0	0.0
Cash flows from (used in) investing activities	(157.1)	35.7
Proceeds from borrowings, classified as financing activities	0.0	450.0
Repayments of borrowings, classified as financing activities	7.4	0.0
Payments of lease liabilities	344.4	328.7
Dividends paid, classified as financing activities	0.0	0.0
Interest paid, classified as financing activities	168.4	16.1
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	(520.2)	105.2
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(330.8)	308.7
Effect of exchange rate changes on cash and cash equivalents	0.0	0.0
Increase (decrease) in cash and cash equivalents	(330.8)	308.7
Cash and cash equivalents at beginning of period	1,960.1	501.7
Cash and cash equivalents at end of period	1,629.3	810.4