

Mexico City, July 23, 2020 – Grupo Hotelero Santa Fe S.A.B. de C.V. (BMV: HOTEL) (the “HOTEL” or the “Company”), announced its consolidated results for the second quarter (“2Q20”) ended June 30, 2020. Figures are expressed in Mexican pesos, are unaudited and are in accordance with International Financial Reporting Standards (“IFRS”) and may vary due to rounding.

Highlights

- 2Q20 EBITDA¹ was negative Ps. 86.7 million, compared to Ps. 134.2 million in 2Q19, due to the COVID-19 pandemic.
- 2Q20 Total Revenues were Ps. 15.5 million, down 97.1% compared to 2Q19, due to the following decreases: i) 96.9% in Room Revenue, ii) 98.5% in Food and Beverages Revenue, iii) 93.3% in Other Hotel Revenue, and iv) 94.7% in Third-Party Hotels' Management Fees.
- In 2Q20, HOTEL posted a Net Loss of Ps. 43.4 million, compared to a Ps. 19.7 million gain in 2Q19. The lower operating income was partially offset by the foreign exchange rate gain and lower interest expenses.
- 2Q20 Net Operating Cash Flow was negative Ps. 93.3 million, compared to Ps. 163.4 million reported in 2Q19.
- At the end of 2Q20, the Net Debt/LTM EBITDA ratio was 8.2x.
- HOTEL's total portfolio at the end of 2Q20 was 6,237 rooms in operation, a 3.0% increase compared to the 6,058 rooms in operation at the end of 2Q19.
- RevPAR² for Company-owned hotels decreased by 96.9% in 2Q20 compared to 2Q19, driven by a 58.4 percentage point decrease in Occupancy combined with a 20.2% decline in ADR².

<i>Figures in thousands of Mexican pesos</i>	Second Quarter				6 months ended June 30			
	2020	2019	Var.	% Var.	2020	2019	Var.	% Var.
Total Revenue	15,532	541,934	(526,403)	(97.1)	601,036	1,164,525	(563,489)	(48.4)
EBITDA	(86,745)	134,180	(220,925)	NA	69,621	345,393	(275,772)	(79.8)
EBITDA Margin	NA	24.8%	NA	NA	11.6%	29.7%	(18.1 pt)	(18.1 pt)
Operating Income	(151,958)	64,751	(216,708)	NA	(65,739)	216,164	(281,904)	NA
Net Income	(43,387)	19,740	(63,127)	NA	(649,137)	126,102	(775,239)	NA
Net Income Margin	NA	3.6%	NA	NA	NA	10.8%	NA	NA
Operating Cash Flow	(92,311)	163,403	(255,714)	NA	67,661	329,144	(261,483)	(79.4)
Occupancy	2.3%	60.7%	(58.4 pt)	(58.4 pt)	30.9%	62.8%	(31.9 pt)	(31.9 pt)
ADR	1,028	1,288	(260)	(20.2)	1,316	1,338	(22)	(1.6)
RevPAR	24	782	(758)	(96.9)	407	840	(433)	(51.5)

Note: operating figures include hotels with 50%+ ownership.

¹EBITDA is calculated by adding together Operating Income, Depreciation and Total Non-Recurring Expenses.

²Revenue Per Available Room (“RevPAR”) and Average Daily Rate (“ADR”).



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Comments from the Executive Vice-President

Mr. Francisco Zinser, stated:

Due to the impacts of the COVID 19 pandemic on a Global basis the Tourism industry has been severely impacted, particularly in the second quarter of this year. It was a particularly challenging for our Company since most of our hotels were closed for the months of April, May, and a part of June. As of today, all the hotels in our portfolio excluding Hilton Guadalajara and Hyatt Place Aguascalientes are in operation. These two hotels will be opening in the following weeks based on our demand. Also please keep in mind that currently most of our hotels are limited to 30% occupancy due to government regulation, however these measures should ease in the following weeks.

Occupancy for this quarter was 4%, however if we measure real occupancy, (excluding periods when we were closed), we posted 19.5%. This is a positive data point as it allows us to see how hotels are performing. Since the reopening of the portfolio we have seen week-over-week improvements in line with our expectations. We hope that this recovery continues in 3&4 Q20 and that we can gradually build occupancy and rates, and thus exceed our breakeven points of between at operational levels of 25% and 35% occupancy with current ADR, depending on the property and market.

Financially, we have implemented a variety of initiatives to preserve our working capital and lower our operating expenses. In 2Q20 we were able to lower our costs and expenses by over 65%. The measures we have implemented include: (i) the reduction of non-priority expenses; (ii) wage reductions at all levels in both corporate and operational structures, averaging approximately 50%; (iii) lowering operational costs and expenses at properties that remain open; and, (iv) deferring all non-essential CAPEX. We have also reprofiled our cash flow thanks to the support of the banks we work with, assuring adequate working capital levels to restart operations.

Moving on to our quarterly results, revenue totaled Ps. 15.5 million, down 97.1% compared to 2Q19. EBITDA was negative Ps. 86.7 million in the quarter, consequence severe reduction in revenues for the quarter due to the pandemic. Regarding company-owned hotels, RevPAR decreased by 96.9%, due to a 20.2% decrease in ADR and a 58.4 percentage point decrease in occupancy.

I would like to highlight and express my gratitude to the more than 3,700 associates who have supported the Company unconditionally, not only with their economic contribution but with their tremendous attitude that went beyond the call of duty. As always, we are especially thankful for the trust and support of our shareholders in these times, and again to all of our tremendously professional and cooperative teams.

Portfolio of Properties

No.	Property	Total Rooms	Ownership	Type	Category	Months in Operation	Stabilized	City	State
1	Hilton Guadalajara	450	100%	Urban	Grand Tourism	>36	Yes	Guadalajara	Jalisco
2	Krystal Urban Monterrey	150	100%	Urban	4 stars	>36	Yes	Monterrey	Nuevo Leon
3	Krystal Urban Cd. Juarez	120	100%	Urban	4 stars	>36	Yes	Ciudad Juarez	Chihuahua
4	Krystal Urban Cancun	246	100%	Urban	4 stars	>36	Yes	Cancun	Quintana Roo
5	Krystal Satelite Maria Barbara	215	100%	Urban	5 stars	>36	Yes	Estado de Mexico	Estado de Mexico
6	Hilton Garden Inn Monterrey Aeropuerto	134	15%	Urban	4 stars	>36	Yes	Monterrey	Nuevo Leon
7	Hampton Inn & Suites Paraiso Tabasco	117	-	Urban	4 stars	>36	Yes	Paraiso	Tabasco
8	Krystal Urban Aeropuerto Mexico City	96	-	Urban	4 stars	>36	Yes	Mexico City	Mexico City
9	Krystal Urban Guadalajara	140	100%	Urban	4 stars	>36	Yes	Guadalajara	Jalisco
10	Krystal Monterrey	207	-	Urban	5 stars	>36	Yes	Monterrey	Nuevo Leon
11	Ibis Irapuato	140	-	Urban	3 stars	>36	Yes	Irapuato	Guanajuato
12	Krystal Grand Suites Insurgentes	150	50%	Urban	Grand Tourism	32	In Process	Mexico City	Mexico City
13	Hyatt Centric Campestre Leon	140	50%	Urban	Grand Tourism	22	In Process	Leon	Guanajuato
14	Hyatt Place Aguascalientes	144	-	Urban	4 stars	16	In Process	Aguascalientes	Aguascalientes
15	AC Hotel by Marriott Santa Fe	168	-	Urban	4 stars	11	In Process	Mexico City	Mexico City
16	Courtyard by Marriott Puebla	150	-	Urban	4 stars	11	In Process	Puebla	Puebla
Subtotal Urban		2,767							
17	Krystal Resort Cancun	502	-	Resort	5 stars	>36	Yes	Cancun	Quintana Roo
18	Krystal Resort Ixtapa	255	-	Resort	5 stars	>36	Yes	Ixtapa	Guerrero
19	Krystal Resort Puerto Vallarta	530	-	Resort	5 stars	>36	Yes	Puerto Vallarta	Jalisco
20	Hilton Puerto Vallarta Resort	451	100%	Resort	Grand Tourism	>36	Yes	Puerto Vallarta	Jalisco
21	Krystal Beach Acapulco	400	100%	Resort	4 stars	>36	Yes	Acapulco	Guerrero
22	Reflect Krystal Grand Punta Cancun	398	100%	Resort	Grand Tourism	>36	Yes	Cancun	Quintana Roo
23	Reflect Krystal Grand Los Cabos	454	50%	Resort	Grand Tourism	30	Yes	Los Cabos	Baja California Sur
24	Reflect Krystal Grand Nuevo Vallarta	480	50%	Resort	Grand Tourism	30	In Process	Nuevo Vallarta	Nayarit
Subtotal Resort		3,470							
Total in Operation		6,237							
25	Hyatt Regency Insurgentes Mexico City	250	50%	Urban	Grand Tourism			Mexico City	Mexico City
26	AC by Marriott Distrito Armida	168	-	Urban	4 stars			Monterrey	Nuevo Leon
27	Curio Collection Zacatecas	32	-	Urban	Boutique			Zacatecas	Zacatecas
28	Breathless Tulum Resort & Spa	300	-	Resort	Grand Tourism			Tulum	Quintana Roo
Total in Construction		750							
Total		6,987							

At the end of 2Q20, HOTEL recorded a total of 24 properties in operation, of which 13 are Company-owned,³ and the remaining 11 are third-party owned.⁴

The number of rooms in operation at the end of 2Q20 was 6,237, a 3.0% increase compared to 6,058 under operation for the same period last year. Of the 179 net additional rooms, we added 321 rooms and subtracted 142 rooms due to the removal of *DoubleTree by Hilton Toluca* from the portfolio. Of the 321 rooms we added, 168 rooms are from the operation of *AC by Marriott Santa Fe*, 150 rooms from the opening of the *Courtyard by Marriott Puebla*, and 3 are from the expansion of the *Reflect Krystal Grand Punta Cancun*.

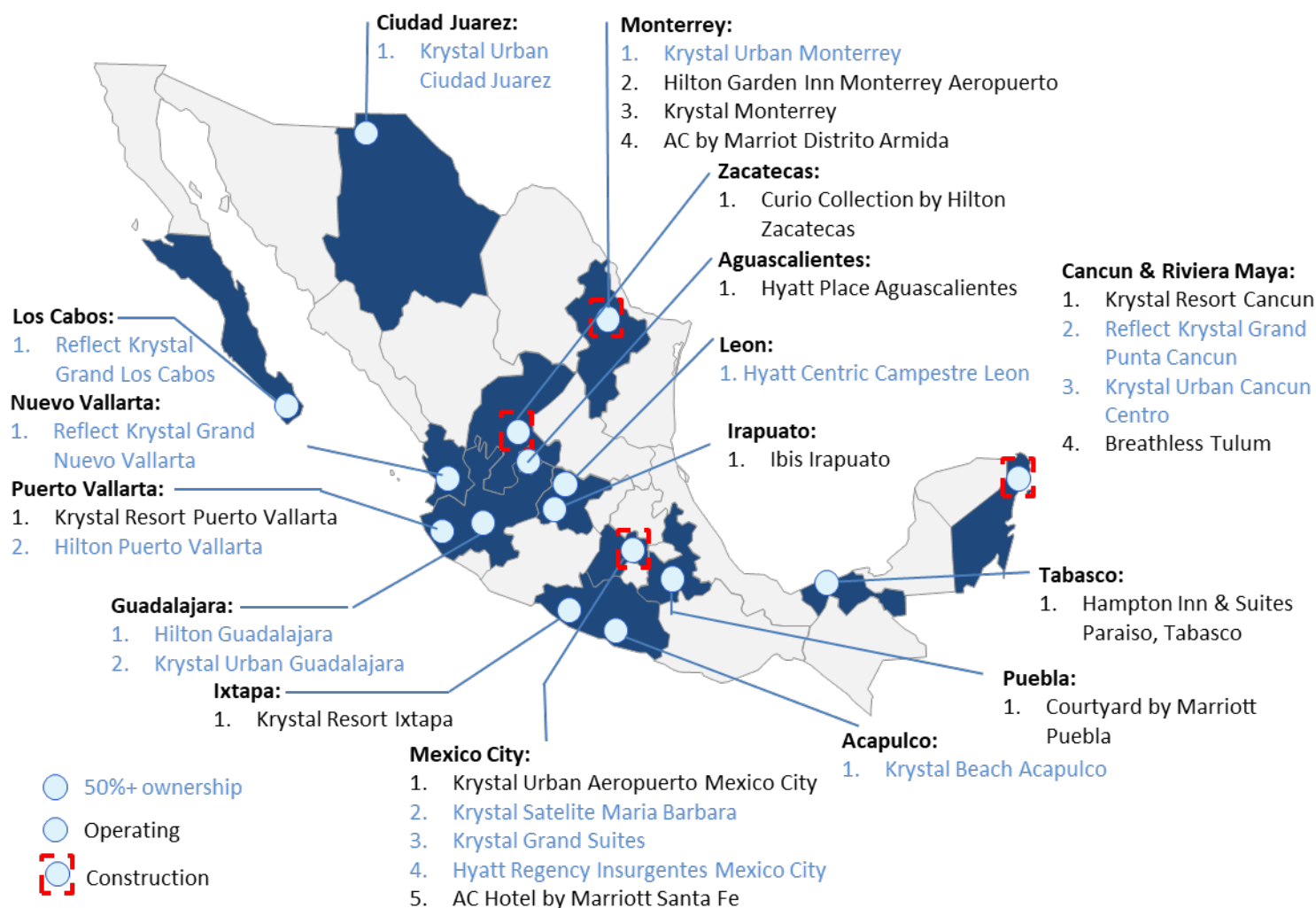
Note: We have adjusted the months in operation of both the *Reflect Krystal Grand Los Cabos* and *Reflect Krystal Grand Nuevo Vallarta* to reflect the COVID-19 effect in the maturity cycle, both hotels will reach maturity by the end of 2020.

³ The Company operates *Reflect Krystal Grand Los Cabos*, *Reflect Krystal Grand Nuevo Vallarta*, *Krystal Grand Suites Insurgentes* and *Hyatt Centric Campestre Leon*, in which it also has a 50% stake. According to IFRS, the results of these properties are consolidated in the Company's financial statements.

⁴ The Company operates *Hilton Garden Inn Monterrey Aeropuerto* hotel, in which it has a 15% stake. According to IFRS, although the results of this property are not consolidated in the Company's financial statements, third-party hotels' management fees are included as "Other Revenues," given that the property is considered to be a third-party hotel under management.

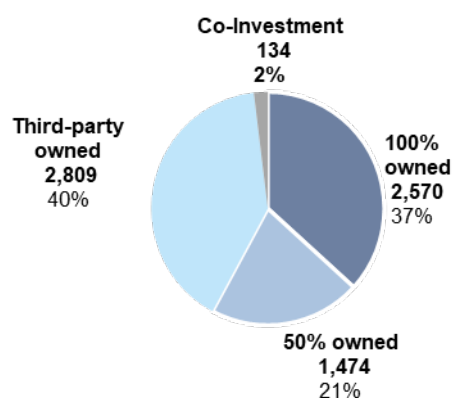
Additionally, HOTEL has 750 rooms under construction (owned and third-party), including 250 at *Hyatt Regency Insurgentes Mexico City*, 168 rooms at *AC by Marriott Distrito Armida*, 32 rooms at *Curio Collection Zacatecas*, and 300 at *Breathless Tulum Resort & Spa*, for a total portfolio of 28 hotels and 6,987 rooms.

The hotel portfolio is geographically distributed as follows:

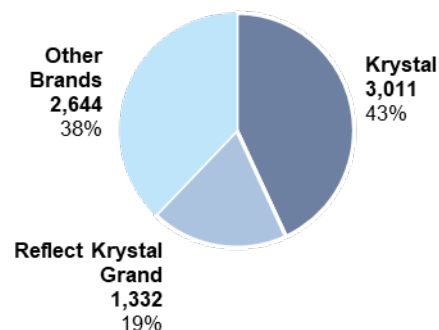


In terms of rooms under operation and rooms under development (including rooms under construction and conversion), in 2Q20 the hotel portfolio was as follows:

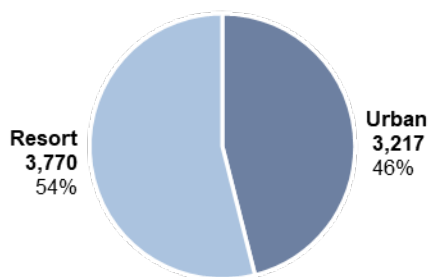
Ownership (number of rooms)



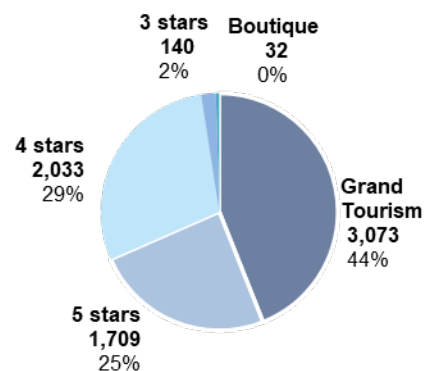
Brand (number of rooms)



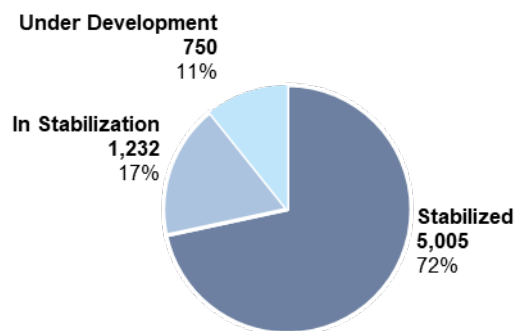
Segment (number of rooms)



Category (number of rooms)



Stabilization Stage (number of rooms)



Hotel Classification

For comparison purposes, the hotel portfolio is classified by: (i) Company-owned hotels and (ii) those owned by third parties that are managed by HOTEL. The rationale for this classification is that the largest portion of revenue is supported by Company-owned hotels. While commercially relevant for the hotel platform, hotels under management only generate management fees for the Company, which are shown in the P&L statement under Third-Party Hotels' Management Fees.

Company-owned hotels are classified according to the stage in the stabilization cycle for each hotel. As a result of this classification, hotels that have been in operation for at least 36 months are considered to be mature or stabilized, while hotels that have been in operation for less than 36 months are considered to be in their stabilization stage or in their maturation period. At the end of 2Q20, HOTEL had 13 Company-owned hotels in operation and 11 third-party owned hotels under management in operation.

Of a total 6,237 hotel rooms in operation, the operating indicators for 2Q20 include 5,974 rooms, as 263 rooms are part of the Vacation Club and are excluded from this analysis. They are detailed at the end of this report in Appendix 1. The following table is a summary of 2Q20 key operating metrics compared to the same period of last year, based on the classification. The methodology used to determine the number of rooms considers the number of available rooms divided by the corresponding number of days in each period.

Figures in Mexican pesos		Second Quarter				6 months ended June 30			
Hotel Classification		2020	2019	Var.	% Var.	2020	2019	Var.	% Var.
Total Hotels in Operation		25	23	2	8.7	25	23	2	8.7
Number of rooms		5,974	5,795	179	3.1	6,045	5,743	302	5.3
Occupancy		4.0%	64.2% (60.2 pt)	(60.2 pt)		32.3%	66.0% (33.7 pt)	(33.7 pt)	
ADR		1,063	1,361	(298)	(21.9)	1,351	1,405	(54)	(3.8)
RevPAR		43	874	(831)	(95.1)	437	927	(490)	(52.9)
1 Total Owned Hotels (50%+ ownership)		13	13	-	0.0	13	13	-	0.0
Number of rooms		3,741	3,738	3	0.1	3,741	3,738	3	0.1
Occupancy		2.3%	60.7% (58.4 pt)	(58.4 pt)		30.9%	62.8% (31.9 pt)	(31.9 pt)	
ADR		1,028	1,288	(260)	(20.2)	1,316	1,338	(22)	(1.6)
RevPAR		24	782	(758)	(96.9)	407	840	(433)	(51.5)
1.1 Stabilized Owned Hotels⁽¹⁾		9	9	-	0.0	9	9	-	0.0
Number of rooms		2,517	2,514	3	0.1	2,517	2,514	3	0.1
Occupancy		2.9%	61.6% (58.7 pt)	(58.7 pt)		32.0%	64.0% (32.0 pt)	(32.0 pt)	
ADR		1,016	1,302	(286)	(22.0)	1,291	1,359	(68)	(5.0)
RevPAR		30	801	(771)	(96.3)	413	870	(457)	(52.6)
1.2 Owned Hotels in Stabilization Stage		4	4	-	0.0	4	4	-	0.0
Number of rooms		1,224	1,224	-	0.0	1,224	1,224	-	0.0
Occupancy		1.1%	59.0% (57.9 pt)	(57.9 pt)		28.9%	60.3% (31.4 pt)	(31.4 pt)	
ADR		1,093	1,258	(165)	(13.1)	1,372	1,291	81	6.3
RevPAR		12	742	(730)	(98.3)	396	778	(382)	(49.1)
2 Third-party Hotels Under Management⁽²⁾		12	10	2	20.0	12	10	2	20.0
Number of rooms		2,233	2,057	176	8.6	2,304	2,005	299	14.9
Occupancy		6.9%	70.9% (64.0 pt)	(64.0 pt)		34.6%	72.2% (37.6 pt)	(37.6 pt)	
ADR		1,084	1,481	(397)	(26.8)	1,402	1,522	(120)	(7.9)
RevPAR		74	1,051	(977)	(92.9)	485	1,099	(614)	(55.9)

Note: The variation in number of rooms in the portfolio due to renovations, acquisitions or recent openings in each period.

(1) Variation in number of rooms is due to the expansion of three rooms at the Reflect Krystal Grand Cancun

(2) The increase in number of rooms is due to the incorporation of the AC Hotel by Marriott Santa Fe and the Courtyard by Marriott Puebla, combined with the exit of the DoubleTree by Hilton Toluca

For the rest of the year, we will also be reporting our operational numbers considering occupancy only for the days that the hotels were open during the period. This translates into real occupancy, excluding periods when we were not able to open the hotel due to local regulations related to the COVID-19 pandemic. This data is meant to show occupancies in the quarter for the periods that the hotels were in operation. The difference with the previous chart is the reduction in number of available rooms.

Figures in Mexican pesos		Second Quarter				6 months ended June 30			
Hotel Classification		2020	2019	Var.	% Var.	2020	2019	Var.	% Var.
Total Hotels in Operation		25	23	2	8.7	25	23	2	8.7
Number of rooms		1,547	5,795	(4,248)	(73.3)	3,676	5,743	(2,067)	(36.0)
Occupancy		19.5%	64.2%	(44.7 pt)	(44.7 pt)	53.1%	66.0%	(12.9 pt)	(12.9 pt)
ADR		1,063	1,361	(298)	(21.9)	1,351	1,405	(54)	(3.8)
RevPAR		207	874	(667)	(76.3)	718	927	(209)	(22.5)
1 Total Owned Hotels (50%+ ownership)		13	13	-	0.0	13	13	-	0.0
Number of rooms		705	3,738	(3,033)	(81.1)	2,221	3,738	(1,517)	(40.6)
Occupancy		12.5%	60.7%	(48.2 pt)	(48.2 pt)	52.1%	62.8%	(10.7 pt)	(10.7 pt)
ADR		1,028	1,288	(260)	(20.2)	1,316	1,338	(22)	(1.6)
RevPAR		128	782	(654)	(83.6)	686	840	(154)	(18.4)
1.1 Stabilized Owned Hotels		9	9	-	0.0	9	9	-	0.0
Number of rooms		575	2,514	(1,939)	(77.1)	1,544	2,514	(970)	(38.6)
Occupancy		12.9%	61.6%	(48.7 pt)	(48.7 pt)	52.1%	64.0%	(11.9 pt)	(11.9 pt)
ADR		1,016	1,302	(286)	(22.0)	1,291	1,359	(68)	(5.0)
RevPAR		131	801	(670)	(83.7)	672	870	(198)	(22.7)
1.2 Owned Hotels in Stabilization Stage		4	4	-	0.0	4	4	-	0.0
Number of rooms		130	1,224	(1,094)	(89.4)	677	1,224	(547)	(44.7)
Occupancy		10.6%	59.0%	(48.4 pt)	(48.4 pt)	52.2%	60.3%	(8.1 pt)	(8.1 pt)
ADR		1,093	1,258	(165)	(13.1)	1,372	1,291	81	6.3
RevPAR		116	742	(626)	(84.3)	716	778	(62)	(8.0)
2 Third-party Hotels Under Management		12	10	2	20.0	12	10	2	20.0
Number of rooms		842	2,057	(1,215)	(59.1)	1,455	2,005	(550)	(27.4)
Occupancy		28.6%	70.9%	(42.3 pt)	(42.3 pt)	54.8%	72.2%	(17.4 pt)	(17.4 pt)
ADR		1,084	1,481	(397)	(26.8)	1,402	1,522	(120)	(7.9)
RevPAR		310	1,051	(741)	(70.5)	768	1,099	(331)	(30.1)

Consolidated Financial Results

Figures in thousands of Mexican pesos

Income Statement	Second Quarter				6 months ended June 30			
	2020	2019	Var.	% Var.	2020	2019	Var.	% Var.
Room Revenue	8,193	265,968	(257,775)	(96.9)	277,213	568,328	(291,115)	(51.2)
Food and Beverage Revenue	3,154	209,560	(206,406)	(98.5)	230,998	452,072	(221,074)	(48.9)
Other Revenue from Hotels	3,132	46,679	(43,546)	(93.3)	73,759	104,408	(30,649)	(29.4)
Third-Party Hotels' Management Fees	1,052	19,727	(18,675)	(94.7)	19,065	39,716	(20,651)	(52.0)
Total Revenue	15,532	541,934	(526,403)	(97.1)	601,036	1,164,525	(563,489)	(48.4)
Cost and Operating Expenses	54,739	259,817	(205,077)	(78.9)	320,635	522,348	(201,713)	(38.6)
Sales and Administrative	43,286	138,338	(95,052)	(68.7)	196,811	278,693	(81,882)	(29.4)
Other Expenses	4,251	9,600	(5,349)	(55.7)	13,969	18,091	(4,122)	(22.8)
Depreciation	58,603	63,075	(4,472)	(7.1)	119,272	115,214	4,058	3.5
Total Costs and Expenses	160,880	470,829	(309,950)	(65.8)	650,687	934,346	(283,660)	(30.4)
Total Non Recurring Expenses	6,609	6,355	255	4.0	16,088	14,014	2,074	14.8
EBITDA	(86,745)	134,180	(220,925)	NA	69,621	345,393	(275,772)	(79.8)
EBITDA Margin(%)	NA	24.8%	NA	NA	11.6%	29.7%	(18.1 pt)	(18.1 pt)
Operating Income	(151,958)	64,751	(216,708)	NA	(65,739)	216,164	(281,904)	NA
Operating Income Margin (%)	NA	11.9%	NA	NA	(10.9%)	18.6%	(29.5 pt)	(29.5 pt)
Net Financing Result	107,628	(40,074)	147,702	NA	(584,801)	(55,998)	(528,803)	NA
Total income taxes	-	5,568	(5,568)	(100.0)	0	35,567	(35,567)	(100.0)
Net Income	(43,387)	19,740	(63,127)	NA	(649,137)	126,102	(775,239)	NA
Net Income Margin (%)	NA	3.6%	NA	NA	NA	10.8%	NA	NA
Income attributable to:								
Controlling Interest	(50,809)	27,448	(78,257)	NA	(449,934)	118,377	(568,311)	NA
Non-controlling Interest	7,422	(7,708)	15,130	NA	(199,203)	7,725	(206,928)	NA

Total Revenue

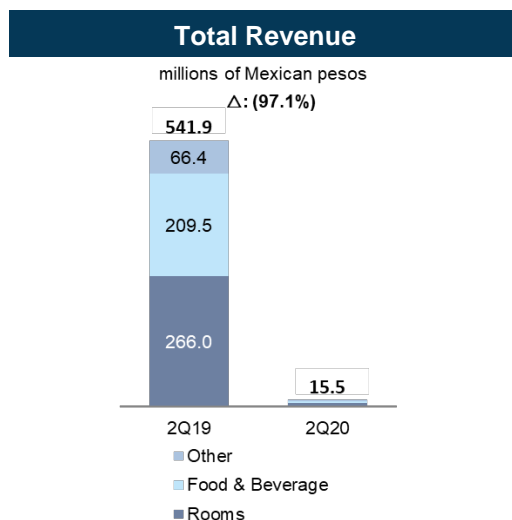
During 2Q20, Total Revenue decreased 97.1%, from Ps. 541.9 million in 2Q19 to Ps. 15.5 million, with the following decreases: i) 96.9% in Room Revenue, ii) 98.5% in Food and Beverage Revenue, iii) 93.3% in Other Revenue, and iv) 94.7% in Third-Party Hotels' Management Fees.

The decline in Room Revenue was due to lower occupancies, combined with lower ADR across the board resulting from the COVID-19 pandemic.

During 2Q20, Room Revenue decreased 96.9% compared to 2Q19, due to the 96.9% decrease in RevPAR, comprised of a 58.4 percentage point decline in Occupancy and a 20.2% decrease in ADR.

The portfolio of stabilized Company-owned hotels posted a 96.3% decrease in RevPAR, derived from a 58.7 percentage point decline in Occupancy and a 22.0% reduction in ADR.

Company-owned hotels in the stabilization stage posted a RevPAR decrease of 98.3%, due to a 57.9 percentage point decrease in Occupancy and a 13.1% ADR decrease.



Food and Beverage Revenue decreased 98.5%, from Ps. 209.6 million in 2Q19 to Ps. 3.2 million in 2Q20, as a result of the COVID-19 pandemic.

Other Income, which includes, among other items, event room rentals, parking, laundry, telephone, and leasing of commercial spaces, decreased 93.3%, from Ps. 46.7 million in 2Q19 to Ps. 3.1 million in 2Q20, as a result of the COVID-19 pandemic.

Management Fees related to third-party owned hotels decreased by 94.7% compared to 2Q19, as a result of the COVID-19 pandemic which was partially offset by an 8.6% increase in rooms. This segment posted a RevPAR decrease of 92.9%, due to a 64.0 percentage point decrease in Occupancy and a 26.8% ADR decrease. The number of rooms in operation increased upon incorporation of the *AC by Marriott Santa Fe* and the *Courtyard by Marriott Puebla*. The Company sees an opportunity to continue its expansion plans by means of third-party operating contracts, mainly with the Krystal® brand, without significantly impacting its operating structure.

Costs and Expenses

Operating Costs and Operating Expenses decreased 78.9%, from Ps. 259.8 million in 2Q19 to Ps. 54.7 million in 2Q20. This decrease was possible due to a variety of cost-cutting initiatives including: (i) the reduction of non-priority expenses; (ii) wage reductions at all levels in, both corporate and operational structures, averaging approximately 50% in the quarter; and (iii) lowering operational costs and expenses at properties that remained open.

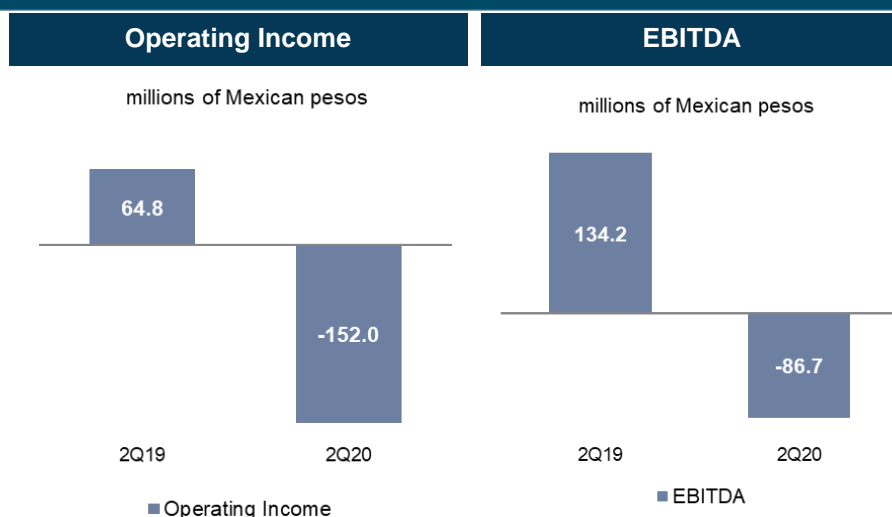
Administrative and Sales Expenses decreased 68.7%, from Ps. 138.3 million in 2Q19 to Ps. 43.3 million in 2Q20 due to the above-mentioned factors.

Operating Income

During 2Q20, HOTEL recorded an operating loss of Ps. 152.0 compared to a Ps. 64.8 million gain in 2Q19. This result was a consequence of the costs and expenses that exceeded revenues generated in the quarter due to the COVID-19 pandemic.

EBITDA

2Q20 EBITDA was negative Ps. 86.7 million, compared to Ps. 134.2 million in 2Q19, reflecting the already-mentioned negative effects.



(Figures in thousands of Mexican pesos)	2Q20	2Q19	% Var.	2020	2019	% Var.
Operating Income	(151,958)	64,751	NA	(65,739)	216,164	NA
(+) Depreciation	58,603	63,075	(7.1)	119,272	115,214	3.5
(+) Development and hotel opening expenses ⁵	1,954	3,995	(51.1)	4,594	9,809	(53.2)
(+) Other non-recurring expenses ⁶	4,656	2,359	97.3	11,494	4,206	NA
EBITDA	(86,745)	134,180	NA	69,621	345,393	(79.8)
EBITDA Margin	NA	24.8%	NA	11.6%	29.7%	(18.1 pt)

Net Financing Result

For 2Q20, the Net Financing Result went from a Ps. 40.1 million loss in 2Q19 to a Ps. 107.6 million gain in 2Q20. This result was mainly attributed to the FX gain generated by the impact from the mark-to-market valuation due to a lower USD/MXN exchange rate applied to our dollar-denominated debt, combined with lower interest expenses driven by the reprofiling of our cash flow.

Net Income

Net Income went from a Ps. 19.7 million gain in 2Q19 to a Ps. 43.4 million loss in 2Q20, explained by the previously mentioned factors.

⁵ Expenses incurred in hotel expansions and openings, including new developments, which are related to researching and acquiring investment opportunities.

⁶ Other non-recurring expenses, including settlement expenses and consulting fees related to the takeover of hotels acquired.

Cash Flow Summary

Figures in thousands of Mexican pesos

Cash Flow Statement	Second Quarter				6 months ended June 30			
	2020	2019	Var.	% Var.	2020	2019	Var.	% Var.
Cashflow from operating activities								
Net income	(43,387)	19,740	(63,127)	NA	(649,137)	126,102	(775,239)	NA
Depreciation and amortization	58,603	63,075	(4,472)	(7.1)	119,272	115,214	4,058	3.5
Income taxes	(0)	5,568	(5,568)	NA	(0)	35,567	(35,567)	NA
Unrealized FX loss (gain)	(136,518)	(19,976)	(116,542)	NA	537,166	(70,384)	607,549	NA
Net interest expense	31,564	55,361	(23,797)	(43.0)	68,276	97,123	(28,848)	(29.7)
Other financial costs	1,157	1,451	(294)	(20.2)	2,380	3,966	(1,586)	(40.0)
Minority interest	(942)	(631)	(312)	49.4	(1,404)	(1,503)	99	(6.6)
Income from sale of shares	-	-	-	0.0	-	-	-	NA
Cashflow before working capital variations	(89,523)	124,588	(214,112)	NA	76,552	306,086	(229,534)	(75.0)
Working Capital	(2,787)	38,815	(41,602)	NA	(8,891)	23,059	(31,949)	NA
Net operating cashflow	(92,311)	163,403	(255,714)	NA	67,661	329,144	(261,483)	(79.4)
Non-recurring items	(1,250)	(375)	(875)	NA	14,338	(56,321)	70,660	NA
Cashflow net from non-recurring items	(93,561)	163,028	(256,589)	NA	82,000	272,823	(190,823)	(69.9)
Investment activities	7,831	(70,501)	78,332	NA	(21,716)	(174,941)	153,226	(87.6)
Financing activities	(16,618)	(131,574)	114,956	(87.4)	(115,390)	(96,377)	(19,012)	19.7
Net (decrease) increase in cash and cash equivalents	(102,348)	(39,047)	(63,301)	NA	(55,106)	1,504	(56,610)	NA
Cash and cash equivalents at the beginning of the period	258,694	143,356	115,338	80.5	179,884	102,804	77,080	75.0
Cash and cash equivalents at the end of the period	156,346	104,308	52,037	49.9	124,778	104,308	20,470	19.6
Cash in business acquisition	-	-	-	NA	-	-	-	NA
Total Cash at the end of the period	146,389	104,308	42,081	40.3	146,389	104,308	42,081	40.3

By the end of 2Q20, operating cash flow was negative Ps. 92.3 million, compared to Ps. 163.4 million reported in 2Q19, attributed to a net loss combined with an unrealized loss in FX.

Balance Sheet Summary

Figures in thousands of Mexican pesos

Balance Sheet Summary	Jun-20	Jun-19	Var.	Var %
Cash and cash equivalents	146,389	104,308	42,081	40.3%
Accounts receivables and other current assets	265,076	300,845	(35,769)	(11.9%)
Creditable taxes	368,085	390,192	(22,108)	(5.7%)
Total current assets	779,550	795,346	(15,796)	(2.0%)
Restricted cash	145,152	150,714	(5,563)	(3.7%)
Property, furniture and equipment	7,966,457	8,130,777	(164,321)	(2.0%)
Non-productive fixed assets (under development) □	632,291	598,635	33,657	5.6%
Other fixed assets	557,622	626,321	(68,699)	(11.0%)
Total non-current assets	9,301,521	9,506,447	(204,925)	(2.2%)
Total Assets	10,081,072	10,301,792	(220,721)	(2.1%)
Current installments of long-term debt	170,081	264,062	(93,981)	(35.6%)
Other current liabilities	507,399	482,315	25,084	5.2%
Total current liabilities	677,480	746,377	(68,897)	(9.2%)
Long-term debt	3,158,052	2,691,266	466,786	17.3%
Other non-current liabilities	883,259	877,617	5,642	0.6%
Total non-current liabilities	4,041,311	3,568,883	472,428	13.2%
Total Equity	5,362,280	5,986,532	(624,252)	(10.4%)
Total Liabilities and Equity	10,081,071	10,301,792	(220,721)	(2.1%)

Cash and Cash Equivalents

By the end of 2Q20, the Company's cash and cash equivalents were Ps. 146.4 million. Of this figure, Ps. 29.0 million is peso-denominated, and Ps. 117.4 million is U.S. dollar-denominated.

Accounts Receivable and Other Current Assets

This line item decreased 11.9%, from Ps. 300.8 million in 2Q19 to Ps. 265.1 million in 2Q20.

Property, Furniture & Equipment

This line item was equal to Ps. 7,966.5 million at the end of 2Q20, a 2.0% decrease compared to Ps. 8,130.8 million at the end of 2Q19. CAPEX in 2Q20 was Ps. 2.8 million pesos, compared to Ps. 61.2 million in 2Q19, which is a 95.4% decrease.

Figures in thousand Mexican Pesos

	2Q20		YTD June '20	
CAPEX for the period	% Total		% Total	
Hotels in development	1,203	43.7%	8,937	27.9%
Improvements in owned hotels	586	21.3%	6,010	18.8%
Ordinary CAPEX	961	34.9%	17,093	53.3%
Total CAPEX	2,751	100.0%	32,040	100.0%

Net Debt and Maturity

Net Debt was Ps. 3,036.6 million at the end of 2Q20, which represented a Total Debt / LTM EBITDA ratio equal to 8.2x. 95.4% of Total Debt is U.S. dollar-denominated and has an average cost of 3.40%. The remaining 4.6% is peso-denominated, with an average cost of 8.27%. In addition, over 95% of debt maturities are long term.

During 2Q20, the Mexican peso appreciated 1.1% against the U.S. dollar, from Ps. 24.2853 on March 31, 2020, to Ps. 23.1325 on June 30, 2020, positively impacting the Company's financial costs. The Company's short U.S. dollar position by the end of 2Q20 was US\$126.1 million, equal to Ps. 2,917.2 million.

The following graphs show the Company's debt and cash position, as well as debt maturity.

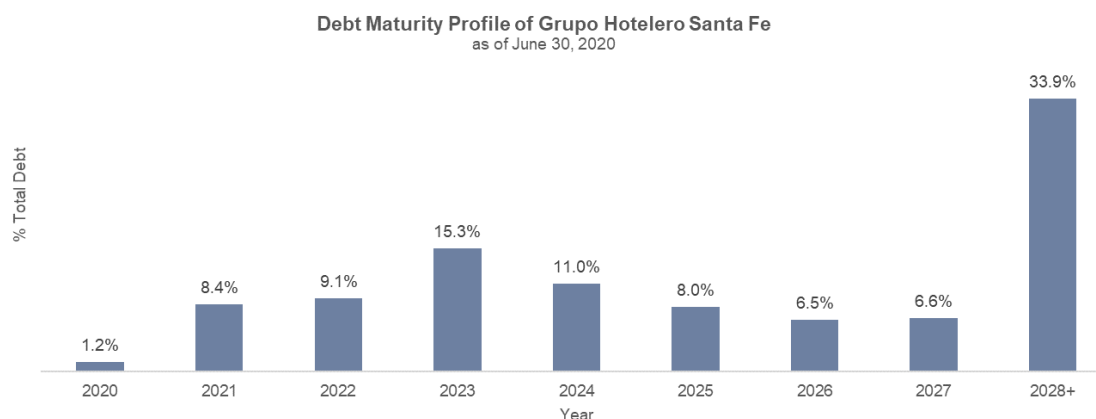
Debt*	Denominated in (currency):		
	Pesos	Dollars	Total
Short Term	19,532	150,549	170,081
Long Term	134,449	3,023,603	3,158,052
Total	153,981	3,174,152	3,328,133
% Total	4.6%	95.4%	100.0%
Average rate of financial liabilities	8.27%	3.40%	3.63%

Cash and equivalents	29,034	117,355	146,389
Restricted cash	5,577	139,574	145,152
Cash and cash equivalents**	34,611	256,930	291,541
Net Debt	119,370	2,917,222	3,036,592

Net Debt / LTM EBITDA (as of June 30, 2020) 8.2x

*Includes accrued interest and effect of financial instruments related to financial debt.

**Includes restricted cash related to bank debt.



To continue with its growth plans, the Company will continue to balance its debt between Mexican pesos and U.S. dollars. Both peso- and dollar-denominated debt are hedged over reference rates (TIIE and LIBOR), with a strike price at 8.5% and 2.5%, respectively.

According to IFRS, the exchange rate used was Ps. 23.1325 / US\$ as of June 30, 2020, as published in Mexico's *Official Federal Gazette*.

Currency Hedging Analysis

Figures in thousands of Mexican pesos

Currency Hedging Analysis	Second Quarter 2020			YTD June 30, 2020		
	Denominated in Pesos	Denominated in USD	Total in Pesos	Denominated in Pesos	Denominated in USD	Total in Pesos
Total Revenue	14,714	818	15,532	337,556	263,480	601,036
% of Total Revenue	94.7%	5.3%	100.0%	56.2%	43.8%	100.0%
(-) Total Costs and Expenses	142,078	18,802	160,880	589,536	61,151	650,687
(-) Non-recurring Expenses	6,609	-	6,609	16,088	-	16,088
Operating Income	(133,973)	(17,984)	(151,957)	(268,068)	202,329	(65,739)
(+) Depreciation	58,603	-	58,603	119,272	-	119,272
Operating Cash Flow	(75,370)	(17,984)	(93,354)	(148,796)	202,329	53,533
% of Operating Cash Flow	80.7%	19.3%	100.0%	NA	NA	NA
Interest	3,256	16,786	20,042	7,397	50,536	57,933
Principal	6,525	-	6,525	8,813	59,577	68,390
Total Debt Service	9,781	16,786	26,567	16,210	110,113	126,323
Interest Coverage Ratio 1	(23.1x)	(1.1x)	(4.7x)	(20.1x)	4.0x	0.9x
Debt Service Coverage Ratio 2	(7.7x)	(1.1x)	(3.5x)	(9.2x)	1.8x	0.4x

1) Operating Cash Flow / Interest; 2) Operating Cash Flow / Total Debt Service

In the first half of the year, approximately 56.2% of revenue and 100% of cash flow was denominated in U.S. dollars.

At the end the first half of the year, the Company's debt coverage ratio was 0.4x due to lower revenues. In addition, HOTEL had a U.S. dollar-denominated cash balance of Ps. 256.9 million at the end of 2Q20, decreasing its total exposure to currency risks.

Recent Events

- On June 10th, we announced the gradual reopening of our portfolio of hotels based on applicable local regulation. Our associates are enthusiastic and have received training for the implementation of our sanitary certification program under the name Stay Safe & Clean. We have also reprofiled our cash flow thanks to the support of the banks we work with, assuring adequate working capital levels to restart operations.

2Q20 Conference Call Details:

HOTEL will host its earnings webcast (audio + presentation) to discuss results:

Date: Friday, July 24, 2020
Time: 12:00 p.m. Mexico City Time
1:00 p.m. New York Time

To participate in the conference call and Q&A session please dial:

Telephone: U.S.: 1 877 271 1828
International: +1 334 323 9871
Mexico: 01 800 847 7666

Conference password: 74695062#

Webcast: The webcast will be in English. To follow the Power Point presentation and the audio of the call, please visit our website www.gsf-hotels.com/investors

About Grupo Hotelero Santa Fe

HOTEL is a leading company in the Mexican hotel industry, focused on acquiring, converting, developing and operating its own hotels as well as third-party owned hotels. The Company focuses on strategic hotel location and quality, a unique hotel management model, strict expense control and the proprietary Krystal® brand, as well as other international brands. At year-end 2020, the Company employed over 3,700 people and generated revenues of Ps. 2,238 million. For more information, please visit www.gsf-hotels.com

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Legal Note on Forward Looking Statements:

The information provided in this report contains certain forward-looking statements and information related to Grupo Hotelero Santa Fe, S.A.B. de C.V. and its subsidiaries (jointly "Grupo Hotelero Santa Fe", "HOTEL", or the "Company") which are based in the understanding of its managers, as well as in assumptions and information currently available for the Company. Such statements reflect the current view of Grupo Hotelero Santa Fe in regard to future events subject to a number of risks, uncertainties and assumptions. Several features may cause that the results, performance or current achievements of the Company may differ materially with respect to future results, performance or attainments of Grupo Hotelero Santa Fe that may be included, expressly or implied within such statements in regard to the future, including among others, alterations in the economic general conditions and/or politics, governmental and commercial changes globally or within the countries in which the Company has any business interests, changes in the interests rates and inflation, exchange rates volatility, changes in the demand and regulations of the products marketed by the Company, changes in the price of raw materials and other goods, changes in the business strategies and several other features. If one or more these of risks or uncertainties are materialized, or if the assumptions used result to be incorrect, the real results may materially differ from those described herein as anticipated, believed, expected or envisioned. Grupo Hotelero Santa Fe undertakes no obligation to update or revise any forward-looking statements.

Income Statement

GRUPO HOTELERO SANTA FE, S.A.B. de C.V.

Consolidated Income Statement

For the three- and six-month periods ended June 30, 2020 and 2019

(Figures in thousands of Mexican pesos)

	Second Quarter				6 months ended June 30			
	2020	2019	Var.	%Var.	2020	2019	Var.	%Var.
Revenue								
Room Revenue	8,193	265,968	(257,775)	(96.9)	277,213	568,328	(291,115)	(51.2)
Food and Beverage Revenue	3,154	209,560	(206,406)	(98.5)	230,998	452,072	(221,074)	(48.9)
Other Revenue from Hotels	3,132	46,679	(43,546)	(93.3)	73,759	104,408	(30,649)	(29.4)
Third-party Hotels' Management Fees	1,052	19,727	(18,675)	(94.7)	19,065	39,716	(20,651)	(52.0)
TOTAL REVENUE	15,532	541,934	(526,403)	(97.1)	601,036	1,164,525	(563,489)	(48.4)
COSTS AND EXPENSES								
Operating Costs and Expenses	54,739	259,817	(205,077)	(78.9)	320,635	522,348	(201,713)	(38.6)
Sales and Administration	43,286	138,338	(95,052)	(68.7)	196,811	278,693	(81,882)	(29.4)
Property Expenses	4,251	9,600	(5,349)	(55.7)	13,969	18,091	(4,122)	(22.8)
Depreciation and Amortization	58,603	63,075	(4,472)	(7.1)	119,272	115,214	4,058	3.5
TOTAL COSTS AND EXPENSES	160,880	470,829	(309,950)	(65.8)	650,687	934,346	(283,660)	(30.4)
Development and hotel opening expenses	1,954	3,995	(2,041)	(51.1)	4,594	9,809	(5,214)	(53.2)
Other non-recurring expenses	4,656	2,359	2,296	97.3	11,494	4,206	7,288	NA
ADJUSTED EBITDA	(86,745)	134,180	(220,925)	NA	69,621	345,393	(275,772)	(79.8)
ADJUSTED EBITDA Margin (%)	NA	24.8%	NA	NA	11.6%	29.7%	(18.1 pt)	(18.1 pt)
OPERATING INCOME	(151,958)	64,751	(216,708)	NA	(65,739)	216,164	(281,904)	NA
Operating Income Margin (%)	NA	11.9%	NA	NA	-10.9%	18.6%	(29.5 pt)	(29.5 pt)
Net interest expenses	(31,564)	(55,361)	23,797	(43.0)	(68,276)	(97,123)	28,848	(29.7)
Net foreign currency exchange loss	140,349	16,739	123,611	NA	(514,146)	45,091	(559,237)	NA
Other financial costs	(1,157)	(1,451)	294	(20.2)	(2,380)	(3,966)	1,586	(40.0)
Net Financing Result	107,628	(40,074)	147,702	NA	(584,801)	(55,998)	(528,803)	NA
Undistributed income from subsidiaries, net	942	631	312	49.4	1,404	1,503	(99)	(6.6)
Income before taxes	(43,387)	25,308	(68,695)	NA	(649,137)	161,669	(810,806)	NA
Total income taxes	-	5,568	(5,568)	(100.0)	0	35,567	(35,567)	(100.0)
Net Income	(43,387)	19,740	(63,127)	NA	(649,137)	126,102	(775,239)	NA
Net Income Margin (%)	NA	3.6%	NA	NA	NA	10.8%	NA	NA
Income attributable to:								
Controlling Interest	(50,809)	27,448	(78,257)	NA	(449,934)	118,377	(568,311)	NA
Non-controlling Interest	7,422	(7,708)	15,130	NA	(199,203)	7,725	(206,928)	NA

Balance Sheet

Grupo Hotelero Santa Fe, S.A.B. de C.V.

Consolidated Balance Sheet

As of June 30, 2020 and 2019

(Figures in thousands of Mexican pesos)

(Figures in thousands of Mexican pesos)	2020	2019	Var \$	Var %
ASSETS				
Current Assets				
Cash and cash equivalents	146,389	104,308	42,081	40.3%
Restricted cash	-	-	-	NA
Accounts receivables from clients	179,925	173,656	6,269	3.6%
Accounts receivables from related parties	12,770	9,862	2,908	29.5%
Creditable taxes	368,085	390,192	(22,108)	(5.7%)
Other current assets	72,382	117,328	(44,946)	(38.3%)
Escrow deposit for hotel acquisition	-	-	-	0.0%
Total current assets	779,550	795,346	(15,796)	(2.0%)
Non-current Assets				
Restricted cash	145,152	150,714	(5,563)	(3.7%)
Property, furniture and equipment	7,966,457	8,130,777	(164,321)	(2.0%)
Non-productive fixed assets (under development) □	632,291	598,635	33,657	5.6%
Other assets	30,165	33,204	(3,040)	(9.2%)
Investment in subsidiaries	40,042	121,845	(81,803)	(67.1%)
Deferred income taxes	132,600	116,456	16,144	13.9%
Goodwill	354,815	354,815	-	0.0%
Total non-current assets	9,301,521	9,506,447	(204,925)	(2.2%)
Total assets	10,081,072	10,301,792	(220,721)	(2.1%)
LIABILITIES AND SHAREHOLDERS EQUITY				
Current liabilities				
Current installments of long-term debt	170,081	264,062	(93,981)	(35.6%)
Suppliers	180,180	146,156	34,024	23.3%
Accrued liabilities	118,134	135,089	(16,955)	(12.6%)
Accounts payable to related parties	13,188	10,206	2,982	29.2%
Payable taxes	118,898	136,051	(17,153)	(12.6%)
Client advanced payments	76,998	54,812	22,186	40.5%
Total current liabilities	677,480	746,377	(68,897)	(9.2%)
Non-current liabilities				
Long-term debt	3,158,052	2,691,266	466,786	17.3%
Other non-current liabilities	10,310	5,776	4,534	78.5%
Deferred income taxes	872,949	871,841	1,108	0.1%
Total non-current liabilities	4,041,311	3,568,883	472,428	13.2%
Total liabilities	4,718,791	4,315,260	403,531	9.4%
Equity				
Capital stock	3,417,228	3,417,728	(500)	(0.0%)
Legal reserve	190,493	190,493	-	0.0%
Premium on subscription of shares	80,000	80,000	-	0.0%
Net income	-449,934	118,377	(568,311)	NA
Retained earnings	1,044,247	864,902	179,345	20.7%
Shareholder's Equity	4,282,035	4,671,501	(389,466)	(8.3%)
Non-controlling interest	1,080,246	1,315,032	(234,786)	(17.9%)
Total Equity	5,362,280	5,986,532	(624,252)	(10.4%)
Total liabilities and equity	10,081,071	10,301,792	(220,721)	(2.1%)

Cash Flow Statement

Grupo Hotelero Santa Fe, S.A.B. de C. V.

Consolidated Cash Flow

For the three- and six-month periods ended June 30, 2020 and 2019

Figures in thousands of Mexican pesos

Cash Flow Statement	Second Quarter		6 months ended June 30	
	2020	2019	2020	2019
Cashflow from operating activities				
Net income	(43,387)	19,740	(649,137)	126,102
Depreciation and amortization	58,603	63,075	119,272	115,214
Income taxes	(0)	5,568	(0)	35,567
Unrealized FX loss (gain)	(136,518)	(19,976)	537,166	(70,384)
Net interest expense	31,564	55,361	68,276	97,123
Other financial costs	1,157	1,451	2,380	3,966
Minority interest	(942)	(631)	(1,404)	(1,503)
Income from sale of shares	-	-	-	-
Cashflow before working capital variations	(89,523)	124,588	76,552	306,086
Accounts receivable from clients	95,483	44,822	60,279	(2,773)
Accounts receivable from related parties	(168)	1,783	(6,131)	394
Other current assets	(25)	(5,550)	(5,945)	(25,960)
Creditable taxes	(19,013)	10,566	(43,084)	31,739
Suppliers	(46,771)	(16,415)	6,286	(16,081)
Accrued liabilities	2,223	9,931	11,962	38,131
Accounts payable to related parties	2,472	861	2,286	(335)
Downpayments from clients	(941)	(6,961)	15,926	10,466
Payable taxes	(36,048)	(222)	(50,471)	(12,521)
Net operating cashflow	(92,311)	163,403	67,661	329,144
Non-recurring items				
Accrued liabilities	-	-	-	(24,227)
Payment for hotel operation	-	-	-	(12,000)
Receivable and Payable taxes	(1,250)	(375)	14,338	(20,095)
Income in acquisition of Dollars	-	-	-	-
Cashflow net from non-recurring items	(93,561)	163,028	82,000	272,823
Investment activities				
Change in restricted cash	14,933	(17,524)	12,001	(15,960)
Acquisition of property, furniture and equipment	(2,749)	(61,922)	(32,040)	(161,803)
Acquisition of ongoing business	-	-	-	-
Escrow deposit for hotel acquisition	-	-	-	-
Sale of shares of subsidiaries	-	-	3,000	-
Investment in subsidiary	(0)	(2,482)	101	(18)
Distribution effect of capitalized premium	-	-	-	-
Other net assets and liabilities	(2,420)	(414)	(2,845)	(1,205)
Interest gained	(1,934)	11,841	(1,934)	4,044
Cashflow from investment activities	7,831	(70,501)	(21,716)	(174,941)
Receivable Greenshoe	-	-	-	-
Net increase in paid-in capital from non-controlling company	809	3,948	(13,191)	11,957
Payment of Liabilities SITRA Group's subsidiaries	-	-	-	-
Repurchase of shares	-	3,710	(1,288)	4,388
Obtained loans	8,118	198,632	8,118	331,533
Loan to shareholder of non-controlling company	1,021	809	17,293	(38,337)
Payment of interest and loan amortization*	(26,567)	(338,673)	(126,323)	(405,918)
Loans obtained from shareholders	-	-	-	-
Effect from non-controlling interest merger	-	-	-	-
Cashflow from financing activities	(16,618)	(131,574)	(115,390)	(96,377)
Net (decrease) increase in cash and cash equivalents	(102,348)	(39,047)	(55,106)	1,504
Cash and cash equivalents at the beginning of the period	258,694	143,356	179,884	102,804
Cash and cash equivalents at the end of the period	156,346	104,308	124,778	104,308
Cash in business acquisition	-	-	-	-
Effects from cash value changes	(9,957)		21,611	
Total Cash at the end of the period	146,389	104,308	146,389	104,308

Appendix 1: Integration of Rooms under Operation

Operating indicators for 2Q20 consider 5,974 hotel rooms under operation out of 6,237. The integration of 263 rooms excluded is detailed as follows:

- i) 263 rooms are part of the Vacation Club⁷

Operating indicators for 1H20 consider 6,045 hotel rooms under operation out of 6,308. The integration of 263 rooms excluded is detailed as follows:

- i) 263 rooms are part of the Vacation Club⁸

The following table summarizes the total number of rooms in the Company's portfolio:

Rooms 2Q20	Owned Hotels	Third-Party Owned Hotels	Total Rooms	Rooms YTD June 2020	Owned Hotels	Third-Party Owned Hotels	Total Rooms
In Operation	3,741	2,233	5,974	In Operation	3,741	2,304	6,045
Vacation Club	53	210	263	Vacation Club	53	210	263
Unavailable	-	-	-	Unavailable	-	-	-
In Renovation	-	-	-	In Renovation	-	-	-
Total Rooms	3,794	2,443	6,237	Total Rooms	3,794	2,514	6,308

⁷ 263 rooms are part of Vacation Club, of which 53 rooms are Company owned, and 210 rooms are third-party owned under the Company's management. Vacation Club revenue is included in the P&L under Other Income, and is, therefore, excluded from this analysis.

⁸ 263 rooms are part of Vacation Club, of which 53 rooms are Company owned, and 210 rooms are third-party owned under the Company's management. Vacation Club revenue is included in the P&L under Other Income, and is, therefore, excluded from this analysis.