

Mexico City, July 22, 2021 – 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 (“2Q21”) ended June 30, 2021. 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

- 2Q21 EBITDA¹ was Ps. 128.1 million, compared to Ps. (-86.7) million in 2Q20, driven by higher revenues.
- 2Q21 Total Revenues were Ps. 483.6 million, compared to Ps. 15.5 million in 2Q20, due to strong increases in Room Revenue, Food and Beverages Revenue, Other Hotel Revenue, and Third-Party Hotels’ Management Fees.
- In 2Q21, HOTEL posted a Net Income of Ps. 139.4 million, compared to a Net Loss of Ps. (-43.4) million in 2Q20. The higher result was driven by an increase in Operating Income combined with a FX gain and lower interest expenses.
- 2Q21 Net Operating Cash Flow was Ps. 124.9 million, compared to Ps. (-92.3) million reported in 2Q20.
- At the end of 2Q21, the Net Debt/LTM EBITDA ratio was 20.6x.
- HOTEL’s total portfolio at the end of 2Q21 was 5,964 rooms in operation, a 4.4% decrease compared to the 6,237 rooms in operation at the end of 2Q20.
- RevPAR² for Company-owned hotels increased from Ps. 24 in 2Q20 to Ps. 632 in 2Q21, driven by a 48.3 percentage point increase in Occupancy combined with a 21.6% increase in ADR².

<i>Figures in thousands of Mexican pesos</i>	Second Quarter				6 months ended June 30			
	2021	2020	Var.	% Var.	2021	2020	Var.	% Var.
Total Revenue	483,630	15,532	468,099	NA	751,472	601,036	150,437	25.0
EBITDA	128,145	(86,745)	214,890	NA	132,416	69,621	62,795	90.2
EBITDA Margin	26.5%	NA	NA	NA	17.6%	11.6%	6.0 pt	6.0 pt
Operating Income	61,953	(151,958)	213,911	NA	(2,557)	(65,739)	63,183	(96.1)
Net Income	139,472	(43,387)	182,859	NA	(45,308)	(649,137)	603,829	(93.0)
Net Income Margin	28.8%	NA	NA	NA	(6.0%)	NA	NA	NA
Operating Cash Flow	124,926	(92,311)	217,237	NA	138,909	67,661	71,248	NA
Occupancy	50.6%	2.3%	48.3 pt	48.3 pt	42.0%	30.9%	11.1 pt	11.1 pt
ADR	1,250	1,028	222	21.6	1,227	1,316	(89)	(6.8)
RevPAR	632	24	609	NA	515	407	108	26.7

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:

In 2Q21 our occupancies improved sequentially to the highest levels we have seen since the beginning of the pandemic, which drove our strong EBITDA generation in the quarter.

Occupancy for the second quarter was 53.3%, driven by resort hotels that have recovered at a faster pace than urban hotels. We were able to increase our ADR sequentially by 5.1%. During the quarter, our portfolio exceeded its operational breakeven point and generated strong EBITDA, continuing the trend from the last two quarters.

Turning to our quarterly results, revenue totaled Ps. 483.6 million, our highest result since the beginning of the pandemic. EBITDA was Ps. 128.1 million in the quarter, a consequence of higher revenues. Regarding Company-owned hotels, RevPAR posted a strong increase, driven by a 48.3 percentage point growth in Occupancy combined with a 21.6% increase in ADR.

To conclude, I want to reiterate that we will remain focused on prudently facing the unprecedented environment posed by the pandemic, which means: i) monitoring full implementation of the health and safety measures against COVID-19 at our properties, ii) complimentary COVID-19 antigen tests at all our resort hotels, iii) keeping a tight control on expenses to preserve liquidity levels, and iv) continuing the search for operational and financial opportunities to ensure the long-term sustainability of our business.

To wrap up, I would like to mention that none of these achievements would have been possible without the support of our dedicated employees, experienced management team, and the confidence that you, our investors, have placed in us.

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 Satellite Maria Barbara	215	100%	Urban	5 stars	>36	Yes	State of Mexico	State of 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	>36	Yes	Mexico City	Mexico City
13	Hyatt Centric Campestre Leon	140	50%	Urban	Grand Tourism	34	In Process	Leon	Guanajuato
14	Hyatt Place Aguascalientes	144	-	Urban	4 stars	28	In Process	Aguascalientes	Aguascalientes
Subtotal Urban		2,449							
15	Krystal Resort Cancun	502	-	Resort	5 stars	>36	Yes	Cancun	Quintana Roo
16	Krystal Resort Ixtapa	255	-	Resort	5 stars	>36	Yes	Ixtapa	Guerrero
17	Krystal Resort Puerto Vallarta	530	-	Resort	5 stars	>36	Yes	Puerto Vallarta	Jalisco
18	Hilton Puerto Vallarta Resort	451	100%	Resort	Grand Tourism	>36	Yes	Puerto Vallarta	Jalisco
19	Krystal Beach Acapulco	400	100%	Resort	4 stars	>36	Yes	Acapulco	Guerrero
20	Krystal Grand Punta Cancun	398	100%	Resort	Grand Tourism	>36	Yes	Cancun	Quintana Roo
21	Krystal Grand Los Cabos	454	50%	Resort	Grand Tourism	>36	Yes	Los Cabos	Baja California Sur
22	Krystal Grand Nuevo Vallarta	480	50%	Resort	Grand Tourism	>36	Yes	Nuevo Vallarta	Nayarit
23	SLS Cancun	45	-	Resort	Luxury	5	In Process	Cancun	Quintana Roo
Subtotal Resort		3,515							
Total in Operation		5,964							
24	Hyatt Regency Insurgentes Mexico City	250	50%	Urban	Grand Tourism			Mexico City	Mexico City
25	AC by Marriott Distrito Armida	168	-	Urban	4 stars			Monterrey	Nuevo Leon
26	Curio Collection Zacatecas	32	-	Urban	Luxury			Zacatecas	Zacatecas
27	Secrets Tulum Resort & Spa	300	-	Resort	Grand Tourism			Tulum	Quintana Roo
Total in Construction		750							
Total		6,714							

At the end of 2Q21, HOTEL recorded a total of 23 properties in operation, of which 13 are Company-owned,³ and the remaining 10 are third-party owned.⁴

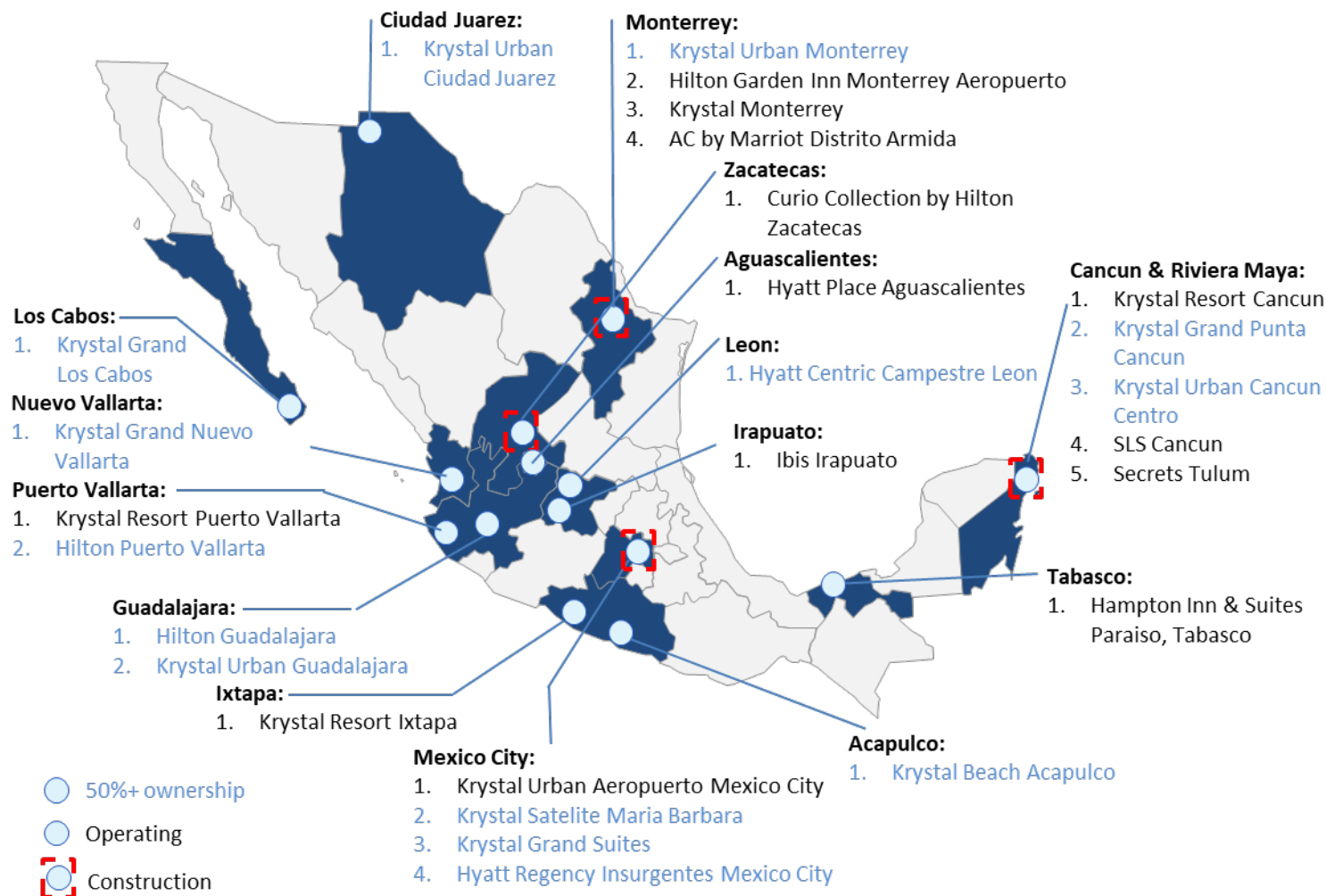
The number of rooms in operation at the end of 2Q21 was 5,964, a 4.4% decrease compared to 6,237 under operation for the same period last year. Of the 273 net decrease in rooms in operation, we added 45 rooms and subtracted 318 rooms due to the removal of the *AC Hotel by Marriott Santa Fe* and the *Courtyard by Marriott Puebla* from the portfolio. The 45 rooms we added are from operation of the *SLS Cancun*.

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 *Secrets Tulum Resort & Spa*, for a total portfolio of 27 hotels and 6,714 rooms.

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.

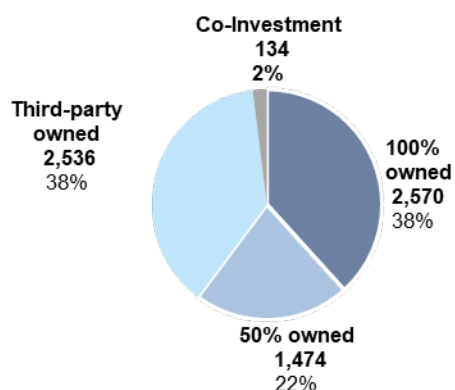
⁴ The Company operates *Hilton Garden Inn Monterrey Aeropuerto* hotel, in which it has a 15% stake. According to IFRS, although the results of this property are not consolidated in the Company's financial statements, third-party hotels' management fees are included as "Other Revenues," given that the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

The hotel portfolio is geographically distributed as follows:

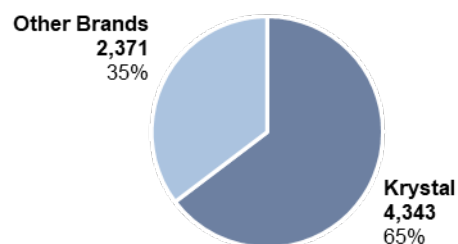


Regarding rooms in operation and rooms under development (including rooms under construction and conversion), in 2Q21 the hotel portfolio was as follows:

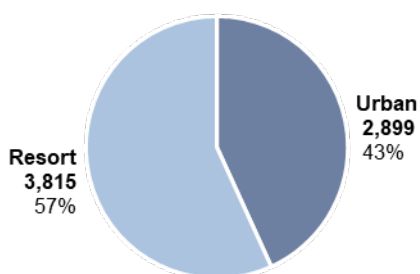
Ownership (number of rooms)



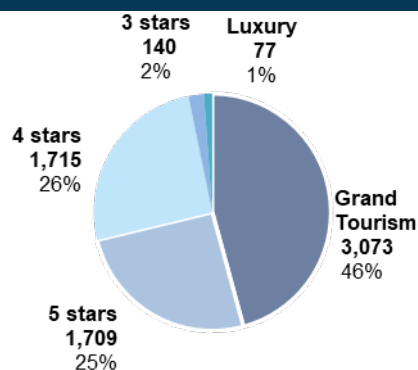
Brand (number of rooms)



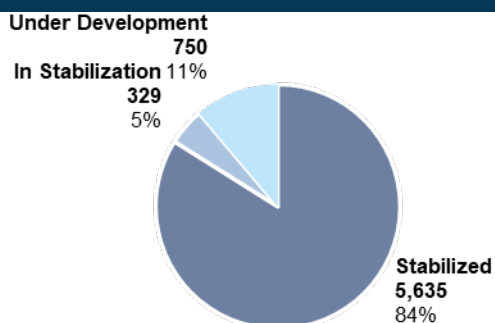
Segment (number of rooms)



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 2Q21, HOTEL had 13 Company-owned hotels in operation and 10 third-party owned hotels under management in operation.

Of a total 5,964 hotel rooms in operation, the operating indicators for 2Q21 include 5,701 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 2Q21 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		2021	2020	Var.	% Var.	2021	2020	Var.	% Var.
Total Hotels in Operation		23	25	(2)	(8.0)	25	25	-	0.0
Number of rooms		5,701	5,974	(273)	(4.6)	5,790	6,045	(255)	(4.2)
Occupancy		53.3%	4.0%	49.3 pt	49.3 pt	44.5%	32.3%	12.2 pt	12.2 pt
ADR		1,325	1,063	262	24.7	1,299	1,351	(52)	(3.8)
RevPAR		706	43	664	NA	578	437	141	32.2
1 Total Owned Hotels (50%+ ownership)		13	13	-	0.0	13	13	-	0.0
Number of rooms		3,741	3,741	-	0.0	3,741	3,741	-	0.0
Occupancy		50.6%	2.3%	48.3 pt	48.3 pt	42.0%	30.9%	11.1 pt	11.1 pt
ADR		1,250	1,028	222	21.6	1,227	1,316	(89)	(6.8)
RevPAR		632	24	608	NA	515	407	108	26.5
1.1 Stabilized Owned Hotels⁽¹⁾		12	9	3	33.3	12	9	3	33.3
Number of rooms		3,601	2,517	1,084	43.1	3,601	2,517	1,084	43.1
Occupancy		51.5%	2.9%	48.6 pt	48.6 pt	42.7%	32.0%	10.7 pt	10.7 pt
ADR		1,245	1,016	229	22.5	1,222	1,291	(69)	(5.3)
RevPAR		641	30	611	NA	521	413	108	26.2
1.2 Owned Hotels in Stabilization Stage⁽¹⁾		1	4	(3)	(75.0)	1	4	(3)	(75.0)
Number of rooms		140	1,224	(1,084)	(88.6)	140	1,224	(1,084)	(88.6)
Occupancy		27.8%	1.1%	26.7 pt	26.7 pt	24.2%	28.9%	(4.7 pt)	(4.7 pt)
ADR		1,489	1,093	396	36.2	1,442	1,372	70	5.1
RevPAR		414	12	402	NA	349	396	(47)	(12.0)
2 Third-party Hotels Under Management⁽²⁾		10	12	(2)	(16.7)	12	12	-	0.0
Number of rooms		1,960	2,233	(273)	(12.2)	2,049	2,304	(255)	(11.1)
Occupancy		58.5%	6.9%	51.6 pt	51.6 pt	49.1%	34.6%	14.5 pt	14.5 pt
ADR		1,450	1,084	366	33.8	1,412	1,402	10	0.7
RevPAR		848	74	774	NA	693	485	208	42.9

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

(1) The change in number of rooms is due to the stabilization of the Krystal Grand Los Cabos, Krystal Grand Vallarta and Krystal Grand Suites

(2) The decrease in number of rooms is due to the exit of the AC Hotel by Marriott Santa Fe and the Courtyard by Marriott Puebla from our portfolio.

Consolidated Financial Results

Figures in thousands of Mexican pesos

Income Statement	Second Quarter				6 months ended June 30			
	2021	2020	Var.	% Var.	2021	2020	Var.	% Var.
Room Revenue	215,261	8,193	207,068	NA	348,678	277,213	71,465	25.8
Food and Beverage Revenue	169,365	3,154	166,211	NA	260,246	230,998	29,248	12.7
Other Revenue from Hotels	84,770	3,132	81,637	NA	119,276	73,759	45,517	61.7
Third-Party Hotels' Management Fees	14,235	1,052	13,183	NA	23,272	19,065	4,207	22.1
Total Revenue	483,630	15,532	468,099	NA	751,472	601,036	150,437	25.0
Cost and Operating Expenses	237,124	54,739	182,385	NA	396,547	320,635	75,912	23.7
Sales and Administrative	109,589	43,286	66,303	NA	204,936	196,811	8,124	4.1
Other Expenses	8,772	4,251	4,521	NA	17,574	13,969	3,605	25.8
Depreciation	58,246	58,603	(357)	(0.6)	116,818	119,272	(2,454)	(2.1)
Total Costs and Expenses	413,732	160,880	252,852	NA	735,874	650,687	85,188	13.1
Total Non Recurring Expenses	7,946	6,609	1,336	20.2	18,155	16,088	2,067	12.8
EBITDA	128,145	(86,745)	214,890	NA	132,416	69,621	62,795	90.2
EBITDA Margin(%)	26.5%	NA	NA	NA	17.6%	11.6%	6.0 pt	6.0 pt
Operating Income	61,953	(151,958)	213,911	NA	(2,557)	(65,739)	63,183	(96.1)
Operating Income Margin (%)	12.8%	NA	NA	NA	(0.3%)	(10.9%)	10.6 pt	10.6 pt
Net Financing Result	77,135	107,628	(30,493)	(28.3)	(43,071)	(584,801)	541,730	(92.6)
Total income taxes	(0)	(0)	(0)	NA	(0)	0	(0)	NA
Net Income	139,472	(43,387)	182,859	NA	(45,308)	(649,137)	603,829	(93.0)
Net Income Margin (%)	28.8%	NA	NA	NA	(6.0%)	NA	NA	NA
Income attributable to:								
Controlling Interest	106,029	(50,809)	156,838	NA	(33,078)	(449,934)	416,856	(92.6)
Non-controlling Interest	33,443	7,422	26,021	NA	(12,230)	(199,203)	186,973	(93.9)

Total Revenue

Total Revenue increased from Ps. 15.5 million in 2Q20 to Ps. 483.6 million in 2Q21, with strong increases in Room Revenue, Food and Beverage Revenue, Other Revenue, and Third-Party Hotels' Management Fees.

The increase in Room Revenue was due to higher occupancies, combined with higher ADR across the board.

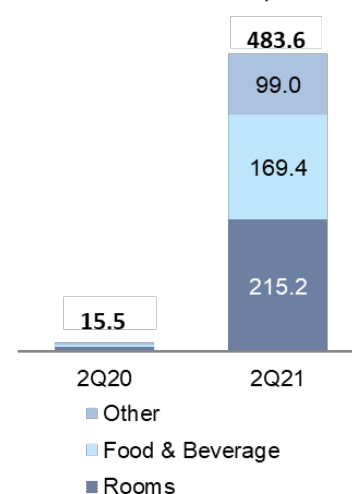
During 2Q21, Room Revenue was Ps. 215.3 million compared to Ps. 8.2 million in 2Q20, due to the increase in RevPAR, comprised of a 49.3 percentage point growth in Occupancy and a 24.7% increase in ADR.

The portfolio of stabilized Company-owned hotels posted a strong increase in RevPAR, derived from a 48.6 percentage point growth in Occupancy and a 22.5% increase in ADR.

Company-owned hotels in the stabilization stage posted a strong RevPAR increase, driven by a 26.7 percentage point increase in Occupancy and a 36.2% increase in ADR.

Total Revenue

millions of Mexican pesos



Food and Beverage Revenue increased from Ps. 3.2 million in 2Q20 to Ps. 169.4 million in 2Q21.

Other Income, which includes, among other items, event room rentals, parking, laundry, telephone, and leasing of commercial spaces, increased from Ps. 3.1 million in 2Q20 to Ps. 84.8 million in 2Q21.

Management Fees related to third-party owned hotels increased from Ps. 1.1 million in 2Q20 to Ps. 14.2 million in 2Q21. This segment posted a strong RevPAR increase driven by a 51.6 percentage point increase in Occupancy and a 33.8% increase in ADR. The number of rooms in operation decreased upon the exit 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 increased from Ps. 160.9 million in 2Q20 to Ps. 413.7 million in 2Q21. This increase was driven by higher revenues and hotel activity.

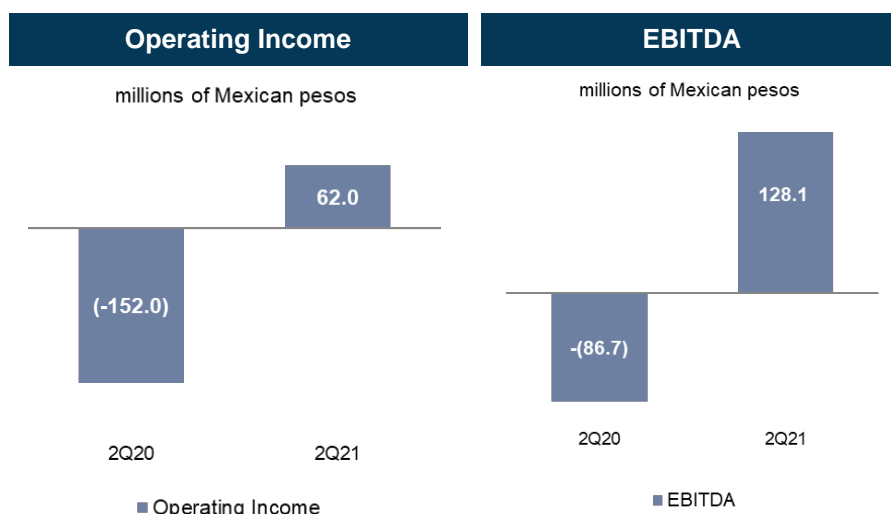
Administrative and Sales Expenses increased from Ps. 43.3 million in 2Q20 to Ps. 109.6 million in 2Q21 due to the above-mentioned factors.

Operating Income

During 2Q21, HOTEL recorded an operating income of Ps. 62.0 compared to a Ps. 152.0 million loss in 2Q20. This result was a consequence of higher revenues combined with operational leverage.

EBITDA

2Q21 EBITDA was Ps. 128.1 million, compared to Ps. (-86.7) million in 2Q20, reflecting the already-mentioned positive effects.



(Figures in thousands of Mexican pesos)	2Q21	2Q20	% Var.	2021	2020	% Var.
Operating Income	61,953	(151,958)	NA	(2,557)	(65,739)	(96.1)
(+) Depreciation	58,246	58,603	(0.6)	116,818	119,272	(2.1)
(+) Development and hotel opening expenses ⁵	1,689	1,954	(13.5)	1,968	4,594	(57.2)
(+) Other non-recurring expenses ⁶	6,257	4,656	34.4	16,187	11,494	40.8
EBITDA	128,145	(86,745)	NA	132,416	69,621	90.2
EBITDA Margin	26.5%	NA	NA	17.6%	11.6%	6.0 pt

Net Financing Result

For 2Q21, the Net Financing Result went from a Ps. 107.6 million gain in 2Q20 to a Ps. 77.1 million gain in 2Q21. This result was driven by higher operating income combined with an 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. 43.4 million loss in 2Q20 to a Ps. 139.5 million gain in 2Q21, 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			
	2021	2020	Var.	% Var.	2021	2020	Var.	% Var.
Cash flow from operating activities								
Net income	139,472	(43,387)	182,859	NA	(45,308)	(649,137)	603,829	(93.0)
Depreciation and amortization	58,246	58,603	(357)	(0.6)	116,818	119,272	(2,454)	(2.1)
Income taxes	(0)	-	(0)	NA	(0)	-	(0)	NA
Unrealized gain (loss) in foreign currency exchange	(108,038)	(136,518)	28,480	(20.9)	(22,441)	537,166	(559,607)	NA
Net interest expense	19,958	31,564	(11,606)	(36.8)	48,974	68,276	(19,302)	(28.3)
Other financial costs	1,637	1,157	480	41.4	3,750	2,380	1,370	57.5
Minority interest	256	(942)	1,198	NA	320	(1,404)	1,724	NA
Income from sale of shares	-	-	-	0.0	-	-	-	NA
Cash flow before working capital variations	111,530	(89,523)	201,053	NA	102,112	76,553	25,559	33.4
Working Capital	13,396	(2,788)	16,184	NA	36,797	(8,892)	45,689	NA
Net operating cash flow	124,926	(92,311)	217,237	NA	138,909	67,661	71,248	NA
Non-recurring items	(11,210)	(1,250)	(9,960)	NA	(18,768)	14,338	(33,106)	NA
Cash flow net from non-recurring items	113,716	(93,561)	207,277	NA	120,141	81,999	38,142	46.5
Investment activities	(60,247)	7,831	(68,078)	NA	(87,308)	(21,717)	(65,591)	NA
Financing activities	191,607	(16,618)	208,225	NA	153,753	(115,389)	269,142	NA
Net (decrease) increase in cash and cash equivalents	245,076	(102,348)	347,424	NA	186,586	(55,107)	241,693	NA
Cash and cash equivalents at the beginning of the period	481,998	258,694	223,304	86.3	539,133	179,885	359,248	NA
Cash and cash equivalents at the end of the period	727,074	156,346	570,728	NA	725,719	124,778	600,941	NA
Effects from cash value changes	(64)	(9,957)	9,893	NA	1,292	21,611	(20,319)	NA
Total Cash at the end of the period	727,011	146,389	580,622	NA	727,011	146,389	580,622	NA

By the end of 2Q21, operating cash flow was Ps. 124.9 million, compared to a negative Ps. 92.3 million in 2Q20, mainly attributed to the net income generated in the quarter.

Balance Sheet Summary

Figures in thousands of Mexican pesos

Balance Sheet Summary	Jun-21	Jun-20	Var.	Var %
Cash and cash equivalents	727,011	146,389	580,622	NA
Accounts receivables and other current assets	223,837	265,076	(41,239)	(15.6%)
Creditable taxes	402,204	368,085	34,120	9.3%
Total current assets	1,353,052	779,550	573,502	73.6%
Restricted cash	96,730	145,152	(48,422)	(33.4%)
Property, furniture and equipment	7,686,675	7,966,457	(279,782)	(3.5%)
Non-productive fixed assets (under development)□	798,556	632,291	166,265	26.3%
Other fixed assets	569,583	557,622	11,961	2.1%
Total non-current assets	9,151,543	9,301,521	(149,978)	(1.6%)
Total Assets	10,504,595	10,081,072	423,524	4.2%
Current installments of long-term debt	208,503	170,081	38,422	22.6%
Other current liabilities	596,398	507,379	89,019	17.5%
Total current liabilities	804,901	677,460	127,440	18.8%
Long-term debt	2,874,270	3,158,052	(283,782)	(9.0%)
Other non-current liabilities	874,762	883,259	(8,497)	(1.0%)
Total non-current liabilities	3,749,032	4,041,311	(292,279)	(7.2%)
Total Equity	5,950,662	5,362,300	588,362	11.0%
Total Liabilities and Equity	10,504,595	10,081,071	423,524	4.2%

Cash and Cash Equivalents

By the end of 2Q21, the Company's cash and cash equivalents were Ps. 727.0 million. Of this figure, Ps. 628.7 million is peso-denominated, and Ps. 98.4 million is U.S. dollar-denominated.

Accounts Receivable and Other Current Assets

This line item decreased 15.6%, from Ps. 265.1 million in 2Q20 to Ps. 223.8 million in 2Q21.

Property, Furniture & Equipment

This line item was equal to Ps. 7,686.7 million at the end of 2Q21, a 3.5% decrease compared to Ps. 7,966.4 million at the end of 2Q20. CAPEX in 2Q21 was Ps. 68.5 million pesos, compared to Ps. 2.7 million in 2Q20.

Figures in thousands of Mexican Pesos

	2Q21		YTD June 2021	
Capex for the period	% Total		% Total	
Hotels in development	60,486	88.3%	90,717	85.0%
Improvements in owned hotels	3,251	4.7%	7,094	6.6%
Ordinary capex	4,801	7.0%	8,917	8.4%
Total Capex	68,537	100.0%	106,728	100.0%

Net Debt and Maturity

Net Debt was Ps. 3,082.8 million at the end of 2Q21, which represented a Total Debt / LTM EBITDA ratio equal to 20.6x. Of the Total Debt, 86.8% is U.S. dollar-denominated and has an average cost of 3.25%. The remaining 13.2% is peso-denominated, with an average cost of 7.61%. In addition, over 95% of debt maturities are long term.

During 2Q21, the Mexican peso appreciated 4.0% against the U.S. dollar, from Ps. 20.6025 on March 31, 2021, to Ps. 19.8157 on June 30, 2021, positively impacting the Company's financial costs. The Company's short U.S. dollar position by the end of 2Q21 was US\$125.5 million, equal to Ps. 2,487.0 million.

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

Figures in thousands of Mexican pesos	Denominated in (currency):		
	Pesos	Dollars	Total
Debt*			
Short Term	30,730	177,773	208,503
Long Term	375,100	2,499,170	2,874,270
Total	405,830	2,676,943	3,082,773
% Total	13.2%	86.8%	100.0%
Average rate of financial liabilities	7.61%	3.25%	3.82%
Cash and cash equivalents	628,654	98,357	727,011
Restricted cash	5,150	91,580	96,730
Cash and cash equivalents**	633,804	189,937	823,741
Net Debt	(227,974)	2,487,006	2,259,032

Net Debt / LTM EBITDA (as of June 30, 2021) 20.6x

*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. 19.8157 / US\$ as of June 30, 2021, as published in Mexico's *Official Federal Gazette*.

Currency Hedging Analysis

Figures in thousands of Mexican pesos

Currency Hedging Analysis	Second Quarter 2021			YTD June 30, 2021		
	Denominated in Pesos	Denominated in USD	Total in Pesos	Denominated in Pesos	Denominated in USD	Total in Pesos
Total Revenue	346,349	137,281	483,630	543,610	207,862	751,472
% of Total Revenue	71.6%	28.4%	100.0%	72.3%	27.7%	100.0%
(-) Total Costs and Expenses	362,259	51,473	413,732	662,707	73,167	735,874
(-) Non-recurring Expenses	7,946	-	7,946	18,155	-	18,155
Operating Income	(23,856)	85,808	61,952	(137,252)	134,695	(2,557)
(+) Depreciation	58,246	-	58,246	116,818	-	116,818
Operating Cash Flow	34,390	85,808	120,198	(20,434)	134,695	114,261
% of Operating Cash Flow	NA	NA	NA	NA	NA	NA
Interest	4,210	23,577	27,787	7,125	58,605	65,730
Principal	8,415	36,589	45,004	10,704	39,422	50,126
Total Debt Service	12,625	60,166	72,791	17,829	98,027	115,856
Interest Coverage Ratio 1	8.2x	3.6x	4.3x	(2.9x)	2.3x	1.7x
Debt Service Coverage Ratio 2	2.7x	1.4x	1.7x	(1.1x)	1.4x	1.0x

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

In the first half of the year, approximately 27.7% 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 1.0x due to lower revenues. In addition, HOTEL had a U.S. dollar-denominated cash balance of Ps. 189.9 million at the end of 2Q21, decreasing its total exposure to currency risks.

2Q21 Conference Call Details:

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

Date: Friday, July 23, 2021

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: 64941049#

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 2,800 people and generated revenues of Ps. 1,071 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 six-month periods ended June 30, 2021 and 2020
(Figures in thousands of Mexican pesos)

	Second Quarter				6 months ended June 30			
	2021	2020	Var.	% Var.	2021	2020	Var.	% Var.
Revenue								
Room Revenue	215,261	8,193	207,068	NA	348,678	277,213	71,465	25.8
Food and Beverage Revenue	169,365	3,154	166,211	NA	260,246	230,998	29,248	12.7
Other Revenue from Hotels	84,770	3,132	81,637	NA	119,276	73,759	45,517	61.7
Third-party Hotels' Management Fees	14,235	1,052	13,183	NA	23,272	19,065	4,207	22.1
TOTAL REVENUE	483,630	15,532	468,099	NA	751,472	601,036	150,437	25.0
COSTS AND EXPENSES								
Operating Costs and Expenses	237,124	54,739	182,385	NA	396,547	320,635	75,912	23.7
Sales and Administration	109,589	43,286	66,303	NA	204,936	196,811	8,124	4.1
Property Expenses	8,772	4,251	4,521	NA	17,574	13,969	3,605	25.8
Depreciation and Amortization	58,246	58,603	(357)	(0.6)	116,818	119,272	(2,454)	(2.1)
TOTAL COSTS AND EXPENSES	413,732	160,880	252,852	NA	735,874	650,687	85,188	13.1
Development and hotel opening expenses	1,689	1,954	(265)	(13.5)	1,968	4,594	(2,627)	(57.2)
Other non-recurring expenses	6,257	4,656	1,601	34.4	16,187	11,494	4,693	40.8
ADJUSTED EBITDA	128,145	(86,745)	214,890	NA	132,416	69,621	62,795	90.2
ADJUSTED EBITDA Margin (%)	26.5%	NA	NA	NA	17.6%	11.6%	6.0 pt	6.0 pt
OPERATING INCOME	61,953	(151,958)	213,911	NA	(2,557)	(65,739)	63,183	(96.1)
Operating Income Margin (%)	12.8%	NA	NA	NA	(0.3%)	(10.9%)	10.6 pt	10.6 pt
Net interest expenses	(19,958)	(31,564)	11,606	(36.8)	(48,974)	(68,276)	19,302	(28.3)
Net foreign currency exchange loss	98,730	140,349	(41,620)	(29.7)	9,652	(514,146)	523,798	NA
Other financial costs	(1,637)	(1,157)	(479)	41.4	(3,750)	(2,380)	(1,370)	57.6
Net Financing Result	77,135	107,628	(30,493)	(28.3)	(43,071)	(584,801)	541,730	(92.6)
Undistributed income from subsidiaries, net	384	942	(559)	(59.3)	320	1,404	(1,084)	(77.2)
Income before taxes	139,472	(43,387)	182,859	NA	(45,308)	(649,137)	603,829	(93.0)
Total income taxes	(0)	(0)	(0)	NA	(0)	0	(0)	NA
Net Income	139,472	(43,387)	182,859	NA	(45,308)	(649,137)	603,829	(93.0)
Net Income Margin (%)	28.8%	NA	NA	NA	(6.0%)	NA	NA	NA
Income attributable to:								
Controlling Interest	106,029	(50,809)	156,838	NA	(33,078)	(449,934)	416,856	(92.6)
Non-controlling Interest	33,443	7,422	26,021	NA	(12,230)	(199,203)	186,973	(93.9)

Balance Sheet

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

Consolidated Balance Sheet

As of June 30, 2021 and 2020

(Figures in thousands of Mexican pesos)

(Figures in thousands of Mexican pesos)	2021	2020	Var \$	Var %
ASSETS				
Current Assets				
Cash and cash equivalents	727,011	146,389	580,622	NA
Restricted cash	-	-	-	NA
Accounts receivables from clients	136,519	179,925	(43,406)	(24.1%)
Accounts receivables from related parties	13,512	12,770	742	5.8%
Creditable taxes	402,204	368,085	34,120	9.3%
Other current assets	73,806	72,382	1,424	2.0%
Escrow deposit for hotel acquisition	-	-	-	0.0%
Total current assets	1,353,052	779,550	573,502	73.6%
Non-current Assets				
Restricted cash	96,730	145,152	(48,422)	(33.4%)
Property, furniture and equipment	7,686,675	7,966,457	(279,782)	(3.5%)
Non-productive fixed assets (under development) □	798,556	632,291	166,265	26.3%
Other assets	34,758	30,165	4,594	15.2%
Investment in subsidiaries	38,216	40,042	(1,826)	(4.6%)
Deferred income taxes	150,991	132,600	18,392	13.9%
Goodwill	345,617	354,815	(9,198)	(2.6%)
Total non-current assets	9,151,543	9,301,521	(149,978)	(1.6%)
Total assets	10,504,595	10,081,072	423,524	4.2%
LIABILITIES AND SHAREHOLDERS EQUITY				
Current liabilities				
Current installments of long-term debt	208,503	170,081	38,422	22.6%
Suppliers	152,600	180,180	(27,581)	(15.3%)
Accrued liabilities	166,373	118,115	48,258	40.9%
Accounts payable to related parties	19,215	13,188	6,026	45.7%
Payable taxes	161,088	118,898	42,190	35.5%
Client advanced payments	97,123	76,998	20,125	26.1%
Total current liabilities	804,901	677,460	127,440	18.8%
Non-current liabilities				
Long-term debt	2,874,270	3,158,052	(283,782)	(9.0%)
Other non-current liabilities	12,488	10,310	2,178	21.1%
Deferred income taxes	862,274	872,949	(10,675)	(1.2%)
Total non-current liabilities	3,749,032	4,041,311	(292,279)	(7.2%)
Total liabilities	4,553,933	4,718,771	(164,838)	(3.5%)
Equity				
Capital stock	3,917,157	3,417,228	499,929	14.6%
Legal reserve	190,493	190,493	-	0.0%
Premium on subscription of shares	80,000	80,000	-	0.0%
Net income	(33,079)	(449,934)	416,855	(92.6%)
Retained earnings	645,355	1,044,267	(398,912)	(38.2%)
Shareholder's Equity	4,799,926	4,282,054	517,872	12.1%
Non-controlling interest	1,150,736	1,080,246	70,490	6.5%
Total Equity	5,950,662	5,362,300	588,362	11.0%
Total liabilities and equity	10,504,595	10,081,071	423,524	4.2%

Cash Flow Statement

Grupo Hotelero Santa Fe, S.A.B. de C. V.
Consolidated Cash Flow
For the six month periods ended June 30, 2021 and 2020

Figures in thousands of Mexican pesos

Cash Flow Statement	Second Quarter		6 months ended June 30	
	2021	2020	2021	2020
Cash flow from operating activities				
Net income	139,472	(43,387)	(45,308)	(649,137)
Depreciation and amortization	58,246	58,603	116,818	119,272
Income taxes	(0)	-	(0)	-
Unrealized gain (loss) in foreign currency exchange	(108,038)	(136,518)	(22,441)	537,166
Net interest expense	19,958	31,564	48,974	68,276
Other financial costs	1,637	1,157	3,750	2,380
Minority interest	256	(942)	320	(1,404)
Cash flow before working capital variations	111,530	(89,523)	102,112	76,553
Accounts receivable from clients	(43,676)	95,483	(44,112)	60,279
Accounts receivable from related parties	(403)	(168)	(397)	(6,131)
Other current assets	(11,345)	(25)	(19,662)	(5,945)
Creditable taxes	8,089	(19,013)	7,313	(43,084)
Suppliers	(12,321)	(46,771)	(10,193)	6,286
Accrued liabilities	42,319	2,223	66,105	11,962
Accounts payable to related parties	747	2,472	896	2,286
Downpayments from clients	24,080	(941)	39,899	15,926
Payable taxes	5,905	(36,048)	(3,052)	(50,471)
Net operating cash flow	124,926	(92,311)	138,909	67,661
Non-recurring items				
Accrued liabilities	-	-	-	-
Payment for hotel operation	-	-	-	-
Receivable and Payable taxes	(11,210)	(1,250)	(18,768)	14,338
Income in acquisition of Dollars	-	-	-	-
Cash flow net from non-recurring items	113,716	(93,561)	120,141	81,999
Investment activities				
Change in restricted cash	3,031	14,933	10,867	12,001
Acquisition of property, furniture and equipment	(68,537)	(2,749)	(106,728)	(32,040)
Acquisition of ongoing business	-	-	-	-
Escrow deposit for hotel acquisition	-	-	-	-
Sale of shares of subsidiaries	-	-	-	3,000
Investment in subsidiary	507	-	(639)	101
Distribution effect of capitalized premium	-	-	-	-
Other net assets and liabilities	31	(2,420)	(22)	(2,845)
Interest gained	4,721	(1,933)	9,215	(1,934)
Cash flow from investment activities	(60,247)	7,831	(87,308)	(21,717)
Financing activities				
Net increase in paid-in capital	-	-	-	-
Net increase in paid-in capital from non-controlling company	1,512	809	4,216	(13,191)
Repurchase of shares	(26)	-	(12)	(1,288)
Obtained loans	262,273	8,118	263,421	8,118
Loan to shareholder of non-controlling company	639	1,021	1,983	17,293
Payment of interest and loan amortization*	(72,791)	(26,566)	(115,856)	(126,321)
Loans obtained from shareholders	-	-	-	-
Effect from non-controlling interest merger	-	-	-	-
Cash flow from financing activities	191,607	(16,618)	153,753	(115,389)
Net (decrease) increase in cash and cash equivalents	245,076	(102,348)	186,586	(55,107)
Cash and cash equivalents at the beginning of the period	481,998	258,694	539,133	179,885
Cash and cash equivalents at the end of the period	727,074	156,346	725,719	124,778
Cash in business acquisition	-	-	-	-
Effects from cash value changes	(64)	(9,957)	1,292	21,611
Total Cash at the end of the period	727,011	146,389	727,011	146,389

Appendix 1: Integration of Rooms under Operation

Operating indicators for 2Q21 consider 5,701 hotel rooms under operation out of 5,964. The integration of 263 rooms excluded is detailed as follows:

- i) 263 rooms are part of the Vacation Club⁷

Operating indicators for 1H21 consider 5,790 hotel rooms under operation out of 6,053. 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:

2Q21	Owned Hotels	Third-Party Owned Hotels	Total Rooms	YTD Jun 2021	Owned Hotels	Third-Party Owned Hotels	Total Rooms
In Operation	3,741	1,960	5,701	In Operation	3,741	2,049	5,790
Vacation Club	53	210	263	Vacation Club	53	210	263
Unavailable	-	-	-	Unavailable	-	-	-
In Renovation	-	-	-	In Renovation	-	-	-
Total Rooms	3,794	2,170	5,964	Total Rooms	3,794	2,259	6,053

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.