

Mexico City, February 20, 2020 – Grupo Hotelero Santa Fe S.A.B. de C.V. (BMV: HOTEL) (“HOTEL” or the “Company”), announced its consolidated results for the fourth quarter (“4Q19”) and full-year ended December 31, 2019. 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

- 2019 EBITDA<sup>1</sup> was Ps. 645.6 million, in line with our revised 2019 guidance, representing a 4.5% decrease compared to 2018.
- 2019 Total Revenue was Ps. 2,237.9 million, slightly above our revised 2019 guidance, representing an 8.4% increase compared to 2018.
- 4Q19 Total Revenue rose to Ps. 565.5 million, a 4.2% improvement compared to 4Q18, driven by the following increases: i) 0.1% in Room Revenue, ii) 9.1% in Food and Beverages, iii) 5.4% in Other Hotel Revenue, and iv) 9.9% in Third-Party Hotels’ Management Fees.
- 4Q19 EBITDA was Ps. 160.7 million, a 7.3% decrease compared to 4Q18 driven by higher costs and expenses. 4Q19 EBITDA margin was 28.4%.
- HOTEL posted 4Q19 Net Income of Ps. 67.2 million, compared to Ps. 17.1 million in the same period of last year; mainly explained by the positive FX result recorded in 4Q19, versus an FX loss in 4Q18.
- 4Q19 Net Operating Cash Flow was Ps. 96.1 million, a decrease of 42.6% compared to the Ps. 167.5 million reported in 4Q18. This decrease was mainly due to the unrealized FX loss recorded in this period.
- Net Debt/EBITDA (LTM) ratio was 3.8x at the end of 4Q19. Operating cash flow in dollars in 4Q19 represented 100% of total operating cash flow, thereby maintaining a natural hedge of the dollarized financial debt.
- HOTEL’s total portfolio at the end of 4Q19 reached 7,130 rooms with 29 hotels, a 4.7% increase compared to the 6,808 rooms at end of 4Q18.
- RevPAR<sup>2</sup> for Company-owned hotels remained stable in 4Q19 compared to 4Q18, as the decrease of 6.2% in ADR<sup>2</sup> was offset by a 3.7 percentage point increase in occupancy.

<i>Figures in thousands of Mexican pesos</i>	Fourth Quarter				12 months ended December 31			
	2019	2018	Var.	% Var.	2019	2018	Var.	% Var.
Total Revenue	565,531	542,741	22,790	4.2	2,237,902	2,064,941	172,960	8.4
EBITDA	160,666	173,338	(12,673)	(7.3)	645,570	675,794	(30,225)	(4.5)
EBITDA Margin	28.4%	31.9%	(3.5 pt)	(3.5 pt)	28.8%	32.7%	(3.9 pt)	(3.9 pt)
Operating Income	87,142	111,484	(24,342)	(21.8)	378,749	450,554	(71,806)	(15.9)
Net Income	67,164	17,076	50,088	NA	164,042	267,337	(103,295)	(38.6)
Net Income Margin	11.9%	3.1%	8.7 pt	8.7 pt	7.3%	12.9%	(5.6 pt)	(5.6 pt)
Operating Cash Flow	96,130	167,533	(71,403)	(42.6)	573,775	668,569	(94,794)	(14.2)
Occupancy	61.2%	57.5%	3.7 pt	3.7 pt	61.0%	61.5%	(0.5 pt)	(0.5 pt)
ADR	1,315	1,402	(87)	(6.2)	1,317	1,422	(105)	(7.4)
RevPAR	806	806	0	0.0	803	875	(72)	(8.2)

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

<sup>1</sup>EBITDA is calculated by adding Operating Income, Depreciation and Total Non-Recurring Expenses

<sup>2</sup>Revenue per Available Room (“RevPAR”) and Average Daily Rate (“ADR”).

## Comments from the Executive Vice President

Mr. Francisco Zinser, stated:

2019 was a challenging year for the Mexican economy as a whole and, thus, for the tourism sector. Our annual results were below our expectations mostly due to external factors. Tourist activity at both resort and urban destinations continued to show softer dynamics. At resort destinations, the main headwind was the slowdown in international tourism that began at the end of 2018, driven by the combined effect of sargassum (brown algae) washing up along the beaches in Cancun and the Riviera Maya, and the perception of decreasing security in certain markets. However, tourist destinations in the Pacific region, such as Puerto Vallarta and Los Cabos, had positive results in part due to the favorable shift of travelers that have preferred these destinations versus the Mexican Caribbean due to the reasons previously mentioned. Regarding urban destinations, the slowdown in economic activity continued to affect booking activity in several segments, including meetings and conventions, corporate accounts, and government accounts. Keep in mind that this last item includes not only government accounts, but all third-party consultants and service providers who serve this segment.

We met our updated 2019 guidance for both Revenues and EBITDA. Providing more insight into our annual performance, results were also impacted by the aforementioned issues, combined with the performance of the *Reflect Krystal Grand* properties, which have been negatively affected by the same factors, weighing on our performance for the whole of the year. 2019 revenues were Ps. 2,237.9 million, up 8.4% compared to 2018; EBITDA, on the other hand, was Ps. 645.6 million, down 4.5% compared to 2018, mainly due to lower top line growth, coupled with lower-than-expected results at *Reflect Krystal Grand* properties. This affected our margins, as this brand has higher standards and, therefore, higher operating costs combined lower than expected ADR. Regarding Company-owned hotels, RevPAR was down 8.2%, due to a 7.4% decrease in ADR, combined with a 0.5 percentage point contraction in Occupancy.

As for management contracts, we added two hotels into our portfolio during 2019. First, the *AC Hotel by Marriott Santa Fe* with 168 rooms located in the Santa Fe district in Mexico City. Second, the *Courtyard by Marriott Puebla* with 154 rooms located in the city of Puebla, Puebla. Additionally, we will be operating the *Breathless Tulum Resort & Spa*, a Grand Tourism category resort with 300 rooms that is under construction. Lastly, we expect the construction of the *Hyatt Regency Mexico City Insurgentes* to resume soon.

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.

## Sustainability Highlights

In the social area of our sustainability model, we group together material issues regarding our employees, human and labor rights, the development of our people as the most valuable asset in our Company, as well as our contributions and development in the communities where our hotels are located. In this area we focus on three main subjects: working conditions, training, and investment in local communities.

In terms of working conditions, we are constantly striving to have a committed and trained workforce that has a feeling of belonging. We have therefore put into place several initiatives to improve people's well-being, ranging from our commitment to provide safe working conditions and offering benefits that exceed legal requirements, to providing specialized training to develop skills and people. Relative to employee training, it is one of our priorities, and a long-term objective of the Company.

Lastly, development and investment in local communities is one of our material goals. We want to invest in communities strategically, as we gradually moved towards our desired social impact.

## 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	31	In Process	Irapuato	Guanajuato
12	Krystal Grand Suites Insurgentes	150	50%	Urban	Grand Tourism	26	In Process	Mexico City	Mexico City
13	Hyatt Centric Campestre Leon	140	50%	Urban	Grand Tourism	16	In Process	Leon	Guanajuato
14	Hyatt Place Aguascalientes	144	-	Urban	4 stars	10	In Process	Aguascalientes	Aguascalientes
15	DoubleTree by Hilton Toluca	142	-	Urban	4 stars	7	In Process	Toluca	Estado de Mexico
16	AC Hotel by Marriott Santa Fe	168	-	Urban	4 stars	5	In Process	Mexico City	Mexico City
17	Courtyard by Marriott Puebla	154	-	Urban	4 stars	5	In Process	Puebla	Puebla
<b>Subtotal Urban</b>		<b>2,913</b>							
18	Krystal Resort Cancun	502	-	Resort	5 stars	>36	Yes	Cancun	Quintana Roo
19	Krystal Resort Ixtapa	255	-	Resort	5 stars	>36	Yes	Ixtapa	Guerrero
20	Krystal Resort Puerto Vallarta	530	-	Resort	5 stars	>36	Yes	Puerto Vallarta	Jalisco
21	Hilton Puerto Vallarta Resort	451	100%	Resort	Grand Tourism	>36	Yes	Puerto Vallarta	Jalisco
22	Krystal Beach Acapulco	400	100%	Resort	4 stars	>36	Yes	Acapulco	Guerrero
23	Reflect Krystal Grand Punta Cancun	395	100%	Resort	Grand Tourism	>36	Yes	Cancun	Quintana Roo
24	Reflect Krystal Grand Los Cabos	454	50%	Resort	Grand Tourism	31	In Process	Los Cabos	Baja California Sur
25	Reflect Krystal Grand Nuevo Vallarta	480	50%	Resort	Grand Tourism	26	In Process	Nuevo Vallarta	Nayarit
<b>Subtotal Resort</b>		<b>3,467</b>							
<b>Total in Operation</b>		<b>6,380</b>							
26	Hyatt Regency Insurgentes Mexico City	250	50%	Urban	Grand Tourism			Mexico City	Mexico City
27	AC by Marriott Distrito Armida	168	-	Urban	4 stars			Monterrey	Nuevo Leon
28	Curio Collection Zacatecas	32	-	Urban	Boutique			Zacatecas	Zacatecas
29	Breathless Tulum Resort & Spa	300	-	Resort	Grand Tourism			Tulum	Quintana Roo
<b>Total in Construction</b>		<b>750</b>							
<b>Total</b>		<b>7,130</b>							

At the end of 4Q19, HOTEL recorded a total of 25 properties in operation, of which 13 are Company-owned<sup>3</sup> and the remaining 12 are third-party owned.<sup>4</sup>

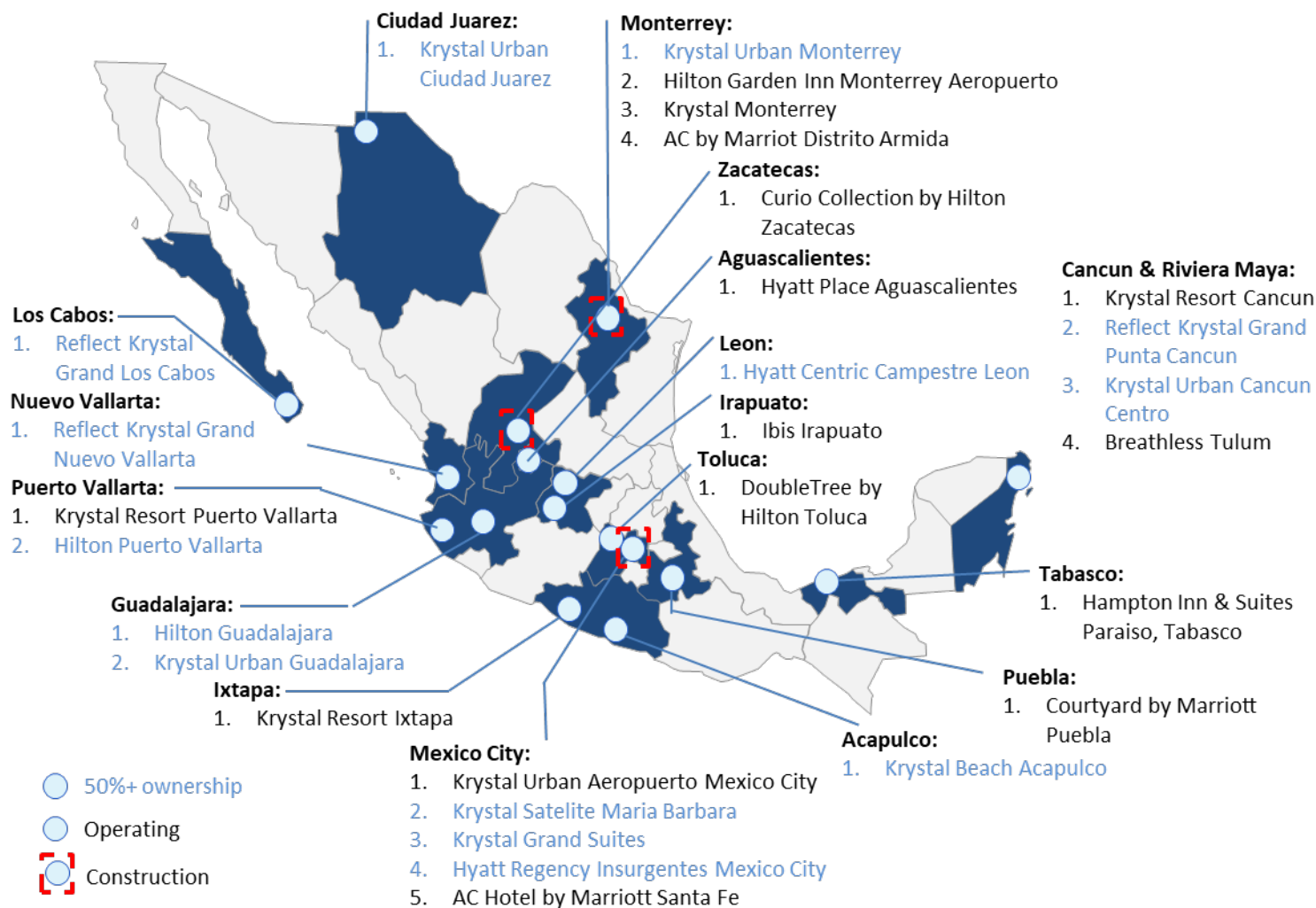
The total number of rooms in operation at the end of 4Q19 was 6,380, a 10.5% increase compared to the 5,772 under operation for the same period last year. Of the 608 net additional rooms we added, 144 are from *Hyatt Place Aguascalientes*, 142 are from the *Double Tree by Hilton Toluca*, 168 are from the *AC Hotel by Marriott Santa Fe* and 154 are from the *Courtyard by Marriott Puebla*.

Additionally, HOTEL has 750 rooms under construction (owned and third-party) including 250 from *Krystal Grand Insurgentes*, 168 rooms from the *AC by Marriott Distrito Armida*, 32 rooms from the *Curio Collection Zacatecas* and 300 rooms from the *Breathless Tulum Resort & Spa* for a total portfolio of 29 hotels and 7,130 rooms.

<sup>3</sup> 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% ownership position. According to IFRS, the results of these properties are consolidated in the Company's financial statements.

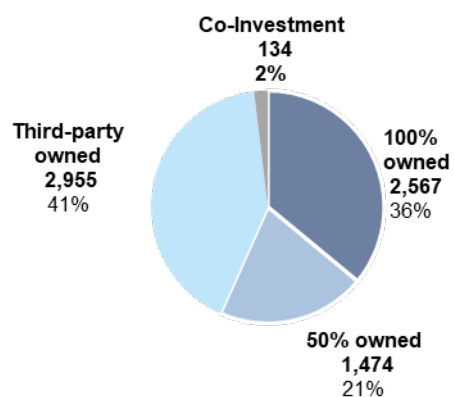
<sup>4</sup> The Company operates Hilton Garden Inn Monterrey Aeropuerto hotel, in which it also has a 15% ownership position. According to IFRS, although the results of this property are not consolidated in the Company's financial statements, third-party hotel management fees are included as "Other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

The hotel portfolio is geographically distributed as follows:

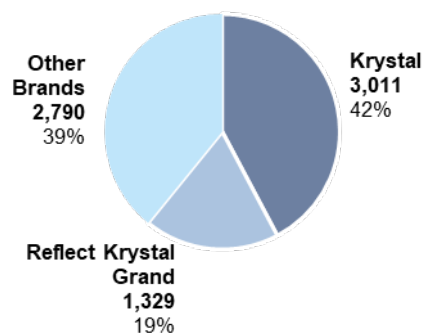


In terms of rooms under operation and rooms under development (including rooms under construction and conversion), at 4Q19 the hotel portfolio was as follows:

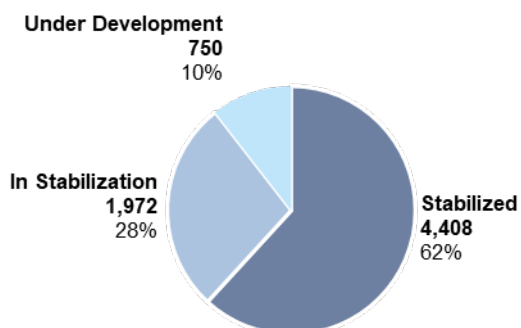
#### Ownership (number of rooms)



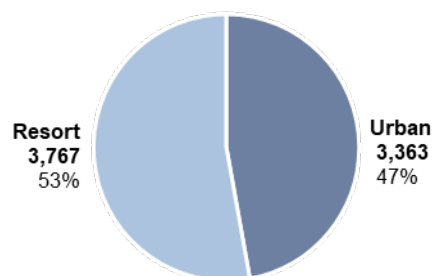
#### Brand (number of rooms)



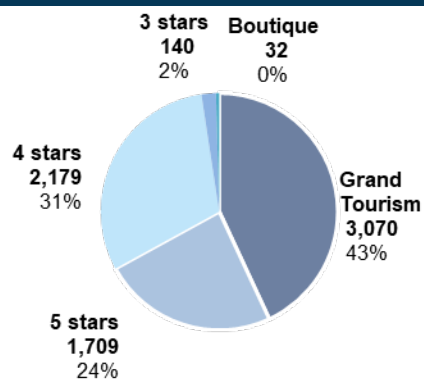
#### Segment (number of rooms)



#### Category (number of rooms)



#### Stabilization Stage (number of rooms)



## Hotel Classification

For comparison purposes, the hotel portfolio is classified into (i) Company-owned hotels, and (ii) those owned by third parties that are managed by HOTEL. The rationale for this classification is that Company-owned hotels support the majority of our revenues. While commercially important and relevant for the hotel platform, hotels under management only generate management fees for the Company, which are shown in the profit and loss statement under Third-Party Hotel Management Fees.

Company-owned hotels are classified according to each hotel's stage in the stabilization cycle. 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 4Q19, HOTEL had 13 Company-owned hotels and 12 third-party owned hotels under management<sup>(2)</sup>.

Of the total 6,380 hotel rooms under operation, the operating indicators for 4Q19 include 6,113 rooms; 267 rooms (263 corresponding to Vacation Club and 4 unavailable rooms) are excluded from the present analysis and are detailed at the end of this report in Appendix 1. The following table is a summary of the main 4Q19 operating indicators compared to the same period of last year, based on the classification. The methodology used to determine the number of rooms divides the total number of available rooms by the corresponding number of days in each period.

Figures in Mexican pesos

Hotel Classification	Fourth Quarter				12 months ended December 31			
	2019	2018	Var.	% Var.	2019	2018	Var.	% Var.
<b>Total Hotels in Operation</b>	<b>25</b>	<b>21</b>	<b>4</b>	<b>19.0</b>	<b>25</b>	<b>22</b>	<b>3</b>	<b>13.6</b>
Number of rooms	6,113	5,509	604	11.0	5,845	5,290	555	10.5
Occupancy	61.8%	61.6%	0.2 pt	0.2 pt	62.8%	63.8%	(1.0 pt)	(1.0 pt)
ADR	1,361	1,427	(66)	(4.6)	1,379	1,445	(66)	(4.6)
RevPAR	841	878	(37)	(4.2)	865	922	(57)	(6.1)
<b>1 Total Owned Hotels (50%+ ownership)</b>	<b>13</b>	<b>13</b>	<b>-</b>	<b>0.0</b>	<b>13</b>	<b>13</b>	<b>-</b>	<b>0.0</b>
Number of rooms	3,738	3,738	-	0.0	3,740	3,462	278	8.0
Occupancy	61.2%	57.5%	3.7 pt	3.7 pt	61.0%	61.5%	(0.5 pt)	(0.5 pt)
ADR	1,315	1,402	(87)	(6.2)	1,317	1,422	(105)	(7.4)
RevPAR	806	806	-	0.0	803	875	(72)	(8.2)
<b>1.1 Stabilized Owned Hotels<sup>(1)</sup></b>	<b>9</b>	<b>8</b>	<b>1</b>	<b>12.5</b>	<b>9</b>	<b>8</b>	<b>1</b>	<b>12.5</b>
Number of rooms	2,514	2,374	140	5.9	2,516	2,310	206	8.9
Occupancy	63.0%	62.2%	0.8 pt	0.8 pt	62.7%	62.9%	(0.2 pt)	(0.2 pt)
ADR	1,295	1,437	(142)	(9.9)	1,319	1,485	(166)	(11.2)
RevPAR	816	894	(78)	(8.7)	827	935	(108)	(11.6)
<b>1.2 Owned Hotels in Stabilization Stage</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>0.0</b>	<b>4</b>	<b>5</b>	<b>(1)</b>	<b>(20.0)</b>
Number of rooms	1,224	1,364	(140)	(10.3)	1,224	1,152	72	6.3
Occupancy	57.6%	49.2%	8.4 pt	8.4 pt	57.6%	58.7%	(1.1 pt)	(1.1 pt)
ADR	1,360	1,325	35	2.7	1,312	1,286	26	2.0
RevPAR	784	651	133	20.4	755	755	0	0.0
<b>2 Third-party Hotels Under Management<sup>(2)</sup></b>	<b>12</b>	<b>9</b>	<b>3</b>	<b>33.3</b>	<b>12</b>	<b>9</b>	<b>3</b>	<b>33.3</b>
Number of rooms	2,375	1,771	604	34.1	2,105	1,828	277	15.2
Occupancy	62.6%	70.2%	(7.6 pt)	(7.6 pt)	65.9%	68.2%	(2.3 pt)	(2.3 pt)
ADR	1,432	1,469	(37)	(2.5)	1,480	1,484	(4)	(0.3)
RevPAR	896	1,032	(136)	(13.2)	975	1,011	(36)	(3.5)

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 hotels and rooms is due to the evolution of Krystal Urban Guadalajara that was reclassified from hotels in the stabilization stage to stabilized hotels combined with the new rooms added from the Hilton Vallarta expansion

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

## Consolidated Financial Results

Figures in thousands of Mexican pesos

Income Statement	Fourth Quarter				12 months ended December 31			
	2019	2018	Var.	%Var.	2019	2018	Var.	%Var.
Room Revenue	277,234	277,038	196	0.1	1,096,658	1,105,587	(8,929)	(0.8)
Food and Beverage Revenue	217,215	199,040	18,175	9.1	860,367	731,512	128,855	17.6
Other Revenue from Hotels	51,686	49,018	2,669	5.4	204,120	157,305	46,815	29.8
Third-Party Hotels' Management Fees	19,395	17,645	1,750	9.9	76,756	70,537	6,219	8.8
<b>Total Revenue</b>	<b>565,531</b>	<b>542,741</b>	<b>22,790</b>	<b>4.2</b>	<b>2,237,902</b>	<b>2,064,941</b>	<b>172,960</b>	<b>8.4</b>
Cost and Operating Expenses	258,665	237,491	21,174	8.9	1,019,971	891,123	128,848	14.5
Sales and Administrative	137,159	124,712	12,447	10.0	535,883	468,381	67,502	14.4
Other Expenses	9,042	7,200	1,842	25.6	36,477	29,643	6,834	23.1
Depreciation	62,741	54,743	7,999	14.6	237,293	196,367	40,926	20.8
<b>Total Costs and Expenses</b>	<b>467,607</b>	<b>424,146</b>	<b>43,461</b>	<b>10.2</b>	<b>1,829,625</b>	<b>1,585,514</b>	<b>244,111</b>	<b>15.4</b>
<b>Total Non Recurring Expenses</b>	<b>10,782</b>	<b>7,112</b>	<b>3,671</b>	<b>51.6</b>	<b>29,528</b>	<b>28,872</b>	<b>656</b>	<b>2.3</b>
<b>EBITDA</b>	<b>160,666</b>	<b>173,338</b>	<b>(12,673)</b>	<b>(7.3)</b>	<b>645,570</b>	<b>675,794</b>	<b>(30,225)</b>	<b>(4.5)</b>
EBITDA Margin(%)	28.4%	31.9%	(3.5 pt)	(3.5 pt)	28.8%	32.7%	(3.9 pt)	(3.9 pt)
<b>Operating Income</b>	<b>87,142</b>	<b>111,484</b>	<b>(24,342)</b>	<b>(21.8)</b>	<b>378,749</b>	<b>450,554</b>	<b>(71,806)</b>	<b>(15.9)</b>
Operating Income Margin (%)	15.4%	20.5%	(5.1 pt)	(5.1 pt)	16.9%	21.8%	(4.9 pt)	(4.9 pt)
<b>Net Financing Result</b>	<b>61,119</b>	<b>(121,509)</b>	<b>182,628</b>	<b>NA</b>	<b>(108,655)</b>	<b>(137,535)</b>	<b>28,880</b>	<b>(21.0)</b>
Total income taxes	81,097	(28,897)	109,994	NA	108,422	46,655	61,767	NA
<b>Net Income</b>	<b>67,164</b>	<b>17,076</b>	<b>50,088</b>	<b>NA</b>	<b>164,042</b>	<b>267,337</b>	<b>(103,295)</b>	<b>(38.6)</b>
Net Income Margin (%)	11.9%	3.1%	8.7 pt	8.7 pt	7.3%	12.9%	(5.6 pt)	(5.6 pt)
<b>Income attributable to:</b>								
Controlling Interest	62,666	43,719	18,947	43.3	179,364	265,949	(86,585)	(32.6)
Non-controlling Interest	4,498	(26,643)	31,141	NA	(15,322)	1,387	(16,709)	NA

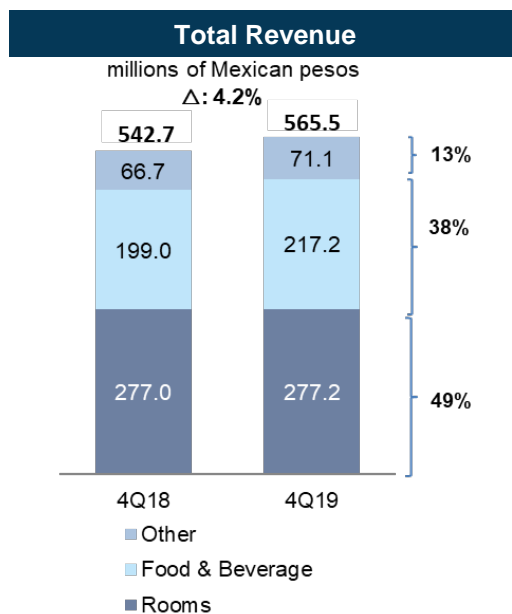
## Total Revenue

During 4Q19, Total Revenue increased 4.2%, from Ps. 542.7 million in 4Q18 to Ps. 565.5 million, driven by 0.1% growth in Room Revenue, 9.1% growth in Food and Beverage Revenue, 5.4% growth in Other Revenue and 9.9% growth in Third-Party Hotel's Management Fees.

In 4Q19, Room Revenue increased 0.1% compared to 4Q18, due to a flat RevPAR, as the ADR decrease of 6.2% was offset by a 3.7 percentage point increase in Occupancy.

The portfolio of stabilized Company-owned hotels experienced a 5.9% increase in the number of rooms. This portfolio posted an 8.7% reduction in RevPAR, explained by a 9.9% decrease in ADR, which was partially offset by a 0.8 percentage point increase in Occupancy. The increase in the number of stabilized rooms was due to incorporation of the *Krystal Urban Guadalajara* into the portfolio of stabilized Company-owned hotels, having completed its 36-month stabilization stage.

Company-owned hotels in the stabilization stage fell 10.3% in terms of number of rooms, due to stabilization of the *Krystal Urban Guadalajara*. The RevPAR of this part of the portfolio increased 20.4%, driven by an 8.4 percentage point increase in Occupancy combined with a 2.7% ADR increase.



Food and Beverage Revenue increased 9.1%, from Ps. 199.0 million in 4Q18 to Ps. 217.2 million in 4Q19, driven by the performance recorded at *Hilton Puerto Vallarta*, *Reflect Krystal Grand Los Cabos*, and *Reflect Krystal Grand Nuevo Vallarta*.

Other Income, which includes, among other items, event room rentals, parking, laundry, telephone, and leasing of commercial spaces, increased 5.4%, from Ps. 49.0 million in 4Q18 to Ps. 51.7 million in 4Q19, driven by increased hotel activity.

Management Fees related to third-party owned hotels increased by 9.9% compared to 4Q18, driven by a 34.1% increase in the number of rooms under operation, which more than offset a 13.2% decrease in RevPAR during the period. The lower RevPAR was driven by the combined effect of a 7.6 percentage point reduction in occupancy and a 2.5% decrease in ADR. The Company sees an opportunity to continue its expansion plans by means of third-party operating contracts, mainly with the Krystal® brand, which it does not believe will significantly impact the operating structure.

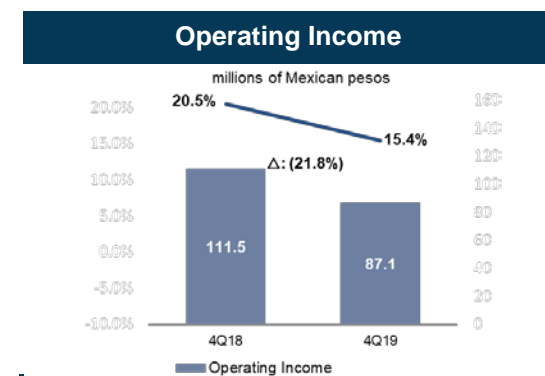
### Costs and Expenses

Operating Costs and Operating Expenses increased 8.9%, from Ps. 237.5 million in 4Q18 to Ps. 258.7 million in 4Q19. This increase was mainly due to higher costs and expenses at the Reflect Krystal Grand hotels. Operation of this new brand implies higher operating costs that have not yet been matched by revenue growth, due to the longer-than-expected maturity curve of these properties, as certain external factors affecting performance at nearly all of those properties have been weighing on their performance over the past few months.

Administrative and Sales Expenses rose 10.0%, from Ps. 124.7 million in 4Q18 to Ps. 137.2 million in 4Q19. Administrative and Sales Expenses accounted for 24.3% of Total Revenue in 4Q19, compared to 23.0% in 4Q18, due to higher costs and expenses at the Reflect Krystal Grand hotels, as explained above.

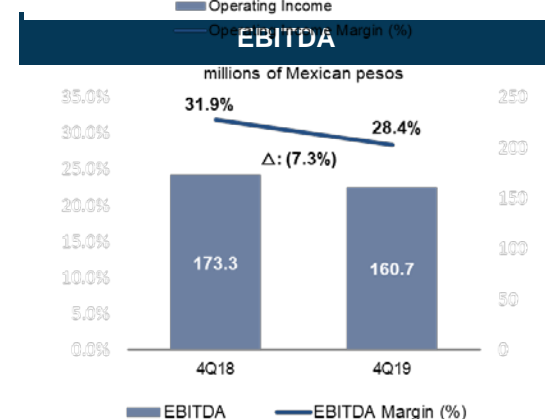
## Operating Income

During 4Q19, Operating Income decreased 21.8%, from Ps. 111.5 million in 4Q18 to Ps. 87.1 million. This result was driven by higher operating costs and expenses at the *Reflect Krystal Grand* hotels. Operating Margin decreased by 5.1 percentage points, from 20.5% in 4Q18 to 15.4% in 4Q19.



## EBITDA

4Q19 EBITDA was Ps. 160.7 million, compared to Ps. 173.3 million in 4Q18, a decrease of 7.3%. 4Q19 EBITDA margin decreased by 3.5 percentage points, from 31.9% in 4Q18 to 28.4% in 4Q19.



(Figures in thousands of Mexican pesos)	4Q19	4Q18	% Var.	2019	2018	% Var.
Operating Income	87,142	111,484	(21.8)	378,749	450,554	(15.9)
(+) Depreciation	62,741	54,743	14.6	237,293	196,367	20.8
(+) Development and Hotel Opening Expenses <sup>4</sup>	4,303	7,056	(39.0)	15,540	26,017	(40.3)
(+) Other Non-Recurring Expenses <sup>5</sup>	6,479	55	NA	13,988	2,856	NA
<b>EBITDA</b>	<b>160,666</b>	<b>173,338</b>	<b>(7.3)</b>	<b>645,570</b>	<b>675,794</b>	<b>(4.5)</b>
<b>EBITDA Margin</b>	<b>28.4%</b>	<b>31.9%</b>	<b>(3.5 pt)</b>	<b>28.8%</b>	<b>32.7%</b>	<b>(3.9 pt)</b>

## Net Financing Result

In 4Q19, the Net Financing Result went from a loss of Ps. 121.5 million in 4Q18 to a gain of Ps. 61.1 million. This result was mainly attributed to the FX gain generated by the effect of the mark-to-market valuation of a lower USD/MXN exchange rate applied to our dollar-denominated debt, paired with lower interest expenses.

## Net Income

Net Income went from a gain of Ps. 17.1 million in 4Q18 to a gain of Ps. 67.2 million in 4Q19, driven by a better net financing result which compensated for lower operating income.

<sup>4</sup> Expenses incurred in hotel expansions and openings, including new developments, and are related to the acquisition and research of acquisition opportunities.

<sup>5</sup> 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	Fourth Quarter				12 months ended December 31			
	2019	2018	Var.	% Var.	2019	2018	Var.	% Var.
<b>Cash flow from operating activities</b>								
Net income	67,164	17,076	50,088	NA	164,042	267,337	(103,295)	(38.6)
Depreciation and amortization	62,741	54,742	7,999	14.6	237,293	196,367	40,926	20.8
Income taxes	81,097	(28,897)	109,994	NA	108,422	46,655	61,767	NA
Unrealized gain (loss) in foreign currency exchange	(114,132)	70,454	(184,586)	NA	(113,320)	(33,418)	(79,902)	NA
Net interest expense	32,846	46,842	(13,996)	(29.9)	173,941	137,916	36,025	26.1
Other financial costs	1,032	1,581	(549)	(34.7)	6,647	7,243	(596)	(8.2)
Minority interest	-	1,796	(1,796)	(100.0)	(2,370)	(972)	(1,398)	NA
Income from sale of shares	-	-	-	NA	(3,562)	-	(3,562)	NA
<b>Cash flow before working capital variations</b>	<b>130,748</b>	<b>163,594</b>	<b>(32,846)</b>	<b>(20.1)</b>	<b>571,093</b>	<b>621,128</b>	<b>(50,035)</b>	<b>(8.1)</b>
Working Capital	(34,618)	3,939	(38,557)	NA	2,682	47,441	(44,759)	(94.3)
<b>Net operating cashflow</b>	<b>96,130</b>	<b>167,533</b>	<b>(71,403)</b>	<b>(42.6)</b>	<b>573,775</b>	<b>668,569</b>	<b>(94,794)</b>	<b>(14.2)</b>
Non-recurring items	(2,283)	(302,165)	299,882	(99.2)	(65,024)	(295,765)	230,741	(78.0)
<b>Cash flow net from non-recurring items</b>	<b>93,847</b>	<b>(134,632)</b>	<b>228,479</b>	<b>NA</b>	<b>508,752</b>	<b>372,804</b>	<b>135,948</b>	<b>36.5</b>
Investment activities	9,474	(301,165)	310,639	NA	(135,263)	(1,168,475)	1,033,212	(88.4)
Financing activities	(92,023)	434,896	(526,919)	NA	(296,408)	610,224	(906,632)	NA
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>11,298</b>	<b>(901)</b>	<b>12,199</b>	<b>NA</b>	<b>77,081</b>	<b>(185,447)</b>	<b>262,528</b>	<b>NA</b>
Cash and cash equivalents at the beginning of the period	168,586	103,705	64,881	62.6	102,804	288,015	(185,211)	(64.3)
<b>Cash and cash equivalents at the end of the period</b>	<b>179,885</b>	<b>102,804</b>	<b>77,081</b>	<b>75.0</b>	<b>179,885</b>	<b>102,568</b>	<b>77,317</b>	<b>75.4</b>
Cash in business acquisition	-	-	-	NA	-	235	(235)	(100.0)
<b>Total Cash at the end of the period</b>	<b>179,885</b>	<b>102,804</b>	<b>77,081</b>	<b>75.0</b>	<b>179,885</b>	<b>102,803</b>	<b>77,082</b>	<b>75.0</b>

By the end of 4Q19, Operating Cash Flow was Ps. 96.1 million, compared to Ps. 167.5 million reported in 4Q18, a 42.6% decrease mainly due to the unrealized FX gain recorded in this period combined with higher working capital requirements.

## Balance Sheet Summary

Figures in thousands of Mexican pesos

Balance Sheet Summary	Dec-19	Dec-18	Var.	Var %
Cash and cash equivalents	179,884	102,804	77,080	75.0%
Accounts receivables and other current assets	323,031	234,168	88,863	37.9%
Creditable taxes	357,137	407,204	(50,067)	(12.3%)
<b>Total current assets</b>	<b>860,052</b>	<b>744,176</b>	<b>115,876</b>	<b>15.6%</b>
Restricted cash	131,451	134,755	(3,304)	(2.5%)
Property, furniture and equipment	8,077,801	8,172,734	(94,932)	(1.2%)
Non-productive fixed assets (under development)□	612,262	509,376	102,886	20.2%
Other fixed assets	558,628	614,365	(55,737)	(9.1%)
<b>Total non-current assets</b>	<b>9,380,141</b>	<b>9,431,229</b>	<b>(51,088)</b>	<b>(0.5%)</b>
<b>Total Assets</b>	<b>10,240,193</b>	<b>10,175,405</b>	<b>64,788</b>	<b>0.6%</b>
Current installments of long-term debt	217,594	254,801	(37,207)	(14.6%)
Other current liabilities	538,650	462,691	75,960	16.4%
<b>Total current liabilities</b>	<b>756,245</b>	<b>717,492</b>	<b>38,753</b>	<b>5.4%</b>
Long-term debt	2,564,307	2,740,161	(175,855)	(6.4%)
Other non-current liabilities	887,400	873,667	13,733	1.6%
<b>Total non-current liabilities</b>	<b>3,451,706</b>	<b>3,613,828</b>	<b>(162,122)</b>	<b>(4.5%)</b>
<b>Total Equity</b>	<b>6,032,242</b>	<b>5,844,085</b>	<b>188,157</b>	<b>3.2%</b>
<b>Total Liabilities and Equity</b>	<b>10,240,193</b>	<b>10,175,405</b>	<b>64,788</b>	<b>0.6%</b>

### Cash and Cash Equivalents

By the end of 4Q19, the Company's Cash and Cash Equivalents were Ps. 179.9 million. Of this figure, Ps. 69.8 million is peso-denominated and Ps. 110.1 million is dollar-denominated.

### Accounts Receivable and Other Current Assets

By the end of 4Q19, Accounts Receivable and Other Current Assets were Ps. 323.0 million compared to Ps. 234.2 million in 4Q18.

### Property, Furniture & Equipment

This line item was equal to Ps. 8,077.8 million at the end of 4Q19, a 1.2% decrease compared to Ps. 8,172.7 million at the end of 4Q18. Over the last twelve months, the largest hotel remodeling project took place at the *Krystal Urban Monterrey*.

Figures in thousands of Mexican Pesos

	4Q19		2019	
Capex for the period	% Total		% Total	
Hotels in development	18,363	41.8%	97,285	40.0%
Improvements in owned hotels	5,157	11.7%	50,716	20.8%
Ordinary capex	20,442	46.5%	95,318	39.2%
<b>Total Capex</b>	<b>43,961</b>	<b>100.0%</b>	<b>243,319</b>	<b>100.0%</b>

## Net Debt and Maturity

Net Debt was Ps. 2,470.6 million at the end of 4Q19, which represented a Net Debt / EBITDA (LTM) ratio equal to 3.8x. 94.4% of Total Debt is US-dollar denominated and has an average cost of 5.0%. The remaining 5.6% is peso-denominated, with an average weighted cost of 10.5%. In addition, 91.6% of debt maturities are long-term.

During 4Q19, the Mexican peso appreciated 4.1% by the end of the quarter, from Ps. 19.6808 as of September 30, 2019, to Ps. 18.8727 as of December 31, 2019, having a positive impact on the Company's financial costs. The Company's short US dollar position by the close of 4Q19 was US\$ 126.8 million, equal to Ps. 2,392.3 million.

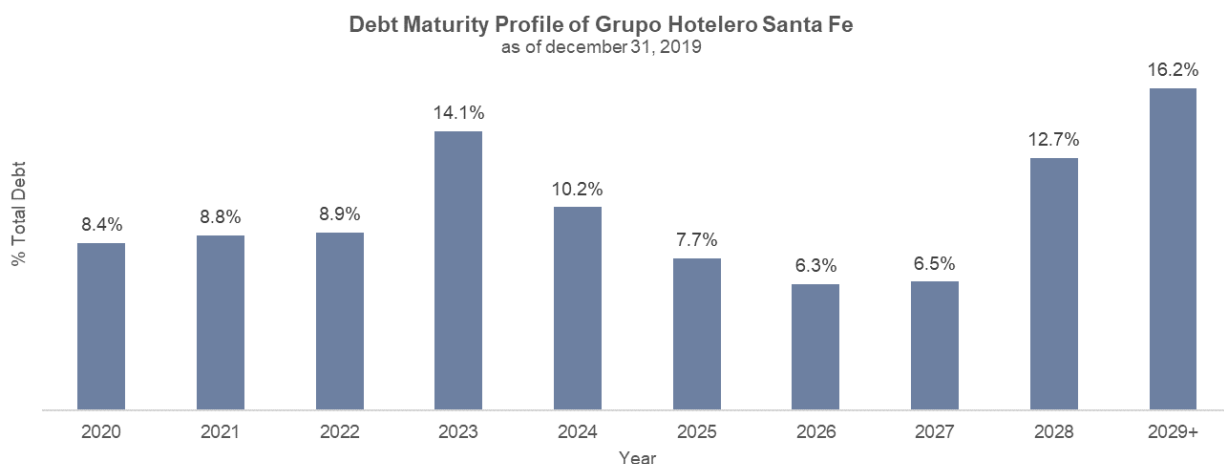
The following graphs show the Company's debt and cash position, as well as the debt maturity.

Figures in thousands of Mexican pesos	Denominated in (currency):		
	Pesos	Dollars	Total
Debt*			
Short Term	13,266	204,328	217,594
Long Term	141,339	2,422,968	2,564,307
<b>Total</b>	<b>154,605</b>	<b>2,627,296</b>	<b>2,781,901</b>
% Total	5.6%	94.4%	100.0%
Average rate of financial liabilities	10.48%	5.01%	5.31%
Cash and equivalents	69,814	110,071	179,884
Restricted cash	6,477	124,974	131,451
<b>Cash and cash equivalents**</b>	<b>76,291</b>	<b>235,045</b>	<b>311,335</b>
<b>Net Debt</b>	<b>78,314</b>	<b>2,392,252</b>	<b>2,470,566</b>

Net Debt / LTMEBITDA (as of December 31, 2019) 3.8x

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

\*\*Includes restricted cash related to bank debt.



As it pursues its growth plans, the Company will continue to balance its debt between pesos and dollars. Both peso- and dollar-denominated debt are hedged over reference rates (TIIE and LIBOR), with a strike price at 8.5% and 4.5%, respectively.

According to IFRS, the exchange rate used was USD/MXN 18.8727 as of December 31, 2019, as published in Mexico's Official Federal Gazette.

## Currency Hedging Analysis

Figures in thousands of Mexican pesos

Currency Hedging Analysis	Fourth Quarter 2019			2019		
	Denominated in Pesos	Denominated in USD	Total in Pesos	Denominated in Pesos	Denominated in USD	Total in Pesos
Total Revenue	375,114	190,417	565,531	1,414,275	823,626	2,237,902
% of Total Revenue	66.3%	33.7%	100.0%	63.2%	36.8%	100.0%
( - ) Total Costs and Expenses	430,549	37,058	467,607	1,637,569	192,056	1,829,625
( - ) Non-recurring Expenses	10,782	-	10,782	29,528	-	29,528
<b>Operating Income</b>	<b>(66,217)</b>	<b>153,359</b>	<b>87,142</b>	<b>(252,821)</b>	<b>631,570</b>	<b>378,749</b>
( + ) Depreciation	62,741	-	62,741	237,293	-	237,293
<b>Operating Cash Flow</b>	<b>(3,476)</b>	<b>153,359</b>	<b>149,883</b>	<b>(15,528)</b>	<b>631,570</b>	<b>616,042</b>
% of Operating Cash Flow	(2.3%)	102.3%	100.0%	(2.5%)	102.5%	100.0%
Interest	4,420	37,447	41,867	34,757	151,470	186,227
Principal	2,288	53,007	55,295	222,973	138,607	361,580
<b>Total Debt Service</b>	<b>6,708</b>	<b>90,454</b>	<b>97,162</b>	<b>257,730</b>	<b>290,077</b>	<b>547,807</b>
Interest Coverage Ratio 1	(0.8x)	4.1x	3.6x	(0.4x)	4.2x	3.3x
Debt Service Coverage Ratio 2	(0.5x)	1.7x	1.5x	(0.1x)	2.2x	1.1x

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

In 4Q19, approximately 33.7% of revenues and 100% of operating cash flow were denominated in US dollars. Dollar-denominated operating cash flow was enough to cover the financial debt, both interest and principal, at a ratio of 1.7x for 4Q19. In 2Q19 we prepaid two existing Mexican peso-denominated bank loans and obtained two new US dollar-denominated credit facilities for the same amounts. Therefore, for the full-year figures, operating cash flow was just enough to meet its debt obligations, with a ratio of 1.1x. Excluding this effect, debt service coverage ratio would have been 1.8x

In addition, HOTEL had a dollar-denominated cash balance of Ps. 110.1 million at the close of 4Q19, decreasing its total exposure to currency risk.

## Recent Events

During 4Q19, and as of the date of this report, HOTEL's recent developments included:

- On November 1, 2019, we announced that in response to a request received from an investor (Iktea México, S.A. de C.V.) and in accordance with Article Nine of the Company bylaws, its Board of Directors granted authorization to said investor to acquire more than 5% and up to a maximum of 20% of the outstanding shares of the Company. The Board of Directors was informed that such investor invests in a variety of sectors, that it is not a competitor of HOTEL, it currently holds Company shares, does not intend to acquire control of the Company, and that any investment by said investor will be defined at its sole discretion based on the conditions of price, volume and availability of shares according to its internal investment criteria, through an act or succession of acts, at market value and using its own resources.

#### 4Q19 Conference Call Details:

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

**Date:** Friday, February 21, 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:** US: 1 800 863 3908

International: +1 334 323 7224

Mexico: 01 800 847 7666

Conference password: HOTEL 000

**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](http://www.gsf-hotels.com/investors)

#### About Grupo Hotelero Santa Fe

HOTEL is a leading company in the Mexican hotel industry, centered 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. As of year-end 2019, the Company employed over 3,500 people and generated revenues of Ps. 2,238 million. For more information, please visit [www.gsf-hotels.com](http://www.gsf-hotels.com)

#### Contact Information

**Enrique Martínez Guerrero**

Chief Financial Officer

[inversionistas@gsf-hotels.com](mailto:inversionistas@gsf-hotels.com)

**Maximilian Zimmermann**

Investor Relations Director

[mzimmermann@gsf-hotels.com](mailto:mzimmermann@gsf-hotels.com)

#### 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 twelve -month periods ended December 31, 2019 and 2018

(Figures in thousands of Mexican pesos)

	Fourth Quarter				12 months ended December 31			
	2019	2018	Var.	% Var.	2019	2018	Var.	% Var.
<b>Revenue</b>								
Room Revenue	277,234	277,038	196	0.1	1,096,658	1,105,587	(8,929)	(0.8)
Food and Beverage Revenue	217,215	199,040	18,175	9.1	860,367	731,512	128,855	17.6
Other Revenue from Hotels	51,686	49,018	2,669	5.4	204,120	157,305	46,815	29.8
Third-party Hotels' Management Fees	19,395	17,645	1,750	9.9	76,756	70,537	6,219	8.8
<b>TOTAL REVENUE</b>	<b>565,531</b>	<b>542,741</b>	<b>22,790</b>	<b>4.2</b>	<b>2,237,902</b>	<b>2,064,941</b>	<b>172,960</b>	<b>8.4</b>
<b>COSTS AND EXPENSES</b>								
Operating Costs and Expenses	258,665	237,491	21,174	8.9	1,019,971	891,123	128,848	14.5
Sales and Administrative	137,159	124,712	12,447	10.0	535,883	468,381	67,502	14.4
Property Expenses	9,042	7,200	1,842	25.6	36,477	29,643	6,834	23.1
Depreciation and Amortization	62,741	54,743	7,999	14.6	237,293	196,367	40,926	20.8
<b>TOTAL COSTS AND EXPENSES</b>	<b>467,607</b>	<b>424,146</b>	<b>43,461</b>	<b>10.2</b>	<b>1,829,625</b>	<b>1,585,514</b>	<b>244,111</b>	<b>15.4</b>
Development and hotel opening expenses	4,303	7,056	(2,753)	(39.0)	15,540	26,017	(10,477)	(40.3)
Other non-recurring expenses	6,479	55	6,424	NA	13,988	2,856	11,133	NA
<b>TOTAL</b>	<b>10,782</b>	<b>7,112</b>	<b>3,671</b>	<b>51.6</b>	<b>29,528</b>	<b>28,872</b>	<b>656</b>	<b>2.3</b>
<b>ADJUSTED EBITDA</b>	<b>160,666</b>	<b>173,338</b>	<b>(12,673)</b>	<b>(7.3)</b>	<b>645,570</b>	<b>675,794</b>	<b>(30,225)</b>	<b>(4.5)</b>
ADJUSTED EBITDA Margin (%)	28.4%	31.9%	(3.5 pt)	(3.5 pt)	28.8%	32.7%	(3.9 pt)	(3.9 pt)
<b>OPERATING INCOME</b>	<b>87,142</b>	<b>111,484</b>	<b>(24,342)</b>	<b>(21.8)</b>	<b>378,749</b>	<b>450,554</b>	<b>(71,806)</b>	<b>(15.9)</b>
Operating Income Margin (%)	15.4%	20.5%	(5.1 pt)	(5.1 pt)	16.9%	21.8%	(4.9 pt)	(4.9 pt)
Net interest expenses	(32,846)	(46,842)	13,996	(29.9)	(173,941)	(137,916)	(36,025)	26.1
Net foreign currency exchange loss	94,997	(73,087)	168,084	NA	71,933	7,624	64,308	NA
Other financial costs	(1,032)	(1,581)	548	(34.7)	(6,647)	(7,243)	596	(8.2)
<b>Net Financing Result</b>	<b>61,119</b>	<b>(121,509)</b>	<b>182,628</b>	<b>NA</b>	<b>(108,655)</b>	<b>(137,535)</b>	<b>28,880</b>	<b>(21.0)</b>
Undistributed income from subsidiaries, net	-	(1,796)	1,796	(100.0)	2,370	972	1,399	NA
Income before taxes	148,260	(11,822)	160,082	NA	272,464	313,991	(41,527)	(13.2)
Total income taxes	81,097	(28,897)	109,994	NA	108,422	46,655	61,767	NA
<b>Net Income</b>	<b>67,164</b>	<b>17,076</b>	<b>50,088</b>	<b>NA</b>	<b>164,042</b>	<b>267,337</b>	<b>(103,295)</b>	<b>(38.6)</b>
Net Income Margin (%)	11.9%	3.1%	8.7 pt	8.7 pt	7.3%	12.9%	(5.6 pt)	(5.6 pt)
<b>Income attributable to:</b>								
Controlling Interest	62,666	43,719	18,947	43.3	179,364	265,949	(86,585)	(32.6)
Non-controlling Interest	4,498	(26,643)	31,141	NA	(15,322)	1,387	(16,709)	NA

## Balance Sheet

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

#### Consolidated Balance Sheet

As of December 31, 2019 and 2018

(Figures in thousands of Mexican pesos)

(Figures in thousands of Mexican pesos)	2019	2018	Var \$	Var %
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	179,884	102,804	77,080	75.0%
Restricted cash	-	-	-	NA
Accounts receivables from clients	232,535	170,882	61,653	36.1%
Accounts receivables from related parties	6,638	10,255	(3,617)	(35.3%)
Taxes receivable	357,137	407,204	(50,067)	(12.3%)
Other current assets	83,858	53,030	30,828	58.1%
Escrow deposit for hotel acquisition	-	-	-	0.0%
<b>Total current assets</b>	<b>860,052</b>	<b>744,176</b>	<b>115,876</b>	<b>15.6%</b>
<b>Non-current assets</b>				
Restricted cash	131,451	134,755	(3,304)	(2.5%)
Property, furniture and equipment	8,077,801	8,172,734	(94,932)	(1.2%)
Non-productive fixed assets (under development) □	612,262	509,376	102,886	20.2%
Other assets	29,051	20,436	8,615	42.2%
Investment in subsidiaries	38,739	120,324	(81,585)	(67.8%)
Deferred income taxes	136,022	118,790	17,232	14.5%
Goodwill	354,815	354,815	-	0.0%
<b>Total non-current assets</b>	<b>9,380,141</b>	<b>9,431,229</b>	<b>(51,088)</b>	<b>(0.5%)</b>
<b>Total assets</b>	<b>10,240,193</b>	<b>10,175,405</b>	<b>64,788</b>	<b>0.6%</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>				
<b>Current liabilities</b>				
Current installments of long-term debt	217,594	254,801	(37,207)	(14.6%)
Suppliers	173,894	186,464	(12,570)	(6.7%)
Accrued liabilities	106,342	96,500	9,842	10.2%
Accounts payable to related parties	10,902	10,541	360	3.4%
Payable taxes	186,441	124,839	61,602	49.3%
Client advanced payments	61,072	44,347	16,725	37.7%
<b>Total current liabilities</b>	<b>756,245</b>	<b>717,492</b>	<b>38,753</b>	<b>5.4%</b>
<b>Non-current liabilities</b>				
Long-term debt	2,564,307	2,740,161	(175,855)	(6.4%)
Other non-current liabilities	11,028	5,952	5,076	85.3%
Deferred income taxes	876,372	867,715	8,657	1.0%
<b>Total non-current liabilities</b>	<b>3,451,706</b>	<b>3,613,828</b>	<b>(162,122)</b>	<b>(4.5%)</b>
<b>Total liabilities</b>	<b>4,207,951</b>	<b>4,331,320</b>	<b>(123,369)</b>	<b>(2.8%)</b>
<b>Equity</b>				
Capital stock	3,421,868	3,413,340	8,528	0.2%
Legal reserve	190,493	190,493	-	0.0%
Premium on subscription of shares	80,000	80,000	-	0.0%
Net income	179,364	267,337	(87,972)	(32.9%)
Retained earnings	864,902	598,953	265,949	44.4%
<b>Shareholder's Equity</b>	<b>4,736,628</b>	<b>4,550,123</b>	<b>186,505</b>	<b>4.1%</b>
Non-controlling interest	1,295,614	1,293,961	1,653	0.1%
<b>Total Equity</b>	<b>6,032,242</b>	<b>5,844,085</b>	<b>188,157</b>	<b>3.2%</b>
<b>Total liabilities and equity</b>	<b>10,240,193</b>	<b>10,175,405</b>	<b>64,788</b>	<b>0.6%</b>

## Cash Flow

Grupo Hotelero Santa Fe, S.A.B. de C. V.  
Consolidated Cash Flow  
For the three- and twelve - month periods ended December 31, 2019 and 2018

Figures in thousands of Mexican pesos

Cash Flow Statement	Fourth Quarter		12 months ended December 31	
	2019	2018	2019	2018
<b>Cash flow from operating activities</b>				
Net income	67,164	17,076	164,042	267,337
Depreciation and amortization	62,741	54,742	237,293	196,367
Income taxes	81,097	(28,897)	108,422	46,655
Unrealized gain (loss) in foreign currency exchange	(114,132)	70,454	(113,320)	(33,418)
Net interest expense	32,846	46,842	173,941	137,916
Other financial costs	1,032	1,581	6,647	7,243
Minority interest	-	1,796	(2,370)	(972)
Income from sale of shares	-	0	(3,562)	0
<b>Cash flow before working capital variations</b>	<b>130,748</b>	<b>163,594</b>	<b>571,093</b>	<b>621,128</b>
Accounts receivable from clients	(67,793)	(52,308)	(61,653)	(35,407)
Accounts receivable from related parties	(1,283)	(4,245)	3,617	(788)
Other current assets	23,152	5,607	(330)	(12,011)
Creditable taxes	50,428	55,772	73,497	118,911
Suppliers	37,299	68,060	11,657	76,920
Accrued liabilities	(31,114)	(20,084)	8,834	(27,333)
Accounts payable to related parties	261	138	360	(8,168)
Downpayments from clients	(6,094)	(5,270)	16,725	3,757
Payable taxes	(39,474)	(43,731)	(50,025)	(68,440)
<b>Net operating cashflow</b>	<b>96,130</b>	<b>167,533</b>	<b>573,775</b>	<b>668,569</b>
<b>Non-recurring items</b>				
Accrued liabilities	-	(279,772)	(24,227)	(102,353)
Payment for hotel operation	-	-	(12,000)	-
Receivable and Payable taxes	(2,283)	(29,722)	(28,797)	(193,412)
Income in acquisition of Dollars	-	7,329	-	-
<b>Cash flow net from non-recurring items</b>	<b>93,847</b>	<b>(134,632)</b>	<b>508,752</b>	<b>372,804</b>
<b>Investment activities</b>				
Change in restricted cash	42,386	(18,789)	3,304	(31,099)
Acquisition of property, furniture and equipment	(43,961)	(201,483)	(243,319)	(973,319)
Acquisition of ongoing business	-	-	-	(132,000)
Escrow deposit for hotel acquisition	-	-	-	24,176
Sale of shares of subsidiaries	-	-	88,000	-
Investment in subsidiary	(1)	(87,529)	(484)	(83,383)
Distribution effect of capitalized premium	-	-	-	-
Other net assets and liabilities	5,109	7,706	6,532	7,348
Interest gained	5,941	(1,070)	10,704	19,802
<b>Cash flow from investment activities</b>	<b>9,474</b>	<b>(301,165)</b>	<b>(135,263)</b>	<b>(1,168,475)</b>
Receivable Greenshoe	-	-	-	-
Net increase in paid-in capital from non-controlling company	-	25,416	15,586	285,667
Payment of Liabilities SITRA Group's subsidiaries	-	-	-	-
Repurchase of shares	(153)	570	8,528	(28,222)
Obtained loans	-	531,964	257,783	685,973
Loan to shareholder of non-controlling company	5,289	-	(30,497)	-
Payment of interest and loan amortization	(97,159)	(123,054)	(547,807)	(333,194)
Loans obtained from shareholders	-	-	-	-
Effect from non-controlling interest merger	-	-	-	-
<b>Cash flow from financing activities</b>	<b>(92,023)</b>	<b>434,896</b>	<b>(296,408)</b>	<b>610,224</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>11,298</b>	<b>(901)</b>	<b>77,081</b>	<b>(185,447)</b>
Cash and cash equivalents at the beginning of the period	168,586	103,705	102,804	288,015
<b>Cash and cash equivalents at the end of the period</b>	<b>179,885</b>	<b>102,804</b>	<b>179,885</b>	<b>102,568</b>
Cash in business acquisition	-	-	-	235
<b>Total Cash at the end of the period</b>	<b>179,885</b>	<b>102,804</b>	<b>179,885</b>	<b>102,803</b>

## Appendix 1: Integration of Rooms under Operation

Operating indicators for 4Q19 include 6,113 hotel rooms under operation out of 6,380. The integration of 267 excluded rooms is detailed as follows:

- i) 263 rooms that are part of the Vacation Club<sup>6</sup>
- ii) The effect of 4 fewer rooms in the period due to:
  - a. 150 rooms out of 154 rooms of *Courtyard by Marriott Puebla* were available in the quarter (4 fewer rooms)

Operating indicators for full-year 2019 include 5,845 hotel rooms under operation out of 6,380. The integration of 535 excluded rooms is detailed as follows:

- i) 263 rooms that are part of the Vacation Club
- ii) The effect of 272 fewer rooms in the period due to:
  - a. 118 rooms out of 144 rooms of *Hyatt Place Aguascalientes* were available in the period as the hotel was included in the portfolio on March 1 (26 fewer rooms)
  - b. 83 rooms out of 142 rooms of *Double Tree by Hilton Toluca* were available in the period as the hotel was included in the portfolio on June 1 (59 fewer rooms)
  - c. 71 rooms out of 168 rooms of *AC Hotel by Marriott Santa Fe* were available in the quarter as the hotel was included in the portfolio on August 1 (97 fewer rooms)
  - d. 64 rooms out of 154 rooms of *Courtyard by Marriott Puebla* were available in the quarter as the hotel was included in the portfolio on August 1 (90 fewer rooms)

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

Rooms 4Q19	Owned Hotels	Third-Party Owned Hotels	Total Rooms	Rooms 2019	Owned Hotels	Third-Party Owned Hotels	Total Rooms
In Operation	3,738	2,375	6,113	In Operation	3,740	2,105	5,845
Vacation Club	53	210	263	Vacation Club	53	210	263
Unavailable	-	4	4	Unavailable	-	272	272
In Renovation	-	-	-	In Renovation	-	-	-
<b>Total Rooms</b>	<b>3,791</b>	<b>2,589</b>	<b>6,380</b>	<b>Total Rooms</b>	<b>3,793</b>	<b>2,587</b>	<b>6,380</b>

<sup>6</sup> 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.