



FibraHotel<sub>mx</sub>

Annual  
Report > 2022

Fiesta Americana Hacienda Galindo

# 2022 Highlights

12,264

rooms in operation

+29%  
vs. 2021

2.6

million room nights

59.9%

occupancy (excluding Fiesta Americana Condesa Cancún)

+51%  
vs. 2021

\$4,696

million pesos in revenue

\$1,344

million pesos of adjusted EBITDA

-10%  
vs. 2021

\$4,499

million pesos of financial debt

-12%  
vs. 2021

25.80

kWh/room night as energy consumption

-3%  
vs. 2021

16.94

kgCO<sub>2</sub>e/room night as GHG emissions intensity

+5%  
vs. 2021

4,434

employees in hotels

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NOTE: The publication date of this Annual Report is June 22<sup>nd</sup>, 2023.

**PDF navigation.** This Content page has links to navigate through the Report. The paginated number, when clicked, returns to Contents. The Financial Statements have their own navigation. ESG index pages lead to sections that are bookmarked.

**External links.** The document have text marked in light blue and information sources in superindex, both have external links for consultation.

# Letter from THE CEO

(GRI 2-22)

Dear stakeholders:

**D**uring 2022, FibrHotel had record operating results and achieved remarkable progress on ESG matters. These results demonstrate the strength and quality of our hotels, as well as the positive trends of the hotel sector in Mexico.

In 2022, the portfolio had an occupancy rate of 59.9%, which represented 1,260 basis points higher than 2021, and 290 basis points lower than 2019. The ADR of MXN\$1,325 was 15% above 2021 and 8% above 2019. In addition, the RevPar was 46% higher than 2021 and 3% higher than 2019. Total revenues of MXN\$4,696 million represented an increase of 51% over 2021 and 7% over 2019. Further, Adjusted EBITDA of MXN\$1,344 million was 111% higher than 2021 and 16% higher than 2019.

We are proud to announce that FibrHotel achieved a historical maximum EBITDA margin of 28.6%. This margin demonstrates the lessons learned from the pandemic together with the effort of the hotel operators and our asset management team through the implementation of efficiency strategies in the hotels, while improving their financial performance.

Moreover, in 2022 the AFFO was MXN\$672. Consequently, we were able to reduce debt, ending the year with net debt of less than MXN\$4 billion, a net-debt-to-EBITDA ratio of 3.0 times, and an LTV of 25.7%. During 2022, there were no distributions, while, in 2023 we resumed distributions.

During the reporting year, FibrHotel's CBFI had a yield of 58%, 67 percentage points higher than the IPC and 54 percentage points higher than the Mexican Fibr index. Even with these results, we continue in an uncertain macroeconomic environment such as inflation and interest rates, economic growth, and geopolitical issues, which may affect the performance of our hotels and the overall sector.

Furthermore, there were several achievements on ESG issues, which reinforce our commitment to continue improving our best environmental practices and addressing the impact of our business. We published the 2021 Emissions Inventory Report, which specifies the greenhouse gas emissions associated with the company's activities. Also, the Sustainable Finance and Investment Framework was released, where we recognize the role of sustainable finance

in supporting the transition to a low-carbon, resource-efficient economy. In addition, a Climate Change Risk and Opportunity Analysis was conducted to identify and understand the implications of climate change impacts on operations. Finally, we disclosed the 24 short- and medium-term ESG objectives based on our sustainability strategy covering corporate governance, environmental, social, and economic impact, as well as the company's work environment.

Likewise, in accordance with our diversity policy, over the last two years, two women were included as independent members of the Technical Committee. With their addition, the Committee achieved 27% gender diversity, increasing the diversity in FibraHotel's structure.

As part of our sustainability strategy, we have taken a step forward with social investment initiatives, making a first selection of the most critical social issues to be addressed by FibraHotel, which are: inclusion and social integrity, community development, and educational and cultural promotion. Some of the actions carried out during the year involved partic-

ipation in volunteer programs; specifically, our team partnered with *Reforestamos Mexico* in the cultivation of one hectare, planting 700 trees in the State of Mexico.

For FibraHotel it is important to be up to date on these ESG aspects. For this reason, we updated our Materiality Analysis in accordance with international trends; in this analysis we considered 17 material impact issues, including energy efficiency and renewable energies, labor practices, water management and care, corporate ethics, and integrity, among others. Further, in March 2022, FibraHotel was recognized by the Science Based Target Initiative as a committed company, an internationally recognized standard.

I would like to thank the commitment and effort of our employees, partners, investors, and all our stakeholders. Without them, these results would not have been possible. I am convinced that there is a lot of potential in our company, especially in our hotels, our country, and our sector. I am confident in the work, capacity, and commitment of our team to fulfill our medium and long-term vision and objectives.

**Simón Galante**  
CEO FibraHotel



# Introduction to the Annual Report



(GRI 2-2, 2-3, 2-4, 2-5, 2-14)  
(AMEFIBRA GASGo1, GASGo4)

**A**t FibraHotel, we understand sustainability as a goal that must be achieved in all three ESG axes (Environmental, Social and Governance). From operating and designing the business model to the daily activities of all of us who are part of the company.

In line with our commitment to transparency, and for the third consecutive year, we have produced an integrated annual report that reflects our management's key initiatives and results from January to December 2022, including financial and operational indicators as well as ESG aspects.

We report on the activities of all hotels in our portfolio. After the 2021 integrated annual report, FibraHotel will report according to the Global Reporting Initiative (GRI) standards. Including GRI 1: Fundamentals 2021, GRI 2: General Disclosures 2021, and GRI 3: Material Aspects 2021.

In addition, for the third successive year, we are reporting in accordance with the Sustainability Accounting Standards Board (SASB).

The reader is referred to the Appendix I and II of this document for further information on how the content of our report conforms to the above standards.

The ESG information presented corresponds to the material issues identified in the analysis we conducted in 2022, in which we address dual materiality: impact and financial.

Additionally, for the second year in a row, we applied the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) to our analysis of risks and opportunities resulting from climate change.

In summary, we report under the following standards:

- > **Global Reporting Initiative (GRI)** represents global best practices for publicly reporting an organization's economic, environmental, and social impacts; it provides a comprehensive and balanced view of an organization's material issues, related impacts, and how it manages them.
- > **Sustainability Accounting Standards Board (SASB)** identifies the subset of environmental, social, and governance issues most relevant to financial performance by industry. They were designed to help companies disclose financially material sustainability information to investors.
- > **Task Force on Climate-related Financial Disclosures (TCFD)** is a framework for reporting on climate-related financial matters applicable to organizations in all industries and jurisdictions. It was designed to provide useful forward-looking and decision-making information that can be included in traditional financial presentations.

Our report is also aligned with the AMEFIBRA's (Mexican Association of Real Estate FIBRAs) manual of ESG indicators. We seek to disclose information considered relevant at the level of the association of which we are a member.

We also report on our progress through the implementation of the **United Nations Global Compact Principles** and our contribution to the **Sustainable Development Goals (SDGs)**, the United Nations (UN) proposed roadmap for addressing major societal challenges. We identify our strategic contribution according to the nature of our activities and our business model.

Besides our team's review, the information presented is verified externally.

How to identify contents:

ESG indicators	SDG	
<ul style="list-style-type: none"> <li>&gt; References to the SDGs can be found on the cover page of each chapter and in some sections within them.</li> <li>&gt; At the beginning of each section there is a reference to the contents of the ESG indicators of the <b>AMEFIBRA</b> Manual, <b>GRI</b> standards, <b>SASB</b> parameters and detailed <b>TCFD</b> recommendations.</li> <li>&gt; Appendix II of the Report contains the specific index for: GRI, SASB, TCFD and AMEFIBRA indicators.</li> </ul>	<ul style="list-style-type: none"> <li><b>3</b> Good health and well-being</li> <li><b>4</b> Quality education</li> <li><b>5</b> Gender equality</li> <li><b>6</b> Clean water and sanitation</li> <li><b>7</b> Affordable and clean energy</li> <li><b>8</b> Decent work and economic growth</li> </ul>	<ul style="list-style-type: none"> <li><b>9</b> Industry, innovation and infrastructure</li> <li><b>11</b> Sustainable cities and communities</li> <li><b>12</b> Responsible consumption and production</li> <li><b>13</b> Climate action</li> <li><b>16</b> Peace, justice and strong institutions</li> <li><b>17</b> Partnerships for the goals</li> </ul>

For more information about our performance, we invite you to visit our website: [www.fibrahotel.com](http://www.fibrahotel.com)  
 For any questions or comments, please send us an e-mail to the following address: [acardenas@fibrahotel.com](mailto:acardenas@fibrahotel.com)



# Company's Profile

## Introduction

(GRI 2-1)

**F**ibraHotel is a Mexican trust formed primarily to develop, acquire, and own hotels in Mexico. We are the largest hotel owner in the country and the first real estate investment trust in the hotel industry (also known as FIBRAS) in Latin America.

### Mission

Develop, acquire, and own hotels in Mexico that generate attractive returns by efficiently operating a high-quality, geographically diversified portfolio of hotels affiliated with recognized brands and operators.

### Vision

To be the largest hotel owner in Mexico that, in turn, provides attractive returns to third parties through cash distributions and portfolio value appreciation.

### Values

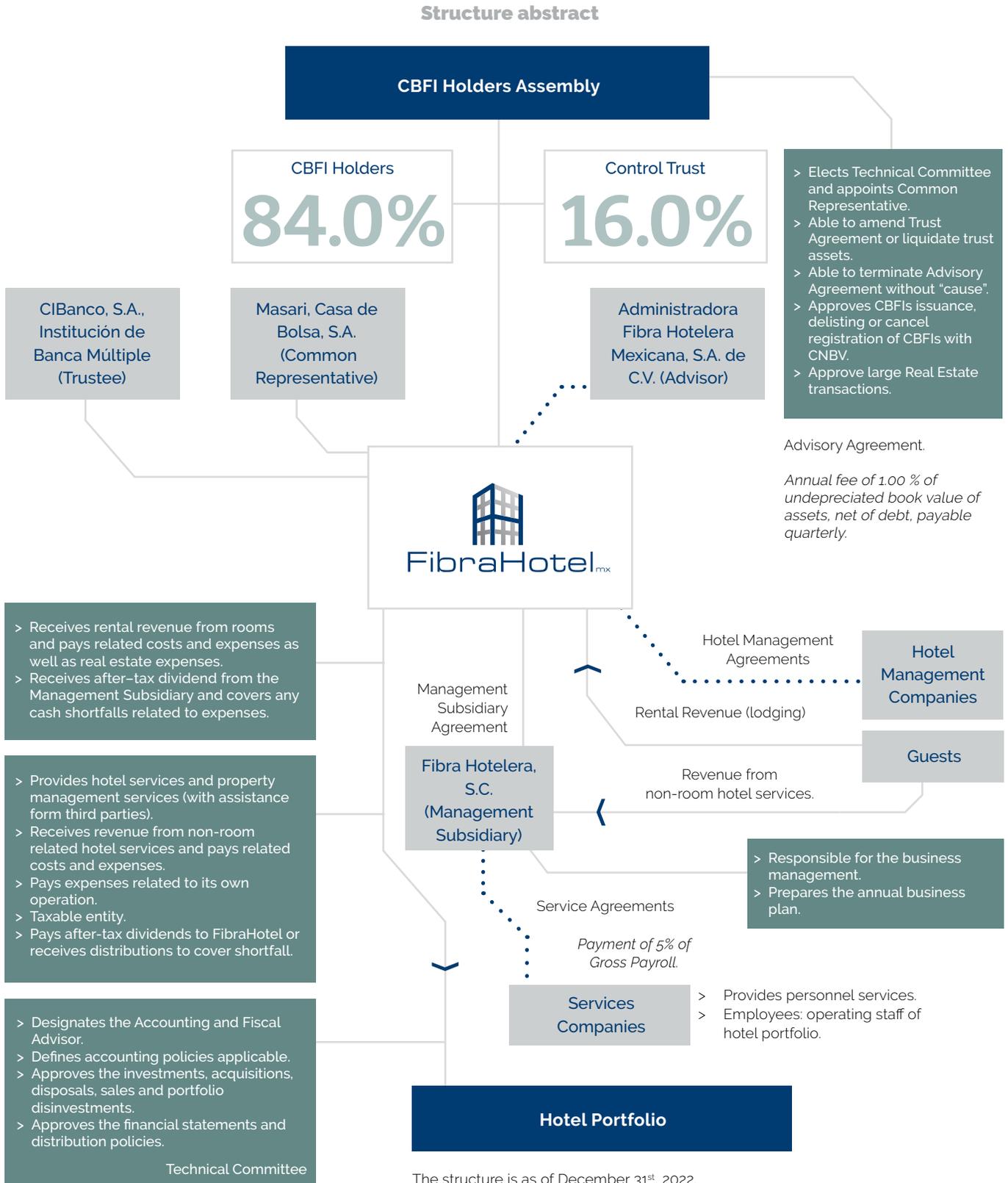
At FibraHotel, we respond to our commitment with a sense of belonging and responsibility. Our values are an integral part of the organization and are the basis of the standards by which decisions are made, and value-added actions are undertaken. FibraHotel's values are:

1. Passion for service and client focus
2. Innovation and creativity
3. Quality and productivity
4. Respect, integral development, and personnel excellence
5. Honesty, integrity, and austerity
6. Social and environmental

## Structure

(GRI 2-1, 2-2)  
(AMEFIBRA GASG01)

The following diagram outlines our structure, characterized by the interaction of different entities, each with clear responsibilities and coordination for the purpose of creating integral value:



The structure is as of December 31<sup>st</sup>, 2022.

As of July 2022, the employees became part of the Administrator. As of that date, there is no longer a relationship with the Service Companies.

FibraHotel's structure is composed of the following entities:

### Advisor

FibraHotel is externally advised by Administradora Fibra Hotelera, S.A. de C.V. The Advisor is responsible, among other tasks, for guiding and advising FibraHotel in the development strategy and acquisitions of hotel projects, as well as long-term strategic and financial planning.

### Administrator

FibraHotel is managed internally by Fibra Hotelera S.C. The Administrator's duties include the day-to-day management of FibraHotel's business, property and hotel maintenance, obtaining the necessary permits and licenses, due diligence for potential acquisition and development opportunities, and negotiating and signing management and franchise agreements associated with the hotels. It is also responsible for providing certain services not related to room rental, such as food and beverage, telephone, Internet, and other similar services, billed to hotel guests separately. It is worth mentioning that FibraHotel's staff is assigned to the Administrator.

As of July 16<sup>th</sup>, 2022, the employer substitution process was completed, whereby Fibra Hotelera, S.C. (Administrator) assumed the character of employer of the personnel. Prior to this date, the Service Companies are entitled to receive a 5% fee calculated on the total payroll managed by them to cover their operating costs and expenses.

### Service Companies

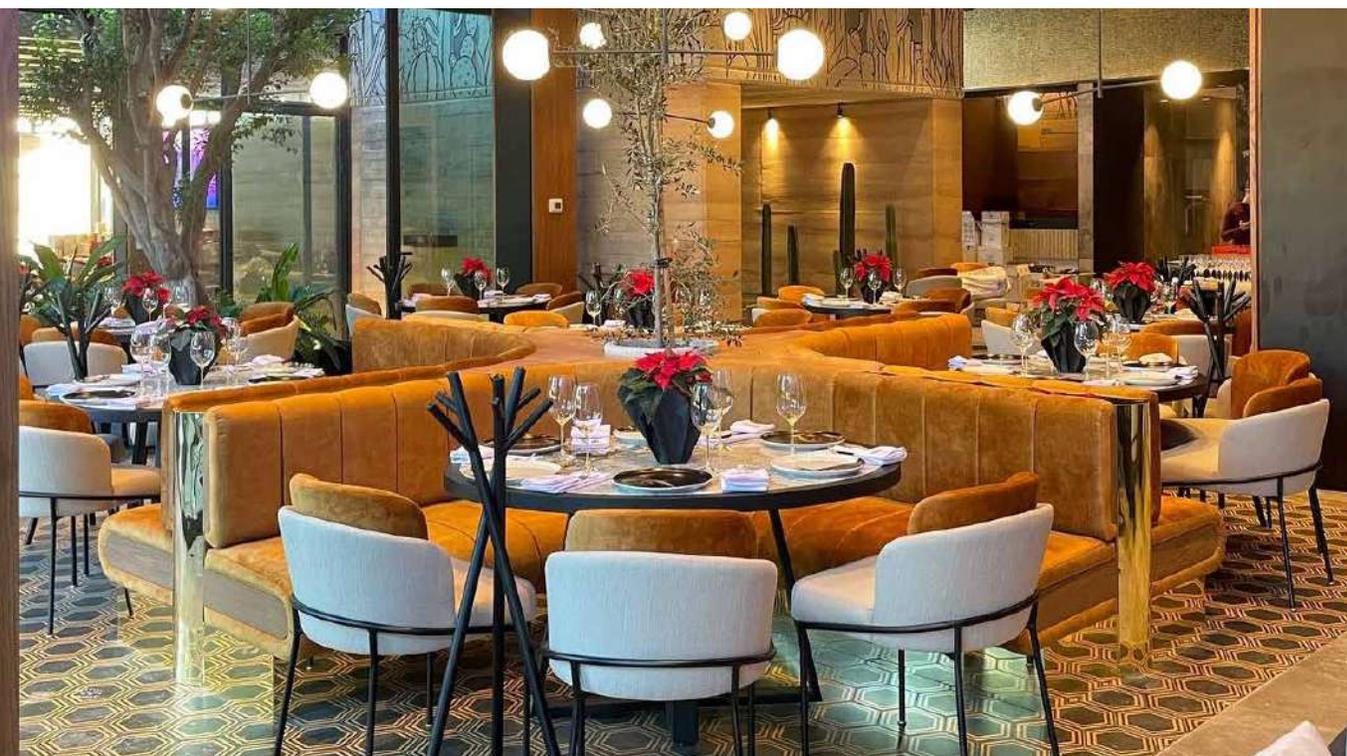
The Service Companies are responsible for providing FibraHotel with the operating personnel necessary to

operate the hotels, excluding in some cases the executive committee personnel of each hotel (general manager, comptroller, sales manager, housekeeper), subject to supervision and oversight by the Administrator. Under the Service Agreements, the service companies are entitled to receive a 5% consideration calculated on the total payroll they manage to cover their operating costs and expenses.

FibraHotel reimburses the Service Companies each month for the salaries paid to the collaborators who provide hotel services. The Administrator engages Service Companies to provide specialized services such as resource management and the facilitation, adaptation, sanitation, and cleaning of each hotel, among others.

Until July 15<sup>th</sup>, the Service Companies were responsible for providing to FibraHotel with the specialized services required to facilitate, adapt, sanitize, and clean the rooms, social and/or common areas and event rooms necessary for the proper operation of the hotels' different areas, as well as for the organization of social and executive events. This was done under the Brand's guidelines and quality policies, and those that determine the standards of the licensed brand under which the properties operate, receiving a monthly fee for such services, the amount of the direct costs duly documented that the provision of the services generates, plus 5% (five percent) of this amount.

As of July 16<sup>th</sup>, 2022, the employer substitution process was concluded whereby Fibra Hotelera, S.C. (Administrator) assumed the character of employer of the personnel. Prior to that date, the Service Companies provided the specialized services that the Administrator now assumes as part of their functions.



## Portfolio

(GRI 2-1)  
 (SASB IF-RE-000.A, SASB IF-RE-000.B)  
 (AMEFIBRA GASG01)

Our 2022 portfolio consisted of 86 hotels and 12,558 rooms, of which 84 hotels and 12,264 rooms operated, located in

26 Mexican states. Our hotels operate under 14 brands, four operating companies and total assets of MXN\$17,479 million.



Live Aqua San Miguel de Allende



Fiesta Inn Monterrey Valle

# 26

states

# 12,558<sup>1</sup>

rooms

# 86<sup>1</sup>

hotels

- 1 Fiesta Inn Culiacán
- 2 Fiesta Inn Durango
- 3 One Monterrey
- 4 One Acapulco
- 5 One Toluca
- 6 One Coatzacoalcos
- 7 Fiesta Inn Tepic
- 8 One Aguascalientes
- 9 Fiesta Inn Hermosillo
- 10 One Culiacán
- 11 Fiesta Inn Ecatepec
- 12 Fiesta Inn Perinorte
- 13 Fiesta Inn Nuevo Laredo
- 14 Fiesta Inn Naucalpan
- 15 Fiesta Inn Cuautitlán
- 16 Fiesta Inn Perisur
- 17 Camino Real Puebla
- 18 Fiesta Inn Chihuahua
- 19 Fiesta Inn Guadalajara
- 20 One Querétaro
- 21 Fiesta Inn Aguascalientes
- 22 Fiesta Inn Monterrey La Fe
- 23 Fiesta Inn Querétaro
- 24 Fiesta Inn Saltillo
- 25 One Patriotismo
- 26 Fiesta Inn Ciudad Juárez
- 27 Fiesta Inn Mexicali
- 28 Fiesta Inn León
- 29 Fiesta Inn Monclova

- 30 Fiesta Inn Torreón
- 31 Fiesta Inn Morelia
- 32 Camino Real Suites Puebla
- 33 One Tapatio
- 34 Fiesta Inn Puebla Finsa
- 35 Fiesta Inn Oaxaca
- 36 One Puebla Finsa
- 37 Gamma Guadalajara
- 38 Fiesta Inn Tlalnepantla
- 39 Fiesta Inn Toluca Tollocan
- 40 Real Inn Mexicali
- 41 Fiesta Inn Lofts Monclova
- 42 One Monclova
- 43 Grand Fiesta Americana Monterrey
- 44 Live Aqua Monterrey
- 45 Courtyard Vallejo
- 46 Fairfield Inn Vallejo
- 47 Fiesta Americana Aguascalientes
- 48 Fiesta Inn Xalapa
- 49 One Xalapa
- 50 Fairfield Inn Villahermosa
- 51 Fiesta Inn Ciudad Obregón
- 52 Fiesta Inn Lofts Querétaro
- 53 Hotel León\*
- 54 Fiesta Inn Ciudad Del Carmen
- 55 Fiesta Inn Lofts Ciudad Del Carmen
- 56 Hotel Ciudad Obregón\*
- 57 Fairfield Inn Los Cabos
- 58 Fiesta Inn San Luis Potosi Oriente

- 59 Gamma Tijuana
- 60 Fiesta Inn Saltillo
- 61 AC Hotel Torre Américas Guadalajara
- 62 AC Hotel Antea Querétaro
- 63 One Perisur
- 64 Sheraton Ambassador Monterrey
- 65 The Yucatan Resort Playa del Carmen, Tapestry Collection
- 66 Fiesta Inn Los Mochis
- 67 Fiesta Inn Cuernavaca
- 68 One Cuernavaca
- 69 Fairfield Inn & Suites Juriquilla
- 70 One Durango
- 71 AC Hotel Veracruz
- 72 Fairfield Inn & Suites Nogales
- 73 Fiesta Inn Lofts Monterrey
- 74 Fiesta Americana Viaducto Aeropuerto
- 75 One Cuautitlán
- 76 Fiesta Americana Pabellón M
- 77 Fiesta Inn Villahermosa
- 78 Fiesta Inn Puerto Vallarta
- 79 Fiesta Americana Hermosillo
- 80 Fiesta Inn Buenavista
- 81 Fiesta Inn Monterrey Valle
- 82 Live Aqua San Miguel de Allende
- 83 Fiesta Americana México Satélite
- 84 Courtyard Tereo
- 85 Fiesta Americana Hacienda Galindo
- 86 Fiesta Americana Condesa Cancún

\* Hotels temporarily closed

- Limited Service
- Select Service
- Full Service

1. As of December 31<sup>st</sup>, 2022. 2 hotels (294 rooms) are temporarily closed: Select Service Ciudad Obregon and Leon.

The type of hotels that make up FibraHotel's portfolio are divided into different segments, as described below:

### Limited Service

Limited Service hotels offer convenient hotel service, with a limited selection of food (breakfast included) and, in some cases, meeting space and business and fitness centers.

### Select Service

Unlike Limited Service hotels, Select Service hotels offer additional services such as: food and beverage offerings, restaurants, bars and 24-hour room service, lounges for social events and business meetings, as well as additional in-room services.

### Full Service

Full Service hotels offer a wide range of food and beverage options with multiple consumption centers (restaurants and bars), meeting and conference rooms for social and business events with a capacity for more than 500 people and additional services associated to Full Service hotels: spas, room service during extended hours, valet parking, concierge, bellhops, and large public areas.

### Resort

Resort hotels generally have 400 rooms or more and are located in tourist destinations with a high volume and flow of domestic and international visitors, including hotels that operate under the All-Inclusive and European Plan, with services and recreational activities designed to provide customers with an enjoyable vacation experience. They are also equipped to host large event. Because the Resorts cater to international travelers and, to a lesser extent, domestic travelers, they generate mainly dollar-denominated revenues.

### Evolution of the portfolio with number of hotels and rooms in operation

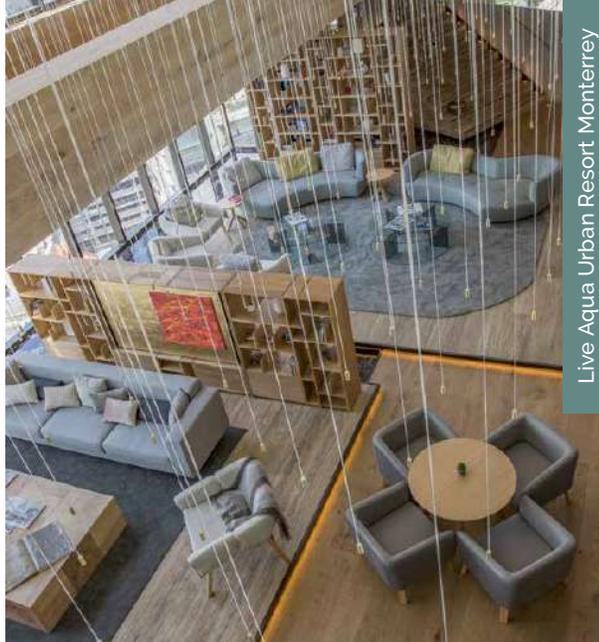
Throughout the year, FibraHotel had 86 hotels and 12,558 rooms, of which 84 hotels and 12,264 rooms are in operation. The portfolio composition by service type is as follows<sup>2</sup>:

Segment	Hotels		sRooms	
	#	%	#	%
Limited-Service	22	25.6%	2,792	22.2%
Selected-Service	47	54.7%	6,525	52.0%
Full-Service	16	18.6%	2,734	21.8%
Resort	1	1.2%	507	4.0%
<b>TOTAL</b>	<b>86</b>	<b>100%</b>	<b>12,558</b>	<b>100%</b>



Grand Fiesta Americana Trébol

2. As of December 31<sup>st</sup>, 2022, two hotels (294 rooms) are temporarily closed: Select Service Ciudad Obregon and Leon. On Q1 2023, 4 rooms were removed due to refurbishments: By segment, the 4 rooms were removed from Full Service. By region, 2 rooms from Northeast and 2 rooms from Bajío.



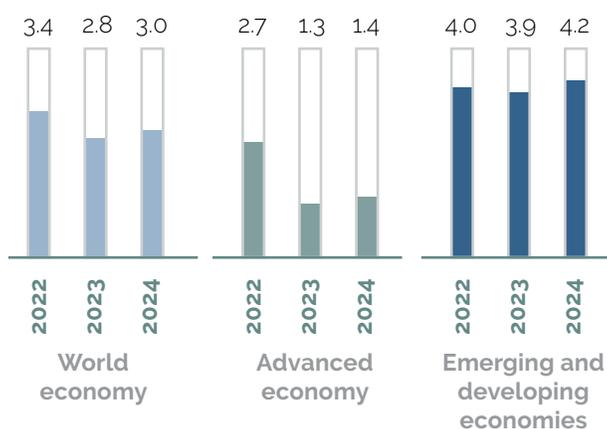
Live Aqua Urban Resort Monterrey

## Industry Context

### (i) Global Economy

The macroeconomic outlook globally remains uncertain and challenging. The United Nations has warned that the crisis that most countries are experiencing will cause significant damage to the global economy and slow growth over the next few years. The International Monetary Fund (IMF) estimates that global GDP growth will decline from 3.4% in 2022 to 2.8% in 2023 and then increase slightly to 3.0% in 2024, suggesting that the next two years will be financially challenging. Advanced economies are expected to decline from 2.9% in 2022 to 1.3% in 2023 and 1.4% in 2024; the scenario for emerging markets and developing economies is more favorable, rising from 4.0% in 2022 to 3.9% in 2023 and 4.2% in 2024. The World Bank is more conservative in its forecasts for the global economy, estimating growth of 1.7% in 2023, which would be the third weakest growth rate in nearly three decades.

#### Growth projections (real GDP growth percentage) – April 2023



\* Graph extracted from the IMF website.

The pandemic is still causing divergences between countries, with different levels of fiscal and monetary stimulus. The economic uncertainty that can be observed as a result of the different geopolitical situations in the world will maintain volatility in several economic indicators.

The inflationary upturn will be influenced by several factors, including supply chain delays, commodity price increases, logistical challenges, climate change and changes in market consumption patterns. Though global financial conditions have intensified fiscal and debt vulnerabilities in both developing and developed countries. More than 85% of the world's central banks have tightened monetary policy and raised interest rates since the end of 2021 to contain inflationary

pressure and avoid recession. It is a major challenge for the world's economies to gradually withdraw stimulus without jeopardizing financial stability and economic recovery.

In addition, in 2022, central banks began a series of raises in their benchmark rates to control inflationary pressures. This increase in financing costs could imply economic growth.

### (ii) Mexican Economy

Global context and the economy of the world's main potential systems, such as the United States, have a direct impact on Mexico's economy outlook. According to the IMF, the Mexican economy will grow by 1.7% in 2023, 0.5% more than expected in October 2022, although it represents a decline compared to 2022, which was estimated to grow by 3.1%.

According to Banco de México's monetary policy, the outlook for 2023 continues to point to a slowdown. Given a slower-than-expected disinflation process, forecasts for headline and core inflation have been adjusted upward, and inflation is expected to reach the target of 3.00% by the fourth quarter of 2024<sup>3</sup>. To achieve this target, the Banco de México established the importance of maintaining the reference rate at 11.25%, a level reached at the end of March 2023. At the beginning of 2022, the reference rate was 5.50%; throughout the year, until the end of 2022, the Board of Governors of the Banco de México increased it by 500 basis points, closing the year at 10.50%. On March 30, 2023, the reference rate was increased to 11.25%, the Board of Governors announced that from that point on the rate would be reduced; on May 18, it was decided to leave the rate unchanged, thereby completing the upward cycle.

There are several key factors affecting Mexico's economic performance. Among the challenges facing the Mexican economy are market volatility due to political risk, sensitivity to the U.S. business cycle,

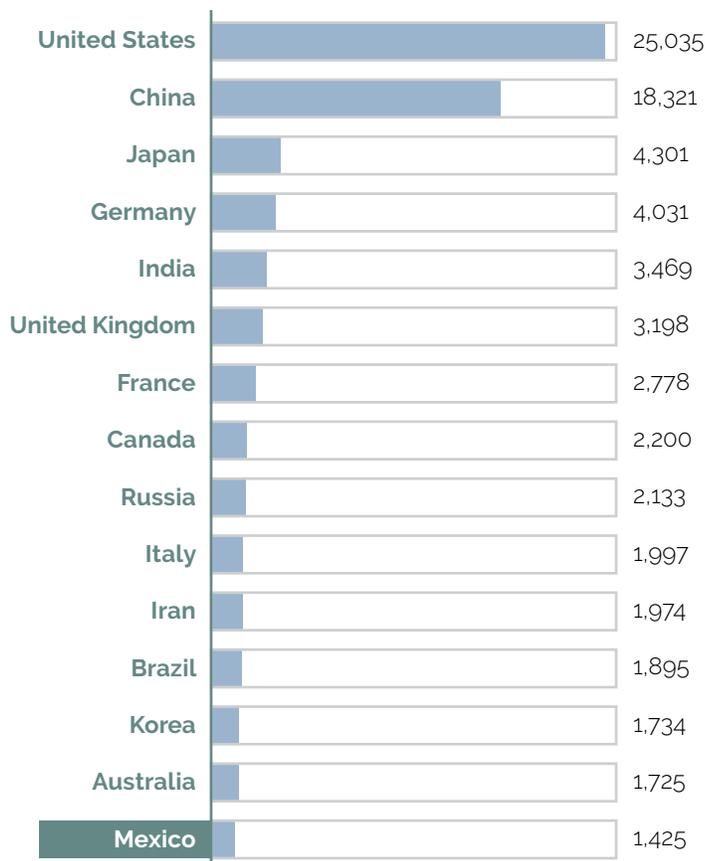
3. Extracted from: Banco de México. (2023). *Anuncio de Política Monetaria*.

skewed income distribution, and security and corruption issues. However, the country's strengths include a sound macroeconomic policy framework, moderate debt levels, and easy access to capital markets.

Elements that will stimulate growth in Latin America include commodity exports, where countries that benefit from food production, oil and its derivatives will take advantage of high selling prices. Other factors include the recovery of the tourism sector, remittances facilitated by greater digitalization in the transfer of funds, and recovery in employment levels.

By the end of 2022, Mexico was the second largest economy in Latin America and the 15<sup>th</sup> largest economy in the world, with a GDP of \$1.425 trillion in 2022. Markets such as Mexico have avoided the recession predicted for 2022; investors are now waiting for risk to subside so they can quickly return to economies such as this one.

**Top Fifteen Richest Nations by GDP (millions of dollars)**



**Consumption**

The main component of the aggregate demand is private consumption, which represents almost 70% of GDP in Mexico. Despite high inflation, private consumption has continued to grow due to rising wages, remittance inflows, government support, and increased consumer confidence.

Consumer confidence has benefited from government support, with the confidence indicator registering six consecutive months of monthly growth through February 2023. This growth was mainly driven by the ability to purchase durable goods and the country's economic situation.

**Monthly Private Consumption Indicator**



**Consumer Confidence Index**



\* Graphs extracted from the Grupo Financiero BASE report with information from INEGI.

## Employment

Employment returned to pre-pandemic levels in 2022 and continued to improve in the first few months of 2023. The unemployment rate reached a record low of 2.8 percent in February 2023, and the urban unemployment rate, which excludes the rural sector and is considered a more accurate measure of unemployment by focusing on the more organized labor market, also reached a record low of 3.4 percent in February 2023, below the previous low of 3.6 percent recorded in February 2017.

The pandemic's impact on employment was most evident in increased numbers of unemployed, underemployed, and available populations, as people lost their jobs and did not find new ones (unemployed), had their hours reduced (underemployed), or lost their jobs and did not look for another one (moved out of the economically active population and into the available population). Analyzing the percentage of these three populations in the working age population, we see that the rate is already below pre-pandemic levels. In February 2023, this percentage was 11.1% and has only been lower on two previous occasions: June 2006 (11.1%) and December 2005 (10.8%)<sup>4</sup>.

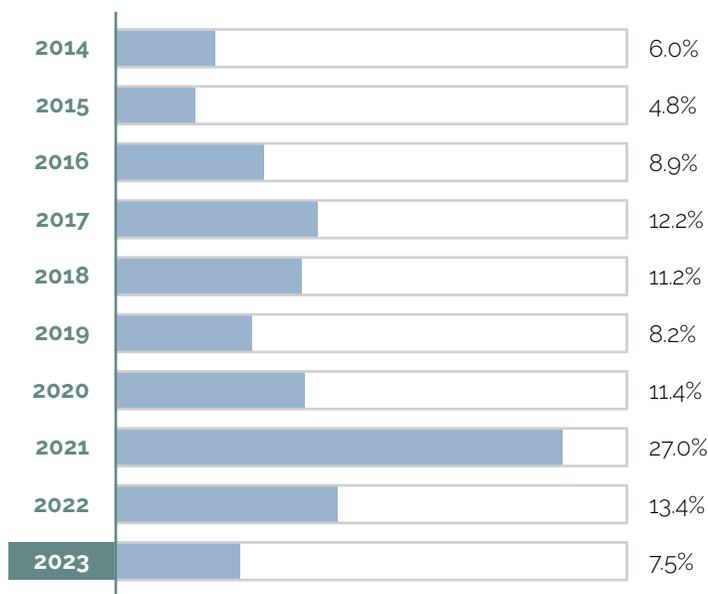
## Remittances

Remittances sent by people abroad to households in Mexico have played an important role in consumption and overall economic recovery in the post-pandemic period. In the three years since the pandemic (2020-2022), the amount of dollars sent to Mexico in the form of remittances grew at an average annual rate of 17.10%, resulting in a 60.57% increase in remittances in 2022 compared to 2019.

First, the COVID-19 pandemic had a significant impact on the global economy, but the recovery was slower in Mexico than in the U.S., prompting many Mexicans working abroad to send more money to help their

relatives in Mexico. Second, the U.S. government implemented several economic incentives which allowed many Mexican migrants more money to send home. Lastly, the depreciation of the peso against the dollar contributed to the greater purchasing power of remittances in Mexican pesos.

## Annual remittance growth, historical and projection 2023



\* Graph extracted from the Grupo Financiero BASE.

## International trade

In the first quarter of 2023, Mexico's exports grew at an annual rate of 6.8%, a slowdown from the 18.0% growth recorded in the same period of 2022.

Total imports grew at an annual rate of 6.5%. Notably, imports of consumer goods grew by 17.8%, in line with consumption growth in Mexico and the Mexican peso's appreciation. As export growth slightly outpaced import growth on an annual basis, the trade deficit narrowed slightly. In the first quarter of 2023, the trade deficit was US\$4.8 billion, down 1.8% from the same period a year earlier, when it reached an all-time high.

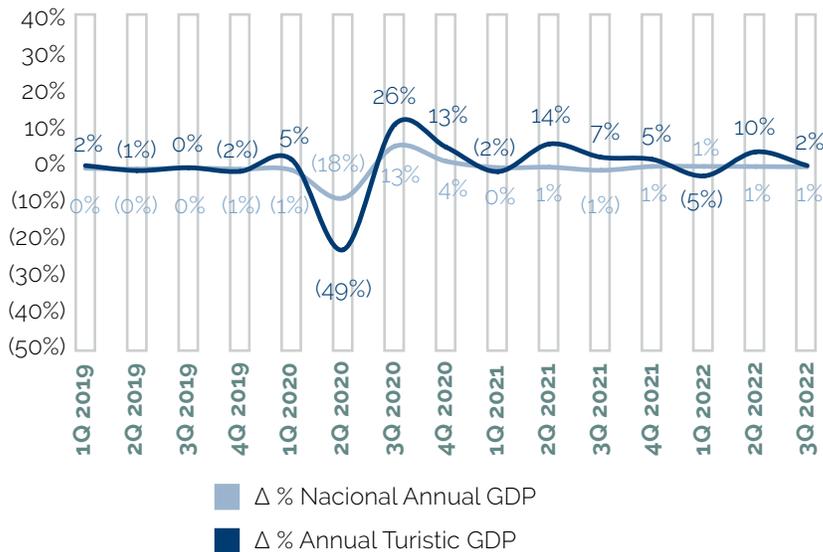


Fiesta Inn Los Mochis

4. Extracted from: Grupo Financiero Base. (2023). *Perspectiva económica de México*.

### (iii) Tourism in Mexico 2022

#### Share of Tourism on the Quarterly GDP



Tourism is a driving force in Mexico's economy and employment. It is therefore an essential component of the growth process. Tourism GDP grew 12.1% over the same quarter of the previous year and represents 8.8% of national employment. In recent years, it has shown sustained and favorable growth due to macroeconomic factors, foreign and domestic investment, strategic location, among others.

#### Most Visited Countries by International Arrivals<sup>5</sup>

Country	2022 (million tourists)	2021 (million tourists)	Δ % 2022/2021
France	76.0	54.0	40.7%
Spain	71.0	31.1	128.2%
United States	50.0	22.1	126.1%
Turkey	49.7	29.9	66.1%
Italy	48.4	26.3	83.9%
Mexico	38.3	31.8	20.3%

By 2022, Mexico ranked as the fifth most visited country in the world. It had an increase of 20.3% compared to 2021, adding 38.3 million tourists in the year, versus 31.8 million in 2021.

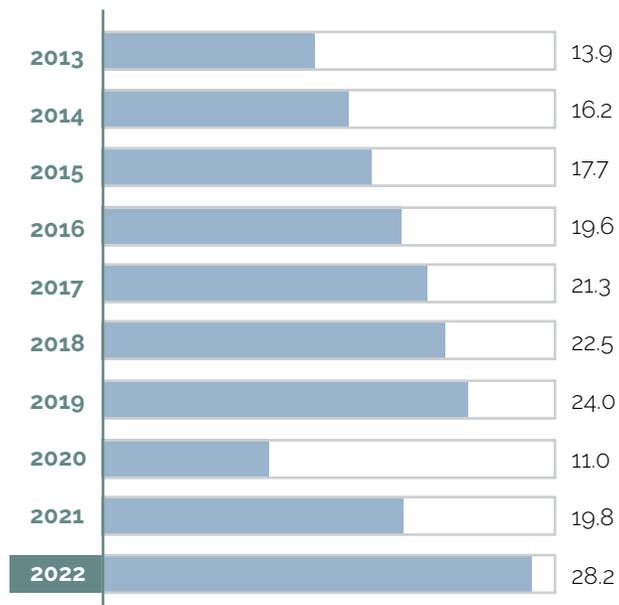
#### Passenger Arrivals by air versus 2021

In 2022, there was a 31.7% increase in the number of passengers arriving in Mexico by air compared to 2021. A total of 83.7 million passengers traveled domestically and internationally. The table below shows air arrivals to major business and tourist cities.

City	2022 (million tourists)	2021 (million tourists)	Δ % 2022/2021
Mexico City	23.6	18.0	30.9%
Cancun	15.1	11.2	35.2%
Guadalajara	7.8	6.1	28.0%
Tijuana	6.4	4.9	29.2%
Monterrey	5.5	4.1	33.6%
Los Cabos	3.5	2.7	27.1%
Puerto Vallarta	3.1	2.0	50.0%

#### Foreign Exchange Income from International Visitors in Mexico

Foreign exchange income from international visitors exceeds US\$28 billion in 2022, 14.0% more compared to 2019<sup>6</sup>.



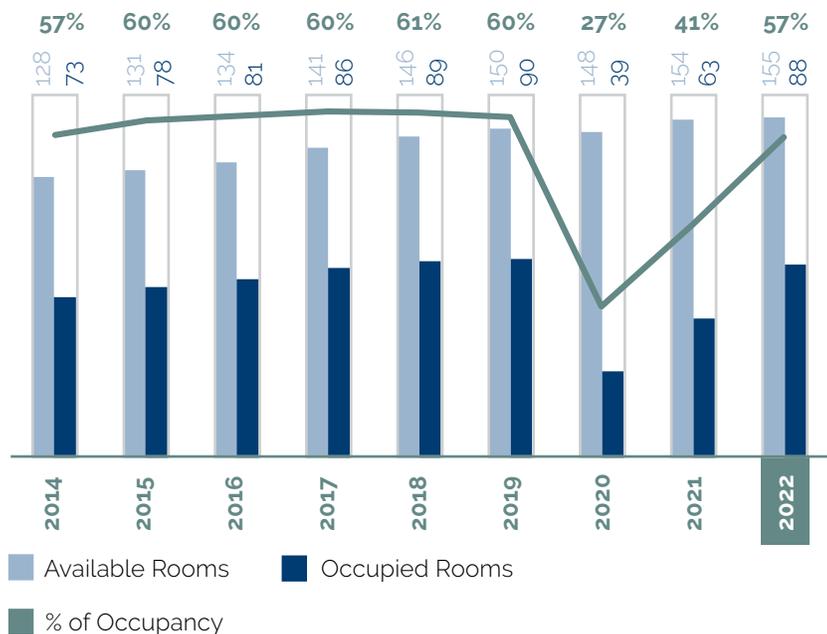
\* Presented in millions of dollars.

5. Extracted from: Entorno Turístico. (2022). *10 países con más turistas internacionales en el 2021*.

6. Extracted from: Organización Mundial del Turismo (OMT). (2023). *International Tourism and Covid-10*.

Foreign exchange receipts from international tourists increased by 42.2% in 2022 compared to 2021<sup>7</sup>. According to the Secretariat of Tourism, there was a 38.4% increase in average room occupancy per month in 2022, with 240,301 occupied rooms and 56.7% occupancy rate.

### Tourist Arrivals to Hotel Rooms<sup>8</sup>



\* Available and occupied rooms expressed in millions.

Hotel occupancy in Mexico increased by 15.5 percentage points. In 2022, the average occupancy rate was 56.7%, compared to 41.2% in 2021. Mexico's largest cities (Mexico City, Monterrey, and Guadalajara) recorded an occupancy rate of 53.1%<sup>9</sup>, a strong recovery compared to 2021, but some cities have not yet reached their 2019 (pre-pandemic) occupancy levels.

The ratio of tourist arrivals to hotel rooms was 73.5% for domestic tourist arrivals and 26.5% for foreign tourist arrivals, and this ratio was maintained until 2021. There was an overall increase of 28.5% in hotel room arrivals compared to the previous year. In addition, there were 59.2 million domestic tourist arrivals and 21.3 million foreign tourist arrivals.

### International Tourism in Mexico

From January to December 2022, more than 20 million international air travelers arrived by air, an increase of 46.3% compared to the same period in 2021.

The arrival of citizens by air from the following countries stands out:

- > United States (13 million passengers)
- > Canada (más de 1 million de passengers)
- > Colombia (more than 850 thousand passengers)
- > United Kingdom (more than 5650 thousand passengers)
- > Spain (more than 325 thousand passengers)
- > Other nationalities (4 million passengers)

The U.S. passenger market grew by 27.0% in terms of arrivals. Most passengers entered Mexico through the airports of Cancun, Mexico City, Puerto Vallarta and Los Cabos<sup>10</sup>.

### (iv) Growth Opportunity in Tourism

The tourism outlook for 2023 is optimistic, both in terms of hotel bookings and expected airline seats. The World Travel and Tourism Council (WTTC) expects Mexico's tourism industry to fully recover by early 2023. The 2023 tourism outlook is optimistic, both in terms of hotel bookings and expected airline seats. The World Travel and Tourism Council (WTTC) expects Mexico's tourism industry to fully recover by early 2023.



Fiesta Americana Condesa Cancún

7. Extracted from: Secretaria de Turismo. (2023). *México supera las expectativas de captación de divisas por visitantes internacionales con 28 mil 16 millones de dólares en 2022*.

8. Extracted from: Secretaria de Turismo. (2023). *Ocupación hotelera registró 56.7% en 70 destinos turísticos de México en 2022*.

9. Source: BTG Pactual. (2023, abril). *A look at Mexico's tourism and hotel industry*.

10. Extracted from: SECTUR (2023). *Resultados de Actividad Turística diciembre 2022*.

Mexico's tourism sector will contribute more than US\$218 billion, or 14.9% of national GDP, by the end of 2023, and will be responsible for more than seven million jobs in the country, or 12.3% of total employment in Mexico, exceeding 2019 levels.

**(v) Accommodation Industry in Mexico**

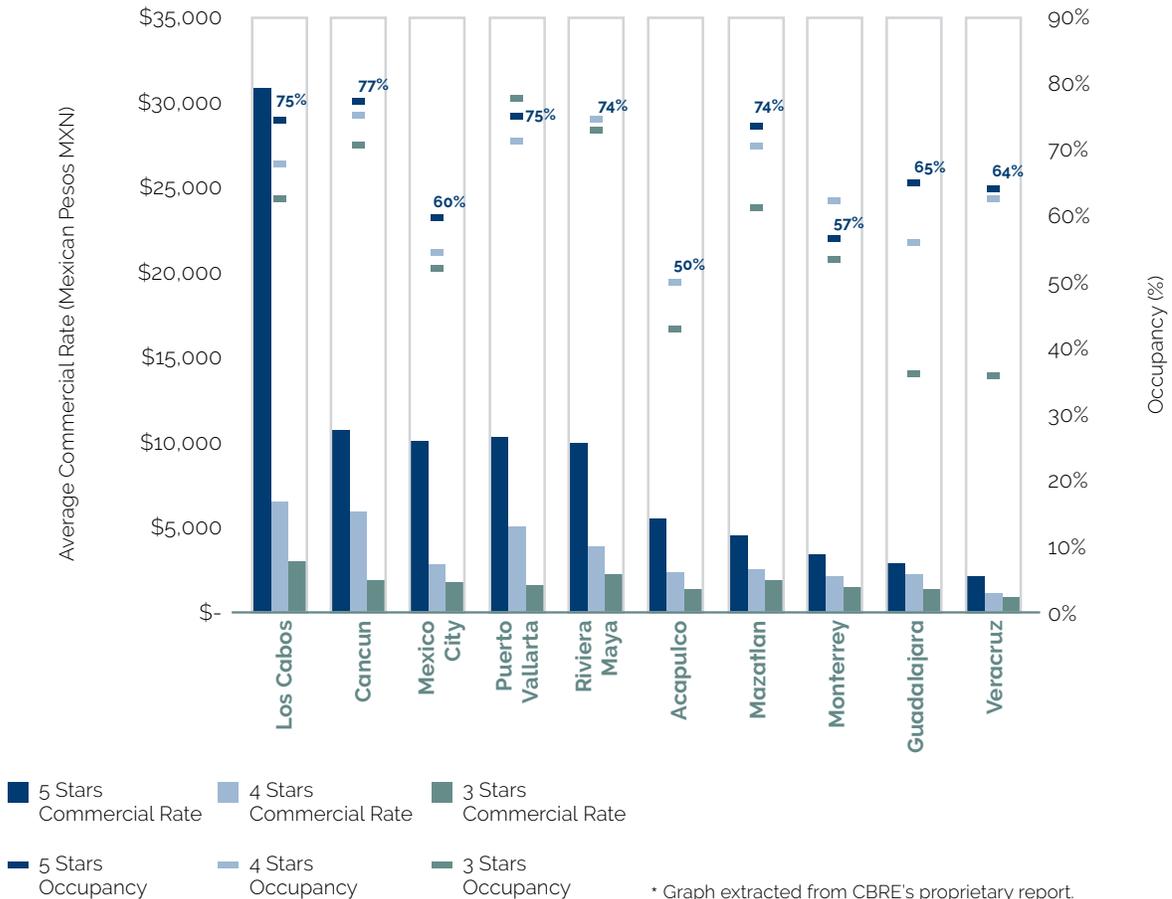
Tourism is unfortunately one of the economic activities most affected by the pandemic and with the most lasting effects, even three years after the pandemic. It has gradually recovered, as shown by the occupancy rate, which increased by 38.4% between 2021 and 2022.

According to the World Tourism Organization (WTO), global tourism will more than double in 2022 compared to 2021 (900 million versus 415 million).

**(vi) Beach destinations and rates**

Beach destinations in Mexico recorded a higher recovery in occupancy at the end of 2022 compared to 2019, such as Cancun (75.6% vs. 72.7%) and Los Cabos (72.0% vs. 69.3%), and urban occupancy was 47.8% in 2022 vs. 34.9% in 2021, still below the 55.1% in 2019. According to DataTur, beach resorts recorded 65.7% occupancy (1,690 above 2021); La Paz was the beach destination with the greatest recovery in activity in terms of pre-pandemic occupancy, recording 63.7%, 1,650 basis points above 2021 and 1,350 basis points above 2019. In 2022, factors such as increased hotel occupancy, high demand for air travel, and inflationary adjustments to hotel operating costs drove hotel rates higher. Beach destinations, where the majority of the market is from the U.S., are more exposed to these average rate increases. Major hotel chains have indicated that rates will continue to increase in their reference currencies through 2023, but with less volatility.<sup>11</sup>

**Average Commercial Rate (Mexican Pesos MXN) and Average Hotel Occupancy (%), 2022<sup>11</sup>**



**Business Hotels:**

Economic and business openness has been reactivated as the pandemic has progressed. Mobility restrictions have returned to pre-pandemic levels, and companies continue to resume face-to-face activities and business travel. Post-pandemic, some companies have changed their employment policies by offering greater flexibility and working remotely. These changes, along with the development of videoconferencing technology tools, have

11. Extracted from: CBRE (2022). *Hotelería y turismo 2022*.

had an impact on some business travel, in some cases replacing short trips with virtual meetings. These trends are more prevalent among service travelers, such as bankers or lawyers, and less so among technical or supervisory travelers, and are having a greater impact in larger cities where office space has not returned to pre-pandemic levels.

### Vacation Hotels:

The Mexican market is well positioned to attract international travelers to different parts of the country noted for their cultural richness or beaches. Some of the reasons that explain the growth in demand are the increase in international travel after the lifting of mobility and border restrictions, and an increase in spending per tourist. It has also been observed that travelers, especially the younger generations, want to invest their money in experiences, so they spend more on travel than on material things. The flexibility of the home office has allowed people to be in different parts of the world for longer periods of time, combining work and vacation in almost any destination that has the facilities.

The presence of national and international brands and the quality of their inventory have also played an important role in attracting the market by offering a variety of luxury and more economical concepts. One of the most important destinations for this segment in Mexico is Cancun-Riviera Maya, as it has the largest inventory of rooms. In addition, a high percentage of hotels in

this area operate under the all-inclusive model. The Mexican tourism market has embraced the European Plan hotels, which have maintained their relevance and have gained a certain level of acceptance by offering experiences that are positioned and associated with world-renowned hotel chains.

## Relationship with operators

### (GRI 2-6)

At FibrHotel, we establish a mutually beneficial relationship with operators, focused on providing the best guest experience. We work closely with each hotel, with different responsibilities, joint decisions, and constant communication.

Our hotels are affiliated with Grupo Posadas, Marriott International, Camino Real Hotel Group, and Playa Hotels and Resorts, leading hotel management and service quality companies. We rely on them for the sustainable development of our business.

The operator is responsible for managing the operations of each of our hotels. In accordance with the contracts, we pay each operator a predominantly variable commission based on operating profit.

Below are the primary responsibilities of each party for hotel operations to enhance business sustainability.

### Main responsibilities in each hotel



Grand Fiesta Americana Trébol

FibraHotel	Operator
<ul style="list-style-type: none"> <li>&gt; Provides of the infrastructure and facilities to the operator, either through the hotel's own development and/or adaptation of incorporation made for the portfolio.</li> <li>&gt; Provides operating equipment (including operating technology).</li> <li>&gt; Proposition of infrastructure and equipment with greater efficiencies.</li> <li>&gt; Approval of the hotel's business plans.</li> <li>&gt; Monitoring of rates (accommodation, food and beverages, other services).</li> <li>&gt; Maintenance CAPEX for hotels.</li> <li>&gt; Obtaining permits and licenses.</li> <li>&gt; Responsibility for real estate activities (property and insurance, etc.).</li> <li>&gt; Payment of hotel staff payroll.</li> <li>&gt; Consolidation of the operating income of the hotels; payment of commissions to operators.</li> <li>&gt; Payment of energy and water.</li> <li>&gt; Recruitment of personnel.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Determine the brand standards for the infrastructure (of the brand that operates the hotel).</li> <li>&gt; Development of the annual business plan (income and costs / expenses included).</li> <li>&gt; Administration with its own operating team.</li> <li>&gt; Definition of the rate policy (accommodation, food and beverages, other services).</li> <li>&gt; Food and beverage sales strategies.</li> <li>&gt; Provision of reservation platforms and loyalty programs.</li> <li>&gt; Preventive maintenance of major equipment and operating CAPEX.</li> <li>&gt; Proposal for capital expenditures to maintain the hotels in optimal conditions.</li> <li>&gt; Selection and administration of the hotel staff.</li> <li>&gt; Renewal of permits and licenses.</li> <li>&gt; Waste management</li> </ul>

In July 2022, the Company stopped receiving administrative services from the Service Companies in order to comply with the Labor Reform. The specialized services, which include the provision of personnel, are provided by its subsidiary Fibra Hotelera, S.C.

### Our Operators

POSADAS.

Grupo Posadas. It is the largest Mexican hotel operator in the country, with more than 189 hotels and 29,150 rooms in beach and urban destinations in every state. The positioning of its brands such as Live Aqua, Grand Fiesta Americana, Fiesta Americana, Fiesta Inn, and One Hoteles is outstanding.

 CAMINO REAL  
HOTELES

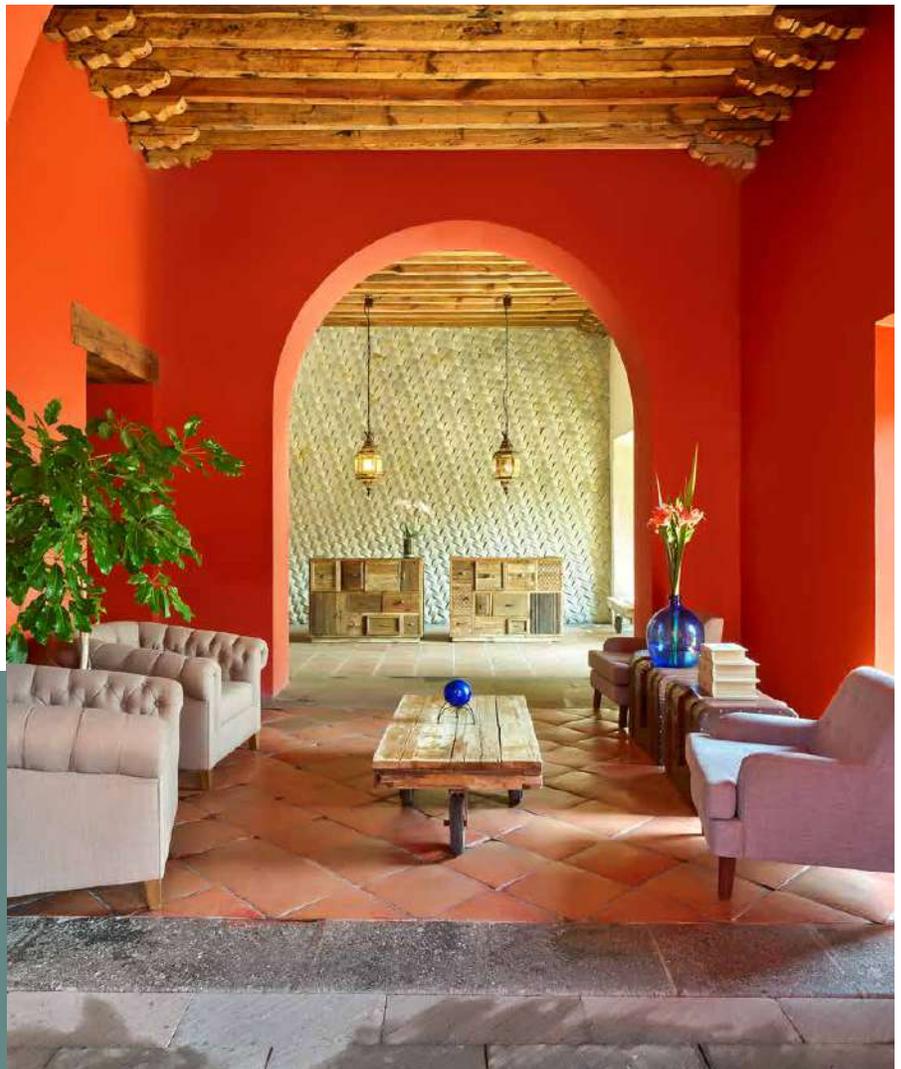
The Camino Real Hotel Group is an example of Mexican hospitality, with tradition, style and warmth. It is comprised of three different brands, creating a collection of 32 hotels in 21 destinations, covering the most visited cities and beaches in Mexico.

 Marriott

Marriott International, Inc. is the world's largest hotel company headquartered in Bethesda, Maryland, USA, with 8,500 properties in 138 countries and territories. Marriott operates and franchises hotels and resort licenses.

 PLAYA  
HOTELS & RESORTS

Playa Resorts is a leading owner, operator and developer of all-inclusive resorts in prime locations in popular vacation destinations in Mexico and the Caribbean. Playa owns and/or manages a total portfolio of 23 resorts (8,595 rooms) located in Mexico, Jamaica and the Dominican Republic.



Fiesta Americana Hacienda Galindo

# Investment and development strategy



**O**ur goal is to generate attractive risk-adjusted returns for our CBFH holders. This requires efficiently managing a high-quality, geographically diversified portfolio of hotels of different brands, which is one of the key strengths that support our leadership in real estate asset management, as described below:

## **1. Market leader with an attractive, multi-branded, diversified hotel portfolio that is difficult to replicate.**

We believe that the quality and diversity of our portfolio differentiates us from our competitors. Our hotels are located primarily in markets with significant industrial, business and/or tourism activity. We have a portfolio of high-quality hotels in Mexico diversified by hotel segment, geography, brand, operator, and customer base. We believe that our portfolio is well balanced and structured to perform in a variety of market conditions and lodging cycles due to the combination of hotels in different segments.

We also believe that the quality of our hotels, combined with the diversity of our portfolio, differentiates us from our competitors. In addition, the location of our hotels in these strategic locations is difficult to replicate and offers our guests convenience and access to a wide range of complementary services and amenities that enhance the guest experience. Similarly, our hotels, which are managed by leading operating companies, including Grupo Posadas, Marriott International, Camino Real Hotel Group, and Playa Hotels and Resorts, operate under nationally and internationally recognized brands. Our association with these strong brands strengthens the demand for our hotels' quality of service, loyalty programs, modern reservation systems, and national and international marketing platforms.

## **2. Robust business model.**

We have structured agreements where we pay predominantly variable fees based on our gross operating profit. This agreement allows us to operate at lower break-even points during unfavorable business cycles and aligns our interests with those of the operating companies. Additionally, we have a proven internalized development platform. Rigorous asset management is the cornerstone of our business model. We actively

monitor and advise our third-party hotel management companies on most aspects of our hotels' operations, including property positioning and repositioning, operations analysis, physical design, renovation and capital improvements, budgets and overall strategic direction. As a result of our rigorous asset management, we believe that we have developed an efficient operating model. After the impact of the pandemic, there is a strong upside to current RevPAR levels.

## **3. Association with leading hotel brands and hotel management companies.**

Our hotels are associated with nationally, and internationally recognized brands and are operated by leading hotel management companies, including Grupo Posadas, Marriott International, Camino Real Hotel Group, and Playa Hotels and Resorts. We believe this association generates demand due to their strong brand recognition, quality of service, loyalty programs, national distribution channels, marketing platforms, modern reservation systems, and effective product segmentation, resulting in higher occupancy rates, ADR, and RevPAR. Furthermore, our open architecture enables us to select the right hotel management company and brand for each hotel opportunity. This better positions us to continue our growth across segments and geographic regions without sacrificing profitability, thereby generating added value for our CBFH holders. We believe that the strong relationships of our management team with leading hotel management companies provides us with valuable insights relating to each brand and gives us greater access to acquisition and development opportunities, several of which may not be available to our competitors.

## **4. Established, highly scalable platform with a solid track record of growth.**

We have a well-established, market-leading, and highly scalable platform with over 30 years of history, including over ten years as a public company, and a combination of an experienced senior management team, strong relationships, deep industry knowledge and an industry-leading position in the lodging market in Mexico. Since our initial offering in November 2012, we have grown our initial contribution portfolio of 21 hotels with 2,810 rooms at the time of our initial

offering to a portfolio that today includes 86 hotels with 12,554 rooms. We believe that our platform differentiates us from many of our competitors and will continue to support our growth strategy as we seek to expand our business and capitalize on the numerous attractive opportunities that we believe exist in the lodging market in Mexico.

#### 5. Strong balance sheet and access to various sources of capital to fund our growth.

As of December 31<sup>st</sup>, 2022, we had a cash position of MXN\$501 million and total debt of MXN\$4,499 million, representing 25.7% of our total assets. We have access to capital from financial institutions at what we consider to be an attractive borrowing cost relative to our competitors due to our strong credit track record and the quality of our assets. In addition, as a publicly-traded FIBRA, we have access to the public capital markets.

Our investment and development strategy are based on these strengths in order to create value for the CBI holders and the rest of the stakeholders. Currently, our objective remains the same and considers the context resulting from the pandemic incidence, focusing on:

#### A. Take advantage of organic growth opportunities and the stabilization of hotels.

We believe that we can take advantage of organic growth opportunities due to (i) the quality of our hotels, which we consider superior to their respective competitive sets, and their strategic location in commercial and industrial centers. The quality of our hotels will allow us to continue benefiting from the growth in demand above the offer of business accommodation; (ii) our rigorous asset management, that continually seeks to make our operation more efficient and improve the experience for our guests; (iii) our relationship with the best hotel operators and brands, which gives us access to their commercial strategies and loyalty programs; and (iv) economies of scale derived from our larger size, which gives us advantages to seek improvements in the operating margins of our hotels.

#### B. Ensure the growth of the hotels in Resort and Full Service segments, particularly those that also serve leisure and group travelers who have a greater capacity to secure dollar rates.

Despite the gradual recovery of the sector over the past year, by the end of 2022 the Ministry of Tourism reported more than 38 million international tourist arrivals, representing a recovery of 85.1% compared to 2019. This figure meant a foreign exchange income of more than 26 billion dollars in the year, which is an increase of 17.9% of what was entered in 2019<sup>12</sup>.

It is expected that 2023 will be the year of full recovery of tourism in Mexico and the country will experience one of its best moments in relation to this industry.

#### C. Maximize the value of properties.

Our properties are of high quality and there could be alternatives to increase their value. We seek to continue to increase the profitability of the hotels through (i) operational efficiencies and cost reductions, (ii) rate increases, (iii) hotel repositioning through investments in the property, change of brand and/or operator. Additionally, we are exploring different alternatives in the properties to be repositioned for other uses or sold.

Invest in technology for operational efficiency and environmental improvement.

Our efforts to minimize our environmental impact will have a positive financial impact.

For this reason, we will continue to implement technologies that allow us to save energy consumption and change the supply of fossil fuels for green energy. We are also committed to a modern infrastructure that supports our environmental performance.

In addition, our main efficiency investments include the use and installation of efficient lighting, motion sensors, machine room automation, renovation and preventive maintenance of HVAC systems, replacement of LP gas with natural gas, solar heating of swimming pools, energy storage, and with greater emphasis on a transition to renewable energy consumption. For water consumption savings, we opted for water-saving equipment throughout the portfolio, as well as a water monitoring and reuse system.

12. Extracted from: Secretaría de Turismo. (2023). *México supera las expectativas de captación de divisas por visitantes internacionales con 28 mil 16 millones de dólares en 2022.*

# Integral approach to sustainability

12 17

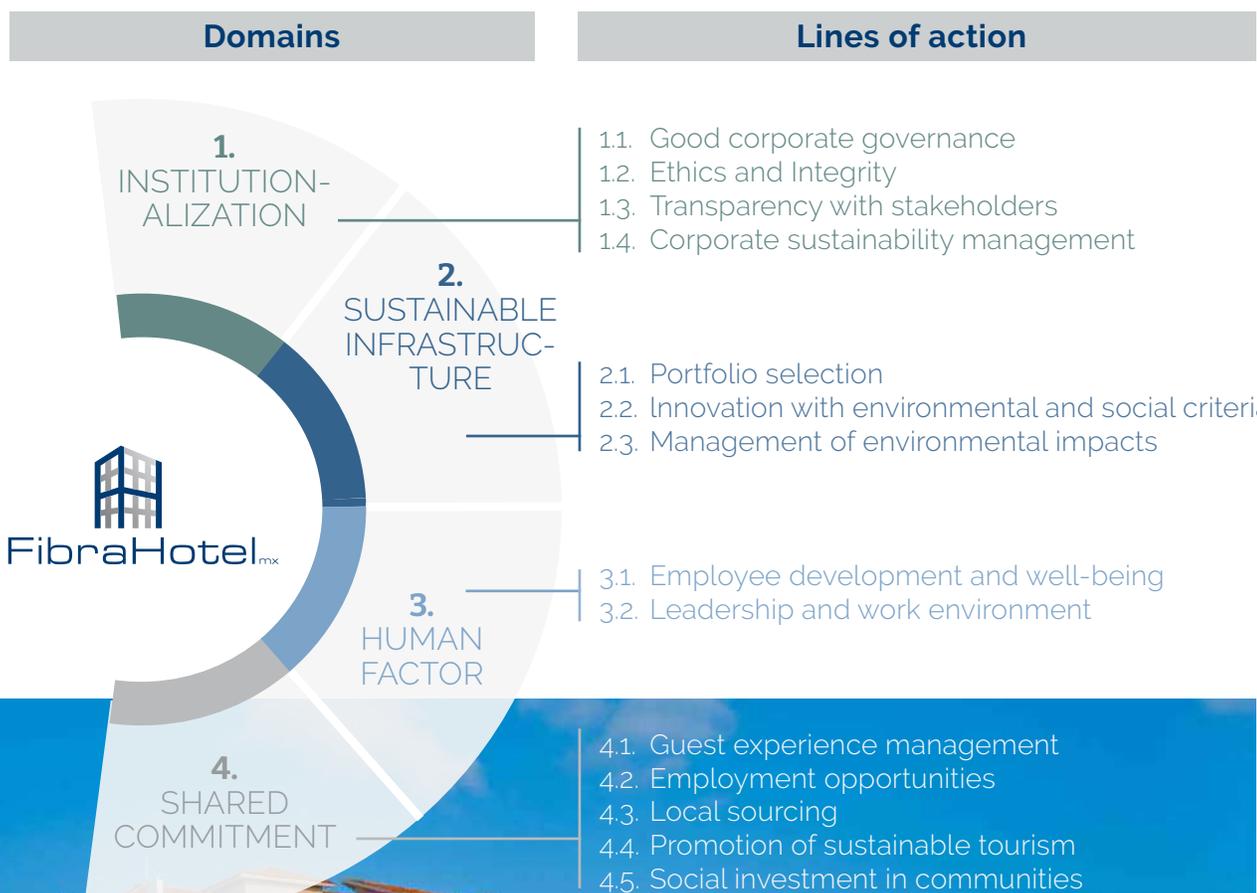
## Priorities

(GRI 3-3)  
(AMEFIBRA GASGo3)

At FibraHotel we are aware that our operation must generate value for all our stakeholders, combining profitability and future financial projection with socio-economic development and respect for the environment.

It is of utmost importance to have a strong sustainability strategy that drives optimal growth and, at the same time, has a positive impact on the three fundamental principles of sustainability: economy, society, and the environment.

Based on our material issues, we developed our Sustainability Strategy, which is composed of scopes and lines of action, each of which is integrated by different initiatives, in whose implementation we work together with operators, suppliers, guests and other allies.

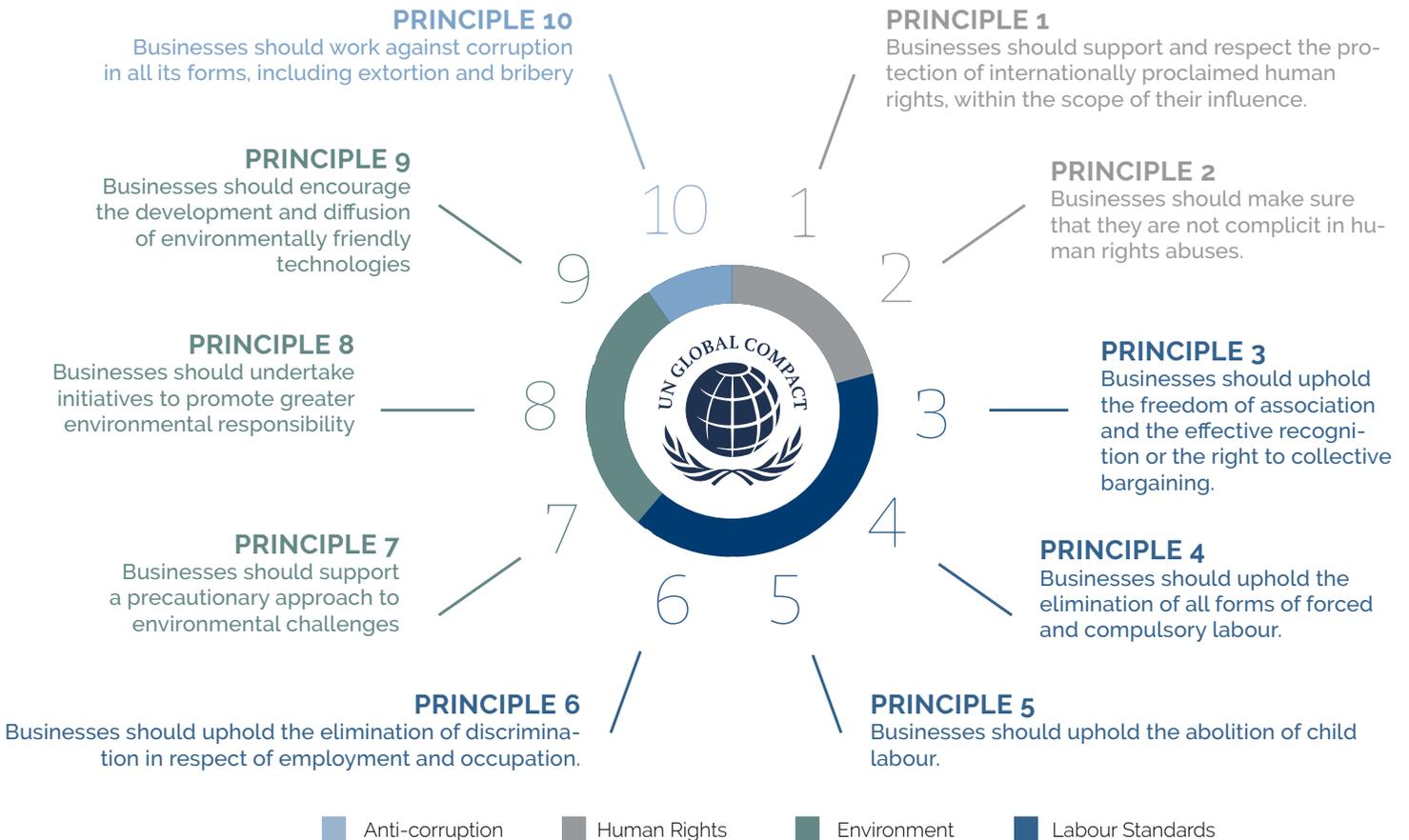


## Correlation of Sustainability Strategy with material issues and SDG:

Scopes	Material Issues	SDG
Institutionalization	<ul style="list-style-type: none"> <li>✓ Corporate Governance</li> <li>✓ Corporate ethics and integrity</li> <li>✓ Business continuity and risk management</li> <li>✓ Stakeholder engagement and transparency</li> </ul>	 
Sustainable Infrastructure	<ul style="list-style-type: none"> <li>✓ Energy efficiency and renewable energies</li> <li>✓ Sustainability considerations in the design, construction, and operation of assets</li> <li>✓ Circularity and waste recycling</li> <li>✓ Maintenance and investment in property and equipment</li> <li>✓ Waste management</li> <li>✓ Emissions management</li> <li>✓ Innovations and technology in operations</li> </ul>	    
Human Factor	<ul style="list-style-type: none"> <li>✓ Work related practices</li> <li>✓ Diversity and equal opportunities</li> <li>✓ Employee development</li> <li>✓ Customer health and safety</li> </ul>	   
Shared commitment	<ul style="list-style-type: none"> <li>✓ Socioeconomic development of communities</li> <li>✓ Work related practices</li> <li>✓ Sustainability assessment of suppliers</li> </ul>	  

FibraHotel is fully committed to its sustainability journey. As of 2021, we are a signatory to the United Nations Global Compact, the world's largest corporate sustainability initiative. In doing so, we commit to the "Ten Principles" in our strategies and operations; the Principles include human rights practices, labor relations, the environment, and anti-corruption.

### Ten Principles of the Global Compact<sup>12</sup>



Furthermore, the FIBRA sector in Mexico, led by AMEFIBRA (Mexican Association of FIBRAS), is committed to increasing transparency and strengthening the industry’s communication on environmental, social and governance issues.

In 2020, AMEFIBRA published the Environmental, Social and Governance (ESG) Indicators Manual, which consists of presenting a standardized reporting scheme governed by the highest international standards. It provides knowledge about the impact and strengthening of the industry.

FibraHotel, as a member of AMEFIBRA, is committed to managing, reporting, and making transparent the various environmental, social and governance issues through specific indicators for the sector and the socio-political environment.

Honoring Simon Galante, CEO of FibraHotel, as the current president for the period 2022-2024 and one of the leading promoters of ESG for FIBRAS in Mexico.

### Follow-up of indicators

(GRI 2-17, 205-2)  
(GASG03)

In 2022, we published our short (2022) and medium (2027) term ESG targets. The targets are based on our Sustainability Strategy, drawn from the goals and lines of action included in it.

We have created 24 target that cover our sustainability goals and related ESG factors. It is important for FibraHotel that our stakeholders are aware of our current ESG position and our vision for the future.

### Institutionalization

16

	2021	Target 2022	Actual 2022	2027
% of personnel who participate in training in ethics and compliance	100	100	100	100
% of suppliers who sign the Code of Ethics <sup>13</sup>	0	>50	54	>70
CSA Score (S&P)	46	60	49	72
% of directors with a variable income based on the achievement of sustainability goals	12.5	50.0	100	>85
Average hours of ESG training for members of the technical committee	0	1	1	4

Regarding the Institutionalization domain, we achieved all targets except the CSA Score (S&P) target. In terms of training, all employees completed the annual Ethics and Compliance training. ESG training was also provided at the last ESG Technical Committee meeting of the year. On the other hand, during the year, the Code of Ethics was distributed to active suppliers, which together represent 80% of spending, achieving a signature rate of 54%. Specifically on the issue of variable compensation linked to sustainability objectives, a restructuring was carried out so that 100% of directors have it.

Finally, in the CSA Score (S&P), although this objective was very ambitious, it was not met since the criteria this year in the international questionnaire were more rigid. Specifically, in the "Environmental" section, the score decreased by 13% because our Scope 1<sup>14</sup> and Scope 2<sup>15</sup> 2021 emissions increased versus 2020. This increase in emissions was mainly because in 2020 all the hotels in the portfolio were closed due to the COVID-19 pandemic and hotel occupancy rate did not have a normal behavior. In the "Governance" and "Social" dimensions, the score



13. On the set of active suppliers that together represent 80% of the expense; assets are those with a contract in force and/or contract(s) entered during the year.  
 14. Scope 1: Direct emissions from fuel combustion and refrigerant leakage.  
 15. Scope 2: Indirect emissions from the generations of electricity consumed.

increased 7% and 28% respectively. Although the objective was not achieved, the score increased 7% in line with achieving the 2027 objective.

**Sustainable Infrastructure**



	2021	Target 2022	Actual 2022	2027
% of portfolio with water-efficient technologies over total area of portfolio	83	87	87	>97
% energy from renewable sources <sup>16</sup>	0	0	0	20
% hotels with natural gas per available room <sup>17</sup>	53	58	58	72
% of certified portfolio (over the number of hotels) <sup>18</sup>	84	84	84	87
% of certified portfolio (in available room)	85	85	85	87
GHG emissions intensity (kgCO <sub>2</sub> e/m <sup>2</sup> )	55.39	50.69	64.14	37.52
GHG emissions intensity (kgCO <sub>2</sub> e/room night)	17.37	-	16.35	11.76
Energy consumption intensity (kWh/m <sup>2</sup> )	93.71	85.24	102.31	61.60
Energy consumption intensity (kWh/room night)	29.39	-	26.08	19.31
Water collection intensity (m <sup>3</sup> /occupied room)	0.47	0.47	0.41	0.47
% of new portfolio evaluated with international ESG criteria <sup>19</sup>	-	NA	NA	>90
% of portfolio with efficient lighting over total portfolio area	90	93	93	97
% of water reuse in the portfolio	NA	-	2	6

In the Sustainable Infrastructure domain, some progress can be observed; however, there are also areas of opportunity given the context and behavior of the portfolio. Firstly, the indicator of intensity in water collection stands out, obtaining 0.41 m<sup>3</sup>/room night. The objective was to maintain the indicator at 0.47 m<sup>3</sup>/room night, so consumption was reduced by 13%.

As a result of the objectives for the installation of water and lighting efficiency technologies, the goal of 87% was achieved. In this case, an inventory was completed and carried out in the hotels to this goal. In the same way, and aligned with the objectives, we maintained the same line of 2021 regarding the installation of renewable energies and hotel certification. Specifically in the matter of natural gas, two hotels in the portfolio were converted, obtaining 58%. While specifically in electric energy, we continue working to obtain energy from renewable sources, two solar heating systems were installed to replace natural gas and LP gas for swimming pool heating.

Furthermore, we increased the amount of kgCO<sub>2</sub>e/m<sup>2</sup> and the amount of kWh/m<sup>2</sup> in the GHG emissions intensity and energy consumption intensity indicators. Considering that the 2022 occupied rooms increased 29% versus 2021, the increase in both indicators reflects efficiency. GHG emissions intensity resulted in 64.14 kgCO<sub>2</sub>e/m<sup>2</sup> versus 55.39 kgCO<sub>2</sub>e/m<sup>2</sup>, increasing 16%. In line with the target, the indicator is 27% higher. In 2022, the energy consumption intensity indicator was 101.25 kWh/m<sup>2</sup> versus 93.71 kWh/m<sup>2</sup> (2021), a 9% increase. Against the target for 2022, it increased 20%. Considering the results obtained and assuming a considerable increase in the number of occupied rooms, it was determined that the efficiency indicator is better reflected by exchanging the targets to GHG emissions intensity measured in kgCO<sub>2</sub>e/room night and energy consumption intensity kgCO<sub>2</sub>e/room night. Considering the change, GHG emissions intensity over room night was reduced by 6% and energy intensity over room night was reduced by 11%. While the m<sup>2</sup> indicators will continue to be monitored, the actual efficiency will result in room night.

Moreover, during 2022 no new hotels were acquired, so the evaluation indicator with ESG criteria did not apply. Finally, it was determined that 2% of the portfolio has water reuse technologies, so it was established that 6% of the total by 2027 will have water reuse technologies.

16. Includes the sum of self-supply and purchase from third parties. It is subject, therefore, to the availability of renewable energy supply options by third parties in the market.  
 17. Subject, at each hotel, to the availability of infrastructure of the supplier(s) to be able to supply gas.  
 18. Certifications that apply: Green Key, Edge, Well, Blue Flag, Distintivo A, Hotel Hidrosustentable, PROFEPA, BREEAM, Green Star, Living Building Challenge, BOMA BEST. The certifications that apply can be modified according to the development of the industry.  
 19. Applies to those international methodologies developed by third parties and that have public recognition.



**Thematic policies:**

**Environmental and Climate Change Policy.** Defines the guidelines that reflect our commitment to safeguarding the environment and the measures to reduce the contribution to climate change and for resilience to possible impacts.

**Anti-corruption Policy.** We establish our guidelines to prevent acts of corruption in any of its forms, as well as conflicts of interest and any other practice detrimental to company assets.

**Diversity Policy.** We seek to promote a culture of respect for diversity, equality, and inclusion in the company, guaranteeing non-discrimination, equal opportunities and respect for all people.

**Sustainability Committee<sup>24</sup>**

The committee is focused on the review, execution, and continuous improvement of FibraHotel's ESG performance within the framework of the objectives and goals established in the Sustainability Strategy.

Members and chairs are elected and may be changed at any time by the Technical Committee. They are made up of both members of the Technical Committee itself and managers from the Administrator, which allows for a more accurate approach and understanding of the strengths and areas of opportunity in sustainability.

The Committee is composed of the Executive Committee (33% women) and the Operations Committee (30% women), whose members are as follows:

ESG Executive Committee	ESG Operations Committee
> Alberto Galante Zaga (Technical Committee Proprietary Member)	> Eduardo López (General Manager)
> Simón Galante Zaga (Technical Committee Proprietary Member)	> Guillermo Bravo (CIO)
> María Dolores Domínguez (Technical Committee Proprietary Member)	> César Chávez (Operations Manager)
> Eduardo López (Technical Committee Alternate Member)	> Isaac Aguilar (Operations Manager)
> Edouard Boudrant (CFO)	> Luis de la Barrera (Operations Manager)
> Guillermo Bravo (CIO)	> David González (Engineering and Maintenance Manager)
> Lorena García Núñez (Legal Officer)	> Antonio Cárdenas (Finance Manager and Head of Sustainability)
> Antonio Cárdenas (Finance Manager and Head of Sustainability)	> Andrea Castro Pastrana (Sustainability Manager)
> Andrea Castro Pastrana (Sustainability Manager)	> Mariana Olmos (Human Resources Manager)
	> María de los Ángeles Salinas (Comptroller)

The Committee held four meetings in 2022 to follow up on the strategy, including the preparation and/or implementation of new projects related to sustainable practices and/or technologies in electricity, gas and water consumption, waste management, as well as sustainability certifications and social projects. In addition, targets were set, and each indicator was followed up.

To provide transparency on our performance, including progress on our sustainability strategy, we have added responses to S&P's CSA and GRESB international questionnaires and the CDP climate change questionnaire.



24. The Sustainability Committee (ESG Committee) is not legally registered as such; however, it fulfills the functions of a Committee.

# Financial and Operational Results

## Main Indicators

### Total Revenues

The financial results described in this section refer to financial statements comprising 84 hotels as of December 31<sup>st</sup>, 2022:

- > 83 managed hotels
- > 1 hotel under lease agreement

During 2022, total revenues were MXN\$4,696 million, compared to MXN\$3,109 in 2021 (51.1% increase):

- > MXN\$3,404 million for room rental (72.5% of total revenue), an increase of 48.5% compared to 2021.
- > MXN\$789 million for food and beverages (16.8% of

total revenue), an increase of 53.1% compared to 2021.

- > MXN\$461 million for the lease of (i) Fiesta Americana Condesa Cancun (ii) retail space/antennas (9.8% of total revenue), an increase of 77.1% compared to 2021.
- > MXN\$42.4 million (0.9% of total revenue), for other revenue an increase of 1.3% compared to 2021.

Total revenues, for managed hotels, were MXN\$4,235 million in 2022 compared to MXN\$2,848 million in 2021.

FibraHotel's revenues by quarter in 2022 were:

(Figures in million of pesos)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Year 2022
<b>Total Revenues</b>	<b>951</b>	<b>1,200</b>	<b>1,210</b>	<b>1,336</b>	<b>4,696</b>
Room Revenues	681	872	870	982	3,404
Food and Beverage	148	203	209	229	789
Lease	117	117	115	113	461
Others	6	9	16	12	42
Revenues – Managed Hotels	834	1,083	1,094	1,223	4,235
% of total revenues	87.7%	90.3%	90.5%	91.6%	90.2%
<b># of Hotels in operation</b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>84</b>
# of managed Hotels	83	83	83	83	83
# of leased Hotels	1	1	1	1	1
# of temporary closed Hotels	2	2	2	2	2

The following table shows the operating and financial indicators of the hotels under management during the four quarters of 2022, from the acquisition date, excluding leased hotels.

Year 2022	Available Rooms	Occupied Rooms	Occup.	Room Revenues MXN\$ Million	ADR	RevPar
1 <sup>st</sup> quarter	1,057,860	547,115	51.7%	\$ 681	\$ 1,244	\$ 643
2 <sup>nd</sup> quarter	1,069,454	668,855	62.5%	\$ 872	\$ 1,303	\$ 815
3 <sup>rd</sup> quarter	1,080,845	668,379	61.8%	\$ 870	\$ 1,301	\$ 805
4 <sup>th</sup> quarter	1,080,376	685,362	63.4%	\$ 982	\$ 1,433	\$ 909
<b>Total</b>	<b>4,288,535</b>	<b>2,569,711</b>	<b>59.9%</b>	<b>\$ 3,404</b>	<b>\$ 1,325</b>	<b>\$ 794</b>

\* Temporary closed hotels excluded.



## Costs and general expenses

In 2022, the total costs and general expenses of hotels managed by FibraHotel were MXN\$2,985 million, compared to MXN\$2,168 million in 2021 (an increase of 37.7%):

- > MXN\$1,722 million for indirect costs (57.7% of total costs and general expenses). Includes administrative costs, advertising and promotion, maintenance, human resources, energy, and fees paid to hotel management companies.
- > MXN\$770 million from room expenses (25.8% of total costs and general expenses) directly related to room rental revenue.
- > MXN\$493 million in food and beverage expenses (16.5% of total costs and general expenses).

Associated with expenses not related to room rentals (food and beverages, among others).

## Lodging Contribution

2022 lodging contribution<sup>25</sup> MXN\$1,711 million, or 36.4% of total revenue, compared with MXN\$941 million in 2021, or 30.3% of total revenue:

- > MXN\$1,249 million related to managed hotels (29.5% margin), compared to MXN\$680 million in 2021 (23.9% margin).
- > MXN\$461 million corresponded to leased hotels and retail space (100% margin), compared to \$260 million in 2021. The following table details the evolution of revenues and contribution from lodging between 2021 and 2022:

(Figures in thousands of pesos)

	Year 2022	%	Year 2021	%
Revenue:				
Total Managed Hotels	4,235	90.2%	2,848	91.6%
Leasing - Hotels / Antennas / Retail Spaces	461	9.8%	260	8.4%
<b>Total Revenues</b>	<b>4,696</b>	<b>100%</b>	<b>3,109</b>	<b>100%</b>
Lodging Contribution:				
Managed Hotels	1,250	73.0%	680	72.3%
Leasing	461	27.0%	260	27.7%
<b>Total Lodging Contribution</b>	<b>1,711</b>	<b>100%</b>	<b>941</b>	<b>100%</b>
Lodging Contribution Margin:				
Managed Hotels	29.5%		23.9%	
Leasing	100%		100%	
<b>Total Lodging Contribution Margin</b>	<b>36.4%</b>		<b>30.3%</b>	

25. Lodging contribution corresponds to the addition of revenues (rooms, food and beverage, leases and others) minus total costs and indirect expenses normally directly related to hotel operation, without considering real estate expenses (property tax, insurance, tax, among others) and administrative expenses of FibraHotel. This is not an IFRS figure.

## Operating Profit

Other operating expenses of MXN\$889 million are comprised mainly of:

- > Depreciation MXN\$509 million.
- > Real estate expenses MXN\$84.4 million.
- > Administrative expenses MXN\$112 million.
- > Advisory Fee MXN\$156 million.
- > Impairment over asset value MXN\$13.4 million.
- > CBFJ compensation plan MXN\$7.8 million.
- > Employee Benefits MXN\$6.8 million.

In 2021, other operating expenses amounted to MXN\$879, this year's increase of 1.1%.

Operating income was MXN\$822 million in 2022 compared to MXN\$61.2 million in 2021.

## Adjusted Operating Profit

During 2022, FibraHotel spent MXN\$6.7 million in non-operating expenses and generated non-operating income of MXN\$4.0 million. In addition, a positive fair value adjustment was made to the fair value of the investment properties (Fiesta Americana Condesa Cancun Hotel) for MXN\$506 million. In 2021, there was a non-operating income of MXN\$15.1 million, a decrease of 44.4% for that year.

The adjusted operating profit was MXN\$1,325 million compared to MXN\$317 million in 2021.

## Other income and adjustment to fair value

As of December 31<sup>st</sup> 2022, other income MXN\$4.0 million. In 2021, it was MXN\$0.8 million.

As of December 31<sup>st</sup> 2022, the leased hotel (Fiesta Americana Condesa Cancun), are registered under the IAS 40 Investment Property standard and the adjustment to fair value at December 31<sup>st</sup> 2022 against fair value as of December 31<sup>st</sup> 2021, represents a positive impact of MXN\$506 million (no impact on cash flow). On December 31<sup>st</sup>, 2021, the fair value adjustment of the Fiesta Americana Condesa Cancun hotel was MXN\$269 million.

## Comprehensive Financial Results

FibraHotel concluded 2022 with a net debt position of MXN\$3,998 million (total debt was MXN\$4,499 million) compared to MXN\$4,500 million at December 31<sup>st</sup>, 2021 (total debt was MXN\$4,986 million).

During the year, FibraHotel debt generated a financial cost of (MXN\$438 million) compared to (MXN\$372 million) in 2021.

The comprehensive financial result for 2022 was negative (MXN\$405 million pesos) compared to (MXN\$372 million pesos) for 2021.

(Figures in thousands of pesos)

	Year 2021	Year 2022	%
Interest Income	7,008	20,628	194.3%
Interest Expense	(376,110)	(437,663)	16.4%
Bank Fees	(10,314)	(10,348)	0.3%
Net Foreign Exchange (Gain/Loss)	7,591	22,580	197.5%
<b>Total</b>	<b>(371,824)</b>	<b>(404,803)</b>	<b>8.9%</b>

## Consolidated net profit

After taxes of MXN\$2.2 million, at the Civil Society level on profits generated by non-accommodation income (food and beverages, etc.), consolidated comprehensive income reached MXN\$923 million in 2022, compared to a loss of (MXN\$54.2 million) in 2021.



## Summary of results for the year 2022 by quarter (thousands of pesos)

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Year 2022
<b>Revenues</b>					
Rooms	680,588	871,840	869,787	981,947	3,404,162
Food and Beverage	147,549	202,829	208,971	229,418	788,766
Lease	116,798	116,812	114,877	112,533	461,020
Others	5,960	8,692	15,909	11,835	42,397
<b>Total Revenues</b>	<b>950,895</b>	<b>1,200,173</b>	<b>1,209,544</b>	<b>1,335,733</b>	<b>4,696,345</b>
Revenues Managed Hotels	834,096	1,083,359	1,094,291	1,223,121	4,234,867
% of Total Revenues	87.7%	90.3%	90.5%	91.6%	90.2%
<b>Costs and general expenses</b>					
Rooms	164,144	192,392	197,317	216,258	770,111
Food and Beverage	97,305	124,199	130,195	141,470	493,169
Administrative Expenses	361,009	443,775	444,010	473,322	1,722,116
<b>Total Costs and General expenses</b>	<b>622,457</b>	<b>760,366</b>	<b>771,522</b>	<b>831,051</b>	<b>2,985,396</b>
<b>Total Lodging Contribution</b>	<b>328,438</b>	<b>439,807</b>	<b>438,022</b>	<b>504,683</b>	<b>1,710,949</b>
Total Lodging Contribution Margin	34.5%	36.6%	36.2%	37.8%	36.4%
<b>Lodging Contribution - Managed Hotels</b>	<b>211,638</b>	<b>322,993</b>	<b>322,769</b>	<b>392,071</b>	<b>1,249,472</b>
Margin	25.4%	29.8%	29.5%	32.1%	29.5%
<b>Real Estate Expenses</b>	20,268	21,605	20,446	22,065	84,392
<b>Net Operating Income</b>					
Administrative Expenses Related To Fibrahotel	21,768	31,254	25,249	33,460	111,730
Employee Benefits	83	397	1,063	5,278	6,821
Employee CBFIs Compensation Plan	-	2,611	2,611	2,611	7,833
Advisory Fee	37,847	38,561	39,247	40,393	156,049
<b>Income / (Loss) From Operations</b>	<b>120,493</b>	<b>218,528</b>	<b>222,676</b>	<b>260,261</b>	<b>821,949</b>
Margin	12.7%	18.2%	18.4%	19.5%	17.5%
Extraordinary Expenses, Net	(893)	2,097	1,703	3,813	6,710
Non Operating Income / (Loss)	233	(187)	299	3,625	3,969
Adjustment To Fair Value Investment Properties	-	-	-	505,950	505,950
<b>Adjusted Result from Operations</b>	<b>121,618</b>	<b>216,244</b>	<b>221,272</b>	<b>766,024</b>	<b>1,325,158</b>
Comprehensive Financial Result	(94,355)	(105,536)	(107,364)	(97,549)	(404,803)
<b>Income Before Taxes</b>	<b>27,263</b>	<b>110,707</b>	<b>113,909</b>	<b>668,475</b>	<b>920,355</b>
Tax	(4,337)	(8,070)	(1,093)	11,345	(2,155)
<b>Consolidated Net (Loss) Income</b>	<b>31,600</b>	<b>118,777</b>	<b>115,002</b>	<b>657,130</b>	<b>922,510</b>
Margin	3.3%	9.9%	9.5%	49.2%	19.6%

## Cash Flow and Liquidity

### Operating cash flow

During 2022, FibraHotel generated an operating net cash flow of MXN\$1,276 million in 2022 compared to MXN\$725 million in 2021.

### Investment cash Flow

In 2022, FibraHotel generated a negative investment net cash flow of (MXN\$364 million):

- > (MXN\$174 million) with respect to maintenance CAPEX.
- > (MXN\$67.8 million) regarding investments in the Fiesta Americana Condesa Cancún hotel.
- > (MXN\$85.1 million) on investments in the development portfolio, and improvements at some hotels.
- > (MXN\$58.1 million) regarding hotel renovations.
- > MXN\$0.7 million regarding the furniture sale.
- > MXN\$20.6 million with respect to the interest income.

During 2021, FibraHotel generated a negative investment net cash flow of (MXN\$357 million):

- > (MXN\$156 million) regarding the acquisition of Fiesta Americana Hermosillo hotel.
- > (MXN\$82.4 million) with respect to maintenance CAPEX.
- > (MXN\$57.6 million) regarding investments in the Fiesta Americana Condesa Cancún hotel.
- > (MXN\$38.8 million) on investments in the development portfolio, and improvements at some hotels.
- > (MXN\$16.5 million) regarding hotel renovations.
- > (MXN\$14.3 million) with respect to investment on the brand change of Playa del Carmen hotel.
- > MXN\$0.5 million regarding furniture sale.
- > MXN\$7.0 million with respect to interest income.

### Financing Cash Flow

As of December 31<sup>st</sup> 2022, FibraHotel had a net debt position of MXN\$3,998 million and total debt of (MXN\$4,499 million):

During 2022, FibraHotel generated a negative financing cash flow of (MXN\$897 million):

- > MXN\$477 million regarding the disposition of a credit line of Banorte.
  - (MXN\$486 million) were converted to MXN\$24.6 million.
- > (MXN\$412 million) in relation to interests paid.
- > (MXN\$954 million) related to amortizations.



Fiesta Americana Condesa Cancún

- > (MXN\$8.0 million) regarding other financial expenditures.

During 2021, FibraHotel generated a negative financing cash flow of (MXN\$343 million):

- > MXN\$250 million regarding the disposition of a credit line of Banorte.
- > (MXN\$395 million) in relation to interests paid.
- > (MXN\$190 million) related to amortizations.
- > (MXN\$8.0 million) regarding other financial expenditures.

### Adjusted Funds from Operations

During 2022, FibraHotel generated:

- > Funds from Operations (FFO) of MXN\$931 million, compared to MXN\$262 million in 2021.
- > Adjusted Funds from Operations (AFFO) of MXN\$672 million compared to MXN\$87.4 million in 2021.

### Liquidity Position

FibraHotel closed 2022 with:

- > MXN\$501 million compared to MXN\$486 million as of December 31<sup>st</sup>, 2021.
- > A total debt position of MXN\$4,499 million compared to \$4,986 as of December 31<sup>st</sup>, 2021. The net debt position was MXN\$3,998 million.

The following table shows the detail of FibraHotel's cash position:

	Year 2021	Year 2022	Comment
<b>Cash, cash equivalents and restricted cash</b>	<b>485.6</b>	<b>501.2</b>	
Available cash and cash equiv. – Operation	307.4	336.1	Hotel's working capital
Restricted cash and cash equiv. – Operation	96.2	81.2	Available for maintenance CAPEX
Restricted cash and cash equiv. – Reserves	45.0	42.8	Available for Reserves guarantees
Available cash and cash equiv.	37.0	41.1	Cash available
<b>Cash position without restricted cash</b>	<b>389.0</b>	<b>377.2</b>	

\* MXN\$ million of pesos

The following table shows the detail of FibraHotel's debt position:

	2022	Currency	Interest Rate	Maturity
BBVA 1	726.6	MXN	TIIE 28d + 150bps	oct-27
BBVA 2	156.3	MXN	TIIE 28d + 160bps	jul-23
BBVA 2*	195.4	USD	SOFR 91d + 180bps	aug-24
Banorte 3	459.8	MXN	TIIE 91d + 200bps	jun-28
Banorte 5**	476.5	USD	SOFR 91d + 250bps	jun-28
FIHO 19	2,500	MXN	8.83%	sep-29
<b>Total debt position</b>	<b>4,514.5</b>			

\*Equivalent in pesos to USD \$10 million with an Exchange rate of MXN\$19.36.

\*\*Equivalent in pesos to USD \$25 million with an Exchange rate of MXN\$19.36.

The following table presents a detailed amortization schedule of FibraHotel's debt position:

Year	Payment	%
2023	351.3	7.8%
2024	411.3	9.1%
2025	301.4	6.7%
2026	323.9	7.2%
2027 and later	3,126.6	69.3%
<b>Total</b>	<b>4,514.5</b>	<b>100.0%</b>

## Regulation Applicable to FIBRAS

In accordance with the general provisions applicable to issuers of securities and other participants in the securities market known as the "Circular Única de Emisoras" ("CUE"), the Holders' Assembly is granted the powers to establish the financing rules for each FIBRA. The rules approved by the Holders' Assembly shall establish

the maximum leverage limit and debt service coverage ratio to be observed by the FIBRA and must be calculated in accordance with ANNEX AA of the CUE. In addition, the amendments made to Appendix AA establish a four-quarter period for calculating the maximum leverage and debt service coverage ratios.

On April 23<sup>rd</sup>, 2021, FibraHotel's Holders' Assembly established FibraHotel's maximum leverage ratio limit at 40% and the debt service coverage ratio limit of at least 1.0x.

- > Leverage level: FibraHotel closed 2022 with debt of MXN\$4,499 million and total assets of MXN\$4,499 million and total assets of MXN\$17,479 million, corresponding to a 25.7% leverage level.
- > Debt service coverage ratio: FibraHotel's debt service ratio must be greater than 1.0x; as of December 31<sup>st</sup>, 2022, the ratio is 1.75x. To FibraHotel, the commitments correspond to: Debt service (principal and interests); Capital Expenditures (hotel maintenance CAPEX); and non-discretionary development expenses (announced development projects).

## Capital Expenditures

As of December 31<sup>st</sup> 2022, available capital reserve for maintenance expenses destined to maintain the conditions of hotels in operation based on a percentage of the gross revenue of hotels under operating agreement, amounted MXN\$81.2 million compared to MXN\$96.6 million as of December 31<sup>st</sup> 2021.

The most relevant FibraHotel capital expenditures during the year were:

- > **Maintenance capital expenditures:** : MXN\$174 million.
- > **Capital expenditures on current hotels:** FibraHotel constantly analyzes the opportunity to make capital expenditures on hotels in the current portfolio when expected returns justify the investment. During 2022, FibraHotel made the following investments:
  - Fiesta Americana Condesa Cancun investment: MXN\$67.8 million
  - CAPEX for development and improvements in some hotels: MXN\$85.1 million
  - Renovations (MXN\$58.1 million) in certain hotels of the portfolio (Fiesta Inn Oaxaca, Fiesta Americana Hacienda Galindo and Trebol Monterrey)

## Cash distribution

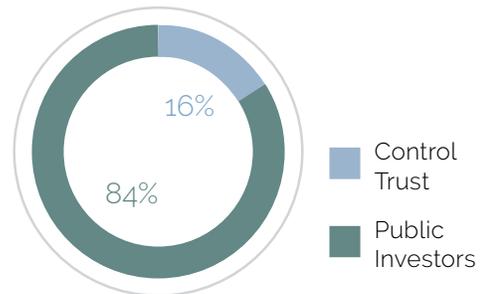
From January 1<sup>st</sup> to December 31<sup>st</sup> 2022, the fiscal year results did not generate profits and therefore no cash distributions were made for the fiscal year 2022.

## Repurchase Fund

As of December 31<sup>st</sup> 2022, FibraHotel had 785,823,444 CBFIs with economic rights.

## Presence in the Capital Market

FibraHotel is a REIT and, by its nature, its objective is to generate risk-adjusted returns for the CBFIs Holders, mainly through Cash Distributions from Taxable Income, as determined by the Technical Committee and the capital appreciation of the CBFIs themselves. As of the date of this Annual Report, our shareholding is as follows:

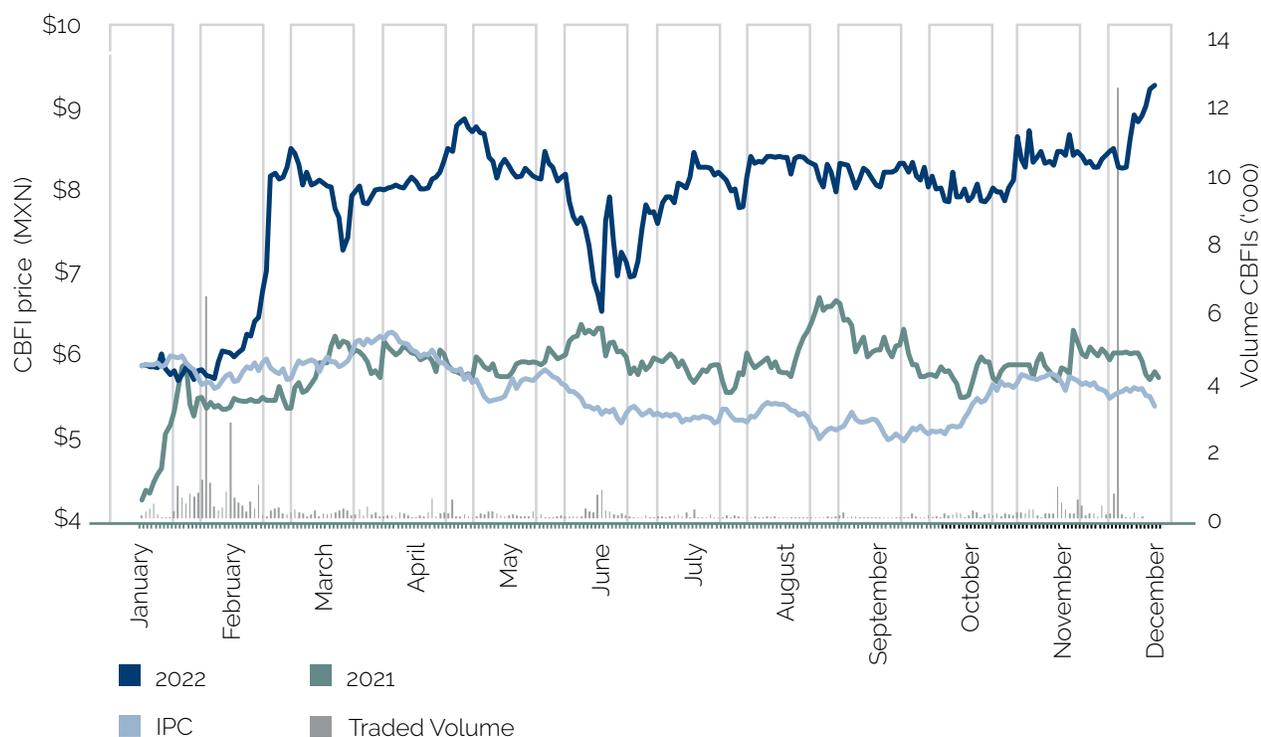


Fiesta Americana Hacienda Galindo



## CBFIs

The following chart<sup>26</sup> shows the evolution of FibraHotel's CBFi price and volumes between January 1 and December 31<sup>st</sup>, 2022.



## Economic Value Generated and Distributed

(GRI 3-3, 201-1)

At FibraHotel, we seek to generate value for our stakeholders through our portfolio management materialized in operation and how we address the different impacts and opportunities.

Next, we present our economic value generated and distributed, which includes the items that benefit our different stakeholders.

### Economic Value Generated and Distributed (EVG and EVD) (in millions of pesos)

	2020	2021	2022	Var. 21-22 (%)
Revenues (Economic Value Generated, EVG)	1,942	3,109	4,696	51%
Expenses (Economic Value Distributed, EVD)	2,943	3163	3,774	19%
Operating Expenses (includes expending in suppliers and salaries)	2,544	2792	3,371	21%
Payment to capital suppliers	397	371	405	9%
Taxes and contributions	2	(1)	(2)	115%
Retained (EVG - EVD)	(1,001)	(54)	923	n.a

26. The left axis of the graph shows the CBFi price in Mexican pesos, the right axis shows the volume of CBFIs traded in thousands.



# Risk Management

13 16

## Introduction

(GRI 2-25, 3-3)  
(SASB IF-RE-450a.2)  
(AMEFIBRA GOB05)

FibraHotel and the business model are exposed to a variety of factors with both internal and external variables. Any of the risks described below, if they materialize, could affect the liquidity, operations or financial condition of the Trust or the Administrator and, consequently, the Trust Equity. Therefore, they should be taken into consideration by the public investor.

The main risks are evaluated annually, updating the prevention and mitigation plans. A Risk Committee conducts the process internally, evaluating the economic, social, environmental, and health/sanitary aspects. Prevention and mitigation plans are then drawn up for the risks identified. The result is presented to the Technical Committee, who approves the update and steps to be followed for each of the risks.

The main risk factors are listed below:

Dimension	Risk	Description
Social (customers, collaborators, and communities)	Guest behavior	<p>The economic and social context can generate changes in guest travel patterns.</p> <p>Technology can lead to different habits that we must address in order to innovate from current hosting models. This existing distribution channels requires the proper infrastructure.</p>
	Operator performance	<p>Quality service is the key to guest satisfaction and willingness to return. The proposition by each hotel brand, the loyalty program, the distribution channels, and the service offering, depends on the operator.</p> <p>We also consider the health and safety management of the guests by the operator, as well as the hotel team, including the prevention of accidents.</p>
	Competition	<p>There is strong competition from other owners and operators who may have cheaper operating models or expected rates of return and attract guests with lower rates at lower value-added segments.</p>
	Team availability	<p>The training required for employment and its distribution throughout the country can lead to staff shortages in some destinations. It is necessary to work on attracting and retaining talent.</p>
	Safety	<p>Safety conditions determine the choice of travelers. Insecurity affects the arrival of guests.</p>
Environmental	Climate related events	<p>The most extreme climatic phenomena, such as hurricanes, storms, and droughts, among others, as well as changes in the environment sometimes linked to climate change, such as seaweed, affect tourist arrival to destinations, therefore, hotel occupancy.</p> <p>In the same way, there is a risk of possible effects on the operation, infrastructure of hotels, and availability of energy and water.</p>
	Transition to a low carbon economy	<p>The regulation and voluntary incentives from the authorities and other stakeholders, such as investors and capital providers, encourage infrastructure and equipment with greater efficiency in water and energy consumption, as well as the use of renewable energy sources in order to reduce Greenhouse Gas (GHG) emissions.</p>
Health and sanitary	Epidemic Outbreaks in general	<p>Outbreaks of viruses, bacteria, pandemics, or epidemics in general can cause destabilization in the financial markets resulting in global economic recession that could have a negative impact on the results and operation of the Trust. Such events may result in interrupted hotel operation, as well as total or partial closures. Restrictions on travel, transportation, and mobility of guests in general.</p>

Based on the TCFD recommendations and the criteria evaluated by the Disclosure Insight Action (CDP) initiative, we conducted an internal analysis in 2022 to assess our climate-related risks. We consider both criteria in order to have a comprehensive overview that can provide us with a broad and in-depth analysis of the risks to our business.

## Climate change risks and opportunities

(GRI 201-2)  
 (TCFD EST-A, EST-B, GDR-A)  
 (SASB IF-RE-450a.2)  
 (AMEFIBRA GOB05)

During the year 2022, we conducted the **Climate Change Risk and Opportunity Analysis** of our operation and managed portfolio, with the purpose of identifying the risks and opportunities associated with climate change that may impact operational and/or financial stability; they arise because of the transition to a low-carbon economy, as well as the hydro-meteorological events to which Mexico is exposed.

The goal of the analysis was to identify and understand the impact of climate change on us as a company, catalog the risks and opportunities identified, prioritize by mapping the risks, and generate recommendations for the opportunities identified.

We reference them using the nomenclature of the Task Force on Climate-related Financial Disclosures (TCFD).

- **Transition risks.** Those associated with changes in the pathway to a low-carbon economy, e.g. in legislation, to address climate change mitigation and adaptation.
- **Physical risks.** Those associated with events of greater intensity (acute) and/or long-term changes in weather patterns (e.g. temperature and extreme changes in the environment). They can cause damage to infrastructure, affect operational continuity, etc.

A total of 17 risks classified as transitory and 10 classified as physical, the latter related to hydrometeorological events, were identified and will be described in the following section.

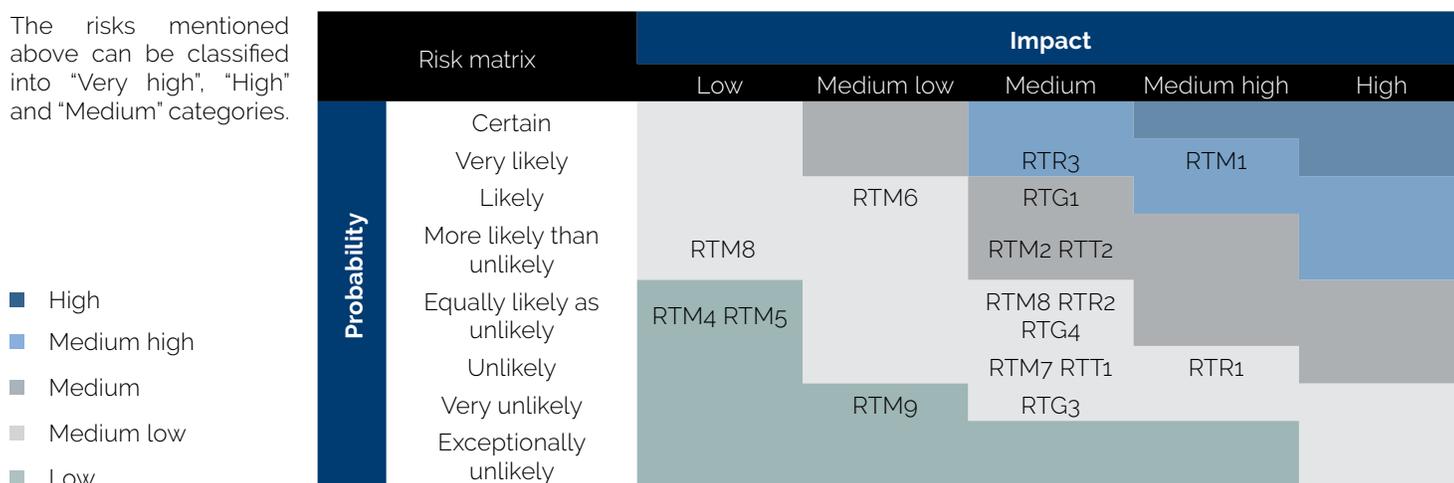
Fiesta Inn Monterrey La Fe



## Transition Risks

No.	Risk	Description
RTM1	Market	Increased investor's demands in terms of transparency and standards related to environmental, social and corporate governance criteria and climate change risks.
RTM2	Market	Changes in consumer behavior that increase the demand for more sustainable and less polluting energy sources.
RTM4	Market	National or international policies to mitigate greenhouse gas emissions have an impact on the increase in transportation costs, especially in air transportation.
RTM5	Market	Any reduction in global GDP caused by climate change would lead to a reduction in the income available to tourism consumers, which would have a negative impact on future tourism growth forecasts.
RTM6	Market	Low resilience of destination communities and destination operators that have invested heavily in real estate capital assets.
RTM7	Market	Increased cost and/or price volatility of inputs required for the operation.
RTM8	Market	Entry into the market of new competitors that promote sustainability and climate criteria.
RTM9	Market	Increase in the price of GHG emissions listed on regulated markets.
RTR1	Reputational	Tourists, and in particular international tourists, shy away from political instability and social unrest, and the negative impact on tourism demand of climate change suffered in areas where security is particularly fragile is evident.
RTR2	Reputational	Potential reputational impact due to inaction or delayed action towards a low GHG emissions model.
RTR3	Reputational	Growing concern from shareholders and other stakeholders regarding the contribution to climate change and environmental impact.
RTG1	Regulation	Increased reporting and transparency obligations in terms of GHG emissions, environmental indicators, climate change risks and management strategies.
RTG2	Regulation	Establishment of limits on operations based on environmental criteria, such as emissions, water use and/or waste generation.
RTG3	Regulation	Establishment and modification of prices for GHG emissions.
RTG4	Regulation	Increased exposure to legal proceedings and fines arising from climate change and the company's environmental impact.
RTT1	Technological	Replacement of products and services with lower emission options.
RTT2	Technological	Capital investments in technology development or costs of adopting/deploying new practices and processes (renewable energy, technology to reduce GHG emissions).

The risks mentioned above can be classified into "Very high", "High" and "Medium" categories.



Climate risks identified in Very high, High, Medium categories.

Risk	Description	Plans/programs/procedures to address risk
Market	Changes in consumer behavior where preference is given to the use of business-related technologies, such as the use of video calls for business meetings.	Adaptation of our facilities so that guests can hold their business meetings on the premises. Focus on changes in travel trends such as the need for guests to have work and leisure experiences, as well as adequate facilities for personal interactions and integration with work teams.
	Increased investor demands in terms of transparency and standards related to environmental, social, and corporate governance criteria and climate change risks.	Since 2019 FibraHotel started the ESG trajectory by creating the Sustainability Strategy, considering all stakeholders and with a strategic priority from the Technical Committee. Since then, we have been implementing strategies to increase our transparency, mitigate the environmental impact that our value chain has and create social plans in our daily activities. This is reflected in the evolution of our sustainability reports, created for the second consecutive year, the integrated annual report. We also participate in the GRESB, CDP and CSA questionnaires, promoting transparency and corporate evolution in all ESG issues. Our objective is to improve their results.
	Changes in consumer behavior that increase the demand for more sustainable and less polluting energy sources.	One of our objectives is to transition our portfolio to 20% renewable energy by 2027. Additionally, we seek to implement best practices in the hotel operation on environmental issues.
Reputational	Growing concern from shareholders and other stakeholders regarding contribution to climate change and environmental impact.	Transparency in our activity is extremely important to us, so we publish our progress in ESG and climate change impact mitigation on a quarterly basis. Likewise, we created an integrated annual report opting for transparency in the GHG emissions of scope 1, 2 and 3, the evolution of these and the actions being implemented to mitigate the contribution to climate change.
Regulation	Increasing reporting and transparency obligations in terms of GHG emissions, environmental indicators, climate change risks and management strategies.	Transparency in our activity is extremely important to us, which is why we publish our progress on ESG and climate change impact mitigation on a quarterly basis. We create an integrated annual report opting for transparency in the GHG emissions of Scope 1, 2 and 3, the evolution of these and the actions being implemented to mitigate the contribution to climate change. We also have environmental impact and GHG emission reduction targets for Scope 1, 2 and 3. Also since March 2022 we are publicly recognized by SBTi for creating our science-based targets.
Technological	Capital investments in technological development or costs of adopting/deploying new practices and processes (renewable energy, technology to reduce GHG emissions).	We are currently investing in technologies to reduce our emissions and mitigate the impact of our activities.

### Analysis of Physical Risks per asset

A study was conducted on the 86 hotels in the portfolio to identify physical risks (TCFD) for each asset. This climate risk analysis was performed based on geographic and climatic information on the location of each asset and an approximation of the possible events or risks to which the property is exposed. The risks were evaluated based on official information sources (National Risk Atlas, National Forestry Commission, National Water Commission, National Institute of Ecology and

Climate Change, among others). Eleven risk categories were analyzed, mostly related to climatic conditions (10); however, the effect of earthquakes was considered for its importance in the portfolio.

The analysis was carried out through a numerical matrix and descriptive statistics of the data, based on the weighting (Very high-5, High-4, Medium-3, Low-2 and Very low-1) and categories evaluated (all physical risks).

## Main physical risks of impact on FibraHotel's assets

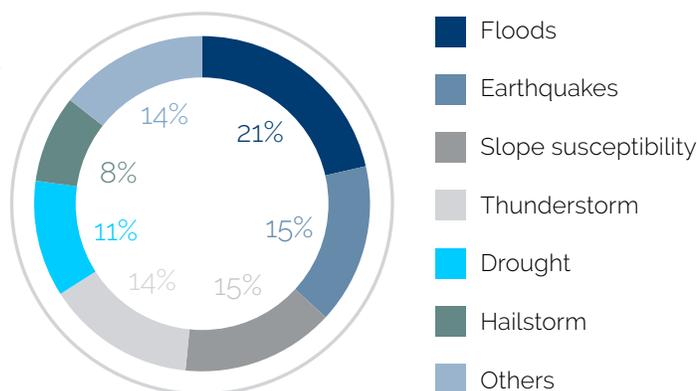
We identified the risks that had an impact classified as Very high and High on the properties (Table 1 and Graph 2), considering the risks that involve more than 30% of our portfolio.

### Very high and High risks and number of properties impacted

Table 1

Risk (Very high and High)	No. of Properties	(%) of Portfolio
Floods	61	21%
Earthquakes	44	15%
Slope susceptibility	42	15%
Thunderstorm	41	14%
Drought	32	11%
Hailstorm	24	8%
Others (Hurricane, fire, Cyclone, Snowstorm, Heat Wave)	41	14%

Graph 2



The main risks by region that were identified are:

Region	Main degree of impact	Physical Risks	Percentage
Bajo	Medium - 53%	Thunderstorms	16%
		Floods	13%
		Heat Waves	11%
North	Medium - 67%	Drought	14%
		Floods	12%
		Heat Waves	13%
Leisure	Medium - 91%	Floods	16%
		Thunderstorms	13%
		Drought	12%
South	Medium - 100%	Floods	19%
		Thunderstorms	15%
		Earthquakes	15%
Mexico City	Medium - 94%	Floods	19%
		Thunderstorms	18%
		Hail	15%
Pacific/ West	High - 75%	Floods	12%
		Drought	12%
		Slopes	12%

The analysis seeks to demonstrate the classification of the properties grouped in the "Leisure" category and the main risks identified, since these are the most relevant hotels for the portfolio:

Property	Physical risk	Percentage (%) of the main risks
Fiesta Americana Condesa Cancun	Hurricanes	15%
	Floods	15%
	Cyclones	15%
Fiesta Americana Hacienda Galindo	Floods	16%
	Thunderstorms	12%
	Drought	12%
Live Aqua San Miguel de Allende	Thunderstorms	14%
	Drought	13%
	Slope susceptibility	12%
The Yucatan Resort, Tapestry Collection	Hurricanes	19%
	Floods	19%
	Cyclones	19%
AC by Marriott Veracruz	Floods	21%
	Heat waves	17%
	Earthquakes	13%
Fairfield Inn Los Cabos	Hurricanes	14%
	Slope susceptibility	13%
	Heat waves	11%
Fiesta Inn Oaxaca	Earthquakes	17%
	Floods	14%
	Thunderstorms	14%
Fiesta Inn Puerto Vallarta	Earthquakes	17%
	Floods	15%
	Thunderstorms	13%
One Acapulco	Floods	17%
	Earthquakes	17%
	Slope susceptibility	14%
Fiesta Inn Cuernavaca	Thunderstorms	16%
	Floods	15%
	Hailstorm	13%
One Cuernavaca	Thunderstorms	16%
	Floods	15%
	Hailstorm	13%

### Physical risks in 5 sample hotels of FibraHotel

We conducted an analysis for 5 of the most important properties in the portfolio (Fiesta Americana Condesa Cancun, Live Aqua San Miguel de Allende, Fiesta Americana Hacienda Galindo, Grand Fiesta Americana Monterrey Valle/Live Aqua Monterrey, Fiesta Americana Satelite). We obtained 25 physical risks to which the infrastructure of the 5 hotels shown could be exposed due to hydrometeorological phenomena. Each risk is associated with a type of phenomenon and not all of them are applicable to each hotel analyzed as described above. The risks identified by event, as well as their degree of impact and probability are shown below:

No.	Hydro-met. Phen.	Chronic or Acute	Description	Fiesta Americana Condesa Cancun	Live Aqua San Miguel de Allende	Fiesta Americana Hacienda Galindo	Grand Fiesta Americana Monterrey Valle / Live Aqua Monterrey	Fiesta Americana Satelite
				RISK	RISK	RISK	RISK	RISK
Pl1	Floods	Acute	Material damage due to floods, landslides.	7	15	21	6	8
Pl2		Chronic	Epidemics and pest control costs. Proliferation of mosquito-borne diseases.	7	5	21	6	8
Pl3		Acute	Interruption of operations and road closures.	7	10	7	6	8
Pl4		Acute	Disruption of tourist seasons due to flooding.	7	5	7	6	8
PS1	Droughts	Chronic	Decrease in freshwater availability.	7	14	20	28	
PS2		Acute	Increased water supply / purification costs.	7	14	15	28	
PS3		Chronic	Possible supply restrictions. Increased competition for water resources between tourism and other sectors.	7	7	5	28	
PS4		Acute	Investment in water use technologies (e.g., salinization plants) has been required.	7	21	5	28	
PO1	Warm Waves	Acute	Material damage due to exposure to increased heat.	4	5	5		
PO2		Acute	Forest fires around the hotel facilities.	4	5	5		
PO3		Chronic	Proliferation of sargassum and distribution of insects.	4	N/A	N/A		
PO4		Chronic	Increased energy consumption due to climate, which leads to increased cooling costs.	8	10	20		
PO5		Chronic	Alteration of tourists' comfort.	4	10	5		
PO6		Acute	Investments in infrastructure for repair or adaptation to new conditions due to heat waves.	N/A	5	5		
PC1	Hurricanes	Acute	Material damage to the building structure due to tropical cyclones.	14				
PC2		Acute	Damage to supply networks (electricity, drinking water).	14				
PC3		Acute	Damage to access routes.	14				
PC4		Chronic	Safety problems for guests and the population.	14				
PC5		Acute	Interruption of hotel activities due to tropical cyclones.	14				
PC6		Chronic	Increase in insurance premiums.	14				
PC7		Chronic	Loss of property value.	7				
PC8		Acute	Cuts in food supply.	7				
PN1	Sea level rise	Acute	Erosion/loss of beaches.	20				
PN2		Chronic	Erosion of infrastructure.	20				
PN3		Chronic	High costs for waterfront retention.	15				



Risks with a rating higher than 21, i.e., High, could also be considered within the corporate risk analysis for monitoring and/or permanent action plan, specifying that these facilities may represent a significant impact on the company's revenues.

No.	Hydromet. associated	Risk type	Hotel	Description	Risk
PS1	Droughts	Chronic	AQFGMV	Decrease in freshwater availability.	28
PS2	Droughts	Sharp	AQFGMV	Increased water supply / purification costs.	28
PS3	Droughts	Chronic	AQFGMV	Possible supply restrictions. Increased competition for water resources between tourism and other sectors.	28
PS4	Droughts	Sharp	AQFGMV	Investment has been required in water use technologies (e.g., desalination plants).	28
PI1	Floods	Sharp	FAHG	Material damage due to floods, landslides, landslides.	21
PI2	Floods	Chronic	FAHG	Epidemics and pest control costs. Proliferation of mosquito-borne diseases.	21
PS4	Droughts	Sharp	AQSM	Investment has been required in water use technologies (e.g., desalination plants).	21

From the table above, we can see that the main physical risk faced by the hotels, especially Grand Fiesta Americana Monterrey Valle/Live Aqua Monterrey and Live Aqua San Miguel de Allende, is drought, as can be confirmed by the current situation in Monterrey. On the other hand, Fiesta Americana Hacienda Galindo is vulnerable to flooding because it has a dam near the hotel facilities, which has the risk of overtopping and affecting the facilities.

## Conclusions

Recent events in Mexico related to overexploitation of aquifers and low water reserves in water basins, combined with lack of precipitation and heatwaves in certain regions of the country, particularly in the north, emphasize the need to formally integrate continuous monitoring of climate change-related risks.

According to the analysis conducted, transient climate risks are typically not regional, and their impacts tend to be linear, meaning they are applicable to all locations, and their assessment can be carried out at a corporate level through a comprehensive climate change strategy.

On the other hand, physical climate risks are characterized as much more localized and, in most cases, non-stationary, which can lead to non-linear impacts. Likewise, we found that potential impacts could increase over time, become more unpredictable, and recurrent on a seasonal scale.

Responding adequately to climate change requires careful interpretation of climate science in risk assessments. Based on the occurrence of certain physical and transitory climate risks, there is a growing likelihood of events that could result in negative economic impacts on our opera-



tions. Therefore, climate change should be considered as an important factor in the company's decision-making process. The present information aims to assist in achieving this objective.

This integration will make it possible for us to become a more resilient company, to make better investment decisions by taking climate risks into account, to seek better long-term investments and to increase the efficiency of the company's activities.

## Prevention and Mitigation Measures

To address these risks, the following prevention and mitigation measures are proposed:

Risk	Prevention and Mitigation Measures
Thunderstorms and Hail	<ul style="list-style-type: none"> <li>&gt; Lightning rods at strategic points to protect the building and its surroundings.</li> <li>&gt; Continuous revision for leaks.</li> <li>&gt; Training of personnel in outdoor areas.</li> <li>&gt; Reinforcement of roofs and shingles or impact-resistant roof installations.</li> </ul>
Floods and Slopes	<ul style="list-style-type: none"> <li>&gt; Adequate and recurrent cleaning of downspouts and drainage to prevent flooding and dampness in buildings.</li> <li>&gt; Rain catchment systems.</li> <li>&gt; Surface monitoring to prevent crumbling and cracking.</li> </ul>
Drought	<ul style="list-style-type: none"> <li>&gt; Construction of terraces with drainage channels and slope stabilization walls.</li> <li>&gt; Care and saving of water through the installation of low consumption systems and efficient technologies at consumption points.</li> <li>&gt; Rainwater harvesting systems.</li> <li>&gt; Encouragement of responsible water use among clients and personnel.</li> </ul>
Heat Waves	<ul style="list-style-type: none"> <li>&gt; Estimating future energy consumption as a way of forecasting energy demand and expenditure.</li> <li>&gt; Maintenance of air conditioning and cooling systems.</li> <li>&gt; More efficient energy management, contributing to energy savings.</li> <li>&gt; Use of renewable energies to reduce costs and environmental impact.</li> </ul>

## Opportunities

In addition to the identification of the main risks to which the company's activities are exposed, climate opportunities were identified that through their mitigation and adaptation can generate resource efficiency and cost savings, the adoption of low-emission energy sources, the development of new services, access to new markets and the promotion of resilience in the supply chain.





## Physical risks

The main risks by region that were identified are:

Category	Description of the opportunity	Horizon
Energy Source	To address greenhouse gas emissions generated by tourism, four basic mitigation strategies can be distinguished: i) the use of less energy, ii) improved energy efficiency, iii) increased use of renewable energy, and iv) carbon sequestration through sinks.	Short Term
Market	Short-haul tourism tends to be less vulnerable to the global social context.	Short Term
Resilience	Internal carbon pricing and science-based GHG emission reduction targets (SBTi) are designed to support the development of low-emission goods and services.	Short Term
Resource Efficiency	FibraHotel has set a new context-based target to reduce water consumption per occupied room. As such, they continue to invest in new water efficiency projects, including low-flow toilets, faucets and showerheads across the hotel portfolio.	Short Term
Resilience	The Company is committed to identifying and incorporating sustainability opportunities into its investment and asset management strategies, with a focus on minimizing its environmental impact through reductions in energy and water consumption and improvements in waste management.	Short Term
Resilience	Development and/or expansion of low-emission goods and services. Development of internal carbon pricing and science based GHG emissions reduction targets (SBTi) to align climate change efforts with comparable global initiatives.	Short Term
Resilience	Development and/or expansion of low-emission goods and services. Development of internal carbon pricing and science-based GHG emissions reduction targets (SBTi) to align climate change efforts with comparable global initiatives. FibraHotel has currently submitted targets for review. Developing and/or expanding low-emission services.	Short Term
Products/ Services	Promoting more efficient buildings. Alliances with technology and artificial intelligence companies to identify areas of opportunity and promote smarter and more sustainable buildings.	Short Term

Category	Description of the opportunity	Horizon
Products/ Services	Reduction of water use and consumption. New objectives and projects to reduce water use and consumption throughout the hotel chain, in addition to standardization in the sector as a general practice.	Short Term
Resilience	Promoting more efficient buildings. Collaboration with expert suppliers in each region and country to cross-pollinate knowledge and skills as well as engage and support hotel managers with fixed annual support to promote sustainability best practices.	Short Term
Products/ Services	Owning iconic properties that are also at the forefront of cutting-edge sustainability practices in travel and tourism. LEED and EDGE certified hotels.	2 to 4 years
Resource Efficiency	Monitor real-time energy performance and help identify and validate new energy projects.	2 to 4 years
Energy Source	FibraHotel seeks to invest in small and large-scale solar photovoltaic (PV) systems to enable decentralized renewable energy. In addition, it has also invested heavily in power generation systems that eliminate its reliance on less efficient steam utilities.	2 to 4 years
Energy Source	With the goal of achieving 20% renewable energy consumption and a 32% reduction in Scope 1 and 2 emissions per square foot by 2027, they continue to actively evaluate new renewable energy opportunities in key Markets. In addition, it continues to invest in energy efficiency projects. In 2022 FibraHotel installed the first energy storage system, which contributes to reducing stress on the Mexican electricity grid.	2 to 4 years
Resilience	Promoting more efficient buildings. Integrating the company's values, principles, and efforts throughout the value chain by involving operational and brand leaders, team members, guests, franchisees, and suppliers.	2 to 4 years
Resource Efficiency	Promoting more efficient buildings. Driving the real-time remote energy monitoring project and assisting in identifying and validating new energy management projects through other tools such as the Internet of Things (IoT) and machine learning algorithms based on information gathered from building management systems.	2 to 4 years
Energy Source	Participation in renewable energy and energy efficiency pro-grams. Setting renewable energy consumption targets for 2025, 2030, and 2050 in corporate offices and hotels.	2 to 4 years
Energy Source	Transitioning to decentralized energy generation. Initiating investments in small- and large-scale photovoltaic (PV) solar systems to enable decentralized renewable energy.	2 to 4 years
Products/ Services	Shift in consumer preferences. Developing one or more iconic properties that are at the forefront of sustainability practices, such as a hotel with zero carbon footprint or water footprint.	5 to 7 years

From the identified opportunities presented by climate change, we have addressed the majority, some with short-term implementation (0 to 1 year), while others with a longer-term perspective.

# Corporate Governance

16



**(GRI 2-9, 2-10, 2-11, 2-12, 2-14, 2-15 2-18,2-19, 2-20, 3-3, 405-1)  
(TCFD GOB-A, GOB-B)  
(AMEFIBRA GOB01)**

**A**t FibraHotel, we have a corporate governance aligned with the applicable regulations and focused on ensuring an ethical and transparent operation in accountability.

The Holders' Assembly constitutes the highest decision-making body in relation to the trust, which meets on an ordinary basis, once a year, and includes among its responsibilities the approval of the financial statements and the authorization of the issuance of CBFIs. The Holders' Assembly is governed by the General Law of Securities and Credit Operations (*Ley General de Títulos y Operaciones de Crédito, LGTOC*).

On April 28<sup>th</sup>, 2022, FibraHotel held its CBFi Holder's Assembly and all items on the agenda were approved, including: The acceptance of the resignation of Mr. Manuel Zepeda Payeras as Independent Member, and appointment of Ms. Maria del Mar Torreblanca as Independent Member of the Technical Committee of the Trust F/1596, including her qualification as an independent. In addition, the maximum amount of the Repurchase Fund was authorized for the period from April 30, 2022 to April 30, 2023, the implementation of a compensation plan for employees based on CBFIs and that the Trust F/1596 make certain co-investments, as well as the amendment to Clause Four of the Management and Operation Services Agreement.

On April 27<sup>th</sup>, 2023 FibraHotel held its CBFi Holder's Assembly and the following agenda items were approved: the authorization of the Audited Financial Statements, the appointment and ratification of all the members of the Technical Committee. The appointment of Mrs. Jimena Fernández Cortina as Independent Member of

the Technical Committee of the F/1596 Trust, including her qualification as independent. In addition, the maximum amount of the Repurchase Fund was authorized for the period from April 30<sup>th</sup>, 2023, to April 30<sup>th</sup>, 2024.

## Technical Committee

Under the terms of the Trust Agreement, the Technical Committee's responsibilities include approving major financial and portfolio transactions (investments, acquisitions, disposals, sales, and divestments). It also focuses on the supervision and management of REIT operations and monitors the performance of the Administrator.

The Control Trust<sup>27</sup> is reserved to the appointment of half plus one of the members and never those with the role of independents. The independent members are appointed for their experience, capacity, and professional prestige, as well as for being free of conflicts of interest. All members are appointed for one-year terms, with the possibility of renewal.

As of the date of the report, the Committee was composed of 11 proprietary members, five of whom are independent. We have four women as members, and we seek to continue advancing in the diversity of the composition obtaining 27% gender diversity, and we seek to continue advancing in the diversity of our work teams and collaborators. The average length of service was 7.5 years. Simón Galante Zaga, who is also a member of the Advisor, continued to serve as Chairman of the Technical Committee and is also a member of the Advisory Board.

Only independent members receive remuneration for their work, set by the Technical Committee itself

27. The Control Trust must have 16% or more of the CBFIs in circulation.

without their participation and ratified by the Holders' Meeting, always within the terms of the Trust Agreement. The Committee has an ordinary annual meeting schedule, although any member of the Technical Committee may request a meeting to be held. In 2022, four ordinary meetings were held in February, April, July and October.

The most frequently addressed topics in the regular sessions of the technical committee were:

- > Operating and financial results update
- > Distribution Policies
- > Funding Authorization
- > Labor Reform Update
- > FibraHotel's Vision 2025 and projects to achieve it
- > Balance situation, debt, covenants, and liquidity status
- > Update on projects
- > Training on ESG (Environmental, Social and Corporate Governance)
- > Update on ESG (Environmental, Social and Corporate Governance)

### Composition of the Technical Committee<sup>28</sup>

Name	Role	Age	Seniority as a member (years)
Simón Galante Zaga	Proprietary Member	51	10
Alberto Galante Zaga	Proprietary Member	61	10
Adolfo Benjamín Fastlicht Kurian	Proprietary Member	57	10
Jorge Sandor Valner Watstein	Proprietary Member	62	10
Mayer Zaga Bucay	Proprietary Member	68	10
María Dolores Domínguez	Proprietary Member	54	2
Felipe de Yturbe Bernal	Independent Proprietary Member	77	10
Jaime Zabudowsky Kuper	Independent Proprietary Member	67	10
María del Mar Torreblanca	Independent Proprietary Member	39	1
Pablo de la Peza Berrios	Independent Proprietary Member	68	9
Jimena Fernández Cortina	Independent Proprietary Member	68	April 2023
Eduardo Zaga Cojab	Alternate Member	34	9
Eduardo López García	Alternate Member	56	9



The Technical Committee has supporting committees. The roles of the three supporting committees are described with more detail below. The Technical Committee is responsible for appointing its members and respective chairmen<sup>29</sup>.

During 2022, the Technical Committee was evaluated, and the following results were obtained:

- > The Committee as a whole considers that the information relevant to the meeting is provided by FibraHotel in a timely and appropriate manner. It is also considered relevant and suitable for decision making.
- > The Committee's structure is also considered overall to be well planned, as are the roles and responsibilities of the members. The members have relevant experience and skills.
- > Areas of opportunity in terms of the Committee's openness to diverse viewpoints.
- > Although only one person is indifferent to the training provided to members, there is room for improvement in problem-solving efficiency and ability to analyze emerging issues.

28. More information about the members of the Technical Committee.

29. Detail on functions of the Committees can be looked for in the Reports of the Bolsa Mexicana de Valores (BMV).



Fiesta Americana Condesa Cancún

## Corporate Practices Committee

Sessions as often as required. All its members are independent.

The Practices Committee is responsible, among other things, for (i) providing opinions to the technical committee with regard to transactions that our practices committee is involved in with related parties, (ii) providing opinions to the technical committee with regard to the value of the transactions that our technical committee is involved with in carrying out its duties, (iii) making recommendations to the Technical Committee as to what reports it should request from our Advisor or the Trustee in the performance of its duties, (iv) advising the Technical Committee in the performance of its duties under our Trust Agreement, (v) presenting to the Technical Committee market studies relating to the industries in which our properties and assets are located and making recommendations as appropriate, and (vi) seeking and obtaining independent expert opinions.

Name	Role
Felipe de Yturbe	Independent Proprietary Member*
Jaime Zabłudowsky Kuper	Independent Proprietary Member*
Pablo de la Peza Berríos	Independent Proprietary Member*
María del Mar Torreblanca	Permanent Guest**
Jimena Fernández Cortina	Permanent Guest**

## Audit Committee

Sessions as often as required. All its members are independent.

The Audit Committee is responsible, among other things, for (i) evaluating the external auditors and analyzing their reports, (ii) analyzing the financial statements and discussing them with appropriate personnel, and based thereon assessing whether to recommend their approval to our technical committee,

\* Legal members

\*\* They are not considered legal members, but are recognized as part of the committee.

(iii) informing the technical committee of its view as to the internal controls and internal audit system including any irregularities that may be detected, (iv) requesting and obtaining independent expert opinions, (v) investigating non-compliance with operating and accounting guidelines and policies or with the internal controls or internal audit system, (vi) informing the technical committee of any important irregularities it may encounter and proposing remedial measures, (vii) verifying the implementation of internal control mechanisms and their compliance with applicable law, among others.

Name	Role
Felipe de Yturbe	Independent Proprietary Member*
Jaime Zabłudowsky Kuper	Independent Proprietary Member*
Pablo de la Peza Berríos	Independent Proprietary Member*
María del Mar Torreblanca	Permanent Guest**
Jimena Fernández Cortina	Permanent Guest**

## Nominating Committee

Sessions as often as required. Three of its five members are independent.

The Nominating Committee is responsible for, among other things: (i) searching, analyzing and evaluating candidates for election or appointment as independent members of our technical committee; (ii) proposing to the assembly of holders of CBFIs individuals who, in the committee's opinion and based on their satisfaction of the independence requirements under the Mexican Securities Market Law, may join the technical committee as independent members, or when applicable, as substitute members to such independent members, and, if applicable, proposing to the assembly of holders of CBFIs independent members who, in the committee's opinion, should be replaced; (iii) monitoring and reviewing all matters relating to the independence of the independent members of the technical committee, including any issues involving potential conflicts of interest; and (iv) considering the audit committee's opinion on the removal of members of our Technical Committee, among others.

Name	Role
Simón Galante Zaga	Proprietary Member
Alberto Galante Zaga	Proprietary Member
Felipe de Yturbe	Independent Proprietary Member
Jaime Zabłudowsky Kuper	Independent Proprietary Member
Pablo de la Peza Berríos	Independent Proprietary Member

The Administrator is responsible for the operation of the FIBRA and stands out for having a management team that stands out for its knowledge and experience, working in accordance with the strategic guidelines established by the Technical Committee.

FibraHotel Advisor					
Roberto Galante		Alberto Galante		Simón Galante	
FibraHotel Administrator					
Eduardo López Chief Executive Officer					
<b>Edouard Boudrant</b> Chief Financial Officer > Controller > Treasury > Fixed Assets > Administration	<b>Guillermo Bravo</b> Chief Investment Officer > Investments > Startegy > Investor Relations	<b>Isaac Aguilar</b> Asset Manager Director > Operation > Maintenance > CAPEX	<b>César Chávez</b> Asset Manager Director > Operation > Maintenance > CAPEX	<b>Luis de la Barrera</b> Asset Manager Director > Operation > Maintenance > CAPEX	<b>Lorena García</b> Legal Counsel > Legal Issues

FibraHotel is externally advised by Administradora Fibra Hotelera, S.A. de C.V., which is responsible, among other things, for guiding and advising on the development strategy and acquisitions of hotel projects.

The Administrator’s management team members have a variable remuneration associated with objectives established in accordance with their management. The goals are aligned with the 2025 vision, which is derived from the generation of AFFO, the improvement of operating indicators and performance analysis in relation to the industry.



Fiesta Inn Oaxaca



# Ethics & compliance

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**(GRI 2-15, 2-23, 2-24, 2-25, 2-26, 2-27, 3-3, 201-4, 205-1, 205-2, 205-3, 206-1, 415-1)**  
(AMEFIBRA GOB02, GOB03)

**A**t FibraHotel, we work with a culture of compliance, adhering to the law and the internal regulations we develop for the operation.

We ensure decision-making based on the guidelines of our corporate governance, with a structure built on the company's commitments, free from conflicts of interest. Supported by the principles of the [Code of Ethics](#), under the supervision of the Technical Committee, Corporate Practices Committee, as well as the Legal, Administrative, and Controller's departments.

Our staff is guided by the [Code of Ethics](#), implementing the values of honesty and integrity. The performance of the Technical Committee, the relationships between our employees and suppliers/business partners, and the operators are based on the guidelines of our code.

Additionally, we have an Anti-Corruption Policy that seeks to prevent acts in any form, as well as conflicts of interest and any other practice that deteriorates the company's assets. In this way, we reaffirm our position and commitment to continuously operate under the highest ethical values and integrity and in strict compliance with national and local laws applicable to the Company.

We provide the Code of Ethics and the Anti-Corruption Policy to all employees in their induction course and it is available on our intranet; it is also available to the public on our website: [FibraHotel - Policies and other documentation](#) as well as the [Anti-corruption Policy](#).

We trained our employees on policies, codes and other critical aspects related to ethics in the company and the prevention of corruption, including operation of the Complaint Line, Code of Ethics, [Irrevocable Trust Agreement Number F1596](#), AMEFIBRA FFO, Irrevocable Trust Amendment Agreement Policy

Number F159, and ESG Policies. One hundred percent of the employees were trained, and the most important topics were covered.

On the other hand, we have an independent and anonymous [Complaint Line](#), which can be used by any of our stakeholders to report inappropriate behavior and/or any irregularity within FibraHotel or in its external interaction with customers, operators and suppliers.

Complaints can be made anonymously, either by telephone or e-mail, and are sent to an external third party hired by the Company. The Company will forward them to the appropriate person internally for the type of case and to a specific committee that may meet to apply the consequence. The process is designed to be provide assurance to all parties.

During the year, we did not receive any cases of complaints through the complaint line related to FibraHotel's operations, nor did we identify non-compliance through internal auditing processes. Likewise, no cases of corruption were reported by third parties or identified directly by us.

FibraHotel maintains a neutral relationship to political parties, all our operations and activities are developed independently of political parties, maintaining a strictly operational relationship with local and federal governments. FibraHotel does not make contributions to political parties and representatives. Likewise, we have not received support from governments.

To ensure our commitment to always operate with the highest ethical values and integrity, and in strict compliance with national and local laws applicable to the company. It is important to note that during the year there were no significant sanctions for social and/or economic issues, including antitrust practices.



Fiesta Americana Hacienda Galindo

# Sustainable Infrastructure

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## Investment and management

**(GRI 3-3, 203-1)**  
**(SASB IF-RE-130a.5, IF-RE-410a.3)**  
**(TCFD GDR-B)**  
**(AMEFIBRA GOB04, GOB06, AMB01, AMB02)**

**A**t FibraHotel we are committed to ensuring that the operation of our hotels is efficient in the use of resources and respectful of the environment, including the biodiversity present in their surroundings.

Infrastructure, equipment, and technology in the hotels are key components as we look to make investments that improve the efficiency in our processes. We work closely with the operators so that the services offered consider sustainability criteria and encourages guest to think about the use of energy, water, and waste management.

We consider socio-environmental criteria in the evaluation of hotels for their incorporation into the company, seeking to have a portfolio characterized by the quality of the assets from the location, business, and market potential, and in terms of sustainability and long-term viability.

We currently have a [Human Rights Policy](#) in which we state our commitment to respect human rights and exercise due diligence. To this end, we consider the identification, prevention and mitigation of the possible impacts associated with our operations, including our entire chain value and the relationships with our various stakeholders. On the other hand, the Environmental and [Climate Change Policy](#) reflects our commitment to care for the environment and the necessary measures to reduce the possible effects of climate change and be resilient to its impacts. This is aligned with efficiency in the use of energy, water, and materials and in the development of real estate, including the de-

sign and construction stages in the operation of the portfolio and the commitment to facilitate waste management based on circular economy criteria.

These actions add to and consolidate our efforts by setting the tone for due diligence processes in our investments and day-to-day operations.

Our hotel investment and maintenance program ensures that our facilities and equipment are in the best condition and that energy is used efficiently. In this regard, during 2022, maintenance CAPEX expenses were MXN\$174 million and remodeling expenses were MXN\$58 million. On the other hand, during 2021, maintenance CAPEX expenses were MXN\$82 million and remodeling CAPEX expenses were MXN\$16 million.

We provide detailed monitoring of energy and water consumption in the hotels in our portfolio, which allows us to make decisions that favor efficiency, 86% of the hotels have individualized data with an exclusive meter.

Our commitment to sustainability and joint work with operators has not stopped, as reflected in the certifications of our portfolio:

- > 71 hotels have Green Key certification granted by the Foundation for Environmental Education.
- > The AC Hotel Veracruz, Fiesta Americana Viaducto Aeropuerto and Fiesta Americana Satelite hotels have EDGE Certification (Excellence in Design for Greater Efficiencies).
- > The Fiesta Americana Condesa Cancun hotel has a Blue Flag certification, which represents a

commitment to water, beach users and the environment.

- > 13 hotels have the Tourism Environmental Quality certification granted by PROFEPA in recognition of the reduction of waste, discharges, and emissions, as well as the consumption of electricity, fuel and water.
- > The Fiesta Americana Pabellón M, Fiesta Inn Periférico Sur and Fiesta Inn Tlalnepantla hotels have been certified as Hydro Sustainable Hotels for the efficient use of water.

Thus, our portfolio: 72 of the hotels and 84% of the surface area have some certification related to sustainability.

Additionally, we are pleased to announce that in May 2023, FibraHotel's offices earned Leadership in Energy and Environmental Design (LEED) certification at the Gold level. With this achievement, we demonstrate our commitment to sustainable building by integrating processes for energy efficiency, water conservation, use of environmentally preferable materials, waste reduction, air quality and occupant comfort. Internally, we continue to pursue prestigious certifications that have a positive environmental impact across our portfolio.

## Energy and emissions

At FibraHotel we have established a self-regulatory and institutional framework to facilitate environmental management and reduce our impacts. We work to advance in reducing Greenhouse Gas (GHG) emissions in the hotels in our portfolio, hand in hand with efficiency in the use of energy.

### Energy

**(GRI 3-3, 302-1, 302-3, 302-4, 302-5)**  
**(SASB IF-RE-130a.1, IF-RE-130a.2, IF-RE-130a.3)**  
**(TCFD MYO-A, MYO-B, MYO-C)**  
**(AMEFIBRA AMBo3, AMBo6)**

In 2022, we consumed 134,920,323 kWh of energy, including both fuels and electricity. Electricity accounted

for 53% of our total energy consumption and, as for fuels, we required mainly LP gas and natural gas.

The energy consumption intensity<sup>30</sup> was 52.76 kWh/room night and 207.01 kWh/m<sup>2</sup>. In 2021 the intensity data was 165.21 kWh/m<sup>2</sup>.

Energy Data Scope	2020	2021	2022 <sup>31</sup>
Number of hotels <sup>32</sup>	78	83	83
% of portfolio	91%	97%	97%

### Fuel Consumption (GJ)<sup>33</sup>

Fuel	2020	2021	2022
Gasoline	9,226	13,073	18,183
Diesel (stationary and mobile sources)	1,039	2,693	2,546
Natural Gas	56,797	63,080	99,765
LP Gas	63,068	82,163	85,670
Firewood	38	171	94 <sup>34</sup>
Bioethanol	13	8	6
Coal	-	83	258
<b>Total Fuel (GJ)</b>	<b>130,181</b>	<b>161,270</b>	<b>206,523</b>
<b>Total Fuel (kWh)</b>	<b>36,161,396</b>	<b>44,797,153</b>	<b>57,367,473</b>
Occupied Rooms	1,211,955	1,997,814	2,569,711
Guests	1,775,310	3,115,464	3,934,035

### Electricity Consumption (kWh)<sup>35</sup>

2020	2021	2022
41,469,714	58,715,801	66,681,757

### Electricity Consumption (kWh/Occupied Rooms)<sup>36</sup>

2020	2021	2022
34.48	29.39	26.08

30. Notes to the energy consumption tables:

- The energy (fuels and electricity) record is provided by the hotels and consolidated by the Administrator.
  - Data from temporarily closed hotels is not considered for the calculation of energy intensity in relation to area and room night; 2 hotels in 2021 remained closed.
  - The Fiesta Americana Condesa Cancun hotel, which is under a lease contract, is not included. The energy, in that case, is managed directly by the operator.
  - Details of the calorific value of fuels are presented in the GHG Emissions Inventory Report.
31. The three remaining hotels to complete the portfolio (86) are the Fiesta Americana Condesa Cancun (as its lease contract exempts FibraHotel from paying for energy) and the hotels in Ciudad Obregon and Leon (which remained closed).
32. The hotel count was based on those that were in operation throughout 2022.
33. The calculation corresponds to the energy consumption of the hotels relative to their respective surface areas, not the entire portfolio.
34. The decrease in firewood consumption is mainly due to the temporary closure of hotels and the lack of a forestry guide from the supplier. There was a 45% reduction compared to 2021.
35. The decrease in firewood consumption is mainly due to the temporary closure of hotels and the lack of a forestry guide from the supplier. There was a 45% reduction compared to 2021.
36. The remaining three hotels to complete the portfolio (86) are the Fiesta Americana Condesa Cancun (because its contract is a lease agreement and FibraHotel does not pay for the energy), and the hotels in Ciudad Obregon and Leon (which remained closed).

**Energy Consumption Intensity (Electricity + Fuels)<sup>37</sup>**

	2020	2021	2022
kWh/m <sup>2</sup>	118.33	165.21	197.99
kWh/ room night	64.25	51.81	48.51

The following compares the 2022 and 2021 consumption of the comparable hotel portfolio. In the comparative tables, 79 hotels are referenced, excluding hotels that reopened during 2021 to be comparable for the full year: One Coatzacoalcos, One Saltillo and The Yucatan Resort Playa del Carmen, Tapestry Collection by Hilton; and the Fiesta Americana Condesa Cancun hotel, which is under lease.

**Fuel consumption comparison 2021-2022: 79 hoteles**

Fuel	2021	2022
Gasoline	12,892	17,751
Diesel (stationary and mobile sources)	2,674	2,521
Natural gas	60,160	95,897
LP Gas	80,611	111,94
Firewood	171	94
Bioethanol	6	6
Coal	83	258
<b>Total Fuel (GJ)</b>	<b>156,596</b>	<b>227,733</b>
<b>Total Fuel (kWh)</b>	<b>43,498,972</b>	<b>63,256,105</b>

**Comparison fuel consumption 2021-2022: 79 hoteles**

	2021	2022
kWh	56,244,170	62,911,945

Both FibraHotel and the operators have initiatives to reduce energy consumption, which are supported by the employees in the hotels and are aimed at raising awareness among guests.

The main energy efficiency measures that we are currently implementing:

**Lighting**

- > Replacement of traditional bulbs with LEDs.
- > Installation of motion sensors in public areas.
- > Machine room automation.

**Insulation and air conditioning**

- > Investment in preventive maintenance of equipment to maintain optimum efficiency.



Fiesta Inn Oaxaca

- > Change of central air conditioning units to more efficient models and heat recovery chillers.
- > Installation of air controls that can automatically turn off the equipment when the guest is not there (in those hotels that don't have integrated control systems).
- > Installation of Low-E glass and other products with better thermal insulation.
- > Machine room automation.
- > Switch to natural gas from LP gas where available
- > Solar water heating systems

In addition to these measures, we are continuously improving our maintenance procedures to reduce consumptions through initiatives such as:

**Electricity**

- > Turning off computers at the end of each workday.
- > Turning off office lights every time staff leaves even if it is temporary.
- > In cold places, open blinds to let in natural light and avoid the use of heating.
- > Verifying that room switches are off when not in use.
- > Validating departures of guests per week to be able to close and turn off empty floors.
- > Placing motion sensors in the collaborators' dining room to turn off the lights.
- > Inclusion of energy storage systems.

**Gas**

- > Depending on the occupation, closing gas valves in the evenings on weekends.
- > Cleaning programs on kitchen burners.
- > Monthly scheduled cleaning and adjustments to heaters.
- > Temperature adjustments in hot water tanks.
- > Weekly review of pipeline regulators.

37. The remaining three hotels to complete the portfolio (86) are the Fiesta Americana Condesa Cancun (because its contract is a lease agreement and FibraHotel does not pay for the energy), and the hotels in Ciudad Obregon and Leon (which remained closed).

We are also committed to using energy from renewable sources. We have different initiatives:

- > Water heating pilot program from solar panels.
- > Water heating pilot with hydrogen system, as an alternative to LP gas and natural gas.
- > Supply changes from LP gas to natural gas where available.

## Emissions

(GRI 305-1, 305-2, 305-3, 305-4, 305-5)  
(TCFD MYO-A, MYO-B, MYO-C)  
(AMEFIBRA AMB06)

We aim to reduce Greenhouse Gas (GHG) emissions from our hotel portfolio through energy efficiency measures and renewable energy initiatives. We accounted for the emission of 41,803 tons of CO<sub>2</sub>e in 2022, 69% of which is due to electricity consumed.

### GHG emissions (tCO<sub>2</sub>e)<sup>38</sup>

Emission sources	2020	2021	2022
Scope 1 <sup>39</sup>	8,108	9,870	12,796
Scope 2 <sup>40</sup>	20,486	24,837	29,007
<b>Total S1 + S2</b>	<b>28,594</b>	<b>34,707</b>	<b>41,803</b>

### Intensity of GHG emissions generation

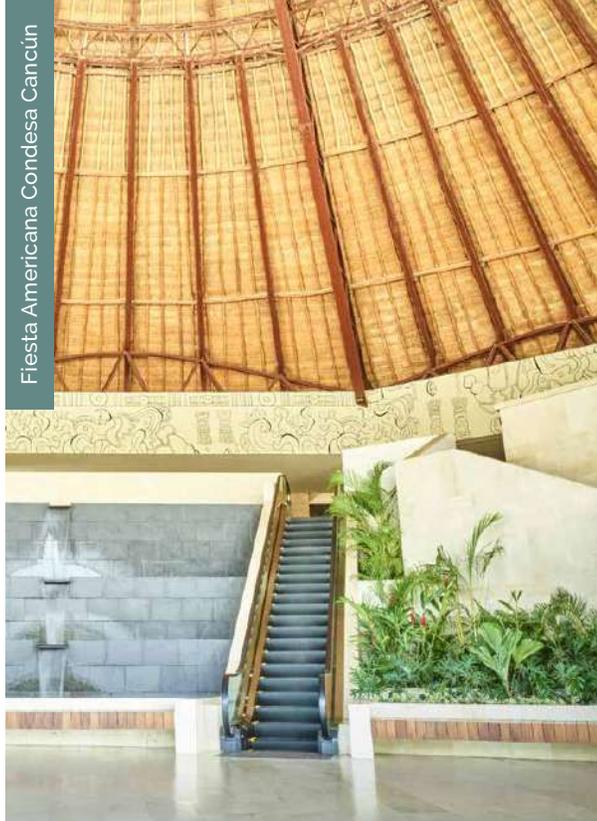
	2020	2021	2022
Kg CO <sub>2</sub> e/m <sup>2</sup>	44.63	55.39	64.14
Kg CO <sub>2</sub> e/room night	24.01	17.37	16.35

Emissions intensity was 16.35 kg CO<sub>2</sub>e/room night and 64.14 Kg CO<sub>2</sub>e/m<sup>2</sup> in 2022, respect to the intensity of 55.39 Kg CO<sub>2</sub>e/m<sup>2</sup> in 2021.

The following compares GHG emissions of the comparable portfolio of hotels in 2021 versus 2022:

### Comparison GHG emissions (tCO<sub>2</sub>e) 2020-2021: 79 hotels

	2021	2022
Scope 1	9,575	12,333
Scope 2	23,791	27,367
<b>Total</b>	<b>33,366</b>	<b>39,700</b>



Scope 1 and 2 emissions correspond to hotels in the portfolio in which we have a hotel management contract with the operators, so we are responsible for the energy expenses. In addition, one hotel (Fiesta Americana Condesa Cancun) is under a lease agreement, where the operator is responsible for these expenses as part of its management, so it is included in Scope 3 emissions.

In 2022, for the third year in a row, we included Scope 3 emissions. As in 2021, this includes emissions from fuels, electricity, and refrigerants in leased hotels.

Since 2022, we continued to incorporate new Scope 3 categories for the entire portfolio as part of our efforts to gain a more comprehensive understanding of the carbon footprint related to our activities and to construct reduction targets in accordance with the Science Based Targets initiative (SBTi).

These categories include the generation of waste in hotel operations and staff travel. In addition, FibraHotel's corporate emissions were taken into account for business travel, both by air and by car. Six categories of Scope 3 emissions were included, strengthening the analysis of FibraHotel's total emissions.

38. Considers CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emissions The base year will be from 2021.

39. Scope 1: Direct emissions from fuel combustion and refrigerant leakage.

40. Scope 2: Indirect emissions from generation of consumed electricity.

### Scope 3 Emissions (tCO<sub>2</sub>e)<sup>44</sup>

Category	2021	2022
Refrigerant recharge (Category 1; Scope 3)	87	1,426
Electricity and fuels (Category 3; Scope 3)	11,441	8,930
Waste Generation (Category 5; Scope 3)	1,965	2,206
Business travel (Category 6; Scope 3)	97	130
Displacement of employees (Category 7; Scope 3) <sup>42</sup>	144	165
Downstream leased assets (Category 13; Scope 3)	5,598	6,572
<b>Total Emisiones Scope 3</b>	<b>19,333</b>	<b>19,428</b>

## Other environmental indicators

### Water

(GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5)  
 (SASB IF-RE-140a.1, IF-RE-140a.2, IF-RE-140a.3, IF-RE-140a.4)  
 (AMEFIBRA GOB05, AMB04)

Reducing water consumption in our hotels is part of our commitment to the environment and efficient use of resources. Specifically, we have been working on the following initiatives:

- > Incorporation of water savers in sinks and showers.
- > Installation of WC with double discharge valves and pressurized WC.
- > Development of a water treatment and recovery project.

Additionally, each operator has its own initiatives that complement those promoted by FibraHotel.

The majority of portfolio hotels use water from pipelines or pipes with no direct impact on groundwater availability. In terms of discharges, it should be noted that all hotels record water conditions and progress is being made to ensure that an increasing number of hotels have treatment plants.

Water data scope	2020	2021 <sup>43</sup>	2022
Number of hotels <sup>44</sup>	78	83	75
% of the portfolio	91%	97%	85%

Water withdrawal across our portfolio was 1,008 thousand m<sup>3</sup>, or 0.41 m<sup>3</sup>/room night and 1.6 m<sup>3</sup>/m<sup>2</sup>, compared to 0.47 m<sup>3</sup>/room night and 1.5 m<sup>3</sup>/m<sup>2</sup> in 2021.

The following is a breakdown of water withdrawn by type of source:

### Water withdrawal by source (Thousands of m<sup>3</sup>)

Source	2020	2021	2022
Pipeline and pipe	650	860	952
Sea Water	-	-	-
Underground water	62	82	88
Used by other organizations	-	-	-
<b>Total</b>	<b>712</b>	<b>942</b>	<b>1,040</b>
Number of hotels	77	83	83
% portfolio (hotels)	90%	97%	97%

The following is a comparison of the water withdrawal of the comparable hotel portfolio in 2022 versus 2021. In the comparative tables in which 79 hotels are referenced, hotels that reopened in 2021 are excluded from the calculation since it is not possible to compare them with full year: One Coatzacoalcos, One Saltillo, and The Yucatan Resort Playa del Carmen, Tapestry Collection by Hilton; likewise, the two hotels that in 2020 were under a lease agreement contract.

### Comparison Water withdrawal by Source (Thousands of m<sup>3</sup>)

Source	2021	2022
Pipeline and pipe	830	848
Sea Water	-	-
Underground water	82	88
Used by other organizations	-	-
<b>Total</b>	<b>912</b>	<b>936</b>

41. Includes FACC as a leased hotel.

42. The difference in the 2021 versus 2022 values is caused by hotel employees returning to using public transportation. During the pandemic, hotels provided service to transportation employees; when the health crisis ended, employees returned to the normal routine.

43. The three remaining hotels to complete the portfolio (86) correspond to the: Fiesta Americana Condesa Cancun (under a lease agreement) and the hotels in Ciudad Obregon and Leon (which remained closed).

44. The count of the hotels was made based on those that were in operation throughout 2022.

As part of our maintenance, we carry out the following activities:

- > Replacement of damaged or defective energy savers in rooms and common areas.
- > Ongoing staff training on water conservation and water care.
- > Avoid defrosting products with water jets.
- > Continuously inform all employees about leaks in toilets, faucets, showers, etc.
- > Constant pressure monitoring in pipelines to quickly detect pipeline leaks.
- > Review and maintenance of swimming pools and wet areas.
- > Water treatment plants.

Concerning water discharge, we comply with the law. We invest in the availability of infrastructure and technology for their treatment and reuse, progressively advancing in equipping the hotels in our portfolio.

Next, discharged water by destination<sup>45</sup>:

#### Water discharge (Thousands of m<sup>3</sup>)<sup>46</sup>

Source	2021	2022
Superficial	595	761
Sea water	-	-
Underground water	23	88
Used by other organizations	14	-
<b>Total</b>	<b>632</b>	<b>849</b>

We show the water consumption in 2021 in those hotels for which we have water intake and discharge data, which corresponds to 83% of the portfolio (by number of hotels)<sup>47</sup>:

	With-drawal	Dis-charge	Con-sumption
Total (thousands of m <sup>3</sup> )	936	761	191

#### Waste

(GRI 306-1, 306-2, 306-3, 306-4, 306-5)  
(AMEFIBRA AMB05)

The operators carry out waste management; each complies with Mexican laws and environmental standards.

We work closely with them to promote best practices.

In this regard, hotel employees receive constant training on handling, segregating and temporary disposal of waste. Similarly, each hotel has a temporary waste storage facility maintained according to established programs. There are collection and final disposal service contracts with suppliers accredited by the Minister of the Environment.

As for itself, FibraHotel has the [Environmental and Climate Change Policy](#), which establishes a sense of responsibility in the use of natural resources, based on the principles of reducing the use of primary and/or non-renewable resources. The [Sustainability Policy](#), on the other hand, promotes a culture of environmental respect and resource efficiency among employees and, through the operators, among hotel staff and guests.

In 2022, for the first time, we accounted for waste management within the portfolio. The following data represents the amount of waste corresponding to 67 hotels, representing 78%:

#### Amount of Waste (Tons)<sup>48</sup>

Type of waste	Tons
Hazardous waste	119
Organic waste	<b>1,535</b>
Inorganic waste	1,518
General services	956
Sanitary	6
<b>Total</b>	<b>4,133</b>

Additionally, we display the waste management per ton:

#### Waste Management (Tons)

Type of waste	Tons
Recycled waste	102
Reused waste	<b>50</b>
Energy valuation	77
<b>Total</b>	<b>229</b>

FibraHotel, together with the operators, is constantly looking for best practices in waste management. In particular, efforts are being made to reduce the use of single-use plastics and partnerships are being formed with suppliers to use pre-recycled and reusable products.

45. Excludes hotels temporarily closed at the end of the year

46. The information on water discharge in 2022 corresponds to the sum of water discharge from 75 hotels compared to 61 of 2021. This data is due to 1) the availability of data, 2) that some of the assets share bills due to being located in clusters, and 3) The two temporarily closed hotels are not included.

47. Water consumption corresponds to the difference between water intake and water discharge for 66 hotels; this is the same set of hotels for the water intake and discharge data and those with data for both variables.

48. Hazardous waste includes: oil, ballasts, aerosol cans, empty paint cans, greased containers, solvents, contaminated and hazardous containers, fluorescent lamps, batteries, paints, chemicals. Inorganic waste includes: aluminum, bags, cardboard, glass, iron, aluminum cans, wood, mixed metals, mixed waste, paper, PET, plastic, inorganic waste.



# Human Capital

**5** **8**

## Demography and diversity

(GRI 2-7, 2-30, 3-3, 401-1, 405-1, 406-1)  
(AMEFIBRA GASG01, SOCO1)

**A**t FibraHotel we are proud of the talent and commitment of each of our employees. We are a multidisciplinary and highly specialized team, focused on creating value through an efficient operation<sup>49</sup>.

At the end of the year, our corporate team consisted of 29 employees, all on full-time, permanent contracts; 38% are women.

We are open to the active participation of all team members. We do not have unionized employees.

We firmly believe in the value of diversity, and therefore value the integrity of each of our employees and promote a culture of respect. We guarantee gender equity both in access to employment and in professional development. On the other hand, the different generations that make up the team, with their perspectives and backgrounds, enrich the decision-making process. We do not have any employees with disabilities, although we are ready to integrate them if they are candidates for our vacancies. We firmly believe in the value of diversity, and, for this reason, we care for the integrity of each of our employees, promoting a culture of respect.

Therefore, we operate according to principles of respect for the dignity of all people who are part of the company. This commitment underpins our [Diversity Policy](#) and is also present in our [Human Rights Policy](#).

There were no cases of discrimination in 2022 as a result of efforts to promote this culture, guidelines and self-regulatory measures.

Remunerations are established through a formal process that considers the characteristics of the profile and the market context. It is important to highlight that 100% of the workforce receives a salary above the minimum wage established by the Ministry of Labor and Social Welfare (STPS) through the National Minimum Wage Commission (*Comisión Nacional del Salario Mínimo*).

The team oversees asset management and monitors hotel management, which is delegated to the operating companies under agreements.

FibraHotel reimbursed the payrolls of these employees to the service companies until July 15<sup>th</sup> except for certain key positions that, in some cases, belong to the operator within the framework of the agreements with the operators and in accordance with its business model, in which it provides the main resources for the operation of the hotel (infrastructure, equipment and personnel).

### Labor Demographics<sup>50</sup>

	2020	2021	2022
Number of collaborators	26	28	29
Percentage of permanent contracts (%)	100	100	100
Percentage of women (%)	31	35	38

49. The staff and management referenced correspond to Fibra Hotelera S.C. (the Administrator) The detail of the hotels' staff is presented in the subchapter Socioeconomic development of the environment (chapter on Shared commitment).

50. The section only includes employees of the Administrator.

**Collaborators by Professional, Gender and Age Category – 2020**

Professional Category	<30 years		30 and 50 years		>50 years		Total	
	Women	Men	Women	Men	Women	Men	Women	Men
Director	-	1	1	4	-	1	1	7
Manager	1	1	4	6	-	2	5	9
Analyst	1	1	1	-	-	-	2	1
Assistant	-	-	1	1	-	-	1	1
<b>Total</b>	<b>2</b>	<b>3</b>	<b>7</b>	<b>11</b>	<b>-</b>	<b>3</b>	<b>9</b>	<b>18</b>

**Collaborators by Professional, Gender and Age Category – 2021**

Professional Category	<30 years		30 and 50 years		>50 years		Total	
	Women	Men	Women	Men	Women	Men	Women	Men
Director	-	1	1	4	-	1	1	7
Manager	1	1	4	6	-	2	5	9
Analyst	1	1	1	-	-	-	2	1
Assistant	-	-	1	1	-	-	1	1
<b>Total</b>	<b>2</b>	<b>3</b>	<b>7</b>	<b>11</b>	<b>-</b>	<b>3</b>	<b>9</b>	<b>18</b>

**Collaborators by Professional, Gender and Age Category – 2022**

Professional Category	<30 years		30 and 50 years		>50 years		Total	
	Women	Men	Women	Men	Women	Men	Women	Men
Director	-	-	1	5	-	1	1	6
Manager	-	-	4	6	-	-	4	6
Analyst	3	2	3	1	-	1	6	4
Assistant	-	-	-	2	-	-	0	2
<b>Total</b>	<b>3</b>	<b>2</b>	<b>8</b>	<b>14</b>	<b>-</b>	<b>2</b>	<b>11</b>	<b>18</b>



Fiesta Inn Los Mochis

During the year, the focus on the business model and the objective to optimize the operation and management of the portfolio led to hiring and departures in order to support these business areas in increasing analysis and thus improving decision making. As a result, the turnover rate increased to 21%, with a voluntary turnover rate of 14%.

**Development and well-being**

3

4

(GRI 401-2, 403- 9, 403-10, 404-1, 404-2)  
(AMEFIBRA SOC02, H1, H2)

We continue to support our employees in their development and growth through different training programs, mainly external, to complement the specialized knowledge they require. In 2022, 100% of the workforce received training, with an average of 615 hours of training per employee, including programs offered by third parties outside working hours (e.g., diploma courses, master's degrees, etc.). We invested MXN\$0.9 million.

Employees who choose to continue their academic education on a self-directed basis can count on our support and facilities, such as flexible work schedules.

**Trainings by Professional Category**

Professional Category	2020		2021		2022	
	Total Training Hours	Collaborators trained	Total Training Hours	Collaborators trained	Total Training Hours	Collaborators trained
Director	336	1	264	1	435	7
Manager	566	2	36	1	5	10
Analyst	1560	1	1560	1	1490	10
Assistant	364	1		0	5	1
<b>Total</b>	<b>2826</b>	<b>5</b>	<b>1860</b>	<b>3</b>	<b>1935</b>	<b>28</b>

Note: there are no differences in training due to gender among employees of equal position and seniority.

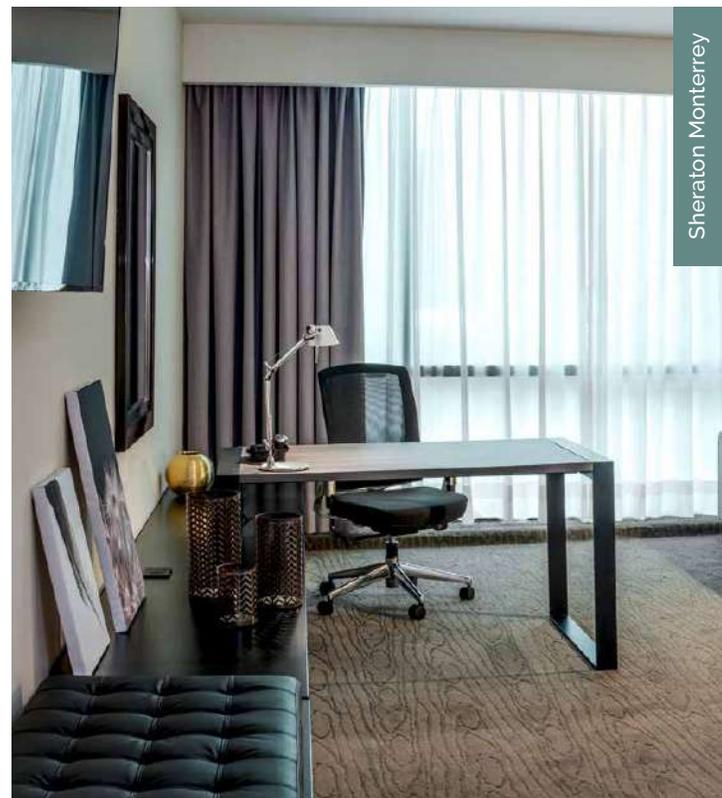
We also provide benefits that contribute to our employees' well-being. All our employees receive a Christmas bonus above the legal requirements. In addition, those who have been with the company for more than one year receive basic medical insurance.

At FibraHotel, we are committed to our team's safety and health by promoting self-care and prevention through training. We have policies in place to promote these two factors and our employees can report any risk factors they identify.

As in the previous year, there were no fatalities, accidents or illnesses related to the company's activities. Moreover, given the worldwide situation of the COVID-19 pandemic, during the beginning of 2021, the home office modality was maintained at the corporate facilities. As a result, the absenteeism rate was 1.01%<sup>51</sup>.

In response to the COVID-19 pandemic, we implemented the measures necessary to keep our employees safe and protected during the most critical moments of the pandemic, such as home offices during critical periods. We also conducted bimonthly sanitization, developed cleaning protocols, implemented staggered work schedules, monitored employee health, and conducted rapid testing for individuals with COVID-19 symptoms. Throughout this period, we adhered strictly to the instructions and recommendations of local and federal health authorities.

Aware of the context we are experiencing, which has brought about a radical change in personal and professional life, we continued to advance the implementation of NOM 035 in 2022, focusing on promoting an optimal organizational environment for the integrity of our employees.



Sheraton Monterrey

We conducted our first-ever work environment survey to understand the state of the work environment and identify opportunities for improvement. The participation rate for the survey was 100%. According to the results, 82% of employees are motivated and show a high level of commitment to FibraHotel. These results provide us with valuable insights to further improve the work environment and employee satisfaction.

51. Absenteeism rate = Lost days \* 100 / total working days (for the entire workforce). Corresponds to voluntary cases, since there were no accidents or occupational diseases.



# Shared Commitment

1 5 8 12 17

## Guest experience

**F**or FibraHotel, the guest experience is fundamental, and we are committed to working with operators to improve it constantly. As a result of the pandemic, we have focused on technological investments in hotels, leading to the digitalization of services such as air conditioning, lighting, screens, among others.

Following the introduction of the various services in 2022, we have prioritized the maintenance and acquisition of major equipment as well as operational equipment such as furniture, mattresses, bedding, and towels to ensure comfort and satisfaction. In addition, we strive to keep our technology, entertainment, and internet access equipment up to date so that our guests can enjoy modern and efficient services during their stay. The investments made were key to maintaining the hotels equipped with the best services and facilities to ensure a pleasant stay for each of our guests. On the other hand, during the year we focused on eliminating single-use plastics by opting for better guest experience practices.

We also work closely with our operators on an ongoing basis to meet the needs and exceed the expectations of our guests. We monitor their experience on the operator platforms and track feedback on all online travel agencies (OTAs) and websites that work with us.

## Socio-economic development of the environment

(GRI 2-6, 2-8)  
(AMEFIBRA GASG05)

We contribute to the socio-economic development of

the communities in which our hotels are located through our business model and through the relationship we maintain with the operating companies. This includes the creation of jobs and economic revenues that have a direct impact on the communities in which our hotels are located. We ensure that the working conditions respect the integrity and safety of our personnel and promote their professional development with the operators and service companies that assist us in selecting and managing our staff. We shall ensure fair remuneration for hotel personnel in relation to these companies, in line with industry and the market.

We reaffirm our commitment to providing a workplace with the necessary infrastructure to protect and ensure the well-being of our employees. Likewise, we have sought to implement the best hygienic measures to maintain safe spaces.

In terms of employment in portfolio hotels, women's employment stands out as an opportunity compared to other less inclusive industries. For us, gender diversity and equal opportunities are critical to the socio-economic development of the communities in which we operate.

During the year, together with the operators, we worked on different human rights campaigns including equity and diversity. Specifically, the eleven hotels operated by Marriott obtained certification from the Human Rights Campaign Foundation as "Best Places to Work for LGBTQ+." Additionally, various compensation schemes were established to encourage higher performance, professionalism, and commitment.

As of December 31<sup>st</sup>, 2022, hotel staff reached 4,434 employees, of which 52% are women, and 48% are men.

**Employees demographics of the hotels in the portfolio**

	2020	2021	2022
Total number of employees	3,401	4,209	4,434
% Women	51%	51%	52%

We also continue our efforts to indirectly promote employment development by contracting with local suppliers and facilitating the participation of SMEs and entrepreneurs. Working with local suppliers has shown us quality, safety, compliance, and innovation.

It should be noted that among the leading suppliers of hotels are those that provide management, development, and maintenance services, as well as equipment and consumables.

We also help generate significant economic activity in the communities where our hotels are located through the arrival of guests and the consumption of products and services outside our facilities.

**Labor Reform**

FibraHotel (through its subsidiary Fibra Hotelera S.C.) has employed workers starting from July 16<sup>th</sup>, 2022. In July 2022, administrative services from related parties and third parties were no longer received to comply with the Labor Reform. The specialized services, including personnel provision, are provided by its subsidiary Fibra Hotelera, S.C. to comply with the requirements established in the Labor Reform.

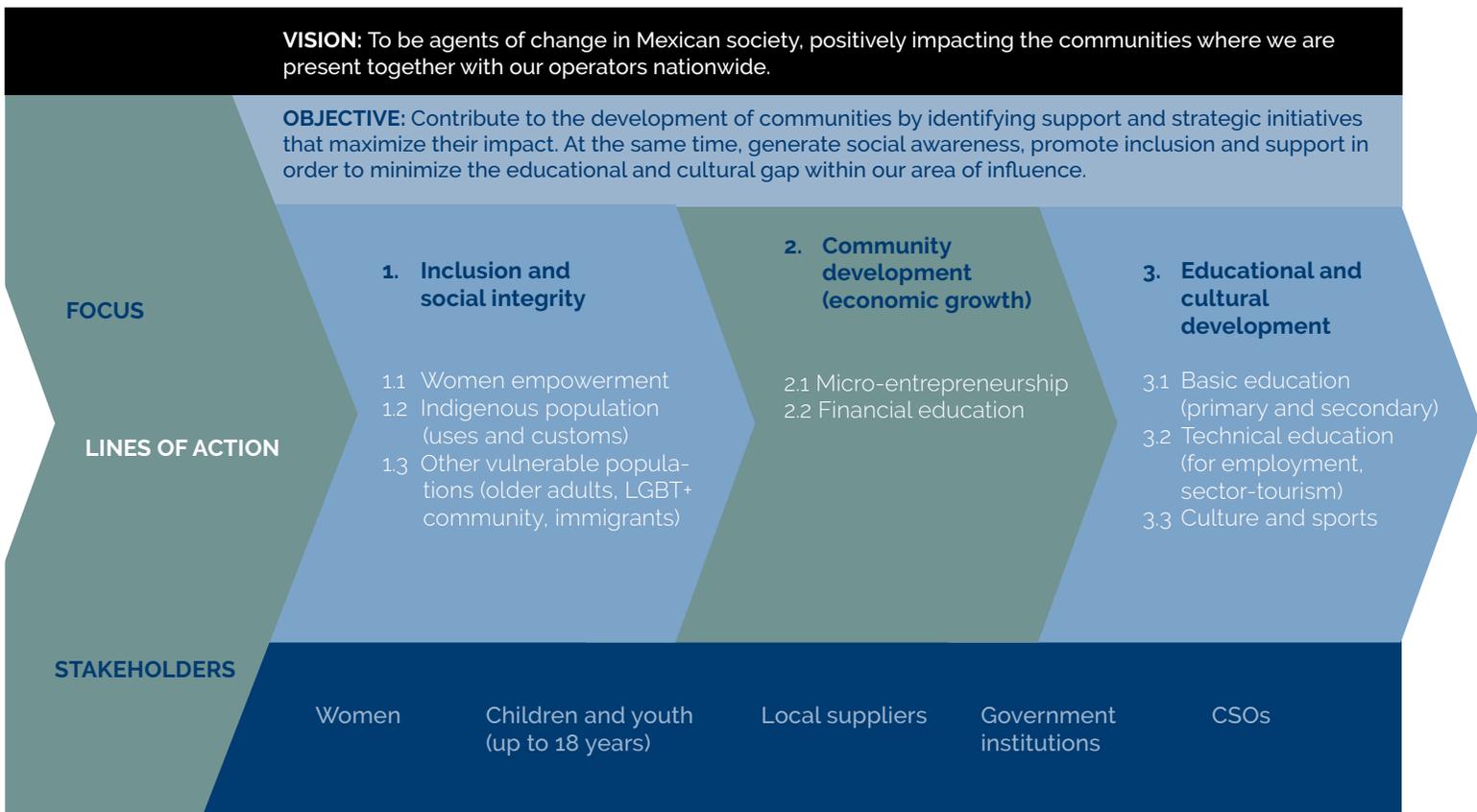
**Social investment**

(GRI 2-29, 3-3, 2-3-2)  
(AMEFIBRA SOC03)

We recognize the importance of social development in the communities surrounding our portfolio and that social support is critical to their well-being. In 2022, we contributed by partnering with various organizations to address infrastructure and education needs.

The operating companies also developed various activities as part of the social responsibility of their brands, as well as the commitment of the teams working in the hotels.

During 2022, we designed and launched our social investment strategy based on the Priorities identified within the context of our operations.



## Volunteer initiatives in Marriott's Serve 360

We participated in Marriott's Serve360 strategy, which was created to guide the company's commitment and deliver positive results in four coordinates: Cultivating Our World, Operating Responsibly, Empowering Through Opportunity, and Welcoming All and Advancing Human Rights.

FibraHotel's hotels contributed as follows to each of the Coordinates.

Coordinates	Volunteer Hours 2022	Description
Nourishing Our Planet	474	Efforts were made to support the community, focusing on helping children and young people, including those at risk and socially disadvantaged, develop their skills and aptitudes for employment and vitality.
Maintain responsible operations	110	Reduce the environmental impact of our operations by reducing resource and energy consumption, minimizing food waste, and opting for renewable energy.
Empowering through opportunities	530	Activities focused on expanding and deepening programs and partnerships that develop skills and opportunities for youth, diverse populations, women, people with disabilities, refugees, etc.
Inclusion and promoting human rights	292	Focus on training and awareness-raising for associates on human trafficking, responsible sourcing and inclusive hiring policies and practices, strengthening our global approach of NO DISCRIMINATION.

These were distributed as follows:

Hotel	Reported activities	Volunteer Hours
AC Hotel Guadalajara	3	49
AC Hotel Querétaro Antea	7	275
AC Hotel Veracruz	5	148
Courtyard Mexico City Vallejo	2	93
Fairfield Inn & Suites by Marriott Querétaro	5	230
Fairfield Inn & Suites by Marriott Villahermosa	3	82
Fairfield Inn & Suites Nogales	9	182
Fairfield Inn & Suites Los Cabos	4	182
Fairfield Inn & Suites Mexico City Vallejo	1	93
Sheraton Ambassador Monterrey	3	620

Serve360's efforts corresponding to the hotels in our portfolio were MXN\$ 1 million.

## Social Investment Grupo Posadas

We work with Grupo Posadas on the initiatives of its Foundation, which is dedicated to the integral development of families. It focuses on health, education, and disaster relief, including volunteer activities.

The efforts of the Posadas Foundation, corresponding to the hotels in our portfolio, amounted to MXN\$0.5 million, divided into 35 activities and contributions, distributed as follows:

Program	Activities Completed 2022	Amount Donated
Health	1	10,413
Education / Scholarships	30	496,412
Victims	4	35,770
<b>Total</b>	<b>35</b>	<b>542,595</b>

Within the framework of the education axis, scholarships were awarded for different levels of education. Regarding health services, we supported children and young people with treatments, psychomotor therapies, hearing aids and eyeglasses, as well as eye exams.

Concerning care for the victims, we helped with household goods and construction materials for catastrophes such as hurricanes in the states of Nayarit and Veracruz, as well as a fire in Mexico City.

**FibraHotel Initiatives**

We are committed to contributing to the communities and supporting different social initiatives in infrastructure, education, and development of Mexico.

In 2022, FibraHotel was involved in various social initiatives for the development and support of the communities surrounding FibraHotel.

We have a partnership with *Reforestamos México* in the "Mejores Alianzas, Mejores Bosques" program, which aims to "Strengthen territorial governance through Integrated Landscape Management to ensure the connectivity of natural resources adjacent to cities." FibraHotel contributed to the reforestation efforts with 700 trees and 122 volunteer hours, equivalent to one hectare in the Santiago Tianguistenco area, State of Mexico. The total cost of these activities was MXN\$128,280.

The estimated amount of carbon that will be sequestered because of reforestation is as follows:

**Estimated (years)                      CO<sub>2</sub>e (Mg)**

2022	0.01
2031	6.24
2041	39.95
2051	112.35
2061	239.68

The main issue addressed is related to the living conditions of the population in the localities within the municipality, as well as their immediate surrounding areas, which contribute to the pressure on the surrounding ecosystems and the generation of environmental impacts, leading to poor forest quality and land use change from forestry to agricultural, urban, or industrial.

Furthermore, within the FibraHotel corporate, an end-of-year activity was organized in partnership with *Meyalli*, an educational institution that works alongside families to provide comprehensive education to girls and enable them to transform the community they belong to. The alliance involved donating gifts to the girls and providing school supplies to promote their education.

At FibraHotel we are convinced that everyone's contribution is needed to reduce the social gap. We are committed to being positive agents of change for society, determined to contribute to a Mexico with less inequality.

Fiesta Americana Condesa Cancún





# Appendix I: Additional ESG Information

## Relationship with our stakeholders

(GRI 2-25, 2-26, 2-29, 3-3)  
(AMEFIBRA GASG02)

**T**he relationship with our stakeholders is a fundamental element in achieving our goals. We emphasize the trust of operators and investors and the commitment of hotel collaborators and staff to the portfolio.

The communities surrounding our hotels are the most diverse group of our stakeholders. It is important for us to support their growth. While the economic benefits of operating hotels are important, this year we continued to support communities through social investment projects.

We consider stakeholders to be those who are significantly affected by our activities and those who are critical to the

achievement of our business goals and objectives. We therefore adopt a dual perspective to identify them.

As part of our management, we are committed to regularly update our stakeholder mapping to identify potential changes in stakeholder relevance. We are also committed to involving them in our analysis of key ESG issues as we update our Sustainability Strategy, which is progressing steadily.

Below, the groups identified, our value proposition for each one of them, the communication mechanisms, and key issues that we identified in the dialogue.

	Stakeholders	Value Proposal	Communication channels	Relevant Issues
<b>Holders</b>	<b>Owners of the CBFIs issued by the Trust</b>	<ul style="list-style-type: none"> <li>&gt; Attractive returns through cash distributions and appreciation of the value of real estate in the long term.</li> <li>&gt; Optimize asset value.</li> <li>&gt; Manage assets and maintain strict control over the updating, planning and management of possible risks.</li> <li>&gt; Respond quickly and efficiently to contextual crises that have a direct impact on our operations.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Dedicated Investor Relations Department</li> <li>&gt; Quarterly and annual reports (corporate reports, sustainability report)</li> <li>&gt; Regular and extraordinary meetings, participation in events and conferences</li> <li>&gt; Telephone conferences</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Business continuity and risk management</li> <li>&gt; Corporate governance</li> <li>&gt; Maintenance and investment in property and equipment</li> <li>&gt; Economic performance</li> <li>&gt; Financial implications and resilience to climate change</li> </ul>
<b>Banks</b>	<b>Financial institution which offers different financial services</b>	<ul style="list-style-type: none"> <li>&gt; Jointly develop mutually beneficial proposals in relation to their financial services.</li> <li>&gt; Guarantee transparency in the entire process of any transaction or relationship with the entity.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Finance Department in charge of financing strategies</li> <li>&gt; Quarterly and annual reports (corporate reports, sustainability report)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Financial contracts and their compliance</li> <li>&gt; Economic performance and financial evolution of the company</li> </ul>

	Stakeholders	Value Proposal	Communication channels	Relevant Issues
<b>Operators</b>	Groups of prestigious hotel operators that operate our facilities.	<ul style="list-style-type: none"> <li>&gt; Jointly develop a proposal of quality guest services, making the relevant infrastructure available to operators, as well as maintaining and updating it, including incorporation of the most appropriate technology and best market practices.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Operations Management Department in charge of asset management</li> <li>&gt; Regular coordination meetings</li> <li>&gt; Daily, weekly, monthly, quarterly, and annual reports</li> <li>&gt; Participation in associations of the hotel and tourism sector</li> <li>&gt; Market information providers</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Energy efficiency and other inputs</li> <li>&gt; Financial implications and resilience to climate change</li> <li>&gt; Innovation and investment in local communities, including joint action with operators.</li> <li>&gt; Waste management</li> <li>&gt; Water</li> <li>&gt; Guidelines for the design, construction, and maintenance of real estate</li> </ul>
<b>Employees</b>	Employees of the Administrator	<ul style="list-style-type: none"> <li>&gt; Employee opportunities for growth and professional development in a suitable work environment.</li> <li>&gt; Promote a work environment that allows the satisfaction of those who are part of the team and sustains their commitment to the company and the rest of our stakeholders.</li> <li>&gt; Provide health and safety in their daily tasks and attend to their needs related to COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Participation spaces (forums and training)</li> <li>&gt; Work environment survey</li> <li>&gt; Performance evaluation processes</li> <li>&gt; Presentation of company results</li> <li>&gt; Intranet</li> <li>&gt; Channel for reporting complaints</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Corporate ethics and integrity</li> <li>&gt; Legal compliance</li> <li>&gt; Labor conditions</li> <li>&gt; Diversity and equal opportunities</li> <li>&gt; Training and career development</li> <li>&gt; Strengthening the brand</li> <li>&gt; Relationship with operators</li> <li>&gt; Economic performance and financial evolution of the company.</li> </ul>
<b>Guests</b>	Clients who stay at our facilities	<ul style="list-style-type: none"> <li>&gt; Provide a diverse and convenient offer based on the different needs. Facilitate a quality experience, along with prestigious operators.</li> <li>&gt; Provide services with the highest sanitary standards offering 100% safe stays.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Channels between operators and guests (including service surveys)</li> <li>&gt; Comments and information about Internet services.</li> <li>&gt; Meetings to monitor guest satisfaction between the operator and FibraHotel.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Value of the money.</li> <li>&gt; Offer of facilities and services.</li> <li>&gt; Attention during stay</li> <li>&gt; Technology in real state.</li> <li>&gt; Facilities with sustainability criteria</li> <li>&gt; Operator's reputation.</li> </ul>
<b>Suppliers</b>	Providers of different products and services	<ul style="list-style-type: none"> <li>&gt; Establish a relationship that generates value for all parties, not only from the commercial side but also in the development of products and services, attending to innovate criteria for guest satisfaction.</li> <li>&gt; Fulfillment of all our contractual obligations so that suppliers are not affected by issues of total or partial operation closure of due to the contingency.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Selection and contracting processes (including tenders)</li> <li>&gt; Operation meetings</li> <li>&gt; Quality evaluations</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Economic performance and financial evolution of the company</li> <li>&gt; Anti-corruption and ethical practices of employees</li> <li>&gt; Contract conditions and their fulfillment</li> </ul>

	Stakeholders	Value Proposal	Communication channels	Relevant Issues
Authorities	Federal, state, and municipal authorities that regulate our operation.	<ul style="list-style-type: none"> <li>&gt; Permanently comply with current applicable regulations, also promoting a culture of adherence to the law and compliance in the relationship with all our stakeholders.</li> <li>&gt; Collaborate, generate dialogue, and follow, at all times, the instructions from local and federal health authorities to address the situation due to COVID-19 in the best possible way.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Response to requirements.</li> <li>&gt; Other inquiries</li> <li>&gt; Financial reports</li> <li>&gt; Tax declaration</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Risk prevention and mitigation</li> <li>&gt; Legal compliance</li> <li>&gt; Compliance with tax obligations</li> <li>&gt; Employee ethics</li> </ul>
Communities	Inhabitants of the area of influence of our facilities	<ul style="list-style-type: none"> <li>&gt; Contribute to the socioeconomic development of the environment in which or hotels are located. Likewise, work in close dialogue to contribute to solving the main difficulties of the communities, safeguarding the environment and cultural heritage.</li> <li>&gt; Support as far as possible, vulnerable groups affected by adverse situations in terms of climate change, social or health context.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Meetings with operators</li> <li>&gt; Relationship of the operators themselves with local groups</li> <li>&gt; Participation in forums</li> <li>&gt; Meetings with local authorities</li> <li>&gt; Collaboration with Civil Society Organizations (CSO)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Economic impact, especially job creation</li> <li>&gt; Purchases from local suppliers</li> <li>&gt; Environmental performance</li> <li>&gt; Support local culture</li> <li>&gt; Development of infrastructure for the operation</li> </ul>
Real State developers	Companies in charge of construction and renovation of our hotel facilities	<ul style="list-style-type: none"> <li>&gt; Generate capital investment in hotels efficiently through projects based on quality and efficiency requirements of operators and FibraHotel, as well as the developer's experience and the commitment to sustainability. Generate and maintain assets of verifiable value in this way, in projects supported by collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; FibraHotel asset management and maintenance team</li> <li>&gt; Selection and hiring processes</li> <li>&gt; Investment meetings with operators (including projects in development and asset investment plans)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Financial capacity of the company (FibraHotel)</li> <li>&gt; Relationship with operators and their requirements (on projects)</li> <li>&gt; Portfolio criteria (from FibraHotel)</li> </ul>
Service Companies	Provider that outsources the hiring and administration of hotel staff <sup>52</sup>	<ul style="list-style-type: none"> <li>&gt; Generate teams of excellence for hotels, betting on knowledge and experience, contributing from FibraHotel to the stability of their employment.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Instances of relationship with the operators</li> <li>&gt; Individual meetings with service companies, previously or within the framework of contracts</li> <li>&gt; Evaluations of service companies</li> <li>&gt; Department of human resources and training programs (additional to operators)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Legal compliance</li> <li>&gt; Employee ethics</li> <li>&gt; Knowledge and experience of the different teams involved</li> <li>&gt; Financial capacity of the company (FibraHotel)</li> <li>&gt; Relationship with operators</li> <li>&gt; Portfolio growth plans</li> </ul>

52. On July 16<sup>th</sup>, 2022, the process of employer substitution was completed, whereby Fibra Hotelera, S.C. (Administrator) assumed the role of employer for the personnel previously employed by the Service Companies to provide those specialized services, which as of that date became part of the Administrator's responsibilities.

As part of our Sustainability Strategy, annually, we will review the objectives of the relationship with each stakeholder and measure the results of the relationship using specific indicators. We will establish a relationship plan based on the fulfillment of the previous year's objectives and new needs identified through continuous dialogue with the groups. The plan is authorized by our Technical Committee. At FibraHotel we are committed to taking care of ethics, transparency, effective and two-way communication, as well as mutual benefit in all relationships with our stakeholders.

At FibraHotel we are committed to ethics, transparency, effective and bidirectional communication, as well as mutual benefit in all relationships with our stakeholders.



Fiesta Inn Forum Buenavista

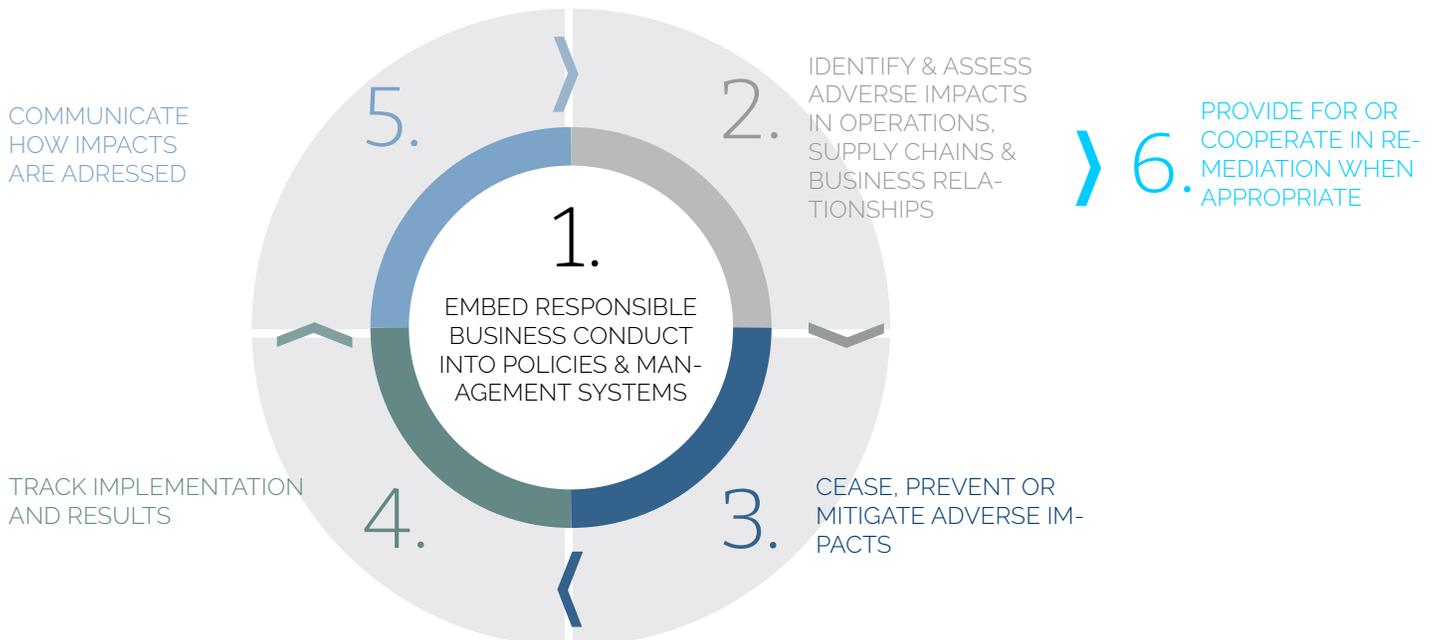
## Respect for human rights

**(GRI 2-23, 2-24, 2-25, 2-26, 3-3)**  
**(AMEFIBRA SOC03)**

We are committed to respecting human rights (HR) according to the UN Guiding Principles on Business and Human Rights. We perform due diligence to address potential risks associated with our activity and that of our value chain (operators, hotel staff, customers, suppliers).

Due diligence is integrated as part of our operational management, including risk management and stakeholder relations considerations. It comprises the identification and prioritization of risks and establishing prevention and mitigation measures.

### Due diligence process and supporting measures



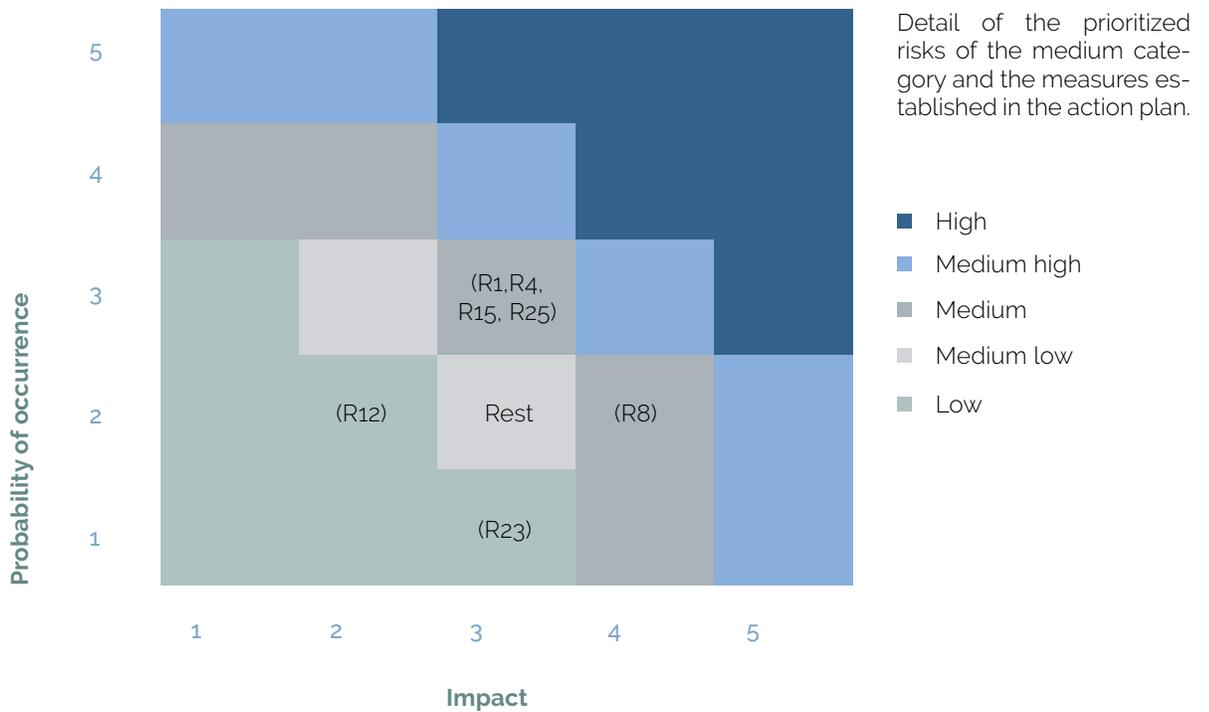
Process	Performance
1. Incorporate re-sponsible business conduct into management policies and systems.	<p>We have:</p> <ul style="list-style-type: none"> <li>&gt; <a href="#">Human Rights Policy (HR)</a>, in which we establish the guidelines to fulfill our responsibility to respect human rights and exercise due diligence.</li> <li>&gt; <a href="#">Code of Conduct</a> as a framework for compliance with various issues related to human rights.</li> <li>&gt; <a href="#">Stakeholders Engagement Policy</a>, with which we seek to involve stakeholders in our operations in a way that generates value for all parties.</li> </ul> <p>Specific policies for issues related to human rights:</p> <ul style="list-style-type: none"> <li>&gt; <a href="#">Anti-Corruption Policy</a></li> <li>&gt; <a href="#">Diversity Policy</a></li> </ul> <p>We extend our <a href="#">Code of Ethics</a>, Human Rights and Anti-Corruption policies to hotel staff and suppliers.</p> <p>It should also be noted that hotel personnel also have the operators' policies as complementary guidelines to our own.</p>
2. Identify and assess negative impacts on operations, supply chains and business relationships.	<p>We have our <a href="#">Complaint Line</a> for any person to report a suspicion or confirmation of non-compliance with our policies and codes, including the Human Rights Policy. The process of analyzing them is guaranteed for the parties, with the participation of the necessary managers and internal bodies.</p> <p>In addition, in 2021, we carried out an exhaustive exercise to identify and prioritize human rights risks, detailed in this Appendix.</p> <p>In the process of identifying and prioritizing risks, we have considered:</p> <ul style="list-style-type: none"> <li>&gt; The different processes that make up our operation (of the Administrator) and those of the chain value itself: e.g., management by the operators, performance of hotel personnel, etc.</li> <li>&gt; For the different processes, which stakeholders are crucial and how are our direct or indirect activities (of our chain value) related to them.</li> <li>&gt; This resulted in an initial identification of the risks.</li> <li>&gt; We then prioritized them based on the probability of occurrence and impacts. They were evaluated by our employees (management level), the operators and a selection of other partners (suppliers, developers, etc.).</li> </ul> <p>The prioritization map is presented in this Appendix.</p>
3. Halt, prevent and/or mitigate negative impacts.	<p>We then prioritized them based on the probability of occurrence and impacts. They were evaluated by our employees (management level), the operators and a selection of other partners (suppliers, developers, etc.).</p>
4. Follow up on the implementation of the results	<p>After establishing the action plan at the end of 2021, FibraHotel will follow up and monitor the implementation of the different initiatives.</p> <p>Depending on the team/s in charge of the initiatives, they will be followed up in internal committees, in addition to the Sustainability Committee itself.</p> <p>Our sustainability committee also has two bodies: Executive Committee and the Operating Committee, whose responsibility is to oversee the optimal implementation of ESG issues and report on progress to the Technical Committee.</p> <p>We report on the progress of our human rights initiatives in this integrated annual report.</p> <p>We also have indicators linked to the focuses of our Sustainability Strategy (health and safety, training and development, leadership and work environment, among others).</p>
5. Report on how impacts are addressed	<p>We consolidated our human rights efforts in this appendix, reinforcing the contents of our integrated annual report.</p> <p>We responded to specific information requests from our different stakeholders.</p>

Process	Performance
6. Repair or assist in the repair of the impact when appropriate.	<p>Through our preventive management with initiatives and internal policies and extended to our chain value, we have avoided incurring significant human rights violations (cases of discrimination, harassment, insecurity, corruption) that may result in human rights violations, among others.)</p> <p>Likewise, due to the nature of FibraHotel's operations, we do not have risks that were evaluated as high in the exercise carried out.</p>

**Identified Risks**

<ul style="list-style-type: none"> <li>&gt; Impact on livelihoods/ways of living</li> <li>&gt; Eviction and displacement of households</li> <li>&gt; Change in land use</li> <li>&gt; Insecurity (delinquency)</li> <li>&gt; Human trafficking</li> <li>&gt; Child labor/exploitation (in the Operator's supply chain)</li> <li>&gt; Discrimination in access to hotel services (operator-guest relationship)</li> <li>&gt; Sexual harassment (guest to co-workers - e.g. female co-workers)</li> <li>&gt; Discrimination towards the community (operator to the community)</li> <li>&gt; Road accidents (traffic)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Effluents (waste, spills, etc.). Operator</li> <li>&gt; Floating population not integrated in the community.</li> <li>&gt; Corruption (in any of its forms). Authorities</li> <li>&gt; Corruption. Suppliers and managers</li> <li>&gt; COVID-19 Affectations</li> <li>&gt; Accidents and health conditions (property development)</li> <li>&gt; Accidents and health conditions. Operation</li> <li>&gt; Discriminatory practices (property development)</li> <li>&gt; Discriminatory practices. Operation/Operator</li> <li>&gt; Precarious employment (temporary, remuneration): Property development</li> </ul>
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**Risk prioritization**



Detail of the prioritized risks of the medium category and the measures established in the action plan.

Risk	Description	Measures
Impact on livelihoods/ways of living	The development of hotel activity may generate a displacement of the local population from their traditional livelihoods to employment in the hotel(s) and/or its supply chain.	<p>As part of future measures within the framework of our ESG strategy:</p> <ul style="list-style-type: none"> <li>&gt; Evaluate with socio-environmental criteria both the already developed assets that we are considering acquiring and the developments that we are going to do on land we own.</li> <li>&gt; Consider the focus on analyzing the social impact with the identification of the affected traditional activities.</li> </ul> <p>Efforts will be made to incorporate those affected as local suppliers of the hotels (whenever possible due to the type of activity) (in the case of materializing the risk in impacts).</p> <p>Complementarily, we will advance in:</p> <ul style="list-style-type: none"> <li>&gt; Local supplier development program</li> <li>&gt; Local sourcing agreement with operators</li> </ul>
Insecurity (delinquency)	The attraction of guests and the development of service activities associated with lodging can attract crime because of their purchasing power, their vulnerability due to lack of local knowledge, the lower risk of action taken by the authorities (short stays of guests), etc. The impact is on hotel staff and guests but also on the communities in which the hotels operate.	<p>Among the different measures, the following are included if a significant increase in crime is detected:</p> <ul style="list-style-type: none"> <li>&gt; Instruction/sensitization of guests,</li> <li>&gt; Additional physical security measures (e.g. reinforcement of security equipment)</li> <li>&gt; Reinforcement of lighting in and around the facilities.</li> </ul> <p>Continuously, if needed:</p> <ul style="list-style-type: none"> <li>&gt; We continually reinforce internal work regulations in our hotels.</li> <li>&gt; We will support the initiatives of authorities and/or business associations on spaces for dialogue and synergies regarding public safety.</li> <li>&gt; We will participate in public-private partnerships for the development of prevention and social rehabilitation programs.</li> </ul>
Sexual harassment of guests towards employees	Employees may suffer harassment and/or violence from guests, especially if gender is included in the interaction/relationship (female employee and male guest, the risk may increase due to cultural aspects).	<p>The framework formed by the Code of Ethics, other policies of the Administrator, as well as those of the operators, and the hotels' own internal work codes, seek to prevent possible incidents.</p> <p>On the other hand, the technology we are implementing reduces contact with customers that is not absolutely necessary.</p> <p>In addition, we will work on training all employees on harassment so that they can identify and report possible situations (with customers, but also among employees) at an early stage.</p>

Risk	Description	Measures
COVID-19 Affectations	Employees may suffer harassment and/or violence from guests, especially if gender is included in the interaction/relationship (female employee and male guest, the risk may increase due to cultural aspects).	<p>We are digitizing our customer service processes to minimize employee-guest contact.</p> <p>Moreover,</p> <ul style="list-style-type: none"> <li>&gt; We launched advice for customers and employees on responsible conduct in relation to COVID-19.</li> <li>&gt; There is a permanent control on the compliance of the bio-safety protocols stated for the collaborators towards the hotel staff and guests.</li> <li>&gt; We have rapid response protocols in case of identification of contagion in collaborators and/or guests (isolation, equipment testing, special sanitization of spaces, etc.).</li> </ul>
Food waste (operators)	Food Waste that represents loss, especially for groups with economic difficulties in the communities.	<p>We are evaluating how to move forward with prevention measures, which include:</p> <ul style="list-style-type: none"> <li>&gt; Awareness campaigns for customers to minimize unnecessary consumption.</li> <li>&gt; Strengthening of "Slow Food" to include products from the communities where our hotels operate and reduce the risk that they may deteriorate before consumption.</li> </ul> <p>Moreover, we already promote food delivery schemes, which reduce food waste.</p>

## Alliances and memberships

### (GRI 2-28)

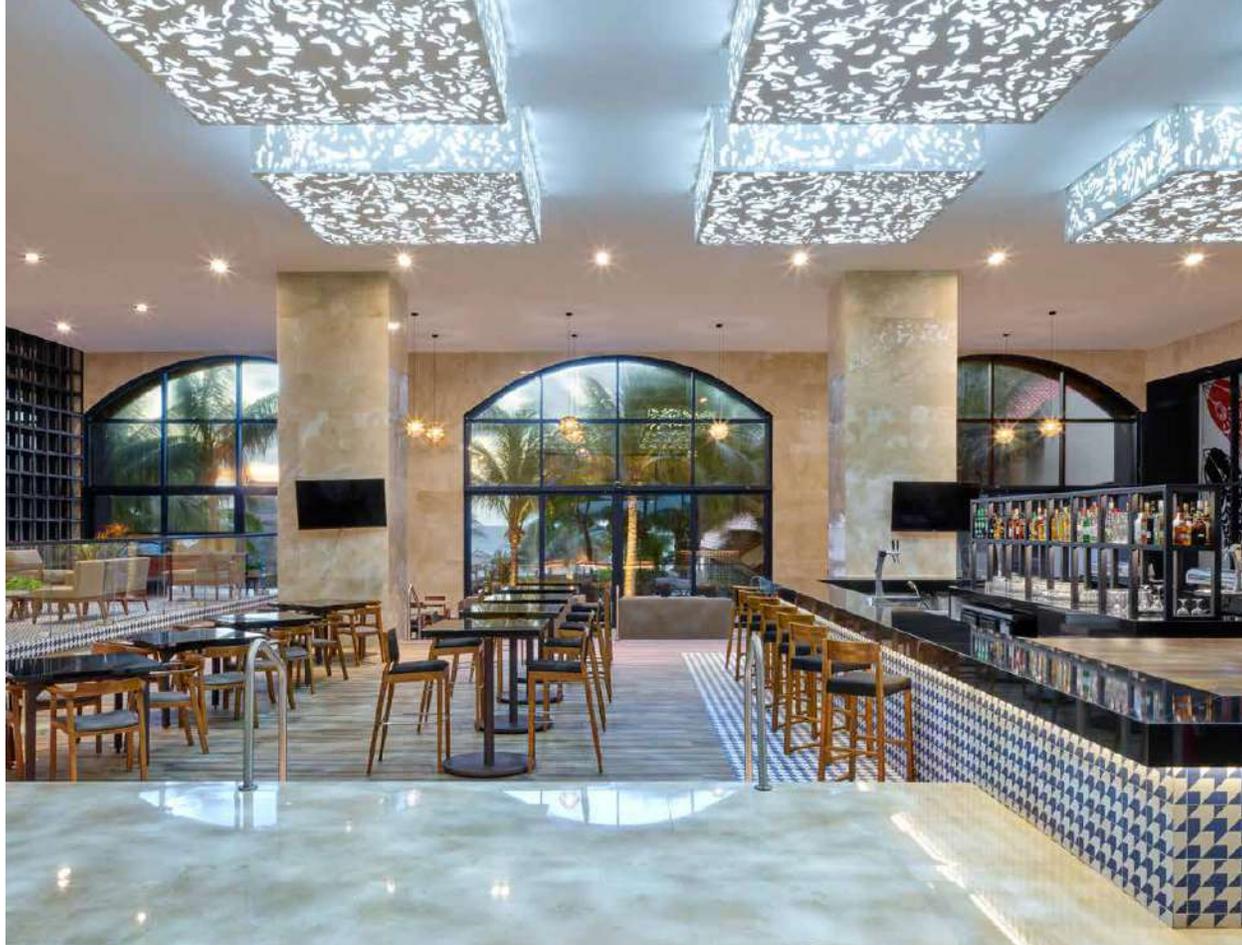
In 2022 the work carried out with allies, whether operators, organizations, or other stakeholders, was particularly important.

Our strategy has always been focused on sustainability, in line with our commitment to corporate sustainability, we became signatories to the [United Nations Global Compact](#). This demonstrates our responsibility to align our business strategy with the universal "Ten Principles" and take measures promoting the Sustainable Development Goals (SDGs) and the 2030 Agenda. During 2022, we were part of the early adoption program for the reporting questionnaire, aligning with our vision to be at the forefront of ESG issues and support the alliances to which we are committed.

We also support the ESG reporting initiative of the [Mexican Association of Real Estate FIBRAS](#) (Asociación Mexicana de FIBRAS Inmobiliarias AMEFIBRA), whose indicators are included in this report.

FibraHotel participates in the [Mexican Association of Hotel Chains](#), contributing to maintain Tourism as one of the most important industries in Mexico, as well as collaborating in the care of the environment and to fostering and implementing green actions.





Fiesta Americana Condesa Cancún

Additionally, during this year, we supported [Reforestamos México](#) in the "Better Alliances, Better Forests" program, a Territorial Collaboration Platform that facilitates decision-making through strategic partnerships that contribute to Integrated Landscape Management and Connectivity of natural resources. The aim is to ensure ecosystem services near the major cities of the country.

## Materiality analysis

**(GRI 2-26, 3-1, 3-2, 3-3)**

We conducted our first materiality analysis in 2019 to identify our company's material ESG issues, taking into account our strategy and stakeholder perspectives.

Based on its outcome, we established the priorities that make up our Sustainability Strategy and set the scope of the contents of the Global Reporting Initiative (GRI) Standards to be reported.

Subsequently, in 2020 we added financial materiality to the impact materiality (mentioned above) by incorporating the topics established by SASB for the industry in which we operate.

Consequently, we are currently applying the concept of dual materiality in line with international trends,

which allows us to meet the information expectations of the broadest set of stakeholders.

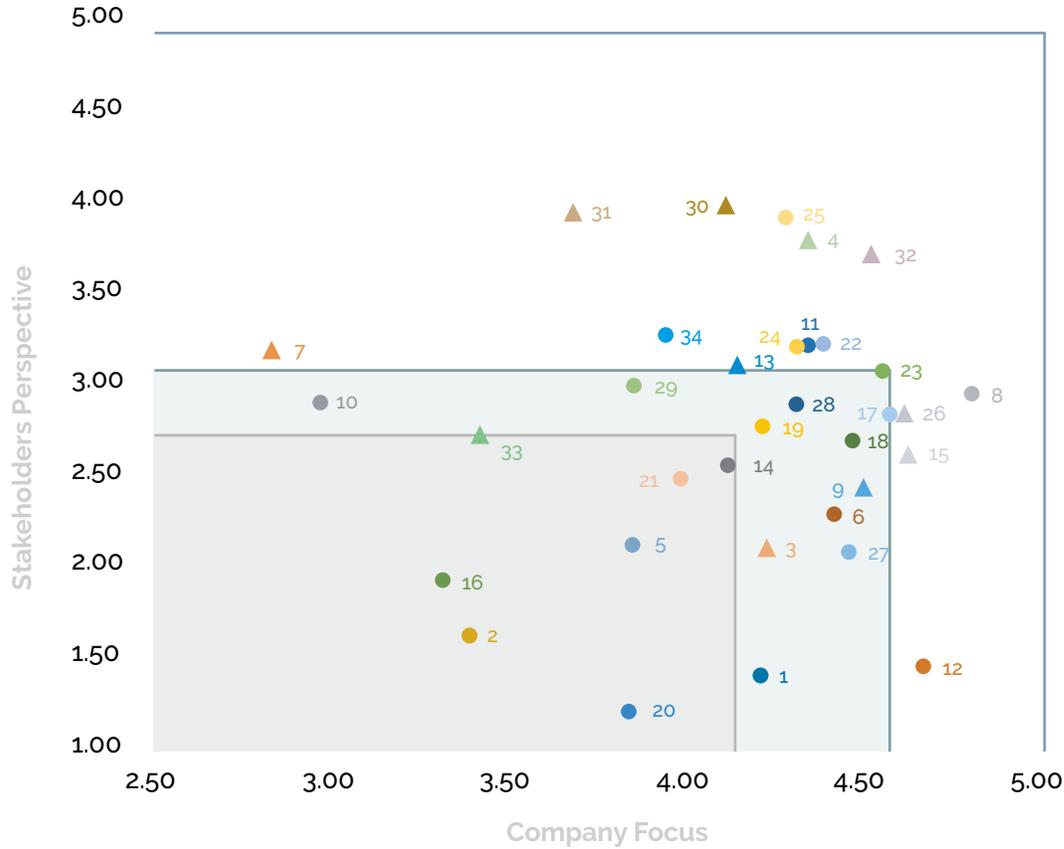
**Impact Materiality:** reflects the most significant impacts of the company externally: on the economy, the environment and people. These impacts can have positive or negative consequences for the company (operational, reputational, financial). To this end, we prioritized ESG issues in which both a selection of our stakeholders and the company's senior management participated.

**Financial Materiality:** financial materiality reflects ESG factors that are reasonably likely to affect the company's financial condition, operating performance, and cash flows. We consider as such the issues raised by the Sustainability Accounting Standards Board (SASB) standard for the real estate industry.

During 2022, we conducted an update of the impact materiality analysis by consulting with leaders from our teams who have relationships with our stakeholders (both internal and external). Once again, we integrated financial materiality, which aligns with the SASB (Sustainability Accounting Standards Board) reporting framework.

We present the materiality analysis integrating both the financial and the impact matrix:

### Integrated Materiality Matrix



#### Material Topics

- | No.  | Topics  |
|------|---|
| ▲ 32 | Energy efficiency and renewable energies  |
| ● 25 | Commitment to stakeholders and transparency                                       |
| ▲ 4  | Work-related practices  |
| ▲ 30 | Water management and care   |
| ● 8  | Maintenance and investment in property and equipment                              |
| ● 23 | Development of collaborators  |
| ● 22 | Socio-economic development of communities   |
| ▲ 31 | Circularity and waste recycling   |
| ● 11 | Business continuity and risk management   |
| ● 24 | Corporate governance  |
| ▲ 26 | Corporate ethics and integrity  |
| ● 17 | Diversity and equal opportunities   |
| ▲ 15 | Customer health and safety  |
| ▲ 13 | Sustainability considerations in the design, construction and operation of assets |
| ● 34 | Emission management   |
| ● 12 | Innovation and technology in operations   |
| ▲ 7  | Sustainability assessment in suppliers  |

#### Emerging issues

- | No.  | Topics  |
|------|---|
| ● 28 | Relations with authorities                              |
| ● 18 | Occupational health and safety                          |
| ● 19 | Human rights  |
| ▲ 9  | Quality of service and customer satisfaction            |
| ● 29 | Investor relations                                      |
| ● 6  | Responsible Tourism                                     |
| ● 27 | Legal compliance  |
| ▲ 3  | Financial implications and resilience to climate change |
| ▲ 33 | Protection of biodiversity                              |
| ● 10 | Certification and qualification of assets               |
| ● 1  | Macroeconomic context                                   |

#### Non-proactive management issues

- | No.  | Topics                                      |
|------|---|
| ● 14 | Accessibility and mobility                  |
| ● 21 | Preservation of local culture               |
| ● 5  | Data protection and customer privacy        |
| ● 16 | Attention and support for natural disasters |
| ● 20 | Community resettlement                      |
| ● 2  | Strengthening the brand                     |

#### Impact materiality

- |       |       |   |                                 |
|-------|-------|---|---------------------------------|
| X     | Y     | ○ | Material Topic                  |
| > 4.6 | > 3   | ○ | Emerging issues                 |
| > 4.2 | > 2.7 | ○ | Non-proactive management issues |
| < 4.2 | < 2.7 | ○ |                                 |

## SDGs Contribution

### (AMEFIBRA GASGo4)

Through our business and activity model, we create value for the different stakeholders. We work so that our actions contribute to economic, social, and environmental development, including the priorities established by the United Nations in the 2030 Agenda and integrated into the Sustainable Development Goals (SDG).

Our strategic contribution can be differentiated by the type of activities we undertake in relation to the business and operating model. We seek to make a contribution that complements the efforts of other companies, governments, and social organizations.

SDG	Description of the SDG	Goal <sup>53</sup>	FibraHotel's Contribution
	Ensure inclusive, equitable, and quality education and promote lifelong learning opportunities for all.	4.4 4.7	<p>As a result of generating employment opportunities for young people without prior work experience and providing the necessary training support, we will significantly increase the number of young people and adults with the required skills, particularly technical and professional skills, to access employment, decent work, and entrepreneurship by 2030.</p> <p>Employment is accompanied by opportunities for professional development, including training provided by the operators. This is made possible through the financial security and business growth resulting from the success of our model. At FibraHotel, we promote continuous learning among our employees through training programs and provide financial support for master's degrees and university studies.</p> <p>Similarly, by 2030, we aim to ensure that all employees acquire the necessary theoretical and practical knowledge to promote development and a sustainable lifestyle.</p> <p>We strengthen this commitment through our <a href="#">Sustainability Policy</a>, which drives the development and well-being of our employees, gender equality, the promotion of a culture of peace and non-violence, global citizenship, the appreciation of cultural diversity, and contributing to sustainable development, especially in the communities where our hotels are located.</p>
	Combat gender inequality by facilitating access to quality education, timely medical care, job development, and citizen participation	5.1 5.2 5.5	<p>The generation of employment in hotels because of our activity, together with the operators, has a special impact on women, who make up most of the workforce in the hotel sector.</p> <p>We ensure equal opportunities and gender equity in our teams. Likewise, we extend the commitment to our value chain, with a relevant role of operators and service companies. We strive to put an end to all forms of discrimination against women and girls in all our spaces. <a href="#">Our Diversity Policy</a> drives this commitment in all our guidelines and procedures, from recruitment and selection to evaluation and performance, in conjunction with our <a href="#">Human Rights Policy</a> that promotes the necessary measures for achieving equality across all stakeholder groups.</p> <p>We call for thorough monitoring to prevent any form of sexual exploitation and human trafficking to eliminate all forms of violence against women and girls in both public and private spheres, including trafficking and sexual exploitation.</p> <p>To report inappropriate behavior and any irregularities within FibraHotel or in its external interactions with clients, operators, and suppliers, as well as to establish necessary consequences and penalties, we provide all our employees with an anonymous <a href="#">Reporting Line</a>.</p>
	Ensure the availability and sustainable management of water and sanitation for all.	6.3 6.4	<p>We have initiatives in place to reduce water consumption in hotels, such as incorporating water-saving devices in sinks and showers.</p> <p>Similarly, we aim to raise awareness among guests about responsible water resource usage, with the involvement of operators.</p> <p>Regarding wastewater discharge, we monitor water quality and work towards implementing treatment processes.</p>

53. Further information about SDGs and goal description.



**Innovate and implement sustainable initiatives for resource protection to stop global warming.**

7.2 We are committed to energy efficiency both in hotel design and their equipment, including the incorporation of leading technology, systems, and processes. This is the case of Fiesta Americana Viaducto, our most recent opening, developed by the company.

Likewise, we consider more efficient options for renovations and capital investments we make to the hotels in the portfolio. Examples: replacement of luminaries with LEDs, better performance chillers (air conditioning), air conditioning automation, heat recovery systems, among others, etc.

In addition, we seek to use cleaner and even renewable sources. We have pilots of generation by solar panels and hydrogen systems, likewise, we are promoting the change from LP gas to natural gas in hotels.



**Offer decent jobs for working-age population and share economic progress in order to positively influence the life of employees and in turn boost the economy.**

8.5 In our team, collaborators have job opportunities that allow their development, as well as job security.

8.6  
8.9 In addition, through our model, we generate employment for hotels, which constitutes a special opportunity for young people, even as first work experiences. It is a characteristic of the tourism sector. There is also an important contribution to the employability of women.

Through the relationship with local suppliers, we also promote employment in operating environments, including services to guests outside the facilities, through which we seek to adhere to the respect and preservation of cultural heritage and the environment.



**Invest, innovate, and promote a sustainable, modern, technological and environmentally sound infrastructure.**

9.4 We promote energy efficiency and water savings in our portfolio hotels, both in the design of those we develop and renovations of those we acquire, and always in our investments in maintenance. We rely on developing technologies, as well as our team's knowledge and experience.

For this, operator collaboration is also key, as they do their part to promote responsible habits among guests.

We have different certifications of efficiency and environmental performance in our portfolio hotels: EDGE (Excellence in Design for Greater Efficiencies), Tourist Environmental Quality and Sustainable Hydro Hotel. We also have the Green Key certificate, which also includes social aspects.



**Promote a sustainable growth model, where there is a balance between the environment and natural resources.**

11.3 We view our hotels as part of the environment in which they are located, studying their integration into the existing urban fabric, the relationship with road and service supply infrastructures (energy, water, telecommunications, etc.). We seek to avoid incidents that may affect the communities and continuity of hotel operations.

11.4 On the other hand, we consider tourism as an opportunity to value the cultural and natural heritage of the different places where we are. Bringing it closer to visitors, it makes itself known and is more appreciated as it is also an engine of socio-economic development. But all this must be done with respect to the communities, and this is our approach, which we share with the operators we work with.



**Reduce the use of resources to avoid overexploitation and harmonize the relationship with the environment to avoid further degradation.**

12.2 At FibrHotel we along with operators promote responsible tourism. Our aim is for the arrival of guests to be an opportunity for local economic development, always respectful of the communities, their culture and the environment.

12.8 We identify in our guests an opportunity for local economic development while respecting the communities, their culture, and the environment.

We demand from the operators and companies responsible for the employees in the hotels within our portfolio compliance with our Business Code of Ethics and other ESG policies, including our [Sustainability Policy](#). This policy sets forth environmental and social criteria that govern the operations and development of assets, and it applies equally to the suppliers with whom we engage.

Most of hotels in our portfolio have the Green Key certification, which considers both environmental and social aspects, the latter linked to the integration of communities in employment and responsible tourism.<sup>54</sup>

54. More information in the Sustainable Infrastructure chapter.

13

CLIMATE ACTION



Measurements to take urgent action to combat climate change and its impacts.

13.1  
13.3

Based on our [Environmental and Climate Change Policy](#), we identify climate-related risks and natural disasters in all our spaces to strengthen resilience and adaptive capacity to the identified risks.

We establish action plans to achieve energy efficiency using renewable energy, water management, and emissions control, where we monitor real-time energy performance. Additionally, we continue to invest in small and large-scale photovoltaic (PV) solar systems to enable decentralized renewable energy.

We identify and validate new energy management projects using tools such as the Internet of Things (IoT) and machine learning algorithms based on information collected from building management systems to promote more efficient, intelligent, and sustainable buildings.

We are committed to reducing greenhouse gas emissions (GHG) generated directly and indirectly from our corporate operations and the activity in the hotels within our portfolio.

We seek the integration of the company's values, principles, and efforts throughout the value chain by involving operational and brand leaders, team members, guests, franchisees, and suppliers. This includes promoting education, awareness, and human and institutional capacity regarding climate change mitigation, reduction of its effects, and early warning systems.

16

PEACE, JUSTICE AND STRONG INSTITUTIONS



Promote just, peaceful, and inclusive societies.

16.5  
16.6  
16.7

We promote a culture of ethics and compliance, based on four pillars:

1. Self-regulation: Code of Ethics, Anti-Corruption Policy, and other internal regulations.
2. Performance on processes and controls, including the functioning of the ethics hotline and internal and/or external audits.
3. Training and awareness-raising for employees.
4. Encouraging ethics in suppliers and the performance of hotel employees.

17

PARTNERSHIPS FOR THE GOALS



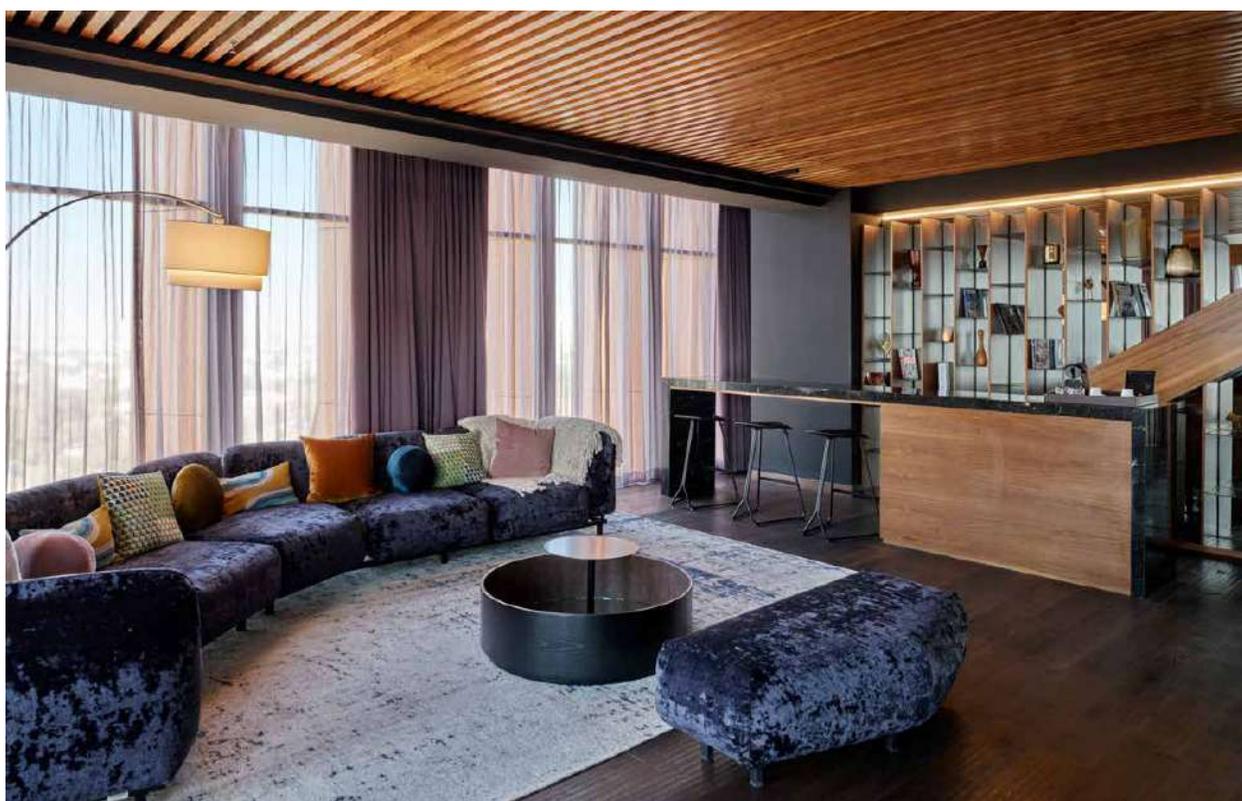
Revitalize the Global Alliance for Sustainable Development.

17.17

Our business model is based on collaboration, particularly in our relationship with operators, as detailed in the report.

We work closely with suppliers to improve energy and water efficiency, as well as other environmental measures.

Similarly, we develop initiatives in communities by integrating efforts with the social investment and volunteer programs of the operators.



Fiesta Americana Viaducto Aeropuerto

# Appendix II: Correlation with reporting frameworks and initiatives

## External verification

(GRI 2-5)  
(AMEFIBRA GASG04)

## Letter of external verification



### Verification Letter of 2022 Annual Report

To the The Holders' Assembly of Fideicomiso Irrevocable No. F/1596 (CIBanco, S.A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiary (Fibra Hotel):

Please be informed that Redes Sociales en Línea Timberlan was hired to perform a limited independent verification of a sample of GRI Standards and SASB (Sustainability Accounting Standards Board) indicators contained in the 2022 Annual Report.

The scope of our verification covered the results of the portfolio of hotels that make up Fibra Hotel (see sheet 2); corresponding to the period from January 1st to December 31st, 2022.

Fibra Hotel's management is responsible for the preparation of the information contained in the "2022 Annual Report", which involves, but is not limited to, the selection process of the material topics, the reporting of GRI Disclosures and the quality of the evidence provided during the verification process.

Our task is to issue unbiased and objective opinions on the accuracy, traceability and reliability of the sample of indicators selected and published in the "2022 Annual Report". We validated that the information report complies with the methodological requirements in accordance with the GRI Standards. Our work considered as criteria: the International Standard on Assurance Engagements (ISAE 3000) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

Among the activities carried out during the verification process, the following are listed:

- 1) Verification of qualitative and quantitative data by means of visual, documentary and public evidence.
- 2) Analysis of quantitative data.
- 3) Collation of information presented in collection forms for the preparation of the report.
- 4) Validation of information presented in previous reports.
- 5) Review of the methodological compliance with GRI Standards.

At the end of the verification process of Fibra Hotel's 2022 Annual Report, we can conclude that we did not find any fact that makes us think that the data of the verified sample does not comply with the principles of reliability, traceability and certainty.

An internal report of recommendations, exclusive for Fibra Hotel, containing the areas of opportunity detected for a future report, is delivered separately.

Alma Paulina Garduño Arellano  
[paulina@redsociales.com](mailto:paulina@redsociales.com)  
T. (52) 54 46 74 84  
June 19th, 2023



## Verified sample

GRI Disclosures		Scope	SASB IF-RE: INFRASTRUCTURE SECTOR - Real Estate		Scope
2-6	Activities, value chain and other business relationships	Portfolio			
2-13	Delegation of responsibility for managing impacts	FIHO			
2-23	Policy commitments	FIHO			
2-24	Embedding policy commitments	FIHO			
2-26	Mechanisms for seeking advice and raising concerns	FIHO			
3-2	List of material topics	FIHO			
Environment					
302-1	Energy consumption within the organization	Portfolio	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity and (3) percentage renewable, by property sector	Portfolio
302-3	Energy intensity	Portfolio			
303-1	Interactions with water as a shared resource	Portfolio	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Portfolio
303-3	Water withdrawal	Portfolio	IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for: (1) grid electricity consumption and (2) water withdrawals, by property sector	Portfolio
305-1	Direct (Scope 1) GHG emissions	Portfolio			
305-2	Energy indirect (Scope 2) GHG emissions	Portfolio			
305-3	Other indirect (Scope 3) GHG emissions	Portfolio			
305-4	GHG emissions intensity	Portfolio			
Social					
401-1	New employee hires and employee turnover	FIHO			
403-9	Work-related injuries	FIHO			
403-10	Work-related ill health	FIHO			
404-1	Average hours of training per year per employee	FIHO			
405-1	Diversity of governance bodies and employees	FIHO			
			F-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Portfolio
			IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Portfolio
Governance					
201-1	Direct economic value generated and distributed	FIHO			
203-1	Infrastructure investments and services supported	Portfolio			

### Redes Sociales en Línea Timberlan's Statement of Independence and Competence:

The Redes Sociales en Línea Timberlan's employees have the necessary level of competence to verify compliance with the standards used in the preparation of Sustainability Reports, so they can issue a professional opinion on non-financial information reports, complying with the principles of independence, integrity, objectivity, competence and professional diligence, confidentiality and professional behavior. In no case can our verification statement be understood as an audit report and therefore no responsibility is assumed for the management and internal control systems and processes from which the information is obtained. This Letter of Verification is issued on **June 19th, 2023** and is valid as long as no subsequent and substantial modifications are made to the 2022 Annual Report of Fideicomiso Irrevocable No. F/1596 (CIBanco, S.A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiary (Fibra Hotel).

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<b>GRI 2: GENERAL CONTENTS 2021</b>					
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	<b>GRI 2-2</b>	Entities included in the organization's sustainability reporting			6, 8, 91
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	<b>GRI 2-4</b>	Restatements of information			6
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	<b>GRI 2-16</b>	Communication of critical concerns		Confidential, due to internal company guidelines.	-
	<b>GRI 2-17</b>	Collective knowledge of the highest governance body			25
	<b>GRI 2-18</b>	Evaluation of the performance of the highest governance body			49
	<b>GRI 2-19</b>	Remuneration policies		Confidential, due to internal company guidelines.	49
<b>GRI 2-20</b>	Process to determine remuneration			49	
<b>GRI 2-21</b>	Annual total compensation ratio		Confidential, due to internal company guidelines.	-	

GRI STANDARD	GRI CONTENT	TITLE GRI CONTENT	OMISSION	UN GLOBAL COMPACT PRINCIPLES	PAGES
Strategy, policies and practices	<b>GRI 2-22</b>	Statement on sustainable development strategy			4
	<b>GRI 2-23</b>	Policy commitments		Principles 1, 2, 4, 5, 6, 7, 8, 10	27, 53, 70
	<b>GRI 2-24</b>	Embedding policy commitments		Principles 1, 2, 4, 5, 6, 7, 8, 10	27, 53, 70
	<b>GRI 2-25</b>	Processes to remediate negative impacts		Principles 1, 2	38, 53, 67, 70
	<b>GRI 2-26</b>	Mechanisms for seeking advice and raising concerns		Principles 1, 2, 10	53, 67, 70
	<b>GRI 2-27</b>	Compliance with laws and regulations			53
	<b>GRI 2-28</b>	Membership associations			74
Stakeholder engagement	<b>GRI 2-29</b>	Approach to stakeholder engagement			64, 67
	<b>GRI 2-30</b>	Collective bargaining agreements		Principles 3	60
<b>GRI 3: MATERIAL TOPICS 2021</b>					-
	<b>GRI 3-1</b>	Process to determine material topics			75
	<b>GRI 3-2</b>	List of material topics			75
	<b>GRI 3-3</b>	Management of material topics	It is answered throughout the report, see second table		

**GRI CONTENT BY MATERIAL TOPIC**

MATERIAL TOPIC	GRI STANDARD	GRI CONTENT	OMISSION	PAGES
Business Continuity and Risk Management	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
		<b>201-1</b>		37
		<b>201-2</b>	Not available. We're making progress on a more detailed inventory of climate change, which will be the base for the required financial estimate.	40
	GRI 201: Economic performance 2016	<b>201-3</b>	Not available. The company is changing its human capital management model. We're making progress in the survey of human capital management indicators.	-
		<b>201-4</b>		53
Diversity and equal opportunities	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
		<b>405-1</b>		49, 60
	GRI 405: Diversity and Equal Opportunity 2016	<b>405-2</b>	Not available. We're making progress in the survey of human capital management indicators.	-
	GRI 406: Non-discrimination 2016	<b>406-1</b>		60

MATERIAL TOPIC	GRI STANDARD	GRI CONTENT	OMISSION	PAGES
Energy Efficiency and Renewable Energies	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
		<b>302-1</b>		55
	GRI 302: Energy 2016	<b>302-3</b>		55
		<b>302-4</b>		55
		<b>302-5</b>		55
		<b>305-1</b>		57
	GRI 305: Emissions 2016	<b>305-2</b>		57
		<b>305-4</b>		57
		<b>305-5</b>		57
		<b>305-6</b>	Does not apply. Emission of Substances that Deplete the Ozone Layer (SAO) by FibraHotel is limited to refrigerant gas leaks in air conditioning equipment; it is not generated in large scale industrial processes.	-
<b>305-7</b>		Does not apply. Due to the type of activity of the administrator, the main emissions are those related to GHG from the use of fuel and electricity.	-	
Corporate ethics and integrity	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
		<b>205-1</b>		53
	GRI 205: Anti-corruption 2016	<b>205-2</b>		25, 53
		<b>205-3</b>		53
	GRI 206: Anti-competitive Behavior 2016	<b>206-1</b>		53
	GRI 415: Public policy 2016	<b>415-1</b>		53
Water management and care	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
		<b>303-1</b>		58
	GRI 303: Water and Effluents 2018	<b>303-2</b>		58
		<b>303-3</b>		58
		<b>303-4</b>		58
		<b>303-5</b>		58
Corporate governance	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
Commitment to stakeholders and transparency	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
	GRI 203: Indirect economic impacts 2016	<b>203-1</b>		54
		<b>203-2</b>		-

MATERIAL TOPIC	GRI STANDARD	GRI CONTENT	OMISSION	PAGES
Maintenance and Investment in Property and Equipment	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
Labor practices	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
		<b>401-1</b>		60
		<b>401-2</b>		61
	GRI 401: Employment 2016	<b>401-3</b>	Not available, we're making progress in the survey of human capital management. Will be included in the next year's Report.	-
	GRI 403: Occupational Health and Safety 2018	<b>403-9</b>		61
		<b>403-10</b>		-
		<b>404-1</b>		61
Circularity and waste recycling	GRI 404: Training and Education 2016	<b>404-2</b>		61
		<b>404-3</b>		-
	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
		<b>306-1</b>		59
		<b>306-2</b>		59
Innovation and technology in operations	GRI 306: Waste 2020	<b>306-3</b>		59
		<b>306-4</b>		59
		<b>306-5</b>		59
	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75
Sustainability assessment of suppliers	GRI 3-3 Material Topics 2021	<b>3-3</b>		23, 37, 38, 53, 54, 55, 58, 60, 64, 67, 70, 75



Fiesta Americana Condesa Cancún

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SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND/OR MODIFICATIONS	PAGE	COMPLEMENTARY ANSWER
<b>ACTIVITY METRICS</b>						
Activity metric	<b>IF-RE-000.A</b>	Number of assets, by property sub-sector	Number		10	
	<b>IF-RE-000.B</b>	Leasable floor area, by property sub-sector	Square feet	The dimensions of the properties are presented in number of rooms; in the case of hotels, this is a management metric.	10	
	<b>IF-RE-000.C</b>	Percentage of indirectly managed assets, by property sub-sector	Percentage by floor area		-	Of the portfolio of 86 hotels, 1 is under lease, which represents 1.2%.
	<b>IF-RE-000.D</b>	Average occupancy rate, by property sub-sector	Percentage		-	
<b>ACCOUNTING METRICS</b>						
Energy management	<b>IF-RE-130a.1</b>	Energy consumption data coverage as a percentage of floor area, by property type	Percentage by floor area		55	
	<b>IF-RE-130a.2</b>	1) Total energy consumed by portfolio area with data coverage 2) Percentage grid electricity 3) Percentage renewable, each by property type	Percentage by gigajoules		55	
	<b>IF-RE-130a.3</b>	Like-for-like change in energy consumption of portfolio area with data coverage, by property type	Percentage		55	
	<b>IF-RE-130a.4</b>	Percentage of eligible portfolio that 1) has obtained and energy rating and 2) is certified to ENERGY STAR, by property type	Percentage by floor area		-	We do not have hotels in portfolio with an energy rating, but with comprehensive sustainability certifications that include different aspects (e.g. Edge) (see subchapter on investment and management, chapter on Sustainable Infrastructure).
	<b>IF-RE-130a.5</b>	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	N/A		54	

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND/OR MODIFICATIONS	PAGE	COMPLEMENTARY ANSWER
Water management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage by floor area	The analysis of catchment due to hydric stress characteristics of the area is not available.	58	
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage, thousand cubic meters	1) Reported 2) The analysis of hydric stress characteristics of the area is not available.	58	
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sub-sector	Percentage		58	
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A		58	
Management of Tenant Sustainability Impacts	IF-RE-410a.1	1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property sub-sector	Percentage by floor area	Not available.	-	
	IF-RE-410a.3	Analysis of the method to measure, incentivize and improve the effects of tenants on sustainability.	NA		54	Only 1 of the hotels has a lease contract, in which FibraHotel is not in charge of monitoring energy consumption and payment thereof; represents 1.2% of the total portfolio (in number of hotels).
Climate change adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Square feet	Not available.	-	
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	N/A		38, 40	

## TCFD Index

RECOMMENDATIONS	RECOMMENDED REPORT	CODE	PAGES	COMPLEMENTARY INFORMATION
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	<b>GOB-A</b>	27, 49	FibraHotel has two Sustainability Committees, one at the operational level and the other at the executive level with members of the Technical Committee.  The identification of climate change risks and opportunities was carried out by the sustainability team, with external specialists, and evaluated by the sustainability operating committee.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	<b>GOB-B</b>	49	The decisions adopted by the Sustainability Operating Committee are reported to the Executive Committee, an exercise facilitated by the fact that they share members at the executive level (general director of investor relations and chief operating officer, responsible for sustainability at FibraHotel).
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<b>EST-A</b>	40	Main risks and opportunities are presented in the report. In a complementary manner to first identification carried out in 2020, we are working on a more exhaustive analysis in which we go down to the level of assets, working on a selection of the main ones by income and by their location in states most exposed to climate change according to the official reviews.
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<b>EST-B</b>	40	Based on the results of the risks and opportunities update, which will be obtained in 2022, we will advance in the financial dimensioning.  However, the results obtained in the pre-analysis of risks and opportunities carried out in 2020 have already been considered in the investment strategy that we have been applying.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<b>EST-C</b>	40	Scenario analysis is not yet available.
Risk management	a) Describe the organization's processes for identifying and assessing climate-related risks.	<b>GDR-A</b>	40	During 2022, a Climate Change Risk and Opportunity Analysis was conducted to identify the risks and opportunities associated with climate change that may impact operating and/or financial stability and that occur as a result of the transition to a low-carbon economy, as well as the hydro meteorological events to which Mexico is exposed. In addition, a study was conducted in the 86 hotels in the portfolio to identify opportunities and physical risks, based on TCFD, in the short, medium and long term. This climate scenario analysis was performed based on geographic and climatic information of the location of each asset and an approximation of the possible events or risks to which the property will be exposed. In performing the scenario analysis, the economic, regulatory, technological and social conditions that could impact the company are reviewed.

RECOMMENDATIONS	RECOMMENDED REPORT	CODE	PAGES	COMPLEMENTARY INFORMATION
Risk management	b) Describe the organization's processes for managing climate-related.	GDR-B	54	In relation to the identified risks, we established different management measures, including prevention and/or mitigation. Compliance requests from stakeholders We have designed a Sustainability Strategy, which is currently being implemented, and includes a Sustainable Infrastructure pillar, which covers aspects of due diligence in acquisitions, innovation in infrastructure and equipment (including equipment) and management of energy during the operation itself. More intense meteorological phenomena We have a diversified portfolio geographically and by segment, in this way we do not condition income to areas with a higher risk of extreme weather events (e.g. southeast of the country) or to resort tourism (more sensitive to climate).
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	GDR-C	54	Based on the previously mentioned analysis, the risk team has mapped risks and priorities. These are integrated into FibraHotel's Sustainability Strategy.
Metrics and targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	MYO-A	55, 57	Our metrics include the intensity of energy consumption and the generation of Greenhouse Gas (GHG) emissions, both in terms of surface area (m2) and activity (rooms per night).
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	MYO-B	55, 57	We have especially made progress in determining our Scope 3 emissions, with a scrutiny of the categories that correspond to us by type of activity (of those proposed by the GHG Protocol in Scope 3; it is the main international reference methodology). It is part of the process to determine science-based emissions targets, under the SBTi initiative that we committed to. As a complement to the integrated report, we publicly present our emissions inventory.
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	MYO-C	55, 57	As of March 2022, we are publicly recognized by SBTi to create our science-based targets. We currently have Scope 1, 2 and 3 environmental impact and GHG emissions reduction.

# APPENDIX III: Consolidated financial statements

**(GRI 2-2)**  
**(AMEFIBRA GASG01)**

Fideicomiso Irrevocable, No. F/1596 (CI Banco, S.A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiary

Consolidated Financial Statements for the Years Ended December 31, 2022, 2021 and 2020, and Independent Auditors' Report Dated March 31, 2023

## **Independent Auditors' Report and Consolidated Financial Statements 2022, 2021 and 2020**

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## Independent Auditors' Report to the Technical Committee and Trustees of Fideicomiso Irrevocable No. F/1596 (CI Banco, S.A. Institución de Banca Múltiple, División Fiduciaria)

### **Opinion**

We have audited the accompanying consolidated financial statements of Fideicomiso Irrevocable No. F/1596 (CI Banco, S.A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiary ("FibraHotel" or the "Trust"), which comprise the consolidated statements of financial position as of December 31, 2022, 2021 and 2020, and the consolidated statements of income (loss) and other comprehensive income (loss), the consolidated statements of changes in trustees' equity and the consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of FibraHotel as of December 31, 2022, 2021 and 2020, and their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB).

### **Basis for Opinion**

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Independent Auditor's Responsibility for the Audit of the Consolidated Financial Statements* section of our report. We are independent of FibraHotel with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (IESBA Code) together with the Code of Ethics issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other matter**

The accompanying consolidated financial statements have been translated into English for the convenience of readers.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period and were selected from the communications to the FibraHotel Administration and Audit Committee, but do not pretend to represent all the matters discussed. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matters described below are the key audit issues which should be communicated in our report.

### **Investment property valuation**

For the fair value estimation of the investment property (under lease agreement), FibraHotel's Management used the most appropriate technique for the particular circumstances of each investment property. Other assumptions used in the valuation of investment property included, among others, contractual lease payments, expected market lease payments, direct operating costs, discount rates which reflect the market uncertainty, capitalization rates and prices in recent transactions.

Our audit procedures included, among others:

- 1) We confirm that the valuation method of each investment property follows the requirements of IFRS 13, *Fair Value Measurement*, for the discounted future cash flows method.
- 2) We tested the internal control associated with the preparation and review of the financial projections related to the information contained in the valuation of the investment property, including the income and expenses related to the operation. This information was tested and corroborated with the supporting documentation as appropriate. In the same way, the evidence used by the independent appraiser to support the different inputs used in the determination of fair value was observed, highlighting factors of growth, inflation, exchange rates, discount and capitalization rates.
- 3) We involved our internal valuation specialists who, using independent and market inputs, carried out fair value analysis, which was compared against the valuation determined by an independent appraiser.
- 4) We reviewed that the effects recorded in the consolidated financial statement of comprehensive income corresponded to the differences between the different values at the end of each year.

The results of our audit procedures were reasonable.

#### ***Impairment of hotel properties***

FibraHotel has identified and concluded that its cash generating units are represented by each individual hotel. Accordingly, it evaluates at the end of each reporting period, if there is any indication of impairment as established by IAS 36, *Impairment of assets*.

If such indication of impairment exists, FibraHotel determines the recoverable value of the asset and such calculation involves estimates, the use of assumptions and judgments by the Management. Based on FibraHotel's analysis and on the Trust's operations, our audit procedures were applied to all hotels (including those that were closed as of December 31, 2021), and included the following:

- 1) We reviewed the controls related to the identification of impairment indicators on the hotels that resulted from FibraHotel's analysis. Our procedures included the review of the evidence provided by the management, taking into account internal, external and observable factors. We also consider the knowledge of FibraHotel and industry information.
- 2) We confirmed that the methodologies used to determine the recoverable value were performed in accordance with IAS 36.
- 3) We tested the internal control associated with the preparation and review of the financial projections related to the information contained in the valuation of the hotels with impairment indicators, including their income and operating expenses of such hoteles. In addition, this information was tested and corroborated against the historical amounts shown in the balance sheet of each hotel. Similarly, we examined assumptions used by FibraHotel to support the different inputs used in the determination of fair value, highlighting growth factors, inflations, discount and capitalization rates and market values.
- 4) For all hotels, we involved our internal valuation specialists who, using independent market inputs, carried out fair value replications wich were compared against the fair value determined by FibraHotel.
- 5) We reviewed that the differences between the recoverable values and the book values were correct at the end of each year and, if any, reviewed the effects recorded in the consolidated statements of comprehensive income.

The results of our audit procedures were reasonable.

***Information other than the consolidated financial statements and the independent auditors' report***

FibraHotel's Management is responsible for other information. Other information includes the information that will be incorporated in the Annual Report which FibraHotel is required to prepare in compliance with Article 33, Section I, subsection b) of Title Four, Chapter one of the General Provisions Applicable to Issuers and Other Stock Market Participants in Mexico, and the Instructions which accompany those provisions ("the Provisions"). The Annual Report is expected to be available for our reading after the issuance of this audit report.

Our opinion of the consolidated financial statements will not cover the other information and we will not express any form of assurance on it.

In relation with our audit of the consolidated financial statements, our responsibility will be to read the Annual Report, when it is available, and when we do so, to consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or with our knowledge obtained during the audit or appears to contain a material misstatement. When we read the Annual Report, we will issue the legend on the reading of the annual report, as required in Article 33, Section I, subsection b) numeral 1.2 of the Provisions. Based on the work we have done, we conclude that there is a material error in the Other Information, we would have to report that fact.

***Responsibilities of Management and Trust's Administration for the Consolidated Financial Statements***

FibraHotel's Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for the internal control that FibraHotel's Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing FibraHotel's ability to continue as a going concern, disclosing, as applicable, matters related to any Trust going concern and using the going concern basis of accounting unless management either intends to liquidate FibraHotel or to cease operations, or has no realistic alternative to do so.

Those charged with governance of the Trust are responsible for overseeing the Trust's consolidated financial reporting process.

***Independent Auditor's Responsibility for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the FibraHotel's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the FibraHotel to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence about FibraHotel's consolidated financial information and its business activities to express an opinion on the consolidated financial statements. We are also responsible for the direction, supervision and performance of the audit group. We remain solely responsible for our audit opinion.

We communicate to FibraHotel's Management regarding, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided to FibraHotel's Management a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them about all relationships and other matters that might reasonably be expected to bear on our independence and, where applicable, related safeguards.

From the matters communicated with FibraHotel's Management, we determine those matters that were of most significance in the audit of consolidated financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Galaz, Yamazaki, Ruiz Urquiza, S. C.  
Member Deloitte Touche Tohmatsu Limited

C. P. C. José Gabriel Beristáin Salmerón  
March 31, 2023

## Consolidated Statements of Financial Position

As of December 31, 2022, 2021 and 2020  
(In thousands of Mexican Pesos)

Assets	Notes	2022	2021	2020
Current assets:				
Cash, cash equivalents and restricted cash	5	\$ 501,236	\$ 485,617	\$ 460,497
Trade accounts receivable and other accounts receivable	6	320,884	221,574	140,677
Recoverable taxes, mainly value-added tax		19,613	4,313	14,866
Prepaid expenses		21,614	18,270	18,160
Total current assets		<u>863,347</u>	<u>729,774</u>	<u>634,200</u>
Non-current assets:				
Hotel properties, furniture and operating equipment - Net	7	12,380,506	12,631,082	12,280,635
Properties under development	8	142,667	97,741	92,923
Investment properties	9	4,081,000	3,507,324	3,806,192
Security deposits		5,005	4,978	4,943
Deferred income taxes	12	6,492	4,337	3,029
Total non-current assets		<u>16,615,670</u>	<u>16,245,462</u>	<u>16,187,722</u>
Total assets		<u>\$ 17,479,017</u>	<u>\$ 16,975,236</u>	<u>\$ 16,821,922</u>
<b>Liabilities and Trustees' Equity</b>				
Current liabilities:				
Current portion of long-term debt	11	\$ 351,312	\$ 96,160	\$ 319,297
Suppliers and accrued expenses	10	434,995	342,488	208,718
Account payable to Administradora Fibra Hotelera Mexicana, S.A. de C.V. - related party	14	40,393	157,140	144,493
Interest payable		86,842	60,784	79,686
Taxes payable		62,407	20,114	12,158
Derivative financial instruments	13f	-	-	1,724
Total current liabilities		<u>975,949</u>	<u>676,686</u>	<u>766,076</u>
Long-term liabilities:				
Employee Benefits	15	11,885	1,662	-
Accumulated liabilities		6,224	-	-
Bank Debt	11	1,663,217	2,407,823	2,117,534
Public debt securities	11	2,484,245	2,481,911	2,479,578
Total liabilities		<u>5,141,520</u>	<u>5,568,082</u>	<u>5,363,188</u>
Trustees' equity				
Contributions from trustees	16	11,017,525	11,017,525	10,983,435
Reserve for share-based payments	16	7,833	-	33,224
Retained earnings		1,312,139	389,629	443,799
Other comprehensive loss - Valuation effect of derivative financial instruments	13f	-	-	(1,724)
Total trustees' equity		<u>12,337,497</u>	<u>11,407,154</u>	<u>11,458,734</u>
Total liabilities and trustees' equity		<u>\$ 17,479,017</u>	<u>\$ 16,975,236</u>	<u>\$ 16,821,922</u>

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Income (loss) and Other Comprehensive Income (loss)

For the years ended December 31, 2022, 2021 and 2020  
(In thousands of Mexican Pesos)

	Notes	2022	2021	2020
Revenues from:				
Rooms		\$ 3,404,162	\$ 2,291,726	\$ 1,383,412
Food and beverages		788,766	515,292	312,880
Real estate rentals		461,020	260,245	195,707
Other income		42,397	41,868	49,653
Total revenues		4,696,345	3,109,131	1,941,652
Costs of:				
Rooms		770,111	558,260	447,012
Food and beverages		493,169	330,446	281,317
Indirect costs		1,722,116	1,279,737	905,070
Total costs		2,985,396	2,168,443	1,633,399
Gross profit (lodging contribution)		1,710,949	940,688	308,253
Property expenses		84,392	73,607	115,568
Corporate expenses		289,143	244,227	219,151
Depreciation	7	508,780	551,732	583,838
Impairment of hotel properties	7	13,395	24,952	5,392
Other (income) expenses, net		(3,969)	(821)	29,401
Adjustment to the fair value of investment properties	9	(505,950)	(269,355)	(42,744)
Operating income (Loss)		1,325,158	316,346	(602,353)
Financial (income) costs:				
Interest income		(20,628)	(7,008)	(33,858)
Interest expense		437,663	376,110	390,364
Other financial expenses		10,348	10,313	28,138
Foreign Exchange result, Net		(22,580)	(7,591)	12,708
Total financial costs, net		404,803	371,824	397,352
Income (loss) before income taxes		920,355	(55,478)	(999,705)
(Benefit) income taxes	12	(2,155)	(1,308)	2,451
Consolidated net income (loss)		922,510	(54,170)	(1,002,156)
Other comprehensive income:				
Income (loss) in fair value on interest hedging instruments		-	1,724	(2,632)
Consolidated net comprehensive (loss) income		\$ 922,510	\$ (52,446)	\$ (1,004,788)
Net income (loss) per weighted average CBFIs with economic rights (pesos), basic and diluted		\$ 1,1739	\$ (0.0690)	\$ (1,2789)
Net income (loss) per weighted average CBFIs (pesos), basic and diluted		\$ 1,1062	\$ (0.0650)	\$ (1,2017)
Weighted average CBFIs with economic rights		785,823,444	784,618,585	783,619,492
Weighted average outstanding CBFIs		833,947,220	833,947,220	833,947,220

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Changes in Trustees' Equity

For the years ended December 31, 2022, 2021 and 2020  
(In thousands of Mexican Pesos)

	Number of CBFIs	Contribu- tions from trustee	Reserve for shared based pay- ments	Retained earnings	Valuation effect for derivative financial instrument	Total trust- ees' equity
Balances as of January 1, 2020	833,947,220	\$ 11,113,531	\$ 24,918	\$ 1,492,026	\$ 908	\$ 12,631,383
Re-purchase of CBFIs	-	(18,132)	-	-	-	(18,132)
Shared-based payment cost	-	-	8,306	-	-	8,306
Distribution to trustees	-	(111,964)	-	(46,071)	-	(158,035)
Consolidated comprehensive net loss	-	-	-	(1,002,156)	(2,632)	(1,004,788)
Balances as of December 31, 2020	833,947,220	10,983,435	33,224	443,799	(1,724)	11,458,734
Contribution	-	34,090	-	-	-	34,090
Certificate-based payment	-	-	(33,224)	-	-	(33,224)
Consolidated comprehensive net loss	-	-	-	(54,170)	1,724	(52,446)
Balances as of December 31, 2021	833,947,220	11,017,525	-	389,629	-	11,407,154
Certificate-based payment	-	-	7,833	-	-	7,833
Consolidated comprehensive net income	-	-	-	922,510	-	922,510
Balances as of December 31, 2022	<u>833,947,220</u>	<u>\$ 11,017,525</u>	<u>\$ 7,833</u>	<u>\$ 1,312,139</u>	<u>\$ -</u>	<u>\$ 12,337,497</u>

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Cash Flows

For the years ended December 31, 2022, 2021 and 2020  
(In thousands of Mexican Pesos)

	Notes	2022	2021	2020
Cash flows from operating activities:				
Consolidated net income (loss)		\$ 922,510	\$ (54,170)	\$ (1,002,156)
Adjustments for:				
Income taxes recognized in consolidated net income	12	(2,155)	(1,308)	2,451
Loss on sale of furniture and hotel equipment		(89)	1,122	3,847
Adjustment to the fair value of investment properties	9	(505,950)	(269,355)	(42,744)
Depreciation	7	508,780	551,732	583,838
Impairment of hotel properties	7	13,395	24,952	5,392
Asset retired		-	-	38,261
Interest income		(20,628)	(7,008)	(33,858)
Interest expenses	11	437,663	376,110	390,364
Shared-based payment cost		7,833	866	8,306
Unrealized foreign exchange		(12,021)	6,837	13,812
Amortization of bond issuance costs	11	2,334	2,333	2,334
Employee benefits	15	6,821	1,662	-
Other financial expenses		8,014	7,980	25,804
		1,366,507	641,753	(4,349)
Changes in working capital:				
Trade accounts receivable and other receivables		(99,310)	(80,897)	122,239
Recoverable taxes, mainly value-added tax		(15,300)	10,553	24,064
Prepaid expenses		(3,344)	(110)	(1,577)
Security deposits		(27)	(35)	10
Suppliers and accrued expenses		92,507	133,770	(207,227)
Administradora Fibra Hotelera Mexicana, S.A. de C.V. - Related party	14	(116,747)	12,647	106,556
Taxes payable		42,293	7,956	(4,117)
Income tax paid		-	-	(6,827)
Accumulated liabilities		9,626	-	-
Net cash generated by operating activities		1,276,205	725,637	28,772
Cash flows from investing activities:				
Acquisition of investment properties	9	(67,726)	(67,337)	(28,007)
Acquisition of hotel properties, furniture and operating equipment		(272,219)	(293,204)	(234,168)
Proceeds from sale of furniture and hotel operating equipment		709	511	4,574
Investment in development projects		(44,926)	(4,818)	-
Interest received		20,628	7,008	33,858
Net cash used in investing activities		(363,534)	(357,840)	(223,743)

(Continued)

	Notes	2022	2021	2020
Cash flows from financing activities:				
Proceeds from borrowings	11	476,500	250,000	366,000
Payments of borrowings	11	(953,933)	(189,685)	(44,903)
Interest paid	11	(411,605)	(395,012)	(369,545)
Distribution to trustees		-	-	(158,035)
Re-purchase of CBFIs		-	-	(18,132)
Other financial expenses		(8,014)	(7,980)	(25,804)
Net cash used in financing activities		(897,052)	(342,677)	(250,419)
Cash, cash equivalents and restricted cash:				
Net increase (decrease) in cash, cash equivalents and restricted cash		15,619	25,120	(445,390)
Cash, cash equivalents and restricted cash at the beginning of the year		485,617	460,497	905,887
Cash, cash equivalents and restricted cash at the end of the year (including restricted cash of \$124,034, \$96,614 y \$24,948 as of December 31, 2022, 2021 and 2020, respectively)		\$ 501,236	\$ 485,617	\$ 460,497

(Concluded)

See accompanying notes to consolidated financial statements.

## Notes to Consolidated Financial Statements

For the years ended December 31, 2022, 2021 and 2020

(In thousands of Mexican Pesos)

### 1. Activities and relevant events

#### Activities -

Fideicomiso F/1596 (CI Banco, S.A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiary (jointly referred as to "FibraHotel") was established as a real estate investment trust on July 31, 2012 by Concentradora Fibra Hotelera Mexicana, S. A. de C. V., (the "Trustor") and Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria (the "Trustee"). As of October 16, 2020, through various corporate acts, the trust business in Mexico of Deutsche Bank México, S.A., Institución de Banca Múltiple was transferred to CI Banco, S.A. Multiple Banking Institution, which is why this institution received from the former all its rights and obligations as trustee, considering CI Banco, S.A., Multiple Banking Institution, universal final successor in title of all those rights, obligations, assets and liabilities derived from the business trustee of Deutsche Bank México, S.A., Institución de Banca Múltiple, as of October 19, 2020, the date on which the transfer described above took effect.

FibraHotel was established mainly to develop, acquire and hold real estate properties for use in hotel operations. The hotels in the FibraHotel portfolio operate under the following brands:

Live Aqua	Gamma	Sheraton
Grand Fiesta Americana	One	Fairfield Inn & Suites by Marriott
Fiesta Americana	Camino Real	AC Hotels by Marriott
Fiesta Inn	Real Inn	Courtyard by Marriott
Tapestry Collection by Hilton		

For the development of its operations, FibraHotel has entered into an advisory agreement with Administradora Fibra Hotelera Mexicana, S. A. de C. V. (Administradora Fibra Hotelera) (related party), which are based on an annual fee payable quarterly, equivalent to 1% of the book value of undepreciated assets, net of debt; Likewise, as of December 31, 2022, 2021 and 2020, it has agreements for the hotel operations with Grupo Posadas, S. A. B. de C. V. (Posadas), Grupo Real Turismo, S. A. de C. V. (Real Turismo), Operadora Marriott, S. A. de C. V. (Marriott International) Playa Resorts Management Mexico, S. de R.L. de C.V. (Playa Resorts) (together the "Operators"). These agreements establish a fee that FibraHotel pays to the operators, based on the gross profit of the hotels, among others. Additionally, FibraHotel has entered into a lease agreement (FibraHotel as lessor) with Posadas and other tenants that corresponds to fixed rents and, where appropriate, variable rents.

FibraHotel has employees since September 1, 2021; additionally, administrative services by related parties and third parties were discontinued as of July 2022 to comply with the Labor Reform that was published on April 23, 2021.

FibraHotel, as a Real Estate Investment Trust ("FIBRA"), qualifies to be treated as a pass-through entity for Mexican federal income tax purposes in accordance with the Mexican Income Tax Law ("LISR"). Therefore, all income derived from FibraHotel's operations is attributed to the holders of its Real Estate Trust Certificates ("CBFIs" for its name in Spanish) and FibraHotel itself is not subject to income tax in Mexico. In order to maintain FIBRA status, the Income Tax Law ("ISR" for its name in Spanish) has established in Articles 187 and 188, FibraHotel must, among other requirements, distribute at least 95% of its net taxable income each year to the holders of its CBFIs. On October 12, 2012, FibraHotel obtained a ruling from the Mexican Treasury Department, published in the Federal Official Gazette, formally establishing FibraHotel as a FIBRA.

Fibra Hotel S. C. is a 99.99% owned subsidiary of the Trust's equity. Its responsibilities include the administration of managing the business, providing maintenance to the real estate properties and hotels, obtaining necessary licenses and permits, supervision of projects involving renovation, development and remodeling projects, providing insurance coverage, oversight of public services, and negotiating hotel management contracts. Fibra Hotelera, S. C. is subject to the payment of regular Income Tax ("ISR").

The address of FibraHotel is Avenida Santa Fe No. 481 Piso 7 Col. Santa Fe Cuajimalpa, Cuajimalpa de Morelos, C.P. 05348, Ciudad de México.

**Hotels portfolio composition**

The detail of the operating and leasing portfolio of FibraHotel by operator is as follows:

Operator	Number of hotels as of December 31					
	2022		2021		2020	
	Operating agreement	Lease agreement	Operating agreement	Lease agreement	Operating agreement	Lease agreement
Posadas	68	1	68	1	65	2
Marriott International	11	-	11	-	11	-
Real Turismo	3	-	3	-	3	-
Playa Resorts	1	-	1	-	-	-
Total	83	1	83	1	79	2
Total operating hotels	84		84		81	
<b>Total rooms</b>	<b>12,264</b>		<b>12,264</b>		<b>11,939</b>	

As of December 31, 2022, two hotels are closed, which represent 294 rooms.

There are lands, development rights and/or works contracts entered into with the option of carrying out the construction of hotels. Investments for FibraHotel as of December 31, 2022, 2021 and 2020, amount to \$142,667, \$97,741 and \$92,923, respectively, which are presented in the statement of financial position under the heading "Properties under development".

**Relevant events -**
**a. Partial refinancing a Banorte's credit line from MXN to USD**

In December 2022, Banorte's line of \$946 million was partially refinanced to a credit line with the same financial institution but denominated in USD. \$486 million was converted at an exchange rate of \$19.76 leaving the following outstanding balances:

- \$460 million at a 91-day TIE rate + 200 basis points.
- USD \$24.6 million at a 91-day SOFR rate + 250 basis points.

Thanks to this debt refinancing:

- USD-denominated debt represents 15% of FibraHotel's total debt against 5% previously.
- FibraHotel's average cost of debt decreased approximately 47 basis points as of December 31, 2022.

**b. Advance payment of the credit line with Banorte**

During the second half of 2022, it was decided to completely and voluntarily amortize the \$250 million outstanding Banorte credit line that was made available in March 2021. That line of credit was made available to provide liquidity during the pandemic.

**c. Hiring of BTG Pactual Casa de Bolsa, S.A. de C.V. as market maker**

Since October 10<sup>th</sup>, 2022, BTG Pactual provides market maker services to FibraHotel's real estate trust certificates ("CBFIs") listed on the Mexican Stock Exchange, S.A.B. de C.V. ("BMV"). As a market maker, BTG Pactual participates in the daily trade of FibraHotel's CBFIs. The purpose of the contract is to increase the liquidity of CBFIs in the long term, making it easier for investors to trade with FibraHotel's CBFIs.

**d. Advance payment of the credit line with Sabadell**

In June 2022, it was decided to amortize fully and voluntarily the \$130 million outstanding Sabadell's revolving credit facility.

**e. Update of Employee CBFIs to the incentive plan**

On April 28, 2022, the General Assembly of CBFIs Holders approved the implementation of a compensation plan for employees, based on CBFIs.

The plan may represent up to 4,741,602 CBFIs, in three tranches of 1,580,534 each (Plan 2020/2021, Plan 2022 and Plan 2023) and will be granted based on performance metrics, which include AFFO performance components, FibraHotel's CBFI price, FibraHotel's total investors return and an ESG metric.

Plan	Period in which economic rights	Number of CBFIs
Plan 2020/2021	2022, 2023, 2024	1,580,534
Plan 2022	2023, 2024, 2025	1,580,534
Plan 2023	2024, 2025, 2026	1,580,534
		4,741,602

**f. Agreement to link the BBVA 2 credit line with sustainability criteria and improve the amortization schedule**

On June 21, 2022 FibraHotel signed a modification agreement in the BBVA 2 credit line:

- Amortizations for the years 2022 and 2023 are reduced by \$177 million pesos in 2022 and \$44 million pesos in 2023, and the maturity of the loan is extended to 2024.
- The spread is 190 basis points above TIE for the portion in pesos (\$253 million) and 225 basis points above LIBOR for the portion in dollars (USD 13 million).
- A sustainable KPI was added with a commitment to reduce energy intensity per occupied room by 1% against the budget for a portfolio of selected hotels, which can generate a benefit of 5 basis points to obtain FibraHotel's first green credit.

**g. Reopening of the hotels One Coatzacoalcos, One Saltillo and The Yucatan Resort Playa del Carmen**

On May 12, 2021, the 60-room hotel in Playa del Carmen reopened under the brand The Yucatán Resort Playa del Carmen, Tapestry Collection by Hilton, operated by Playa Resorts under the all-inclusive concept. For accounting purposes, as of the opening of the hotel, the hotel ceases to be considered in the balance sheet as Investment Property and is considered as Property, furniture and hotel equipment.

On August 1, 2021, two closed hotels, with 265 rooms, were opened under Posadas brand: the One Coatzacoalcos hotel with 126 limited service rooms and the One Saltillo hotel with 139 limited service rooms (the hotel was previously operated by Marriott International under the Fairfield Inn & Suites brand).

**h. Labor reform**

On April 23, 2021, a mandatory federal decree was published in Mexico where various labor and tax regulations were modified in order to eliminate the subcontracting of personnel and establish the rules under which specialized services may be subcontracted. FibraHotel completed the necessary corporate actions (through the subsidiary Fibra Hotelera S.C.) to adjust based on the current legal framework; Additionally, FibraHotel is implementing the necessary administrative and operational changes to fully comply with the terms of the new legal framework.

**i. General Assembly of Holders of Stock Exchange Certificates FIHO19**

On February 3, 2021, FibraHotel held an Assembly of Holders of Stock Exchange Certificates FIHO19, it was approved to grant a waiver for the year 2021 regarding a clause that limited the contracting of additional debt if the debt service coverage index is less than 1.5x. With this waiver, during 2021 FibraHotel could contract additional debt for an amount of up to \$500 million pesos.

**j. Change of the lease agreement**

- On March 31, 2021, the Fiesta Inn Perisur hotel ended the term of its lease with Grupo Posadas. As of April 1, 2021, the hotel entered into an operating agreement with the same brand and operator. As of the second quarter of 2021, the hotel began to be considered a managed hotel and for accounting purposes as of April 1, 2021, the hotel ceases to be considered in the balance sheet as Investment Property and is considered as Property, furniture and hotel equipment.

**k. Asset acquisitions**

**• Acquisition of the Fiesta Americana Hacienda Galindo hotel**

On March 10, 2021, the conditions to which the sale of the Fiesta Americana Hacienda Galindo hotel with 168 full-service rooms operated by Posadas agreed by the parties in 2017 were met. FibraHotel carried out a remodeling in the hotel with an investment of \$199,085 that was credited to the price of ten times the EBITDA generated by the hotel in 2019. The remaining price paid by FibraHotel was \$156,090. The total price for the hotel was \$355,175 and with the payment the lease contract was terminated, the property was transferred to FibraHotel and the operating agreement began to take effect.

**• Acquisition of Fiesta Americana Hermosillo hotel**

On January 31, 2020, the conditions were met for the sale of the Fiesta Americana Hermosillo hotel with 220 full-service rooms operated by Grupo Posadas, which was agreed by the parties in 2016. FibraHotel carried out a remodeling of the hotel with an investment of \$86,285 that was credited to the price of ten times the average EBITDA generated by the hotel in 2017, 2018 and 2019. The remaining price paid by FibraHotel was \$107,876. The

total price for the hotel was \$194,161 and with the payment the lease contract was terminated, the property was transferred to FibraHotel and the operating agreement began to take effect.

#### **L. Repurchase Fund**

In the month of April 2022, Fibrabotel canceled 2,326,405 CBFIs that were in the repurchase fund, so as of December 31, 2022, the repurchase fund has no CBFIs.

#### **m. Credit line disbursements**

On March 31, 2021, FibraHotel disbursed \$250 million from a line of credit contracted with Banorte. The conditions of the contract established interest payments on a 91-day TIIE rate plus 2.6 percentage points until June 2022 and plus 1.99 percentage points as of July 2022. As of December 31<sup>st</sup>, 2022, the credit line is settled.

On March 31, 2020, FibraHotel disbursed \$166 million pesos from a line of credit contracted with Banorte. The contract conditions establish interest payments on a TIIE rate plus 2.0 percentage points, starting in July 2020.

On March 24, 2020, FibraHotel disbursed \$200 million pesos from the revolving credit line contracted with Sabadell. The contract conditions establish interest payments on a 28-day TIIE rate plus 1.50 percent. On April 16, 2021, an amended agreement was signed to extend the maturity of the revolving credit line by 24 months. As of December 31, 2022, the credit line is settled.

## **2. Application of new and revised International Financial Reporting Standards**

### ***New and amended International Financial Reporting Standards ("IFRS" or "IAS") that are mandatory for the current year***

During the year, the Entity has applied amendments to IFRS issued by the International Financial Reporting Standards Board (IASB) that are mandatory for accounting periods beginning on or after January 1, 2022. Its adoption has not had a material impact on the disclosures or amounts reported in these consolidated financial statements.

#### ***Amendments to IAS 16 - Property, Plant and Equipment - Income before its planned use***

The Entity has adopted the amendments to IAS 16 Property Plant and Equipment for the first time this year. The amendments prohibit deducting from the cost of a property, plant, and equipment asset any income from the sale of goods produced before it is ready for use, for example, income generated while the asset is moved to a location and refurbished. necessary to make it operable in the manner that it is intended in accordance with the intentions of the administration. Consequently, an entity must recognize those sales revenues and costs in profit or loss. The entity measures the costs of those goods produced in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is working properly'. Now, IAS 16 specifies this as an assessment in which the physical and technical performance of the asset is capable of being used in the production or supply of goods or services, for rental or other, or administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of revenue and cost in profit or loss related to items that are not an output from the ordinary activities of the entity, in the line item(s) in the statement of comprehensive income where revenues and costs are included.

#### ***Annual Improvements to IFRS Accounting Standards 2018-2021***

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10%' test to assess whether a financial liability should be written off, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by the entity or by the lender for the benefit of another.

#### ***Amendments to IFRS 9 - Financial Instruments***

IFRS 16 Leases

The amendments eliminate the figure of reimbursement for lease improvements.

### ***New and revised IFRS Standards issued but not yet effective for the current year***

At the date of authorization of these consolidated financial statements, the Entity has not applied the following new and amended IFRS Standards that have been issued but are not yet effective:

Amendments to IAS 1	<i>Classification of liabilities as current or non-current.</i>
Amendments to IAS 1 and Practice Statement 2	<i>Disclosure of accounting policies</i>
Amendments to IAS 8	<i>Definition of accounting estimates</i>
Amendments to IAS 12	<i>Deferred taxes related to assets and liabilities arising from a single transaction</i>

Management does not expect the adoption of the aforementioned standards to have a significant impact on the Entity's consolidated financial statements in future periods, except as indicated below:

#### **Amendments to IAS 1 Presentation of financial statements - Classification of Liabilities as Current and Non-current**

The amendments to IAS 1 published in January 2020, affect only the presentation of liabilities as current and non-current in the statement of financial position and not by the amount or moment in which any asset, liability, income or expense is recognized or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current and non-current is based on whether the rights are in existence at the end of the reporting period, specify that the classification is not affected by expectations about whether the entity will exercise its right to defer settlement of a liability, explains that rights exist if covenants are met at the end of the reporting period, and introduces the definition of 'settlement' to make it clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or other services.

#### **Amendments to IAS 1 and Practice Statement 2 Judgments on materiality - Disclosure of Accounting Policies**

The amendments change the requirements of IAS 1 with respect to the disclosure of accounting policies. The amendment replaces the terms "significant accounting policies" with "information on material accounting policies". Accounting policy information is material when it is considered that, together with other information included in an entity's financial statements, it could reasonably be expected to influence the decision-making of the primary users of financial statements for general use, based on said financial statements.

The supporting paragraphs in IAS 1 are amended to clarify that accounting policies that relate to immaterial transactions, other events or conditions are immaterial and need not be disclosed. Information regarding accounting policies may be material because of the nature of the related transactions, other events and conditions, even if the amounts therein are immaterial. However, not all information about accounting policies relating to material transactions or other events or conditions is material by itself.

The IASB has developed guidance and examples to explain and demonstrate the application of the "four-step process for determining materiality" described in Practice Statement 2.

#### **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates.**

The amendments replace the definition of a change in accounting estimate. Under the new definition, accounting estimates are "monetary amounts in the financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was removed. However, the IASB retained the concept of changes in an accounting estimate in the standard with the following clarifications:

- A change in an accounting estimate is the result of new information or a new development, not the correction of an error.
- The effects of a change in an input or a valuation technique used to develop an accounting estimate are changes in accounting estimates if they do not result from a correction of prior period errors.

The IASB added two examples (examples 4 and 5) to the IAS 8 Implementation Guide that accompanies the standard. The IASB has removed one example (example 3) as it could cause confusion in relation to the amendments.

#### **Amendments to IAS 12 Deferred taxes - Deferred taxes related to assets and liabilities that arise from a single transaction.**

The amendments introduced an additional exception apart from the initial recognition exemption. In the amendments, an entity does not apply the initial recognition exception for transactions that give rise to taxable and deductible temporary differences.

Depending on the applicable tax law, taxable and deductible temporary differences may occur on initial recognition of an asset and a liability in a transaction that is not a business combination and does not affect accounting or taxable profit. For example, it may occur with the recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 Leases at the inception date of a lease.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax assets and liabilities, considering

that the recognition of any deferred tax assets is subject to the recoverability criteria in IAS 12.

The IASB also added an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period being presented. Additionally, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent it is probable that taxable income is available against the deductible temporary difference) and a deferred tax liability for all taxable and temporary deductions associated with:
  - Right-of-use assets and lease liabilities.
  - Liabilities for decommissioning, restoration and other similar liabilities and the corresponding amounts recognized as part of the cost of the related assets.
- The cumulative effect of the initial application of the amendments as an adjustment to the opening balance of retained earnings (or some other component of equity, as applicable) as of that date.

The amendments will be in force for the annual periods beginning on January 1, 2023, with the option of early application.

The Entity's management anticipates that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods if such transactions arise.

### 3. Significant accounting policies

#### a. *Statement of compliance*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards released (IFRS) by IASB.

#### b. *Basis of preparation*

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of derivative financial instruments and investment properties that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

##### i. Historical cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### ii. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, FibraHotel takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### c. *Going concern*

Management has a reasonable expectation at the time of approving the financial statements that the Group has adequate resources to continue operating for the foreseeable future. Therefore, you will continue to consider a going concern basis of accounting when preparing your financial statements.

**d. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Trust and its subsidiaries over which it exercised control. Control is achieved when the Trust:

- Has power over the investment.
- Is exposed, or has rights, to variable returns from its involvement with the investment; and
- Has the ability to use its power to affect its returns.

The Trust reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Trust obtains control over the subsidiary and ceases when FibrHotel loses control of the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Trust's accounting policies.

All intragroup balances, operations and cash flows are eliminated in full on consolidation.

Entity	Ownership percentage 2022, 2021 and 2020	Activity
Fibra Hotelera, S. C.	99.99%	Provision of advisory services and technical, legal, tax, commercial and administrative consulting related to the purchase and sale, management, leasing and subletting of all kinds of land, houses, buildings, warehouses, hotels, kitchens, malls and commercial premises and offices.

As mentioned in Note 1, FibrHotel (via the subsidiary Fibr Hotelera S.C.) has employees as of September 1, 2021. In July 2022, it stopped receiving administrative services from related parties and third parties to comply with the Labor Reform. Administrative personnel services became part its subsidiary Fibr Hotelera, S.C. to comply with the provisions of the Labor Reform.

**e. Business combinations**

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of paid values of the assets transferred by FibrHotel, liabilities incurred by FibrHotel to the previous owners of the entity acquired and the equity issued by FibrHotel in exchange for control over the entity acquired at the acquisition date. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value.

Goodwill is measured as the excess over the sum of the consideration transferred, the amount of any non-controlling interest in the entity acquired, and the fair value of the acquirer's previous held equity interest in the acquired (if any) over the net of the acquisition-date amounts of identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

**f. Financial instruments**

Financial assets and financial liabilities are recognized when FibrHotel becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit.

**g. Financial Assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### *Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, FibraHotel may make the following irrevocable election / designation at initial recognition of a financial asset:

- FibraHotel may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- FibraHotel may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

#### (i) *Amortized cost and effective interest method*

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, FibraHotel recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

#### *Impairment of financial assets*

FibraHotel always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The

expected credit losses on these financial assets are estimated using a provision matrix based on the FbraHotel's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, FbraHotel recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, FbraHotel measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(ii) *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, FbraHotel compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the beginning date. In making this assessment FbraHotel considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which FbraHotel's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Entity's core operations.

(iii) *Definition of default*

FbraHotel considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including FbraHotel, in full (without taking into account any collateral held by FbraHotel).

Irrespective of the above analysis, FbraHotel considers that default has occurred when a financial asset is more than 90 days past due unless FbraHotel has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iv) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a. Significant financial difficulty of the issuer or the borrower;
- b. A breach of contract, such as a default or past due event (see (ii) above);
- c. The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- e. The disappearance of an active market for that financial asset because of financial difficulties.

(v) *Write off Policy*

FbraHotel writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Entity's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in the statement of income.

*Derecognition of financial assets*

FibraHotel derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, FibraHotel recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If FibraHotel retains substantially all the risks and rewards of ownership of a transferred financial asset, FibraHotel continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which FibraHotel has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

#### *Financial liabilities and equity*

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by FibraHotel are recognized at the proceeds received, net of direct issue costs.

Repurchase of FibraHotel's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of FibraHotel's own equity instruments.

#### **h. Financial liabilities**

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

##### *Disposal of financial liabilities*

FibraHotel derecognizes financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When FibraHotel exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, FibraHotel accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

#### **i. Cash, cash equivalents and restricted cash**

Cash and cash equivalents mainly consist of bank deposits in checking accounts and short-term investments. Cash is presented at fair value and cash equivalents are valued at fair value. FibraHotel considers as cash equivalents all highly liquid debt instruments acquired with a dated acquisition maturity of three months or less. Cash equivalents are represented mainly by government securities in which the resources are paid at maturity.

Restricted cash consists of cash corresponding to the fund for the investment in real estate, which will be used for the acquisition of real estate of the contribution portfolio and to the capital expenditures fund which will be used for repairs, major replacements and other capital expenditures and reserve fund for the repurchase of CBFIs.

#### **j. Hotel properties, furniture and operating equipment**

Hotel properties, furniture and operating equipment are presented at cost, less accumulated depreciation and any accumulated loss from impairment.

The properties which are being constructed for purposes of exploitation, supply or administration are recorded at cost, less any recognized loss for impairment. The cost includes professional fees and, in the case of qualifying assets, capitalized interest, based on the accounting policy of FibraHotel. These properties are classified into the appropriate categories of property, plant and equipment when they are completed for their intended use. The depreciation of these assets, as in other real properties, begins when the assets are ready for their intended use.

Depreciation is calculated using the straight-line method based on the remaining useful life of the asset, considering any residual values and considering components of each asset, as FibraHotel considers components more appropriate and consistent in relation to the methods used by the most representative entities of the sector. Based on technical studies, FibraHotel concluded that its buildings and their different components have different useful lives and will be subject to replacements in different periods, 10 years in the case of certain common areas and up to 55 years for structures of the building. The residual value is 24% in the case of buildings; other fixed assets do not have significant residual values, as determined by independent appraisers.

Freehold land is not depreciated.

Furniture and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized to carry out in profit or loss, the cost or valuation of the assets, less their residual value, over their useful lives. The estimated useful life, the residual value and the depreciation method are reviewed at the end of each year, and the effect of any change in the estimation is recorded on a prospective basis.

Depreciation rates of hotel properties, furniture and operating equipment as of December 31, 2022, 2021 and 2020:

	%
Finished building	10
Building improvements	10
Building components	7
Civil construction building	1
Furniture and equipment	10

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

#### **k. Impairment in the value of long-lived assets**

At the end of each reporting period, FibraHotel reviews the carrying values of its long-lived assets to determine whether there is any indication that such assets have suffered a loss from impairment. If there is any such indication, the recoverable amount of the asset is calculated to determine the amount of the loss from impairment (if any). When it is not possible to estimate the recoverable amount of an individual asset, FibraHotel estimates the recoverable amount of the cash-generating unit to which such asset belongs. When a reasonable and consistent distribution basis can be identified, corporate assets are also assigned to the individual cash generating units; otherwise, they are assigned to the smallest group of cash generating units for which a reasonable and consistent distribution basis can be identified.

The recoverable amount is the higher of the fair value less the cost to sell the asset and its value in use. When evaluating the value in use, the estimated future cash flows related to the asset are discounted at present value using a discount rate before taxes which reflects the current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If it is estimated that the recoverable amount of an asset (or cash-generating unit) is lower than its carrying value, the carrying value of the asset (or cash-generating unit) is reduced to its recoverable amount. Losses from impairment are recognized immediately in the statement of income.

When a loss from impairment is reversed, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the adjustment carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of income.

#### **l. Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation. The properties that are under construction or development and that are intended to be used for leasing can qualify as investment properties.

Acquired investment properties and improvements to leased premises are recorded at acquisition cost, including transaction costs related to the acquisition of assets. Investment properties acquired in exchange for equity instruments are valued at their fair value, as detailed below. Subsequent to the initial recognition, the investment properties are valued at their fair value. The fair values are determined by the FibraHotel Administration considering the discounted future cash flow method and considering the following:

- (i) At least once in each 12-month period from the acquisition of the investment properties and
- (ii) When a factor that may affect the value of the investment property is detected.

The gains and losses on fair value are recorded in the "adjustments to fair value of investment properties" account in the consolidated statements of comprehensive income, in the period they are incurred.

The initial direct costs incurred in the negotiation of leases are added to the carrying amount of the investment properties.

When FibraHotel has a property under an operating lease to obtain rental income or to obtain capital gains, or both, it is classified and accounted for as investment property.

An investment property is derecognized at its disposal or when the investment property is permanently out of use and no future economic benefits of its disposal are expected.

Any gain or loss arising upon derecognizing the property (calculated as the difference between the net income and the book value of the investment property) is included in the consolidated statement of comprehensive income in the period in which the property is derecognized, if applicable.

**m. Employee benefits**

*Employee benefits due to termination*

Employee benefits for termination are recorded in the results of the year in which they are incurred.

*Short-term and other long-term employee benefits and statutory employee profit sharing ("PTU")*

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by FibraHotel in respect of services provided by employees up to the reporting date.

*Statutory employee profit sharing ("PTU")*

PTU is recorded in the results of the year in which it is incurred and is presented in administrative expenses line item in the consolidated statement of profit (loss) and other comprehensive income.

As result of the recent changes to the Income Tax Law and the Labor Law, PTU is determined based on taxable income, according to Section I of Article 9 of the that Law and the Article 127 of the Labor Law.

**n. Income taxes**

As discussed in Note 1, Trust is classified as and intends to maintain its classification as a FIBRA for income tax purposes; accordingly, it does not recognize a provision for income taxes, except for its subsidiary Fibra Hotelera, S. C., which is subject to the payment of regular Income Tax ("ISR"). See Note 12.

**o. Provisions**

Provisions are recognized when FibraHotel has a present obligation (legal or implied) as a result of a past event, it is probable that FibraHotel will be required to liquidate the obligation and it can be reliably estimate that the amount of the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation, at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

**p. Leases**

- *FibraHotel as lessor*

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

- *FibraHotel as lessee*

FibraHotel evaluates whether a contract contains a lease at its background. FibraHotel recognizes an asset for use rights and a corresponding lease liability with respect to all lease agreements in which it is a lessee, except for short-term leases (term of 12 months or less) and low-value assets (such as electronic tablets, personal computers and small items of office furniture and telephones). For these leases, FibraHotel recognizes rental payments as an operating expense under the straight-line method throughout the period of the lease, unless another method is more representative of the pattern of time in which the economic benefits from consumption of leased assets.

The lease liability is initially measured at the present value of the rent payments that are not paid on the start date, discounted by the rate implicit in the contract. If this rate cannot be easily determined, FibraHotel uses incremental rates.

The rent payments included in the measurement of the lease liability consist of:

- Fixed rent payments (including fixed payments in substance), less any lease incentives received;
- Variable income payments that depend on an index or rate, initially measured using the index or rate on the start date;
- The expected amount to be paid by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments for penalties resulting from the termination of the lease if the lease period reflects the exercise of a lease termination option.

The lease liability is presented as a separate concept in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the book value to reflect the interest accrued by the lease liability (using the effective interest method) and reducing the book value to reflect the rental payments made.

FibraHotel revalues the lease liability (and makes the corresponding adjustment to the asset for related use rights) whenever:

- The lease term is modified or there is a significant event or change in the circumstances of the lease resulting in a change in the evaluation of the purchase option exercise, in which case the lease liability is measured by discounting the updated rental payments using an updated discount rate.
- The rent payments are modified as a consequence of changes in indexes or rate or a change in the expected payment under a guaranteed residual value, in which cases the lease liability is revalued discounting the updated rent payments using the same discount rate (unless the change in rent payments is due to a change in a variable interest rate, in which case an updated discount rate is used.)
- A lease is modified, and the modification of the lease is not accounted for as a separate lease, in which case the lease liability is revalued based on the lease term of the modified lease, discounting updated rental payments using a discount rate updated to the effective date of the modification.

FibraHotel did not make any of the adjustments mentioned in the periods presented.

Assets for rights of use consist of the initial measurement of the corresponding lease liability, the rent payments made on or before the commencement date, less any lease incentives received and any direct initial cost. Subsequent valuation is cost less accumulated depreciation and impairment losses.

If FibraHotel incurs an obligation arising from costs to dismantle and remove a leased asset, restore the bond in which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision measured in accordance with the IAS 37. To the extent that costs are related to an asset for rights of use, costs are included in the asset for rights of related use, unless such costs are incurred to generate inventories.

Right-of-use assets are depreciated over the shorter period between the lease period and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the asset for use rights reflects that FibraHotel plans to exercise a purchase option, the asset for use rights will be depreciated over the useful life. Depreciation begins on the start date of the lease.

Assets for rights of use are presented as a separate concept in the consolidated statement of financial position.

FibraHotel applies IAS 36 to determine if an asset for use rights is impaired and accounts for any impairment loss identified as described in the 'Hotel properties, furniture and operating equipment' policy.

Variable income leases that do not depend on an index or rate are not included in the measurement of the lease liability and the asset for use rights. Related payments are recognized as an expense in the period in which the event or condition that triggers the payments occurs and are included in the concept of "Other expenses" in the consolidated statement of income.

As a practical expedient, IFRS 16 allows non-lease components to be separated and instead to account for any leases and their associated non-lease components as a single agreement. FibraHotel has not used this practical file. For contracts that contain lease components and one or more additional lease or non-lease components, FibraHotel assigns the consideration of the contract to each lease component under the method of relative sale price independent of the lease component and relative sale price independent aggregate for all non-lease component.

**q. Foreign currency transactions**

Transactions performed in foreign currency are recorded at the exchange rate in effect on the date each transaction took place. Monetary assets and liabilities denominated in foreign currency are valued in Mexican pesos at the exchange rate in effect at the date of the financial statements. Exchange rate fluctuations are recorded in the statement of income.

**r. Financial derivative instruments**

FibraHotel enters into derivative financial instruments to manage its exposure to volatility in interest rates. Further details of derivative financial instruments are disclosed in Note 13 f).

Derivatives are initially recognized at fair value at the date the derivative contracts are signed and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset, while a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless FibraHotel has both the legal right and the intention to compensate. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

**s. Hedge accounting**

FibraHotel designates certain hedging instruments, which include cash flows hedge derivatives.

At the inception of the hedge relationship, FibraHotel documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, FibraHotel documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

*Cash flow hedges*

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges are recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if FibraHotel expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

FibraHotel discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The suspension is accounted prospectively. Any gain or loss recognized in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

Note 13f includes major details about the fair value of the derivative instruments used for hedging purposes.

**t. Employee CBFi compensation plan***Employee CBFi compensation plan*

CBFi-based payment transactions payable through equity instruments to executives that provide services to FibraHotel, are valued at the fair value of the equity instruments at the date they are granted. The details related to the determination of the fair value of CBFi-based payment transactions are presented in Note 16.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on FibraHotel's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, FibraHotel revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

Equity-settled CBFi-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled CBFi-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, any changes in fair value are recognized in profit or loss for the year.

**u. Revenue Recognition**

FibraHotel recognizes income as follows:

- i. Revenue from room rents, multipurpose ballrooms and other income from services are recognized as a performance obligation that is satisfied over time. Payments for the rental of rooms are settled, in most cases, by the guests when the services are complete, therefore, an asset is recognized in the period in which the services are rendered, representing the right of FibraHotel to recognize income when the performance obligation is completed.
- ii. Revenues related to food and beverages, and other income that involves the delivery of a product are made in the different consumption centers of the hotels and are recognized when the control of goods has been transmitted, this being when the guest receives the products.
- iii. FibraHotel's policy for the revenue recognition from operating leases is described in Note 3 p.

**v. Classification of costs and expenses**

The costs and expenses presented in the consolidated statement of comprehensive income were classified on their nature and function.

**w. Statement of cash flows**

FibraHotel presents its statement of cash flows using the indirect method. Interest received is classified as an investing cash flow; interest paid, distributions and dividends are classified as cash flows from financing activities.

**x. Net income per CBFIs**

It is determined by dividing the consolidated profit by the weighted average number of CBFIs in circulation during the period. The net income for CBFIs with economic rights is determined as of December 31, 2022, 2021 and 2020 by subtracting from the total CBFIs issued, the CBFIs in treasury, the CBFIs canceled and the CBFIs of the repurchase fund (see Note 16).

	2022	2021	2020
CBFIs issued:	833,947,220	833,947,220	833,947,220
Less -			
CBFIs in treasury	(4,443,657)	(4,443,657)	(6,872,932)
CBFIs canceled	(43,680,119)	(41,353,714)	(41,353,714)
CBFIs repurchase fund	-	(2,326,405)	(2,326,405)
CBFIs with economic rights	<u>785,823,444</u>	<u>785,823,444</u>	<u>783,394,169</u>

**4. Critical accounting judgments and key sources of estimation uncertainty**

In the application of the FibraHotel's accounting policies, which are described in Note 3, the FibraHotel's Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recorded in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**a. Critical judgments in applying accounting policies**

Below are the critical judgements, apart from those estimates, made by FibraHotel's management during the application of FibraHotel's accounting policies.

*Business combinations*

Management uses its professional judgment to determine whether the acquisition of a property or portfolio of properties represents a business combination or an asset acquisition. Management specifically considers the following criteria:

- i. Number of properties (land and building) acquired.
- ii. The extent to which significant processes are acquired and in particular the extent of ancillary services provided by the acquiree (e.g., maintenance, cleaning, security, bookkeeping, other property services, etc.).
- iii. Whether the acquiree has allocated its own staff to manage the property and/or to deploy any processes (including all relevant administration such as invoicing, cash collection, provision of management information to the entity's owners and tenant information).
- iv. Carry out the test to identify the concentration.
- v. Analyze the conditions of a substantive process.

This determination can have a significant effect on the manner in which acquired assets and liabilities are recognized in financial information, both as of the acquisition date and subsequently. Transactions that occurred during the periods presented in the accompanying consolidated financial statements are determined to be asset acquisitions.

*Hotel classification (investment property/asset)*

Investment properties are held to earn rentals, for capital gains, or both. Therefore, an investment property generates cash flows by entering into lease agreements, independently of other assets owned by FibraHotel. This distinguishes investment property from owner-occupied property.

FibraHotel owns the property and manages, through an operating hotel entity, the services provided to hotel customers through the execution of operating contracts and the services provided to guests are significant, it is not classified as an investment property but owned by Fibra Hotel. A hotel managed by or on behalf of the owner is an operating property, rather than an investment property

It can be difficult to determine whether the services provided are significant enough that a property does not qualify as investment property. For example, the owner of a hotel sometimes transfers some responsibilities to third parties under an operating agreement. The owner's position could be, in essence, a passive investor or the owner may simply have outsourced day-to-day functions while retaining significant exposure to variations in cash flows from the hotel operations.

Management uses its professional judgment to classify the contributed and acquired hotels as hotel property, plant and equipment, given that each hotel is used in its normal course of business and is, therefore, not considered as an investment property.

#### *Lease classification*

As explained in Note 3 p), leases are classified based on the extent to which the risks and benefits inherent in the ownership of the property under the contract lie with FibraHotel or the tenant, depending on the substance of the transaction, more than the form of contracts. FibraHotel has determined, based on an evaluation of the terms and conditions of the agreements, that it maintains substantially all the significant risks and benefits inherent in the ownership of these assets and, therefore, classifies them as operating leases.

#### *Capitalization of borrowing costs*

FibraHotel capitalizes the borrowing costs directly to the construction of qualifying assets.

### **b. Key sources of estimation uncertainty**

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period.

#### *Estimated useful and residual lives of fixed assets*

On a limited basis, FibraHotel has recognized some allowances for doubtful accounts due to the fact that there has been a significant change in the credit quality of a client and the amounts are not considered recoverable. FibraHotel does not maintain any collateral or other credit enhancements on these balances, nor does it have the legal right to offset them against any amount owed by FibraHotel to the counterparty.

#### *Allowance for doubtful accounts*

On a limited basis, FibraHotel has recognized some allowances for uncollectible accounts due to the fact that there has been a significant change in the credit quality of a client and the amounts are not considered recoverable. FibraHotel does not maintain any collateral or other credit enhancements on these balances, nor does it have the legal right to offset them against any amount owed by FibraHotel to the counterparty.

#### *Fair value measurements and valuation processes*

Some of the assets and liabilities of FibraHotel are measured at fair value in the consolidated financial statements.

In estimating the fair value of an asset or a liability, FibraHotel uses observable market data when they are available. When level 1 data are not available, FibraHotel hires a qualified appraiser to conduct an independent valuation. Management works closely with the independent qualified appraiser to establish the valuation techniques and appropriate input data for the model.

Information about the valuation techniques and inputs used in determining the fair value of individual assets and liabilities are disclosed in Note 13.

#### *Impairment in hotel properties*

The carrying amount of investment properties is reviewed for impairment in case of situations or changes in circumstances indicating that the carrying amount may not be recoverable. If there are signs of impairment, a review is carried out to determine whether the carrying value exceeds its recovery value and is impaired. When conducting the impairment tests, FibraHotel used the methodology of future flows discounted in the value in use assigned to the cash-generating units. Value-in-use calculations require FibraHotel to determine future cash flows that should arise from cash-generating units and an appropriate discount rate to calculate the current value (see Note 7).

**5. Cash, cash equivalents and restricted cash**

	2022	2021	2020
Cash and bank deposits	\$ 377,202	\$ 389,003	\$ 435,549
Cash equivalents and restricted cash:			
Capital expenditure reserve fund (i)	124,034	96,614	24,948
	<u>\$ 501,236</u>	<u>\$ 485,617</u>	<u>\$ 460,497</u>

*Restricted cash*

- (i) Represents amounts held in the capital expenditure reserve fund, which are restricted for the purpose of funding repairs, major replacements and other related capital expenditures. Up to 5% of revenues from the hotels is deposited in this fund. As in the case of cash equivalents, this restricted cash is invested in government securities.

**6. Trade accounts receivable and other accounts receivables**

	2022	2021	2020
Clients	\$ 145,955	\$ 116,679	\$ 81,987
Travel agencies	51,803	50,636	31,612
Credit cards	32,303	21,933	9,567
Other	64,129	13,851	12,245
	<u>294,190</u>	<u>203,099</u>	<u>135,411</u>
Lease receivables from:			
Posadas	26,694	18,475	5,266
	<u>\$ 320,884</u>	<u>\$ 221,574</u>	<u>\$ 140,677</u>

*Accounts receivable aging*

FibraHotel currently has monthly collection levels that reflect its monthly billing; similarly, commercial and negotiating practices allow it to keep the majority of accounts receivable aging at less than 90 days. The accounts receivable subject to legal proceedings are immaterial, for which reason they do not merit the creation of an allowance for doubtful accounts.

	2022	2021	2020
60-90 days	\$ 13,036	\$ 6,260	\$ 784
More than 90-120 days	50,061	11,501	13,662
Total	<u>\$ 63,097</u>	<u>\$ 17,761</u>	<u>\$ 14,446</u>
Average aging (days)	<u>21</u>	<u>38</u>	<u>40</u>

**7. Hotel properties, furniture and operating equipment**

	2022	2021	2020
Land	\$ 2,047,386	\$ 2,047,386	\$ 1,909,172
Building	10,879,787	10,823,195	9,990,470
Hotel furniture and operating equipment	3,050,656	2,853,223	2,924,638
	<u>15,977,829</u>	<u>15,723,804</u>	<u>14,824,280</u>
Less - Accumulated depreciation	<u>(3,597,323)</u>	<u>(3,092,722)</u>	<u>(2,543,645)</u>
	<u>\$ 12,380,506</u>	<u>\$ 12,631,082</u>	<u>\$ 12,280,635</u>

Cost	Land	Building	Hotel furniture and operating equipment	Total
Balances as of January 1, 2020	\$ 1,727,969	\$ 9,660,440	\$ 2,907,107	\$ 14,295,516
Acquisitions	55,496	152,069	26,602	234,167
Transfer of properties under development	108,200	-	-	108,200
Decreases	17,507	183,353	28,650	229,510
Impairment	-	(5,392)	-	(5,392)
Decreases	-	-	(37,721)	(37,721)
Balances as December 31, 2020	1,909,172	9,990,470	2,924,638	14,824,280
Acquisitions	47,962	97,010	145,578	290,550
Transfer of properties under invest	90,252	760,667	(215,400)	635,519
Impairment	-	(24,952)	-	(24,952)
Decreases	-	-	(1,593)	(1,593)
Balances as December 31, 2021	2,047,386	10,823,195	2,853,223	15,723,804
Acquisitions	-	69,987	202,130	272,117
Impairment	-	(13,395)	-	(13,395)
Decreases	-	-	(4,697)	(4,697)
Balances as December 31, 2022	\$ 2,047,386	\$ 10,879,787	\$ 3,050,656	\$ 15,977,829

Accumulated depreciation	Building	Hotel furniture and operating equipment	Total
Balances as of January 1, 2020	\$ 917,326	\$ 1,072,340	\$ 1,989,666
Decreases for depreciation	-	(29,859)	(29,859)
Depreciation expense	269,705	314,133	583,838
Balances as of December 31, 2020	1,187,031	1,356,614	2,543,645
Decreases for depreciation	-	(2,655)	(2,655)
Depreciation expense	309,630	242,102	551,732
Balances as of December 31, 2021	1,496,661	1,596,061	3,092,722
Decreases for depreciation	-	(4,179)	(4,179)
Depreciation expense	280,150	228,630	508,780
Balances as of December 31, 2022	\$ 1,776,811	\$ 1,820,512	\$ 3,597,323

As of December 31, 2022, some FibraHotel properties are granted as collateral for the lines of credit described in Note 11, whose approximate book value is \$2,836 million pesos.

FibraHotel has identified that the cash-generating units are each of its hotels and, therefore, reviewed their recoverable amount. This review led to the recognition of an impairment loss by:

- December 31, 2022, for \$13,395, corresponding to the One Puebla and Fairfield Inn Villahermosa hotels.
- December 31, 2021, for \$24,952, corresponding to the One Coatzacoalcos, One Puebla, Fiesta Inn Hermosillo and Fiesta Inn Perinorte hotels.
- December 31, 2020, \$5,392 corresponding to the Fiesta Inn Villahermosa hotel.

The amounts were presented under the heading "Impairment of hotel properties" within the consolidated statement of income and other comprehensive income.

As of December 31, 2022, the Ciudad Obregón Select Service and León Select Service hotels remain closed. As of December 31, 2021, the decision was made to accelerate the depreciation, leaving only the value of the land for \$111 million, which was determined by an independent appraiser. These adjustments represented a change in net book value of \$48 million pesos.

During the second quarter of 2020, FibraHotel had four managed hotels closed. Regarding the Servicio Limitado Coatzacoalcos, Servicio Selecto Ciudad Obregón, Servicio Selecto León, and Servicio Limitado Saltillo hotels, FibraHotel made the decision to modify the book value of these assets, accelerating depreciation and leaving only the value of the land and works civilians. These adjustments represented a change in the net book value of those four hotels with a net impact of \$66.2 million pesos.

## 8. Properties under development

	2022	2021	2020
Projects with developer 1	\$ 92,923	92,923	92,923
Others	49,744	4,818	-
	<u>\$ 142,667</u>	<u>\$ 97,741</u>	<u>\$ 92,923</u>

During the fourth quarter of 2020, FibraHotel adjusted the development portfolio by reclassifying the land attached to hotels and associated expenses, leaving the land within mixed-use projects. The land was reclassified in property, furniture and equipment of the hotel, together with the Fiesta Inn Toluca and Fiesta Inn Villahermosa hotels, for an amount of \$108 million pesos and an expense was recorded in the consolidated statement of income and other comprehensive income for \$35 million of pesos. Considering these adjustments, the value of the development portfolio as of December 31, 2020 amounted to \$92.9 million pesos. During 2022 and 2021, FibraHotel did not adjust the development portfolio.

## 9. Investment properties

	2022	2021	2020
Fair value of the investment properties	<u>\$ 4,081,000</u>	<u>\$ 3,507,324</u>	<u>\$ 3,806,192</u>
Balances as of the beginning of the year	\$ 3,507,324	\$ 3,806,192	\$ 3,965,509
Additions	67,726	67,337	28,007
Decreases	-	(40)	(556)
Adjustment to the fair value of the investment properties	505,950	269,355	42,744
Transfer of properties, furniture and equipment of hotel	-	(635,520)	(229,512)
Balances as of the end of the year	<u>\$ 4,081,000</u>	<u>\$ 3,507,324</u>	<u>\$ 3,806,192</u>

The fair value of the Fiesta Americana Condesa Cancún hotel as of December 31, 2022 (the only property registered as an Investment Property) was carried out by the consulting firm HVS, specialized in the hotel sector. HVS used the discounted future cash flow methodology; the projected cash flow calculation that HVS considered was 10 years. To estimate the exit value of the investments, FibraHotel took a Cap rate of 8.5% for the last projected year of each of the investments, subsequently, and applied a discount factor to said flow in order to bring the current value to the present value. exit value of investments. The discount rate applied by FibraHotel was based on the Weighted Average Cost of Capital ("CCPP" or "WACC") methodology. The fair value measurement hierarchy is Level 3.

The fair value of investment properties as of December 31, 2021 and 2020 was determined by FibraHotel based on the discounted future cash flow methodology; the calculation of the projected cash flow that FibraHotel considered was for 9 years. To estimate the exit value of the investments, FibraHotel took a Cap rate for the last projected year of each one of the investments, later, it subtracted the considered transaction cost of 2.5% for all the investments and finally, they applied a discount factor in order to bring the value of the investments to present value. The discount rate applied by FibraHotel was based on the Weighted Average Cost of Capital ("WACC") methodology. The fair value measurement hierarchy is Level 3.

The estimation of the fair value of the properties is considered the greatest and best use of the properties is their current use.

- (1) Transfer of the Fiesta Inn Cuautitlán hotel in 2020 and the Fiesta Inn Perisur and the Yucatán Resort Playa del Carmen hotels in 2021. See Note 1 - Relevant events.

## 10. Suppliers and accrued expenses

	2022	2021	2020
Suppliers	\$ 304,541	\$ 217,631	\$ 142,033
Accrued expenses	75,439	81,335	43,910
Other accounts payable	55,015	43,522	22,775
	<u>\$ 434,995</u>	<u>\$ 342,488</u>	<u>\$ 208,718</u>

**11. Debt**

- Long-term debt is as follows:

	2022	2021	2020
Line of credit in Mexican pesos with a long-term mortgage guarantee with BBVA at a 28-day TIIE rate plus 1.50 percentage points, maturing in October 2027	\$ 726,550	\$ 734,850	\$ 734,850
Line of credit in Mexican pesos with a long-term mortgage guarantee with BBVA at a 28-day TIIE rate plus 1.60 percentage points, maturing from July 2021 to July 2023 <sup>(3)</sup>	156,339	196,326	252,933
Line of credit in Mexican pesos with a long-term mortgage guarantee with Banorte at a 91-day TIIE rate plus 2.00 percentage points, maturing in June 2028 <sup>(1)</sup>	459,770	964,855	989,890
Line of credit in Mexican pesos with a long-term mortgage guarantee with Banorte. At a 91-day TIIE rate plus 2.60 percentage points (1.99 percentage points as of July 2022) maturing in June 2030.	-	250,000	-
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Line of credit in US dollars with a long-term mortgage guarantee with Banorte. At a 91-day SOFR rate plus 2.50 percentage points maturing in June 2028	476,500	-	-
Line of credit in US dollars with a long-term mortgage guarantee with BBVA at a 91-day SOFR rate plus 1.80 percentage points, maturing in August 2024 <sup>(3)</sup>	195,370	227,952	259,158
Revolving credit with Sabcapital S. A. de C.V. SOFOM ER, maturing in May 2023 <sup>(2)</sup>	-	130,000	200,000
	2,014,529	2,503,983	2,436,831
Less - Current portion of long-term debt	(351,312)	(96,160)	(319,297)
Long-Term debt	<u>\$ 1,663,217</u>	<u>\$ 2,407,823</u>	<u>\$ 2,117,534</u>

(1) In July 2020, the spread increased from 1.30 percentage points to 2.00 percentage points as agreed upon signing the credit agreement with Banorte in July 2018. In December 2022, \$486 million of the outstanding balance of \$946 million was amortized million, which were financed through a 24.6 million dollars credit line.

(2) In June 2021, FibraHotel signed an amendment on the BBVA 2 credit lines, agreeing to the following:

- Reduce amortizations for the years 2022 and 2023 by \$177 million pesos in 2022; \$44 million pesos in 2023, and extend the maturity of the credit to 2024.
- Consider the spread of 190 basis points over TIIE for the pesos tranche (\$253 million) and 225 basis points over LIBOR for the dollars tranche (USD 13 million).
- A sustainable KPI was integrated with a commitment to reduce energy intensity per occupied room by 1% vs. budget for a portfolio of selected hotels, which will generate a benefit of 5 basis points in order to obtain FibraHotel's first green credit.

**BBVA**

Main obligations to do:

- Maintain during the term of the contract, a ratio of current assets to short-term liabilities, not less than 1.2x.
- Maintain during the term of the contract, a ratio of total liabilities to stockholders' equity no greater than 1.0x.
- Maintain during the term of the contract, a ratio of operating profit (results before financial expenses, taxes, depreciation and amortization), in a half year period, between debt service (sum of capital and interest corresponding to the same reference period of the contracted financing) not less than 1.3x.
- Maintain a ratio of net debt to operating profit (profit before financial expenses, taxes, depreciation and amortization) of no more than 4.0x.

Waivers granted for the year 2022

- Do not consider failure to reach an index of less than 1.2x as a default.
- Contracting of interest rate hedges until the end of December 2023.

Waivers granted for the year 2021

- Do not consider failure to reach liquidity ratio of less than 1.2x as a default.
- Do not consider a debt service coverage ratio of no less than 1.3x as a default.
- Do not consider having a net debt / EBITDA ratio greater than 4.0x as inflammation default.

Waivers granted for the year 2020

- Compliance with the liquidity, interest coverage, and debt/EBITDA indices, for the quarters that ended in the months of June, September and December 2020, contained in the eleventh clause of the contract, related to special obligations.
- Compliance with the liquidity, interest coverage, and debt/EBITDA indices, until the end of December 2021, contained in the eleventh clause of the contract, related to special obligations.

### Banorte

Main obligations to do:

- Maintain, during the term of the contract, a higher debt service coverage ratio at 1.20x.
- Maintain during the term of the contract, a leverage ratio of less than or equal to 40%.

Waivers granted for the year 2022

- Being able to comply with the financial indices until the end of the year 2023.
- The contracting of derivative instruments that cover 70% of the credit until maturity within a period of 18 months after the date of signing the contract.

Waivers granted for the year 2021

- Being able to comply with the financial indices until the end of the year 2022.

Waivers granted for the year 2020

- Do not consider failure to cover 100% of the credit with a derivative instrument after 18 months.
- Being able to comply with the financial indices until the end of the first semester of 2021.
- Comply with the financial indexes until the end of the second half of 2021.

#### a. Long-term financial debt

As mentioned in Note 1 "Significant Events", during 2019, the FibraHotel issued a bond for \$2,500 million pesos at a fixed rate of 8.83%:

	2022	2021	2020
Long-term debt at a fixed rate of 8.83%. The credit has a linear capital amortization scheme at years 8, 9 and 10 the maturity of the debt is September 2029.	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Less - Bond issuance expenses	<u>(15,755)</u>	<u>(18,089)</u>	<u>(20,422)</u>
	<u>\$ 2,484,245</u>	<u>\$ 2,481,911</u>	<u>\$ 2,479,578</u>

The debt includes certain clauses that limit FibraHotel to its total unpaid debt level, debt service coverage ratio, total nencumbered assets and guaranteed debt. For the year ended December 31, 2022, 2021 and 2020, these restrictions were met.

On February 3, 2021, FibraHotel held a FIHO19 bond Holders' Meeting. The Assembly had a quorum of 90% and all the items on the agenda were approved, including:

- Grant a waiver for the year 2021 with respect to a clause that limited the contracting of additional debt if the debt service coverage ratio is less than 1.5x. With this waiver, during 2021 FibraHotel may contract additional debt for an amount of up to \$500 million pesos;

The insertion of a new clause indicating that FibraHotel may contract additional debt to refinance existing debt, in order to improve the terms and conditions of the debt, even when the debt service coverage index is lower than 1.5x.

2. Maturities of long-term debt:

Year	Maturities
2024	\$ 411,299
2025	301,395
2026	323,895
2027	1,201,243
More than 5 years	<u>1,909,630</u>
	<u>\$ 4,147,462</u>

3. Reconciliation of obligations arising from financing activities:

	01/01/2022	Cash flow financing	Financing paid	Interest	Interest paid	Other expense	31/12/2022
Debt	\$ 2,504,061	\$ 476,500	\$ (953,933)	\$ 213,847	\$ (188,402)	\$ (12,022)	\$ 2,040,051
Public market debt	<u>2,542,618</u>	<u>-</u>	<u>-</u>	<u>223,816</u>	<u>(223,203)</u>	<u>2,334</u>	<u>2,545,565</u>
	<u>\$ 5,046,679</u>	<u>\$ 476,500</u>	<u>\$ (953,933)</u>	<u>\$ 437,663</u>	<u>\$ (411,605)</u>	<u>\$ (9,688)</u>	<u>\$ 4,585,616</u>

## 12. Income taxes

In order to maintain its status as a FIBRA, per requirements of SAT, in conformity with Articles 187 and 188 of the Income Tax Law (LISR), FibraHotel must annually distribute at least 95% of its taxable income to the holders of the CBFIs.

Fibra Hotelera, S. C. is subject to income tax ("ISR" for its acronyms in Spanish), the rate of current income is 30%.

a. Income taxes expense are as follows:

	2022	2021	2020
ISR:			
Deferred tax	<u>\$ (2,155)</u>	<u>\$ (1,308)</u>	<u>\$ 2,451</u>

b. As of December 31, 2022, 2021 and 2020 the deferred income tax asset is composed solely of temporary differences resulting from accrued expenses of \$15,793, \$8,139, and \$4,113, respectively.

## 13. Financial Instruments

### a. Equity management

FibraHotel manages its equity to ensure its ability to continue as a going concern, while maximizing the net worth of its trustors and distributions to the trustors by optimizing its use of debt and equity. FibraHotel's 2022 overall strategy remains unchanged from 2021 and 2020.

The equity of FibraHotel is primarily composed by the net worth of its trustors. Equity management objectives include ensuring the availability of operating funds to maintain the consistency and sustainability of distributions paid to trustors, while funding the required capital expenditure requirements and providing the resources needed to acquire and develop new properties.

FibraHotel can acquire hotels subject to existing financial mortgages or other encumbrances; similarly, it can acquire new debt or refinance existing debt to acquire hotels, albeit subject to compliance with leverage policies. Under certain circumstances, it could have the obligation to pay distributions in excess of the cash available for this purpose; if necessary, it can utilize the resources generated by organizing future debt and equity offerings, selling assets or obtaining loans to make certain distributions. The debt service related to this financing or indebtedness takes priority over any distributions related to the CBFIs.

- *Leverage level*

The leverage level as of December 31, is as follows:

	2022	2021	2020
Debt <sup>(i)</sup>	\$ 4,498,774	\$ 4,985,894	\$ 4,916,409
Total assets	<u>17,479,017</u>	<u>16,975,236</u>	<u>16,821,922</u>
Leverage level	<u>25.74%</u>	<u>29.37%</u>	<u>29.23%</u>

(i) Debt is defined as long and short-term loans plus interest (excluding derivatives), as described in Note 11.

On December 10, 2020, the National Banking and Securities Commission published modifications to the general provisions applicable to securities issuers and other participants in the securities market, known as the Sole Issuers Circular ("CUE") and amendments to the Annex AA of the CUE. The modifications became effective on December 11, 2020.

The modifications are applicable to FIBRAs and their main objective is to make the legal framework of the FIBRAs more flexible when they contract financing from the trust equity.

In accordance with the modifications, it will be the power of the holders' meeting to establish the rules for contracting financing charged to the equity of the FIBRAs. The rules approved by the holders' meeting must establish the maximum leverage limit and the debt service coverage index that the FIBRAs must observe which must be calculated in accordance with Annex AA of the CUE. Likewise, within the modifications made to Annex AA, an analysis period of four quarters (instead of six quarters) has been established to calculate said maximum leverage limit and the debt service coverage index.

- **Debt service coverage ratio**

As of December 31, 2022, FibraHotel's debt service coverage ratio is 1.75, considering a period of four quarters, derived from the update of the CUE; the metrics for its calculation are the following:

- Commitments:
  - Debt service: \$760 million pesos.
  - Estimated capital expenditures (maintenance capex): \$289 million pesos.
- Available resources:
  - Cash and cash equivalents (excluding restricted cash): \$377 million Mexican pesos.
  - Recoverable VAT: \$20 million Mexican pesos.
  - Estimated operating profit after paying the distribution (including depreciation and financial revenues): \$1,243 million Mexican pesos.
  - Available credit lines: \$200 million Mexican pesos.

**b. Categories of financial instruments**

	2022	2021	2020
<b>Financial assets:</b>			
Cash, cash equivalents and restricted cash	\$ 501,236	\$ 485,617	\$ 460,497
Trade accounts receivable and other accounts receivable	320,884	221,574	140,677
Derivative financial instrument	-	-	-
<b>Financial liabilities:</b>			
Debt	\$ 4,498,774	\$ 4,985,894	\$ 4,916,409
Suppliers	304,541	217,631	142,033
Account payable to Administradora Fibra Hotelera Mexicana, S.A. de C.V. - related party	40,393	157,140	144,493
Interest payable	86,842	60,784	79,686
Derivative financial instrument	-	-	1,724

**c. Financial risk management objectives**

Financial risk management is intended to manage financial expectations, while generating results of operations and cash flows to improve the financial position of FibraHotel and ensure its ability to make distributions to the holders of the CBFIs and fulfill any future debt obligations.

The Technical Committee of FibraHotel is responsible for advising and instructing the trustee with regard to the sale or cancellation of the CBFIs, analyzing and improving potential investments, sales and acquisitions, providing business services, coordinating access to national financial markets, as well as monitoring and managing the financial risks derived from the operations of FibraHotel through internal risk reports which provide an analysis of the level and magnitude of FibraHotel's risk exposure. These risks include the market risk (including exchange rate and interest rate risks), credit risk and liquidity risk.

**d. Market risk**

The activities of FibraHotel expose it mainly to financial risks of interest rate changes. FibraHotel subscribes a variety of financial derivatives to handle this exposure the risk of interest rate increases.

Exposures to market risk are valued using the Value at Risk (VaR), supplemented by a sensitivity analysis.

There have been no changes in the exposure of FibraHotel to market risks or the way in which these risks are managed and valued.

**e. Foreign currency risk management**

As FibraHotel performs transactions denominated in U.S. dollars ("U.S. dollar"), it is exposed to exchange rate fluctuations involving the Mexican peso and the U.S. dollar.

i. As of December 31<sup>st</sup>, the foreign currency monetary position is as follows:

	2022	2021	2020
Thousands of U.S. dollars:			
Monetary assets	\$ 2,770	\$ 6,848	\$ 9,398
Monetary liabilities	(32,323)	(11,615)	(13,354)
Long position	(29,553)	(4,767)	(3,956)
Equivalent in Mexican pesos	\$ (572,190)	\$ (97,798)	\$ (78,864)

ii. Mexican peso exchange rates in effect at the date of the consolidated statement of financial position and at the date of issuance of these consolidated financial statements were as follows:

	December 31, 2022	December 31, 2021	December 31, 2020	March 31, 2023
US dollar	\$ 19.3615	\$ 20.5157	\$ 19.9352	\$ 18.0932

**- Foreign currency sensitivity analysis**

Management considers that its exchange rate risk is not significant, given the amount of its long position in U.S. dollars.

If the exchange rate had increased or decreased by \$1 peso per U.S. dollar and all other variables had remained constant, the result of the year and net worth of FibraHotel for the year ended December 31, 2022, 2021 and 2020 would have decreased by approximately (\$29,552), (\$4,767) and (\$3,956), respectively.

**f. Interest rate risk management - Derivative financial instrument**

FibraHotel is exposed to interest rate risk because it borrows funds at floating interest rates. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

**- Interest rate sensitivity analysis - Derivative financial instruments**

The following sensitivity analyses have been determined based on the exposure to interest rates for both the derivatives and non-derivatives at the end of the reporting period. For variable rate liabilities, an analysis is prepared by assuming that the amount of the liability in effect at the end of the reporting period has been the liability in effect for the entire year. A sensitivity analysis was performed, taking into account the following interest rate scenarios (28 and 91 day TIIE): +100 basis points, +25 basis points, -25 basis points, -100 basis points, using a confidence level of between 95% and 99% for a time horizon of one day, the results of these effects as of December 31, 2022 are as follow:

Scenarios	28-day TIIE	91-day TIIE	Libor	Impact
100 basis points fewer	9.7605	9.9749	3.3581%	(18,954)
25 basis points fewer	10.5105	10.7249	4.1081%	(4,739)
As of December 31, 2020	10.7605	10.9749	4.3581%	-
Plus 25 basis points	11.0105	11.2249	4.6081%	4,739
Plus 100 basis points	11.7605	11.9749	5.3581%	18,954

According to the results of the sensitivity analysis under the scenarios and according to the characteristics and structure of the analyzed derivative positions, it is concluded that the market risks faced by the entity's position in swaps are mainly in : a) 28-day TIIE rate; b) TIIE-IRS curve, c) SOFR and d) The existing correlation between the risk factors. The higher the correlation, the higher the volatility of the portfolio of risk factors.

**g. Credit risk management**

Credit risk refers to the situation in which counterparty defaults on its contractual obligations, thereby generating a financial loss for FibraHotel. Virtually all the revenues generated by FibraHotel are derived from the provision of hotel services. Consequently, its performance depends on its ability to collect revenues from hotel services from guests, as well as the capacity of the latter to make the required payments. FibraHotel's income and funds available for distribution would be adversely affected if a significant number of guests or its main leaseholders defaulted on their rental payments, closed their businesses or filed bankruptcy proceedings.

Credit risk is generated by the balances of cash and cash equivalents, trade accounts receivable, other receivables and financial instruments. The maximum risk exposure is included in the consolidated statement of financial position.

**h. Liquidity risk management**

Liquidity risk represents the risk whereby FibraHotel faces certain difficulties when fulfilling obligations associated with financial liabilities which must be settled in cash or through the delivery of another financial asset. As FibraHotel is responsible for liquidity risk management, it has established a suitable liquidity risk management structure to manage its short, medium and long-term financing, while satisfying liquidity management requirements. FibraHotel manages its liquidity risk by maintaining adequate reserves, monitoring projected and actual revenue cash flows and reconciling the maturity profiles of financial assets and liabilities. The Treasury department monitors liability maturities to program the respective payments.

The following table details the remaining contractual maturities of FibraHotel for its financial liabilities with reimbursement periods established. The table has been designed based on the undiscounted projected cash flows of the financial liabilities based on the date that FibraHotel must generate/obtain the resources. The table includes the projected interest cash flows, taking into account the debt as of December 31 each year, as well as capital disbursements from the financial debt included in the statement of financial position. The variable interest rate financial debt is subject to change; if the changes in variable interest rates differ from those interest rate estimates determined at the end of the reporting period, the values below will differ:

	Less than 1 year	1 and 3 years	3 + years	Total
As of December 31, 2022				
Debt	\$ 351,312	\$ 1,036,589	\$ 3,110,873	\$ 4,498,774
Interest payable	86,842	-	-	86,842
Suppliers and accrued expenses	434,995	-	-	434,995
Account payable to Administradora Fibra Hotelera Mexicana, S.A. de C.V.	40,393	-	-	40,393
Projected interest of debt, net of derivative financial instrument.	419,005	1,038,336	427,041	1,884,382
<b>Total</b>	<b>\$ 1,332,547</b>	<b>\$ 2,074,925</b>	<b>\$ 3,537,914</b>	<b>\$ 6,945,386</b>
As of December 31 <sup>st</sup> , 2021				
Debt	\$ 96,160	\$ 1,248,167	\$ 3,641,567	\$ 4,985,894
Interest payable	60,784	-	-	60,784
Suppliers and accrued expenses	342,488	-	-	342,488
Account payable to Administradora Fibra Hotelera Mexicana, S.A. de C.V.	157,140	-	-	157,140
Projected interest of debt, net of derivative financial instrument.	427,998	868,639	1,279,317	2,575,954
<b>Total</b>	<b>\$ 1,084,570</b>	<b>\$ 2,116,806</b>	<b>\$ 4,920,884</b>	<b>\$ 8,122,260</b>
As of December 31 <sup>st</sup> , 2020				
Debt	\$ 319,297	\$ 862,859	\$ 3,734,253	\$ 4,916,409
Interest payable	79,686	-	-	79,686
Suppliers and accrued expenses	208,718	-	-	208,718
Account payable to Administradora Fibra Hotelera Mexicana, S.A. de C.V.	144,493	-	-	144,493
Projected interest of debt	356,891	982,599	996,512	2,336,002
<b>Total</b>	<b>\$ 1,109,085</b>	<b>\$ 1,845,458</b>	<b>\$ 4,730,765</b>	<b>\$ 7,685,308</b>

**i. Fair value of financial instruments**

*Fair value of financial instruments recorded at amortized cost*

Except for long-term debt, carrying value of trade accounts receivable and other receivables, due from related parties, suppliers and accrued expenses are short-term in nature and, in certain cases, accrue interest at rates linked to market indicators. FibraHotel therefore considers that the carrying value of these financial assets and liabilities recognized at amortized cost approximates their fair values. The fair value of long-term debt is show as follows.

*Fair value of financial instruments on a recurring basis are as follows:*

Financial assets and liabilities	Fair value as of December 31 <sup>st</sup> ,			Fair value hierarchy	Techniques and key inputs
	2022	2021	2020		
Derivative financial instruments designed as hedge - Cap Spread	\$ -	\$ -	\$ (1,724)	Level 2	Discounted future cash flows are calculated on the basis of term interest rates (starting with the observable yield curves at the end of the period in question) and contractual interest rates, discounted at a rate which reflects the credit risk of various counterparties.
Investments in government securities	\$ 150	\$ 196,237	\$ 114,285	Level 1	Market value. The fair value of investments is measured by quoted prices (unadjusted) in active markets for identical instruments

*Fair value over financial instruments that are valued at amortized cost*

Financial liabilities	2022		2021		2020		Fair value hierarchy	Techniques and key inputs
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value		
Debt and public market debt	<u>\$4,498,774</u>	<u>\$4,569,140</u>	<u>\$4,985,894</u>	<u>\$5,162,003</u>	<u>\$4,916,409</u>	<u>\$ 5,117,424</u>	Level 3	Market value. The fair value of debt is measured with unobservable information. The valuation was made by projecting discounted future flows at present value.

**Valuation techniques and assumptions applied for purposes of determining the fair value**

- The fair value of financial assets and financial liabilities with standard terms and traded in active liquid markets are determined with reference to quoted market prices (including unlisted redeemable notes, bills of exchange, perpetual and government bonds).
- The fair value of other financial assets and liabilities (excluding those described above) are determined in accordance with pricing models generally accepted, based on the analysis of discounted cash flows using prices from observable current transactions in the market and quotations for similar instruments. In particular, the fair value of long-term debt, which is calculated only for the purpose of this disclosure and not for the accounting of the debt, which is considered measurement Level 3, as described below, it was determined using a model of discounted cash flows, using current rates estimates based on observable market TIE curves and credit spread estimated using observable credit similar entities, which is adjusted as needed.

Financial instruments measured at fair value after initial recognition are grouped in three levels, based on the degree to which the fair value is observable:

- Level 1 valuations at fair value are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 valuations at fair value are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 valuations at fair value are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable indicators).

**14. Transactions and balances with related parties**

- a. Commercial transactions:

During the year, FibraHotel carried out the following transactions with related parties, which are not member of FibraHotel:

	2022	2021	2020
Administradora Fibra Hotelera Mexicana, S. A. de C. V. <sup>(1)</sup> : Management fee and payments	<u>\$ 156,049</u>	<u>\$ 146,565</u>	<u>\$ 144,493</u>
Group A <sup>(2)</sup> : Expense: Administrative services	<u>\$ 42,621</u>	<u>\$ 78,553</u>	<u>\$ 81,687</u>

- 1) The account payable to Administradora Fibra Hotelera is the one presented in the consolidated statements of financial position, as of December 31, 2022, 2021 and 2020, it is for \$40,393, \$157,140 and 144,493, respectively.
- 2) Until July 31, 2022, Group A was made up of Prestación de Servicios Hoteleros GG, S. A. de C. V., Soluciones y Administración Estratégica, S. A. de C. V., Solución de Recursos Humanos, A. de C. V., due to the fact that the services administrative costs that these companies provided are now provided by their subsidiary Fibra Hotelera S.C.

**15. Employee Benefits**

The Entity manages a plan that covers seniority bonuses, which consist of a single payment of 12 days for each year worked based on the last salary, limited to twice the minimum wage established by law. The relative liability and annual cost of benefits are calculated by an independent actuary on a basis defined in the plans, using the projected unit credit method.

The plans expose the Entity to actuarial risks such as: investment, interest rate, longevity and salary risk.

There are no other post-retirement benefits provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were performed as of December 31, 2022 by independent actuaries. The present value of the defined benefit obligation and the labor cost of the current service and the cost of past services were calculated using the projected unit credit method.

The main assumptions used for actuarial valuation purposes are as follows:

	2022 %
Discount rate	9.45
Expected rate of wage increase	5.00

The amounts recognized in the results of these defined benefit plans are:

	2022
Cost of the service:	
Labor cost of current service	\$ 3,941
Cost of services passed by settlements	67
Interest cost	856
	<u>\$ 4,864</u>

The amounts recognized in ORI are as shown below

	2022
Remeasurement of net defined profit liabilities:	
(Actuarial gains)/losses arising from changes in financial assumptions	\$ (1,791)
(Actuarial gains)/losses arising from past adjustments	(2,409)
Total	<u>\$ (4,200)</u>

Changes in the present value of the defined benefit obligation in the period:

	2022
Opening balance of the defined benefit obligation	\$ 1,662
Labor cost of current service	3,941
Interest cost	856
Remeasurement (gains) losses:	
(Actuarial gains)/losses arising from changes in financial assumptions	(1,791)
(Actuarial gains)/losses arising from past adjustments	(2,409)
Cost of past services including losses/(gains) from adjustments	(1,194)
Liabilities assumed	10,820
Final balance of defined benefit obligation	<u>\$ 11,885</u>

## 16. Trustees' equity

*Contributions.*

a. Equity contributions of trustors at par value are as follows:

	2022	2021	2020
Initial capital contribution	\$ 15	\$ 15	\$ 15
Issuance of CBFIs	14,348,386	14,348,386	14,348,386
<b>Total</b>	<u><b>\$ 14,348,401</b></u>	<u><b>\$ 14,348,401</b></u>	<u><b>\$ 14,348,401</b></u>

b. The net worth of FibraHotel is represented by an initial contribution of \$15, the Contribution Portfolio, the Contribution Portfolio under Development and the resources generated by issuing the CBFIs.

- c. As of December 31, 2022, 2021 and 2020, there are 785,823,444, 783,394,169 and 785,720,574 CBFIs with economic rights respectively.
- d. During the years 2017 and 2018 FibraHotel repurchased 41,353,714 CBFIs, of which 32,620,342 were canceled in 2019 and 8,733,372 were canceled in 2020. In 2020 FibraHotel repurchased 2,326,405 CBFIs.
- e. As of December 31, 2020, the FibraHotel Technical Committee has approved and paid distributions from the tax revenue accounts, to the holders of the CBFIs as follows:

Date of distribution approval	Distribution by CBFi (Pesos)	Distributions from equity redemption	Distributions of taxable income	Total distributions
February 18, 2020	\$ 0.2017	\$ 111,964	\$ 46,071	\$ 158,035

As of December 31, 2022 and 2021, there was no distribution of CBFIs.

The distribution by CBFIs is the result of dividing the total amount distributable by the number of CBFIs in circulation with economic rights, the cut of the number of CBFIs that have the right to distribution is made at the time of publishing the distribution notice.

As of the first quarter of 2020, anticipating a negative fiscal result for the years 2020, 2021 and 2022, and with the intention of protecting FibraHotel's liquidity situation, the Technical Committee decided to suspend the distribution payment.

As of December 31, 2022, 2021 and 2020, the CBFIs without economic rights and canceled amounted to 48,123,776 and 48,123,776, 50,553,051, respectively.

f. *Repurchase of Certificates*

During 2022 and 2021, the repurchase fund remained inactive.

FibraHotel have repurchased the following certificates during 2020:

CBFIs in circulation	\$ 833,947,220
Repurchase maximum amount	41,697,361
Number of acquired CBFIs	2,326,405
Average acquisition price	7.79
<b>Total amount of repurchase</b>	<b>\$ 18,132</b>

g. *Reservation of payments based on FibraHotel certificates -*

On April 28, 2022, the General Assembly of Holders of Stock Certificates approved the implementation of a compensation plan for employees based on CBFIs, of up to 4,741,602 CBFIs.

*Certificate option plan for executives who provide services to FibraHotel.*

On June 30, 2021, 2,420,045 CBFIs were put into circulation and, additionally, on July 6, 2021, an additional 9,230 CBFIs were put into circulation. These 2,429,275 CBFIs correspond to the employee incentive plan established in 2017.

Based on the prices determined by FibraHotel, as well as the number of certificates released, it was determined that the total estimated fair value of all the options was \$34,090, which was recorded on a straight-line basis over the 5 years that it lasted in plan. The effect was recorded by increasing the consolidated statement of changes in the trustees' equity.

## 17. Minimum lease payments

The aggregate annual future minimum lease payments expected to be received under existing operating leases, described by hotel brand, are as follows:

Year	Fiesta Americana	Other
Less than a year	\$ 233,412	\$ 27,286
From one to five year	897,449	109,143
	\$ 1,130,861	\$ 136,429

The lease contracts have remaining terms ranging from one to five years.

The aforementioned minimum lease payments do not include amounts expected to be received with respect to variable rents, which is mainly comprised of rent increases based on inflation and variable income, and hotel performance, if any. Additionally, the payments disclosed only consider the compulsory lease term and do not consider any renewal periods, related to minimum future rentals.

## 18. Business segment information

### a. Segments financial information

Segment information reported externally was analyzed on the basis of the types of room revenues, food and beverage income, operating expenses for the different types of hotel brands that comprise the investment portfolio of FibraHotel. However, the information analyzed by management who makes operating decisions of the Trust for purposes of allocating resources and assessing segment performance is focused more specifically on the category of customer for each type of portfolio up to the level of operating income. The main categories of customers for these goods are services provided and brand. FibraHotel segments to report according to IFRS 8 are therefore the following:

#### **Select service**

These hotels provide certain additional services to limited service hotels, including the offer of food and drink, restaurants, bars and room service 24 hours. Rooms for social and business events, as well as additional services within the room.

#### **Limited service**

Limited service hotels offer a service, as its name implies, of convenience, which traditionally has no bars, restaurants or conference or meeting rooms, nor does it offer additional services, but in recent years the trend has been that this class hotels offer a mix of services, including business centers, gyms and swimming pools, with a limited selection of food (breakfast included) and limited spaces boardrooms.

#### **Full service**

These hotels have a robust supply of food and beverages with several centers of consumption (restaurants and bars), boardrooms and conference rooms for business and social events as well as in certain cases additional services related to complete service hotels such as spas, room service, valet parking, concierge, bell boys and more extensive public areas.

#### **Extended stay**

Hotels in this segment are characterized by a suite format in studio setups with one or two bedrooms, usually with a full kitchen and a dining space and workspace. Among the services provided by these hotels are public areas similar to a hotel of select services without meeting rooms. This segment was discontinued in 2020.

### b. Income and segment results

An analysis of income and results of the Trust of continuing operations is presented by reported segment:

	2022				
	Select service	Limited service	Full service	Corporate	Total
Revenue for:					
Rooms	\$ 1,661,527	\$ 572,809	\$ 1,169,826	\$ -	\$ 3,404,162
Food and beverages	368,771	2,689	417,306	-	788,766
Real Estate Rentals	-	-	431,630	29,390	461,020
Others	4,500	8,634	29,263	-	42,397
	<u>2,034,798</u>	<u>584,132</u>	<u>2,048,025</u>	<u>29,390</u>	<u>4,696,345</u>
Costs and expenses:					
Rooms	360,532	154,246	255,332	-	770,110
Food and beverages	224,666	2,601	265,902	-	493,169
General and administrative	843,087	250,877	628,152	-	1,722,116
Corporate and property expenses and other income	-	-	-	369,567	369,567
Impairment of hotel properties	-	-	-	13,395	13,395
Depreciation	-	-	-	508,780	508,780
Adjustment to the fair value of the investment properties	-	-	-	(505,950)	(505,950)
	<u>1,428,285</u>	<u>407,724</u>	<u>1,149,386</u>	<u>385,792</u>	<u>3,371,187</u>
				Operating income	1,325,158
				Financial expenses net and others	<u>404,803</u>
				Income before income taxes	<u>\$ 920,355</u>

	2021				
	Select service	Limited service	Full service	Corporate	Total
Revenue for:					
Rooms	\$ 1,182,123	\$ 354,714	\$ 754,889	\$ -	\$ 2,291,726
Food and beverages	241,366	196	273,730	-	515,292
Real Estate Rentals	-	-	231,573	28,672	260,245
Others	7,705	7,503	26,660	-	41,868
	<u>1,431,194</u>	<u>362,413</u>	<u>1,286,852</u>	<u>28,672</u>	<u>3,109,131</u>
Costs and expenses:					
Rooms	278,552	104,009	175,699	-	558,260
Food and beverages	154,347	1,714	174,385	-	330,446
General and administrative	654,442	176,123	449,172	-	1,279,737
Corporate and property expenses and other income	-	-	-	317,013	317,013
Impairment of hotel properties	-	-	-	24,952	24,952
Depreciation	-	-	-	551,732	551,732
Adjustment to the fair value of the investment properties	-	-	-	(269,355)	(269,355)
	<u>1,087,341</u>	<u>281,846</u>	<u>799,256</u>	<u>624,342</u>	<u>2,792,785</u>
				Operating income	316,346
				Financial expenses net and others	<u>371,824</u>
				Loss before income taxes	<u>\$ (55,478)</u>

	2020				
	Select service	Limited service	Full service	Corporate	Total
Revenue for:					
Rooms	\$ 727,071	\$ 237,960	\$ 418,381	\$ -	\$ 1,383,412
Food and beverages	158,415	1,328	153,137	-	312,880
Real Estate Rentals	32,770	-	134,630	28,307	195,707
Others	19,951	8,309	21,393	-	49,653
	<u>938,207</u>	<u>247,597</u>	<u>727,541</u>	<u>28,307</u>	<u>1,941,652</u>
Costs and expenses:					
Rooms	224,297	87,341	135,374	-	447,012
Food and beverages	139,538	1,936	139,843	-	281,317
General and administrative	460,560	135,364	309,146	-	905,070
Corporate and property expenses and other income	-	-	-	364,120	364,120
Impairment of hotel properties	-	-	-	5,392	5,392
Depreciation	-	-	-	583,838	583,838
Adjustment to the fair value of the investment properties	-	-	-	(42,744)	(42,744)
	<u>824,395</u>	<u>224,641</u>	<u>584,363</u>	<u>910,606</u>	<u>2,544,005</u>
				Operating loss	(602,353)
				Financial expenses net and others	<u>(397,352)</u>
				Loss before income taxes	<u>\$ (999,705)</u>

The main assets and liabilities by segment as of December 31 are as follows:

	2022				
	Select service	Limited service	Full service	Corporate	Total
Hotel properties, furniture and operating equipment - Net	\$ 1,659,241	\$ 5,894,667	\$ 4,822,341	\$ 4,257	\$ 12,380,506
Investment property	\$ -	\$ -	\$ 4,081,000	\$ -	\$ 4,081,000
Properties under development	\$ -	\$ 33,996	\$ 58,927	\$ 49,744	\$ 142,667
Long-term liabilities (1)	\$ -	\$ -	\$ -	\$ 4,498,774	\$ 4,498,774

	2021				
	Select service	Limited service	Full service	Corporate	Total
Hotel properties, furniture and operating equipment - Net	\$ 1,713,078	\$ 6,005,847	\$ 4,909,040	\$ 3,117	\$ 12,631,082
Investment property	\$ -	\$ -	\$ 3,507,324	\$ -	\$ 3,507,324
Properties under development	\$ -	\$ 33,996	\$ 58,927	\$ 4,818	\$ 97,741
Long-term liabilities (1)	\$ -	\$ -	\$ -	\$ 4,985,894	\$ 4,985,894

	2020				
	Select service	Limited service	Full service	Corporate	Total
Hotel properties, furniture and operating equipment	\$ 1,769,409	\$ 5,836,009	\$ 4,672,765	\$ 2,451	\$ 12,280,635
- Net					
Investment properties	\$ -	\$ 412,530	\$ 3,393,662	\$ -	\$ 3,806,192
Properties under development	\$ -	\$ 33,996	\$ 58,927	\$ -	\$ 92,923
Long-term liabilities (1)	\$ -	\$ -	\$ -	\$ 4,916,409	\$ 4,916,409

(1) Debt was issued at the holding level, which cannot be allocated to a specific segment.

## 19. Commitments and contingencies

- Neither FibraHotel nor its assets are subject to any type of material legal action, other than those stemming from its routine operations and activity.
- FibraHotel leases the offices where it carries out its administrative activities, as well as some offices in some hotels. Rental expenses amounted to \$5,237, \$4,895 and \$3,579 2022, 2021 and 2020, respectively. The office rental contract expires in 2020 and 2022.
- As mentioned in Note 1 (d), on April 23, 2021, a mandatory federal decree was published in Mexico where various labor and tax regulations were modified in order to eliminate the subcontracting of personnel and establish the rules under which specialized services may be subcontracted. In July 2022, FibraHotel completed the necessary administrative and operational changes (via the subsidiary Fibra Hotelera S.C.) to fully comply with the provisions of the current legal framework, however, differences in criteria could arise if the authorities reviewing the operating structure, labor and tax authorities consider that FibraHotel continues to maintain a personnel subcontracting scheme, in which case the respective operations would have to be considered as a non-deductible expense and the VAT thereof would not be creditable.

## 20. Authorization to issue the consolidated financial statements

The consolidated financial statements were authorized for issue on March 31, 2023, by Lic. Edouard Boudrant Finance Director and Lic. Eduardo López, Managing Director of FibraHotel, consequently, they do not reflect the events that occurred after that date and are subject to the approval of the Technical Committee and the General CBFH Holders Assembly which may modify the financial statements.

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## Directory



**FIHO**

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