



Fibra Inn Announces Actions to Counteract Effects of the COVID-19 Pandemic

Monterrey, Mexico, April 16, 2020 – Deutsche Bank Mexico, S.A., Banking institution, Trust Division F/1616 or Fibra Inn (BMV: FINN13, ADR OTC: DFBRY) (“Fibra Inn” or “the Company”), a Mexican real estate investment trust internally managed and specialized in the hotel industry serving the business traveler with global brands, informs that in recent weeks the Company has experienced an unprecedented minimal hotel occupancy throughout all of the portfolio properties as a result of the coronavirus pandemic.

According with the comprehensive analysis that Fibra Inn has just conducted, the Company estimates that it will be able to face this contingency with sufficient solvency, even if it were to last longer than the health authorities expect it to. The duration of the situation and the speed of the recovery of the hotel sector will allow the Company to consider some liquidity resources in the future in order to face strategic capital investments.

Weakening room demand has impacted the hotel industry and the Company’s hotel portfolio; as a result Fibra Inn has been closely working with the hotel operators to make the pertinent decisions and to be able to counteract the adverse economic effects of the significant drop in revenues during the following months, that have resulted from the national and international health emergency. Due to the fact that the pandemic situation is evolving rapidly, Fibra Inn is limited to accurately assess the potential impact to the Company. However, senior management will take the appropriate measures to protect the Company’s liquidity profile and its solvency to face these unusual circumstances.

Fibra Inn currently has Ps. 300 million in cash derived from the divestment of non-strategic hotels. Furthermore, Fibra Inn estimates additional resources for approximately Ps. 900 million at the end of the first half of 2020, coming from the following processes:

- After paying off the total amount of its credit lines in February 2020, Fibra Inn currently has available credit lines for a total of Ps. 500 million and is in the process of obtaining an additional one for Ps. 200 million. Therefore, the Company could have access to another Ps. 300 million or more, if needed.
- Ps. 80 million will be recovered pertaining to the investment in excess of The Westin Monterrey Valle; this amount will be contributed by the institutional partner of the project.
- The process to contract and to dispose a long-term financing for The Westin Monterrey Valle is at an advanced stage; this will return Ps. 316 million that Fibra Inn contributed temporarily for this project.
- A Ps. 104.0 million VAT return in favor to The Westin Monterrey Valle trust that was claimed to the Mexican Tax Authority at the end of 2019; therefore, the Company estimates that those resources will be available no later than during the third quarter 2020.



This capacity is sufficient to face the contingency, estimating payment commitments for approximately Ps. 34.0 million per month, as a result of the following initiatives to reduce the disbursements:

- Important efficiencies in the fixed expenses will be generated; including the prudent decision to temporarily close 23 hotels, which will reduce monthly fixed expenses by approximately 47%.
- Variable expenses will be almost completely eliminated due to its direct relationship to the revenue amount, for instance: royalties, advertisement, breakfasts and sales commissions.
- Capital investments, improvements and remodelings of hotels will be cancelled temporarily. Only those projects that are in a final process will be concluded.
- The internalization payout will be negotiated in partial payments.
- In regard to our debt obligations:
 - The Ps. 160 million interest payment of FINN18 issuance will be punctually delivered on August 2020, addressing the biannual commitment derived from the liabilities of the Company.
 - Due to the strategy of managing liabilities, Fibra Inn has a convenient maturity profile, as 100% of the debt is long term, the capital must be paid in 2028 and additionally the total debt was issued at fixed rate. Even though, Fitch Ratings revised Fibra Inn's debt rating from AA- to A+, no liquidity risks are perceived; however, the worldwide hotel sector is considered one of the most affected by this pandemic.
- The elimination of the distribution payment to holders of the first quarter 2020 results will be proposed to the Technical Committee in order to preserve liquidity.

Fibra Inn has the support from the international hotel chains, which responded with different proposals, from early payment discounts to temporary reductions in fees, understanding this extraordinary situation.

The Company will continue with its efforts to promote the sale of non-strategic assets, as it has been for the last months as an additional cash resource.

Regarding to the Hotel Factory:

- The JW Marriott Monterrey Valle hotel temporarily interrupted construction under a municipal order beginning on April 8. A suspension plan was executed to protect the materials on site. Marriott International will be formally notified about this situation and the opening could be postponed to the end of 2020. The financing with BBVA is available to complete the construction of this hotel as soon as labor can reinstate, according to the authorities.
- The design for the W Hotel Playa del Carmen will continue, as it is already included in the initial advanced payment. The structuring process to include the partners for this development will be delayed for 2021 and will depend on the future liquidity levels.

The Company has promoted:

- The sanitary protocols to be applied in order to keep the integrity of our hotel guests in our properties based on the recommendations by the authorities and the best practices advised by the international hotel chains.
- The social distancing among our employees to preserve their health as well as that of their families; home office activities are being performed as of March 16, 2020 and it is important to emphasize that the Company has the technological platform to perform the daily operation. Fibra Inn has the social commitment to continue supporting the initiatives of social distance to flatten the curve of infection.



"We are taking this containment measures to increase the solvency and liquidity of the Company during these extraordinary circumstances. Once this situation improves, Fibra Inn will be able to get back on track, reopen the hotels and continue the business as soon as possible. We are grateful to all the people that adopted these initiatives of solidarity, these are partners, board members, employees, directors, suppliers and service providers. A previous experience with the H1N1 virus led us to implement similar initiatives in the past. Despite the challenges, the Company is prepared to reactivate business at the first opportunity." stated Oscar Calvillo, Chief Executive Officer.

About the Company

Fibra Inn is a Mexican trust formed primarily to acquire, develop and rent a broad range of hotel properties in Mexico for the business and leisure traveler. The Company has signed franchise, license and brand usage agreements with international hotel brands for the operation of global brands as well as the operation of national brands. These hotels enjoy some of the industry's top loyalty programs. Fibra Inn trades its Real Estate Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios or "CBFIs") on the Mexican Stock Exchange under the ticker symbol "FINN13"; its ADRs trade on the OTC market in the U.S. under the ticker symbol "DFBRY".

www.fibrainn.mx

Note on Forward-Looking Statements

This press release may contain forward-looking statements. These statements are statements that are not historical facts and are based on management's current view and estimates of future economic circumstances, industry conditions, Company performance and financial results. Also, certain reclassifications have been made to make figures comparable for the periods. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.