



Fibra Inn Announces Results for the Second Quarter of 2019

Monterrey, Mexico, July 24, 2019 — Deutsche Bank Mexico, S.A., Institución de Banca Múltiple, Trust Division F/1616 or Fibra Inn (BMV: FINN13) (“Fibra Inn” or “the Company”), the Mexican real estate investment trust internally managed and specialized in the hotel industry serving the business traveler with global brands, today announced its non-audited Second Quarter results for the period ended June 30, 2019 (2Q19). These results were prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in nominal Mexican pesos (Ps.).

2Q19 Relevant Information:

- Fibra Inn concluded the quarter with 42 hotels in operation, representing a total of 6,785 rooms. Fibra Inn has an investment participation in 4 properties, under the external development Hotel Factory Model, that will add 633 rooms.
- Total Revenue:** Ps. 484.3 million, of which 94.9% were from room revenues and 5.1% from other rental revenues, for a total decrease of 7.2% compared to 2Q18.
- Total NOI¹:** Ps. 150.1 million, a 16.7% decrease compared with the Ps. 180.2 million reported in 2Q18; Total NOI margin was 30.8%.
- Adjusted EBITDA²:** reached Ps. 131.3 million, a 17.8% decrease compared to the Ps. 159.8 million in 2Q18.
- FFO³:** Ps. 92.8 million, an 8.3% decrease compared with the Ps. 101.2 million reported in 2Q18; the FFO margin was 19.2%.
- Distributions to Holders:** The objective of the new distribution strategy is to add shareholder value. Ps. 37.9 million of the distribution will be paid in cash, representing 50% of the AFFO. The remaining 50% will be used towards the repurchase of certificates, which will be cancelled during 3Q19.

Fibra Inn 2Q19	
Equity	
BMV: FINN13	
OTC: DFBRY	
2Q19 Distribution per CBFi	0.0736
YTD Distribution per CBFi	0.5908
Dividend Yield in cash	4.2%
CBFi Price (June 30, 2019):	7.10
CBFi's repurchased:	13,517,728
CBFi's outstanding:	528,811,458
Float:	84.6%
Mkt Cap (Ps. million)	3,754.6
Total Assets	12,462.8
Debt	
BMV: FINN15	Ps. 1.0 Bn @ TIE+110bps
	IR Swaps @ 7.1%
	Nov. 14, 2021 (MXN)
BMV: FINN18	Ps. 2.0 Bn @ fixed 9.93%
	Feb 2, 2028 (MXN)
Weighted Avg Cost of Total Debt:	8.68%
LTV:	26.5%
Fitch:	AA-(mex)
HR Ratings:	AA+
2Q19 Highlights	
Number of hotels	42
Number of rooms	6,785
Occupancy (Total Sales)	59.3%
ADR (Total Sales) Ps.	1,268.7
RevPar (Total Sales) Ps.	752.8
Hotel Factory	
Number of properties	4
Number of rooms	633

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- ¹ Total NOI includes Hotel NOI and NOI from other businesses. The first is the calculation of the Fibra's revenue (hotel revenues and other revenues) minus operating expenses for administration, maintenance, lodging, utilities, fees, royalties, marketing and promotion, as well as property tax and insurance. The second corresponds to revenues and expenses from the Hotel Factory.
- ² Adjusted EBITDA excludes acquisition and organization expenses and extraordinary maintenance CAPEX.
- ³ FFO is calculated as the Adjusted EBITDA plus interest gain minus interest expense and foreign exchange fluctuations.

Oscar Calvillo, Fibra Inn's Chief Executive Officer, stated, "In the current economic environment, Fibra Inn anticipates marginal growth during 2019 compared to the previous year. We are implementing a new strategy, that will consist of reinvesting in certificates, thus 50% of the distribution will serve as a value generator. The fundamental principle of this initiative is the alignment of all investors in order to increase Fibra Inn's profitability. This strategy will also support the Company in maximizing the use of its cash flow, both in terms of the proceeds that are currently committed towards hotel renovations in order to comply with the standards of the hotel chains, as well as for those proceeds aimed at investment projects in new assets that will offer short and medium-term benefits. The repurchase and cancellation of the CBFIs outstanding will also increase the dividend and the value of the CBFIs in the near future."

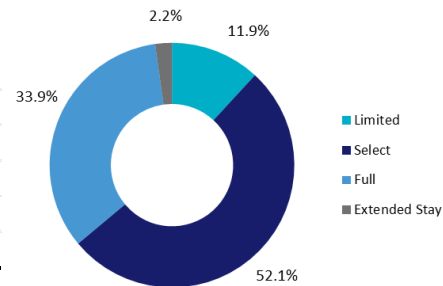
Second Quarter 2019 Results

Financial Highlights					
	2Q19		2Q18		Var
(Ps. million, except EBITDA per room)					
Lodging Revenues	459.6	94.9%	494.9	94.9%	-7.1%
Rental Revenues	24.7	5.1%	26.8	5.1%	-8.0%
Fibra Revenues	484.3	100.0%	521.7	100.0%	-7.2%
NOI	150.1	30.8%	180.2	34.5%	-16.7%
Adjusted EBITDA	131.3	27.1%	159.8	30.6%	-17.8%
EBITDA per Room	19,354.2	-	23,678.4	-	-18.3%
FFO	92.8	19.2%	101.2	19.4%	-8.3%
Distribution and Dividend Yield					
CBFI Price	7.10		12.28		-42.2%
Cash Distribution (50% AFFO)	37.9		-		0.0%
Fund for Repurchase of CBFIs (50% AFFO)	37.9		-		
Total Distribution (100% AFFO)	75.9		110.00		
Cash Distribution per CBFI	0.0736		0.2560		-71.2%
CBFIs outstanding	515.3		429.7		19.9%
Annualized Cash Dividend yield at the end of the quarter	4.2%		8.5%		-4.2 p.p
Hotels and Rooms					
Hotels in operation	42		42		0
Hotels in remodeling *	-		1		-1
Land Lots	1		1		0
Total number of properties and the end of the quarter	43		44		-1
Weighted number of days per procurement	100%		100%		0
Footprint (States)	14		15		-1
Rooms in operation	6,785		6,748		37
Rooms under rebranding	-		142		-142
Rooms in addition	-		54		-54
Total # Rooms	6,785		6,748		-159



The sales mix at the close of 2Q19 was comprised of 42 hotels under operation: 10 limited service, 19 select service, 12 full service and one extended-stay hotels. These 42 hotels include the 2 hotels that, at the close of the 2Q19, were in the process of being divested by the Company and were under binding agreements for sale. There are: the City Express Chihuahua and the Holiday Inn & Suites Guadalajara Centro Historico. As of the date of this report, the City Express Chihuahua is no longer included in the portfolio as it was sold on July 22, 2019.

Total Revenue per Segment				
	2Q19	%	2Q18	%
(Ps. million)				
Limited Service	54.5	11.9%	70.0	14.1%
Select Service	239.3	52.1%	265.1	53.6%
Full Service	155.7	33.9%	149.6	30.2%
Extended Stay	10.1	2.2%	10.2	2.1%
Total	459.6	100.0%	494.9	100.0%



Fibra Inn's total revenues during 2Q19 were Ps. 484.3 million, a decrease of 7.2% compared to 2Q18. Revenues were comprised as follows:

- Ps. 459.6 million, or 94.9%, were from room revenues from the 42 properties in operation, equivalent to a 7.1% decrease compared to 2Q18. This decrease came mainly from:
 - 8.8% lower same-store sales room revenues that stemmed from the 5.9 percentage point (pp) fall in the occupancy rate.
- Ps. 24.7 million, or 5.1%, in rental revenues from spaces for services other than lodging, such as conference and meeting rooms, coffee breaks and restaurants, as well as the rental of certain commercial spaces, 8.0% lower compared to Ps. 26.8 million in 2Q18.

During 2Q19, total operating expenses were Ps. 332.3 million, or 68.6% of total revenues, representing an increase of 420 basis points (bp), compared with 64.4% or Ps. 335.8 million in 2Q18, which was the net effect of the following:

- Higher lodging expenses of 230 bp, representing 27.6% of total revenues, at Ps. 133.7 million, as a percentage of revenues, the increase was an arithmetic effect due to lower sales. In absolute numbers, however, the number is similar.
- 150 bp increase in energy costs, representing 7.4% of total revenues, to reach Ps. 35.6 million, primarily reflecting higher electricity prices.
- A 50 bp increase in administrative expenses, representing 17.0% of total revenues, or Ps. 82.2 million, the aforementioned was also due to the arithmetic effect of lower income that declined in absolute figures.
- An increase of 30 bp in maintenance costs, representing 4.5% of total revenues at Ps. 22.0 million, which is in line with the levels achieved in 2Q18, in absolute terms.

The above was offset by:



- A slight decline of 10 bp in property tax, representing 0.6% of total revenues, to reach Ps. 2.9 million. This decline reflects the property tax refund received by a lawsuit that was filed for three hotels in Ciudad Juarez.
- A 40 bp decrease in sales, which represented 4.5% of total revenues, or Ps. 21.8 million, derived from: i) lower expenses for internet digital campaigns; and ii) lower salary expenses as the sales teams are being joined to serve various properties throughout the country.
- Royalties and insurance, which remained constant, registering 6.7% and 0.3% of total revenues, respectively.

During 2Q19, Hotel NOI, corresponding to the operation of the properties, registered Ps. 152.0 million, which represented an 18.3% decrease compared to Ps. 186.0 million reported in 2Q18. The NOI Hotel Margin was 31.4%, which represents a 420 bp decrease compared to the 35.6% reached during 2Q18.

In terms of the NOI from Other Businesses, where revenues and expenses from the Hotel Factory are accounted for, during 2Q19 we registered Ps. 2.7 million in revenue corresponding to the fees charged to the partners participating in hotel factory investments, in this case for the investment in the development of the JW Marriott Monterrey Valle; which are accounted for under the CIB/3097 Trust. A Ps. 4.6 million expense corresponding to the salaries for the Hotel Factory team and other expenses related to Hotel Factory operations in current projects as well as potential ones.

As a result of the above, Net Operating Income (Total NOI) for 2Q19 was Ps. 150.1 million, which represents a 16.7% decrease compared to the Ps. 180.2 million in 2Q18. The NOI margin was 30.8% vs. 34.5% in 2Q18.

Expenses related to the management of the Fibra for 2Q19 were Ps. 34.1 million, which represented a 20 bp increase as a percentage of revenues. These expenses were equivalent to 7.0% vs. the 6.8% registered in the same quarter of the previous year. This increase was primarily due to:

- A 100 bp increase in acquisition and corporate expenses, which reached Ps. 13.7 million corresponding to updating of property licenses.
- An 80 bp decrease in extraordinary maintenance expense, at Ps. 1.6 million, and which represented 0.3% of total revenues, due to lower overall expenses in all the properties.

Additionally, the Company reported:

- Corporate administrative expenses and other income remained constant, representing 4.7% and 0.8% of total income, respectively.

EBITDA reached Ps. 116.0 million in 2Q19, representing a 19.9% decline compared with Ps. 144.8 million in 2Q18. EBITDA margin was 24.0%, 3.8 percentage points (pp) below the 27.8% in 2Q18.



Adjusted EBITDA of Ps. 131.3 million excludes the previously mentioned acquisition and corporate-related expenses, as well as extraordinary maintenance expenses, and represented a 17.8% decrease compared to Ps. 159.8 million in 2Q18. Adjusted EBITDA margin was 27.1%, which represents a 3.5 pp decrease compared to the 30.6% margin reported in 2Q18.

During the period we registered:

- An increase of 240 bp in the estimation of financial assets deterioration of Ps. 1.5 million, which was Ps. 0.3% of total revenues compared to a gain of Ps. 10.7 million, or 2.1% in 2Q18. This amount reflects the adoption of the norms of IFRS9, referring to the measuring and classification of financial assets; which for Fibra Inn, this line item refers to clients on the balance sheet and which had said reduction due to a significant improvement in the collection process.
- An increase of 140 bp in the fixed asset depreciation in the amount of Ps. 82.7 million, which represents 17.1% of total revenues compared to 2Q18, which was 15.7%, or Ps. 81.7 million due to the arithmetic effect of the lower income; in absolute terms, however, this figure is similar. The calculation for the depreciation of fixed assets – properties, furniture and equipment – was calculated based on the straight-line method per the estimated useful life of the net assets' residual value.
- A decrease of 50 bp in the Ps. 21.7 million provisions corresponding to compensation fees paid for the early termination of advisory services, which represented 4.5% of total revenues. This decline was due to an adjustment to the aforementioned provision.
- An accounting loss due to a decline in fixed assets of Ps. 14.2 million, which represents 2.9% of total revenues and corresponds to the classification of assets available for sale in accordance with IFRS5.
- Deterioration of properties in the amount of Ps. 10.9 million, representing 2.3% of total revenues corresponding to exit costs for the sale of the two properties sold in accordance with IFRS 5 “Non-Current Assets Maintained for Sale”.

Operating Income (EBIT) loss was Ps. 15.0 million, which represents a decrease of 131.4% or Ps. 62.7 million compared to 2Q18, when we registered Ps. 47.7 million.

- Fibra Inn experienced slightly lower interest income, totaling Ps. 12.1 million, representing 2.5% of total revenues, compared to Ps. 14.2 million in 2Q18, equivalent to 2.7% of total revenues. This decrease was due to Ps. 220.3 million lower cash in treasury, as well as the expiration of various interest rate swaps (IRS) at March 2019.
- Interest expenses were Ps. 50.7 million for 2Q19, compared to expenses of Ps. 74.3 million in 2Q18. This interest paid corresponds to the public debt, which had a balance of Ps. 2,970.1 million, net of issuance costs. As a result, the total debt reached Ps. 3 billion, excluding amortized expenses paid upon contracting the loan, as well as available credit lines for temporarily financing investment expenses and the VAT with a balance of Ps. 300 million. A portion of income and financial expenses are capitalized in the investments that are currently underway, in accordance with IFRS 23.
- The Company had an exchange rate gain of Ps. 0.1 million, representing 0.02% of total revenues, compared to a gain of Ps. 1.6 million in 2Q18.



The net financial result was an expense of Ps. 38.5 million in 2Q19, Ps. 20.1 million lower versus the Ps. 58.6 million expense in 2Q18.

The net loss in 2Q19 was Ps. 53.5 million, which represented an increase of Ps. 42.6 million compared to a loss of Ps. 10.9 million in 2Q18.

The non-controlling participation corresponding to the Hotel Factory Trusts reached Ps. 0.6 million. As such, the non-controlling participation represented a loss of Ps. 52.8 million, for a 10.9% margin at 2Q19.

FFO in 2Q19 was Ps. 92.8 million, which represented an 8.3% decline compared to the Ps. 101.2 million in 2Q18. FFO margin was 19.2% in 2Q19 vs. 19.4% for the same quarter of the previous year.

Adjusted FFO for 2Q19 was Ps. 75.9 million, representing a decline of 11.3%.

Reconciliation to FFO and AFFO			
	2Q19	2Q18	Var %
FFO	92.8	101.2	-8.3%
(-) Maintenance CAPEX	16.9	15.7	0.0%
Adjusted FFO	75.9	85.5	-11.3%
FFO per CBFI	0.1802	0.2355	-23.5%
Adjusted FFO per CBFI	0.1473	0.1991	-26.0%

*Calculations per CBFI based on 515,293,730 certificates in 2Q19 and 429,705,974 certificates in 2Q18, which are the CBFIs that have distribution rights..

Distribution to Holders

The price of Fibra Inn's CBFI reflects an important discount compared to the value of the company's assets. As a result of this, the Company's implied Cap Rate now reaches nearly 15.5%, considering the last twelve months of NOI at current CBFI prices. The predominant economic environment points to a 2019 marginal growth in the best of cases, which makes it more attractive to invest in the repurchase of certificates, and subsequently cancelling them, as it achieves an additional implied value for current holders of the CBFI.

As a result of the aforementioned, on July 23, 2019, management presented the Auditing and Technical Committees with an initiative referring to a new distribution strategy that consists of repurchasing CBFI's equivalent to 50% of the AFFO, and immediately cancelling them during the quarter underway. The remaining 50% of the AFFO will be paid as a cash distribution. This initiative will be carried out during 2019 and may be continued in 2020, pending evaluation. This initiative was approved.

The proposed repurchase model is fundamentally based on aligning all investors in order to raise the profitability of Fibra Inn, via re-investment in the CBFI repurchase for a defined portion of its cash flows during a determined time frame.



The repurchase will increase the Adjusted FFO per CBFi and will also maximize the utilization of Company cash flows, which are committed towards hotel renovation projects to comply with the standards of the hotel chains, as well as to invest in projects of the Hotel Factory that will generate short and medium term benefits.

This initiative follows the series of strategic actions that have been executed by Fibra Inn's management and that aim to consistently seek value generation for investors, as well as to reach the highest level of corporate structure in the sector.

Following are some of the most important strategic actions by Fibra Inn, represented chronologically:

1. Elimination of property acquisition fees in 2014.
2. In 2017, the internalization of the advisor and the agreement to pay the Advisor shareholders after three years of operations as an internalized Fibra, that is, at December 2019. The aforementioned has a limit on the number of CBFIs established by the Holders Meeting that took place in November 2016. Control clauses were also eliminated.
3. In 2018, the Holders' Meeting approved a new Technical Committee structure; today the Technical Committee requires a majority of independent members.
4. During 2018, the Company initiated the asset recycling program, an intense task that has, to date, achieved the sale of three non-strategic assets and this number is expected to increase towards the end of 2019 with additional assets that are in various negotiation stages for their sale.
5. Since 2017, the Company has actively participated in the repurchase of its certificates and has cancelled 3% of the total number of CBFIs issued since then.
6. A portion of Fibra Inn's Management team's compensation is fixed, and the other portion is variable; both are included in administration expenses. The latter represents nearly 30% of the total and is aligned to value generation. Additionally, half of the variable compensation is paid in CBFIs that are calculated at the initiation of the evaluation period and are acquired in the capital markets granted with a 2-year lockup.
7. The founding partners have always expressed their alignment of interest with the rest of the market and are, at this moment, analyzing alternatives to capitalize with further investment in CBFIs of Fibra Inn.
8. Management is always seeking ways to make the corporate structure more active and expect to achieve substantial improvements for the remainder of the year.



The Funding Mechanism is as follows:

1. Funding will be created with 50% of the AFFO that has not been distributed for that particular quarter.
2. The remaining 50% of the AFFO will be distributed as a regular quarterly cash payment.
3. There will be checkpoints in place to ensure that the funds will be used exclusively for this purpose. As such, detailed reports will be provided to the respective intermediary committees at Fibra Inn and details will be provided each quarter as to the exact use of those funds. This means that the use of these funds for repurchases will be obligatory for Fibra Inn and therefore, there will be no discretion as to how these resources will be used.
4. At the same time, Fibra Inn will be obligated to proceed with the cancellation of these securities at the end of the period in which these have been acquired in the market.
5. If for any reason, all of the reserved funds are not used during the quarter, this will be added as a cash distribution payment additional to the 50% of the AFFO to be paid as distribution during the following quarter.
6. While the register of repurchases is the same for Fibra Inn, this program is completely independent of the regular repurchase program. Thus, the funds stemming from the sale of assets could continue to be partially or totally used for the repurchase of CBFIs.
7. In order to better organize the co-existence of the two repurchase strategies, the new proposed mechanism will have priority during the period of the certificate repurchase. Meaning that first, the proceeds of the AFFO not paid in cash will be used for repurchasing CBFIs and once those are depleted, additional proceeds cash will be used for repurchases.
8. With these additional resources aimed at repurchases, the Company will continue to actively participate during all business days of the quarter, with the exception of blackout periods, (in which the Company is aware of periodic or extraordinary information that has not yet been announced to the market), or in the event that the funds for repurchase have been depleted.
9. The operation rules will also be subject to the rules under the Securities Market Law and the Official Publication for Issuers.

This mechanism will begin operating tomorrow, July 25, 2019.

As a result of the above, Fibra Inn will make a cash distribution for 2Q19 equivalent to Ps. 37.9 million for CBFi holders. This distribution represents Ps. 0.0736 per CBFi, based on



515,293,730 CBFIs outstanding at the close of 2Q19, as a return of capital based in the operations and results of Fibra Inn, for the period between April 1 and June 30, 2019.

The distribution amount per certificate will change at the time of payment, which will be at August 20, 2019, at the latest, due to CBFI repurchase operations following the presentation of this quarterly report until the ex-date of the distribution payment. The capital reimbursement will not generate retained taxes for Fibra Inn's shareholders.

Distribution to Holders				
	2Q19		2Q18	
	per CBFI*	Total	per CBFI*	Total
	Ps. \$	Ps. million	Ps. \$	Ps. million
Taxable income	-	-	-	-
Return of capital	0.0736	37.9	0.2560	110.0
Total	0.0736	37.9	0.2560	110.0

* The amount distributed per CBFI was calculated based on 515,293,730 CBFIs outstanding in 2Q19 and 429,705,974 for the 2Q18, which are the CBFIs entitled to a distribution.

The repurchase program reached a total balance of 13,517,728 CBFIs at June 30, 2019, of which 10,475,815 are being cancelled at the CNBV (Mexican Securities Commission). After the close of 2Q19, 354,702 additional CBFIs were repurchased; as such, the total net amount of repurchased CBFIs at the time of this report was 13,872,430 CBFIs, of which 3,396,615 will remain once the cancellation is processed.

CBFIs Position				
	Issued and subscribed June 30, 2019	%	Issued and non subscribed	Total CBFIs
Repurchase Fund	13,517,728	2.6%		
Founders Trust	67,694,155	12.8%		
Investors	447,599,575	84.6%		
Total Outstanding	528,811,458	100.0%		
Total with Distribution Rights	515,293,730			
CBFIs issued for the Equity Program	-		805,763,126	
CBFIs issued for the Internalization Payment	-		14,000,000	
CBFIs in Treasury	-		50,000,000	
CBFIs total in Treasury	-		869,763,126	
Total CBFIs	528,811,458		869,763,126	1,398,574,584

Use of the CAPEX Reserve

The capital expenditure reserve for hotel maintenance is provisioned as per the investment requirements in each line item for each period, plus a reasonable reserve for future requirements. As of June 30, 2019, this reserve reached Ps. 26.2 million compared to Ps. 18.6



million at March 31, 2018. The total amount for capital expense reached Ps. 6.9 million during 2Q19, of which Ps. 1.6 million were reported in the Company's income statement.

Balance Sheet

As of June 30, 2019, Fibra Inn held Ps. 424.1 million in cash and cash equivalents.

The remaining balance of the recoverable Value-Added Tax (VAT) amount reached Ps. 160.3 million at June 30, 2019, compared to Ps. 42.9 million at the close of the previous quarter. This increase was due to the VAT paid according to the work progress at the JW Marriott Monterrey Valle hotel and the acquisition of The Westin Monterrey Valle. The return process will begin with the Tax Authority during 3Q19 for Ps. 140 million.

Accounts receivable reached Ps. 108.2 million, as a result of the normal operations of the business. Early payments of Ps. 23.9 million were mainly related to operating expenses of the hotels that are payable over the period, such as property taxes, insurance, fiduciary fees, independent advisors and administrative fees.

Accounts payable totaled Ps. 92.4 million. The Company has a debt liability for Ps. 85.9 million related to the provision of deferred interest from the issuance of FINN18 debt, as by contract they are paid every six months.

As of June 30, 2019, Fibra Inn registered long-term financial obligations of Ps. 2,970.1 million, corresponding to the net balance of the public debt from FINN15 and FINN18. At the close of 2Q19, the Company has available two credit lines with BBVA Bancomer and Actinver, for Ps. 200.0 million and Ps. 100.0 million, respectively, for the temporary financing of the investment in the Westin Monterrey Valle and the VAT paid for the acquisition of this hotel.

At the close of 2Q19, the gross cost of debt was:

- (i) 60.6% (FINN 18) at a fixed rate of 9.93%, and
- (ii) 30.3% (FINN 15) at a variable rate covered with weighted fixed rate swaps at 7.1% plus a spread of 1.10%.
- (iii) 6.1% (BBVA Bancomer) a variable rate of TIIE plus a spread of 1.50%; TIIE is covered with average weighted fixed rate swaps at 5.18%.
- (iv) 3.0% (Actinver) at a variable rate of TIIE plus a spread of 2.0%.

As such, the gross weighted average cost of the debt (excluding the swaps coverage) was 9.79%, and the net weighted average cost (with the swaps coverage and the amortization of issuance and contracting) costs was 8.68%.

As of June 30, 2019, the Company had the option to take on additional debt (considering the current balance of cash and cash equivalents) for Ps. 950.0 million without surpassing the 33% loan-to-value threshold set forth by the Company's Technical Committee.

The FINN15 and FINN18 debt issuance financial covenants at June 30, 2019 are as follows:



Financial Covenants - FINN15 & FINN18 Debt Issuance		
	Covenants	At June 30, 2019
Loan to Value	Equal or lower than 50%	26.5%
Debt Service Coverage	Equal or higher than 1.0	1.9
Debt Service	Equal or higher than 1.5	2.6
Total Assets no taxable	Equal or higher than 150%	383.0%
Debt to Total Assets	Equal or lower than 40%	1.6%

Fibra Inn has a total loan-to-value of 26.5% as of June 30, 2019. This leverage level is in full compliance with the dispositions of the Mexican Banking and Securities Commission ("CNBV") to regulate the maximum leverage levels for the Fibras of up to 50%. As of June 30, 2019, the debt service coverage was 1.9x; the ratio established must be 1.0x or greater. Both of these figures are calculated in accordance with the methodology in Appendix AA of the *Circular Única de Emisoras* applicable to CBFIs.

Following is a breakdown of the items used in the calculation of the financial ratios:

Debt Ratios (CNBV)	
Loan-to-value	At June 30, 2019
(equal or lower than 50%)	
Financing	300.0
Market Debt	3,000.0
Total Assets	12,462.8
Loan-to-value	26.5%
Debt Service Coverage Ratio	
(equal or higher than 1.0)	
Liquid Assets	424.1
VAT refunds	160.3
Operating Profit	840.8
Credit lines	100.0
<i>Sub-Total Numerator</i>	<i>1,525.1</i>
Amortization of Interests	429.9
Principal Repayments	200.0
Capital Expenditure	114.2
Development Expenditure	55.0
<i>Sub-Total Denominator</i>	<i>799.0</i>
Debt Service Coverage Ratio	1.9 times



Recent Events for 2Q19

1. Fibra Inn carried out its General Ordinary Shareholders' Meeting

On April 29, 2019, the Company carried out its Ordinary Shareholders' Meeting for CBFH Holders where it approved, among other items, the annual report regarding the Trust's activities for the fiscal 2018 period, as well as, the approval of the 2018 annual report in reference to the activities of the Technical Committee, and each of Fibra Inn's Corporate Governance committees. Likewise, it was approved the annual information in reference to the Trust's External Auditor report and the audited financial statements for fiscal year 2018. The ratification and appointment of the members of the Technical Committee was also approved, as follows:

Member	Alternates
Victor Zorrilla Vargas	José Francisco Clariond Castañeda
Joel Zorrilla Vargas	Adrian Jasso
Oscar Eduardo Calvillo Amaya	Miguel Aliaga Gargollo
Independent Members	
Adrián Enrique Garza de la Garza	
Alberto Rafael Gómez Eng	
Santiago Pinson Correa	
Héctor Medina Aguiar	
Marcelo Zambrano Lozano	

2. Fibra Inn signed binding agreement for the sale of the Holiday Inn & Suites Guadalajara Centro Histórico hotel

The total agreed-upon sales price was Ps. 99.0 million plus VAT, representing a value that is 18.7% higher than the asset valuation performed on the property by Deloitte at December 2018, which was Ps. 83.4 million. This price represented a sales cap rate of 8.4%, considering the Ps. 8.3 million of NOI generated by the hotel in 2018. As of the date of this report, this property is in the process of divestment from the portfolio.

3. Cancellation of CBFIs

Fibra Inn cancelled 10,475,815 CBFIs, equivalent to Ps. 86.6 million, acquired by the repurchase program from May 2, 2018 to March 29, 2019.

4. Fibra Inn signed a binding agreement for the sale of the City Express Chihuahua hotel

The total agreed-upon sales price was Ps. 95.0 million plus VAT. This price represented a sales cap rate of 9.4% considering the Ps. 8.9 million in NOI generated by the hotel for the May 2018 to April 2019 period.

Recent Events after 2Q19

1. Fibra Inn received payment for the sale of the City Express Chihuahua hotel

This property was sold on July 22, 2019. The payment received from Hoteles City Express was Ps. 95.0 million plus VAT and these funds were allocated towards more profitable projects, as well as the repurchase and cancellation of certificates.



Hotel Portfolio at 2Q19

	Brand	City	State	Rooms
Limited Service Hotels				
1	Wyndham Garden	Irapuato	Guanajuato	102
2	Wyndham Garden	Celaya	Guanajuato	150
3	Wyndham Garden	León	Guanajuato	126
4	Wyndham Garden	Silao	Guanajuato	143
5	Microtel Inn & Suites by Wyndham	Chihuahua	Chihuahua	108
6	Microtel Inn & Suites by Wyndham	Toluca	Estado de México	129
7	Microtel Inn & Suites by Wyndham	Cd. Juárez	Chihuahua	113
8	Wyndham Garden	Guadalajara Andares	Jalisco	186
9	City Express Junior	Chihuahua	Chihuahua	105
10	City Express	Chihuahua	Chihuahua	104
				1,266
Select Service Hotels				
1	Hampton Inn	Monterrey	Nuevo León	223
2	Hampton Inn	Saltillo	Coahuila	227
3	Hampton Inn	Reynosa	Tamaulipas	145
4	Hampton Inn	Querétaro	Querétaro	178
5	Hampton Inn by Hilton	Hermosillo	Sonora	151
6	Hampton Inn by Hilton	Chihuahua	Chihuahua	190
7	Holiday Inn Express	Saltillo	Coahuila	180
8	Holiday Inn Express	Toluca	Estado de México	268
9	Holiday Inn Express	Monterrey	Nuevo León	198
10	Holiday Inn Express	Guadalajara	Jalisco	199
11	Holiday Inn Express	Toluca	Estado de México	127
12	Holiday Inn Express & Suites	Juárez	Chihuahua	182
13	Aloft	Guadalajara	Jalisco	142
14	Courtyard by Marriott	Saltillo	Coahuila	180
15	Courtyard by Marriott	Chihuahua	Chihuahua	152
16	Fairfield Inn & Suites by Marriott	Coatzacoalcos	Veracruz	180
17	Wyndham Garden	Playa del Carmen	Quintana Roo	196
18	Wyndham Garden*	Monterrey	Nuevo León	85
19	AC Hotels by Marriott *	Guadalajara	Jalisco	180
				3,383
Full Service Hotels				
1	Holiday Inn & Suites	Guadalajara	Jalisco	90
2	Holiday Inn	Monterrey	Nuevo León	198
3	Holiday Inn	Puebla	Puebla	150
4	Camino Real	Guanajuato	Guanajuato	155
5	Marriott	Puebla	Puebla	296
6	Holiday Inn	México	Distrito Federal	214
7	Holiday Inn	Altamira	Tamaulipas	203
8	Casa Grande	Chihuahua	Chihuahua	115
9	Casa Grande	Delicias	Chihuahua	88
10	Crowne Plaza	Monterrey	Nuevo León	219
11	Holiday Inn	Reynosa	Tamaulipas	95
12	Holiday Inn*	Cd. Juárez	Chihuahua	196
				2,019
Extended Stay Hotels				
1	Staybridge Suites	Guadalajara	Jalisco	117
				117
Land Bank				
1	Fairfield Inn & Suites by Marriott*	Cd. del Carmen	Campeche	

Total Fibra Inn's Portfolio as of June 30, 2019

6,785



Information Regarding the Tenant

Rental revenue for food, beverage and other services were Ps. 84.3 million, 2.8% higher than the figure registered for 2Q18.

Operadora México Servicios y Restaurantes, SAPI de CV Combined with Trust F/1765				
	2Q19		2Q18	
(Millions of pesos)				
Revenue	84.3	100%	82.0	100%
Sales Cost	48.6	58%	47.1	57%
Operating Profit	35.7	42%	34.9	43%
Operating Expenses	4.5	5%	3.8	5%
NOI	31.2	37%	31.1	38%
Lease paid to Trust F/1616	21.8	26%	24.5	30%
Other Indirect Expenses	2.9	3%	3.2	4%
EBITDA	6.5	8%	3.4	4%
Plus: Other Non-Operating Expenses	-	0%	-	0%
Adjusted EBITDA	6.5	8%	3.4	4%

Hotel Operating Indicators

a) Quarterly Total Sales

Quarterly Total Sales			
	2Q19	2Q18	%
Number of hotels	42	42	
Lodging Income	459.6	494.9	-7.1%
Occupancy	59.3%	65.5%	-6.2 pp
ADR	1,268.7	1,231.3	3.0%
RevPar	752.8	806.1	-6.6%

*In 2Q19 Fibra Inn's portfolio includes 42 hotels due to the sale of the Microtel Inn & Suites by Wyndham Culiacan and in 2Q18 the portfolio also includes 42 hotels due to the temporally closing of the Casa Grande Ciudad Juarez, which was converted into a Holiday Inn. This figure includes the two properties that were in the process of being divested from the portfolio.

b) Quarterly Same-Store Sales

Quarterly Same Stores Sales			
(41 Hotels)	2Q19	2Q18	Variation
Room Revenue	446	489	-8.8%
Occupancy	59.7%	65.6%	-5.9 pp
ADR	1,261.2	1,246.5	1.2%
RevPAR	752.8	817.4	-7.9%



The same store calculation includes the 42 hotels that were part of Fibra Inn's portfolio for at least half of the period under discussion. In this case, the calculation excluded the following:

- The Microtel Inn & Suites by Wyndham Culiacan hotel that was not part of the portfolio during 2019, since it was sold at the end of August 2018.
- The Holiday Inn Ciudad Juárez hotel, that remained closed, from September 1, 2017 to August 14, 2018, due to its brand conversion.

As of June 30, 2019, Fibra Inn has a total portfolio of 42 properties, including 6,785 rooms, as well as properties that have signed binding agreements and are currently in the process of being divested from the portfolio. These are:

- Holiday Inn & Suites Guadalajara
- Hotel City Express Chihuahua

c) Information by Segment, by Chain and by Region

Same Store Sales by Segment							
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	% RevPAR
	2Q19			2Q18			
Limited Service	49.8%	949.1	473.0	60.7%	916.2	556.4	-15.0%
Select Service	61.1%	1,289.3	788.2	67.0%	1,290.5	864.7	-8.8%
Full Service	63.4%	1,373.2	871.3	66.2%	1,363.4	902.0	-3.4%
Extended Stay	67.3%	1,415.2	951.9	67.6%	1,420.4	959.7	-0.8%
TOTAL	59.7%	1,261.2	752.8	65.6%	1,246.5	817.4	-7.9%

Same Store Sales by Region							
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	% RevPAR
	2Q19			2Q18			
North	61.3%	1,200.4	736.3	64.3%	1,211.3	778.6	-5.4%
Northeast	69.7%	1,400.5	975.5	77.3%	1,385.7	1,071.8	-9.0%
South and center	49.5%	1,117.6	552.7	57.0%	1,100.2	627.4	-11.9%
West	63.0%	1,311.3	825.5	65.0%	1,283.8	835.0	-1.1%
TOTAL	59.7%	1,261.2	752.8	65.6%	1,246.5	817.4	-7.9%

North: Chihuahua, Sonora

North-East: Nuevo León, Coahuila y Tamaulipas.

West: Jalisco

Mid - Southern: Querétaro, Estado de México, Puebla, Guanajuato, Quintana Roo, Cd México, Veracruz, Campeche.

Same Store Sales by Hotel Chain							
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	% RevPAR
	2Q19			2Q18			
IHG Intercontinental Hotels Group	69.0%	1,316.6	908.2	74.8%	1,318.8	986.2	-7.9%
Wyndham Hotel Group	47.6%	995.9	474.0	58.7%	961.0	564.3	-16.0%
Hilton Worldwide	61.9%	1,208.5	748.1	66.8%	1,179.2	787.2	-5.0%
Marriott International	52.9%	1,550.0	819.9	56.3%	1,558.1	877.6	-6.6%
Local Brands	57.8%	1,094.9	633.0	58.1%	1,069.8	621.5	1.8%
Total	59.7%	1,261.2	752.8	65.6%	1,246.5	817.4	-7.9%



Hotel Operation				
Region	Hotels	Rooms	% Total of Rooms	% Total of NOI
North	11	1504	22%	24%
Northeast	11	1953	29%	44%
South and Center	14	2414	36%	19%
West	6	914	13%	14%
TOTAL	42	6785	100%	100%

0

Segment	Hotels	Rooms	% Total of Rooms	% Total of NOI
Limited Service	10	1266	19%	9%
Select Service	18	3383	50%	53%
Full Service	13	2019	30%	36%
Extended Service	1	117	2%	2%
TOTAL	42	6785	100%	100%

Operator	Hotels	Rooms	% Total of Rooms	% Total of NOI
Fibra Inn	40	6480	96%	95%
Camino Real	1	155	2%	2%
Grupo Presidente	1	150	2%	2%
TOTAL	42	6785	100%	100%

About the Company

Fibra Inn is a Mexican trust formed primarily to acquire, develop and rent a broad range of hotel properties for lodging in Mexico aimed at the business 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. Additionally, the Company has development agreements. 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.



Fideicomiso Irrevocable No. F/1616 (Deutsche Bank Mexico, S. A.
Multiple Banking Institution, Trust Division) and Subsidiary
Unaudited Condensed Consolidated Statements of Financial Position
As of June 30, 2019 and December 31, 2018
(Thousands of pesos)

	As of June 30, 2019	%	As of December 31, 2018	%
ASSETS				
Current assets:				
Cash and cash equivalents	424,065	3.4	644,370	5.4
Trade and other accounts receivable, net	108,203	0.9	75,557	0.6
Advanced payments	23,851	0.2	17,542	0.1
Accounts receivables from related parties	10,292	0.1	10,599	0.1
Assets held for sale	198,919	1.6		
Recoverable value-added tax	160,309	1.3	42,940	0.4
Recoverable taxes and others	7,061	0.1	5,621	0.0
Total current assets	932,700	7.5	796,629	6.7
Non-current assets				
Property, furniture and equipment - net	11,267,507	90.4	10,603,432	89.4
Right-of-use asset	4,291	0.0		
Intangible asset and other assets	67,747	0.5	66,627	0.6
Accounts receivable from related parties	108,019	0.9	112,248	0.9
Prepaid property acquisitions	75,723	0.6	265,916	2.2
Derivative financial instruments	6,792	0.1	21,035	0.2
Total non-current assets	11,530,079	92.5	11,069,258	93.3
Total assets	12,462,779	100	11,865,887	100
LIABILITIES				
Current liabilities:				
Suppliers	92,357	2.5	82,029	2.5
Other payables	10,809	0.3	8,725	0.3
Properties' acquisition liability	-	-	2,066	0.1
Short-term lease liability	2,176	0.1	0	
Accounts payable to related parties	67,081	1.8	24,844	0.8
Bank debt	100,000	2.8	0	-
Liability from debt obligations	85,925	2.4	79,575	2.4
Advances from clients	35,562	1.0	4,986	0.2
Tax payable	57,697	1.6	40,148	1.2
Total current liabilities	451,606	12.4	242,373	7.4
Non-current liabilities:				
Debt securities	2,970,133	81.8	2,967,075	91.1
Bank debt	197,263	5.4	-	
Accounts payable to related parties	0	-	35,538	1.1
Long-term lease liability	2,178	0.1		
Cash settled executive share-based compensation	6,922	0.2	6,922	
Deferred income taxes	3,909	0.1	3,909	
Employee benefits	206	0.0	206	0.0
Total non-current liabilities	3,180,613	87.6	3,013,650	92.6
Total liabilities	3,632,218	100	3,256,023	100
EQUITY				
Trustors' equity:				
Contributed capital	6,240,703	76.8	6,415,569	76.5
Property revaluation surplus	2,659,260	32.7	2,659,260	31.7
Reserve for valuation effect of derivative financial instruments	3,121	0.0	8,601	0.1
Reserve for repurchase of CBFIs	230,378	2.8	142,958	1.7
Share-based compensation reserve	103,716	1.3	80,844	1.0
Retained earnings	- 1,107,905	- 13.6	- 922,607	- 11.0
Total trustors' equity	8,129,273	100.0	8,384,625	100.0
Non-controlling interest	701,288	7.9	225,239	2.6
Total trustors' equity	8,830,561	100.0	8,609,864	100.0
Total liabilities and equity	12,462,779		11,865,887	



Fideicomiso Irrevocable No. F/1616 (Deutsche Bank Mexico, S. A.
Multiple Banking Institution, Trust Division) and Subsidiary
Unaudited Condensed Consolidated Statements of Income and of Other Comprehensive Income
For the six months ended in June 30, 2019 and 2018 and for the accumulated of the year ended June 30, 2019 and 2018
(Thousands of pesos)

Revenue from:	2T19	%	2T18	%	Var. Ps.	Var. %	2019	%	2018	%	Var. Ps.	Var. %	
Lodging	459,590	94.9	494,939	94.9	- 35,349	- 7.1	915,990	95.0	973,839	95.2	- 57,849	- 5.9	
Property leases	24,663	5.1	26,802	5.1	- 2,139	- 8.0	48,345	5.0	48,800	4.8	- 455	- 0.9	
Total revenue	484,252	100.0	521,741	100.0	- 37,489	- 7.2	964,336	100.0	1,022,639	100.0	- 58,304	- 5.7	
Costs and expenses from hotel services:													
Lodging	133,681	27.6	132,094	25.3	1,587	1.2	259,305	26.9	259,036	25.3	269	0.1	
Administrative	82,191	17.0	86,119	16.5	- 3,928	- 4.6	164,909	17.1	174,328	17.0	- 9,419	- 5.4	
Maintenance	21,965	4.5	21,692	4.2	273	1.3	42,570	4.4	41,499	4.1	1,071	2.6	
Electricity	35,600	7.4	30,537	5.9	5,063	16.6	66,138	6.9	56,648	5.5	9,489	16.8	
Royalties	32,508	6.7	34,886	6.7	- 2,378	- 6.8	64,427	6.7	68,058	6.7	- 3,631	- 5.3	
Advertising and promotion	21,810	4.5	25,459	4.9	- 3,650	- 14.3	45,055	4.7	51,819	5.1	- 6,764	- 13.1	
Property tax	2,867	0.6	3,544	0.7	- 677	- 19.1	6,523	0.7	6,502	0.6	20	0.3	
Insurance	1,675	0.3	1,455	0.3	220	15.2	3,350	0.3	2,893	0.3	457	15.8	
Total costs and expenses of hotel services	332,297	68.6	335,787	64.4	- 3,490	- 1.0	652,277	67.6	660,784	64.6	- 8,507	- 1.3	
NOI Hotel	151,955	31.4	185,954	35.6	- 33,999	- 18.3	312,059	32.4	361,856	35.4	- 49,797	- 13.8	
OTHER BUSINESSES													
INCOME:													
Hotel factory	2,722	-	-	-	2,722		13,279	-	-	-	13,279		
COSTS:													
Hotel factory	4,607	1.7	5,730	-	- 1,123	- 19.6	8,615	0.6	10,423	-	- 1,808	- 17.3	
NOI other businesses	-	1,885	- 0.7	- 5,730	-	3,845	- 67.1	4,664	0.4	- 10,423	-	15,087	- 144.7
Total NOI	150,071	30.8	180,224	34.5	- 30,154	- 16.7	316,723	32.4	351,433	34.4	- 34,710	- 9.9	
Other costs and expenses:													
Corporate administrative expenses	22,711	4.7	24,499	4.7	- 1,788	- 7.3	46,579	4.8	46,955	4.6	- 376	- 0.8	
Acquisition and organization expenses	13,714	2.8	9,138	1.8	4,576	50.1	20,387	2.1	15,644	1.5	4,743	30.3	
Maintenance expenses	1,601	0.3	5,814	1.1	- 4,214	- 72.5	6,303	0.7	7,748	0.8	- 1,445	- 18.6	
Others	- 3,959	- 0.8	- 4,057	- 0.8	99	- 2.4	- 4,220	- 0.4	- 5,558	- 0.5	1,338	- 24.1	
Total indirect expenses	34,067	7.0	35,394	6.8	- 1,328	- 3.7	69,049	7.2	64,788	6.3	4,259	6.6	
EBITDA	116,004	24.0	144,830	27.8	- 28,827	- 19.9	247,674	25.7	286,644	28.0	- 38,970	- 13.6	
Plus: Acquisition and organization expenses	15,315	3.2	14,952	2.9	363	2.4	26,690	2.8	23,391	2.3	3,299	14.1	
Adjusted EBITDA	131,318	27.1	159,782	30.6	- 28,464	- 17.8	274,364	28.5	310,035	30.3	- 35,671	- 11.5	
Estimate of impairment of financial assets													
AAP Termination of Advisory Contract	1,472	0.3	10,760	2.1	- 12,232	- 113.7	2,571	0.3	10,760	1.1	- 13,331	- 123.9	
Impairment of properties	21,718	4.5	26,160	5.0	- 4,442	- 17.0	29,615	3.1	26,160	2.6	3,455	13.2	
Loss on disposal of fixed asset	10,908	2.3	-	-	10,908		10,908	1.1	-	-	10,908		
Depreciation of fixed asset	14,189	2.9	-	-	14,189		14,987	1.6	-	-	14,987		
EBIT (Operating income)	- 82,693	17.1	81,717	15.7	976	1.2	171,163	17.7	164,259	16.1	6,904	4.2	
Interest income	-	14,976	- 3.1	47,714	9.1	- 62,689	- 131.4	18,431	1.9	106,985	10.5	- 88,554	- 82.8
Interest expense	12,054	2.5	14,148	2.7	- 2,095	- 14.8	25,547	2.6	46,479	4.5	- 20,932	- 45.0	
Exchange rate loss (gain)	50,657	10.5	74,343	14.2	- 23,686	- 31.9	108,132	11.2	141,995	13.9	- 33,863	- 23.8	
Net loss	-	117	- 0.0	- 1,611	- 0.3	1,494	- 92.7	752	0.1	- 131	- 0.0	884	- 673.6
Non-controlling interest	-	53,462	- 11	- 10,870	- 2	- 42,593	391.8	- 64,906	- 6.7	11,599	1.1	- 76,505	- 659.6
Controlling interest	- 626	- 52,836	- 10.9	- 10,870	-	41,966	386	- 64,491	-	11,599	-	- 76,505	- 656.0
FFO	92,832	19.2	101,198	19.4	- 8,366	- 8.3	191,027	19.8	214,650	21.0	- 23,624	- 11.0	

Revenue from:	2T19	%	2T18	%	Var. Ps.	Var. %	Ac 2019	%	Ac 2018	%	Var. Ps.	Var. %
Lodging	459,590	94.9	494,939	94.9	-35,349	-7.1	915,990	95.0	973,839	95.2	-57,849	-5.9
Property leases	24,663	5.1	26,802	5.1	-2,139	-8.0	48,345	5.0	48,800	4.8	-455	-0.9
Total revenue	484,252	100.0	521,741	100.0	-37,489	-7.2	964,336	100.0	1,022,639	100.0	-58,304	-5.7
Costs and expenses from hotel services:												
Lodging	133,681	27.6	132,094	25.3	1,587	1.2	259,305	26.9	259,036	25.3	269	0.1
Administrative	82,191	17.0	86,119	16.5	-3,928	-4.6	164,909	17.1	174,328	17.0	-9,419	-5.4
Maintenance	21,965	4.5	21,692	4.2	273	1.3	42,570	4.4	41,499	4.1	1,071	2.6
Electricity	35,600	7.4	30,537	5.9	5,063	16.6	66,138	6.9	56,648	5.5	9,489	16.8
Royalties	32,508	6.7	34,886	6.7	-2,378	-6.8	64,427	6.7	68,058	6.7	-3,631	-5.3
Advertising and promotion	21,810	4.5	25,459	4.9	-3,650	-14.3	45,055	4.7	51,819	5.1	-6,764	-13.1
Hotel factory	4,607	1.0	5,730	1.1	-1,123	-19.6	7,898	0.8	10,423	1.0	-2,525	-24.2
Total costs and expenses of hotel services	332,362	69	336,518	64.5	-4,156	-1.2	650,302	67.4	661,812	64.7	-11,509	-1.7
Gross margin	151,890	31.4	185,223	35.5	-33,335	-18.0	314,034	32.6	360,828	35.3	-46,794	-13.0
Other costs and expenses:												
Property tax	2,867	0.6	3,544	0.7	-678	-19.1	6,523	0.7	6,502	0.6	20	0.3
Insurance	1,675	0.3	1,455	0.3	220	15.2	3,350	0.3	2,893	0.3	456	15.8
Corporate administrative expenses	22,711	4.7	24,499	4.7	-1,788	-7.3	46,579	4.8	46,955	4.6	-376	-0.8
Acquisition and organization expenses	13,714	2.8	9,138	1.8	4,574	50.1	20,387	2.1	15,644	1.5	4,743	30.3
Others	-3,959	-0.8	-4,057	-0.8	97	-2.4	-4,220	-0.4	-5,558	-0.5	1,338	-24.1
Maintenance expenses	1,601	0.3	5,814	1.1	-4,214	-72.5	6,303	0.7	7,748	0.8	-1,444	-18.6
Estimate of impairment of financial assets	1,472	0.3	-10,760	-2.1	12,232	-113.7	2,571	0.3	-10,760	-1.1	13,331	-123.9
AAP Termination of Advisory Contract	21,718	4.5	26,160	5.0	-4,442	-17.0	29,615	3.1	26,160	2.6	3,455	13.2
Impairment of properties	10,908	2.3	0	0.0	10,908		10,908	1.1	0	0.0	10,908	
Loss on disposal of fixed asset	14,189	2.9	0	0.0	14,189		14,987	1.6	0	0.0	14,987	
Depreciation of fixed asset	79,970	16.5	81,717	15.7	-1,747	-2.1	158,601	16.4	164,259	16.1	-5,658	-3.4
Total other costs and expenses	166,866	34.5	137,509	26.4	29,356	21.3	295,603	30.7	253,843	24.8	41,760	16.5
Operating income	-14,976	-3.1	47,714	9.1	-62,689	-131.4	18,431	1.9	106,985	10.5	-88,554	-82.8
Interest income	12,054	2.5	14,148	2.7	-2,095	-14.8	25,547	2.6	46,479	4.5	-20,932	-45.0
Interest expense	50,657	10.5	74,343	14.2	-23,686	-31.9	108,132	11.2	141,995	13.9	-33,863	-23.8
Exchange rate loss (gain)	-117	0.0	-1,611	-0.3	1,494	-92.7	752	0.1	-131	0.0	884	-673.6
Net loss	-53,462	-11.0	-10,870	-2.1	-42,593	391.8	-64,906	-6.7	11,599	1.1	-76,505	-659.6
Non-controlling interest	626	0.1	0		626		416	0.0	0	0.0		
Controlling interest	-52,836	-10.9	-10,870		-41,966	386.1	-64,491	-7	11,599	1.1	-76,505	-656.0
Other comprehensive loss items attributable to controlling interest:												
Reserve for valuation effect of derivative financial instruments	-1,930	-0.4	4,544	0.9	-6,474	-142.5	-5,480	-0.6	-28,128	-2.8	22,648	-80.5
Comprehensive income	-55,392	-11.4	-6,326	-1.2	-49,066	775.6	-70,387	-13.9	-16,529	-1.6	-53,858	326

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Fideicomiso Irrevocable No. F/1616 (Deutsche Bank Mexico, S. A.
Multiple Banking Institution, Trust Division) and Subsidiary
Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity
From January 1 to June 30, 2019 and 2018
(Thousands of pesos)

	Contributed capital	Share-based compensation reserve	Reserve for repurchase CBFIs	Property Revaluation Surplus	Reserve for valuation effect of derivative financial instruments	Retained earnings	Controlling Interest	Non-controlling interest	Total trustors' equity
As of December 31, 2017	5,886,250	77,663	214,596	2,802,541	37,405	-390,741	8,627,714		8,627,714
Distribution to holders of CBFIs	- 219,055					-	219,055	-	219,055
Cancellation of repurchase fund			-176,950			176,950	-	-	-
Expenses related to the subscription of equity issuance	5,083					-	5,083	-	5,083
Equity-settled share-based payments		2,222					2,222	-	2,222
Repurchase of CBFIs for payment of equity instruments		-1,087				-	1,087	-	1,087
Reserve for acquisition of shares			250,000		-	250,000	-	-	-
Repurchase of CBFIs			-92,538			-	92,538	-	92,538
Initial impact in the adoption of IFRS9					-	29,968	29,968	-	29,968
Reserve for share-based payments		17,275				-	17,275	-	17,275
Comprehensive income					28,127	11,599	16,529	-	16,529
As of June 30, 2018	5,662,113	96,073	195,108	2,802,541	9,278	-482,160	8,282,951	0	8,282,951
As of December 31, 2018	6,415,569	80,844	142,958	2,659,260	8,601	922,607	8,384,625	225,239	8,609,864
Distribution to holders of CBFIs	- 174,866					-	174,866	-	174,866
Non-controlling interest contribution						129,193	-	476,465	476,465
Cancellation of repurchase fund			- 129,193			-	-	-	-
Reserve for repurchase CBFIs			250,000		-	250,000	-	-	-
Equity-settled share-based payments		1,236				-	1,236	-	1,236
Repurchase of CBFIs for payment of equity instruments		905	- 33,387			-	32,482	-	32,482
Reserve for share-based payments		20,730					20,730	-	20,730
Net loss					-5,480	-64,491	69,971	416	70,386.91
As of June 30, 2019	6,240,703	103,716	230,378	2,659,260	3,121	-1,107,905	8,129,273	701,288	8,830,561

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Fideicomiso Irrevocable No. F/1616 (Deutsche Bank Mexico, S. A. Multiple Banking Institution, Trust Division) and Subsidiary
Unaudited Condensed Consolidated Statements of Cash Flows
For the period from January 1 to June 30, 2019 and 2018
(Thousands of pesos)

	2019	2018
OPERATING ACTIVITIES		
Net income before taxes	- 64,906	11,599
Adjustments:		
Depreciation and amortization	158,601	164,259
Impairment of properties	10,908	
Estimate of impairment of financial assets	2,571 -	10,760
Loss on disposal of fixed asset	14,987	-
Effect of valuation of derivative financial instruments	8,764 -	20,827
Reserve for compensation payment due to termination of AAP	29,615	26,160
Debt interests	108,132	121,168
Gain on interests	- 25,547 -	46,479
	243,123	245,121
Receivables and other accounts receivable	- 34,086	22,957
Related parties	- 18,379 -	14,395
Advanced payments	- 6,309 -	10,421
Recoverable taxes	- 117,369	31,473
Suppliers and other payables	40,921	43,140
Payable taxes	17,549 -	1,722
Net cash flows generated by operating activities	125,449	316,152
INVESTING ACTIVITIES		
Acquisition of property, furniture and equipment	- 844,802 -	336,636
Acquisition of intangible assets	- 1,120	3,305
Gain on interests	25,547	46,479
Loan granted to related parties	4,229	3,931
Net cash flows utilized in investing activities	-816,147	-282,920
FINANCING ACTIVITIES		
Loans received	300,000	200,000
Expenses related to issuance of equity	- -	5,083
Debt Issuance	-	112,350
Repurchase of CBFIs	- 32,482 -	91,403
Distribution to holders of certificates	- 174,866 -	219,055
Interests related to debt issuance	- 98,724 -	45,111
Non-controlling interest contribution	476,465	-
Net cash flows generated by financing activities	470,393	-48,302
Net cash flows of the period	-220,304	-15,070
Cash and cash equivalents at the beginning of the year	644,370	507,986
Cash and cash equivalents at the end of the year	424,065	492,915