



## Fibra Inn Informs Regarding Purchase of Land Property in Playa del Carmen and Updates on Hotel Factory Projects

**Monterrey, Mexico, October 11, 2018** – Deutsche Bank Mexico, S.A., Banking institution, Trust Division F/1616 or Fibra Inn (BMV: FINN13, ADR OTC: DFBRV) (“Fibra Inn” or “the Company”), a Mexican real estate investment trust internally managed specialized in the hotel industry serving the traveler with global brands, announced that it purchased a land property in Playa del Carmen, via a *landbank* modality co-investment with a New York-based fund.

The total investment for the purchase of this land was US\$ 17.0 million, which included: (i) transaction closing costs, as well as (ii) the municipality’s construction permits and licenses, which Fibra Inn initiated upon the signing of the purchase option. Fibra Inn participated with 29.4% of the total investment.

The lot is 5,475 m<sup>2</sup> in size and is located steps from the beach; it is the only beachfront property available at this time in the Playa del Carmen urban area. Its value-added proposition stems from the fact that it is a commercial mixed-use property, which is compatible with lodging activity in accordance with the urban development program in Playa del Carmen. The construction licenses were obtained basically at the same time as the purchase took place. Fibra Inn expects to initiate the construction within the next 12 months and for an expected project size in the range of 250 to 270 rooms, with an average daily rate that could surpass US\$ 300.

The *landbank* modality refers to the participation of partners for the purchase of the land properties, which allows Fibra Inn to take advantage of opportunities located in strategic areas with the flexibility of sharing the investment as a minority holder and thus build a pipeline for the Hotel Factory. Once it enters the Hotel Factory, the investment will be conducted with another development partner for the construction of the hotel.

In this instance, the partner for the Playa del Carmen landbank has the option of maintaining their investment until a year after the developing partner has been incorporated for the construction of the project; during this period, this landbank partner’s participation could convert into mezzanine debt.

The business rationale for the acquisition of this property includes:

- Playa del Carmen is among the most visited destination in Mexico in terms of foreign and domestic tourists.
- The land property has a prime and unique location that represents a great opportunity for Fibra Inn.
- The project will start in the short term due to the fact that the Company has obtained construction permits and licenses at the acquisition date, this will have a positive impact on expected profitability.
- The property is ideal for the development of a lifestyle hotel, focused on the leisure market, characterized by high levels of food and beverage consumption. The selection of the hotel

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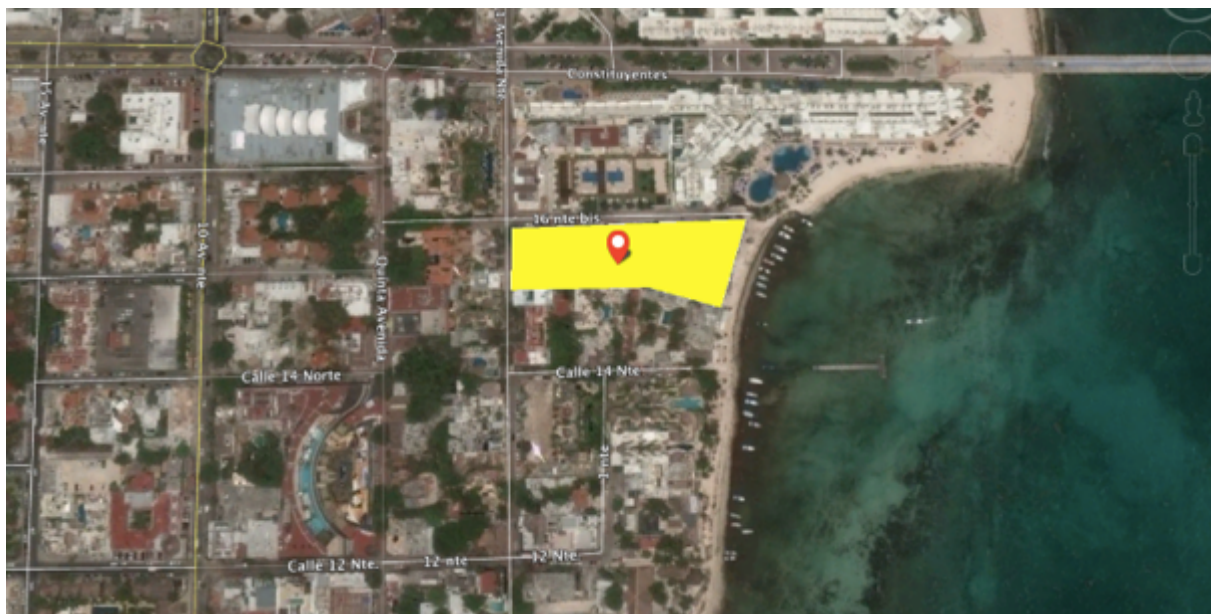


brand is currently underway, and will be a widely-recognized international hotel chain in North America.

- The profitability of the project is expected at over 14%, stabilized in 4 years, based on a total estimated investment of between US\$ 275 thousand and US\$ 325 thousand per room, a stabilized occupancy that could be over 65% and an average daily rate of over US\$ 300.

*“Fibra Inn considers that this investment in Playa del Carmen is a privileged opportunity based on the strategic location of the land. The hotel demand in this area is ideal for the development of a luxury hotel with a lifestyle brand in a destination which continues to see increasing tourism trends. The main draw of this property is that Fibra Inn would participate with only a 29% initial investment in the land and has adequate time to structure the project with the future development partner. Additionally, the projected cap rate complies with the profitability expectations for the Hotel Factory model, thus clearly adding value to the Company,”* stated Oscar Calvillo, Chief Executive Officer of Fibra Inn.

**Playa del Carmen Land Property**  
 Primera Avenida y Calle 15 Norte,  
 Playa del Carmen, Quintana Roo, Mexico



**Update on Hotel Factory Projects**

In terms of the JW Marriott Arboleda, Fibra Inn formalized the purchase of the footprint of this property last week and has begun the construction of the hotel; it is important to mention that the hotel will be constructed over 4 parking levels and 2 levels of commercial stores. This project is expected to open at the end of 2020.

The Westin Monterrey is on track and this turn-key project is expected to be delivered by the developer during the second quarter of 2019.



With regards to the Marriott Airport Hotel, the Company is working on the final process of the construction project to obtain final authorization of the architectural plans from the brand, in order to comply with the international standards in design, engineering and specifications of the hotel. Construction will begin January 2019 and operations are expected to begin in mid-2020.

Lastly, and with regards to the Secrets Silversands Rivera Cancun Hotel, Fibra Inn remains interested in acquiring this property; however, the purchase option has been extended to allow the seller to resolve pending legal issues. Once these are resolved, Fibra Inn will be in a position to continue with the purchase process.

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### 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](http://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.