



Fibra Inn Consolidates its Leadership in Corporate Governance and its Alignment with Market Interests

Monterrey, Mexico, July 3, 2018 – 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 specializing in the hotel industry serving the traveler with global brands, informs the market regarding the corporate governance measures that have been implemented to position the Company as the top Mexican REIT in terms of best practices.

Since the initial public offering, Fibra Inn has compiled the recommendations made by both its Mexican and foreign investors. Since then it has strengthened its corporate governance and has gradually made the following changes:

At the end of 2014, the functions of Technical Committee President were separated from that of Chief Executive Officer. Additionally, the Company’s management team was strengthened with the hiring of the first line of strategic executives reporting to the Chief Executive Officer. These were: the Chief Administrative and Financial Officer and the Director of Acquisitions and Development. As a first step towards a greater transition, the fee for the acquisition of properties was eliminated, thus modifying the contract with the Advisor.

In 2016, the Company hired an internationally-recognized independent consulting firm to evaluate the internalization process and on November 11, 2016, at the Extraordinary Shareholders’ Meeting, the early termination of the contract with the Advisor was approved. The compensation to be paid in 2020 will be based on the performance and financial results obtained during the first three years of the internalization process (2017-2019) and will be mostly paid with Fibra Inn’s CBFIs with a 2 year lock-up.

As a result of the above, Fibra Inn restructured the organization and its functions, which were previously held by the Advisor, by absorbing them, effective January 1, 2017, thereby becoming an internally managed Fibra. Prior to the internalization, the general and administrative expenses (G&A) represented 1.1% of the total asset value. Today, however, these represent 0.8% and are expected to continue declining in the future. The REITS with the greatest efficiencies register G&A as a percentage of assets that are lower than 0.5%.

At the beginning of 2018, the Shareholders’ Meeting approved a reduction of the qualified majority percentage of the total outstanding CBFIs to a minimum of 75% to vote in matters related to the Shareholders’ Meeting; this percentage is common practice for publicly-traded companies. This will accelerate Fibra Inn’s strategic decision-making processes. Previously, a minimum 89% quorum was required to approve decisions.

Finally, on June 14, 2018, Fibra Inn’s Shareholders’ Meeting approved to modify the composition of the Technical Committee to be mostly integrated by independent members. Therefore, the Founders Trust will no longer have control of the Technical Committee, limiting their participation to two members. With that, the preference and exclusivity rights of these proprietary members

In México:
Lizette Chang, IRO
Fibra Inn
Tel. 52-1-81-1778-5926
lchang@fibrainn.mx

In New York:
María Barona / Melanie Carpenter
i-advize Corporate Communications
Tel. (212)406-3691
mbarona@i-advize.com





are eliminated. Additionally, it approved the participation of the Chief Executive Officer on duty and his alternate, who would be the Chief Financial Officer, in the Technical Committee; and it maintained the right of the institutional holders that possess a total of 10% or more of the total number of CBFIs to designate the members to represent them, in the event that they decide to exercise this rights.

With this, Fibra Inn completes an important transformation to maintain its leadership position as the Fibra with the best Corporate Governance and the first to internalize itself.

“Since the beginning, Fibra Inn has sought the best alignment possible with market interests. We seek absolute visibility and transparency. We have become the first Fibra to undertake significant modifications, in terms of corporate governance as well as in terms of orderly internalization; both were approved by a qualified majority of holders. This positions us on the right path to carry out this transformation on a timely and correct manner. We understand that one of the conditions for current Fibras to access capital, or those that seek to carry out an Initial Public Offering, will be these actions that Fibra Inn has implemented and which has not been random; the Company has worked very hard to add investor value”, stated Oscar Calvillo, Fibra Inn’s 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. 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.