



## Fibra Inn Enters the Beach Hotel Market with the Signing of a Purchase Option to Acquire Secrets Siversands Riviera Cancun

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**Monterrey, Mexico, July 9, 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 specializing in the hotel industry serving the traveler with global brands, announced today that it is entering the beach hotel segment with the signing a purchase option for a property in Riviera Maya.

Given Mexico’s current favorable macroeconomic and hotel industry environment, Fibra Inn has decided to venture into the beach hotel, or resorts, market for the following reasons:

- Business hotel seasonality is offset by beach hotel cyclicity, which benefits Fibra Inn as it increases income stability throughout the year.
- Rates for destination luxury beach hotels are generally dollar-denominated, which strengthens the Company's revenue mix.
- Occupancy levels are expected to grow due to a greater influx of international guests to key Mexican beaches within a globally price competitive environment.
- Fibra Inn will capitalize on the expertise of resort hotel operators in global chains that already manage these types of specialized properties, both in all-inclusive and European formats.
- Beach hotels tend to be highly profitable due to their competitiveness in the international markets; additionally, recent transactions in the luxury and beach segments have better valuation with cap rates below 8.5%.

For these reasons, Fibra Inn has signed an exclusive purchase option to acquire the Secrets Siversands Riviera Cancun resort under the Hotel Factory structure exercisable in the next 45 days.

*“Fibra Inn finds the acquisition of the Secrets Siversands Riviera Cancun to be a highly attractive opportunity. It is in a top location and has all the characteristics required to generate the expected returns. What is most attractive about this property is that it is currently operating, which leads to an immediate cash flow generation for Fibra Inn’s shareholders,”* stated Oscar Calvillo, Chief Executive Officer of Fibra Inn.

*“We are pleased to announce this first project that we are confident will be a solid and productive relationship between AMResorts and Fibra Inn,”* stated Alex Zozaya, Chief Executive Officer of Apple Leisure Group.

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## Secrets Silversands Riviera Cancun

This luxury property operates under the all-inclusive business model exclusively for adults in Riviera Maya. It currently has 441 rooms in operation and 175 rooms will be added, which will be operating in approximately 24 months and are expected to stabilize after a year. This 175-room expansion will be comprised of 150 new rooms plus 25 double suites that will be divided into 50 single rooms. The rooms are an average of 65 square meters in size, and are particularly spacious and well-lit, which is the marked difference between this hotel and competing hotels, and is an attractive sales benefit when marketing the property. Fibra Inn will keep the current brand, Secrets Silversands Riviera Cancun, and the hotel will continue to be managed by AMResorts.

The total investment will be US \$160 million plus an estimated US\$ 20 million that will be used for the room expansion and various investments in the property. Fibra Inn seeks to participate with 33% of the total investment and the remaining stake will be submitted for consideration to two Mexican institutional funds that are interested in the project, in theory, and whose terms are defined under the Hotel Factory format. The purchase option will be exercised, where appropriate, once the funds are confirmed.

The purchase price represents a NOI cap rate of 10% for the last 12 months; and a cap rate of at least 12.5% is expected once operations stabilize in 3 years including the room expansion.

Fibra Inn will allocate US \$53 million on the date of the transaction and an additional US \$6.7 million for the expansion, in line with construction progress. 50% of the total amount will come from the subscription of CBFIs announced on July 4, 2018 and the remaining 50% will be bank debt at the project level.

Fibra Inn will charge fees under the Hotel Factory format for the structuring of the transaction, the development of the room expansion and asset management. These fees will be set once the purchase option is exercised.

The hotel currently has an occupancy rate of over 80% and a total income per guest of over US\$ 170 per night, which includes the room rate, plus food and beverage, and SPA services.

**AMResorts** is part of the Apple Leisure Group (ALG). It is a renowned leader in the management of luxury All Inclusive hotel brands with a solid global sales, marketing and distribution structure. It has over 20,000 rooms operating in Mexico, the Caribbean and Central America under its seven brands. ALG is the leading US Group in the leisure travel segment with a vertically integrated business model that serves travelers and destinations around the world.

**Secrets Resorts & Spas** is an AMResorts brand exclusively for adults. All of its hotels are located in the best beaches offering a romantic and sensual stay. The hotels operate under the Unlimited-Luxury® model, where all is inclusive. The rooms and suites offer a tasteful and cozy ambiance, concierge and 24-hour room service, as well as gourmet dinners and lounges offering premium beverages. Guests enjoy an agenda including a widespread of day and night activities that, together, provide all the necessary elements to enjoy a romantic vacation as a couple.



### Secrets Silversands Resort & Spa

*Bahía de Petempich, SM 12 Mz 31, Lote 14-02,  
Puerto Morelos, Benito Juárez, Quintana Roo, 77580, México*



### Rooms







## Common Areas



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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. 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".



## About Apple Leisure Group

Apple Leisure Group® (ALG) is a leading US company in the leisure segment, and has the only vertically integrated business model serving travelers and destinations around the world. ALG consistently provides exceptional value to travelers, and a strong performance to hotel owners and partners by strategically leveraging its portfolio of businesses operating in five segments: the largest company in the U.S. offering vacation packages to Mexico and the Caribbean, moving nearly 3.4 million passengers per year thanks to its renowned vacation brands like Apple Vacations®, Mark International®, Travel Impressions®, CheapCaribbean.com®, Blue Sky Tours®, Southwest Vacations, Funjet Vacations® , and United Vacations; management of hotel brands through AMResorts®' renowned luxury brands: Zoëtry® Wellness & Spas Resorts, Secrets® Resorts & Spas, Breathless® Resorts & Spas, Dreams® Resorts & Spas, Now® Resorts & Spas, and Sunscape® Resorts & Spas; world-class services in ground transportation, tours and excursions offered by Amstar DMC and Worldstar®; the exclusive Unlimited Vacation Club® loyalty program; and the innovative technology solutions provider Trisept Solutions®, which connects more than 88,000 travel agents with the main tourism providers. To learn more about Apple Leisure Group's competitive advantage, visit [appleleisuregroup.com](http://appleleisuregroup.com).

## About AMResorts

AMResorts offers collective marketing and brand management services for six individual hotel brands, including Zoëtry Wellness & Spa Resorts, Secrets, Breathless, Dreams, Now and Sunscape Resorts & Spas. The Newtown Square-based company continually raises the standards for luxury All-Inclusive thanks to its Endless Privileges®, Unlimited-Luxury® and Unlimited-Fun® models. Located in Mexico, Jamaica, Curacao, the Dominican Republic, Costa Rica and Panama, AMResorts has a portfolio of 52 award-winning resorts offering first-class rooms, exceptional location and extraordinary amenities. AMResorts has a special site for the media. The hotel images, logos, photographs and materials are found at [amresorts.com/mediasite/media](http://amresorts.com/mediasite/media)

[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.