Fideicomiso Irrevocable DB/1616 (CIBANCO, S. A. Institución de Banca Múltiple, as final and universal beneficiary of Deutsche Bank México, S. A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiaries

Consolidated Financial Statements
As of and for the Years Ended
December 31, 2023 and 2022 and
Independent Auditors' Report Dated
March 27, 2024

Fideicomiso Irrevocable DB/1616 (CIBANCO, S. A. Institución de Banca Múltiple, as final and universal beneficiary of Deutsche Bank México, S. A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiaries.

Independent Auditors' Report and Consolidated Financial Statements as of and for the years ended December 31, 2023 and 2022

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Independent Auditors' Report to the Technical Committee and Holders' Meeting of the Fideicomiso Irrevocable DB/1616 (CIBANCO, S.A. Institución de Banca Múltiple, as final and universal beneficiary of Deutsche Bank México, S. A. Institución de Banca Múltiple, División Fiduciaria)

Opinion

We have audited the consolidated financial statements of Fideicomiso Irrevocable DB/1616 (CIBANCO, S.A. Institución de Banca Múltiple, as final and universal beneficiary of Deutsche Bank México, S. A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiaries (collectively "Fibra Inn" or "Trust DB/1616"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in trustors' equity and consolidated statements of cash flows for the years ended December 31, 2023 and 2022 and notes to the consolidated financial statements, including information about material accounting principles.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Fibra Inn as of December 31, 2023 and 2022 and its consolidated financial performance and consolidated cash flows for the years ended on said dates in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of Fibra Inn in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (*IESBA Code of Ethics) together with the Code of Ethics issued by the Mexican Institute of Public Accountants ("IMCP Code of Ethics"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The accompanying consolidated financial statements have been translated into English for the convenience of readers.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of fiscal year 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimated Fair Value of Properties

As explained in Note 4b to the accompanying consolidated financial statements, in order to estimate the fair value of the properties, Fibra Inn's Management, with the support of independent external appraisers, chooses the valuation technique it considers most appropriate given the particular circumstances of each hotel. For this purpose, Management relies on its best estimate of each hotel's ability to generate future cash flows, which are discounted at an appropriate discount rate, as well as a capitalization rate to estimate the terminal value. Similarly, Management considers as part of its estimate, the current conditions of the environment in which it operates, mainly affected by the changes in the current economic environment generated by the pandemic caused by COVID-19, as well as the estimate of the period during which it will continue to generate future economic benefits. Derived from the above, estimation test of the fair value of the properties was significant for our audit, because the valuation process is complex and the relevance of the properties in relation to the total consolidated assets.

Our audit procedures included, but are not limited to, the following:

We conduct tests on the design and implementation of internal control over the valuation process for the preparation of future cash flows and fair value estimation.

As part of the procedures on the estimation of the fair value of the selected properties and in conjunction with our valuation specialists, we carry out an evaluation of the different relevant inputs and premises, which incorporate considerations caused by COVID-19 and its impacts on the industry where it operates, including projected cash flows, which consider among others: average rates, average revenue per available room, average occupancy percentages, and net operating income ("NOI"). In addition, as part of our substantive procedures, we independently calculate a range of discount rates and the capitalization rate, to reprocess the fair value calculation prepared by Management and contrast the results applicable to each selected property.

In addition to the above procedures, we reviewed the mathematical coherence, integrity and accuracy of the properties considered in the valuation and we validated the technical competencies of the independent appraiser who supports Management.

The results of our audit procedures were satisfactory.

Tax Compliance to Maintain the Status as FIBRA ("Real Estate Investment Trust") in Accordance with the Income Tax Law ("LISR", for its acronym in Spanish).

As mentioned in Notes 1 and 15 to the accompanying consolidated financial statements, in order to maintain its status as a FIBRA, Articles 187 and 188 of the Income Tax Law establish that Trust DB/1616 must distribute annually at least 95% of its net taxable income to the holders of its Stock Exchange Real Estate Trust Certificates ("CBFIs", for its Spanish initials), in addition to other requirements. Due to the relevance of this matter, a change in Fibra Inn's status as a FIBRA, based on the Income Tax Law, may have a material effect on the consolidated financial statements, consequently, the test of compliance with such Articles was significant to our audit because it is one of the main foundations of the going concern assumption of the Trust DB/1616. As a result of the above, our audit procedures included the involvement of tax experts to assess compliance with the main requirements of the articles of the legislation in force as of December 31, 2023.

The results of our audit procedures were satisfactory.

Additional Information Other than the Consolidated Financial Statements and Auditor's Report

Fibra Inn's Management is responsible for the additional information presented. The additional information comprises; i) the Annual Report, ii) the information that will be incorporated in the Annual Report that Fibra Inn is required to prepare pursuant to Article 33, Section I, Subparagraph b) numeral 1.2 of Title Four, Chapter One of the General Provisions Applicable to Issuers and other Participants of the Mexican Securities Market and the Instructions that accompany those provisions ("the Provisions"). The Annual Report is expected to be available for our reading after the date of this audit report; and iii) other additional information, which are measures that are not required by IFRS, and have been incorporated with the purpose of providing an additional explanation to its investors and main readers of its consolidated financial statements to evaluate operating performance such as operating cash flows ("funds from operations" or "FFO", for its acronym in English) and other indicators on the capacity to satisfy obligations such as the debt service ratio, this information is presented in Note 1.

Our opinion on the consolidated financial statements will not cover the additional information, and we will not express any level of assurance on it.

In connection with our audit of the consolidated financial statements, our responsibility is to read the additional information, when available, and when we do so, consider whether the additional information contained therein is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or that appears to contain a material misstatement. When we read the Annual Report, we will issue the legend on the reading of the annual report, required by Article 33, Section I, Subparagraph b), Number 1.2 of the Provisions. Also, in connection with our audit of the consolidated financial statements, our responsibility is to read the additional information, which in this case is the annual report, and in doing so, consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or with our knowledge obtained during the audit, or that appears to contain a material misstatement. If based on the work we have performed, we conclude that there is a material error in the additional information, we would have to report this fact. At the date of this report, we have nothing to report in this regard.

Responsibilities of Management and Those Responsible with Governance for the Trust in Relation to the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRSs, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing Fibra Inn's ability to continue as a going concern, disclosing, as applicable, matters related to Trust DB/1616 in operation and using the going concern basis of accounting unless Management either intends to liquidate the Trust DB/1616 or to cease operations, or has no realistic alternative but to do so.

Those Responsible with governance for Fibra Inn are responsible for overseeing Trust DB/1616's consolidated financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fibra Inn's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

d) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fibra Inn's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Fibra Inn to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Fibra Inn to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Trust DB/1616 and subsidiaries. We are solely responsible for our opinion on the audit.

We communicate with those Responsible with governance for Fibra Inn regarding, among other matters, scope and timing of the planned audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance for Fibra Inn with a statement that we have complied with relevant ethical requirements regarding independence and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance for Fibra Inn, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Affiliated member firm of Deloitte Touche Tohmatsu Limited

C. P. C. Edgar Almaguer Martinez

March 27, 2024

Fideicomiso Irrevocable DB/1616 (CIBANCO, S. A. Institución de Banca Múltiple, as final and universal beneficiary of Deutsche Bank Mexico, S. A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiaries

Consolidated Statements of Financial Position

As of December 31, 2023 and 2022
(Thousands of Mexican pesos)

Assets	**Notes**	**2023**	**2022**
Current assets:			
Cash, cash equivalents and restricted cash	6	$ 1,922,593	$ 613,927
Trade and other accounts receivable, net	7	65,233	58,412
Advance payments		17,870	21,223
Assets held for sale	9	24,886	28,946
Recoverable value-added tax		133,508	141,717
Recoverable taxes and other		27,858	20,333
Total current assets		2,191,948	884,558
Property, furniture and equipment, net	8	11,176,489	11,294,438
Right-of-use asset, net	10	9,614	9,730
Other accounts receivable	7	13,091	25,498
Derivative financial instruments	17	65,769	83,841
Restricted cash	6	83,406	145,334
Intangible assets, net and warranty deposits	12	38,482	49,706
Total assets		$13,578,799	$12,493,105
Liabilities and trustor´s equity			
Current liabilities:			
Suppliers		$ 219,349	$ 187,997
Accounts payable to related parties	13	105,404	105,016
Short-term bank debt	18	40,618	48,805
Other payables		5,729	5,675
Taxes payable		23,906	26,508
Interest payable	18	149,905	151,235
Lease liability	10	4,413	3,520
Cash settled executive share-based compensation	16	9,496	9,759
Advances from clients		5,016	3,463
Total current liabilities		563,836	541,978
Debt securities	18	3,181,625	3,177,132
Long-term bank debt	18	710,330	923,361
Premium for issuance of debt securities	18	30,525	37,376
Employee benefits	16	794	645
Deferred income tax	15	7,286	3,439
Lease liability	10	6,578	7,653
Liability due to lease modifications		2,500	2,900
Derivative financial instruments	17	31	378
Total liabilities		4,503,505	4,694,862
Trustors' equity:			
Contributed capital	14	7,340,875	5,909,890
Share-based compensation reserve	14, 16	27,412	25,652
Reserve for repurchase of CBFIs	14	204,142	250,000
Property revaluation surplus	8, 14	3,679,442	3,477,329
Reserve for valuation effect of derivative financial instruments	17	29,855	39,406
Retained earnings		(3,390,418)	(3,153,769)
Total controlling interest		7,891,308	6,548,508
Non-controlling interest	14	1,183,986	1,249,735
Total Trustor's equity		9,075,294	7,798,243
Total liabilities and Trustor's equity		$13,578,799	$12,493,105

See accompanying notes to consolidated financial statements.

Fideicomiso Irrevocable DB/1616 (CIBANCO, S. A. Institución de Banca Múltiple, as final and universal beneficiary of Deutsche Bank Mexico, S. A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiaries

Consolidated Statements of Profit or Loss

For the years ended December 31, 2023 and 2022
(Thousands of Mexican pesos, except for the loss per CBFI)

	Notes	2023	2022
Revenue from:			
Lodging	21	$ 2,146,443	$ 1,838,776
Property leases	10, 21	79,090	73,923
Total revenue		2,225,533	1,912,699
Costs and expenses from hotel services:			
Lodging		612,235	513,252
Administrative		373,281	335,798
Advertising and promotion		82,377	76,061
Energy resources		140,024	127,883
Preventive maintenance		96,409	77,602
Impairment (surplus) of financial assets	7	6,447	(6,719)
Royalties		161,295	137,342
Total costs and expenses from hotel services		1,472,068	1,261,219
Gross profit		753,465	651,480
Other costs and expenses:			
Property tax		17,005	14,520
Insurance		10,633	8,730
Corporate administrative expenses		208,552	135,894
Depreciation and amortization	8, 10, 12	431,750	404,738
Accounting (profit) loss on disposal of assets	8, 9, 11	(1,094)	44,466
Impairment (surplus) of properties, net	8, 9	19,224	(172,641)
Non-capitalizable major maintenance		14,584	14,774
Equity share-based compensation to executives	16	40,997	13,204
Acquisition and organization expenses		10,560	16,946
Other income, net		(8,873)	(5,528)
Total other costs and expenses		743,338	475,103
Operating income		10,127	176,377
Interest expense	10, 13, 18	411,340	401,491
Interest income	17	(136,418)	(24,322)
Foreign exchange gain, net		(29,050)	(18,239)
Total of financial expenses, net		245,872	358,930
Loss before income taxes		(235,745)	(182,553)
Income taxes	15	5,802	2,914
Consolidated net loss		$ (241,547)	$ (185,467)
Non-controlling interest		(4,898)	(38,278)
Controlling interest		(236,649)	(147,189)
Basic loss per CBFI *	19	(0.37)	(0.29)
Diluted loss per CBFI *	19	(0.37)	(0.29)
Basic weighted average of outstanding CBFIs	19	639,183,137	503,242,549
Diluted weighted average of outstanding CBFIs	19	643,887,067	503,242,549

*Real Estate Fiduciary Stock Certificate.

See accompanying notes to consolidated financial statements.

Fideicomiso Irrevocable DB/1616 (CIBANCO, S. A. Institución de Banca Múltiple, as final and universal beneficiary of Deutsche Bank Mexico, S. A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022
(Thousands of Mexican pesos)

	Notes	2023	2022
Consolidated net loss		$ (241,547)	$ (185,467)
Comprehensive income items:			
Surplus on revaluation of properties	8	149,569	526,266
Reserve for valuation effect of derivative financial instruments	17	(19,102)	58,188
Total comprehensive (loss) income		$ (111,080)	$ 398,987
Comprehensive (loss) income attributable to:			
Controlling interest		(44,087)	352,070
Non-controlling interest		$ (66,993)	$ 46,917

See accompanying notes to consolidated financial statements.

Fideicomiso Irrevocable DB/1616 (CIBANCO, S. A. Institución de Banca Múltiple, as final and universal beneficiary of Deutsche Bank Mexico, S. A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiaries

Consolidated Statements of Changes in Trustors' Equity

For the years ended December 31, 2023 and 2022
(Thousands of Mexican pesos)

	Contributed capital	Share-based compensation reserve	Reserve for repurchase of CBFIs	Property revaluation surplus	Reserve for valuation effect of derivative financial instruments	Retained earnings	Total Trustors' equity	Non-controlling interest	Total Trustors' equity
Balances as of December 31, 2021	$ 5,932,847	$ 11,069	$ 250,000	$ 3,007,164	$ 10,312	$(3,006,580)	$6,204,812	$1,202,818	$7,407,630
Reimbursement to CBFIs holders	(21,578)	-	-	-	-	-	(21,578)	-	(21,578)
Cancellation of repurchase fund	-	-	(250,000)	-	-	250,000	-	-	-
Reserve for repurchase CBFIs	-	-	250,000	-	-	(250,000)	-	-	-
Equity settled share-based payments	(1,379)	14,583	-	-	-	-	13,204	-	13,204
Comprehensive gain	-	-	-	470,165	29,094	(147,189)	352,070	46,917	398,987
Balances as of December 31, 2022	$5,909,890	$ 25,652	$ 250,000	$ 3,477,329	$ 39,406	$(3,153,769)	$6,548,508	$1,249,735	$7,798,243
Reimbursement to CBFIs holders	(84,953)	-	-	-	-	-	(84,953)	-	(84,953)
Holder´s contributions	1,501,283	-	-	-	-	-	1,501,283	1,244	1,502,527
Cancellation of repurchase fund	-	-	(250,000)	-	-	250,000	-	-	-
Reserve for repurchase CBFIs	-	-	250,000	-	-	(250,000)	-	-	-
Repurchase of CBFIs through the reserve for repurchase fund	-	-	(45,858)	-	-	-	(45,858)	-	(45,858)
Equity settled share-based payments	14,655	1,760	-	-	-	-	16,415	-	16,415
Comprehensive gain	-	-	-	202,113	(9,551)	(236,649)	(44,087)	(66,993)	(111,080)
Balances as of December 31, 2023	$7,340,875	$ 27,412	$ 204,142	$ 3,679,442	$ 29,855	$(3,390,418)	$7,891,308	$1,183,986	$9,075,294

See accompanying notes to consolidated financial statements.

Fideicomiso Irrevocable DB/1616 (CIBANCO, S. A. Institución de Banca Múltiple, as final and universal beneficiary of Deutsche Bank Mexico, S. A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022
(Thousands Mexican pesos)

	2023	2022
Operating activities:		
Consolidated loss before income taxes	$ (235,745)	$ (182,553)
Adjustments:		
Depreciation and amortization	431,750	404,738
Accounting (gain) loss on disposal of assets	(1,094)	44,466
Impairment (surplus) of properties, net	19,224	(172,641)
Allowance for impairment (surplus) of financial assets	6,447	(6,719)
Amortization and cancellation of costs for obtaining and issuing debt	7,384	7,080
Debt interests	403,960	395,323
Interest income	(136,418)	(24,322)
Ineffective portion of derivative financial instruments	(2)	(456)
Unrealized exchange fluctuation	(42,389)	(19,894)
Equity share-based compensation to executives	40,997	13,204
Operating activities	494,114	458,226
Receivables and other accounts receivable	(8,386)	33,382
Related parties, net	(7,910)	(4,476)
Advanced payments	3,353	(2,556)
Recoverable taxes	8,209	23,121
Suppliers and other payables	10,835	29,695
Payable taxes	(2,602)	(1,291)
Employee benefits	149	135
Net cash flows generated by operating activities	497,762	536,236
Investing activities:		
Acquisition of property, furniture and equipment	(140,864)	(40,360)
Costs paid for property sales	-	(3,000)
Income received from the sale of property, furniture and equipment	3,691	127,820
Intangible asset acquisition and guarantee deposits	(880)	(1,731)
Interest income	136,418	24,322
Net cash flows (used in) generated by investing activities	(1,635)	107,051
Financing activities:		
Banks loans received	-	203,509
Banks loans paid	(180,768)	(14,185)
Restricted cash	61,918	(101,415)
Settlement of derivative financial instruments	29,377	(634)
Funds raising through issuance of CBFIs	1,501,283	-
Interest paid	(433,888)	(393,979)
Lease liability payments	(4,858)	(4,300)
Distributions to holders of certificates	(84,953)	(21,578)
Holder’s contributions	1,244	-
Repurchase of CBFIs for payments to executives with equity instruments	(30,958)	(1,379)
Repurchase of CBFIs through the reserve for repurchase fund	(45,858)	-
Net cash flows generated by (used in) financing activities	812,539	(333,961)
Cash and cash equivalents:		
Net increase in cash and cash equivalents	1,308,666	309,326
Cash and cash equivalents at the beginning of the year	613,927	304,601
Cash and cash equivalents at the end of the year	$ 1,922,593	$ 613,927

See accompanying notes to consolidated financial statements.

1. Trust's activity and significant events-

Fideicomiso Irrevocable DB/1616 (CIBANCO, S. A. Institución de Banca Múltiple, as final and universal beneficiary of Deutsche Bank Mexico, S. A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiaries ("Fibra Inn" or the "Trust DB/1616") was established on October 23, 2012, as a Real Estate Investment Trust by Asesor de Activos Prisma, S.A.P.I de C.V. (the "Trustor"), Deutsche Bank México, S.A., Institución de Banca Mútiple, División Fiduciaria (the "Predecessor Trustee"), from October 16, 2020, CIBANCO, S. A. Institución de Banca Mútiple (the "Trustee"). The Trust DB/1616 started operations on March 12, 2013 and was created mainly to acquire and own real estate, for the purpose of leasing commercial properties earmarked for the Lodging operation and providing related services.

Fibra Inn, as a Real Estate Investment Trust ("REIT" or "FIBRA"), meets the requirements to be treated as a transparent entity in Mexico in accordance with the Mexican Income Tax Law (Ley del Impuesto Sobre la Renta – "LISR"). Therefore, all proceeds from Trust DB/1616's operations are attributed to holders of its Real Estate Fiduciary Stock Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios – "CBFIs") and Trust DB/1616 is not subject to income taxes in Mexico (Impuesto Sobre la Renta – "ISR").

Administradora de Activos Fibra Inn, S.C. ("AAFI" or "Administrator of the Trust") is a subsidiary controlled by Fibra Inn, which provides management services and support functions necessary to carry out the business of the Trust DB/1616. Fibra Inn is operated through a Technical Committee, which is responsible for overseeing the implementation and development of the Trust's strategy, approved by the CBFI Holders Assembly.

Beginning September 2018, The Trusts CIBANCO, Sociedad Anónima, Institución de Banca Múltiple, Trust CIB/3058 ("Trust CIB/3058"), CIBANCO, Sociedad Anónima, Institución de Banca Múltiple, Trust CIB/3096 ("Trust CIB/3096") and CIBANCO, Sociedad Anónima Institución de Banca Múltiple Trust CIB/3097 ("Trust CIB/3097") were established. There are coinvestments vehicles, each one with regard to a specific real estate project, in which Fibra Inn holds a percentage of ownership of the equity and the remaining percentage is held by one or more partners. These trusts were established under a coinvestment scheme (denominated "Hotel Factory" model) as a vehicle to carry out development activities and acquisition of new hotels and, based on the analysis of Management, it was concluded that Fibra Inn exerts control over them, as defined in Note 2d.

Trust DB/1616's legal address is located at Av. Belisario Dominguez 2725 Pte., Colonia Obispado, Monterrey, Nuevo León, C.P. 64060.

For the development of its operation, Fibra Inn has entered into several hotel operation contracts, highlighting the following:

i. Contracts for hotel management services, entered into with Aimbridge Latam, S.A.P.I. de C.V. ("Aimbridge Latam") formerly Gestor de Activos Prisma, S.A.P.I. de C.V. for each of the hotels (the Holiday Inn Puebla – La Noria hotel, Fibra Inn contracts hotel management services with another provider). Specialized hotel management services are essential and permanent for the hotels in the portfolio. These contracts are entered into by each hotel individually upon commencement of operations and/or signing of the contract for a term of no more than 15 years, except for The Westin Monterrey Valle and JW Marriott Monterrey Valle hotels, which remain valid for a term no longer than 10 years. Likewise, within the twenty-eighth clause of the contracts for the provision of specialized hotel management services, the additional payment for accounting services for hotels in the portfolio is established, which will be carried out in favor of Aimbridge Latam or any of its affiliates, being Tactik CSC, S.AP.I. de C.V.

ii. Lease agreements for spaces other than lodging, held with Operadora México, Servicios y Restaurantes, S.A.P.I de C.V. (“Operadora México”), for each of the hotels. The spaces granted by Fibra Inn for lease through this contract are those that are used by the tenant to provide services other than lodging. These contracts are held by each hotel from its beginning of operations for a term no longer than 20 years.

iii. License agreement for the use and enjoyment of the brand held with Asesor de Activos Prisma, S.A.P.I. de C.V. (related party) on October 24, 2018, with respect to the Casa Grande brand, payable at 1% of the income generated by rooms and held for a validity of 10 years.

In compliance with the provisions of Articles 187 and 188 of the LISR, the Technical Committee of Fibra Inn decided to implement the following:

- Hotel lodging services are recorded and invoiced directly by Trust Num. DB/1616, which in turn is in charge of paying all lodging expenses.
- For services other than lodging, both for selected and limited services, and for full service and extended stay hotels, which comprise the use of meeting rooms, coffee break services, telephone, laundry and dry-cleaning services, and snack bars, among others, Fibra Inn leases part of the properties in favor of Operadora México, Fibra Inn receives revenues from leasing based on a monthly fixed rental plus a component of variable rental income component of the income generated by the provision of the aforementioned services.

Significant events –

1. On February 3, 2023, Origin Patrimonial, S.A. de C.V. ("Origin") acquired all of the trustee rights of the Fibra Inn Founders' Trust, and replaced the members of the Technical Committee appointed by the Founders Trust, including its the chairman the members of the Investment Committee, originally by the Founders' Trust, and ratified the president of this body, a position held by one of the independent members of Origin make it up.

   Given the acquisition, an agreement was signed for the assignment of all the trust rights of the Founders' Trust by Víctor Zorrilla Vargas, Joel Zorrilla Vargas, Oscar Eduardo Calvillo Amaya, Robert Jaime Dotson Castrejón and Juan Carlos Hernáiz Vigil, as assignors and Origin as assignee.

2. At the Ordinary General Meeting of Holders, on April 27, 2023, the issuance of 260,000,000 CBFIs for the equivalent amount of $1,500,000 was approved, which were subscribed on a preferential basis by the current Holders consisting of two rounds, with the understanding that: (i) the CBFIs that are not acquired preferentially by the current Holders in accordance with the procedure authorized by the Holders' Meeting may be acquired by potential strategic investors and (ii) the acquisition of CBFIs representing more than 10% of the outstanding CBFIs will require the authorization of the Technical Committee, with the exception of those acquisitions made by the Investment Companies Specialized in Retirement Funds independently, in accordance with the provisions of clause thirtieth of the Trust.

3. Additionally, on the same date, Fibra Inn approved the cancellation of the unexercised CBFI repurchase fund approved on April 28, 2022, in the amount of $250,000, and announced the creation of a new CBFI repurchase fund of the Trust DB/1616 up to a maximum resource amount of $250,000 for the twelve-month period following April 30, 2023, provided that it does not exceed 5% of the total CBFIs of the DB/1616 Trust in circulation and that they are still held in treasury

4. On June 22, 2023, the Trust DB/1616 concluded the First Round of subscription for CBFI holders, as approved by the Holders' Meeting on April 27, 2023 and in which a total of 143,428,370 CBFIs, equivalent to $831,884, were subscribed, with a subscription price of $5.80 per CBFI.

5. On June 27, 2023, the Trust DB/1616 concluded the Second Round of exclusive subscription for Holders, in which a total of 116,571,630 CBFIs were subscribed, equivalent to the total available for said round, with a subscription price of $5.80 per CBFI. For the allocation of CBFIs in the Second Round, a pro-rata of 89.15% was applied due to the overdemand by the Holders who participated in that round.

   The total number of CBFIs subscribed on the First and Second Rounds was 260,000,000, this being the maximum number of CBFIs available to subscribe as approved by the Trust Holders' Assembly on April 27, 2023.

   With the settlement of the CBFIs subscribed exclusively by the Holders, the Trust received net cash of commissions and fees of $1,501,283 in liquid resources.

2. Authorization and basis of presentation -

Authorization -

The accompanying consolidated financial statements were authorized for issuance on March 27, 2024, by Miguel Aliaga Gargollo , Chief Executive Officer, and by Alejandro Leal-Isla Garza, Chief Financial Officer, and approved by the Technical Committee represented by Diego Andrés Cisneros as its President, and are subject to the approval of its Holders' Meeting, who may modify such consolidated financial statements.

Basis of presentation -

(a) Statement of compliance

The consolidated financial statements as of and for the years ended December 31, 2023 and 2022 of Fibra Inn were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

Trust DB/1616's consolidated financial statements have been prepared on the basis of historical cost, except for the following items of the consolidated statement of financial position, which were measured at fair value:

a) expected credit losses;

b) derivative financial instruments;

c) property, furniture and equipment;

d) assets held for sale when their fair value less disposal costs is less than their carrying amount;

e) the net defined benefits liability is recognized as the present value of the defined benefit obligation.

The historical cost is generally based on the fair value of the consideration granted in exchange of the related assets.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date, regardless of whether that price is observable or estimated using another valuation technique directly. When estimating the fair value of an asset or liability, Fibra Inn considers the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(c) Going Concern

Fibra Inn prepares and presents its consolidated financial statements on a going concern basis, as management has a reasonable expectation that Fibra Inn has resources to continue operating in the future, in accordance with the financial risk analysis described in Note 17. Management did not identify any material uncertainties or significant judgments that could impact business continuity in the next twelve months following the issuance of these consolidated financial statements.

(d) Basis of consolidation

i. Subsidiaries

The consolidated financial statements include those of Trust DB/1616 and those of entities in which it is directly or indirectly exposed to, or entitled to, variable returns from its relationship with the entity, and is in a position to affect such returns through its power over the entity's relevant activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date the control begins to the date it ceases.

The consolidated financial statements include those of Fibra Inn and those of its subsidiaries:

- Administradora de Activos Fibra Inn, S.C., in which it holds 99.9% of the capital;
- Trust CIB/3096, in which it holds 50% of the equity, and where there is a non-controlling interest, as described in section ii below;
- Trust CIB/3097, in which it holds 50% of the equity, and where there is a non-controlling interest, as described in section ii below;
- Trust CIB/3058, in which it holds 28.93% of equity, and where there is a non-controlling interest, as described in section ii below.

Balances and transactions with subsidiaries, as well as unrealized income and expenses are eliminated for consolidation.

ii. Non-Controlling Interest

The non-controlling interest is initially measured at the proportional interest of the identifiable net assets of the aforementioned Trusts.

Changes in the interest of Fibra Inn that do not result in a loss of control are accounted for in equity.

iii. Loss of control.

When Fibra Inn loses control, it writes off the assets and liabilities of the subsidiaries, any non-controlling interest, and other equity items. The resulting gain or loss will be recognized in profit or loss. If Fibra Inn maintained its interest, this would be prospectively measured at fair value at the date control is lost.

(e) Local, functional and reporting currency

The functional currency of Trust DB/1616 is the Mexican peso, which is the same to its local and reporting currencies. All the information has been rounded in thousands of Mexican pesos and has been rounded to the nearest unit, unless otherwise indicated. Financial information denominated and presented in US dollars has been rounded to thousands of US dollars and rounded to the nearest unit.

(f) Profit and loss statement and comprehensive income statement

Costs and expenses presented in the consolidated income statement were classified according to their nature.

Fibra Inn presents the gross profit and operating income line item, since they are considered as a relevant indicators used by management as a measure of operating performance for decision making, as well as for the users of financial information. Income and expenses are presented based on their operating nature are presented in this line item.

Trust DB/1616 presents in the statement of comprehensive income those accounting items that were already accrued but are still pending to be realized.

Income and each component of comprehensive income are attributed to controlling and non-controlling interests.

(g) Statement of cash flows

Fibra Inn presents its statement of cash flows using the indirect method. In addition, Fibra Inn has chosen to present the cash received from interests as part of the investing activities and the cash from interest payments as part of the financing activities.

3. Summary of the main material accounting policies -

Fibra Inn has consistently applied the following material accounting policies in all the periods presented in these consolidated financial statements.

Trust DB/1616's material accounting policies are as follows:

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits available for operations and other highly liquid and high credit quality short-term investments with original maturities of three months or less, all of which are subject to insignificant risk of changes in value. Interest-bearing investments are recognized at cost plus accrued interest. Interest earned is included in the income statement.

(b) Restricted cash

Cash or investments restricted to less than three months as of the financial statement reporting date, represented by deposits in margin accounts that guarantee certain obligations of Fibra Inn, are presented in a separate line in the consolidated statement of financial position and are excluded from cash and cash equivalents in the consolidated statement of cash flows.

(c) Financial instruments

Initial recognition and measurement.

Financial assets and financial liabilities are recognized when Trust DB/1616 is subject to the underlying instrument's contractual terms.

Assets and liabilities are initially recognized at fair value. Transaction costs directly attributable to the acquisition or issuance of a financial asset or liability are added or deducted from the fair value of financial assets or liabilities, if any, upon initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value with changes in profit or loss are immediately recognized in the consolidated statement of profit and loss.

Financial assets. Subsequent classification and measurement.

Financial assets are measured at amortized cost if the following two conditions are met, and are not measured at fair value with changes in the statement of profit or loss:

- Are held within a business model whose objective is to hold the financial assets to obtain contractual cash flows; and
- The contractual conditions of financial assets give rise, at specific dates, to cash flows that are only payments of principal and interest in the amount of the principal pending payment.

All financial assets not classified as measured at amortized cost or at fair value with changes in other comprehensive income, as described above, are measured at fair value with changes in profit or loss. This includes all derivative financial assets. On initial recognition, Fibra Inn can irrevocably designate a financial asset that in some other way fulfills the requirement of being measured at amortized cost or at fair value with changes in other comprehensive income or at fair value with changes in the statement of profit or loss, if doing so eliminates or significantly reduces an inconsistent measurement or recognition that would arise in another case.

Financial assets held for trading are measured at fair value with changes in profit or loss.

Financial assets: Assessment of the business model

Fibra Inn carries out an assessment of the purpose of the business model that maintains a portfolio-level financial asset, since this is which best reflects the way, it manages the business and in which information is delivered to Management.

The information considered in the evaluation includes:

- The policies and objectives of Fibra Inn in regards to and the operation of those policies in practice. These include whether Fibra Inn's management strategy focuses on collecting contractual interest income, maintaining a specific interest performance profile, coordinating the duration of financial assets with that of the liabilities that these assets are financed or the expected outflows or carrying out cash flows through the sale of assets;
- Assessment of portfolio performance and evaluation of the portfolio, and how this is reported to key management personnel of Fibra Inn;
- The risks that affect the performance of the business model (and the financial assets held in the business model) and, the way those risks are managed;
- Any paid related to the performance of Fibra Inn's portfolio (for example, if the consideration is based on the fair value of the managed assets or on contractual cash flows obtained); and

- The frequency, volume and seasonality of the sale of financial assets in prior periods, the reasons for such sales, and expectations of future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for the write-off of assets that are not deemed sales for this purpose, in accordance with the continuous asset recognition by Fibra Inn.

Financial assets: Assessment of whether cash flows are solely payments of principal and interest.

For the purposes of this assessment, "principal" is defined as the fair value of a financial asset on initial recognition. "Interest" is defined as the consideration for the time value of money for the credit risk associated with the principal amount payable in a specific period of time and other risks and costs of the loan, as well as the mark up.

In assessing whether contractual cash flows are solely payments of principal and interest, Fibra Inn considers the contractual terms of the instrument. This includes assessing whether a financial asset contains a contractual condition that could change the timing or amount of the contractual cash flows so that it would not meet this condition. To make this assessment, Fibra Inn considers:

- Contingent facts that would change the amount or timing of cash flows;
- Terms which could adjust the reason for contractual coupon, including variable rate features;
- Characteristics of prepayment and extension; and
- Terms limiting the right of Fibra Inn to cash flows from specific assets.

A feature of advance payments is consistent with the criterion of payment of principal and interest only if the amount of the advance payment substantially represents the amounts of unpaid principal and interest on the amount of principal, which can include reasonable additional consideration for the early termination of the agreement. In addition, in the case of a financial asset purchased with a discount or premium from its contractual nominal amount, a feature that allows or requires advance payment of an amount that substantially represents the contractual nominal amount plus the contractual interest accrued but not paid, which may also include a reasonable additional consideration for early termination, is treated as consistent with this criterion if the fair value of the advance payment feature is insignificant in the initial recognition.

Financial assets: Subsequent measurement, and gains and losses.

Subsequent valuation of financial instruments depends on the category in which they are classified. The accounting treatment for each category of financial instrument is described below:

- Financial assets measured at fair value with changes in the statement of profit or loss are subsequently measured at fair value. Net profits and losses, including income from interest or dividends, are recognized in profit or loss.

- Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on the write off of financial assets is recognized in profit or loss.

- Financial assets measured at fair value with changes in comprehensive income are subsequently measured at fair value. Interest income, foreign exchange gains and losses are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. At the time of the write off of financial assets, gains and losses accrued in other comprehensive income are reclassified in the consolidated statement of profit or loss.

Derecognition of financial assets - Disposals

Fibra Inn derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, as well as the accrued profit or loss that has been recognized in other comprehensive income and accrued results, is recognized in profit or loss.

Impairment of financial assets

Impairment losses on financial assets, including accounts receivable from customers, are recognized using the expected credit loss model for the entire duration of such financial assets when the asset originates and on each subsequent reporting date, even if a credit event does not occur or if a loss has not yet been incurred, for quantification, it is estimated using a provision matrix based on Fibra Inn's historical experience of credit losses, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both current management and forecasted conditions at the reporting date, including the time value of money where appropriate. An average rate is determined, considering the experience of losses incurred and the probability of future delinquency. This rate is applied to the accounts receivable balance and increases in each balance age segment until it reaches a rate of 100% in the 365-day-old or older segment.

Financial liabilities: Classification, subsequent measurement, gains and losses.

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through profit or loss. Financial liabilities are classified at fair value through profit or loss if they are classified as held for trading, are derivatives or were designated as such upon initial recognition. These financial liabilities are measured at fair value, and net gains and losses, including interest expenses, are recognized in the statement of profit or loss.

Other financial liabilities, including loans, are initially recognized at fair value, net of transaction costs and are subsequently valued at amortized cost using the effective interest method. Interest expenses are recognized using the effective interest method. Any loss or gain from derecognition is recorded in the of profit or loss.

At the date of these consolidated financial statements, Fibra Inn has instruments classified as suppliers, sundry creditors, related parties, loans.

Derecognition of financial liabilities

Trust DB/1616 derecognizes financial liabilities if, and solely if, obligations are met, cancelled or expired. Fibra Inn also derecognizes financial liability accounts when their conditions are changed, and the changed liability cash flows are substantially different. In this case, a new financial liability is recognized based on the new conditions at fair value.

At the time of the derecognition of financial liability accounts, the difference between the carrying amount of the extinct financial liability and the consideration paid is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities, and the net amount presented in the consolidated statement of financial position are offset if, and only if, Fibra Inn has the legally enforceable right of offsetting the recognized amounts and is intended to settle net amount or realize the asset and settle the liability simultaneously.

Fair value hierarchy

When measuring the fair value of an asset or liability, Fibra Inn uses, to the extent possible, observable market data. Fair values are classified at different levels within a fair value hierarchy based on the data used in valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability are not based in observable market data (unobservable inputs).

Derivative financial instruments

Derivative financial instruments are initially recognized at fair value at the effective date of the instrument and are subsequently measured at fair value at each reporting date. The gain or loss is recognized in the statement of profit or loss.

Fibra Inn measures and records all operations with derivative financial instruments in the consolidated statements of financial position as either an asset or liability at fair value, regardless of the purpose of holding them.

At the inception of the hedge accounting relationship of a derivate financial instrument, Trust DB/1616 reviews that all hedge accounting requirements are complied and documents its designation at the inception of the operation, describing the objective, characteristics, accounting treatment and the way how the measurement of effectiveness will be carried out, applicable to that operation.

Hedging directly affected by the reform of the benchmark interest rates

When the basis for determining the hedging instrument's contractual cash flows changes as a result of the *Inter-Bank Offered Rate* ("IBOR") reform, and therefore no recording uncertainty arises about the hedging instrument's cash flows, Fibra Inn modifies the hedging documentation to reflect the changes required by the IBOR reform. To this end, the coverage designation is amended only to introduce one or more of the following changes:

- designate an alternative reference rate as a hedged risk;
- update the description of the hedged item, including the description of the designated portion of cash flows or fair value being hedged; or
- update the description of the hedging instrument.

Fibra Inn amends the formal hedging documentation before the end of the reference period during which there is a change in the hedged risk, hedging element or hedging instrument, in accordance with the IBOR reform. These modifications to the formal coverage documentation do not constitute the interruption of the coverage relationship or the designation of a renewed coverage relationship.

When the benchmark interest rate on which the hedged future cash flows were based is modified as required by the IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, Fibra Inn considers that the hedge reserve recognized in other comprehensive income for that hedging ratio is based on the alternative reference rate on which the flows are based cash futures covered.

Hedge accounting

Derivatives designated as cash flow hedges recognize valuation changes corresponding to the effective portion temporarily in other comprehensive income and in profit or loss when the hedged item affects it, while the ineffective portion is recognized immediately in profit or loss, because due to the risk management strategy profile of Fibra Inn the hedge contracted is classified as a cash flow hedge.

In the initial designation of the hedge, Fibra Inn formally documents the relationship between hedging instruments and hedged items, including Management’s objectives and strategy for risk management to conduct the hedging transaction, as well as the methods to be used to assess the effectiveness of the hedging transaction. Fibra Inn carries out an assessment at the beginning of the hedging transaction and also continuously, if hedging instruments are highly effective to offset the changes in the fair value or the cash flows of the respective expected items hedged during the period for which the hedge is designated, and if the actual results of each hedge are within a range of 80-125 percent. In the case of cash flows hedging a projected transaction, the transaction must be highly likely to occur, and present an exposure to variations in cash flows that could affect the net income reported.

Fibra Inn discontinues hedge accounting when the derivative has expired, has been sold, is cancelled or exercised, when the derivative does not achieve high effectiveness to offset changes in fair value or cash flows of the hedged item, or when Trust DB/1616 decides to cancel the hedge designation.

When discontinuing cash flow hedge accounting, any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

When the hedge of a predicted transaction is satisfactory and later it did not comply with the effective testing, the accumulated effects in the comprehensive income in the net equity, are recognized in a proportional way in the results, as far the predicted assets or liabilities affects the same.

Fibra Inn does not hold or issue derivative financial instruments for trading purposes; however, derivatives that do not meet the requirements for the hedging accounting treatment are accounted for as trading instruments.

(d) Property, furniture and equipment -

An item of property, furniture and equipment, is recognized when the inherent risks and benefits to the use that Fibra Inn intends to give to that asset, are acquired.

Properties, furniture and equipment are valued under the revaluation method. The fair value measurement is determined in annual valuations carried out by independent external appraisers and by each cash generating unit, that is, at the level of each hotel, except for constructions in progress. The increase in the fair value of fixed assets as a result of their revaluation is recognized directly in the item of property revaluation surplus and as part of the items of other comprehensive income except to the extent that the surplus reverses a deficit due to revaluation in the same asset previously recognized in profit for the year, in which case credit in this measure is recognized in the consolidated statement of profit or loss. Any revaluation deficit is recognized in the consolidated statement of profit or loss except to the extent that it reverses a revaluation surplus previously recognized in the same asset, in which case the debit for this item is recognized in other comprehensive income. The increase and decrease in revaluation cannot be netted within a class of assets.

Based on the Management's judgment, it considers that, in the allocation of fair values by asset category, building components, machinery, furniture and equipment are recognized at fair value and that their book value does not exceed their market value, therefore, the effects of the revaluation are allocated to the items of land and buildings proportionally to their book value with respect to the total value of the hotel.

When a revalued asset is sold or withdrawn, the amount of the surplus is transferred to retained earnings, without affecting the income of the period.

The previously recognized accumulated depreciation of properties, furniture and equipment was recycled as part of the determination of their fair values.

Constructions in progress are initially recognized at historical cost and subsequently when they are capitalized to the asset class in matter and when they include borrowing costs attributable to the acquisition or construction of investment projects, the aforementioned cost is recognized as fair value until a subsequent revaluation is carried out under the terms of this accounting policy.

The borrowing costs mentioned in the previous paragraph, attributable to the acquisition or construction of qualifying assets, and which necessarily take a substantial period to be ready, are capitalized proportionally to the amount contributed by the entity until the moment they are ready for its intended use or sale. Other borrowing costs that are not attributable to the acquisition or construction of qualifying assets are recognized in the consolidated statement of profit or loss as incurred.

Improvements that have the effect of increasing the asset’s value, either because they increase the capacity of service, improve efficiency or extend the asset’s useful life, are capitalized once it is probable that the future economic benefits will flow to Fibra Inn and the costs may be reliably estimated. All major maintenance, remodeling and repairing costs that do not meet the requirements to be capitalized are recognized in profit or loss.

When components of an item of property, furniture and equipment have different useful lives, these are accounted for separately (main components).

Depreciation is calculated using the straight-line method based on the estimated useful lives of the assets net of its residual values, at the moment that the asset is available for its intended use. Fibra Inn has determined that the residual values of its assets of property, furniture and equipment, are not greater than zero, given that there is no expectation to obtain future economic benefits through sale. Land does not depreciate.

The estimated useful life of property, furniture and equipment is the following:

	Years
Buildings	61 to 80
Components of buildings	5 to 18
Machinery and equipment	7 to 25
Furniture and equipment	7 to 18
Leasehold improvements	5 a 10
Technology equipment	3 to 10

Estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, and the effect of any change in the estimates recorded is recognized on a prospective basis.

When an item of property, furniture and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of property, furniture and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. The gain or loss is recognized on a net basis within the other (income) expenses, net.

(e) Leases –

At the commencement of the agreement, Fibra Inn assesses whether a contract is or contains a lease. A contract is deemed a lease or that contains a lease if such contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration.

As a lessee.

At the commencement or amendment of a contract containing a lease component, Fibra Inn assigns the consideration in the contract to each lease based on the relative individual prices.

Fibra Inn recognizes the right-of-use asset and the lease liability at the beginning of the effective date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the adjusted lease liability for any lease payment made plus any other initial direct cost incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement to the termination date of the contract, unless the lease transfers ownership of the asset to Fibra Inn at the end of the lease terms or the cost of the right-of-use asset reflects that Fibra Inn will exercise a purchase option. In this case, the right-of-use asset will be depreciated over the useful life of the asset. In addition, the right-of-use asset is periodically reduced for impairment losses, if any, and adjusted to account for certain revaluations of the lease liability.

The lease liability is initially measured at the present value of lease payments that have not been paid at the beginning of the term of the contract, discounted by using an interest rate implied in the lease or, if the rate cannot be easily determined, the incremental rate of Fibra Inn's loans is used. Fibra Inn usually uses its financing incremental interest rate as a discount rate. Fibra Inn obtains its unique incremental loan interest rate by portfolio of identified contracts. When contract payments contain components that are not leases, Fibra Inn has chosen, for some asset classes, not to separate them and measure all payments as a single lease component; However, for the rest of the asset classes, Fibra Inn measures the lease liability only considering the payments of components that are leases, while the services implicit in the payments are recognized directly as expenses in profit or loss.

Lease payments included in the lease liability include fixed payments.

Lease liabilities are measured at amortized cost using the effective interest rate method. The initial value is measured again when there is a change in future lease payments arising from a change in the interest rate, if there is a change in Fibra Inn's estimate of the expected amount payable under a residual value guarantee.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest rate method),and decreasing the carrying amount to reflect lease payments made.

When there are modifications to the lease payments due to inflation, Fibra Inn remeasures the lease liability as of the date on which the new payments are known, without reconsidering the discount rate. However, if the modifications relate to the term of the lease or the exercise of a purchase option, the Trust DB/1616 reevaluates the discount rate in the remeasurement of the liability. Any increase or decrease in the value of the lease liability subsequent to this remeasurement is recognized by increasing or decreasing to the same extent, as applicable, the value of the right-of-use asset.

Finally, the lease liability is derecognized when the Trust DB/1616 settles all lease rentals. When the Trust determines that it is probable that it will exercise an early termination of the lease that will result in a cash outlay, such consideration is part of the remeasurement of the liability referred to in the preceding paragraph; however, in those cases in which the early termination does not involve a cash disbursement, the Trust DB/1616t derecognizes the lease liability and the related right-of-use asset, recognizing the difference between both immediately in profit or loss.

Right-of-use and the lease liability are presented as a separate line item in the consolidated statement of financial position.

Short-term leases and leases of low-value assets.

Fibra Inn does not to recognize the right-of-use asset and the lease liability for low-value leases and short-term leases, taking into account the optional exemptions provided by IFRS 16. Fibra Inn recognizes lease payments associated with these leases as an expense on a straight-line basis on lease terms.

As a lessor.

At the beginning or upon modification of a contract containing lease components, Fibra Inn allocates the contract consideration to each lease component on the basis of their relative independent prices.

When Fibra Inn acts as a lessor, at the commencement of the lease, it determines whether it is a financial or operating lease.

Leases are classified based on the extent to which the risks and rewards of ownership of the leased property are borne by Fibra Inn or the tenant, depending on the substance of the transaction, rather than the form of the agreements. Fibra Inn has determined, based on an evaluation of the terms and conditions of the agreements with its guests and tenants, that it retains substantially all the significant risks and rewards incidental to ownership of these hotels and leased spaces generating its revenues as a FIBRA and, therefore, classifies them as operating leases.

If a contract contains lease and non-lease components, Fibra Inn applies IFRS 15 to assign the consideration in the contract.

Fibra Inn recognizes lease payments received under an operating lease as income on a straight-line basis on the lease terms as part of the "Lease of Property" revenue line item in profit or loss.

The initial direct costs incurred in negotiating and signing the operating lease contract are added to the book value of the leased asset. The lease term is the non-cancellable period of the contract, including additional periods for which the lessee has the option to extend, when at the inception of the lease, management is reasonably certain that the lessee will exercise the option.

(f) Advances for the acquisition of properties -

Advances for the acquisition of properties are recognized when there are contractual rights to receive a future benefit, but without having control of the asset and are recognized at the amount paid per transaction.

(g) ***Intangible assets -***

Intangible assets that are acquired by Trust DB/1616, and which have a finite useful live, are recorded at cost less accumulated amortization and accumulated impairment loss; these assets mainly include the cost of software for administrative use, which are amortized in a period of 5 years, the use of trademark licenses and expenses related to its grant, which have a definite useful live depending in the term of the franchise agreement, which varies between 10 and 20 years. The factor to determine their useful lives is the estimated time of use, according to their contractual terms. The estimated useful lives and amortization method are reviewed at the end of each year, and the effect of any change in the recorded estimate is recognized prospectively.

(h) ***Impairment of long-lived assets -***

At the end of each reporting period, Fibra Inn reviews the book values of its long-lived assets to determine if there is any indicator that those assets have suffered any impairment loss at the end of each reporting period. If there is any indicator, the recoverable amount of the asset is calculated in order to determine the extent of the impairment loss (if it exists).

When it is not possible to estimate the recoverable amount of an individual asset, Fibra Inn estimates the recoverable amount of the cash generating unit to which such asset belongs. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. When evaluating the value in use of an asset, the future estimated cash flows are discounted to its present value using a pre-tax discount rate that reflects the actual evaluation of the market in respect to the time value of money and the specific risks of the asset for which estimates of future cash flows have not been adjusted.

The signs of impairment that the Management analyzes for each hotel are: i) changes in the market due to customer preferences; ii) significant changes in investments due to accelerated hotel damage; iii) loss of the brand; iv) Management plans to dispose (close or sell) a hotel; among others. The inputs used for these cash flows are consistent with internal projections and industry practices. The fair value of these assets is to changes in these significant inputs.

(i) ***Provisions and contingent liabilities-***

Provisions are recognized when there is a present legal or assumed obligation as a result of a past event, which will probably result in an outflow of economic resources and can be reasonably estimated. When the present obligation is not considered probable of settlement, Fibra Inn considers it as a contingent liability and discloses it qualitatively in the notes to the financial statements if relevant.

For purposes of accounting, the amount is discounted to present value when the discount effect is significant, considering the risks and uncertainties surrounding the obligation.

Provisions are classified as current or non-current based on the estimated period to meet the obligations that are covered. When the recovery from a third party is expected for some or all of the economic benefits required to settle a provision, an account receivable is recognized as an asset if it is virtually certain that the payment will be received and the amount of the account receivable can be valued reliably. Fibra Inn only recognizes revenues, earnings or contingent assets when their realization is virtually certain.

(j) ***Employee benefits -***

i. *Defined benefit plans -*

A defined benefit plan is a benefit plan at the end of a labor relationship different from one of defined contributions. Fibra Inn's net obligations with respect to the defined-benefit plan are calculated estimating the amount of future benefit accrued by employees in return for their services in ongoing and past periods; that benefit is discounted to determine its present value, and the costs for past services are deducted. The discount rate is the yield at the reporting date of the government bonds that have maturity dates approximate to the maturities of Trust DB/1616's obligations which are denominated in the same currency in which benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

Fibra Inn recognizes the actuarial gains and losses arising from the defined benefit plans in the income statement, in the period in which they occur.

ii. *Termination benefits* -

Termination benefits are recognized as an expense when the Fibra Inn's commitment can be evidenced, without real possibility of reversing, with a detailed formal plan either to terminate employment before the normal retirement date; or else, to provide benefits for termination as a result of an offer that is made to encourage voluntary retirement. The benefits from termination in cases of voluntary retirement are recognized as an expense, solely if Fibra Inn has made an offer of voluntary retirement, the offer is likely to be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable no later than 12 months after the reporting period, then they are discounted at present value.

iii. *Short-term benefits* -

Short-term employee benefit obligations are valued on a basis without discount and are expensed as the respective services are rendered. A liability is recognized for the amount expected to be paid under short-term cash bonuses plans if Fibra Inn has a legal or assumed obligation to pay these amounts as a result of past services provided by the employee and the obligation can be estimated reliably.

(k) Revenue recognition -

Fibra Inn obtains revenues from the operation of hotels and includes rental of rooms (lodging) and rental of property, which are recognized when the services are rendered.

Below are the policies applicable to each type of revenue recognized by Fibra Inn:

Lodging revenue

Revenues comprise the fair value of the consideration received or receivable for the provision of hosting services in the normal course of operations and are presented net of any discount offered since the setting of the daily rate by room.

Contracts with customers are given by the terms of the reservations of rooms in hotels, whose costs are made up by the promises for the provision of the hosting service, which does not entail a significant judgment to be determined.

Performance obligations identified in the agreements with customers correspond to the rent of rooms in a period defined with the client; therefore, they are met over the time. The price of the contract is defined in the rate accepted by the client per each night's room rental; moreover, the payment terms identified in the majority of the sources of income are in the short-term, without variable considerations or significant funding components.

Since only one performance obligation was identified, Fibra Inn allocates the price to this obligation and recognizes revenues when the guest has enjoyed the hosting service in accordance with the terms of the agreement, usually determined by specific times for the release of the rooms.

Lease Income

Income from property leases is recognized in accordance with the accounting policy "Leases" in accordance with IFRS 16, as mentioned in subsection e) of this note.

(l) Foreign currency transactions -

Foreign currency refers to currency different from Fibra Inn's functional currency. Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate in effect at the date of the financial statements. Exchange fluctuations are recorded in the consolidated statement of profit or loss.

(m) Share-settled payments-

Executive compensation transactions based on CBFIs that can be settled through executive equity instruments are measured at the fair value of the equity instruments as of the date they are granted.

The fair value, determined on the date of granting the plan based on equity instruments through CBFIs, is recognized as an expense in profit or loss with the corresponding increase in the reserve within equity, throughout the vesting period of the instruments. The amount recognized as an expense reflects the number of CBFIs vested based on compliance with the related service and performance conditions as the executive acquires the benefit, so that the amount finally recognized is based on the number of instruments that meet the service and performance conditions related to the vesting period considering the estimation of equity instruments that management will ultimately award the executives.

At the end of each reporting period, Fibra Inn reviews its estimate of the number of equity instruments waiting to be adjudicated. The CBFIs of the Parent Company required for delivery and settlement of the obligations of the F/1616 Trust are issued or, as the case may be, acquired by AAFI in the secondary market to be delivered. The impact of the revision of the original estimate, if any, is recognized in the results of the period in such a way that the cumulative expense reflects the revised estimate, with a corresponding adjustment within equity.

When an award given to an executive based on CBFIs is modified, Fibra Inn recognizes at least the amount of compensation as if it had not been modified; that is, at least the value of the CBFIs is recognized at the date of the grant throughout the vesting of the equity instruments, unless the vesting conditions that were agreed at the grant of the CBFIs are not met.

In addition, Fibra Inn recognizes as an additional expense any modification that increases the fair value of compensation based on CBFIs. The additional cost is recognized throughout the vesting accrual period from the date of modification. These modifications include the inclusion of the cash settlement alternative instead of equity.

(n) Basic and diluted loss per CBFI -

Basic loss per CBFI is determined by dividing the consolidated loss of the controlling interest with the weighted average of outstanding CBFIs of the year. Diluted loss per CBFI is determined by adding to the number of outstanding CBFIs during the period and the CBFIs in treasury with dilutive effects. The loss diluted by CBFI reflect in both the numerator and the denominator, the CBFIs that will be issued in the future to the extent their issuance for circulation generates a decrease in income or increase the loss by CBFI.

(o) Segment information -

The operating segments represent the components of Fibra Inn, directed to the business activities for which it can obtain income and incur expenses, whose operating results are regularly evaluated by the Technical Committee and the managers in charge to evaluate the performance of each business to decision making on these bases. Following this approach, in day-to-day operations, economic resources are allocated on an operating basis in four operating segments according to the type of services provided by Fibra Inn's portfolio:

i. *Limited Service*-

Hotels that mainly provide accommodation services, internet, complimentary breakfast, business center, meeting room, gym and parking, at a reduced rate.

ii. Select Service-

Hotels that mainly provide lodging services, internet, complimentary breakfast, business center, meeting room, gym, and parking.

iii. Full service-

Hotels that provide Selected Services plus, food and beverage services, meeting rooms and banquets.

iv. Extended Stay-

Hotels that provide mainly the same services as hotels in the Select Services category, but with an average stay of 5 days or more, offering the typical comforts of an apartment.

(p) *Assets held for sale -*

Non-current assets or groups of assets for sale comprising assets and liabilities, are classified as held for sale if it is highly likely that they will be recovered through their sale, and not by their continued use, and the asset is available for sale in its current condition.

Fibra Inn classifies a non-current asset as held for sale when the following conditions are met: Management is committed to a sales plan; an active program has been initiated to locate a purchaser and complete such plan; the sale is expected to take place within the following 12 months subsequent to the asset's classification as held for sale; the sale of the asset has been designated at a fair price in relation to its current fair value; the requirements to complete the sale indicate that significant changes are unlikely, and Trust Num. DB/1616 Investment Committee's approval is likely.

These assets or groups of assets for sale are measured at the lower value of their carrying amount and their fair value less costs of disposal. At the time of the classification, recognition of depreciation is suspended and presented separately in the consolidated statement of financial position. Any impairment loss in a group of assets is prorated to assets and liabilities, except that losses should not be placed in inventories, financial assets, deferred tax assets, or employee benefit assets, which continue to be measured in accordance with other Fibra Inn's accounting policies. Impairment losses in its initial classification as held for sale or held for distribution to owners and subsequent profits or losses arising from their remeasurement are recognized in the line accounting (gain) loss on disposal of assets of the consolidated statement of income or loss.

4. Critical accounting judgments and key sources of estimation uncertainty -

In preparing the consolidated financial statements, management has made judgments, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of Fibra Inn's accounting policies and the amounts presented of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Relevant estimates and assumptions are reviewed on an ongoing basis and are consistent with Fibra Inn's risk management and climate commitments, where applicable. Revisions to estimates are recognized prospectively.

(a) *Critical judgments in the application of accounting policies -*

The following are the critical judgments, other than those involving estimates (see below), that the administration has developed in applying the accounting policies of Fibra Inn and which have the most significant effect on the amounts recognized in the consolidated financial statements.

<u>Going concern evaluation-</u>

In assessing whether the going concern evaluation is appropriate, Management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The extent of consideration depends on the factors in each case. When Fibra Inn has a history of profitable operations and ready access to financial resources, Fibra Inn may reach a conclusion that the going concern basis of accounting is appropriate without detailed analysis. In other cases, Management may need to consider a wide range of factors related to current and expected profitability, the timing of its debt payments and potential sources of financing before it is convinced that a going concern conclusion is appropriate.

Taking into account the actions to manage the operating and financial risks identified so far, Management considers that the conclusion on the application of the going concern principle as of December 31, 2023 is valid and, therefore, the consolidated financial statements are presented on that basis.

<u>Income taxes -</u>

In order to continue to be eligible as a FIBRA for income tax purposes, Trust DB/1616 must comply with certain requirements of this tax regime, which relate to issues such as the annual distribution of at least 95% of taxable income. In the opinion of Management, the Trust will continue to qualify under the FIBRA tax regime.

In addition, for Trusts CIB/3058, CIB/3096 and CIB/3097 to be considered transparent management trusts in accordance with the Income Tax Law, they must not carry out activities that are considered business activities by their nature. In the opinion of Management, the aforementioned trusts will continue as management trusts and, consequently, will continue to qualify as transparent trusts for purposes of the aforementioned Law. The subsidiary AAFI is subject to income tax based on its operations, so the consolidated financial statements recognize the amounts incurred in the year corresponding to current and deferred tax.

(b) Main sources of estimation uncertainty in the assumptions -

The following are the key assumptions about the future and other key sources of estimation uncertainty at the end of the reporting period, which have a significant risk to result in a material adjustment to the carrying amount of assets and liabilities on the next financial year.

Useful lives of property, furniture and equipment -

Useful lives of items of property, furniture and equipment are used to determine the depreciation expense of assets and are defined according to the analysis by internal and external specialists. Useful lives are periodically reviewed, at least once a year, and are based on the current conditions of assets and the estimate of the period during which they will continue to generate economic benefits. If there are changes in the estimate of useful lives, the net carrying amount of assets is affected prospectively, as well as the corresponding depreciation expense.

Fair value of property, furniture and equipment -

To estimate the fair value of the properties, furniture and equipment, Fibra Inn's Management chooses the valuation technique that considers most appropriate given the particular circumstances of each hotel. For this, Management is based on its best estimate of the capacity of each hotel to generate cash flows in the future, which are discounted at an appropriate discount rate and considering a capitalization rate for the terminal period.

The fair value measurement is determined by each cash generating unit, that is, at the level of each hotel.

The fair values are used to determine the book value of the properties and are reviewed at each reporting date, by internal specialists and independent external appraisers, considering the current conditions of the economic environment of the property and the estimate of the period during which it will continue generating future economic benefits. If there are changes in the allowance, the measurement of the net book value of the assets is prospectively affected.

Based on Management's judgment, it is considered that in the allocation of fair values by asset class, building components, machinery, furniture and equipment are recognized at fair value since their book value does not exceed their market value. Therefore, the effects of the revaluation are assigned to the items of land and buildings proportionally to their book value with respect to the total value of the hotel.

Valuation of derivative financial instruments –

Fibra Inn recognizes all derivative financial instruments at fair value. This value is calculated using valuation techniques that incorporate prices quoted in recognized markets and verifiable data widely accepted in the financial sector. This includes future interest rate curves, determined from reliable market sources.

It is important to note that any modification in the assumptions for these measurements may have a significant impact on the fair value of derivative financial instruments.

5. Changes in material accounting policies -

In the current year, the Company has applied a number of amendments to IFRS issued by the IASB that are mandatorily effective for an accounting period that begins on or after January 1, 2023. The conclusions related to their adoption are described as follows:

IFRS 17 – Insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. The objective of this standard, which replaces IFRS 4, Insurance Contracts, is to ensure that an entity provides relevant information that faithfully represents those contracts. This information provides a basis for users of financial statements to evaluate the effect that insurance contracts have on the financial position, financial performance, and cash flows of the entity, being applicable to both insurance companies and companies that have reinsurance contracts.

This IFRS describes a general model, which is modified for insurance contracts with direct participation features, which is described as the variable rate approach.

The overall model is simplified if certain criteria are met when measuring liability for remaining coverage using the premium allocation method.

The overall model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and will explicitly measure the cost of that uncertainty, considering market interest rates and the impact of options and guarantees.

Fibra Inn had no implications in the adoption of this new IFRS, since the Company does not maintain contracts that meet the definition of an insurance contract established by IFRS 17.

Amendments to IAS 1, and Practice Statement 2 – Disclosure of accounting policies

The amendments change the requirements to IAS 1 regarding the disclosure of accounting policies. The amendment replaces the terms "significant accounting policies" with "material accounting policies information." Accounting policy information is material when it is considered that, together with other information included in the financial statements of an entity, it can influence the decision making of the primary users of the financial statements of general use and that they are made in the basis for said financial statements.

The supporting paragraphs in IAS 1 are amended to clarify information on accounting policies that relate to immaterial transactions, other events or conditions that are themselves material. Accounting policy information may be material due to the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has developed guidance and examples to explain and demonstrate the application of the "four steps of the materiality process" described in the IFRS Practice 2 Statements.

Fibra Inn undertook a process to define the accounting policies that are considered material, and not only significant, by making modifications to Note 3 of its consolidated financial statements, maintaining those accounting policies that, due to their nature and relevance, together with other information included in the consolidated financial statements, may influence decision-making.

Amendments to IAS 8 – Definition of accounting estimates

The amendments replace the definition of a change in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in the financial statements that are subject to measurement uncertainty."

The definition of a change in accounting estimates was eliminated.

Fibra Inn evaluated the modifications to IAS 8 and determined that the implementation of the change in the definition of accounting estimates did not have an impact on the consolidated financial statements since there is no present situation that implies a change in accounting estimates.

Amendments to IAS 12, Income Taxes – Deferred tax related to assets and liabilities arising from a single transaction

The amendments introduced a further exception from the initial recognition. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences on initial recognition. Following the amendments to IAS 12, an entity is required to recognize the related deferred tax assets and liabilities, with the recognition of any deferred tax assets being subject to the recoverability criteria in IAS 12.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Fibra Inn evaluated the modification of IAS 12 and determined that the implementation of this modification had no effect on its consolidated financial information, due to the fact that the Company has not previously applied the exception to initial recognition described above. The definition of a change in accounting estimates was eliminated.

Amendments to IAS 12, International tax reform – Pillar Two Model Rules

Fibra Inn has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.

On July 18, 2023, the government of the United Kingdom, where the closest tier holding company is incorporated, enacted Pillar Two income tax legislation, effective from January 1, 2024. According to the legislation, the holding company must pay, in the United Kingdom, a complementary tax on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15%. The main jurisdictions in which exposures to this tax may exist include countries in the Middle East. The estimated impact that the Second Pillar income tax legislation would have had on the Company's results if it had been in effect for the year ended December 31, 2023, and the percentage of the Company's annual profits that could be subject to this income tax, were considered not relevant to the Company's consolidated financial statements.

Fibra Inn applied the temporary exception to the accounting requirements for deferred taxes in IAS 12, so the Company neither recognize nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Fibra Inn will continue to evaluate the impact of the Pillar Two income tax legislation on its future financial performance.

6. Cash, cash equivalents and restricted cash

	2023	2022
Cash in banks	$ 527,945	$346,832
Cash equivalents	1,257,575	265,832
	1,785,520	612,664
Restricted cash [1] [2]	137,073	1,263
Total cash, cash equivalents and restricted cash	$1,922,593	$613,927

(1) Reserve fund for capital expenditures and future PIPs (Property Improvement Programs), which will be used to pay for repairs, major replacements and remodeling of hotels required by the global chains at the renewal date of the corresponding franchise. Up to 3.5% of operating hotel revenues are deposited in the fund, which is invested in government securities.

(2) As of December 31, 2023 and 2022, includes balances of $1,253 and $1,179, respectively, related to the Cost Overrun Trust and Management Trust and Means of Payment constituted by Trust CIB/3096 in order to settle the Fixed Price of The Westin Monterrey Valle hotel.

Article 187 of the LISR, in its section III, it establishes that at least 70% of the assets of the Trust DB/1616 must be invested in real estate located in Mexico and the rest must be invested in securities under the responsibility of the Federal Government. registered in the National Securities Registry or in shares of investment companies in debt instruments. During the periods ended as of December 31 of 2023 and 2022, the Trust DB/1616 complied with said article and invested remaining equity in government bonds.

As of December 31, 2023 and 2022, the non-current restricted cash is integrated as follows:

	2023	2022
Non-current asset		
Guarantee, Management and Means of Payment Trust Num. 007 Westin [1]	$25,918	$ 79,530
Guarantee, Management and Means of Payment Trust Num. 410971-6 BBVA México+ [1]	57,488	65,804
Total non-current restricted cash	$83,406	$145,334

[1] Trusts constituted to guarantee the obligations derived from the Simple Credit Opening Agreements signed by Trust CIB/3096 with Banorte and Banco Sabadell and Trust CIB/3097 with BBVA México. These Reserve Funds will be returned to Fibra Inn as soon as the bank debt is settled and/or the conditions mentioned in Note 18 are met.

7. Trade, other accounts receivable, net and other long-term account receivables -

	2023	2022
Clients for hotel services	$47,280	$37,248
Aimbridge Latam, S.A.P.I. de C.V. [1]	12,407	11,550
Operadora México Servicios y Restaurantes, S.A.P.I. de C.V.[2]	6,944	5,638
Other accounts receivable	8,789	8,937
	75,420	63,373
Expected credit losses	(10,187)	(4,961)
	$65,233	$58,412

[1]Current balance of the mutual agreement for hotel management services.

[2]Current balance for leasing of spaces other than accommodation.

Other long-term accounts receivable:

The balance as of December 31, 2023 and 2022 for $13,091 and $25,498 in other long-term receivables corresponds to the mutual agreement with Aimbridge Latam with maturity in 2025, where a discount was established on the past services received in favor of Trust DB/1616. The amount due is payable in 2025 monthly at a market interest rate.

The expected credit losses as of December 31, 2023 and 2022 is as follows:

	2023	2022
Opening balance	$ 4,961	$18,114
Financial asset impairment(surplus)	6,447	(6,719)
Applications	(1,221)	(6,434)
Ending balance	$10,187	$ 4,961

According to the segmented information, Fibra Inn determined that the default and severity ranges of the loss allocated to client groups, vary as follows, as of December 31:

	2023	2022
Up to date	1.9%	4.5%
From 1 to 30 days	7.05%	14.8%
From 31 to 60 days	15.58%	27.5%
From 61 to 90 days	30.82%	44.6%
From 91 to 120 days	50.81%	61.9%
From 121 to 150 days	100%	100%
From 151 to 180 days	100%	100%
From 181 thereafter	100%	100%

8. Property, furniture and equipment, net –

Property, furniture and equipment as of December 31, 2023 and 2022, are integrated as follows:

	2023	2022
Land	$ 2,503,413	$ 2,436,215
Buildings	8,331,505	8,334,691
Components of buildings	302,260	395,444
Machinery and equipment	359,111	387,403
Furniture and equipment	384,947	523,534
Leasehold improvements	5,487	5,470
	11,886,723	12,082,757
Constructions in progress	$ 477,458	383,284
Subtotal	12,364,181	12,466,041
Less accumulated depreciation	(7,888)	(6,963)
Less accumulated impairment of properties	(1,179,804)	(1,164,640)
Property, furniture and equipment, net	$11,176,489	$11,294,438

Revaluation effects for the Years Ended December 31, 2023 and 2022 were recorded by property line item, as follows:

	2023		2022	
	Impairment, net	Surplus, net	Impairment, net	Surplus, net
Land	$ (3,016)	$ 64,131	$ (63,836)	$ 168,462
Building	18,180	85,438	(105,764)	357,804
	$ 15,164	$ 149,569	$(169,600)	$ 526,266

The fair values were prepared by independent external appraisers in accordance with IFRS 13, "Fair Value Measurement" and were determined as follows, with the support of independent external appraisers:

- The discounted cash flow method was defined as the most appropriate for the entity for the operating hotels.
- Financial projections of discounted cash flows for the next five years relative to each hotel or CGU using risk-adjusted discount rates, which represent management's best conservative estimate.
- The key assumptions included in the flows are: 1) average rate and average revenue per available room, which incorporate an growth in 2024 of 12.0% and 14.7% in 2023 that varies according to the type of segment of each hotel with the objective of recovering the effects of the rise in accumulated inflation 2020-2023, during 2025 to 2028 estimated inflation is projected to grow by more than 4 percentage points ("pp") more 2-2.5 pp each year as part of this same recovery strategy and the positive impact of *nearshoring*; 2) average occupancy percentages range between 33% to 86% at hotel level for the first 2 projected years, showing a considerable improvement compared to the previous years of the COVID-19 pandemic and upwardly average occupancies in each hotel between 46% and 87%; 3) the maintenance reserve for properties ("CAPEX") is calculated on 3.17% of total projected income, as well as the addition of the reserve for capital expenditures and future PIPs considered in 3 hotels in the portfolio, among others. The assumptions used for these cash flows are consistent with internal projections and industry practices.
- During 2023, the appropriate discount rate determined was from 15.25%, which is related to the perception of investment risk and the current cost of bank debt due to the rise in interest rates as a result of government measures to offset inflation, therefore, the higher the discount rate used, the lower the discounted cash flows obtained for each CGU.
- For the period ended December 31, 2023, the capitalization rate used went from 9.25% which is based on comparable market transactions, as well as an analyst report.

- During fiscal years 2023 and 2022, impairments recognized in previous fiscal years of $164,590 and $286,284, respectively, represented in 7 and 10 properties, respectively, were reversed. However, Management, based on internal analysis and the current market environment of such properties, establish favorable forecasts for future performance.
- When estimating fair values, Fibra Inn takes into account the characteristics of the asset and whether market participants would take those characteristics when setting the price of the asset on the measurement date. Measurements at fair value of fixed assets are classified as Level 1, 2 or 3 based on the degree to which the input data in the measurements are observable and their importance in determining fair value as a whole. The determination of the fair value of the properties is classified in Level 3, which considers unobservable input data.

Operation risk management

The activities of Fibra Inn may be exposed to the various operational and market risks that affect the income of Trust DB/1616, these are mainly: greater penetration in the market by new competitors, changes in the market by customer preferences and lower occupancy per hotel, changes in laws, regulations and government policies, and significant changes required by the brands, climatic changes and health contingencies, among others. The Strategic Committee analyzes the fulfilment of the financial objectives in the short and long term and makes recommendations, should be required to be presented to the Technical Committee of Fibra Inn.

Sensitivity analysis in the discount rate

Management has determined that the appropriate discount rate is a sensitive variable discount rate that could make an impact on the fair value of the hotels in operation as a cash-generating unit. The fair value of the assets is sensitive to changes in significant variables, so Fibra Inn considers the country risk-free rate and the cost of debt as the most subjective to changes, so it corroborates the discount rates with information from the available market, the cost of debt of companies in the industry issued by third parties such as government agencies, as well as with external valuation consultants. Since the fair value of the properties was determined using a rate of 15.25%, as of December 31, 2023, if the discount rate had a change of 50 basis points (0.5%), keeping the rest of the variables constant, it would have an annual upward or downward effect as follows:

Discount rate	Fair value of hotels in operation	Effect in the fair value
+ 50 basis points		(180,507)
No change	10,681,103	
- 50 basis points		184,681

Sensitivity analysis of the average rate

Fibra Inn competes with a number of hotel service property owners that possess properties in the same markets in which the current portfolio is located and could be willing to accept a higher risk than Fibra Inn while offering prices below the current market levels, or below the hotel rates commonly charged to guests, which could lead to losing current or potential guests and it would be necessary to offer substantial reductions in their rates. The overcapacity in the number of hotel rooms, could also generate a decrease in the hotel rates. As of December 31, 2023, if the hotel rate had a change of 10% and maintaining the rest of the variables constant, would have an annual upward or downward effect as follows:

Average Price	Fair value of hotels in operation	Effect in the fair value
+ 10%		$ 3,136,152
No change	$10,681,103	
- 10%		$(3,136,152)

Sensitivity analysis of occupancy percentage

Hotel performance depends on the ability to charge a rate, which in turn depends on the demand for rented rooms in the hotels. The hotel industry is historically cyclical in nature, and fluctuations in hotel demand and operating performance are a consequence of market conditions and economies, which affect levels of leisure and business travel, in addition to the supply of new rooms and new investments. Room rates and occupancy rates, and hence revenue per available room (Rev Par), tend to increase when demand growth exceeds supply growth and there can be no assurance that hotel demand will return from such cycles or that such return will be sustainable. As of December 31, 2023, if the occupancy percentage had a change of 10% and maintaining the rest of the variables constant, would have an annual upward or downward effect as follows:

Occupancy percentage	Fair value of hotels in operation	Effect in the fair value
+ 10%		3,136,152
No change	$10,681,103	
- 10%		(3,136,152)

During 2023 and 2022, assets were derecognized for $2,597 and $2,396, respectively, which were disposed or sold at a market value or at a minimum recovery value. The effects of asset sales are recognized as an accounting loss on disposal of fixed assets for $3,691 and $921 for the years ended as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the constructions in progress are mainly made up of the acquisition in 2018 of the land in Playa del Carmen for $286,721 and investments related to the new project in process for $31,821 that are part of the co-investment in Trust CIB/3058, whose purpose is to acquire land and build properties for the hotel operation, additionally includes investments for brand conversion and remodeling of $158,916 and $64,742, of the hotels in the portfolio, respectively. During 2023 and 2022, Fibra Inn considered the effects of continuity and efficiency of certain projects, for which reason it recognized the derecognition of constructions in progress for a combined amount of 3,054 and $33,910, respectively recognized in the accounting (gain) loss for derecognition of assets.

The JW Marriott Monterrey Valle hotel is granted as a mortgage guarantee with the credit line with BBVA and the Westin Monterrey Valle hotel is granted as a fiduciary guarantee and pledge with Banorte and Sabadell, respectively described in Note 18.

The activity of property, furniture and equipment during the periods of 2023 and 2022 is as follows:

Historic cost/ revaluated	**Balances as of December 31, 2022**	**Additions**	**Capitaliza-tions**	**Disposals**	**Recycled accumulated depreciation**	**Revaluation**	**Balances as of December 31, 2023**
Land	$ 2,436,215	$ -	$ 3,067	$ -	$ -	$ 64,131	$ 2,503,413
Buildings	8,334,691	-	26,775	-	(115,399)	85,438	8,331,505
Components of buildings	395,444	3,659	4,637	(197)	(101,283)	-	302,260
Machinery and equipment	387,403	6,296	14,693	(694)	(48,587)	-	359,111
Furniture and equipment	523,534	7,759	5,148	(5,625)	(145,869)	-	384,947
Leasehold improvements	5,470	17	-	-	-	-	5,487
Constructions in progress	383,284	123,133	(25,905)	(3,054)	-	-	477,458
	$12,466,041	$140,864	$ 28,415	$ (9,570)	$ (411,138)	$ 149,569	$12,364,181

Historic cost/ revaluated	**Balances as of December 31, 2021**	**Additions**	**Capitaliza-tions**	**Disposals**	**Recycled accumulated depreciation**	**Revaluation**	**Balances as of December 31, 2022**
Land	$ 2,267,753	$ -	$ -	$ -	$ -	$ 168,462	$ 2,436,215
Buildings	8,086,193	-	-	-	(109,306)	357,804	8,334,691
Components of buildings	494,330	3,747	-	(459)	(102,174)	-	395,444
Machinery and equipment	424,147	9,386	-	(2,790)	(43,340)	-	387,403
Furniture and equipment	639,054	17,263	625	(4,550)	(128,858)	-	523,534
Leasehold improvements	5,470	-	-	-	-	-	5,470
Constructions in progress	399,353	18,466	(625)	(33,910)	-	-	383,284
	$12,316,300	$ 48,862	$ -	$(41,709)	$ (383,678)	$ 526,266	$12,466,041

The movement of accumulated depreciation and accumulated impairment during the periods of 2023 and 2022 is as follows:

Accumulated depreciation and accumulated impairment	Balances as of December 31, 2022	Depreciation expense	Disposals	Impair-ment, net	Recycled accumulated depreciation	Balances as of December 31, 2023
Land	$ 247,064	$ -	$ -	$ (3,016)	$ -	$ 244,048
Buildings	917,576	115,399	-	18,180	(115,399)	935,756
Components of buildings	-	101,464	(181)	-	(101,283)	-
Machinery and equipment	-	49,078	(491)	-	(48,587)	-
Furniture and equipment	5,206	148,985	(3,247)	-	(145,869)	5,075
Leasehold improvement	1,757	1,056	-	-	-	2,813
	$ 1,171,603	$ 415,982	$(3,919)	$ 15,164	$(411,138)	$ 1,187,692

Accumulated depreciation and accumulated impairment	Balances as of December 31, 2021	Depreciation expense	Disposals	Impair-ment, net	Recycled accumulated depreciation	Balances as of December 31, 2022
Land	$ 310,900	$ -	$ -	$ (63,836)	$ -	247,064
Buildings	1,023,340	109,306	-	(105,764)	(109,306)	917,576
Components of buildings	-	102,599	(425)	-	(102,174)	-
Machinery and equipment	-	44,869	(1,529)	-	(43,340)	-
Furniture and equipment	5,433	132,080	(3,449)	-	(128,858)	5,206
Leasehold improvements	701	1,056	-	-	-	1,757
	$1,340,374	$ 389,910	$(5,403)	$ (169,600)	$(383,678)	$1,171,603

9. Assets held for sale-

As part of the divestment strategy of non-strategic assets, on December 14, 2022, Trust DB/1616 made the sale of three properties that previously operated under the Wyndham Garden brand located in the cities of Silao, Celaya and Irapuato called "Bajío". Fibra Inn received a payment of $100,000, the net profit from the sale of these hotels was $54,175, which include disposal costs for a total amount of $2,014 related to the use of the brand and hotel management system.

As of December 31, 2023 and 2022, assets held for sale are made up as follows:

	Business segment	2023	2022
Hotel Fairfield Inn & Suites Coatzacoalcos(1)	Select service	$24,886	$28,946

(1) Fair value was determined at salvage value.

According to the valuation of assets, during the years ended December 31, 2023 and 2022, Fibra Inn recognized impairment losses for an aggregate amount of $4,060 and $3,804, respectively.

10. Right-of-use asset, net and Lease liability -

a. Leases as a lessee

Fibra Inn leases vehicles and a building for administrative offices. These leases are usually valid for a period of 4 years for the vehicles and 5 years for the building, with an option to renew the lease after that date. In the event of renewing the lease, lease payments are renegotiated.

Information on the leases on which Fibra Inn acts as a lessee is as follows:

i) Right-of-use assets:

	Building	Vehicles	Total
Initial balance as of January 1, 2022	$ 9,172	$ 2,005	$ 11,177
New contracts	620	1,149	1,769
Depreciation for the year	(2,320)	(896)	(3,216)
Balance as of December 31, 2022	$ 7,472	$ 2,258	$9,730
New contracts	623	2,937	3,560
Depreciation for the year	(2,520)	(1,156)	(3,676)
Balances as of December 31, 2023	$ 5,575	$ 4,039	$ 9,614

ii) Lease liability:

	Buildings	Vehicles	Total
Initial balance as of January 1, 2022	$10,247	$ 2,191	$12,438
Additions	620	1,149	1,769
Interest expense	1,065	201	1,266
Lease payments	(3,232)	(1,068)	(4,300)
Balance as of December 31, 2022	$ 8,700	$ 2,473	$11,173
Additions	623	2,937	3,560
Interest expense	901	215	1,116
Lease payments	(3,476)	(1,382)	(4,858)
Balances as of December 31, 2023	$ 6,748	$ 4,243	$10,991

b. Leases as a lessor -

Fibra Inn leases part of its properties to provide different lodging services. These leases are classified as operating leases from the perspective of the lessor because they do not substantially transfer all the risks and rewards inherent in the ownership of the asset.

Income from rentals recognized by Fibra Inn in 2023 and 2022 amounted to $79,090 and $73,923, respectively.

Below are the maturities for the minimum lease collections, where Fibra Inn acts as a lessor:

Less than one year	$ 23,748
1 to 2 years	24,722
2 to 3 years	25,636
3 to 4 years	26,544
4 to 5 years	27,484
Over 5 years	222,376
	$ 350,510

11. Advance payments for the properties acquisition -

The development project for the construction of the Marriott Monterrey Aeropuerto project, which included 208 rooms, was postponed through amending agreements of the trust derived from the uncertainty of the presidential election of Mexico in June 2018, the Treaty between Mexico, the United States and Canada (“T-MEC”), and the economic effects on the hotel sector due to the COVID-19 pandemic for which, on October 20, 2022, Fibra Inn ceded the trustee rights of the Irrevocable Trust 1451028243 for $27,300.

As of December 31, 2023, Fibra Inn made disbursements related to this project for an amount of $48,758, as well as costs related to other project advances for $2,583, which were recognized in the accounting loss due to asset write-offs.

During 2023, no advance payments were made for properties acquisitions.

12. Intangible assets, net and other assets -

As of December 31, 2023 and 2022, intangible assets and others are as follows:

	2023	2022
Intangible assets, net	$30,519	$42,610
Security deposits	7,963	7,096
	$38,482	$49,706

As of December 31, 2023 and 2022, intangible assets with definite useful life are as follows:

	2023	2022
Software [1]	$100,195	$100,894
Licenses and expenses related to use of trademarks [2]	27,733	27,033
	127,928	127,927
Accumulated amortization	(97,411)	(85,317)
	$ 30,519	$ 42,610

(1) Software for internal use, including the implementation and migration of the SAP 4Hana version.

(2) Rights acquired for the use of commercial franchises, currently in operation of hotels established in the Mexican Republic

During 2022, Fibra Inn renewed the right to use certain brands in the different hotel segments for an amount of $975, mainly for the Hampton Inn by Hilton Saltillo hotel brand, additionally the DB/1616 Trust recognized cancellations of rights to use brand for the sale of the Bajío hotels with the Wyndham Garden brand for $1,031, as well as other direct costs of brands for $2,854.

As of December 31, 2023 and 2022, intangible asset amortization expenses totaling $12,092 and $11,495 were recorded.

13. Transactions and balances with related parties -

Transactions with related parties were as follows:

	2023	2022
Expenses with related parties:		
Interest expenses [1]	$ 8,298	$ 8,298
Casa Grande royalty expenses [2]	527	455

(1) Interest expense with FFLATAM 15-2 generated by loans made to Trusts CIB/3096 and CIB/3097.

(2) Made with Asesor de Activos Prisma, S.AP.I. de C.V. for payment of rights to use the Casa Grande brand as mentioned in note 1(III).

a. Payables with related parties are:

	2023	2022
Short-term		
Fideicomiso Irrevocable de CBFIs Num. F/2292 (FFLATAM 15-2)[1]	$ 105,352	$104,979
Asesor de Activos Prisma, S.A.P.I. de C.V. [2]	52	37
	$ 105,404	$105,016

(1) As of December 31, 2023 and 2022, the balances correspond to an account payable for VAT contributions to suppliers from Trust CIB/3097 and Trust CIB/3096, which will be returned upon obtaining the VAT refund from the Tax Administration Service.

(2) Royalties payable for the use of Casa Grande brand.

b. Operations with the administration and close relatives

Trust DB/1616 does not enter into commercial operations with members of the administration and their close relatives outside of operations at market value and available to the general public and whose amounts are not significant for the consolidated financial statements.

14. Trustors' equity -

Benefits, contributions and repurchases -

a. The equity of the Trust DB/1616 consists of the initial subscription of $20 and the amount of resources from CBFIs issuances.

b. As of December 31, 2023 and 2022, the amount of CBFIs in circulation with economic rights amounted to 769,515,436 and 503,623,046, respectively, as well as CBFIs held in treasury for a total of 864,870,736 and 855,763,126, respectively.

   The CBFIs in treasury as of December 31, 2023 represent: a) exclusive subscription for holders of FINN13 approved on May 11, 2018 for the subscription of 900,000,000 CBFIs of the recurring issuer program, of which 94,236,874 were exhibited and released to circulation and the rest remained in treasury, b) on June 26, 2023, 15,000,000 CBFIs were issued for the payment of executives of which 5,892,390 were exhibited and released to circulation and the rest remained in treasury, c) on June 13, 2013, 50,000,000 CBFIs were subscribed for real estate contributors.

c. On February 3, 2023, Origin Patrimonial, S.A. de C.V. acquired all of the trustee rights of the Fibra Inn Founders' Trust, as well as the consequent replacement of members in the Technical Committee, including its president and in the Investment Committee, appointed by the Founders Trust, designating its president from among its members.

   Given the acquisition, an agreement was signed for the assignment of all the trust rights of the Founders' Trust by Víctor Zorrilla Vargas, Joel Zorrilla Vargas, Oscar Eduardo Calvillo Amaya, Robert Jaime Dotson Castrejón and Juan Carlos Hernáiz Vigil, as assignors and Origin as assignee.

d. Through the Ordinary General Meeting of Holders, on April 27, 2023, the issuance of 260,000,000 CBFIs for the equivalent amount of $1,500,000 was approved, which were subscribed on a preferential basis by the current Holders consisting of two rounds, with the understanding that: (i) the CBFIs that are not acquired preferentially by the current Holders in accordance with the procedure authorized by the Holders' Meeting may be acquired by potential strategic investors and (ii) the acquisition of CBFIs representing more than 10% of the outstanding CBFIs will require the authorization of the Technical Committee, with the exception of those acquisitions made by the Investment Companies Specialized in Retirement Funds independently, in accordance with the provisions of clause thirtieth of the Trust.

e. Additionally, on the same date, Fibra Inn approved the cancellation of the unexercised CBFI repurchase fund approved on April 28, 2022, in the amount of $250,000, and announced the creation of a new CBFI repurchase fund of the DB/1616 Trust up to a maximum resource amount of $250,000 for the twelve-month period following April 30, 2023, provided that it does not exceed 5% of the total CBFIs of the DB/1616 Trust in circulation and that they are still in treasury.

f. On June 22, 2023, the DB/1616 Trust concluded the First Round of subscription for CBFI holders, as approved by the Holders' Meeting on April 27, 2023 and in which a total of 143,428,370 CBFIs, equivalent to $831,884, were subscribed, with a subscription price of $5.80 per CBFI.

g. On June 27, 2023, the DB/1616 Trust concluded the Second Round of exclusive subscription for Holders, in which a total of 116,571,630 CBFIs were subscribed, equivalent to the total available for said round, with a subscription price of $5.80 per CBFI. For the allocation of CBFIs in the Second Round, a pro-rata of 89.15% was applied due to the overdemand by the Holders who participated in that round.

   The total number of CBFIs subscribed on the occasion of the First and Second Rounds was 260,000,000, this being the maximum number of CBFIs available to subscribe as approved by the Trust Holders' Assembly on April 27, 2023.

   With the settlement of the CBFIs subscribed exclusively by the Holders, the Trust received net of commissions and fees $1,501,283 in liquid resources.

h. For the year ended December 31, 2023, Fibra Inn repurchased 8,434,565 non-distributive CBFIs equivalent to $45,859, which will subsequently be canceled.

i. Through the Ordinary General Meeting of Holders, on April 28, 2022, Fibra Inn approved the cancellation of the repurchase fund not exercised and approved on April 30, 2021, in the amount of $250,000, and announced the creation of a new repurchase fund of CBFIs of the DB/1616 Trust up to a maximum amount of resources of $250,000 for the twelve-month period following April 30, 2021. April 2022, provided that it does not exceed 5% of the total CBFIs of the DB/1616 Trust outstanding and that they are still in treasury.

Reimbursements and distributions to holders of certificates –

The following tables show the cash rebates decreed in amount and by CBFI for each quarterly period of Fibra Inn's operation, ended December 31, 2023 and 2022 and their respective payment dates:

Period in which the refund was generated	Total Amount of Cash Distribution	CBFIs in circulation with entitlement	Cash refund decreed in pesos by CBFI	Date of approval by the Technical Committee	Payment Date
September 23	$ 21,125	763,522,591	0.0276	24/10/2023	27/11/2023
June 23	21,125	768,553,591	0.0275	25/07/2023	29/08/2023
March 23	21,125	503,623,046	0.0419	24/04/2023	31/05/2023
December 22	21,578	503,623,046	0.0428	22/02/2023	30/03/2023
Total refunds	$ 84,953				

Period in which the refund was generated	Total Amount of Cash Distribution	CBFI's in circulation with right	Cash refund decreed in pesos by CBFI	Date of approval by the Technical Committee	Payment Date
September 22	$ 21,578	503,623,046	0.0428	24/10/2022	15/11/2022

Issuance of CBFIs -

As of December 31, 2023, the issuance of CBFIs as a part of the equity consists of:

Year	Contribution	CBFIs issued	Type of contribution	Price in pesos
2013	Initial	162,452,028	Cash	$18.50
2013	Initial	95,882,190	In Kind	18.50
2014	Emission	178,685,324	Cash	15.85
2016	Emission	3,000,000	In Kind	18.50
2018	Emission	94,236,874	Cash	11.10
2021	Emission	11,226,920	In Kind	11.52
2023	Emission	5,892,390	In Kind	5.72
2023	Emission	143,428,370	Cash	5.80
2023	Emission	116,571,630	Cash	5.80
Total CBFIs issued		811,375,726		

As of December 31, 2023, CBFIs have been canceled due to the repurchase fund authorized by the Holders' Meeting for a total amount accumulated of 41,860,290 CBFIs.

Reserves -

Reserve for payments based on equity instruments-

As of December 31, 2023, the reserve for payments based on equity instruments includes the certificate option plan for executives who provide services to Fibra Inn (Note 3 subsection m).

Reserve of valuation effect of derivate financial instruments -

As of December 31, 2023, the hedging reserve comprises the effective portion of the net accumulated change in fair value of interest rate hedge instruments related to hedging transactions that have not been settled.

Repurchase reserve of CBFIs

The repurchase reserve of CBFIs comprises the maximum amount authorized by the Meeting of Holders to repurchase from the market Fibra Inn's outstanding capital certificates denominated FINN13 less the repurchases made in the year valued at the repurchase date of the CBFIs.

Property revaluation surplus

The property revaluation surplus includes the difference of those properties whose fair value was greater than their book value net of accumulated depreciation, and whose value variation had not been previously recognized in profit or loss.

Non-Controlling Interest

Non-controlling interest includes the contribution of the second partner in Trusts CIB/3058, CIB/3096, and CIB/3097, as well as Fibra Inn's non-controlling interest in the results of such Trusts.

15. Income tax -

In order to maintain a FIBRA status, the Tax Administration Service established, in Articles 187 and 188 of the LISR, that Fibra Inn must annually distribute at least 95% of its net tax profit net result to CBFIs holders of Fibra Inn, among others.

The Trust's subsidiary Administradora de Activos Fibra Inn, S.C. is subject to ISR at a rate of 30%.

a. Income taxes recognized in profit or loss:

	2023	2022
Current income tax	$ 1,955	$2,459
Deferred income tax	3,847	(193)
Employee profit sharing ("PTU")	-	648
Income tax	$ 5,802	$2,914

Deferred income taxes are calculated on the basis of the Income Tax Law at the rate applicable in the period in which the reversal of the corresponding temporary difference is expected.

The effects of income taxes on temporary differences that generate significant portions of deferred tax assets and liabilities as of December 31, 2023 and 2022 are mentioned below:

	2023	2022
Accumulated provisions and liabilities	$ 11,671	$ 7,365
Employee benefits	238	193
Property, furniture and equipment	975	647
Total deferred asset	12,884	8,205
Vehicles	(282)	(830)
Advance payments	(682)	(569)
Income payable	(19,206)	(10,245)
Total deferred liability	(20,170)	(11,644)
Deferred liability, net	$ (7,286)	$ (3,439)

16. Employee benefits -

The movement in the defined benefit obligation during the year is shown below:

a. Defined benefit plans

	Retirement benefits	
	2023	**2022**
Defined benefit obligation	$645	$510
Current service cost	281	99
Benefits paid	(342)	-
Actuarial gains and losses recognized in profit or loss	210	36
Net projected liability	$794	$645

b. Cost recognized in profit or loss

	Retirement benefits	
	2023	**2022**
Current service cost	$229	$ 64
Remeasurements	210	36
Interest cost	52	35
Net cost of the period	$491	$135

Main actuarial hypotheses used for the calculation of employee benefit liabilities are as follows:

	2023	**2022**
Discount rate	9.25%	9.25%
Wage increase	5.50%	5.00%
Inflation	4.00%	4.50%

c. Termination indemnity

For the years ended December 31, 2023, termination costs recognized in income of $51,918, mainly for first line executives, during fiscal 2022, no severance payments were made for workforce severance payments.

d. The benefits granted to key management personnel during the period are as follows:

	2023	**2022**
Short-term direct benefits	$34,921	$ 9,077
Compensation based on equity instruments and equity	24,130	8,486
Total benefits	$59,051	$17,563

As of December 31, 2023 and 2022, Trust DB/1616 has an obligation of executive compensation of $9,496 and $9,759, respectively.

On April 30, 2021, the Ordinary Shareholders' Meeting approved a long-term incentive scheme (payable in CBFIs) in favor of the executives of the Trust Administrator through a program aligned with the growth and strategy of Fibra Inn and, therefore, with the interests of the Holders (Note 3, subsection m).

The value of the CBFI-based incentive plan is reviewed annually according to the measurement previously authorized by the Technical Committee as variable compensation over a three-year period. For the rears ended December 31, 2023 and 2022, the fair value of such scheme recognized in the consolidated statement of equity was $27,417 and $25,652, respectively, which were determined with reference to the average market price of $4.05 pesos per CBFI as of the date of the plan.

The benefits granted to executives through equity-settle instruments were as follows:

Period	Stand	CBFIs a granted	Fair Value	Price per CBFI	CBFIs for sale [(1)]
06/2023	General Director	1,813,043	$10,352	$5.71	634,565
06/2023	Director of Acquisitions and Development	1,359,782	$7,764	$5.71	475,924
06/2023	Director of Administration and Finance	1,359,782	$7,642	$5.62	475,924
06/2023	Main Administrative Directors	1,359,775	$7,656	$5.62	475,920
08/2022	General Director	161,480	$591	$3.66	56,518

(1) CBFIs put up for sale at the price per CBFI described in the table for the payment of income tax withholding by the executive, which corresponds to 35% according to the ISR law. Of the remaining amount, the executive has a sales restriction period of 2 years.

17. Financial instruments and risks management -

a) Accounting classification and fair value.

Below are the carrying amounts and fair values of financial assets and liabilities as of December 31, 2023 and 2022, including their levels in the fair value hierarchy and based on the business model determined by Fibra Inn.

The carrying amount of financial instruments held by Trust DB/1616, such as cash and cash equivalents, accounts receivable, other accounts receivable, accounts payable, lease liability and debt obligations (including interest), approximate their fair values due to their short maturities. Long-term related parties account receivables with an explicit interest rate component and the long-term bank debt obligations approximate their fair value.

The fair value of the financial debt of fiduciary stock certificates (CBFs) is estimated at the most recent value of trading on the securities market on December 31, 2023 for FINN18.

Derivative financial instruments and the cash settled executive share-based compensation are recognized at fair value (market value of the instrument).

<u>Categories of financial instruments –</u>

	Book Value 2023	Fair Value 2023	Book Value 2022	Fair Value 2022
Financial assets:				
Cash, cash equivalents and restricted cash:	$2,005,999	$2,005,999	$759,261	$759,261
Measured at amortized cost:				
Trade and other accounts receivable, net	65,233	65,233	58,412	58,412
Other accounts receivable	13,091	13,091	25,498	25,498
Measured at fair value with effects on comprehensive income				
Derivative financial instruments	65,769	65,769	83,841	83,841
Financial liabilities:				
Measured at amortized cost:				
Suppliers	$ 219,349	$ 219,349	$187,997	$187,997
Other payables	5,729	5,729	5,675	5,675
Accounts payable to related parties	105,404	105,404	105,016	105,016
Cash settled executive share-based compensation	9,496	9,496	9,759	9,759
Interest payable	149,905	149,905	151,235	151,235
Liability due to lease modifications	2,500	2,500	2,900	2,900
Bank debt	750,948	750,948	972,166	972,166
Debt securities and premium for issuance of debt certificates	3,212,150	3,092,505	3,214,508	3,056,160
Measured at fair value with effects on comprehensive income				
Derivative financial instruments	31	31	378	378

The following table presents the fair value of non-current financial instruments liabilities:

	Level 1	Level 2	Level 3	Total
As of December 31, 2023				
Debt securities	$ 3,092,505	$ -	$ -	$ 3,092,505
Bank debt	-	750,948	-	750,948
Derivative financial instruments	-	31	-	31
As of December 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Debt securities	3,056,160	-	-	$ 3,056,160
Bank debt	-	972,166	-	$ 972,166
Derivative financial instruments	-	378	-	$ 378

b) *Financial Risk Management*

Financal risk management policies

Equity management -

Fibra Inn manages its equity to ensure that it will continue as a going concern, while seeking to maximize the equity of CBFI holders and distributions by optimizing the use of debt and equity.

Fibra Inn’s capital consists mainly of equity. The objectives of capital management of the Trust are to manage the capital to make sure that the operating funds are available to maintain consistency and sustainability in the distributions to its shareholders and fund required capital expenses, as well as to provide necessary resources for the acquisition and development of new properties. Additionally, the equity management method is evaluated as an essential part of Fibra Inn's general strategy and said approach is reviewed by the administration and the Technical Committee of Trust DB/1616.

The public debt represented by the issuance of trust stock certificates at the end of fiscal year 2023 was $3,181,625 (in 2022 it was $3,177,132), net of expenses attributable to obtaining the debt for $18,375 (in 2022 of $22,868), which represented 23.4% in 2023 (25.4% in 2022) of total assets.

As of December 31, 2023, Fibra Inn has 29.0% indebtedness, this level fully complies with the provisions of the National Banking and Securities Commission ("CNBV"), to regulate the maximum limit for Fibra Inn at up to 50%, which in the case of Fibra Inn was determined by its Assembly of CBFI Holders at 50%. The coverage ratio for debt service as of December 31, 2023 was 4.1 times, when it is established that it must be equal to or greater than 1.0 times. Both are calculated in accordance with the methodology of Annex AA of the Single Circular of Issuers applicable to fiduciary real estate and investment stock certificates.

In addition, the Trust DB/1616 evaluates the performance of each of its hotels based on their funds from operations (FFO), which is calculated by adjusting earnings before financing, income tax, depreciation and amortization ("EBITDA") for acquisition and organization expenses and for certain financial items that directly impact the operating cash flow to be assessed. considering that this indicator represents a good measure to evaluate the operating performance and the ability to meet principal and interest obligations with respect to Fibra Inn's debt, as well as the ability to fund capital investments and working capital requirements. However, FFO is not a measure of financial performance under IFRS and should not be considered as an alternative to net income as a measure of operating performance, or cash flow as a measure of liquidity. The FFO of the Trust DB/1616 for the years ended December 31, 2023 and 2022 represented positive cash flows of $239,984 and $112,745, respectively.

Financial risk management -

The objective of the Trust’s financial risk management is to comply with its financial expectations, operating results and cash flows that improve the financial position of Fibra Inn, in addition to ensuring the ability of making distributions to CBFIs holders’ and satisfying any future debt obligations.

The role of the Technical Committee of Fibra Inn is to analyze and determine the trustee with the sale or repurchase of CBFIs, analyze and approve potential investments, acquisitions and disposals, provide corporate services, coordinate access to domestic financial markets, monitor and manage the financial risks associated with Fibra Inn’s operations through internal risk reports which analyze exposures by degree and magnitude of risks.

These risks include market risk (including risk of changes in market prices, currency risk and interest rate risk), credit risk and liquidity risk.

Market risk management -

Fibra Inn's activities may be exposed to finance risks related to changes in market interest rates, foreign exchange rates and mainly in market prices, affecting the revenues of Trust DB/1616 or the value of the financial instruments it holds.

Interest rate risk -

Fibra Inn can obtain financing under different conditions, either from third parties or related parties and variable interest rates would expose it to changes in market rates.

As of December 31, 2023 and 2022, Fibra Inn there is no material exposure to changes in interest rates due to the fact that the variable interest rate hedges related to the bank debt corresponding to the loans with BBVA, Banorte and Sabadell mentioned in Note 18, have derivative financial instruments contracted with a hedge of 90% and 77% respectively, of the bank debt agreed at a variable rate. Aditionally, Fibra Inn is exposed to interest rate risk at fair value due to the fiduciary stock certificates held at a fixed rate, which implies that Fibra Inn could be paying interest at rates different from those of an observable market.

Sensitivity analysis to variable interest rate risk -

If the interest rate were to increase or decrease 100 base points (1.00%), and all other variables remained constant, the results of the year and equity of Fibra Inn for the year ended December 31, 2023, would have a positive or negative annual impact, respectively, as follows:

TIIE	**Unhedged debt balance as of December 31, 2023**	**Effect in equity and profit or loss**
+ 100 base points		$ (777)
No change	$ 77,662	
- 100 base points		$ 777

Derivative financial instruments –

As of December 31, 2023, Fibra Inn had contracted with BBVA and Banorte a derivative financial instrument to hedge $681,038 (90%) of its bank debt contracted at a variable rate through interest rate swaps to convert its variable rate to a fixed rate. The fair value of this hedge was $65,738.

The terms of the contracted derivative instruments, which were designated as hedging derivatives as of December 31, 2023 and 2022, are described below:

Counterpart	**Notionals**	**Current Basic Conditions**	**Fair Value (Liability) 2023**	**Fair Value (Liability) 2022**
BBVA	$257,775	Fibra Inn pays a fixed rate in Mexican pesos of 6.84% and receives TIIE 28D capitalizable quarterly	$19,835	$ 24,194
BBVA	$219,492	Fibra Inn pays a fixed rate in US dollars of 1.44% and receives SOFR 3M	$20,581	$ 28,950
Banorte	$148,471	Fibra Inn pays a fixed rate in Mexican pesos of 5.81% and receives TIIE 28D capitalizable quarterly	$20,013	$ 23,567
Banorte (1)	$35,709	Fixed rate in US dollars of 0.83% and receives SOFR 3M	$ 5,340	$ 7,130
Banorte	$15,337	Fixed rate in Mexican pesos of 10.37% and receives TIIE 28D capitalizable quarterly	$ (30)	$ (347)
Banorte (1)	$ 4,254	Fixed rate in US dollars of 4.35% and receive SOFR 3M	$ (1)	$ (31)

(1) The notional of Tranche A of the debt denominated in US dollars with Banorte and those corresponding to Tranche 1 with BBVA was agreed at the SOFR interest rate to replace the LIBOR rate hedge, likewise a swap was negotiated for the equivalent in US dollars of Tranche C (note 18) as part of interest rate risk management strategies with the use of derivative financial instruments.

The movements of the derivative financial instruments balance are as follows:

	2023	2022
Initial asset balance	$83,463	$18,463
Ineffective portion recognized in profit or loss	2	456
Effect of revaluation in other comprehensive income	19,102	58,188
Interest payments and foreign exchange fluctuations effects	(7,452)	5,722
Settlement in favor (payments) of derivative financial instruments	(29,377)	634
Final asset balance, net	$65,738	$83,463

Foreign currency risk -

Fibra Inn enters into transactions denominated in U.S. dollars ("dollar"); therefore, it is exposed to currency fluctuations between the exchange rate of the Mexican peso and the U.S. dollar.

a. The financial position in foreign currency as of December 31, 2023 and 2022 is:

	2023	2022
U.S. dollars:		
Financial assets	$ 5,167	$ 4,989
Financial liabilities	(17,706)	(18,570)
Financial position, net	$ (12,539)	$ (13,581)
Financial position, net in Mexican pesos	$(211,828)	$(262,949)

b. The closing exchange rates in effect for the consolidated financial statements as of December 31, 2023 and 2022 are as follows:

	2023	2022
Mexican pesos per U.S. dollar	$16.8935	$19.3615

Sensitivity analysis to foreign exchange risk -

If the exchange rate were to increase or decrease 10% with all other variables held constant, the results of the year and equity of Fibra Inn for the year ended December 31, 2023, would have a positive or negative effect, respectively, as follows:

Exchange rate	Financial position, net	Effect in profit or loss (MXN)
+ 10%	(233,010)	$(21,183)
No change	(211,828)	
- 10%	(190,645)	$21,183

Credit risk management -

Credit risk refers to the risk that a counterparty breaches its contractual obligations resulting in financial loss to Fibra Inn. Virtually, all of Fibra Inn's income is derived from hotel services. As a result, its performance depends on its ability to collect the amounts from hotel services rendered to guests and the guests' ability to make the payments. Revenue and funds available for distribution would be adversely affected if a significant number of guests do not make the lodging payments when they are due, closing of operations or bankruptcy.

Fibra Inn's Management limits its exposure to cash and cash equivalents' credit risk by investing solely in low-risk liquid instruments, mainly government bonds. Hence, Management does not expect that any of its counterparties will not meet their obligations.

The following shows the maximum exposure to credit risk for accounts receivable as of December 31, 2023 and 2022, by type of client:

	2023	**2022**
Travel agencies	$26,161	$18,685
Corporate clients	12,633	13,602
Credit cards	6,637	4,324
Airlines	1,849	637
	$47,280	$37,248

Below is a breakdown of the accounts receivable from clients, showing those balances overdue but not impaired according to their ageing as of the reporting date:

	Gross 2023	**Impairment 2023**	**Gross 2022**	**Impairment 2022**
Current	$31,715	$ (1,394)	$25,226	$ (714)
From 0 to 30 days	8,176	(1,593)	5,226	(491)
From 31 to 120 days	5,060	(4,967)	3,304	(742)
From 121 to 180 days	264	(254)	433	(274)
Overdue for more than 180 days	2,065	(1,979)	3,059	(2,740)
	$47,280	$ (10,187)	$37,248	$ (4,961)

Management internally analyzes overdue balances by blocks of 30 days each up to 180 days to get a better view of the performance of the portfolio. Management identifies what important part of the overdue portfolio is paid in arrears shorter than said term, and that those accounts which have maturities greater than 180 days record a marginal recovery. Given the above, it is estimated a probability of default for each state or bucket. The probability of transition from one bucket to another is calculated as the average of the probabilities of transition of the months that had the chance of falling into that scenario according to each bucket.

Fibra Inn considers that the balances of accounts receivable and other receivables from hotel managers are considered low risk transactions that can be settled on a monthly basis for the continuity of the operation.

Liquidity risk management -

Liquidity risk represents the possibility that Fibra Inn has difficulties to comply with its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Fibra Inn has established an appropriate framework for managing liquidity risk in the short, medium and long term. The ultimate responsibility for the management of liquidity risk is based on Fibra Inn, which has established an appropriate framework for the management of liquidity risk for the administration of short, medium and long-term financing, and liquidity management requirements.

Fibra Inn manages its liquidity risk by maintaining adequate reserves, monitoring expected cash flow requirements and actual income, and by managing the maturity profiles of its financial assets and liabilities. The Treasury department monitors the maturity of its liabilities to comply with the respective payments.

In order to maintain an adequate proportion of assets and liabilities, the Issuers' Unique Circular establishes for Trust DB/1616 a limit of 50% to assume loans and provides a coverage service debt index equal to or greater than 1.0 times.

The following table shows Fibra Inn's outstanding maturities for non-derivative financial liabilities in accordance with the payment periods as of December 31, 2023:

	1 year	**More than 1 year**
Suppliers	$219,349	$ -
Other payables	5,729	-
Accounts payable to related parties	105,404	-
Interest payable	149,905	-
Executive compensation	9,496	-
Lease liability	4,413	6,578
Bank debt	40,618	710,330
Debt securities and premium for issuance of debt certificates	-	3,212,150
	$534,914	$3,929,058

The following table shows the contractual maturity of the remaining financial liabilities (debt issuance) with established payment periods. The table has been prepared from the financial liabilities undiscounted cash flows based on the earliest date in which Fibra Inn is required to pay. To the extent that interest flows are fixed or variable, the undiscounted amount is derived from the interest rates available at the end of the reporting period. The contractual maturity is based on the earliest date in which Fibra Inn may be required to make the corresponding payments.

	Less than 1 year	**1-3 years**	**4-5 years**	**6-7 years**
As of December 31, 2023				
Debt securities	-	-	3,200,000	-
Bank Debt	40,618	106,102	146,759	465,221
Lease liability	5,212	6,486	738	-
Nominal interests of financial instruments measured at amortized cost	411,488	786,070	594,732	72,714

Operation risk management

The analyses related to this section are described in Note 8.

18. Bank debt -

As of December 31, 2023 and 2022, Fibra Inn's consolidated bank obligations by line of credit are as follows:

Description	**Currency contractual**	**Lines of credit**	**Value in Pesos**	**Amortized costs of obtaining debt**	**Interests by pay**	**Premium for the issuance of stock market debt**	**Balance at 31 of December 2023**	**Balance at 31 of December 2022**	**Due of Date**	**Rate of interest %**
Bank loans										
Mortgage guarantee with BBVA Tranche 1 and 2 (1)	MXN	$ 612,000	$ 257,796	$ 3,912	$ 7,812	$ -	$ 253,884	$ 312,032	13/01/2030	TIIE 28 + 285 pb
Mortgage guarantee with BBVA Tranche (1)	USD	-	219,510	-	4,011	-	219,510	267,782	13/01/2030	SOFR3M 28 + 300 pb
Pledge guarantee with Banorte Tranche A and C (2) (3)	MXN	157,500	146,850	1,475	4,652	-	145,375	154,736	09/10/2030	TIIE 91 + 350 pb
Pledge guarantee with Sabadell Tranche A and C (2) (3)	MXN	85,050	77,500	1,689	2,471	-	75,811	82,535	09/10/2030	TIIE 91 + 350 pb
Pledge guarantee with Sabadell Tranche A and C (2) (3)	USD	72,450	57,044	676	1,245	-	56,368	66,571	09/10/2030	SOFR3M +350 pb
Mortgage guarantee with Banorte (4)	MXN	-	-	-	-	-	-	88,510	05/12/2026	TIIE 91 + 325 pb
Total guaranteed bank debt			$758,700	$ 7,752	$ 20,191	-	750,948	$ 972,166		
Stock market debt										
Stock certificates (6)	MXN	$3,200,000	3,200,000	18,375	129,714	30,525	3,181,625	$ 3,177,132	02/02/2028	9.93%
Total			$3,958,700	$ 26,127	$149,905	$ 30,525	$3,932,573	$4,149,298		

(1) On March 13, 2023, the Trust CIB/3097 signed the Third Amendment Agreement with BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México ("BBVA") related to the adjustment of the replacement of the 3M LIBOR rate by the SOFOR 3M reference rate plus an adjustment margin of 0.26161 percentage points on the ordinary interest on the principal of the Tranche 1 preferred credit in U.S. dollars payable quarterly. On October 17, 2021, the Guarantee, Administration and Means of Payment Trust was established in order to guarantee the obligations arising from the loan with BBVA. This reserve fund will be returned to Trust CIB/3097 as soon as the bank debt is settled. As of December 31, 2023 and 2022, the balance of this trust amounts to $57,488 and $65,804, respectively, and is presented under restricted cash (note 6).

(2) Trust CIB/3096 signed a Pledge Agreement without Transfer of Possession in which a pledge is unconditionally and irrevocably granted in first place and priority in favor of Banorte and Banco Sabadell, the property, furniture and equipment corresponding to Westin Monterrey Valle hotel. On October 4, 2023, after the stabilization of The Westin Monterrey Valle hotel, the second and last drawdown of the credit was obtained for an amount of $115,000 ("Tranche C"). The amounts denominated in pesos pay a 91-day TIIE rate plus 3.5 percentage points, in addition to the equivalent amounts in US dollars in both tranches, the SOFR interest rate plus 4.30 percentage points and an adjustment for the rate differential of 0.26 points were agreed upon. percentages for the replacement of the LIBOR rate, which is compensated with the contracted derivative financial instrument (Note 17).

(3) Trust CIB/3096 created a Guarantee, Administration and Means of Payment Trust in order to guarantee the obligations derived from the credit with Banorte and Banco Sabadell. This reserve fund will be returned to Trust CIB/3096 as soon as the bank debt is settled, in addition, on June 21, 2023, the guarantee fund decreased from 18 to 3 months, in accordance with the performance and subsequent stabilization of the hotel The Westin Monterrey Valle. As of December 31, 2023 and 2022, the balance of this trust amounts to $25,918 and $79,530, respectively, and is presented under restricted cash (Note 6).

(4) Contract for the Opening of a Simple Credit with a mortgage guarantee of Trust DB/1616 with Banorte guaranteed with the Holiday Inn Express Monterrey Aeropuerto hotel and the pledge of VAT amounts to recover. Trust CIB/3096 appeared as guarantor and guarantor, by virtue of being the entity that will receive the tax in favor that is currently in the process of legal processing with the tax authority for its return. As of December 31, 2022, a total of $88,510 was drawn down, represented by 70% of the tax to be recovered as the maximum percentage established in the contract. As of December 31, 2023, Fibra Inn made prepayments covering the entirety of the simple credit that contributes to greater financial efficiency.

(5) Issuance of debt with ticker symbol FINN18 for $2,000,000 on February 14, 2018 and the reopening on October 11, 2019 for $1,200,000, represented by 12,000,000 stock certificates, under a program of up to $5,000,000, said issuance generates interest semiannually at a fixed annual rate of 9.93% for a term of 10 years and with principal payment due in 2028

	2023	2022
Total bank debt	$750,948	$972,166
Current maturity of bank debt	(40,618)	(48,805)
Long-term bank debt	$710,330	$923,361

As of December 31, 2023 and 2022, the interest payable on the guaranteed bank debt is $20,191 and $22,677, respectively, in addition to the costs of obtaining and issuing amortized debt during the remaining life of each simple credit are $7,752 and $8,961, respectively. The movements in the consolidated bank debt balance for the years ended December 31, 2023 and 2022 are shown below:

	2023	2022
Initial balance	$981,127	$811,564
Acquired bank debt	-	203,509
Debt payments	(180,768)	(14,185)
Effects of exchange fluctuation	(41,659)	(19,761)
	$758,700	$981,127

As of December 31, 2023 and 2022, interest expenses generated by bank debt represent $78,555 and $75,542, respectively, recognized in results within the line "Interest expenses, net".

<u>Debt issuance with Fiduciary Trust Certificates –</u>

On February 14, 2018, Fibra Inn issued Trust Certificates (CBFs), with ticker symbol FINN18, for $2,000,000 under a program of up to $5,000,000. The public debt was represented by $1,974,596 net of expenditures of $25,404. On October 11, 2019, Fibra Inn reopened the FINN18 issue for an amount of $1,200,000, represented by 12,000,000 stock certificates, at a fixed annual rate of 9.93%. The effective placement rate was 8.87%, so the securities were placed at a premium to their nominal value (Ps. 107.777451). Expenses related to the offering amounted to $16,177, which are amortized by the effective interest method over the life of the debt. As a result of the reopening of FINN18, Fibra Inn received a premium for the issuance of debt certificates in the amount of $93,329, this premium is amortized as a benefit to the result of the year to the same extent that interest is recognized in the income statement. As of December 31, 2023 and 2022, the balance to be amortized for this item amounts to $30,525 and $37,376, respectively. The net proceeds from this reopening were used to pre-pay the remaining amount of the FINN15 issuance and to make improvements to the existing hotels in the portfolio.

As of December 31, 2023 and 2022, the interest accrued and unpaid amounts to $129,714 and $128,558, respectively. The interest is presented in the short and long term in accordance with its enforceability.

As of December 31, 2023 and 2022, the balance of the debt securities is composed of the following:

	2023	2022
Stock certificates	$3,200,000	$3,200,000
Less debt attributable costs	(18,375)	(22,868)
	$3,181,625	$3,177,132

As of December 31, 2023 and 2022 net interest expense represents $315,596 and $309,277, respectively, recognized in results within the line "Interest expense, net".

As of December 31, 2023, Fibra Inn is in compliance with the debt service ratio, which should remain equal to or greater at 1.5. It should be noted that this index does not affect the risk of early maturity of the debt but imposes a limitation on contracting additional bank debt.

The do's and don'ts related to the FINN18 bank and stock market debt mentioned above have been satisfactorily fulfilled as of December 31, 2023 and 2022.

19. Loss per CBFI-

The values considered for the determination of the loss per CBFI in 2023 and 2022 are as follows:

	2023	2022
Denominator (Thousands of CBFIs)		
Weighted average of outstanding CBFIs – basic (1)	639,183,137	503,242,549
Weighted average of outstanding CBFIs – diluted (2)	643,887,067	503,242,549
Numerator		
Consolidated net loss	$ (241,547)	$ (185,467)
Non-controlling interest	(4,898)	(38,278)
Controlling interest – basic and diluted	$ (236,649)	$ (147,189)

(1) The weighted average of outstanding CBFIs in 2023 and 2022 represent the average outstanding and issued CBFIs in the Mexican Stock Exchange throughout the year, less purchases of CBFIs made under the Repurchase Fund of CBFIs granted to Administradora de Activos Fibra Inn for the payment of consideration to executives, based on equity instruments payable with CBFIs.

(2) The weighted average of outstanding diluted CBFIs includes the potentially dilutive CBFIs issued that correspond to the payment for executive compensation based on equity instruments that are equity-settled in CBFIs mentioned in Note 14 in the aggregate of 9,107,610 during 2023.

Losses from basic and diluted CBFIs are as follows:

	2023	2022
Basic loss per CBFI	$(0.37)	$(0.29)
Diluted loss per CBFI	$(0.37)	$(0.29)

20. Commitments and Contigencies-

a. Franchises

Fibra Inn has entered into franchise contracts to operate with various trademarks such as Intercontinental Hotel Group, Hilton Worldwide, Wyndham Hotel Group International, Marriott International Inc., and Asesor de Activos Prisma, S.A.P.I. which are valid during periods between 10 and 20 years, respectively. Under these contracts, there is an obligation to pay royalties between 1% and 10% of the revenue generated from lodging, marketing expenses, loyalty program charges, among others. Total payments arising from these concepts amounted to $271,039 and $233,708 as of December 31, 2023 and 2022, respectively. For their part, franchise agreements include certain commitments regarding the opening date or start of operations, as well as dates for making physical investments in the properties to guarantee the franchisor the preservation or improvement of the guest service, which, in in case of non-compliance, they could generate monetary penalties and/or the loss of the franchise, for this concept as of the date of the consolidated financial statements, provisions for $20,539 have been recognized for the cancellation of certain franchises.

b. Litigation

Fibra Inn is involved in various lawsuits and claims arising from the normal course of business and other contractual obligations, which are not expected to have a significant effect on its financial position and future results of operations.

c. Tax contingencies

Under current tax law, the authorities are entitled to examine the five fiscal years prior to the last tax return filed.

In accordance with the Income Tax Law, companies that conduct transactions with related parties are subject to certain limitations and tax requirements, regarding the determination of the agreed-upon prices, because they must be equivalent to those that would be used in arm's-length transactions.

In case the tax authorities review the prices and reject the agreed amounts, they may require, in addition to charging the corresponding tax and complementary charges (restatement and surcharges), penalties on unpaid taxes, which could be up to a 100% of the inflation adjusted amounts.

d. Earn out hotel The Westin Monterrey Valle

In accordance with the agreement signed on January 10, 2019 for the purchase and sale of The Westin Monterrey Valle hotel, it was established that, once the hotel starts operations, Fibra Inn must pay an earn-out price to the seller, the agreed-upon consideration includes a Contingent Price in addition to the Fixed Price. This Contingent Price is contingent upon the performance of the hotel, based on the net operating income ("NOI") over any consecutive 12 months period that is part of the total period of 48 months beginning on May 1, 2019.

The CIB/3096 Trust expects that payment of the variable consideration is not probable based on management's assessment as of December 3, 2023.

21. Business segment information -

Fibra Inn's hotel portfolio has four strategic divisions, which are its reportable segments, the accounting basis of the segments are the same as the accounting policies of the DB/1616 Trust described in Note 3. These divisions offer different services and are managed separately because they require different business strategies, which are reviewed internally by the Technical Committee.

Revenues, gross profit, value of property, furniture and equipment, net and depreciation expense are used to measure the performance of the portfolio, management believes this information is the most relevant to evaluate the results of the respective segments relative to other entities operating in the same sectors. During the reported years, no intersegment transactions were recorded.

Selected information of the consolidated statement of income and financial position by reportable segment for the years ended December 31, 2023 and 2022 are as follows:

2023	**Limited service**	**Selected service**	**Complete service**	**Extended stay**	**Consolidated**
Revenues from lodging	$ 164,676	$ 1,031,001	$ 900,630	$ 50,136	$ 2,146,443
Revenues from property leases	898	16,935	61,149	108	79,090
Gross profit	54,598	364,334	320,601	13,932	753,465
Property, furniture and equipment, net	704,752	4,707,364	5,575,386	188,987	11,176,489
Depreciation expense	14,142	153,501	242,464	9,551	419,658

2022	**Limited service**	**Selected service**	**Complete service**	**Extended stay**	**Consolidated**
Revenues from lodging	$140,270	$869,043	$785,013	$44,450	$1,838,776
Revenues from property leases	526	12,649	60,699	49	73,923
Gross profit	39,200	305,312	294,371	12,597	651,480
Property, furniture and equipment, net	645,804	4,356,800	6,106,030	185,804	11,294,438
Depreciation expense	12,812	126,697	245,036	8,698	393,243

22. Subsequent events -

In the preparation of the condensed consolidated financial statements, Fibra Inn has evaluated the events and transactions for their recognition or disclosure after December 31, 2023 and until March 27, 2024, and except for the issues mentioned in the following paragraphs, no additional significant subsequent events have been identified:

1. On February 23, 2024, at the the Nominating and Compensation Committee reviewed and validated the results for the conditions to deliver CBFIs to executives derived from the revenue alignment program as a long-term incentive approved by the Holders' Meeting on April 30, 2021 and April 28, 2022, approving that 4,468,716 CBFIs (net of taxes) will be delivered to the corresponding executives.
2. On February 27, 2024, the Technical Committee unanimously approved, with a favorable vote of all its participating independent members, a capital redemption in the amount of $20,437, with a factor of Ps$0.0268 per outstanding CBFI, for Distributions. The amount distributed per certificate will be made no later than March 27, 2024.
3. On March 27, 2024, the CIB/3096 Trust made the prepayment of the bank debt with collateral to Tranche C in pesos with Banorte for an amount of $34,775 and Sabadell for $25,196, respectively, said balance corresponds to the bank debt not covered by the derivative financial instruments, as part of the improvement in the level of indebtedness, Debt service coverage and credit ratings.

23. Amendments to IFRS not yet adopted

As of the date of these consolidated financial statements, Fibra Inn has not applied the following new and revised IFRS that have been issued, but effective after December 31, 2023. Fibra Inn is in the process of determining the impacts that these modifications could have on its consolidated financial statements.

Amendments to IFRS 16	*Lease liability in a sale and leaseback* (1)
Modifications to IAS 1	*Classification of liabilities as current or non-current* (1)
Modifications to IAS 1	*Non-current liabilities with covenants* (1)
Modifications to IAS 7	*Supplier Financing Agreements* (1)
Modifications to IAS 21	*Lack of Exchangeability* (2)
Amendments to IFRS 10 and IAS 28	*Sale or contribution of assets between an investor and its associate or joint venture* (3)

(1) Effective for annual periods beginning on or after January 1, 2024

(2) Effective for annual periods beginning on or after January 1, 2025

(3) Date of entry into force yet to be defined by the IASB

Fibra Inn does not expect the adoption of the above standards to have a material impact on the consolidated financial statements, considering that they are not of significant applicability.