

RLH Properties ("RLH A"), the first listed company focused on high-end hotels in Mexico, announces its financial results for the third quarter of 2018.

Mexico City, October 26, 2018. - RLH Properties (MEXBOL: RLH A), the first listed company focused on luxury hotels in Mexico, announces its financial results for the third quarter of 2018. Unless noted, all figures included herein were prepared in accordance with the International Financial Reporting Standards ("IFRS") and are stated in nominal Mexican pesos.

Third quarter of 2018 highlights

- As a consequence of the new capital structure that resulted from the capital increase conducted during March and April of this year, RLH accepted the resignation of two Board Members and two Alternate Members on October 15. According to RLH's by-laws, Board seats are awarded to shareholders who have a stake of 10% or larger with the company. Additionally, following best corporate governance practices and in order to guarantee independence, Mr. Alejandro Hernández Delgado was designated as independent Member of the Board and President of the Audit and Corporate Practices Committee through a General Ordinary Shareholders Meeting, replacing Mr. Eugenio Garza y Garza as independent member of the Board and president of the Audit and Corporate Practices Committee.

Relevant information regarding the portfolio's performance during the third quarter of 2018

As of September 30, 2018, RLH has **10 assets or business lines** which represent **1,351 hotel rooms (1,116 currently operating and 235 under development)**, potential to develop **approx. 148 One&Only and Rosewood branded residences**, **approx. 58 full ownership residences and 168 fractional units with the Fairmont Heritage Place brand**, and **1 golf course** with 18 holes at the high-end segment:

- **Operating Assets** (5 hotels with 1,116 rooms and an 18-hole golf course):
 - A. **Stabilized Assets (4 hotels, 902 rooms):** Four Seasons Mexico City (240 rooms), Rosewood Mayakoba (129 rooms), Banyan Tree Mayakoba (132 rooms), and Fairmont Mayakoba (401 rooms).
 - B. **Assets in Ramp Up (1 hotel, 214 rooms):** Andaz Mayakoba hotel. This hotel began operations in December 2016, so it is currently in a ramp up period, i.e. stabilization process.
 - C. **Other Assets (one 18-hole golf course):** The golf course El Camaleón was designed by the famous golfer Greg Norman, and it is the first one to host a PGA Tournament outside the US and Canada.
- **Assets under Development** (2 hotels with 235 rooms, approx. 148 One&Only and Rosewood branded residences, and approx. 58 full ownership residences and 168 fractional units with the Fairmont Heritage Place brand):
 - **One&Only Mandarin hotel** (108 rooms): The hotel is in its development phase and its opening is estimated to be on the third quarter of 2019.
 - **Rosewood Mandarin hotel:** The hotel continues in its conceptual design and technical studies.
 - **Mandarin branded residences** (up to approx. 148 residences): After the contribution of the Mandarin project from Actur to RLH, the number of branded residences that will be promoted and developed raised from 20 to approx. 148 residences. Currently, the One&Only residences are being promoted and built.
 - **Mayakoba branded residences¹** (total of approx. 58 full ownership residences and 168 fractional units): The **Fairmont Heritage Place Mayakoba** business has an inventory for sale of approx. 38 full ownership residences and 67 fractional residences which are being marketed and built.

¹ Does not consider approx. 33 Rosewood Mayakoba Residences which are being acquired subject to customary precedent conditions; this transaction is expected to be closed in the last quarter of the year.

Regarding the performance of our portfolio:

- **Stabilized Assets** results as of September 2018, show an aggregated **occupancy of 65.9%**, which represents an increase of **1.9** percentage points (“p.p.”) compared to the same period of last year. The aggregated **rate** was **Usd. \$433, 3.1% more** than September 2017. Furthermore, **RevPAR was Usd. \$285**, represents a total **increase of 6.1%** vs September 2017. The increase in RevPar is mainly driven by the excellent results of the entire portfolio during the first quarter of 2018 partially compensated by the contraction in the demand during the second and third quarters in Mayakoba Perimeter.
- **EBITDA before FF&E Reserve for Stabilized Assets year-to-date is Ps. \$647 million** (Usd. \$34 million), **showing a slight decrease of 1.2%** in comparison to the same period in 2017. Nevertheless, when measured in Usd., there is an **increase of 0.9%**. This difference is driven by Mexican peso appreciation, mainly during the first quarter of 2018, having recorded an appreciation of 8%, from 20.36 in September 2017 to 18.76 in September 2018. In addition, electricity and insurance costs had a significant increase vs last year.
- **EBITDA before FF&E Reserve for Operating Assets is Ps. \$639** (Usd. \$33.9 million), which represents an increase of **10.1% (13.0% increase in Usd. vs. September 2017)**. Such increase is also driven by a improved result in Andaz Hotel, which is in its second year of operation.

RLH's portfolio as of the third quarter of 2018



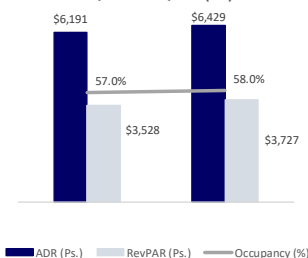
Operating Portfolio:

Rosewood Mayakoba, Banyan Tree Mayakoba, Fairmont Mayakoba, Andaz Mayakoba, Four Seasons Mexico City, El Camaléon Golf Course.

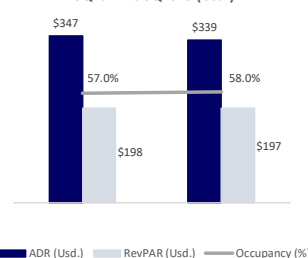
The following table shows the evolution of the principal operative indicators of the RLH's **operating asset portfolio** up to the third quarter of 2018 vs 2017 third quarter.

| Operating Indicators as of the 3rd Quarter of 2018 | | | | | | |
|--|-----------|-----------|-------------------------------|-------------|-------------|-----------------------------|
| Stabilized Assets and Other Assets (A and C) | | | | | | |
| Indicator | 3Q 2017 | 3Q 2018 | % Var. 3Q 2018 vs. 3Q 2017 | YTD 2017 | YTD 2018 | % Var. YTD 2018 vs. 2017 |
| ADR (Usd.) | \$347 | \$339 | (2.3%) | \$421 | \$433 | 3.1% |
| ADR (Ps.) | \$6,191 | \$6,429 | 3.8% | \$8,021 | \$8,193 | 2.1% |
| Occupancy (%) | 57.0% | 58.0% | 1.0 pp | 64.0% | 65.9% | 1.9 pp |
| RevPAR (Usd.) | \$198 | \$197 | (0.7%) | \$269 | \$285 | 6.1% |
| RevPAR (Ps.) | \$3,528 | \$3,727 | 5.6% | \$5,131 | \$5,397 | 5.2% |
| Total Revenues (Usd. '000) | \$31,172 | \$30,289 | (2.8%) | \$119,447 | \$126,828 | 6.2% |
| Total Revenues (Ps. '000) | \$555,474 | \$573,876 | 3.3% | \$2,269,868 | \$2,400,916 | 5.8% |
| EBITDA (Usd. '000) ⁽¹⁾ | \$5,046 | \$3,020 | (40.2%) | \$34,040 | \$34,342 | 0.9% |
| EBITDA (Ps. '000) ⁽¹⁾ | \$88,897 | \$57,465 | (35.4%) | \$654,612 | \$646,662 | (1.2%) |
| EBITDA Net of FF&E Reserve (Usd. '000) | \$4,138 | \$1,995 | (51.8%) | \$30,033 | \$30,068 | 0.1% |
| EBITDA Net of FF&E Reserve (Ps. '000) | \$72,715 | \$38,058 | (47.7%) | \$578,391 | \$566,175 | (2.1%) |
| EBITDA Margin (%) | 16.0% | 10.0% | (6.0 pp) | 28.8% | 26.9% | (1.9 pp) |
| EBITDA Net of FF&E Reserve Margin (%) | 13.1% | 6.6% | (6.5 pp) | 25.5% | 23.6% | (1.9 pp) |
| Operating Assets | | | | | | |
| Indicator | 3Q 2017 | 3Q 2018 | % Var. 3Q 2018 vs. 3Q 2017 | YTD 2017 | YTD 2018 | % Var. YTD 2018 vs. 2017 |
| ADR (Usd.) | \$329 | \$323 | (1.7%) | \$402 | \$417 | 3.7% |
| ADR (Ps.) | \$5,860 | \$6,124 | 4.5% | \$7,661 | \$7,876 | 2.8% |
| Occupancy (%) | 52.3% | 54.0% | 1.7 pp | 57.8% | 60.7% | 2.9 pp |
| RevPAR (Usd.) | \$172 | \$175 | 1.4% | \$232 | \$253 | 8.9% |
| RevPAR (Ps.) | \$3,066 | \$3,307 | 7.9% | \$4,431 | \$4,784 | 8.0% |
| Total Revenues (Usd. '000) | \$33,287 | \$33,220 | (0.2%) | \$127,102 | \$138,509 | 9.0% |
| Total Revenues (Ps. '000) | \$593,161 | \$629,388 | 6.1% | \$2,415,286 | \$2,621,814 | 8.6% |
| EBITDA (Usd. '000) ⁽¹⁾ | \$3,274 | \$2,069 | (36.8%) | \$30,078 | \$33,989 | 13.0% |
| EBITDA (Ps. '000) ⁽¹⁾ | \$57,019 | \$39,449 | (30.8%) | \$580,523 | \$639,293 | 10.1% |
| EBITDA Net of FF&E Reserve (Usd. '000) | \$2,324 | \$987 | (57.6%) | \$25,918 | \$29,482 | 13.7% |
| EBITDA Net of FF&E Reserve (Ps. '000) | \$40,084 | \$18,932 | (52.8%) | \$501,394 | \$554,387 | 10.6% |
| EBITDA Margin (%) | 9.6% | 6.3% | (3.3 pp) | 24.0% | 24.4% | 0.3 pp |
| EBITDA Net of FF&E Reserve Margin (%) | 6.8% | 3.0% | (3.7 pp) | 20.8% | 21.1% | 0.4 pp |

Aggregated Performance of Stabilized Assets
3Q2017 vs 3Q2018 (Ps.)



Aggregated Performance of Operating Assets
3Q2017 vs 3Q2018 (Usd.)



(1) Aggregated EBITDA (SoTP) of the assets, unaudited without adjustments due to financial consolidation.

Regarding 2018 third-quarter results, the Four Seasons Hotel in Mexico City maintained an excellent performance. Stabilized Assets in Mayakoba results were impacted due to the travel alerts issued by the United States government on August 2017 and March 2018, which have now been lifted, and excessive presence of sea sargassum in the Mexican Caribbean beaches, which is now diminishing. Worth noting that, due to the seasonality of the nature of resrrto asses, the third quarter tends to be the weakest and with the lowest weight on our annual results.

Stabilized Assets reported the following operating indicators:

- **Occupancy** of 58.0%, which represented a reduction of 1 p.p. vs 2017 third-quarter due to a decrease in occupied rooms in Fairmont and Rosewood Mayakoba partially offset by an increase in Four Seasons Mexico City and Banyan Tree Mayakoba occupancy rates.
- **ADR** end up in Ps. \$6,429 (Usd. \$339) and **RevPar** of Ps. \$3,727 (Usd. \$197), which represented an increase of 3.8% and 5.6% (+2.3% and -0.7% in Usd.) respectively, in comparison to the same period of last year. Such changes are explained by the adjustments made in Mayakoba's rates to incentivize the demand.
- **EBITDA before FF&E Reserve** reached Ps. \$57.5 million (Usd. \$3.0 million), registering a decrease of 35.4% (-40.2% in Usd.) compared to Q3 2017 mainly due to: differences in the exchange rate, revenue impacted by lower demand in Mayakoba's hotels, and to higher expenses caused by the an increase of electricity and insurance costs. Nevertheless, due to business seasonality, Q3 has the lowest weight through the year, thus the decrease in Q3 EBITDA represent 4.9% (in Mexican pesos) of 2018 YTD EBITDA.
- **EBITDA after FF&E Reserve** was Ps. \$38 million (Usd. \$1.9 million), which represents a decrease of 47.7% (-51.8% in Usd.) compared to Q3 2017.

Q3 2018 **Operating Assets** results are mainly explained by the aforementioned reasons partially offset by a better result in Ramp Up Asset.

- **Occupancy** was 54.0%, indicating an increase of 1.7 p.p. compared with the occupancy accomplished in the same period last year.
- **ADR** was Ps. \$ 6,124 (Usd. \$ 323) and RevPAR Ps. \$ 3,307 (Usd. \$ 175), which respectively stood 4.5% and 7.9% above (1.7% below and 1.4% above in Usd.) vs the same period of 2017.
- **EBITDA before FF&E Reserve** reached Ps. \$ 39.4 million (Usd. \$ 2.0 million), which represented a decrease of 30.8% (-36.8% in Usd.) compared to the same period of the last year. All of this, because of the Stabilized Assets result's variation, partially offset by the Hotel Andaz performance, which positively contributed to operating Asset's EBITDA vs last year.
- **EBITDA after of FF&E Reserve** was Ps. \$ 18.9 million (Usd. \$ 987k), which represents a decrease of 52.8% (-57.6% in Usd.) compared to the same period of last year.

Development Portfolio:

One&Only Mandarin hotel

The construction based on the Management Plan on 3 fronts continues with its execution. Regarding the jetty, the structure is expected to be finished by December 2018. As for the rooms, 45 are currently being built (compared to 37 in the last quarter), from which two stand out that have been finished and experienced: a tree house and an ocean cliff. The works of the back of the house building started during this quarter. There were some delays on the construction due to archeological findings on the site which required complimentary geological and hydrological studies coupled and to worse than expected weather.

For more detail please visit the new web page: www.discovermandarina.com

Branded One&Only and Rosewood Villas

As of today, the pre-sale of 8 One&Only Mandarin Private Homes have been formalized. These residences are in the phase of executive design and construction. The construction of interior roads advances as scheduled.

The onsite sales office has been completed, and the team has signed a brand partnership with Delos Living LLC and Aspen Valley Polo Club. Additionally, exclusive events were held in Aspen, Dallas, and Houston.

For more detail please visit the new web page: www.discovermandarina.com

Selected data from consolidated and proforma Financial Results as of September 30, 2018.

Factors with a significant impact on the comparability of the presented data

On April 24, 2017, RLH acquired a stake of 51% in the Rosewood Mayakoba, Fairmont Mayakoba, Banyan Tree Mayakoba and Andaz Mayakoba hotels, as well as the El Camaleón golf course, through the signing of a Sales and Purchase Agreement ("SPA"). Additionally, on May 19th, 2017 and on April 24, 2018, RLH acquired the remainder of OHL's stake and now holds a 100% stake in the Rosewood Mayakoba Hotel, 89.84% of the Fairmont Mayakoba Hotel, 94.40% of the Banyan Tree Mayakoba Hotel, 60% of the Andaz Mayakoba Hotel and a 100% of the "El Camaleon" golf course. As a result, RLH's consolidated statement from January 1 to March 31, 2017 only considers income from the Four Seasons Hotel in Mexico City.

However, for informative purposes, a proforma income statement is included from January 1 to September 30, 2017, considering the operations of all hotels (including the Mayakoba Perimeter). This proforma is compared to the actual results of 2018. The main financial indicators are shown on this section².

Selected Data from Consolidated and Proforma Financial Results as of Sept 30, 2018

Figures in Ps. \$ '000s, unless stated otherwise

| | Aggregated Proforma ¹ (9M 2017) | Consolidated (YTD 2018) | Y-o-Y |
|--|---|----------------------------|--------------|
| Total Revenues | \$2,415,286 | \$2,625,899 | 8.7% |
| Rooms Revenues | \$1,357,741 | \$1,476,875 | 8.8% |
| % of total revenue | 56.2% | 56.2% | |
| Food & Beverage Revenues | \$777,791 | \$861,885 | 10.8% |
| % of total revenue | 32.2% | 32.8% | |
| Other Revenues | \$279,754 | \$287,139 | 2.6% |
| % of total revenue | 11.6% | 10.9% | |
| Recurring EBITDA⁽²⁾ | \$580,523 | \$641,096 | 10.4% |
| Margin (%) | 24.0% | 24.4% | |
| Recurring EBITDA after corporate expenses⁽³⁾ | \$450,786 | \$526,745 | 16.9% |
| Margin (%) | 18.7% | 20.1% | |

(1) Aggregated adjusted unaudited proforma with no IFRS adjustments that consists of the sum of RLH and the Mayakoba Perimeter.

(2) Recurring EBITDA is calculated as the GOP less real estate expenses (property taxes and insurance).

(3) Recurring EBITDA after corporate expenses is calculated as the EBITDA from operating assets less RLH's recurrent corporate expenses. It doesn't consider non-recurring expenses or non-recurring income.

Recurring EBITDA

RLH's consolidated **recurring EBITDA was Ps. \$641.1 million**, which represents a **margin of 24.4%**. Assuming the transaction would have taken place on January 1, 2017, EBITDA would have been Ps. \$580.5 million, which represents **an increase of 10.4% YoY**.

Recurring EBITDA after corporate expenses (excluding non-recurring expenses)

RLH's recurring **EBITDA after corporate expenses was Ps. \$526.7 million**, which represents a **margin of 20.1%**. Assuming the transaction would have taken place on January 1, 2017, the recurring EBITDA after corporate expenses would have been Ps. \$450.7 million, representing **an increase of 16.9%** above the same period of 2017.

² Gross Operating Profit (GOP) and EBITDA are not IFRS measures.

Cash Flow Statement

RLH's consolidated cash flow statement as of September 30, 2018 is shown below.

| Consolidated Cash Flow Statement | | |
|--|--------------------|--------------------|
| <i>Figures in Ps. \$ 000's, unless otherwise specified.</i> | | |
| | 31-Dec-2017 | 30-Sep-2018 |
| Operating activities | | |
| Gain (loss) before income taxes | (7,106) | (890,578) |
| Adjustments for non cash items: | | |
| Depreciation and amortization | 312,001 | 285,173 |
| Income from furniture and equipment sales | (1,544) | 0 |
| Effects of Changes in Foreign Exchange Rates | 0 | 0 |
| Financial costs of preferred shares | 19,888 | 0 |
| FX of cash | 364,454 | 138,213 |
| FX of loans | (25,780) | (211,336) |
| Bargain purchase gain | (750,977) | 0 |
| Goodwill impairment | 226,527 | 0 |
| Interest income | (39,114) | (67,316) |
| Interest expense | 231,878 | 185,517 |
| Minority Interest | 0 | 5,770 |
| Cost of long term compensation plan | 0 | 928,764 |
| Subtotal | 330,227 | 374,207 |
| Increase in clients and accounts receivables | (99,893) | (44,508) |
| Increase in prepaid expenses | (21,803) | (97,872) |
| Change in accounts payables and accounts receivables to/from related parties | 42,626 | (225,166) |
| Increase in inventory | (9,059) | (2,303) |
| Increase in suppliers | 39,491 | 29,290 |
| Increase (decrease) in accounts payable and accumulated expenses | (253,438) | 549,030 |
| Increase (decrease) in customer deposits | 587,755 | (136,718) |
| Income taxes paid | (74,496) | (18,677) |
| Compensation plan payments | 0 | (190,657) |
| Net cash flow from operating activities | 541,410 | 236,626 |
| Investing activities | | |
| Furniture and equipment purchases, and Construction In Progress | (346,675) | (1,008,963) |
| Minority interest acquisition | 0 | 0 |
| Loan in minority interest shares | 0 | (242,520) |
| Income from furniture and equipment sales | 1,544 | 0 |
| Loan to related parties | 0 | 0 |
| Business acquisitions | (2,650,733) | 0 |
| Collected loans from related parties | 40,000 | 0 |
| Interest income | 39,114 | 67,316 |
| Net cash flow from investing activities | (2,916,750) | (1,184,167) |
| Financing activities | | |
| Paid interests | (226,494) | (157,132) |
| Paid dividends on preferred shares | (35,148) | 0 |
| Capital increases through public offerings | 2,314,486 | 1,918,372 |
| Capital increase | 66,438 | 24,970 |
| Stock premium | 0 | 1,982,319 |
| Minority interest acquisition | 0 | (825,774) |
| Bank loans obtained | 1,283,008 | 457,452 |
| Paid loans to related parties | 0 | 0 |
| Bank loan payments | (1,528,004) | (498,825) |
| Payments due to preferred shares | (405,577) | 0 |
| Capital decrease | (12,000) | 0 |
| Net cash flow from financing activities | 1,456,706 | 2,901,382 |
| Increase (decrease) of financing activities | (918,635) | 1,953,841 |
| Cash and cash equivalents at the beginning of the period | 4,913,086 | 3,629,998 |
| FX gain on cash and cash equivalents | (364,454) | (138,213) |
| Cash and cash equivalents at the end of the period | 3,629,998 | 5,445,626 |

Cash flow from operating activities

The cash flow from operating activities shows a positive result of Ps. \$236.6 million mainly attributed to (i) the elimination of non-cash items being the most representative, the recognition of the cost of the New Compensation Plan of Ps. \$928.8 million and (ii) a net result from the accounts receivables and payables of Ps. \$53.1 million, partially offset by the unrealized FX gain in bank loans of Ps \$211.3 million and the long term compensation plan payment of Ps. \$190.6 million.

Cash flow from investing activities

The cash flow from investing activities had a negative result of Ps. \$1,184.2 million mainly due to: (i) the additions of FF&E and other acquisitions of Ps. \$1,008.9 million (where Ps. \$481.8 million are coming from investment in construction in process), (ii) the acquisition of Fairmont Heritage Place Residences (FHP) of Ps. \$242.5 million; partially offset by interest charges of Ps. \$67.3 million.

Cash flow from financing activities

Net cash flow from financing activities had a positive result of Ps. \$2,901 million, driven by the capital increase and share premium subscription of Ps. \$1,918.3 million and Ps. \$1,982.3 million, respectively, as well as for the bank loan obtained of Ps. \$457.4 million, partially offset by credit loan payment of Ps. \$498.8 million, loan interest payments of Ps. \$157 million and Mayakoba Minority interest acquisition to OHLD of Ps. \$825 million.

Financial Situation

RLH's balance sheet as of September 30, 2018, is shown below:

| Consolidated Balance Sheet | | |
|--|--------------------|-------------------|
| <i>Figures in Ps. \$'000s, unless stated otherwise</i> | | |
| Assets | 31-Dec-2017 | 30-sep-18 |
| Current Assets | | |
| Cash and cash equivalents | 3,629,998 | 5,445,626 |
| Accounts receivables | 561,897 | 606,405 |
| Related parties | 60,437 | 100,320 |
| Inventories, net | 52,317 | 54,620 |
| Advance payments | 63,724 | 161,596 |
| Total current assets | 4,368,373 | 6,368,567 |
| Non current assets | | |
| Plant, property, and equipment | 11,950,017 | 13,270,839 |
| Goodwill | 154,576 | 145,744 |
| Intangible Assets | 592,413 | 539,740 |
| Related parties | 0 | 246,099 |
| Deferred taxes | 144,748 | 144,748 |
| Other assets, net | 33,155 | 67,786 |
| Total non current assets | 12,874,909 | 14,414,956 |
| Total Assets | 17,243,282 | 20,783,523 |
| Liabilities and Stockholders' Equity | | |
| Short term liabilities | | |
| Short term portion of bank loans | 350,049 | 251,678 |
| Suppliers | 177,694 | 206,984 |
| Costumers deposits | 594,585 | 457,867 |
| Related parties | 185,362 | 79 |
| Taxes payable | 18,677 | 9,170 |
| Accounts payable and acumulated expenses | 575,708 | 776,179 |
| Total short term liabilities | 1,902,075 | 1,701,957 |
| Long term liabilities | | |
| Long term bank loans | 3,973,547 | 3,798,619 |
| Liability due to minorities purchase option | 1,048,153 | 0 |
| Deferred income taxes | 1,106,905 | 995,910 |
| Derivative financial instruments | 22,901 | 2,778 |
| Other accounts payable in the long term | 0 | 99,048 |
| Workers benefits | 5,627 | 5,605 |
| Total long term liabilities | 6,157,133 | 4,901,960 |
| Shareholders' Equity | | |
| Common stock | 4,975,312 | 7,963,286 |
| Additional paid-in capital | 3,376,050 | 6,463,623 |
| Other equity accounts | (142,941) | (142,941) |
| Accumulated results | (141,860) | (660,064) |
| Other equity reserves | 350,360 | (211,153) |
| Minority interests | 767,153 | 766,855 |
| Total shareholders' equity | 9,184,074 | 14,179,606 |
| Total liabilities and shareholders' equity | 17,243,282 | 20,783,523 |

Cash and cash equivalents

RLH ended the quarter with a cash and cash equivalents position of Ps. \$5,445.6 million compared to Ps. \$3,629.9 million as of December 31, 2017; the increase is mainly explained by the capital increase and share premium subscription of Ps. \$3,900.6 million, both successfully completed between March and April; partially compensated by the acquisition of the Minority stake of OHLD in the Mayakoba master plan and some related assets of Ps. \$825.7 million, the construction of the One&Only Mandarin Hotel and other constructions investments for Ps. \$481.8, the loan to related parties by Ps. \$242.5 million (Fairmont Heritage Place) and the payment of the new compensation plan for Ps. \$190.6 million. RLH cash balance includes Mandarin branded residences advance deposits.

Account Receivables

Accounts receivables show an increase of Ps. \$44.5 million compared to December 31, 2017, mainly driven by: (i) other accounts receivables which contributed with Ps. \$41.9 million and (ii) recoverable taxes by Ps. \$24.9 million (mainly VAT from constructions), partially offset by a decrease in client's receivable in Ps. \$23.9 million.

Related Parties

Accounts receivable from related parties as of September 30, 2018 has a balance of Ps. \$346.4 million, integrated by Fairmont Heritage Place Residences and Banyan Tree expansion project, Ps. \$246 million and \$99.7 million, respectively.

Liabilities with related parties as of September 30, 2018 has a balance of Ps. \$79 thousand, showing a decrease of Ps. \$185.2 million compared to the liability balance as of December 31, 2017, driven by the reclassification of the OHL intercompany balances into other accounts payable since are no longer considered as related parties.

Fixed Assets, Goodwill and Intangible Assets

Property and equipment shows a net increase of Ps. \$1,320.8 as of September 30, 2018, against December 31, 2017, driven by: (i) the acquisition of the Mandarin project for Ps. \$982 million plus construction in process for Ps. \$481.8 million, (ii) other additions to fixed assets of Ps. \$527.2 million; partially compensated by the period's depreciation of Ps. \$255.7 million and a negative conversion effect of Ps. \$415 million coming from the valuation of fixed assets since Mayakoba Perimeter's functional currency is Usd.

Goodwill balance shows a negative impact due to the conversion effect of Ps. \$8.8 million.

Intangible assets also decreased as of September 30, 2018 due to the recognition of the period's amortization by Ps. \$29 million and the negative conversion effect for Ps. \$23 million.

Total bank debt and net debt

As of September 30, 2018, the company had a total debt of Ps \$4,050.2 million showing a decrease of Ps. \$273.3 million compared to the balance as of December 31, 2017; mainly explained by (i) FX gain in the amount of Ps. \$ 211.3 million, (ii) net interest between accrued and paid of Ps. \$28.4 million and (iii) the variation between the amortization in debt payments and the granted debt of the net debt of Ps. \$41.4 million. As of September 30th, 2017, RLH shows a negative net debt (ex. recoverable VAT) of Ps. \$ 1,395 million.

Deferred Taxes

Deferred tax liability shows a decrease of Ps. \$111 million mainly driven by a negative impact due to the conversion effect in fixed assets decrease.

Derivative financial instruments

As of September 30, 2018, the financial instruments to cover the bank-loan interest rate risk are presented at their fair value, which mean the recognition of a net increase between assets and liabilities of Ps. \$ 54.7 million as part of the Other comprehensive results.

Equity

The significant increase in equity is mainly driven by: (i) the capital increase and the share premium of Ps. \$6,075 million, partially offset by (ii) the net loss for the period ended September 30th, 2018 for Ps. \$ 660.1 million, (iii) Ps. \$211.1 million, as a net result of the conversion effect and the unrealized portion of the long compensation plan.

Corporate Governance

RLH board meeting held on October 25th, 2018 approved the third quarter Financial Statements as of September 30, 2018.

Annex I

Consolidated Income Statement (non-audited)
Figures in Ps. 000's, unless stated otherwise

| | Three-month period from July 1 to September 30 | | | Nine-month period from January 1 to September 30 | | |
|--|---|------------------|------------------|---|--------------------------|--------------------|
| | 2017 | 2018 | Var. a/a | 2017 | 2018 | Var. a/a |
| Rooms | 311,613 | 343,798 | 32,185 | 668,274 | 1,476,875 | 808,601 |
| Food and beverage | 214,340 | 215,374 | 1,034 | 432,519 | 861,885 | 429,366 |
| Golf | 6,801 | 7,753 | 952 | 43,098 | 45,593 | 2,495 |
| Spa & fitness | 21,528 | 20,998 | (530) | 40,895 | 83,932 | 43,037 |
| Other hotel revenues | 67,883 | 45,253 | (22,630) | 100,820 | 157,614 | 56,794 |
| Total Revenue | 622,165 | 633,176 | 11,011 | 1,285,606 | 2,625,899 | 1,340,293 |
| Rooms costs and expenses | (67,363) | (109,016) | (41,653) | (156,090) | (392,710) | (236,620) |
| F&B costs and expenses | (127,870) | (139,008) | (11,138) | (263,865) | (475,417) | (211,552) |
| Golf expenses | (3,472) | (8,430) | (4,958) | (18,165) | (23,513) | (5,348) |
| Spa & fitness costs and expenses | (11,657) | (10,844) | 813 | (19,133) | (36,460) | (17,327) |
| Other minor operated departments costs and expenses | 5,284 | (15,506) | (20,790) | (41,191) | (54,740) | (13,549) |
| Total Departmental Expenses | 417,087 | 350,372 | (66,715) | 787,162 | 1,643,059 | 855,897 |
| General & Administrative recurrent costs and expenses | (136,939) | (87,643) | 49,296 | (139,286) | (284,593) | (145,307) |
| Information and Telecommunications Systems | (11,564) | (10,621) | 943 | (23,206) | (33,110) | (9,904) |
| Sales & Marketing | (55,440) | (67,296) | (11,856) | (112,433) | (215,575) | (103,142) |
| Maintenance expenses | (36,088) | (39,750) | (3,662) | (71,640) | (114,806) | (43,166) |
| Utilities | (32,380) | (46,411) | (14,031) | (55,404) | (115,797) | (60,393) |
| Management fees | (11,433) | (25,178) | (13,745) | (57,958) | (145,307) | (87,349) |
| Insurance | (22,044) | (23,854) | (1,810) | (32,343) | (61,921) | (29,578) |
| Property taxes | (1,209) | (10,300) | (9,091) | (13,092) | (30,854) | (17,762) |
| Recurring EBITDA (excluding corporate expenses) | 109,990 | 39,319 | (70,671) | 281,800 ¹ | 641,096 | 359,296 |
| Corporate expenses | (68,734) | (160,852) | (92,118) | (168,657) | (1,125,384) ² | (956,727) |
| EBITDA (including corporate expenses) | 41,256 | (121,533) | (162,789) | 113,143 | (484,288) | (597,431) |
| Other non-recurring income / (expenses) | 2,381 | 2,271 | (110) | 877,927 | 85 | (877,842) |
| EBITDA (after corporate expenses) | 43,637 | (119,262) | (162,899) | 991,070 | (484,203) | (1,475,273) |
| Depreciation & Amortization | (127,273) | (88,666) | 38,607 | (185,009) | (285,173) | (100,164) |
| EBIT / Operation profit / (loss) | (83,636) | (207,928) | (124,292) | 806,061 | (769,376) | (1,575,437) |
| Cost of financing | | | | | | |
| Interest paid | (54,138) | (55,644) | (1,506) | (176,559) | (185,517) | (8,958) |
| Cost of preferred stock | (2,514) | | 2,514 | (16,141) | | 16,141 |
| FX loss | (136,521) | (190,784) | (54,263) | (701,322) | (521,183) | 180,139 |
| Financial costs | (193,173) | (246,428) | (53,255) | (894,022) | (706,700) | 187,322 |
| Interest gain / (loss) | 12,665 | 16,336 | 3,671 | 25,108 | 67,316 | 42,208 |
| FX gain | 112,195 | 92,597 | (19,598) | 478,340 | 518,182 | 39,842 |
| Comprehensive financing cost | (68,313) | (137,495) | (69,182) | (390,574) | (121,202) | 269,372 |
| Profit / (loss) before taxes | (151,949) | (345,423) | (193,474) | 415,487 | (890,578) | (1,306,065) |
| Conversion effect of changes in foreign exchange rates | 153,359 | (230,331) | (383,690) | 680,439 | 60,918 | (619,521) |
| Cash flow hedges | (10,215) | (51,060) | (40,845) | (15,029) | (26,825) | (11,796) |
| Tax provision | (54,316) | 198,257 | 252,573 | 110,928 | 117,293 | 6,365 |
| Consolidated net income / (loss) | (63,121) | (428,557) | (365,436) | 1,191,825 | (739,192) | (1,931,017) |

(1) In 2017, RLH only considers 5 months from the Mayakoba Perimeter since the acquisition of was held on the 24th of April.

(2) Corporate expenses include recurrent and non-recurrent expenses, being the drivers of the latter the Long-Term Compensation Plan, and financial and legal advisors expenses related to the acquisitions and the capital increase.

RLH Properties announces its Third Quarter of 2018 Conference Call Invitation

We cordially invite you to the presentation of the Third Quarter of 2018 financial results, through a conference call.

Date: Wednesday, October 31st 2018.

Time: 10:30 a.m Mexico City (12:30 p.m. New York / 16:30 p.m. London / 17:30 p.m. Madrid).

Presented by:

- Jerónimo Bremer, Chairman of the Executive Committee.
- Borja Escalada, Chief Executive Officer.
- Juan Novoa, Chief Financial Officer.
- Francis Muûls, Executive Vice President Chief Asset Management & Transactions Office.
- Diego Laresgoiti, Capital Markets and Investor Relations.

To access the call, please use the following dial-in:

Toll Free: 1-877-407-8031

International Dial in: 1-201-689-8031

RLH Conference Call 3Q18

The quarterly results materials will be available in the following link:

<http://rlhproperties.com.mx/informacionfinanciera/>

About RLH Properties, S.A.B. de C.V.

RLH Properties is an asset management holding company whose subsidiaries acquire, develop and manage city and beach high-end hotels and resorts in Mexico. Its main goal is to become the leading investment platform of high-end hotels and resorts in Mexico and the Caribbean, through the development of new hotels and the selective acquisition of operating hotels. Currently, the Company owns 100.0% of the Four Seasons Hotel in Mexico City, 100 % of the Rosewood Mayakoba hotel and the El Camaleón Golf Course, 95% of the Banyan Tree Mayakoba hotel, 90% of the Fairmont Mayakoba Hotel, and 60% of the Andaz Mayakoba Hotel, located in the Riviera Maya, 100% of the lots where the One&Only Mandarin and Rosewood Mandarin will operate and approx. 148 residences with those brands will be developed in the Riviera Nayarit, 50% of the cash flows from approx. 58 full ownership residences and 168 fractional units with the Fairmont Heritage Place brand, and other related assets in Mayakoba (El Pueblito, Marina Mayakoba and 27.2% of the lot 5').

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