

RLH Properties ("RLH A"), the first public company specializing in high-end hotels in Mexico and Spain, announces its financial results for the first quarter of 2022.

Mexico City. - RLH Properties (BMV: RLH A), the first public company specialized in luxury and ultra-luxury hotels in Mexico and Spain, announces its financial results for the first quarter of 2022. Except where otherwise stated, all figures in the report were prepared in accordance with International Financial Reporting Standards ("IFRS") and expressed in nominal Mexican pesos.

Commentary by Borja Escalada, Managing Director of RLH Properties:

2022 has started with very good results for our assets and important achievements that reflect the great effort and impeccable work of our team.

In the first quarter of this year, the **Banyan Tree Mayakoba and Rosewood Mayakoba** hotels in the Riviera Maya recorded the highest occupancy levels of our beach assets, 78% and 76% respectively, exceedingly even their pre-pandemic occupancy levels. Notably, the **Banyan Tree Mayakoba** hotel exceeded this level by 20% compared to the same period in 2019.

The **Fairmont Mayakoba** yielded very good results, despite being in the process of renovation, which is progressing according to plan. The hotel exceeded EBITDA budgeted for the first quarter of the year by 120%, with RevPAR only 6% lower than the same period of 2019 (prior to pandemic and remodeling).

The extraordinary results obtained by the **One&Only Mandarin** hotel prove once again and conclusively, that it is destined to be the best hotel in Mexico and one of the best in the world. Demand, occupancy, RevPAR, and other key indicators of the **One&Only Mandarin** indicate that it has behaved as a consolidated hotel, that is, without ramp-up. The **One&Only Mandarin** exceeded occupancy by 97% and RevPAR by 179% during the first quarter of this year vs. the same period last year.

With respect to city assets, the **Four Seasons Mexico City** hotel showed excellent results with the highest occupancy level of the entire portfolio, practically reaching the 83% occupancy level it had prior to the pandemic. Meanwhile, just a few months after opening, the **Rosewood Villa Magna and Bless Hotel Madrid** hotels showed very good results with a gradual and positive trend in occupancy levels.

On the other hand, we are very pleased to have completed the wonderful **Banyan Tree Mayakoba** expansion project that included the construction of the incredible "Sands" beach club, 34 beachfront suites and 7 magnificent lagoon villas.

We are also very proud to have obtained, for the second consecutive year, the **ESR** Distinction awarded by the Mexican Philanthropy Center (Cemefi) and the Alliance for Corporate Social Responsibility (AliaRSE), recognizing us as a company that is publicly and voluntarily committed to social responsibility. This milestone is further proof that for **RLH Properties** sustainability is an attitude, a culture, and a commitment to **environmental, social and governance** strategy and initiatives in all areas and levels of the company's operations.

The results yielded in the quarter, the projects completed, and the recognition obtained by our company clearly reflect the strength and quality of our portfolio, as well as the capacity and leadership of our team. We remain firmly committed to creating value for our shareholders, our team, and our environment, working hard to continue building our company's great success story.

RLH Properties announces its first quarter 2022 Earnings Conference Call.

We cordially invite you to the presentation of our first quarter 2022 financial results via conference call.

Date: May 9, 2022.

Time: 9:00 a.m. Mexico City (10:00 a.m. New York / 15:00 p.m. London / 16:00 p.m. Madrid).

Presented by:

- **Borja Escalada**, Chief Executive Officer and Member of the Board.
- **Juan Novoa**, Chief Financial Officer.
- **Francis Muûls**, Chief Operating Officer.
- **Diego Laresgoiti**, Executive Director of Investor Relations and Member of the Board.

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

Toll Free: 888-506-0062

International Dial in: 973-528-0011

Access Code: 853013

RLH Conference Call 1Q2022

Quarterly results materials will be available at the following link:

<https://rlhproperties.com/informacion-financiera/>

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

RLH Properties is a Mexico City-based public company, a leader in the acquisition, development and management of luxury and ultra-luxury hotels and resorts and associated residential products. RLH Properties, a company capitalized primarily by pension funds and institutional investors, was established in Mexico City on February 28, 2013. RLH directs its investment strategy in the acquisition and development of luxury hotel assets in strategic locations that are difficult to replicate, with various barriers to entry and in short supply relative to current and potential demand, in partnership with internationally recognized hotel operators. RLH Properties' portfolio currently consists of four hotels in Mayakoba operated by Rosewood, Fairmont, Banyan Tree and Andaz, the Four Seasons Mexico City, Villa Magna in Madrid, BLESS Hotel Madrid and two hotels in Mandarin, one operated by One&Only and the other to be operated by Rosewood, which will open in 2024.

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1Q 2022 Relevant Information

During the first quarter, RLH Properties' results show an eminent recovery against **COVID-19** in all beach hotel assets and an already visible recovery in the Four Seasons in Mexico City, being the asset with the highest occupancy in its segment considerably and positioning itself as the leader in the market. While the recovery in Spain following the new variant of COVID-19 ("Omicrón") is slower.

Consolidated Income Statement

Figures in MXN \$ thousands, unless stated otherwise

	1Q 2022	%	1Q 2021	%	Var. a/a trimestral	
Total Revenues	2,680,537	100%	968,010	100%	1,712,527	177%
Direct costs and expenses	(1,173,606)	-44%	(386,740)	-40%	(786,866)	203%
Indirect expenses and other expenses	(646,778)	-24%	(317,928)	-33%	(328,850)	103%
Gross Operating Profit (GOP)	860,153	32%	263,342	27%	596,811	227%
Margin (%)	32.1%		27.2%		34.8%	
Recurring EBITDA (excluding corporate expenses)	669,879	25%	174,567	18%	495,312	284%
Margin (%)	25.0%		18.0%		28.9%	

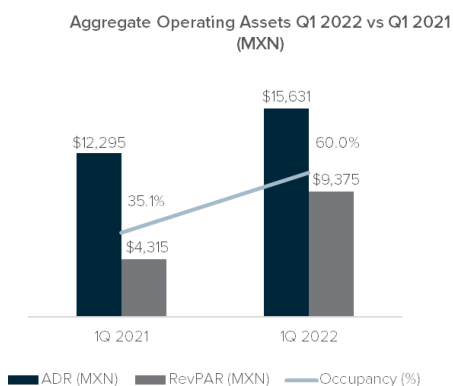
Total revenues for the first quarter of 2022 amounted to MXN \$2,680.5 million, representing an increase of **177% compared** to the same quarter of the previous year.

Gross operating profit for the first quarter was MXN \$860.2 million, **227% higher** than the same period of the previous year.

RLH's **consolidated recurring EBITDA before corporate expenses** for the first quarter was MXN \$669.9 million, an increase of **284%** compared to the same period of the previous year.

Net income for the period was MXN \$79.7 million, an increase of **206%** compared to the same period of the previous year.

The **occupancy rate** was 60.0%, registering an increase of 24.9 p.p. compared to the same period last year and a decrease of 9.6 p.p. compared to the same period of 2019.



The **average rate** was MXN \$15,631 (USD \$763), which represented an increase in local currency of 27.1% and 61% compared to 2021 and 2019, respectively. The U.S. dollar rate increased by 26.6% and 53.6% compared to 2021 and 2019, respectively.

RevPAR was MXN \$9,375 (USD \$458), an increase in local currency of 117.3% and 33.7% compared to 2021 and 2019, respectively. Meanwhile, in U.S. dollars it recorded an increase of 116.3% and 32.4% compared to 2021 and 2019, respectively.

Hotel Assets Operating Statistics 1Q 2022

Below are the main aggregate operating indicators¹ of RLH's **Hotel Assets** portfolio as of the **first quarter** of **2022**:

Operating Indicators as of the 1st Quarter of 2022			
Stabilized Assets and Other Assets			
Indicator	1Q 2021 ⁽²⁾	1Q 2022	% Var. 1Q 2022 vs. 1Q 2021
ADR (USD)	\$560	\$701	25.1%
ADR (MXN)	\$11,437	\$14,351	25.5%
Ocupación (%)	34.9%	61.9%	26.9 pp
RevPAR (USD)	\$196	\$434	121.4%
RevPAR (MXN)	\$3,997	\$8,880	122.2%
Total Revenues (USD '000)	\$39,577	\$85,830	116.9%
Total Revenues (MXN '000)	\$807,380	\$1,757,806	117.7%
EBITDA (USD '000) ⁽¹⁾	\$5,036	\$28,013	456.2%
EBITDA (MXN '000) ⁽¹⁾	\$102,585	\$574,027	459.6%
EBITDA Net of FF&E Reserve (USD '000) ⁽¹⁾	\$4,579	\$25,455	455.9%
EBITDA Net of FF&E Reserve (MXN '000) ⁽¹⁾	\$93,282	\$521,617	459.2%
EBITDA Margin (%)	12.7%	32.7%	19.9 pp
EBITDA Net of FF&E Reserve Margin (%)	11.6%	29.7%	18.1 pp
Operating Assets			
Indicator	1Q 2021 ⁽²⁾	1Q 2022	% Var. 1Q 2022 vs. 1Q 2021
ADR (USD)	\$603	\$763	26.6%
ADR (MXN)	\$12,295	\$15,631	27.1%
Ocupación (%)	35.1%	60.0%	24.9 pp
RevPAR (USD)	\$212	\$458	116.3%
RevPAR (MXP)	\$4,315	\$9,375	117.3%
Total Revenues (USD '000)	\$45,297	\$103,804	129.2%
Total Revenues (MXN '000)	\$923,820	\$2,126,971	130.2%
EBITDA (USD '000) ⁽¹⁾	\$6,107	\$33,410	447.1%
EBITDA (MXN '000) ⁽¹⁾	\$124,423	\$684,930	450.5%
EBITDA Net of FF&E Reserve (USD '000) ⁽¹⁾	\$5,598	\$30,543	445.6%
EBITDA Net of FF&E Reserve (MXN '000) ⁽¹⁾	\$114,060	\$626,163	449.0%
EBITDA Margin (%)	13.5%	32.2%	18.7 pp
EBITDA Net of FF&E Reserve Margin (%)	12.3%	29.4%	17.1 pp

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

(2) After its acquisition, the BLESS Hotel Madrid opened on November 26 and its performance is not included in the indicators presented.

¹ Aggregate operating information is based on USALI (Uniform System of Accounts for the Hotel Industry), and includes the sum of hotel assets.

Occupancy rate

The **occupancy rate** was 60.0%, or 24.9 p.p. above the same period in 2021 and 9.6 p.p. below 2019.

Overall, occupancy of the portfolio's assets was driven by the continuation of the positive trend in demand for Mexico's beach destinations that began around Q2 2021, thanks to the fact that the country continues to be one of the most benefited destinations in the tourism restructuring given the COVID-19 travel restrictions in the world. In fact, according to the World Tourism Organization (UNWTO) barometer, by January 2022, Mexico had already recovered 76% of tourist arrivals compared to 2019 (vs. 33% of the international average recovered).

Specifically, the portfolio's beach assets stand out, which recorded an average occupancy rate of 64.0% during the quarter, which represented a positive variation of 20.2 percentage points compared to the same period of the previous year and 5.7 percentage points below 2019.

The portfolio's city assets experienced a different tourism context. Considering that business tourism in Mexico City has not yet shown a decisive reactivation, a significant recovery in tourism was observed. The Four Seasons Hotel once again ranked first in occupancy in its competitive set during the quarter. Meanwhile, in Spain, there was a slowdown in expected demand following the tourism recovery at the end of last year. Although the destination remained open to tourism during the quarter, assets in the city of Madrid were impacted, on the one hand, by the spread of the omicron variant in Europe following the year-end festivities and, on the other hand, by the war conflict resulting from Russia's invasion of Ukraine at the end of February.

Average rate

The **average fare** was MXN \$15,631 (USD \$763), which represented an increase in local currency of 27.1% and 61% compared to 2021 and 2019, respectively. Meanwhile, the U.S. dollar rate recorded an increase of 26.6% and 53.6% compared to 2021 and 2019, respectively.

In general, the portfolio's average rate growth is due to the increase in demand for beach hotels, as well as the recovery of tourism in Mexico City during the quarter, both in the individual and group segments.

Considering that the rates on the portfolio's assets are fixed in US dollars, the difference in the average rate increase between both currencies in the quarter is mainly related to the depreciation of the Mexican peso against the US dollar. In the first quarter of 2022, such depreciation was 0.89% per year, going from an average of 20.33 MXN/USD in the first quarter of 2021 to 20.51 MXN/USD in 2022. With respect to 2021, such depreciation was 1.60% per year, going from an average of 20.01 MXN/USD in the first quarter of 2020 to 20.33 MXN/USD in 2021.

REVPAR

RevPAR was MXN \$9,375 (USD \$458), an increase in local currency of 117.3% and 33.7% compared to 2021 and 2019, respectively. Meanwhile, in U.S. dollars it recorded an increase of 116.3% and 32.4% compared to 2021 and 2019, respectively.

In this regard, the One&Only Mandarin hotel ranked with the highest RevPAR among recently opened hotels that are still in the growth phase, as well as the Four Seasons Mexico City hotel, which also ranked with the highest RevPAR among its competitive set.

Information related to the Residential Business

Below are the main commercial indicators for RLH's Residential Business² as of the first quarter of 2022:

Component	Total inventory	Sales held accumulated as of March 31, 2022	Available inventory	Sale Contracts Signed in 2022	Sales 2022
Residences	315	191	124	4	8
Mayakoba	279	175	104	0	7
Residences Rosewood	33	21	12	0	1
Fairmont Heritage place FO ⁽¹⁾	54	32	22	0	1
Fairmont Heritage place FC ⁽²⁾	192	122	70	0	5
Mandarina	36	16	20	4	1
Mandarina Private Homes O&O ⁽³⁾	36	16	20	4	1

(1) Full Ownersip

(2) Fractional units

(3) Only the units of the already activated lots are considered.

² In accordance with International Financial Reporting Standards, income from the sale of residences is recognized at the time control of the property is transferred, i.e., at RLH Properties it is recognized at the time the property is deeded.

First quarter 2022 results

Total Revenues

For the period from January 1 to March 31, 2022, RLH achieved a significant 177% increase in revenues compared to the same period of the previous fiscal year, due to the strong recovery, mainly in the Beach Hotels, the reopening of the Rosewood Villa Magna Hotel, the addition of the Bless Madrid Hotel to RLH's hotel portfolio and the rebound of the Four Seasons Hotel in Mexico City.

RLH Properties' total revenues for the quarter amounted to MXN \$2,680.5 million:

- MXN \$1,343.3 million in revenues from room and residence rentals (50% of revenues).
- MXN \$521.3 million in food and beverage revenues (19% of revenues).
- MXN \$265.4 million of other hotel revenues (10% of revenues).
- MXN \$550.5 million of income from residential sales (21% of revenues).

Costs and expenses

During this quarter, RLH Properties' costs and overhead expenses were MXN \$2,010.7 million:

- MXN \$278.6 million of administrative and operating expenses (14% of costs and expenses).
- MXN \$326.4 million of room expenses (16% of costs and overhead).
- MXN \$314.7 million of food and beverage costs and expenses (16% of general costs and overhead).
- MXN \$296.7 million of IT and telecommunications, marketing, and maintenance expenses (15% of costs and overhead).
- MXN \$447.6 million of residential sales costs (22% of costs and overhead).
- MXN \$190.3 million of operating fees, insurance, and property expenses (9% of costs and overhead).
- MXN \$156.4 million of other departmental expenses and basic services (8% of costs and overhead).

Costs and overheads showed an increase of 153% versus the same period in 2021.

EBITDA

During this period, Recurring EBITDA reached MXN \$669.9 million, an increase of 284% compared to the same quarter of 2021, while EBITDA after corporate expenses reached MXN \$586.4 million, an increase of 378% compared to the same period of 2021, both increases are mostly due to the recovery of the beach hotels, the Four Seasons hotel, the addition of the Bless Madrid hotel and the reopening of the Rosewood Villa Magna hotel.

Comprehensive financing result

RLH Properties closed the year with a net debt position of MXN \$4,670.2 million and total debt of MXN \$9,549.3 million. Financial debt during the quarter generated a financial cost of MXN \$280.2 million.

During the quarter, net financing cost increased to MXN \$156.5 million, broken down as follows.

Consolidated Income Statement

Figures in MXN \$ thousands, unless stated otherwise

	1Q 2022	1Q 2021	Var. a/a
Cost of financing			
Interest paid	(109,344)	(77,670)	(31,674)
FX loss	(170,896)	(86,410)	(84,486)
Financial costs	(280,240)	(164,080)	(116,160)
Interest gain / (loss)	22,059	532	21,527
FX gain	101,709	41,264	60,445
Comprehensive financing cost	(156,472)	(122,284)	(34,188)

Net income for the period

During the quarter, the consolidated net loss was MXN \$79.7 million.

Other comprehensive income

During the quarter, other comprehensive income yielded a loss of MXN \$118.6 million.

Cash flow 2022

During 2022, net cash flow from operating activities was MXN \$555.3 million, net cash flow from investing activities was MXN -\$210.1 million, due to the CAPEX investment of MXN \$235.8 million, partially offset by MXN \$22.1 million of interest income. Net cash flow from financing activities was MXN -\$97.1 million, mainly due to bank loan repayments of MXN \$66.5 million and interest expense of MXN \$69.8 million, partially offset by the drawdown of loans at the Rosewood Villa Magna Hotel of MXN \$38.1 million.

Financial Situation

Cash and Liquidity

As of March 31, 2022, the cash and cash equivalents RLH position is MXN \$4,879.2 million, of which MXN \$20.5 million is restricted cash presented on a long-term basis, showing an increase of MXN \$197.8 million, mainly due to operating cash flow of MXN \$553.3 million and the drawdown of bank loans of

MXN \$38.1 million, partially offset by the investment in CAPEX of MXN \$235.8 million and the payment of bank loans of MXN \$66.5 million.

Real estate inventories

As of March 31, 2022, short-term real estate inventories show a balance of MXN \$1,505.2 million and consist of land under development for MXN \$510.3 million, construction in progress for MXN \$801.8 million and residences available for sale for MXN \$193.0 million, showing a decrease of MXN \$367.8 million compared to December 31, 2021 mainly due to the sale of residences in the current quarter offset by the increase in construction in progress.

Property, plant and equipment, goodwill, and intangible assets

As of March 31, 2022, fixed assets had a net decrease of MXN \$679.2 million compared to December 31, 2021, mainly due to the negative translation effect resulting from the valuation of fixed assets in foreign currency of MXN \$754.1 million and depreciation of MXN \$161.6 million; offset by fixed asset additions and investments in construction in progress of MXN \$235.8 million.

As of March 31, 2022, intangible and other assets had a net decrease of MXN \$43.7 million compared to December 31, 2021, mainly due to the negative translation effect of MXN \$26.8 million, amortization for the period of MXN \$12.5 million and the write-off of intangible assets of MXN \$2.6 million.

Goodwill, mainly represented by acquisitions in Spain, showed a decrease of MXN \$51.9 million due to the negative translation effect derived from the appreciation of the peso against the US dollar and euro.

Customer advances

As of March 31, 2022, total customer advances amounted to MXN \$1,632.2 million, comprised of MXN \$786.3 million of deposits received from the promise of sale agreements of villas and MXN \$846.5 million of advances from hotel customers.

The decrease of MXN \$328.3 million compared to December 31, 2021, is mainly due to the application of advances derived from the deed and delivery of villas for MXN \$572.1 million offset by the increase in advances from the promise of sale agreement for MXN \$247.6 million.

Total and net bank debt

As of March 31, 2022 the group's total debt amounted to MXN \$9,549.3 million showing a decrease of MXN \$374.3 million compared to the balance as of December 31, 2021, such decrease is mainly due to the appreciation of the peso against the US dollar and the euro (by 2.86% and 5.01%, respectively) and loan repayments of MXN \$66.5 million, offset by the drawdown of loans at the Rosewood Villa Magna Hotel for MXN \$38.1 million.

67% of the Company's total debt is in U.S. dollars, with a weighted average financial cost of 3.9%. Additionally, debt maturities are long-term.

The following table presents the detail of the debt position:

Component	1Q2022	Currency	Interest Rate	Maturity
<i>Figures in USD \$ thousands, unless stated otherwise</i>				
Villa Magna Madrid	82,556	EUR	2.00%+ Euribor 6M	2033
Bless Collection	59,340	EUR	2.15%+ Euribor 6M	2027
Four Seasons Ciudad de México	59,672	USD	2.50%+ Libor 3M	2025
Fairmont Mayakoba	70,000	USD	2.50%+ Libor 3M	2032
Rosewood Mayakoba	50,518	USD	2.40%+ Libor 3M	2028
Banyan Tree Mayakoba	46,798	USD	2.45%+ Libor 3M	2030
Andaz Mayakoba	53,288	USD	4.00%+ Libor 3M	2032
One&Only Mandarin	50,000	USD	3.75%+ Libor 3M	2034
Total debt (1)	488,085			

Derivative financial instruments

The net change in derivatives reflects a benefit of MXN \$287.2 million, which was originated by (i) the restructuring of some instruments with lower rates, (ii) the performance of the derivatives market compared to previous periods (SWAP) and, (iii) the appreciation of the peso against the US dollar and the euro (by 2.86% and 5.01%, respectively).

Figures in thousands of pesos

Company	Notional MXN\$	Beginning Date	Maturity	Fixed Rate	Variable March 31, 2022	Mark to Market	
						March 31, 2022	December 31, 2020
Four Seasons derivado 1	258,205	26-jun-18	24-nov-25	3.03%	0.49%	\$ (7,727)	\$ (29,816)
Four Seasons derivado 2	580,961	01-mar-17	24-nov-23	2.32%	0.49%	\$ (1,524)	\$ (17,239)
Rosewood	757,543	14-dec-18	15-jun-27	2.99%	0.83%	\$ (19,026)	\$ (61,009)
Bananyan Tree derivado 1	154,179	10-feb-21	09-ago-28	1.95%	0.36%	\$ 8,353	\$ (9,191)
Bananyan Tree derivado 2	102,786	24-jul-18	10-may-27	1.95%	0.36%	\$ 5,616	\$ (6,426)
Fairmont derivado 1	880,548	23-jul-20	20-jun-31	3.14%	0.93%	\$ 53,218	\$ (7,855)
Fairmont derivado 2	766,029	20-sep-16	20-mar-22	1.32%	0.21%	\$	\$ (2,145)
Villa Magna derivado 1	492,301	01-mar-18	01-mar-25	0.89%	0.00%	\$ 193	\$ (8,522)
Villa Magna derivado 2	129,518	01-mar-19	01-mar-33	0.91%	-0.49%	\$ (3,584)	\$ (27,373)
Villa Magna derivado 3	621,819	01-mar-19	01-mar-33	1.41%	-0.49%	\$ 4,901	\$ (33,396)
Bless 1	231,570	13-may-19	13-nov-26	0.85%	-0.51%	\$ 4,778	\$ (31,061)
Bless 2	740,054	13-may-19	13-nov-26	0.46%	-0.51%	\$ 2,734	\$ (5,259)

Stockholders' equity

The decrease in stockholders' equity of MXN \$89.0 million is mainly due to the negative net result of translation effects and cash flow hedges of MXN \$118.6 million, offset by the net income for the period of MXN \$29.6 million.

Corporate Governance

On April 28, 2022, the Board of Directors of RLH held a meeting to approve the Financial Statements as of March 31, 2022, which were unanimously approved.

Annexes

Portfolio:

As of March 31, 2022, RLH has **12 business components in the luxury and ultra-luxury segment** totaling **approx. 1,656 hotel rooms** (1,516 in operation and approx. 140 under development), **approx. 235 full ownership residences and 192 fractional units** both with associated hotel brands, and **1 18-holles golf course**.

- **Operating Assets** (8 hotels with 1,516 rooms and 1 18-holles golf course):
 - **Stabilized Assets** (7 hotels, 1,411 rooms): Four Seasons Mexico City hotel (240 rooms), Rosewood Villa Magna Madrid hotel (154 rooms), BLESS Hotel Madrid (111 rooms), Rosewood Mayakoba hotel (129 rooms), Banyan Tree Mayakoba hotel (162 rooms), Fairmont Mayakoba hotel (401 rooms) and the Andaz Mayakoba hotel (214 rooms).
 - **Ramp Up Assets** (1 hotel, 105 rooms): One&Only Mandarin hotel. This hotel started operations in November 2020 and is currently in the stabilization phase.
 - **Other Assets** (1 18-holles golf course): The El Camaleón golf course was designed by the famous Australian golfer Greg Norman and is the first to host a PGA tournament outside the United States and Canada.
- **Assets under development** (1 hotel with approximately 140 rooms, 235 full ownership residences and 192 fractional units, both with hotel brand):
 - **Rosewood Mandarin Hotel** (approx. 140 rooms): This hotel is in the conceptual design and technical studies stage.
 - **One&Only and Rosewood branded residences at Mandarin** (up to 148 residences): The One&Only Mandarin residences are in the marketing and construction stage. Rosewood Mandarin residences will be developed in the future as the Rosewood Mandarin hotel progresses.
 - **Fairmont and Rosewood branded residences at Mayakoba** (approx. 87 full ownership residences and 192 fractional units): Fairmont Heritage Place considers an inventory of approx. 54 full ownership residences and 192 fractional units. Rosewood Residences considers an inventory of 33 full ownership residences.

Income Statement 1Q2022

The main consolidated financial results of RLH for 1Q2022 are shown below.

Consolidated Income Statement

Figures in MXN \$ thousands, unless stated otherwise

	1Q 2022	%	1Q 2021	%	Var. a/a trimestral	
Total Revenues	2,680,537	100%	968,010	100%	1,712,527	177%
Direct costs and expenses	(1,173,606)	-44%	(386,740)	-40%	(786,866)	203%
Indirect expenses and other expenses	(646,778)	-24%	(317,928)	-33%	(328,850)	103%
Gross Operating Profit (GOP)	860,153	32%	263,342	27%	596,811	227%
Margin (%)	32.1%		27.2%		34.8%	
Recurring EBITDA (excluding corporate expenses)	669,879	25%	174,567	18%	495,312	284%
Margin (%)	25.0%		18.0%		28.9%	
Recurring corporate expenses	(83,513)	-3%	(51,814)	-5%	(31,699)	61%
Recurring EBITDA after corporate expenses	586,366	22%	122,753	13%	463,613	378%
	21.9%		12.7%		27.1%	
Other non-recurring income /(expenses) and other	17,509	1%	1,530	0%	15,979	1044%
EBITDA	603,875	23%	124,283	13%	479,592	386%
Depreciation & Amortization	(174,125)	-6%	(154,803)	-16%	(19,322)	12%
EBIT / Operation profit / (loss)	429,750	16%	(30,520)	-3%	460,270	1508%
Cost of financing	(156,472)	-6%	(122,284)	-13%	(34,188)	28%
Profit / (loss) before taxes	273,278	10%	(152,804)	-16%	426,082	279%
Tax provision	(72,767)	-3%	86,275	9%	(159,042)	-184%
	(120,839)	-5%	(8,522)	-1%	(112,317)	1318%
Consolidated net profit / (loss)	79,672	3%	(75,051)	-8%	154,723	206%
Other comprehensive effects	(118,557)	-4%	194,017	20%	(312,574)	-161%
Comprehensive net profit / (loss)	(38,885)	-1%	118,966	12%	(157,851)	-133%

Financial Situation

The consolidated balance sheet of RLH as of March 31, 2022, is shown below.

Consolidated Balance Sheet

Figures in MXN \$ thousands, unless stated otherwise

Assets	2022	2021	Var. a/a Anual	
Cash and cash equivalents	4,858,690	4,660,894	197,796	4%
Accounts receivables and related parties	1,048,149	1,138,155	(90,006)	-8%
Real estate inventories	1,505,152	1,872,990	(367,838)	-20%
Other current assets	329,678	267,432	62,246	23%
Total current assets	7,741,669	7,939,471	(197,802)	-2%
Fixed asset, intangible assets and goodwill	23,551,539	24,274,403	(722,864)	-3%
	1,077,978	1,129,848	(51,870)	-5%
Real estate inventories	762,568	762,568	0	0%
Deferred taxes	376,158	344,674	31,484	9%
	79,794	-	79,794	100%
Other non current assets	178,234	192,209	(13,975)	-7%
Total non current assets	26,026,271	26,703,702	(677,431)	-3%
Total Assets	33,767,940	34,643,173	(875,233)	-3%
Liabilities and Stockholders' Equity				
Short term portion of bank loans	221,496	168,414	53,082	32%
Costumers deposits	1,632,822	1,961,083	(328,261)	-17%
Accounts payable and acumulated expenses	1,635,879	1,555,236	80,643	5%
Derivative financial instruments	0	2,145	(2,145)	-100%
Total short term liabilities	3,490,197	3,686,878	(196,681)	-5%
Long term bank loans	9,327,838	9,755,189	(427,351)	-4%
Deferred taxes	1,565,557	1,572,901	(7,344)	0%
Derivative financial instruments	31,862	237,147	(205,285)	-87%
Other accounts payable in the long term	617,893	617,580	313	0%
Total long term liabilities	11,543,150	12,182,817	(639,667)	-5%
Total shareholders' equity	18,734,593	18,773,478	(38,885)	0%
Total liabilities and shareholders' equity	33,767,940	34,643,173	(875,233)	-3%

Statement of Cash Flows

RLH's consolidated statement of cash flows as of March 31, 2022, is shown below.

Consolidated Cash Flow Statement					
<i>Figures in MXN \$ thousands, unless stated otherwise</i>					
	31-mar-22	31-mar-21			
	2022	2021	Var. a/a anual		
Operating activities					
Gain (loss) before income taxes	273,278	(152,804)	426,082	279%	
Adjustments for non cash items:					
Depreciation and amortization	174,125	154,803	19,322	12%	
FX of cash	50,298	16,097	34,201	212%	
FX of loans	(87,388)	115,907	(203,295)	-175%	
Interest income	(22,059)	(532)	(21,527)	4046%	
Interest expense	109,344	77,670	31,674	41%	
	33,225	-	33,225	100%	
Subtotal	530,823	211,141	319,682	151%	
Working capital	61,512	22,903	38,609	169%	
Income taxes paid	(36,995)	(716)	(36,279)	5067%	
Net cash flow from operating activities	555,340	233,328	322,012	138%	
Net cash flow from investing activities	(210,118)	(237,787)	27,669	-12%	
Net cash flow from financing activities	(97,128)	(55,657)	(41,471)	75%	
Decrease in cash and cash equivalents	248,094	(60,116)	308,210	513%	
Cash and cash equivalents at the beginning of the period	4,660,894	2,030,372	2,630,522	130%	
FX gain on cash and cash equivalents	(50,298)	(16,097)	(34,201)	212%	
Cash and cash equivalents at the end of the period	4,858,690	1,954,159	2,904,531	149%	