

*RLH Properties ("RLH A"), the first public company specialized in high-end hotels in Mexico and Spain, announces its financial results for the third 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 third 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.**

The third quarter of 2022 has been a good quarter for our company; our hotel assets have shown very good performance and our residential business has exceeded expectations.

This quarter the **Four Seasons Mexico City** hotel continued to show the highest average occupancy in the portfolio at 66%, achieving the highest monthly and quarterly average rate historically.

**Banyan Tree Mayakoba** and **Rosewood Mayakoba** hotels recorded the highest occupancy levels of our beach assets, 66% and 58% respectively, again exceeding their pre-pandemic occupancy levels. Likewise, **Banyan Tree Mayakoba** presented the highest EBITDA of the portfolio in the period, far exceeding that recorded in the same period in 2019.

In Riviera Nayarit, the **One&Only Mandarin** hotel continues to perform excellently and behave as a consolidated hotel, with an occupancy rate of 51% and the highest average rate of the entire portfolio during the quarter.

With respect to our hotels in Spain, the gradual and positive trend in their indicators continues, with an average occupancy rate for the period of 52% at **Rosewood Villa Magna** and 56% at **Bless Hotel Madrid**.

As I mentioned, our residential business has exceeded expectations, showed extraordinary results and secured our position in the market, which demonstrates the preference and trust of our customers in the quality of our exclusive and unique residential products. This quarter we closed the sale of one of our residences in **One&Only Mandarin Private Homes** for \$17.5M usd, surpassing the record sale price in the entire Riviera Nayarit. We also sold two residences at **Rosewood Residences Mayakoba**, eight fractional units and one *full ownership* residence at **Fairmont Heritage Place Mayakoba**.

The results obtained in the quarter are a clear demonstration of the exceptional quality of our assets, as well as our customers' preference and, of course, confirm the capacity and excellence of our team. We will continue to work hard to deliver on our promise to create value for our shareholders, our team and our environment, and to build on our company's great success story.

### 3Q 2022 Relevant Information

During the third quarter, RLH Properties' results continue to show a positive trend in earnings with a sustained increase in gross profit and EBITDA compared to the same quarter of the previous year.

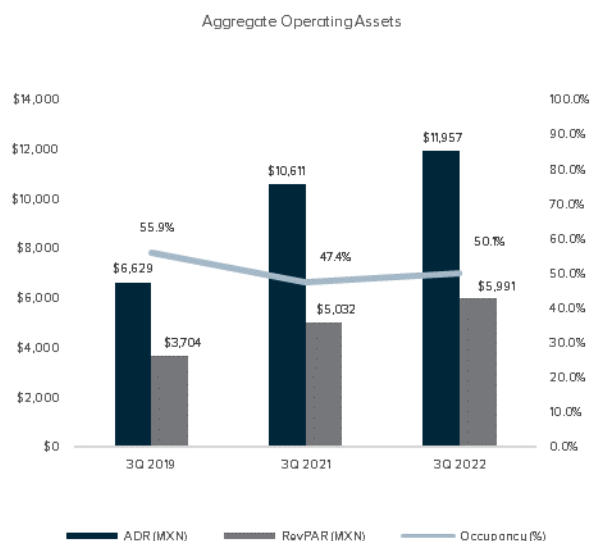
Consolidated Income Statement					
<i>Figures in MXN \$ thousands, unless stated otherwise</i>					
	3Q 2022	%	3Q 2021	%	Var. y/y quarterly
Total Revenues	1,649,124	100%	1,184,119	100%	465,005 39%
Direct costs and expenses	(804,993)	-49%	(461,022)	-39%	(343,971) 75%
Indirect expenses and other expenses	(635,158)	-39%	(568,190)	-48%	(66,968) 12%
Gross Operating Profit (GOP)	208,973	13%	154,907	13%	54,066 35%
Margin (%)	12.7%		13.1%		12%
Recurring EBITDA (excluding corporate expenses)	99,507	6%	48,215	4%	51,292 106%
Margin (%)	6.0%		4.1%		11.0%

**Total revenue** for the third quarter of 2022 was MXN1,649.1 million, representing an increase of **39%** compared to the same quarter of the previous year.

**Gross operating profit** for the third quarter was MXN \$208.9 million, **35% higher** than the same period of the previous year.

RLH's **consolidated recurring EBITDA before corporate expenses** for the third quarter was MXN \$99.5 million, an increase of **106%** compared to the same period last year.

**Net (loss)/profit for the period** was MXN \$162.1 million, an increase of **4%**, compared to the same period of the previous year.



The **occupancy rate** was 50.1%, registering an increase of +2.7 p.p.\* compared to the same period last year and a decrease of -5.8 p.p.\* compared to the same period in 2019.

The **average rate** was MXN \$11,957 (USD \$591) which represented an increase in local currency of +12.7%\* and +80.4%\* compared to 2021 and 2019 respectively. Meanwhile, the US dollar rate recorded an increase of +11.4%\* and +73.2%\* compared to 2021 and 2019, respectively.

**RevPAR** was MXN \$5,991 (USD \$296) registering an increase in local currency of +19.1%\* and +61.8%\* compared to 2021 and 2019, respectively. Meanwhile, in U.S. dollars it recorded an increase of +17.7%\* and +55.3%\* compared to 2021 and 2019, respectively.

It is important to note that the city hotel variances comparing the results for the third quarter of 2022 versus the third quarter of 2021 and 2019 do not include

the BLESS Madrid hotel. In Q3 2021, the hotel was closed due to renovation, whereas, in Q3 2019, the hotel was not yet incorporated into the RLH Properties portfolio.

The Rosewood Villa Magna hotel remained closed during the third quarter of 2021 due to renovations.

## Hotel Assets Operating Statistics

Below are the main aggregate operating indicators<sup>1</sup> of RLH Properties' **Hotel Assets** portfolio as of the **third quarter of 2022**:

Operating Indicators as of the 3rd Quarter of 2022					
Stabilized Assets and Other Assets					
Indicator	3Q 2019	3Q 2021 <sup>(2)</sup>	3Q 2022	% Var. 3Q 2022 vs. 3Q 2019	% Var. 3Q 2022 vs. 3Q 2021
ADR (USD)	\$354	\$476	\$556	56.9%	16.8%
ADR (MXN)	\$6,885	\$9,530	\$11,254	63.5%	18.1%
Occupancy (%)	60.5%	46.7%	49.5%	(11.0 pp)	2.9 pp
RevPAR (USD)	\$214	\$222	\$275	28.5%	24.0%
RevPAR (MXN)	\$4,167	\$4,448	\$5,575	33.8%	25.4%
Total Revenues (USD '000)	\$36,645	\$49,039	\$59,081	61.2%	20.5%
Total Revenues (MXN '000)	\$711,980	\$982,290	\$1,196,014	68.0%	21.8%
EBITDA (USD '000) <sup>(1)</sup>	\$3,840	\$5,074	\$5,703	48.5%	12.4%
EBITDA (MXN '000) <sup>(1)</sup>	\$73,592	\$101,180	\$115,986	57.6%	14.6%
EBITDA Net of FF&E Reserve (USD '000) <sup>(1)</sup>	\$2,906	\$3,869	\$4,030	38.7%	4.2%
EBITDA Net of FF&E Reserve (MXN '000) <sup>(1)</sup>	\$55,487	\$77,027	\$82,129	48.0%	6.6%
EBITDA Margin (%)	10.3%	10.3%	9.7%	(0.6 bps)	(0.6 bps)
EBITDA Net of FF&E Reserve Margin (%)	7.8%	7.8%	6.9%	(0.9 bps)	(1.0 bps)
Operating Assets					
Indicator	3Q 2019	3Q 2021 <sup>(2)</sup>	3Q 2022	% Var. 3Q 2022 vs. 3Q 2019	% Var. 3Q 2022 vs. 3Q 2021
ADR (USD)	\$341	\$530	\$591	73.2%	11.4%
ADR (MXN)	\$6,629	\$10,611	\$11,957	80.4%	12.7%
Occupancy (%)	55.9%	47.4%	50.1%	(5.8 pp)	2.7 pp
RevPAR (USD)	\$191	\$251	\$296	55.3%	17.7%
RevPAR (MXN)	\$3,704	\$5,032	\$5,991	61.8%	19.1%
Total Revenues (USD '000)	\$39,215	\$57,722	\$72,155	84.0%	25.0%
Total Revenues (MXN '000)	\$761,891	\$1,155,785	\$1,460,677	91.7%	26.4%
EBITDA (USD '000) <sup>(1)</sup>	\$2,638	\$7,627	\$6,683	153.4%	(12.4%)
EBITDA (MXN '000) <sup>(1)</sup>	\$50,259	\$152,119	\$135,975	170.5%	(10.6%)
EBITDA Net of FF&E Reserve (USD '000) <sup>(1)</sup>	\$1,627	\$6,343	\$4,795	194.7%	(24.4%)
EBITDA Net of FF&E Reserve (MXN '000) <sup>(1)</sup>	\$30,657	\$126,386	\$97,753	218.9%	(22.7%)
EBITDA Margin (%)	6.6%	13.2%	9.3%	2.7 bps	(3.9 bps)
EBITDA Net of FF&E Reserve Margin (%)	4.0%	10.9%	6.7%	2.7 bps	(4.2 bps)

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

(2) BLESS Hotel Madrid opened on November 26 and its performance is not included in the indicators presented of 2021.

The indicators presented do not consider the results of the PGA golf tournament held annually at El Camaleón Mayakoba.

<sup>1</sup> 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** of the portfolio during the third quarter was 50.1%, achieving an increase of +2.7 p.p.\* compared to the same period of the previous year and a decrease of -5.8 p.p.\* compared to the same period of 2019.

**City assets** recorded a significant increase of +22.5 p.p.\* in **occupancy** over the previous year and a decrease of -18.6 p.p.\* below that achieved in 2019. Although occupancy of city assets is still below pre-pandemic levels, the **gap continues to narrow**. Specially, the Four Seasons Mexico City continues to lead its segment in occupancy; while **Madrid** assets performed well during July and September with a drop in occupancy during August, a **seasonal peculiarity** of European capitals.

**Beach assets** recorded a -6.1 p.p. reduction in **occupancy** compared to the previous year and only -0.5 p.p. below that recorded in 2019. Thus, the beach portfolio continues to reveal its solidity, considering the reopening of practically all tourist destinations worldwide (except China) and the low season characteristic of this period.

## Average Rate

The **average rate** for operating assets was MXN \$11,957 (USD \$591), which represented an increase in local currency of +12.7%\* and +80.4%\* compared to 2021 and 2019, respectively. Meanwhile, the US dollar rate recorded an increase of +11.4%\* and +73.2%\* compared to 2021 and 2019, respectively.

The growth in **average rates was driven by** demand related to the portfolio's luxury **positioning** and the **reactivation** of international **tourism**. In fact, average rates for most of the portfolio's assets continue to reach **milestone levels** for both the **individual** and **group** segments, even despite the low summer season.

It is worth noting that **city assets** recorded a +51.7%\* increase in their average rate in the third quarter compared to the same period of the previous year and +22.2%\* compared to 2019 signaling a reactivation of urban destinations. While **beach assets** also recorded considerable increases of +12.1% versus the previous year and very notably +120.6% versus 2019 in the pre-pandemic season.

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**. With respect to 2019, the third quarter of 2022 registered a 4.0% annual depreciation, going from an average of \$19.43 MXN/USD in the third quarter of 2019 to \$20.25 MXN/USD in 2022. With respect to 2021, such depreciation was 1.1% per year, going from an average of \$20.02 MXN/USD in the third quarter of 2021 to \$20.25 MXN/USD in 2022.

## RevPAR

**RevPAR** generated by operating assets was MXN \$5,991 (USD \$296), registering an increase in local currency of +19.1%\* and +61.8%\* compared to 2021 and 2019, respectively. Meanwhile, in U.S. dollars it recorded an increase of +17.7%\* and +55.3%\* compared to 2021 and 2019, respectively.

**City assets** achieved a RevPAR well above that of the previous year, although below that of 2019. The Four Seasons Mexico City hotel continues to stand out by exceeding its RevPAR for both the previous year and 2019. **Beach assets** achieved a RevPAR similar to that of the previous year's quarter but more than doubled that of 2019.

## EBITDA

In the **third quarter of 2022** the portfolio achieved an **EBITDA** below the previous year, but more than doubled that recorded in 2019, now, with a more balanced proportion between **city** and **beach**, with city assets contributing the most at 55% while beach assets at 45%, although albeit, during the third quarter of 2021 Madrid hotels did not contribute.

**City assets** as a whole showed significant EBITDA increases versus prior year and versus 2019, however, it is important to highlight that the Madrid assets remained closed during the third quarter of 2021. In particular, the Four Seasons Mexico City hotel recorded an excellent result increasing its EBITDA by +69.3% versus prior year and +3.8% versus 2019, indicating that the **tourism revival** continues to improve after the impact the pandemic had on this urban destination. However, **Madrid's** assets have been affected over the last few months by a substantial increase in the cost of **energy** due to rising inflation in the wake of the war between Russia and Ukraine.

Considering that most **tourist destinations** in the world have removed travel restrictions, **beach assets** on their part show a solid performance as a whole and reveal a gradual normalization towards the **seasonality typical** of the **summer low season**, registering a decrease of USD -\$5.1M and MXN -\$86.1M with respect to 2021, but an increase of USD +\$5.8M and MXN +\$113.8M with respect to 2019, outperforming pre-pandemic performance. Coupled with this, rising **inflation** has affected hotel costs to some extent, and, in addition, the **USD** exchange rate **against the Euro** has appreciated continuously since the beginning of 2021 reaching **exchange parity** in September 2022. This caused that during the summer vacations the US tourist preferred to vacation in Europe where their currency obtained about +20% purchasing power compared to the previous year.

## Information related to the Residential Business

The following are the main commercial indicators for RLH's Residential Business<sup>2</sup> as of the third quarter of 2022:

Component	Total inventory	Sales held accumulated as of September 30, 2022	Available inventory	Sale Contracts Signed in 2022	Sales 2022
<b>Residencias</b>	<b>319</b>	<b>205</b>	<b>114</b>	<b>11</b>	<b>25</b>
<b>Mayakoba</b>	<b>279</b>	<b>186</b>	<b>93</b>	<b>5</b>	<b>21</b>
Residencias Rosewood	33	24	9	1	4
Fairmont Heritage place FO (a)	54	33	21	1	2
Fairmont Heritage place FC (b)	192	129	63	3	15
<b>Mandarina</b>	<b>40</b>	<b>19</b>	<b>21</b>	<b>6</b>	<b>4</b>
Mandarina Private Homes O&O (c)	40	19	21	6	4

(1) Se entiende por FO Full Ownersip

(2) Se entiende por FC Fracciones

(3) Solo se contemplan las unidades de los lotes ya activados

<sup>2</sup> 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.

## Third quarter 2022 results

### *Total Revenue*

For the third quarter of 2022, RLH continues to show an increase in revenue of 39%, compared to the same period of the previous year, mainly due to (i) the deed of sale of the residences for MXN \$188.7 million, (ii) the Rosewood Villa Magna Hotel which contributed MXN \$159.9 million in the quarter, which compared to the same period of the previous year was not in operation due to remodeling and (iii) the incorporation of revenues from the BLESS Hotel Madrid for MXN \$69.2 million.

RLH Properties' total revenue for the quarter amounted to MXN1,649.1 million:

- MXN \$877.9 million of revenues from room and residence rentals (53% of revenue).
- MXN \$413.2 million in food and beverage revenue (25% of revenue).
- MXN \$188.7 million of revenue from residential sales (11% of revenue).
- MXN \$169.3 million of other hotel revenue (11% of revenue).

### *Costs and expenses*

During this quarter, RLH Properties' costs and overhead were MXN1,549.6 million:

- MXN \$310.2 million in food and beverage costs and expenses (20% of general costs and overhead).
- MXN \$284.8 million in administrative and operating expenses (18% of costs and overhead).
- MXN \$281.8 million in IT and telecommunications, marketing and maintenance expenses (18% of general costs and overhead).
- MXN \$255.8 million in room expenses (17% of costs and overhead).
- MXN \$171.4 million in residential sales costs (11% of costs and overhead).
- MXN \$136 million in other departmental expenses and basic services (9% of costs and overhead).
- MXN \$109.5 million in operating fees, insurance and property expenses (7% of costs and overhead).

Compared to the same period in 2021, costs and overheads showed an increase of 36%.

### *EBITDA*

Recurring EBITDA for the third quarter reached MXN \$99.5 million, an increase of 106.4% compared to the same quarter of 2021, while EBITDA after corporate expenses reached MXN \$36.7 million, an increase of 897.1% compared to the same period of 2021; both increases are the result of the residential business, the opening of the Rosewood Villa Magna Hotel, the incorporation of BLESS Hotel Madrid and the incorporation of the 41 rooms at Banyan Tree Mayakoba in April 2022.

### *Comprehensive financing result*

The net debt position at the end of the third quarter was MXN \$4,458.1 million and MXN \$9,732.8 million in total debt, and during the quarter the financial debt generated a cost on results of MXN \$132.7 million.

During the quarter, the financing cost, including interest expense and foreign exchange gain or loss, was MXN \$104.1 million:

Comprehensive financing statement			
<i>Figures in MXN \$ thousands, unless stated otherwise</i>			
	3Q 2022	3Q 2021	Var. y/y
<b>Cost of financing</b>			
Interest paid	(132,637)	(116,264)	(16,373)
FX loss	(126,052)	(49,492)	(76,560)
Financial costs	(258,689)	(165,756)	(92,933)
Interest gain / (loss)	16,287	14,616	1,671
FX gain	138,352	42,699	95,653
<b>Comprehensive financing cost</b>	<b>(104,050)</b>	<b>(108,441)</b>	<b>4,391</b>
<b>Profit / (loss) before taxes</b>	<b>(242,227)</b>	<b>(297,535)</b>	<b>55,308</b>

### *Net loss for the period*

During the quarter, the consolidated net loss was MXN \$162.1 million.

### *Other comprehensive income*

During the quarter, other comprehensive income was MXN \$95.3 million, comprised of cash flow hedges of MXN \$180.7 million, partially offset by the negative result of the net translation effect of MXN \$85.4 million.

### *Corporate expenses:*

Recurring corporate expenses, excluding the provision for the quarter of the Long-Term Incentive Plan (LTIP) MXN \$25.1 million, show a decrease of 29% mainly due to the new methodology for allocating project expenses and/or residential component.

### *Deferred taxes:*

The deferred tax benefit in the third quarter of 2022 is mainly due to the increase in hotel advances and the increase in the PILP provision.

### **Cash flow 2022**

During 2022, net cash flow from operating activities was MXN \$1,290.3 million, net cash flow from investing activities was MXN -\$688.5 million, due to CAPEX investments of MXN \$743.5 million, partially offset by MXN \$55.3 million of interest income. Net cash flow from financing activities was MXN \$33.4 million, mainly due to bank loans of MXN \$1,585.4 million, offset by repayments of bank loans of MXN



\$1,209.8 million, by MXN \$288.1 million of interest paid and by the decrease in non-controlling interest equity of MXN \$57.3 million based on the approved shareholder agreement effective in the quarter.

Principal repayments increased by MXN1,132.8 million, mainly due to the prepayment of the O&O Mandarin loan with Bancomext for USD \$50 million.

## Financial Status

### *Cash and Liquidity*

As of September 30, 2022 the cash and cash equivalents RLH position is MXN \$5,274.7 million, of which MXN \$18.3 million constitutes restricted cash presented on a long-term basis, showing an increase of MXN \$595.5 million compared to December 31, 2021 mainly originated by MXN \$1,290.3 million from net cash flows from operating activities and bank loans for MXN \$1,585.4 million, mainly offset by the investment in CAPEX of MXN\$743.5 million and the payment of amortization and interest of bank loans for MXN \$1,497.9 million.

### *Real estate inventories*

As of September 30, 2022, short-term real estate inventories show a balance of MXN \$1,610.4 million and consist of land under development of MXN \$589.9 million, work in progress of MXN \$880.2 million and residences available for sale of MXN \$140.3 million, showing a decrease of MXN \$262.6 million compared to December 31, 2021, mainly due to the sale of residences.

### *Fixed assets, goodwill and intangible assets*

As of September 30, 2022, fixed assets had a net decrease of MXN \$1,051.2 million compared to December 31, 2021, mainly due to the negative translation effect because of the appreciation of the peso against the euro (18.5%) with respect to the valuation of fixed assets in foreign currency of MXN \$1,313.7 million and depreciation of MXN \$473 million; offset by fixed asset additions and investments in construction of MXN \$743.5 million.

As of September 30, 2022, intangible and other assets had a net decrease of MXN \$92.5 million compared to December 31, 2021, mainly due to the amortization for the period of MXN \$52.1 million

and the negative translation effect derived from the appreciation of the peso against the euro of MXN \$34.2 million.

Goodwill mainly represented by acquisitions in Spain shows a decrease of MXN \$147.3 million due to the negative translation effect derived from the appreciation of the peso against the euro.

### **Customer advances**

As of September 30, 2022, total customer advances were MXN 2,177.4 million, comprised of MXN 1,095.8 million of deposits received from the promise of sale agreements for villas and MXN 1,081.7 million of advances from hotel customers.

The increase of MXN \$216.4 million compared to December 31, 2021, is due to the increase in hotel advances of MXN \$231.4 million because of seasonality of occupancy offset by the net decrease in residential advances of MXN \$15.0 million.

### **Total and net bank debt**

As of September 30, 2022 the total debt of the group is MXN \$9,732.8 million showing a decrease of MXN \$190.8 million compared to the balance as of December 31, 2021, such decrease is mainly due to: (i) the appreciation of the peso against the euro at the end of the period (18.5%) for MXN \$548.2 million; (ii) loan repayments for MXN \$1,209.8 million; (iii) amortization of opening costs for MXN \$18.2 million; offset by the securing of loans for MXN \$1,585.4 million for the Hotel One&Only Mandarin and Hotel Rosewood Villa Magna.

Seventy-one percent of the Company's total debt is in U.S. dollars, with a weighted average financial cost of 5.7%. Additionally, debt maturities are long-term.

The following table presents the detail of the debt position:

Component	3Q2022	Currency	Interest Rate	Maturity
<i>Figures in USD \$ thousands, unless stated otherwise</i>				
Rosewood Villa Magna	82,556	EUR	2.00%+ Euribor 6M	2033
Rosewood Villa Magna ICO	2,020	EUR	1.50%	2024
BLESS Hotel Madrid	59,340	EUR	2.15%+ Euribor 6M	2027
Four Seasons CDMX	59,672	USD	2.50%+ Libor 3M	2025
Fairmont Mayakoba	68,945	USD	2.50%+ Libor 3M	2032
Rosewood Mayakoba	49,198	USD	2.40%+ Libor 3M	2028
Banyan Tree Mayakoba	44,588	USD	2.45%+ Libor 3M	2030
Andaz Mayakoba	53,288	USD	4.00%+ Libor 3M	2032
One&Only Mandarin	75,000	USD	2.975%+ SOFR 3M	2034
<b>Total debt (1)</b>	<b>489,720</b>			

(1) Fx rate EUR/USD as of september 30, 2022, Source, Banxico

On May 16, 2022, RLH Properties entered into a USD \$75 million secured credit agreement with BBVA to refinance under improved terms the bank debt previously hired for its construction and general corporate uses.

### *Derivative financial instruments*

As of September 30, 2022, the financial instruments held by the group to hedge the interest rate risk of its bank loans and which are presented at fair value, presented a net increase between assets and liabilities due to the behavior of the derivative market compared to previous periods (rate increase), such effect reflects a positive hedge of MXN \$675.2 million and whose effect was recorded in other comprehensive income. These products, with maturities until 2033, were paid at the time of closing the transactions and have the following characteristics:

In thousands of mexican pesos

Company	Notional MXN\$	Beginning Date	Maturity	Fixed Rate	Variable Rate September 30, 2022	September 30, 2022	Mark to Market September 30, 2022	December 31, 2021
Four Seasons derivado 1	247,143	26-jun-18	24-nov-25	3.03%	2.98%	\$	15,283	\$ (29,816)
Four Seasons derivado 2	556,072	01-mar-17	24-nov-23	2.32%	2.98%	\$	12,786	\$ (17,239)
Rosewood	749,246	14-dec-18	15-jun-27	2.99%	3.29%	\$	29,670	\$ (61,009)
Bananyan Tree derivado 1	390,240	24-jul-18	09-may-27	1.95%	2.87%	\$	30,022	\$ (9,191)
Bananyan Tree derivado 2	265,524	24-jul-18	10-may-27	1.95%	2.87%	\$	20,585	\$ (6,426)
Fairmont derviado 1	1,234,538	23-jul-20	20-jun-31	1.61%	3.53%	\$	135,461	\$ (7,855)
Fairmont derviado 2		20-sep-16	20-mar-22	1.32%	0.21%		\$	\$ (2,145)
Villa Magna derivado 1	424,895	01-mar-18	01-mar-25	0.89%	1.19%	\$	19,800	\$ (8,522)
Villa Magna derivado 2	109,822	01-mar-19	01-mar-33	0.91%	1.19%	\$	34,515	\$ (27,373)
Villa Magna derivado 3	534,718	01-mar-19	01-mar-33	1.41%	1.19%	\$	57,729	\$ (33,396)
Bless 1	207,192	13-may-19	13-nov-26	0.85%	-0.21%	\$	18,579	\$ (31,061)
Bless 2	662,146	13-may-19	13-nov-26	0.46%	-0.21%	\$	45,391	\$ (5,259)
O&O Mandarin	1,119,128	16-jun-22	30-jun-26	3.46%	1.68%	\$	16,051	
Net financial instruments (liabilities) assets						\$	435,872	\$ (239,292)

### *Other current asset items:*

Corresponds mainly to advances from suppliers for the construction of the Rosewood Mandarin Hotel and the residential business.

### *Stockholders' equity*

The decrease in stockholders' equity of MXN \$271.7 million is due to the net negative result of MXN 235.2 million derived from the translation effects and cash flow hedges, due to the decrease in non-controlling interest of MXN \$57.3 million and partially offset by the net income for the period of MXN \$20.8 million.

## Annexes

### Portfolio:

As of September 30, 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-hole golf course**:

- **Operating Assets** (8 hotels with 1,516 rooms and 1 18-hole 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-hole golf course): The El Camaleón golf course was designed by famed 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.
  - **Residences in Mandarin with One&Only and Rosewood brands** (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 includes an inventory of approx. 54 full ownership residences and 192 fractional units. Rosewood Residences considers an inventory of 33 full ownership residences.

## Reconciliation between Operating Results and Consolidated Income Statement.

The main variations between the Consolidated Income Statement and the Aggregate Operating Results/ Hotel are shown below:

MXN millions		
<b>Hotel EBITDA 3Q2022</b>		<b>1,286</b>
Residential/Corporate Results		(47)
USALI adjustment	<b>MXN (\$74) million</b>	(10)
Owner Income/Expenses		(19)
Others		1
<b>Consolidated Income Statement 3Q2022</b>		<b>1,212</b>

The net difference of MXN (\$74) million arises mainly from:

- i. MXN \$47 million from Residences Results: Fairmont Heritage Place, Rosewood Residences, Mandarin Private Homes are not included in the operating results as they are not part of the hotel business.
- ii. Adjustment of USALI regulations to IFRS due to reclassification to RIF of interest earned on investments represented in general expenses with a negative balance of MXN \$(10) million.
- iii. Owner's income/(expense) is not recorded in hotels EBITDA, but in the consolidated income statement, multiple factors influence owner's income/(expense), e.g., extraordinary CAPEX of assets, legal expenses among others MXN \$(19) million.
- iv. Others item includes variations mainly due to consolidation effects that have an impact on the 3Q2022 consolidated income statement; this item includes the variation explained in the previous quarter for the account receivable from PGA.

## Income Statement 3Q2022

The main consolidated financial results of RLH for 3Q2022 are shown below.

### Consolidated Income Statement

Figures in MXN \$ thousands, unless stated otherwise

	3Q 2022	%	3Q 2021	%	Var. y/y quarterly	
Total Revenues	1,649,124	100%	1,184,119	100%	465,005	39%
Rooms Revenues	877,907	53%	674,481	57%	203,426	30%
Food & Beverage Revenues	413,247	25%	334,039	28%	79,208	24%
Residential revenues	188,641	11%	-	0%	188,641	100%
Other Revenues	169,329	10%	175,599	15%	(6,270)	-4%
Direct costs and expenses	(804,993)	-49%	(461,022)	-39%	(343,971)	75%
Indirect expenses and other expenses	(635,158)	-39%	(568,190)	-48%	(66,968)	12%
Gross Operating Profit (GOP)	208,973	13%	154,907	13%	54,066	35%
Recurring EBITDA (excluding corporate expenses)	99,507	6%	48,215	4%	51,292	106%
Recurring corporate expenses	(62,760)	-4%	(52,825)	-4%	(9,935)	19%
Recurring EBITDA after corporate expenses	36,747	2%	(4,610)	0%	41,357	897%
Other non-recurring income /(expenses) and other	6,521	0%	(14,945)	-1%	21,466	144%
EBITDA	43,268	3%	(19,555)	-2%	62,823	321%
Depreciation & Amortization	(181,445)	-11%	(169,539)	-14%	(11,906)	7%
EBIT / Operation profit / (loss)	(138,177)	-8%	(189,094)	-16%	50,917	-27%
Cost of financing	(104,050)	-6%	(108,441)	-9%	4,391	-4%
Profit / (loss) before taxes	(242,227)	-15%	(297,535)	-25%	55,308	19%
(Expense) benefit from deferred tax	162,433	10%	160,805	14%	1,628	1%
Tax provision	(82,349)	-5%	(19,863)	-2%	(62,486)	315%
Consolidated net profit / (loss)	(162,143)	-10%	(156,593)	-13%	(5,550)	4%
Other comprehensive effects	95,344	6%	172,718	15%	(77,374)	-45%
Comprehensive net profit / (loss)	(66,799)	-4%	16,125	1%	(82,924)	-514%

## Balance sheet

The consolidated balance sheet of RLH as of September 30, 2022, is shown below.

### Consolidated Balance Sheet

Figures in MXN \$ thousands, unless stated otherwise

Assets	2022	2021	Var. y/y Annual	
Cash and cash equivalents	5,256,413	4,660,894	595,519	13%
Accounts receivables and related parties	1,103,055	1,138,155	(35,100)	-3%
Real estate inventories	1,610,363	1,872,990	(262,627)	-14%
Other current assets	385,181	267,432	117,749	44%
<b>Total current assets</b>	<b>8,355,012</b>	<b>7,939,471</b>	<b>415,541</b>	<b>5%</b>
Fixed asset, intangible assets and goodwill	23,130,728	24,274,403	(1,143,675)	-5%
Goodwill	982,531	1,129,848	(147,317)	-13%
Real estate inventories	762,568	762,568	0	0%
Deferred taxes	390,235	344,674	45,561	13%
Derivative financial instruments	435,872	-	435,872	100%
Other non current assets	171,642	192,209	(20,567)	-11%
<b>Total non current assets</b>	<b>25,873,576</b>	<b>26,703,702</b>	<b>(830,126)</b>	<b>-3%</b>
<b>Total Assets</b>	<b>34,228,588</b>	<b>34,643,173</b>	<b>(414,585)</b>	<b>-1%</b>
<b>Liabilities and Stockholders' Equity</b>				
Short term portion of bank loans	397,699	168,414	229,285	136%
Costumers deposits	2,177,434	1,961,083	216,351	11%
Accounts payable and acumulated expenses	1,644,065	1,555,236	88,829	6%
Derivative financial instruments	0	2,145	(2,145)	-100%
<b>Total short term liabilities</b>	<b>4,219,198</b>	<b>3,686,878</b>	<b>532,320</b>	<b>14%</b>
Long term bank loans	9,335,118	9,755,189	(420,071)	-4%
Deferred taxes	1,487,017	1,572,901	(85,884)	-5%
Derivative financial instruments	-	237,147	(237,147)	-100%
Other accounts payable in the long term	685,498	617,580	67,918	11%
<b>Total long term liabilities</b>	<b>11,507,633</b>	<b>12,182,817</b>	<b>(675,184)</b>	<b>-6%</b>
<b>Total shareholders' equity</b>	<b>18,501,757</b>	<b>18,773,478</b>	<b>(271,721)</b>	<b>-1%</b>
<b>Total liabilities and shareholders' equity</b>	<b>34,228,588</b>	<b>34,643,173</b>	<b>(414,585)</b>	<b>-1%</b>

## Cash Flow Statement

RLH's consolidated cash flow statement as of September 30, 2022, is shown below.

<b>Consolidated Cash Flow Statement</b>				
<i>Figures in MXN \$ thousands, unless stated otherwise</i>				
	30-sep-22	30-sep-21		
	2022	2021	Var. y/y annual	
<b>Operating activities</b>				
Gain (loss) before income taxes	69,091	(355,254)	424,345	119%
<b>Adjustments for non cash items:</b>				
Depreciation and amortization	525,119	477,394	47,725	10%
FX of cash	39,642	4,657	34,985	751%
FX of loans	(9,159)	(75,704)	66,545	88%
Interest income	(55,274)	(21,594)	(33,680)	156%
Interest expense	335,859	209,187	126,672	61%
Disposal of real estate, furniture and equipment	14,421	2,425	11,996	495%
Other non cash	221,693	-	221,693	100%
<b>Subtotal</b>	<b>1,141,392</b>	<b>241,111</b>	<b>900,281</b>	<b>373%</b>
Working capital	185,865	350,603	(164,738)	-47%
Income taxes paid	(36,995)	(716)	(36,279)	5067%
<b>Net cash flow from operating activities</b>	<b>1,290,262</b>	<b>590,998</b>	<b>699,264</b>	<b>118%</b>
<b>Net cash flow from investing activities</b>	<b>(688,503)</b>	<b>(1,999,614)</b>	<b>1,311,111</b>	<b>-66%</b>
<b>Net cash flow from financing activities</b>	<b>33,402</b>	<b>3,651,496</b>	<b>(3,618,094)</b>	<b>-99%</b>
Decrease in cash and cash equivalents	635,161	2,242,880	(1,607,719)	-72%
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	(39,642)	(4,657)	(34,985)	751%
<b>Cash and cash equivalents at the end of the period</b>	<b>5,256,413</b>	<b>4,268,595</b>	<b>987,818</b>	<b>23%</b>