

RLH Properties ("RLH A"), the first public company specializing in high-end hotels in Mexico and Spain, announces its third quarter 2021 financial results.

Mexico City. - RLH Properties (BMV: RLH A), the first public company specializing in luxury and ultra-luxury segment hotels in Mexico and Spain, announces its financial results for the third quarter of 2021. Except where otherwise noted, 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, Chief Executive Officer of RLH Properties:

The third quarter of 2021 has been one of the most significant quarters in the history of our company, RLH Properties. Thanks to the excellent performance of our assets in Mayakoba and Mandarin and the growing recovery of Four Seasons Mexico City, we can say that the results of the third quarter of 2021 have surpassed the results obtained in the same quarter both last year and 2019, feeling extremely proud to be able to obtain these results in the very difficult times we are living derived from the COVID-19. In addition, it is worth mentioning a very important milestone in the history of RLH Properties: the acquisition of the Bless Hotel Madrid, another trophy asset that joins the RLH portfolio, of which we are extremely proud.

The Bless hotel (luxury category - five stars) is in the famous Salamanca district, one of the most distinguished and exclusive areas of Madrid. It was inaugurated in 2019 and has 111 keys (including 27 suites), a restaurant, a club bar, and a rooftop terrace with a swimming pool, among other amenities. This new acquisition is a further, and very important, step in our growth strategy. Amid the complex circumstances that we have faced and that have put the entire world to the test, this acquisition not only enriches and diversifies our portfolio, but also demonstrates the financial strength of our company, which today is the largest in the sector by market capitalization in Mexico.

Regarding the performance of our assets, our hotels in Mayakoba presented an average occupancy rate of 50.9%. The Rosewood Mayakoba and Banyan Tree Mayakoba hotels once again registered the highest occupancy levels of the entire portfolio during the quarter. Rosewood Mayakoba continued to have the highest RevPAR in Mexico during the quarter, achieving historic occupancy records in every month of the third quarter compared to the same month in previous years. In turn, the Banyan Tree Mayakoba hotel posted positive variance results compared to 2019 during the quarter. In Riviera Nayarit, the One&Only Mandarin hotel continues to exceed all expectations, recording excellent average occupancy for the quarter and an extraordinary rate.

With respect to city assets, thanks to the reactivation of tourism in Mexico City and the strategic initiatives implemented at the Four Seasons Mexico City hotel, its results in the quarter were very favorable, as it once again ranked first in RevPAR compared to its competitive set. Meanwhile, the Rosewood Villa Magna hotel in Madrid remained closed during the quarter, finalizing the last details of its renovation in preparation for its opening in October 2021.

Once again, the results obtained in the quarter are evidence of the extraordinary quality of our assets, the capacity and effort of our team, and the company's commitment to continue adding value for our shareholders. Today we celebrate the extraordinary recovery of our assets and the acquisition of the Bless hotel, a milestone that adds to the great success story of our company. At RLH Properties we will continue to work hard to maintain excellent results and continue to contribute to the tourism and economic recovery in Mexico and Spain.

RLH Properties announces its 2021 Third Quarter Results Conference Call.

We cordially invite you to our third quarter 2021 financial results presentation via conference call.

Date: xx of xx of 2021.

Time: xx a.m. Mexico City (xx a.m. New York / xx p.m. London / xx p.m. Madrid).

Presented by:

- **Borja Escalada**, Chief Executive Officer and Member of the Board.
- **Juan Novoa**, Executive Finance Director.
- **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: xxx

International Dial in: xxxx

RLH Conference Call 3Q2021

Quarterly results materials will be available at the following link:

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

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 Madrid and two hotels in Mandarin, one operated by One&Only and the other to be operated by Rosewood due to open in 2024.

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3Q 2021 Relevant Information

During the third quarter, RLH Properties' results show a rapid recovery facing **COVID-19**, especially the beach hotel assets.

Total revenues in the third quarter of 2021 amounted to MXN1,184.1 million, representing an increase of **151% over** the same quarter of the previous year and **43% above** 2019, showing an upward trend exceeding the levels of 2019, fourth quarter of 2020 and first quarter of 2021.

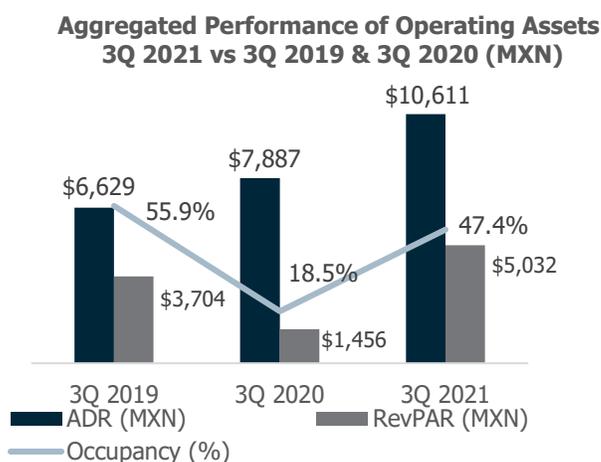
Consolidated Income Statement				
<i>Figures in MXN \$ thousands, unless stated otherwise</i>				
	3Q 2019	3Q 2020	3Q 2021	Var. a/a trimestral
Total Revenues	827,518	471,051	1,184,119	713,068 151.38%
Direct costs and expenses	(103,896)	(291,582)	(136,714)	(45,132) (19.77%)
Indirect expenses and other expenses	(77,815)	(230,282)	(668,190)	(37,908) (46.74%)
Gross Operating Profit (GOP)	423,622	60,813	154,907	205,720 404.86%
Margin (%)	51.2%	-10.8%	13.1%	23.9%
Recurring EBITDA	45,807	(6,171)	48,215	134,386 155.95%
Margin (%)	5.5%	-1.8%	4.1%	22.4%

Gross operating profit for the third quarter was MXN \$154.9 million, **405% higher** than the same period last year.

RLH's **consolidated recurring EBITDA** for the third quarter was MXN \$48.2 million, an increase of **155.9%** compared to the same period last year and an increase of **5% over** the same period in 2019.

Net income for the period registered a loss of MXN -\$156.6 million, a decrease of **52%** compared to the same period last year.

The **occupancy rate** was 47.4%, registering an increase of 29.0 p.p. compared to the same period last year and a decrease of 8.5 p.p. compared to the same period of 2019.



The **average rate** was MXN \$10,611 (USD \$530) which represented an increase in local currency of 34.5% and 60.1% compared to 2020 and 2019, respectively. The U.S. dollar rate increased by 48.4% and 55.4% compared to 2020 and 2019, respectively.

RevPAR was MXN \$5,032 (USD \$251) registering an increase in local currency of 245.5% and 35.9% compared to 2020 and 2019, respectively. Meanwhile, in U.S. dollars it recorded an increase of 281.2% and 31.9% compared to 2020 and 2019, respectively.

Hotel Assets Operating Statistics

Below are the key aggregate operating metrics¹ for the RLH **Hotel Assets** portfolio as of the third quarter of 2021:

Operating Indicators as of the 3rd Quarter of 2021					
Stabilized Assets and Other Assets					
Indicator	3Q 2019	3Q 2020	3Q 2021	% Var. 3Q 2021 vs. 3Q 2019	% Var. 3Q 2021 vs. 3Q 2020
ADR (USD)	\$354	\$381	\$476	34.3%	24.9%
ADR (MXN)	\$6,885	\$8,411	\$9,530	38.4%	13.3%
Occupancy (%)	60.5%	19.2%	46.7%	(13.8 bps)	27.5 bps
RevPAR (USD)	\$214	\$73	\$222	3.6%	203.8%
RevPAR (MXN)	\$4,167	\$1,614	\$4,448	6.7%	175.5%
Total Revenues (USD 000)	\$36,645	\$14,508	\$49,039	33.8%	238.0%
Total Revenues (MXN 000)	\$711,980	\$320,499	\$982,290	38.0%	206.5%
EBITDA (USD 000) (I)	\$3,840	(\$3,258)	\$5,074	(62.2%)	255.8%
EBITDA (MXN 000) (I)	\$73,592	(\$71,906)	\$101,180	(67.5%)	240.7%
EBITDA Net of FF&E Reserve (USD 000) (I)	\$2,906	(\$3,285)	\$3,869	(63.1%)	217.8%
EBITDA Net of FF&E Reserve (MXN 000) (I)	\$55,487	(\$72,493)	\$77,027	(68.8%)	206.3%
EBITDA Margin (%)	10.3%	-22.4%	10.3%	0.0 bps	32.7 bps
EBITDA Net of FF&E Reserve Margin (%)	7.8%	-22.6%	7.8%	0.0 bps	30.5 bps
Operating Assets					
Indicator	3Q 2019	3Q 2020	3Q 2021	% Var. 3Q 2021 vs. 3Q 2019	% Var. 3Q 2021 vs. 3Q 2020
ADR (USD)	\$341	\$357	\$530	55.4%	48.4%
ADR (MXN)	\$6,629	\$7,887	\$10,611	60.1%	34.5%
Occupancy (%)	55.9%	18.5%	47.4%	(6.5 bps)	29.0 bps
RevPAR (USD)	\$191	\$66	\$251	31.9%	281.2%
RevPAR (MXN)	\$3,704	\$1,456	\$5,032	35.9%	245.5%
Total Revenues (USD 000)	\$39,215	\$15,912	\$57,722	47.2%	262.8%
Total Revenues (MXN 000)	\$761,891	\$351,468	\$1,155,785	51.7%	228.8%
EBITDA (USD 000) (I)	\$2,638	(\$4,295)	\$7,627	189.1%	277.6%
EBITDA (MXN 000) (I)	\$50,259	(\$94,804)	\$152,119	202.7%	260.5%
EBITDA Net of FF&E Reserve (USD 000) (I)	\$1,627	(\$4,365)	\$6,343	289.8%	245.3%
EBITDA Net of FF&E Reserve (MXN 000) (I)	\$30,657	(\$96,336)	\$126,386	312.3%	231.2%
EBITDA Margin (%)	6.6%	-27.0%	13.2%	6.6 bps	40.1 bps
EBITDA Net of FF&E Reserve Margin (%)	4.0%	-27.4%	10.9%	6.9 bps	38.3 bps

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

Occupancy rate

The **occupancy rate** was 47.4%, or 29.0 p.p. above the same period of 2020 and 8.5 p.p. below 2019. During the quarter, the summer holiday season strengthened the performance of the portfolio's beach assets considering that Mexico continues to be one of the few countries without restrictions on international tourism. Overall, the beach assets recorded an average occupancy of 51.5% during the quarter and even the average occupancy registered a positive variation compared to 2019 in most of these assets.

In context, the World Tourism Organization (UNWTO) highlighted that from January to July 2021, the region of the Americas was the one that presented the smallest decrease in international tourist arrivals compared to 2019 (-68%), with the Caribbean being the sub-region with the best results in the world. In relation to tourism revenues and compared to 2019, Mexico stood out as having obtained in 2021 the same revenues in June approx. and an increase of 2% approx. in July. The U.S. market continues to be the most representative of demand in Mexico and therefore of the portfolio's beach assets. For its part, the Mexico City Government avoided restricting most economic activities to avoid a setback in the economic recovery. Mexico City experienced an improvement in the arrival of leisure tourists in contrast to business tourism, considering that the main business corridors have not resumed business activities. Thus, the Four Seasons Hotel Mexico City continued to show a rebound in occupancy during the quarter, significantly leading the segment in which it competes.

Average rate

The **average rate** was MXN \$10,611 (USD \$530), which represented an increase in local currency of 34.5% and 60.1% compared to 2020 and 2019, respectively. Meanwhile, the US dollar rate registered an increase of 48.4% and 55.4% compared to 2020 and 2019, respectively. Giving continuity to what was experienced in the previous quarter, the portfolio's average rate increase is related to the increase in demand experienced in the different markets where the portfolio's assets are developed, in addition to the incorporation of the One&Only Mandarin hotel. On the other hand, considering that the rates in the portfolio assets are fixed in US dollars, the difference in the average rate increase between both currencies in the quarter and with respect to 2020, is mainly related to the appreciation of the Mexican peso against the US dollar by 9.5% per annum, going from an average of 22.11 MXN/USD in the third quarter of 2020 to 20.02 MXN/USD in 2021. However, the rate increase differential in both currencies with respect to 2019 is related to the depreciation of the Mexican peso against the US dollar by 3.0% per annum, having gone from an average of MXN 19.43/USD in the third quarter of 2019 to MXN 20.02/USD in 2021.

REVPAR

RevPAR was MXN \$5,032 (USD \$251) registering an increase in local currency of 245.5% and 35.9% compared to 2020 and 2019, respectively. Meanwhile, in U.S. dollars it recorded an increase of 281.2% and 31.9% compared to 2020 and 2019, respectively. In this regard it is worth mentioning that the Rosewood Mayakoba hotel is the hotel with the highest RevPAR in Mexico so far this year and the One&Only Mandarin hotel ranked first in RevPAR of its competitive set that considers newly opened hotels in the growth phase. Finally, the Four Seasons Mexico City hotel once again ranked first in RevPAR of its competitive set in the quarter. In conclusion, the portfolio had a solid performance during the quarter in both beach and city assets, considering that Rosewood Villa Magna hotel remained closed during the quarter.

Information relating to the Residential Business

Below are the main commercial indicators for RLH's Residential Business ² as of the third quarter of 2021:

Component	Total inventory	Sales held accumulated as of September 31, 2021	Available inventory	Sale Contracts Signed in 2021	Sales 2021
Residences	315	182	133	10	16
Mayakoba	279	167	112	10	15
Residences Rosewood	33	19	14	0	3
Fairmont Heritage place FO ^(a)	54	30	24	3	5
Fairmont Heritage place FC ^(b)	192	118	74	7	7
Mandarina	36	15	21	0	1
Mandarina Private Homes O&O ^(c)	36	15	21	0	1

(a) Full Ownersip

(b) Fractional units

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

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

Results for the third quarter of 2021

Total Revenues

During this period, RLH Properties' total revenues were MXN \$1,184.1 million:

- MXN \$674.5 million from room and residence rentals (57% of revenues),
- MXN \$334.0 million for food and beverage (28% of revenues),
- MXN \$175.6 million of other hotel revenues (15% of revenues).

Total revenues increased by 231.5%, versus the same period last year, due to the strong recovery in Beach Hotels and the addition of the One&Only Mandarin Hotel to RLH's hotel portfolio.

Costs and expenses

During this period, RLH Properties' costs and overhead expenses were MXN \$1,358.3 million:

- MXN \$300.7 million of administrative and operating expenses (22% of costs and expenses),
- MXN \$211.4 million of room expenses (16% of costs and overhead expenses),
- MXN \$225.3 million of food and beverage costs and expenses (17% of overhead costs and overhead expenses),
- MXN \$169.5 million of depreciation and amortization expense (12% of costs and overhead expenses),
- MXN \$114.2 million of selling and marketing expenses (8% of costs and overhead expenses).

General costs and overhead expenses also showed an increase of 88% versus the same period last year, due to: (i) increase in occupancy, (ii) costs generated by the operation of the One&Only Mandarin Hotel and (iii) expenses generated by the acquisition of the Bless Madrid hotel.

EBITDA

EBITDA from Operating Assets in the third quarter of 2021 stood at MXN \$152.1 million (USD \$7.6 million), registering an increase of 260.5% in local currency and 277.6% in US dollars compared to the same period of 2020 and an increase of 202.7% in local currency and 189.1% in US dollars compared to the same period of 2019. Showing a recovery that exceeds pre-pandemic results. EBITDA Net of Reserve Fund, was MXN \$126.4 million (USD \$6.3 million), representing an increase of 231.2% in local currency and 245.3% in U.S. dollars over the same period last year.

Comprehensive financing result

RLH Properties closed the period with a net debt position of MXN \$5,362.0 million and total debt of MXN \$9,652.3 million.

During the quarter, the exchange rate depreciation generated a net foreign exchange loss of MXN \$6.8 million vs. a net foreign exchange loss of MXN \$11.6 million last year, and a net finance cost of MXN \$101.6 million vs. MXN \$63.8 million in the same period last year, which increase is due to the

contribution of the Bless Madrid Hotel debt of MXN \$28.2 million and the peso depreciation of 1.79% against the US dollar.

The following is a breakdown of the comprehensive financing result, which closed in the third quarter at MXN \$108.4 million:

Consolidated Income Statement (non-audited)

Figures in MXN \$ thousands, unless stated otherwise

	3Q 2020	3Q 2021	Var. a/a
EBIT / Operation profit / (loss)	(242,978)	(189,094)	53,884
Cost of financing			
Interest paid	(64,594)	(116,264)	(51,670)
FX loss	46,894	(49,492)	(96,386)
Financial costs	(17,700)	(165,756)	(148,056)
Interest gain / (loss)	826	14,616	13,790
FX gain	(58,534)	42,699	101,233
Comprehensive financing cost	(75,408)	(108,441)	(33,033)
Profit / (loss) before taxes	(318,386)	(297,535)	20,851

Net loss for the period

For the three months ended September 30, 2021, the consolidated net loss was MXN \$156.6 million. Generated by the costs and expenses associated with Bless Madrid and Rosewood Villa Magna Hotels contributing MXN \$102.5 million, as both are closed for refurbishment, and the impact of the outsourcing reform (PTU).

Other comprehensive income

For the three months ended September 30, 2021, other comprehensive income amounted to MXN \$172.7 million of positive result of which MXN \$147.9 million is from the translation effect of foreign operations and MXN \$24.7 million is cash flow hedging.

Cash Flow

For the third quarter of 2021, positive net cash flow from **operating activities** was MXN \$588.6 million, the net cash flow from **investing activities** was MXN \$1,997.2 million, mainly due to (i) CAPEX expenses of MXN \$856.5 million, (ii) the acquisition of the Bless hotel for MXN \$1,163.9 million, MXN \$21.6 million of interest income and (iv) fixed asset derecognition of MXN \$2.4 million, and net cash flow from **financing activities**, which was positive MXN \$3,651.5 million, due to (i) an increase in share capital of MXN \$2,012.50 million, (ii) an increase in additional paid-in capital of MXN \$894.40 million, (iii) an increase in non-controlling interest of MXN \$1,003.0 million, (iv) a decrease in

restricted cash of MXN \$27.80 million, offset by MXN \$286.2 million, corresponding to repayments and interest payments on bank loans.

Principal repayments showed a decrease of MXN \$260.6 million to MXN \$76.9 million due to the deferral of principal payments agreed with the banks due to the pandemic.

Financial Status

Cash and Liquidity

As of September 30, 2021 the cash and cash equivalents position is MXN \$4,290.2 million, of which MXN \$21.6 million is restricted cash presented on a long-term basis, showing an increase of MXN \$2,210.5 million compared to the end of 2020 mainly due to (i) the increase in share capital of MXN \$2,012.50 million, (ii) the increase in additional paid-in capital of MXN \$894.40 million, (iii) the increase in non-controlling interest of MXN \$1,003.0 million and, (iv) the cash flow from operating activities of MXN \$588.60 million, mainly offset by (i) the consideration for the acquisition of Bless of MXN \$1,163.90 million, (ii) acquisition of CAPEX of MXN \$856.50 million and, (iii) MXN \$286.2 million, corresponding to the payment of amortization and interest on bank loans.

Real Estate Inventories

As of September 30, 2021, real estate inventories amounted to MXN \$2,640.40 million and consisted of land under development of MXN \$494.9 million, land to be developed of MXN \$827.8 million, work in progress of MXN \$1,176.8 million and available-for-sale residences of MXN \$140.9 million. At the end of the quarter, there was an increase of MXN \$391.0 million compared to December 31, 2020, due to the progress in the construction of the villas.

Fixed assets, goodwill, and intangible assets

As of September 30, 2021, fixed assets had a net increase of MXN \$3,415.0 million compared to December 31, 2020, mainly due to (i) fixed asset additions and construction in progress investments of MXN \$1,053.4 million, (ii) the acquisition of the Bless Madrid hotel for MXN \$2,919.50 million and, (iii) the positive translation effect as a result of the valuation of foreign currency fixed assets of MXN

\$64.0 million, mainly offset by depreciation for the period of MXN \$422.7 million, transfers from fixed assets to inventories of MXN \$196.0 million and the sale of assets of MXN \$2.4 million.

Intangible assets and other assets showed a decrease of MXN \$56.4 million, due to the amortization for the period of MXN \$54.7 million and the negative translation effect of MXN \$2.5 million.

Goodwill shows a decrease of MXN \$9.30 million due to the negative net translation effect from the depreciation of the euro against the peso of 3.58% (78% of goodwill is in euro), offset by goodwill recognized on the acquisition of the Bless Madrid hotel MXN \$23.7 million.

Customer advances

As of September 30, 2021, total customer advances amounted to MXN \$2,150.0 million, comprising MXN \$1,234.2 million of deposits received under the promise of sale agreement for villas and MXN \$915.8 million of advances from hotel customers.

The increase of MXN \$824.8 million compared to December 31, 2020, is due to an increase in villa pledge deposits of MXN \$372.8 million and an increase in hotel advances of MXN \$452.0 million showing a recovery of the operation facing Covid-19 pandemic.

Total and net bank debt

As of September 30, 2021 the total debt of the group amounts to MXN \$9,652.3 million showing an increase of MXN \$1,310.10 million compared to the balance as of December 31, 2020, such increase is mainly due to: the debt recognized through the acquisition of businesses for MXM \$1,363.9 million and the depreciation of the peso against the US dollar by 1.79%, offset by the principal payment of the bank loans for MXN \$77.0 million and the amortization of the opening costs for MXN \$22.0 million.

Sixty-six percent (66%) 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	3Q2021	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 Madrid	59,340	EUR	2.15%+ Euribor 6M	2027
Four Seasons Ciudad de México	59,672	USD	2.50%+ Libor 3M	2025
Fairmont Mayakoba	61,457	USD	2.50%+ Libor 3M	2032
Rosewood Mayakoba	51,645	USD	2.40%+ Libor 3M	2028
Banyan Tree Mayakoba	47,008	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)	487,506	USD		

(1) Fxrate EUR/USD as of September 30, 2021, Source, Banxico

Derivative financial instruments

On September 30, 2021, 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 decrease between assets and liabilities due to the decrease in interest rates for MXN \$129.7 million, the effect of which was recorded in other comprehensive income. These products, with maturities until 2033, were paid at closing and have the following characteristics:

Figures in MXNS thousands, unless stated otherwise

Company	Notional MXNS	Beginning Date	Maturity	Fixed Rate	Variable September 30, 2021	Mark to Market	
						September 30, 2021	December 31, 2020
Four Seasons derivative 1	\$ 271,824	26-jun-18	24-nov-25	3.03%	0.13%	\$ (35,990)	\$ (36,331)
Four Seasons derivative 2	\$ 611,605	01-mar-17	24-nov-23	2.32%	0.13%	\$ (24,816)	\$ (52,411)
Rosewood	\$ 786,528	14-dic-18	15-jun-27	2.99%	0.12%	\$ (72,962)	\$ (112,484)
Bananyan Tree derivative 1	\$ 165,283	24-jul-18	09-may-27	1.95%	0.13%	\$ (12,821)	\$ (20,028)
Bananyan Tree derivative 2	\$ 110,188	24-jul-18	09-may-27	1.95%	0.13%	\$ (8,948)	\$ (13,422)
Fairmont derivative 1	\$ 785,232	20-sep-16	20-mar-22	1.32%	0.12%	\$ (4,571)	\$ (55,823)
Fairmont derivative 2	\$ 167,905	23-jul-20	20-jun-31	1.61%	0.12%	\$ (15,929)	\$ (11,278)
Villa Magna derivative 1	\$ 539,400	01-mar-18	01-mar-25	0.89%	0.00%	\$ (14,059)	\$ (20,358)
Villa Magna derivative 2	\$ 144,229	01-mar-19	01-mar-33	1.41%	-0.52%	\$ (31,545)	\$ (48,573)
Villa Magna derivative 3	\$ 683,629	01-mar-19	01-mar-33	0.91%	-0.52%	\$ (39,339)	\$ (66,570)
Bless 1	\$ 788,802	13-may-19	13-nov-26	0.85%	-0.52%	\$ (44,370)	
Bless 2	\$ 246,824	13-may-19	13-nov-26	0.46%	-0.52%	\$ (8,756)	
Net financial instruments (liabilities) assets						\$ (314,108)	\$ (437,278)

Shareholders' equity

The increase in shareholders' equity of MXN \$3,724.10 million is due to (i) the increase in capital stock and additional paid-in capital of MXN \$2,906.90 million, (ii) the increase in capital stock of the non-controlled interest of MXN \$1,003.00 million and MXN \$73.70 million as a positive result net of translation effects and cash flow hedges; offset by the net loss for the period of MXN \$259.60 million.

Corporate Governance

On October 26, 2021, the RLH's Board held a meeting to approve the Financial Statements as of September 30, 2021, which were unanimously approved.

Annexes

Portfolio:

As of September 30, 2021, RLH has **12 business components in the luxury and ultra-luxury segment** totaling **approx. 1,605 hotel rooms** (1,505 in operation and approx. 140 under development), **approx. 235 full ownership residences and 192 fractional units** both with associated hotel brands, and **1 18-holes golf course**:

- **Operating Assets** (8 hotels with 1,505 rooms and 1 18-hole golf course):
 - **Stabilized Assets** (7 hotels, 1,400 rooms): Four Seasons Mexico City (240 rooms), Villa Magna Madrid (150 rooms), Bless Madrid (111 rooms), Rosewood Mayakoba (129 rooms), Banyan Tree Mayakoba (155 rooms), Fairmont Mayakoba (401 rooms) and Andaz Mayakoba (214 rooms).

Bless, the latest luxury asset to join the RLH portfolio last July. A unique asset located in one of the best streets in Madrid, Calle Velázquez, with 111 rooms and a wide gastronomic offer.
 - **Ramp Up Assets** (1 hotel, 105 rooms): One&Only Mandarin. This hotel started operations in November 2020 and is currently in the stabilization phase.
 - **Other Assets** (1 18-holes 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 approx. 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 stages. 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.

Income Statement

The key consolidated financial results of RLH as of September 30, 2021, are shown below.

Consolidated Income Statement

Figures in MXN \$ thousands, unless stated otherwise

	3Q 2019	3Q 2020	3Q 2021	Var. a/a trimestal	
Total Revenues	827,518	471,051	1,184,119	713,068	151.38%
Gross Operating Profit (GOP)	423,622	60,813	154,907	205,720	404.86%
Recurring EBITDA	45,807	86,171	48,215	134,386	155.95%
Recurring corporate expenses	(47,782)	62,037	62,825	(788)	(1.51%)
Recurring EBITDA after corporate expenses	(1,975)	(138,208)	(4,610)	133,598	96.66%
Other non-recurring income/(expenses) and gains	21,466	8,628	(4,945)	(23,573)	(273.22%)
EBITDA	23,441	(29,580)	(9,555)	110,025	84.91%
Depreciation & Amortization	(15,787)	(113,398)	(169,539)	66,141	(49.51%)
EBIT / Operation profit / (loss)	(139,228)	(242,978)	(189,094)	53,884	22.18%
Cost of financing	(10,100)	(75,408)	(108,441)	(33,033)	(43.81%)
Profit / (loss) before taxes	(249,328)	(318,386)	(297,535)	20,851	6.55%
Tax provision	20,600	(7,908)	160,805	(1,955)	100.00%
Consolidated net profit / (loss)	(228,728)	(326,294)	(136,730)	169,702	52.01%
Other comprehensive effects	135,022	(80,998)	172,718	253,716	313.24%
Comprehensive net profit / (loss)	(93,706)	(407,292)	36,018)	423,418	103.96%

Financial Status

The consolidated balance sheet of RLH as of September 30, 2021, is shown below.

Consolidated Balance Sheet			
<i>Figures in MXN \$ thousands, unless stated otherwise</i>			
Assets	2019	2020	2021
Cash and cash equivalents	2,172,350	2,030,372	4,268,595
Accounts receivables and related parties	983,653	1,065,348	1,241,546
Real estate inventories	1,401,230	1,479,890	1,812,597
Other current assets	431,304	167,817	280,099
Total current assets	4,988,537	4,743,427	7,602,837
Fixed asset, intangible assets and goodwill	17,506,875	20,761,578	24,120,098
	1,006,533	1,131,837	1,122,529
Real estate inventories	769,059	769,059	827,790
Deferred taxes	192,120	224,470	187,445
Other non current assets	1,129,676	248,491	194,748
Total non current assets	20,604,263	23,135,435	26,452,610
Total Assets	25,592,800	27,878,862	34,055,447
Liabilities and Stockholders' Equity			
Short term portion of bank loans	368,608	145,260	130,409
Customers deposits	1,239,889	1,325,168	2,149,990
Accounts payable and accumulated expenses	641,551	1,371,456	1,656,600
	487,778		
Derivative financial instruments			4,571
Total short term liabilities	2,737,826	2,841,884	3,941,570
Long term bank loans	6,215,749	8,196,936	9,521,854
Deferred income taxes	1,612,925	1,485,439	1,575,654
Derivative financial instruments	311,076	437,280	303,024
Other accounts payable in the long term	78,868	241,779	313,727
Total long term liabilities	8,218,618	10,361,434	11,714,259
Total shareholders' equity	14,636,356	14,675,544	18,399,618
Total liabilities and shareholders' equity	25,592,800	27,878,862	34,055,447

Cash Flows Statement

RLH's consolidated cash flows statement as of September 30, 2021, is shown below.

Consolidated Cash Flow Statement			
<i>Figures in MXN \$ thousands, unless stated otherwise</i>			
	30-sep-19	30-sep-20	30-sep-21
	2019	2020	2021
Operating activities			
Gain (loss) before income taxes	223,676	862,953	655,254
Adjustments for non cash items:			
Depreciation and amortization	351,953	364,442	477,394
FX of cash	12,093	7,817	4,657
FX of loans	(2,144)	417,891	(75,704)
Interest income	69,238	8,208	2,1594
Interest expense	309,976	245,213	209,187
Minority Interest	8,124		
Cost of long term compensation plan	225,905	10,899	
Subtotal	571,745	174,101	238,686
Working capital	(85,793)	(51,500)	350,603
Income taxes paid	(9,412)	(102,169)	(716)
Compensation plan payments		(10,264)	
Net cash flow from operating activities	286,540	(89,832)	588,573
Net cash flow from investing activities	(1,461,083)	(1,430,673)	(1,997,189)
Net cash flow from financing activities	2,901,382	1,642,322	3,651,496
Decrease in cash and cash equivalents	(1,042,104)	(78,183)	2,242,880
Cash and cash equivalents at the beginning of the period	3,303,781	2,455,856	2,030,372
FX gain on cash and cash equivalents	(2,093)	(7,817)	(657)
Cash and cash equivalents at the end of the period	2,249,584	2,269,856	4,268,595