

RLH Properties ("RLH A"), the first public company specializing in high-end hotels in Mexico and Spain, announced its financial results for the first quarter of 2023.

Mexico City. - RLH Properties (BMV: RLH A), the first public company specializing in luxury and ultra-luxury hotels in Mexico, announces its financial results for the first quarter of 2023. Except where otherwise noted, all figures in the report were prepared following International Financial Reporting Standards ("IFRS") and expressed in nominal Mexican pesos.

Commentary by Borja Escalada, Managing Director of RLH Properties.

The first quarter of 2023 has been excellent for our company's assets.

The **Four Seasons Mexico City** hotel achieved results that exceeded expectations, confirming its positioning in the destination and against its competitors with an average occupancy in the quarter of 85%, the highest in the portfolio and the second highest of all Four Seasons properties in the Americas.

The **Banyan Tree Mayakoba** and **Rosewood Mayakoba** hotels recorded the highest occupancy levels of our beach assets, 84% and 79%, respectively. Likewise, **Rosewood Mayakoba** presented the highest EBITDA of the portfolio in the period, 13% higher than in 2022 and slightly more than double that of 2019, as well as the highest average rate of the portfolio, positioning it in first place in this indicator compared to its competitive set.

This quarter, the performance of the **El Camaleón Mayakoba** golf course stands out due to the celebration of the first edition of the LIV Golf Mayakoba, the first LIV Golf League tournament in Latin America and the inaugural tournament of the 2023 season, with an audience of more than 3 million viewers on all digital platforms and receiving thousands of attendees every day, which represented a historical performance in terms of revenues.

Our residential business continues to perform well. This quarter we completed the sale of a residence in **One&Only Mandarin Private Homes**, a *full ownership* residence, and a fractional residence in **Fairmont Heritage Place Mayakoba**.

On the other hand, we are very proud to have obtained in February of this year, for the third consecutive year, the **ESR Distinction** awarded by the Mexican Center for Philanthropy (Cemefi) and the Alliance for Corporate Social Responsibility (AliaRSE). We are confident that a sustainability strategy strengthens us as a company and contributes to our long-term permanence, so we will continue to implement environmental, social, and governance initiatives that actively contribute to the Sustainable Development Goals of the United Nations 2030 Agenda.

The results obtained in the quarter demonstrate the exceptional quality of our assets, as well as of our customer's preference, and, of course, confirm the ability and excellence of the **RLH Properties** team. We will continue to work hard to deliver on our promise to **create shared value**, convinced that it is possible to do business by creating long-term value for our shareholders and, at the same time, for the environment and society, including our most important asset, our team.

RLH Properties announces its first quarter 2023 Earnings Conference Call.

We cordially invite you to the presentation of our first quarter 2023 financial results via conference call.

Date: May 8, 2023.

Time: 14:00 a.m. Mexico City (16:00 a.m. New York / 21:00 p.m. London / 22:00 p.m. Madrid).

Presented by:

- **Borja Escalada**, Chief Executive Officer and Member of the Board.
- **Juan Novoa**, Chief Financial Officer.

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

Toll-Free: 877-545-0523

International Dial-in: 973-528-0016

Access Code: 652186

RLH Conference Call 1Q2023

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 leading Mexico City-based, publicly listed company focused on the acquisition, development and management of luxury and ultra-luxury hotels and resorts and associated branded residential product. Established in Mexico City in 2013, RLH Properties is funded primarily by pension funds, institutional investors, and Mexican family offices. RLH's investment strategy focuses on AAA assets in unique locations with high entry barriers, in markets with low supply relative to current and potential demand, and partnerships with the finest internationally recognized hotel operators. RLH's current portfolio includes Rosewood Mayakoba, Fairmont Mayakoba, Banyan Tree Mayakoba, Andaz Mayakoba, Four Seasons Mexico City, One&Only Mandarin, El Camaleón Mayakoba, Rosewood Residences Mayakoba, Fairmont Heritage Place Mayakoba, and One&Only Mandarin Private Homes. Additionally, RLH Properties has two projects currently under development: Rosewood Mandarin and Rosewood Residences Mandarin, set to open within the year 2024. For more information, visit www.rlhproperties.com/en

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Q1 2023 Relevant Information

During the first quarter, RLH Properties' results show an increase in GOP and recurring EBITDA of 12% and 15%, which shows that assets continue to have sustained growth from 2021, with levels above 2019.

Consolidated Income Statement

Figures in MXN \$ thousands, unless stated otherwise

| | 1Q 2023 | % | 1Q 2022 | % | Var. a/a annual | |
|--|----------------|------|----------------|------|-----------------|-------|
| Total Revenues | 2,421,551 | 100% | 2,680,537 | 100% | (258,986) | -10% |
| Direct costs and expenses | (826,430) | -34% | (725,984) | -27% | (100,446) | 14% |
| Residences cost | 0 | 0% | (447,622) | -17% | 447,622 | -100% |
| Indirect expenses and other expenses | (635,127) | -26% | (646,778) | -24% | 11,651 | -2% |
| Gross Operating Profit (GOP) Margin (%) | 959,994 40% | 40% | 860,153 32% | 32% | 99,841 | 12% |
| Recurring EBITDA Margin (%) | 772,892 32% | 32% | 669,879 25% | 25% | 103,013 | 15% |

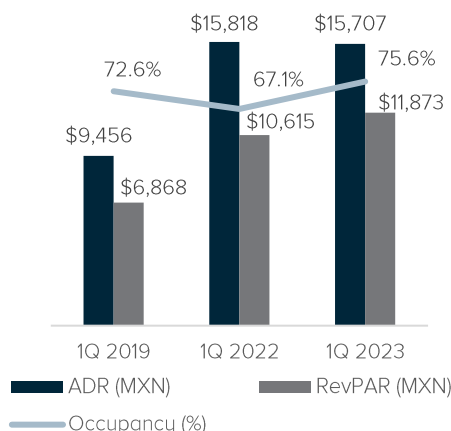
Total revenues for the first quarter of 2023 totaled MXN 2,421.5 million, representing a decrease of **10% compared** to the same quarter of the previous year. It is worth mentioning that revenues from room rentals increased 5% compared to the same quarter of the previous year, but there were no revenues from residential sales, which placed total revenues below the same quarter of the previous year.

Gross operating income for the first quarter was MXN 959.9 million, **12% higher** than the same period of the previous year.

RLH's **consolidated recurring EBITDA before corporate expenses** for the first quarter was MXN 772.9 million, an increase of **15%** compared to last year.

Net income for the period was MXN 95.7 million, an increase of **20% compared** to the same period of the previous year.

Aggregated Performance of Operating Assets
1Q 2023 vs 1Q 2019 & 1Q 2022 (MXN)



The **occupancy rate** was 75.6%, registering an increase of 8.5 p.p. compared to the same period last year and an increase of 3.0 p.p. compared to the same period of 2019.

The **average rate** was MXN 15,707 (843 USD), remaining in line with local currency versus the previous year and increasing by 66.1% compared to 2019. Meanwhile, the US dollar rate registered an increase of 9.3% and 71.2% compared to 2022 and 2019, respectively.

RevPAR was MXN 11,873 (637 USD), registering an increase in local currency of 11.9% and 72.9% compared to 2022 and 2019, respectively. Meanwhile, in US dollars, an increase of 23.1% and 78.1% was recorded compared to 2022 and 2019, respectively.

Hotel Assets Operating Statistics¹ 1Q2023

The following are the leading aggregate operating indicators² of RLH Properties' **Hotel Assets** portfolio as of the **first quarter** of 2023:

| Operating Indicators as of the 1st Quarter of 2023 | | | | | |
|--|-------------|-------------|-------------|----------------------------|----------------------------|
| Stabilized Assets and Other Assets | | | | | |
| Indicator | 1Q 2019 | 1Q 2022 | 1Q 2023 | % Var. 1Q 2023 vs. 1Q 2019 | % Var. 1Q 2023 vs. 1Q 2022 |
| ADR (USD) | \$519 | \$694 | \$772 | 48.8% | 11.3% |
| ADR (MXN) | \$9,967 | \$14,227 | \$14,372 | 44.2% | 1.0% |
| Occupancy (%) | 75.3% | 66.6% | 75.8% | 0.5 bps | 9.2 bps |
| RevPAR (USD) | \$391 | \$462 | \$586 | 49.9% | 26.7% |
| RevPAR (MXN) | \$7,503 | \$9,474 | \$10,898 | 45.2% | 15.0% |
| Total Revenues (USD '000) | \$54,564 | \$80,703 | \$108,758 | 99.3% | 34.8% |
| Total Revenues (MXN '000) | \$1,047,956 | \$1,654,051 | \$2,024,287 | 93.2% | 22.4% |
| EBITDA* (USD '000) | \$19,311 | \$29,002 | \$41,009 | 112.4% | 41.4% |
| EBITDA* (MXN '000) | \$370,980 | \$594,393 | \$762,999 | 105.7% | 28.4% |
| EBITDA* Net of FF&E Reserve (USD '000) | \$17,490 | \$26,495 | \$37,526 | 114.6% | 41.6% |
| EBITDA* Net of FF&E Reserve (MXN '000) | \$336,013 | \$543,021 | \$698,167 | 107.8% | 28.6% |
| EBITDA Margin (%) | 35.4% | 35.9% | 37.7% | 2.3 bps | 1.8 bps |
| EBITDA Net of FF&E Reserve Margin (%) | 32.1% | 32.8% | 34.5% | 2.4 bps | 1.7 bps |
| Operating Assets | | | | | |
| Indicator | 1Q 2019 | 1Q 2022 | 1Q 2023 | % Var. 1Q 2023 vs. 1Q 2019 | % Var. 1Q 2023 vs. 1Q 2022 |
| ADR (USD) | \$492 | \$771 | \$843 | 71.2% | 9.3% |
| ADR (MXN) | \$9,456 | \$15,818 | \$15,707 | 66.1% | (0.7%) |
| Occupancy (%) | 72.6% | 67.1% | 75.6% | 3.0 bps | 8.5 bps |
| RevPAR (USD) | \$358 | \$518 | \$637 | 78.1% | 23.1% |
| RevPAR (MXN) | \$6,868 | \$10,615 | \$11,873 | 72.9% | 11.9% |
| Total Revenues (USD '000) | \$61,578 | \$96,912 | \$127,087 | 106.4% | 31.1% |
| Total Revenues (MXN '000) | \$1,182,644 | \$1,987,465 | \$2,367,783 | 100.2% | 19.1% |
| EBITDA* (USD '000) | \$20,985 | \$34,780 | \$45,952 | 119.0% | 32.1% |
| EBITDA* (MXN '000) | \$403,139 | \$713,105 | \$855,801 | 112.3% | 20.0% |
| EBITDA* Net of FF&E Reserve (USD '000) | \$18,954 | \$31,991 | \$42,000 | 121.6% | 31.3% |
| EBITDA* Net of FF&E Reserve (MXN '000) | \$364,132 | \$655,912 | \$782,178 | 114.8% | 19.3% |
| EBITDA Margin (%) | 34.1% | 35.9% | 36.1% | 2.1 bps | 0.3 bps |
| EBITDA Net of FF&E Reserve Margin (%) | 30.8% | 33.0% | 33.0% | 2.2 bps | 0.0 bps |

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

¹The indicators and results presented in all the periods analyzed do not consider the results of the LIV GOLF tournament held during February at Camaleón Mayakoba.

²Aggregate operating hotel information is based on USALI (Uniform System of Accounts for the Hotel Industry) and includes the sum

Occupancy Rate

The **occupancy rate** was 75.6%, registering an increase of 8.5 p.p. compared to the same period last year and an increase of 3.0 p.p. compared to the same period of 2019.

In general, the occupancy of the portfolio's assets was driven by the **strategic use of demand** in each destination, despite the full **opening of the main tourist destinations worldwide**.

Four Seasons Mexico City, Banyan Tree Mayakoba, and Rosewood Mayakoba recorded the highest occupancy levels in the quarter, respectively. In addition, Four Seasons Mexico City registered a higher level than in the same period of the previous year and 2019. Meanwhile, Banyan Tree Mayakoba and Rosewood Mayakoba hotels showed an increase over the same period in 2022 and 2019, due to the availability of the Banyan Tree Mayakoba hotel's total inventory not available in the first quarter of 2022.

Average Rate

The **average rate** was 15,707 (843 USD), remaining in line with local currency versus the previous year and increasing by 66.1% compared to 2019. Meanwhile, the US dollar rate registered an increase of 9.3% and 71.2% compared to 2022 and 2019, respectively.

During the quarter, **the portfolio continued to experience increases in average rates**, supporting the recognition of the assets in the markets in which they compete. In this regard, two specific assets stand out with the most significant increases in average rates compared to the same period of the previous year. On the one hand, the **Four Seasons hotel continues with the most significant increase in the portfolio** in the comparison above, considering that Mexico City began 2023 with an important tourist reactivation. However, on the other hand, the **Fairmont Mayakoba Hotel registered the second-highest increase related to the renovation of the hotel**, which in the first quarter of 2022 did not have the total inventory available.

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 appreciation and depreciation of the Mexican peso against the US dollar compared to the same period of the previous year and 2019, respectively. As a result, the appreciation of the exchange rate brought an impact on the expense structure, but this impact was mitigated thanks to the performance of the portfolio's assets.

Compared to the previous year, the first quarter of 2023 recorded an appreciation of 9.7% per year, going from an average of MXN 20.52/USD in the first quarter of 2022 to MXN 18.70/USD in the first quarter of 2023. Concerning 2019, an appreciation of 2.8% per year was recorded, going from an average of 19.22 MXN/USD in the first quarter of 2019 to 18.70 MXN/USD in the first quarter of 2023.

RevPar

RevPAR was 11,873 (637 USD), registering an increase in local currency of 11.9% and 72.9% compared to 2022 and 2019, respectively. Meanwhile, in US dollars, an increase of 23.1% and 78.1% was recorded compared to 2022 and 2019, respectively.

The increase in RevPAR in the quarter is mainly related to the hike in the average rates of all the assets in the portfolio. The Four Seasons Mexico City, Rosewood Mayakoba, and Fairmont Mayakoba hotels recorded RevPAR levels significantly above the levels of their competitive peers.

EBITDA

EBITDA recorded in the quarter was **above** that recorded in the same period of the previous year, and it is noteworthy that it **doubled** that recorded in 2019 in both local currency and US dollars.

Specifically, the **Four Seasons Mexico City** hotel closed the quarter above expectations, recording an EBITDA level that significantly exceeded that recorded in the same period of the previous year. Similarly, the **Fairmont Mayakoba** Hotel, in addition to exceeding expectations, greatly surpassed the same period of 2019 before its renovation.

The **Rosewood Mayakoba** and **Fairmont Mayakoba** hotels together contributed **47% of EBITDA results in the quarter**. The Rosewood Mayakoba Hotel continued with an important market positioning in the quarter, while the Fairmont Mayakoba Hotel has managed to reposition itself in the luxury market due to its extensive renovation.

Information related to the Residential Business

The following are the leading commercial indicators for RLH's Residential Business³ as of the first quarter of 2023:

| Component | Total inventory | Sales held accumulated as of march 31, 2023 | Available inventory | Sale Contracts Signed in 2023 | Sales 2023 |
|---------------------------------|-----------------|---|---------------------|-------------------------------|------------|
| Residences | 319 | 222 | 97 | 1 | 2 |
| Mayakoba | 279 | 202 | 77 | 0 | 1 |
| Residences Rosewood | 33 | 31 | 2 | 0 | 0 |
| Fairmont Heritage place FO (a) | 54 | 34 | 20 | 0 | 0 |
| Fairmont Heritage place FC (b) | 192 | 137 | 55 | 0 | 1 |
| Mandarina | 40 | 20 | 20 | 1 | 1 |
| Mandarina Private Homes O&O (c) | 40 | 20 | 20 | 1 | 1 |

(1) FO is Abbreviation for Full Ownersip

(2) FC is Abbreviation for Fracciones

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

³Per 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 2023 results

Total Revenues

For the period from January 1 to March 31, 2023, there were no revenues from the sale of residences (deeds), which during the same period of 2022 represented 21% of revenues; therefore, total revenues show a decrease of 10%, however, without considering the sale of residences, hotel revenues showed an increase of 12% compared to the same period of last year. The result of the hotel assets includes the Fairmont Mayakoba Hotel's good performance after the consumer centers reopening. Also, the Four Seasons Hotel in Mexico City showed an important positioning, surpassing its competitors' average occupancy level during the entire quarter. It is important to mention that the effective increase from hotel assets represents 22% without considering the portfolio in Spain, derived from its sale in November 2022.

RLH Properties' total revenues for the quarter amounted to \$2,421.6MXN:

- 1,410.4M of revenues from room and residence rental (58% of revenues).
- 678.4M in food and beverage revenues (28% of revenues).
- 332.8M of other hotel revenues (14% of revenues).

Costs and expenses

During this quarter, RLH Properties' costs and overhead expenses were \$1,648.7M:

- 353.5M of food and beverage costs and expenses (21% of general costs and overhead).
- 325.8M of room expenses (20% of costs and overhead).
- 295.1M of administrative and operating expenses (18% of costs and overhead).
- 277.9M of IT and telecommunications, marketing, and maintenance expenses (17% of general costs and overhead).
- 209.3M of other departmental expenses and basic services (13% of costs and overhead).
- 187.1M of operating fees, insurance, and property expenses (11% of general costs and overhead).

Compared to the same period in 2022, costs and general expenses decreased by 20%.

EBITDA

Recurring EBITDA for the quarter reached 772.9M, registering an increase of 15% compared to the same quarter of 2022, while EBITDA after corporate expenses stood at 706.9M, registering an increase of 21% compared to the same period of 2022; the increase in recurring EBITDA is mainly attributed to the good performance of the beach and city hotels, on the other hand, the increase in EBITDA after corporate expenses is primarily due to the restructuring carried out in the last quarter of 2022.

Comprehensive financing result

During the quarter, the financial debt and exchange loss generated a cost of 343.2M.

During the quarter, net financing cost increased to \$214.6M and is broken down as follows:

Consolidated Income Statement (non-audited)

Figures in MXN \$ thousands, unless stated otherwise

| | 1Q 2023 | 1Q 2022 | Var. a/a |
|-------------------------------------|------------------|------------------|-----------------|
| Cost of financing | | | |
| Interest paid | (134,812) | (109,344) | (25,468) |
| FX loss | (208,352) | (170,896) | (37,456) |
| Financial costs | (343,164) | (280,240) | (62,924) |
| Interest gain / (loss) | 28,619 | 22,059 | 6,560 |
| FX gain | 99,983 | 101,709 | (1,726) |
| Comprehensive financing cost | (214,562) | (156,472) | (58,090) |
| Profit / (loss) before taxes | 340,554 | 273,278 | 67,276 |

Net income for the period

During the quarter, consolidated net income was 95.7M.

Other comprehensive income

During the quarter, other comprehensive income represented 384M of loss, integrated by the net translation effect of 345.5M and cash flow hedges of 38.5 M.

Corporate expenses:

During the quarter, recurring corporate expenses decreased by 21% compared to the same period in 2022, mainly due to the restructuring carried out in the last quarter of 2022 and a lag in the execution of certain expense items, including consulting and technology services, among others.

Deferred tax expense:

During the first quarter, the deferred tax expense of 104.4M corresponds mainly to the amortization of tax losses of 55.3M and the receipt of customer advances of 29.8M in the Andaz Mayakoba Hotel and Fairmont Mayakoba Hotel.

Cash flow 2023

During 2023, net cash flow from operating activities was 105.5M, and net cash flow from investing activities was 201.0M due to CAPEX and intangible investments of 229.7M, offset by 28.6M of interest income. Net cash flow from financing activities was negative 166.9M due to bank loan repayments of 68.9M and 98.0M of interest paid.

Financial Situation

Cash and Liquidity

As of March 31, 2023, the RLH position of cash and cash equivalents is 4,771.7M, showing a decrease of 293.1M for December 31, 2022, mainly originated by the investment in CAPEX and intangibles for 229.7M, the payment of principal and interest for 166.9M, partially offset by 105.5M coming from net cash flows from operating activities.

Real estate inventories

As of March 31, 2023, short-term real estate inventories show a balance of 1,509.2M and are comprised of land under development for 546.8M and work in progress for 962.4M, presenting an increase of 95.1M for December 31, 2022, due to the advancement of residences under construction. Long-term real estate inventories correspond to land under development for 762.6M.

Property, plant and equipment, goodwill, and intangible assets

As of March 31, 2023, fixed assets had a net decrease of 718.7M for December 31, 2022, mainly due to the negative translation effect as a result of the appreciation of the peso against the dollar (7%) concerning the valuation of fixed assets in foreign currency for 808.3M, depreciation for 133.8M and write-offs for 1.4M; offset by fixed asset additions and investments in construction in progress for 225M.

As of March 31, 2023, intangible and other assets had a net decrease of 34.2M for December 31, 2022, mainly due to the negative translation effect derived from the appreciation of the peso against the US dollar for 23.9M, amortization for the period for 14.7M, and write-offs for 0.5M, offset by additions of 4.6M.

Goodwill of \$145M shows a decrease of \$6.8M due to the negative translation effect derived from the appreciation of the peso against the US dollar.

Customer advances

As of March 31, 2023, total customer advances amounted to \$2,006.1M, comprised of \$1,264.7M of deposits received from the promise of sale contracts for villas and \$741.4M of advances from hotel customers.

The decrease of 117.0M from December 31, 2022, is due to a reduction in hotel advances of 262.9M due to lower hotel occupancy as a result of seasonality during the second quarter and applications of

5.1M derived from the sale of residential furnishings, offset by an increase in residential advances of 151M.

Total bank debt

As of March 31, 2023, the group's total debt is 6,101.1M showing a decrease of 489.6M compared to the balance as of December 31, 2022; such reduction is mainly due to the exchange rate fluctuation derived from the appreciation of the peso against the dollar (7%) for 426.6M, loan payments for 68.9M, offset by the amortization of opening costs for 5.9M.

As of March 31, 2023, 100% of the company's total debt is denominated in US dollars, with a weighted average financial cost of 5.88%.

The following table presents the detail of the debt position:

| Component | 1Q2023 | Currency | Interest Rate | Maturity |
|---|------------------|----------|-----------------|----------|
| <i>Figures in USD \$ thousands, unless stated otherwise</i> | | | | |
| Four Seasons Mexico Cuty | 59,322 | USD | 2.50%+ Libor 3M | 2030 |
| Fairmont Mayakoba | 66,953 | USD | 2.50%+ Libor 3M | 2032 |
| Rosewood Mayakoba | 47,836 | USD | 2.66%+ SOFR 3M | 2028 |
| Banyan Tree Mayakoba (Tranch A) | 15,908 | USD | 2.59%+ SOFR 3M | 2030 |
| Banyan Tree Mayakoba (Tranch B) | 26,680 | USD | 2.69%+ SOFR 3M | 2030 |
| Andaz Mayakoba | 53,288 | USD | 4.00%+ Libor 3M | 2032 |
| One&Only Mandarin | 74,550 | USD | 2.97%+ SOFR 3M | 2029 |
| Total debt (1) | 6,237,916 | | | |

(1) Fx rate EUR/USD as of 1Q 2023, Source, Banxico

Derivative financial instruments

As of March 31, 2023, the financial instruments held by the group to hedge the interest rate risk of its bank loans and which are presented at fair value, showed a significant decrease due to the 7% appreciation of the peso against the dollar and the expected trend for the reduction in market rates, such effect reflects a negative hedge in the amount of 67.9M and whose impact was recorded in other

comprehensive income. These products, with maturities until 2031, were paid at the time of closing the operations and had the following characteristics:

Figures in USD \$ thousands, unless stated otherwise

| Company | Notional MXN\$ | Beginning Date | Maturity | Fixed Rate | Variable Rate March 31, 2023 | Mark to Market March 31, 2023 | Mark to Market December 31, 2022 |
|--|----------------|----------------|-----------|------------|------------------------------|-------------------------------|----------------------------------|
| Four Seasons derivative 1 | 215,618 | 26-jun-18 | 24-nov-25 | 3.03% | 4.93% | \$ 11,539 | \$ 15,222 |
| Four Seasons derivative 2 | 485,142 | 01-mar-17 | 24-nov-23 | 2.32% | 4.93% | \$ 9,549 | \$ 13,350 |
| Rosewood | 649,564 | 14-dic-18 | 15-jun-27 | 2.73% | 5.03% | \$ 17,946 | \$ 28,083 |
| Bananyan Tree derivative 1 | 338,828 | 10-feb-21 | 09-ago-28 | 1.76% | 4.72% | \$ 21,710 | \$ 28,716 |
| Bananyan Tree derivative 2 | 225,885 | 10-feb-21 | 09-ago-28 | 1.76% | 4.72% | \$ 14,239 | \$ 19,734 |
| Fairmont | 1,090,982 | 23-jul-20 | 20-jun-31 | 1.61% | 5.00% | \$ 99,754 | \$ 126,515 |
| O&O Mandarin | 1,012,307 | 16-jun-22 | 30-jun-26 | 3.46% | 4.90% | \$ 5,264 | \$ 16,319 |
| Net financial instruments (liabilities) assets | | | | | | \$ 180,001 | \$ 247,939 |

Stockholders' equity

The decrease in stockholders' equity of 288.3M was due to the appreciation of the peso against the dollar resulting in a reduction of the valuation of assets of 345M, the negative result of the valuation of financial instruments of 39M, offset by the net income for the period of 95.7M.

Corporate Governance

On April 27, 2023, the Board of Directors of RLH held a meeting to approve the Financial Statements as of March 31, 2023, which were unanimously approved.

Annexes

Portfolio:

As of March 31, 2023, RLH has **10 business components in the luxury and ultra-luxury segment** totaling **approximately 1,392 hotel rooms** (1,253 in operation and approximately 140 under development), **approximately 235 full-ownership residences and 192 fractional units**, both with associated hotel brands, and **1 18-hole golf course**:

- **Operating Assets** (6 hotels with 1,253 rooms and 1 18-hole golf course):
 - **Stabilized Assets** (5 hotels, 1,148 rooms): Four Seasons Mexico City Hotel (240 rooms), Rosewood Mayakoba Hotel (129 rooms), Banyan Tree Mayakoba Hotel (164 rooms), Fairmont Mayakoba Hotel (401 rooms) and the Andaz Mayakoba hotel (214 rooms).
 - **Assets in Ramp Up** (1 hotel, 105 rooms): One&Only Mandarin Hotel. This hotel started operations in November 2020 and is currently in stabilization.
 - **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** (approximately 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** (approximately 87 full-ownership residences and 192 fractional units): Fairmont Heritage Place considers an inventory of approximately 54 full-ownership residences and 192 fractional units. Rosewood Residences has an inventory of 33 full-ownership residences.

Reconciliation between Operating Results and Consolidated Income Statement

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

The Consolidated Statement of Income presents EBITDA before corporate expenses plus other income, compared to aggregate hotel Operating EBITDA.

| | | |
|--|----------------------|------------|
| MXN million | | |
| Hotel EBITDA 1Q2023 | | 856 |
| Owner's Expenses/Income | } MXN (\$86M) | (42) |
| Residential/Corporate Results | | (21) |
| Sponsorships Golf Tournament (LIV) | | (11) |
| Reclassifications to RIF | | (15) |
| Others | | 3 |
| Consolidated Statement of Income 1Q2023 | | 770 |

The net difference of MXN (\$86M) arises from the following:

- Owner's income/ (expenses) are not recorded in the EBITDA of the hotels, but within the consolidated statement of income, multiple factors influence as owner's income/ (expenses), e.g., extraordinary CAPEX of assets, legal fees, among others MXN \$(42) Million.
- MXN (\$21) million of the Results of Residences: Fairmont Heritage Place, Rosewood Residences, and Mandarin Private Homes are not included in the operating results as they are not part of the hotel business.
- The Hotel EBITDA does not include the sponsorship received for the LIV Tournament, held in February at the Camaleón MXN \$(11) Million.
- Other includes variations due to consolidation effects that impact the consolidated statement of income for 1Q2023.

Income Statement 1Q2023

RLH's main consolidated financial results for 1Q2023 are shown below.

| Consolidated Income Statement | | | | | | |
|--|-----------|------|-----------|------|-----------------|-------|
| Figures in MXN \$ thousands, unless stated otherwise | | | | | | |
| | 1Q 2023 | % | 1Q 2022 | % | Var. a/a annual | |
| Total Revenues | 2,421,551 | 100% | 2,680,537 | 100% | (258,986) | -10% |
| Rooms Revenues | 1,410,375 | 58% | 1,343,320 | 50% | 67,055 | 5% |
| Food & Beverage Revenues | 678,376 | 28% | 521,314 | 19% | 157,062 | 30% |
| Residences Revenues | 0 | 0% | 550,466 | 21% | (550,466) | -100% |
| Other Revenues | 332,800 | 14% | 265,437 | 10% | 67,363 | 25% |
| Direct costs and expenses | (826,430) | -34% | (725,984) | -27% | (100,446) | 14% |
| Residences cost | 0 | 0% | (447,622) | -17% | 447,622 | -100% |
| Indirect expenses and other expenses | (635,127) | -26% | (646,778) | -24% | 11,651 | -2% |
| Gross Operating Profit (GOP) | 959,994 | 40% | 860,153 | 32% | 99,841 | 12% |
| Margin (%) | 40% | | 32% | | | |
| Recurring EBITDA | 772,892 | 32% | 669,879 | 25% | 103,013 | 15% |
| Margin (%) | 32% | | 25% | | | |
| Recurring corporate expenses | (65,969) | -3% | (83,513) | -3% | 17,544 | -21% |
| Recurring EBITDA after corporate expenses | 706,923 | 29% | 586,366 | 22% | 120,557 | 21% |
| Margin (%) | 29% | | 22% | | | |
| Other non-recurring income /(expenses) and other | (3,348) | 0% | 17,509 | 1% | (20,857) | -119% |
| EBITDA | 703,575 | 29% | 603,875 | 23% | 99,700 | 17% |
| Depreciation & Amortization | (148,459) | -6% | (174,125) | -6% | 25,666 | -15% |
| EBIT / Operation profit / (loss) | 555,116 | 23% | 429,750 | 16% | 125,366 | 29% |
| Cost of financing | (214,562) | -9% | (156,472) | -6% | (58,090) | 37% |
| Profit / (loss) before taxes | 340,554 | 14% | 273,278 | 10% | 67,276 | 25% |
| Tax provision | (104,354) | -4% | (72,767) | -3% | (31,587) | 43% |
| | (140,516) | -6% | (120,839) | -5% | (19,677) | 16% |
| Consolidated net profit / (loss) | 95,684 | 4% | 79,672 | 3% | 16,012 | 20% |
| Other comprehensive effects | (383,962) | -16% | (118,557) | -4% | (265,405) | 224% |
| Comprehensive net profit / (loss) | (288,278) | -12% | (38,885) | -1% | (249,393) | 641% |

Financial Situation

The consolidated balance sheet of RLH as of March 31, 2023, is shown below.

Consolidated Balance Sheet

Figures in MXN \$ thousands, unless stated otherwise

| Assets | 2023 | 2022 | Var. a/a Annual | |
|---|-------------------|-------------------|--------------------|------------|
| Cash and cash equivalents | 4,771,687 | 5,064,823 | (293,136) | -6% |
| Accounts receivables and related parties | 1,009,519 | 1,215,682 | (206,163) | -17% |
| Real estate inventories | 1,509,227 | 1,414,089 | 95,138 | 7% |
| Other current assets | 411,377 | 366,300 | 45,077 | 12% |
| Total current assets | 7,701,810 | 8,060,894 | (359,084) | -4% |
| Fixed asset, intangible assets and goodwill | 15,422,047 | 16,175,008 | (752,961) | -5% |
| Goodwill | 145,035 | 151,844 | (6,809) | -4% |
| Real estate inventories | 762,568 | 762,568 | 0 | 0% |
| Deferred taxes | 1,058,324 | 941,603 | 116,721 | 12% |
| Derivative financial instruments | 170,452 | 234,589 | (64,137) | -27% |
| Other non current assets | 110,253 | 125,188 | (14,935) | -12% |
| Total non current assets | 17,668,679 | 18,390,800 | (722,121) | -4% |
| Total Assets | 25,370,489 | 26,451,694 | (1,081,205) | -4% |
| Liabilities and Stockholders' Equity | | | | |
| Short term portion of bank loans | 332,909 | 333,293 | (384) | 0% |
| Costumers deposits | 2,006,139 | 2,123,101 | (116,962) | -6% |
| Accounts payable and acumulated expenses | 2,099,267 | 2,284,546 | (185,279) | -8% |
| Total short term liabilities | 4,438,315 | 4,740,940 | (302,625) | -6% |
| Long term bank loans | 5,768,210 | 6,257,401 | (489,191) | -8% |
| Deferred taxes | 796,612 | 842,039 | (45,427) | -5% |
| Other accounts payable in the long term | 206,380 | 162,064 | 44,316 | 27% |
| Total long term liabilities | 6,771,202 | 7,261,504 | (490,302) | -7% |
| Total shareholders' equity | 14,160,972 | 14,449,250 | (288,278) | -2% |
| Total liabilities and shareholders' equity | 25,370,489 | 26,451,694 | (1,081,205) | -4% |

Cash flow statement

The consolidated cash flow statement of RLH as of March 31, 2023, is shown below.

| Consolidated Cash Flow Statement | | | | |
|---|------------------|------------------|------------------|-------------|
| Figures in MXN \$ thousands, unless stated otherwise | | | | |
| | 31 march 2023 | 31 march 2022 | Var. a/a annual | |
| Operating activities | | | | |
| Gain (loss) before income taxes | 340,554 | 273,278 | 67,276 | -25% |
| Adjustments for non cash items: | | | | |
| Depreciation and amortization | 148,459 | 174,125 | (25,666) | -15% |
| FX of cash | 30,632 | 50,298 | (19,666) | -39% |
| FX of loans | (164,144) | (87,388) | (76,756) | 88% |
| Interest income | (28,619) | (22,059) | (6,560) | 30% |
| Interest expense | 134,812 | 109,344 | 25,468 | 23% |
| Removal of property, furniture and equipment | 1,920 | 3,653 | (1,733) | 100% |
| Other items that do not require the use of cash | 25,687 | 33,225.00 | (7,538) | -23% |
| Subtotal | 489,301 | 534,476 | (45,175) | -8% |
| Working capital | (301,670) | 61,512 | (363,182) | -590% |
| Income taxes paid | (82,171) | (36,995) | (45,176) | 122% |
| Net cash flow from operating activities | 105,460 | 558,993 | (453,533) | -81% |
| Net cash flow from investing activities | (201,046) | (213,771) | 12,725 | -6% |
| Net cash flow from financing activities | (166,918) | (97,128) | (69,790) | 72% |
| Decrease in cash and cash equivalents | (262,504) | 248,094 | (510,598) | -206% |
| Cash and cash equivalents at the beginning of the period | 5,064,823 | 4,660,894 | 403,929 | 9% |
| FX gain on cash and cash equivalents | (30,632) | (50,298) | 19,666 | -39% |
| Cash and cash equivalents at the end of the period | 4,771,687 | 4,858,690 | (87,003) | -2% |

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

RLH Properties is a leading Mexico City-based, publicly listed company focused on the acquisition, development and management of luxury and ultra-luxury hotels and resorts and associated branded residential product. Established in Mexico City in 2013, RLH Properties is funded primarily by pension funds, institutional investors, and Mexican family offices. RLH's investment strategy focuses on AAA assets in unique locations with high entry barriers, in markets with low supply relative to current and potential demand, and partnerships with the finest internationally recognized hotel operators. RLH's current portfolio includes Rosewood Mayakoba, Fairmont Mayakoba, Banyan Tree Mayakoba, Andaz Mayakoba, Four Seasons Mexico City, One&Only Mandarin, El Camaleón Mayakoba, Rosewood Residences Mayakoba, Fairmont Heritage Place Mayakoba, and One&Only Mandarin Private Homes. Additionally, RLH Properties has two projects currently under development: Rosewood Mandarin and Rosewood Residences Mandarin, set to open within the year 2024. For more information, visit www.rlhproperties.com/en