

RLH Properties ("RLH A"), the first public company specializing in high-end hotels in Mexico and the Caribbean, announces its financial results for the second 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 second 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 second quarter of 2023 was good for our company's assets.

The **Four Seasons Mexico City** hotel is performing exceptionally well, surpassing its budgeted average rate by 27%. It has also achieved historic accomplishments in this indicator during the period. In addition, it ranked first in occupancy and RevPAR compared to its competitive set.

The **Banyan Tree Mayakoba** and **Rosewood Mayakoba** hotels recorded the highest occupancy levels of our beach assets, 75% and 70%, respectively, and **Rosewood Mayakoba** itself presented the highest EBITDA of the portfolio in the period, above budget and 50% higher than that recorded in 2019.

Also noteworthy is the performance of the **El Camaleón Mayakoba** golf course, which, despite having its clubhouse closed due to remodeling, has exceeded its EBITDA by 35% over budget for the period.

In the Riviera Nayarit, the **One&Only Mandarin** hotel continues to consolidate its position, with occupancy at 55% and the highest average rate of the entire portfolio during the quarter.

Our residential business continues to perform well, maintaining sales expectations and implementing new commercial strategies. This quarter we completed the sale of three *full-ownership* residences and two fractional units in **Fairmont Heritage Place Mayakoba**.

This quarter, we are incredibly proud of the achievement regarding the score obtained in the **Corporate Integrity Index (IC500)** published in June by *Expansión* magazine in its edition of the 500 Most Important Companies in Mexico. **RLH Properties**, included in this ranking since 2019, has **scored 94.1 out of 100** due to the intense work and extraordinary efforts made on the path towards institutionalization raised a few years ago.

Our results for the quarter demonstrate the exceptional quality of our assets and their significant market penetration and confirm the capability and excellence of the **RLH Properties** team. We will continue to work hard to deliver on our promise to create value for our shareholders, team, and environment and build on our company's remarkable success story.

2Q 2023 Relevant Information

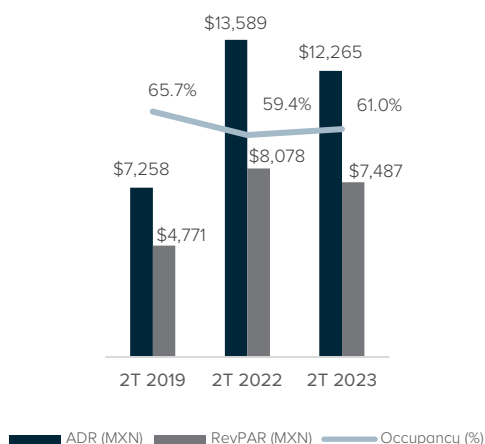
Total revenues show a decrease of 8% compared to the same period last year due to the divestment of the assets in Spain in 2022, which represented 14% of revenues in the second quarter of last year; however, excluding the revenues from Spain in 2022, the portfolio shows an increase of 7% compared to the same period the previous year.

Estado de resultados consolidado					
<i>Cifras en miles MXN \$ excepto cuando se indique lo contrario</i>					
	2Q 2023	%	2Q 2022	%	Var. a/a trimestral
Ingresos Totales	1,851,632	100%	2,005,531	100%	(153,899) -8%
Costos y gastos directos	(629,613)	-34%	(744,425)	-37%	114,812 -15%
Costo por residencias	(263,232)	-14%	(43,841)	-2%	(219,391) 500%
Gastos indirectos y otros gastos	(562,004)	-30%	(666,835)	-33%	104,831 -16%
Utilidad Bruta Operativa (GOP)	396,783	21%	550,430	27%	(153,647) -28%
<i>Margen (%)</i>	21.4%		27.4%		99.8%
EBITDA recurrente (excluyendo Gastos Corporativos)	268,833	15%	406,960	20%	(138,127) -34%
<i>Margen (%)</i>	14.5%		20.3%		89.8%

Operating gross profit (GOP) for the second quarter was MXN396.7 million, 28% lower than the same period of the previous year; excluding assets in Spain, the decrease was 14%, mainly due to the opening of the international market and the 12% appreciation of the peso against the US dollar.

RLH's consolidated recurring EBITDA before corporate expenses for the second quarter was MXN268.8 million, a decrease of 34% compared to last year, including LIV and residential other expenditures, which accounted for 14% of such reduction.

**Aggregate Operating Assets 2Q 2023
vs 2Q 2022 and 2Q 2019 (MXN)**



The occupancy rate was 61.0%, registering an increase of 1.6 p.p. compared to the same period of the previous year and a decrease of 4.7 p.p. compared to the same period in 2019.

The average rate was 12,265 (690 USD), which represented a decrease of 9.7% compared to the previous year and an increase of 69% compared to 2019 in local currency. Meanwhile, the rate in US dollars registered gains of 1.8% and 81.5% compared to 2022 and 2019, respectively.

RevPAR was 7,487 (421 USD), representing a decrease of 7.3% compared to the previous year and an increase of 56.9% compared to 2019 in local currency. Meanwhile, RevPAR in US dollars recorded increases of 4.5% and 68.5% compared to 2022 and 2019, respectively.

Hotel Assets Operating Statistics¹ 2Q2023

The following are the main aggregate operating indicators² of RLH Properties' Hotel Assets portfolio as of the second quarter of 2023:

Indicadores Operativos al 2do. Trimestre, 2023					
Activos Estabilizados y Otros Activos					
Indicador	2T 2019	2T 2022	2T 2023	% Var. 2T 2023 vs. 2T 2019	% Var. 2T 2023 vs. 2T 2022
ADR (USD)	\$395	\$597	\$630	59.5%	5.5%
ADR (MXN)	\$7,541	\$11,974	\$11,193	48.4%	(6.5%)
Ocupación (%)	69.8%	58.6%	61.6%	(8.2 pp)	3.0 pp
RevPAR (USD)	\$276	\$350	\$388	40.8%	11.0%
RevPAR (MXN)	\$5,264	\$7,013	\$6,894	31.0%	(1.7%)
Ingresos Totales (USD '000)	\$44,070	\$68,035	\$77,327	75.5%	13.7%
Ingresos Totales (MXN '000)	\$841,507	\$1,363,187	\$1,372,195	63.1%	0.7%
EBITDA* (USD '000)	\$11,851	\$15,838	\$19,229	62.3%	21.4%
EBITDA* (MXN '000)	\$225,855	\$318,043	\$343,520	52.1%	8.0%
EBITDA* Neto de Fondo de Reserva (USD '000)	\$10,368	\$13,718	\$16,719	61.3%	21.9%
EBITDA* Neto de Fondo de Reserva (MXN '000)	\$197,532	\$275,555	\$298,955	51.3%	8.5%
Margen EBITDA (%)	26.8%	23.3%	25.0%	(1.8 pp)	1.7 pp
Margen EBITDA Neto de Fondo de Reserva (%)	23.5%	20.2%	21.8%	(1.7 pp)	1.6 pp
Activos en Operación					
Indicador	2T 2019	2T 2022	2T 2023	% Var. 2T 2023 vs. 2T 2019	% Var. 2T 2023 vs. 2T 2022
ADR (USD)	\$380	\$678	\$690	81.5%	1.8%
ADR (MXN)	\$7,258	\$13,589	\$12,265	69.0%	(9.7%)
Ocupación (%)	65.7%	59.4%	61.0%	(4.7 pp)	1.6 pp
RevPAR (USD)	\$250	\$403	\$421	68.5%	4.5%
RevPAR (MXN)	\$4,771	\$8,078	\$7,487	56.9%	(7.3%)
Ingresos Totales (USD '000)	\$49,419	\$83,194	\$91,102	84.3%	9.5%
Ingresos Totales (MXN '000)	\$943,409	\$1,666,791	\$1,617,722	71.5%	(2.9%)
EBITDA* (USD '000)	\$12,421	\$20,010	\$20,552	65.5%	2.7%
EBITDA* (MXN '000)	\$236,566	\$401,479	\$367,434	55.3%	(8.5%)
EBITDA* Neto de Fondo de Reserva (USD '000)	\$10,778	\$17,628	\$17,708	64.3%	0.5%
EBITDA* Neto de Fondo de Reserva (MXN '000)	\$205,186	\$353,786	\$316,925	54.5%	(10.4%)
Margen EBITDA (%)	25.1%	24.1%	22.7%	(2.4 pp)	(1.4 pp)
Margen EBITDA Neto de Fondo de Reserva (%)	21.7%	21.2%	19.6%	(2.2 pp)	(1.6 pp)

* EBITDA proforma agregado (SoTP) de la totalidad de los activos en operación, no auditados y sin ajustes de consolidación.

¹ The indicators and results presented in all the periods analyzed do not consider the results of the LIV GOLF tournament held during February 2023 at Camaleón Mayakoba, nor the results of the assets in Spain for 2022, for comparative purposes.

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

Occupancy Rate

The occupancy rate was 61.0%, registering an increase of 1.6 p.p. compared to the same period of the previous year and a decrease of 4.7 p.p. compared to the same period in 2019.

The opening of major international tourist destinations continues to impact the volume of demand in Mexico's leading tourist destinations, particularly in the luxury segment. During the pandemic, Mexico's leisure tourism sector benefited greatly from pent-up demand, the country's relative openness to other destinations, and its proximity to the United States. As the effects of the pandemic fade and international destinations reopen, a correction in demand for Mexico's leading tourist destinations is taking place.

The average occupancy of the portfolio during the quarter remained relatively in line with the level recorded in the previous year; however, this result was mainly because the Fairmont Mayakoba Hotel presented significant growth compared to last year related to the availability of its total inventory after its renovation, and not necessarily due to an increase in the capture of greater demand. The portfolio decreased average occupancy by 5.2 percentage points compared to the previous year, with the One&Only Mandarin and Andaz Mayakoba hotels showing the most significant impact.

Average Rate

The average rate was 12,265 (690 USD), a decrease of 9.7% in local currency compared to the previous year and an increase of 69.0% compared to 2019. Meanwhile, US dollar rates recorded increases of 1.8% and 81.5% compared to 2022 and 2019, respectively.

Despite the pressures caused by the generalized contraction in demand, the portfolio's average rate in US dollars remained practically in line with that of the same period in the previous year. However, given that the portfolio's asset rates are set in US dollars, the appreciation of the Mexican peso against the US dollar compared to the same period in the prior year and in 2019 caused the Mexican peso rate to be negatively affected.

Compared to the previous year, the 2023 second quarter registered an appreciation of 13.1%, going from an average of MXN 20.04/USD in the second quarter of 2022 to MXN 17.72/USD in the second quarter of 2023. Concerning 2019, an appreciation of 7.9% was recorded, going from an average of 19.12 MXN/USD in the second quarter of 2019 to 17.72 MXN/USD in the second quarter of 2023.

Two assets stood out with significant growth in average rates during the quarter compared to the same period of the previous year. On the one hand, the Four Seasons Mexico City hotel recorded the most significant increase in the portfolio, capitalizing on a generalized increase in luxury hotel rates in the market and on its dominant positioning in the market. On the other hand, the Fairmont Mayakoba Hotel recorded the second-highest increase due to its improved positioning following its renovation.

RevPar

RevPAR was 7,487 (421 USD), representing a decrease of 7.3% compared to the previous year and an increase of 56.9% compared to 2019 in local currency. Meanwhile, RevPAR in US dollars recorded increases of 4.5% and 68.5% compared to 2022 and 2019, respectively.

The favorable RevPAR result in US dollar terms for the quarter versus the previous year was due to the portfolio's year-over-year occupancy and average rate increases, despite the generalized contraction in demand during the period. However, this favorable result is attributable to the **Fairmont Mayakoba** hotel, whose RevPAR increase corresponds to the combination of inventory availability and rate increases following its renovation.

Excluding this effect, RevPAR in US dollars registered a 3.9% decrease (-21 USD) compared to the previous year, with the **One&Only Mandarin**, **Rosewood Mayakoba**, and **Andaz Mayakoba** hotels showing the most significant reductions. The **Four Seasons Mexico City** hotel stands out positively, continuing to perform above the results achieved during the previous year.

EBITDA

EBITDA for the quarter was slightly higher than in the same period of the previous year in US dollar terms but lower in local currency terms.

The positive EBITDA result in US dollars during the period compared to the previous year was mainly related to the performance in terms of occupancy and average rate of the **Fairmont Mayakoba** after its renovation and the **Four Seasons Mexico City**, which continues to capitalize on generalized increased rates in its market and its solid positioning within it. The unfavorable EBITDA effect in local currency compared to the previous year was mainly due to the significant impact of the appreciation of the Mexican peso against the US dollar on the cost structure. With a business model in which room rates are set in US dollars and the expense is mostly in local currency, the impact of the appreciation of the Mexican peso significantly affected the portfolio's profitability. In this sense, the appreciation of the Mexican peso during the quarter had a negative impact of 4.6 percentage points on the EBITDA margin in local currency.

Information related to the Residential Business

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

Component	Total Inventory	Sales held to June 30, 2023	Inventory on hand	Sale and Purchase Agreements Signed in 2023	Sales 2023 ³
Residences	319	225	94	7	7
Mayakoba	279	205	74	6	5
Rosewood Residences	33	31	2	-	1
Fairmont Heritage Place (FO) ^(a)	54	37	17	3	-
Fairmont Heritage Place (FC) ^(b)	192	137	55	3	4
Mandarina	40	20	20	1	2
Mandarina Private Homes O&O ^(c)	40	20	20	1	2

(a) FO refers to units marketed as "Full Ownership."

(b) FC refers to units marketed as "Fractions."

(c) Active lot units are reported.

³ Following International Financial Reporting Standards, income from the sale of residences is recognized at the time control of the property is transferred, i.e., at the time of the deed to the property.

2023 Second quarter results

Total Revenues

During the quarter, total revenues showed an 8% decrease compared to the same period last year due to the divestment of the assets in Spain in 2022, which represented 14% of revenues in the second quarter of last year; however, excluding the revenues from Spain in 2022, the portfolio showed a 7% increase compared to the same period the previous year due to the 276% increase from the sale of residences, which represent 13% of total revenues.

Hotel revenues decreased by 3%, excluding Spain, mainly due to the opening of the international market and the 12% appreciation of the peso against the dollar, partially offset by the excellent performance of the Fairmont Mayakoba Hotel after its reopening, which showed an increase of 62% compared to the same quarter of last year. Likewise, the Four Seasons Hotel in Mexico City increased its revenues by 5% compared to the same quarter of the previous year.

RLH Properties' total revenues for the quarter amounted to \$1,851.6M:

- 877.6M in revenues from room and residence rentals (47% of revenues).
- 529.7M in food and beverage revenues (29% of revenues).
- 237.4M in income from residential sales (13% of income).
- 206.9M in other hotel revenues (11% of revenues).

Costs and expenses

During this quarter, RLH Properties' costs and overhead expenses were \$1,582.8M:

- 313.4M in food and beverage costs and expenses (20% of costs and expenses).
- 261.8M in administrative and operating expenses (17% of costs and expenses).
- 241.0M in IT and telecommunications, marketing, and maintenance expenses (15% of costs and overhead).
- 231.7M in residential sales costs (15% of costs and overhead).
- 230.6M in room expenses (14% of costs and overhead).
- 176.3M in other departmental, residential, and utility expenses (11% of costs and overhead).
- 128.0M in operating fees, insurance, and property expenses (8% of costs and overhead).

Costs and overheads showed a 1% decrease compared to the same period in 2022.

EBITDA

Recurring EBITDA for the quarter reached 268.8M, registering a 34% decrease compared to the same quarter of 2022, while EBITDA after corporate expenses stood at 211.5M, registering a 31% reduction compared to the same period of 2022; the decrease in recurring EBITDA is mainly attributed to the opening of the international market and the appreciation of the peso against the dollar of 12%, on the other hand, the decrease in EBITDA after corporate expenses is mainly due to the restructuring of the corporate operation carried out in the last quarter of 2022.

Corporate expenses

During the quarter, recurring corporate expenses showed a decrease of 43% compared to the same period in 2022, mainly due to the corporate operation 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.

Comprehensive financing result

During the quarter, the financial debt and the foreign exchange loss generated a financial cost in results of 225.6M.

During the quarter, net financing cost decreased to 53.6M and is broken down as follows:

Resultado integral de financiamiento			
<i>Cifras en miles MXN \$ excepto cuando se indique lo contrario</i>			
	2Q 2023	2Q 2022	Var. a/a
Costos de Financiamiento			
Intereses y costos financieros	(90,521)	(93,878)	3,357
Pérdida cambiaria	(135,087)	(166,583)	31,496
Costo financiero	(225,608)	(260,461)	34,853
Intereses ganados	68,180	16,928	51,252
Utilidad cambiaria	103,791	132,855	(29,064)
Costos de financiamiento	(53,637)	(110,678)	57,041

Net loss for the period

During the quarter, the consolidated net loss was \$128.3M, mainly due to deferred taxes corresponding to a reduction of hotel advances, the amortization of tax loss carryforwards at the Andaz and Fairmont Hotels, and the reserve of unamortized losses at Golf Mayakoba for \$14.5M.

Other comprehensive income

During the quarter, other comprehensive income represented 209.5M of loss, integrated by the negative result of the net translation effect of 252.9M offset by cash flow hedges of 43.4 M.

Cash flow 2023

Net cash flow from operating activities was negative 257.9M, mainly due to a combination of factors, including the decrease in advances for hotel services, the payment of taxes and employee profit sharing, the increase in real estate inventory work, and a reduction in accounts payable and provisions of 962.1M.1M, offset by non-cash items of 355.1M and income before taxes of 349.1M, net cash flow from investing activities was negative 563.6M, due to CAPEX and intangible investments of 660.4M, offset

by 96.8M of interest income. Net cash flow from financing activities was negative 350.4M due to bank loan repayments of 147.2M and interest paid of 203.2M.

Financial Situation

Cash and Liquidity

As of June 30, 2023, the RLH cash position and cash equivalents is 3,836.1M, showing a decrease of 1,228.7M for December 31, 2022, mainly originated by the investment in CAPEX and intangibles for 660.4M, the payment of principal loan and interest for 350.4M and 257.9M coming from net cash flows from operating activities, partially offset by 96.8M of interest collected.

Accounts Receivable

As of June 30, 2023, accounts receivable show a decrease of 342.4M compared to December 31, 2022, mainly due to a reduction of 177.2M in accounts receivable from clients, recovery of ISR (income tax) and application of credit balances of 112.2M, recollection and application of VAT for 86.1M; offset by the increase in accounts receivable from related parties of 51.3M (mainly condominium fees).

Real estate inventories

As of June 30, 2023, short-term real estate inventories show a balance of 1,487.8M and are comprised of land under development for 562.4M and work in progress for 925.4M; these present an increase of 73.7M compared to December 31, 2022, mainly due to the advancement of residences under construction. Long-term real estate inventories correspond to land to be developed for 762.6M.

Fixed assets, goodwill, and intangible assets

As of June 30, 2023, fixed assets had a net decrease of 1,099.2M compared to December 31, 2022, mainly due to the negative translation effect as a result of the appreciation of the peso against the dollar (12%) concerning the valuation of fixed assets in foreign currency for 1,471.8M, depreciation for

267.8M and write-offs for 1.9M; offset by fixed asset additions and investments in construction in progress for 642.2M.

As of June 30, 2023, intangible and other assets had a net decrease of 57.0M compared to December 31, 2022, mainly due to the negative translation effect derived from the appreciation of the peso against the dollar for 43.6M and the amortization for the period for 31.7M, offset by additions of 18.2M.

Goodwill of 139.4M shows a decrease of 12.4M due to the negative translation effect derived from the appreciation of the peso against the US dollar.

Customer advances

As of June 30, 2023, total customer advances amounted to \$1,654.7M, comprised of \$1,145.5M of deposits received from the promise of sale contracts for villas and \$509.7M of advances from hotel customers.

The decrease of 468.4M from December 31, 2022, is due to a reduction in hotel advances of 494.6M due to lower hotel occupancy as a result of seasonality during the second quarter, the opening of the international market and applications of 240.0M from the sale of residences, offset by an increase in residential advances of 269.3M.

Total bank debt

As of June 30, 2023, the group's total debt is 5,642.5M showing a decrease of 948.2M compared to the balance as of December 31, 2022; such drop is mainly due to the exchange rate fluctuation derived from the appreciation of the peso against the dollar (12%) for 768.1M, loan payments for 147.2M and the amortization of opening costs for 32.9M.

As of June 30, 2023, 100% of the company's total debt is in US dollars, with a weighted average financial cost of 6.42%. Additionally, debt maturities are long-term.

The following table presents the detail of the debt position:

Componente	2Q2023	Moneda	Tasa de interés	Vencimiento
<i>Cifras en miles USD\$ excepto cuando se denote lo contrario</i>				
Four Seasons Ciudad de México	58,972	USD	2.50%+ Libor 3M	2030
Fairmont Mayakoba	65,489	USD	2.50%+ Libor 3M	2032
Rosewood Mayakoba	47,135	USD	2.66%+ SOFR	2028
Banyan Tree Mayakoba (Tramo A)	15,488	USD	2.59%+ SOFR	2030
Banyan Tree Mayakoba (Tramo B)	26,100	USD	2.69%+ SOFR	2030
Andaz Mayakoba	52,763	USD	3.00%+ SOFR	2032
One&Only Mandarin	74,250	USD	2.97%+ SOFR	2029
Posición de deuda total (1)	5,807,843			

(1) T.C aplicado de USD de Banxico al cierre del 2Q2023

Derivative financial instruments

As of June 30, 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, show a decrease due to the appreciation of the peso against the dollar of 12% and the expected trend for the decline in market rates, such effect reflects an opposing hedge of 18.6M 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 have the following characteristics:

Expresado en miles de pesos

Compañía	Nacional Pesos	Fecha de Contratación	Vencimiento	Tasa fija	Tasa variable 30 de junio 2023	Valor razonable al	
						30 de junio 2023	31 diciembre de 2022
Four Seasons derivado 1	198,759	26-jun-18	24-nov-25	3.03%	5.37%	\$ 19,923	\$ 15,222
Four Seasons derivado 2	447,208	01-mar-17	24-nov-23	2.32%	5.37%	\$ 7,098	\$ 13,350
Rosewood	603,517	14-dic-18	15-jun-27	2.73%	5.25%	\$ 28,190	\$ 28,083
Banyan Tree derivado 1	311,252	10-feb-21	09-ago-28	1.76%	5.04%	\$ 24,782	\$ 28,716
Banyan Tree derivado 2	207,502	10-feb-21	09-ago-28	1.76%	5.04%	\$ 16,693	\$ 19,734
Fairmont derivado	1,006,218	23-jul-20	20-jun-31	1.61%	5.51%	\$ 109,355	\$ 126,515
O&O Mandarin	950,697	16-jun-22	30-jun-26	3.46%	5.24%	\$ 23,274	\$ 16,319
Instrumentos financieros activos neto						\$ 229,315	\$ 247,939

Stockholders' equity

The decrease in stockholders' equity of 626.1M is due to the appreciation of the peso against the dollar resulting in a reduction of the valuation of assets of 598.4M and the net loss for the period of 32.6M, offset by the positive result of the valuation of financial instruments of 4.9M.

Corporate Governance

On July 26, 2023, the Board of Directors of RLH held a meeting to approve the Financial Statements as of June 30, 2023, which were unanimously approved.

Exhibits

Portfolio:

As of June 30, 2023, RLH has **10 business components in the luxury and ultra-luxury segment** totaling **approx. 1,392 hotel rooms** (1,253 in operation and approx. 140 under development), **approx. 235 full-ownership residences and 192 fractional units**, both with associated hotel brands, and **one 18-hole golf course**:

- **Operating Assets** (6 hotels with 1,253 rooms and one 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).
 - **Ramp up Assets** (1 hotel, 105 rooms): One&Only Mandarin Hotel. This hotel started operations in November 2020 and is currently in stabilization.
 - **Other Assets** (one 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** (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 have an of 33 *full-ownership* residences in inventory.

Conciliation between Operating Results and the Consolidated Income Statement

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

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

MXN million		
Hotel EBITDA 2Q2023		1,223
Owner's Expenses/Income	} MXN (183M)	(32)
Residential/Corporate Results		(72)
Sponsorships Golf Tournament (LIV)		(27)
Classification under IFRS		(50)
Others		(2)
Consolidated Income Statement 2Q2023		1,040

The net difference of MXN (\$183M) arises mainly from:

- Owner's income/ (expense) is not recorded in the EBITDA of the hotels, but within the consolidated income statement, multiple factors influence as owner's income/ (expense), e.g., extraordinary asset CAPEX, legal expenses among others MXN \$(32) Million.
- MXN (\$72) 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.
- A sponsorship is granted by the LIV Tournament, an event that took place in February at the Chameleon. MXN \$(27) Million that are not considered in Hotel EBITDA.
- Other items include variations mainly due to consolidation effects that impact the consolidated income statement for 1Q2023.

Income Statement 2Q2023

The main consolidated financial results of RLH for 2Q2023 are shown below.

Estado de resultados consolidado					
Cifras en miles MXN \$ excepto cuando se indique lo contrario					
	2Q 2023	%	2Q 2022	%	Var. a/a trimestral
Ingresos Totales	1,851,632	100%	2,005,531	100%	(153,899) -8%
Ingresos por Renta de Habitaciones	877,583	47%	1,149,455	57%	(271,872) -24%
Ingresos por Alimentos y Bebidas	529,690	29%	552,817	28%	(23,127) -4%
Ingresos por residencias	237,457	13%	63,228	3%	174,229 276%
Otros ingresos	206,902	11%	240,031	12%	(33,129) -14%
Costos y gastos directos	(629,613)	-34%	(744,425)	-37%	114,812 -15%
Costo por residencias	(263,232)	-14%	(43,841)	-2%	(219,391) 500%
Gastos indirectos y otros gastos	(562,004)	-30%	(666,835)	-33%	104,831 -16%
Utilidad Bruta Operativa (GOP)	396,783	21%	550,430	27%	(153,647) -28%
EBITDA recurrente (excluyendo Gastos Corporativos)	268,833	15%	406,960	20%	(138,127) -34%
Gastos corporativos	(57,302)	-3%	(100,247)	-5%	42,945 -43%
EBITDA recurrente después de gastos corporativos	211,531	11%	306,713	15%	(95,182) -31%
Otros ingresos (gastos) no recurrentes, netos	1,627	0%	11,554	1%	(9,927) -86%
EBITDA	213,158	12%	318,267	16%	(105,109) -33%
Depreciación y amortización	(150,961)	-8%	(169,549)	-8%	18,588 -11%
EBIT	62,197	3%	148,718	7%	(86,521) -58%
Costos de financiamiento	(53,637)	-3%	(110,678)	-6%	57,041 -52%
Utilidad antes de impuestos a la utilidad	8,560	0%	38,040	2%	(29,480) -77%
Gasto por impuesto diferido	(118,400)	-6%	70,287	4%	(188,687) -268%
Provisión por ISR	(18,487)	-1%	(5,102)	0%	(13,385) 262%
(Pérdida) utilidad neta del periodo	(128,327)	-7%	103,225	5%	(231,552) -224%
Otros efectos integrales	(209,521)	-11%	(211,928)	-11%	2,407 -1%
Pérdida Integral del periodo	(337,848)	-18%	(108,703)	-5%	(229,145) 211%

Financial Situation

The consolidated balance sheet of RLH as of June 30, 2023, is shown below.

Estado de situacion financiera consolidado				
<i>Cifras en miles MXN \$ excepto cuando se indique lo contrario</i>				
Activos	30/06/2023	31/12/2022	Var. a/a Anual	
Efectivo y equivalentes de efectivo	3,836,125	5,064,823	(1,228,698)	-24%
Cuentas por cobrar y partes relacionadas	873,305	1,215,682	(342,377)	-28%
Inventarios inmobiliarios	1,487,763	1,414,089	73,674	5%
Otras partidas de activo circulante	395,101	366,300	28,801	8%
Activos circulantes	6,592,294	8,060,894	(1,468,600)	-18%
Activo fijo e intangibles	15,018,772	16,175,008	(1,156,236)	-7%
Crédito mercantil	139,435	151,844	(12,409)	-8%
Inventarios inmobiliarios	762,568	762,568	0	0%
Impuestos diferidos	1,109,380	941,603	167,777	18%
Instrumentos financieros derivados	222,217	234,589	(12,372)	-5%
Otras partidas de activo no circulante	100,912	125,188	(24,276)	-19%
Activos no circulantes	17,353,284	18,390,800	(1,037,516)	-6%
Total de activos	23,945,578	26,451,694	(2,506,116)	-9%
Pasivos y Capital Contable				
Porción a corto plazo de los préstamos bancarios	332,852	333,293	(441)	0%
Anticipo a Clientes	1,654,747	2,123,101	(468,354)	-22%
Cuentas por pagar y gastos acumulados	1,855,233	2,284,546	(429,313)	-19%
Pasivos a corto plazo	3,842,832	4,740,940	(898,108)	-19%
Préstamos bancarios a largo plazo	5,309,649	6,257,401	(947,752)	-15%
Impuestos diferidos	773,231	842,039	(68,808)	-8%
Otras cuentas por pagar a largo plazo	196,742	162,064	34,678	21%
Pasivos a largo plazo	6,279,622	7,261,504	(981,882)	-14%
Total capital contable	13,823,124	14,449,250	(626,126)	-4%
Total de pasivos y capital contable	23,945,578	26,451,694	(2,506,116)	-9%

Cash flow Statement

The consolidated cash flow statement of RLH as of June 30, 2023, is shown below.

Estado de flujos de efectivo consolidado				
<i>Cifras en miles MXN \$ excepto cuando se indique lo contrario</i>				
	30-jun-23 2023	30-jun-22 2022	Var. a/a anual	
Actividades de operación				
Utilidad antes de impuestos a la utilidad	349,114	311,318	37,796	12%
Ajustes por:				
Depreciación y amortización	299,420	343,674	(44,254)	-13%
Fluctuación cambiaria efectivo no realizada	56,856	51,358	5,498	11%
Fluctuación cambiaria de los préstamos no realizada	(252,510)	(60,060)	(192,450)	320%
Intereses a favor	(96,799)	(38,987)	(57,812)	148%
Intereses a cargo	225,333	203,222	22,111	11%
Beneficios a los empleados	50,171	94,578	(44,407)	-47%
Baja de inmuebles, mobiliario y equipo	1,894	10,470	(8,576)	-82%
Otras partidas que no requieren uso de efectivo	70,687	99,686	(28,999)	-29%
Subtotal	704,166	1,015,259	(311,093)	-31%
Capital de trabajo	(791,208)	(208,023)	(583,185)	280%
Impuestos a la utilidad pagados	(170,863)	(36,995)	(133,868)	362%
Flujos netos de efectivo de actividades de operación	(257,905)	770,241	(1,028,146)	-133%
Flujos netos de efectivo de actividades de inversión	(563,586)	(440,632)	(122,954)	28%
Flujos netos de efectivo de actividades de financiamiento	(350,351)	222,248	(572,599)	-258%
(Disminución) aumento en efectivo y equivalentes de efectivo	(1,171,842)	551,857	(1,723,699)	-312%
Efectivo y equivalente de efectivo al inicio del periodo	5,064,823	4,660,894	403,929	9%
Pérdida cambiaria en efectivo y equivalentes de efectivo no realizada	(56,856)	(51,358)	(5,498)	11%
Efectivo y equivalente de efectivo al final del periodo	3,836,125	5,161,393	(1,325,268)	-26%

About RLH Properties, SAB de CV.

RLH Properties is a leading company in its sector, listed on the Mexican Stock Exchange, and specializes in the acquisition, development, and management of luxury and ultra-luxury hotels and resorts, as well as residential products associated with hotel brands. Based in Mexico City since 2013, RLH Properties is mainly owned by pension funds, institutional investors, and Mexican family wealth management offices. RLH's investment strategy focuses on AAA assets situated in unique locations with high barriers to entry, in markets with low supply in proportion to current and future demand, and in partnership with the best hotel operators internationally. RLH's current portfolio includes Rosewood Mayakoba, Fairmont Mayakoba, Banyan Tree Mayakoba, Andaz Mayakoba, Four Seasons CDMX, One&Only Mandarin, El Camaleón Mayakoba, Rosewood Residences Mayakoba, Fairmont Heritage Place Mayakoba, and One&Only Mandarin Private Homes. It also has two projects under development, Rosewood Mandarin and Rosewood Residences Mandarin, which are scheduled to open in 2024. For more information, please visit: www.rlhproperties.com