

RLH Properties (“RLH A”), the first listed company focused on high-end hotels in Mexico, announces its financial results for the fourth quarter of 2018.

Mexico City, February 27, 2019. - RLH Properties (MEXBOL: RLH A), the first listed company focused on high-end hotels in Mexico, announces its financial results for the fourth quarter of 2018. Unless noted, all figures included herein were prepared in accordance with the International Financial Regulations Standards (“IFRS”) and are stated in nominal Mexican pesos.

Fourth quarter of 2018 highlights

- On December 13, 2018, RLH Properties acquired the emblematic luxury hotel Villa Magna, located in the center of Madrid, for € 210 million from the Doğuş group. The acquisition of this hotel is part of the company’s expansion strategy and its desire to become the leading high-end company in Mexico and Spain. Additionally, it demonstrated our knowledge and strong positioning within the Spanish high-end hotel market, one of the most dynamic and attractive to invest.
- As one of the uses from RLH’ capital increase in March 2018, the company acquired the Rosewood residential component in Mayakoba. The business related to these Rosewood residences has an inventory of approx. 33 full-ownership residences that are currently in the process of marketing and construction.

Relevant information regarding the portfolio's performance during the fourth quarter of 2018

As of December 31, 2018, RLH has **11 business lines in the high-end market segment** with **approx. 1,501 hotel rooms** (1,266 currently operating and approx. 235 under development), **approx. 202 full ownership branded residences and 64 branded fractional units**, and a **18-hole golf course**:

- **Operating Assets** (6 hotels with 1,266 rooms and a 18-hole golf course):
 - **Stabilized Assets (5 hotels, 1,052 rooms):** Four Seasons Mexico City (240 rooms), Villa Magna Madrid (150 rooms), Rosewood Mayakoba (129 rooms), Banyan Tree Mayakoba (132 rooms) and Fairmont Mayakoba (401 rooms).
 - **Assets in Ramp Up (1 hotel, 214 rooms):** Andaz Mayakoba hotel. This hotel began operations in December 2016, and it is currently in its stabilization phase.
 - **Other Assets (one 18-hole golf course):** The golf course El Camaleón was designed by the famous Australian golfer Greg Norman, and it is the first one to host a PGA Tournament outside the US and Canada.
- **Assets under Development** (2 hotels with approx. 235 rooms, 202 full ownership branded residences, and 64 branded fractional units):
 - **One&Only Mandarin hotel** (108 rooms): The hotel is under development and will be opened on the fourth quarter of 2019.
 - **Rosewood Mandarin hotel** (approx. 127 rooms): The hotel is in its conceptual design and technical studies.
 - **Mandarina branded residences** (approx. 148 residences): The One&Only Mandarin residences are in the marketing and construction phase. The Rosewood Mandarin residences will be developed in the future and in line with the construction of the Rosewood Mandarin hotel.
 - **Mayakoba branded residences** (approx. 54 full ownership residences and 64 fractional units): Fairmont Heritage Place has an inventory of approx. 35 full ownership residences and 64 fractional units that are in the process of marketing and construction. Rosewood Residences considers the development and marketing of 19 residences.

Regarding our portfolio's performance:

- The **EBITDA of the Stabilized Assets** in the fourth quarter of 2018 was **Ps. \$261.3 million (Usd. \$13.0 million)**, which represents an **increase of 9.6%** in local currency and **4.2%** in US dollars compared with the same period of last year, mainly due to the good performance of the Four Seasons Mexico City and Banyan Tree Mayakoba hotels. The **EBITDA Net of FF&E Reserve** was **Ps. \$221.2 million (Usd. 11.0 million)**, representing an **increase of 10.4%** in local currency and **4.6%** in US dollars compared with the same period last year.
- The **EBITDA of Operating Assets** in the fourth quarter of 2018 was **Ps. \$267.1 million (Usd. \$13.3 million)**, which represents an increase of **19.5%** in local currency and **13.6%** in US dollars compared with the same period last year, driven by a better performance of the Andaz Mayakoba hotel. The **EBITDA Net of FF&E Reserve** was **Ps. \$225.2 million (Usd. \$11.2 million)**, which represented an increase of **22.3%** in local currency and **15.9%** in US dollars compared with the same period last year.

RLH's portfolio as of the fourth quarter of 2018



MANDARINA

One&Only
MANDARINA
Mexico

ROSEWOOD
MANDARINA
MEXICO

FOUR SEASONS
HOTEL
MEXICO CITY

mayakoba

ANdAZ. | MAYAKOBA RESORT
RIVIERA MAYA

BANYAN TREE
MAYAKOBA

ROSEWOOD
MAYAKOBA
RIVIERA MAYA

Fairmont
MAYAKOBA

EL CAMALEÓN
mayakoba

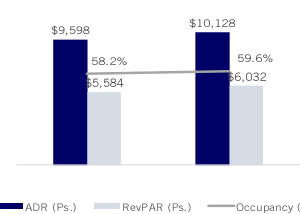
Operating Portfolio

Rosewood Mayakoba, Banyan Tree Mayakoba, Fairmont Mayakoba, Andaz Mayakoba, Four Seasons Mexico City.

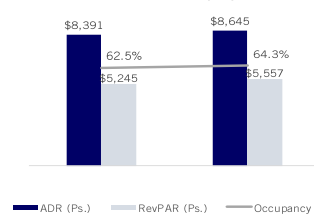
The following table shows the evolution of RLH's Operating Assets main operating indicators as of the fourth quarter of 2018 compared with the same period of the previous year.

Operating Indicators as of the 4th Quarter of 2018 ⁽¹⁾												
Stabilized Assets and Other Assets												
Indicator	1Q2017	2Q2017	3Q2017	4Q2017	2017	1Q2018	2Q2018	3Q2018	4Q2018	2018	% Var. 4Q2018 vs. 4Q2017	% Var. 2018 vs. 2017
ADR (Usd.)	\$498	\$403	\$347	\$503	\$440	\$545	\$391	\$339	\$509	\$451	1.2%	2.5%
ADR (Ps.)	\$10,041	\$7,500	\$6,191	\$9,598	\$8,391	\$10,180	\$7,519	\$6,429	\$10,128	\$8,645	5.5%	3.0%
Occupancy (%)	69.7%	65.3%	57.0%	58.2%	62.5%	74.9%	64.9%	58.0%	59.6%	64.3%	1.4 pp	1.8 pp
RevPAR (Usd.)	\$348	\$263	\$198	\$293	\$275	\$408	\$254	\$197	\$303	\$290	3.6%	5.4%
RevPAR (Ps.)	\$7,003	\$4,899	\$3,528	\$5,584	\$5,245	\$7,623	\$4,883	\$3,727	\$6,032	\$5,557	8.0%	5.9%
Total Revenues (Usd. '000)	\$47,539	\$40,736	\$31,172	\$50,817	\$170,264	\$56,322	\$40,217	\$30,289	\$52,354	\$179,182	3.0%	5.2%
Total Revenues (Ps. '000)	\$955,937	\$758,457	\$555,474	\$974,659	\$3,244,527	\$1,052,213	\$774,828	\$573,876	\$1,041,707	\$3,442,623	6.9%	6.1%
EBITDA (Usd. '000) ⁽¹⁾	\$16,890	\$11,727	\$4,797	\$12,490	\$45,903	\$21,325	\$9,997	\$3,019	\$13,009	\$47,351	4.2%	3.2%
EBITDA (Ps. '000) ⁽¹⁾	\$338,943	\$218,871	\$84,936	\$238,437	\$881,187	\$398,474	\$190,842	\$57,525	\$261,291	\$908,131	9.6%	3.1%
EBITDA Net of FF&E Reserve (Usd. '000)	\$15,287	\$10,231	\$3,888	\$10,508	\$39,914	\$19,367	\$8,706	\$1,995	\$10,996	\$41,064	4.6%	2.9%
EBITDA Net of FF&E Reserve (Ps. '000)	\$306,711	\$191,064	\$68,755	\$200,307	\$766,836	\$361,895	\$166,340	\$38,118	\$221,222	\$787,575	10.4%	2.7%
EBITDA Margin (%)	35.5%	28.9%	15.3%	24.5%	27.2%	37.9%	24.6%	10.0%	25.1%	26.4%	0.6 pp	(0.8 pp)
EBITDA Net of FF&E Reserve Margin (%)	32.1%	25.2%	12.4%	20.6%	23.6%	34.4%	21.5%	6.6%	21.2%	22.9%	0.7 pp	(0.8 pp)
Operating Assets												
Indicator	1Q2017	2Q2017	3Q2017	4Q2017	2017	1Q2018	2Q2018	3Q2018	4Q2018	2018	% Var. 4Q2018 vs. 4Q2017	% Var. 2018 vs. 2017
ADR (Usd.)	\$473	\$391	\$329	\$484	\$421	\$523	\$379	\$323	\$482	\$432	(0.5%)	2.6%
ADR (Ps.)	\$9,538	\$7,281	\$5,860	\$9,243	\$8,035	\$9,778	\$7,279	\$6,124	\$9,599	\$8,287	3.8%	3.1%
Occupancy (%)	63.2%	58.1%	52.3%	53.0%	56.6%	69.5%	58.9%	54.0%	56.4%	59.7%	3.5 pp	3.0 pp
RevPAR (Usd.)	\$299	\$227	\$172	\$256	\$238	\$364	\$223	\$175	\$272	\$258	6.1%	8.1%
RevPAR (Ps.)	\$6,030	\$4,229	\$3,066	\$4,895	\$4,548	\$6,799	\$4,283	\$3,307	\$5,418	\$4,944	10.7%	8.7%
Total Revenues (Usd. '000)	\$50,540	\$43,275	\$33,287	\$53,867	\$180,969	\$61,948	\$43,341	\$33,220	\$56,907	\$195,416	5.6%	8.0%
Total Revenues (Ps. '000)	\$1,016,384	\$805,741	\$593,161	\$1,032,893	\$3,448,179	\$1,157,564	\$834,863	\$629,388	\$1,132,588	\$3,754,402	9.7%	8.9%
EBITDA (Usd. '000) ⁽¹⁾	\$16,187	\$10,449	\$3,027	\$11,685	\$41,349	\$22,312	\$9,607	\$2,069	\$13,281	\$47,269	13.6%	14.3%
EBITDA (Ps. '000) ⁽¹⁾	\$324,523	\$195,239	\$53,379	\$223,396	\$796,536	\$417,001	\$182,961	\$39,509	\$267,068	\$906,539	19.5%	13.8%
EBITDA Net of FF&E Reserve (Usd. '000)	\$14,524	\$8,903	\$2,077	\$9,643	\$35,146	\$20,242	\$8,253	\$986	\$11,176	\$40,657	15.9%	15.7%
EBITDA Net of FF&E Reserve (Ps. '000)	\$291,082	\$166,486	\$36,443	\$184,101	\$678,113	\$378,315	\$157,259	\$18,992	\$225,182	\$779,747	22.3%	15.0%
EBITDA Margin (%)	31.9%	24.2%	9.0%	21.6%	23.1%	36.0%	21.9%	6.3%	23.6%	24.1%	2.0 pp	1.0 pp
EBITDA Net of FF&E Reserve Margin (%)	28.6%	20.7%	6.1%	17.8%	19.7%	32.7%	18.8%	3.0%	19.9%	20.8%	2.1 pp	1.1 pp

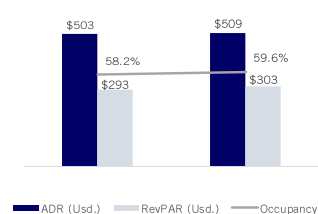
Aggregated Performance of Stabilized Assets 4Q2017 vs 4Q2018 (Ps.)



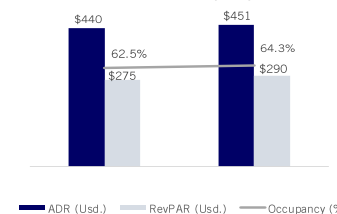
Aggregated Performance of Stabilized Assets 2017 vs 2018 (Ps.)



Aggregated Performance of Stabilized Assets 4Q2017 vs 4Q2018 (Usd.)



Aggregated Performance of Stabilized Assets 2017 vs 2018 (Usd.)



(1) Non-audited aggregated EBITDA (without consolidation adjustments).

(2) Without Villa Magna figures as it was acquired by RLH on December 20, 2018.

* Considering the Villa Magna Hotel 2018's results, the Operating Assets indicators would have been:

Aggregated occupancy of 61.5%, which represents an increase of 1.85 bps.

Average daily rate of Ps. \$8,851 (Us. \$461), which represents an increase of 6.8%.

RevPAR of Ps. \$5,444 (Us. \$284), which represents an increase of 10.0%.

During the fourth quarter of 2018, RLH's **Stabilized Assets** reported the following operating indicators:

- **Occupancy** of 59.6%, 1.4 bps. above the fourth quarter of 2017, as a positive result of the Four Seasons Mexico City hotel occupancy increase which was partially offset by a slight decrease in the occupancy of the Stabilized Assets in Mayakoba.
- **ADR** of Ps. \$10,128 (Usd. \$509) reaching an increase of 5.5% in local currency and 1.2% in US dollars compared to the same period in 2017. The Rosewood Mayakoba hotel had the highest ADR increase while the remaining Stabilized Assets stayed in line with the ADR of last year.
- **RevPAR** of Ps. \$6,032 (Usd. \$303) which represented an increase of 8.0% in local currency and 3.6% in US dollars. The increase in revenues was mainly explained by the Four Seasons Mexico City hotel.
- The **EBITDA** reached Ps. \$261.3 million (Usd. \$ 13.0 million), registering an increase of 9.6% in local currency and 4.2% in US dollars. During this quarter, the Four Seasons Mexico City hotel presented a better performance in comparison to last year.
- **EBITDA Net of FF&E Reserve** was Ps. \$221.2 million (Usd. \$10.9 million), representing an increase of 10.4% in local currency and 4.6% in US dollars.

The **Operating Assets** during the fourth quarter of 2018 reported the following results (mainly explained before and also due to the impact of our Asset in Ramp Up):

- **Occupancy** of 56.4%, registering an increase of 3.5 bps. compared to the same period of last year.
- **ADR** of Ps. \$9,599 (Usd. \$482) which represents an increase of 3.8% in local currency and a decrease of 0.5% in US dollars. The **RevPAR** was Ps. \$5,418 (Usd. \$272) achieving an increase of 10.7% in local currency and 6.1% in US dollars.
- The **EBITDA** reached Ps. \$267.1 million (Usd. \$13.3 million) which represented an increase of 19.5% in local currency and 13.6% in US dollars compared with the same period last year due to a better performance of the Andaz Mayakoba hotel.
- The **EBITDA Net of FF&E Reserve** was Ps. \$225.2 million (Usd. \$11.2 million), which represents an increase of 22.3% in local currency and 15.9% in US dollars compared to the same period of the previous year.

During the whole 2018 the results of the **Stabilized Assets** were mainly featured by maximum historical revenues of the Four Seasons Mexico City and almost in line performance of the Mayakoba hotels (even though the Rosewood Mayakoba hotel remodeled part of its rooms and the general increase of the electricity service) provided to the hotels.

- **Occupancy** during 2018 was 64.3%, representing an increase of 1.8 bps. compared to 2017. **ADR** was Ps. \$8,645 (Usd. \$451) which represents an increase of 3.0% in local currency and 2.5% in US dollars. **RevPAR** was Ps. \$5,557 (Usd. \$290), 5.9% above in local currency and 5.4% in US dollars compared to 2017.
- The **EBITDA** was Ps. \$908.1 million (Usd. \$47.4 million), reflecting an increase of 3.1% in local currency and 3.2% in US dollars. The lower growth in local currency is explained by the peso appreciation.
- The **EBITDA Net of FF&E Reserve** was Ps. \$787.6 million (Usd. \$41.1 million), which represents an increase of 2.7% in local currency and 2.9% in US dollars compared to the same period of the previous year.

Regarding the results of the **Operating Assets** during the whole 2018, the performance of the Andaz Mayakoba hotel stands out with a substantial improvement.

- **Occupancy** during 2018 was 59.7%, representing an increase of 3.0 bps. compared to 2017. **ADR** was Ps. \$8,287 (Usd. \$432) which represents an increase of 3.1% in local currency and 2.6% in US dollars. **RevPAR** was Ps. \$4,944 (Usd. \$258), 8.7% above in local currency and 8.1% in US dollars compared to 2017.
- The **EBITDA** of the Operating Assets was Ps. \$906.5 million (Usd. \$47.3 million), registering an increase of 13.8% in local currency and 14.3% in US dollars. On the other hand, the **EBITDA Net of FF&E Reserve** was Ps. \$779.7 million (Usd. \$40.7 million), which represents an increase of 15.0% in local currency and 15.7% in US dollars compared to the same period of the previous year.

Development Portfolio

One&Only Mandarin hotel

The construction of the hotel continues in a three-zone plan. Currently, 52 hotel rooms are being developed simultaneously. From these rooms, 16 have a finished structure (11 are having its facilities built and 10 with masonry works). Regarding the public areas, the structure of the service building was finished while the Arrival Pavillion, The Point and Plateau works have begun. The first phase of the jetty structure was completed and the works on the pier has continued. There were delays in some areas due to the continuous archaeological findings and adverse weather conditions such as the proximity of the Hurricane Willa.

For more detail please visit the following link: www.discovermandarina.com

Branded One&Only and Rosewood Villas

As of today, the pre-sale of 10 One&Only Mandarin residences within the R11-R12 lots has been formalized. These units are in the executive design and construction phase. Additionally, the construction of the secondary roads advances according to schedule and the asphalt layer is being placed. The master plan for the R5 lot has begun and the designs for the residences are ongoing.

The marketing team has planned local events in the forthcoming months to take advantage of the high season in the Riviera Nayarit. Also, an exclusive event in the United States is being organized in collaboration with the World Polo League.

For more detail please visit the following link: www.discovermandarina.com

Selected data from consolidated and proforma Financial Results as of December 31st, 2018

Factors with a significant impact on the comparability of the presented data

On December 13, 2018, RLH Properties acquired 100% of the Villa Magna Hotel, and; therefore, the consolidated income statement from January to December 31, 2018 under IFRS only considers 18 days of the Villa Magna Hotel results.

For informative purposes, a proforma income statement is included which considers the full year results from the Villa Magna Hotel. The main financial indicators are shown in this section:

Selected Data from Consolidated and Proforma Financial Results as of Dec 31, 2018

Figures in Ps. \$ '000s, unless stated otherwise

	RLH (Jan-Dec 2018) ⁽¹⁾	RLH (ex. VM) (Jan-Dec 2018) ⁽²⁾	VM (FY Standalone) (Jan-Dec 2018)	Consolidated Proforma (Jan-Dec 2018) ⁽³⁾
		A	B	A + B
Total Revenues	\$3,797,883	\$3,757,965	\$725,092	\$4,483,057
Rooms Revenues	\$2,073,801	\$2,047,585	\$500,649	\$2,548,234
% of total revenue	54.6%	54.5%	69.0%	56.8%
Food & Beverage Revenues	\$1,148,062	\$1,138,049	\$165,429	\$1,303,479
% of total revenue	30.2%	30.3%	22.8%	29.1%
Other Revenues	\$576,020	\$572,330	\$59,013	\$631,344
% of total revenue	15.2%	15.2%	8.1%	14.1%
Recurring EBITDA⁽⁴⁾	\$932,169	\$918,800	\$228,291	\$1,147,092
Margin (%)	24.5%	24.4%	31.5%	25.6%
Corporate expenses	\$196,892			\$196,892
Recurring EBITDA after corporate expenses⁽⁵⁾	\$735,277			\$950,200
Margin (%)	19.4%			21.2%

(1) Audited financial statements as of December 31, 2018.

(2) Proforma income statement without 18 days of Villa Magna Hotel under IFRS basis.

(3) Consolidated proforma of RLH + Hotel Villa Magna.

(4) Recurring EBITDA corresponds to the GOP minus real estate expenses (property and insurance).

(5) Recurring EBITDA after corporate expenses of RLH, without considering other expenses or other income.

Recurring EBITDA

Consolidated recurring EBITDA of RLH was **Ps. \$ 932.2 million**, which represents a margin of **24.5%**. Assuming that the Villa Magna Hotel transaction had been completed on January 1, 2018, the EBITDA would have been **Ps. \$ 1,147.1 million**, which represents a margin of **25.6%**.

Recurring EBITDA after recurring corporate expenses

RLH's recurring EBITDA after recurring corporate expenses was **Ps. \$ 735.3 million**, which represents a margin of **19.4%**. Assuming that the transaction had taken place on January 1, 2018 the recurring EBITDA after recurring corporate expenses would have been **Ps. \$ 950.2 million** with a margin of **21.2%**.

Cash Flow Statement

RLH's consolidated cash flow statement as of December 31, 2018 is shown below.

Consolidated Cash Flow Statement		
<i>Figures in Ps. \$ 000's. unless otherwise specified.</i>		
	31-Dec-2017	31-Dec-2018
Operating activities		
Gain (loss) before income taxes	(7,106)	(606,808)
Adjustments for non cash items:		
Depreciation and amortization	312,001	407,092
Financial costs of preferred shares	19,888	0
FX of cash	364,454	39,889
FX of loans	(25,780)	(68,950)
Bargain purchase gain	(984,581)	(331,705)
Goodwill impairment	226,527	0
Interest income	(39,114)	(139,960)
Interest expense	231,878	311,866
Result from purchase of preferred shares	233,604	0
Cost of long term compensation plan	0	1,122,975
Subtotal	331,771	734,399
Increase in clients and accounts receivables	(99,893)	(425,091)
Increase in prepaid expenses	(21,803)	(12,302)
Change in accounts payables and accounts receivables to/from related parties	42,626	(261,491)
Increase in inventory	(9,059)	(5,673)
Increase in real estate inventories	0	(152,054)
Increase in suppliers	39,491	36,827
Increase (decrease) in accounts payable and accumulated expenses	(253,438)	345,216
Increase (decrease) in customer deposits	587,755	234,859
Income taxes paid	(74,496)	(19,528)
Compensation plan payments	0	(334,358)
Net cash flow from operating activities	542,954	140,804
Investing activities		
Furniture and equipment purchases, and Construction In Progress	(346,675)	(1,016,110)
Minority interest acquisition	0	0
Loan in minority interest shares	0	0
Loan to related parties	0	0
Business acquisitions	(2,650,733)	(3,071,682)
Collected loans from related parties	40,000	0
Purchase of collection rights	0	(253,065)
Interest income	39,114	139,960
Net cash flow from investing activities	(2,918,394)	(4,200,897)
Financing activities		
Paid interests	(226,494)	(184,764)
Paid dividends on preferred shares	(35,148)	0
Capital increases through public offerings	2,414,240	1,918,372
Capital increase	66,438	34,802
Stock premium	0	1,982,319
Paid expenses of placement	(99,757)	0
Minority interest acquisition	0	(825,774)
Bank loans obtained	1,283,008	1,837,662
Paid loans to related parties	0	0
Bank loan payments	(1,528,004)	(988,852)
Payments due to preferred shares	(405,577)	0
Capital decrease	(12,000)	0
Net cash flow from financing activities	1,456,706	3,773,765
Increase (decrease) of financing activities	(918,635)	(286,328)
Cash and cash equivalents at the beginning of the period	4,913,086	3,629,998
FX gain on cash and cash equivalents	(364,454)	(39,889)
Cash and cash equivalents at the end of the period	3,629,998	3,303,781

Cash flow from operating activities

The cash flow from operating activities shows a positive result of Ps. \$140.8 million mainly attributed to (i) the elimination of non-cash items being the most representative, the recognition of the cost of the New Compensation Plan of Ps. \$1,123.0 million and (ii) a net result from the accounts receivables and payables of Ps. \$179.5 million; partially offset by the Compensation Plan payment of Ps. \$334.4 million, the variation of related parties balances of Ps. \$261.5 million and the increase in real estate inventories for Ps. \$152.1 million.

Cash flow from investing activities

The cash flow from investing activities had a negative result of Ps. \$4,200.9 million mainly due to: (i) the business acquisitions of Ps. \$3,071.7 million, (ii) the additions of FF&E and other acquisitions of Ps. \$1,016.1 million, of which, Ps. \$503.6 million came from investments in construction in process.

Cash flow from financing activities

Net cash flow from financing activities had a positive result of Ps. \$3,773.8 million, driven by the capital increase and share premium subscription of Ps. \$1,918.3 million and Ps. \$1,982.3 million, respectively, as well as net loans of Ps. \$848.8 million, partially offset by the acquisition of the minority stake to OHLD of the hotels and the golf course in Mayakoba for Ps. \$825.8 million and interest payments of Ps. \$184.8 million.

Financial Situation

RLH's balance sheet as of December 31, 2018, is shown below:

Consolidated Balance Sheet		
<i>Figures in Ps. \$'000s, unless stated otherwise</i>		
Assets	Consolidated RLH 31-Dec-2017	Consolidated 31-Dec-2018
Current Assets		
Cash and cash equivalents	3,629,998	3,303,781
Accounts receivables	561,897	857,310
Related parties	60,437	34,317
Inventories, net	52,317	73,182
Real estate inventories	0	1,170,237
Advance payments	63,724	167,122
Total current assets	4,368,373	5,605,949
Non current assets		
Plant, property, and equipment	11,950,017	16,754,877
Real estate inventories	0	769,059
Goodwill	154,576	1,050,431
Intangible Assets	592,413	800,510
Related parties	0	253,065
Deferred taxes	144,748	212,708
Other assets, net	33,155	45,962
Total non current assets	12,874,909	19,886,612
Total Assets	17,243,282	25,492,561
Liabilities and Stockholders' Equity		
Short term liabilities		
Short term portion of bank loans	350,049	358,082
Suppliers	177,694	264,569
Costumers deposits	594,585	950,809
Related parties	185,362	221,054
Taxes payable	18,677	58,701
Accounts payable and acumulated expenses	575,708	691,013
Total short term liabilities	1,902,075	2,544,228
Long term liabilities		
Long term bank loans	3,973,547	6,604,276
Liability due to minorities purchase option	1,048,153	0
Deferred income taxes	1,106,905	1,706,108
Derivative financial instruments	22,901	24,741
Other accounts payable in the long term	0	0
Workers benefits	5,627	24,313
Total long term liabilities	6,157,133	8,359,438
Shareholders' Equity		
Common stock	4,975,312	7,963,286
Additional paid-in capital	3,376,050	6,463,623
Other equity accounts	(142,941)	(142,941)
Accumulated results	(141,860)	(635,247)
Other equity reserves	350,360	195,912
Minority interests	767,153	744,262
Total shareholders' equity	9,184,074	14,588,895
Total liabilities and shareholders' equity	17,243,282	25,492,561

Cash and cash equivalents

As of December 31, 2018, RLH's cash and cash equivalents position was Ps. \$3,303.8 million compared to Ps. \$3,629.9 million as of December 31, 2017; the decrease of Ps. \$326.1 million is mainly explained by the different acquisitions and investments made during the year of Ps. \$5,166.7 million, such as; Villa Magna Hotel acquisition, Mayakoba residential acquisition (including collections rights), acquisition of the minority stake to OHL of a part of Mayakoba and other constructions in process investments; compensated by the capital increase and share premium subscription in cash of Ps. \$3,900.6 million and net acquisition of bank loans of Ps. \$848.8 million.

Account Receivables

Accounts receivables shows an increase of Ps. \$295.4 million compared to December 31, 2017, mainly driven by: (i) other accounts receivables which contributed with Ps. \$144.7 million from an account receivable with OHL, (ii) recoverable taxes by Ps. \$81.2 million (mainly VAT from constructions), and an increase in advanced payments of Ps. \$49.8 million.

Related Parties

Accounts receivable from related parties as of December 31, 2018 shows a balance of Ps. \$287.4 million, is made up by Fairmont Heritage Place Residences which the land cost is booked as an account receivable for RLH.

Liabilities with related parties as of December 31, 2018 has a balance of Ps. \$221.1 million, driven by Mandarin Residential land payment.

Fixed Assets, Goodwill and Intangible Assets

Property and equipment show a net increase of Ps. \$4,804 million as of December 31, 2018, against December 31, 2017, driven by: (i) the acquisition of Villa Magna Hotel for Ps. \$4,231.3 million, (ii) other additions to fixed assets and construction in process of Ps. \$1,016.1 million; partially compensated by the period's depreciation of Ps. \$368.8 million and a negative conversion effect of Ps \$73.8 million coming from the valuation of fixed assets since Mayakoba functional currency is US dollars and the Villa Magna Hotel is Euros.

Goodwill and intangible assets balance show an increase for Ps. \$895.9 million and Ps. \$208.1 million respectively, mainly explained by Villa Magna Hotel recent acquisition.

Total bank debt and net debt

As of December 31, 2018, total debt shows Ps. \$6,962.4 million presenting an increase of Ps. \$2,638.8 million compared to the balance as of December 31, 2017; mainly explained by (i) the loan from the acquisition of Hotel Villa Magna of Ps. \$1,833.7 million and (ii) the net acquisition of bank loans of Ps. \$848.8 million, (iii) and accrued interest Ps. \$311.9; partially compensated by interest paid, amortization of opening costs and unrealized Fx gain of Ps. \$355.6 million.

The net debt as of December 31, 2018 was Ps. \$3,658.6 million.

Deferred Taxes

Deferred tax liability shows an increase of Ps. \$531.4 million mainly explained by Villa Magna Hotel acquisition.

Derivative financial instruments

As December 31, 2018, the financial instruments to cover the bank-loan interest rate risk were presented at their fair value, which means the recognition of a net increase between assets and liabilities of Ps. \$3.4 million as part of Other comprehensive result.

Equity

The significant increase in equity is mainly driven by: (i) the capital increase and the share premium subscription of Ps. \$6,075 million, of which Ps. 3,900.7 was contributed in cash and Ps. 2,174.9 from a capitalization of a liability; partially offset by (ii) the net loss for the period ended on December 31th, 2018 for Ps. \$635.2 million, and (iii) Ps. \$195.9 million, as a net result of the conversion effect and the unrealized portion of the long compensation plan.

Corporate Governance

On February 26, 2019, a Board meeting of RLH was held for the approval of the Financial Statements for the year ended on December 31, 2018, which were approved unanimously.

Annex I

Consolidated Income Statement (non-audited)

Figures in Ps. 000's, unless stated otherwise

	Three-month period from September 30 to			Twelve-month period from January 1 to		
	2017	2018 ⁽¹⁾	Var. y/y	2017	2018 ⁽¹⁾	Var. y/y
Rooms	518,434	596,926	78,492	1,186,708	2,073,801	887,093
Food and beverage	249,615	286,177	36,562	682,134	1,148,062	465,928
Golf	152,951	201,281	48,330	196,049	246,874	50,825
Spa & fitness	24,820	27,970	3,150	65,715	111,902	46,187
Other hotel revenues	77,181	59,630	(17,551)	178,001	217,244	39,243
Total Revenue	1,023,001	1,171,984	148,983	2,308,607	3,797,883	1,489,276
Rooms costs and expenses	(162,656)	(149,598)	13,058	(318,746)	(542,308)	(223,562)
F&B costs and expenses	(147,543)	(164,250)	(16,707)	(411,408)	(639,667)	(228,259)
Golf expenses	(170,400)	(194,230)	(23,830)	(188,565)	(217,743)	(29,178)
Spa & fitness costs and expenses	(9,057)	(8,337)	720	(28,190)	(44,797)	(16,607)
Other minor operated departments costs and expenses	(44,960)	(22,184)	22,776	(86,151)	(76,924)	9,227
Total Departmental Expenses	488,385	633,385	145,000	1,275,547	2,276,444	1,000,897
General & Administrative recurrent costs and expenses	(101,489)	(92,549)	8,940	(240,775)	(377,142)	(136,367)
Information and Telecommunications Systems	(8,262)	(10,727)	(2,465)	(31,468)	(43,837)	(12,369)
Sales & Marketing	(71,814)	(75,088)	(3,274)	(184,247)	(290,663)	(106,416)
Maintenance expenses	(16,055)	(38,497)	(22,442)	(87,695)	(153,303)	(65,608)
Utilities	(46,948)	(48,908)	(1,960)	(102,352)	(164,705)	(62,353)
Management fees	(48,323)	(50,746)	(2,423)	(106,281)	(196,053)	(89,772)
Insurance	(17,128)	(23,813)	(6,685)	(49,471)	(85,734)	(36,263)
Property taxes	(9,251)	(1,984)	7,267	(22,343)	(32,838)	(10,495)
Recurring EBITDA (excluding corporate expenses)	169,115	291,073	121,958	450,915	932,169	481,254
Corporate expenses	(50,605)	(82,541)	(31,936)	(180,342)	(196,892)	(16,550)
EBITDA (including corporate expenses)	118,510	208,532	90,022	270,573	735,277	464,704
Other income / (expenses) non-recurring and other ⁽²⁾	(286,953)	113,042	639,100	552,054	(897,906)	(1,449,960)
EBITDA (after corporate expenses)	(168,443)	321,574	729,122	822,627	(162,629)	(985,256)
Depreciation & Amortization	(126,992)	(121,919)	5,073	(312,001)	(407,092)	(95,091)
EBIT / Operation profit / (loss)	(295,435)	199,655	495,090	510,626	(569,721)	(1,080,347)
Cost of financing						
Interest paid	(55,319)	(126,349)	(71,030)	(231,878)	(311,866)	(79,988)
Cost of preferred stock	(3,747)	0	3,747	(19,888)	0	19,888
FX loss	(205,525)	(429,572)	(224,047)	(906,847)	(950,755)	(43,908)
Financial costs	(264,591)	(555,921)	(291,330)	(1,158,613)	(1,262,621)	(104,008)
Interest gain / (loss)	14,006	72,644	58,638	39,114	139,960	100,846
FX gain	123,427	567,392	443,965	601,767	1,085,574	483,807
Comprehensive financing cost	(127,158)	84,115	211,273	(517,732)	(37,087)	480,645
Profit / (loss) before taxes	(422,593)	283,770	706,363	(7,106)	(606,808)	(599,702)
Conversion effect of changes in foreign exchange rates	(274,162)	269,670	543,832	406,277	330,588	(75,689)
Tax provision	(44,687)	(285,281)	(240,594)	66,241	(167,988)	(234,229)
Consolidated net income / (loss)	(741,442)	268,159	1,009,601	465,412	(444,208)	(909,620)

(1) In 2018, RLH considers 18 days of operation of Hotel Villa Magna

(2) Includes the cost of the new compensation plan

RLH Properties announces its Fourth Quarter of 2018 financial results

We cordially invite you to the presentation of the Fourth Quarter of 2018 financial results, through a conference call.

Date: Monday, March 4, 2019.

Time: 10:30 a.m. Mexico City (11:30 a.m. New York / 16:30 p.m. London / 17:30 p.m. Madrid).

Presented by RLH Properties:

- **Jerónimo Bremer**, Chairman of the Executive Committee
- **Borja Escalada**, Chief Executive Officer
- **Juan Novoa**, Chief Financial Officer
- **Francis Muûls**, Executive Vice President, Chief Asset Management & Transactions Officer
- **Diego Laresgoiti**, Vice President of Finance and Investor Relations

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

Toll free: 1-877-407-8031

International Dial in: 1-201-689-8031

RLH Conference Call 4Q18

The quarterly results materials will be available in the following link:

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

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

RLH Properties is a holding company whose subsidiaries are engaged in the acquisition, development and management of hotel assets in the city and beach resorts within the high segment in Mexico. One of its main objectives is to create the main luxury hotel platform in Mexico, the Caribbean and Europe, basing the growth on the development of new hotels and selective acquisition of hotels in operation. Currently the Issuer owns 100% of the Four Seasons hotel in Mexico City, 100% of the Hotel Villa Magna in Madrid Spain, 100% of the Rosewood Mayakoba hotel and the El Camaleón golf course, 95% of the Banyan hotel Tree Mayakoba, 90% of the Fairmont Mayakoba hotel and 60% of the Andaz Mayakoba hotel, located in the Mayan Riviera, 100% of the land in which the One & Only Mandarin and Rosewood Mandarin hotels will be developed, as well as approximately 148 residences with said brands in the Riviera Nayarit, 50% of the flows of approx. 35 full ownership residences and 64 fractional units of the Fairmont Heritage Place hotel brand, 100% of the flows of 19 Rosewood Mayakoba hotel brand residences, as well as other assets related to Mayakoba (El Pueblito, Marina Mayakoba and 27.2% of the lot 5 ').

Chief Executive Officer

Borja Escalada
RLH Properties
Tel. + 52 (55) 14 500 800
bescalada@rlhproperties.com.mx
www.rlhproperties.com.mx

Chief Financial Officer

Juan Novoa
RLH Properties
Tel. + 52 (55) 14 500 800
jnovoa@rlhproperties.com.mx
www.rlhproperties.com.mx

Investor Relations

Diego Laresgoiti
RLH Properties
Tel. + 52 (55) 14 500 800
dlaresgoiti@rlhproperties.com.mx
www.rlhproperties.com.mx

Av. Paseo de la Reforma #412, Piso 21
Col. Juárez, Del. Cuauhtémoc, Ciudad de México, C.P. 06600
+(52) 6393 3000
www.rlhproperties.com.mx