



Active Management of investment vehicles



Corporate Presentation

June 2020

A. Introduction to BK Partners

B. Management team

C. Main investment vehicles


- i. RLH Properties
- ii. RLD
- iii. Residential
- iv. Balam fund

Introduction to BK Partners

- Asset management firm dedicated to the creation of investment vehicles for different sectors providing own equity and attracting specialized investors for its development.
- Target: creation of leading companies in their sector through the active and direct management with innovating business models focused on value creation and development of expert teams.
- Our philosophy:
 - ✓ Creation of specialized vehicles and focused in well-defined sectors and geographical areas
 - ✓ Entrepreneur mentality in all the vehicles managed in order to ensure the innovation, growth, rapid adaptation to the changing environment and proactive management
 - ✓ Strong discipline and focus in the pre-established objectives
 - ✓ Access to a great *network* for the development of the managed vehicles and value creation
 - ✓ Investment of own capital in a higher proportion than the market
 - ✓ Active management of the risk: search of value minimizing risks
 - ✓ Commitment and alignment with the investor' objectives
 - ✓ Creation of specialized management teams
- More than 20 professionals complementary and specialized in different areas distributed in our offices in Madrid, Mexico city, and London
- More than US\$1.5 billion under management¹
- Presence in the energy, hotel, real estate and tourism sectors

¹ Including assets co-managed with The Rohatyn Group (Balam) and before the exit of RLH Properties in March 2020.

Introduction to BK Partners – More than US\$1.5 Bn under management

	RLH PROPERTIES	 RLD	Residential	BALAM FUND
Sector	Luxury and Ultra-luxury Hotels and Resorts	Land development for tourism developments	Real Estate Residential Development	Renewable energy, energy efficiency and sustainability
Geographical area	Mexico, the Caribbean and Latam	Mexico	Mexico	Mexico
Investment / AUM /Market Cap.	860 million USD	450 million USD ²	50 milion USD	220 million USD
Type of vehicle	Company listed in the Mexican Stock Exchange	SAPI	Company	CanadianLP, CKD listed in the Mexican Stock Exchange and private Trust
Main investors	Afore Banorte, Afore Pensionisste, Afore Coppel, FNI ² , IPEJAL ² , GS ² , TPG ² , well known Mexican family offices	Goldman Sachs, TPG-Axon, IPEJAL, FNI	BK Partners and Pensionisste	FNI, JBIC, CAF, IDB, Afore Pensionisste, Nafinsa
Investment strategy	Active asset management of hotel properties. Acquisition of hotels under construction or under operation	Development of luxury residential resorts and master planned communities	Acquisition of residential development assets with in segments with strong demand growth potential	Investment in renewable energy and energy efficiency in Mexico that are in their final stage of development, construction and operation. Conservative leverage / full equity providing more flexibility and less financial risk
Duration	IPO in 2015 Exited in March 2020	Since 2008 Unitl 2020 + 2 years	12 years	Until 2023 with a possibility to increase 2 years
Main projects	Four Seasons Ciudad Mexico One & Only Mandarin Rosewood Mandarin Rosewood Mayakoba Fairmont Mayakoba Banyan Tree Mayakoba Andaz Mayakoba	Mandarina (265 ha) Xala (1.265 ha)	Acquisition of Ciudad Mayakoba from large corporate seller undergoing financial restructuring	Camargo Solar plant (36.5 MWp) Laguna Solar plant (35.5 MWp) San Luis Potosi Solar Plant (39.4 MWp) Eolica del Sur Wind Plant (396 MW) (50% stake)

² Through Actur (RLD) and RLI PLC. The 450mn USD includes ACTUR's stake in RLH.

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iii. Residential

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Management Team



**Allen
Sanginés-
Krause**

Allen holds more than 25 years experience in investment banking across the globe, mainly in Goldman Sachs (GS) where he was Head of the México Team, COO for the Latin American Group, Head of Emerging Markets for the Investment Banking Division, Head of Russia and CIS, Head of European Industrials Group and Head of the Spanish team. Allen finished its career in GS as one of the seven members of the Firmwide Commitments Committee, in which he was responsible for authorizing all equity underwritings carried out by the firm and monitoring commercial and reputational risks. In addition, he was the Chairman of the Board of Directors at Millicom International Cellular S.A. (a telecom company focused on emerging markets).

Currently he is a member of the Board of Directors at AB Investment Kinnevik (a Sweden-based company), Chairman of the Board of Directors at RLD, President of the Board of Directors and member of the Executive Committee of RLH and member of the Investment Committee Balam Fund I. Moreover, he is Chairman Emeritus of the Council of the Graduate School of Arts and Sciences at Harvard University, Member of the Campaign Board of the Historic Royal Palaces in the United Kingdom and Member of the Royal Institute of International Affairs.

Allen graduated Summa Cum Laude with a B.A. in Economics by the Instituto Tecnológico Autónomo de México. He also obtained a Ph.D. in Economics at Harvard University. Allen has double nationality Mexican and English. He speaks fluently English and Spanish as well as some German, French, Italian and Russian.



**Jerónimo
Bremer**

Jerónimo has more than 15 years experience in investment, mainly due to his career at Goldman Sachs (GS) where he was Vice President at the Principal Strategies Group, which managed US\$ 15 billion of the own capital of the Bank. In GS, Jerónimo was directly responsible for a European-invested portfolio worth more than US\$ 300M invested, mainly in the German, French and Spanish markets. This portfolio was mainly focused on Energy/Utilities, Pharmacy, Automotive, Airlines, Banks and Retail. The yearly return of Jerónimo's portfolio reached around 19%, one of the best performances of the team.

Currently he is member of the Board of Directors and the Executive Committee at RLH and also of the Investment Committee at Balam Fund I. In addition, Jerónimo has also been highly involved in the operations of RLD where he is responsible for the strategic planning and investor relations. He was also responsible for the process of fund raising of RLD.

Jerónimo is a graduate in Business Administration from both the University of Cologne in Germany and ICADE Universidad Pontificia Comillas in Spain. He holds dual German and Mexican nationalities and speaks English, Spanish, German fluently as well as some French and Russian.

Management Team



Irene Palomo

Irene has more than 10 years of experience as an audit and finance-controlling team leader working in important consultant firms in the areas of banking/capital markets and renewable energy like Deloitte and Vector Cuatro, respectively. As a team leader in Deloitte, Irene participated in the audit of Investments and Venture Capital Funds, Funds Management Companies and Brokerage Agencies of the main Financial Groups in Spain, such as BBVA or Banco Santander. During her stay at Vector Cuatro, Irene was responsible for the financial management of the photovoltaic and wind projects of the international portfolio (Francia, Bulgaria, Portugal and UK). She was in charge of the review of Financial Statements and Annual Accounts, as well as of the coordination of the corresponding audit processes. Irene joined BK Partners in August 2017 and she is actively participating in the financial and administrative management of some of the investment vehicles of the Group and its holding companies, as well as being highly involved in the recent restructuring carried out within the companies of the Group. Irene has a Degree in Business Administration granted by Universidad Autónoma de Madrid and also a Master's in Human Resources granted by EAE Business School. She is fluent in both Spanish and English.



María Fernandez

María has over 10 years of experience, especially in the financial sector at Deloitte. María's experience in Deloitte was fundamentally in audit and process consulting areas, where she analyzed and developed solutions to improve processes and optimize the resource allocation of companies such as Grupo Cepsa and Gas Natural. Moreover, she was part of the team that designed and implemented Business intelligence tools for several companies of the Touristic sector. Before joining BK partners María founded her own business working in the organization of events at a family owned property. She was responsible for the market analysis, business plan creation, financing and in later stage, of the design and construction of the event venue, leading the construction and vendor controlling. Currently, the company organizes more than 30 events per year. María joined BK Partners in November 2018 and is responsible for the financial controlling of several assets of the Group. Additionally, she manages certain real estate assets of the Group. María has a Degree in Business Administration granted by Universidad Autónoma de Madrid having studied one year in the Wirtschaftsuniversität Wien and she speaks Spanish, English and German.

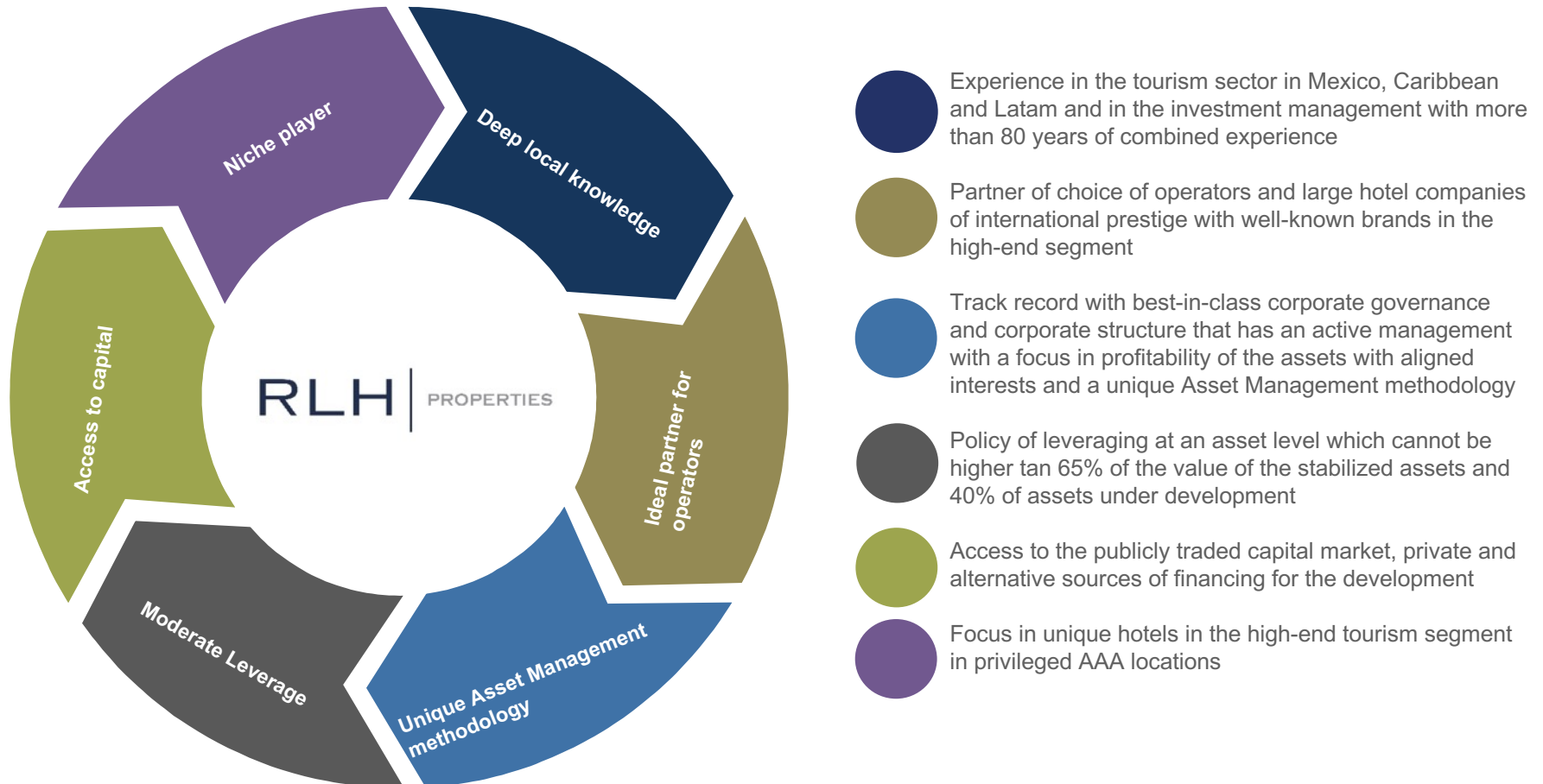
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- C. Investment vehicles
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 - ii. RLD
 - iii. Residential
 - iv. Balam fund

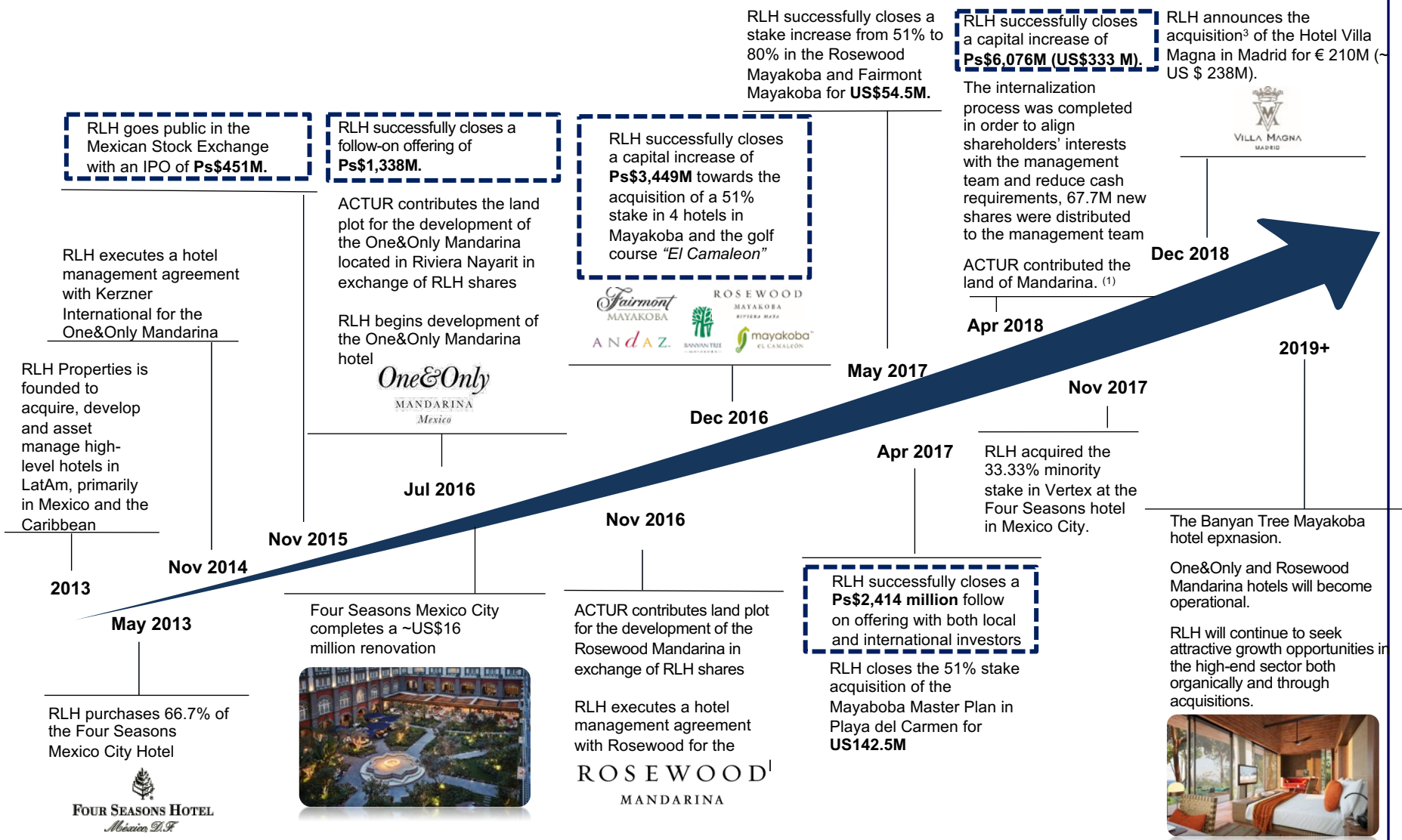
- In November 2015, RLH Properties was listed in the Stock Exchange by BK Partners, vehicle of growth focused in the high-end hotel and resorts sector in Mexico and the Caribbean with a *pipeline* of acquisitions of more than US\$800mn.
- In March 2020 the stake in RH Properties was successfully sold.
- RLH is the owner of the **Hotel Four Seasons** in Mexico City, as well as the development projects of the **One&Only Mandarin Hotel** and the **Rosewood Mandarin Hotel**, in Riviera Nayarit. In addition, RLH completed the acquisition of the **Mayakoba Master Plan** in Playa del Carmen, which includes 4 operating hotels (**Rosewood Mayakoba**, **Banyan Tree Mayakoba**, **Andaz Mayakoba** and **Fairmont Mayakoba**) and 1 golf course (**El Camaléon**). Finally, in December 2018, RLH acquired the **Villa Magna Hotel** in Madrid, Spain.
- Target: become a leading company in the hotel ultra-luxury segment through the acquisition of operating hotels, development of new ones and active asset management of the portfolio.
- Principal investors in RLH:
 - Afores: 3 of the largest Afores in Mexico, including Banorte Siglo XXI, the largest pension fund in Latin America.
 - National Infrastructure Fund
 - International Institutional Funds: Texas Pacific Group Axon, Morgan Stanley, BGAM
 - Main partners of BK Partners and Mexican Family Offices
- Main advantages as a real-estate hotelier partner:
 - ✓ Exclusive focus in high-end hotels and resorts in Mexico, The Caribbean and Spain
 - ✓ Institutional and transparent partner with a long-term structure and vision, as opposed to *Private Equity funds*
 - ✓ More flexibility regarding the active participation of partners, in comparison to FIBRAs
 - ✓ Strong track-record
 - ✓ Team which combines large financial, real-estate, development and hotel asset management experience
 - ✓ Solid base of shareholders with large resources committed to the growth of the Company

RLH Properties is a listed Mexican company dedicated exclusively to the acquisition and management of the hotel assets in the luxury and ultra-luxury sector becoming a unique platform in Latin America and the Caribbean



Differentiated Business model







Focus: Traditional local and international clients
Year Opened: 1994
rooms: 240
Amenities: 2 restaurants, gym, event rooms



Focus: Traditional local and international clients
Year Opened: 1972
rooms: 150
Amenities: 2 restaurants, 2 bars, gym, event rooms



Focus: Customers looking for innovative luxury
Year Opened: 2007
rooms: 128
Amenities: 4 restaurants, spa, gym, 3 event rooms



Focus: International and local clients with preference for Asian style
Year Opened: 2009
rooms: 132
Amenities: 7 restaurants, gym, spa, 4 event rooms



Focus: Traditional groups and guests
Year Opened: 2006
rooms: 401
Amenities: 7 restaurants, gym, spa, 9 event rooms



Focus: Modern clients and business groups
Year Opened: 2016
rooms: 214
Amenities: 5 restaurants, gym, spa, 9 event rooms



Description: World class golf course designed by Greg Norman
Year Opened: 2005
Amenities: Clubhouse, pro-shop, Jim McLean Golf Academy



Focus: Customers seek unique experiences with high attention to detail
Opening: 2020
rooms: 108
Amenities: 3 restaurants, rooms for events, beach club, swimming pools and gym



Focus: Customers looking for innovative luxury
Opening: 2021
rooms: ~ 128
Amenities: 3 bars and restaurants, sunset bar, pool restaurant, beach club, spa

Residential Portfolio



FHP¹: The business has an inventory of approx. 38 full ownership residences and 67 fractional units.
RWD Mayakoba²: The business has an inventory of approx. 33 full ownership branded residences.
O&O and RWD Mandarin³: The business has an inventory of approx. 148 branded residences.

13

- A. Introduction to BK Partners
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- In 2008 BK Partners created RLD, vehicle focused in the privatization, regularization and development of land for the implementation of tourism high-end projects, both residential and hotelier, in unique locations.
- RLD is currently a shareholder in RLH Properties and owner of the **Xala Project** in Costalegre, Jalisco.
- Target: development of unique tourism large scale projects of low density, sustainable and of luxury / ultra-luxury, with a residential and hotelier component and close to consolidated destinations
- Main investors in RLD:
 - TPG-Axon
 - Morgan Stanley
 - BGAM, institutional investment fund with \$3.2bn AuM.
 - Fondo Nacional de Infraestructuras, Mexican Infrastructure and Sovereign Fund.
 - BK Partners and Family Offices.
- Main advantages of RLD:
 - ✓ Focus “*master development*”, infrastructure development and urbanization and creation of destinations
 - ✓ Team which combines large financial, real-estate, development and construction experience
 - ✓ Large experience in the permitting and licensing
 - ✓ Proven experience in the management of relations with local communities
 - ✓ Combination of strategic Partners-investors, listed and private, committed to the existing developments
 - ✓ Solid structure of corporate governance, institutional and transparent vehicle

RLD has two large unique tourism development projects, with a surface of more than 1,500 Ha, located in areas of great growth of demand and important investments in infrastructure



a Asset Description

- Unique plot of 1,265 ha. located in Costa Alegre, 105 kilometers from Puerto Vallarta Airport and 10 minutes from new Costalegre future airport
- It has 8 kilometers of beaches as well as a large natural lake surrounding terrain, offering spectacular views on either side of it
- MIA (environmental permit) obtained for the development of hotels and residences branded and non-branded (HMA signed with Krezner for the development of a One & Only about 40 residences and branded)
- Final Master Plan under definition

b Potential of Development

- Development of hotels and residential lots, including major private beachfront lots for which significant demand has been identified
- Will benefit from the construction of Jala - Compostela, Las Varas - Puerto Vallarta and tendered, which connects Guadalajara and Puerto Vallarta in less than 2.5 hours, representing an increase in potential demand of 18 million people
- Will benefit from the construction of Costalegre airport, whose runway is already built
- Area with significant demand, between Careyes and Puerto Vallarta

c Location



d Infrastructure







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Residential – Introduction

- Felixble investment platform on prime residential property for luxury short-term rental in main gateway cities across Europe, through a vehicle advised by BK Partners.
- Strategy focused in acquiring, refurbishing and marketing of luxury buildings and apartments for short-term rental within a branded platform offering unique amenities and sophisticated concierge services.
- The typical property will be residential buildings and apartments with 1 to 3 bedrooms located in a prime area of one of the major European cities, such as Madrid, Barcelona, Lisbon, London, Berlin, Paris, Milan or Dublin.
- Returns are driven by:
 - Annual yield of short-term rental, which is at significant premium to the traditional long-term rental yield.
 - Rental premium achieved from the branded serviced experience.
 - Long-term value appreciation of prime located residential property
- The investment vehicle has already invested in the first asset:
 - Apartment building located in Madrid's prime "Barrio Salamanca" area: Ayala 63
 - Acquired with Zaphir Asset Management, part of Aguirre Newman, as minority co-investor and local partner.

Residential – Ayala 63

Madrid

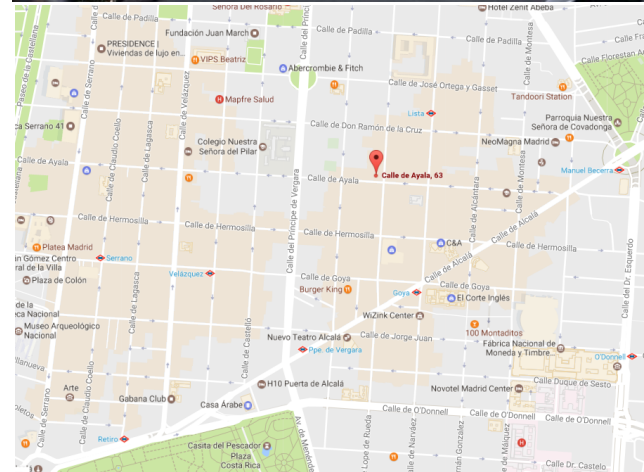
- Madrid has 5.3M visitors
- Is among the top 10 European cities by visitors
- Residential property is still well below peak prices in 200

Property Description

- Unique residential high end building located in Ayala 63, Salamanca district, between Hermosilla and Don Ramon de la Cruz
- Area: Buildable area of 1,902 sqm distributed in ground floor + 6 levels
- Units: 12 current units, potential for additional units

Repositioning Project completed

- Important refurbishment and upgrade of the façade, interiors and common areas
- Addition of amenities such as gym, pool and terrace with a modern style



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Private Equity manager created by BK Partners and The Rohatyn Group

Currently managing LP commitments in excess of USD 220 million

With exclusive focus on renewable energy generation, energy efficiency and sustainability in Mexico

Having successfully built a solid portfolio of renewable energy generating projects totaling over 500 MW

- Critical sector with long term prospects
- Multidisciplinary team with **proven and solid global experience** in investment, financing and operating renewable energy projects globally
- This expertise, enables us to **design and implement differentiated and proactive investment and operational strategies**, customizing our proposals to the needs of each of our clients
- **Resilient portfolio with limited leverage**, having invested full equity in all of our solar projects (minimizing financial and operational risk and optimizing distribution yields from year 1)
- As managers, we **remain 100% committed and aligned with our LPs interests**, having deployed a relevant part of the equity disbursed as of today (10 m USD).
- Balam maintains the **highest quality ESG and compliance standards**; having been selected as the preferred Asset Manager in Fonadin's 2013 public tender to create and manage the first Green fund exclusively focused in Mexico
- Our investor profile is comprised of domestic and international reputed financial institutions. We currently manage three different vehicles, including a publicly quoted vehicle in the Mexican Stock Exchange since March 2016

2013-4

Balam Fund selected by FONADIN as Manager of the first Mexican Green fund (global competitive process)

2015

New Management team enters Balam (Sep)
Early implementation of the Energy Reform

2016

"BalamCK 16" is listed in the Mexican Stock Exchange (Mar)

Camargo Solar plant initiates construction (36.5 MWp)
(largest solar plant in Mexico at COD) (May)

2017

Camargo starts operation (Apr)

Energía Eólica del Sur Wind farm initiates construction (396MW) (largest wind farm in Mexico) (Jun)

Laguna Solar plant initiates construction (35.5 MWp) (Oct)

2018

Laguna starts operation (Aug)

SLP Solar plant initiates construction (39.4 MWp) (Sep)
Energía Eólica del Sur starts operation (Dec)

Resilient assets with long-term cash flow visibility providing an attractive risk/return equation
High positive social and environmental impact in the region and globally

Technologies	<p>Mature generation technologies (with focus in renewable energy)</p> <p>Solar PV, wind, hydro, biomass and efficient cogen.</p> <p>Diversification in terms of technology</p>
Region	<p>The fund is currently only focused in Mexico</p> <p>Diversification in terms of region within the country</p>
Entry phase	<p>Ready-to-Built, i.e. the project does not incur in development phase risks</p>
Cash Flows	<p>Solid counterparties and cash flow stabilization via take-or-pay PPAs</p> <p>Flexibility to assume merchant risk</p> <p>Flexibility to invest full equity</p>
Term and Size	<p>3 years investment / 10+2 years in total</p> <p>Equity investments ranging 30 – 70 M USD</p>
Management	<p>Proactive management approach in order to optimize performance, leveraging from the Team's extensive global experience</p>
Target returns	<p>Mexican Pesos</p> <p>>15% (very limited leverage)</p>

Balam has built a generating portfolio of over 500 MW
Currently selling energy to top leading Mexican groups



Avant Energías Renovables Camargo, Chihuahua	Energía Limpia de Laguna Tlahualilo de Zaragoza, Durango	Eólica del Sur Juchitán / Espinal, Oaxaca	SLP Villa de Arista, San Luis Potosí
			
<ul style="list-style-type: none"> • Solar PV plant of 36.5 MWp • Merchant (Wholesale energy market). • Under commercial operation since April 1, 2017 • Ca. 80 GWh annual production • +53% EBITDA '17A & +20% EBITDA '18E vs Base Case • >10 m USD distributed (ca. 22% of equity invested in 18 months) • Plant plot acquired by the Project in 2018. • 100% of the shareholding controlled by Balam vehicles 	<ul style="list-style-type: none"> • Solar PV plant of 35.5 MWp • Self Supply regime • Sells energy to Farmacias del Ahorro (1,200 load points) • Under commercial operation since August 1, 2018 • Ca. 80 GWh annual production • Construction completed in line with budget • First distribution projected for H1 2019 • 100% of the shareholding controlled by Balam vehicles 	<ul style="list-style-type: none"> • Wind farm of 396 MW • Self Supply regime • Sells energy to FEMSA, Heineken y Crown (13,00 load points) • Under commercial operation since December 31, 2018 • Annual production of 1,200 GWh • Construction completed in line with budget • Completed successfully the first Indigenous consultant process in Mexico • 50% of the shareholding controlled by Balam vehicles (50% Mitsubishi) 	<ul style="list-style-type: none"> • Solar PV plant of 39.4 MWp • Self Supply regime • Sells energy to AT&T / Others • Under construction since September 2018 • Projecting to enter operation on September 2019 • Ca. 85 GWh annual production • First distribution projected for Q1 2020 • 100% of the shareholding controlled by Balam vehicles

BK | PARTNERS



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