INFORMATION DOCUMENT EURONEXT ACCESS

RSR SINGULAR ASSESTS EUROPE SOCIMI, S.A.U.

INFORMATION DOCUMENT

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The articles of association included in this Information Document have been translated into English from Spanish version, and their content appears for information purposes. In case of any discrepancies, and for legal purposes, the Spanish version registered in the Commercial Registry shall prevail.

RESPONSIBLE OF THE INFORMATION DOCUMENT

The person below assumes responsibility for the completeness and consistency with the facts of the data and information contained in the Information Document:

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STATEMENT OF THE RESPONSIBILITY

"We declare that, to the best of our knowledge, the information provided in the Information Document is accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document".

1. SUMMARY

The following is a summary of some of the information contained in this Information Document. Fellow Funders Capital Markets urges to read this entire Information Document carefully, including the risk factors, RSR SINGULAR ASSETS EUROPE SOCIMI, S.A.U..'s historical financial statements, the notes to those financial statements, and the valuation of both the assets and the Company.

1.1. General Description of RSR SINGULAR ASSESTS EUROPE SOCIMI, S.A.U

RSR SINGULAR ASSESTS EUROPE SOCIMI, S.A.U. is a Spanish company, running under the special tax regime of Sociedad Cotizada de Inversión en el Mercado Inmobiliario, hereinafter ''SOCIMI'', equivalent to a Real Estate Investment Trust (REIT).

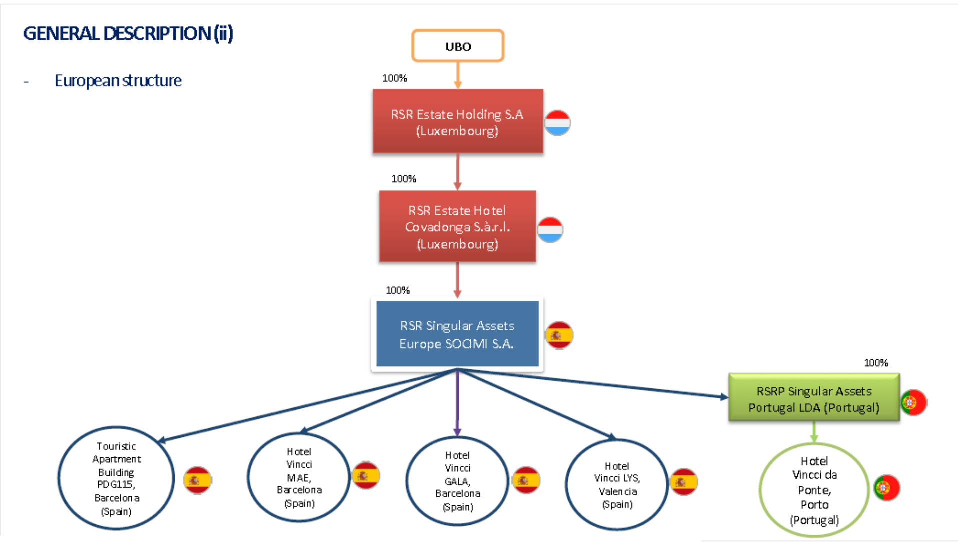
RSR SINGULAR ASSETS EUROPE SOCIMI, S.A.U. (formerly RSR DIAGONAL 596 SOCIMI, S.A.U.) is a company resulting from the merger on September 13th , 2018 of VERROW XXI S.L.U., RSR DIAGONAL 596 S.L. and PDG 115 S.L., with CIF A-87358446 and with registered office in Madrid, General Arrando nº1.

The Company is a real estate investment company with its core business in hotels and touristic apartment building real estate assets, located in Spain and Portugal main cities, investing in some cases through subsidiaries, which are SOCIMI as well, fully owned by the Company (hereinafter the "Subsidiaries").

The Company started operations in Spain in August 2014 with the acquisition of the Vincci Gala hotel in Barcelona; Vincci Mae and PDG115 touristic apartment building in 2015 and two new properties in 2019, Vincci Lys hotel in Valencia and Hotel da Ponte in Porto (Portugal).

The Company is fully owned by RSR Estate Hotel Covadonga S.à.r.l. (Luxembourg) a subsidiary fully owned by RSR Estate Holding S.A. (Luxembourg).

Chart 1: RSR SINGULAR ASSETS EUROPE Structure



Source: RSR Singular Assets

1.2. Company name, Registered Office and Registration for the special Tax regime for SOCIMI

1.2.1. Company Name

RSR SINGULAR ASSETS EUROPE SOCIMI, S.A.U.

1.2.2. Registered office

Calle General Arrando, Nº1, 3ºD, 28010 Madrid, Spain.

1.2.3. Data of Registration with the Commercial Registry

Registered with the Madrid Commercial Register on July 30th, 2015, at Volume 33.840, Section M-609024-8 and Sheet 1ª.

1.2.4. Registration for the SOCIMI special tax regime

On September 14th, 2018, the Company requested to the Tax Agency to become eligible to the SOCIMI special tax regime, established in Law 11/2009. This was registered by the State Tax Administration on September 14th, 2018.

1.3. Purpose

The Company's main purpose shall be the following:

a) Purchase, sale, lease, parcel and develop plots, pieces of land and buildings of any nature, erect buildings on them and sell them, either in whole or in part or as part of a condominium.

b) Purchase, sale, subscribe and exchange securities and shares, both domestic and foreign on its own account and without intermediation, excluding those activities expressly reserved by the Securities Market Act to Securities and Stock Trading Companies and Agencies.

All activities for which any law sets forth special requirements not met by this Corporation are excluded from the business activity of the Corporation.

Where any Law requires a particular qualification or degree, or an administrative authorisation or registration within any Public Entity, or any other requirement generally, so as to perform all or any of the business activities mentioned above, the said business shall not commence before the administrative requirements have been complied with, and they shall be only carried out by persons who hold the required qualification or degree.

1.4 Duration

The Company is to have a perpetual existence and it commenced business on the date of execution of the Certificate of Incorporation.

1.5 . Fiscal Year

The company's financial shall coincide with the fiscal year and should last for a calendar year, starting on January 1st and end on December 31st each year.

1.6 . Distribution of Income (article 23 of the Articles of Association)

The General Shareholders Meeting shall decide upon the application of the income of the financial year in accordance with the provisions of the Law. Dividends agreed to be distributed, where applicable, shall be distributed among the shareholders in proportion to their respective paid up shares of the capital stock and payments shall be made within the time lapse determined by the General Shareholders Meeting.

Dividends not claimed within five (5) years from the date fixed for collection shall expire in favour of the Corporation.

The General Shareholders Meeting or the Managing Body of the Company may agree on the distribution of any amount on account of dividends, with the limitations and requirements set forth in the Law.

1.7 . Administrative, management and controlling bodies

1.7.1 Board of Directors

According to RSR's articles of association, the Board of Directors of the Company is formed by three members: Mr. Samer-Jamil Hreiki, Mr. Jean-Nicolas Bourtemboug and Mrs. Carmen Escriva de Romani. The Chairman of the board is Mr. Samer Hreiki.

Article 18: Forms of organizing the Administration

The General Shareholders Meeting, without the need to modify the statutes, shall be able to choose between the following systems of Administrative Body:

- A Sole Director
- Two Joint Directors
- Two Joint and Several Directors
- A Board of Directors

Article 19: Term of Office

The appointed Directors shall hold their office for a term of six (6) years, same period for all of them, without prejudice to either their re-election or the power of the General Shareholders Meeting to remove them at any time pursuant to the provisions of the Law.

If the Managing Body of the Corporation is a Board of Directors, and if during the period for which the Directors were appointed, vacancies occur without a substitute in place, the Board of Directors may appoint a shareholder to cover such vacancy until the next General Shareholders Meeting is held.

Article 20: Remuneration of Directors

No stated remuneration shall be paid to the Directors, without prejudice to the payment of the fees or salaries that may be proven to the Corporation for the provision of professional or labour services originating in a contractual relationship other that the position of Director. Said fees will be subject to the applicable legal regime.
The Company is authorized to purchase and maintain civil liability insurance for its Directors.

Article 21: Rules and operation of the Board of Directors

When the management and representation of the Corporation is vested on a Board of Directors, it shall be composed of no less than three (3) and no more than twelve (12) members. The General Shareholders Meeting shall determine the exact number of Directors.

The Board of Directors shall designate a President among its members and shall also designate a vice-President if it deems it convenient, who shall substitute the President in the event of a vacancy, absence or disability. The Board shall also designate a Secretary and a Deputy Secretary if it deems it convenient, who shall substitute the Secretary in the event of vacancy, absence or disability. The Secretary need not be a director, and, in the event, he is not a Director, he shall be entitled to participate without voting rights in the meetings.

The Board of Directors shall meet at least once every quarter.

The Board of Directors will be called by its President or the person acting as such. Directors constituting at least a third of the members of the Board may request the President of the Board to call a meeting, stating the order of business of such meeting; where the President fails to call the meeting within one month without just cause, such members of the Board can call the meeting within one month without just cause, those members of the Board can call the meeting to be held in the municipality where the registered office is located.

The call shall be made by a letter, telegram, fax or any other written or electronic means. The call shall be addressed personally to each member of the Board of Directors and sent at least seven (7) days before the date on which the meeting is to be held. A Board meeting may be held without a previous call when all its members of the Board of Directors are present, and they unanimously agree to hold the meeting.

Unless other majorities are mandatory, the resolutions of the Board shall be adopted by a one-half plus one majority of the Directors present or represented at the meeting. In the event there is an odd number of Directors, the absolute majority will be determined by default (i.e. 2 Directors casting their affirmative vote when 3 members attend, 3 Directors casting their affirmative votes when 5 members attend, 4 Directors casting their affirmative votes when 7 members attend, etc.). Voting on resolutions in writing without a meeting will be valid when no Director objects to this procedure.

Discussions and resolutions of the Board of Directors shall be recorded on a Minutes Book.

Without prejudice to any powers as my be conferred to any person, or people by the Board of Directors, the Board may designate one or more Managing Directors and/or Executive Committees from among its members, stating the contents, limitations and modes of such delegation.

The permanent delegation of any of the Board of Directors to an Executive Committee or to one or more Directors, as well as the designation of the Director or Directors who are to hold such offices, shall require the affirmative vote of two thirds of the members of the Board of Directors and they shall not be effective until they are recorded in the Company Registry. In addition, it shall also be necessary to execute the agreement (or agreements) set forth in article 249 of the Law. Under no circumstances the following powers may be delegated : the preparation of the annual accounts and their submission to the General Shareholders Meeting, unless the Board has been expressly entitled to delegate such powers and, generally, al powers that not subject to delegation pursuant to the article 249 bis of the law.

2. HISTORY AND KEY FIGURES

RSR Singular Assets Europe (formerly RSR Diagonal 596 SOCIMI, S.A.U) started operations in Spain in August 2014 with the acquisition of the Vincci Gala, a 78-bedroom hotel in Barcelona. This transaction would be the beginning or a rapid build-up period by the Company, which only 13 months later, in September 2015, would buy its second hotel, Vincci Mae, also located in Barcelona.

Keeping its commitment towards Barcelona, in October 2015, RSR entered the tourist apartment part of the business by buying a building in Paseo de Gracia, a prime area of the city, which hosts 17 touristic housing apartments and 9 hostel double rooms.

More recently, in March 2019, the Company moved to the town of Valencia, a highly growing city in the Mediterranean coast of Spain, where it bought Vincci Lys, a 6,371 sqm hotel with 101 rooms, also located in the prime part of the city.

RSR’s international diversification started in July 2019 with the acquisition of an emblematic asset, Vincci Hotel da Ponte, in the Portuguese city of Porto, where the company is close to materialise the acquisition of second hotel, the Cedofeita Palace.

Table 1: Chronological development of RSR Singular Assets

NAME OF THE ASSET	LOCATION	COUNTRY	ASSET CLASS	ACQUISITION DATE	NUMBER OF ROOMS	G.L.A.(sqm)
Hotel Vincci Gala	Barcelona	Spain	Hotel	08/08/2014	89	4,436
Hotel Vincci Mae	Barcelona	Spain	Hotel	30/09/2015	85	5,087
Tourist Apartments	Barcelona	Spain	Tourist/Apartments	27/10/2015	17/9	1,962
Hotel Vincci Lys	Valencia	Spain	Hotel	25/03/2019	101	6,370
Hotel Vincci da Ponte	Porto	Portugal	Hotel	26/07/2019	94	7,520

Source: RSR Singular Assets Europe

Since incorporation, the Company has been working closely together with Vincci Hoteles, S.A. which operates its four hotels and has a solid track record with net sales and EBITDA of €121.5 million and €17.1 million respectively in 2019.

Out of the five assets currently owned by RSR, four of them are operated by Vincci, under long-term, fixed-rate lease contracts. This makes the Company highly exposed to the Vincci Group (see section 7.2 for further details about Vincci).

In the touristic apartment segment, RSR works with Room Mate Hotels, an international hotel operator based in Spain, which also has a platform of apartment rentals under the brand BeMate.com.

3. COMPANY ACTIVITY

3.1 Summary of the Market

The relevance of the hotel sector in both Spain and Portugal is paramount. In Spain, the wide offering makes it the country with the second largest number of international visitors, after France. Regarding the hotel sector, the attractiveness of the market has captured the interest of the large international operators, which have entered the Spanish market, mostly through acquisitions or partnership with local players.

In Portugal, the tourism sector also has a significant weight in the country's economy, accounting for 15% of its GDP and 10% of the total employment. The sector is clearly on an upward trend.

3.2 Company Investments Data

- In terms of acquisitions, the Company's strategy is to buy assets with renovation potential at attractive prices to then add value to the assets by upgrading the conditions of the building through refurbishments.

- On the date of this Document, the Company has invested in a portfolio comprising four hotels and one tourist apartment building, all of them located in Barcelona, Valencia and Porto with a combined purchase price of €95.6 million.

- The five assets owned by RSR have a combined area of 25,325 sqm of which 70% are in Spain and the remaining 30% in Portugal

Table 2: Company Investment Data

NAME OF THE ASSET	LOCATION	COUNTRY	ADRESS	PURHCASE PRICE(Million €)
Hotel Vinci Gala	Barcelona	Spain	Ronda de San Pedro 3	19.1
Hotel Vinci Mae	Barcelona	Spain	Diagonal 596	28.0
Tourist Apartments	Barcelona	Spain	Paseo de Gracia 115	11.5
Hotel Vinci Lys	Valencia	Spain	Martinez Cubels 5	23.0
Hotel Vincci da Ponte	Porto	Portugal	Rua do Casino da Ponte	14.0

Source: RSR Singular Assets Europe

3.3 Future Investments

The Company has signed a promissory agreement to buy a second hotel in Porto (Cedofeita) whose purchase is expected to take place in September 2020. The acquisition price will be €6 million, and the refurbishing works should amount to €11 million. The asset will be managed by Room Mate, which has signed a lease contract which will pay a minimum guaranteed rental of € €897.000 per annum plus a variable portion. The lease will go up to €948.000 in the 5th year and to €987.500 in the 10th year of the contract.

Other than the Cedofeita asset, RSR has no specific investment plans at this stage.

3.4 Business Model

RSR SINGULAR ASSETS EUROPE, S.A.U. is a Real Estate Investment Company whose main activity and strategy is to invest in high-quality urban real estate assets, mainly in hotels and touristic apartment buildings in prime locations of the main cities of Spain, Portugal and other European countries. These should be ready to be leased to top operators, which will exploit them as hotels or touristic apartments, looking to generate fixed rents under long-term contracts.

The Company has a preference to invest on assets in which it believes it can add value through their full refurbishment. So far, the Company has managed to buy at attractive prices and been able to optimise rents through the complete refurbishment and repositioning of the assets.

So far, the main investments have taken place in Spain, in the cities of Valencia and Barcelona and in Portugal in the city of Porto. The strategy is to continue investing in large cities across Europe, with a special focus on Spain, France, and Italy, looking for assets with a low seasonality component.

3.4.1 Administration Services and Asset Management Agreement

Caler Advisory provides RSR Singular Assets Europe SOCIMI, S.A. with the advisory, assistance, management and commercial collaboration services required for the creation, consolidation and active management to ensure the most effective exploitation and profitability of a real estate portfolio and to collaborate in the development and execution of the investment strategy for real estate assets as defined in the Business Plan, as well as in general corporate and real-estate portfolio management.

Regarding investments purposes of the Company, the following should be highlighted:

1. Advice on drafting the Business Plan and defining the strategy for its development and implementation.

2. Monitoring compliance with the Business Plan drawn up, proposing any changes to it, or to the most appropriate initial strategy in accordance with market developments and asset behaviour.

3. The study and presentation of new proposals to the Company for investment in real estate assets.

4. Advising RSR Singular Assets Europe in investment and divestiture processes.

5. Advice on and monitoring of the financing programme for the Company's assets and the portfolio.

Regarding the investment entity, this should provide the following services:

a. Advice on and monitoring of RSR's compliance with formal corporate obligations and the investment requirements legally applicable to the SOCIMI.

b. Advice on the drafting of the Company's annual budgets.

c. Drafting and presenting six-monthly reports to the Company management regarding the evolution of the portfolio and assets, including liquidity and treasury forecasts, financial results and returns projections, all in order to monitor the approved budget.

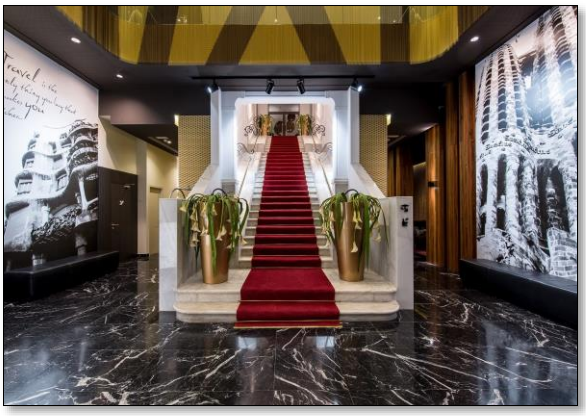
d. Advice on business/commercial strategy in order to optimise returns on assets.

e. Advice on selecting the external services necessary for managing assets, as well as monitoring said suppliers' compliance with the demands of their services.

f. Defining and establishing accounting systems in accordance with accounting principles and other legally applicable provisions

g. Advice on managing claims related to the assets (insurance, construction guarantees, claims against or from third parties, etc.).

h. Advice on regulatory compliance in order to verify that the asset complies and is being used in accordance with the applicable regulations, and to ensure that all obligations in force regarding data protection and money laundering are being met.



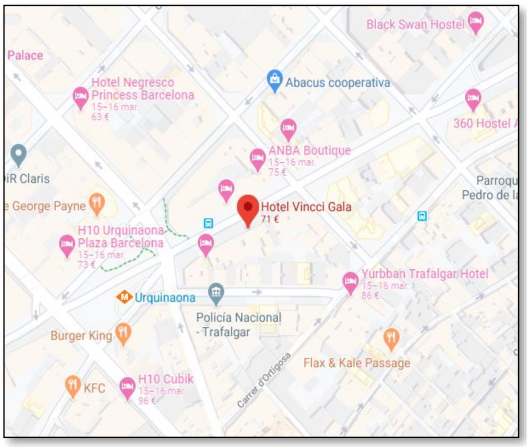
3.5 Description of Real Estate Assets

Since 2014, the Company has built a portfolio comprising four hotel buildings and one apartment building. These properties have a total surface area of 25,325 G.L.A. (sqm) with a total gross asset value of €142,050,000, according to Knight Frank valuation. Four of these assets are located in Spain and the most recent one in Portugal.

On the date of this Information Document, the Company's asset portfolio comprises the following properties in Spain and Portugal, named, and located in:

- Hotel Vincci Gala, located at Ronda Sant Père 32, Barcelona (Spain).
- Hotel Vincci Mae, located at Avenida Diagonal 596, Barcelona (Spain).
- Tourist Apartments, located at Paseo de Gracia 115, Barcelona (Spain).
- Hotel Vincci Lys, located at Carrer de Martínez Cubells 5, Valencia (Spain).
- Vincci Hotel Da Ponte, Rua do Casino da Ponte, Porto (Portugal).

3.5.1 Hotel Vincci Gala, Barcelona (Spain)



This 4-star hotel is located in Ronda Sant Père 32, in the Eixample District within the municipality of Barcelona and has a total surface area of 4,436 sqm according to the legal title certificate. The hotel is distributed over a basement floor and seven above ground floors, including the ground floor in which apart from several amenities there are two retail units of 396 sqm of space. The remaining floors contain 78 bedrooms some of which have their own terrace. As part of its business plan, RSR management intends to build a swimming pool on the roof of the building.

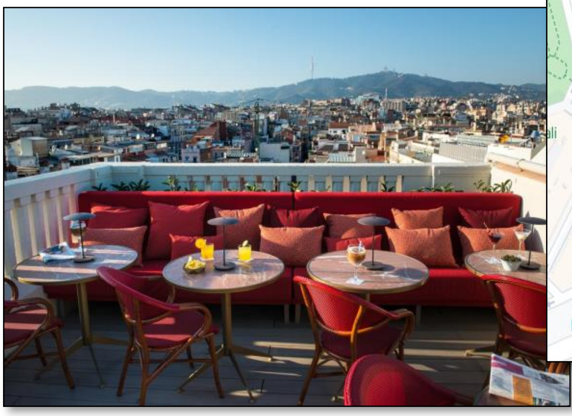
The building where the hotel is placed dates back to 1900, although in the years 2013-2014 it was completely refurbished. The hotel was acquired by RSR on August 8th, 2014 and it has been leased to Vincci since November 2010 on a 30-year contract. The two retail units are leased for 20 years.

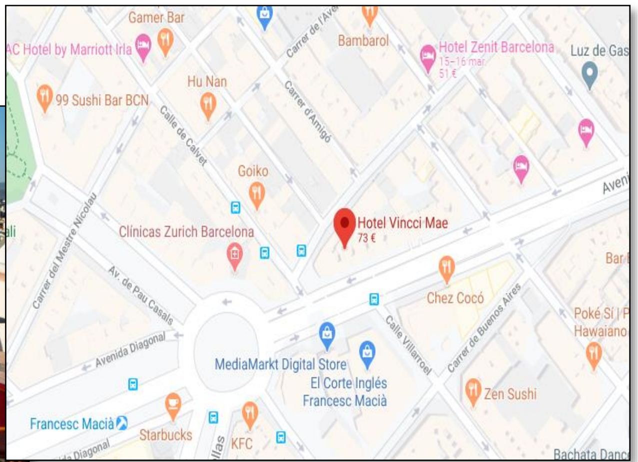
The area where the hotel is located is very close to ''Plaza Urquinaona'', one of the most famous places in Barcelona. The area is very accessible and well connected with all kinds of services such as restaurants, tourist attractions, hotels and shops. The Barcelona Sants railway station is 3.7 km

away and Barcelona-El Prat airport is approximately 16 km away. It also has a metro station very close to the hotel, which provides a fast transport in the city.

3.5.2 Hotel Vincci Mae, Barcelona (Spain)

The Property is located in Avenida Diagonal 596, Barcelona, in the Sarrià-Sant Gervasi district, a few metres away from Plaza de Francesc Macià. This is a well-established area of Barcelona, mainly comprising residential buildings with plenty of shops, retail, and shopping centres. The Avenida Diagonal is Barcelona's longest street, with a length of 21 km. The Barcelona Sants railway station is just 1.7 km away and El Prat airport is approximately 16 km away.





The municipality of Barcelona is the capital of the Catalonian region and has a population of around 1.6 million, making it Spain's second largest and most populated city in Spain, behind Madrid. In 2019, more than 19.3 million international tourists visited Catalonia, accounting for more than 23% of all international visitors to Spain. Its location on the shores of the Mediterranean coast, close to France and the rest of Europe, makes it easily accessible by land, sea and air.

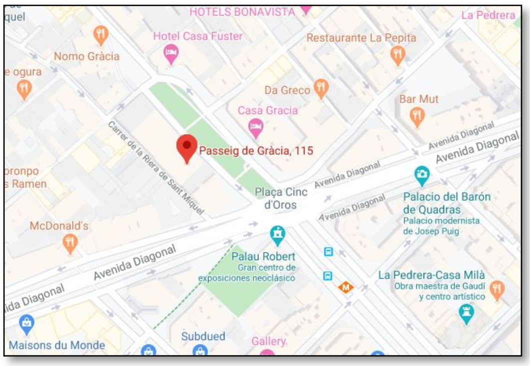
The property is located on a plot of 499 sqm with a built area of 4,982 sqm. It was built in 1945 and was totally refurbished in 2016. RSR acquired it on the 30th of September 2015. The building is used as a 4-star hotel since 2016, with 85 rooms. It comprises a basement floor, ground floor, mezzanine floor, eight above ground floors and a ninth floor with a rooftop terrace with a small swimming pool. On the ground floor and basement floors there is a retail unit of 515 sqm, which is currently leased to Oysho, a clothing chain owned by Inditex.

The hotel is leased to Vincci Hoteles. As the time of the Knight Frank valuation report on December 31st, 2019, the weighted average unexpired lease term (WAULT) amounted to approximately 16.90 years, whilst the weighted average unexpired lease term before the contract could be rescinded (WAULB) was 6.90 years.

3.5.3 Tourist Apartments, Barcelona (Spain)

The property is located in Paseo de Gracia 115, in the Gracia District of Barcelona. It is a prime area in the city, close to Avenida Diagonal and in front of Jardines de Salvador Espriu. The area is very touristic with a high density of residential, retail and hotel buildings. It also has several emblematic monuments such as La Pedrera-Casa Milá, Plaça Cinc d'Ors or Palau Robert.

The surface area of the plot has 434 sqm of land and the building, with a total built area of 1,962 sqm, comprises 17 touristic housing apartments of 1,068 sqm, 9 hostel double rooms of 391 sqm, two retail premises on the ground floor and basement with a joint size of 345 sqm and an apartment of 50.4 sqm.



The building, distributed over five above ground floors, originally dates back to 1901, although there was a full refurbishment done recently. RSR acquired the building on October 27th, 2015. The Company undertook an active tenant management to empty the building from November 2015 to February 2017. After the demolition works started in March 2017, the Company embarked on a refurbishing plan that lasted until February 2018, adding significant value to the property.

After refurbishing and repositioning the asset, the Company was able to increase revenues almost threefold.

The Company has a 15-year lease guaranteed with a fixe + variable rent with the Be-Mate (Room-Mate Group) which is the operator of the asset.

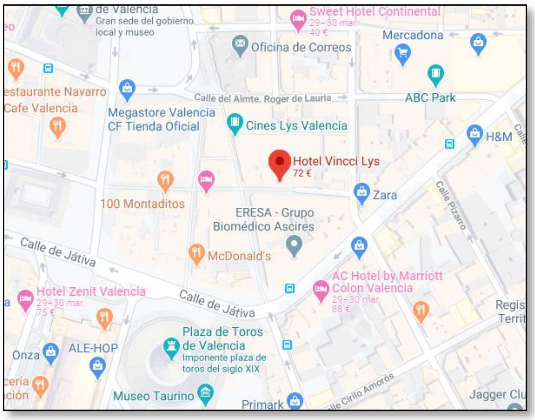
The tenants of the assets are:

- <u>Touristic Housing</u>: Be Mate Community España, S.A.U.
- <u>Retail Unit 1</u>: Aspen Project
- <u>Retail Unit 2</u>: Sune
- <u>Apartment:</u> Monserrat Gil

The weighted average unexpired lease term (WAULT) amounts to approximately 9 years, whilst the weighted average unexpired lease term before the contract can be rescinded (WAULB) is approximately 3.8 years.

3.5.4 Hotel Vincci Lys, Valencia (Spain)



The property is located in Carrer de Martínez Cubells 5, in the heart of the municipality of Valencia. The building is primarily used as a 4-star hotel with a total of 101 rooms spread over 8 floors and one underground parking level containing 64 parking units. The building originally dates back to 2002, with a partial refurbishing done in 2016.

RSR bought the asset, fully operational, on March 25th, 2019, signing a 15-year lease contract under a fix-rent guarantee with Vincci Hoteles, S.A.

The building has a 45-meter facade and it includes a bar, restaurant and several conference rooms. The built area of the asset amounts to a total of 6,370 sqm. Of these, 5,491 sqm are above ground and 879 sqm are in the basement.

The hotel is situated in a prime area, surrounded by services and amenities such as restaurants, cafes, fashion shops and residential buildings. It is also at a walking distance to the most touristic venues, such as the Ciudad de las Artes y las Ciencias, the bull-ring and the Cathedral. The location is easily accessible and fast-track connected by public transport, with the Joaquín Sorolla railway station and the International Airport just 2 km and 10 km away respectively from the Old Quarter.

The city of Valencia retains a population of around 796,000 inhabitants and it is highly touristic with more than 1.8 million national and international visitors on 2019. The city is well recognised as a global city, with an attractive cultural and commercial offering.

3.5.5 Vincci Hotel da Ponte – Porto (Portugal)

This hotel, acquired on 26th July, 2019 is part of a landmark historical building overlooking the Douro river, next to Luiz bridge. The built-up area comprehends 7,520 sqm. It has a total of 94 rooms, a bar, restaurant, underground parking, gym and conference rooms. It also includes an old winery and a casino.

The building is located in Vila Nova de Gaia, a town within the Porto district, in the statistical region of North Portugal (NUTS II) which is part of Porto's metropolitan area, with the city of Porto right in front of the hotel.

With a population of 302,092, Porto is the second largest city in Portugal.
RSR's plan is for this asset is to be refurbished and incorporate a set of buildings located between Rua de Casino da Ponte and Rua Cabo Simao, to develop a single unit with 92 rooms for a 4-star hotel under the brand name of Hotel Casino Du Ponte.

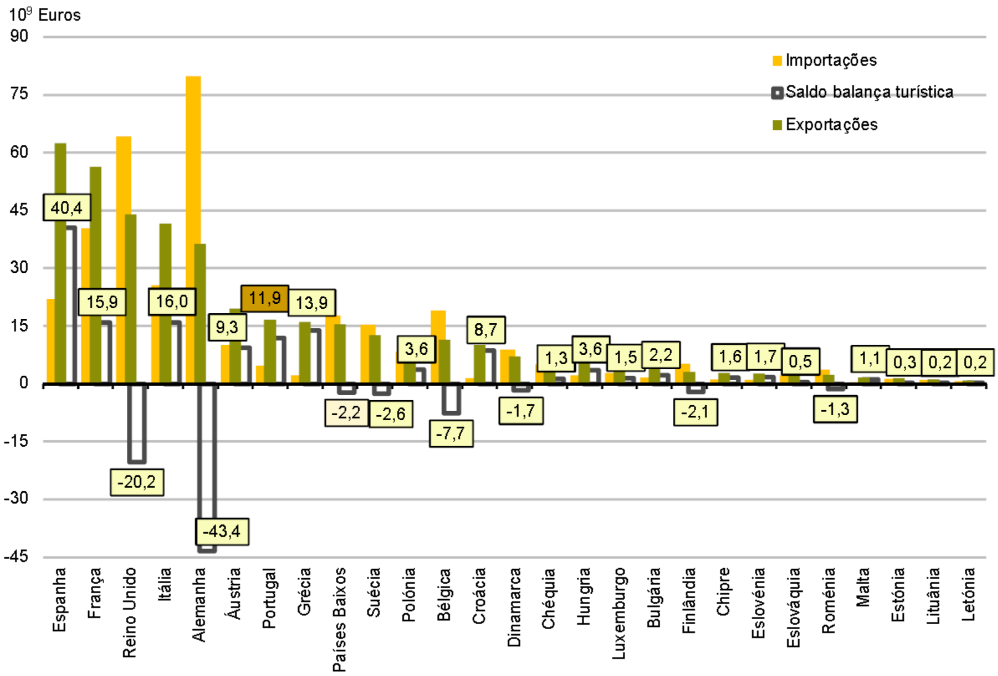
The hotel will be developed on 12 plants, with its own parking, a gym/spa, a panoramic bar/restaurant.

The building has been leased to Lusovincci Hoteis, which is part of the Vincci Group and will oversee operating the hotel under a 15-year lease, with a guaranteed fixed-rent.

3.6 The Iberian Hotel Market

The relevance of the hotel sector in both Spain and Portugal is paramount, accounting for 12.8% and 15% of their GDPs respectively and with a great contribution to the trade balance in both countries.

Chart 2: Tourism trade balance for EU countries (2018)



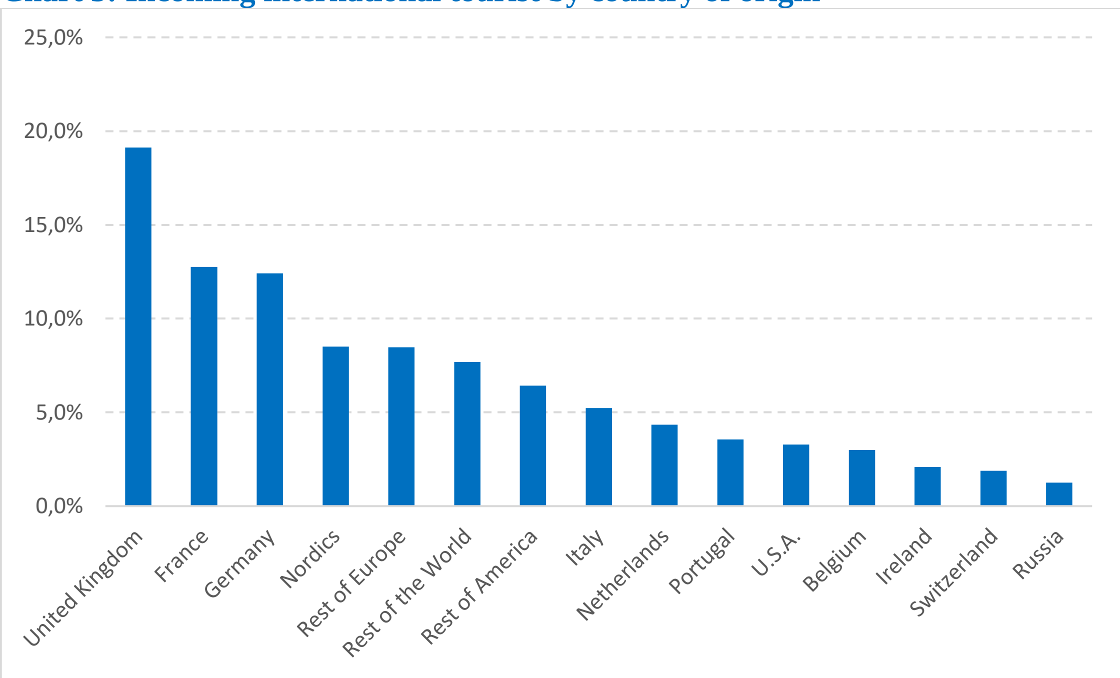
Source: Eurostat

SPAIN

In Spain, tourism represents a 12.8% of the country's GDP and 13% of the total employment. The wide offering makes it the country with the second largest number of international visitors, after France.

In the international front, UK, followed by France and Germany, account for the largest part of the demand.

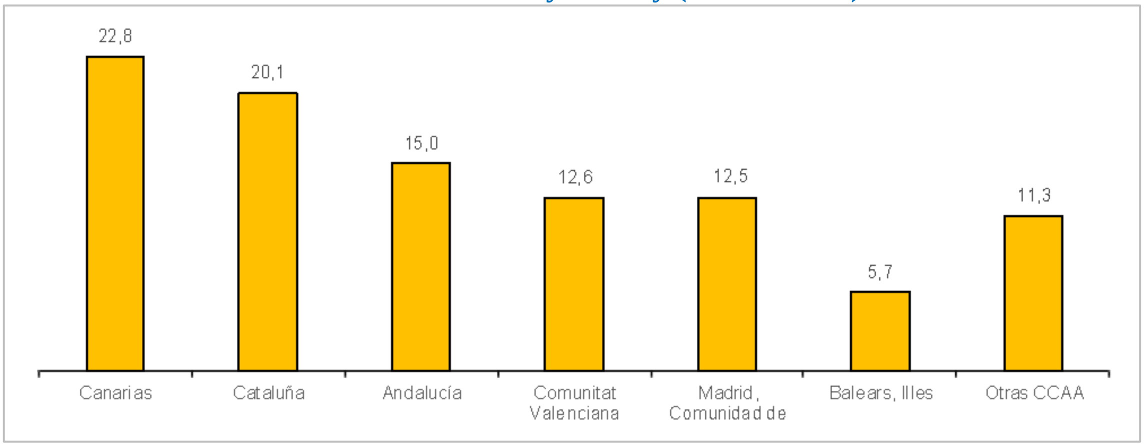
Chart 3: Incoming international tourist by country of origin



Source: INE

Among all the Spanish regions, the Canary Islands closely followed by Catalonia are the most widely visited by international tourists, accounting for 22.8% and 20.1% of the total, respectively. Despite trending upwards, the Valencia and the Madrid regions fall behind, accounting for 12.6% and 12.5% of the total, respectively.

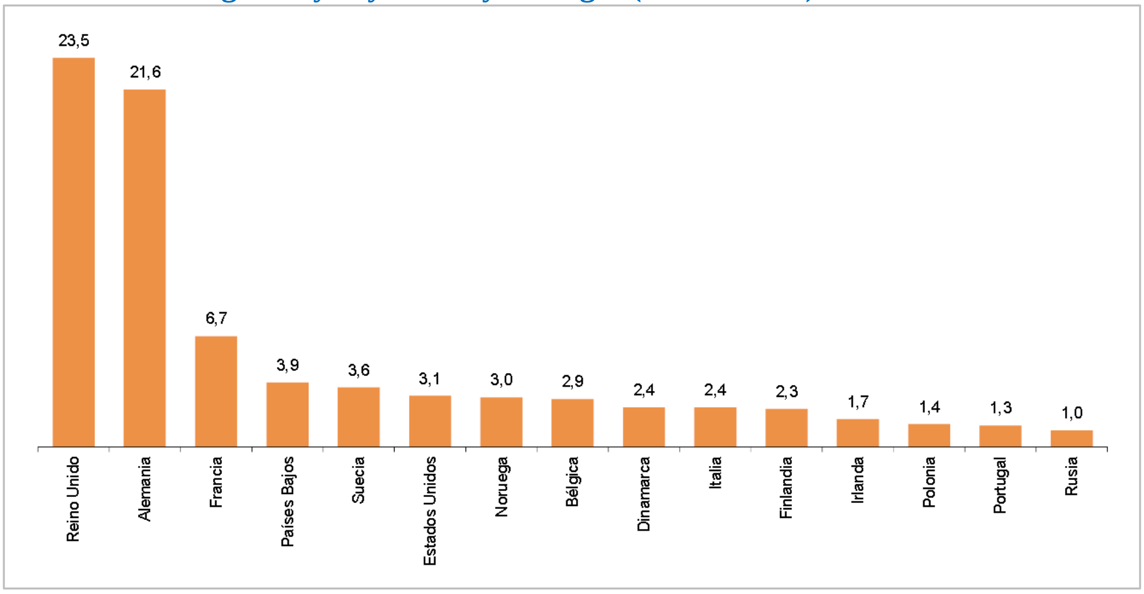
Chart 4: International tourist arrivals by destiny (March 2020)



Source: INE

As far as the touristic hotel market is concerned, the overnight stays by Britons and German tourist are clearly the dominant ones, representing 23.5% and 21.6% of the total. France, which stands as the third country, represents 6.7%.

Chart 5: Overnight stays by country of origin (March 2020)



Source: INE

Regarding the hotel sector, the attractiveness of the market has captured the interest of the large international operators, which have entered the Spanish market, mostly through acquisitions or partnership with local players. Therefore, the market is increasingly dominated by large hotel groups, which are gaining market share from the independent hotel chains. At the end of 2018, the former accounted for 73% of total rooms from 51% in 2000.

As far as business structures are concerned, hotels in property and separate lease contracts with independent operators is the preferred operating model in Spain's hotel industry, amounting to 85% of the total rooms operated by hotel chains.

Among the top 10 hotel chains with presence in Spain, Meliá is the undisputed leader with 96 hotels in the country and 26,226 rooms. Barceló, a family owned business, is the second largest with 64 hotels and 13,260 rooms. Marriott and Accor are among the international groups within Spain's top-10.

According to Vincci's corporative information, their hotel portfolio is conformed by 37 hotels between Spain, Portugal and Tunisia. Due to the characteristics of its hotel model, most of them are urban located, far from being big resorts with a larger number of beds. They also, have a few of those resorts, but it is not the main kind of hotel they operate. They are located on the 15th position on the Spanish national ranking, with more than 5,000 rooms.

Vincci Hoteles, RSR's main tenant, with 25 hotels under operation in Spain, is just below the top 10 hotels, although it has been growing very rapidly, especially in the urban segment, currently accounting for more than 50% of all its hotels.

Chart 6: Spain's Top-10 Hotels (May 2019)

	MELIÃ Hotels & Resorts	Barceló Hotels & Resorts	Eurostars Hotels	Marriott Hotels	NH Hotels	Iberostar Hotels & Resorts	Accor	H10 Hotels	Best Hotels	RIU Hotels & Resorts
Number Hotels	96	64	125	89	103	42	90	48	32	29
Number Rooms	26.226	16.553	13.260	13.189	12.417	11.446	10.912	10.734	10.732	10.284
Nationality	Spain	Spain	Spain	USA	Spain	Spain	France	Spain	Spain	Spain

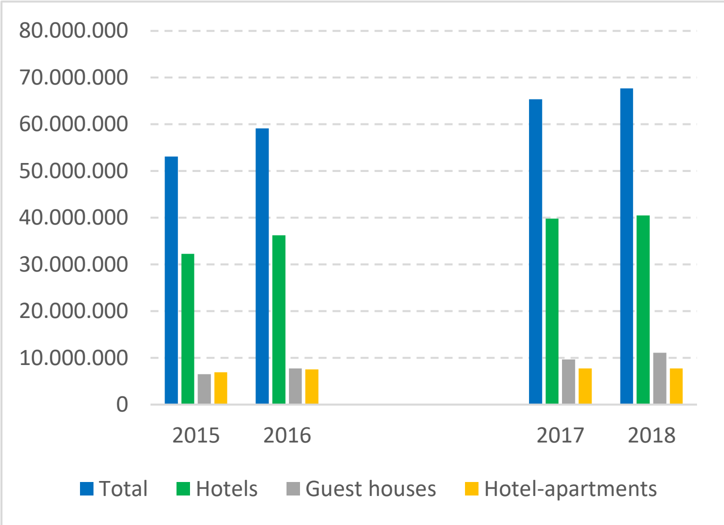
Source: Deloitte, Expansión

PORTUGAL

In Portugal, the tourism sector also enjoys a significant weight in the country's economy, accounting for 15% of its GDP and 10% of the total employment. The sector is clearly on an upward trend.

With the latest official figures, as of 2018 there were 6,868 hospitality establishments in operation with a total capacity of 423,200 beds (including the islands of Azores and Madeira) out of which 51% corresponds to the hotel segment. The number of guests amounted to 25.2 million and overnight stays were 67.7 million.

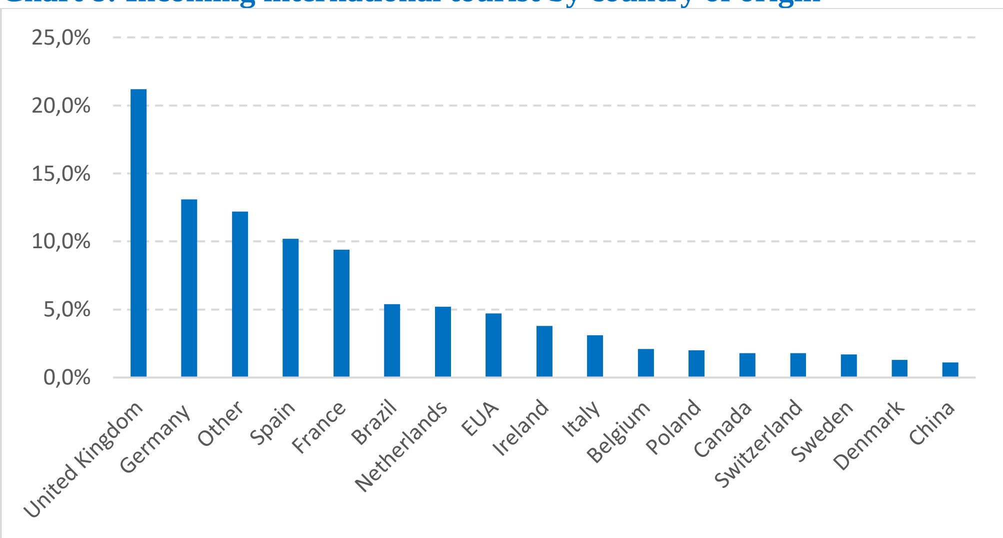
Chart 7: Number of nights spent in hospitality centres by type



Source: Instituto Nacional de Estatistica

Out of the total hospitality establishments, hotels represent 71.6%, with 4 and 3-star hotels accounting for the bulk of the stays (49.1% and 22.6% respectively).
The foreign market generated almost 70% of the stays, which shows the dependence on international travellers. The United Kingdom remains the main inbound market accounting for 19.5% of non-residents' overnight stays, followed by Germany and Spain with a 13.5% and 10.2% share respectively.

Chart 8: Incoming international tourist by country of origin



Source: Instituto Nacional de Estatistica

As for the capacity distribution within the country, out of the 187,157 beds in the hotel segment of the Continental part of the country (excluding Acores and Madeira) the Lisbon area accounts for 30%. The North, which includes Porto, the city in which RSR will have two hotels up and running, represents 22% of the total.

Table 4: Number of beds by region (July 2018)

	Total Hospitality Establishments	Hotels	Hotels *****	Hotels ****	Hotel/Apartment	Touristic Apartments
PORTUGAL	**423,152**	**216,883**	**37,998**	**99,373**	**44,233**	**35,817**
CONTINENT	**366,426**	**187,154**	**30,269**	**82,354**		**33,492**
North	66,501	41,680	4,542	17,175	n.a.	749
Centre	60,646	37,590	1,164	12,216	1,473	800
AM Lisbon	84,184	56,644	12,148	27,799	3,597	1,625
Alentejo	23,852	8,038	795	3,133	2,464	1,192
Algarve	131,243	43,202	11,620	22,031	28,120	29,126
RA ACORES	**14,902**	**9,294**	**810**	**5,891**	**n.a.**	**967**
RA MADEIRA	**41,824**	**20,435**	**6,919**	**11,128**	**n.a.**	**1,358**

Source: Instituto Nacional de Estatistica

Touristic apartments, another area in which RSR is investing, account for only 8.5% of the total capacity, although this segment is growing faster than average.

Porto is Portugal's second largest city, after Lisbon, with global recognition and an estimated population of 1,3 million, or 2.4 million considering the whole urban area. Within the northern part of Portugal, it is the most important city.

Over the past few years, the area has undergone significant growth in tourism, which has led some well recognised hotel chains such as Six Senses to enter the area with the Six Senses Douro Valley.

Hotel prices in Portugal's northern region are the third largest in the continental part of Portugal, after Lisbon and the Algarve.

Table 5: REVPAR by region/asset class (July 2018)

	Total dos Alojamentos Turísticos	Total Hotelaria	Hotéis				
			Total	*****	****	***	** / *
PORTUGAL	**47.8**	**53.8**	**56.7**	**99.6**	**57.5**	**37.9**	**30.3**
CONTINENTE	**49.1**	**54.6**	**57.7**	**105.5**	**59.8**	**38.6**	**30.7**
Norte	40.7	47.8	47.3	99.5	52.0	33.6	28.3
Centro	24.4	27.0	26.4	60.9	34.6	22.2	16.1
AM Lisboa	74.2	80.6	81.3	118.9	75.0	67.5	52.2
Alentejo	30.1	35.6	33.7	69.6	40.4	23.3	20.7
Algarve	52.7	54.6	69.8	99.1	64.1	46.3	42.1
RA AÇORES	**35.6**	**40.0**	**39.7**	**58.6**	**43.2**	**27.9**	**22.3**
RA MADEIRA	**41.5**	**51.6**	**55.4**	**76.9**	**48.6**	**31.6**	**24.4**

Source: Instituto Nacional de Estatistica

3.6.1 Market Conditions in 2019

2019 was another record year for tourism in Spain with 83,7 million tourists visiting the country, 1 million more than the previous year. Revenues in the sector amounted to € 92.34 billion, a 3% increase over 2018. This meant an increase in both the number of tourist and, also in the quality of tourism, allowing the country to maintain the second position within the World Touristic Destinations.

According to the 2019 Vincci's annual report, the average occupancy of its establishments was close to 80%. This is undoubtedly a good indicator of the quality of its service, since the segment in which Vincci Hotels focuses is the premium hotel in urban settings. It is also remarkable that its coastal hotels, such as the resorts in Malaga, the Canary Islands and Tunisia, the occupancy was close to 90%.

The total billing for the year 2018 was €154,

The increase in tourists and overall revenues was mainly caused by the larger number of Asian and U.S. visitors. Overall, international airline visitors, accounting for 80% of the total, increased 3.5%. Overnight stays also saw a steady growth reaching a total of 300 million stays, up 1% from 2018 and up 16% from 2013.

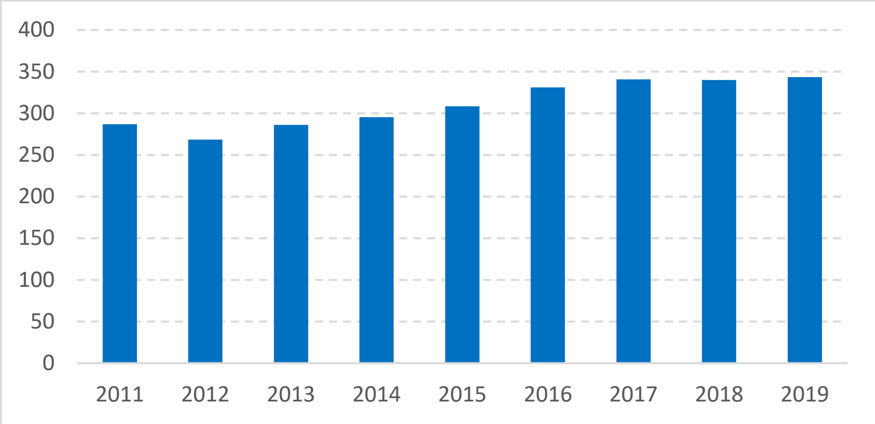
According to Hosteltur, investments in the hospitality sector were above €2.3 billion. This, excluding the large corporate transactions seen in the sector, confirms the strength seen in this market during the past five years. Investments in the hotel sector have been led by institutional investors and accounted for 17% of all the transactions in the Spanish real estate market last year. This made it the second strongest market in Europe in terms of investments, behind the UK.

The interest has come from a varied type of sources, from midsized hotel chains growing inorganically by acquiring assets, to international and domestic institutional investors and family offices adding hospitality assets as part of their real estate portfolios.

There were two trends worth highlighting. On the one hand, the urban segment has gathered the largest amount of investment, accounting for 55% of the total. On the other hand, the holiday segment, which traditionally has been the strongest, last year saw a contraction, accounting for 44% of total investment in the Spanish hospitality sector. That was mainly due to declining transactions in the Balearic and Canary Island, whereas the interest in other coastal parts of the Spanish Peninsula remained strong.

Regarding the touristic part of the hotel sector, after a period of steady growth, 2019 was resilient despite the threats from Brexit, the fall of Thomas Cook and the recovery of competing destinations along the Mediterranean Sea.

Chart 8: Spanish Hotel Overnight Stays (Million Euro)



Source: INE

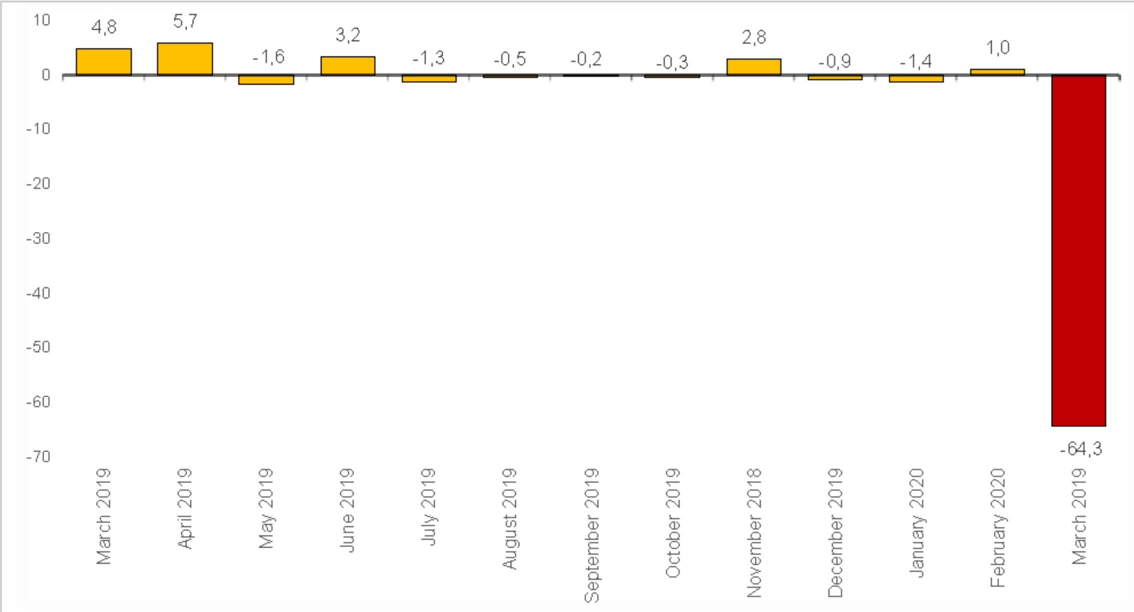
Portugal in 2019 also had a record year for tourism, with revenues exceeding €18 billion compared to €16.8 billion in 2018. According to sources, the total number of "holidaymakers" was close to 27 million, with 70.2 million overnight stays.

3.6.2 Market Conditions in 2020 (Covid19-led hiatus)

Market conditions in 2020 are being clearly marked by the Coronavirus crisis, which has halted the tourism sector worldwide. In March 14th, the Spanish government approved the 462/ 2020 Decree in which the article 10.6 prohibited the opening of hotels and other public residences to the public gradually. Thus, from March 19th, hotels started to close their doors, cancelling all activity from March 26th, although the decline in activity started weeks earlier, marked by the cancellation of the Mobile World Congress in Barcelona, announced on February 12th, 2020 by the GSMA.

In Spain, the forced closure of hotels as well as the restricted airline activity, which accounts for 80% of the incoming tourist and the quarantine imposed on all Spanish citizens in the month of March, has had a negative impact across all cities. March figures reveal the adverse effects of the crisis with incoming tourists falling 64.3% year-over-year to just over 2 million visitors, and the trends seen during that month can help understand the impact COVID-19 is having on the sector.

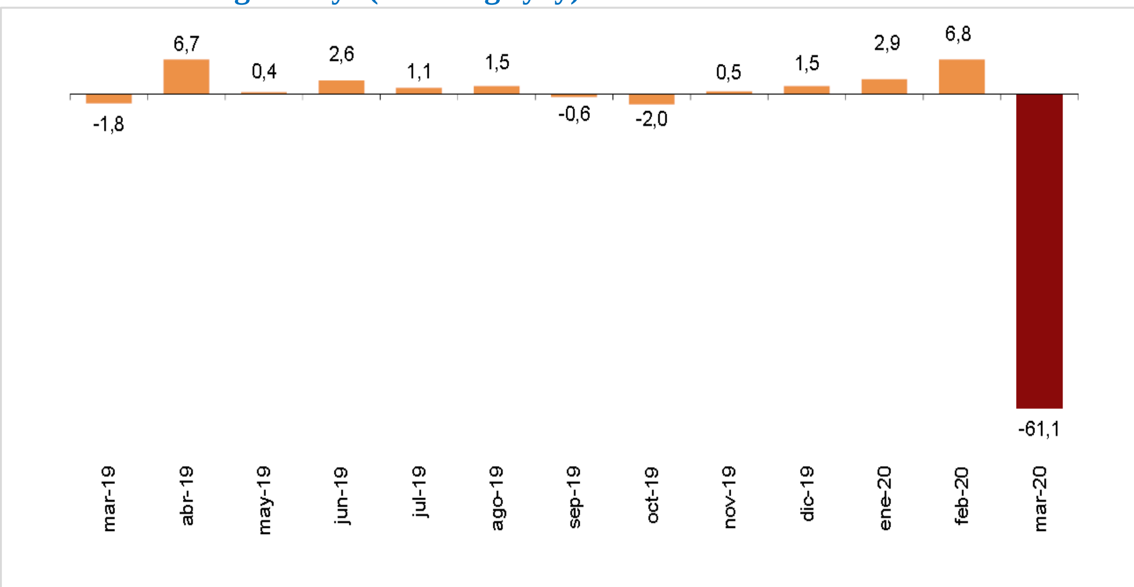
Chart 9: Arrivals of international tourist in Spain (% change yoy)



Source: INE

As one would expect, given the sharp contraction in incoming tourist from abroad and the quarantine imposed by the Spanish government, the number of hotel overnight stays in March 2020 fell 61.1% year-over-year with a total of 8,3 million, although the average stay increased 11.5% year-over-year to an average of 3.2 overnight stays per traveller.

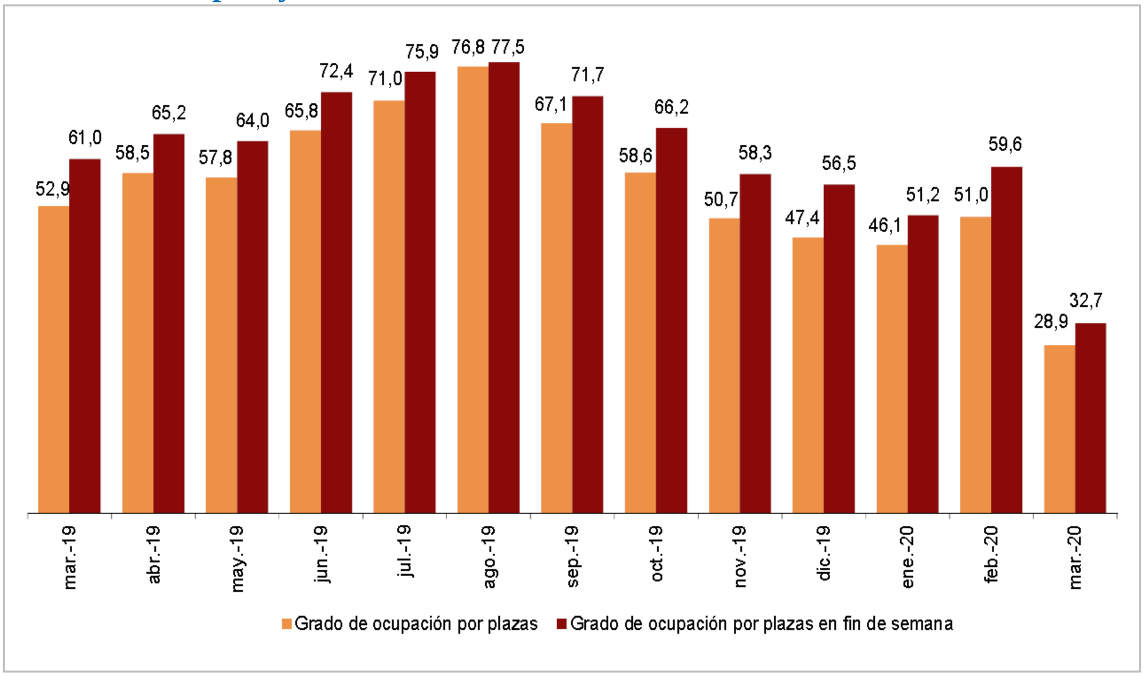
Chart 10: Overnight Stays (% change yoy)



Source: INE

As the result of this contraction, occupancy rates fell significantly to 28.9% in March compared to 52.9% in the same month last year and 0% with the latest figures of April compared with 58.5% in April 2019.

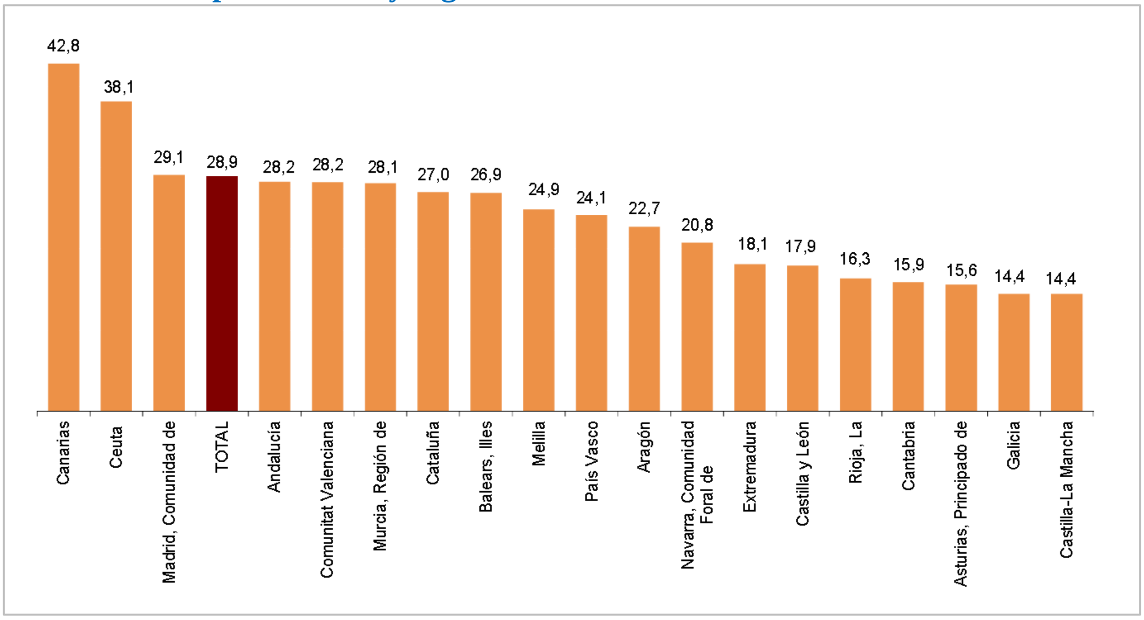
Chart 11: Occupancy rates



Source: INE

The decline was widespread across all the regions. The Canary Islands kept the highest occupancy rate at 42,8% whereas Castilla-La Mancha, with just 14.4% had the lowest. Catalonia and Valencia, where RSR hotels are located, saw occupancy rates of 27% and 28.2% respectively.

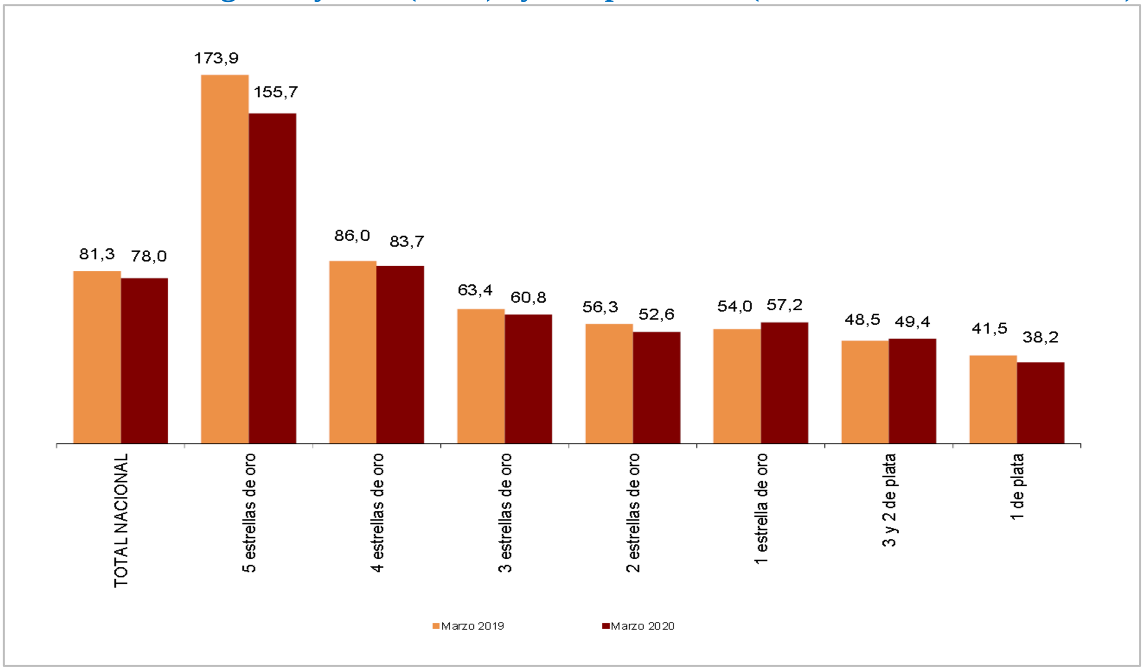
Chart 12: Occupation rate by region



Source: INE

Regarding hotel rates, after having been fairly resilient throughout 2019, and the beginning of 2020, in the month of March the average daily rate per room (ADR) fell 4.2% year-over-year to €78 per room and the RevPAR was €29.7, a 41% fall versus the same month last year. Looking at hotel segments, the ADR for upmarket hotels was €155.7 and €83.7 for five- and four-star hotels, respectively.

Chart 13: Average Daily Rate (ADR) by occupied room (March 2020 vs March 2019)



Source: INE

3.6.3 Market Outlook

Given the strong impact from COVID-19, the market outlook for the hospitality sector in the coming quarters will be marked by the evolution of the pandemic (whether or not there is a resurgence in the Fall) as well as by the measures taken by the European Union and by the policies implemented in the various countries.

Despite the liquidity injected by the governments, the difficult market conditions caused by the pandemic and the unpredictable circumstances that will prevail in the medium term, mean that in order to cope with the new business environment, hotel groups will have to be financially resilient, with robust core markets. Also, for property owners, the quality of their tenants and the nature and length of their lease contracts will be extremely important. The stronger their balance sheets and the longer the contracts with fixed rents, the more secure revenues will be for asset owners.

In Spain, the complete stop in activity imposed by the government during the month of April meant cero overnight stays and no revenues for the sector, which is the worse data one can recall. Although the Transition Plan set up by the Government establishing three phases of increasing freedom of movements, allows hotels to re-open their doors from Phase 1, which has been already passed by all regions, the fact that there is no complete freedom of movement between cities and countries suggests that demand for hotel rooms will be almost nil, at least until the end of June.

From the second half of the year there should be a gradual recovery, although until the Transition Plan, which imposes certain limits (30%-50%) on capacity utilisation by hotels, bars and restaurants, is not over one would not expect see the beginning of a full recovery.

Meanwhile, the Ministry of Industry, Trade and Tourism is drafting a recovery plan based on the following pillars:

- Preserve the healthcare security, through various protocols to protect both visitors and workers in the sector.
- A new programme of financial grants from the government, specifically targeted to the tourism sector, by an amount of €2,5 billion, to preserve liquidity in the sector.
- Extend the Temporary Unemployment Subsidies put in place during the pandemic.
- Incentives for the education and relocation of employees in those segments of the tourism industry, which will not see a complete recovery.
- A special promotion campaign to stimulate tourism in the domestic market, which should be expanded cross-border subject to the recovery of the various countries.
- Pilot touristic corridors among Spanish regions and with those foreign markets with a similar epidemiologic situation.

In Portugal, according to Hotelaria de Portugal, the Portuguese Hotel Association, after the strong shock in March through June 2020, it is expected that 72% of the hotel capacity should be opened by the end of June, half of which should be able to open at full capacity. As for the remaining of the year, from July onwards less than 5% of the hotels should remain closed. Even with this improvement in the second half, the occupancy rate should drop between 60% and 69% in the best case. This would imply a 40.5 million contraction in overnight stays.

As for revenues, according to the abovementioned sources, the loss could be up to 75% versus 2019, which implies a €3.3 billion loss in revenues (only from the hotel business, which has a 24% weight on all tourism related activities in the country).

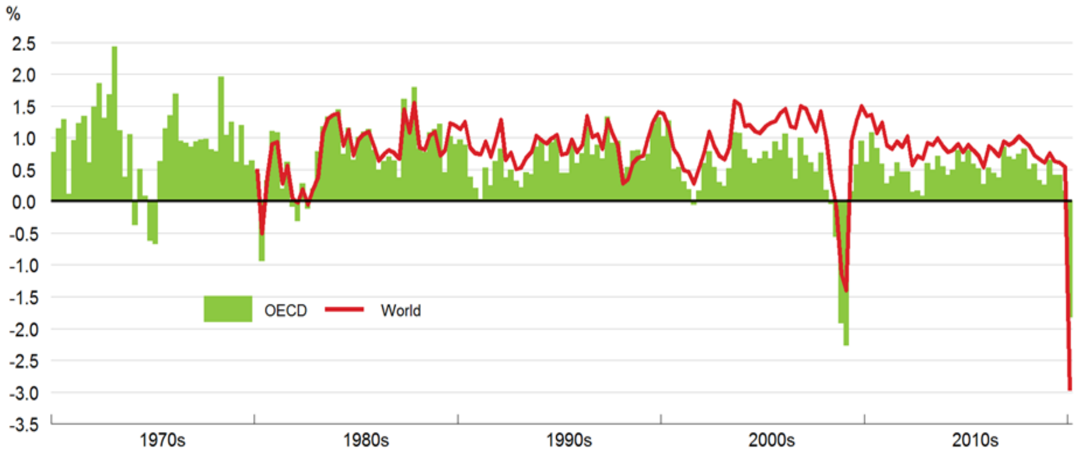
3.7 Macroeconomic Environment

Even though RSR is being increasingly exposed to foreign markets, the high exposure to the Spanish market means that in the next two years the developments in this market will be more relevant for the Company. For this reason, this section covers the international economic outlook as well as the Spanish one.

3.7.1 International Outlook

COVID-19 has changed the direction of the world economy. Given the magnitude of the effects caused from the closure of a large part of the economy, it is difficult to predict what the impact is going to be and at what speed economic activity will go back to where it was before the pandemic. Only in the first quarter of 2020, the world's GDP is expected to have fallen by an unprecedented 3%.

Chart 14: Percentage change in GDP

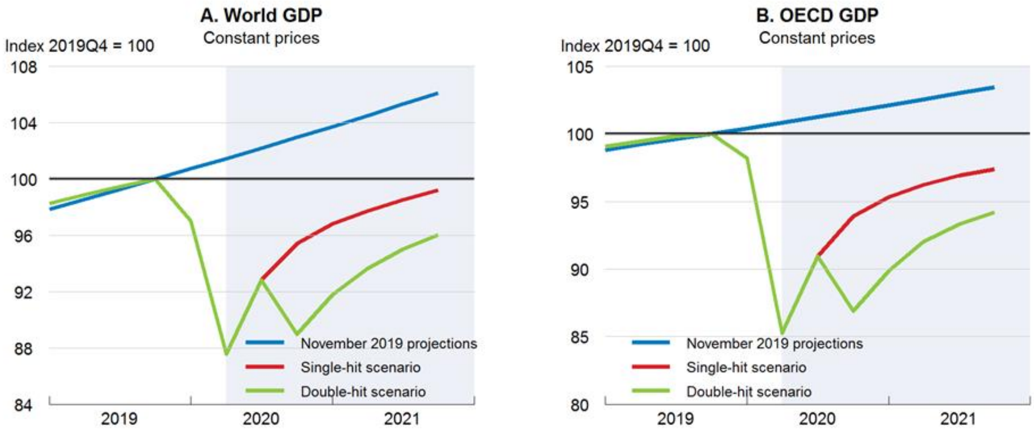


Source: OECD

The OECD in its recently published Economic Outlook indicates that as restrictions begin to ease, the path to economic recovery remains highly uncertain and vulnerable to a second wave of infections. This has led it to consider two equally likely scenarios – one in which the virus is brought under control, and one in which a second global outbreak hits before the end of 2020. In the first case, if a second wave of infections is avoided, global economic activity is expected to fall by 6% in 2020 and OECD unemployment to climb to 9.2% from 5.2% in 2019.

However, if the second outbreak occurs, triggering a return to lockdowns, the world economic activity could plummet 7.6% this year, before climbing back to 2.8% in 2021. If this were the case, unemployment would be twice as high as it was before the crisis and in 2021 there would be little job recovery.

Chart 15: GDP trends under two different scenarios



Source: OECD

3.7.2 Spanish Economy

The Spanish economy should be severely hit in coming quarters. According to the Bank of Spain, the impact from the pandemic should be amongst the highest in Europe, mainly as the result of the strict quarantine measures undertaken by the government as well as some structural characteristics of the Spanish economy. One of this has to do with the service activities that bear significant social interaction, such as those related to tourism, retail spaces, bar, or restaurants. The other, is related to the high weight of smaller companies within the economy, which have more difficulties in funding their liquidity needs stemming from the lack of activity during the confinement.

The declaration of the state of alarm from mid-March led to a GDP contraction in the first quarter of 2020 of -5.2% versus the previous quarter. For the second quarter, which will have captured a longer period of confinement, the economic contraction could be between -16% and -21.8%, according to the central bank.

The Bank of Spain's economic forecast is based on two scenarios. One is for an Early Recovery and the other points towards a more Gradual Recovery. In both cases, the sharp fall in private and public consumption, investments and exports should lead to a severe contraction of the economic activity in 2020. Looking further down the road, if there is an early recovery with the absence of a second outbreak, the economy by 2022 would go back to the levels of 2019. If, on the other hand, the economic recovery was to be more gradual, it would take an extra year to catch up with the 2019 level.

Table 6: Economic Forecasts scenario analysis (% change yoy, unless otherwise stated)

		Early Recovery			Gradual Recovery		
	2019	2020e	2021e	2022e	2020e	2021e	2022e
GDP	2.1	-9.0	7.7	2.4	-11.6	9.1	2.1
Private Consumption	1.1	-9.1	9.0	1.8	-11.2	11.2	1.6
Public Expending	2.3	4.4	-1.5	0.8	4.6	-1.5	0.8
Investments	1.8	-20.6	9.7	8.8	-26.5	7.4	7.1
Exports Goods & Services	2.6	-16.7	21.8	8.7	-21.9	18.5	7.7
Public Debt as % GDP	95.5	114.5	111.7	112.5	119.3	115.9	118.7

Source: Bank of Spain, INE, Fellow Funders Capital Markets

3.7.3 Unemployment

The pandemic has significantly altered the trends in the Spanish job market, which had been improving substantially since the beginning of 2014. Job destruction was particularly strong in the second half of March, although it was partially offset with the State's Temporary Employment Subsidies (ERTE) which is intended to facilitate the job recovery as the confinement measures come to an end.

However, whereas under the Early Recovery scenario, the Bank of Spain assume that the measures taken by the Government are effective, this would not be the case if the Gradual Recovery scenario were to materialise. This would particularly affect all those sectors directly exposed to the impact of social distancing measures, in which the unemployment rate would peak to 19.6% and 18.8% in 2020 and 2021 respectively.

Table 7: Employment trends scenario analysis (% change yoy, unless otherwise stated)

		Early Recovery			Gradual Recovery		
	2019	2020e	2021e	2022e	2020e	2021e	2022e
Employment (working hours)	1.5	-10.1	7.3	2.3	-12.6	8.5	2.3
Employment (EPA)	2.3	-3.9	0.6	2.3	-5.7	1.8	2.6
Unemployment Rate (%)	14.1	18.1	18.4	17.1	19.6	18.8	17.4

Source: Bank of Spain, INE, Fellow Funders Capital Markets

3.7.4 Consumer Prices Index

With the information gather until the end of April, since the beginning of the confinement, there has been a significant deceleration in consumer prices, although the trends in the CPI components have been mixed. For example, food prices have increased driven by the higher production and distribution costs. On the other hand, underlying inflation (excluding food and energy prices) has been falling. Finally, energy prices did go down following the sharp fall in oil prices in the international markets.

Going forward, the Bank of Spain expects very mild price increases, always below the 2% under its two scenarios.

Table 8: Employment trends scenario analysis (% change yoy, unless otherwise stated)

		Early Recovery			Gradual Recovery		
	2019	2020e	2021e	2022e	2020e	2021e	2022e
CPI Inflation	0.8	-0.1	1.3	1.6	-0.2	1.2	1.5
Underlying Inflation*	1.1	0.9	1.1	1.3	0.8	1.0	1.1

*Excluding food and energy prices

Source: Bank of Spain, INE, Fellow Funders Capital Markets

3.7.5 Financing Conditions

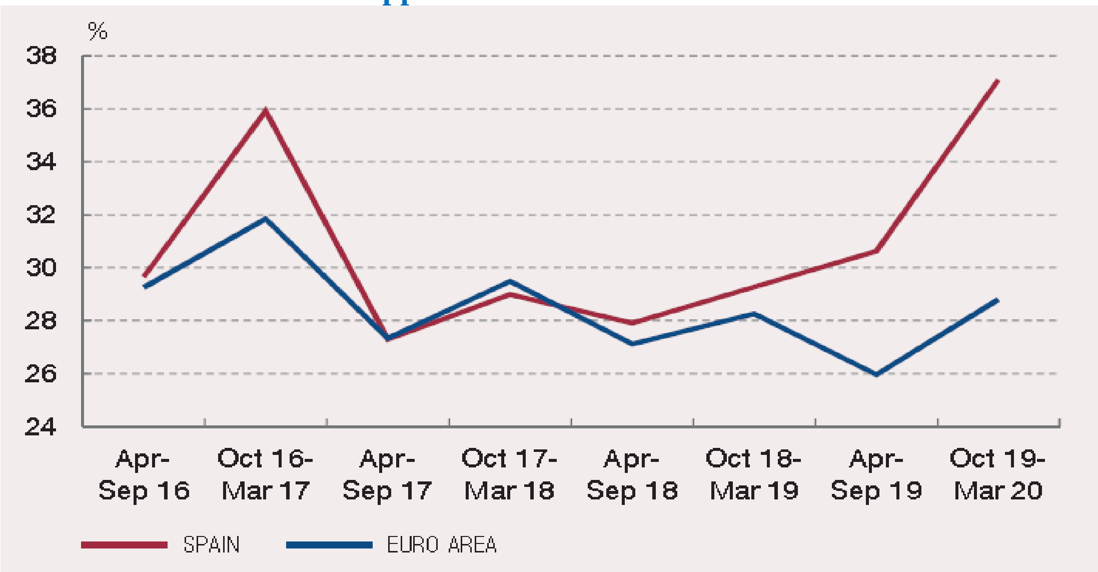
With the announcement of the state of alarm, the Spanish Government put in place a financial package of €100 billion to provide state guarantees of up to 80% for loans granted by banks to large corporates and SMEs. In the case of SMEs (less than 250 employees or less than €50 million turnover) the maximum amount of loans to be granted would be €1.5 million.

Furthermore, the Spanish Government is currently drafting an additional financial package for a total of €4.25 billion to revamp the tourism sector. Of that amount, €4 billion will be granted in the form of loans and grants, whilst the remaining €250 million will be injected in the form of indirect subsidies.

On May 8th, 2020, the European Central Bank (ECB) published the results of the corporate access to funding survey, which goes from October 2019 to March 2020, capturing the first two weeks of the state of alarm in Spain. In the case of Spanish SMEs, the data gathered shows a deterioration in their financial position.

In this context, the proportion of Spanish SMEs asking for bank financing increased significantly by 6 percentage points to 37%.

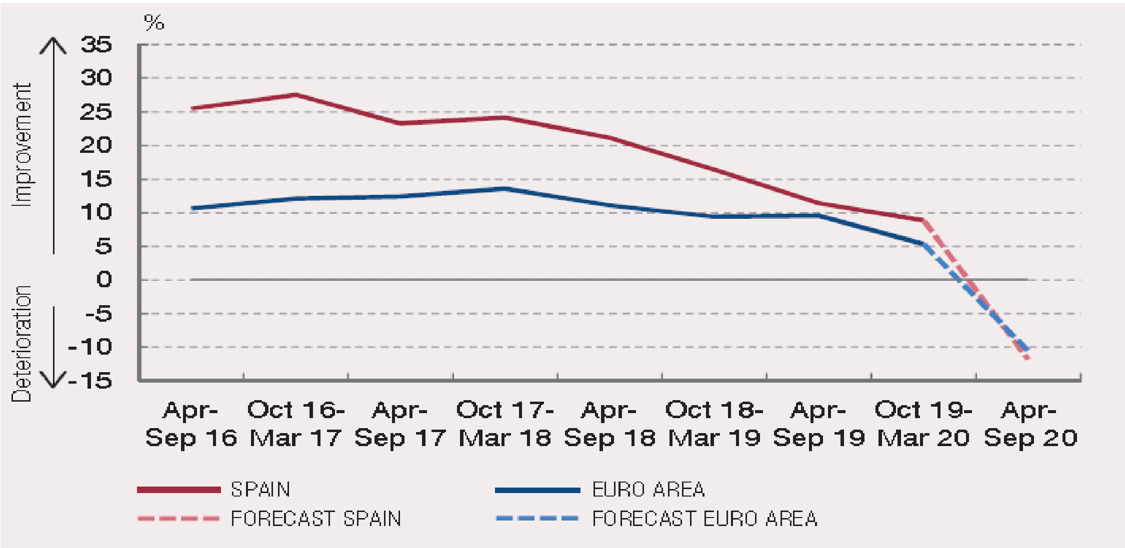
Chart 16: SMEs that have applied for bank loans



Source: European Central Bank

As for the financing conditions in the months to come, 12% of SMEs in Spain (11% in the European Union) expect bank financing to toughen up. However, in the bank lending survey covering the same period, commercial banks thought there would be a relaxation in lending conditions during the coming months, perhaps reflecting the favourable grant subsidies put in place by the government.

Chart 17 : Perceived availability of bank loans



Source: European Central Bank

As far as interest rates are concerned, given the financial stimulus put in place by the ECB and the mild inflation outlook, it is expected that there would not be material changes from the levels seen during the past few quarters.

3.8. Strategy and Competitive Advantages

3.8.1. Strategy

The Company's strategy is chiefly based on the management and maintenance of its current asset portfolio, maximising the value of their long-term rental contracts with financially sound operators. Although no asset rotation is expected short-term, RSR management is adding significant value by buying under-priced and liquid assets in prime areas of large cities and generating asset appreciation through refurbishments and overall improvement of the buildings.

The Company will look for buying opportunities in the largest cities of the Iberian Peninsula as well as in other countries such as Italy or France.

3.8.2 Competitive Advantages

Among the Issuer's competitive advantages, the following stand out:

- RSR's business model is robust, buying assets at attractive prices and adding value through refurbishment with high-quality suppliers.
- The asset management is externalised to Caler AM, which has a longstanding experience in real estate, with dominant knowledge of the sector. It has a multidisciplinary experience in the operational, financial, and legal part of the business and, so far, has been able to deliver good returns to the main shareholder.
- The hotel and apartment tenants (Vincci and Room-mate) are best-in-class with a strong financial position that should allow them to withstand the difficult times faced by the hotel sector.
- The Company signs long-term/fixed rate rental contracts with its tenants, which secures future cash flows, although short-term these might be affected by the pandemic.
- RSR's financial position is strong. Debt levels are optimal with an LTV on its purchased assets of 35%. This and the financial strength of its main shareholder, should allow it to take advantage of the current economic weakness to acquire some interesting assets in other European cities at more attractive prices.
- According to the company, the segment in which the company operates (urban tourism in prime areas of large cities) with lower seasonality, should prove more resilient that other segments such as coastal tourism.
- The quality of the assets in prime urban areas make the assets more liquid in case the company needs or wants to rotate some of its assets.
- According to the management, the prime location and general asset quality ensure a quick replacement of operator if the need were to arise.

3.9. Dependence on Licences and Patents

The Company does not depend on any brand, patent, or intellectual property right that may affect its business. All the owned buildings have relevant licences for the execution of their activities.

3.10. Related-party transactions

RSR has received financing from its partner Company, RSR Estate Hotel Covandonga. Equally, RSR Singular Assets Europe has been providing debt financing to its Portuguese affiliate RSR Singular Assets Portugal.

The loans granted to RSR Singular Assets Europe by its parent company RSR Estate Hotel Covandonga, SARL, are as follows:

- A loan for €15,003,020 granted by RSR Estate Hotel Covadonga, SARL on September 24th, 2015, with a 10-year maturity, and an interest rate of Euribor (one year) plus a spread of 300 basis points.

- A loan for €2,800,000 granted by RSR Estate Hotel Covadonga SARL on May 28th, 2015, with a 10-year maturity, and an interest rate of Euribor (one year) plus a spread of 300 basis points.

  A loan for €1,200,000 granted by RSR Estate Spain, SARL on May 28th, 2015, with a 10-year maturity, and an interest rate of Euribor (one year) plus a spread of 300 basis points.

  A loan for €12,000,000 granted by RSR Estate Spain, SARL on September 1st, 2014, with a 10-year maturity, and an interest rate of Euribor (one year) plus a spread of 300 basis points.
-
- A loan for €531,570 granted by RSR Estate PDG, SARL on January 1st, 2016, with a 10-year maturity, and an interest rate of Euribor (one year) plus a spread of 300 basis points. It features partial repayments of capital of 1/9 per year and vesting period of one year.

There are also long-term loans granted by RSR Singular Assets Europe to its controlled company RSRP Singular Assets Portugal Unipessoal LDA with the following characteristics:

- A loan for €8,000,000 granted on December 9th, 2019, with a 10-year maturity, a 10-year vesting period and an interest rate of Euribor (one year) plus a spread of 300 basis points.

- A loan for €14,000,000 on July 26th, 2019, with a 10-year maturity, a 10-year vesting period, a 2.6% interest rate and an interest vesting period over the first year.

The Board of Directors is responsible for making the decisions concerning the financial and strategic policies of the Company.

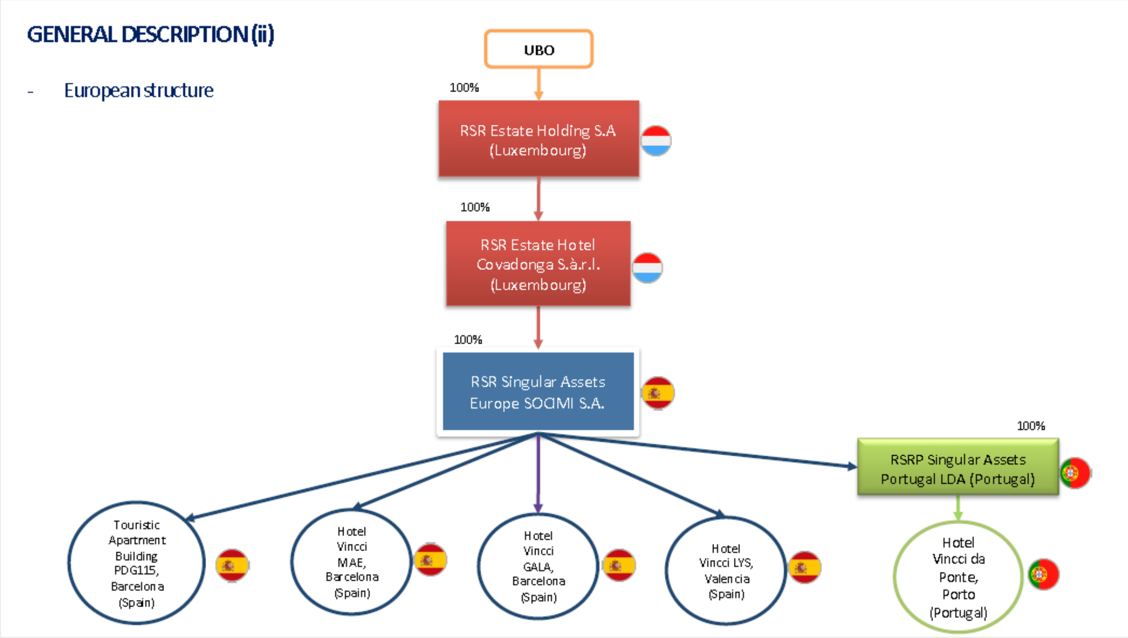
Over the years ended December 31st, 2019 and 2018, neither advanced payments nor loans have been made to the Board of Directors.

Neither the Board of Directors nor the persons related to the same referred to in Article 231 of the Company Law have notified any direct or indirect conflict of interest with the Company.

4. ORGANISATION

4.1 company's functional organisation

Chart 18 : Company Structure



4.2. Record and professional profiles of the managers and directors of RSR Singular Assets Europe

Samer-Jamil Hreiki. Chairman of the Board.

Graduated in Business Economics by Lebanese American University.
Mr. Hreiki has developed a career in Banking in Lebanon and U.S.A. until 1994. Since then he has held the position of CFO of the RSR Group in Saudi Arabia, managing the business and finances of the group globally.

Jean-Nicolas Bourtembourg. Member of the Board.

Law Degree at the Université de Namur, European and International taxation ant ICHEC and Master's Degree at the Université catholique de Louvain. Jean-Nicolas has developed his 20 year professional career as a Tax Consultant in Ernst & Young (2002-2004), Senior tax consultant at Atoz (2004-2008), Avocat à la Cour at NautaDutilh (2008-2014) and his current position being Partner, Head of Tax and Transfer pricing at Grant Thornton Luxembourg since 2014. He also is a member of the Board of Directors of RSR SINGULAR ASSETS EUROPE SOCIMI, S.A.U.

Carmen Escrivá de Romaní. Secretary of the Board.

Law Degree at the Universidad Complutense in Madrid, Master's Degree in Corporate Legal Counseling at the Instituto de Empresa (IE), Master's Degree in Tax Advisory at the Instituto de Empresa (IE) in Madrid and MBA at the Instituto de Empresa (IE). Carmen has developed her 28 year professional career in : Real Estate management : CEO of Grupo Gaudir for 13 years (Barcelona, Spain), Insurance : held management positions in AIG Europe and Nikols Sedgwick (Barcelona, Spain) ; Law : Bufete Albors y Galiano (Barcelona, Spain). Since 2013, Carmen is a founding partner and CEO of Caler Advisory. Since 2020 she is a member of the Board of Directors of RSR Singular Assets Europe SOCIMI, S.A.U.

Álvaro Escrivá de Romaní. Partner in Caler Advisory and Asset Management.

Law Degree at the Universidad Complutense de Madrid and a simultaneous Master's in Financial Markets at the Instituto de Estudios Bursátiles (IEB). Executive MBA at the Instituto de Empresa (IE). Álvaro has developed his career in : Banking : Prudential securities (Miami, USA), Law : Andrew Hall and Associates P.A. (Miami, USA), Real Estate consultancy and development (Madrid and Málaga, Spain), Hotel fit out and international trade (Doha, Qatar). Since 2013 he is founding partner and Managing Director of Caler Advisory.

Silvia Marín Villasevil. Financial Manager of Caler Advisory.

Business Administration Degree at Universidad Complutense de Madrid (Madrid, Spain). Experience as finance director, administrative director, financial controller, and HR director in different companies.

Susana Plasencia. Projects Director in Caler Advisory

Architectural Degree at University of Burgos (Burgos, Spain). She has successfully managed more than a thousand residential and commercial units development and refurbishment.

4.3. Composition of the board of directors

-**Samer-Jamil Hreiki**. Chairman of the Board.

-**Jean-Nicolas Bourtembourg**. Member of the Board.

-**Carmen Escrivá de Romaní Muñoz**. Secretary of the Board.

4.4. Record and professional profiles of the employees of RSR Singular Assets Europe.

Susana Valdivia. Director of Asset Management RSR Singular Assets Europe SOCIMI, S.A.U.

Law Degree from Universidad Complutense de Madrid (Madrid, Spain). Proficient in commercial law real estate law, transactions, and tenant management.

5. RISK FACTORS

The following sections provide details of the risk, uncertainties and other factors that could affect de future results of the Company.

5.1. Risks associated with the real estate business

5.1.1 Cyclical sector

The current real estate sector is very sensitive to the existing political and economic-financial environment. The revenues derived from the property assets and their valuations largely depend on the supply and demand for properties, inflation, interest rates, the economic growth rate or legislation.

If the Company's asset portfolio were to suffer a decline in value requiring a provision with respect to the carrying value, this would have an impact on the profitability, the financial situation and/or the valuation of the Company.

5.1.2 Risks derived from the possible fluctuation in the demand for properties and their consequent decrease in rental prices.

The Company exploits its assets through agreements with Vincci Hotels and Room Mate. Said contractual relationships are documented and signed by both parties. In the event its clients decided not to renew their contracts or insist on renegotiating rent prices downwards, this would have a negative impact on the financial situation, profits, or valuation of the Company.

5.1.3 Degree of liquidity of investments

Real estate investments are characterised as being more illiquid than investments in movable property. Therefore, in the event the Company wants to disinvest part of their portfolio of real estate assets, its ability to sell may be limited in the short term.

5.1.4 Risk of lack of occupation or activity licence

For the operation of real estate assets, the Company must obtain the necessary municipal occupation licences. Given that the obtainment of such licences is usually subject to a long administrative procedure, the Company may be prevented from using the property within the period initially set which could cause a substantial adverse effect on the activities, profits and financial situation of the Company.

5.1.5 Risk of dependency to Vincci Hotels

The company has all of its assets operated by Vincci Hotels. This situation makes the Company vulnerable in the sense of defaults, legal procedures or management issues. However, as a positive

counterpoint, it allows the Company to have a valuable brand to its assets, because of Vincci's brand image in the Spanish market is associated with premium accommodation.
In the event of a breakdown between the Company and Vincci Hotels, the repercussion would not be limited to a specific hotel but, it would affect all its properties. However, the Company, due to the qualify of its assets and its location, would have the possibility of finding new hotel companies willing to operate on its properties in a short period of time.

5.2 Operating risks

5.2.1 Management risk

The Company's property business is managed externally by CALER ADVISORY AND ASSET MANAGEMENT, therefore depending on the experience, know-how and judgement of the manager.

As a result, the Company's affairs and its business will depend on the actions of the manager and, more specifically, its experience, skills and judgement when identifying, selecting, negotiating, executing, and managing the relevant investments.

Therefore, the Company results will depend on the manager's ability to: (i) build a property investment portfolio able to generate attractive returns; and (ii) suitably manage the sale of the property foreseen in the investment strategy, regardless of both the investment and divestment of the asset requiring prior mandatory approval from the board of directors.

In this sense, it cannot be guaranteed that the manager will satisfactorily meet the investment objectives set out by the Company. In addition, any error, total or partial, in identifying, selecting, negotiating, executing and managing investments by the manager (or any other manager that may replace them in the future) may have a significant negative impact on the Company's business, economic or financial and on its equity position.

5.2.2 Risk of competition from new hotels located in the same retail areas may have an adverse effect on the Company's business, its financial position and on its profitability.

The Company is faced with competition from other hospitality groups within its geographical area of interest and influence, therefore the opening of retail establishments close to the area in which the company operates (see points 3.3 and 3.5) may give rise to: (i) an excess of rooms available; (ii) a relaxation of the prices in the sector; and (iii) a difficulty in achieving the revenues expected due to an excess of capacity.

5.2.3 Risks associated with the valuation of assets

At the time of valuing the real estate assets, Knight Frank made certain assumptions, among others, concerning the occupancy rate of the assets, the future updating of the rents, the estimated profitability or the discount rate used, with which a potential investor many not agree. If these potential risks were to evolve negatively, the valuation of the Company's asset portfolio would be lower and could consequently affect the Company's financial situation, its profitability, and its valuation.

5.2.4 Risk of property damage

The Company's properties are exposed to damage from possible fires, floods, accidents or other natural disasters. If any of these damages were not insured or represented an amount greater than the coverage taken out, the Company would have to cover the same as well as the loss related to the investment made and the income expected, with the consequent impact on the Company's financial situation, profitability and valuation.

5.2.5 Sanitary risks

Due to the current global situation caused by Covid-19, tourism has fallen dramatically. This situation is aggravated mainly in countries such as Spain, whose main activity is tourism.

On the date of this document, the situation is still uncertain, as the Spanish Government has not made a clear statement on the return of activity and restrictions on movement, both nationally and internationally.

Similarly, we do not know exactly how long this crisis might last and the magnitude of the impact it might have on tourism and business travel in the short term, since the fear generated by the pandemic might take a longer period of time to recover.

It is likely that the economic and touristic activity will return to normal earlier in Portugal than in Spain. This is because it seems the measures to control the virus and the opening of the borders have seemed to be more effective in Portugal. Furthermore, the Portuguese government has also implemented fiscal adjustments to alleviate the tax burden on companies, something which could benefit the tourism sector, placing it in a privileged situation at the European level.

5.3. Legal and regulatory risks

5.3.1 Risks related to regulatory changes

The Company's activities are subject to legal and regulatory provisions of a technical, environmental, fiscal and commercial nature, as well as planning, safety, technical and consumer protection requirements, among others. The local, autonomic, and national administrations may impose sanctions for companies not complying with these standards and requirements. The sanctions may include, among other measures, restrictions that may limit the performance of certain operations by the Company. In addition, if the non-compliance is significant, the fines or sanctions may have a negative impact on the Company's profits and financial situation.

A significant change to these legal and regulatory provisions or a change affecting the way in which these legal and regulatory provisions are applied, interpreted or met, may force the Company to change its plans, projections or even properties and, therefore, assume additional costs, which could negatively impact the Company's financial situation, profitability or valuation.

5.3.2 Loss of the SOCIMI tax regime

The mandatory communication to the Tax Agency took place on September 14th, 2018 meaning that said regime applies to the Company from September 14th, 2018 onwards. The application of this special tax regime is subject to compliance with the requirements set out in Law 11/2009 modified by Law 16/2012. Lack of compliance with any of those requirements would mean that the Company would be taxed under the general corporation tax regime for the year in which said non-compliance occurred, with the Company being required to cover, where appropriate, the difference between the fee for this tax resulting from the application of the general regime and the amount paid that resulted from the application of the special tax regime in subsequent tax periods, without prejudice to late payment interest, surcharges and penalties that may be appropriate, as the case may be. The loss of said SOCIMI special tax regime could negatively affect the Company's financial situation, operating results, cash flows or valuation.

5.4. Financial risks

5.4.1 Risk relating to debt management and the associated interest rates

On the date of this Information Document, RSR Singular Assets Europe SOCIMI, has a loan outstanding with BANCO SANTANDER S.A. for an amount of €44,000,000 at a fixed rate of 2.7%, maturing on October 26th, 2026.

Table 9: Loans from financial entities

Borrower	Secured Asset	Pending Amount	Interest Rate	Subscription Date	Maturity Date
Banco Santander	Hotel Vincci Gala	€30,000,000	2.70%	23/10/2018	23/10/2026
Banco Santander	Hotel Vincci Mae				
Banco Santander	Tourist Apartments				
Banco Santander	Hotel Vincci Lys	€14,000,000	2.70%	22/07/2019	22/10/2026

Source: RSR's auditor's report by PwC

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The Company also holds a total of €31,534,590 worth of debt with group companies, which is being remunerated at Euribor + 300 basis points.

Table 10: Intragroup Loans

Borrower	Amount	Interest Rate	Subscription Date	Maturity Rate
RSR Estate Hotel Covadonga	€15,003,020	Euribor+3%	15/09/2015	15/09/2025
RSR Estate Hotel Covadonga	€2,800,000	Euribor+3%	28/05/2015	28/05/2025
RSR Estate Spain	€1,200,000	Euribor+3%	28/05/2015	28/05/2025
RSR Estate Spain	€12,000,000	Euribor+3%	01/09/2014	01/09/2024
RSR Estate PDG 115	€ 531,570	Euribor+3%	01/01/2016	01/01/2026

Source: RSR auditor's report by PwC.

If the sources of financing were more limited, the growth opportunities for RSR SINGULAR ASSETS EUROPE SOCIMI, S.A.U. could be at risk, with a potential negative impact on results.

Also, an upward movement in interest rates could expose the Company to interest rate risk. To minimize the interest rate risk, the Company may use its credit facility from its group entities.

Under certain adverse circumstances, the Company may find itself in a situation of not being able to cover part or all the payment of interest accrued and/or the return of the principal of the committed debt. In this case, the Company would be obliged to take certain economic and financial measures aimed at solving this situation. Among these measures, there could be; possible capital increases, partner loans and/or alienation of properties. This situation could have a negative impact both on the valuation of the Company and on the share price.

5.4.2 Lack of liquidity for the payment of dividends

All dividends and other distributions paid by the Company will depend on the existence of profits available for distribution, and sufficient cash. In addition, there is a risk that the Company generates profits but does not have enough cash to meet the dividend distribution requirements set out in the SOCIMI tax regime. If the Company does not have sufficient cash, it may be required to cover dividends in kind or to implement a system of pay dividends with its own shares.

As an alternative, the Company may request additional funding, which would increase its financial costs, reduce its capacity to ask for funding for making new investments and it may have an adverse material effect on the Company's business, financial conditions, operating results and forecasts.

Shareholders would be obliged to assume the fiscal costs of paying the dividend. In addition, the payment of dividends in kind (or the implementation of equivalent systems such as the reinvestment of the dividend right in new shares) may give rise to the dilution of the shareholding of some shareholders who receive the dividend in cash.

6. INFORMATION CONCERNING THE OPERATION

6.1. Registration with Euronext Access

Registration procedure: Registration of shares for negotiations on Euronext Access Lisbon through technical admission.

ISIN: ES0105505004

Euronext Ticker: MLRSR

Number of shares to be listed: 7,500,000 shares of 1€ each.

Nominal price per share: €1,00 per share.

Reference price per share: €12.98 per share.

Market capitalisation: 97.3MM

Market Relations Representative: Carmen Escrivá de Romaní Muñoz

Initial listing and trading date: 30-07-2020

Listing Sponsor: FELLOW FUNDERS CAPITAL MARKETS

6.2. Objectives of the listing process

This transaction is carried out within the framework of a procedure for admission to trading on the Euronext Access Market operated by Euronext Lisbon S.A., through a technical admission of the shares.

The proposed transaction does not require a visa from the Comissão do Mercado de Valores Mobiliarios (CMVM). The registration on the Euronext Access Market should provide more visibility to the Company, while allowing it to consolidate its structure, familiarising with the financial markets prior to a potential transfer to a larger market, if that were the case.

Finally, to keep the special tax regime for SOCIMI, the Company has to be listed on a European Stock Exchange.

6.3. Company's share capital

The share capital of the Company is SEVEN MILLION AND FIVE HUNDRED THOUSAND EUROS (€7,500,000) totally subscribed and fully paid-up and it is represented by SEVEN MILLION AND FIVE HUNDRED THOUSAND (7,500,000) common registered shares, with a par value of ONE EURO (€1.00) per share, consecutively numbered from 1 to 7,500,000, both inclusive, all of them of the same class and series. Shares shall be represented by stock certificates, which can be either single or multiple and shall bear the mentions required by the Law, and particularly the restrictions on their transfer set forth in these Bylaws.

6.4. Evolution of the share capital, increases and reductions

On the date of this Information Document, there have been no increases or reductions of capital.

6.5. Main characteristics of the shares

Shares Representation (Article 5bis of the Articles of Association)

The shares will be registered and will be represented by book entries and are constituted as such due to their inscription in the corresponding accounting record.

The legitimacy for the exercising of the rights of the shareholder, including, where applicable, transmission, is obtained through the inscription in the accounting register, which assumes legal ownership and enables the registry holder to require the Company to recognize them as a shareholder. Such legitimation can be accredited through the exhibition of the appropriate certificates, issued by the entity in charge of the keeping of the corresponding accounting record.

If the Company carries out any service in favour of whoever appears as the holder in accordance with the accounting record, they will be free from the corresponding obligation, even if they are not the actual holder of the shares, as long as they carry it out in good faith and without gross negligence.

In the case of the person who is legalized in the entries of the accounting record having such legitimization due to a trust certificate or one of a similar sense, the Company will be able to request them to certify such fiduciary condition.

Accounting Records (Article 5bis of the Articles of Association)

An entity shall be appointed by the Company to keep the accounting records of the shares represented by the book entries from among the authorised investment service companies and credit institutions, unless the applicable regulations or the rules governing the market in which the Company trades its shares stipulate which entity must be entrusted with keeping the records. Said entity shall notify the Company of transactions involving its shares.

The Company may keep its own records, and to such end, may at any time ask the company entrusted with record-keeping to furnish the list of the Company's shareholders and the number of shares held by each one.

The Board of Directors shall be the competent body to choose, if applicable, the entity entrusted with keeping the accounting records.

Transfer of Shares (Article 6 of the Articles of Association)

Free transferability of the shares:

The shares and economic rights deriving from them, including the right to preferential subscription, are freely transferable by all means admitted by law.

Transfer in case of change of control:

Notwithstanding that mentioned before, the person that wishes to acquire a shareholding greater than 50% of the Share Capital must carry out, at the same time, a purchase offer, in the same terms and conditions, directed to all the shareholders of the Company.

Equally, the shareholder that receives, from a shareholder or a third party, a purchase offer for its shares from which, due to its formulation conditions, the characteristics of the acquirer and other concurring circumstances, it may be reasonably deduced that it has the purpose of attributing a shareholding greater than 50% of the Share Capital to the acquirer, shall only be able to transfer shares that establish that the acquirer can exceed the indicated percentage if the potential acquirer certifies that they have offered the purchase of their shares to all of the shareholders under the same terms and conditions.

Communication of significant holdings and shareholder agreements

The shareholders shall be obliged to communicate any acquisition or transfer of shares for any reason that establishes that their total holding, direct and indirect, reaches, exceeds or falls below, respectively, above or below 5% of the Share Capital or its successive multiples.

If the shareholder is the director or manager of the Company, the communication shall be compulsory when the total share, direct and indirect, of said director or manager reaches, exceeds or goes below, respectively, 1% of the Share Capital or its successive multiples.

The communications must be directed at the body or person that the Company has designated for such purpose (or to the Secretary of the Board of Directors in the absence of express designation) and within a maximum period of four (4) calendar days to be counted from the day when the key event in the obligation to communicate occurred.

The Company shall publish said communications in accordance with what is stated in the regulations of the Alternative Stock Exchange Market, in the case of being listed on said Market

Exclusion from trading on Euronext Access

In the case that the General Assembly of Shareholders adopts an agreement of exclusion from trading on the Alternative Stock Exchange Market of the shares representative of the Share Capital without the positive vote of any of the shareholders of the Company, it shall be obliged to offer said shareholders the acquisitions of their shares at the price consistent with what is stated in the regulation on takeover bids of securities for the cases of exclusion from trading. Following the agreement of the General Assembly of Shareholders, the offer will be able to be carried out by a third party.

6.5.1. Approvals related to the incorporation of the shares to Euronext Access Lisbon

At the Extraordinary Shareholders Meeting held on June 19th, 2020, RSR's shareholders approved the incorporation of the Company shares to Euronext Access Lisbon through a technical listing process. It was equally approved to use the Central de Custódia e Liquidação do Grupo Euronext (Interbolsa) for all the settlement related services of the shares listed on that market.

Under the power granted by the Company's Extraordinary General Meeting, the Board of Directors approved all the relevant steps to be taken for the shares to be listed on the Euronext Access Market Lisbon.

6.5.2. Main characteristics of the shares and their corresponding rights for shareholders. Possible limitations concerning the shareholders meeting attendance, vote and appointment of directors.

The legal regime applicable to the Company shares is the one contemplated by the Spanish law; specifically, the one included in the Spanish LSC (Ley de Sociedades de Capital) and in the Stock Market Law (Mercado de Valores) 24/1988 of July 28th.

The shares traded on Euronext Access Lisbon will be represented by book entries, registered on Interbolsa under the name of the owner or his (her) nominee and they will be settled via cross-border link with the Central Securities Depository (CSD) under the owner's name.

The shares are to be denominated in Euro (€).

All the shares will be ordinary shares granting the same rights to their holders. Among the most relevant rights we should highlight the following:

- **Right to participate in dividend distributions**

The shares confer to their holders the right to participate in all dividend distributions and in their proportional part of the assets remaining under a liquidation event under the terms established in the LSC. As all of them shall be ordinary shares, there shall be no difference among them.

Under the Spanish SOCIMI Act, companies are required to adopt resolutions for the annual distribution of dividends to its shareholders, subject to both the requirements under the SOCIMI Act and the conditions set out in the Spanish corporate legislation.

Dividends paid by the Company are required to follow the distribution rules set out in the SOCIMI Act. The Board of Directors (as well as the General Meeting of Shareholders) may distribute amounts on account of the dividends provided that the following conditions are met: (1) there is sufficient liquidity for the distribution; and (ii) the amount to be distributed will not exceed the profit obtained during the current financial year after deducting losses of preceding years, amounts to be contributed to legal or statutory reserves and estimated taxes to be paid on such profits. Shareholders who hold Ordinary Shares on the date agreed by the General Meeting of Shareholders will have the right to participate in such dividends.

The Spanish Companies Act requires that each company allocates at least 10% of its net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of such issued share capital. A company's legal reserve is not available for distribution to its shareholders except unpot liquidation. All holders will receive dividends through Interbolsa.

Without prejudice to duties that will apply to the Company under the SOCIMI Act, its ability to distribute dividends in the near future will depend on a number of factors, including (but not limited to) the amount of its distributable profits and reserves and its investment plans, earnings, level of profitability, cash flow generation, restrictions on payment of dividends under all applicable laws and compliance with covenants in the Company's debt instruments.

The dividend or other proceeds from the shares might be received according to the norm determined for each case and the right to receive its payment shall prescribe in five years, according to the terms of the Spanish Code of Commerce (Código de Comercio). The legal beneficiary of such prescription shall be the Company.

- **Preferred subscription right in the issuance of new shares**

According to the Spanish LSC, the owners of the shares will have a preferred right to subscribe new shares (ordinary or preferred) in all capital increases and in the issuance of convertible shares, with the only exception being the subscription rights contemplated in the Article 308 of the LSC.

Additionally, the LSC contemplates the free assignment of shares in the case of capital increases against reserves.

- **Political rights**

The shares confer to their owners the right to assist and vote in the Shareholders General Meeting. Also, the holders of the shares shall be allowed to contest the shareholders agreements in accordance with the terms contemplated by the Spanish SLC.

- **Information rights**

The shares confer their holders the right to be informed under the terms of the article 197 of the Spanish LSC.

6.5.3. Description of any condition for the free transmission of the shares, statutory or extra-statutory

There are no restrictions to the free transmission of the Company shares.

6.5.4. Para-social agreements between shareholders or between the Company and its shareholders that might limit the transmission of shares or affect voting rights.

Currently, there are neither para-social agreements among shareholders nor between the Company and its shareholders regarding the free transmission of the shares or the limitation of the voting rights.

6.6.1. Communication of significant holdings and shareholders' agreements.

The shareholders shall be obliged to communicate any acquisition or transfer of shares for any reason that establishes that their total holding, direct and indirect, reaches, exceeds or falls below, respectively, above or below 5% of the Share Capital or its successive multiples.

If the shareholder is the director or manager of the Company, the communication shall be compulsory when the total share, direct and indirect, of said director or manager reaches, exceeds or goes below, respectively, 1% of the Share Capital or its successive multiples.

The communications must be directed at the body or person that the Company has designated for such purpose (or to the Secretary of the Board of Directors in the absence of express designation) and within a maximum period of four (4) calendar days to be counted from the day when the key event in the obligation to communicate occurred.

The Company shall publish said communications in accordance with what is stated in the regulations of the Euronext Access Market, in the case of being listed on said Market.

7. COMPANY VALUATION

7.1. Business plan

The Company has put in place a business plan, taking into account the volatile environment for the sector, which RSR should be able to offset by leveraging on the quality and resilience of its assets as well as the stability of the income generated from its tenants.

The lease contracts signed with both of its tenants incorporate fixed rates, allowing the Company to avoid price volatility in the market. Taking this into account, RSR's central-case scenario contemplates a 50% discount in rentals agreed by the Company with its tenants on the back of Covid-19, despite these being set at fixed rates.

Table 11: Business Plan (2020-2022e)

	P&L Forecast 2020-2022		
	2020e	**2021e**	**2022e**
Gross Rental Income	**4.084.272**	**6.163.374**	**6.945.956**
Property Expenses	514.447	486.703	614.801
General Expenses	766.807	859.730	983.160
EBITDA	**2.803.018**	**4.816.941**	**5.347.995**
Financial Expenses	1.174.000	1.379.740	1.357.140
Taxes (IS)	0	0	0
EBDA	**1.629.018**	**3.437.201**	**3.990.855**

Source: RSR Singular Assets Europe

In April 2021, RSR will open its sixth hotel in Porto, Hotel Casino da Ponte, which will contribute towards an increase in its GRI to € 6.16M up from the € 4.1M expected for 2020. As for 2022, with a full year of income from its six assets, the group's GRI should be nearly € 7M.
According to its business plan, in 2020, the Company should be able to generate an EBITDA margin of almost 69%. This margin should expand to 77% once the new assets bought in Portugal are fully active in 2022. This should provide a strong cushion to weather any potential downturn in the economy, as shown in the sensitivity analysis performed by RSR management.

7.2. Covid-19. Business implications

RSR management has carried out a contingency assessment to test the impact from the Covid-19 pandemic under different scenarios, considering the measures decreed by the Spanish Government on the closure of the hotel businesses.

RSR management prides itself on its solidarity and solvency and believes it operates with the most care and stability, minimising risks and optimising profitability. For this reason, the contracts signed with the operators who manage RSR's assets are guarantee, fixed-income contracts. According to the management, only one of the portfolio assets has a minimum variable component that beings to accrue after the application of the minimum guaranteed rental income.

Furthermore, the lease contracts are long-term, which, according to management provides each portfolio asset with a high degree of stability. This is also possible since the assets are in prime locations with high tourist and business occupancy rates and the operators managing the assets are best-in-class and financially sound. Having the assets in prime locations with strong demand from operators, also enables for a quick tenant replacement, when needed.

For all the above, mentioned reasons RSR management believes it has been able to maintain satisfactory turnover figures despite the extreme business conditions stemming from the pandemic.

The Company has negotiated temporary agreements with its operators, trying to maximise profitability while minimising risks. These agreements currently provide for a 50% discount on monthly leases from April to July 2020. In principle, it is expected that from August 2020 billing will return to normal.

Based on the current scientific discoveries and considering the indications from the health authorities pointing towards a weakening of the virus, RSR management central case scenario is that there will be no resurgence of the virus in the Fall of 2020.

Nevertheless, to test the resilience of the Company under different scenarios, RSR has conducted a contingency study assuming a renew outbreak of the epidemic (Worst-Case-Scenario). This sensitivity analysis assumes a resurgence of the epidemic, forcing the company to maintain the 50% reduction in rental income from April through December 2020. For 2021, the worst-case-scenario assumes that RSR must renegotiate the existing lease contracts with a 20%-30% decrease in gross rental income.

As shown in table 12, on the basis of the Company estimates, even under the most adverse operating environments RSR would remain EBITDA positive during 2020 and 2021.

Table 12: Sensitivity Analysis Post-COVID 19 (2020e)

	Best-Case-Scenario (Full Income)	Central-Case-Scenario (-50% GRI Apr-Jul)	Worst-Case Scenario (-50% GRI Apr-Dec)
Gross Rental Income	**4,808,207**	**4,084,272**	**3,026,749**
Property Expenses	514,447	514,447	514,447
General Expenses	766,807	766,807	766,807
EBITDA	**3,526,953**	**2,803,018**	**1,745,495**
Financial Expenses	1,174,000	1,174,000	1,174,000
EBIT	**2,352,953**	**1,629,018**	**571,495**

Source: RSR Singular Assets Europe

Table 13: Sensitivity Analysis Post-COVID 19 (2021e)

	Best-Case-Scenario (Full Income)	Central-Case-Scenario (20% Discount GRI)	Worst-Case Scenario (30% Discount GRI)
Gross Rental Income Spain	4,737,374	3,825,093	3,368,950
Gross Rental Income Portugal	1,426,000	1,140,800	998,200
Gross Rental Income	**6,163,374**	**4,965,893**	**4,367,150**
Property Expenses	486,703	486,703	486,700
General Expenses	859,730	859,730	859,730
EBITDA	**4,816,941**	**3,619,460**	**3,020,720**
Financial Expenses	1,379,740	1,379,740	1,379,740
EBIT	**3,437,201**	**2,239,720**	**1,640,980**

Source: RSR Singular Assets Europe

Additionally, given the strong exposure to Vincci Hoteles as its key tenant (92% of the total capacity) it is important to see the financial conditions of this tenant, shown on table 14. As reflected on the balance sheet, at the end of 2019, Vincci's net cash position amounted to €14 million.

Table 14: Vincci Hoteles, S.A: Summary Audited Accounts 2019

Profit & Loss Account	2019	2018	% change
Net Sales	121,567,276	109,461,765	11.1%
EBITDA	17,081,402	14,214,345	20.2%
Pre-Tax Profit	16,281,292	12,821,983	27.0%
Net Profit	12,981,386	9,994,359	29.9%
Profit & Loss Account	**2019**	**2018**	**% change**
Cast and Liquid Assets	31,993,871	25,006,501	27.9%
Other Short-Term Assets	7,581,508	9,006,910	-15.8%
Fixed Assets	41,580,396	43,458,335	-4.3%
Total Assets	**81,155,775**	**77,471,746**	4.8%
Shareholders Funds	38,349,516	32,389,162	18.4%
Long Term Financial Debt	8,258,547	10,940,999	-24.5%
Other Long Term Liabilities	9,718,988	9,146,400	6.3%
Short term liabilities	**24,828,724**	**24,995,185**	-0.7%
Total Liabilities	**81,155,775**	**77,471,746**	4.8%

Source: Vincci Hotels

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7.3. Company's financial resources for at least twelve months after the first day of trading.

According to management RSR has a comfortable cash position. As of December 2019, RSR's had €4.4 million worth of cash. Considering the expected revenues and expenses for 2020, RSR's management expects to be able to generate a positive cash flow of €1.9 M by end 2020.

As for 2021, the expected 51% year-on-year revenue growth with the opening of the Hotel da Ponte in Porto, should bring in additional income by the amount of €1.75 M. This, factoring in the debt cancellation of €0.5 M should allow the Company to generate a cash flow in excess of €2.8 M, according to its own estimates.

Table 15: RSR's Cash Flow Forecast

	FORECAST CASH FLOW 2020-2021	
	2020	2021
EARNING RENTS	**4.944.346**	**7.486.202**
PAYMENTS	**3.043.615**	**4.677.650**
Property payments	535.447	704.052
Company General Payments	922.581	1.034.301
Other payments	301.644	0
Financial payments	1.174.000	1.379.740
Amortization Capital loan		500.000
Taxes	109.943	1.059.558
CASH FLOW GENERATED	**1.900.730**	**2.808.552**

Source: RSR Singular Assets Europe

In short, the Company's current liquidity levels and the increased cash flow generation puts RSR in a comfortable liquidity position.

7.4. Company valuation

The Company has been valued by Belerofonte Capital S.L. (hereinafter ''Belerofonte'') with the corresponding report signed on July 21st, 2020.

In order to value the Company, Belerofonte has used its financial statements as of December 31, 2019, which have been audited by PWC, with a favourable opinion without qualifies.

Being a real estate company, with property assets leased to third parties, Belerofonte believes the Net Asset Value after taxes, also called Triple NAV, is the best valuation methodology.

The Company's real estate assets have been valued at market prices, following the methodology of the Royal Institution of Chartered Surveyors "RICS" in accordance with the International Valuation Standards "IVS". These valuations have been carried out as of December 31st, 2019, by Knight Frank, according to reports dated February 21st, 2020. For the asset located in Portugal, a purchase price estimate report dated June 23rd, 2020, has been used.

The valuation report has been done using the market value of the underlying assets, ruling out a further outbreak of Covid-19 that may cause new restrictions on national and international mobility with its consequent effects.

The valuation report has been done in accordance with the following methodology:

- The Company's Book Value has been taken as the basis for valuing the Company, using its audited financial statements as of December 31st, 2019.
- The Fair Value of the real estate assets has been calculated using the valuation carried out by Knight Frank as the benchmark. Then, a sensitivity analysis of +/- 5% over the value of the assets has been performed.
- The present value of future structure costs was taken into account, in order to factor in the operating costs incurred in managing the portfolio of assets as well as the Company's administrative expenses. A discount rate of 8.28% was used for this calculation. Then, a sensitivity analysis with discount rates of +/- 50 basis points, was performed.

Additionally, for valuation purposes, the valuer has taken into account the Letter of Intentions signed by RSR ESTATE HOTEL COVADONGA, S.A.R.L., sole shareholder of RSR SINGULAR ASSETS EUROPE SOCIMI, S.A.U. This LOI states that:

- *''The Spanish Company maintains current ordinary debt with its parent Company, RSR Luxembourg Estate Hotel Covandonga''.*

- *''It is the intention of the group to convert the debt into equity during the next years''.*

In accordance with the aforementioned LOI and the information provided by the Company advisors, it has been considered that the total long-term group-company financial debt between RSR ESTATE HOTEL COVADONGA S.A.R.L. and RSR SINGULAR ASSETS EUROPE SOCIMI, S.A.U. will be converted into equity, with a corresponding positive adjustment of €31.43 MM on the Adjusted Book Value (Triple NAV) of the Company.

Table 17: RSR Triple NAV valuation

NET ASSET VALUE	LOW RANGE	CENTRAL RANGE	HIGH RANGE
Book Value	50,242,778	58,107,630	65,891,263
Debt Adjustment	31,425,134	31,425,134	31,425,134
Triple NAV Equity Value	81,667,912	89,532,764	97,316,397
Number of Shares	7,500,00	7,500,000	7,500,000
Triple NAV per Share	**10.89**	**11.94**	**12.98**

Source: Belerofonte Capital's Valuation Report

Consequently, the fair value of RSR SINGULAR ASSETS EUROPE SOCIMI, S.A.U. as per the Method of the Adjusted Book Value (Triple NAV) is considered to be between the range of €81.7MM and €97.3MM. Given the strong track record of the Company in adding value to its shareholder through effective acquisitions and attractive lease contracts, we believe the shares can be valued at the upper range, that is, a company value of €97.3MM or €12.98 per share.

7.5. Real estate assets valuation

The valuation of all the real estate assets included in this report was carried out by Knight Frank España, SAU, in accordance with the relevant edition of the RICS Valuation – Professional Standards by the valuers who conform to its requirements and with regard to relevant statutes or regulations.

Comparable Method

Estimates market value by analysing prices obtained from sales or lettings of properties similar to the subject property and adjusting the unit values to take accountability for differences between comparable and the subject property.

Discounted Cash Flow Method

Based upon a ten-year forecast of the hotel's potential trading performance, having built into the calculations any capital expenditure required for the hotel together with Fixtures, Fittings & Equipment Reserve (FF&E Reserve), based upon an appropriate percentage of the forecast turnover. To the resultant ten-year cash flow, it was applied a market derived discount rate of return on the investment and to the final year cash flow profit an exit market derived capitalisation rate of return is applied to arrive at the figure of value for the property. In any valuation exercise, the cost of borrowing money is reflected in the rates of return adopted.

Valuation Bases

In accordance with the purpose of the valuation, unless stated otherwise, and the type of property valued, the valuation basis is **Fair Value**, defined by the International Accounting Standards Board (IASB) under IFRS13 as follows:

« *The Price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and the measurement date* ».

In addition, the valuation has been carried out with the base of Market Value, defined within RICS Valuation – Professional Standards as:

« *The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion* ».

7.4.1 Hotel Vincci Lys

Valuation Considerations

- The asset is located in a prime area of Valencia: 5th Carrer de Martinez Cubells St. Given the central location of the building, it benefits from high transit or tourists, coupled with a great deal of competition hotel-wise in the area of influence.
- The property houses a 4-star hotel comprising 101 rooms spread over 8 floors above ground and one underground parking level. The hotel is currently leased to Vincci Hoteles, which operates 101 rooms.
- The property was renovated in 2001 and 2016, as well as yearly maintained whereby a sinking fund for FF&E purposes – thus aligns with a good state of repair and condition.
- The weighted average unexpired lease term to termination break (WAULT/WAULB is approximately 14 years.
- Year 1 Gross Rental Income amounts to €1,262,500 p.a. (Budget 2020)
- No additional revenues have been forecast for Variable Rent (« Turn Over Rent, TOR »)
- The following tables show the revenues and expenses associated with the asset during 2020, the net result of which amounts to €1,168,740.

Table 18: Economic Forecast

	2020	2021	2022	2023	2024
Vincci Lys Hotel	1,262,500	1,287,750	1,313,505	1,339,775	1,366,571
Gross Income	**1,262,500**	**1,287,750**	**1,313,505**	**1,339,775**	**1,366,571**
Less Expenses	93,760	95,635	97,548	99,499	101,489
NOI (Net Revenue)	**1,168,740**	**1,192,115**	**1,215,957**	**1,240,276**	**1,265,082**

Table 19: Quarterly Forecast 2020e

	Q1	Q2	Q3	Q4	2020e
Vincci Lys Hotel	315,625	315,625	315,625	315,625	1,262,500
Gross Income	**315,625**	**315,625**	**315,625**	**315,625**	**1,262,500**
Insurance	0	19,760	0	0	19,760
Property Tax (IBI)	18,500	18,500	18,500	18,500	74,000
Expenses	**18,500**	**38,260**	**18,500**	**18,500**	**93,760**
NOI (Net Revenue)	**297,125**	**277,365**	**297,125**	**297,125**	**1,168,740**

Source 18 & 19: Knight Frank

- Aggregate outgoings as for insurance premium amount to €19,760 p.a. (2020 forecast).
- The total Property Tax (IBI) charge for the building is €74,000/year (2020 forecast)
- On the basis of the going concern and with the benefit of existing leases in place as at the valuation date, a 5% discount rate and exit cap rate has been used to reach to the appropriate investment valuation.

Valuation Date

The valuation date is December 31st, 2019.

Fair Value (FV)

Assumptions: The valuation has been necessarily based on the assumptions that have been described throughout the report, as well as on the General Terms of Business for Valuations.
Fair Value: The Fair Value of the assets, on the basis of the information provided is:
Hotel Vincci Lys 4*:

€28,000,000

(Twenty-eight million euros),

The valuation date is December 31st, 2019.

Valuation Analysis: In accordance with local market practice in Spain, the property has been valued using the gross yields applied to net profit. Such yields gathered as for comparable evidence as well as whereby investment sales are normally analysed by dividing net income by the sales price. Therefore, non-recoverable expenses are deducted from the gross income, though have not added the buyers' costs to the sales price.
On the basis of a 5% Equated Yield the Fair Value is equivalent to:
Hotel (101 rooms): €277,228 / room

7.4.2 Hotel Vincci Mae

Valuation Considerations

- The asset is located in a prime area of Barcelona: on 596th Diagonal Avenue. Given the central location of the building, it benefits from high transit or tourists, coupled with a great deal of competition hotel-wise in the area of influence.
- The property houses a 4-star hotel comprising 85 rooms and a rental unit on the ground and basement floors.
- The hotel is currently leased to Vincci, which operates 85 rooms.

- According to data extracted from Spain's national Institute of Statistics (INE) the average occupancy rate of hotels in Barcelona in 2019 was 80% and the month with the highest occupancy rate was August (89.8%).
- The property was renovated recently and has been fully operational since November 2016.
- The weighted average unexpired lease term before the contact can be rescinded (WAULB) is approximately 6.90 years.
- In turn, the weighted average unexpired lease term (WAULT) is approximately 16.90 years.
- The total contracted rental income of the hotel is €1,213,918 p.a. (budget 2020).
- According to information provided by the Client, there is no forecast additional revenue for Variable Rent (« Turn Over Rent, TOR »).
- The following tables show the revenues and expenses associated with the asset during 2019, the net result of which amounts to €1,433,398.

Table 20: Economic Forecast

	2020	2021	2022	2023	2024
Hotel Vincci Mae	1,213.920	1,238,198	1,262,962	1,288,222	1,313,986
OYSHO	362,000	369,240	376,625	384,157	391,840
Gross Income	**1,575,920**	**1,607,438**	**1,639,587**	**1,672,379**	**1,705,826**
Less Expenses	142,520	145,370	148,278	151,243	154,268
NOI (Net Revenue)	**1,433,400**	**1,462,068**	**1,491,309**	**1.521,136**	**1,551,558**

Table 21: Quarterly Forecast 2020e

	Q1	Q2	Q3	Q4	2020
Hotel Vincci Mae	303,480	303,480	303,480	303,480	1,213,920
Retail Space	90,000	90,000	90,000	92,000	362,000
Gross Income	**393,480**	**393,480**	**393,480**	**395,480**	**1,575,920**
Insurance	0	0	0	18,612	18,612
Property Tax (IBI)	30,977	30,977	30,977	30,977	123,908
Expenses	**30,977**	**30,977**	**30,977**	**49,589**	**142,520**
NOI (Net Revenue)	**362,503**	**362,503**	**362,503**	**345,891**	**1,433,400**

Source: Knight Frank

- Aggregate outgoings as for insurance premium amount to €18,612 p.a. (2020 forecast).
- The total Property Tax (IBI) charge for the building is €123,908/year (2020 forecast, repressing 5.4% up from the previous 2019 valuation).
- The Equivalent Yield for the different uses is 4.8% and 3.0% for the Hotel and Retail unit respectively.

Valuation Date

The valuation date is December 31st, 2019.

Fair Value (FV)

Assumptions: The valuation has been necessarily based on the assumptions that have been described throughout the report, as well as on the General Terms of Business for Valuations.
Fair Value: The Fair Value of the assets, on the basis of the information provided is:
€40,200,000

(Forty million, two hundred thousand euros),

which is divided in the following way.

Hotel Vincci Mae: €25,300,000 (Twenty five million, three hundred thousand euros)

Retail Unit (Oysho): €14,900,000 (Fourteen million, nine hundred thousand euros)

Valuation Analysis: In accordance with local market practice in Spain, the property has been valued using the gross yields applied to net profit. Such yields gathered as for comparable evidence as well as whereby investment sales are normally analysed by dividing net income by the sales price. Therefore, non-recoverable expenses are deducted from the gross income, though have not added the buyers' costs to the sales price.

On the basis of a 4.80% and 3.00% Equivalent Yields for the Hotel and Rental Units respectively, the Fair Value is equivalent to:
Hotel (101 rooms): €297,647 / room
Retail Unit: €28,910 / sqm (rounded)

7.4.3 Hotel Vincci Gala

Valuation Considerations

- The asset is located in a prime area of Barcelona: on 32nd Ronda Sant Pere St. very close to Plaza de Cataluña. Given the central location of the building, it benefits from high transit or tourists, coupled with a great deal of competition hotel-wise in the area of influence.
- The property houses a 4-star hotel comprising 48 rooms spread over 7 floors. There two rental units on the ground floor.
- The hotel is currently leased to Vincci, which operates the 78 rooms.
- According to data extracted from Spain's national Institute of Statistics (INE), the average occupancy rate of hotels in Barcelona in 2019 was 80% and the month with the highest occupancy rate was August (89.8%).
- The property was renovated recently (2014). In addition, a licence has been requested from the Town Hall to build a swimming pool on the roof of the building yet at the valuation date pending the granting of the building permit.
- The weighted average unexpired lease term before the contact can be rescinded (WAULB) is approximately 13.6 years.
- In turn, the weighted average unexpired lease term (WAULT) is approximately 23.4 years.
- The total contracted rental income of the hotel is €1,141,193 p.a.
- The rental income of the retail units are as follows: Retail Unit 1 (Euro Activ): €36,723 p.a. and Retail Unit 2 (Former Luis Pascual) : will be €18,000 p.a.

- According to information provided by the Company, there is no forecast additional revenue for Variable Rent (« Turn Over Rent, TOR »).
- The following tables show the revenues and expenses associated with the asset during 2019, the net result of which amounts to €1,091,917.

Table 22: Economic Forecast

	2020	2021	2022	2023	2024
Vincci Gala Hotel	1,141,193	1,183,907	1,207,585	1,231,737	1,256,371
Euro Activ	36,723	37,457	38,207	38,971	39,750
Former Luis Pascual	18,000	55,080	56,182	57,305	58,451
Gross Income	**1,195,916**	**1,276,444**	**1,301,974**	**1,328,013**	**1,354,572**
Less Expenses	103,999	106,079	108,201	110,365	112,572
NOI (Net Revenue)	**1,091,917**	**1,170,365**	**1,193,773**	**1,217,648**	**1,242,000**

Source: Knight Frank

Table 23: Quarterly Forecast 2020e

	Q1	Q2	Q3	Q4	2020
Vincci Gala Hotel	280,423	280,423	290,173	290,173	1,141,192
Euro Activ	9,181	9,181	9,181	9,181	36,724
Former Luis Pascual	0	0	4,500	13,500	18,000
Gross Income	**289,604**	**289,604**	**303,854**	**312,854**	**1,195,916**
Less Expenses	15,413	0	0	0	15,413
Property Tax (IBI)	22,147	22,147	22,147	22,147	88,588
Expenses	**37,560**	**22,147**	**22,147**	**22,147**	**104,001**
NOI (Net Revenue)	**252,044**	**267,457**	**281,707**	**290,707**	**1091,915**

Source: Knight Frank

- Aggregate outgoings as for insurance premium amount to €15,413 p.a. (2020 forecast).
- The total Property Tax (IBI) charge for the building is €88,586/year (2020 forecast, repressing 1.7% up from the previous 2019 valuation).
- The Equivalent Yield for the different uses is 4.8% and 3.25% for the Hotel and Retail units respectively.

Valuation Date

The valuation date is December 31st, 2019.

Fair Value (FV)

Assumptions: The valuation has been necessarily based on the assumptions that have been described throughout the report, as well as on the General Terms of Business for Valuations.
Fair Value: The Fair Value of the assets, on the basis of the information provided is :
€27,200,000

(Twenty seven million, two hundred thousand euros),

which is divided in the following way.

Hotel Vincci Gala: €23,800,000 (Twenty three million, eight hundred thousand euros).

Retail Unit (Euro Activ & Former Luis Pascual): €3,400,000 (Three million, four hundred thousand euros).

Valuation Analysis: In accordance with local market practice in Spain, the property has been valued using the gross yields applied to net profit. Such yields gathered as for comparable evidence as well as whereby investment sales are normally analysed by dividing net income by the sales price. Therefore, non-recoverable expenses are deducted from the gross income, though have not added the buyers' costs to the sales price.
On the basis of a 4.80% and 3.25% Equivalent Yields for the Hotel and Rental Units respectively, the Fair Value is equivalent to:
Hotel (101 rooms): €305,128 / room
Retail Units (on aggregated & area adjusted): €8,468 / sqm.

7.4.4 Tourist Apartments, Hostel & Flat Valuation Considerations

- The asset is located in a prime area of Barcelona: on Paseo de Gracia very close to Avenida Diagonal. Given the central location of the building, it benefits from high transit or tourists, coupled with a great deal of competition hotel-wise in the area of influence.
- The property comprises a 16 touristic housing (one unlicensed), 9 hostel rooms with capacity for 18 places, 2 retail premises on the ground floor and basement, and one home leased to a private tenant.
- According to data extracted from Spain's national Institute of Statistics (INE), the average occupancy rate of hotels in Barcelona in 2019 was 80% and the month with the highest occupancy rate was August (89.8%).
- The property was entirely renovated recently (2014). It is protected by urban planning Level C and so the façade must be maintained.
- The tenants of the assets are:
  - Be Mate Community España S.A.U. (touristic housing and hostel)
  - Private Tenant
  - Retail Unit 1
  - Retail Unit 2
- The lease contract with the operator Be Mate include the 16-touristic housing and 9 rooms that belong to the hostel but excludes the home that is let to a private tenant. Since 1 out of 16 apartments lacks operational license, the total touristic housing for valuation purposes has been gathered as 15 apartments and 9 rooms.
- The weighted average unexpired lease term before the contact can be rescinded (WAULB) is approximately 3.8 years.

- In turn, the weighted average unexpired lease term (WAULT) is approximately 9 years.
- The total contracted rental income for tourists and apartments for 2020 is €550,000 for guaranteed minimum rent and an annual variable rent estimated at €100,000 for 2020, which amounts to €650,000 per year, plus VAT, at a rate of €54,166.66 / month.
- The rent that is accrued for the two retail premises amounts to €15,000/month, which shall be updated annually in line with CPI. The first two years will involve a ramp up, and so the rent will amount to €13,000/month in the first year and to €14,00/month in the second year. As at the valuation date, the latter amount is approximately €87,250 p.a. (VAT excluded) for each unit.
- The total contracted rental income, passing over the private tenant, is €603.88/month, or €7,247 p.a.
- According to information provided by the Company, there is no forecast additional revenue for Variable Rent (« Turn Over Rent, TOR »).
- The following tables show the revenues and expenses associated with the asset during 2019, the net result of which amounts to €802,742.

Table 24: Economic Forecast

	2020	2021	2022	2023	2024
Be Mate Community	650,000	663,000	676,260	689,785	703,581
Monserrat Gil	7,248	7,392	7,540	7,691	7,844
Retail Space Aspen Project	87,250	88,995	90,775	92,590	94,442
Retail Space SUNI	87,250	88,995	90,775	92,590	94,442
Gross Income	**831,748**	**848,382**	**865,350**	**882,656**	**900,309**
Less Expenses	29,004	29,584	30,176	30,779	31,395
NOI (Net Revenue)	**802,744**	**818,798**	**835,174**	**851,877**	**868,914**

Source: Knight Frank

Table 25: Quarterly Forecast 2020e

	Q1	Q2	Q3	Q4	2020
Be Mate Community	187,500	137,500	187,500	137,500	650,000
Monserrat Gil	1,812	1,812	1,812	1,812	7,248
Retail Space Aspen Project	21,000	21,250	22,500	22,500	87,250
Retail Space SUNI	21,000	21,250	22,500	22,500	87,250
Gross Income	**231,312**	**181,812**	**234,312**	**184,312**	**831,748**
Insurance		12,104			12,104
Property Tax (IBI)	4,225	4,225	4,225	4,225	16,900
Expenses	**4,225**	**16,329**	**4,225**	**4,225**	**29,004**
NOI (Net Revenue)	**227,087**	**165,483**	**230,087**	**180,087**	**802,744**

Source: Knight Frank

- Aggregate outgoings as for insurance premium amount to €12,104 p.a. (2020 forecast).
- The total Property Tax (IBI) charge for the building is €19,600/year (2020 forecast, representing a 20% increase from the previous 2018 valuation).

- The Equivalent Yield for the different uses is 5.75%, 4.00% and 2.90% for the Touristic Housing and Hostel, Home leased to a private tenant and Retail units on the ground floor respectively.

Valuation Date

The valuation date is December 31st, 2019.

Fair Value (FV)

Assumptions: The valuation has been necessarily based on the assumptions that have been described throughout the report, as well as on the General Terms of Business for Valuations.

Fair Value: The Fair Value of the assets, on the basis of the information provided is: **€18,650,000.**

(Eighteen Million, Six Hundred Fifty Thousand Euros),

which is divided in the following way:

Touristic Housing and Hostel: €11,300,000 (Eleven million, three hundred thousand euros).

Retail Units (1 and 2): €7,150,000 (Seven million, one hundred and fifty thousand euros).

Residential (3rd floor, 1st door): €180,000 (One hundred eighty thousand euros).

Valuation Analysis: In accordance with local market practice in Spain, the property has been valued using the gross yields applied to net profit. Such yields gathered as for comparable evidence as well as whereby investment sales are normally analysed by dividing net income by the sales price. Therefore, non-recoverable expenses are deducted from the gross income, though have not added the buyers' costs to the sales price.
On the basis of a 5.75%, 4.00% and 2.90% Equivalent Yields for the Touristic Housing and Hostel, Home leased to a private tenant, and Retail units on the ground floor, the Fair Value is equivalent to:
Touristic housing and hostel: €47,833 / room
Apartment rented to a private tenant: €3,569 /sqm
Retail Units on ground floor: €16,287 / sqm

7.4.5 Hotel Casino da Ponte

Valuation Considerations

- The asset is located in Gaia, next to the Louis I Pont, which was designed and built by August Eiffel in 1886. The project is built over an old wine cellar and a casino with panoramic views over the Douro river and towards the old part of Porto.
- The asset is an urban complex, called Casino Da Ponte, formed by 5 buildings, which have been refurbished, expanded and provided with all the amenities needed to develop a 4-star hotel with 92 rooms.

- The Hotel Casino da Ponte will open its doors and start operations in the first quarter of 2021.
- The average lease term will be 10 years from the first rental payment. This term will be extended by two successive periods of 5 years each.
- The total rent will be €15,500 per room/year, which result on a total gross rental income (GRI) of €1,426,000 per year.
- The rent will be revised every year after the first 18 months after the handling to Lusovincci hoteis. Each revision will use the Portuguese CPI as the benchmark. In case of a negative CPI in a given year, the rent will remain unchanged versus the previous year.
- According to RSR, there are no additional revenues expected from a Turn-Over-Rate (TOR).

Table 26: Quarterly Forecast 2021e

	Q1	Q2	Q3	Q4	2020
Rent	356,500	356,500	356,500	356,500	1,426,000
Gross Income	**356,500**	**356,500**	**356,500**	**356,500**	**1,426,000**
Insurance		20,000			20,000
Property Tax	0	0	0	0	0
Expenses	**0**	**20,000**	**0**	**0**	**20,000**
NOI (Net Revenue)	**356,500**	**336,500**	**356,500**	**356,500**	**1,406,000**

Source: Knight Frank

Valuation Date

The valuation date is June 22nd, 2020.

Fair Value (FV)

Assumptions: The valuation has been calculated under the assumption that there is not a second outbreak from Covid-19, which could lead to another round of restrictions in mobility domestically and internationally.

Fair Value: The Fair Value of the assets, on the basis of the preliminary information provided is within a range of **€28,000,000 - €29,000,000 (Twenty Eight Million – Twenty Nine Million).**

8. FINANCIAL INFOMATION FOR THE FISCAL YEARS ENDE 2019

The financial statements set out in this Information Document have been prepared in accordance with accounting principles of Spanish GAAP (General Accounting Plan, PGC), and the selected financial data included have been derived from the audited consolidated financial statements for the financial years ended in December 31st, 2018, contained in the respective annual financial reports, so they should be read in conjunction with the financial statements and notes included therein.

The Spanish language consolidated financial statements have been audited by Price Waterhouse Coopers.

The consolidated financial statements (including the report on such financial years) are available on the Company's website : http://rsrsingularsocimi.com.

The selected financial data of the consolidated financial statements included in this Information Document have been translated into English from the Spanish version, and their content appears for information purposes. In case of any discrepancies, the Spanish version shall prevail.

The financial statements at December 31st, 2019 together with the auditors' report are attached as Appendix I.

8.1. Balance sheets for the fiscal year of December 31st, 2019

Table 27: Assets

	31/12/2019	31/12/2018	%
ASSETS	€104,472,201	€58,191,250	44,30%
FIXED ASSETS	**€98,227,617**	**€54,544,801**	**44,47%**
Intangible fixed assets	€ 447,551	€ 547,051	-22,23%
Tangible fixed assets	€2,111,599	€2,016,054	4,52%
Investment property	€72,594,145	€50,852,254	29,95%
Long-term investment in group and associated companies	€22,000,500	-	-
Long-term financial investment	€ 107,749	€ 109,369	-1,50%
Assets by deferred tax	€ 930,073	€ 930,073	0,00%
CURRENT ASSETS	**€6,244,584**	**€3,646,449**	**41,61%**
Trade and other receivables	€1,664,398	€1,030,335	38,10%
Cash and other equivalent liquid assets	€4,436,246	€2,615,784	41,04%

Source: RSR auditor's report by PwC.

Table 28: Net Assets and Liabilities

	31/12/2019	31/12/2018	%
NET ASSETS AND LIABILITIES	€104,472,201	€58,191,250	44,30%
SHAREHOLDER'S EQUITY	**€26,440,433**	**€15,921,142**	**39,78%**
Share capital	€7,500,000	€7,500,000	0,00%
Issue premium	€3,500,00	€3,500,000	0,00%
Reserves	€9,211,970	€9,211,000	0,01%
Result of previous years	€-4,290,828	€-3,009,757	29,86%
Other members' shares	€12,000,000	-	-
Result of the fiscal year	€-1,480,709	€-1,281,071	13,48%
NON-CURRENT LIABILITIES	**€75,539,554**	**€40,049,010**	**46,98%**
Long-term debt	€44,114,420	€8,541,420	80,64%
Long-term debt with group associated companies	€31,425,134	€31,534,590	-0,35%
CURRENT LIABILITIES	**€2,492,214**	**€2,221,098**	**10,88%**
Short-term debt	€ 797,373	€ 898,533	-12,69%
Short-term debt with group associated companies	€1,059,577	€1,024,269	3,33%
Trade and other payables	€ 635,264	€ 298,269	53,05%

Source: RSR auditor's report by PwC.

8.2. Income statement at December 31st, 2019

Table 29: Profit and Loss

PROFIT & LOSS	12/31/2019	12/31/2018	%
Net turnover	€4,502,864	€ 908,889	79,82%
Personnel expenses	-€ 38,927	-€ 9,239	76,27%
Other operationg expenses	€-2,231,247	€-1,018,221	54,37%
Depreciation of the fixed assets	€-2,032,988	-€ 495,380	75,63%
Other result	€ 122,313	-€ 14	99,99%
OPERATING RESULT	**€ 322,015**	**-€ 613,965**	**290,66%**
Financial income	€ 11,142	-	
Financial expenses	€-1,813,866	-€ 666,935	63,23%
FINANCIAL RESULT	**€-1,802,724**	**-€ 666,935**	**63,00%**
RESULT OF THE FINANCIAL YEAR	**€-1,480,709**	**€-1,281,071**	**13,48%**

Source: RSR auditor's report by PwC.

8.3. Principles, rules and accounting methods

The consolidated annual accounts are prepared using the accounting records of Spanish GAAP (General Accounting Plan, PGC) and the subsidiaries and include the adjustments and reclassifications required for temporary and evaluative homogenisation with the accounting criteria set out by the group.

These accounts are presented in accordance with current commercial legislation, set out in the reformed Commercial Code in accordance with Law 16/2007 of July 4th, 2007 concerning the reform and adaptation of the commercial legislation in terms of accounting for its international harmonisation based on European Union legislation, Royal Decree 1514/2007 of November 16th, 2007 approving the General Accounting Plan, and Royal Decree 1159/2010 of September 17th, 2010 approving the standards for the preparation of annual accounts, in all that does not expressly oppose that set out in the commercial reform mentioned with the aim of presenting a true image of the equity, financial situation and results of the group as well as the accuracy of the cash flows included in the cash flow statement.

8.4. Scheduled date for first publication of earnings figures

The scheduled date for the first publication of the Company's earnings figures following the listing admission will be June 30th, 2021.

9. LISTING SPONSOR

RSR Singular Assets Europe designed PMS Asesores Registrados, S.L. (hereinafter, Fellow Funders Capital Markets) as a Listing Sponsor in other to lead the incorporation to Euronext Access of the Issuer.

It was authorized by the Euronext Listing Board on February 7th, 2019.

PMS is domiciled in “Avenida de la Victoria”, 55 (28023), Madrid-SPAIN, registered in the Mercantile Registry, with Identification Code: B-88122825.

It is represented in this operation by Mr. Mariano Colmenar, Managing Partner and Chief Executive Officer of the firm.

Fellow Funders Capital Markets is represented by a multidisciplinary team of professionals with high experience in security issuance and overall capital markets activities both in public as well as in private markets.

No other consultants concur in the incorporation process or in the preparation of this information document.