



Business Plan



August, 2016



1. Company Description

2. The Properties

3. Industry and Market

4. Business Plan

5. Key Financial Figures

6. Convertible Loan Note



- **Obsido SOCIMI, S.A.** (here in after **OBSIDO** or the **Company**) is a property investment Company (REIT), focussing on the ownership of hotel assets in the main Spanish touristic áreas. The assets will be rented either to well-known hotel chains or hotel management companies specializing in the locations and asset types invested in by OBSIDO.
- **OBSIDO** is a company **listed** on the MAB, the small caps Spanish stock exchange. The shareholders are mainly Spanish and Norwegian.
- The **Company's projects** offer investors the opportunity to obtain a minimum return guaranteed by leasing contracts and participation in the capital gains achieved through continous development of the properties and favourable acquisitions.
- The **hotels** are carefully chosen for their location and potential for profitability and capital appreciation in the medium and long term.
- The Company will continue its **growth** through the purchase of additional hotels based on the management team's experience in the hotel sector, exploiting the numerous opportunities available in the market.

What's a SOCIMI



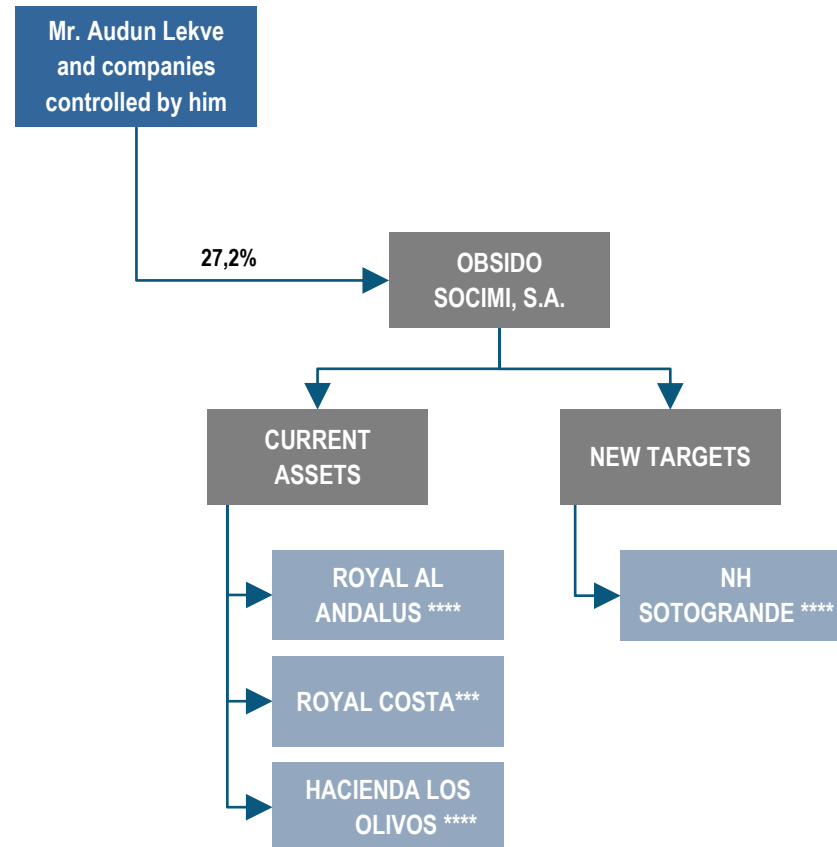
- **SOCIMI** is an acronym meaning SOCIEDADES COTIZADAS DE INVERSIÓN EN EL MERCADO INMOBILIARIO. It is the equivalent to a Real Estate Investment Trust (REIT).
- SOCIMIs are quoted on the major exchange markets and invest in real estate directly or indirectly. As REITs they receive special tax considerations and typically offer investors high yields, as well as offering a liquid method of investing in real estate. Their revenues come principally from the property rental income generated by the owned assets.
- SOCIMI's / REIT's basic **requirements**:
 - Minimum share capital: 5 €Million
 - Minimum number of properties: One
 - Mandatory trading on regulated markets or multi-lateral trading systems (i.e. MAB)
 - At least 80% of their assets must be leasable urban properties, or development of leasable urban properties or shares of other SOCIMIs
 - Income obtained from qualifying assets must represent at least 80% of the total income of the company every year.
 - Mandatory distribution of dividends: 80% of the earnings obtained from leases, 50% of the earnings obtained from sales of its assets (except reinvestment), 100% of the dividends obtained from other SOCIMI/REITs
 - Property assets must be leased for at least three years (1 year lease available)
 - No debt restrictions apply



Organization



- OBSIDO initial **promoters** were Mr. Joaquín Hinojosa (Spain) and Mr. Hakan Tollefsen (Norway). Afterwards, they invited external investors to join the company, making a total of 66 minority shareholders.
- Recently, Mr. Joaquin Hinojosa and Håkan Tollefsen left the company and **Mr. Audun Lekve** and companies controlled by him has taken a substantial stake.
- Currently OBSIDO owns the 1st priority mortgages on the three hotels of **Royal Gropup**, with:
 - **Al Andalus** and **Costa** at Torremolinos
 - **Hacienda Los Olivos** at Murcia
- OBSIDO has a very attractive pipe line with the following targets expected to close soon:
 - **NH Sotogrande** at Sotogrande



The Team – Project Leaders



Mr. Sergio Pérez Conejo

Mr. Sergio Pérez Conejo is a Registered Lawyer of the Málaga Law Society, he has developed his career since 2000, advising his clients in Real Estate Investments along the Spanish Mediterranean Coasts.

In 2011, as COO of a Rent a car Company, he took care of the process of listing it on the OTCBB index in New York Stock Exchange.

He joined the Obsido Group in 2015..



Mr. Audun Lekve

Mr. Audun Lekve is an experienced chief executive and business developer, with a proven track record in working in both smaller and larger organizations. He has vast international experience and ability to negotiate and complete complicated deal structures and develop businesses on a strategic international scale.

He is managing partner of Red Hot Associates, a consultancy company providing business development, marketing, sales and international distribution development to the hospitality sector in Europe. He has worked for hotel worldwide leaders, such as Hilton, Marriot, Wyndham, Raffles, being involved in several buy and sell operations as well as several development and turn-around projects.

He joined the OBSIDO Socimi in 2016



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- **Location:** The Royal Al-Andalus is located in Torremolinos centre, separated from the beach (300 meters) only by the main street. The hotel enjoys an elevated position offering most of the rooms elegant sea views. In this area there are numerous shops, stores, restaurants, snack bars and other leisure based activities.
- **Style:** L shaped building, surrounded by beautiful gardens that invites guests to enjoy the open and natural spaces.
- **Category:** 4* hotel. The Royal Al-Andalus is a typical mid-market tour operator hotel with all the amenities, restaurants, bars, swimming pools etc. required to be attractive to the larger international tour operators
- **Rating:**

Tripadvisor:	3.3 / 5.0
Booking:	7.0 / 10.0
- **Rooms:** the hotel is composed of 2 blocks, holding 200 rooms, with views toward the mountains or the swimming pool. All the rooms are fully air conditioned, with satellite tv and a private terrace.
- **Facilities:** The Royal Al-Andalus is surrounded by beautiful gardens. The hotel has a big restaurant and a snack bar by the swimming pool. There is also free parking at the hotel.
- **Maintenance and Upgrade:** The hotel is in a well kept condition and the management of Obsido does not expect to make any major investments prior to taking over operations.

2. The Properties

Royal Costa ***



- **Location:** Hotel Royal Costa is located on the east side of Torremolinos approx. 5 minutes away from the airport in Malaga. It is just a short walk from the beach and from Torremolinos centre.
- **Style:** Y-shaped building organized in a ground floor + 6 levels, surrounded by tropical gardens and a swimming pool. The hotel is seasonal, being open 8 months a year
- **Category:** 3* hotel. The Royal Costa is the typical mid-market tour operator hotel with all the amenities, restaurants, bars, swimming pools etc. required to be attractive to the larger international tour operators
- **Rating:**

Tripadvisor:	3.4 / 5.0
Booking:	6.6 / 10.0
- **Rooms:** This hotel has 186 bright and spacious double rooms and family rooms and 3 junior suites. All rooms with modern and colorful decor, have air conditioning, good soundproofing, satellite TV, bathroom and terrace overlooking the sea or gardens.
- **Facilities:** The hotel has a self-service restaurant. In the outdoor complex is a swimming pool with children's pool, a playground, a snack bar and sun terrace with hammocks and parasols
- **Maintenance and Upgrade:** Complete renovation was undertaken in 2006. The management of Obsido does not expect to make any major investments prior to taking over operations.





- **Location:** In the heart of the region of Murcia, a few minutes from the center of Lorca
- **Style:** Extensive Boutique Hotel surrounded by 10,000m² of gardens; an oasis of peace for leisure and relaxation. Built in 2006, its unique architecture is inspired by the ancient American missions of the Spanish colonial era, evoking the charm of the seventeenth and eighteenth centuries. Its interior with wooden beamed ceilings, antiques and rustic furniture create a magical atmosphere.
- **Category:** 4* hotel
- **Rating:**

Tripadvisor:	n/a
Booking:	9.0 / 10.0
- **Rooms:** The hotel has 18 rooms: 8 double rooms, 7 Junior Suites, 2 Suites and a Presidential Suite.
- **Facilities:** 10,000m² landscaped gardens, outdoor swimming pool, restaurant, cafeteria, parking and common areas.
- **Maintenance and Upgrade:** . The management of Obsido does not expect to make any further investments prior to taking over operations.



- **Location:** Hotel NH Sotogrande (to be renamed OH Sotogrande) is located in Sotogrande, on the north side of the main coastal highway. It is at the entrance of the area that is defined by Valderama Golf Club, San Roque and Almenara Golf Clubs. The hotel is ideally located for guests who want to be in close vicinity to some of the best golf courses on the coast.
- **Style:** All in all the hotel presents itself as modern and spacious.
- **Category:** 4* hotel. The hotel is the only 4 star hotel in the area.
- **Rating:**

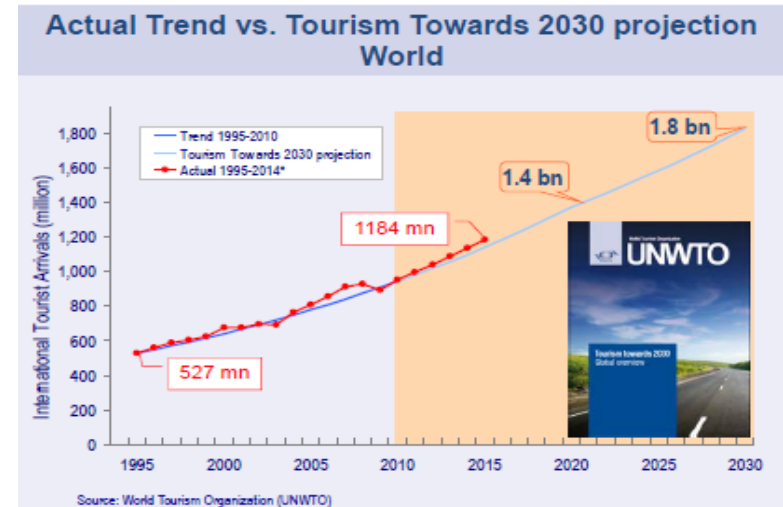
Tripadvisor:	4.1 / 5.0
Booking:	8.2 / 10.0
- **Rooms:** The hotel count totals 106 rooms.
- **Facilities:** The hotel is a low slung building with the reception, restaurants and the communal areas in the middle and two wings with hotel rooms on the first and the ground floor. The hotel benefits from large communal areas that allows several alternative concepts to be developed in the hotel. It has two medium sized conference rooms ideal for receiving and greeting tour groups and a large car parking space outdoors. The outdoor pool area is substantial and is well kept.
- **Deal situation.** This hotel is currently under offer.
- **Maintenance and Upgrade:** . There would be a need to repair ten of the rooms in the hotel that suffer from water damage. The total cost is estimated at €250,000 for the repair. Apart from this particular issue the hotel is well maintained and does not require further investments.



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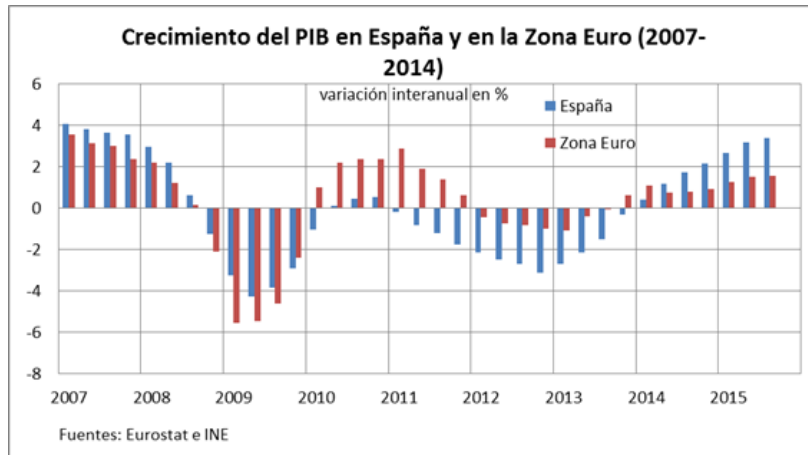
Hotel industry in the Spanish economy:

- Currently, Spain is one of the strongest touristic powers in the world, both because of the number of tourists it receives and because of the revenues this sector provides. This activity is of vital importance to Spain, where it represents approximately 10% of its GDP.
- The tourism model established in Spain has as principal characteristics its large international tourist market, its mass tourism condition and its demand for beach and sun. Its greater tourist affluence appears during the summer season (months July to September), time of the year which characterises Spain as being one of the preferred holiday locations.
- Contrary to the latest trends, the Spanish hotel industry seems to be recovering after the financial crisis thanks to the growth in international tourist arrivals and in the national market stability due to positive economic forecasts. The stable political climate and the relative absense of terrorists treats is adding to the country's appeal.



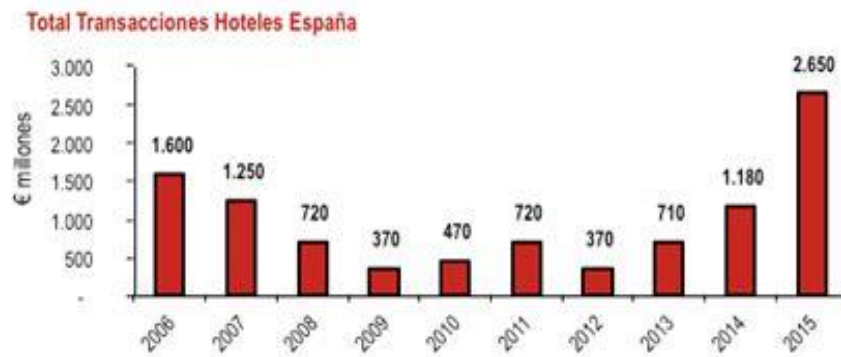
International Tourist Arrivals					
Rank	Country	Million		Change (%)	
		2013	2014*	13-dic	14*/13
1	France	83,6	83,7	2,0%	0,1%
2	US	70	74,8	5,0%	6,8%
3	Spain	60,7	65	5,6%	7,1%
4	China	55,7	55,6	-3,5%	-0,1%
5	Italy	47,7	48,6	2,9%	1,8%
6	Turkey	37,8	39,8	5,9%	5,3%
7	Germany	31,5	33	3,7%	4,6%
8	UK	31,1	32,6	6,1%	5,0%
9	Russian Fed.	28,4	29,8	10,2%	5,3%
10	Mexico	24,2	29,1	3,2%	20,5%

Source: UNWTO 2015 Tourist Highlights



Smart Capital Invest in Spain

- The Spanish economy has bottomed out and is subject to a sustainable recovery. The GDP has grown between 2 – 3% the last 2 years and a 3.2% is expected for 2016.
- The Spanish government bond yields have almost halved in less than one year (back to normal levels)
- Unemployment has peaked and declined for 3 consecutive years and exports in Spain are growing sharply
- There are great opportunities in different sectors, some of them Real Estate and Tourism.
- Attractive pricing of apartments, buildings and other assets in a market that has fallen nearly 50 % since the peak of the cycle in 2007.
- Signs that prices in the market bottomed out with increased international interest in Marbella, Costa del Sol and other touristic Spanish zones.



A perfect mix of Infrastructures and climate

- **CONNECTIONS:** Year after year record breaking numbers of tourists arrive to the 47 airports in which 250 airlines operate – Malaga airport received over 13 million visitors last year and the cruise terminal over 1 million passengers.
- **CLIMATE** - 320 days of registered sunshine per year and the mildest winters in Europe
- Spain is the country with the largest number of blue flag beaches: 648
- 2nd tourist destination in the world by revenue and 3rd by number of International tourist arrivals.

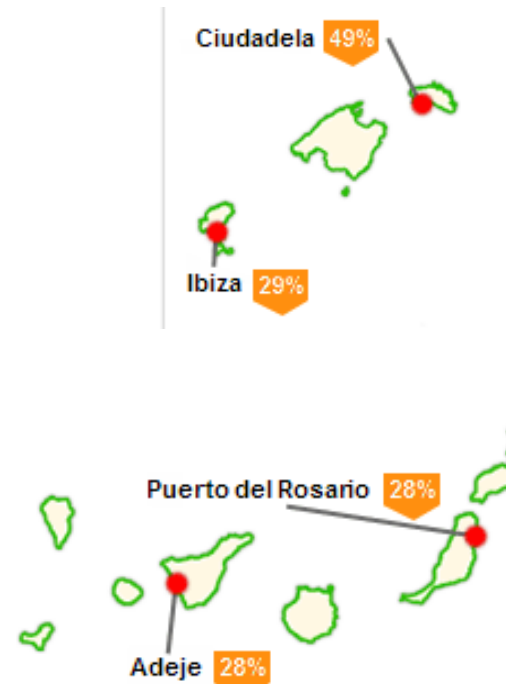


Market % price adjustment in Southeastern Spain and Spanish Islands

- Significant discounts after price adjustments due to over supply
- Prices have stabilized, demand is on the rise again and property is available at prices that have been unseen for nearly two decades
- The economic crisis in Spain will continue for some time but in niche markets, like ours, the signals of recovery are attracting investors once again



Price drop from the peak





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Company Vision and Goals



VISION

OBSIDO's management has identified the Spanish Property Market related to the tourism industry as being very attractive and interesting, with numerous distressed projects, hotels and resorts across the main Spanish tourist areas becoming available for acquisitions. Many of which can become high margin products and offer very good investment returns.

MISSION

OBSIDO will bring shareholders value by acquiring a selection of distressed properties and underperforming projects with room for creating and unlocking value, turning this into a profitable business. At the same time, OBSIDO will contribute to the improvement and development of quality tourism in Spain

GOALS

The objective in the short and medium term of 3 to 4 years is to continue to grow the company through the acquisition of new hotels, in the Costa del Sol and new destinations, such as the Canary Islands, the Balearic Islands and the Eastern Spain region.

For that purpose the company may issue new capital for new projects progressively as needed, targeting retail investors and key investors. To this end, the company already has pre-agreements with various underwriters that will allow him to continue raising funds for such growth.

OBSIDO Business Model



OBSIDO's business model is based on the **acquisition** of distressed hotel assets, refurbishment when necessary and **leasing** of the same to the most appropriate operator, according to a criteria of optimal repositioning.

The company's operational revenues will derive from these **lease contracts**.

The type of assets to be acquired include hotels and resorts, where the current owners have funding problems, operational issues or other types of distress, The company will also make direct purchases from financial institutions and other distressed sellers.



Property
acquisition



Lease
Contract





Company Management

- **New management team** and New Board with experience from hotel industry as well as from listed companies
- **Optimize acquisition** and refurbishing investment revenue at property level

- Attractive hotels and good locations
- Lease to expert operators in the most appropriate activities for each hotel and location
- All lease contracts will be built around the same principles: long term lease, with most of the lease being fixed and minimal operational risk for OBSIDO

- Acquisition of Al-Andalus and NH Sotogrande
- Raise additional equity in the region of €8 million
- Re-finance the mortgages of the hotel portfolio
- Co-list the Company in the Oslo Merkur Market, scheduled for Oct 2016
- Acquire further properties currently in the pipeline

Company Management Changes



- Mr. Audun Lekve was appointed the CEO from 1st July. He has relevant hotel investment experience.
- The new board consists of Mr. Sergio Perez as the Chairman, Mr. Audun Lekve as the company CEO and secretary. Mr. Håkan Tollefsen will continue in his position as a Board Member. The board will be supplemented with two new members from the shareholders in the next couple of months.
- Continue the acquisition of hotel properties that will be accretive to the net asset value of the company.
- Appoint new accountant/finance director.
- Revue of all the company's external advisors and control the commercial terms of these relationships.



Current Projects



- In June 26th, 2016 OBSIDO acquired **Royal Group's** 1st priority debt of 3 hotels.
- 2 hotels in Torremolinos: Royal Al-Andalus and Royal Plaza (389 rooms in total) and 1 hotel in Murcia: Hacienda Los Olivos (18 rooms).
- All of them are very attractive hotels in excellent locations. The 18-room hotel benefits from a high level of F&B and is particularly suited for the wedding and MICE market.
- OBSIDO expects to take over operation of the hotels in the fall of 2017. Currently there are discussions with several operators. OBSIDO is planning to have an international operator in place to manage the hotels from the day the full proprietary ownership is taken over.
- The hotels are already open. Upgrades and maintenance will be made during the 2017/2018 winter.
- Market value estimated at €35 million.
- Purchase price of €12 million (100% financed).
- Estimated pre-opening expenses: €1 million.
- Implied value increase per share equal to €14,23, reaching €19,23 per share.



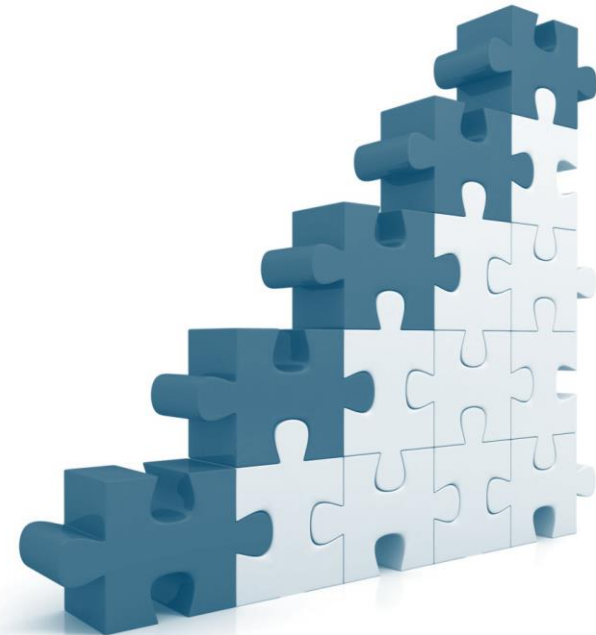
Hacienda Real
* * * * LOS OLIVOS



Pipe-line – New Projects



- Acquisition of **NH Sotogrande** (106 rooms). Purchase price of €5 million. Market value estimated at €9,4 million. Purchase to be financed partly from mortgage loan of € 4 million. Value increase per share equal to €2.34 reaching €21.57 per share.
- Commence immediate work on **raising €3 million**, which has already been approved by the AGM in 2015. This funds used to cover short term debts and cost of acquisitions. The AGM 30th June 2016 gave the management the approval to raise further equity capital in region of €5-6 million to finance further expansion and acquisition of new hotels.
- OBSIDO intends to **refinance the mortgages** on all hotels. Expected new mortgage level at 60% of market value. €34 million will release further €18 million in free cash.
- The management has entered a dialogue with a Norwegian Investment bank to assist with a **co-listing of the share in Oslo**. This will provide more interest and activity in the share from the Norwegian shareholders, whilst facilitating raising further capital in the future.
- Conversion of debt and settlement of short term debts to the tune of approx €1,600,000.
- Acquire **further properties** from the Pipeline, which currently consists of approx. 6 hotels.





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YOSO Share' Track

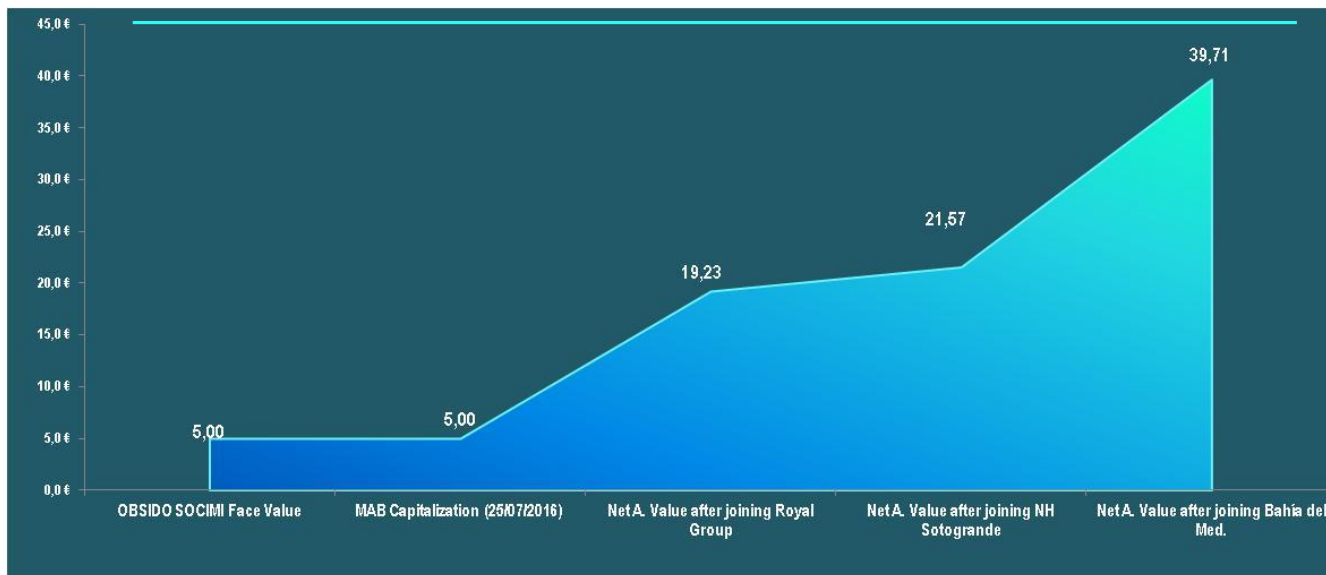


Nombre valor OBSIDO		
Ticker YOSO	ISIN ES0105074001	NIF A-93356327
Capital en circulación 5.512.930,00 Euros	Acciones en circulación 1.102.586	Nominal 5 Euros
Contratación Fixing	Proveedor de Liquidez BEKA FINANCE, S.V., S.A	
Asesor Registrado GVC GAESCO VALORES, S.V., S.A.		
Auditor GIMENO AUDITORES, S.L.P		
Domicilio AVD. DE LAS CUMBRES S/N S/N, 29604 MARBELLA		
Contacto Info@obsido.com		



- OBSIDO' share was accepted to the MAB market September the 4th, 2015. The price was at the top of range provided by the valuation report issued by the Authorized Advisor ARMABEX.
- Due to lack of liquidity, limited news and no new initiatives from the company, the share price went down to 5.00€ per share. Small transactions drove the share price to this level well below the current Company Net Assets Value provided by the independent valuer at the placement.
- From now on, the renewed and updated business plan will be implemented by the new management team supported by the old and new shareholders.
- A new Registered Advisor has been appointed, GVC GAESCO VALORES SV, S.A.
- A new Liquidity Provider has been appointed, BEKA FINANCE, SV, S.A.

YOSO Share Forecast



- According to the net value of the current assets, the value of the OBSIDO share should be 21.57€ .
- The management expect the value to rise in short term, when the Investor Relationship Plan is finished and a regular flow of news to the market recover the investors interest following a well defined acquisition and repositioning assets strategy.
- Since OBSIDO started trading at the MAB, the Company has actively been searching new opportunities and some of them are now ready to be incorporated in the company. The purchase of the Royal Group first priority debt has been signed recently. After this acquisition, the expected net asset value per share should rise to 19.23€, and after the NH Sotogrande it will be 21.57€

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Convertible Loan Note Terms



- Loan amount: Minimum €1 million, maximum €3 million (tranches of €10,000)
- Loan type: Convertible Loan Note
- Subscription date: 10th December 2016
- Drawdown: 15th December 2016
- Repayment date: 15th April 2016.
- Interest: 10% per annum.
- Repayment conditions: Full repayment on the repayment date with a right to convert into shares. Conversion to shares is a mutual option for both lender and borrower. Both parties may call for conversion.
- Conversion conditions: The loan conversion will be done at share price of €5.
- Jurisdiction: Spanish law.