



INVESTMENT ANALYSIS AND RATING  
ASSIGNMENT OF THE MONCADA  
PROJECT

SILVA & ASOCIADOS, ASESORES FINANCIEROS, S.A.

July 20, 2020

### DOCUMENT'S OBJECTIVE

Investment analysis and rating assignment for the 10 apartments and 5 parking spaces construction Project, published in Housers website under the name of MOCADA.

### NATURE AND SCOPE OF OUR SERVICES

Project investment analysis based on the information provided on the main business plan's parameters, the market situation and the risk rating assignment through a standardized system (scoring) aimed at taking an investment decision.

Our work has been based on unaudited information provided by HOUSERS who receives the information from the Project developer. We want to underline that we didn't make any verification on our own, neither Audit, nor review, nor evaluation of the accounting, fiscal, legal, labour and environmental situation of the development loan Project object of this analysis. We assumed that the information we received was exhaustive and precise. Therefore, the possible risks that could occur, have not been taking into consideration in the analysis we made.

To carry out our work we have used information obtained by public sources and we assumed that it is fair and true, although we cannot guarantee the non-existence of any errors.

The information contained in the business plan fully belongs to the Project developer, although, for the purpose of our work, we have globally contrasted its coherence. We also want to point out that the Business Plan shouldn't be used in order to make an opinion about the whole Project, therefore, we avoid any responsibilities of any possible errors that could have an impact on the results of our work.

### AUTONOMY

Silva & Asociados notes that the information contained in this document is independent and should not be used as a recommendation for those that want to invest.

This investment analysis has been made exclusively to provide Housers and its users with an independent opinion on the project which is the only purpose of our work and, therefore, another use of this document is not permitted without our prior consent.

### CONFIDENTIALITY

Silva & Asociados authorizes the publication of this investment analysis on Housers' website [www.housers.com](http://www.housers.com).

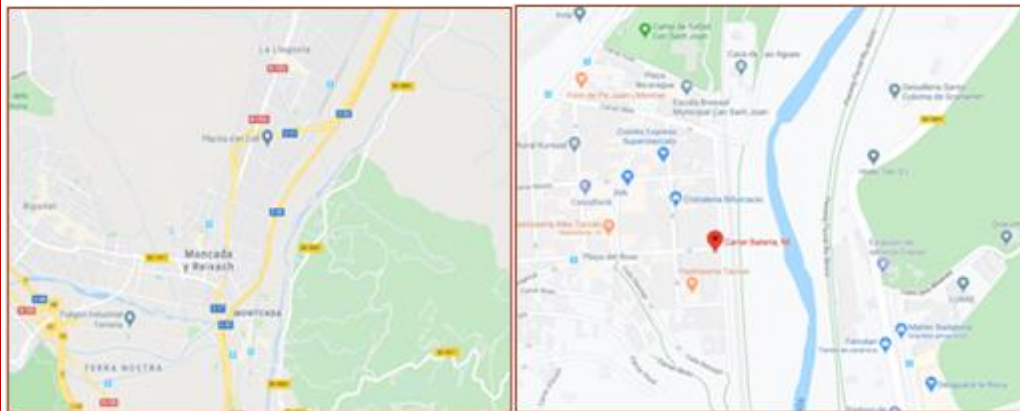
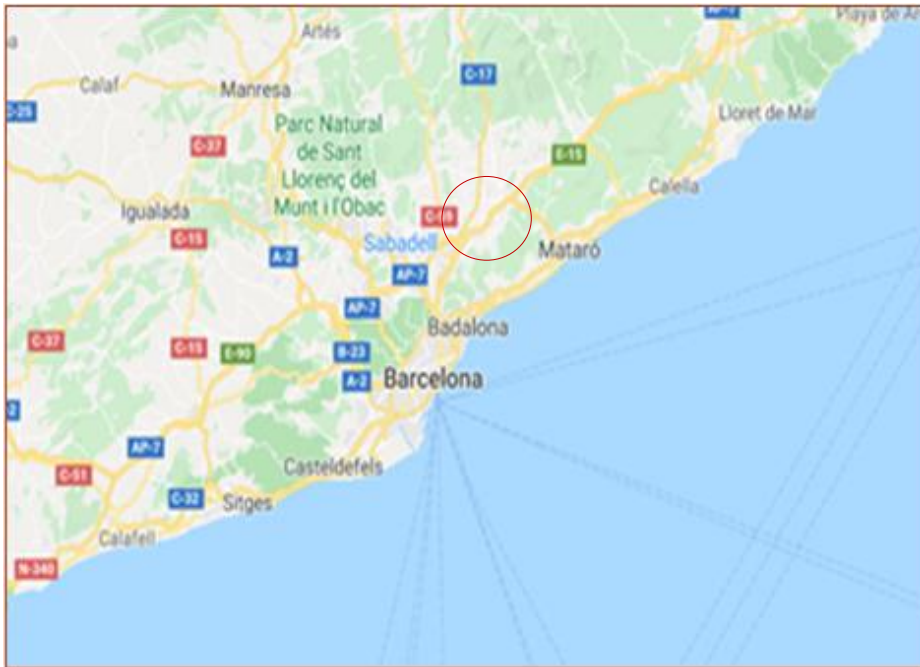
### DESCRIPTION OF THE PROJECT

The investment project has the following main characteristics:

- The project under investment is located on the Moncada i Rexach municipality, in Barcelona area.
- Financing for the construction of 10 apartment and 5 parking spaces.
- For the purposes of calculations in this report, the most conservative hypothesis (18 months duration) has been taken, while the Promoter's business plan includes an alternative to 12 months.
- The total need for project financing amounts to € 1,480,000.

# INVESTMENT ANALYSIS AND RATING ASSIGNMENT

## LOCATION



Source: Google Maps

## AREA & SORROUNDINGS

The project object of the investment is located in the Catalan municipality of Moncada i Reixach, located in the Vallés Occidental region, it is part of the Barcelona metropolitan area. With a population of over 3 million inhabitants, it is one of the most populated areas in Europe, in addition to a strategic location in the Mediterranean corridor.

## BUSINESS PLAN

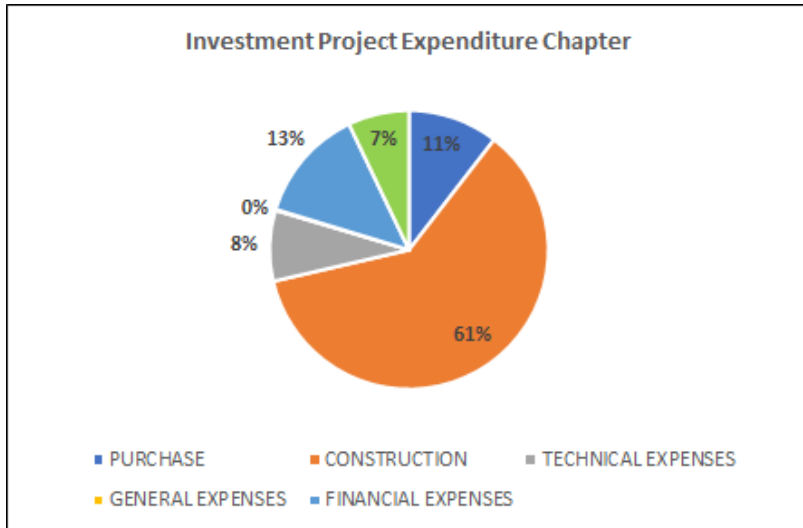
The summary of the business plan of the Project is as following:

€	2020	2021	2022	TOTAL
Income	0	0	2,749,768	2,749,768
Change in Inventories	867,535	1,156,966	-2,024,501	0
Procurements	-867,535	-1,156,966	-84,942	-2,109,443
Selling Cost	0	0	-2,109,443	-2,109,443
Gross Margin	0	0	640,325	640,325
Other operating expenses	0	0	0	0
EBITDA	0	0	640,325	640,325
EBIT	0	0	640,325	640,325
Financial Result	-173,087	-136,9	-11,408	-321,396
EBT	-173,087	-136,9	628,917	318,93

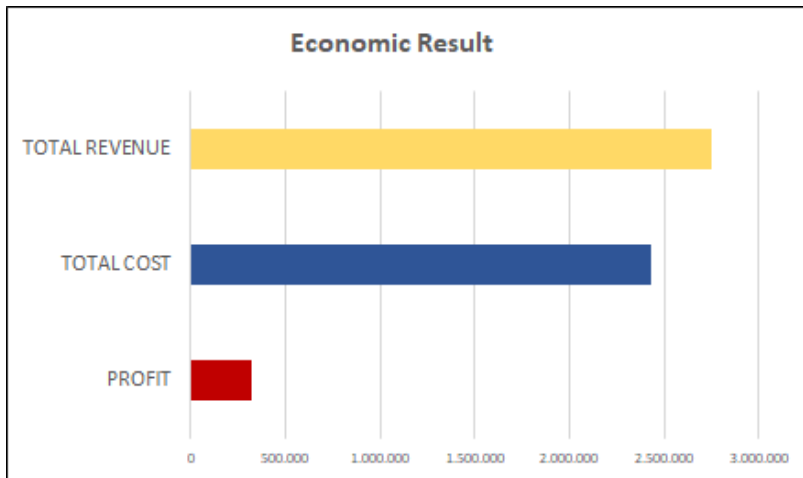
Source: Project Developer

# INVESTMENT ANALYSIS AND RATING ASSIGNMENT

A summary of the main expense chapters of the Project's investment and its economic profitability is as follows:



Source: Project Developer



Source: Project Developer

## BENCHMARKING

Testigos de Mercado Zona			
Precio venta Viviendas			
Adress	Municipality	m <sup>2</sup>	€/m <sup>2</sup>
C/ Avenida de Europa, 12	Moncada i Reixach	121	2.058,68
C/ Avenida de Europa, 4	Moncada i Reixach	120	2.075,83
C/ Joan Miró	Moncada i Reixach	100	2.115,00
C/ Joan Miró	Moncada i Reixach	120	2.567,50
C/ Avenida de Europa, 25	Moncada i Reixach	130	2.024,62

Fuente: Informe de tasación aportada por el Promotor.

**Average** 2.168,33

The summary of the sale price has been obtained from the appraisal report provided by the developer, which places the average at € 2,168 / m2.

The cost of construction average is placed under € 1,000 / m2.

## PROJECT PROFITABILITY

	2020	2021	2022
<b>Cash Flow</b>	-804,82	-1,122,232	2,245,981

	Cash Flow	ROI
<b>IRR</b>	19,45%	13,12%

Source: Own elaboration.

The profitability of the project stands at 19.45% of the capital invested and the Return on Investment (ROI) at 13.12%.

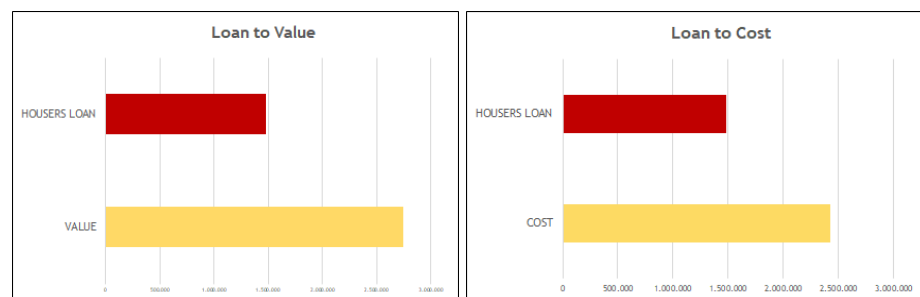
**Loan to value:** represents the indebtedness of an asset in relation to its real value and measures the percentage of debt over the real value of the asset.

**Loan to cost:** total cost of the project that is financed with debt and measures the degree of financial leverage of an investment project.

The Housers' loan represents the **53.82%** of the total value and **60.88%** of the total cost.

Project is only financed by HOUSERS and partners contributions.

## INVESTMENT ANALYSIS AND RATING ASSIGNMENT



Source: Own elaboration

### PROJECT DEVELOPER

Grupo Sitecno, S.A., with NIF A65945677, is a Spanish company whose main corporate purpose is the promotion and construction of all types of real estate, and its exploitation by any title, advice and real estate brokerage. Buying, selling, manufacturing, exporting and importing all kinds of articles related to decoration. Exploitation and assembly of solar parks.

The developers have experience and have successfully developed a significant number of real estate projects.

### PROJECT'S RATING (SCORING)

The scoring's purpose is to qualify the project by evaluating the experience of the developer, the guarantees provided, as well as the profitability of the project.

The assignment considers 3 levels of investment quality:

- Investment with optimal and high quality: AAA (optimal) - AA and A (High)
- Investment with Good quality (BBB) and satisfactory (BB and B)
- Investment with low quality (CCC) and questionable (CC and C)

Score
AAA
AA
A
BBB
BB
B
CCC
CC
C

Quality
Optimal
High +
High
Good
Satisfactory +
Satisfactory
Minimal
Questionable
Questionable -

### DEVELOPER'S RATING

According to the result of our analysis about the Promoter we have assigned an **A** scoring based on the following evaluated parameters:

PROMOTER	C	CC	CCC	B	BB	BBB	A	AA	AAA
Developer's Experience									AAA
# Projects									
Track record					BB				
Liquidity Ratios						BBB			
Debt Ratios							A		
Asset Management Key Figures								AA	
Deadline Key Figures									
Profitability Ratios									A

Source: Own elaboration

## INVESTMENT ANALYSIS AND RATING ASSIGNMENT

### PROJECT'S RATING

According to the analysis carried out, we have assigned an **BBB scoring** to the investment project based on the result of the weighting obtained on the following evaluated parameters:

PROJECT	C	CC	CCC	B	BB	BBB	A	AA	AAA
IRR									
ROI									
License									
Area of influence construction									
Selling Price €/m2									
Construction €/m2									
City (Population)									
Special Locations									
% formalized sales									
Loan to Value (Housers Loan)									
Loan to Cost (Housers Loan)									
Land Ownership									

BBB

Source: Own elaboration

### GLOBAL EVALUATION

The overall rating of the investment project is determined by assigning a weight of **40%** to the Project Developer and the remaining **60%** to the project's scoring, which have been indicated from A to BBB, respectively and, therefore, we have assigned to **MONCADA project an overall BBB scoring**, which indicates a **GOOD** rating.

#### FINAL SCORING



Silva & Asociados, Asesores Financieros, S.A.

July 20, 2020



Juan José Silva Navarrete  
Managing Partner

