



**SPLAU**

**INVESTMENT ANALYSIS AND RATING ASSIGNMENT**

## Purpose

The purpose of this document is the analysis of the **SPLAU** investment project in Cornellá (Barcelona), and the assignment of a credit rating to it.

In this Project which will last for one year, it is necessary to obtain a financing of 1.000.000 €, in four tranches of 250.000 € each, to meet the cost of the Project 1.784.662,00 €.

## Nature and purpose of our services

The analysis of the investment Project is based on the information provided about the Project, evaluating the main parameters of the Business Plan and contrasting it with market information and assigning a rating of the Project risk through a standardized system to assist in making investment decisions (scoring).

The scope of our work has been based on unaudited information provided by HOUSERS, which receives the information from the Promoter. In this sense, we must mention that we have not carried out any independent verification, audit, review or evaluation of the accounting, fiscal, legal, labor or environmental situation of the Investment Project that is the object of our analysis. We have assumed that the information provided is complete and accurate and, therefore, the possible risks that may exist and have a possible effect have not been taken into consideration in the analysis work we have carried out.

In carrying out our work, we have used information obtained from public sources and we assume that such information is reliable, although we can not guarantee the absence of possible errors in the information used.

The information in the Business Plan is totally and exclusively the responsibility of the Project Promoter, although for the purposes of our work, we have globally verified its coherence, although we point out that its use should not be interpreted as an opinion on it and, therefore, we do not accept any responsibility for the existence of possible errors that could have an impact on the results of our work.

## Independence

PROYECTOS CIGA states that the information contained in this document is independent and does not constitute a recommendation for the investment to be made.

This investment analysis report is for the sole and exclusive use of HOUSERS and registered users of the participatory financing platform in order to have an independent document on the investment project and is issued with the understanding that it will not be used for any other purpose than that indicated, without the prior consent of PROYECTOS CIGA.

## Confidentiality

PROYECTOS CIGA authorizes the publication of this investment analysis on the HOUSERS corporate website [www.housers.com](http://www.housers.com).

## Project description

The **SPLAU** project consists of two blocks, one of them with 6 dwellings and the other with two, on the neighborhood of the Riera, located in Cornellá de Llobregat. These apartments are clasificated as follows: 2 first floor, 2 duplexes and 4 houses, each of them has a parking space, a storage room and a comunal pool.

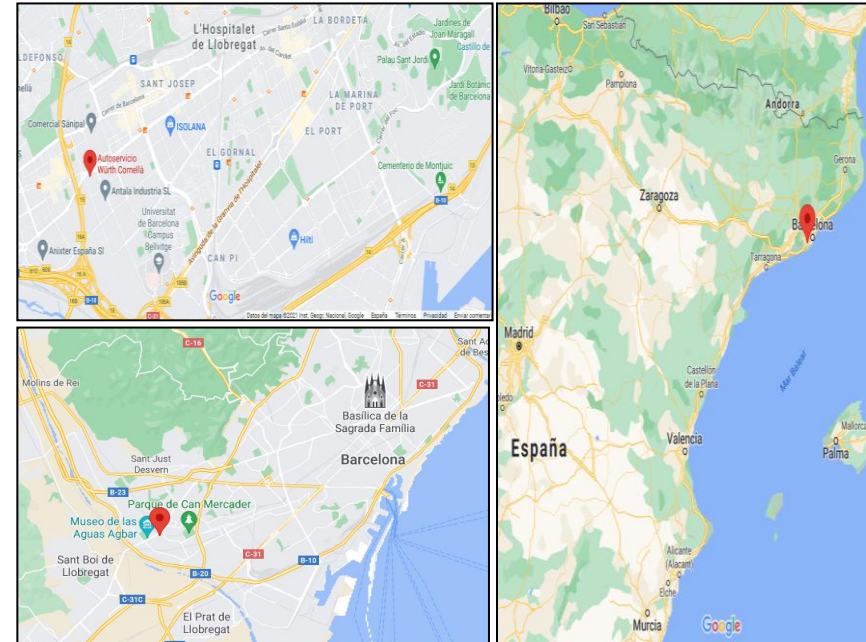
The construction will have a duration of one year and eight months and will be financed by the contribution of own funds of 558.875 € and by HOUSERS investors with an amount of 600.000 €, in four tranches, at an interest of 8%.

The building occupies the entire site and has a total constructed area for housing use of 884,65 m2.

Theses homes are located in Cornellá de Llobregat, Spanish municipality, in Barcelona. The town has 89.239 inhabitants, it is the most populated municipality of its region (Bajo Llobregat). It hosts numerous logistics companies linked to the new economy, and has the business parks World Trade Center Almeda Park or Cityparc, having created large and modern facilities such as the Parc Esportiu Llobregat or the Citolab.

The houses are very well connected: the Train Station of Cornellá Riera, which connects with the center of Barcelona, is located about 50 meters from these and, just 15 minutes by car from the Barcelona-El Prat airport and the "Fira de Barcelona".

## Location



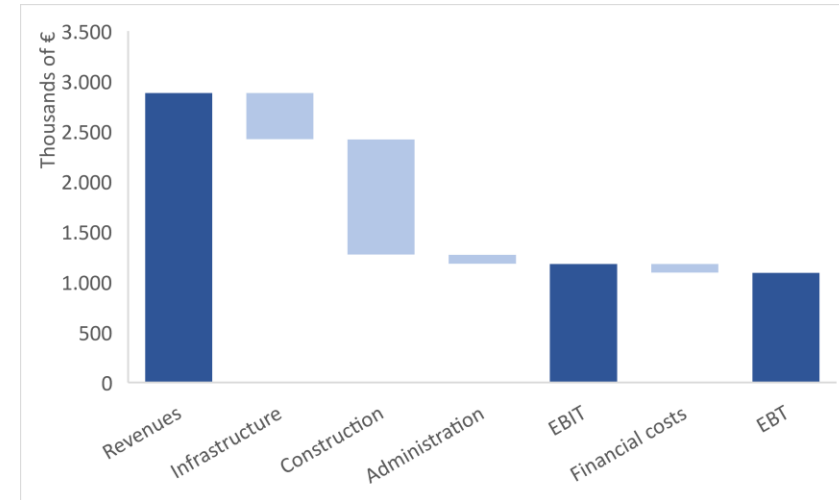
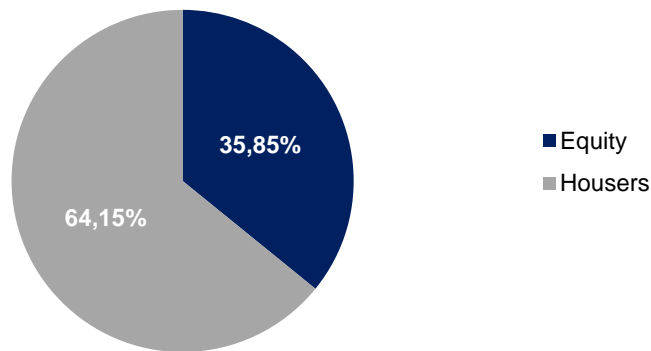
## Business plan

A summary of the Business Plan for the Edificio Colón is as follows (data in Euros):

in €	Total	Q1	Q2	Q3	Q4	Q5	Q6	Q7
Revenues	2.883.000	0	0	106.000	105.000	56.000	2.616.000	0
Infrastructure	(463.325)	(463.325)	0	0	0	0	0	0
Construction	(1.147.587)	(59.882)	(127.651)	(265.821)	(235.968)	(235.968)	(194.307)	(27.990)
Administration	(90.750)	(22.688)	(22.688)	0	(22.688)	(22.688)	0	0
<b>EBIT</b>	<b>1.181.338</b>	<b>(545.894)</b>	<b>(150.339)</b>	<b>(159.821)</b>	<b>(153.656)</b>	<b>(202.656)</b>	<b>2.421.693</b>	<b>(27.990)</b>
Financial costs	(90.000)	(5.000)	(6.667)	(10.000)	(15.000)	(20.000)	(20.000)	(13.333)
<b>EBT</b>	<b>1.091.338</b>	<b>(550.894)</b>	<b>(157.006)</b>	<b>(169.821)</b>	<b>(168.656)</b>	<b>(222.656)</b>	<b>2.401.693</b>	<b>(41.323)</b>

A summary of the main classifications of expenditure on the Project's investment and its financing is as follows:

### Sources of funding



Source: Promoters of the project, in thousands €

## Rentabilidad del proyecto

After analyzing the Business Plan, the cash flows to be obtained on a quarterly basis are the following (data in Euros):

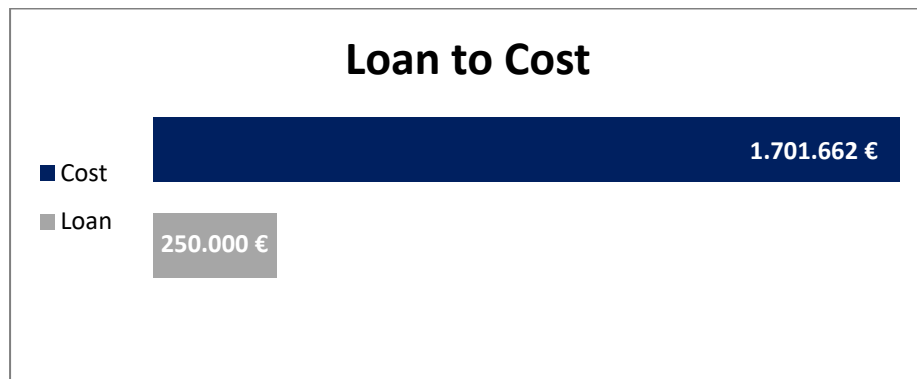
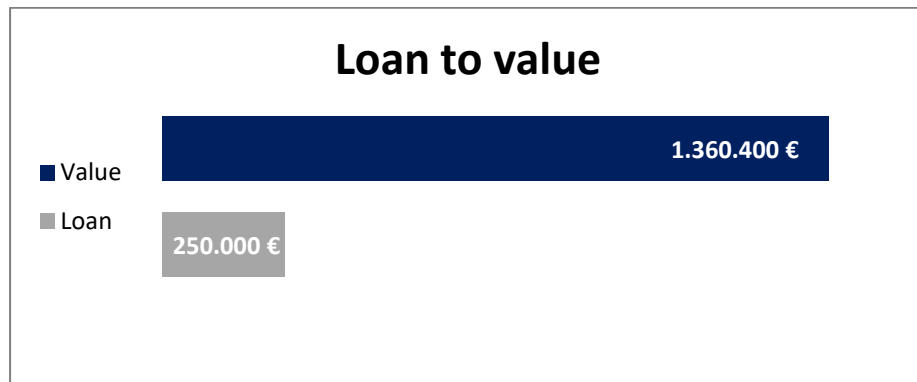
Q1	Q2	Q3	Q4	Q5	Q6	Q7
<b>(300.894)</b>	<b>92.995</b>	<b>(169.821)</b>	<b>81.345</b>	<b>27.345</b>	<b>2.401.693</b>	<b>(1.041.323)</b>

With these cash flows, the profitability is in the following magnitudes:

IRR	ROI
42,65%	69,42%

## Leverage

The total amount of external project financing will be obtained through the HOUSERS collective loan. This loan consists of 4 tranches, 250.000 € each of them. It represents the 18,38% of the value of the property and 14,69% of its production cost.



\* It does not include financial costs.

## Market comparison

The sale prices are ranged between 170.000 € and 390.000 € per house. The average price is 3.259 €/m2. This figure is a **8,04% more expensive than the average price of used houses in Riera and its surroundings.**

Location	Price	m2	€/m2
Riera	198.000	54	3.667
Riera	208.000	110	1.891
Fontsanta-Fatjó	389.500	86	4.529
Fontsanta-Fatjó	293.000	72	4.069
Fontsanta-Fatjó	375.000	100	3.750
Fontsanta-Fatjó	390.000	81	4.815
Fontsanta-Fatjó	389.500	86	4.529
Almeda	379.000	103	3.680
Almeda	340.000	95	3.579
Almeda	165.000	69	2.391
Centre	444.900	140	3.178
Centre	395.000	110	3.591
Centre	319.000	98	3.255
El Pedró	330.000	96	3.438
La Gavarra	377.500	135	2.796
<b>Average</b>			<b>3.544</b>

<b>Av. price promotion</b>	<b>3.259</b>
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Source: Idealista web, own analysis of the main real estate agencies (Housel, Devalls&Escandel asesores, Haya real estate etc)

## Promoter

Arena Business Solutions SL (Urbi Global), CIF **B66890575**, address Gran Vía III, Nº 68 Barcelona. It is a company linked to the construction sector since the 80s. However, since 2001 it has been dedicated exclusively to this sector.

Its main areas of activity are the investments, construction and promotion of projects related to Real Estate.



The Project will be financed with 558.875€ of equity from the promoters, and 1.000.000€ (divided into four tranches of 250.000 € each) of the HOUSERS investors financed at an 8% of interest.

## Financial statements of the promoter

### Balance sheet (datos in euros)

	2020	2019
Non-current assets	218.405	0
Current assets	404.179	76.138
<b>Total Assets</b>	<b>622.583</b>	<b>76.138</b>

Equity	45.833	68.096
Non-current liabilities	374.280	0
Current liabilities	202.470	8.042
<b>Equity and Total liabilities</b>	<b>622.583</b>	<b>76.138</b>

### Income Statement (data in euros)

	2020	2019
Revenues	139.614	298.133
Production costs	106.149	240.210
EBITDA	33.465	57.924
Amortizations	0	0
EBIT	33.465	57.924
Financial results	0	0
EBT	33.465	57.924
IS	0	-26.900
<b>NET Income</b>	<b>33.465</b>	<b>31.024</b>

## Project rating

Scoring is an evaluation system whose purpose is to rate the investment project. This allows the investor to make decisions about the company's risk taking as a reference a grade that indicates the level of risk exposure. This qualification of the investment project is based on two analyses.

The first to be evaluated will be the promoter's background by rating different financial ratios.

The second to be evaluated will correspond to the analysis of this project, its Business Plan and its profitability based on factors that indicate its suitability.

The rating considers 3 levels of investment quality:

- Investments with optimal and high quality: AAA (optimal), AA and A (High)
- Investments with a good (BBB) and satisfactory (BB y B) quality
- Investments with a minimal (CCC) and questionable (CC y C) quality

Score	Equivalence
AAA	Optimal
AA	Very high
A	High
BBB	Good
BB	Very satisfactory
B	Satisfactory
CCC	Minimal
CC	Questionable
C	Very questionable

## Promoter analysis

This first analysis examines a series of parameters related to the company that runs the promotion, after studying its Annual Accounts, giving specific weight to each one.

According to the results of the analysis carried out, we have given each metric a grade according to the situation of the company.

Variables	Score	C	CC	CCC	B	BB	BBB	A	AA	AAA
Company evolution	CC		■							
Promoter experience	AAA									■
No. Promoter Projects	AAA									■
Liquidity ratio	AAA									■
Debt ratio	B				■					
ROE	AAA									■
ROA	CCC			■						
Profitability ratio	BB					■				

The promoter rating is **BBB (Good)**. It is given a weight of 40% on the global rating.

## Project analysis

The second type of analysis evaluates the most relevant aspects for the investor when evaluating this particular investment, giving a specific weight to each one.

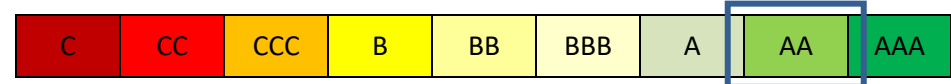
According to the result of the analysis carried out, we have rated each metric with a grade according to the situation of the promotion itself.

Variables	Score	C	CC	CCC	B	BB	BBB	A	AA	AAA
IRR	AAA									■
ROI	AAA									■
Licence	C	■								
Transations	A							■		
Sale price €/m2 Country	BBB						■			
Sale price €/m2 Region	BB				■					
Average price. vs district	BB				■					
City (residents)	BBB						■			
% Formalized sales	C	■								
Loan to Value	AAA									■
Loan to Cost	AAA									■
Land ownership	AAA									■

The project's grade is **A (High)**. It is given a weight of 60% in the overall rating.

## Global rating

The overall rating of the investment project is determined by assigning a weight of 40% to the rating of the Promoter and the remaining 60% to the rating of the Project, which have been indicated as BBB y AA, respectively and, therefore, we have assigned the project to investment of SPLAU a **global rating of:**



The **SPLAU** Project has obtained a grade **AA (Muy Alta)** in the global rating, the project has been increased by one point due to the existence of a mortgage.

In Madrid, June 9, 2021.

Juan José Alvado Martín

PARTNER DIRECTOR



# Proyectos CIGA

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