



**PALMA DE
RIERA**

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

Purpose

The purpose of this document is the analysis of the **PALMA RIERA PROJECT** investment project and the assignment of a credit rating to it.

In this Project which will last for one year and a half, it is necessary to obtain a financing of 1.050.000€ € to meet the cost of the Project 1.721.338€.

Also, the project has a mortgage guarantee.

Nature and purpose of our services

The analysis of the investment 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 cannot 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 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.

Project description

The PALMA RIERA project consists of the construction of 7 homes, with 5 parking spaces and a commercial premises in the lower part.

The project is located on Francisco Martí Mora Street, an area that has all the necessary services for your future home. It has parks, supermarkets, pharmacies... Ten minutes drive from the port and beach areas.

The project will last a year and a half. It will be financed as follows:

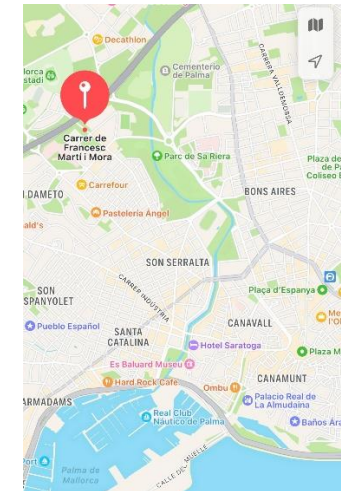
- Promoter's own funds: 730.000€
- HOUSERS investors: 1.050.000 € (9% interest):

The total area used to build the houses will be 229m2.

SUMMARY PROFIT AND LOSS - CASH

Income from sales	2.311.200 €
Adquisition of the property	-53.360 €
Construction	-1.516.478 €
Provisioning	-68.250 €
Housers investors interest	-83.250
GROSS RESULT	589.862

Location



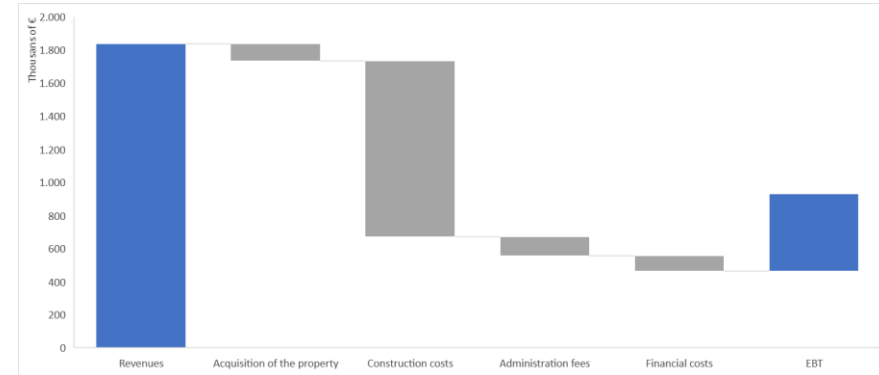
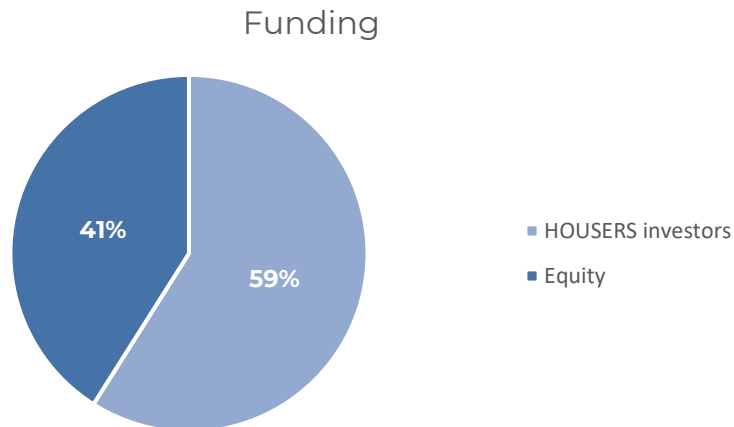
Business plan

A summary of the Business Plan for the PALMA RIERA PROJECT is as follows (data in Euros):

figures in euros	Total	Q0	Q1	Q2	Q3	Q4	Q5	Q6
Income from sales	2.311.200	0	64.350	148.500	90.750	36.850	43.450	1.927.300
Acquisition of the property	-53.360	-104.000	-3.360	0	0	0	0	0
Construction costs	-1.516.478	-114.794	-268.164	-230.909	-230.909	-255.594	-215.928	-209.775
Administration fees	-68.250	0	-16.250	-13.000	-13.000	0	-13.000	-13.000
EBIT	673.112	-218.794	-16.250	-13.000	-13.000	0	-13.000	-13.000
Financial expenses	-83.250	0	-5.625	-8.625	-11.625	-14.625	-19.125	-23.625
EBT	589.862	-218.794	-229.049	-104.034	-164.784	-233.369	-204.603	1.680.900

The sources of funding are as follows:

A summary of the main classifications of expenditures and revenues on the Project's is as follows:



Source: Promoters of the project, in thousands €

Profitability of the Project

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
120.951	95.966	155.216	-113.369	115.397	215.700

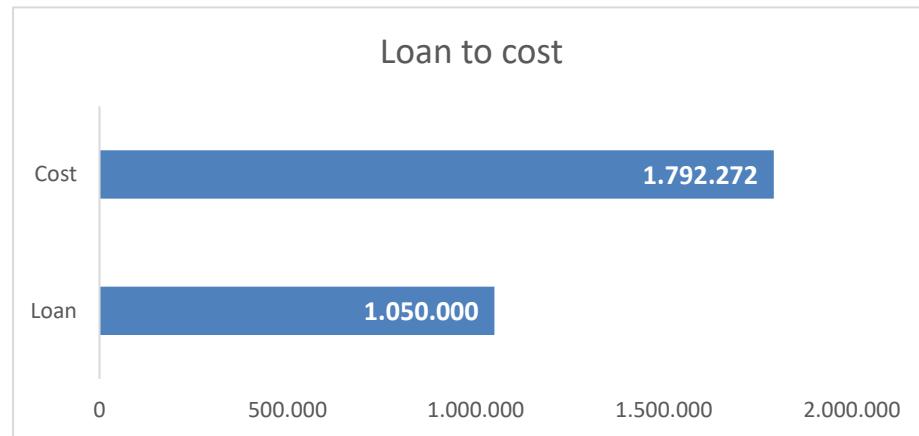
With these cash flows, the profitability is in the following magnitudes:

IRR	ROI
39,8%	45%

Leverage

The total amount of external financing of the project will be obtained through a collective HOUSERS loan. This totaling 1.050.000 €.

- **Loan to value (LTV).** To calculate the LTV, the total amount accumulated tranche by tranche of the financing provided by HOUSERS and the updated appraisal value, always, of the property has been used never exceeding the 70% ratio (maximum percentage based on the loan agreement between promoters and investors).
- **Loan to cost (LTC)= 58,8%.** To calculate the LTC, the total amount of the financing provided by HOUSERS, and the cost of the construction have been used (without considering financial expenses).



* It does not include financial costs.

Market comparison

The sale price per flat is between 220.00 € and 340.000 €. The average price is 4.282€/m2. This figure is a **4,17 % down than the average price of promotion'** neighborhood.

Localización	Precio	m2	€/m2
C/ Fransico Martí Mora 21	335.000	63	5.317
C/ Fransico Martí Mora 21	295.000	60	4.917
C/ Fransico Martí Mora 21	265.000	53	5.000
Son Cotoner	219.000	69	3.174
C/ Fransico Martí Mora	270.000	90	3.000

Promedio promoción	2.776,23
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Source: Idealista web, own analysis of the main real estate agencies (Housel, Devalls&Escandel asesores, Haya real estate etc)

Promoter

Wigan Trade SL. with CIF B65894651, promoter of the PALMA RIERA project, is a company linked to the real estate development sectors and incorporated on April 13, 2019.

The developer operates under the VAE HOMES brand (<http://www.vaehomes.com/>) whose professionals have more than 20 years of experience in the sector. They oversee the study of the site, as well as the design and execution of the project.

The corporate purpose of Wigan Trade SL is as follows: The sale, brokerage, leasing, administration, exploitation in any form of rural and urban properties and the performance of all kinds of works and constructions, both public and private through its participation in other companies.

To date, they have been developing real estate developments in Barcelona, Valencia, and Mallorca, most of these being carried out on the island.



Financial statements of the promoter

Balance sheet (data in euros)

	2022	2021	2020
Activo no Corriente	56.591	54.221	121.321
Activo Corriente	1.238.115	1.251.496	738.719
Activo Total	1.294.706	1.305.716	860.039

Patrimonio Neto	533.122	529.168	527.752
Pasivo no Corriente	419.981	447.737	270.000
Pasivo Corriente	341.603	328.812	62.287
PN y Pasivo Total	1.294.706	1.305.716	860.039

Income Statement (data in euros)

	2022	2021	2020
Cifra de negocio	461.590	361.949	210.180
Costes de producción / Aprov	-186.201	25.639	34.002
EBITDA	60.059	86.948	33.728
Amortizaciones	0	0	0
EBIT	60.059	86.948	33.728
Resultado Financiero	-31.413	-58.394	0
EBT	28.646	28.554	33.728
IS	0	-7.139	-5.059
B.º NETO	28.646	21.415	28.669

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	A							■		
Promoter experience	AAA									■
No. promoter projects	A						■			
Liquidity ratio	AAA									■
Debt ratio	BBB						■			
ROE	B									■
ROA	CCC			■						
Profitability ratio	BB					■				

The promoter rating is **BBB(GOOG)** 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.

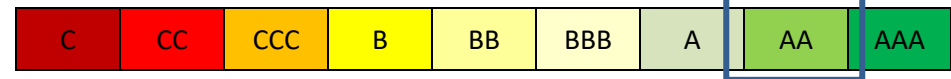
According to the result of the analysis carried out, we have rated each metric with a grade according to the situation of the promotion itself.

Variables	Score	C	CC	CCC	B	BB	BBB	A	AA	AAA
IRR	AAA									■
ROI	AAA									■
Licence	AAA									■
Transactions	AAA									■
Sale price €/m2 Country	AA							■		
Sale price €/m2 District	BB				■					
Average price. vs district	A						■			
City (residents)	AAA									■
% formalized sales	B				■					
Loan to Value	BBB						■			
Loan to Cost	BBB						■			
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 and A, respectively. In addition, the project has a mortgage guarantee, so we have increased the rating by one point. Therefore, we have assigned the INVESTMENT PROJECT PALMA RIERA a **global rating of:**



The **PALMA RIERA PROJECT** has obtained a grade **AA (Very High)** in the global rating because the project has been increased by one point due to the existence of a mortgage.

In Madrid, March 09, 2023.

Juan José Alvado Martín

PARTNER DIRECTOR

Proyectos CIGA

Soluciones empresariales

Paseo de la Castellana, 143, 28046 -
Madrid
91 3104046



