



ANALYSIS OF THE INVESTMENT AND ASSIGNMENT OF THE AVEIRO VILLAS PROJECT RATING

PROYECTOS CIGA SL

28/10/2020

PURPOSE OF THIS DOCUMENT

Analysis of the investment and assignment of the credit rating of the investment project for the construction of three single-family homes, published on the Housers website under the name AVEIRO VILLAS.

NATURES AND SCOPE OF OUR SERVICES

Analysis of the investment project 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's risk through a standardized system to help make investment decisions (scoring).

The scope of our work has been based on unaudited information provided by Housers, previously being this information given by 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 the performance of our work, we have used information obtained from public sources we assume such information is reliable, although we are not able to guarantee a flawless data in the information used.

The information in the Business Plan is entirely and exclusively the responsibility of the Project Sponsor, although for the purposes of our work, we have globally verified its consistency, 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 prepared for the sole and exclusive use of Housers and registered users in 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 purpose other than that indicated, without the prior consent of PROYECTOS CIGA.

CONFIDENTIALITY

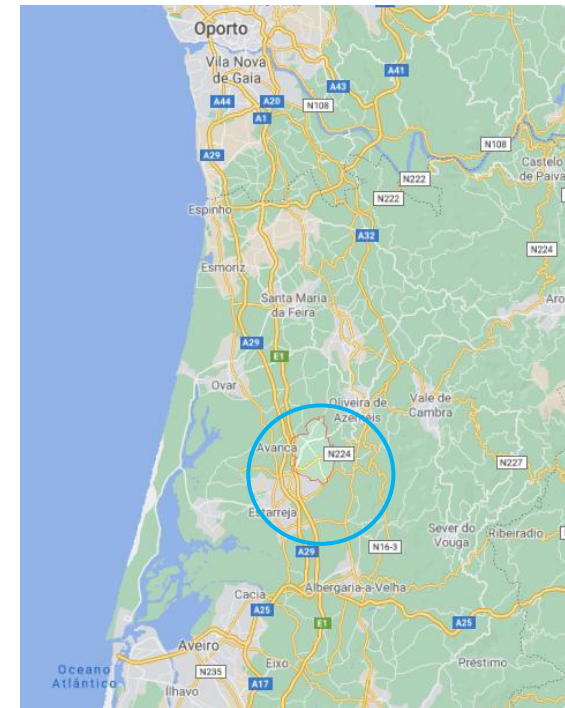
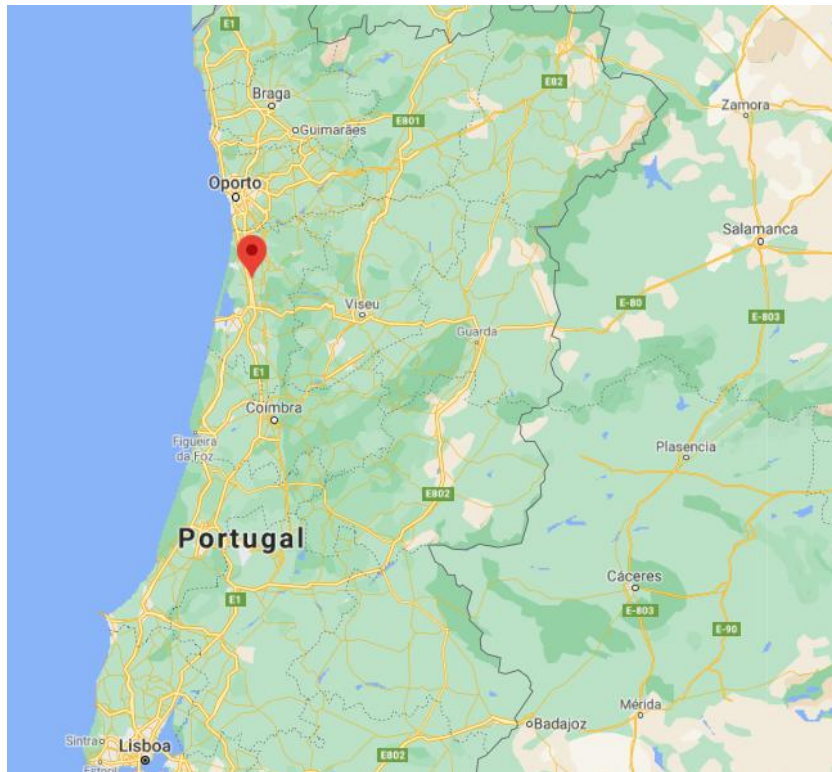
PROYECTOS CIGA authorizes the publication of this investment analysis on the Housers corporate website www.housers.com.

DESCRIPTION OF THE INVESTMENT PROJECT

Financing for the construction of the investment project:

- The construction is located in the parish of Loureiro (Oliveira de Azeméis), belonging to the Aveiro region.
- Construction of three single-family homes with a private garden and garage.
- The investment corresponds to a total of € 218.000.

LOCATION



LOCALITY AND SURROUNDING

The properties to be built with the investment are located in the parish of Loureiro. Located in the municipality of Oliveira de Azeméis, a region belonging to the great metropolitan area of Porto. Loureiro is 45 km from Porto and 90 from Braga.

This parish has a population of about 3.500 inhabitants. The municipality of Oliveira de Azeméis has a population of more than 70.000 inhabitants, while the metropolitan area of Porto, which groups 17 municipalities (concelhos), has 1.759.524 inhabitants since the last census.

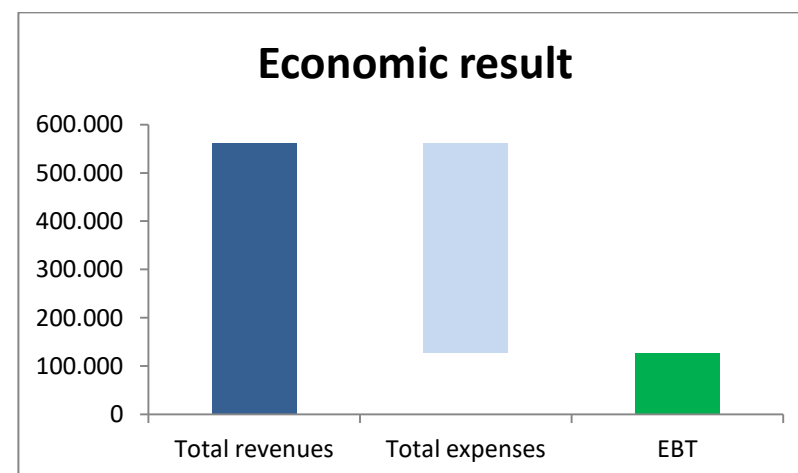
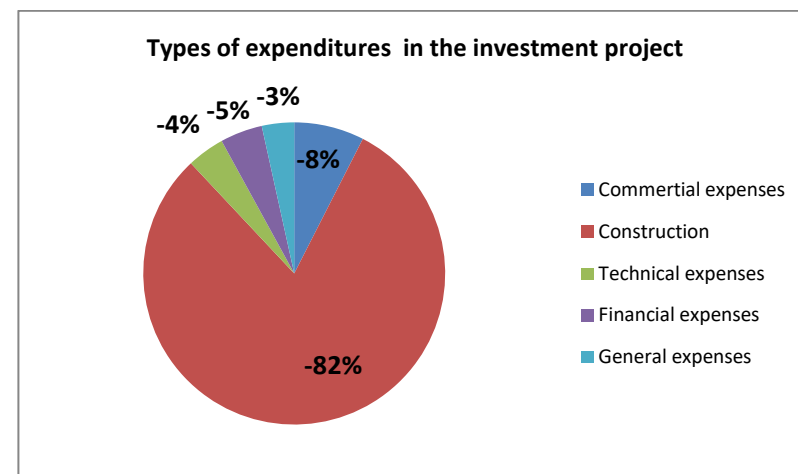
BUSINESS PLAN

A summary of the Business Plan for the AVEIRO VILLAS investment project is as follows:

	2020	2021	Total
Revenues	31.010	530.000	561.010
Construction costs	-181.682	-217.923	-399.605
Gross Margin	-150.672	312.077	161.405
Other expenses	-15.000	0	-15.000
EBIT	-165.672	312.077	146.405
Financial costs	-6.540	-13.080	-19.620
EBT	-172.212	298.997	126.785

Source: Project promoters

A summary of the main types of expenditure for the Project's investment and its economic profitability is as follows:



Source: Project promoters

MARKET COMPARISON

Adress	Population	m2	€/m2
Loureiro	Oliveira de Azeméis	240	1.104
Loureiro	Oliveira de Azeméis	267	993
Lourerio	Oliveira De Azeméis	400	950
Nogueira do Cravo	Oliveira de Azeméis	415	1.205
Santiago da Riba	Oliveira de Azeméis	240	992
Santiago da Riba	Oliveira de Azeméis	170	971
Santiago da Riba	Oliveira de Azeméis	260	1.096
Santiago da Riba	Oliveira de Azeméis	207	1.135
Santiago da Riba	Oliveira de Azeméis	120	1.583
Santiago da Riba	Oliveira de Azeméis	207	1.135
Vila de Cucujães	Oliveira de Azeméis	196	1.071
Average:			1.112

Source: Idealista Corporative Web, Own analysis of the main real estate companies (KW, Area X, Nova Casa, Remax, etc)

The summary of the sale price has been prepared from an analysis of a comparable product in the area where the project is located, prepared by reference real estate companies that place the average at **1.112 €/m2**.

The sale cost of the prooject es **1.045 €/m2**.

The construction cost in the area is between **575 and 625 €/m2**.

The construction cost of the Project amounts to **603€/m2**.

PROJECT PROFITABILITY

After analyzing the Business Plan, the cash flows to be achieved annually are the following:

	2020	2021	Total
Cash Flows	80.093	46.692	126.785

Source: Own elaboration

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

TIR	23,61%
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ROI	44%
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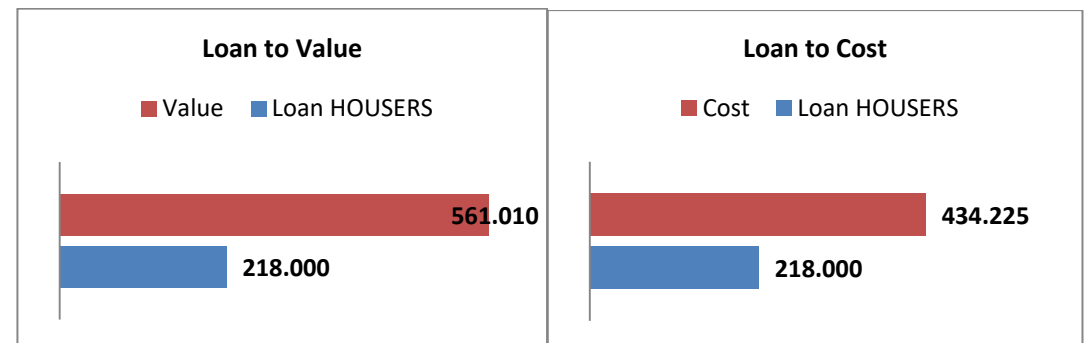
Source: Own elaboration

LEVERAGE

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 39% of the total value and 50% of the total cost.



PROMOTER

BIZE & RAINHO, LDA with CIF 514216689 is a Portuguese company whose corporate purpose is the following: Construction, recovery and repair of buildings, demolition; rental of houses real estate; real estate promotion; purchase and sale of real estate and resale of those acquired for that purpose; architecture activities; engineering and related technical activities.

The developers have more than 30 years of experience and have successfully developed a significant number of real estate projects.

PROJECT QUALIFICATION (SCORING)

The purpose of scoring is to rate the investment project and it is carried out by evaluating the experience of the promoter, the guarantees it provides, as well as the profitability of the project.

The rating considers 3 levels of investment quality:

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

Score	Equivalencia
AAA	Optimal
AA	Very High
A	High
BBB	Good
BB	Very Satisfactory
B	Satisfactory
CCC	Minimum
CC	Questionable
C	Very Questionable

To draw an assessment of the risk associated with this investment project we have based ourselves on two types of analysis: static and dynamic.

STATIC ANALYSIS

The first one, static analysis, examines a series of parameters related to the promoter, giving each one a specific weight.

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

Concept	Score	C	CC	CCC	B	BB	BBB	A	AA	AAA
Company Evolution	CCC									
Promoter Experience	AAA									
Nº Projects developed Promoter	AAA									
Liquidity ratio	B									
Debt ratio	C									
ROE	AAA									
ROA	B									
Profitability ratio	BB									

Own elaboration

The weighted average of each of the parameters gives the following rating:

BBB

Good

DYNAMIC ANALYSIS

The second type of analysis, the dynamic one, 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.

Concept	Score	C	CC	CCC	B	BB	BBB	A	AA	AAA
TIR	AAA									
ROI	AAA									
License	AAA									
Transactions area of influence	BB									
Sale price €/m2	AAA									
Construction €/m2	AAA									
City (inhabitants)	B									
Special locations	B									
% sales formalities	C									
Loan to Value (Loan Housers)	AAA									
Loan to Cost (Loan Housers)	AAA									
Land Ownership	AAA									

Own elaboration

The weighted average of each of the parameters gives the following rating:

AA

Very High


GLOBAL RATING

The overall rating of the investment project is determined by assigning a weight of 30% to the Promoter's rating and the remaining 70% to the Project rating, which have been indicated as BBB and AA, respectively and, therefore, we have assigned the project to AVEIRO VILLAS investment a global rating of:

A

High

In Madrid, October 28, 2020.



Juan José Alvado Martín

Partner Director.