



**INVESTMENT ANALYSIS AND RATING
ASSIGNMENT OF THE TECNOLÓGICO
GRANADA PROJECT**

SILVA & ASOCIADOS, ASESORES FINANCIEROS, S.A.

January 31, 2020

DOCUMENT'S OBJECTIVE

Investment analysis and rating assignment of a Project that consists on the construction of a 26 dwelling building, published in Housers website under the name of TECNOLÓGICO GRANADA.

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.

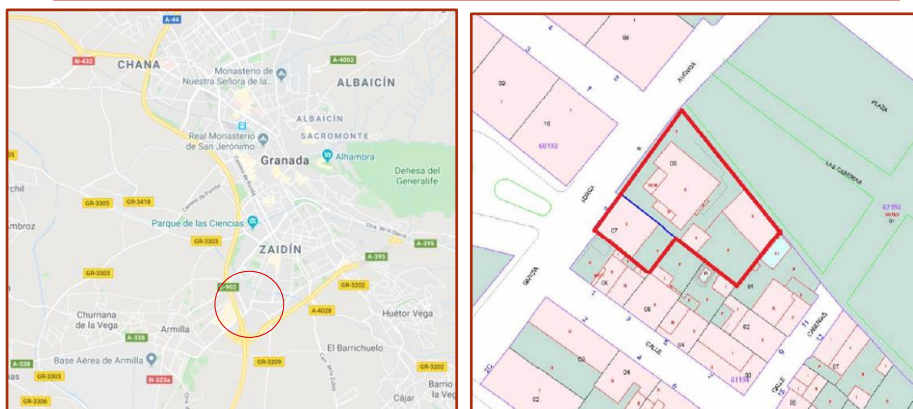
DESCRIPTION OF THE PROJECT

The investment project has the following main characteristics:

- The project object of the investment is located in the municipality of Armilla, province of Granada, in the Autonomous Community of Andalucía.
- Financing for the construction of 26 homes with storage and garage.
- 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 € 650,000.

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

LOCATION



Source: Google Maps

AREA & SORROUNDINGS

The project object of the investment is located at number 6-8 of García Lorca Avenue in the municipality of Armilla, located in Vega de Granada, about 4 km from the center of the provincial capital. The city of Granada constitutes a tourism receiving nucleus, due to its monuments and the proximity of the Sierra Nevada ski resort. The Alhambra is one of the most important monuments in Spain, declared a World Heritage Site by Unesco in 1994.

Armilla has a population of almost 25 thousand inhabitants, while the Metropolitan Area of Granada has more than half a million inhabitants.

BUSINESS PLAN

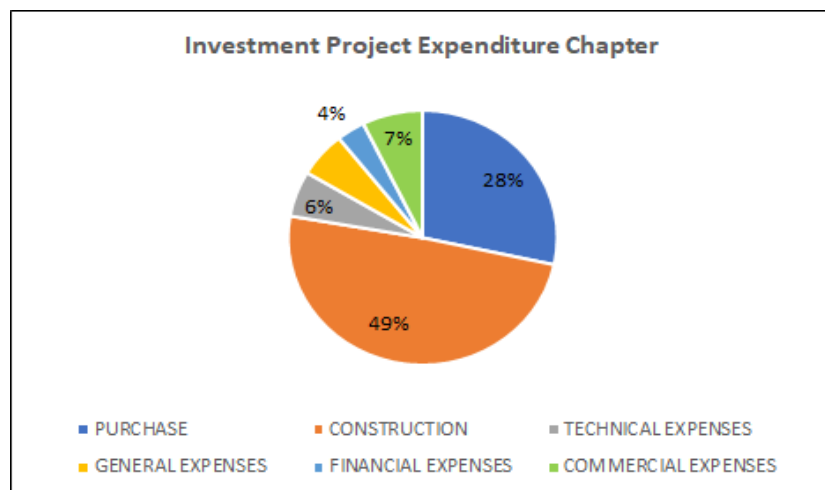
The summary of the business plan of the Project is as following:

€	2019	2020	2021	TOTAL
Income	0	0	7,880,000	7,880,000
Change in Inventories	487,5	3,642,536	-4,130,036	0
Procurements	-487,5	-3,642,536	-2,477,120	-6,607,156
Selling Cost	0	0	-6,607,156	-6,607,156
Gross Margin	0	0	1,272,844	1,272,844
Other operating expenses	0	-62,92	0	-62,92
EBITDA	0	-62,92	1,272,844	1,209,924
EBIT	0	-62,92	1,272,844	1,209,924
Financial Reesult	0	-95,019	-76,681	-171,7
EBT	0	-157,939	1,196,163	1,038,224

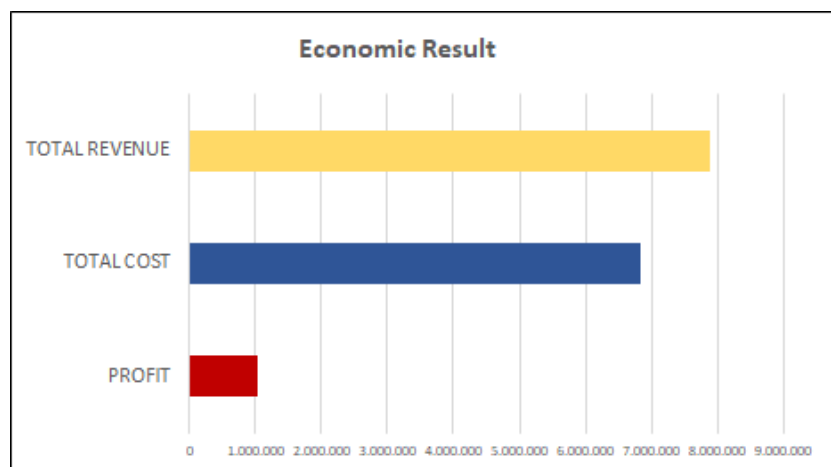
Source: Project Developer

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

Market Witnesses Area			
Real Estate Selling Price			
Address	Municipality	m ²	€/m ²
Avenida Investigacion	Armillá	105	2,381
Juan XXIII	Armillá	97	2,216
Avenida del Conocimiento	Armillá	70	2,414
Avenida del Conocimiento	Armillá	130	1,885
Avenida Investigacion	Armillá	138	3,442
Avenida Investigacion	Armillá	112	2,268
Avenida de la Ilustración	Armillá	80	3,013
Caserías	Armillá	109	2,092
Average			2,464

In order to compare the selling price, we are using the one obtained by the Project Developer which places the average at 2,464 €/m².

The cost of construction in the area has an average of 850 €/m².

Source: Idealista.com (Tercero B), Benchmarking of the main Real Estate companies (Innomobiliaria Violon, Inmocasa Armilla y Granada, IdealhouseGLOBE Gestión Inmobiliaria, Best House Armilla).

PROJECT PROFITABILITY

	2019	2020	2021
Cash Flow	-493,506	-2,788,068	4,319,798
IRR	19.76%	15.17%	

Source: Own elaboration.

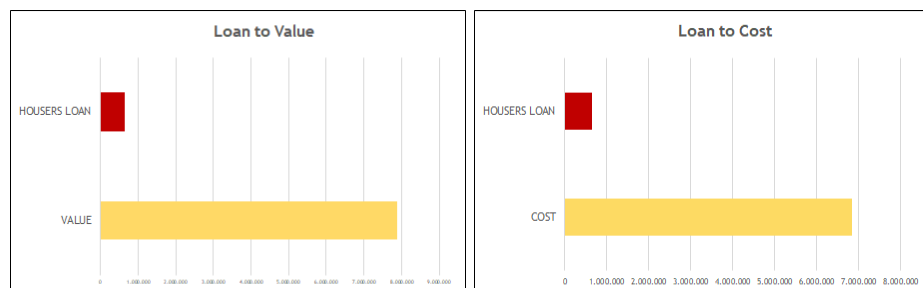
The profitability of the project stands at 19.76% of the capital invested and the Return on Investment (ROI) at 15.17%.

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 8.25% of the total value and 9.50% of the total cost.

INVESTMENT ANALYSIS AND RATING ASSIGNMENT



Source: Own elaboration

PROJECT DEVELOPER

ACONSER PROYECTOS, S.L., with VAT number B19697549, is a company whose main corporate purpose is the execution of all kinds of works and constructions.

The developers have an extensive experience and have developed a significant number of real estate projects satisfactorily.

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	Quality
AAA	Optimal
AA	High +
A	High
BBB	Good
BB	Satisfactory +
B	Satisfactory
CCC	Minimal
CC	Questionable
C	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									
# Projects									
Company Performance									
Liquidity Ratios									
Debt Ratios									
Asset Management Key Figures									
Deadline Key Figures									
Profitability Ratios									

Source: Own elaboration

A

The company is newly created and has no history. However, additional guarantees are provided that mitigate the risk.

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

PROJECT'S RATING

According to the analysis carried out, we have assigned an **A 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									

A

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 A, respectively and, therefore, we have assigned to **TECNOLÓGICO GRANADA** project an overall **A scoring**, which indicates a **HIGH** rating.

FINAL SCORING

A

Silva & Asociados, Asesores Financieros, S.A.

January 31, 2020



Juan José Silva Navarrete
Managing Partner

