



**INVESTMENT ANALYSIS AND RATING
ASSIGNMENT OF THE CATARROJA PROJECT
(VALENCIA)**

SILVA & ASOCIADOS, ASESORES FINANCIEROS, S.A.

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INVESTMENT ANALYSIS AND RATING ASSIGNMENT

DOCUMENT'S OBJECTIVE

Investment analysis and rating attribution of a Buy-To-Sell project which consists in the purchase of a land in order to build a building composed by apartments. The Project is published on the Housers' website and its name is Catarroja.

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 assignement through a a standardized system of aid to investment decision making (scoring).

The scope of our work has been based on unautited 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, labor and environmental situation of the Buy-To-Sell 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.

In our work, we used information obtained by public sources and we assumed that it is 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,therefor, we avoing any responsibilities of any possible errors that could have an impacto n the results of our work.

INDIPENDENCE

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

This investment analysis has been made only for Housers and its users in order to give them a document about the Buy-To-Sell Project. This is the only

purpose of the analysis; another other use of it, without the consent of Silva & Asociado, would not be permitted.

CONFIDENTIALITY

Silva & Asociados authorizes the publication of this investment analysis on Housers' website www.housers.com.

DESCRIPTION OF THE BUY-TO-SELL PROJECT

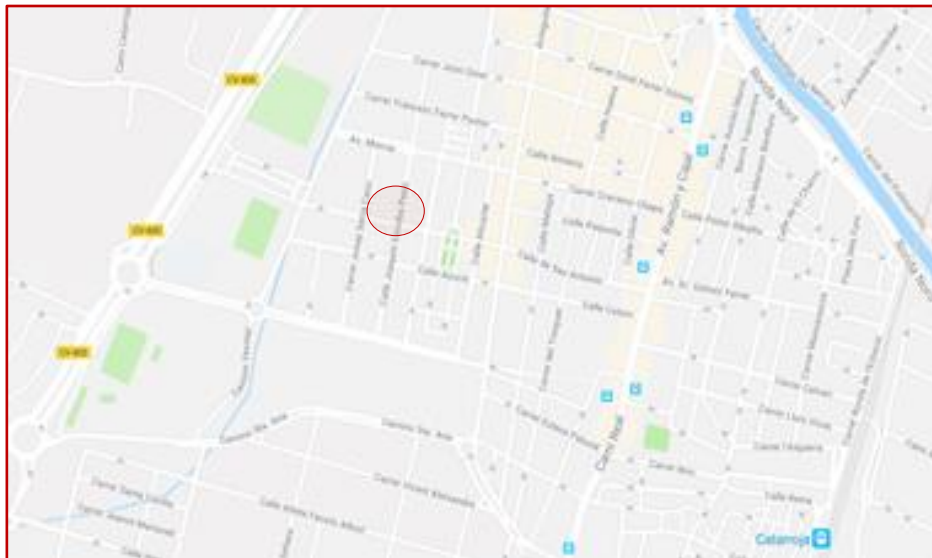
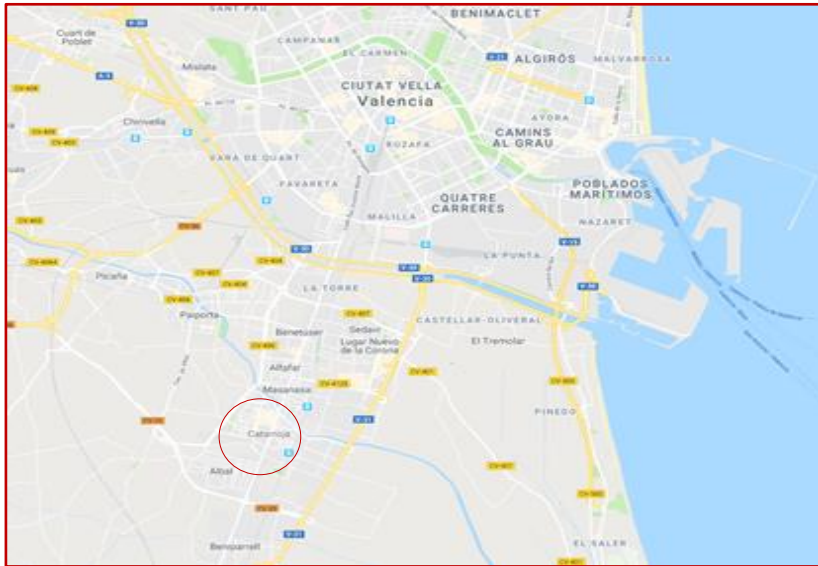
Purchase of the land and construction of a building with garages and storage rooms:

- The site is located in the municipality of Catarroja, Horteta, with a facade facing Joaquín Escrivá Street, in the province of Valencia.
- Construction of a building composed by 5 floors and basement composed by 30 apartments, 38 garages and 4 storage rooms.
- The investment amounts to €800,000.



INVESTMENT ANALYSIS AND RATING ASSIGNMENT

LOCATION



LOCALITY AND AREA

The site is located in the municipality of Catarroja, Horteta South, province of Valencia (Valencia Community) and it is within 8 km from the banks of the Albufera of Valencia.

The municipality of Catarroja has a population of 27,827 inhabitants and belongs to the Metropolitan Area of Valencia, which forms an urban network organized around the central coast of the Valencian Community. It is the third agglomeration by number of inhabitants in Spain, with a population of nearly 1,600,000 inhabitants.

BUSINESS PLAN

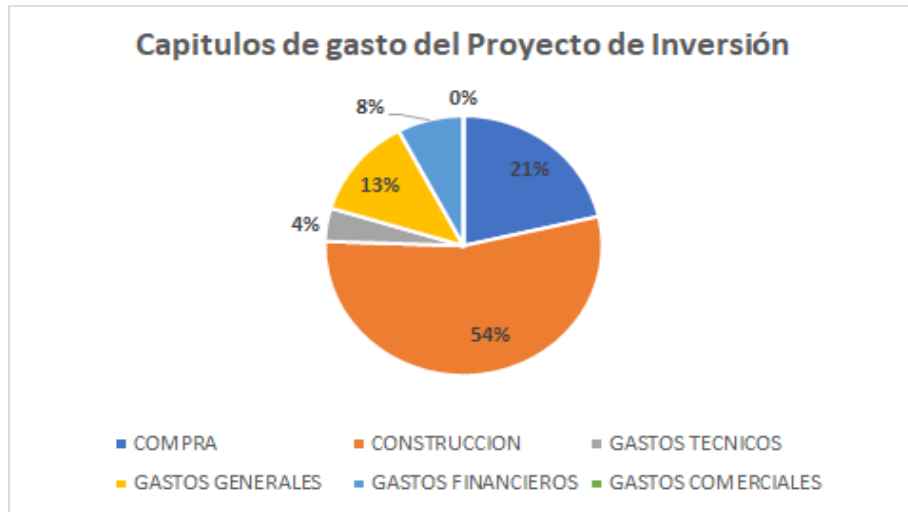
A summary of the Catarroja Buy-To-Sell Project Business Plan is as follows:

€	2019	2020	2021	TOTAL
Ingresos	0	0	5.465.000	5.465.000
Coste de Ventas	0	0	-4.277.057	-4.277.057
Margen Bruto	0	0	1.187.943	1.187.943
Otros gastos de explotación	-85.500	0	0	-85.500
EBITDA	-85.500	0	1.187.943	1.102.443
Amortización	0	0	0	0
EBIT	-85.500	0	1.187.943	1.102.443
Resultado financiero	-50.264	-123.152	-97.329	-270.744
EBT	-135.764	-123.152	1.090.615	831.699

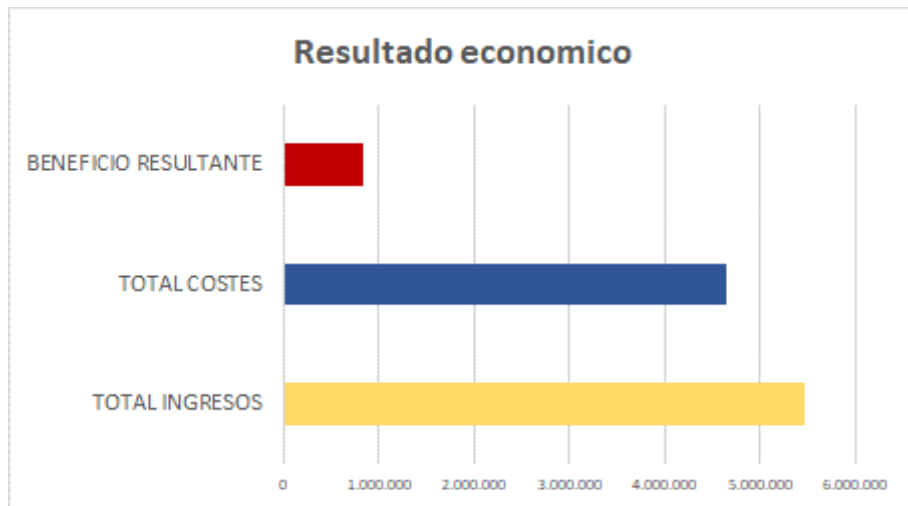
Fuente: Promotores del Proyecto

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

A summary of the main expense chapters of the Buy-To-Sell project and its economic profitability are as follows:



Fuente: Promotores del Proyecto



Fuente: Promotores del Proyecto

BENCHMARK

Testigos de Mercado Zona			
Precio venta Viviendas			
Dirección	Población	m ²	€/m ²
Avenida Ramón y Cajal	Catarroja	90	1.437,60
Carrer Vicent Alexandre	Albal	95	1.162,40
Calle Massanassa	Catarroja	97	865,60
Calle Hernandez Lázaro	Albal	110	1.018,40
Calle Cuenca	Catarroja	127	1.089,60
Calle Joaquin Escriba Peiro	Catarroja	150	1.013,60
Calle Salvador Ricart	Albal	65	763,20

Promedio 1.050,06

Fuente: Web Corporativa Idealista (Tercero B), Análisis propio principales inmobiliarias (Fotocasa, REMAX, UrbaMar, Royal Home, RedPiso, Gilmar), Goolzoom

The summary of the sale price has been drawn up on the basis of an analysis of comparable products in the area where the project is located. It has been drawn up by reference real estate agents who estimate the average to be 1,050 €/m².

The construction cost of the area, calculated from the tables of the College of Architects of Valencia, stands at an average of 800 €/m².

PROJECT PROFITABILITY

	2019	2020	2021
Cash flow	-1.400.235	-1.375.960	4.169.395
TIR	34,19%	17,95%	

Fuente: Elaboración propia.

The profitability of the project stands at 34.19% of the capital invested and the Return on Investment (ROI) at 17.95%.

PROJECT DEVELOPER

PROYECTOS ATLAPA S.L.U., with fiscal number B-40534836, is a society that has been formed for the execution of the Project and its corporate purpose consists of the real estate development and intermediation, purchase and sale of all types of rustic and urban real estate, the construction, promotion and execution of public and private works, urbanization, construction and promotion of real estate, all types of masonry repairs and rehabilitation of all types of constructions.

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

The developers have more than 20 years of experience and have already carried out many satisfactory Real Estate projects.

RATING ASSIGNMENT (SCORING)

The purpose of the scoring is to qualify the Buy-To-Sell project and it is done by evaluating the experience of the developer, the guarantees he/she provides, 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	Calidad Inversión
AAA	Óptima
AA	Alta
A	Alta
BBB	Buena
BB	Satisfactoria
B	Satisfactoria
CCC	Mínima
CC	Cuestionable
C	Cuestionable

PROJECT DEVELOPER'S RATING

According to the results' analysis carried out on the Project developer, we have assigned a scoring BBB, according to the following parameters:

PROMOTOR	C	CC	CCC	B	BB	BBB	A	AA	AAA
Experiencia Promotor									
Nº Proyectos Promotor									
RATIOS DE LIQUIDEZ									
RATIOS DE ENDEUDAMIENTO									
RATIOS DE GESTIÓN DE ACTIVOS									
RATIOS DE PLAZOS									
RATIOS DE RENTABILIDAD									
RATIOS OPERATIVOS									

BBB

Project developer's experience:

The promotion is carried out in a new Company and therefore does not apply a static analysis. This fact negatively affects its rating, since it generates uncertainty about its possible future development in the absence of real references of the completion of the projects. As a result, the initial BBB rating is reduced. We have analysed other parameters relating to the quality of the developer and his experience in projects that show a very satisfactory evolution.

Warranties' analysis:

The additional Guarantees provided by the Project Developer cover the entire investment.

Project's rating

According to the analysis carried out, we have assigned to the Catarroja Project a BB scoring according to the result of the weighting obtained on the following evaluated parameters:

PROYECTO	C	CC	CCC	B	BB	BBB	A	AA	AAA
TIR									
ROI									
Licencia									
Transacciones zona de influencia									
Precio Venta €/m2									
Construcción €/m2									
Ciudad (habitantes)									
Localizaciones especiales									
% ventas formalizadas									
Loan to Value (Préstamo Housers)									

BB

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

GLOBAL RATING

The overall rating of the investment project is determined by assigning a weight of 30% to the Promoter's scoring and the remaining 70% to the Project's scoring, which have been indicated as BBB and BB, respectively and, therefore, we have assigned Catarroja's investment project a global BB scoring, which indicates a **SATISFACTORY** rating.

RESUMEN SCORING

BB

Silva & Asociados, Asesores Financieros, S.A.

April 30 2019



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Socio Director

