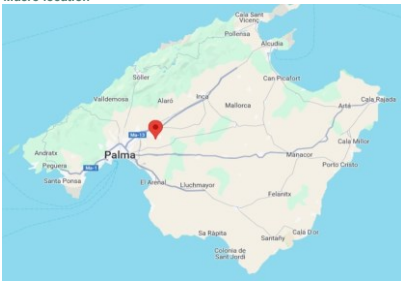


Project: 956 - Mallorca
Client: Eterra Gruppe

Macro location



Micro location



Source: Google Mymaps

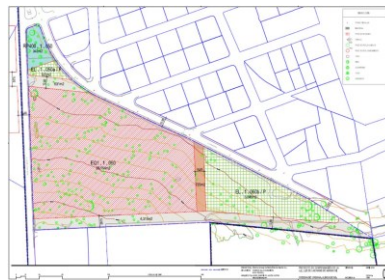
Asset

Some information has been provided regarding the status of urban management and the progress of project ideas.

We have had access to the following documents:

- + Statutes and Bases of the Junta de Compensación de la UE 1.02.
- + Urban Development Certificate of the plots.
- + Urban Development Project of the UE 1.02.

The valuation is based on the development of a new complex, which is supposed to consist of a Wellness Center (Hotel Clinic) with 130 rooms and the corresponding equipment, plus 157 parking spaces, to be operated by the owner. We have also had access to sketches of the complex. We have not had access to any additional information. The hypotheses formulated are based on current market trends for this exclusive sector.



Surfaces & main features

Asset type	Adopted (sqm)	Equipment (private sqm)	Garage (sqm)	Outdoor Area (sqm)	Others (sqm)
Wellness	19.262,00	14.998,00	4.264,00	17.411,00	-
Total	19.262,00	-	-	-	-

Comments:

As instructed, we have not measured the Property. The valuation was carried out on the presupposition that the information on areas, provided by the Client, was correct. Should this information prove to be incorrect or incomplete, the accuracy of the valuation could be affected and in such case we reserve the right to amend the valuation accordingly.

Date of Valuation:	01/02/2025	Type of valuation:	Desktop
Purpose of valuation:	Acquisition	Inspection Date:	-

Location			
Region:	Islas Baleares	ZIP Code:	7141
Province:	Mallorca	INE Code:	7036
Municipality:	Marratxí	Area category:	Metropolitan area

Situation	
Address	C/ Antoni Jaume-Melge-Portol 1(C) y C/ Xeremiers -Portol- 7
Floor	na
Cadastral Reference	9750202DD7895S0001PO y 9750203DD7895S0001LO
Coordinates	39.612817, 2.762094
Google maps Link	Link

Socio economic data (Municipality level)		Location rating	
Inhabitants	39.440	Macro Location	B
Foreigners (%)	4,48%	Micro Location	B
Unemployment rate (%)	4,22%	Liquidity	na
Income per Capita (€)	14.218 €	Squatter risk	na
Transactions	-	Public transport	B
Resi stock	-	Road communication	B

Location comment

The land in question is located in Marratxí, a municipality of Mallorca, in the autonomous community of the Balearic Islands. It is located northeast of the Balearic capital, Palma de Mallorca, and is also the first municipality in the Raiguer region, which extends to the bay of Alcudia, in the north of the island.

Its municipal area has an area of 54.2 km², it is located 6 kilometers from the center of Palma. Its population, high in proportion to its size, is mainly due to its proximity to Palma de Mallorca, good communications both by road and public transport as well as a large number of neighbourhoods of single-family homes built between 1980 and 2000. Limits to the north with the municipality of Buñola, to the north and northwest with that of Santa María del Camino and with Palma de Mallorca to the south and west.

Planning information	
Town planning	NNSS (Subsidiary Norms) 12/11/1999
Planning status	Urban
Land classification	Within the UE 1.02 execution unit.
Land use	Equipment
Typology	Isolated

Land parameters	
Land surface (sqm)	31,042.00
Max. Height (m)	B+1
Buildability (sqm/sqm)	0,55
Buildability (sqm)	15,000.00 (in units smaller than 1500 sqm)
Land cessions (sqm)	2,363.33
Cessions Buildability	15% (monetizable)
Net resulting plot of land (sqm)	20,584.15 (After Reparcelling Process)
Buildability Assignable to property (sqm)	12,637.00
Parking use	1 parking place/100 sqm
Main use	Equipment Administrative, Welfare, Healthcare, Sports and Socio-Cultural
Compatible uses	
Parking provision	150 parking place

Registry References	Registry parcel (sqm)	Result of Reparcellization (sqm)	Cadastral references	Parcel (sqm)
33262	23.717	-	9750202DD7895S0001PO	23.760
12211	6.968	-	36039A020003840000DE	9.357
	-	20.584		
	-	-		
	30.685	20.584		33.117

Assumptions

Adopted (sqm)	Equipment (private sqm)	Garage (sqm)	Outdoor Area (sqm)	Others (sqm)
19.262,00	14.998,00	4.264,00	17.411,00	-
19.262,00	-	-	-	-

Comments:

The assumptions made are in line with standard ratios for this type of asset.

SWOT ANALYSIS

Strengths

- Good communications
- Good accessibility
- Good position in relation to population
- Good position in relation to the airport

Weaknesses

- Possible positioning of the competition
- Dependence on private vehicles
- Very exclusive market

Threats

- Changes in market trends
- Prolonged wars in Ukraine and the Middle East will have multiple effects on the economic and financial markets
- Increased competition in the immediate environment

Opportunities

- Comparable land scarcity
- Location
- Flexibility of planned access
- Reduced competition L105

MARKET ANALYSIS

Investment in Healthcare and Later Living reaches 25 million euros in the first quarter of 2024.

The aging of the population in Spain and an increase in life expectancy, is facing a limited supply that offers opportunities for the development of new projects. There is currently a wide variety of projects underway throughout Spain.

The existing supply in Spain at this level, although reduced, is indicated as follows:

MasQi (Bañeres, Alicante), Buchinger Wilhelmi (Marbella), Hotel Castilla Thermal Monasterio de Valbuena (San Bernardo, Valladolid), La Manga Club (Cartagena, Murcia), FontSanta Hotel (Mallorca), Las Caldas Villa Tennial (Las Caldas, Asturias), Sha Wellness Clinic (L'Aïbir, Alicante), Es Racó d'Arta (Mallorca), The Westin La Quinta (Marbella).

Forecast

Interest in the sector will continue to grow, supported by solid fundamentals such as a notable imbalance between demand and supply which translates into good operational performance of the assets. With interest rates and debt markets expected to stabilize, transactional activity is expected to increase from the second half of 2024.

The Lanserhof Group in Marbella in the Finca Cortesin complex and the Ilanga Capital Group in Marbella in the former Incosol.

VALUATION

Valuation methodology

- The present valuation has to be understood in line with the introductory statement dedicated to the instruction.
- We would like to state that our analysis reflects current market conditions. If any information or any assumption that we have considered as a basis for the present analysis were to be found incorrect, then the final result would be incorrect and should be reconsidered.
- For valuation purposes, we have used our own estimations based on our team's knowledge in property management, alternative and residential investments, and on references collected from local and national data bases, reflecting standard market practice.
- It must be stressed that assumptions made are the valuer's own estimations based on forecasts, experience and market knowledge at the date of valuation. Considering the uncertainty and volatility in the Spanish property market, the forecasted future rental and/or capital growth may not occur.
- Has been assumed a stable real estate market and without any remarkable /event which could impact the value of the asset, in terms of tenancy situation or property state.
- The uncertain current economic context will have multiple effects on the economic and financial markets. Given this heightened level of uncertainty, it's absolutely necessary to be diligent with the use of the valuation. We recommend you consider the date of valuation and conclusion of our report, since the current dynamic developments might have a substantial impact on Market Values and, respectively, the underlying assumptions within uncommonly short time periods.

- Given the nature of the property to be valued, an unconsolidated urban land, which has a Compensation Board for its development, where the ownership of the property subject of the report is majority and, therefore, with the capacity to direct the management and performance, in accordance with the parameters for its valuation.
- Firstly, the market value of the final product is determined, corresponding to a Wellness Center (Hotel Clinic).
- For which it has been assumed that the complex will have a hotel area of 130 rooms or units, a large porch area, another area of Clinic & Wellness, outdoor areas developed at ground level and at roof level taking advantage of the existing slopes, for which we will use the discounted cash flow method for the direct operation of the Wellness Clinic.
- From this market value, calculated for the assumed final product, we apply a dynamic residual or discounted cash flow method to determine the present value of the land.

Considered Areas

The following are the estimated surface areas of the property.

The valuation has been carried out on the assumption that the areas given are correct. Should this information prove to be incorrect or incomplete, the accuracy of the valuation may be affected and, in such a case, we reserve the right to amend the valuation accordingly.

Level	Current Use	Lettable area sqm	Weighting ratio	Weighted area sqm
-	Equipment	14.998	1,00	14.998
-	Garage	4.264	1,00	4.264
-	Outdoor Area	17.411	-	-
Total		36.673		19.262
Parking		incl.	units	

DCF APPROACH (HCBMA - Hypothetical finished building in Management Agreement)

In this case, the valuation is carried out directly by the DCF of direct exploitation, considering in this case a mature occupancy rate of 73.57%.

Considering for the Wellness Clinic a total area of sqm 36,673, with a sales area of sqm 14,998 and of garage area of sqm 4,264.

In addition, the market value is calculated based on a management agreement, which guarantees an annual NOI of 10 million euros, being the Management Agreement: 20 years + 2 extensions of 5 years each.

	K€	€/sqm
Gross income	10.000.000 €	273
Non recovery charges	-200.000 €	-5
Net income	9.800.000 €	267
Gross Market Value	153.376.446 €	4.182
Purchaser's costs	2,00%	

NET VALUE 150.370.000 €

HCBMA - Hypothetical finished building in Management Agreement

Net initial yield

6,39%

DCF APPROACH - DYNAMIC RESIDUAL - LAND VALUE - HYPOTHETICAL NO LICENSE+PLANNING COMPLETED+ 95% URBANIZATION EXECUTED

Address	Year	1	2	3	4	5
C/ Antoni Jaume-Metge-Portol 1(C) y C/ Xeremiers -Portol- 7		2025	2026	2027	2028	2029
TOTAL SURFACES (sqm)						
WELLNESS CLINIC						
Equipment		14.998				
Garage		4.264				
Total		19.262				
RATES and TYPES of UPDATES						
RDE (TLR)		3,140%				
DIFFERENTIAL		15,360%				
DISCOUNTING TYPE		18,500%				
BUSINESS Hypothesis (years)		5,00				
INCOME FROM SALE						
WELLNESS CLINIC						
		0	0	0	0	164.047.235
		0	0	0	0	0
		0	0	0	0	164.047.235
COSTS						
Monetization Cesiones		3.085.091	0	0	0	0
Construction Cost		0	23.150.855	23.613.872	12.043.075	0
Necessary Costs		618.706	4.456.540	4.545.670	2.649.476	674.954
Commercialisation Costs		0	0	0	0	3.280.945
Financial Costs		906.700	2.994.280	5.198.726	6.444.028	0
Urbanisation		59.520	0	0	0	0
		4.670.017	30.601.674	33.358.269	21.136.579	3.955.899
TOTAL		- 4.670.017	- 30.601.674	- 33.358.269	- 21.136.579	160.091.336
Discount rate		1,181	1,404	1,664	1,972	2,337
TOTAL Discounted		- 3.940.943	- 21.792.572	- 20.046.957	- 10.719.174	68.513.488
Cumulative Discount		- 3.940.943	- 25.733.515	- 45.780.471	- 56.499.645	12.013.843

OPINION OF NET VALUE
LAND (Total asset) 12.010.000 €

LHNL95%U - Land Hypothetical No License+Planing Completed+95% Urbanization Executed

Comments:

Of the Net Land and Buildability Assignable to the property (sqm), plus the assignable buildable area to be obtained by monetization, assuming that the land is vacant, with the urbanization executed, with the planning completed, the registration of the resulting plots (own and assigned) and with the license obtained.

DCF APPROACH - DYNAMIC RESIDUAL - LAND VALUE - HYPOTHETICAL WITH LICENSE+PLANNING COMPLETED+URBANIZATION EXECUTED

Address	Year	1	2	3	4
C/ Antoni Jaume-Metge-Portol 1(C) y C/ Xeremiers -Portol- 7		2025	2026	2027	2028
TOTAL SURFACES (sqm)					
WELLNESS CLINIC					
-		14.998			
-		4.264			
Total		19.262			
RATES and TYPES of UPDATES					
RDE (TLR)		3,140%			
DIFFERENTIAL		13,360%			
DISCOUNTING TYPE		16,500%			
BUSINESS Hypothesis (years)		4,00			
INCOME FROM SALE					
WELLNESS CLINIC					
		0	0	0	160.988.454
		0	0	0	0
		0	0	0	160.988.454
COSTS					
Monetization Cesiones		3.085.091	0	0	0
Construction Cost		11.249.201	23.150.855	23.613.872	0
Necessary Costs		2.474.824	3.819.891	3.896.289	2.649.476
Commercialisation Costs		0	0	0	3.219.769
Financial Costs		1.709.688	3.495.490	5.371.765	0
Urbanisation		0	0	0	0
		18.518.804	30.466.236	32.881.926	5.869.246
TOTAL		- 18.518.804	- 30.466.236	- 32.881.926	155.119.209
Discount rate		1,165	1,357	1,581	1,842
TOTAL Discounted		- 15.895.969	- 22.447.447	- 20.795.984	84.209.653
Cumulative Discount		- 15.895.969	- 38.343.416	- 59.139.400	25.070.253

OPINION OF NET VALUE
LAND (Total asset) 25.070.253 €

LHLPU - Land Hypothetical with License+Planing Completed+Urbanization Executed

Comments:

Of the Net Land and Buildability Assignable to the property (sqm), plus the assignable buildable area to be obtained by monetization, assuming that the land is vacant, with the urbanization executed, with the planning completed, the registration of the resulting plots (own and assigned) and with the license obtained.

CONCLUSION

Madrid, 01/02/2025

In conclusion, we are of the opinion that the value of the 100% of the ownership at the valuation date, under the assumptions and comments of this report and the appendix, is approximately of:

Valuer	Enrique Manget Master Civil Engineer
Copy nº:	Final
	Natalia Huejes Ponce, MRICS Valuations Associate Director
	For and on behalf of BNPPRE Valuations Spain

OPINION OF NET VALUE

Of the Net Land and Buildability Assignable to the property (sqm), plus the assignable buildability to be obtained by monetarization, assuming that the land is vacant, pending the planned urbanization included and the registration of the resulting plots (owned and assigned).	12.010.000 €		
	14.998,00	800,77	€/sqm
	20.584,15	583,46	€/sqm

The valuation has been carried out on the unverified presupposition that any real division of the complete site to be carried out at a later date will not result in any reciprocal rights or obligations that represent factors needing to be taken into particular consideration in the valuation.

The valuation was carried out on the presupposition that the information on the areas, tenancy and ownership, provided to us and detailed in the schedules and other documents, were correct, complete and not misleading and that the definition of the areas corresponded to the practices of the properties' submarket in which the Subject Property is located.

If supplied with legal or other documentation, we have considered it, but will not take responsibility for the legal interpretation of it. Formal defects as validity issues concerning written form requirements and the validity of certain clauses (e.g. maintenance and renovation) as well as legal disputes between lessor and lessee have not been examined and are explicitly excluded from this valuation.

For general conditions and assumptions, please refer to BNPP RE Spain general terms of the contract signed.

BNPP RE has not been provided with the legal documents according to which the Subject Property is registered. Details of tenure under which the properties are held have not been examined. Information from deeds, leases or other documents recorded in this report, representing BNPP RE understanding of the relevant information. However, in instances, the interpretation of the documents of title (including relevant deeds, leases, and planning consents) is the responsibility of a legal adviser.

Without information provided by the client, the subject property will be supposed under Stamp Duty.

Easements: As the registry extracts have not been provided, it is unknown if there are any easements registered which could affect the assessment of market value. Has not been considered in the valuation, so if this assumption or the information given is not correct, it will be necessary to review the valuation.

Any independent consultation has been done in the Urban Planning Department.

We have neither been provided with building or opening licenses nor with a first occupation license. We understand that the property is in line with the planning regulation, nonetheless, we recommend you to verify this issue to ensure that the subject building contains all necessary building permits.

We were not provided with any information regarding charges and other financial liabilities subject to public law. Without verification, we have therefore considered that all charges and other financial liabilities subject to public law that could affect the value have been charged and been fully paid at the date of valuation.

BNPP RE has not been informed of any encumbrances or other such restrictions that have not been listed in the land register. In preparing the Report, BNPP RE has therefore considered that no other encumbrances or restrictions exist, which might have an effect on the reported level of Market Value.

As a result of the year of construction, BNPP RE regards it reasonable to consider that there is no risk of soil contamination to be existent.

We have not made any enquiries regarding flood/seismic/fire risks within the area where the property is located, and which could affect the property's value. Should the property lie within or close to a flood/fire area, or have a history of flooding/fire/seismic incidences, we have made an Assumption that the building insurance is in place regarding these risks and available to be renewed by the current or any subsequent owner of the property, without payment of an excessive premium or excess.

We have been instructed not to make any investigations concerning the presence or potential presence of contamination in land or buildings, and to make an Assumption that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value. We have not carried out any investigation into past uses, either of the property or any adjacent land, to establish whether there is any potential for contamination from such uses or sites and have therefore made an Assumption that none exists. Commensurate with our Assumptions set out above we have not made any allowance in the valuation for any effect in respect of actual or potential contamination of land or buildings. We have no basis upon which to assess the reasonableness of this Assumption. If it were to prove invalid then the value would fall by an unspecified amount. In practice, purchasers in the property market do not make such an assumption about contamination and a purchaser of the property may require appropriate investigations to be made so as to assess any risk before completing a transaction. In any case, the property is located within a consolidated area hence we consider that the risk of soil contamination is low.

For the purposes of this valuation, BNPP RE has not been provided with a formal area measurement. However, the planning (PERI) does contain the actual measurement, so this is the one we have used as a starting point.

Explicit attention is drawn to the conditions of this valuation. In addition, we refer to the terms and conditions of BNPP RE a to this Report. The ascertained Market Value is based largely on figures and information, which we have included in the valuation without further examination. Any change in these figures e.g. the rent roll assumed as instructed or the area figures employed can impact substantially on the value. There is no reason to assume that the provided information is not credible.

This valuation Report is subject to copyright. It is intended for the exclusive use of the named Client, and solely for the stated purpose. The valuation contract is an agreement between the named parties only, and they alone are therefore entitled to assert rights in connection with it. Third parties are expressly prohibited from making use of this Report or its findings. The use of these professional statements by BNPP RE for advertising purposes is not permitted. The statements and forecasts made in this Report have been drawn up with all due care. They presuppose stable economic and political conditions. As far as possible, the data was verified by drawing on the sources used and our own inquiries. BNPP RE can accept no liability for the full validity, in particular of the forecasts or the marketing possibilities.

The Russian invasion of Ukraine has and will have multiple effects on the economy and financial markets. At this stage, it is probably impossible to quantify the impact, as the military conflict is ongoing and no political solution is in sight. However, some consequences of the Russian attack on Ukraine are already being felt (higher geopolitical risk, higher inflation and energy commodity prices, lower growth and NFP, and others). They are likely to shape the economic and financial outlook for at least the next few months. The impact on the real estate market is unknown. As of today, the logistics market is the first sector to be affected, after the disruption of supply chains through Eastern countries (especially the Silk Road). A prolonged crisis will have a serious impact on other sectors of the real estate market. Our valuation is based on the information available to us at the valuation date.

Given this high level of uncertainty, it is absolutely necessary to be diligent with the use of our valuation. We strongly recommend that you consider the valuation date and conclusion of our report, as current dynamic developments can have a substantial impact on market values and, respectively, the underlying assumptions within extraordinarily short periods of time. Accordingly, we recommend that you keep the valuation of this Property under frequent review.

PICTURES



PRESENT



PROJECT

