



## I Executive summary

Source: Libertas 7

### I DESCRIPTION OF THE COMPANY

Libertas 7's mission is to develop financial investment, real estate and tourism management activities that ensure the survival of the company. Its management principles are diversification, prudence and long-term sustainability.

**Significant gap between price and value:** The sum of the parts of the estimated valuation of the main assets in the year 2028, subtracting the estimated gross debt, gives a value close to 5x the current capitalisation of the company.

### I MAIN BUSINESS SEGMENTS

Libertas 7 has 3 business segments:

1. **Real estate** (~20% of our estimated total value of assets)
2. **Tourism** (~20%)
3. **Investments** (~60%)

In the **real estate division**, Libertas 7 has, on the one hand, its development business, and, on the other, its leasing business. Regarding the development business, its sales are expected to grow considerably over the coming years, going from 33 homes registered in 2023 to more than 100 estimated for 2028. With respect to the leasing business, the company has buildings and premises in the centre of Valencia (Spain) for a fair value on the balance sheet of more than €15 million (2023). A portion of these properties are rented and generate around €0.4 million in annual income.

In the **tourism division**, we highlight that the entity owns three buildings under a vacation rental regime, located in the Port Saplaya complex (Valencia, Spain), for a reasonable value of €22.4 million (2023). It also manages the Sea You Port Valencia Hotel located near the marina and the city's historic port. This division generates close to €3 million in revenue. We think that revenues will increase considerably in the coming years, since the occupancy rate is currently close to 50% and the management team sees clear levers for it to increase to at least 70%, and there is also capacity for price increases.

The **investment division** manages a securities

portfolio and makes direct long-term investments in private capital in companies in the agri-food sector (Amaltheia project) or through participation in investment funds. The stock portfolio and other financial assets (investments in investment vehicles, deposits, etc.) have a value of approximately €60.5 million at market price (end of 2023). The activity of this area balances the group's risks, providing profitability, liquidity and solvency when the real estate cycle suffers the most, and allowing the company to participate in very diverse businesses, geographic locations and business activities at different times of the cycle.

### I VALUE PROPOSAL

Libertas 7 has been listed on the stock exchange since 2021 and from November 2024 on the continuous market, leaving behind the fixing modality. Although it has been a listed company on the Valencia Stock Exchange (Spain) since the 1980s, it remains unknown to the investment community and has had hardly any coverage by analysts.

**I Factors that drive the reduction of the current gap between the price and the value of the company:**

- High-quality owned assets.
- Adequate capital allocation by the management team.
- Commitment on the part of the management team to increase the value of assets and remunerate shareholders attractively through dividends.



- The value of the set of financial investments and liquidity (~€60.5MM) would cover the total amortisation of the group's debt (~€33MM) and the purchase of the company on the stock market (~€30MM), leaving the remaining assets and business at close to zero cost.
  - It is estimated that the real value of the company will continue to grow in the medium/long term in the three divisions at an attractive annual rate for investors as a consequence of the organic growth of the tourism business, the implementation of programmed projects in the real estate division and the expected returns in the investment division.
  - Reasonable medium/long-term expected results of the financial area division; the portfolio contains securities with a lot of growth potential and value creators (Vidrala, Viscofan, LVMH, etc.). Furthermore, the approach of Jorge Pérez Antolí, the director of the financial investments area, focuses on investing in financial assets following the principles of value investing.
  - The financial portfolio,
  - Investments accounted for by applying the equity method,
  - Other long-term financial investments,
  - Cash and other equivalent liquid assets,
- And subtracted:
- Gross debt.

The resulting estimated value is approximately €140 million – that is, about 5 times the company's current capitalisation.

The main assumptions have been an expected return of 10% per year on the financial portfolio and an annual revaluation of 5% on real estate assets.

Even if the estimates were considerably lowered, and a 5% annual growth of the securities portfolio and a 3% annual asset revaluation were assumed, the estimated value would be close to €124 million – that is, more than 4 times the current capitalisation of the company.

## I MANAGEMENT TEAM FOCUSED ON VALUE CREATION

The strategic purpose of the management team is to grow the Libertas 7 group and be able to serve the shareholders and the rest of the interest groups adequately in terms of dividends and the value of the share.

**The Noguera family owns close to 80% of the capital. There are no conflicts of interest between the management team and shareholders.**

## I SUM OF PARTS

For this purpose, the calculation has been carried out to estimate the value of the assets in 2028 as follows:

- A multiple of 10x is applied to the estimated profit of the real estate development business for the next 5 years.

The following are added:

- The value of buildings and premises in the center of Valencia,
- The value of buildings in the tourism division,



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