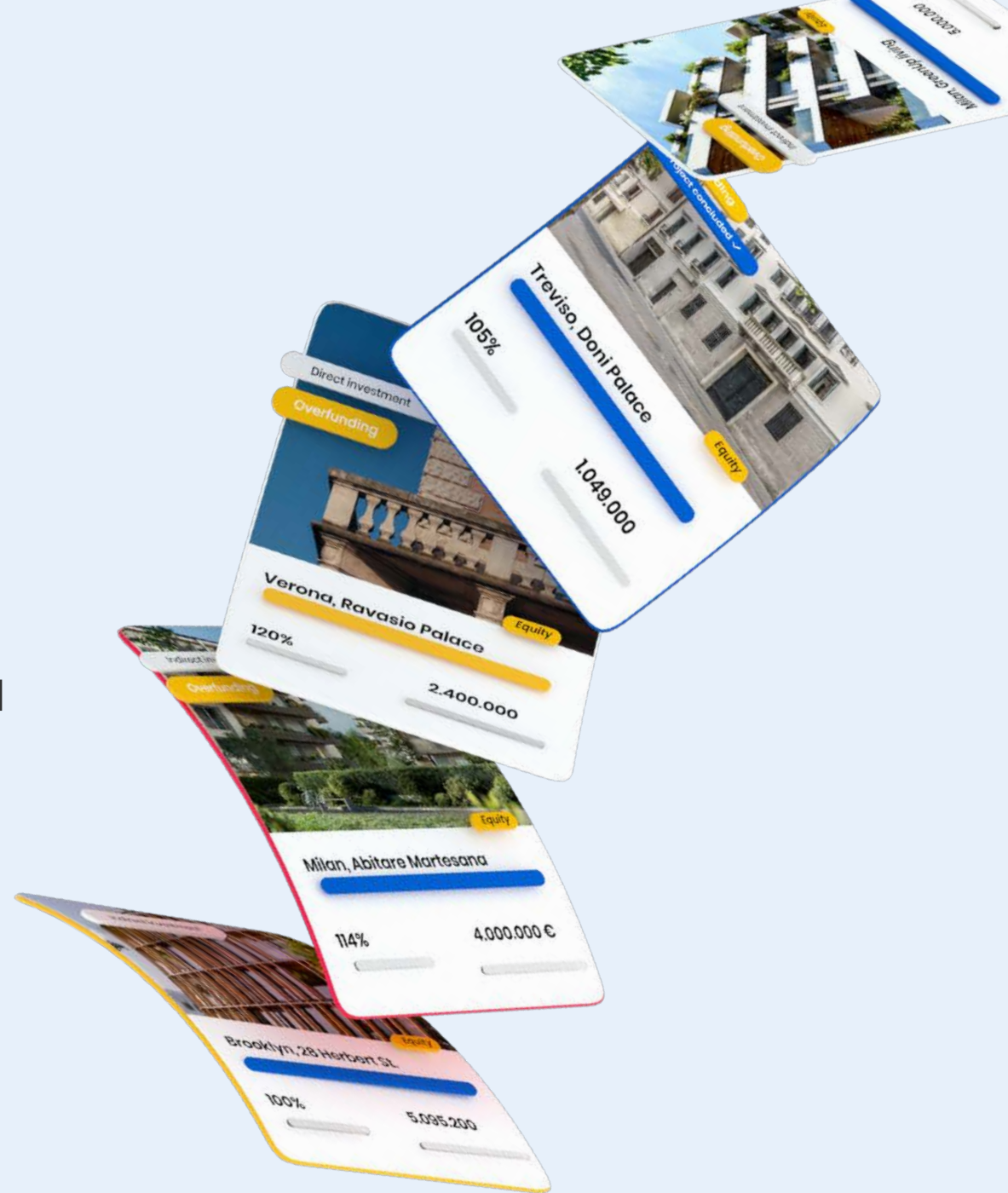


Looking for new financing solutions?

Build the one that suits you
best, choose

Walliance



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Walliance

WHAT IT IS AND WHAT DOES IT DO?

Walliance is a digital platform that **combines investment and financing opportunities** in the real estate sector, accessible through various financial instruments including Equity, Lending and Debt and was created with the aim of providing a solution to the complexities encountered in the investment and financing of real estate operations.

Walliance has been operating in Italy since 2017 and in France since 2020 thanks to **Consob** and **AMF** licences. Having obtained authorization from the **ECSP** (European Crowdfunding Service Providers) Regulation, it will operate throughout the European Union.

With **55 real estate projects financed and more than €105 million financed**, Walliance has positioned itself since 2017 as the market leader in Italy, offering **over 4,500 retail, Private and HNWI investors** a paperless and fully digital investment process.

More than €105 million
FINANCED

Portal authorized
IN ITALY AND FRANCE

More than 4,500
INVESTORS

100%
SUCCESSFULLY FUNDED



Walliance **Crowd**

"Walliance Crowd" is a financing product designed for small and medium-sized European companies to raise **up to € 5 million**. In this section of the website, we find the products "Walliance Crowd Equity", "Walliance Crowd Lending" and "Walliance Crowd Mezzanine", alternative to each other and chosen according to the financing needs of companies.

Opening the company to the market, involving new investors eager to support the development of real estate projects, allows us to **redefine sources of financing with a view to greater solidity, increasing the availability of cash** aimed at the development of a specific real estate operation.

Depending on the size of the company financing takes place in the context of a traditional capital increase, or in that of signing a loan agreement in the form of an interest-bearing loan.

Technical form	Equity Mezzanine	Lending
How it works?	Equity Crowdfunding up to € 5 million	Lending Crowdfunding up to € 5 million
Types of eligible bidders	Any natural or legal person who pursues the goal of raising funds through a crowdfunding platform.	
Eligible companies	SpA, Srl (It), Sas (Fr), S.L. (Es)	
Estimated minimum annual return	≥ 11%	≥ 8-11%
Duration of the deal	≤ 36 months	
Security A	-	
Security B	-	
Tax deduction on issuance cost	-	

Equity

In the Equity case, third-party investors are offered the opportunity to **underwrite shares or units** representing the share capital.

The particular aspect around which the collection of capital through Walliance revolves, is given by the **non-proportional distribution of returns**, i.e., the mechanism allowing the issuer of the real estate operation to enjoy the receipt of a higher return than the underwriting partners in crowdfunding, thus remunerating the risk inherent in the development of the site. This is possible whenever quotas or shares of different categories are issued, with different rights that also have different effects.

Mezzanine

Get up to € 5 million with mezzanine debt, which provides specific guarantees, and leverage the financial resources contributed in an SPV. This is the perfect solution to guarantee investors repayment within a predetermined time frame at a predetermined annualized return.



Lending

In this case, that of financing through the **underwriting of a loan agreement** and thus entering the Lending sphere, the operational dynamics for raising capital remains the same, as does the selection process to which applicant companies are subjected. What changes is exclusively the underlying technical instrument, with related implications in terms of the legal position assumed by the parties and the economic manifestation of the effects of the contract.



HOW DOES EQUITY, LENDING AND MEZZANINE FINANCING WORK?

Walliance is a platform that offers tailor-made financing solutions for small and medium-sized businesses.

This means that when an entrepreneurial activity get in touch with the real estate team, a phase of dialogue begins aimed at mutual and in-depth knowledge.

The first step is then followed by the **preliminary inquiry phase**. In the same time the issuer registers its company on the platform and submits the documentation requested by the analysis team.

Walliance then verifies that the proposed real estate projects comply with certain parameters applicable with margins of flexibility due to the peculiarities of each company and project.



HOW DOES EQUITY, LENDING AND MEZZANINE FINANCING WORK?

An analysis is performed on the Company developing the operation by considering:

- the **background, experience and references** of the corporate group and the entrepreneur;
- the **track record** based on previously developed projects;
- **the adequacy and consistency of the skills** possessed by the partners and directors of the Company with respect to the specific activity carried out and the complexity of the project, as well as competence of the entrepreneurial team that will be dedicated to the project;
- **the Company's ability to bring new liquidity** to the project in the event of financial stresses, regardless of their causes;
- **the absence of interference or negative influence** on the operation, the Issuer Company, and other activities of the candidate issuer and/or companies related to it;
- the **competitive scenario**, with particular attention to the market positioning of the developer company's business and operation;
- **the Company's ability to respond promptly** and introduce new organizational and/or production solutions to the occurrence of major unforeseen events or deviations from the budgeted Business Plan due to factors internal and/or external to the organizational structure.



Walliance 500

Walliance 500 is the section of the platform created to **enhance large European companies with characteristics of excellence**. This is the area accessed by companies capable of developing operations of **€ 15 million or more**.

To access this section, one must not only have significant capital requirements and excellent transaction execution skills, but must demonstrate the ability to get involved with a highly knowledgeable audience of investors.

Technical form	Equity	Minibond	Debt
How it works?	Equity from € 15 million	Minibond from € 15 million and up to € 50 million	€ 15 million bonds
Types of eligible bidders	Any company whose financial products are the subject of a takeover or exchange offer or in which a person or persons in concert with each other acquire a significant stake.		
Eligible companies	SpA (It), Sas (Fr), S.L. (Es)		
Estimated minimum annual return	≥ 11%	≥ 5-6%	
Duration of the deal	≤ 36 months	≤ 5 years	≤ 6 years
Security A	-	State guarantees	
Security B	-	Mortgage	
Tax deduction on issuance cost	-	In the year of cost accrual	

Equity

It faithfully follows the steps envisaged for smaller campaigns except for the structuring of the investors which, in this case, exclusively involves **professional and institutional parties** (or at least parties with large assets) thus approaching something like a reserved club deal. Speed in the arrangement process and in raising capital is and remains a strength of Walliance, but within the Walliance 500 segment there are some additional operational steps than for campaigns that fall below the threshold: the preparation of a

prospectus and the organization of dedicated meetings for investors. A real roadshow, therefore, aimed at building the order book or, in other words, the **pre-commitment**.



Minibond **Debt**

It allows you to finance your company by collecting financial resources **for the development of multiple real estate operations carried out within a parent company** – and/or more generally to finance the continuity or development of the business activity – thanks to the issuance of bonds and debt financial instruments. The companies that fall within the provisions of the law will be able to issue and place, with the help of Walliance, a minibond underwritable by sophisticated, professional and institutional investors, as identified by the reference legislation.

The pre-determination and modulation of guarantees, maturities, coupon flows and all aspects that regulate the operation of a minibond, allow companies to meet their needs in the most flexible and effective way possible. This is why the Debt instrument is applied to a much wider range of transactions and asset classes.



HOW MINIBOND OR DEBT FINANCING WORKS

The preliminary assessment of a company, which in Equity aims at obtaining a pre-approval, can also be used in the “Debt world” to initiate the **arrangement process**.

In general, the placement of a bond issue (Debt security) with the public responds to different needs, which can be identified in the need to finance the business activity rather than in the financing of a specific operation.

However, this second case is not excluded a priori, provided that there are minimum requirements in terms of quantitative size and duration. In any case, a bond issue is by its nature modulable on maturities that are more or less distant in time and may have different characteristics in terms of accessory guarantees, degrees of privilege/subordination, cash flow timelines.

Thus, it is evident that by virtue of adaptability to the needs of the company, knowledge of the health of the company becomes the focus of the analysis.

Therefore, the Company will be evaluated with the same seven criteria previously listed for Equity and Lending financing. If the Company responds positively to all the general criteria listed above, the second phase will begin, aimed at **defining the macro characteristics of the bond**. More specifically:

- assessment of the adequacy of the size of the issue in relation to the financial needs expressed by the company, with a minimum of € 15,000,000;
- duration of the issuance, the maximum maturity of which is set at 72 months;
- yield of the issuance, such as to allow the repayment of the capital and a return on Debt of at least 5% per year;
- assessment of any guarantees and degree of subordination.

In the event that the evaluation phases described are passed, the Issuer candidate Company and the related issuance are considered selected and **the arrangement process begins**.

The benefits of financing

THROUGH WALLIANCE

There are a number of reasons why it is right to believe that the **innovative finance** instruments offered by Walliance are convenient for businesses depending on the assumptions and frameworks from which one looks at them.

- **Speed**

When a company delivers the documentary file requested by Walliance, complete with all the necessary information, it will take **about 40 working days to obtain the necessary liquidity for the development**, disbursed entirely in a single lump sum.

Meanwhile: feasibility advice will already be provided after 3 working days, bureaucratic and technical requirements for the amendment of the Statute, resolution of capital increase, opening of banking relationships and collection of investments. The **scalability** of the process then allows for a further reduction in the time associated with proposer analysis where the proposer becomes a recurring customer. In the case of Walliance 500, the timing is much longer (6-8 months for the provision of the minibond approved by the Supervisory Authority), since these are complex financial instruments.



The benefits of financing

THROUGH WALLIANCE

- **Tailoring**
In a world characterized by increasing levels of complexity, Walliance aims to combine the mere raising of capital with a consulting service on the real estate operations that are proposed. It is in the context of due diligence that the entrepreneur can have access to our system of knowledge, skills and experience, organized to build **tailor-made financing solutions** while innovating the real estate market.



The benefits of financing

THROUGH WALLIANCE

- **Diversification**

Innovating also means going beyond the typical logic of traditional finance, maximizing return opportunities by **integrating a complementary or even substitute, financing channel to traditional banking solutions**. This flexibility makes it possible to tailor individual financing strategies to the specific needs of each project and makes it possible to **reduce the input of equity, ensuring greater agility and enjoying the benefits of sharing risk** with other investors.



Case study

INCREASING ROE

without Equity Walliance

	INVESTED CAPITAL	PROFIT
Equity developer	7.800.000 € 46,4%	2.000.000 € 100,0%
Bank	9.000.000 € 53,6%	- € -%
Total	16.800.000 €	2.000.000 €
ROE of the developer: 25.64%		

con Equity Walliance

	INVESTED CAPITAL	PROFIT
Equity developer	4.300.000 € 25,6%	1.400.000 € 70,0%
Equity Walliance	3.500.000 € 20,8%	600.000 € 30,0%
Bank	9.000.000 € 53,6%	- € -%
Total	16.800.000 €	2.000.000 €
ROE of the developer: 32.56%		

There has been talk of non-proportionality in the distribution of returns from real estate operations. It was also mentioned that this is made possible by the presence of units/shares of different categories that give different rights to their subscribers.

The following is a practical case constructed for a real estate operation, highlighting **how the presence of the capital provided through Walliance generated positive leverage for the developer.**

This was due in part to the speed with which the capital was invested, beating out the granting of the financing resolution by a leading Lending institution.

ROE stands for Return on Equity and is obtained by dividing the profit of an operation by the capital invested in it.

If the real estate operation is also financed through Walliance, the developer would achieve an **ROE of 32.56%, which is +25.6%** higher than the ROE achieved in the absence of financing through Walliance.



For more information
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Walliance SpA is the operator of the crowdfunding portal called Walliance, registered with Consob resolution 19939 of March 30, 2017, in accordance with art.50 quinquies of Legislative Decree no. 58/1998, at no.21 of the register of portals authorized to raise capital online. The investments proposed by the Walliance portal always involve risk and liquidity constraints and are therefore intended for long-term investors able to understand the characteristics and bear the possible loss, even total, of the capital invested. Walliance does not make recommendations on investments and does not offer any kind of guarantee on the yield, nor on the duration of real estate transactions, nor does it offer any guarantee of protection on the capital invested.