



**INVESTMENT ANALYSIS AND RATING
ASSIGNMENT OF THE ESTORIL VILLA
PROJECT**

SILVA & ASOCIADOS, ASESORES FINANCIEROS, S.A.
September 30, 2020

DOCUMENT'S OBJECTIVE

Investment analysis and rating assignment of a Vila construction project published in Housers website under the name of ESTORIL VILLA.

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.

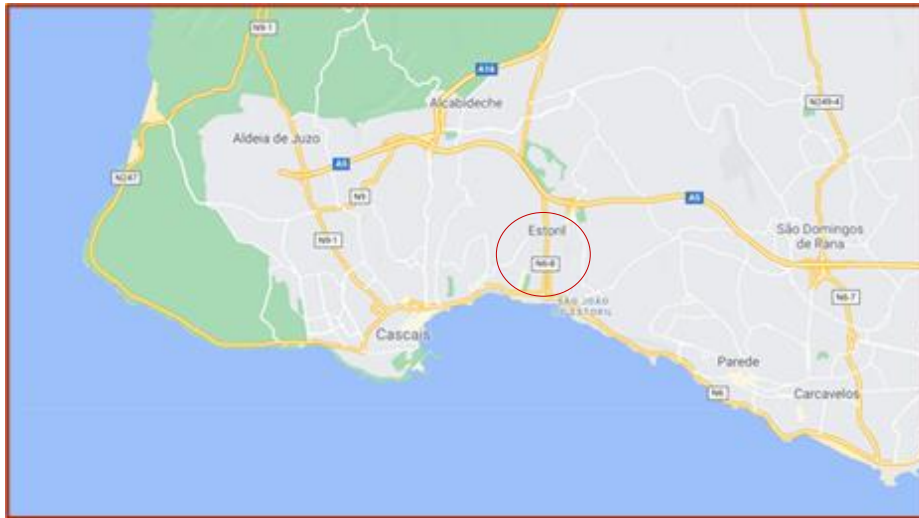
DESCRIPTION OF THE PROJECT

The investment project has the following main characteristics:

- The project under investment is located in the city of Estoril, in the municipality of Cascais (Portugal).
- Financing for the building of a Vila.
- 12 months duration.
- The total need for project financing amounts to € 260,000.

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

LOCATION



Source: Google Maps

AREA & SORROUNDINGS

The construction is located in the municipality of Cascais, in the city of Estoril. It is one of the most emblematic cities in Europe due to its buildings and history.

The municipality of Cascais has a population around 200,000 inhabitants. Estoril around 25,000 inhabitants. Portugal has a population of more than 10,000,000 inhabitants

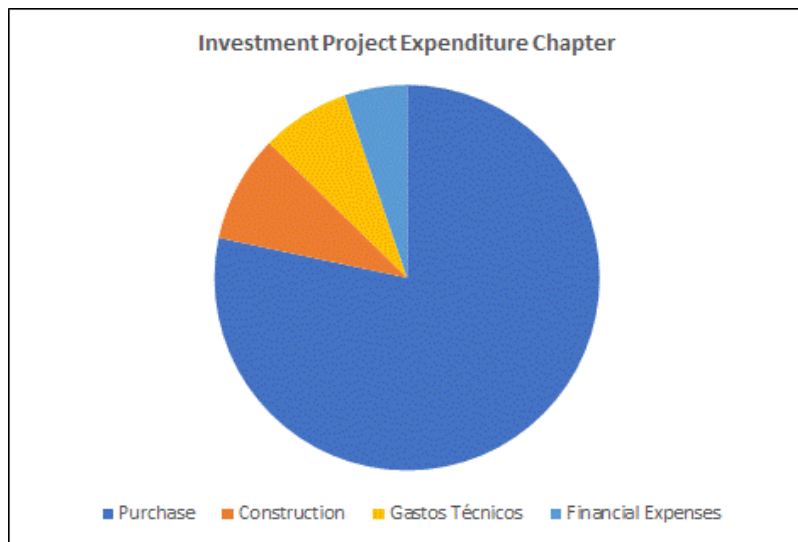
BUSINESS PLAN

Business plan summary is as following:

PL	2019	2020	2021	TOTAL
Income	0	0	1.300.000	1.300.000
OPEX	0	0	(992.000)	(992.000)
EBITDA	0	0	308.000	308.000
D&A				
EBIT	0	0	308.000	308.000
Financial Result	0	(26.283)	(28.667)	(54.950)
EBT	0	-26.283	279.333	253.050
Cash Flow	2019	2020	2021	
	0	33.717	417.050	

Source: Project Developer

A summary of the main expense chapters of the Project's investment and its economic profitability is as follows:



Source: Project Developer



Source: Own elaboration

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 **20%** of the total value and **24.83%** of the total cost.

Total loan represents the **62.31%** of the total value and **77.37%** and of the total cost.

PROJECT DEVELOPER

White Key Properties, SA, with VAT number 503773620, whose main corporate purpose is real estate development, purchase and sale of rustic or urban real estate, engineering and civil construction services, manufacture of furniture and materials for real estate, technical analysis of real estate, real estate mediation and provision of various services (marketing, advertising, design, communication, financial advice, agency)..

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 ANALYSIS AND RATING ASSIGNMENT

- 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 **BBB** scoring based on the following evaluated parameters:

PROMOTER	C	CC	CCC	B	BB	BBB	A	AA	AAA
Developer's Experience						■			
# Projects									■
Performance					■				
Liquidity Ratios					■				
Debt Ratios					■				
Asset Management Key Figures			■						
Instalment Ratios					■				
Profitability Ratios						■			

BBB

Source: Own elaboration

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					■				
Loan to Value (Housers Loan)	■								
Loan to Cost (Housers Loan)									■
BP Assumptions									■
Land Ownership									■

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

FINAL SCORING

A

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

SILVA & ASOCIADOS
Asesores Financieros

Silva & Asociados, Asesores Financieros, S.A.

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Juan José Silva Navarrete
Managing Partner

