



INVESTMENT ANALYSIS AND RATING
ASSIGNMENT OF THE ECO LIVING
RESORT PROJECT

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August 25, 2020

DOCUMENT'S OBJECTIVE

Investment analysis and rating assignment of 20 houses building Project, published in Housers website under the name of ECO LIVING RESORT.

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.

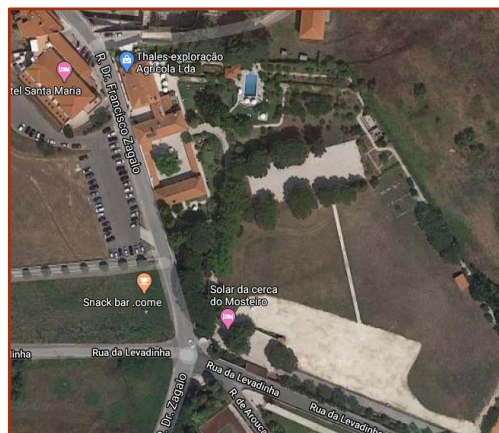
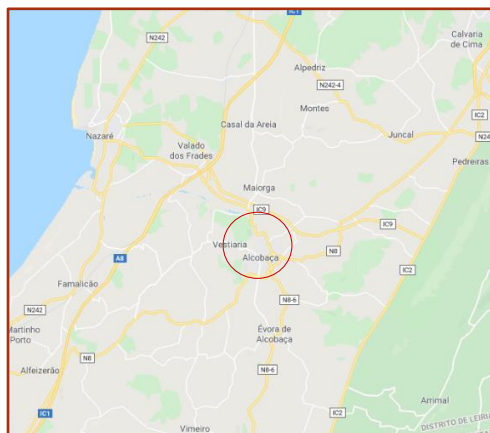
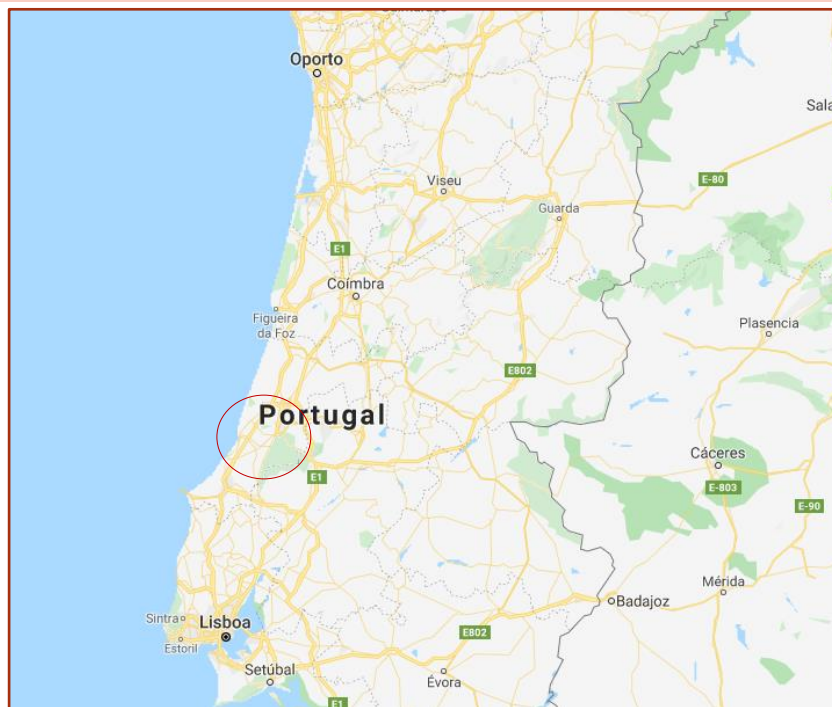
DESCRIPTION OF THE PROJECT

The investment project has the following main characteristics:

- The project under investment is located in the city of Alcobaça, in the Central Region of Portugal.
- Financing for the building of 20 houses.
- For the purposes of calculations in this report, the most conservative hypothesis (18 months duration) has been taken, while the Promoter's business plan includes an alternative to 12 months.
- The total need for project financing amounts to € 730,000.

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

LOCATION



Source: Google Maps

AREA & SORROUNDINGS

The project object of the investment is located in the city of Alcobaca, in the Central Region of Portugal. This city is part of the "Região de Turismo do Oeste", between Caldas da Rainha and Leiria, and is 110 km far from Lisbon, the capital of the country.

Alcobaca has a population of almost 16 thousand inhabitants, while the Central region of Portugal, with more than 2.3 million inhabitants, concentrates almost 25% of the continental population of the country.

BUSINESS PLAN

The summary of the business plan of the Project is as following:

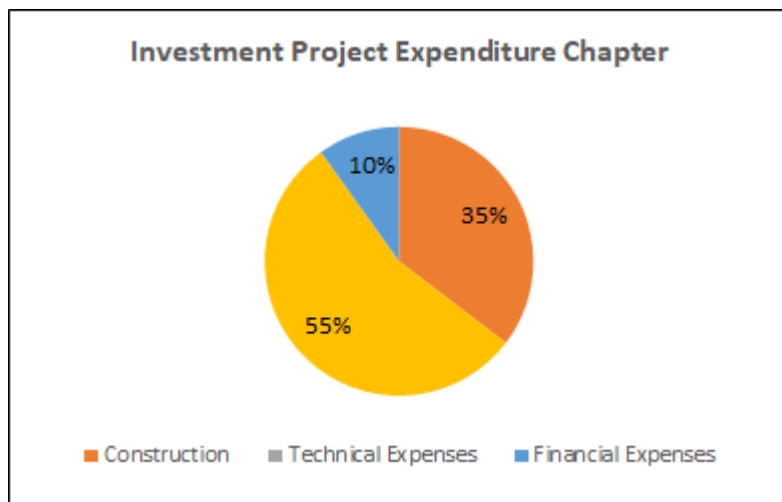
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| Income | 0 | 1.467.960 | 1.589.479 | 1.722.645 | 1.868.611 | 2.028.648 |
| OPEX | -2.000 | -229.100 | -233.682 | -238.356 | -243.123 | -247.985 |
| EBITDA | -2.000 | 1.238.860 | 1.355.797 | 1.484.289 | 1.625.489 | 1.780.663 |
| D&A | -14.320 | -14.320 | -14.320 | -14.320 | -14.320 | -14.320 |
| EBIT | -16.320 | 1.224.540 | 1.341.477 | 1.469.969 | 1.611.169 | 1.766.343 |
| Financial Result | -144.759 | -65.700 | -5.475 | 0 | 0 | 0 |
| EBT | -161.079 | 1.158.840 | 1.336.002 | 1.469.969 | 1.611.169 | 1.766.343 |
| Taxes | | -219.678 | -280.561 | -308.694 | -338.345 | -370.932 |
| EAT | -161.079 | 939.162 | 1.055.442 | 1.161.276 | 1.272.823 | 1.395.411 |

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| NCA | 568.472 | 589.152 | 584.833 | 580.513 | 576.193 | 571.873 |
| CA | 459.027 | 1.248.609 | 1.639.253 | 2.832.982 | 4.139.777 | 5.572.095 |
| ASSET | 1.027.499 | 1.837.761 | 2.224.086 | 3.413.495 | 4.715.970 | 6.143.968 |
| Equity | -51.079 | 888.084 | 1.943.525 | 3.104.801 | 4.377.625 | 5.773.036 |
| NCL | 730.000 | 730.000 | 0 | 0 | 0 | 0 |
| CL | 348.578 | 219.678 | 280.561 | 308.694 | 338.345 | 370.932 |
| TOTAL (E+L) | 1.027.499 | 1.837.761 | 2.224.086 | 3.413.495 | 4.715.970 | 6.143.968 |

Source: Project Developer

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

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

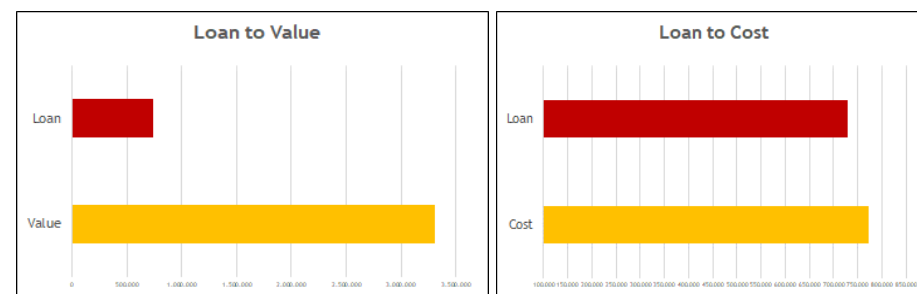


Source: Project Developer

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 **22.06%** of the total value and **94.54%** of the total cost.



Source: Own elaboration

CASH FLOW ANALISYS

| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------|---------|-----------|-----------|-----------|-----------|
| -495.337 | 913.946 | 1.120.644 | 1.193.729 | 1.306.795 | 1.432.318 |

PROJECT DEVELOPER

SOLAR DA CERCA DO MOSTEIRO, LDA, with VAT number 513240110, which since 2015 has specialized in buying and selling and renting properties and tourist equipment in the west of Portugal.

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 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 **CCC** 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 | | | | | ■ | | | | |
| Profitability Ratios | | | ■ | | | | | | |

CCC

Source: Own elaboration

PROJECT'S RATING

According to the analysis carried out, we have assigned an **AA** 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 | | | | | | | | ■ | |
| City (Population) | | | | ■ | | | | | |
| Special Locations | | | | | | | ■ | | |
| Loan to Value (Housers Loan) | | | | | | | | ■ | |
| Loan to Cost (Housers Loan) | ■ | | | | | | | | |
| BP Assumptions | | | | | | ■ | | | |
| Land Ownership | | | | | | | | ■ | |

AA

Source: Own elaboration

The company has a 5-year contract with a foreign operator that guarantees full occupancy. However, we assume a possible COVID regrowth which could substantially affect to business perspectives.

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 B to AA, respectively and, therefore, **we have assigned to ECO LIVING RESORT project an overall BBB scoring, which indicates a GOOD rating.**

FINAL SCORING

BBB

Silva & Asociados, Asesores Financieros, S.A.

August 25, 2020



Juan José Silva Navarrete
Managing Partner

