



**INVESTMENT ANALYSIS AND RATING  
ASSIGNMENT OF THE GENOVA PORTO  
PROJECT**

SILVA & ASOCIADOS, ASESORES FINANCIEROS, S.A.

March 2, 2020

### DOCUMENT'S OBJECTIVE

Investment analysis and rating assignment of a Project that consists on the acquisition of an apartment, published in Housers website under the name of GENOVA PORTO.

### 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](http://www.housers.com).

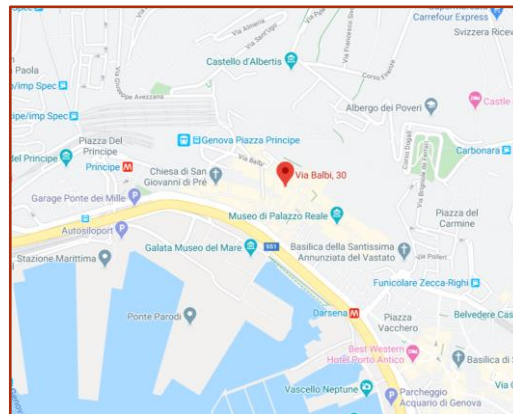
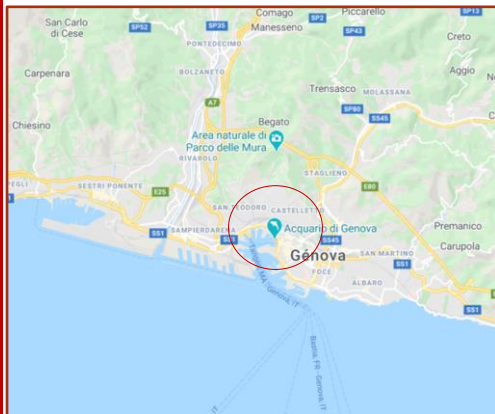
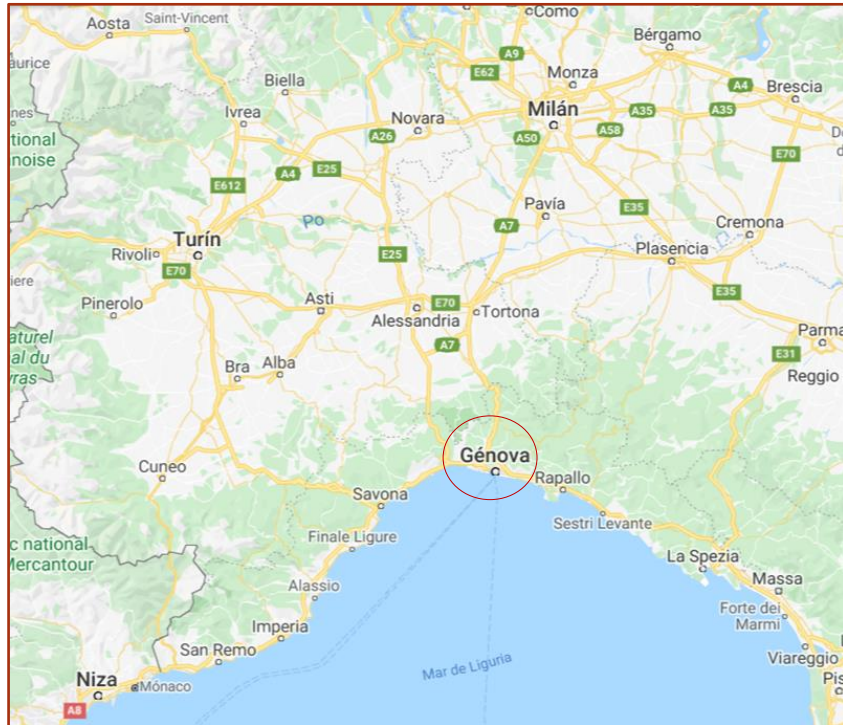
### DESCRIPTION OF THE PROJECT

The investment project has the following main characteristics:

- The project under investment is located in the city of Genoa, capital of the region of Liguria, Italy.
- Financing for the acquisition of an apartment and its subsequent rehabilitation.
- 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 € 150,000.

# INVESTMENT ANALYSIS AND RATING ASSIGNMENT

## LOCATION



Source: Google Maps

## AREA & SORROUNDINGS

The construction object of the investment is located in the city of Genoa, capital of the Liguria region. Located in northwestern part of Italy, it extends between the mountain ranges of the Alps and the Apennines and the sea.

The city of Genoa has a population of almost 900 thousand inhabitants and belongs to the so-called Genovese Metropolitan Area, which has about 1.5 million inhabitants.

## BUSINESS PLAN

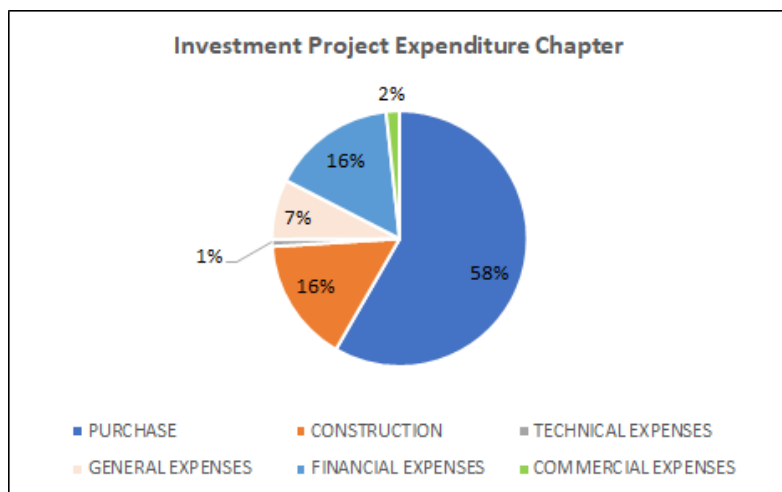
The summary of the business plan of the Project is as following:

€	2019	2020	TOTAL
Income	0	250,000	250,000
Change in Inventories	169,600	-169,600	0
Procurements	-169,600	-18,140	-187,740
Selling Cost	0	-187,740	-187,740
Gross Margin	0	62,260	62,260
Other operating expenses	-14,520	0	-14,520
EBITDA	-14,520	62,260	47,740
EBIT	-14,520	62,260	47,740
Financial Result	-11,458	-9,167	-20,625
EBT	-25,978	53,093	27,115

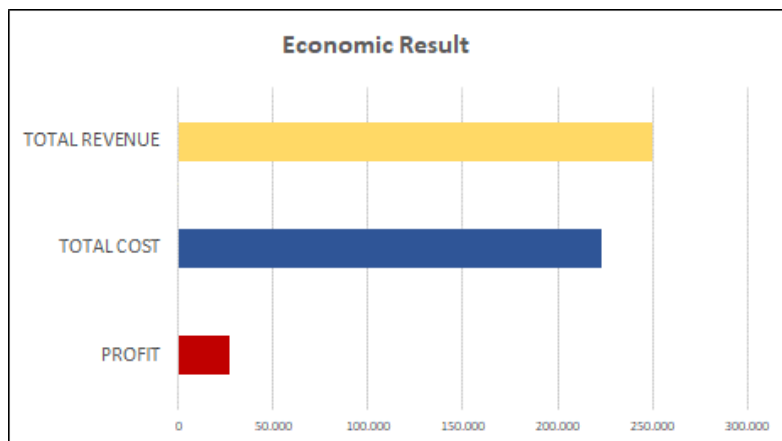
Source: Project Developer

## 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



Source: Project Developer

### BENCHMARKING

In order to compare the selling price, we are using the one obtained by the Project Developer which places the average between 3,400 and 4,900 €/m<sup>2</sup>.

The cost of construction in the area has an average of 1,000 €/m<sup>2</sup>.

### PROJECT PROFITABILITY

	2020	2021
Cash Flow	-195,578	222,693
IRR	12.23%	12.17%

Source: Own elaboration

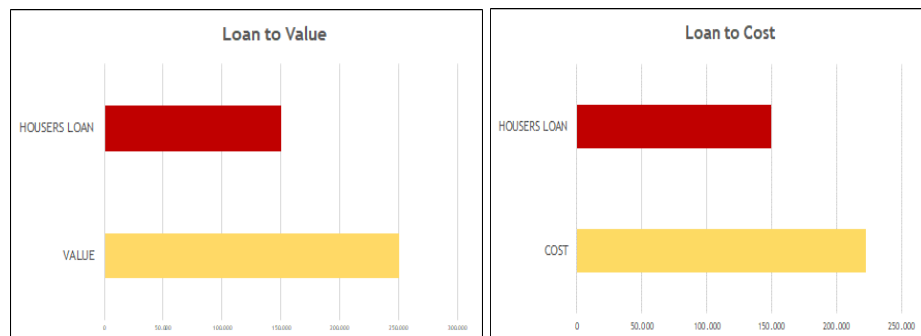
The profitability of the project stands at 12.23% of the capital invested and the Return on Investment (ROI) at 12.17%.

**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 60.00% of the total value and 67.30% of the total cost.

## INVESTMENT ANALYSIS AND RATING ASSIGNMENT



Source: Own elaboration

Score	Quality
AAA	Optimal
AA	High +
A	High
BBB	Good
BB	Satisfactory +
B	Satisfactory
CCC	Minimal
CC	Questionable
C	Questionable -

### PROJECT DEVELOPER

SAN LUCA IMMOBILIARE, S.R.L., with VAT number 02643560994, is an Italian company whose main corporate purposes are the real estate and construction activities in general.

The developers have an extensive experience and have developed a significant number of real estate projects satisfactorily.

### 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)

### DEVELOPER'S RATING

According to the result of our analysis about the Promoter we have assigned an **AA** scoring based on the following evaluated parameters:

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

AA

Source: Own elaboration

The developer has extensive experience in engineering projects being his purely real estate experience less.

The guarantees mitigate the risks, and therefore we raise the scoring, going from BBB to AA.

## INVESTMENT ANALYSIS AND RATING ASSIGNMENT

### PROJECT'S RATING

According to the analysis carried out, we have assigned an **BB** scoring to the investment project based on the result of the weighting obtained on the following evaluated parameters:

PROYECTO	C	CC	CCC	B	BB	BBB	A	AA	AAA
TIR					■				
ROI					■				
Transacciones zona de influencia								■	
Precio Venta €/m2								■	
Construcción €/m2								■	
Ciudad (habitantes)						■			
Localizaciones especiales								■	
% ventas formalizadas	■								
Loan to Value (Prestamo Housers)				■					
Loan to Cost (Prestamo Housers)				■					
Propiedad Suelo	■								

BB

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 AA to BB, respectively and, therefore, we have assigned to **GENOVA PORTO** project an overall **BBB** scoring, which indicates a **GOOD** rating.

#### FINAL SCORING

## BBB

Silva & Asociados, Asesores Financieros, S.A.

March 2, 2020



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