



**INVESTMENT ANALYSIS AND RATING ASSIGNMENT
OF THE PUERTO DE LA TORRE (MÁLAGA) PROJECT**

SILVA & ASOCIADOS, ASESORES FINANCIEROS, S.A.

April 6, 2020

DOCUMENT'S OBJECTIVE

Investment analysis and rating assignment of a Project that consists in the construction of a condo, published in Housers website under the name of PUERTO DE LA TORRE.

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 utilised 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.

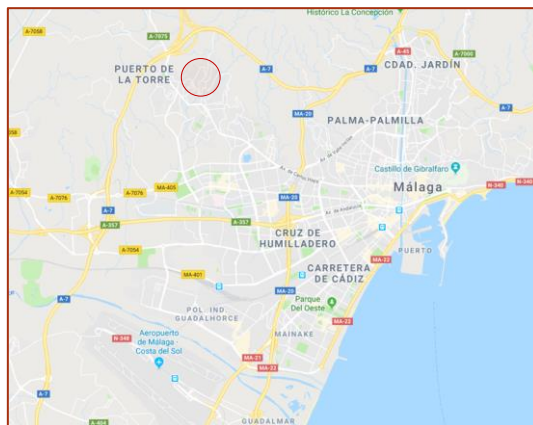
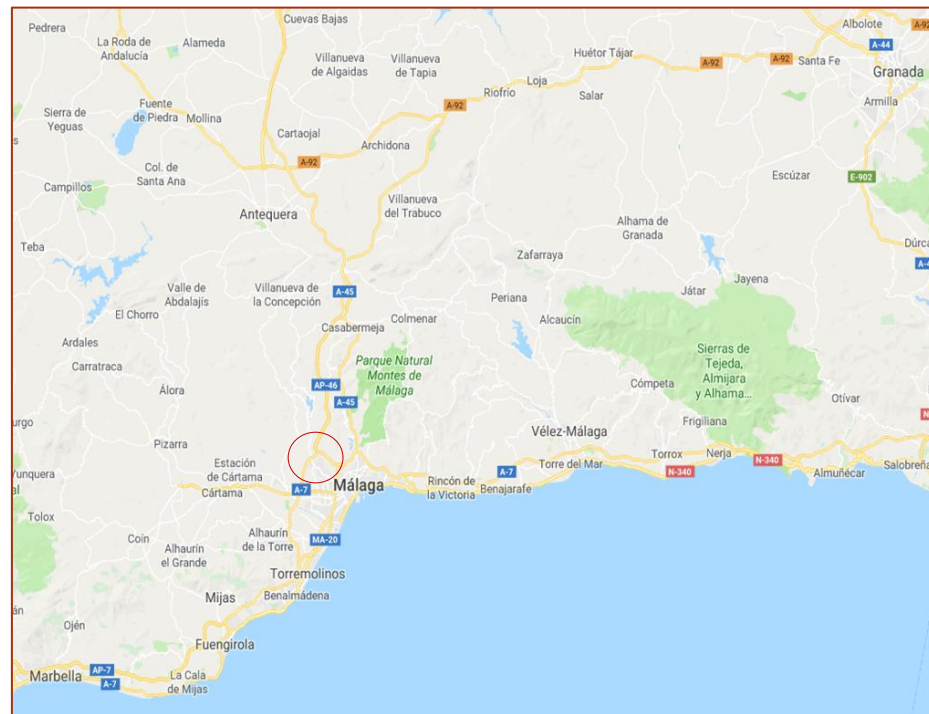
DESCRIPTION OF THE PROJECT

The investment project has the following main characteristics:

- The land under construction is located at number 10 of the Sustancia Street, in the city of Malaga.
- Construction of a 12-dwelling building with garage and storage.
- 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 need for total project financing is € 995,000.
- The investment for the fourth tranche amounts to a total of € 275,000.

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

LOCATION



Source: Google Maps

AREA & SORROUNDINGS

The construction object of the investment is located in the district of Puerto de la Torre, in the city of Malaga. Malaga is the capital of the Costa del Sol, one of the most important tourist areas in Spain, it is also the Andalusian city with the highest economic activity and the second in population.

The district of Puerto de la Torre has a population of about 40 thousand inhabitants. The city of Malaga has more than half a million inhabitants, while the metropolitan area of the city of Malaga, the fifth largest in Spain, has almost 1 million inhabitants.

BUSINESS PLAN

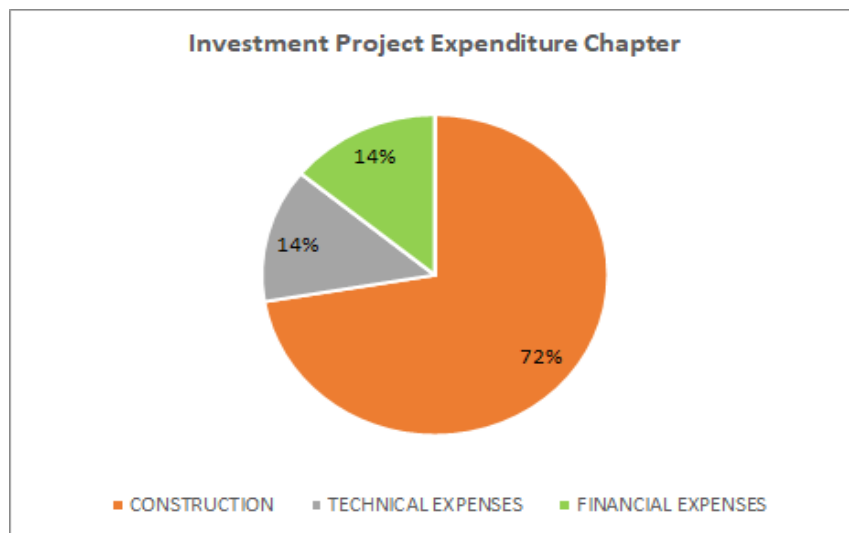
The summary of the business plan of the PUERTO DE LA TORRE Project is as following:

€	2019	2020	2021	TOTAL
Income	0	0	2.425.000	425.000
Change in inventories	388.417	824.680	-1.213.096	0
Procurements	-388.417	-824.680	-250.271	-325.000
Selling cost	0	0	-1.463.368	-325.000
Gross Margin	0	0	636.632	100.000
Other operating expenses	-69.696	-26.620	0	-30.976
EBITDA	-69.696	-26.620	636.632	69.024
EBIT	-69.696	-26.620	636.632	69.024
Financial result	-9.713	-87.488	-29.663	-126.863
EBT	-79.409	-114.108	606.970	413.454

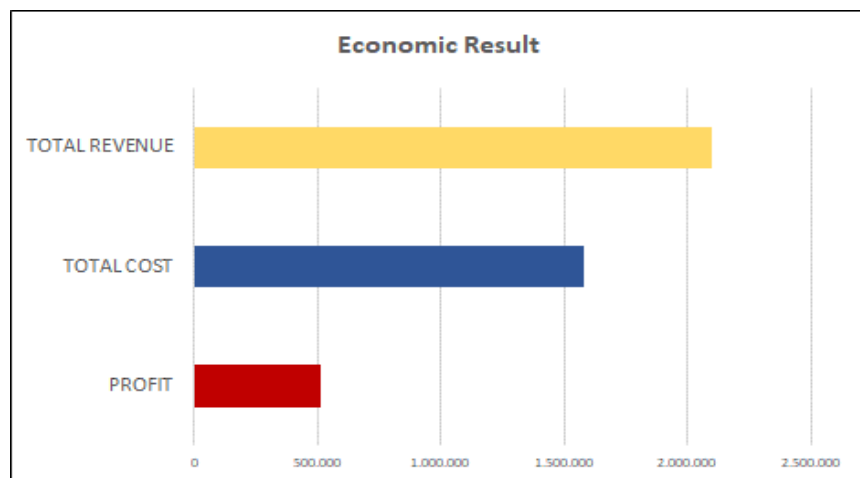
Source: Project Developer

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

Market Witnesses Area			
Real Estate Selling Price			
Address	Municipality	m ²	€/m ²
Fuente Alegre	Málaga	51	2.382
Fuente Alegre	Málaga	130	1.384
Fuente Alegre	Málaga	260	1.538
Fuente Alegre	Málaga	145	1.103
Fuente Alegre	Málaga	56	2.375
Fuente Alegre	Málaga	100	1.260
Fuente Alegre	Málaga	50	2.580
Fuente Alegre	Málaga	180	1.105
Promedio			1.716

The summary of the sale price has been prepared from an analysis of comparable product in the area of location of the project, prepared by reference real estate that place the average at 1,716 €/m².

The cost of comparable quality construction in the area has an average of 1,000 €/m².

Source: Idealista.com (Tercero B), Benchmarking of the main Real Estate companies (Santander Inmobiliaria de Gestión, Mouro Inmobiliaria, P. Vidal de la Peña, Altamira, Puerto Inmobiliario, Distrito Inmobiliario)

PROJECT PROFITABILITY

	2019	2020	2021	TOTAL
Cash Flow	-379.625	-606.987	1.400.066	413.454
TIR	Cash Flow		ROI	
	44,51%		32,75%	

Source: Own elaboration

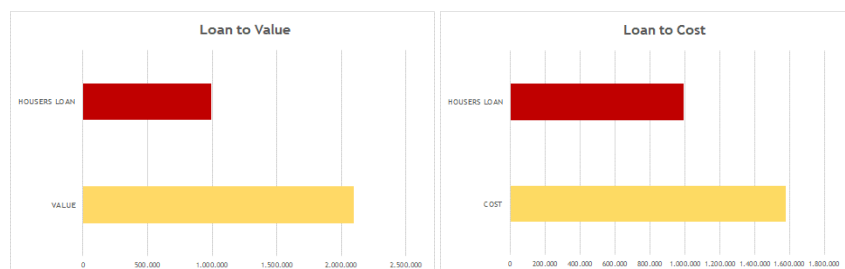
The profitability of the project stands at 44,51% of the capital invested and the Return on Investment (ROI) at 32,75%.

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 47% of the total value and 63% of the total cost.

INVESTMENT ANALYSIS AND RATING ASSIGNMENT



Source: Own elaboration

PROJECT DEVELOPER

IMAINSA, S.L. with VAT number 515501964, is a company whose corporate purpose is the sale of real estate and the resale of those acquired for that purpose, real estate mediation, and public relations and communication.

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 **A scoring** based on the following evaluated parameters:

DEVELOPER	C	CC	CCC	B	BB	BBB	A	AA	AAA
Developer's experience									
Nº projects									
Liquidity ratios									
Debt Ratios									
Asset Management Key Figures									
Deadline Key Figures									
Profitability Ratios									

Source: Own elaboration

A

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

PROJECT'S RATING

According to the analysis carried out, we have assigned to the PUERTO DE LA TORRE investment project an **BBB scoring** 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									
Licence									
Area of influence construction									
Selling Price €/m2									
Construction €/m2									
City (population)									
Special locations									
% formalized sales									
Loan to Value (Housers Loan)									
Loan to Cost (Housers Loan)									

BBB

Source: Own elaboration

The current situation due to the COVID-19 presents an additional risk.

The scoring variables affected represent a combined weight on the final grade close to 50%.

An adjustment is made to capture the new situation by reducing the scoring, going from "A" to "BBB".

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 A to BBB, respectively and, therefore, we have assigned to PUERTO DE LA TORRE project an overall **BBB scoring**, which indicates a **GOOD** rating.

FINAL SCORING

BBB

Silva & Asociados, Asesores Financieros, S.A.

April 6, 2020




Juan José Silva Navarrete
Managing Partner