



*Economic Feasibility  
Report Real Estate Project  
Operated under Condo-  
Hotel System*

Punta Cana, Dominican  
Republic

Gonzalez, Peña & Asoc., SRL

Tax and Economic Advisors &  
Consultants

**CanaFysh Project**

**Fecha > Sept. 17, 2024**

**To the Directors, Shareholders, Clients and Interested Parties of the CanaFysh project in Punta Cana, Dominican Republic:**

We have reviewed the economic and/or financial projection figures for the next 5 years of the project in question. The following variables were considered:

**Responsibility of the Administration:**

The Administration is responsible for preparing the economic and financial study during the development period (5 Years). As well as paying attention to sustainability and environmental impact, respecting local regulations and contributing to the economic development of the region, as well as the results. Differentiation in services and authentic experiences that connect with the local culture will be the key to real results in the project.

**Our Responsibility:**

Our responsibility is to express an opinion based on the calculations of these projections and their return on investment (ROI), taking into account the variables of the tourist destination, flow of visitors in the country, prices of inputs, cost of construction footage, replacement of inventory and room furniture and others, projected inflation of the country (7.8% Avg.), data obtained from the website of the Central Bank of the Dominican Republic, projected inflation in the United States of America (2.78% Avg.) Obtained from the website of the Federal Reserve and world inflation (3.4% Avg.) Data taken from the website of the International Monetary Fund.

We consider that the data or information we have obtained is sufficient and adequate to provide a basis for our opinion on the economic and financial feasibility of the project.

**Opinion:**

We understand that the goals set for the next 5 years, their calculations of utility and Return on Investment are based on solid and weighty economic and financial bases, highly achievable over time. Considering that the development

is located within the heart of the most strategic area of the destination, with the greatest commercial projection and the highest guarantee of return in the entire area currently. With access to beaches within a transfer range of 5 to 20 minutes.

The return on investment around Downtown Punta Cana, Dominican Republic, is presented as an attractive opportunity due to several economic and tourism factors. The Dominican economy has shown sustained growth, with an average GDP growth of around 6% in recent years, and an average growth projection of 4.3% for the next three years. This growth is driven by key sectors such as tourism, which attracts more than 8 million tourists a year, and foreign direct investment, which has been encouraged by Pro-Investment government policies. Punta Cana is one of the main tourist destinations in the Caribbean, known for its white sand beaches and tropical climate, which contributes to a high occupancy rate in properties intended for short-term rentals. It is estimated that investment in properties in this area can generate a return on investment of approximately 7.75% annually. In addition, the acquisition of properties in tourist areas such as Punta Cana is usually profitable due to the exponential revaluation, supported by its geographical location and the opportunities offered by the Dominican coast.



**CAPITAL GAIN:** The capital gain of a property in Punta Cana has shown sustained growth in recent years at an average rate of 5.5% per year. This increase in the value of properties is due to several key factors:

- 1. **Booming Tourism:** Punta Cana is a world-renowned tourist destination, generating a high demand for accommodation for both short-term rentals and vacation properties.*
- 2. **Infrastructure Development:** Investment in infrastructure, such as roads, airports, and public services, has improved the accessibility and attractiveness of the region.*
- 3. **Favorable Regulations:** The Dominican Republic has implemented policies and regulations that attract foreign investment in real estate, including tax incentives.*
- 4. **Economic and Political Stability:** The country's political and economic stability provides a safe environment for investment.*
- 5. **Diversification of Offers:** Punta Cana offers a wide range of investment options, from luxury condos to private villas.*

These factors have contributed to the fact that properties in Punta Cana continue to appreciate over time, making this region an attractive option for real estate investors.

For the reasons stated above, the figures shown below are conservative for what the exploitation of this type of business represents in this area.

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## Projected Income Statement for Five (5) Years

### CANAFYSH CONDO-HOTEL

	Year 1	Year 2	Year 3	Year 4	Year 5					
<b>STATISTICS</b>										
Total Hotel Capacity	56	56	56	56	56					
1 Rooms	56	56	56	56	56					
Opening Days	365	365	365	365	365					
Apartments for Rent	56	50	50	50	50					
Total Apartments/Night Available	20,440	20,440	20,440	20,440	20,440					
Total Apartments/Night Occupied	9,930	10,923	12,015	12,015	12,015					
% Apartment Occupancy	49%	53%	59%	59%	59%					
Total Guests	19,860	20,654	21,481	22,340	23,233					
% DOUBLE OCCUPANCY	2.00	1.89	1.79	1.86	1.93					
<b>AVERAGE NET INCOME</b>	<b>109.01</b>	<b>114.46</b>	<b>120.18</b>	<b>123.78</b>	<b>127.50</b>					
<b>INCOME</b>										
ROOM INCOME	981,652	86%	1,250,209	89%	1,443,991	90%	1,487,311	90%	1,531,930	90%
COMMUNITY FEE	161,280	14%	161,280	11%	161,280	10%	161,280	10%	161,280	10%
<b>TOTAL INCOME</b>	<b>1,142,932</b>	<b>100%</b>	<b>1,411,489</b>	<b>100%</b>	<b>1,605,271</b>	<b>100%</b>	<b>1,648,591</b>	<b>100%</b>	<b>1,693,210</b>	<b>100%</b>
<b>EXPENSES</b>										
PERSONNEL	203,728	18%	213,914	15%	224,610	14%	235,840	14%	247,632	15%
ADMINISTRATION AND GENERAL	57,147	5%	70,574	5%	80,264	5%	82,430	5%	84,660	5%
SALES COMMISSIONS	124,993	11%	162,527	12%	187,719	12%	193,350	12%	199,151	12%
TC COMMISSIONS	45,156	4%	50,008	4%	57,760	4%	59,492	4%	61,277	4%
REPAIR AND MAINTENANCE	91,435	8%	93,263	7%	79,949	5%	82,348	5%	84,818	5%
COMMERCIAL	29,450	3%	37,506	3%	43,320	3%	44,619	3%	45,958	3%
ENERGY EXPENSES	91,435	8%	96,006	7%	100,807	6%	105,847	6%	111,139	7%
OTHER EXPENSES	49,650	4%	54,615	4%	60,077	4%	60,077	4%	60,077	4%
<b>TOTAL EXPENSES</b>	<b>692,992</b>	<b>61%</b>	<b>778,415</b>	<b>55%</b>	<b>834,504</b>	<b>52%</b>	<b>864,003</b>	<b>52%</b>	<b>894,713</b>	<b>53%</b>
<b>OPERATIONAL OPERATING RESULTS</b>	<b>449,940</b>	<b>39%</b>	<b>633,074</b>	<b>45%</b>	<b>770,767</b>	<b>48%</b>	<b>784,587</b>	<b>48%</b>	<b>798,497</b>	<b>47%</b>
<b>APARTMENT PROFITABILITY</b>	<b>6,026</b>		<b>8,479</b>		<b>10,323</b>		<b>10,508</b>		<b>10,694</b>	
<b>% APARTMENT PROFITABILITY</b>	<b>4.2%</b>		<b>5.4%</b>		<b>6.6%</b>		<b>6.7%</b>		<b>6.9%</b>	

