Neinor HOMES

31st October | 2017 19:00 CET

Q3 2017 Results Presentation

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Today's Agenda

Presenters

Juan Velayos
Chief Executive Officer

Jordi Argemí
Chief Financial Officer

Juan Gómez Vega
Chief Investor Relations Officer

Contents

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IBEX Medium Cap

1. INTRODUCTION

Re-Cap of Neinor Homes Opportunity

The Team	•**Management team** with **top backgrounds** in **homebuilding, project management, construction** and **finance** •**250+ employees working together for the past 2.5 years**; on top of a 26 year old developer having delivered over 10,000 homes •**Management Incentive Plan 100% aligned with stock market performance**
Land Acquisitions	•**In-house proven capacity: EUR 10bn+ land underwritten**, more than **EUR 1.3 bn acquired** (EUR 0.3bn post-IPO) •**Full control of the land bank:** no JVs or Operating Partners required. NPLs considered only if there is immediate access to land
Land Bank	•**Biggest land bank in Spain for development purposes*,** with limited excess concentration and no need to sell down plots •**Quality of land bank validated by 71 active sites and discount rates used by external appraiser (c. 10%)** •**Mid-market segment specialization: no exposure to luxury or social housing** •**Land bank: target of ~3 years to optimize ROCE** and react better to cycle downturn

*Except for Metrovacesa

Industrialized model	•**Margin protection based on Industrial approach.** White Paper (v. 10), BIM, best practices in tendering, pre-qualification, evaluation; and optimization of HPA and sales rhythm •**Externalized, flexible and scalable model,** with a strong headquarter centralizing the know how •**Disciplined Targets: ~20% EBIT** (sacrificing potential HPA for earlier deliveries); **>15% ROCE; EUR 300k ASP; 3,500 units; 20% LTV**
Developer Activity	• **Tangible first mover advantage:** 71 active sites, c. 5,500 units • **Delivery track record:** 7 sites delivered, more than 300 units • **Run-rate in 2020:** 2 years ahead of competition and already showing execution capacity
Road to Run-Rate	• **Company approaching run-rate:** LTV c. 25% reflecting returns optimization during ramp-up, and a business on its path to run-rate • **Ancillary businesses** providing **steady cash flows in ramp-up,** optionality and market sentiment**. Servicing providing solid EBITDA**
Capital Markets	• **Liquid stock with 87.5% free float** • **P/NAV 1.16x**: recent market volatility driven by Catalonia and Aedas IPO, drove down this valuation metric just below IPO level

Strong YTD Performance Further De-Risking the Platform

HIGHLIGHT	#	JOB CREATION CONTINUING TO PUSH HOUSING DEMAND		
CATALONIA UNCERTAINTY PROVIDING AN OPPORTUNITY	1	GDP expected growth in 2017 **3.1% y-o-y** Above European Average	Housing affordability **6.95x** price to avg. income* **5.6%** HPA*/27% below peak	Unemployment in Q3 **16.4% (-2.6% YoY)** **Lowest since 2008**

*Q2 2017

HIGHLIGHT	#	THE GLOBAL PICTURE	YEAR TO DATE	KPIs
EUR 275M ACQUIRED YTD - 42% OF 2018 BUDGET ALREADY SECURED	2	Land Bank **c.12,000 units** **180 developments**	Acquisitions **c. 3,000 units** **24 assets**	YTD acquisitions c.**27% blended gross margin****
~EUR 700M IN PRE-SALES – OPTIMIZING SPEED TO CAPTURE MORE HPA	3	Pre-sales Order Book: **2,101 units** **EUR 697m**	Sales **1,080 units** **EUR 368m**	**Vs. Expectations** **Aligned in units** **+8% volume**
5 DELIVERIES SINCE IPO ON TIME AND ON BUDGET	4	**5,470** units / **71** active sites **2,057 units / 29 WIP** **2,657 units / 33 launched** **308 units / 7 sites delivered with Gross Margin of c. 28%**	**2,514** units/**31** new active sites **508 units / 8 WIP starts** **2,006 units / 23 launches** **185 units / 5 sites delivered** **Gross Margin ca. 27%**	**WIP gross margin c. 28%** **4.2% HPA captured YTD**
~50% OF LEGACY ASSETS SOLD SINCE DEC '16	5	**EUR 113m BV** Legacy Assets **EUR 1.45 bn AuM** Servicing	**EUR 109.2m Legacy sales** **EUR 13.7m EBITDA Servicing**	YTD legacy **+4%** on **BV** YTD servicing revenues +**4%** **vs. expectations**

**Does not include capitalized costs related to financing – Consistent with target set at IPO

HIGHLIGHT	#	THE FINANCIAL STATEMENTS		
NAV GREW BY EUR 100M YTD, LTV AT 25%	6	Revenues **EUR 169.4m** *In line with YTD expectations*	Net Asset Value **EUR 1,194m** Loan to Value **25%**	Cash Available **EUR 51 m** *Net of client deposits*

2. Business Review

LEIOANDI HOMES – LEIOA (VIZCAYA)

1

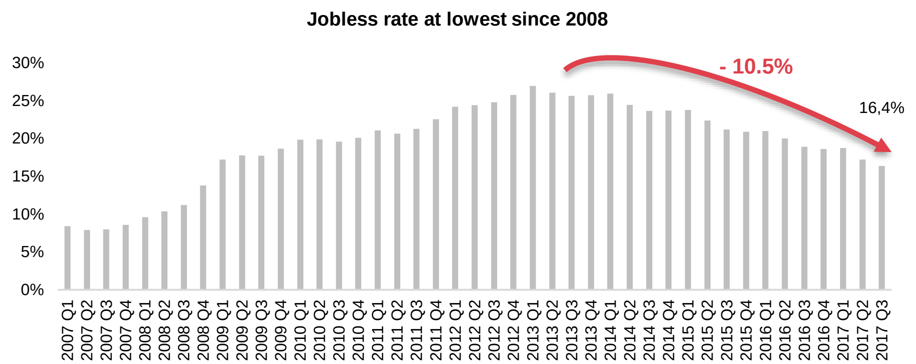
Supply-Demand Imbalance + Job Creation Pushing Forward

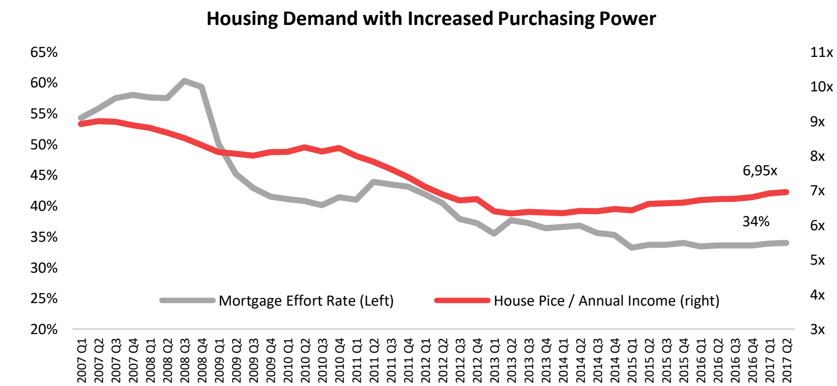
GDP Growth and Growing Employment Pushing Demand

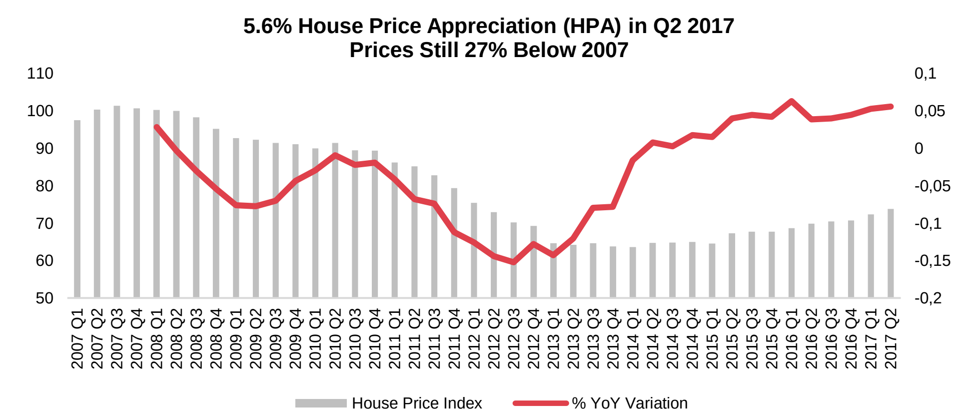
- **Job creation: unemployment** declined to **lowest since 2008** (16.4%)
- **GDP to increase 3.1% in 2017**. Fastest growing big economy in Europe, with an eye on Catalonia-related uncertainty
- **Housing affordability continues to improve**, while a total of **79,691 mortgages were granted in Q2 2017**, still 77% below the peak

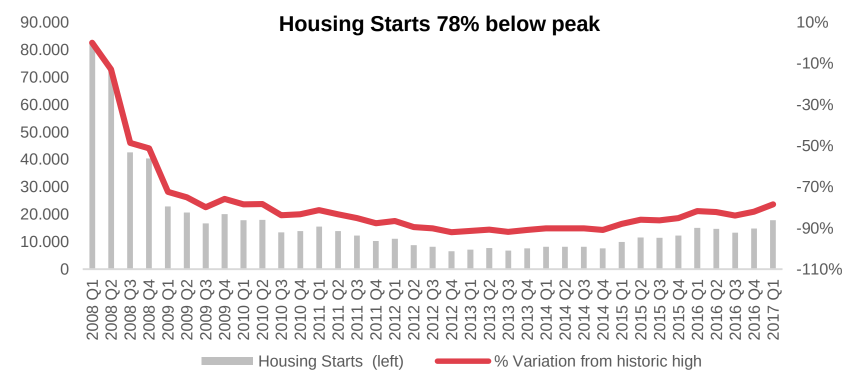
Few Players to Satisfy Growing Demand

- **Strong HPA growth (5.6% in Q2 2017 YoY) but prices still 27% below peak**
- **Growing supply volumes** but still 78% below peak. 17,846 housing starts in Q1 2017, +20% YoY - of which 339 correspond to Neinor
- **Demand clearly outpacing supply:** room for growth and consolidation in a fragmented supply market









Source: Spanish Statistics Institute (INE), Ministerio de Fomento, Bank of Spain, IMF

1

Catalonia's Uncertainty as an Opportunity: Neinor' 2-Year Advantage

Catalonia in Spain

- **Catalonia's Independence Challenge**
  - Unilateral independence declared by Catalona on October 27th
  - Central Government dismissed the Catalonian Government by virtue of Article 155, calling elections for Dec 21st
  - Acceptance of elections by both sides is the current focus. Uncertainty about the resolution weighing on markets
- **Catalonia in Numbers**
  - **c. 19% of the country's GDP**
  - **Population: 7.5 million**
  - **GDP Per Capita: EUR 28,590**
  - **Unemployment: 13,2%**
  - **Outstanding Debt: € 76bn**
  - **Credit Rating below investment grade:** Moody's: Ba3, S&P: B+, Fitch: BB

Neinor Homes' Exposure to Catalonia

- After more than 2 years of successful activity, **just 4% of GAV is un-launched land**
- **€327m GAV**, 22% of Total GAV, **c. 1,900 units in 30 sites**, 16% of total units
- c. **1,500** active units / **23 sites**: **10 WIP, 10 launched, 3 Immediate launches**

Short term: Pre-sales

- **De-risked: 900+ units pre-sold** (80%+ of units in commercialization)**; 80%+ have signed contracts** (ie. 10% or more deposit paid)
- Sales slowed and are in line with BP targets, allowing to capture more HPA

Medium term: launches and acquisitions

- **7 sites not yet launched (4% of GAV)**
- Acquisitions: **opportunistic buying vs. prudent manager analysis**

Overreaction Presents an Opportunity

- Markets have reacted to **uncertainty** with **selling pressure on Spanish markets and the Real Estate sector**
- Stock closed at **€17.49 / share** on October 30th, **+6.2%** vs. IPO, **-3,4%** since the 1st of October and **-12.9%** since the 52-week high in July
- **P/NAV at 1.16x, putting this metric just below the level at IPO in March**
- **Bloomberg research consensus target price average at €21.57** per share is **22%** above latest closing price

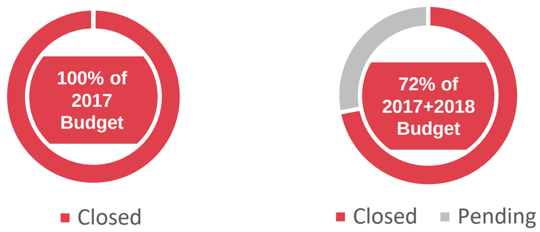
Delivering on Accretive Acquisitions

In-House Acquisitions Team Continued to Add Top Quality Plots to the Land Bank

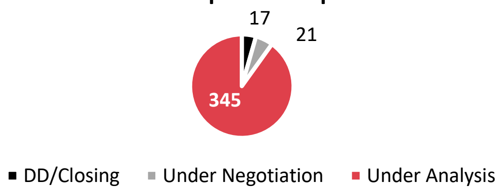
- **High quality fully-permitted land acquisitions YTD** totalled **EUR 275m**[(1)], representing more than **3,000 units** with gross margins of c. 27% YTD*
  - **Q3: 11 assets acquired for EUR 118m and more than 1,250 units**
  - **100% and 42% of 2017 and 2018 targets completed already in accretive transactions**
  - **EUR 150m bridge loan signed in August to anticipate 2018 acquisitions**, in an opportunistic environment of accelerated bank disposals.
- **Land bank: 180 developments, more than 1.3m sqm or ca. 12,000 residential units**
  - **Biggest land bank in Spain for development purposes****
  - Well diversified, ready-to-build land bank, limited concentration and no need to sell down land
  - Mid-segment specialization: no exposure to luxury or social housing as different skills are needed

*Does not include capitalized costs related to financing – Consistent with target set at IPO **Except for Metrovacesa

Acquisition Program Evolution

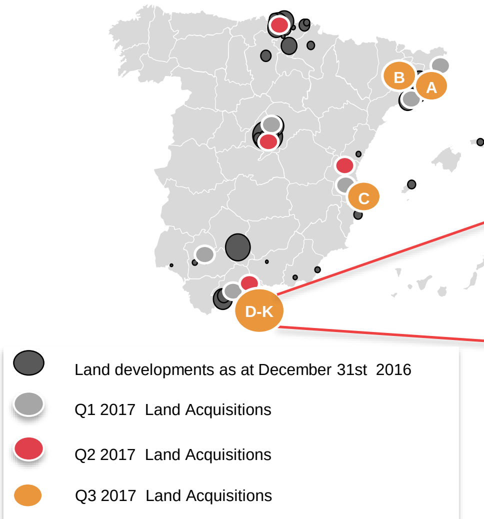


EUR 383m Acquisition Pipeline



Accretive Additions to a High Quality, Fully-Permitted Land Bank

Property ID	Acqu. Quarter	Region	City	Units (2)
A	Q3	East	Barcelona	44
B	Q3	East	Tarragona	94
C	Q3	Levante	Valencia	215
D	Q3	South West	Málaga	68
E	Q3	South West	Málaga	270
F	Q3	South West	Málaga	147
G	Q3	South West	Málaga	36
H	Q3	South West	Málaga	90
I	Q3	South West	Málaga	100
J	Q3	South West	Málaga	188
K	Q3	South West	Malaga	5
				1,257



Plots acquired in Colinas del Limonar, Málaga from a Spanish Bank in September 2017, suitable for over 400 units

Plots acquired in Hacienda Cabello, Malaga from a Spanish Bank in September 2017, suitable for over 400 units

(1) Purchase Price of EUR 264m includes closing costs, plus EUR 11m of pending infrastructure works comparing to EUR 380m '17/'18 budget (2) Approximate units. Final number of units depends on product definition

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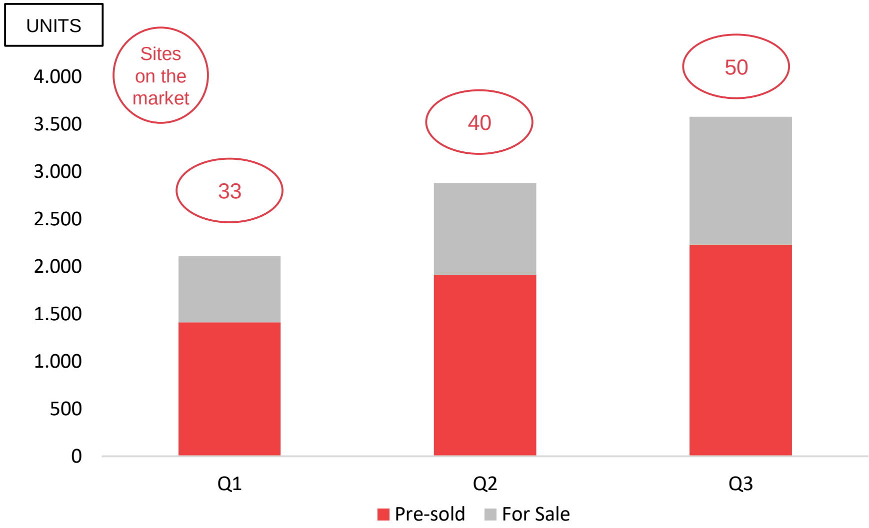
Delivering on Pre-Sales

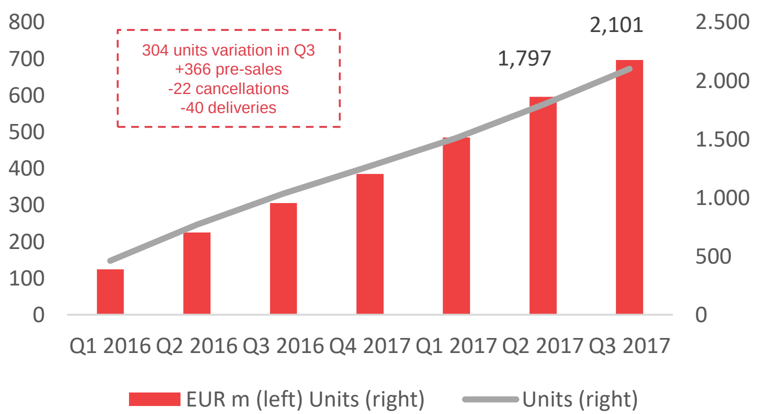
Optimising the Speed of Sales to Capture More HPA

- **Sales in Q3 in line with H1**
  - **1,080 units pre-sold YTD (in line with expectations)**, equivalent to **EUR 368m (8% ahead of YTD expectations)**
  - **4.2% HPA captured YTD, above Company Expectations**
  - **BP 2017 fulfilment 69% in units, 75% in volume**
  - **Average selling price YTD of** EUR 341k(1)
  - Sales velocity **c.3 units/ month per active development**
- **Pre-sales Order Book of EUR 697m – 2,101 units**
  - EUR 467m (67%) in contracts, EUR 230m in deposits (33%)
  - Low cancellation ratio: c.1% on contracts(2), c.3.5% on reservations
  - Cash received to date EUR 70m

Active Commercialisation in 50 Developments

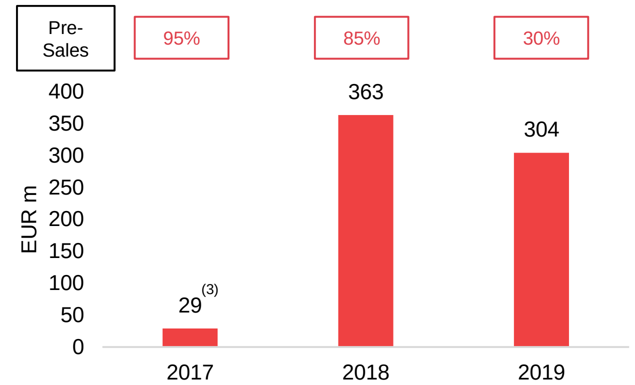


Order Book (EUR m LHS – # units RHS)*



*The 721 units reported in H1 were reduced by 7 to 714 units due to regularizations of pre-sales.

Strong Visibility into the Ramp-Up



(1) Average selling price may vary depending mix of typology and region of developments in commercialisation (2) Cancellation ratio calculated as: units cancelled YTD / (units BoP + new contracts/reserves) (3) Does not include EUR 39m of deliveries

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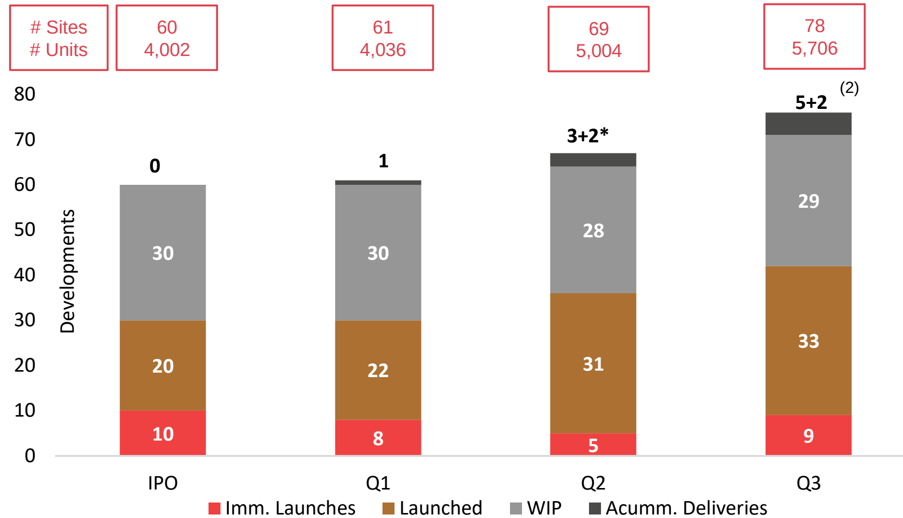
Delivering on Development: 71 Sites in Production

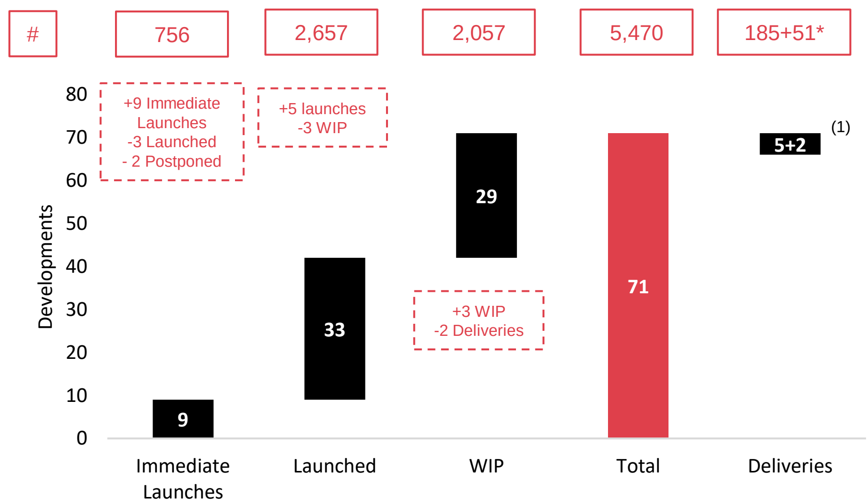
Advantage into the Ramp-Up Years Ahead of Competition

- **Activity in Q3**
  - 5 New Launches (528 units)
  - **3 new WIP (construction starts) – 169 units**
- **71 sites in production representing 5,470 units:**
  - 9 Immediate launches[1] (756 units)
  - 33 Launched (2,657 units)
  - 29 WIP (2,057 units) **on time and on Budget**[3]
- **C. 28% WIP reported gross margin**

Accelerated Development Activity

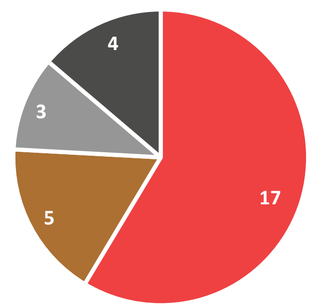


The Tangible First Mover Advantage: 185 Units Delivered, 71 Active Sites and 29 WIP



*Las 721 pre-ventas acumuladas a H1 han sido reducidas en 7 hasta 714 unidades por regularizaciones

Degree of Completion of the 29 WIP



Working with 22 contractors

<25% 25%-50% 50%-75% >75%

(1) Immediate launches are sites with marketing plan in progress (product definition and demand / supply studies) (2) The 2 sites (51 units) for which the Company had a *fee development* agreement were promptly delivered in Q2 (3) On time and on budget on aggregate. Cost criteria: +/-5% to BP (3 sites below and 1 site above). Timing criteria: +/- 6 months (1 site ahead and 1 site behind)

Deliveries Already Arriving: 185 Units YTD

2 Successful Deliveries in Q3 to take the total YTD to 5 Delivered Sites On Track

- **5* sites (185 units) delivered YTD on time and on budget**
- **EUR 39m in revenues with a gross margin of ca. 27%**
- Leku Eder Homes and Urduliz Homes (32 units) delivered in Q3
- **Neinor Experience handled the notarization in less than two weeks. Post-sales also handled by Experience with no reported issues**
- "Neinor Key Day" organized for the 5 delivered sites
- **Neinor Homes has delivered so far 308 units in 7 sites** with a **Gross Margin of c. 28%**

Q3: Leku Eder Homes

Region	North
Location	Miramón, San Sebastián
Units (#)	16
Sqm	1,792
Construction Company	Moyua
Construction Started	Q4 2015
Construction Finished	Q1 2017
Delivery	Q3 2017
Pre-sales at Delivery	100%
Gross Margin (%)(1)(2)	c. 32%

Click here to access the virtual tour

Q3: Urduliz Homes

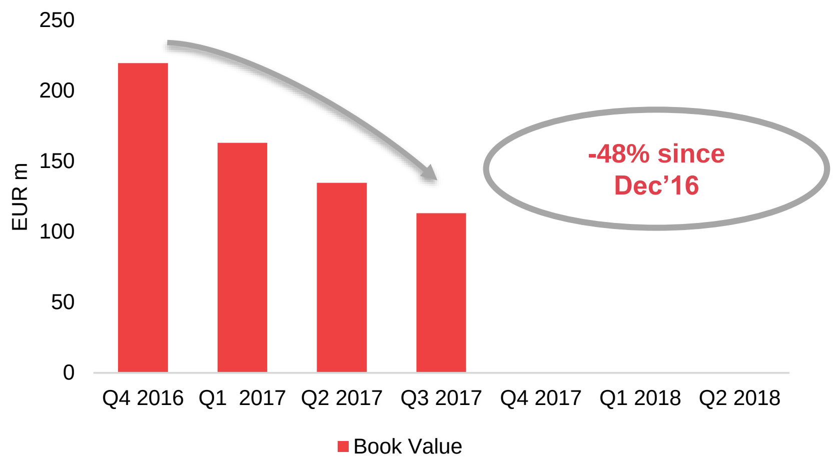
Region	North
Location	Urduliz, Vizcaya
Units (#)	16
Sqm	1,655
Construction Company	Urbelan
Construction Started	Q2 2016
Construction Finished	Q2 2017
Delivery	Q3 2017
Pre-sales at Delivery	100%
Gross Margin (%)(1)(2)	c. 34%

Click here to access the virtual tour

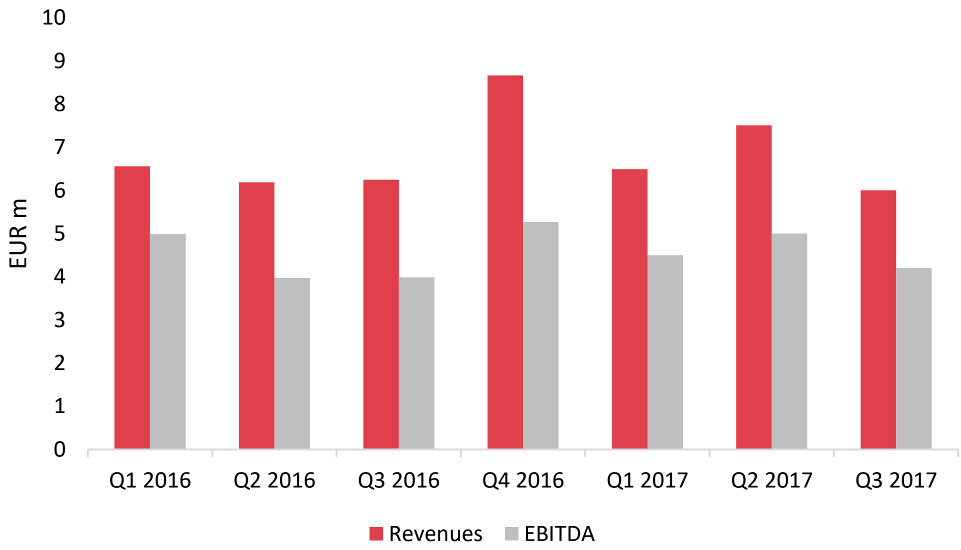
*This number does not include the 2 sites (51 units) that the Company promptly delivered in Q2 that were developed under a *fee development* agreement

Delivering on Complimentary Ancillary Businesses

Legacy Remaining BV and Quarterly Sales (EUR m)



Servicing Revenues and EBITDA evolution



Legacy Highlights

- EUR 109.2[(1)]m sales YTD
- Gross margin of 4%[(1)] on book values
- EUR 113m of Book Value Remaining at the end of Q3
- Company prioritising sales speed rather than value to invest the cash in the development business with ~ 20% unlevered IRR

Servicing Highlights

- Assets under management stable at EUR 1.45bn
- Stable AuM given asset boarding performed as expected compensating for registered sales
- EUR 21m of revenues YTD (4% ahead of YTD expectations) with EUR 13.7m EBITDA
- On track to targets set at the IPO

(1) Includes EUR 3.6m of sales related to assets that were under rental contracts. For accounting purposes, these sales are included in P&L as margins on Book Value under the caption "Gains (losses) on disposals" (EUR 0.3m).

3. Financial Overview

PRADO HOMES – BOADILLA (MADRID)

6

Key Financial Highlights

- **Positive Operating EBITDA[1] YTD** thanks to the **increasing weight of Development Business:** 2 sites delivered in Q3, 5 so far in 2017 with **margins aligned with expectations**.

- **Ancillary Business weight on total revenues YTD: 77%**

- In August 2017 Neinor Homes signed a **bridge loan with JP Morgan for up to EUR 150m to pre-empt 2018 land acquisition, taking advantage of the good market momentum and motivated sellers.** The bridge loan is expected to be repaid by the end of 2018 with ordinary cash flows. **This loan does not imply any change in run rate leverage policy**.

- **Solid debt ratios**: total Net Debt of EUR 403m, with LTV of 25% and LTC of 35%.

- **Primary Issuance at IPO and bridge loan** (45% drawn as of Sept. 30th), **funded over EUR 275m[2] of land acquisition** (100% annual budget and 42% of 2018 budget already accomplished) maintaining **EUR 51m of Cash Available** at the end of Q3 2017.

1. *EBITDA Adjusted Pre Property tax provision*
2. *Of which EUR11M correspond to pending urbanization works*

Source: Company information.

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P&L Statement: Positive Operating EBITDA and Increasing Weight of Development Business

Consolidated P&L (in EUR m)

€M	YTD Q3 2017
Revenues	**169,4**
Gross Margin	40,7
Gross Margin (%)	*24,0%*
OpEx[1]	-40,4
Gains (Losses) on disposals[2]	0,3
Operating EBITDA	**0,5**
Property Tax Provision[3]	-1,2
EBITDA Adjusted	**-0,7**
Amortization	-0,5
Operating Profit (Loss)	**-1,2**
Operating Margin	*-0,7%*
Finance Costs	-4,9
Profit (Loss) before Tax	**-6,1**
Tax charge	0,0
Profit (Loss) for the period	**-6,1**

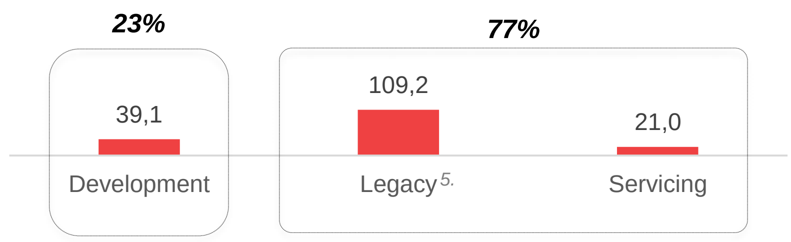
1. *Values do not include MIP (15.7€M of which 14.4M€ fixed and 1.3M€ variable), fully paid by Lone Star equity injection and IPO Costs (2.3€M).*
2. *It relates to the sale of Legacy assets that were under rental contracts for 3.6M€, 0.3M€ above book value.*
3. *For Accounting purposes, we registered on Jan 1st the full year property tax provision (4.7€M). As of Sept. 30th the outstanding provision for Q3 2017 is 1.2M€*

- **Positive Operating EBITDA** of EUR 0.5m in line with H1 results (EUR 1.6m)
- **Strong revenue performance (in line with expectations).** Driven by ancillary businesses, with solid Legacy Sales (EUR 109.2m) and stable servicing revenues (EUR 21m). **Delivery anticipation of one development** (16 units, from Q4 to Q3 2017).
- Future revenue visibility enhanced by **excellent Q3 Development pre-sales of EUR 368m YTD, with a total Order Book of EUR 697m** (+EUR 100m vs. H1 2017 net of deliveries)
- **Gross Margin of 24%, (vs. 21% in H1),** with **increasing weight of Core business in P&L**: 5 sites delivered (181 units[4]) on time and aligned with expected margins.

4. The 5 sites delivered until Q3 comprised 185 units. 4 units will be notarized in Q4
5. Legacy Revenues include i) 105M€of sales and ii) 4M€ of other legacy-related revenues (rentals, etc.). This figure does not include 3.6M€ of sales related to rental contracts.

REVENUES COMPOSITION

YTD Q3 2017 (EUR 169.4M)



P&L continues to show increasing development presence, now 20% of revenues

Source: Company information.

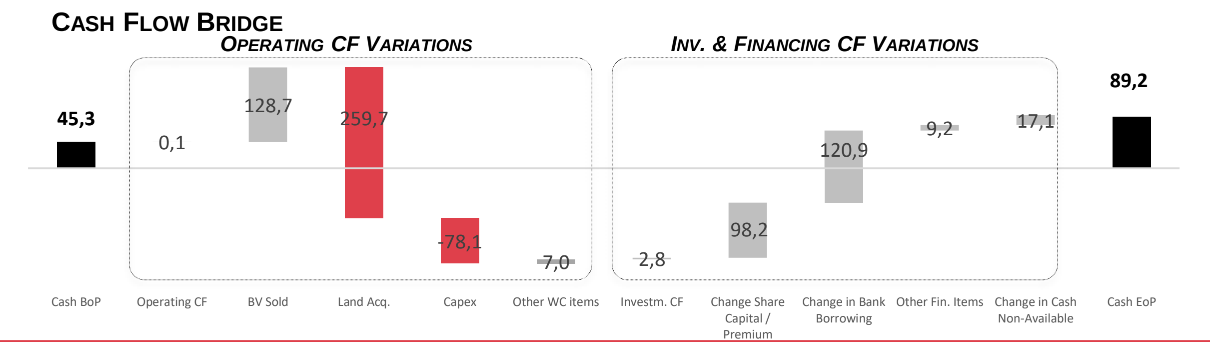
Neinor HOMES

CF Statement: Strong Investment and Positive Net Cash-Flow

Summary Cash Flow (in €M)

€M	YTD Q3 2017
Profit (Loss) before Tax[1,2]	-6,1
Adjustments	6,2
Amortization	0,5
Finance Costs/Revenues	4,9
Change in provisions	1,0
Gains (Losses) on disposals	-0,3
CF from Operating Activities	**0,1**
Working Capital Variation	**-202,1**
Change in Inventories	-209,1
Book Value Sold	128,7
Land Acquisition	-259,7
Capex	-78,1
Other WC Variations[3]	7,0
Net Operating Cash Flow	**-202,0**
CF from Investments Activities	**2,8**
Free Cash Flow	**-199,2**
CF from Financing Activities	**228,3**
Change in Share Capital/Premium[2,4]	98,2
Change in Bank Borrowing[7]	120,9
Change in Deferred Land Debt[5]	14,1
Finance Costs/Revenues	-4,9
Net Cash Flow	**29,1**
Change in Cash Not-Available	17,1
Cash BoP	**45,3**
Cash EoP	**89,2**

- **Positive CF from operating activities of EUR 0.1m**.
- **Negative Free CF of EUR 199.2m**:
  - Strong **investment in Development inventories** of over EUR 300m: i) acceleration of land acquisition (EUR 275.3m)[6] and ii) ramp up of development business with Capex of EUR 78.1m
  - **Legacy divestment** (EUR 109.2m – Book Value EUR 103.4m including EUR 3.4m of non-current assets included in CF from Investment Activities) and **Development deliveries** (Book Value EUR 28.7m)
- **Negative Free CF of EUR 199.2m financed** mainly through **EUR 100m Primary Capital at IPO,** and **JP Morgan Bridge Loan**
- **Positive Net CF of EUR 29.1m**. On October 2nd, Neinor Homes repaid c. EUR26m of deferred land payment related to the *Las Rozas/Estepona* portfolio acquisition.



1. *Operating Profit does not include IPO Costs (2.3€M)*
2. *Values do not include MIP (15.7€M of which 14.4M€ fixed and 1.3M€ variable), fully paid by Lone Star equity injection.*
3. *Other WC includes change in Debtors, Cash not available, Creditors (excluding deferred land payment) and other current liabilities.*
4. *Includes:100M€ of IPO Capital injection, -3.7M€ of Treasury Shares and +1.5M€ of 2016 cost accounting reclassification*
5. *Deferred Land Payment is considered, for conservative purposes, as debt-like item.*
6. *Includes i) 259.7m€ paid for, ii) 11m€ of pending urbanization works and iii) 4.7m€ of pending closing costs*
7. *Includes the cancellation of the payable to shareholder/LS of €3.1m*

Bridge Loan Providing the Cash to Pre-empt 2018 Top-Quality Land Acquisitions

Balance Sheet: Strong Cash Position Despite Asset Growth

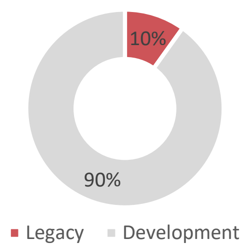
Summary Balance Sheet (in EUR m)

€M	Q3 2017	EoP 2016	Change	
PPE	1,7	1,6	0,1	7,9%
Investment Property	9,5	12,9	-3,4	-26,7%
Other Non-Current Assets	1,3	1,1	0,3	23,1%
Non-Current Assets	**12,5**	**15,5**	**-3,1**	**-19,7%**
Inventories	1.132,0	925,4	206,7	22,3%
Debtors	64,5	29,6	34,9	117,8%
Cash & Equivalents	89,2	45,3	43,9	96,8%
Current Assets	**1.285,7**	**1.000,3**	**285,4**	**28,5%**
Total Assets	**1.298,2**	**1.015,8**	**282,4**	**27,8%**
Equity	**720,8**	**631,0**	**89,8**	**14,2%**
Bank Borrowings	17,6	26,6	-9,0	-33,8%
Other Non-Current Liabilities	0,8	0,4	0,4	125,6%
Non-Current Liabilities	**18,4**	**27,0**	**-8,6**	**-31,7%**
Bank Borrowings	410,0	277,1	132,9	48,0%
Creditors[1]	72,9	49,2	23,7	48,1%
Other Current Liabilities	76,1	31,5	44,5	141,2%
Current Liabilities	**559,0**	**357,8**	**201,2**	**56,2%**
Total Liabilities	**1.298,2**	**1.015,8**	**282,4**	**27,8%**

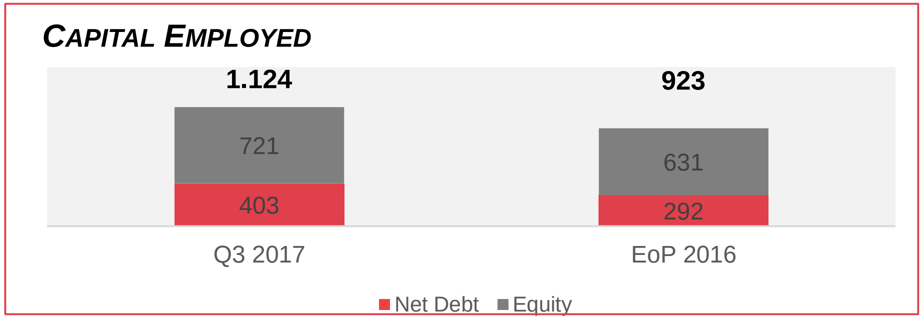
1. Creditors includes deferred land payment for an amount of EUR 26,0m

- **Total Balance Sheet of ~EUR 1.3 bn.** Total Equity of EUR 721m and total Liabilities of EUR 577m (Non-Current EUR 18m and Current EUR 559m)
- **Development represents 90% of total Inventories & Investment Property**

€M	Q3 2017	EoP 2016
Investment Property	9,5	12,9
Inventories	1.132,0	925,4
Total Inventories	**1.141,5**	**938,3**
Legacy	113,2	219,4
Development	1.028,3	718,9



- **Strong cash position (EUR 89m) –** EUR 51m available
- **Capital Employed of EUR 1.1 bn.**



Solid Balance Sheet of ~EUR 1.3Bn and EUR 1.1Bn of Capital Employed

Source: Company information.

Working Capital: Development Inventories Growing

Working Capital (in EUR m)

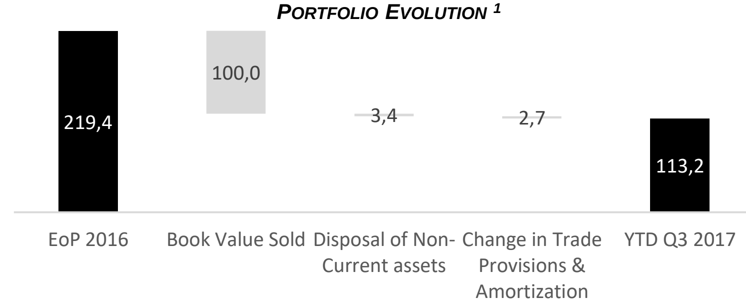
€M	Q3 2017	EoP 2016	Change	
Investment Property	9,5	12,9	-3,4	-27%
Inventories	1.132,0	925,4	206,7	22%
Debtors	64,5	29,6	34,9	118%
Trade & Receivables	21,8	20,6	1,3	6%
Tax Receivables	42,3	9,1	33,2	367%
Receivables from Shareholder / LS	0,0	0,0	0,0	0%
Other Current Assets	0,5	0,0	0,4	1878%
Cash & Equivalents - Not Available	38,5	21,4	17,1	80%
Current Assets (Adjusted)[1]	**1.244,5**	**989,3**	**255,2**	**25,8%**
Creditors	-46,9	-37,4	-9,6	26%
Provisions	-7,1	-9,1	1,9	-21%
Trade & Payables[2]	-36,7	-20,8	-15,9	76%
Tax Payables	-3,1	-4,4	1,3	-29%
Payables from Shareholder / LS [3]	0,0	-3,1	3,1	-100%
Other Current Liabilities	-76,1	-31,5	-44,5	141%
Current Liabilities (Adjusted) [4]	**-123,0**	**-68,9**	**-54,1**	**78,6%**
Other Non-Current Liabilities	-0,8	-0,4	-0,4	126%
Non-Current Liabilities	**-0,8**	**-0,4**	**-0,4**	**125,6%**
WC Adjusted	**1.120,7**	**920,0**	**200,7**	**21,8%**

- **Working Capital increased to over EUR 1.1Bn until Q3,** by over EUR 200 million due to land acquisitions and capex investment

1. *Includes Investment Property (Non-Current Asset item)*
2. *Does not include Deferred Land Payment*
3. *This caption, in CF statement has been included as changes in bank borrowings*
4. *Includes liabilities except for Bank Borrowings and Deferred Land Payment*

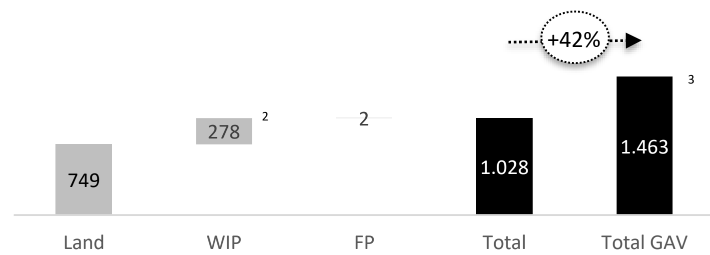
INVENTORIES & INVESTMENT PROPERTY

LEGACY (10% OF INVENTORIES)



1. *Includes Inventories and Investment Property*

DEVELOPMENT (90% OF INVENTORIES)



2. WIP values only include developments where construction has already started.
3, GAV according to Savills portfolio valuation as of June 30th plus new acquisitions and Capex valued at Book value net of deliveries

Working Capital Adjusted increased to EUR 1.121m. Development Assets Account for 90% of Inventories

Source: Company information.

6

Net Debt: Conservative Ratios Including the Bridge Loan

Net Debt (in EUR m)

€M	Q3 2017	EoP 2016	Change	
Gross Debt	**453,6**	**315,6**	**138,1**	**43,8%**
Non-Current Bank Borrowing	**17,6**	**26,6**	**-9,0**	**-33,8%**
Corporate Financing	17,6	26,6	-9,0	-33,8%
Current Bank Borrowing	**410,0**	**277,1**	**132,9**	**48,0%**
Land Financing	245,4	200,9	44,5	22,1%
WIP	*101,5*	*180,4*	*-78,9*	*-43,7%*
No WIP	*143,9*	*20,6*	*123,3*	*598,9%*
Capex Financing	3,6	2,1	1,4	66,6%
Corporate Financing	124,4	66,9	57,5	85,9%
VAT Financing	36,0	6,9	29,1	421,9%
Interests	0,7	0,2	0,5	261,0%
Other Debt	**26,0**	**11,9**	**14,1**	**118,9%**
Deferred Land Payment[1]	26,0	11,9	14,1	118,9%
Available Cash	**50,7**	**23,9**	**26,8**	**111,9%**
Net Debt	**402,9**	**291,6**	**111,3**	**38,2%**

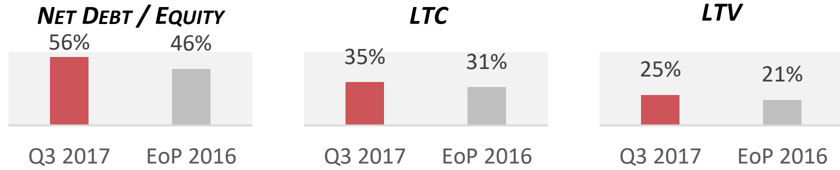
1. Deferred Land Payment is considered, for conservative purposes, as debt-like item

Note: CF caption "changes in bank borrowings", includes the cancellation of payables from shareholder/LS of €3.1m

Bridge Loan of 150M€ signed with JP Morgan in August 2017

- **Key rationale:** anticipation of land acquisition forecasted in 2018 and increased optionality.
- **Key economic terms:** i) 12-month maturity plus two potential extensions on 50% of total facility (6+6) and ii) 350bps during the first 12 months. 50bps increase for each extension
- **Availability:** YTD draw amounts to 67m€, full draw expected Q4 2017.

Key Ratios

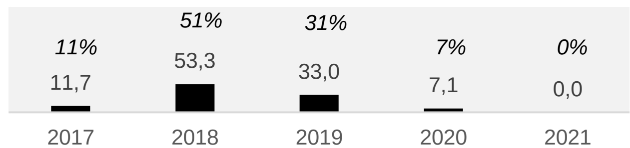


LTC= Net Debt / (Inventories + Inv. Property)

LTV= Net Debt / GAV

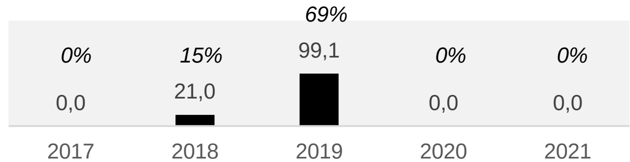
Debt Maturity

Land WIP & Capex Financing (EUR 105m – avg. life 1,1yr)[2]



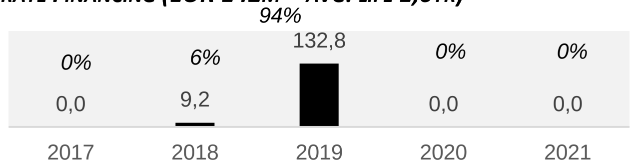
2. Maturity based on delivery dates. Additional grace period not considered (avg.18 months). Approx. 80M€ of debt formally have maturity > 2022

Land No WIP Financing (EUR 144 – avg. life 2,1yr)[3]



3. Once construction starts, maturity is renegotiated and most likely extended to Delivery. Approx. 24M€ have maturity in 2022

Corporate Financing (EUR 142m – avg. life 1,6yr)[4]



4. JP Morgan repayment is assumed in 2019.

Net Debt of EUR 403m, representing a LTC of c. 35% and LTV of c. 25%

Source: Company information.

4. Case Studies

AIGUADOLÇ HOMES – SITGES (BARCELONA)

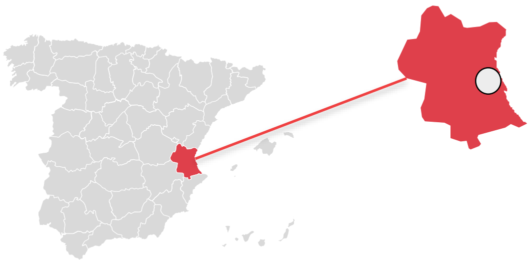
Acquisition: Juan XXIII, Valencia (Levante)

9 weeks | Launched | WIP | Delivery

Land Acquisition → Marketing Plan → Design / Procurement / Commercialisation → Under Construction → Post Sale

- Land plot located in the Benicalap district, a consolidated residential area in Valencia that hosts c. 45,000 inhabitants.
- **Big plot that allows the development of a mid-quality residential complex**
- **Accretive entry price** as it was acquired to a **developer recycling cash**, and implied a **ticket size** that reduced potential competition

Location	Valencia
Units (#)	215
Sqm	26,342
Acquisition Date	September 2017
Seller Type	RE company recycling cash / Ticket size
Angle	Asset Deal
Legal Due Diligence	Uría
Technical Due Diligence	Hill International
Target Gross Margin(%)[(1)]	c. 25%



(1) Target Gross Margin refers to the target margin for the development estimated in the purchase study

Immediate Launch(1): Montcada i Reixac (East)

6 weeks | Launched | WIP | Delivery

Land Acquisition → **Marketing Plan** → Design / Procurement / Commercialisation → Under Construction → Post Sale

- **Montcada i Reixach is a municipality of approx. 34,000 inhabitants in the metropolitan area of Barcelona**
- This municipality is a medium class dormitory town of Barcelona and is 18 km away from the city center
- The plot is located in the new expansion area of Mas Rampinyo, which benefits from excellent communications via public and private transport.
- Target market: 1st residence, multifamily, middle class
- **Commercialization expected to start in Q1 2018**

Location	Montcada i Reixach, Barcelona
Units (#)	44
Sqm	5,144
Target market	Middle Class
Qualities	Medium
Unit Type Split (# of BR)	2B, 3B, 4B
Target Gross Margin (%)(2)	c. 24%

(1) Immediate launches refers to developments with marketing plan in progress (preliminary product definition with specific demand/supply studies) (2) Project level gross margin estimated in the Business Plan

Launched: Iturribarri Homes II (North)

Launched ◄ 32 weeks ► WIP — Delivery

Land Acquisition › Marketing Plan › **Design / Procurement / Commercialisation** › Under Construction › Post Sale

- Ituribarri Homes II is the second development of the Company in Getxo, a high end municipality in the metropolitan area of Bilbao with c. 80,000 inhabitants and a per capita income 10% above the Spanish average
- The company will develop 40 mid-high quality multifamily residential units of 2, 3 and 4 bedrooms
- **Commercialization started in September, reaching ca. 33% pre-sales level in one month**

Location	Getxo, Vizcaya
Units (#)	40
Sqm	4,611
Commercialisation Start	Q3 2017
Cummulative Pre-sales	33%
Architect	Cooperactiva
Broker	Aixerrota
Target Gross Margin (%)[(1)]	31%

Exterior Renderings

(1) Target Gross Margin refers to the project level gross margin in the business plan

WIP: Dehesa Homes (Centre)

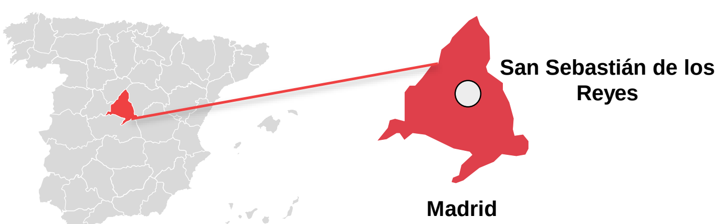
Launched | WIP ← 17-20 months → Delivery

Land Acquisition → Marketing Plan → Design / Procurement / Commercialisation → **Under Construction** → Post Sale

- **Dehesa Homes is** located in San Sebastián de los Reyes, a dormitory city with c. 86k inhabitants located 20km North West from Madrid
- **The delivery is expected for Q4 2017;** and it will be the first pure Neinor Homes development to be delivered
- **Neinor Experience** team working on the delivery process

Location	San Sebastián de los Reyes, Madrid
Units (#)	76
Sqm	9,741
Construction Company	Arpada
Degree of Progress	100%
Expected Delivery	Q4 2017
% of Pre-sales to date	100%
Budget/Costs (2)	On budget
Timing	On time
Target Gross Margin (%)(1)	C. 28%

*All 76 residential units are pre-sold. The retail space on the ground floor is for sale



(1) Project level gross margin estimated in the Business Plan
(2) Following market standards, 'On Time' and 'On Budget' measured versus BP: cost variations inside the +/- 5% range and timing variations of +/-6 months depending on project volume

5. Non Financial Reporting

PLAZA EUROPA 38
HOMES – HOSPITALET
(BARCELONA)

Non- Financial Reporting: Leading the Sector Transformation

✔ Institutionalization

- **New Independent Director:** Mr. Alberto Prieto joins the Company's board as an independent director, replacing Dominique Cressot, who was a dominical director for Lone Star. The Board has now 4 independent directors out of 7. Mr. Prieto has a long experience in the residential land market.
- **White Paper:** version 10 approved in October with a new evolution in the product and process industrialization
- **Neinor Next:** Joint Venture with Barrabes.biz announced to support the creation of real estate start-ups

✔ High-Quality Product

- **BREEAM**: 23 Design Phase certificates obtained to September 30th, 20 more are in process
- **Health and Safety:** 25 site audits conducted in 9 months to Q3. Incident index 32% below national construction average
- **Periodic evaluation:** 196 re-evaluations were performed on pre-qualified companies over the 12 months to Sept 30th

✔ Client Focused

- **Neinor Homelife:** launched in partnership with Alares, this initiative allows customers to have a service of personal assistance that includes medical, legal, psicological and nutritionist advice, among others
- **Ilunion Diploma**: Ilunion awarded Neinor Homes with a diploma recognising the Company's commitment with the accessibility of disabled and senior citizens of its Mobility Pack initiative
- **Carbon Footprint**: achieved registry for measurement and certification of Company's carbon footprint (Neinor Norte)

6. Q&A

ALBORADA HOMES – BENAHAVÍS (MÁLAGA)

Neinor HOMES