February 22nd, 2018

FY 2017

Annual Results Presentation

Dehesa Homes – Madrid – Delivered in Q4 2017

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TODAY´S AGENDA

Juan Velayos Lluis
Chief Executive Officer

Jordi Argemí García
Chief Financial Officer

Juan Gómez Vega
Chief Investor Relations Officer

Contents

Member of: IBEX Medium Cap

1.

2017 Business Review

Atria Homes – Madrid (Center)

2017: STRONG OUTPERFORMANCE

CONSOLIDATING AND GROWING THE TANGIBLE FIRST-MOVER ADVANTAGE

Macro	**+3.1%** GDP increase	**-2%** Unemployment down to **16.6%**	Demand > housing starts by **c. 70,000 units**
Land Bank	**c.12,500 units** **176** developments of fully permitted land bank (1.5 million sqm)	**€286m** Or c. **3,100** units acquired in 2017 at **c. 27%** gross margin	
Launches	**c. 8,300 active units** **5,500+** units launched in 2017	**2/3 of the land bank is launched** 2020 run-rate secured	
Construction	**2,400+ units under construction** **c.800** units started construction in 2017	**c. 28% WIP reported gross margin** HPA outperforming construction costs inflation	
Pre-Sales	**€746m Order Book** **2,200+** units providing revenue visibility	**€459m sold in 2017** **1,300+ units**: optimizing sales speed to capture HPA	
Embedded Margins	**3.9% EXTRA REVENUE CAPTURED** Extra revenues of **€17.3m**	**3%+ Margin Impact** Representing **€11.7m** net of construction inflation	
Deliveries	**313 units delivered** Road to run-rate	**c.28% gross margin** Increased weight of the core business in P&L	
Ancillary Businesses	**€85m Remaining Legacy BV** **€126m** sold in 2017	**€18.5m Servicing EBITDA** **60%+** margin financing ramp-up	
Financials	**Positive Adjusted EBITDA** **€8.3m**	**+8% NAV** **€1,291m** and **LTV at 22%**	

Macro

STRONG TAILWINDS SUPPORTING THE HOUSING MARKET

Neinor HOMES

Macro and Sector Indicators Underpin Continued Recovery

+611k jobs created in 2017 – Unemployment at 9 year low

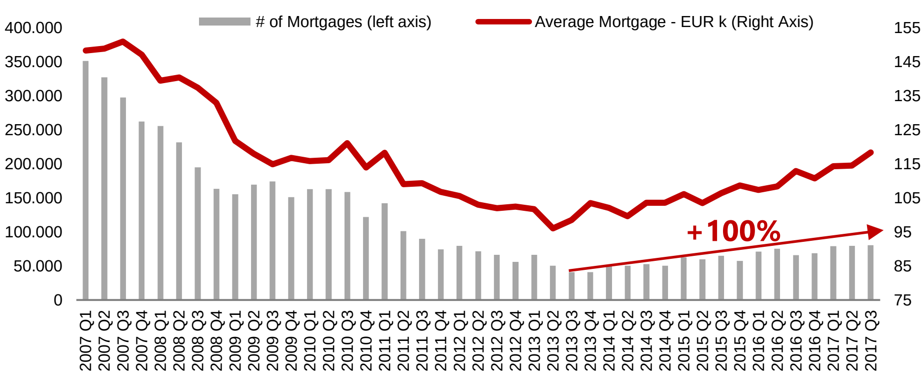
Banks increasing lending **(mortgages granted still 80% off the peak)**

Housing starts at c.80k in 2017 – 88% below the peak

New Housing Sales had first increase in 7 years, now 17% of all transactions

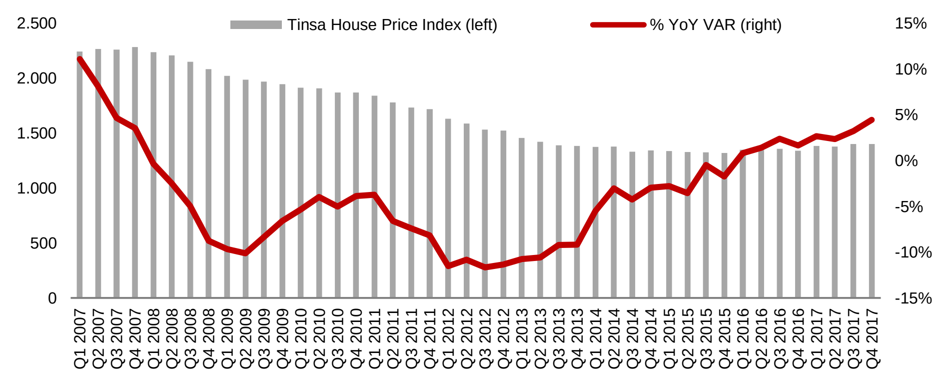
Mortgage Availability Improving

# of mortgages granted have increased 100% from trough but are still 80% off the peak



Supply-Demand Imbalance Pushing the Price Recovery

4.5% YoY HPA in Q4' 2017
Prices Still 39% Below 2007



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

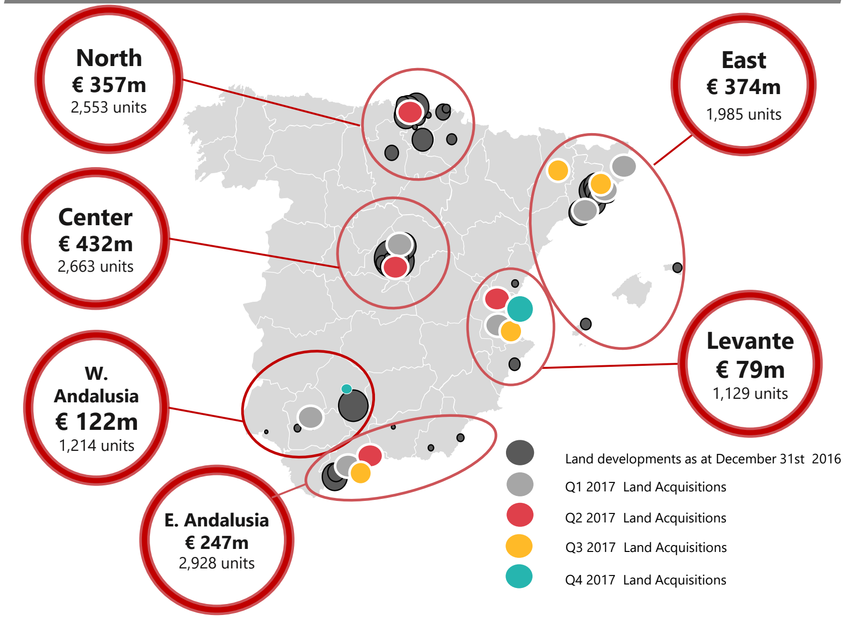
Land Bank

12,500 UNITS OF FULLY-PERMITTED LAND BANK

€286M OF ACCRETIVE ACQUISITIONS, AHEAD OF €200M BUDGET

Neinor HOMES

Land Bank Snapshot - € 1,610m GAV (1)



2017 Land Acquisition Activity Summary

c. 12,500 units (2)

176(3) developments of fully permitted land bank

c. 3,100 units acquired

reinforcing existing positions and **entering new high-demand markets like Valencia and Malaga**

€500+m acquisition pipeline

Strategic land

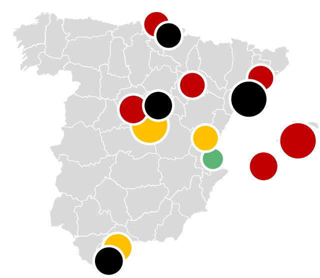
Company is in advanced negotiations to secure a number of strategic land deals. Introducing a **capital efficient way to control non-fully permitted land**, following the anglo-saxon model.

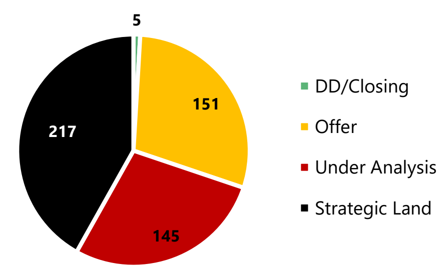
Premium Land Acquisitions in 2017

Land plot located in Colinas del Limonar, Málaga suitable for the development of more than 400 units acquired in Q3 2017

Land plot located in Las Rozas, Madrid suitable for the development of mor than 330 units acquired in Q2 2017

€500m+ High Quality Pipeline





(1) GAV breakdown by region does not add up €1,610m due to rounding / (2) Savills appraisal includes 12,472 units, which is higher than total units in the annual accounts due to adjustments after product definition / (3) Some adjacent sites were merged during Q3 2017

Land Bank

NAV INCREASED BY 8% SINCE IPO

SAVILLS VALUATION UP ON STRONG PRE-SALES, HPA AND ACCRETIVE ACQUISITIONS

Neinor HOMES

GAV: €1,717m

Includes €107m GAV of remaining legacy

NAV: €1,291 / +8% YoY

NNAV up to €1,196m

Back to IPO relative valuation following market turbulence

+19% Like-for-like

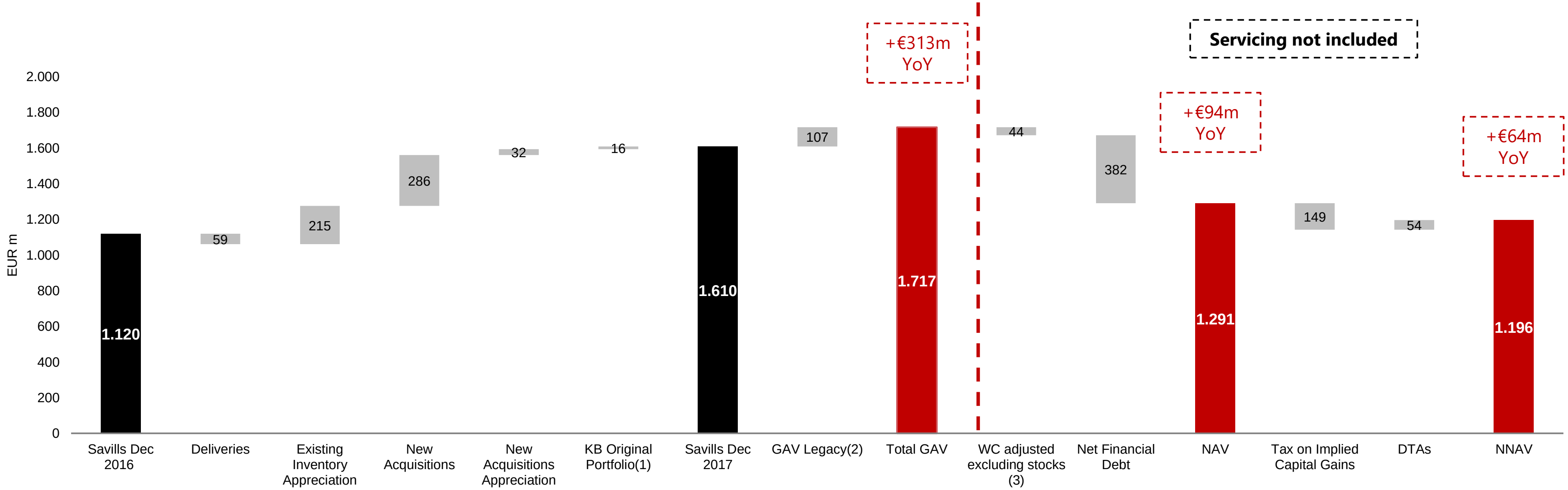
Land bank @ IPO re-valuation based on sales and HPA, CapEx invested and lower rates as sites de-risk

+11% 2017 acquisitions

Strong HPA + off-market nature of transactions

December 2016 to December 2017 GAV Bridge

From GAV to NAV and NNAV



(1) Kutxabank Original Portfolio: fully permitted land representing more than 500 units initially kept for "sale as is" now transferred to the land bank. All of them are located in areas that meet the characteristics sought by Neinor: structural undersupply, lack of competition, positive population evolution and unsatisfied demand) (2) GAV for Legacy is the Savills appraisal from December 2016 for the remaining assets (3) Net difference between receivables and payables to suppliers

Launches

CONFIRMING DECISION TO INCREASE RUN-RATE

TARGETING 4,000+ UNITS FROM 2020 ONWARDS

Neinor HOMES

Accelerated Launching Activity in 2017

c. 8,300 active units

90 sites in production

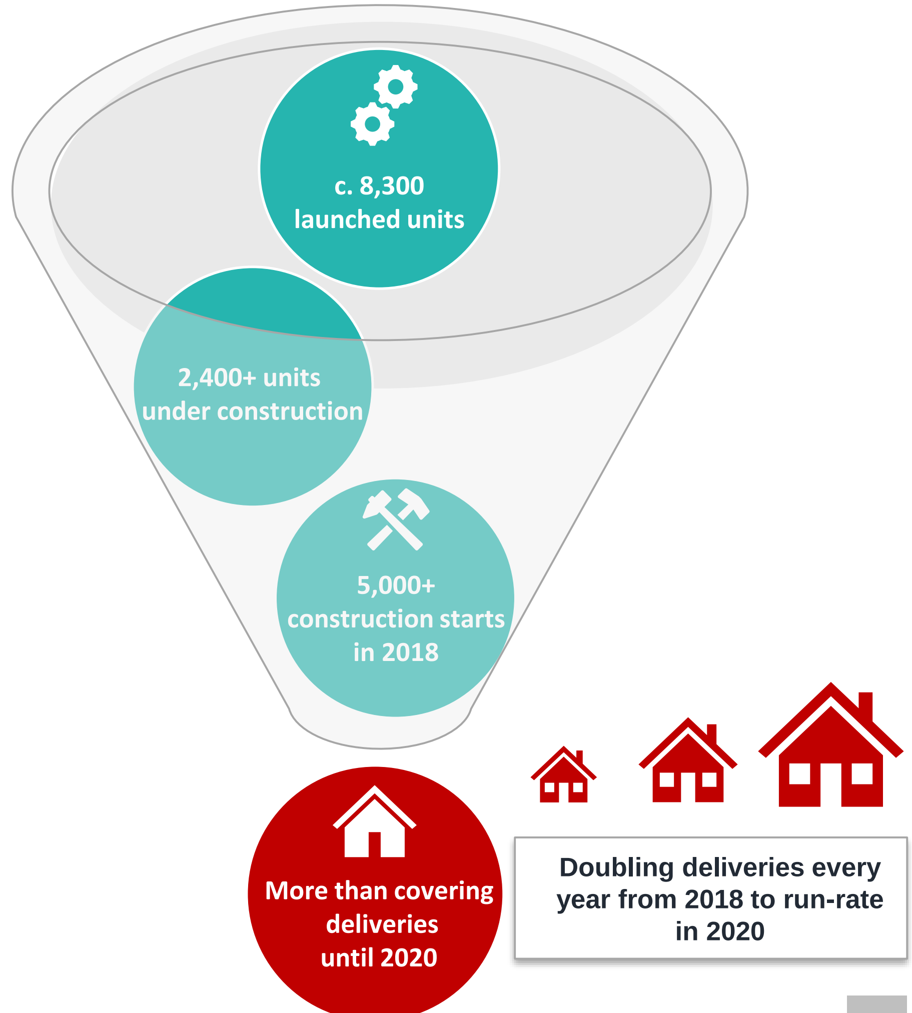
5,517 units launched in 2017

Sustaining and increasing first-mover advantage

Ramp-up to 2020

- **Doubling deliveries every year until 2020**
- **More conservative phasing: anticipating up to 6 months potential delays in '18 and '19 deliveries due to interaction with municipalities and to focus on margin protection and earnings quality improvement**
- **Confirming run-rate of 4,000+ units p.a.**

100% deliveries until 2020 in production



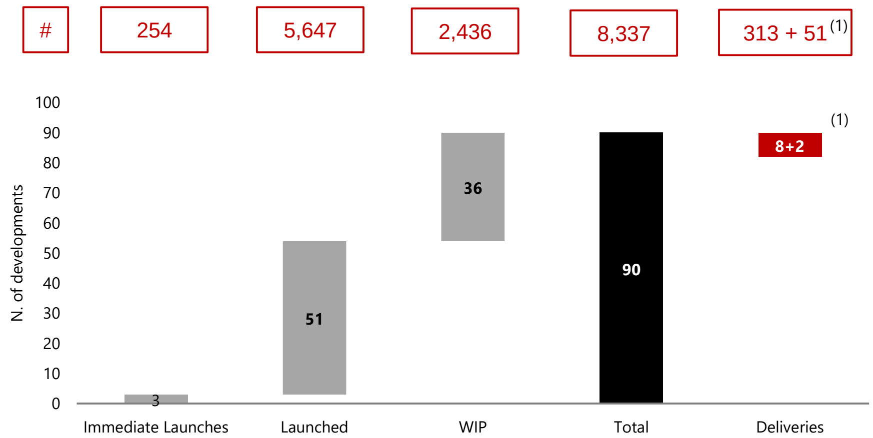
Construction

2,400+ UNITS UNDER CONSTRUCTION

THE TANGIBLE FIRST MOVER ADVANTAGE

Neinor HOMES

Development Activity Snapshot*



***At the time of IPO -** Immediate Launches: 10 sites (#789); Launched: 20 sites (#1,208); WIP: 30 sites (2,005#); Delivered: 2 sites (119#)

Construction Activity Summary

2,400+ units under construction

36 sites on time and on Budget(2)

Construction starts of **c .800 units**

16 sites

c. 28%+

reported WIP gross margin

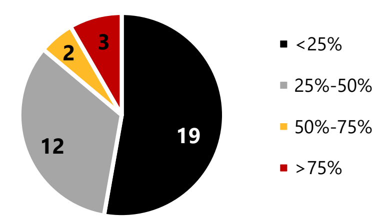
36 sites in construction around Spain

Avenida Homes
Aluche, Madrid

San Roke Homes
Portugalete, Biscay

Port Forum Homes II
Sant Adriá de Besos, Barcelona

Degree of Completion of the 36 WIP



Working with 25 contractors

(1) The 2 sites (51 units) for which the Company had a *fee development* agreement were promptly delivered in Q2 (2) On time and on budget on aggregate. Cost criteria: +/-5% to BP (4 sites above and 5 sites below). Timing criteria: +/- 6 months (1 site behind)

Pre-Sales

PRE-ORDER BOOK DOUBLED TO €746M

SALES STRATEGIES ADAPTED TO PROTECT AND MAXIMISE MARGINS

Neinor HOMES

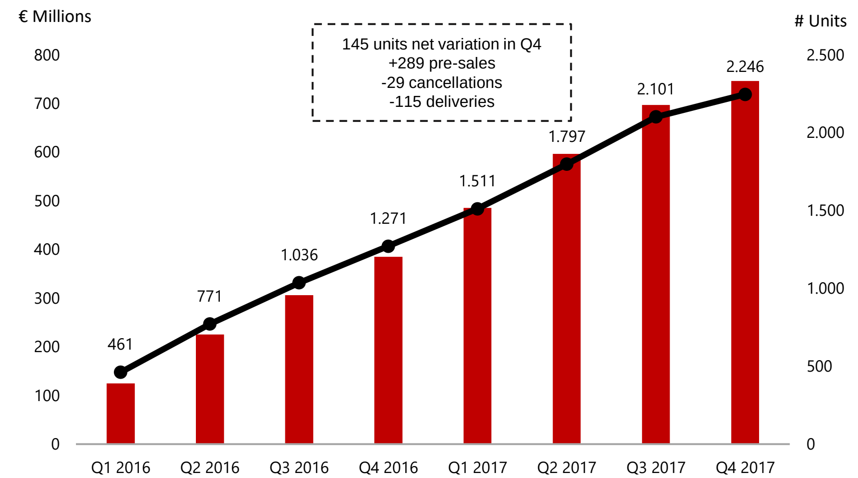
2,246 units in pre-order book
1,353 units (€459m, +39% VS 2016) pre-sold in 2017 – ASP €339k

Catalonia: led 2017 pre-sales, and represents 40% of order book. Leads dropped 10% in Oct-Nov compared to FY17 average. Since then, Company observed solid recovery in Dec-Jan aligned with FY17 average

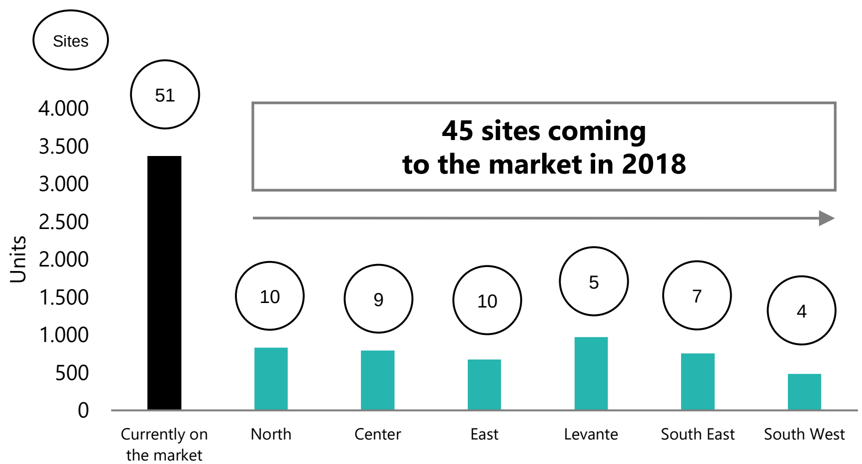
Strong revenue visibility: 80%+ in 2018, c. 60% in 2019

Optimized Tails/Jewels Pre-Sales Strategy
Implemented and improving pre-sales since H2 2017

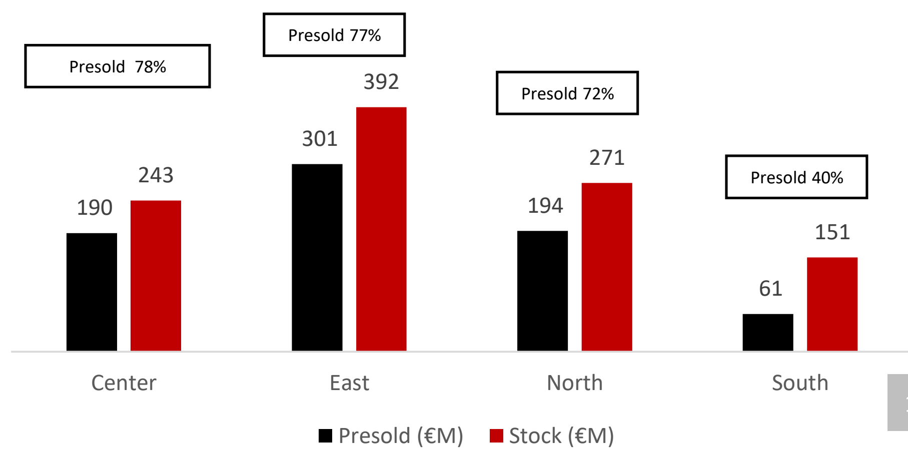
93% GROWTH IN THE ORDER BOOK YoY



4,500 UNITS TO START PRE-SELLING IN 2018



ORDER BOOK AND STOCK BY REGION



PRE-SALES 2017: 3%+ MARGIN IMPACT

EXISTING LAND BANK WITH EMBEDDED MARGIN OF C.29%

Embedded Margins

Neinor HOMES

3.9% EXTRA REVENUE CAPTURED

+€17.3m (Actual Pre-Sales minus BP Sales)

8.5% OBSERVED HPA IN 2017

In comparable units during the year

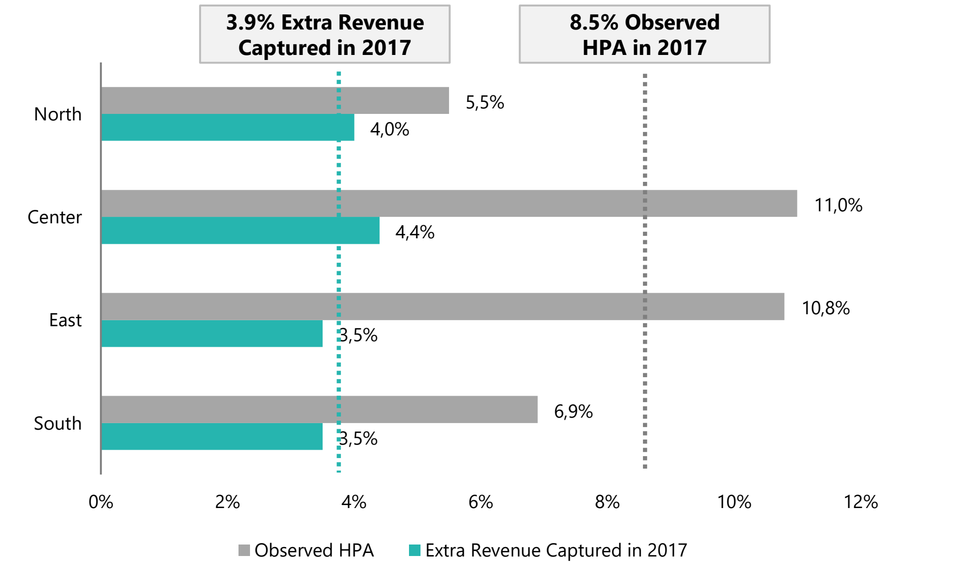
SALES PRICE INCREASE OUTSTRIPPING COST INFLATION

3%+ margin impact on units pre-sold in 2017

LAND BANK WITH c.29% GROSS MARGIN

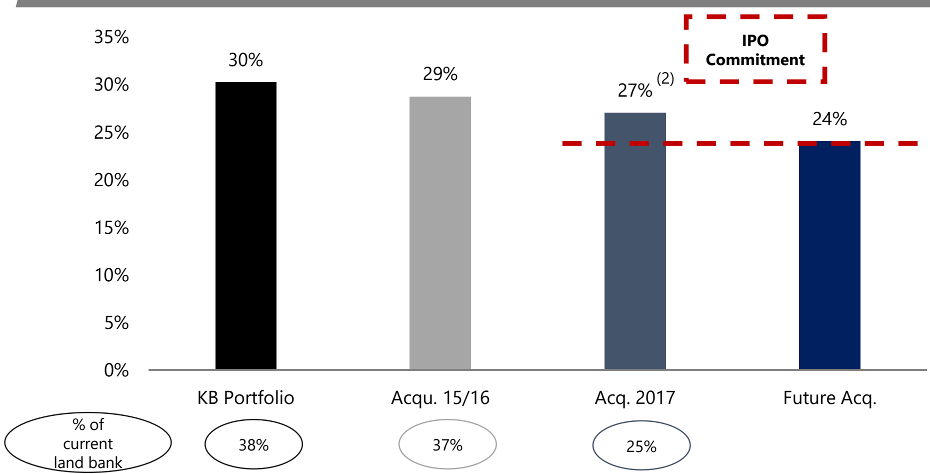
Acquisitions in 2017 outperforming IPO commitment

EXTRA REVENUE CAPTURED VS. OBSERVED HPA(1)

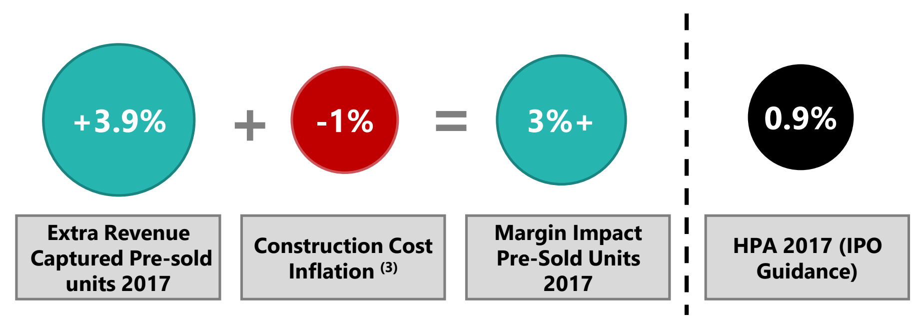


(1) Measured by 1) developments that have been on the market for most of the year and 2) that had pre-sales in comparable units at the beginning and end of the year. Sample of 7 developments (ca. 18% of the average number of sites in commercialization).

2017 ACQUISITIONS MARGINS AHEAD OF TARGET



MARGIN IMPACT OF EXTRA REVENUE CAPTURED



(2) Does not include financing costs (3) Resulting from updating BP construction costs to observed costs. Analysis includes launched and WIP sites

Deliveries

313* DELIVERED UNITS ON TIME/ON BUDGET

C. 28% GROSS MARGIN ON 8 DELIVERED SITES

Neinor HOMES

€76.6M IN REVENUE IN 2017

2 sites anticipated from 2018 for a total of 3 sites delivered in Q4

DELIVERIES SINCE 2015: 432 UNITS WITH GROSS MARGIN OF C. 28%**

DEHESA AND PINTOR ALSAMORA FIRST PURE NEINOR HOMES

Developments are the first land plots acquired in 2015 to be designed, sold and delivered by the Company

Dehesa Homes

100% Neinor Homes

Region	Center
Location	San Sebastián de los Reyes, Madrid
Units (#)	77
Sqm	9.741
Construction Company	Arpada
Construction Started	Q1 2016
Construction Finished	Q3 2017
Delivery	Q4 2017
Pre-sales at Delivery	100%
Gross Margin (%)	Above 28%

Jardines de Zabalgana IV

Region	North
Location	Vitoria, Álava
Units (#)	17
Sqm	1.770
Construction Company	Urrutia
Construction Started	Q3 2016
Construction Finished	Q4 2017
Delivery	Q4 2017
Pre-sales at Delivery	100%
Gross Margin (%)	Above 18%

Pintor Alsamora Homes

100% Neinor Homes

Region	East
Location	Barcelona
Units (#)	34
Sqm	2.925
Construction Company	Beta Conkret
Construction Started	Q2 2016
Construction Finished	Q3 2017
Delivery	Q4 2017
Pre-sales at Delivery	100%
Gross Margin (%)	Above 31%

* *Of the 313 units delivered in 2017, 18 units will be notarized in 2018 (13 already notarized as of Feb. 12th)* **This number does not include the 2 sites (51 units) that the Company promptly delivered in Q2 2017 that were developed under a *fee development* agreement

ANCILLARY BUSINESSES PROVIDED SOLID CASH FLOWS

Ancillary Businesses

REMAINING LEGACY PORTFOLIO PRESENTS CHALLENGE FOR LIQUIDATION 2018

LEGACY

€126m(1) sales in 2017
3% gross margin(1) on book values

€85m Remaining BV(2)
Of original €650m acquired to Kutxabank

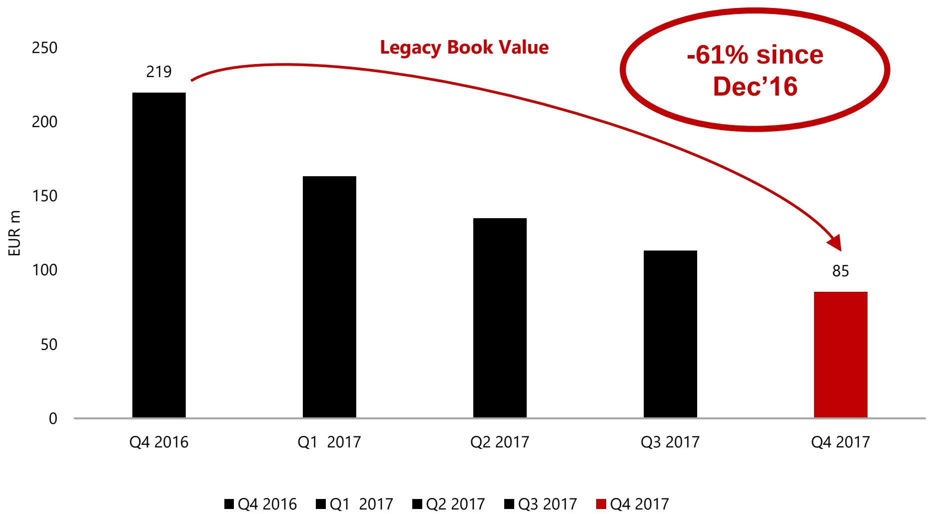
Tackling the challenge to fully liquidate in 2018

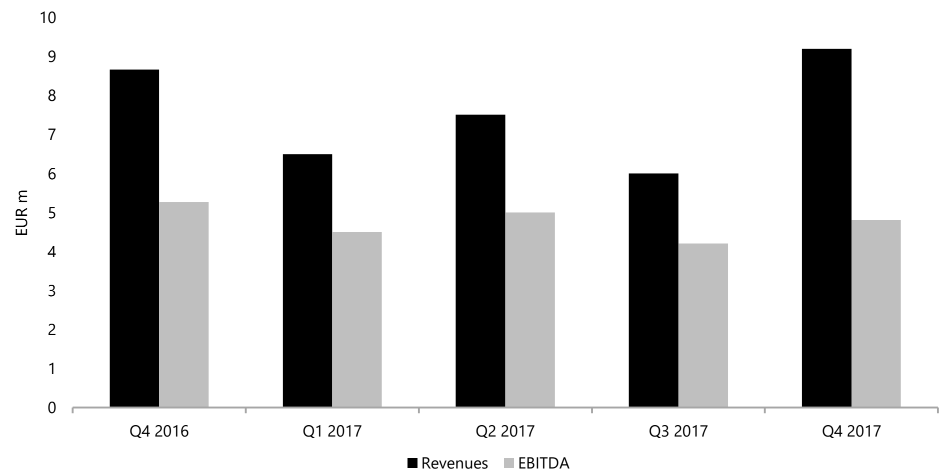
SERVICING

€1.5bn AUM
Stable AuM given asset boarding performed as expected compensating for registered sales

€18.5m EBITDA
60%+ margin, ahead of expectations

Maintaining solid relationship with Kutxabank as a strategic partner





(1) Includes €11.9m of sales related to assets that were under rental contracts.
(2) Legacy stock BoP 2017 amounted to 219M€. The decrease to 85M€ of stock EoP 2017 is due to i) book value sold (108M€), ii) book value sold related to, Non-current assets (11M€), iii) Impairment (7M€) and iv) land "sale as is" moved to land bank (8M€)

2.
2017 Financial Overview

Alquerías Homes – Valencia (Levante)

Financials

P&L: €8.3M POSITIVE EBITDA ADJUSTED

CORE BUSINESS WEIGHT GROWING AS THE COMPANY DELIVER UNITS

Neinor HOMES

Summary P&L (in €M)

€M	FY 2017
Revenues[1]	**225,1**
Gross Margin	61,3
Gross Margin (%)	*27,2%*
OpEx & Other[2]	-53,8
Gains (Losses) on disposals[4]	0,7
EBITDA Adjusted	**8,3**
Change in Trade Provisions[5]	-4,5
EBITDA	**3,7**
Amortization	-0,7
Operating Profit (Loss)	**3,0**
Operating Margin	*1,3%*
Finance Costs	-7,7
Profit (Loss) before Tax	**-4,7**
Tax charge	0,0
Profit (Loss) for the period [3]	**-4,6**

FULL AUDIT BY DELOITTE: UNQUALIFIED OPINION

€225M REVENUES

Legacy sales €113.9m[8] / Development €76.6m / Servicing €29.2m / Other Revenues[6] €5.4m

DEVELOPMENT GROSS MARGIN: 28%

8 sites and 313[7] units delivered in 2017

TOTAL GROSS MARGIN: 27.2%

Up from 24% in 9 months to September

EBITDA ADJUSTED OF €8.3M

Above expectations

Reconciliation vs. Audited Financial Statements

1. *Total revenues include 219.7€M of sales and 5.4€M Other Revenues. Audited Financial Statements report additional revenues of 0.9€M (mainly reinvoices) considered as less OpEx.*
2. *Total OpEx amounts to 75.1€M including MIP fully paid by LS (19.0€M) and IPO Costs (2.3€M), but excluding 2.4€M of impairment on a legacy asset sold in 2017*
3. *Profit (Loss) for the period of audited Financial Statements amounts to - €25.9M*

Other Comments

4. *It relates to sales of Non-Current assets (Legacy) for c. 11.9€M, 0.7€M above book value.*
5. *Impairment related to legacy assets unsold.*
6. *Other Revenues 2.7€M tax income; 0.7€M rentals revenues; 0.4€M contract penalties; 1.6€M other mainly legacy related revenues*
7. *18 units to be notarized in 2018 (13 notarized as of Feb.12th)*
8. *Does not include sales of Non-Current assets (Legacy) for c. 11.9€M*

CF:POSITIVE NET CASH FLOW

OPERATING CASH AND JP MORGAN BRIDGE INVESTED INTO HIGH QUALITY LAND

Financials

Summary Cash Flow (in €M)

€M	FY 2017
Profit (Loss) before Tax[1,2]	-4,7
Adjustments[2]	9,1
Amortization	0,7
Finance Costs/Revenues	7,7
Change in provisions	4,1
Gains (Losses) on disposals	-0,7
Debt cancellation w/ ShareHold.	-2,7
CF from Operating Activities	**4,5**
Working Capital Variation	**-191,1**
Change in Inventories	-224,9
Book Value Sold[5]	163,8
Land Acquisition[6]	-271,2
Capex	-115,6
Other	-1,9
Other WC Variations[3]	33,8
Net Operating Cash Flow	**-186,6**
CF from Investments Activities	**10,5**
Free Cash Flow	**-176,1**
CF from Financing Activities	**190,2**
Change in Share Capital/Premium[2,7]	95,8
Change in Bank Borrowing	114,0
Change in Deferred Land Debt	-11,9
Finance Costs/Revenues	-7,7
Net Cash Flow	**14,1**
Change in Cash Not-Available	19,8
Cash BoP	**45,3**
Cash EoP[4]	**76,8**

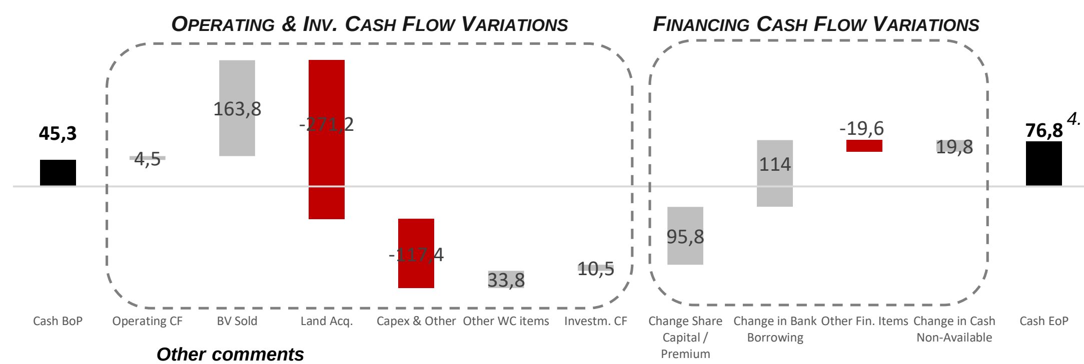
+€4.5M CF FROM OPERATIONS

€387M INVESTED IN GROWTH: €271M IN LAND, €116M CAPEX

LEGACY DIVESTMENT €119M[5] DELIVERIES €56M

FINANCING: PRIMARY EQUITY AND BRIDGE LOAN

Cash Flow Bridge (in €M)



Reconciliation vs. Audited Financial Statements

1. *Profit (Loss) before Tax does not include 2.3€M of IPO Costs*
2. *Table does not include 19€M of MIP cost fully paid by Lone Star. Audited Financial statements adjust cash flow for an amount of 13.6€M in Adjustments and of 5.2€M in Change in Share Capital*
3. *Other WC variations includes variations in Cash not available (+19.8€M included post-Net Cash Flow) and excludes Deferred land payment (-11.9€M included in CF from financing activities)*
4. *Cash EoP assumes 2.3€M of IPO Costs to reconcile with Audited Cash EoP.*

Other comments

5. *Book Value sold includes 55.6€M of Development Book Value and 108.1€M of Legacy Book Value (additional 11.1€M book value sold of non-current assets included in CF from Investment Activities)*
6. *Reconciliation with headline land acquisition (€286m): i) €271.2m paid for, ii) €7.9 m of pending urbanization works iii) €3.5m of closing costs (€1.9 already paid) and iv) €3.1m pre-construction costs (paid through CapEx)*
7. *Change in Share Capital includes i) 100M€ of IPO Capital injection and ii) -4.2M€ of Treasury Shares*

Financials

BS: GROWING ASSET BASE

BUSINESS RAMP-UP REFLECTED IN GROWING INVENTORIES

Summary Balance Sheet (in €m)

€M	FY 2017	FY 2016	Change	
PPE	1,9	1,6	0,3	20,9%
Investment Property(1)	1,6	12,9	-11,3	-87,5%
Other Non-Current Assets	1,6	1,1	0,5	47,0%
Non-Current Assets	**5,1**	**15,5**	**-10,4**	**-67,2%**
Inventories	1.143,3	925,4	217,9	23,5%
ow Liquidation(1)	*83,1*	*206,5*	*-123,3*	*-59,7%*
ow Development	*1.060,1*	*718,9*	*341,2*	*47,5%*
Debtors	53,7	29,6	24,1	81,4%
Cash & Equivalents	76,8	45,3	31,5	69,6%
ow Not Available	*41,1*	*21,4*	*19,8*	*92,5%*
Current Assets	**1.273,9**	**1.000,3**	**273,6**	**27,3%**
Total Assets	**1.279,0**	**1.015,8**	**263,1**	**25,9%**
Equity	**722,4**	**631,0**	**91,4**	**14,5%**
Bank Borrowings	17,9	26,6	-8,7	-32,8%
Other Non-Current Liabilities	0,2	0,4	-0,2	-46,5%
Non-Current Liabilities	**18,1**	**27,0**	**-8,9**	**-32,9%**
Bank Borrowings	399,8	277,1	122,7	44,3%
Creditors	55,1	49,2	5,9	12,0%
ow Def. Land Payment	*0,0*	*11,9*	*-11,9*	*-100,0%*
Other Current Liabilities	83,5	31,5	52,0	164,9%
Current Liabilities	**538,4**	**357,8**	**180,6**	**50,5%**
Total Liabilities	**1.279,0**	**1.015,8**	**263,1**	**25,9%**

€M	FY 2017	FY 2016	Change	
WC Adjusted	**1.100,9**	**920,0**	**180,9**	**19,7%**

WC Adjusted *calculated as Inv. Property & Inventories + Debtors + Cash not available less Creditors (net of deferred land payment) less Other Current & Non-Current Liabilities*

€1.3BN BALANCE SHEET

€263M growth during FY

LEGACY REDUCED BY 61%[2]

€1.06BN IN DEVELOPMENT

€737M Land / €318M WIP

SAVILLS VALUATION 52% ABOVE BOOK VALUES

STRONG LIQUIDITY POSITION

€100M+ of free cash + undrawn bridge loan

€1.1BN WORKING CAPITAL

Increase of €180M+ compared to Dec. 2016

Other Comments

1. *Legacy remaining book value is the result of adding investment property and liquidation inventories*
2. *Legacy stock BoP 2017 amounted to 219M€. The decrease to 85M€ of stock EoP 2017 is due to i) book value sold (108M€), ii) book value sold related to Non-current assets (11M€), iii) Impairment (7M€) and iv) perimeter change to development (8M€)*

NET DEBT: PRUDENT LEVERAGE MANAGEMENT

LOAN-TO-VALUE AT 22% DESPITE ACCELERATION OF ACQUISITIONS

Net Debt (in €m)

€M	FY 2017	FY 2016	Change	
Gross Debt	**417,7**	**315,6**	**102,1**	**32,4%**
Non-Current Bank Borrowing	**17,9**	**26,6**	**-8,7**	**-32,8%**
Corporate Financing	17,9	26,6	-8,7	-32,8%
Current Bank Borrowing	**399,8**	**277,1**	**122,7**	**44,3%**
Land Financing	236,3	200,9	35,4	17,6%
WIP	*107,8*	*46,3*	*61,5*	*132,9%*
No WIP	*128,5*	*154,7*	*-26,1*	*-16,9%*
Capex Financing	3,2	2,1	1,0	48,4%
Corporate Financing	134,3	66,9	67,4	100,8%
VAT Financing	25,5	6,9	18,6	269,8%
Interests	0,5	0,2	0,3	139,7%
Other Debt	**0,0**	**11,9**	**-11,9**	**-100,0%**
Deferred Land Payment[1]	0,0	11,9	-11,9	-100,0%
Available Cash	**35,7**	**23,9**	**11,8**	**49,1%**
Net Debt	**382,0**	**291,6**	**90,3**	**31,0%**

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

NET DEBT €382M

Prudent debt policy during the ramp-up phase

HEADLINE RATIOS IN CHECK

LTV 22%, LTC 33%

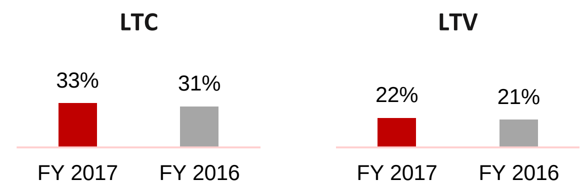
BRIDGE LOAN: 51% DRAWN

€150M JP Morgan Facility Still with Dry Powder

BALANCED BANKING POOL

All lenders < 20% of total

Key Ratios (%)



3.
2018 Milestones & Challenges

Abra Homes – Santurce, Vizcaya (North)

2018 MILESTONES
STEPPING UP THE EXECUTION

FOCUS ON SECURING THE 8,300 ACTIVE UNITS PROGRESS ON TIME / ON BUDGET

Land Bank	**€ 200m+** OF LAND ACQUISITION	FIRST STRATEGIC LAND ACQUISITIONS
Launches	**2,500+** LAUNCHES	OPTIMIZE DESIGN TO VALUE AND DESIGN TO COST TO MAXIMIZE /SECURE MARGINS
Construction	**5,000+** CONSTRUCTION STARTS	IMPROVE TIMING TO WORKS LICENSES OBTENTION THROUGH ACTIVE MANAGEMENT
Pre-Sales	**€ 750m+** PRE-SALES	OPTIMIZE SALES PACE OF 4,500+ NEW UNITS ON THE MARKET TO MAXIMIZE CAPTURED HPA
Deliveries	**1,000+** DELIVERIES	POST-SALES MANAGEMENT BY NEINOR EXPERIENCE
Embedded Margins	**Margin Protection**	CAPTURE HPA THROUGH LATER SALE / IMPROVED COST EFFICIENCY THROUGH CONSERVATIVE PHASING
Ancillary Businesses	**Full Legacy Disposal Servicing**	FULL DISPOSAL OF €85M BOOK VALUE KEEP HIGH STANDARDS WITH 50%+ EBITDA MARGIN
Financials	**SOLID POSITIVE EBITDA**	**DISCIPLINED LTV BALANCE SHEET OPTIMIZATION**

2018 CHALLENGES
SUSTAINING MARKET LEADERSHIP

MAINTAIN AND INCREASE 2-YEAR ADVANTAGE AMIDST GROWING COMPETITION

Competition 3 listed players + newcomers	✓Fragmented market, room for more disciplined competitors ✓Forecasted consolidation starting to happen
Land Price Inflation More capital pushing up prices	✓Discipline and track record of execution with sellers ✓Big portfolio operations expected from non-natural holders ✓Strategic land
Transitional Cost Inflation Running at c.5%	✓ Current transitional inflation based on labor shortages ✓ Expected to ease in next 12-18 months as supply chain adjusts ✓ Neinor Homes focused on better projects, industrialization and applying key learnings from almost 100 active sites ✓ Framework agreements with strategic suppliers
HPA National average c.5%	✓ Balancing visibility with additional HPA ✓ 2018 first full year of Tail/Jewel strategy
Embedded Margins Keep 24%+ gross margins in 2021 and beyond	✓ Crystalize embedded margins in existing portfolio (c.29%) ✓ Accretive acquisitions of portfolios, off-market, new regions
Operational Challenge Manage 100+ active sites	✓ Deepen industrialization in 2018 and 2019 to reach run-rate in 2020, up from the 300+ deliveries in 2017
On-time Deliveries Meet delivery targets	✓ More conservative phasing in 2018 and 2019 (1,000+ and 2,000+ units) to protect margin and improve earnings quality, and deliver run-rate of 4,000+ units p.a. from 2020 onwards
Run Rate Guidance Sustain 4,000+ pace after 2020	✓ Adapt the acquisitions program to replenish land-bank ✓ Increase the delivered unit gap vs. big competitors

4.
Non-Financial Reporting

Plaza Europa 38 Homes – Hospitalet, Barcelona (East)

TRANSFORMING THE SECTOR, REALLY

SEVERAL MILESTONES ACHIEVED HIGHLIGHTING THE COMPANY'S STRONG ETHICAL COMMITMENTS

Environmental

- **Dehesa Homes** first site to obtain **BREEAM certification for finished product** / **27** BREEAM certificates for projects **in design phase**
- **100% of developments launched in 2017 with A or B energy certification**
- Company offices had a **per capita 14% reduction in energy consumption** and **11% reduction in paper use**

Social

- **Home Protect** – Insurance for clients to provide for job loss / death during construction period
- **Mobility Pack –** Agreement with Ilunion to provide solutions for the elderly and disabled in Neinor Homes developments
- Signed alliance with **Foretica**, a leading CSR association in Spain and Latin America

Excellence

- **Achieved Global Excellence Award (EFQM 300+) – First Spanish residential developer** to obtain certificate after the crisis
- Certifications obtained/maintained: **ISO 9001** (Quality Management Systems), **ISO 14001** (Environmental Management) and **ISO 27001** (Information Security Management System), **UNE 166002** (R&D+Innovation) and **OHSAS 18001** (Occupational Health & Safety)
- **White Paper** (Neinor's Design and Construction Manual) currently in **version #11**

Digital Transformation and Innovation

- Launched in 2017, resulted already in tools already being used based on **Big Data, Augmented Reality and Artificial Intelligence**
- **BIM: full implantation in design**, currently being integrated into construction and go-to market strategy
- **Neinor Next**: Launched in Q4 2017, selection of **10 selected prop-tech start-ups to work with pilots within Neinor Homes in Q1**

Risk control - **Integrated Governance, Risks and Compliance System** - Covering regulatory and operational aspects of Company's risk matrix

Looking after all stakeholders

- **235 direct employees:** Gender balance + Career development + Mentoring + Agreements with 4 leading universities to hire interns
- **Indirect employees:** Neinor has created **13,000+ indirect construction jobs** - **Incident index 35% below the national average** in 2017
- **Suppliers: Code of Good Practices** for Land Brokers; **Pre-Qualification and Periodic Audits** to suppliers (232 conducted in 2017)
- **Clients: 3.2 out of 4.0 customer satisfaction** in latest survey (January 2018, 899 responses)
- **Investment Community (shareholders and research analysts):** pro-active, transparent and two-way communication channel to communicate with all investors and analysts regarding results and strategy

Can Mates Homes III – Sant Cugat, Barcelona (East)

5.
Key Take-Aways

KEY TAKE-AWAYS

Continued strong recovery in the Spanish homebuilding sector and supply-demand imbalance providing visibility for long term growth

Excellent operational progress in 2017 consolidating first mover advantage: only Spanish listed homebuilder with 8,300+ active units and clear revenue visibility

Confirmation of increased run-rate to 4,000+ units per year

Re-profiling of 2019 to maximize returns through HPA in a bullish market, and ensuring operational efficiency through cost control design

Strong visibility of 2018 guidance given launches, pre-sales and progress on sites under construction

Q&A

6.

Case Studies

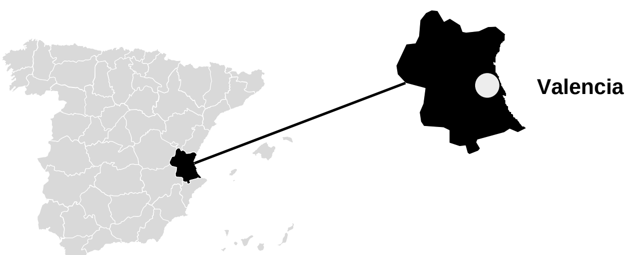
Amara Homes – Las Rozas, Madrid (Center)

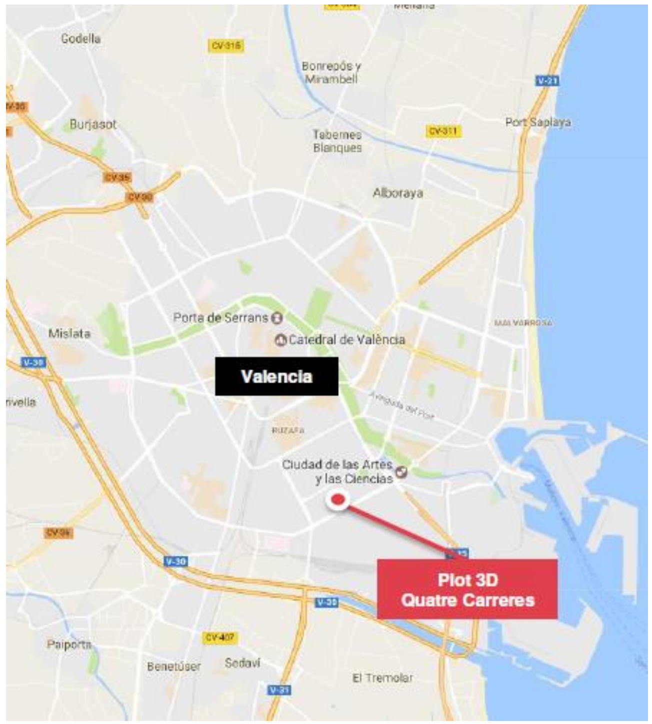
Acquisition: Quatre Carreres, Valencia (Levante)

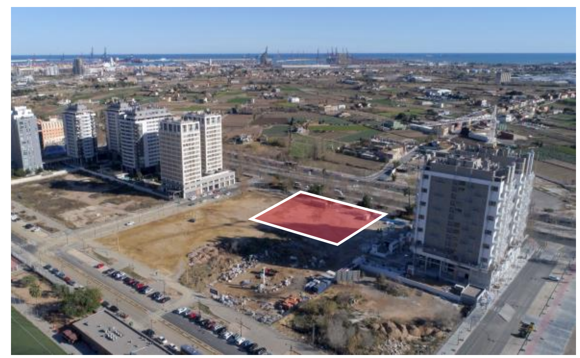
9 weeks	Launched		WIP	Delivery
Land Acquisition	Marketing Plan	Design / Procurement / Commercialisation	Under Construction	Post Sale

- Quatre Carreres is a consolidated residential area of Valencia with more than 75,000 inhabitants and is located 2 km South the city centre
- Medium-sized land plot that allows the development of a mid-quality residential complex

Location	Valencia
Units (#)	96
Sqm	12.979
Acquisition Date	November 2017
Seller Type	Investment Fund
Angle	Execution Track Record
Legal Due Diligence	Uría
Technical Due Diligence	Hill International
Target Gross Margin(%)(1)	c. 25% (1)







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

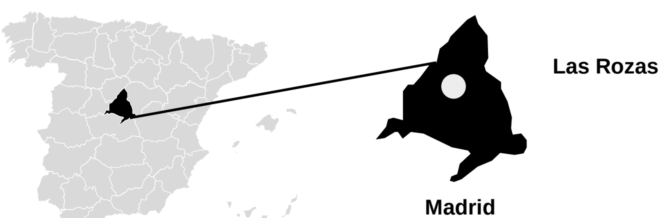
Launched: Amara Homes, Las Rozas de Madrid (Center)

Launched ◄······ 32 weeks ······► WIP — Delivery

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

- The project comprises 316 residential units located in Las Rozas, a consolidated residential area located 20 km North West of the city centre
- Las Rozas has c. 100,000 inhabitants and is the municipality with the 5th highest income per capita in Spain
- The company will develop mid-high quality residential units of 2, 3, and 4 bedrooms
- Commercialization will start in Q1 2018

Location	Las Rozas, Madrid
Units (#)	316
Sqm	72.564
Commercialisation Start	Q1 2018
Architect	L-35
Broker	Knight Frank
Target Gross Margin (%)[(1)]	c. 25%[(1)]



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

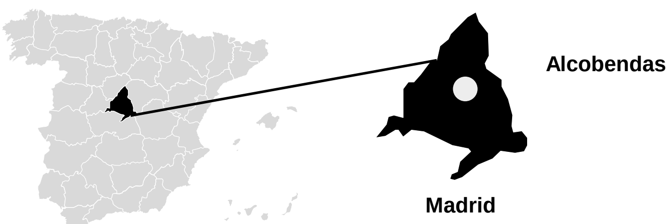
WIP: Atria Homes, Alcobendas (Center)

Launched | WIP ◄······ 17-20 months ······► Delivery

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

- Atria Homes is a residential complex located in Alcobendas, a municipality located 10 km North from the city centre
- Alcobendas has more than 110,000 inhabitants and is the in the municipality with the 9th highest income per capita in Spain
- The company is developing mid-high quality residential units of 2, 3, and 4 bedrooms
- The delivery is expected for Q4 2018

Location	Alcobendas, Madrid
Units (#)	148
Sqm	18.299
Construction Company	Sodelor
Degree of Progress	37%
Expected Delivery	Q4 2018
% of Pre-sales to date	94%
Budget/Costs (2)	On budget
Timing	On time
Target Gross Margin (%)(1)	Above 30%



APPENDIX

APPENDIX

Savills Appraisal December 2017 – Regional Detail

- Valuation in accordance with RICS[1] Valuation Professional Standards
- Bottom-up appraisal valuation on a unit by unit basis, employing DCF, sales comparison or residual static methods depending on the type of asset
- Valuation assumes 0% House Price Appreciation
- Average discount rate at 10%

	North	Center	East	Levante	South East	South West	TOTAL	TOTAL 31.12.16	DIFF	%
Total Number of Units	2.553	2.663	1.985	1.129	2.928	1.214	12.472	9.025	3.447	28%
Total Buildability Area (sqm)	288.283	335.749	223.869	127.395	331.809	161.689	1.468.792	1.036.131	432.661	29%
Gross Development Value (€m)	728	929	659	256	756	321	3.649	2.549	1.100	30%
Average Selling Price per Unit (€)	285.224	348.919	331.787	226.908	258.133	264.318	292.561	282.385	10.176	3%
Average Price per Sqm (€)	2.526	2.767	2.942	2.011	2.278	1.985	2.484	2.460	25	1%
Costs Pending to Complete (€m)	271	335	202	120	340	148	1.416	1.021	395	28%
Construction Costs per Unit (€)	106.149	125.789	101.670	106.221	116.092	121.910	113.504	113.077	428	0%
Construction Costs per Sqm (€)	940	998	901	941	1.024	915	964	985	-21	-2%
Valuation (€m)	357	432	374	79	247	122	1.610	1.120	490	30%
Valuation per Sqm (€)	1.238	1.286	1.669	620	745	753	1.096	1.081	15	1%

(1) Royal Institution of Chartered Surveyors

Neinor HOMES

Riverside Homes – Madrid (Center)