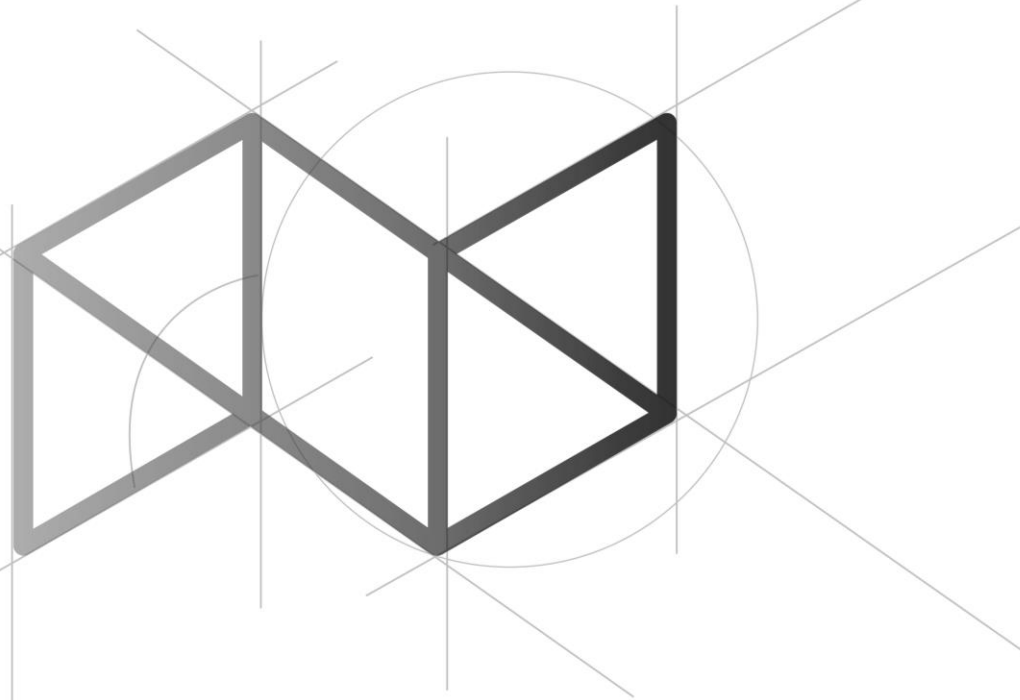


INVESTOR DAYS '18 - MADRID

Madrid - September 24th, 2018



 **Neinor** HOMES

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AGENDA FOR THE DAY AND TOPICS FOR THE WEEK

SCHEDULED TIME	EVENT
12.00-13.00	Corporate Update - Host: Management Team
13.00-13.30	Q&A
13.30-14.00	Madrid Regional Presentation – Host: Center Regional Team
14.00-14.30	Lunch – Hors D’Oeuvres will be served
14.30-17.00	Site Tour to San Sebastian de los Reyes and Alcobendas – Host: Center Regional Team
20.00	Dinner

OUR FOCUS THIS WEEK

MACRO AND MICRO: RESIDENTIAL SECTOR STRENGTH

ALL PROFIT WARNING ISSUES RESOLVED

NEINOR HOMES PROVEN CAPACITY TO EXECUTE, DELIVER AND REPLENISH THE LAND BANK

MARGIN PROTECTION MEASURES TO FACE TRANSITIONAL COST PRESSURES

VALUE CREATION SINCE THE IPO



Progress and Outlook

Macro		Continued GDP growth, job creation and mortgage availability sustaining demand
Company		Robust 264-employee team with residential DNA in 6 regional offices Company with 30+ years of history
Land Bank		Land bank covered up to 2021: c.13,500 units
Revenues		€1,000m+ Order Book (c. 3,000 units): strong visibility into revenues for '18, '19 and '20
Operations		58 Sites (c. 4,900 units) in construction, on time and on budget ⁽²⁾ c. 55% ⁽³⁾ of 2020 licenses granted
Margin		Gross Margin on WIP 2018 and 2019 up by EUR 24 million: Extra revenues protecting from cost inflation
Ancillary Businesses		Steady source of cash flows: €54.7m Remaining Legacy BV. Strong servicing contract (€20.6m revenues to August YTD)
Financials		A Profitable Company: Solid EBITDA already in 2018

(1) Data as of Q3 2018. Accounting values as of end of August (2) Including 7 sites with license recently obtained and imminent construction start (3) 70%+ expected by Q3 reporting



BUSINESS UPDATE⁽¹⁾

	Delivery Guidance (units)	Licenses Granted (%)	Commercialization	Construction	Units delivered	Q3 Milestone
 2018	1,000+	100%	95%+ pre-sold	9 out of 10⁽²⁾ sites with end of works certificate	249	4 sites with notarisation in progress (c.180 units)
 2019	c. 2,000	100%	75%+ pre-sold	31 sites WIP 1,037 units / 16 sites in façade works⁽³⁾	-	All construction milestones on track
 2020	c. 4,000	c. 55%⁽⁴⁾ (c. 2,200 units)	15%+ pre-sold	c. 2,200 units (17 sites) WIP 3,000+ units with licenses requested >4 months ago: imminent obtention	-	All units in commercialization c.70% of licenses expected by Q3 reporting

(1) Data as of Q3 2018. Accounting values as of end of August (2) Last certificate of end of works expected by end of September (3) 10 more sites will start façade Works before year end and the last 5 (344 units) will start façade works in Q1 2019 (4) 70%+ expected by Q3 reporting



MACRO

SPAIN: FASTEST GROWING BIG ECONOMY IN EUROPE

UNDERSUPPLY FUELLING SECTOR MOMENTUM

Performance since IPO

	DEC 16	Q3 18	
UNEMPLOYMENT (% of active population)	18.6%	15.3%	800k+ jobs created
HPA⁽³⁾ (annual increase in %)	4.5%	6.8%	Price recovery but still 24% below the peak
EFFORT RATE (% of disposable income)	32.5%	34.3%	Well below pre-crisis peak (above 50%)
NEW HOUSING DELIVERIES (‘000 units) ⁽²⁾	75	88	Supply still far from annual estimated demand (125-150k)
COST INFLATION⁽⁴⁾ (annual increase in %)	1.8%	2.1%	Labor representing 25-30% / Materials 70-75% Overall construction costs weaker than HPA
LISTED DEVELOPERS (% market share ⁽⁵⁾)	1%	8%	Neinor Homes IPO triggered the growth of the listed developers sector

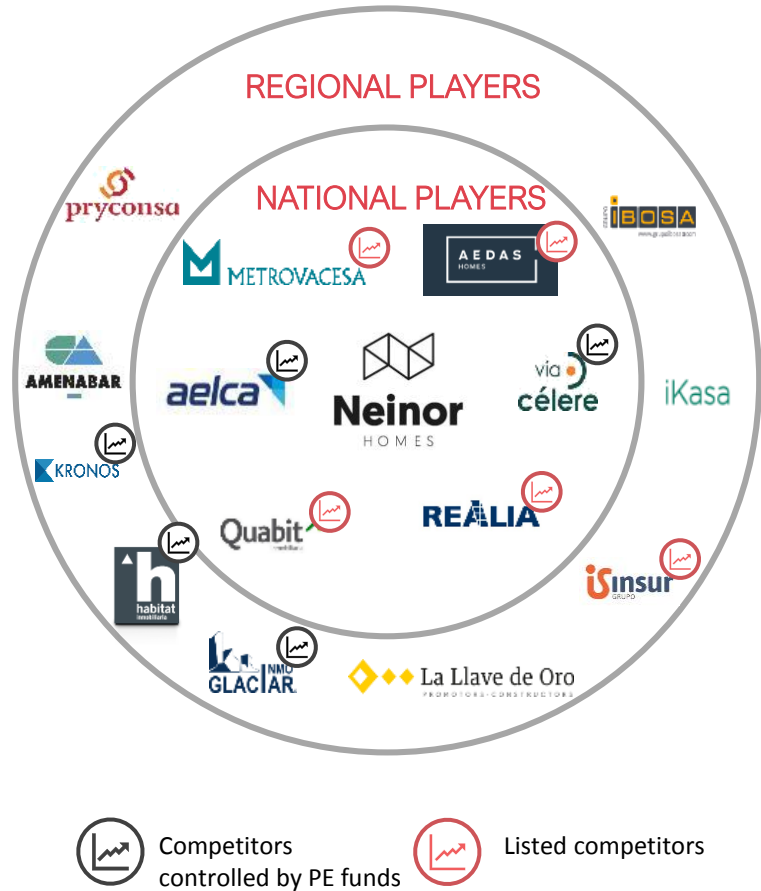
2020 EXPECTATIONS
Rate expected to go down to 11.4% ⁽¹⁾
Solid demand expected for years to come
Runway for supply to catch up with demand
Moderating prices in main cities, secondary cities to lead
Cost inflation to stabilize when the market re-adapts to its cruise speed
Opportunities still available for accretive organic growth

(1) Banco de España (2) Total number of transactions of new housing (deliveries), including free and social housing. Total LTM transactions of new free housing were 33.6k in Dec 2016 and 40k in June 2018 (3) Institute of National Statistics, Q2 2018 (4) Ministerio de Fomento's Construction Cost Index, Q1 2018 – All Spanish provinces (5) Publicly listed companies other than Neinor Homes: Aedas, Inmobiliaria del Sur, Metrovacesa, Quabit, Realia. Market share as projections 2018-2020 by Instituto Coordinadas for all developers versus 150k homes as projected market equilibrium



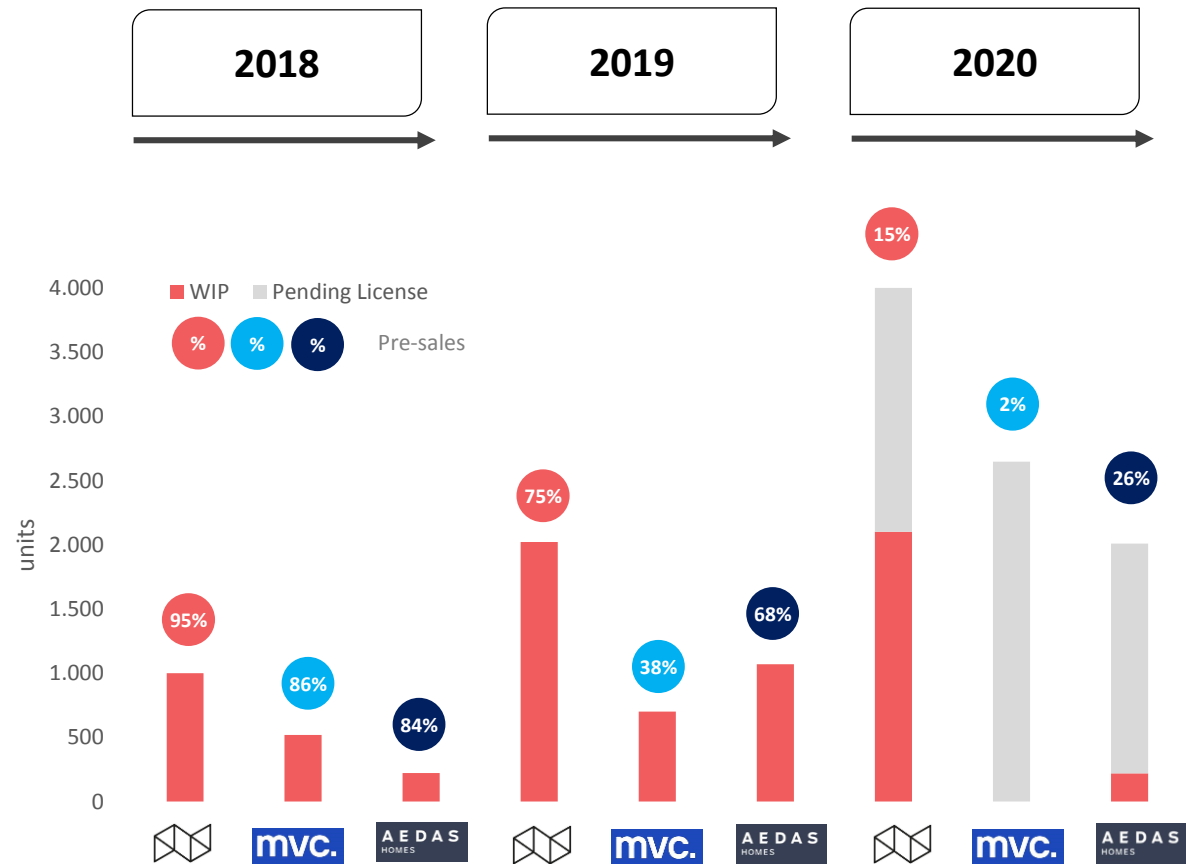
RESIDENTIAL SECTOR

SPANISH RESIDENTIAL MARKET STILL UNDERSUPPLIED



NEINOR HOMES IS 2+ YEARS AHEAD COMPETITION

Construction & Pre-sales Visibility on Delivery Plan

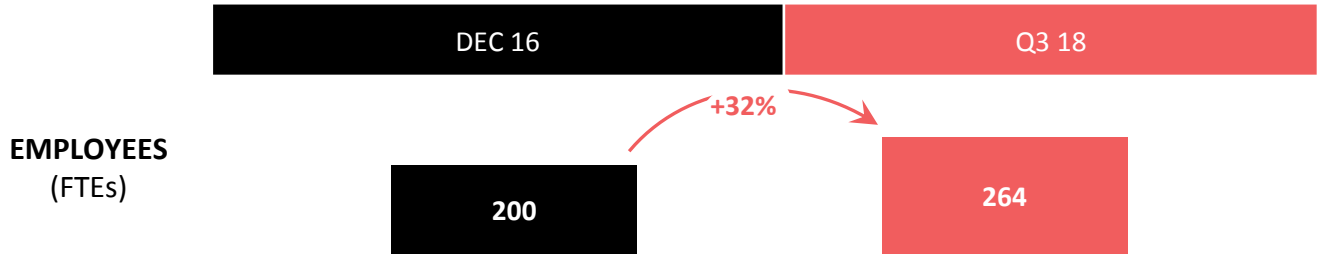




COMPANY

FULL FLEDGED TEAM TO HANDLE RUN RATE DELIVERIES

Performance since IPO



Regional managers

- 10+** Gabriel Sánchez (CBO)
- 10+** Mario Lapiedra (CIO)
- 25+** Borja Garcia Egotxeaga (COO)
- 10+** Jordi Argemi (CFO)
- 20+** Julio Egusquiza (CSO)
- 30+** Mikel Etxebarria (CCO)
- 15+** Juan Gómez Vega (CIRO)

CEO: Juan Velayos (20+)

Regional managers

120+ years of development experience

- 20+** Ignacio Llona (Center)
- 25+** Joaquim Manich (East)
- 25+** Javier Pinilla (Levante)
- 25+** Iñigo Ibarra (North)
- 8+** Ignacio Peinado (South East)
- 20+** Alejandro Navas (South West)

x Years of experience

6 Offices (2 new since IPO: Malaga and Valencia)

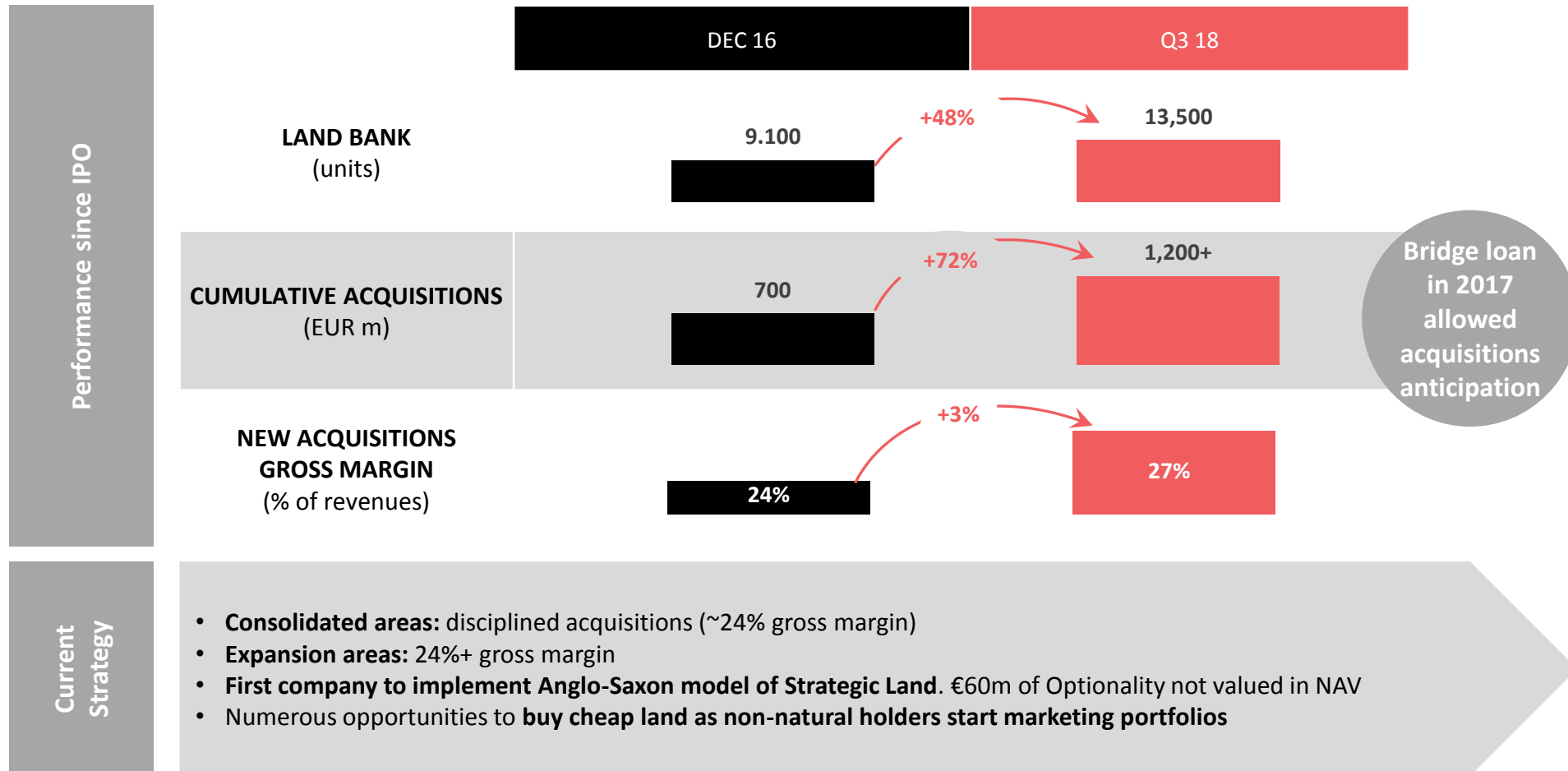
Current Strategy

- Robust team with solid development track-record at the regional level
- Talent Incentive Plan approved by Board in July 2018 to align employees with shareholders' returns
- Highly industrialized, with all systems and procedures in place, tested and in permanent improvement
- Team in place ready to meet and exceed expectations



LAND BANK

OPTIMUM SIZE REACHED, IMPROVED GROSS MARGIN

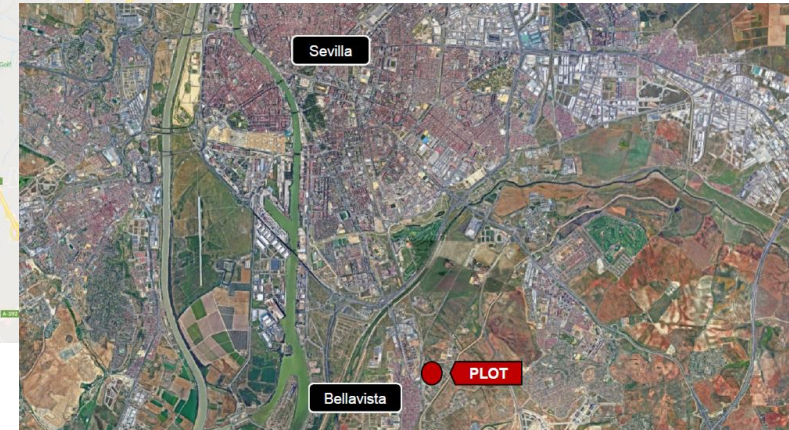




CASE STUDY: EUR 14 MILLION ACQUISITION OF FULLY PERMITTED LAND FOR 346 UNITS IN SEVILLE

ORIGINATED BY LOCAL TEAM / SWIFT EXECUTION / EFFICIENT EQUITY USE

Location	Pítamo, Seville
Residential Units	346
Residential sqm	46.542
Permission Status	Fully Permitted
Acquisition Date	September 2018
Seller Type	Bank
Angle	REO
Sales assumption (€k /unit)	353
HPA assumption	2%
Legal Due Diligence	Andersen Tax & Legal
Technical Due Diligence	Hill
Target Gross Margin	24%+
Acquisition Financing	50%



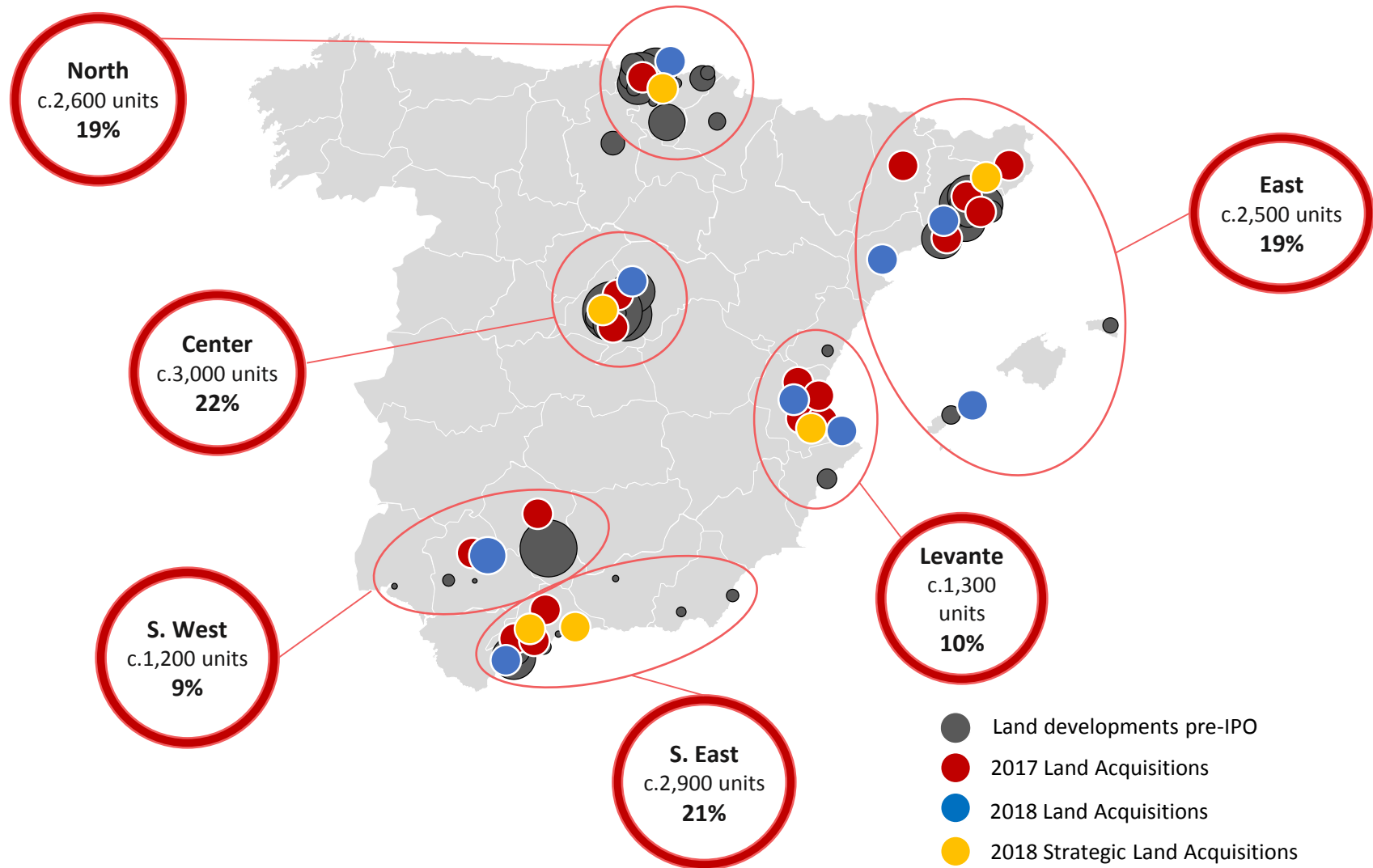
Using Big Data App to make accurate assumptions





LAND BANK

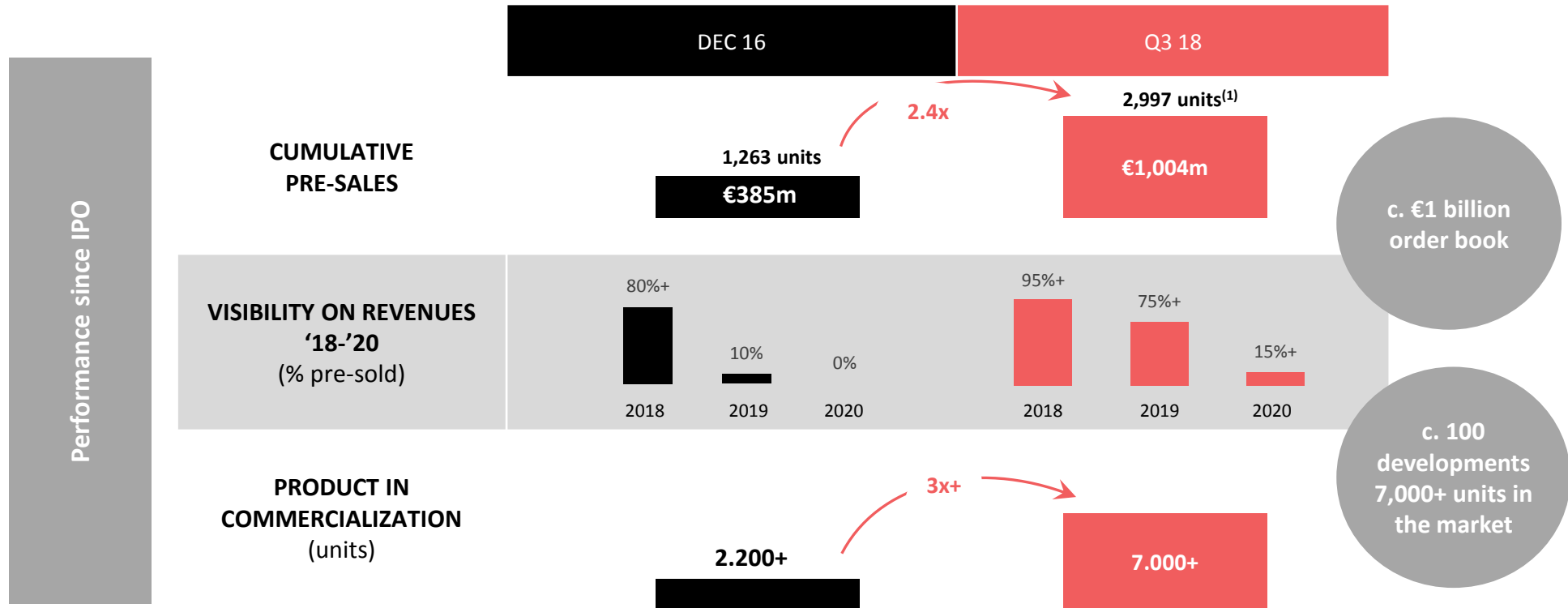
LAND SECURED FOR ALL DELIVERIES UP TO 2021





REVENUES

SOLID ORDER BOOK WITH OUTSTANDING REVENUE VISIBILITY



- Current Strategy**
- Focus on **tails/jewels sales strategy** to capture extra revenues and to mitigate commercial risk
 - **Neinor Stores + digital experience:** transforming the residential sales in Spain
 - **New concentration model with brokers:** saving fees and aligning with HPA capture and hitting sales curve
 - **Remaining units for 2018 and 2019 deliveries blocked** for sale in weeks before delivery
 - **Pre-sales order book** is higher than all other listed players' combined order books

(1) As of end of August

NEINOR STORE... DISRUPTING THE GO TO MARKET

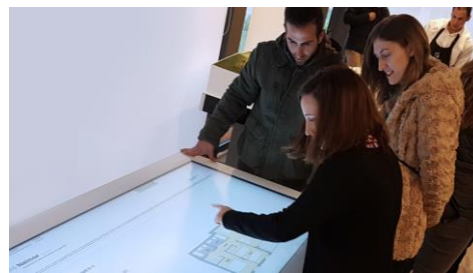
NEINOR STORE... DISRUPTING THE GO TO MARKET

Changing the numerous traditional sales booths for each plot, to a single Neinor Store by influence area

TRADITIONAL SALES POINT



NEINOR STORE

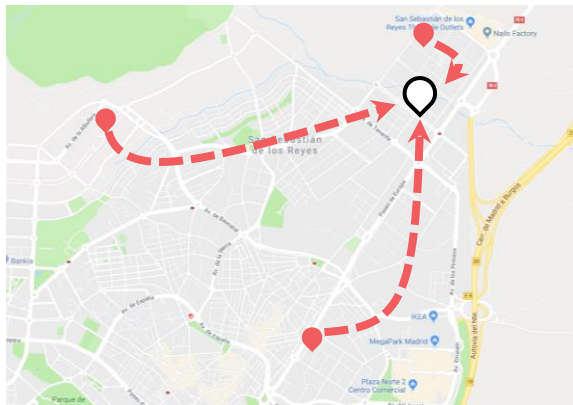


NEINOR STORE... DISRUPTING THE GO TO MARKET

Changing the numerous traditional sales booths for each plot, to a single Neinor Store by influence area

1. Efficiency

- ✓ **Concentration of Sales Point**
20 Neinor Stores ➔ 78 Developments
- ✓ **Concentration of brokers**
25% average saving
- ✓ **Concentration of clients**
1 Visit ➔ 3 Developments



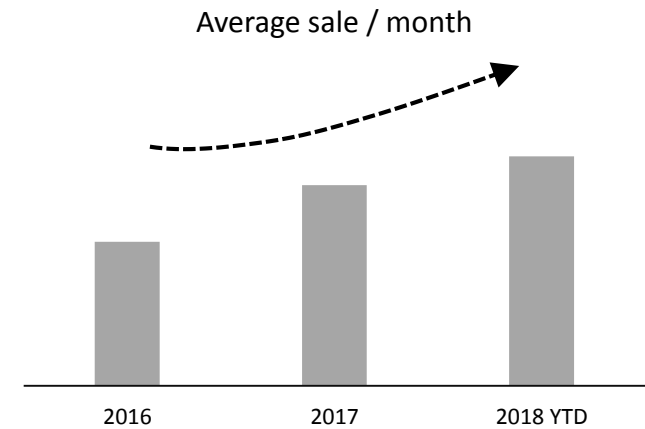
2. New digital client experience

- ✓ **Another Step on Digital Marketing**
(Digital tables, Walls and Tools)
- ✓ **Immersive sales experience in our “Neinor Residence”**
- ✓ **More information, more transparency...more confidence**



3. Sales

- ✓ **Maximizing HPA**
- ✓ **More control over rhythms**
- ✓ **Crossselling and synergies**

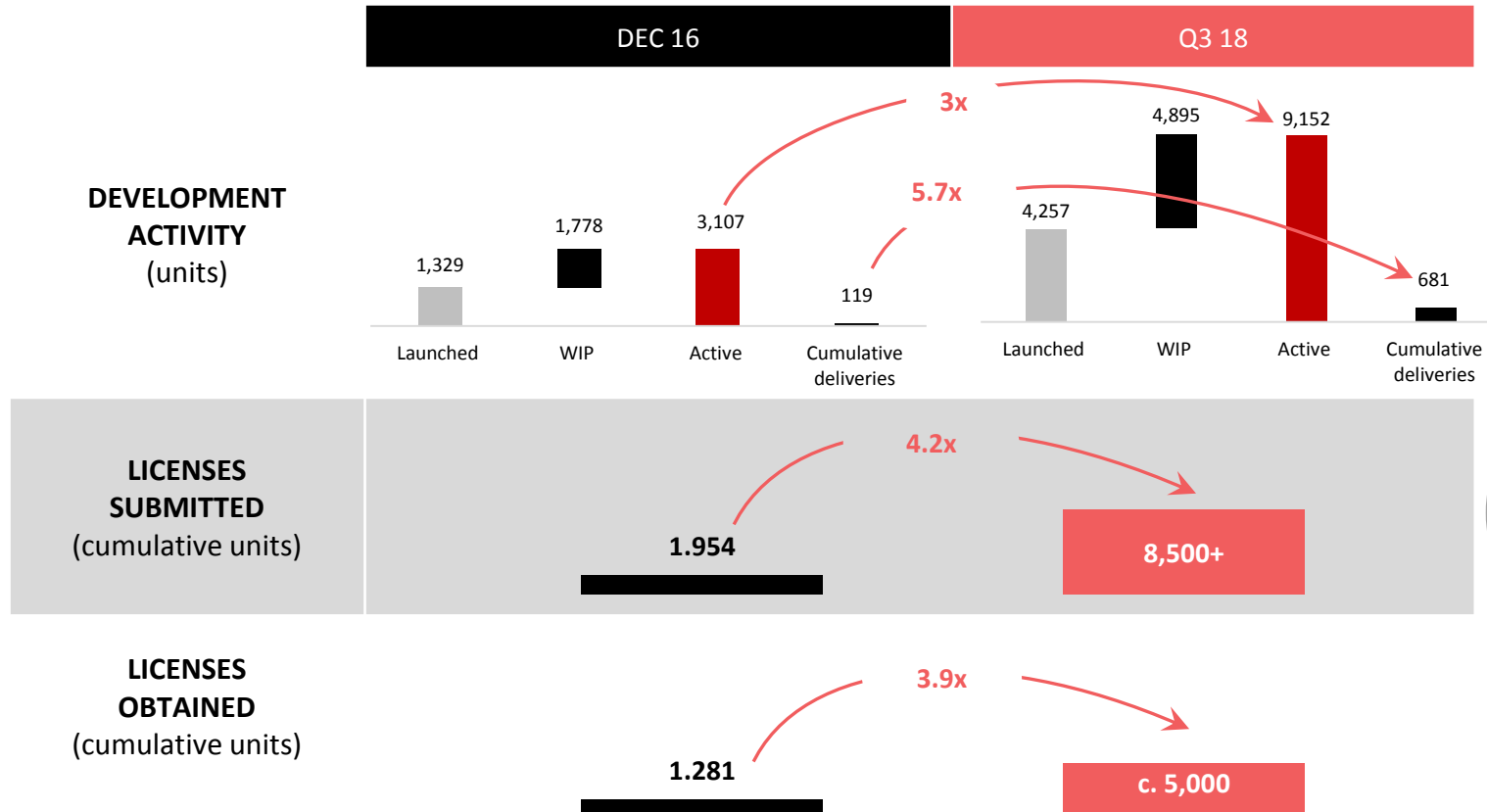




OPERATIONS

RUN RATE SECURED

Performance since IPO



License submission anticipated by 4 months

Current Strategy

- **Licenses:** past issues solved with anticipated launches and intense supervision
- Automated, **real-time monitoring of deadlines**
- **Licenses for 2020:** 70%+ expected by Q3 reporting – All 2020 licenses expected by FY18 reporting
- **Licenses received 3x times** the amount granted to any other listed player's

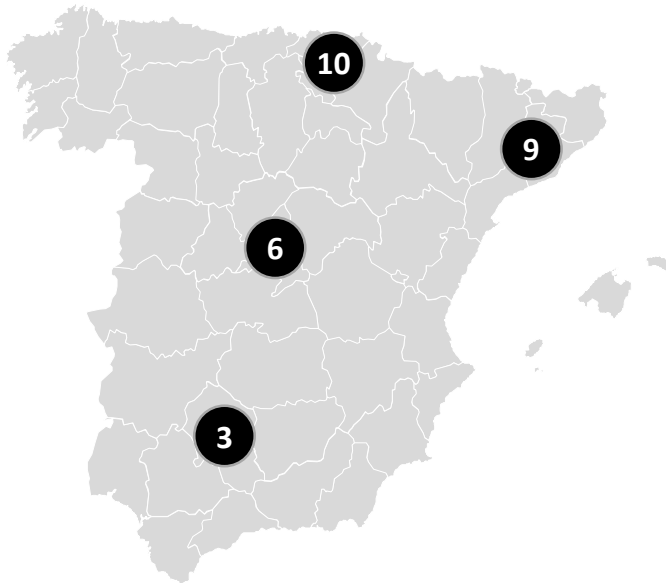


OPERATIONS

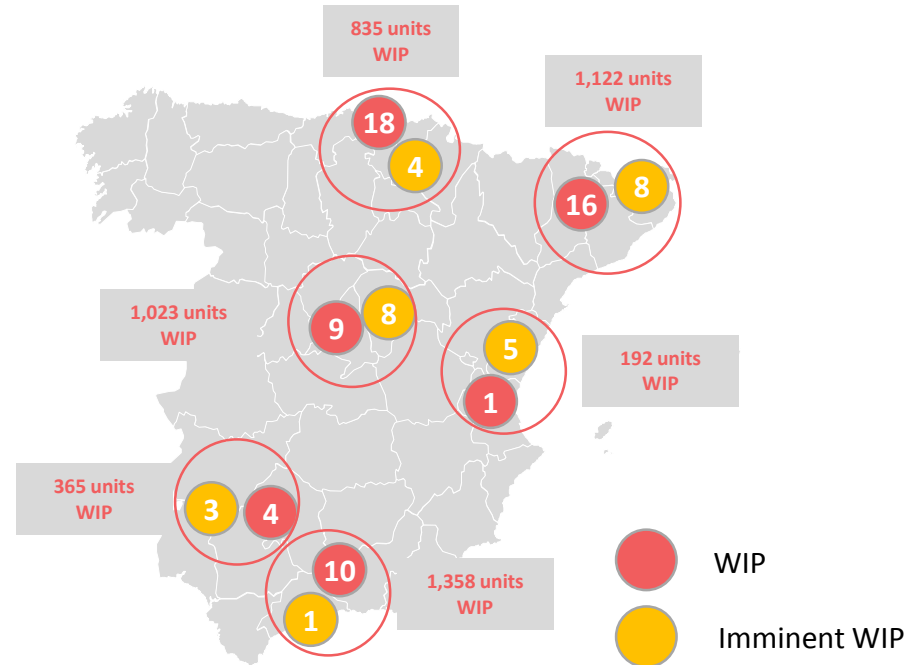
APPROACHING RUN-RATE FROM AN OPERATIONAL PERSPECTIVE

Performance since IPO

DEC. 16
28 WIP
Working with **23** contractors



SEP. 18
58 WIP
Working with **27** contractors



Current Strategy

- Leverage leadership position (€520+ million contracted) with **more concentrated and collaborative externalized model**
- **Strong team: 1+ professional for each of the 58 sites** (internal and external), and the additional support of the **internal corporate functions** (19 FTEs): procurement, corporate technical team and controller
- Subcontractor database that helps reduce cost surprises and speeds up decision making
- Search for cost-efficiencies with **framework agreement**



OPERATIONS

CASE STUDY OF IMMINENT DELIVERY PLAZA HOMES, BIGGEST SITE FINALISED TO DATE (217 UNITS)

Construction Start:
January 2017



Foundation Works:
February 2017



March
2017:
Neinor
Homes'
IPO

Structure Works:
May 2017



Façade works
January 2018



End of Works Certificate:
Imminent



Final steps to
delivery

- Snag-list removal
- Horizontal division / Registry inscription
- Mortgage division
- Granting of LPO (first occupancy license)

Total Revenues: €56m / Pre-sales: 96%

Total CAPEX: €26m

Exp. Gross Margin: €18.5m / 33%

Construction Challenges

- Innovative solution for railway vibrations
 - Special requests by electric utility
- Swift progress despite the volume and height of the building



PRODUCT

PROVIDING CLIENTS WITH BEST VALUE FOR MONEY

OUR PRODUCT SNAPSHOT – SEPTEMBER 2018

98% multi-family / 2% single family

95% first residence / 5% holiday homes

Typical unit:

3 bed-room, 114 sqm, ASP: EUR 350k

1 BR: 1% 2 BR: 29% 3BR: 55% 4BR: 15% 5BR: <1%

Sustainable homes:

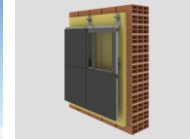
41 BREEAM certificates in design phase

4 BREEAM certificates for finished sites

SERVING BEST VALUE FOR MONEY, FROM A SIMPLIFIED MENU

ALPHA - €1,300/sqm

- Ventilated façades
- Two plates partition wall
- Aluminium carpentry
- Rectified porcelain
- Infinity pool
- Thermostatic faucet



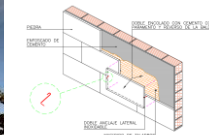
Ventilated façade



Infinity pool

BETA - €1,150/sqm

- Cladding façade
- Two plates partition wall
- Aluminium carpentry
- Rectified porcelain / white paste
- Munich pool
- Thermostatic and monoblock faucet



Cladding façade



Munich pool

GAMMA - €1,100/sqm

- SATE façade
- One plate partition wall
- PVC carpentry
- Non-rectified porcelain / red paste
- Skimmer pool
- Monoblock faucet



SATE façade



Skimmer pool



MARGIN PROTECTION

DISCIPLINED SALES STRATEGY MAXIMIZING PROFITS

Margin Protection Strategy

Revenues	<p>Maximize HPA and manage sales' rhythm through tails & jewels strategy</p> <p>Three phases: (1) 30% pre-sales until works start (2) cruise speed during works (3) 10-15% for last 3 months</p> <p>Offer best value for money through improved product design powered by real demand analytics</p>
Costs	<p>Tackling cost inflation (coming primarily from labor costs representing 25%-30% of total costs) through disciplined monitoring, closer control of subcontractors and leverage on leading positioning</p> <ul style="list-style-type: none">• Key learnings from 100 active sites• Economies of scale, preferred client for contractors, framework agreements<ul style="list-style-type: none">• Best value for money
Margin	<p>Extra revenue offsetting cost inflation</p> <ul style="list-style-type: none">• Impact of 1% HPA increase equals 2x+ the impact of 1% cost increase



MARGIN

Delivery Year	Sites	Units	Revenues (€k per unit)			CAPEX (€k per unit)			Gross Margin (€k per unit)		
			IPO	Real	% Dif	IPO	Real	% Dif	IPO	Real	Diff
2018	15	1,098	308	312	1.3%	124	124	0.6%	85	87	2
2019	30	1,941	335	352	5.1%	145	152	4.7%	88	99	11
TOTAL	45	3,039	325	337	3.8%	137	142	3.4%	87	95	8

Delivery Year	Gross Margin %		
	IPO	Real	% Dif
2018	27.7%	27.9%	0.3%
2019	26.3%	28.2%	1.9%
TOTAL	26.8%	28.1%	1.3%

- **2018:** delivering target margins – High pre-sales at IPO to support revenue visibility
- **2019:** strong improvement thanks to disciplined sales and cost-control measures
- **2020:** for sites already contracted, gross margin aligned with IPO targets (26%+)



MARGIN

TWO EXAMPLES OF NEINOR HOMES' FOCUS ON EXPANDING MARGINS

CASE STUDY: RIVERSIDE HOMES

- Inflation resulted in **+12% of construction costs**
- The **+12%** additional HPA captured allowed the Company to increase the reported **gross margin to 28%**
- Construction Start: Q3 2017
- Expected delivery: H2 2019

€k per unit	Expected	Real	% VAR
Revenues	547	615	12%
CAPEX	225	253	12%
Gross Margin	135	175	29%
Gross Margin %	25%	28%	3%+



CASE STUDY: VOLLPELLERES HOMES II

- Inflation resulted in **+13% of construction costs**
- The **+14%** additional HPA captured allowed the Company to increase the reported **gross margin to 30%**
- Construction Start: Q4 2017
- Expected delivery: H2 2019

€k per unit	Expected	Real	% VAR
Revenues	323	367	14%
CAPEX	151	171	13%
Gross Margin	87	111	28%
Gross Margin %	27%	30%	3%

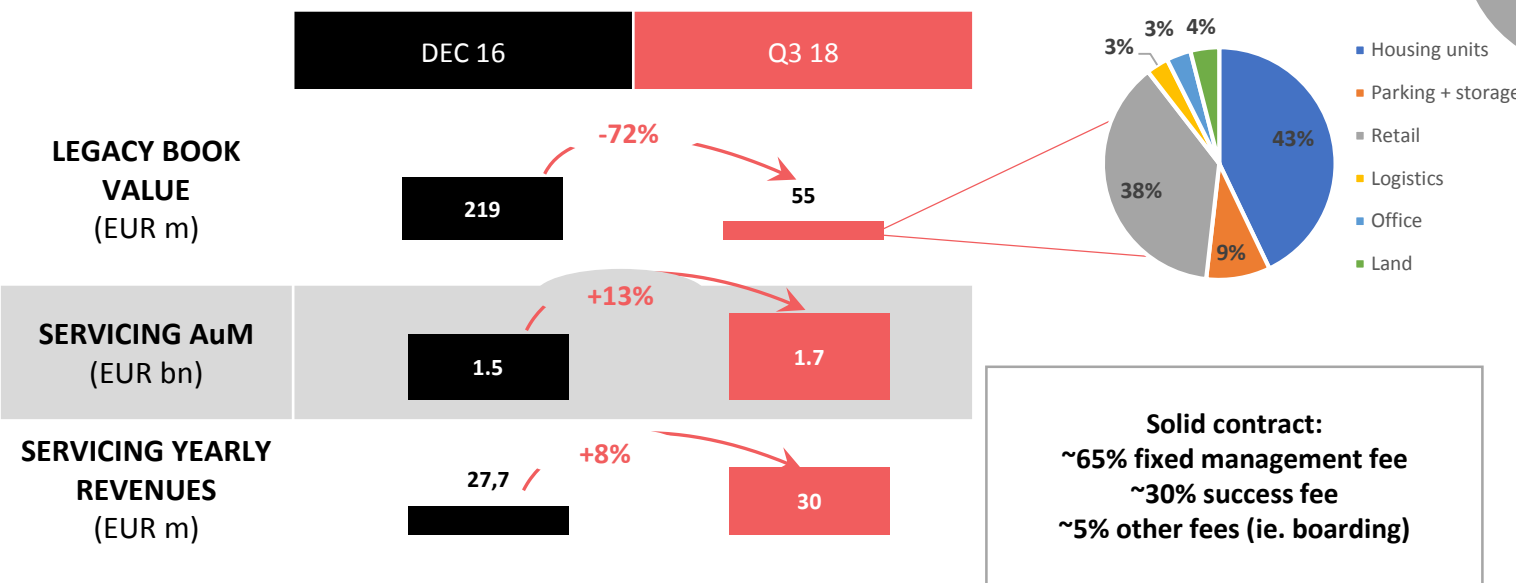




ANCILLARY BUSINESSES

TAKING THE BACK-SEAT AS DEVELOPMENT BUSINESS DELIVERIES JUMP

Performance since IPO



Tail of original portfolio – 60% assets Class C&D

51% - South
37% - North
Balance in Center and East

Current Strategy

- **Legacy sales** speed does not affect the land acquisition program
- **Legacy** will have a relatively small impact in 2019 P&L upon full liquidation
- **Servicing contract** worth c. **€70m EBITDA** not valued in NAV
- **Servicing:** strong relationship with Kutxabank, look for acquisition optionality and aim for potential renewal in '22



FINANCIALS: P&L

A PROFITABLE COMPANY, 1.5 YEARS CLOSER TO RUN-RATE THAN AT IPO

	DEC 16	FY 2018 EXP.	FY 2019 EXP.	FY 2020 EXP.	RUN RATE TARGETS
DELIVERIES (units)	119	1,000+	c.2,000	4,000	3,500+ ANNUAL DELIVERIES
DELIVERIES PRE-SALES COVERAGE					KEEP OPTIMUM SALES RHYTHM TO MAXIMIZE PROFITS
DELIVERIES WIP COVERAGE					c. 6,000 WIP units
CORE BUSINESS WEIGHT % of revenues	16%	75%+	90%+ ⁽¹⁾	95%+	100% CORE BUSINESS WEIGHT ⁽²⁾
EBITDA MARGIN (% of revenues)	8%	10%+	20%+	20%+	18% EBITDA Margin

Performance since IPO

(1) Assuming full legacy disposal in 2019 (2) Assuming servicing contract is not renewed

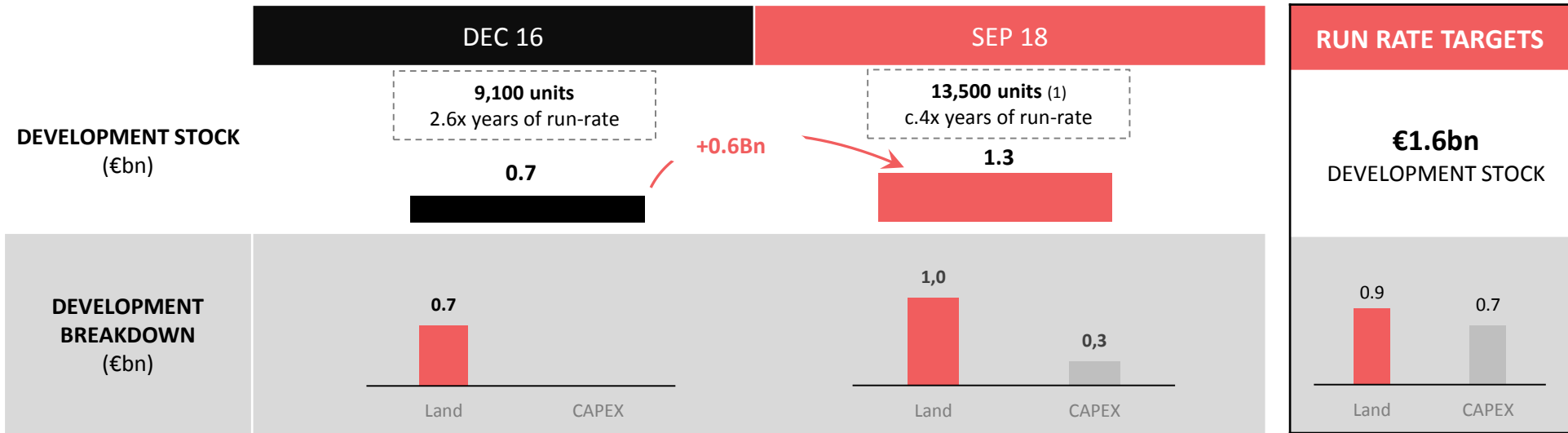


FINANCIALS: CASH FLOW

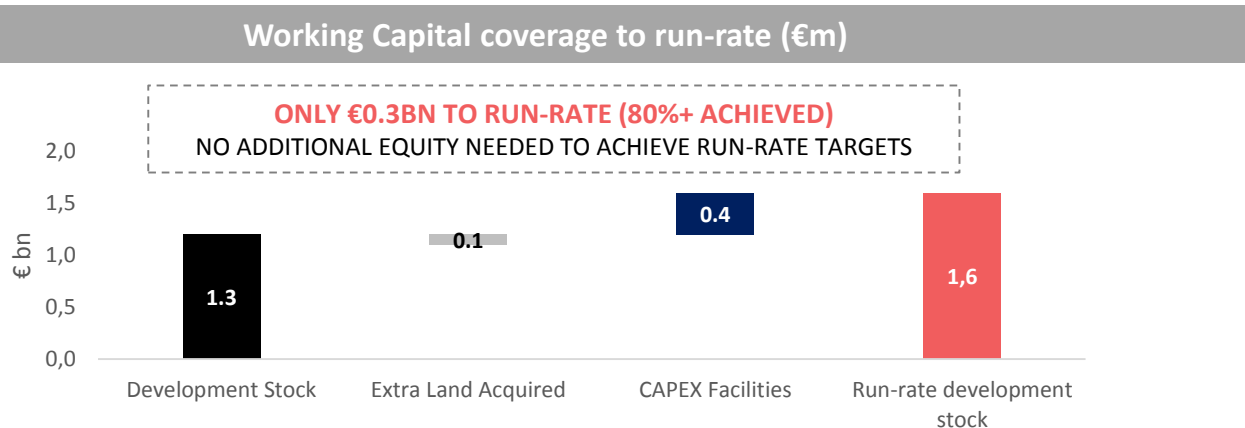
SELF FINANCED BUSINESS PLAN

**LAND BANK ABOVE 3 YEARS OF RUN-RATE DELIVERIES TARGET:
SUBSEQUENT LAND ACQUISITION WILL BE FINANCED WITH CASH FROM DELIVERIES**

Performance since IPO



Funding Strategy



INTEREST EXPENSES MINIMISED THROUGH THE USE OF CLIENTS' DEPOSITS

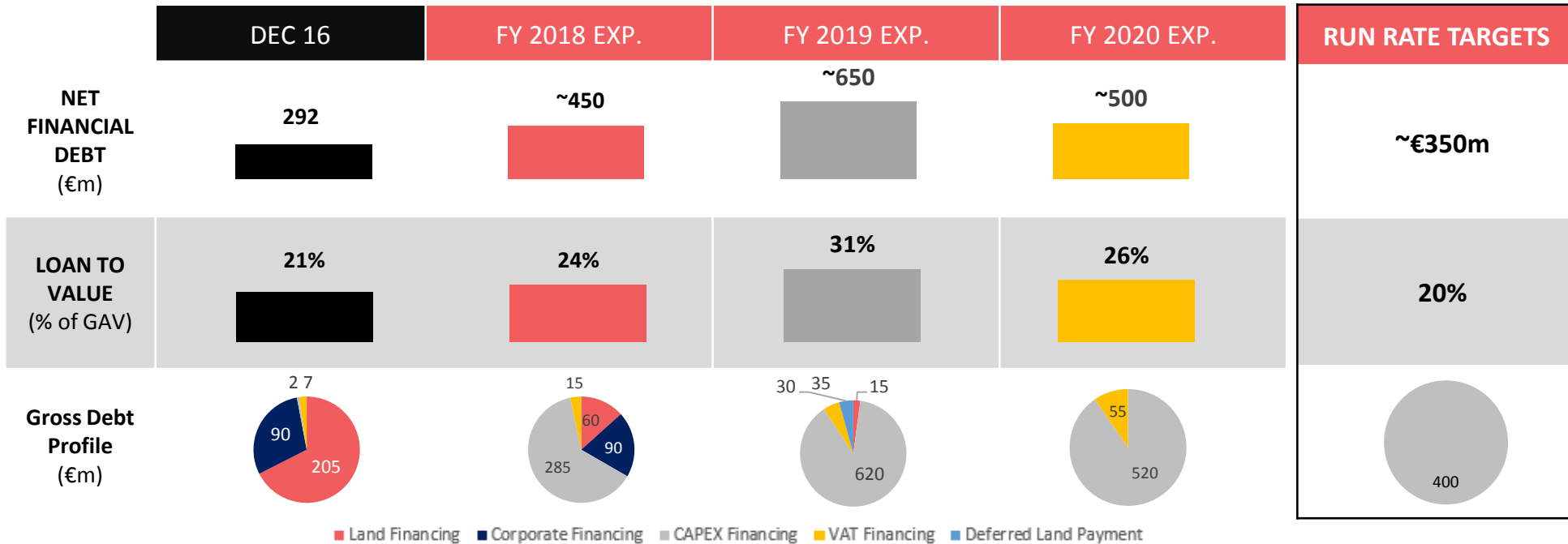
(1) Includes c. 1,000 units of strategic land not included in accounting inventory, as they are still not on balance sheet



FINANCIALS: BALANCE SHEET

STRONG BALANCE SHEET WITH PRUDENT LEVERAGE

Performance since IPO



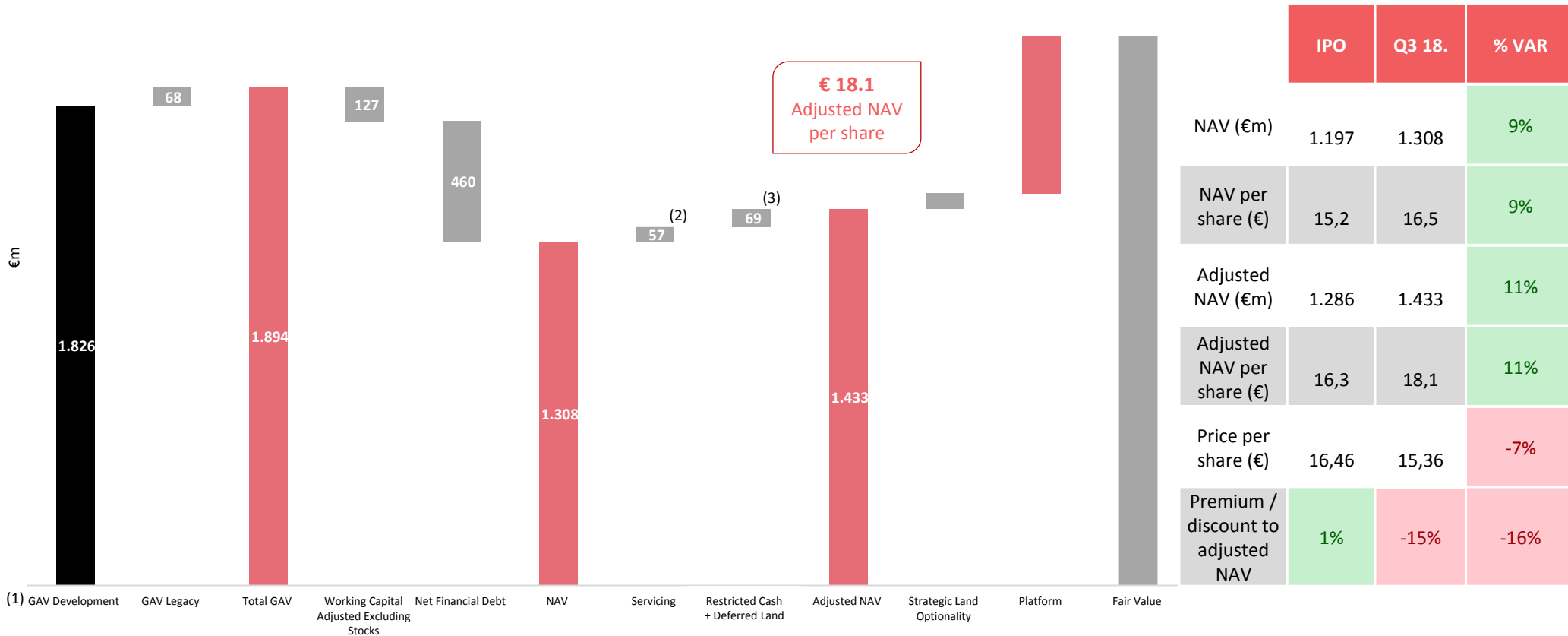


CAPITAL MARKETS

CREATING VALUE FOR SHAREHOLDERS

9%+ (€110m)
NAV INCREASE SINCE IPO

15% (€175m)
DISCOUNT TO ADJUSTED NAV

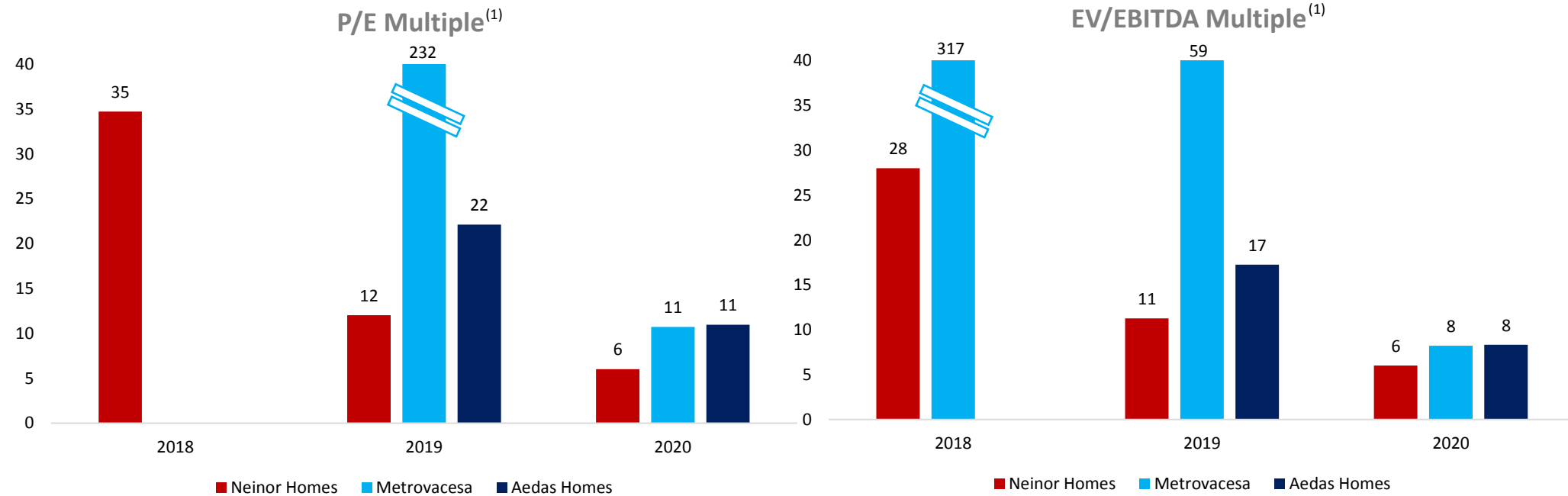


(1) Data as of August 18' accounting closing. Market data as of 21st September (2) NPV of remaining EBITDA until the end of the contract (c.€70m) at a 6% discount rate (3) In line with market practice



CAPITAL MARKETS

RELATIVE VALUATION OF BIG THREE SPANISH DEVELOPERS



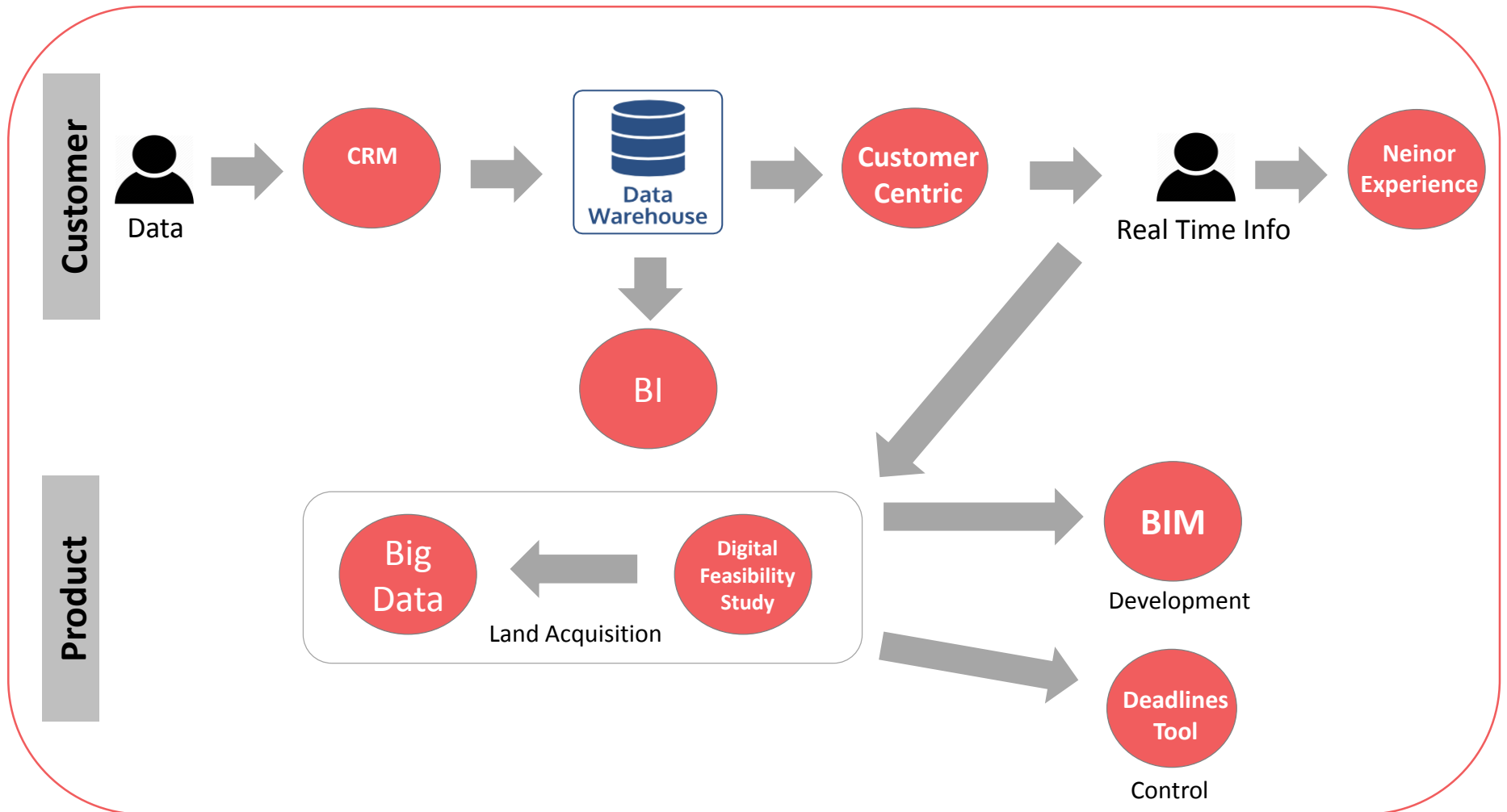
(1) Based on market consensus. Neinor Homes' consensus estimates 3,800 deliveries in 2020 vs. 4,000 target



DIGITAL TRANSFORMATION

THE TECHNOLOGICAL BACKBONE OF OUR HOMEBUILDING FACTORY

EUR 5 million invested in IT since 2015







STRATEGIC KEY TAKEAWAYS

Macro and micro scenario even stronger than at IPO

Company ~1 year from hitting run-rate. *Profit warning* issues resolved

Several alternatives to continue replenishing land bank with accretive deals

**Best value for money, HPA focus and leverage on leadership position
to defend margin against cost pressures**

Value created since the IPO still not reflected by the market

Neinor Homes as the residential specialist – Deeply analyzing alternative business lines

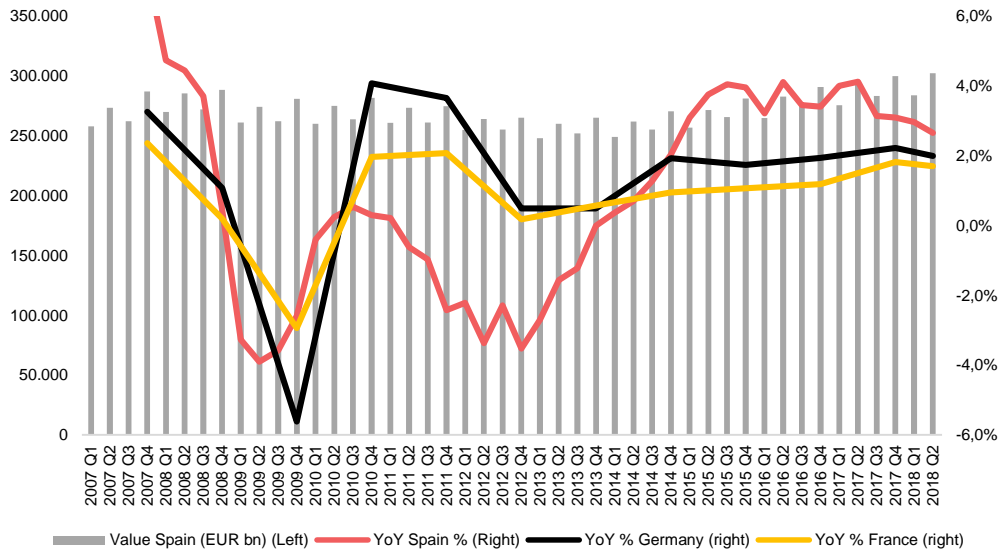
APPENDIX



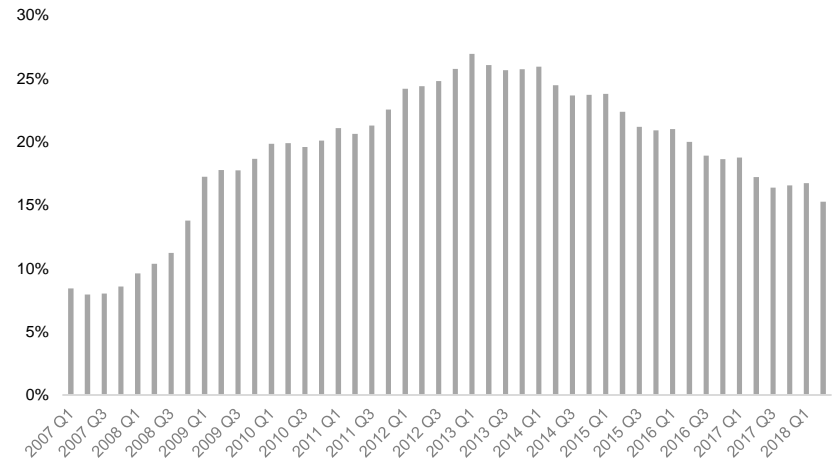


Macroeconomic Growth Supporting Strong Housing Demand

2.7% Annual GDP Growth



Unemployment Rate continues its strong declining trend



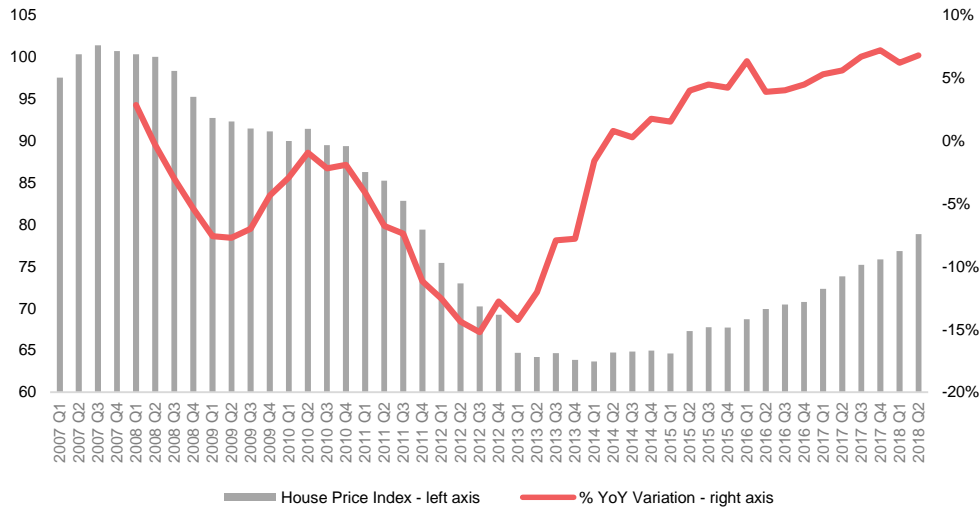
GDP is expected to grow 2.7% in 2018
Fastest growing big economy in Europe

Unemployment expected to decrease to 14.6% in 2018 and to 11.4% in 2020, representing over 1 million new jobs

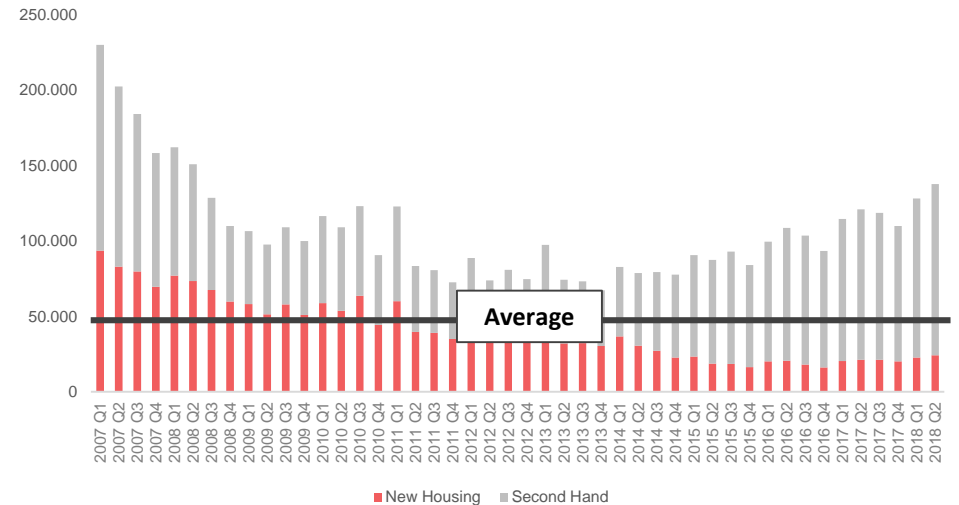


Unsatisfied Growing Demand

6.8% House Price Appreciation (HPA)



Housing Transactions Keep Growing



Strong HPA growth (6.8% LTM) but prices still 24% below peak

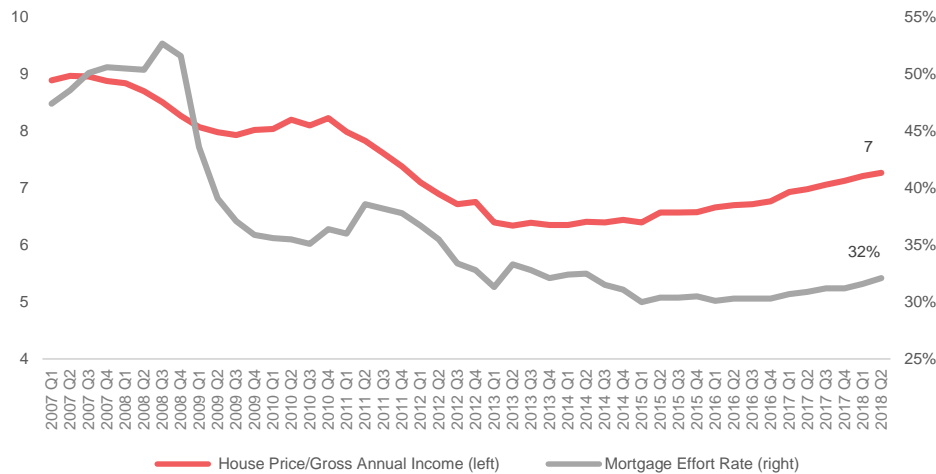
Housing demand continues to grow but new build transactions (88k LTM) are insufficient to satisfy annual demand (~150k)



MACRO

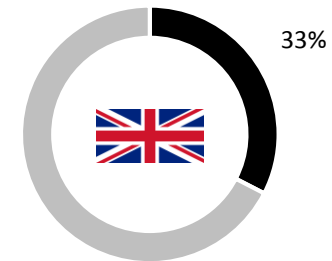
Housing Demand with Increased Purchasing Power

Healthy Affordability Ratios

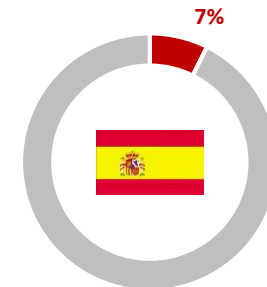


The Spanish market to experience accelerated growth

Market share of UK's top 3 players (1)



Market share of Spain's top 3 players (2)



House prices now represent on average 7x times households' gross annual income vs. 9x at the peak

Effort Ratios have decreased from 53% to 32%



ZOOM INTO 2018 DELIVERIES

Site	Region	Municipality	Units	Expected Delivery	Pre-sales	Works Status	End of Works Certificate	First Occupancy License
AVENIDA HOMES	Center	MADRID	54	H2 18	100%	Notarisation started	Obtained	Obtained
CAN MATES HOMES	East	SANT CUGAT VALLES	45	H2 18	100%	Notarisation started	Obtained	Obtained
IRUN HOMES	North	IRUN	38	H2 18	100%	Notarisation started	Obtained	Obtained
PALACIO HOMES	South West	CORDOBA	40	H2 18	63%	Notarisation started	Obtained	Obtained
TORRESOLO HOMES	North	LEIOA	60	H2 18	92%	Finished	Obtained	Obtained
ASTRABUDUA HOMES	North	ERANDIO	48	H2 18	96%	Finished	Obtained	Imminent
DIAGONAL 119 HOMES	East	BARCELONA	32	H2 18	97%	Finished	Obtained	Imminent
IKASLE HOMES	North	SANTURZI	55	H2 18	95%	Finished	Obtained	Imminent
LA MARINA DE BADALONA	East	BADALONA	180	H2 18	94%	Finished	Obtained	Imminent
PLAZA HOMES	Center	GETAFE	217	H2 18	100%	Finishing	Imminent	Imminent
			769		95%			