

Neinor Homes, S.A. (“Neinor” or the “Company”), pursuant to article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, hereby informs of the following:

MATERIAL FACT

Neinor Homes has just released results for the 12-month report for the period ended on December 31st, 2018, with revenues of EUR 382 million, net cash flow of 37.4 million and cumulative pre-sales of EUR 922 million. The results presentation is attached.

Madrid, 27th February, 2019.

Neinor Homes, S.A.



FY 2018 RESULTS PRESENTATION

> **27th FEBRUARY 2019**

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Juan Velayos
Lluis
Chief Executive Officer



Jordi Argemí
García
Chief Financial Officer



Juan Gómez Vega
*Chief Investor
Relations Officer*

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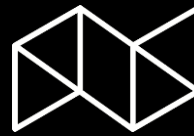
Q&A

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Appendix

Member of:

IBEX MEDIUM CAP®



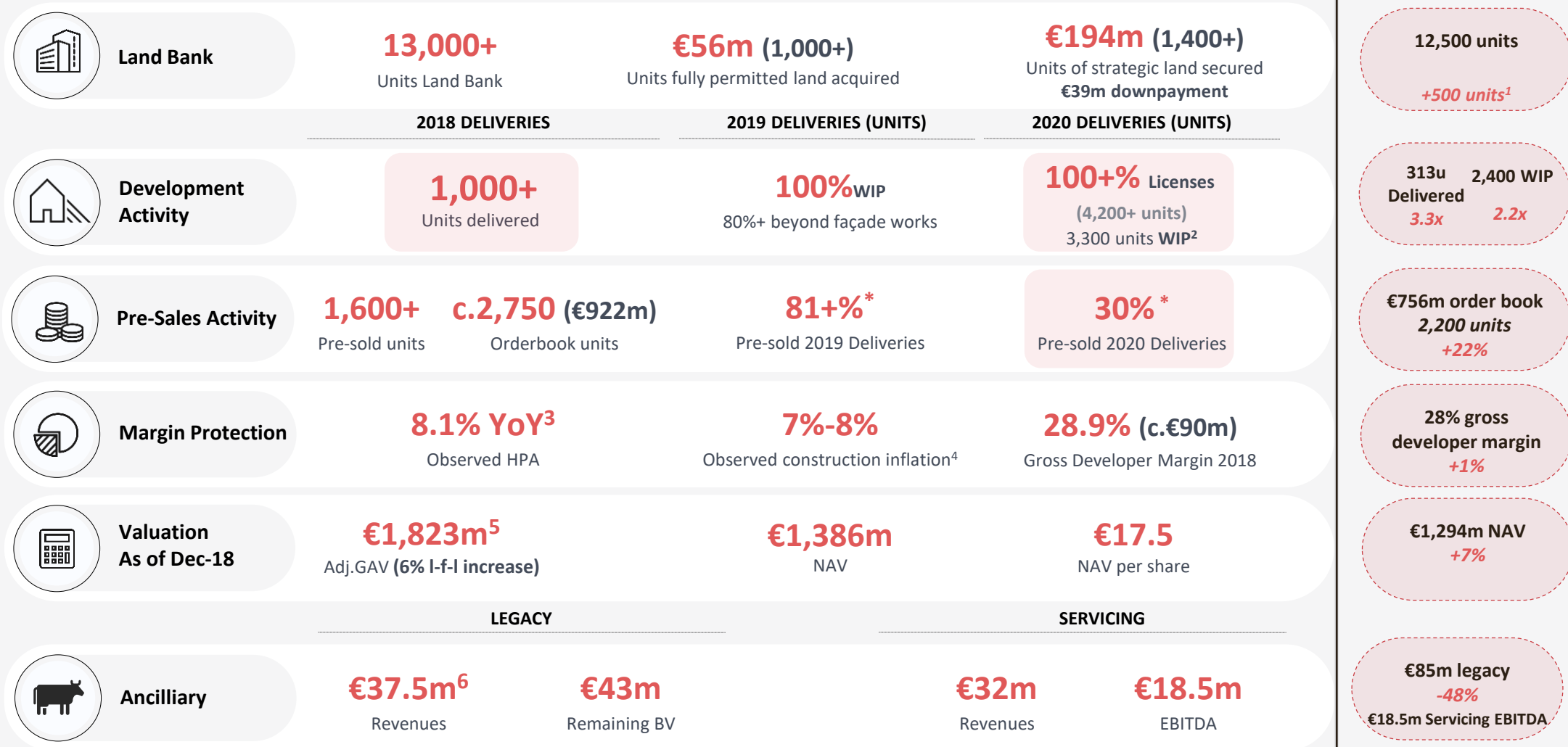
1 | Business Review

FY2018 RESULTS KEY HIGHLIGHTS

> Strong results in a year with **1,036 deliveries**

FY2017

FY2018 VARIATION

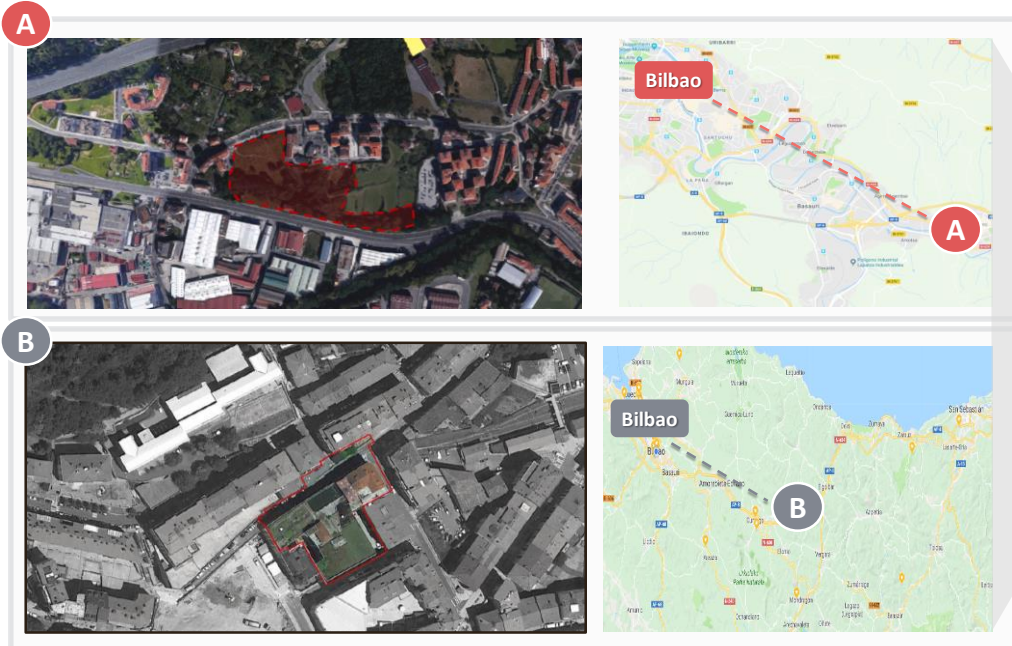


Note: *Pre-sales rate as of Feb-2019. ¹ In a number of sites the number of units projected was reduced when the project was defined and launched. ² Includes some units with imminent contract signing with the construction company. ³ See slide 7 for more detail on observed HPA. ⁴ Inflation on per sqm construction ratios used by the Operations team, reflecting the construction prices received on all construction tenders in all regions. ⁵ Savills GAV €1,873 excluding €104m of strategic early pre-payments and including €56m of legacy assets. ⁶ Revenues have been margin neutral considering Book Value.

LAND BANK SECURES DELIVERIES THROUGH 2021

> Disciplined focus on acquisitions for 2022

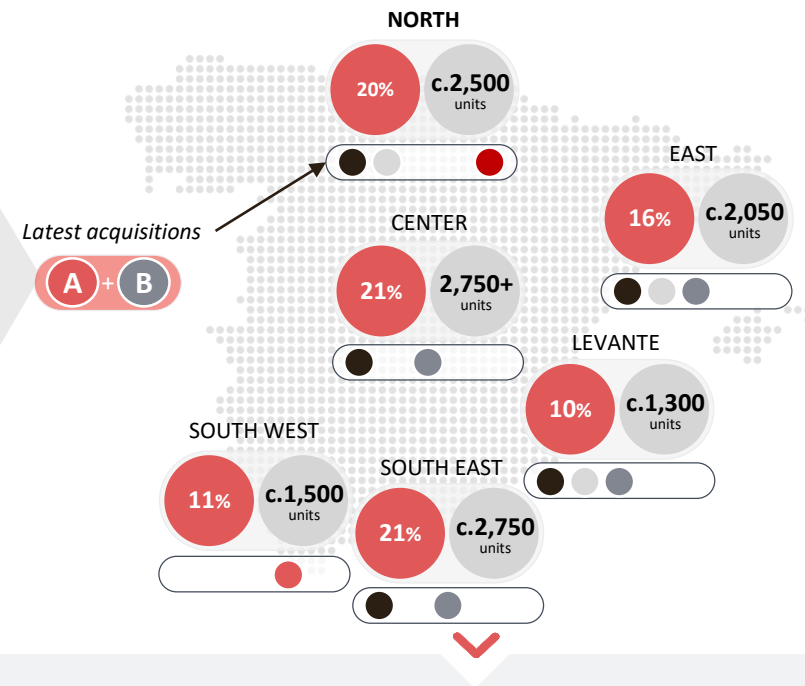
Summary Q4 acquisitions



ASSET	A	B
Location	Galdácano, Vizcaya	Eibar, Guipúzcoa
Residential Units	68	79
Residential sqm	6,840	8,854
Permission Status	Fully permitted land	Ready to built ⁽¹⁾
Sales assumption (€k /unit)	275	397
Sales assumption (€ /sqm)	2,730	3,495
HPA assumption	2.0%	3.6%
Target Gross Margin	25%+	25%+
Acquisition Financing	50%	-
Closing Price (€m / € psm)	425	774
Pending urban costs (€k)	256	1,789

⁽¹⁾ Ready to built land, pending on the urbanization of the plot.

Current Land Bank for c.13,000 units



1,000+ units

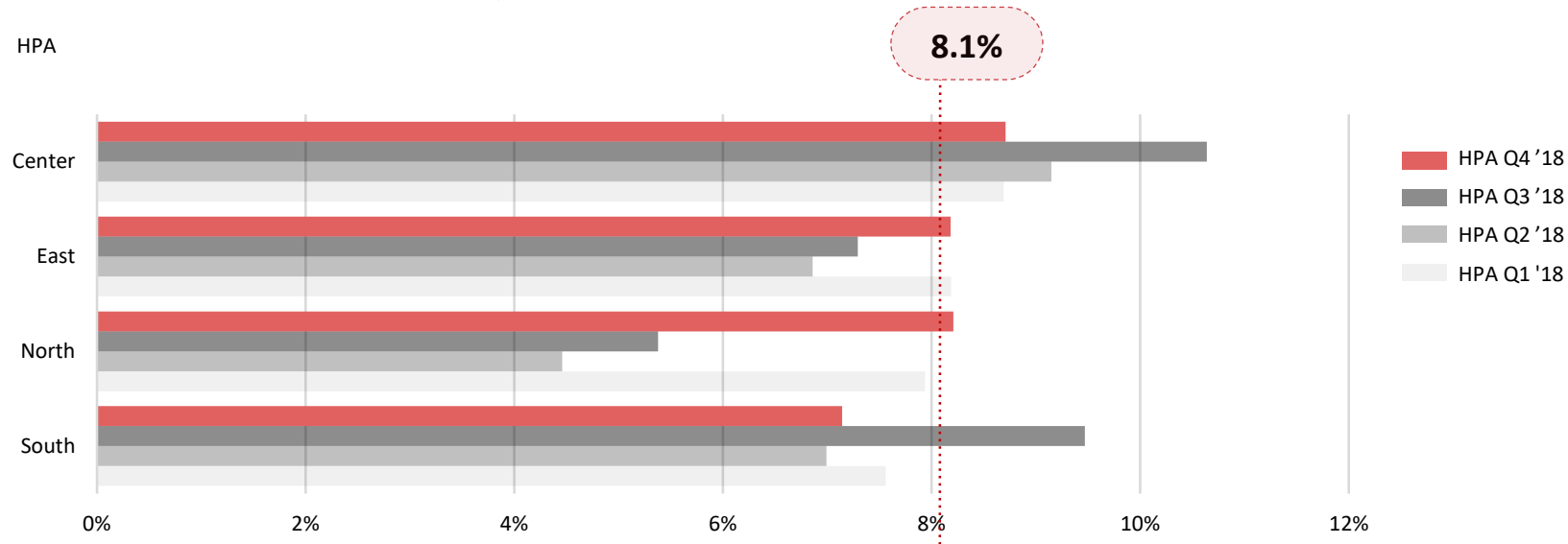
- Q1 2018 Land Acquisitions (c.120 units, c. €600/sqm)
- Q2 2018 Land Acquisitions (c.400 units, c. €370/sqm)
- Q3 2018 Land Acquisitions (c.350 units, c. €300/sqm)
- Q4 2018 Land Acquisitions (c.200 units, c. €540/sqm)
- **Strategic Land Deal (1,400+ units, c. €1,000/sqm)**

✓ Acquisition activity in Key regional delegations and mainly strategic land approach

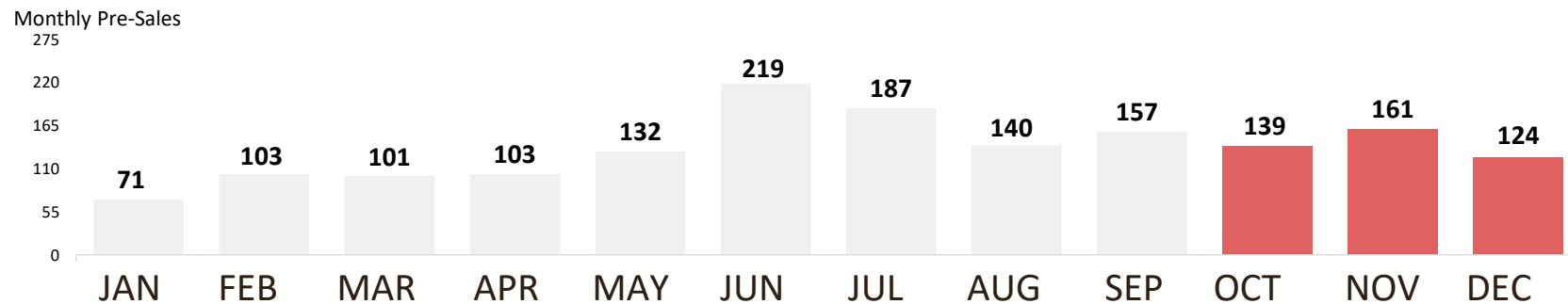
DISCIPLINED PRE-SALES CONTINUE

> Strong visibility on 2019 and 2020 revenues

> **8.1% ANNUAL OBSERVED HPA ⁽¹⁾ IN Q4**



> **STEADY PRE-SALES IN SECOND HALF OF THE YEAR**



⁽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 in Q4 2017 and Q4 2018. Sample of 22 units in 11 developments

1,000+ UNITS DELIVERED DURING 2018

➤ Strong delivery results in Q4 2018 with over 650+ deliveries in 8 different sites, more than 10 deliveries a day.

Astrabudua Homes



Region	North
Location	Erandio, Vizcaya
Units (#)	48
Units Delivered Q4-18' (#)	47
Sqm	5,316
Construction Company	Inbisa
Construction Started	Q1 2017
Construction Finished	Q2 2018
Delivery	Q4 2018

Torresolo Homes



Region	North
Location	Leioa, Vizcaya
Units (#)	60
Units Delivered Q4-18' (#)	56
Sqm	7,432
Construction Company	Balzola
Construction Started	Q4 2016
Construction Finished	Q3 2018
Delivery	Q4 2018

Marina Badalona



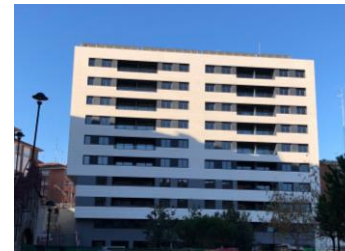
Region	East
Location	Badalona, Barcelona
Units (#)	180
Units Delivered Q4-18' (#)	152
Sqm	19,618
Construction Company	Avintia
Construction Started	Q3 2015
Construction Finished	Q3 2018
Delivery	Q4 2018

Diagonal 119 Homes



Region	East
Location	Barcelona
Units (#)	32
Units Delivered Q4-18' (#)	30
Sqm	3,759
Construction Company	Bertolín
Construction Started	Q3 2016
Construction Finished	Q3 2018
Delivery	Q4 2018

Ikasle Homes



Region	North
Location	Santurzi, Vizcaya
Units (#)	55
Units Delivered Q4-18' (#)	53
Sqm	5,711
Construction Company	Valdin
Construction Started	Q4 2016
Construction Finished	Q3 2018
Delivery	Q4 2018

Plaza Homes



Region	Center
Location	Getafe, Madrid
Units (#)	217
Units Delivered Q4-18' (#)	186
Sqm	24,510
Construction Company	Aldesa
Construction Started	Q1 2017
Construction Finished	Q3 2018
Delivery	Q4 2018

Sitges Homes



Region	East
Location	Sitges, Barcelona
Units (#)	80
Units Delivered Q4-18' (#)	63
Sqm	11,815
Construction Company	Inbisa
Construction Started	Q1 2017
Construction Finished	Q4 2018
Delivery	Q4 2018



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Financial Review

STRONG EARNINGS WITH €56M EBITDA

> Revenues and profit reflecting the 1,000+ units notarized

Financial KPIs



P&L

€382m

Revenues¹

€56m

EBITDA adjusted²

€50m

Net Income



Balance Sheet

€1.2bn

Development
Stock

80%+

Of Development
Stock is Active

€73.1m

Cash³



Leverage

€267m

Net Debt

€344m

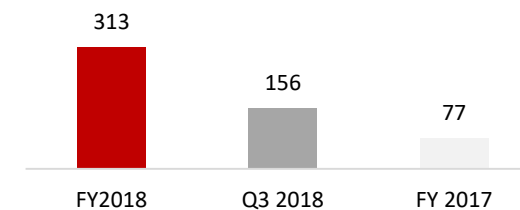
Adjusted Net Debt

19%

LTV

Year on Year Progress

Development revenues



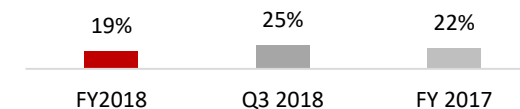
c.14x EBITDA adjusted



Net Income from (minus 5m) to
50m



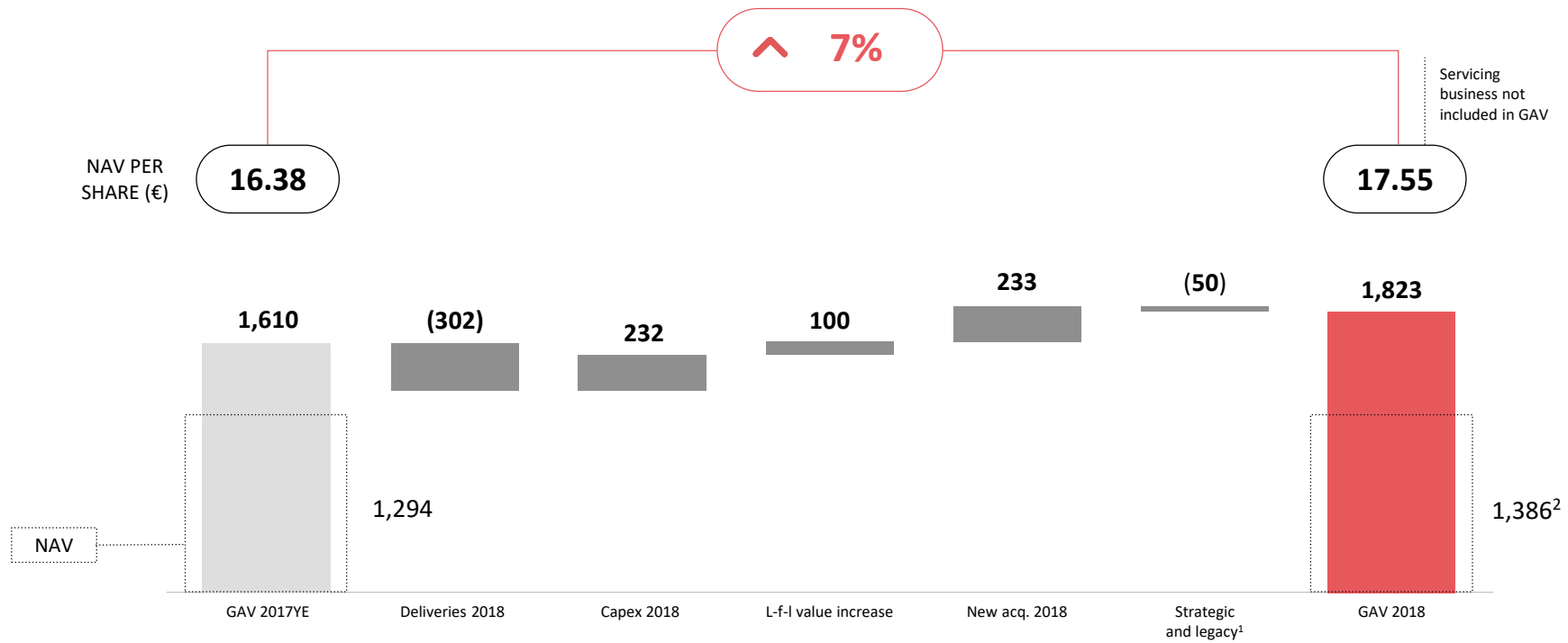
Prudent Leverage Ratios



¹ Includes €313m of development and other operating gains. ² Adjusted EBITDA of €56m excludes MIP of €4m. ³ Not including restricted cash.

NAV INCREASED BY 7% YoY

- > During FY2018 NAV increased to 17.55 € per share to a total €1,386m and a 7% appreciation during the fiscal year, according to appraiser Savills.



✓ **Discount rate:** i) Lands with urban planning pending = 14% ii) Land ready to Build = 12% and iii) WIP = 6-9%

✓ **GDV:** €4.6bn (2,800 €/psqm)

✓ **Total pending costs:** €2.0bn (1,228 €/psqm)

✓ **+6% L-f-I GAV value increase** of existing portfolio over 2018

¹ Reduction of €104.5m of strategic land as appraised by Savills but not yet in the Company's balance sheet and includes €53.6m of legacy assets. ² Adjusted deducting working capital of €146.6m, deducting net financial debt of €344.2m and adding adjustments of €0.4m, prepayments of €21.6m and other non current assets of €32.7m.



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Non-Financial Reporting

NON FINANCIAL REPORTING

➤ Sustainability, innovation and digital transformation at the center of a transformative year



Governance

- Approved today by the Board
- **Appointment of new independent Board Member: Mr. Andreas Segal**, former deputy CEO and CFO of BUWOG, co-CEO and CFO of GSW and CFO of Deutsche Wohnen,, bringing his long experience in residential developers and capital markets to the Board and the Company.
- **Share re-purchase program:** following the closed period, continue with the repurchase program started in Q4, to cover incentive plans and as a capital allocation decision considering the current market prices.



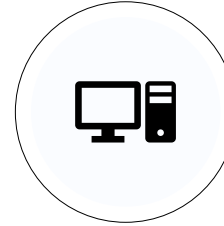
Sustainability

- **“Green loan” with Bankia:** agreement with Bankia to provide a “green loan” (reduced interest rate) to our customers buying the sustainable homes in Amara Homes
- **Neinor Smart Sun:** an optional add-on for clients to include a solar panel + battery pack to optimize energy use



High Quality Product

- **60 BREEAM certificates granted** (49 in design phase and 11 for final project).
- **Spatium seal:** first developer to offer the “safe and healthy” certificate in Spain. 1 delivered site and 9 in design phase have already been certified



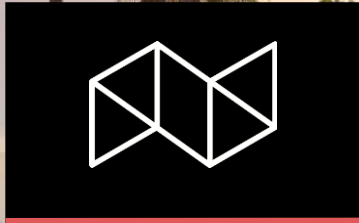
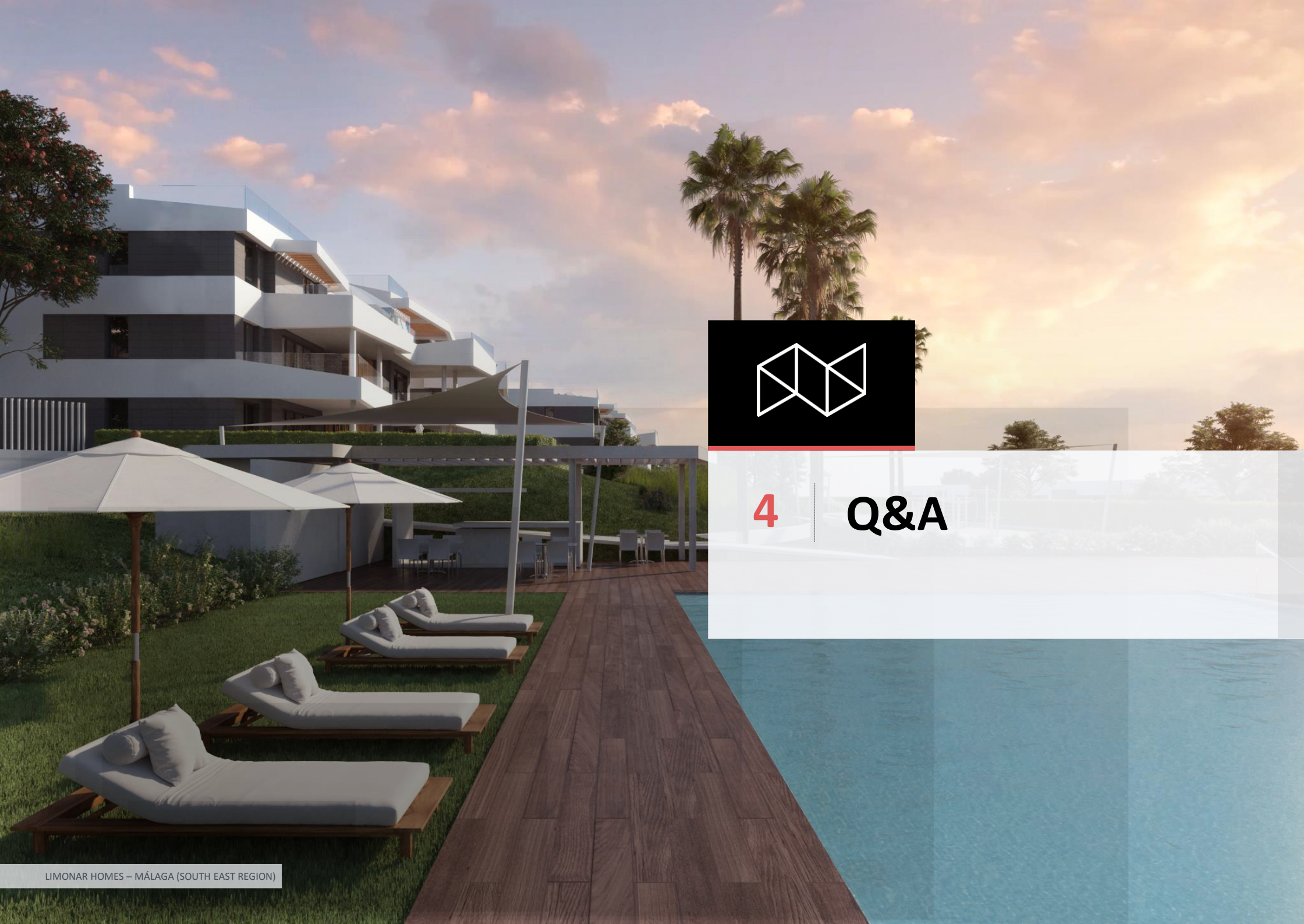
Innovation

- **Neinor Next** finished its first cycle with 4 proptech start-ups signing collaboration agreements with the company
- **Neinor Replace:** a pilot program was launched in Ciudad Urduliz to facilitate client’s sell their old home to buy a Neinor Home, with the help of our brokers



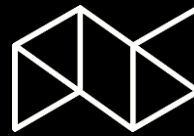
Digital Transformation

- **Neinor Stores** concept designed and implemented
- **Google Home** to be incorporated into all future developments
- **Transformation tools developed in-house**
 - Land acquisition & pipeline
 - Tariff-setting tool
 - Timelines control
 - Customer centric



4

Q&A



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Appendix

DELIVERIES BOOSTING 70% Y-O-Y REVENUES GROWTH

> Significant positive EBITDA and Net Profit

Summary P&L (in €M)¹

€M	FY 2018	FY 2017	Change FY '18 vs. FY '17	
Revenues	381.8	225.1	156.7	70%
Gross Margin	121.7	61.3	60.4	99%
Gross Margin (%)	31.9%	27.2%		
OpEx & Other ¹	(62.3)	(53.8)	(8.5)	16%
Gains (Losses) on disposals ²	0.0	0.7	(0.7)	(94%)
Operating EBITDA	59.5	8.3	51.2	617%
Change in Trade Provisions ³	(1.9)	(4.5)	2.6	(59%)
NIIF 9 Provision	(1.3)	0.0	(1.3)	0%
EBITDA Adjusted	56.4	3.7	52.7	1423 %
Amortization	(1.3)	(0.7)	(0.6)	n.s
Operating Profit (Loss)	55.1	3.0	52.1	1736%
Operating Margin	14.4%	1.3%		
Finance Costs	(10.9)	(7.7)	(3.2)	41%
Profit (Loss) before Tax	44.2	(4.7)	48.9	n.s
Tax charge ⁴	5.8	0.0	5.8	0%
Profit (Loss) for the period	50.0	(4.6)	54.6	n.s

€381.8M REVENUES (+70%vs FY17)

Development
€313.0m

Legacy
€37.5m

Servicing
€31.3m

1.036⁵ UNITS DELIVERED IN 2018

DEVELOPMENT GROSS MARGIN **28.9%**

€56.4M

EBITDA ADJUSTED

vs

€3.7M

FY17 (c.14x)

€50M NET INCOME

Resulting from solid earnings allowing the use of tax assets

¹ OpEx amounts to €62.3M excluding MIP fully accrual paid by LS (€4M). ² It relates to sales of Non-Current assets. ³ Impairment related to assets unsold. ⁴ Tax charge estimate based on YTD results. ⁵ Plaza Homes 186 units, Marina Badalona 152 units, Calatana R4 84 units, San Roke Homes 75 units, Sitges Homes 63 units, Torresolo 56 units, Avenida Homes 54 units, Ikasle Homes 53 units, Landako Homes 50 units, Astrabudua 47 units, Can Mates 45units, Irun Homes 38 units, Urduliz Homes 36 units, Diagonal 119 Homes 30 units and others 67units.

STRONG DELIVERIES BOOSTING CASH POSITION

> Balanced approach to growth

Summary Cash Flow (in €M)

€M	FY2018	FY2017	Change FY '18 vs. FY '17	
Profit (Loss) before Tax ¹	44.2	(4.7)	48.9	n.s.
Adjustments	23.7	9.1	14.6	160 %
Amortization	1.3	0.7	0.6	85 %
Finance Costs/Revenues	10.4	7.7	2.7	35 %
Change in provisions ²	10.8	4.1	6.7	164 %
Incentive plans	0.7	0.0	0.7	0 %
Own Shares depreciation	0.4	0.0	0.4	0 %
Gains (Losses) on disposals	0.0	(0.7)	0.7	n.s.
Debt cancellation w/ShareHold.	0.0	(2.7)	2.7	n.s.
CF from Operating Activities	67.9	4.5	63.4	1,409%
Working Capital Variation	(15.2)	(191.1)	175.9	92 %
Change in Inventories	(89.4)	(224.9)	135.5	n.s.
Book Value Sold ³	260.1	163.8	96.3	59 %
Land Acquisition ⁴	(95.1)	(271.2)	176.1	n.s.
Capex	(224.5)	(155.6)	(68.9)	n.s.
Other ⁵	(29.9)	(1.9)	(28.0)	n.s.
Other WC Variations ⁶	74.1	33.8	40.3	119 %
Net Operating Cash Flow	52.7	(186.6)	239.3	128%
CF from Investments Activities	(6.5)	10.5	(17.0)	(162 %)
Free Cash Flow	46.2	(176.1)	222.3	n.s.
CF from Financing Activities	(8.8)	190.2	(199.0)	(105 %)
Change in Share Capital/Premium	(0.9)	95.8	(96.7)	(101 %)
Change in Bank Borrowing	(34.2)	114.0	(148.2)	(130 %)
Change in Deferred Land Debt	36.8	(11.9)	48.7	n.s.
Finance Costs/Revenues	(10.4)	(7.7)	(2.7)	n.s.
Net Cash Flow	37.4	14.1	23.3	165%
Change in Cash Not-Available	(0.4)	19.8	(20.2)	n.s.
Cash BoP	76.8	45.3	31.5	70%
Cash EoP	113.8	76.8	37.0	48%

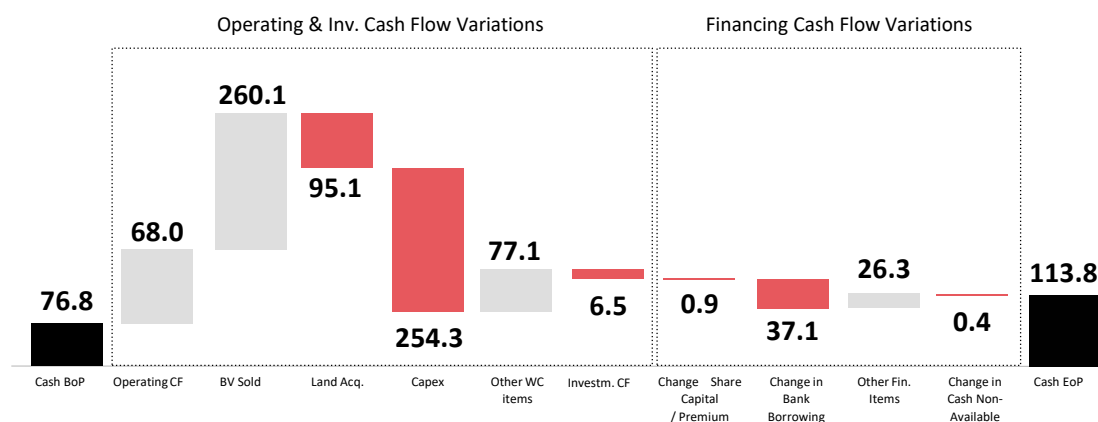
+€67.9 OPERATING CASH FLOW VS **+€4.5M** IN FY17

EQUITY EFFICIENT LAND ACQUISITION⁴
 (€95M€ NET OF €37M€ OF DEFERRED LAND PAYMENT)

INVESTMENT IN GROWTH **€224m** OF CAPEX VS **€156m** IN 2017

€46.2M FREE CASH FLOWS vs (€176.1M)
 in FY2017

Cash Flow Bridge (in €M)



¹ It excludes MIP accrual fully paid by LS. ² Change in provisions includes NIIIF Provision €1.3M. Impairment assets €1.8M. Insolvencies €1.6M. eviction provision €2.2M and other provisions. ³ Book Value sold includes 222€M of Development Book Value and 38€M of Legacy Book. ⁴ €95.1M land acquisition split into i) Fully permitted land: €56.2m. ii) Strategic land: €38.9m. ⁵ Other item mainly includes strategic land prepayments. ⁶ Other WC variations includes variations in Cash not available (-0.4€M included post-Net Cash Flow) and excludes Deferred land payment (36.8€M included in CF from financing activities).

BS | GROWING INVENTORIES

➤ **Focus on development** (96% of total stocks) while selling down legacy

Summary Balance Sheet (in EUR m)

€M	FY2018	FY 2017	Change FY '18 vs. FY '17	
PPE	7.7	1.9	5.8	309 %
Investment Property	1.0	1.6	(0.6)	(39 %)
Other Non-Current Assets	2.7	1.6	1.1	71 %
Deferred Tax Assets	22.3	0.0	22.3	0 %
Non-Current Assets	33.7	5.1	28.6	561 %
Inventories	1,229.7	1,143.3	86.4	8 %
ow Liquidation	41.8	83.1	(41.4)	(50 %)
ow Development	1,187.9	1,060.1	127.8	12 %
Debtors	40.5	53.7	(13.3)	(25 %)
Trade & Receivables	28.4	22.6	5.7	25 %
Tax Receivables	12.1	30.7	(18.5)	(61 %)
Other Current Assets	0.0	0.5	(0.4)	(99 %)
Receivables from Shareholder / LS	0.0	0.0	0.0	0 %
Cash & Equivalents	113.8	76.8	36.9	48 %
ow Not Available	40.7	41.1	(0.4)	(1 %)
Current Assets	1,384.0	1,273.9	110.1	9 %
Total Assets	1,417.6	1,279.0	138.7	10.8%
Equity	772.7	722.4	50.3	7 %
Bank Borrowings	0.0	17.9	(17.9)	(100 %)
Other Non-Current Liabilities	0.1	0.2	(0.1)	(45 %)
Non-Current Liabilities	0.1	18.1	(18.0)	(99 %)
Bank Borrowings	380.5	399.8	(19.2)	(5 %)
Creditors	160.3	55.2	105.1	191 %
ow Def. Land Payment	36.8	0.0	36.8	0 %
Provisions	13.0	5.6	7.4	132 %
Trade & Payables	114.2	41.6	72.6	174 %
Payables from Shareholder / LS	0.0	0.0	0.0	0 %
Tax Payables	33.0	7.9	25.1	318 %
Other Current Liabilities	104.0	83.5	20.5	25 %
Current Liabilities	644.9	538.4	106.4	20 %
Total Liabilities	1,417.6	1,279.0	138.7	10.8%

€M	FY2018	FY2017	Change FY'18 vs. FY'17	
WC Adjusted	1,084.2	1,100.9	(16.7)	(1.5%)

€1.4BN BALANCE SHEET

€1.2BN DEVELOPMENT STOCK

€976M ACTIVE DEV STOCK

€584M WIP; €164M under pre-commercialization and €228M already launched

€1.1BN WORKING CAPITAL

UNQUALIFIED AUDITED ANNUAL ACCOUNTS

PRUDENT DEBT RATIOS

> Net debt reduction and conservative debt ratios (LTV <19%)

Net Debt (in EUR m)

€ M	FY2018	FY 2017	Change	
Gross Debt	380.5	417.7	(37.1)	(8.9%)
Non-Current Bank Borrowing	0.0	17.9	(17.9)	(100 %)
Corporate Financing	0.0	17.9	(17.9)	(100 %)
Current Bank Borrowing	380.5	399.8	(19.2)	(5 %)
Land Financing	224.6	236.3	(11.8)	(5 %)
WIP	109.4	107.8	1.6	2 %
No WIP	115.1	128.5	(13.4)	(10 %)
Capex Financing	24.1	3.2	20.9	659 %
Corporate Financing	127.0	134.3	(7.4)	(6 %)
VAT Financing	4.4	25.5	(21.1)	(83 %)
Interests	0.5	0.5	0.1	21 %
Cash & Equivalents	113.8	76.8	36.9	48.1%
Net Debt	266.8	340.8	(74.1)	(21.7%)

Net Debt	266.8	340.8	(74.1)	(21.7%)
Adjustments	77.5	41.1	36.3	88 %
Deferred Land Payment ¹	36.8	0.0	36.8	0 %
Restricted Cash	40.7	41.1	(0.4)	(1 %)
Net Debt Adjusted	344.2	382.0	(37.8)	(9.9%)

CONSERVATIVE DEBT RATIOS
LTV AT **18.9%** vs **22.3%** in FY 2017

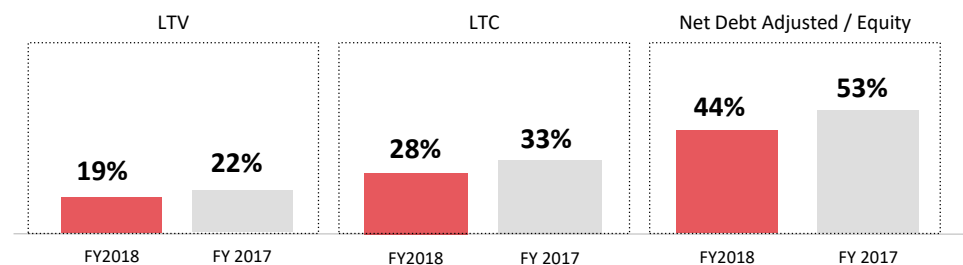
GROSS DEBT REDUCTION
€ 380.5M vs **€ 417.7M** in FY 2017

NET DEBT OF **€266.8M**
NET DEBT ADJUSTED **€344.2M**

BETTER DEBT QUALITY FOLLOWING
REPAYMENTS OF CORPORATE AND
LAND



Key Ratios (%)



¹ Deferred Land Payment is conservatively considered as debt-like item