

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 3-month report for the period ended on March 31st, 2019, with revenues of EUR 61 million, net income of 2 million and cumulative pre-sales of EUR 950 million. The results presentation is attached.

Madrid, 8th May, 2019.

Neinor Homes, S.A.



ATRIA HOMES – ALCOBENDAS (CENTER REGION)
Actual picture (March 2019)



Q1 2019 RESULTS PRESENTATION

> 8th MAY 2019

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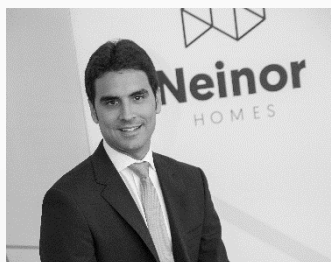
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Deputy CEO / CFO



Juan Gómez Vega
*Chief Investor
Relations Officer*

1

Business &
Financial
Review

2

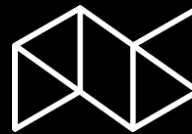
Q&A

A

Appendix

Member of:

IBEX MEDIUM CAP®

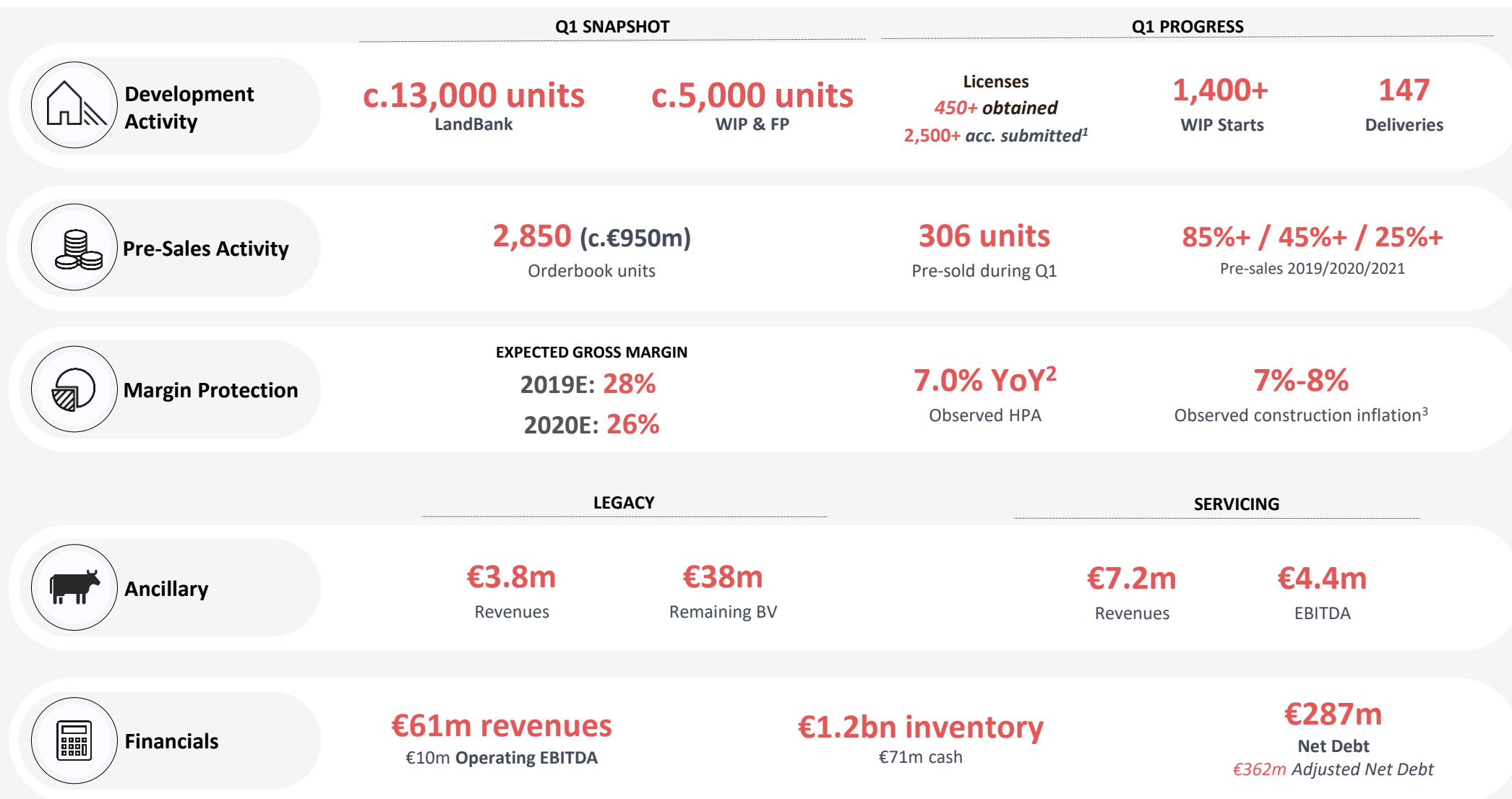


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Business & Financials Review

Q1 2019 RESULTS KEY HIGHLIGHTS

> €10m Operating EBITDA – Steady pre-sales, progress in licenses and WIP starts



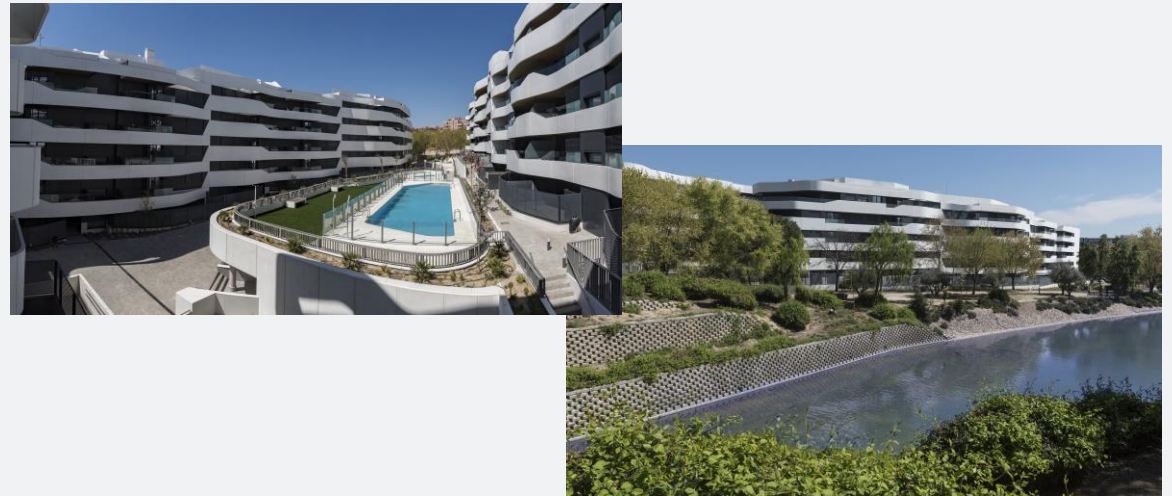
Note: Pre-sales rate as of March 2019. ¹ Average accumulated time since submission of licenses is 8 months. These 2,500 units for which license have been requested, are in addition to the 6,000+ units that already had licenses at the time of presenting FY2018 results ² See Appendix for more detail on observed HPA. ³ Inflation on per sqm construction ratios used by the Operations team, reflecting the construction prices received on all construction tenders in all regions.

147 UNITS DELIVERED IN Q1¹

- > Good performance in the first quarter, as Atria Homes (Madrid) and Medina Homes (Cordoba) started delivery and remaining units from 2018 were notarized as well, with **development gross margin of 30%**.

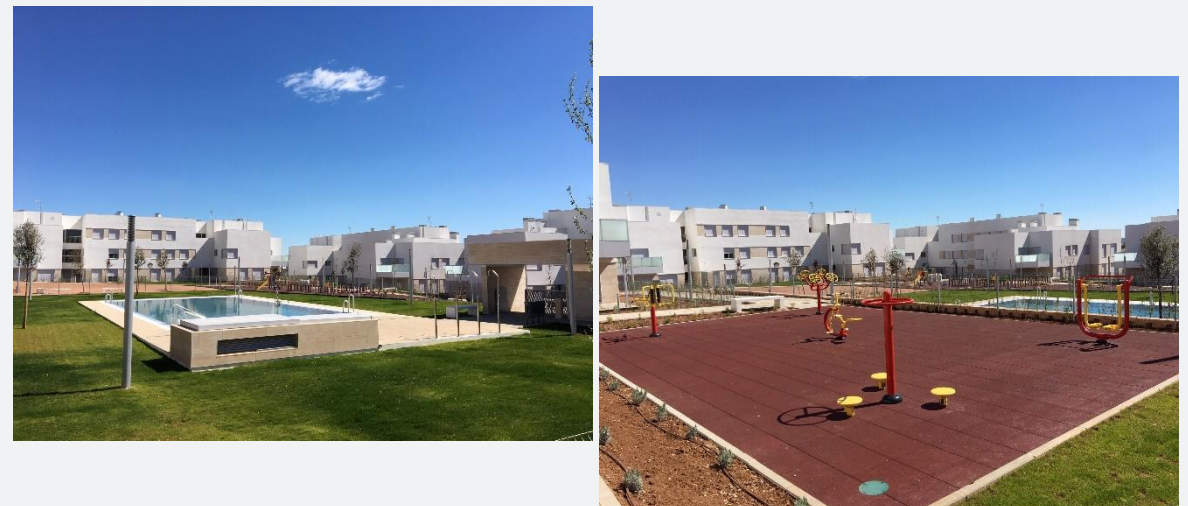
Atria Homes

| | |
|----------------------------|--------------------|
| Region | Center |
| Location | Alcobendas, Madrid |
| Units (#) | 148 |
| Units Delivered Q1-19' (#) | 43 |
| Sqm | 18,317 |
| Construction Company | Sodelor |
| Construction Started | Q4 2016 |
| Construction Finished | Q4 2018 |
| Delivery | Q1 2019 |



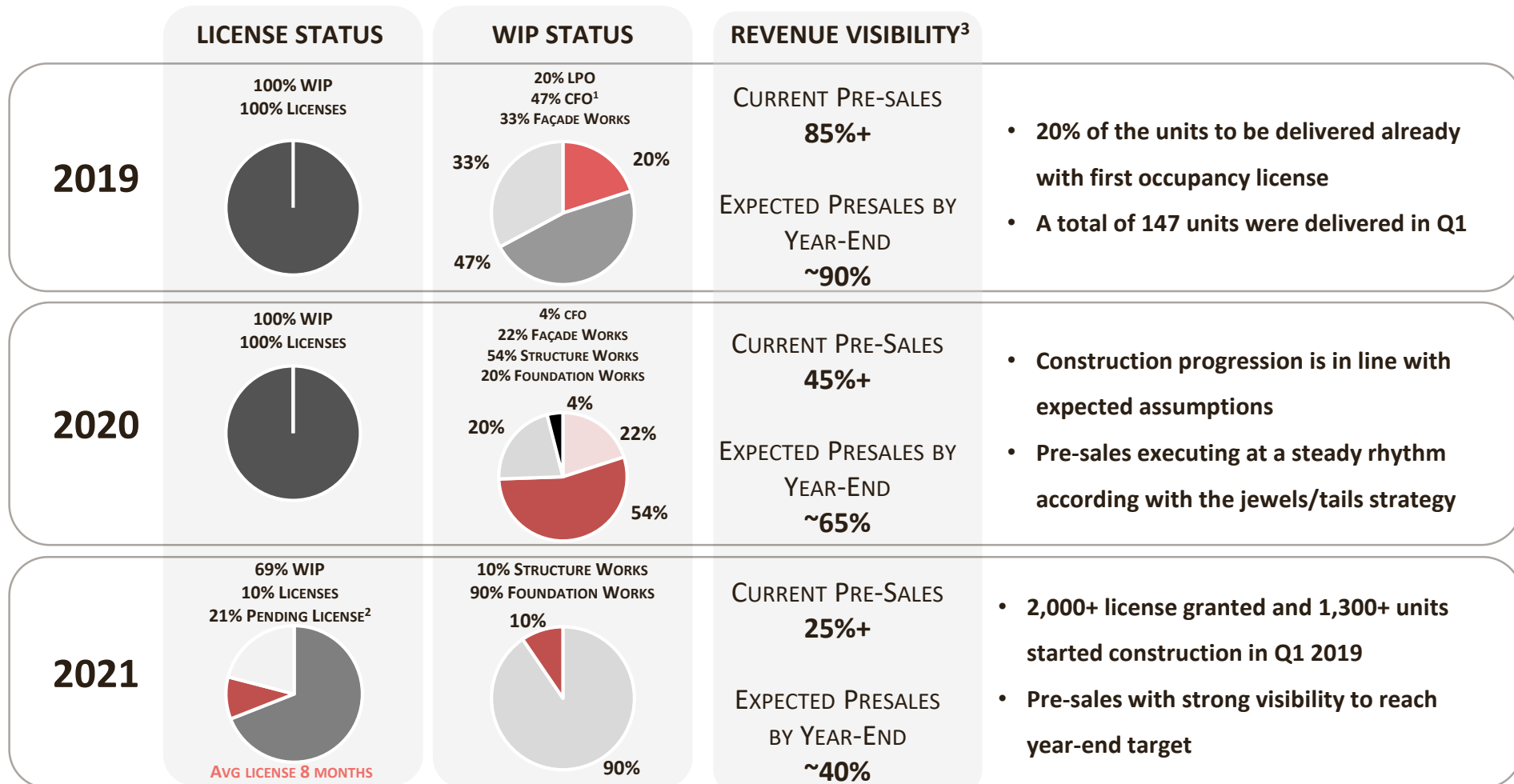
Medina Homes

| | |
|----------------------------|------------------|
| Region | South West |
| Location | Córdoba, Córdoba |
| Units (#) | 107 |
| Units Delivered Q1-19' (#) | 39 |
| Sqm | 13,500 |
| Construction Company | Construalia |
| Construction Started | Q2 2017 |
| Construction Finished | Q4 2018 |
| Delivery | Q1 2019 |



⁽¹⁾ As of closing of April, a total of 299 units have been notarized. Of these, 127 corresponded to Atria Homes and 66 corresponded to Medina Homes.

BUSINESS PLAN 2019-2021: PROGRESS IN PRE-SALES AND DELIVERIES, WIP STARTS AND LICENSES



¹ This units are in different stages after finishing the façade works and before getting the CFO. CFO stands for Certificado Final de Obra, last milestone before requesting the First Occupancy License from the Municipality ² 100% Submitted

STRONG REVENUES WITH POSITIVE EBITDA

> Revenues and profit reflecting the **147 units notarized** (vs 14 units Q1 2018)

Financial KPIs



P&L

€61m
Revenues

€10m
Operating EBITDA

€2m
Net Income



Balance Sheet

€1.2bn
Development
Stock

80%+
Of Development
Stock is Active

€71m¹
Cash



Leverage

€287m
Net Debt

€362m
Adjusted Net Debt

20%
LTV

Year on Year Progress

c.12x Development
Revenues



Operating EBITDA



Net Income from (minus 8m)
to 2m



Prudent Leverage Ratios
(LTV)



¹ From this amount €38m is restricted cash from clients deposits.



2

Q&A

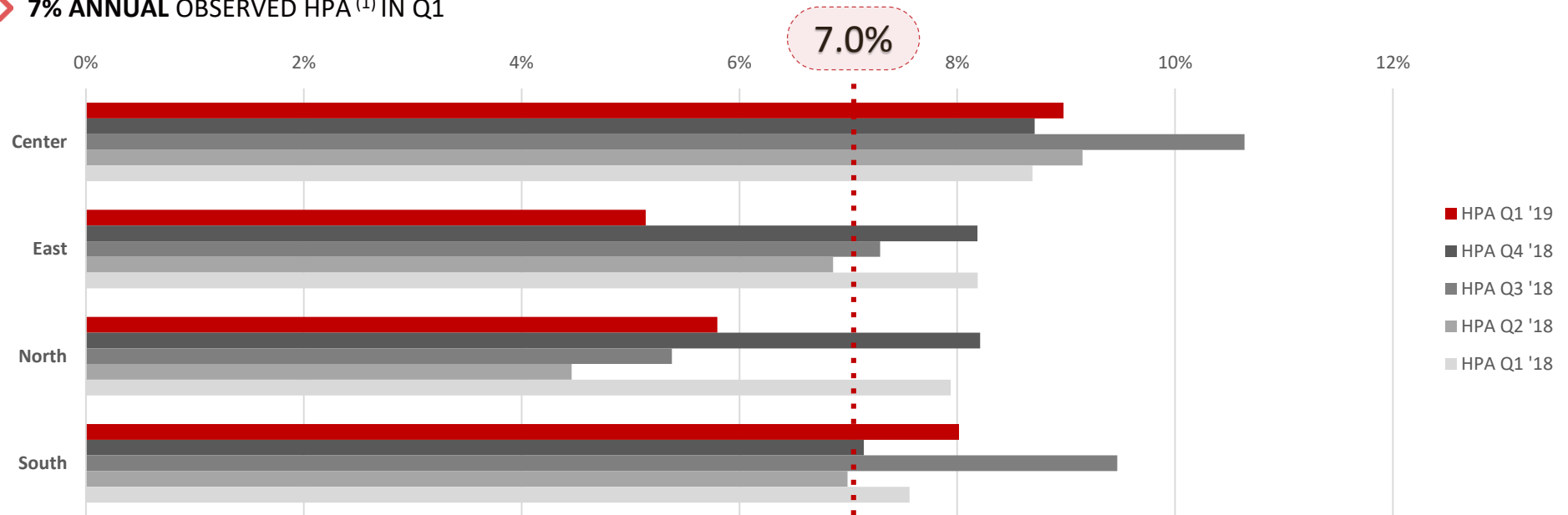


A APPENDIX

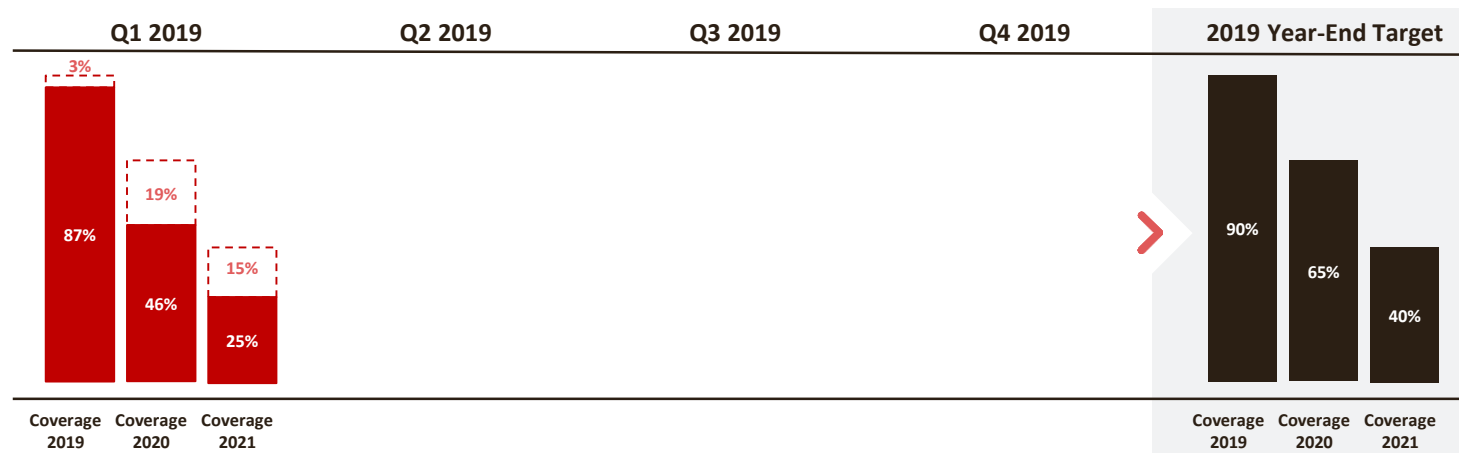
PRE-SALES AT STEADY PACE WITH 7% OBSERVED HPA

> Protecting margins for 2019-2021 deliveries with good visibility on deliveries

> **7% ANNUAL OBSERVED HPA ⁽¹⁾ IN Q1**



> PRE-SALES RHYTHM IN LINE TO **SECURE YEAR-END COVERAGE TARGETS** FOR UPCOMING DELIVERIES



⁽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 Q1 2018 and Q1 2019. Sample of 15 units in 10 developments

DEVELOPMENT REVENUES OF c.EUR 50M

➤ EUR 10m Operating EBITDA as the delivered units so far carry a 30% gross margin

Summary P&L (in €M)

| €M | Q1 2019 | Q1 2018 | Change Q1'19 vs Q1'18 | |
|--|-------------|--------------|-----------------------|---------------|
| Revenues | 60.6 | 19.1 | 41.5 | 217.3% |
| Gross Margin | 21.4 | 9.7 | 11.7 | 119.8% |
| Gross Margin (%) | 35.3% | 50.8% | -15.6% | -30.6% |
| OpEx & Other ¹ | (11.0) | (12.4) | 1.3 | -10.6% |
| Gains (Losses) on disposals ² | (0.0) | (0.1) | 0.1 | n.m |
| Operating EBITDA | 10.3 | (2.7) | 13.1 | n.m |
| Property Tax Provision | (1.9) | (2.7) | 0.8 | -30.2% |
| TIP & LTIP | (1.3) | - | (1.3) | n.s |
| EBITDA Adjusted | 7.2 | (5.4) | 12.6 | n.S |
| Amortization | (1.0) | (0.2) | (0.8) | 514.6% |
| Operating Profit (Loss) | 6.2 | (5.5) | 11.8 | n.s |
| Operating Margin | 10% | -29% | 39% | n.s |
| Finance Costs | (2.4) | (2.3) | (0.1) | 3.2% |
| Profit (Loss) before Tax | 3.8 | (7.9) | 11.7 | n.s |
| Tax charge | (1.6) | - | (1.6) | 0.0% |
| Profit (Loss) for the period | 2.3 | (7.9) | 10.1 | n.s |

€60.6M REVENUES (3x Q1'18)

Development
€49.6m

Legacy
€3.8m

Servicing
€7.2m

147³ DEVELOPMENT UNITS DELIVERED IN Q1 2019

DEVELOPMENT GROSS MARGIN **30%**

€10.3M

OPERATING EBITDA

vs

€-2.7M

€2.3M NET INCOME

Development revenues and margins already showing in Q1, reversing last year's net loss of EUR 7.9m

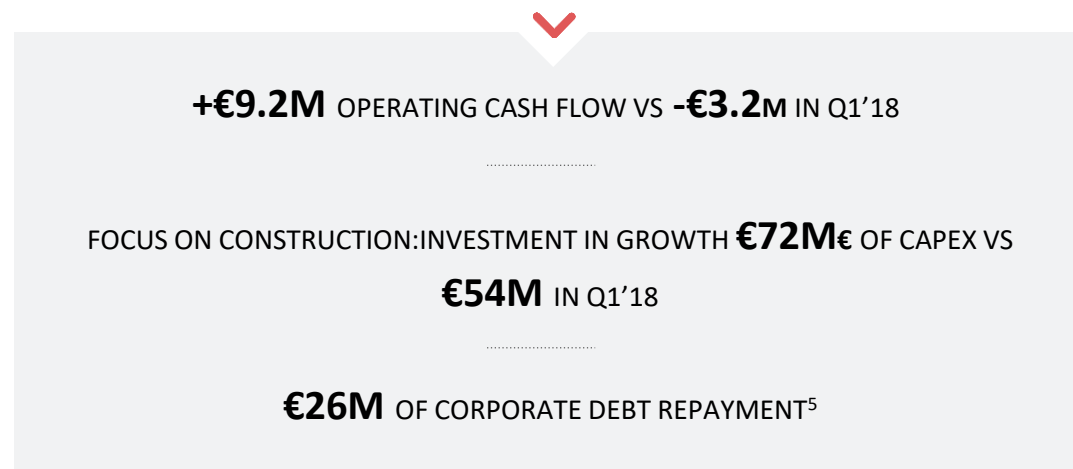
¹ OpEx amounts to €10.7M excluding MIP fully accrual paid by LS (€1M). ² It relates to sales of Non-Current assets. ³ Atria Homes 43#, Medina Homes 39#, Plaza Homes 26#, Marina Badalona 15#, Sitges Homes 11# and others 13#.

CF | CORPORATE DEBT REPAYMENT BEFORE REFINANCING

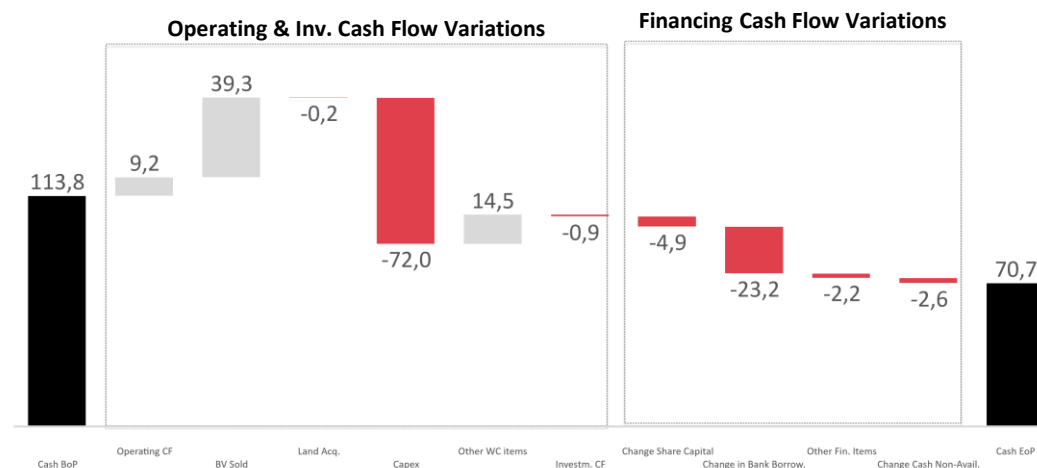
> Positive operating Cash Flow: >9M

Summary Cash Flow (in €M)

| €M | Q1 2019 | Q1 2018 | Change Q1'19 vs Q1'18 | |
|--|---------------|---------------|-----------------------|----------------|
| Profit (Loss) before Tax ¹ | 3.8 | (7.9) | 11.7 | -148.9% |
| Adjustments | 5.3 | 4.7 | 0.7 | 14.5% |
| Amortization | 1.0 | 0.2 | 0.8 | 514.6% |
| Finance Costs/Revenues | 2.4 | 2.3 | 0.1 | 3.2% |
| Change in provisions | 0.7 | 2.3 | (1.5) | -67.9% |
| Incentive plans | 1.3 | (0.2) | 1.4 | -840.7% |
| Gains (Losses) on disposals | 0.0 | 0.1 | (0.1) | -99.5% |
| CF from Operating Activities | 9.2 | (3.2) | 12.4 | -386.8% |
| Working Capital Variation | (18.5) | (52.7) | 34.2 | -64.9% |
| Change in Inventories | (33.0) | (100.2) | 67.2 | -67.1% |
| Book Value Sold ² | 39.3 | 9.4 | 29.8 | 316.9% |
| Land Acquisition ³ | (0.2) | (55.4) | 55.3 | -99.7% |
| Capex | (72.0) | (54.1) | (17.9) | 33.1% |
| Other WC Variations | 14.5 | 47.5 | (33.0) | -69.5% |
| Net Operating Cash Flow | (9.3) | (55.9) | 46.6 | -83.4% |
| CF from Investments Activities | (0.9) | (0.6) | (0.3) | 46.1% |
| Free Cash Flow | (10.2) | (56.6) | 46.3 | -81.9% |
| CF from Financing Activities | (30.3) | 42.2 | (72.5) | -171.7% |
| Change in Share Capital/Premium ⁴ | (4.9) | (0.4) | (4.5) | 1073.6% |
| Change in Bank Borrowing | (23.2) | 8.9 | (32.1) | -361.2% |
| Change in Deferred Land Debt | 0.2 | 36.1 | (35.8) | -99.4% |
| Finance Costs/Revenues | (2.4) | (2.3) | (0.1) | 3.2% |
| Net Cash Flow | (40.5) | (14.4) | (26.2) | 182.2% |
| Change in Cash Not-Available | (2.6) | (0.2) | (2.4) | 1164.7% |
| Cash BoP | 113.8 | 76.8 | 36.9 | 48.1% |
| Cash EoP | 70.7 | 62.3 | 8.4 | 13.5% |



Cash Flow Bridge (in €M)



1 It excludes MIP accrual fully paid by LS. 2 Book Value sold includes 34.6€M of Development Book Value and 4.7M of Legacy Book. 3 Other WC variations includes variations in Cash not available (-2.6€M included post-Net Cash Flow) 4 Part of a Treasury Shares program of up to EUR 10m approved by the Board in Q4 2018 5 EUR 26m of corporate debt repaid to Bankinter during Q1.

BS | GROWING INVENTORIES

> Further growth of inventory expected as the year progresses

Summary Balance Sheet (in EUR m)

| €M | Q1 2019 | FY 2018 | Change Q1 '19 vs FY'18 | |
|--------------------------------|----------------|----------------|------------------------|----------------|
| PPE | 7.8 | 7.7 | 0.1 | 1.1% |
| Right of use assets | 4.0 | - | 4.0 | 100.0% |
| Investment Property | 0.9 | 1.0 | (0.1) | -12.6% |
| Other Non-Current Assets | 2.8 | 2.7 | 0.1 | 2.5% |
| Deferred Tax assets | 22.3 | 22.3 | - | 0.0% |
| Non-Current Assets | 37.7 | 33.7 | 4.0 | 12.0% |
| Inventories | 1,262.7 | 1,229.7 | 33.0 | 2.7% |
| <i>ow Liquidation</i> | 37.2 | 41.8 | (4.6) | -11.0% |
| <i>ow Development</i> | 1,225.5 | 1,187.9 | 37.6 | 3.2% |
| Debtors | 37.3 | 40.5 | (3.2) | -7.8% |
| Trade & Receivables | 25.4 | 28.4 | (2.9) | -10.3% |
| Tax Receivables | 11.9 | 12.1 | (0.2) | -2.0% |
| Cash & Equivalents | 70.7 | 113.8 | (43.1) | -37.9% |
| <i>ow Not Available</i> | 38.1 | 40.7 | (2.6) | -6.3% |
| Current Assets | 1,370.7 | 1,384.0 | (13.3) | -1.0% |
| Total Assets | 1,408.4 | 1,417.6 | (9.3) | -0.7% |
| Equity | 772.9 | 772.7 | 0.2 | 0.0% |
| Bank Borrowings | - | - | - | 0.0% |
| Lease Liabilities | 3.0 | - | 3.0 | 100.0% |
| Other Non-Current Liabilities | 0.1 | 0.1 | (0.0) | -3.8% |
| Non-Current Liabilities | 3.1 | 0.1 | 2.9 | 2807.6% |
| Bank Borrowings | 357.3 | 380.5 | (23.2) | -6.1% |
| Lease Liabilities | 1.1 | - | 1.1 | 100.0% |
| Creditors | 161.0 | 160.3 | 0.8 | 0.5% |
| <i>ow Def. Land Payment</i> | 37.0 | 36.8 | 0.2 | 0.6% |
| Provisions | 13.8 | 13.0 | 0.7 | 5.7% |
| Trade & Payables | 122.2 | 114.2 | 8.0 | 7.0% |
| Tax Payables | 25.0 | 33.0 | (8.0) | -24.2% |
| Other Current Liabilities | 113.0 | 104.0 | 8.9 | 8.6% |
| Current Liabilities | 632.5 | 644.9 | (12.4) | -1.9% |
| Total Liabilities | 1,408.4 | 1,417.6 | (9.3) | -0.7% |

| €M | Q1 2019 | FY2018 | Change Q1'19 vs. FY'18 | |
|--------------------|----------------|----------------|------------------------|-------------|
| WC Adjusted | 1,101.8 | 1,084.2 | 17.6 | 1.6% |

€1.4BN BALANCE SHEET

€1.2BN DEVELOPMENT STOCK

€1.003M ACTIVE DEV STOCK

€58M Finished Product, €512M WIP, €249M under pre-commercialization and €184M already launched

€1.1BN WORKING CAPITAL

CORPORATE DEBT REPAYMENT AHEAD OF CAPEX DEBT GROWTH

> Gross debt reduction and conservative debt ratios (LTV 20%)

Net Debt (in EUR m)

| €M | Q1 2019 | FY 2018 | Change Q1 '19 vs FY'18 | |
|------------------------------------|--------------|--------------|------------------------|---------------|
| Gross Debt | 357.3 | 380.5 | (23.2) | -6.1% |
| Non-Current Bank Borrowing | - | - | - | 0.0% |
| Corporate Financing | - | - | - | 0.0% |
| Current Bank Borrowing | 357.3 | 380.5 | (23.2) | -6.1% |
| Land Financing | 227.4 | 224.6 | 2.9 | 1.3% |
| WIP | 124.1 | 109.4 | 14.7 | 13.4% |
| No WIP | 103.4 | 115.1 | (11.8) | -10.2% |
| Capex Financing | 27.8 | 24.1 | 3.8 | 15.8% |
| Corporate Financing | 98.1 | 124.0 | (26.0) | -20.9% |
| VAT Financing | 3.6 | 7.3 | (3.7) | -50.8% |
| Interests | 0.4 | 0.5 | (0.2) | -33.3% |
| Cash & Equivalents | 70.7 | 113.8 | (43.1) | -37.9% |
| Net Debt | 286.7 | 266.8 | 19.9 | 7.5% |
| Net Debt | 286.7 | 266.8 | 19.9 | 7.5% |
| Adjustments | 75.1 | 77.5 | (2.3) | -3.0% |
| Deferred Land Payment ¹ | 37.0 | 36.8 | 0.2 | 0.6% |
| Restricted Cash | 38.1 | 40.7 | (2.6) | -6.3% |
| Net Debt Adjusted | 361.8 | 344.2 | 17.6 | 5.1% |

CONSERVATIVE DEBT RATIOS
LTV AT 19.7%

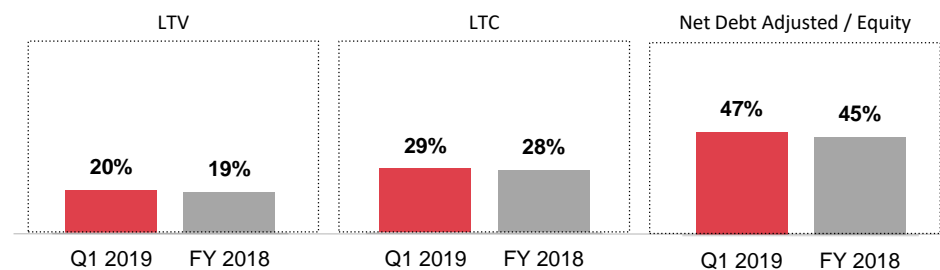
GROSS DEBT REDUCTION
€357.3M vs €380.5M in FY 2018

NET DEBT OF **€286.7M**
NET DEBT ADJUSTED **€361.8M**

€26M OF CORPORATE DEBT
REPAYMENT²



Key Ratios (%)



¹ Deferred Land Payment is conservatively considered as debt-like item ² EUR 26m of corporate debt repaid to Bankinter in Q1. The bridge loan refinancing (EUR 75m) where DB replaced JPM, and the facility by Goldman Sachs to fund the share buy back, were signed in Q2