

SPAIN'S LEADING RESIDENTIAL PLATFORM

STRATEGIC UPDATE | MARCH 2023

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Leading the transformation of the Spanish Residential Sector

What happened since 2019?

→ **01**_ Flawless business plan execution accomplishing every target of the last 5Ys

→ **02**_ In 2023, Spain is one of the safest Residential markets worldwide

→ **03**_ Yet, these are not reflected in the share price limiting growth potential

Improving capital allocation to crystallize value and growth

→ **04**_ Decision to optimize balance sheet and accelerate c€600mn in dividends

→ **05**_ Equity efficient growth strategy with +€1bn to be deployed in land acquisitions



01_2019-23 performance review

Overachieved targets in operations, financials and sustainability

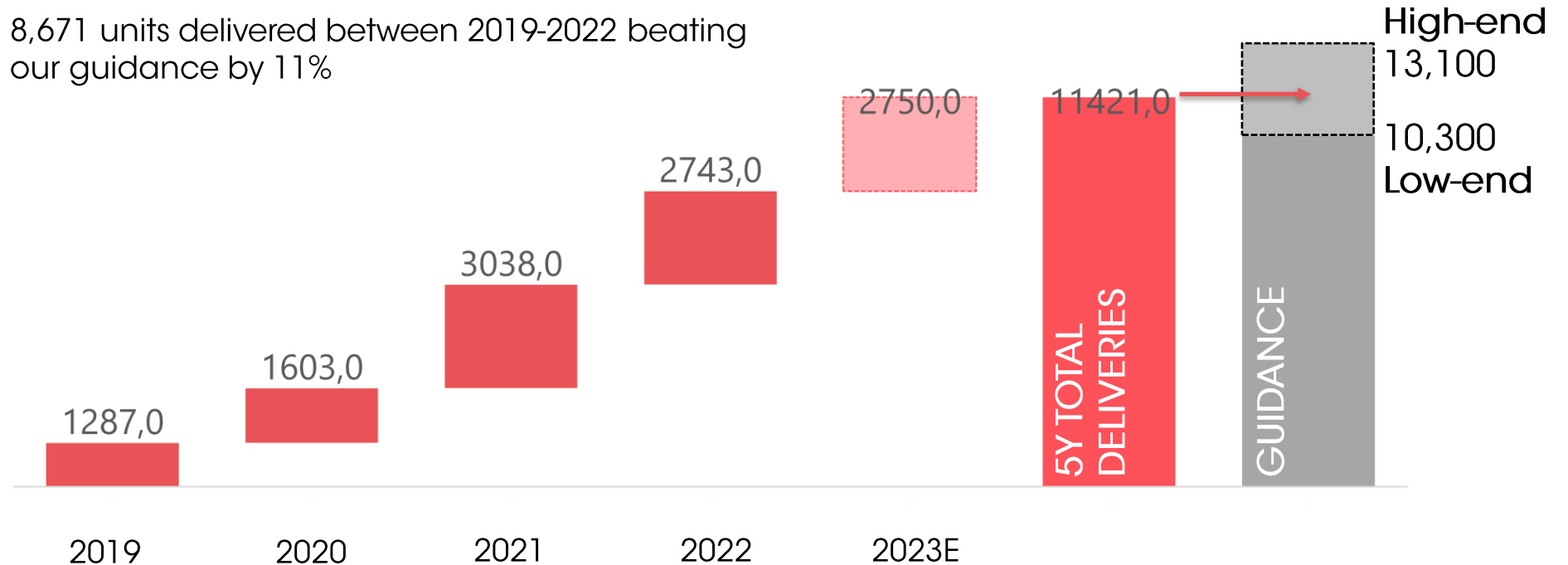


A solid operational track record hitting our targets with 8,671# and c€2.7bn revenues...



TOTAL DELIVERIES SINCE 2019

▶ 8,671 units delivered between 2019-2022 beating our guidance by 11%



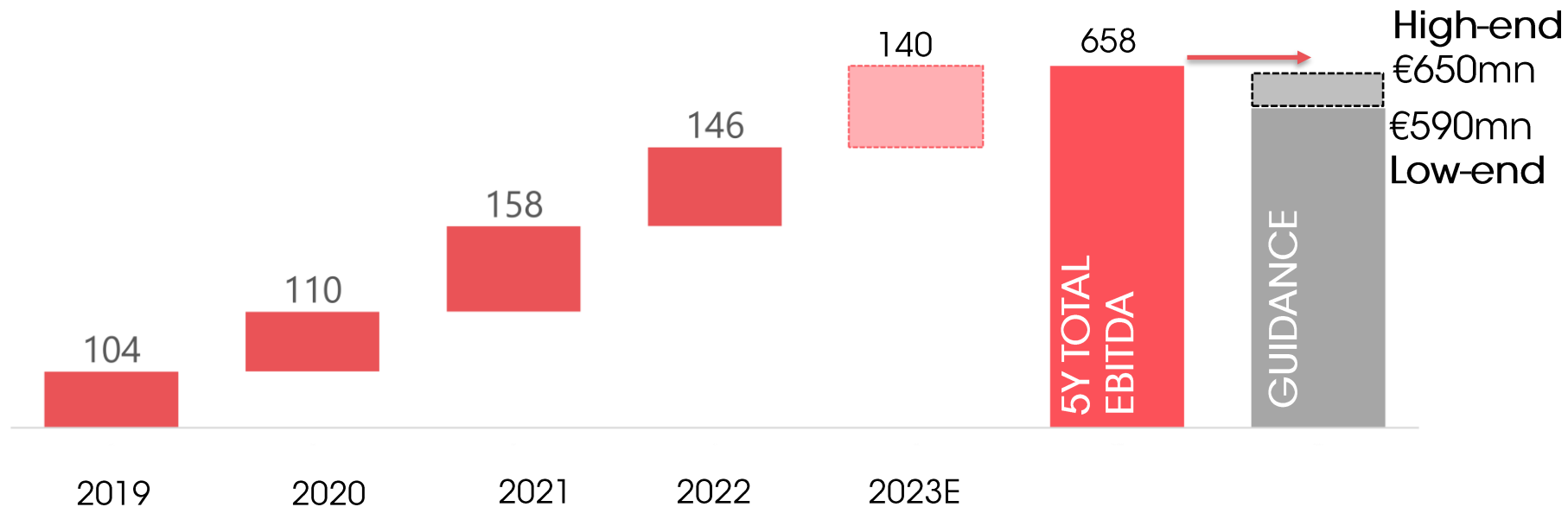
Source: Neinor Homes.



...despite COVID, supply chain disruptions, war and inflation, delivering higher EBITDA margins

TOTAL EBITDA SINCE 2019

▶ €518m EBITDA between 2019-2022 beating our guidance by 15%



Source: Neinor Homes.

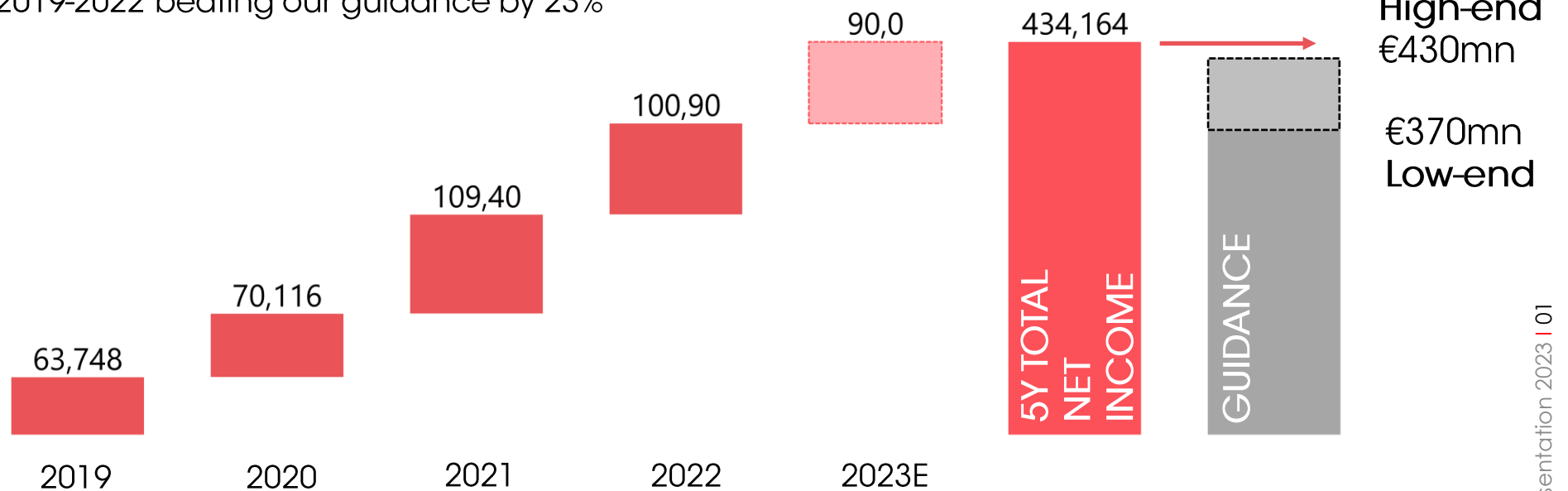


...and bottom-line profits of €344mn, above our guidance



NET INCOME SINCE 2019

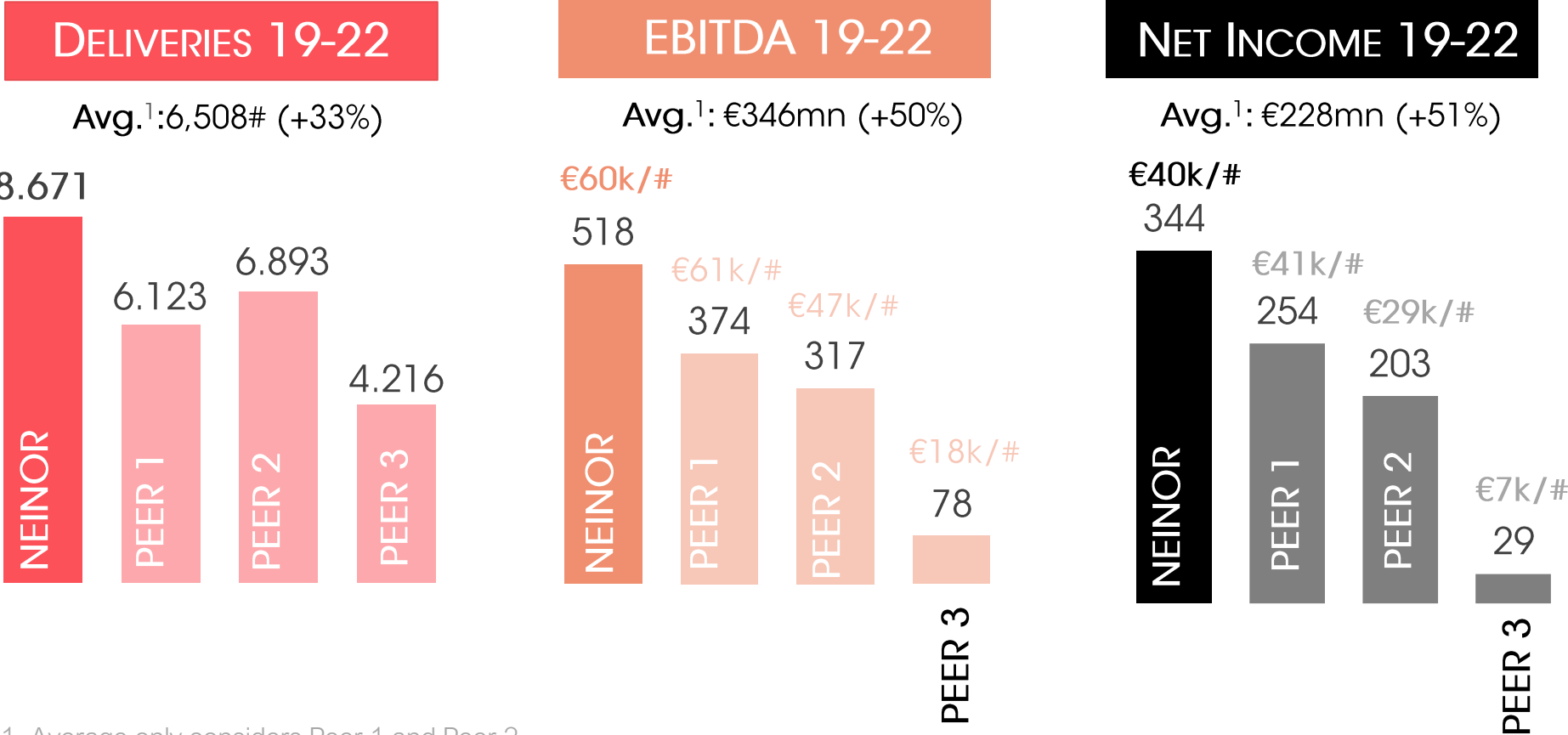
▶ €344m of net income generated between 2019-2022 beating our guidance by 23%



Source: Neinor Homes.



Neinor Homes is the most profitable residential developer in Spain



1. Average only considers Peer 1 and Peer 2.
Source: Company reports as of Dec22.

Neinor was recognized 2 years in a row by Sustainalytics as the developer with the lowest ESG risk worldwide



KEY MILESTONES

- ▶ c8,000 units delivered with BREEAM® spread over 133 developments, the highest market share in Spain (21%)
- ▶ 100% of new developments with individual Life-Cycle-Analysis (LCA) report
- ▶ +80% of Neinor's launches comply with EU taxonomy in 2022
- ▶ First developer to measure and publish a comprehensive social impact of deliveries
- ▶ Awarded first Rental affordable housing scheme in Spain, HMB, with 4,500# in the city of Barcelona
- ▶ Generated +25,000 jobs direct and indirect since 2017





02 Spanish residential fundamentals

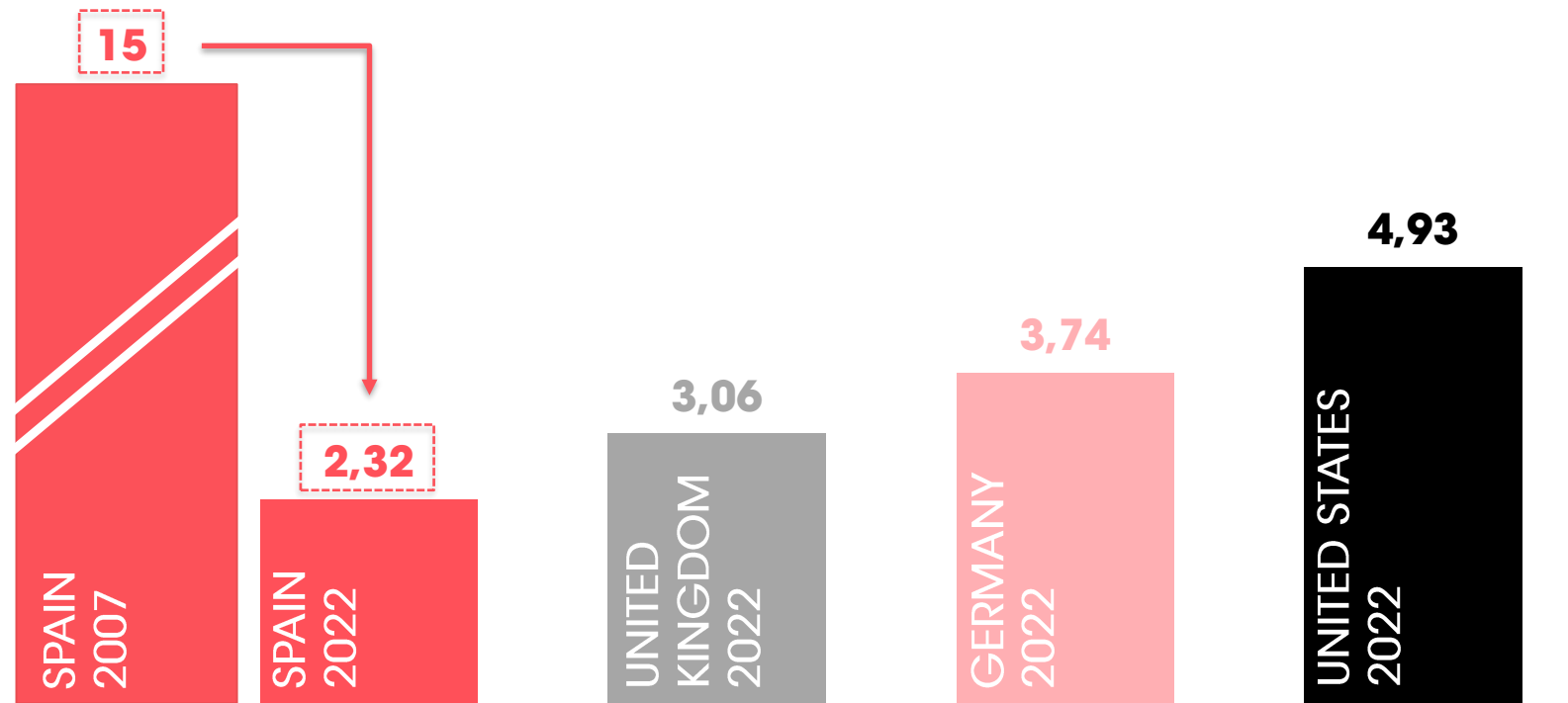
**Spain in 2023
is one of the
safest
residential
markets
worldwide**



Spain has one of the lowest ratios of new supply per capita worldwide since GFC



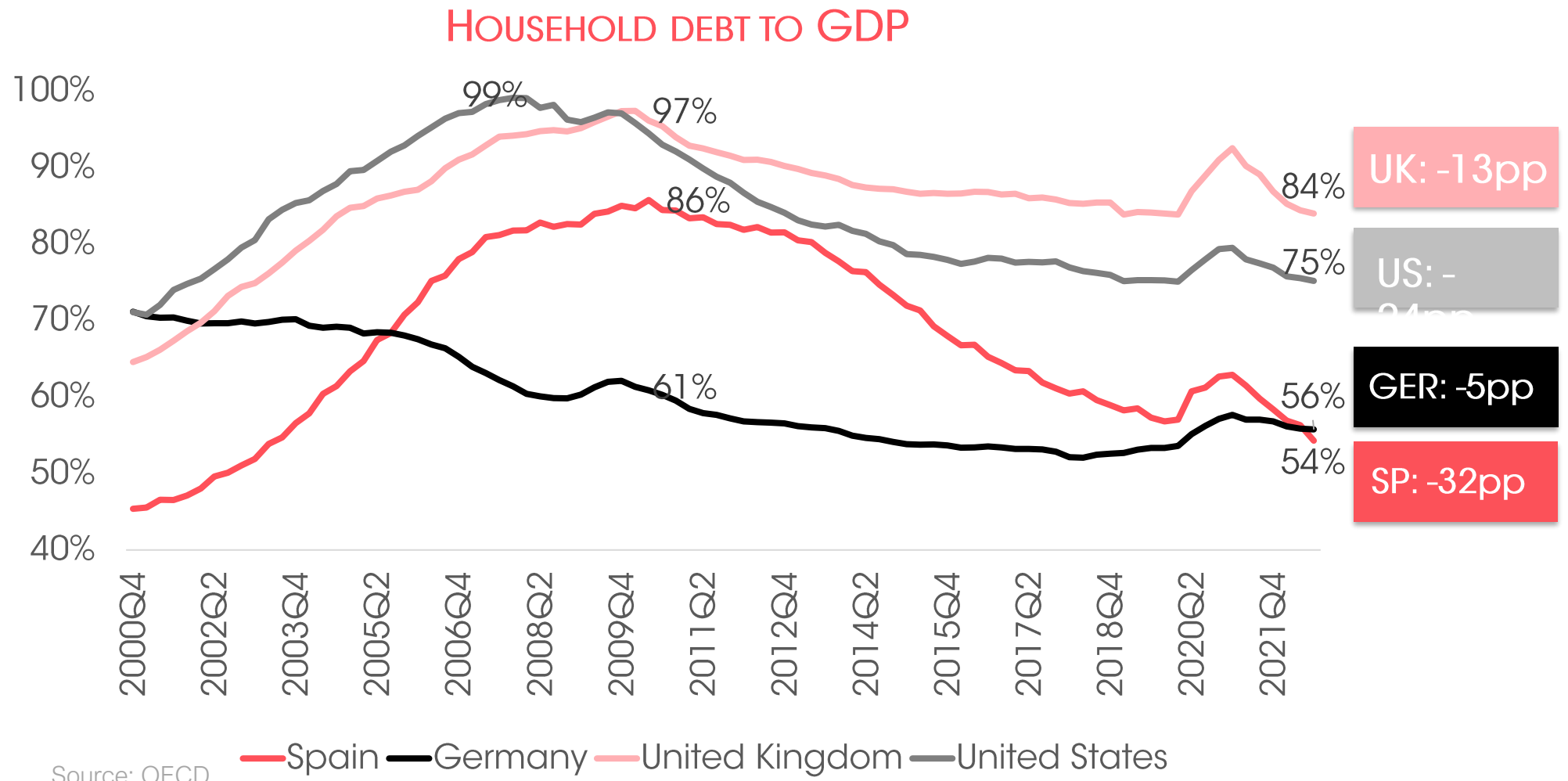
2022 BUILDING PERMITS PER CAPITA



Source: Eurostat and Saint Louis FED.



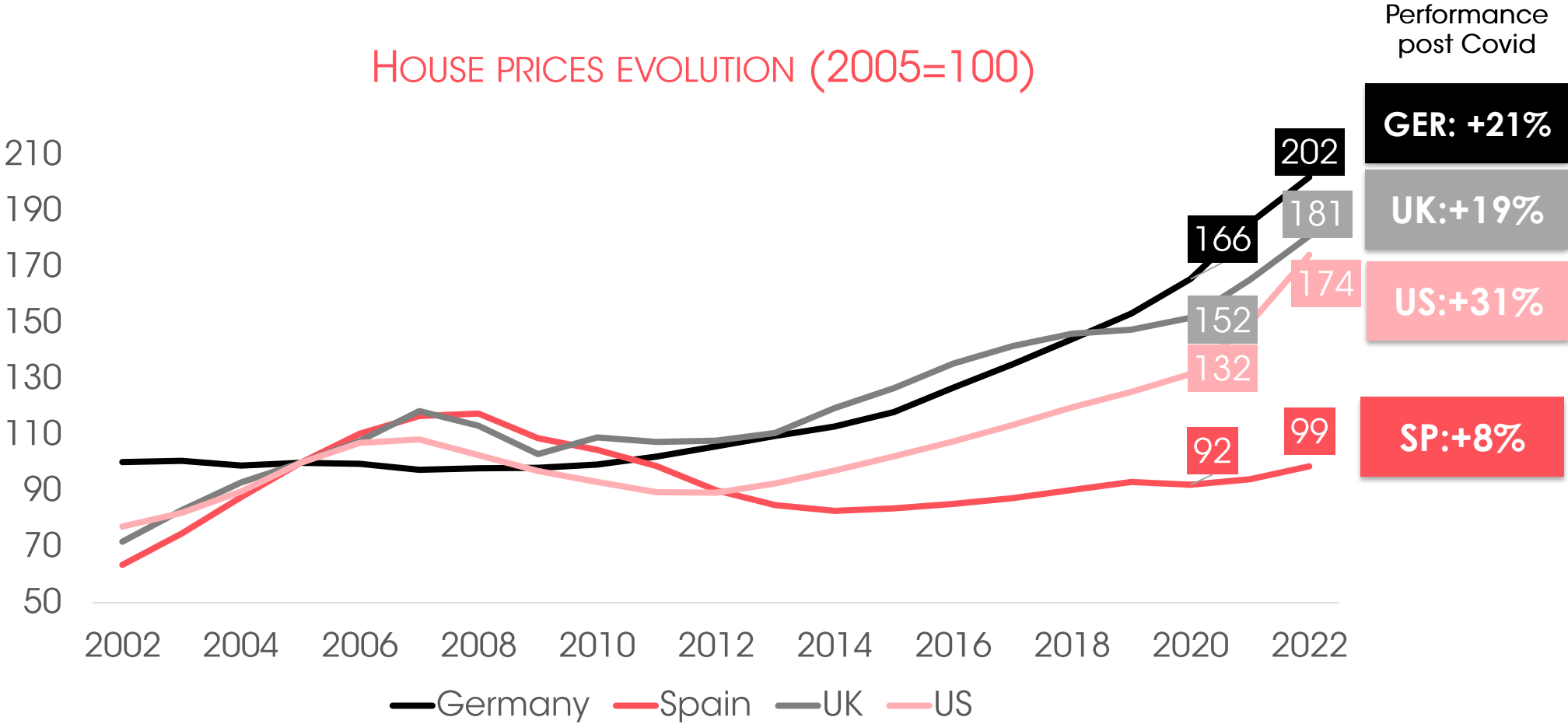
...and it has significantly reduced leverage...



...with house prices still below GFC levels...



HOUSE PRICES EVOLUTION (2005=100)

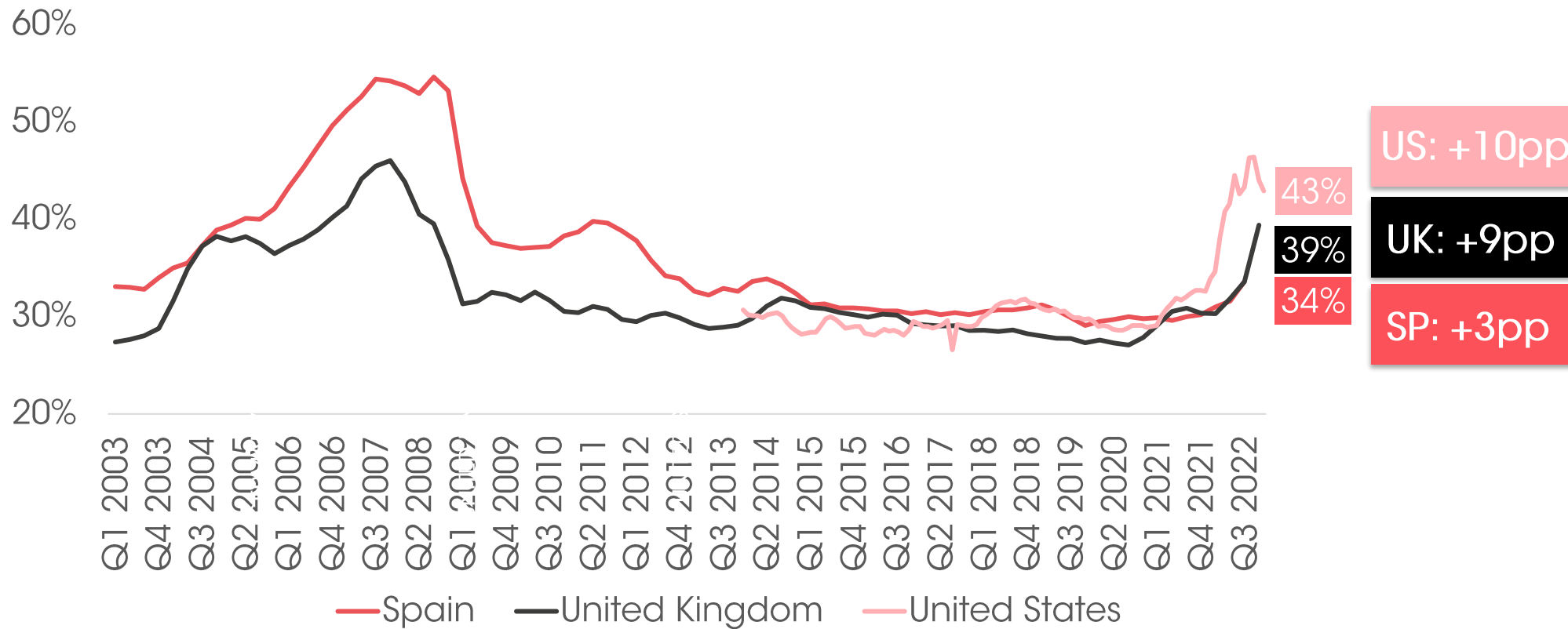


Source: Dallas FED.

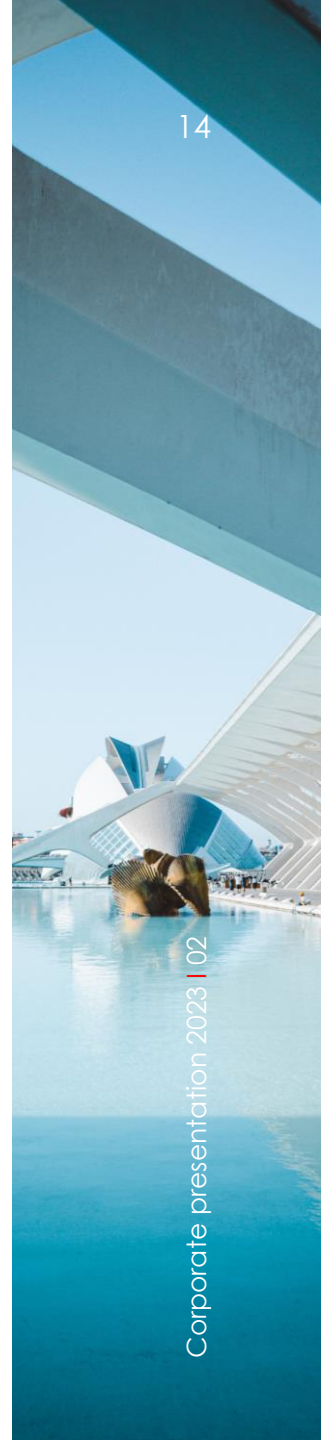


...which translates into significantly better affordability under the current environment

MORTGAGE EFFORT RATE COMPARISON



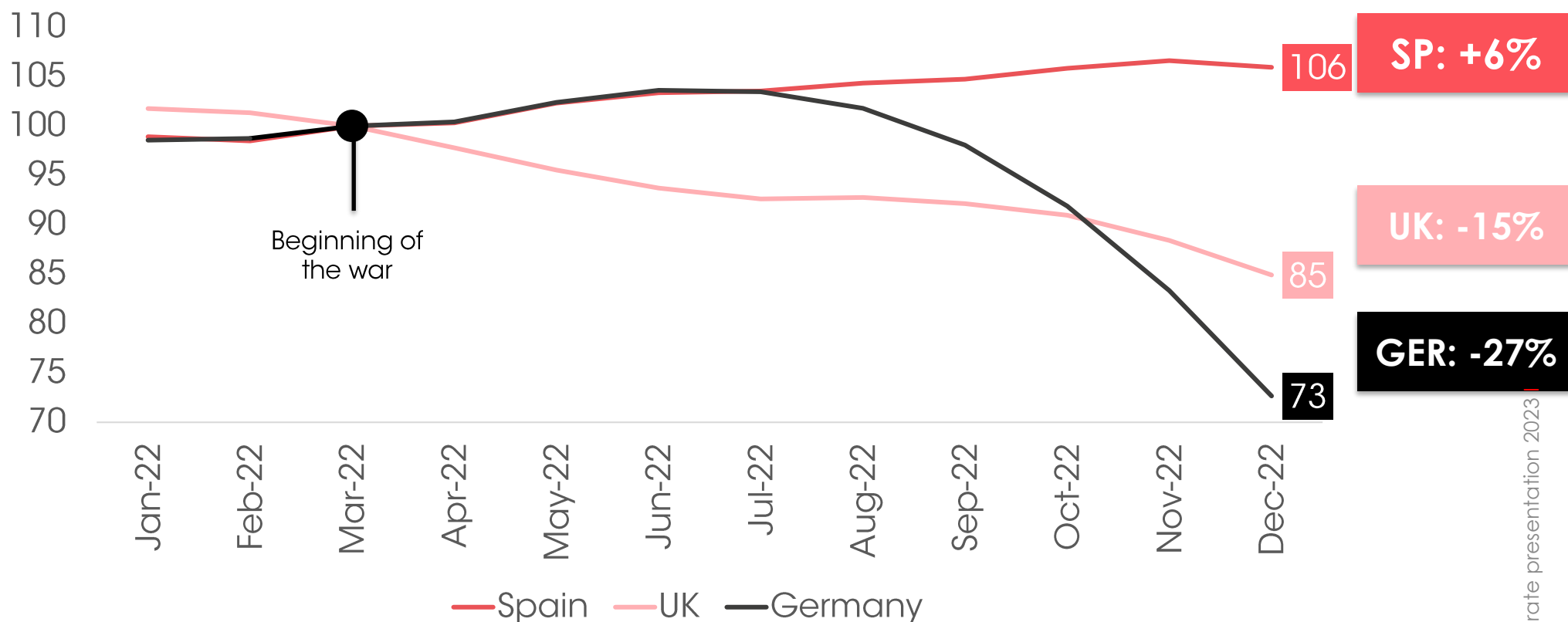
Source: Nationwide, Banco de España. Macrobond.



Recent mortgage data already showing a much more sustainable demand environment in Spain



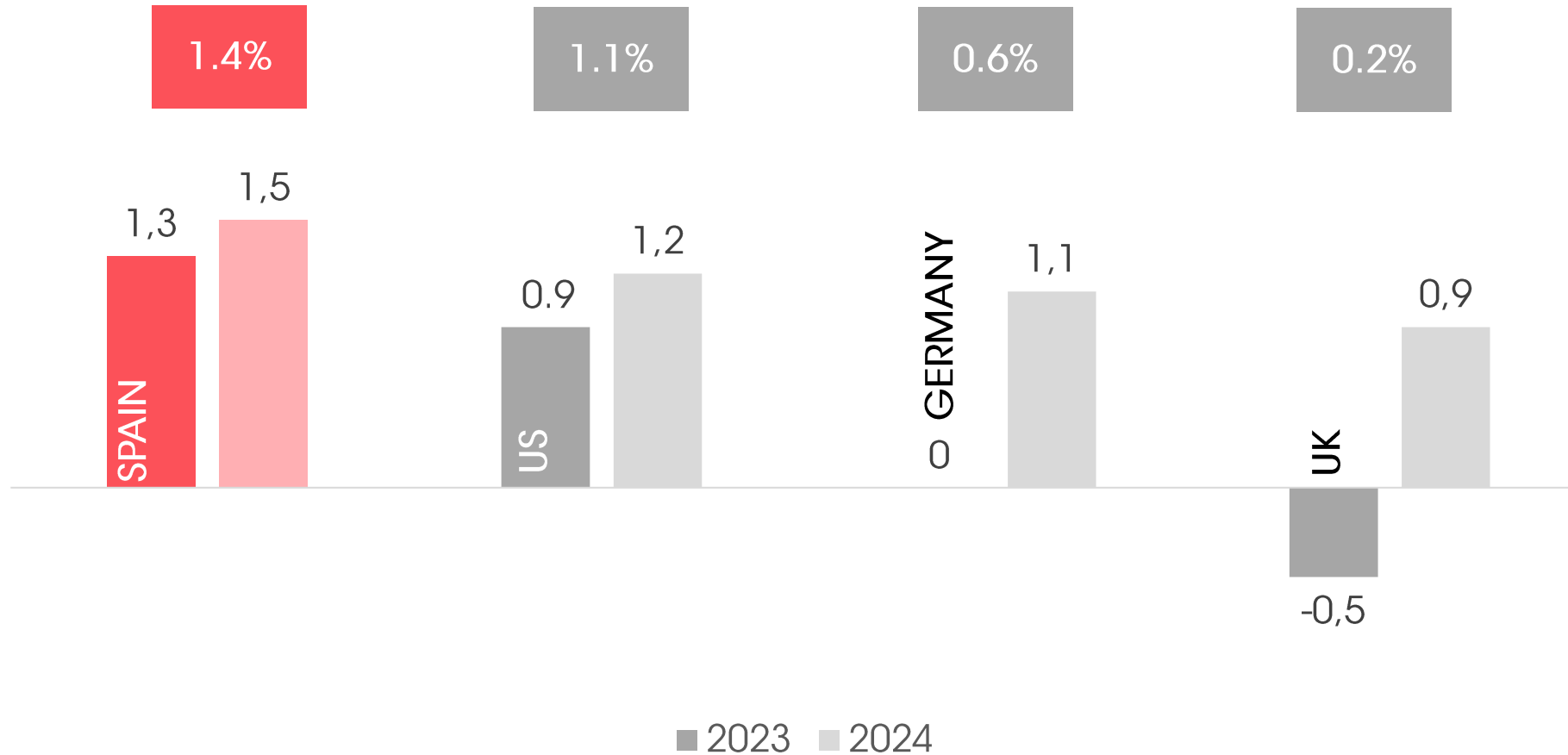
LTM NEW MORTGAGES APPROVALS (MAR22=100)



Source: Statistics Spain, Bloomberg, Deutsche Bundesbank.

Spanish economy to grow +2x faster than peers in both 2023 and 2024

2023-24 REAL GDP FORECASTS (%)

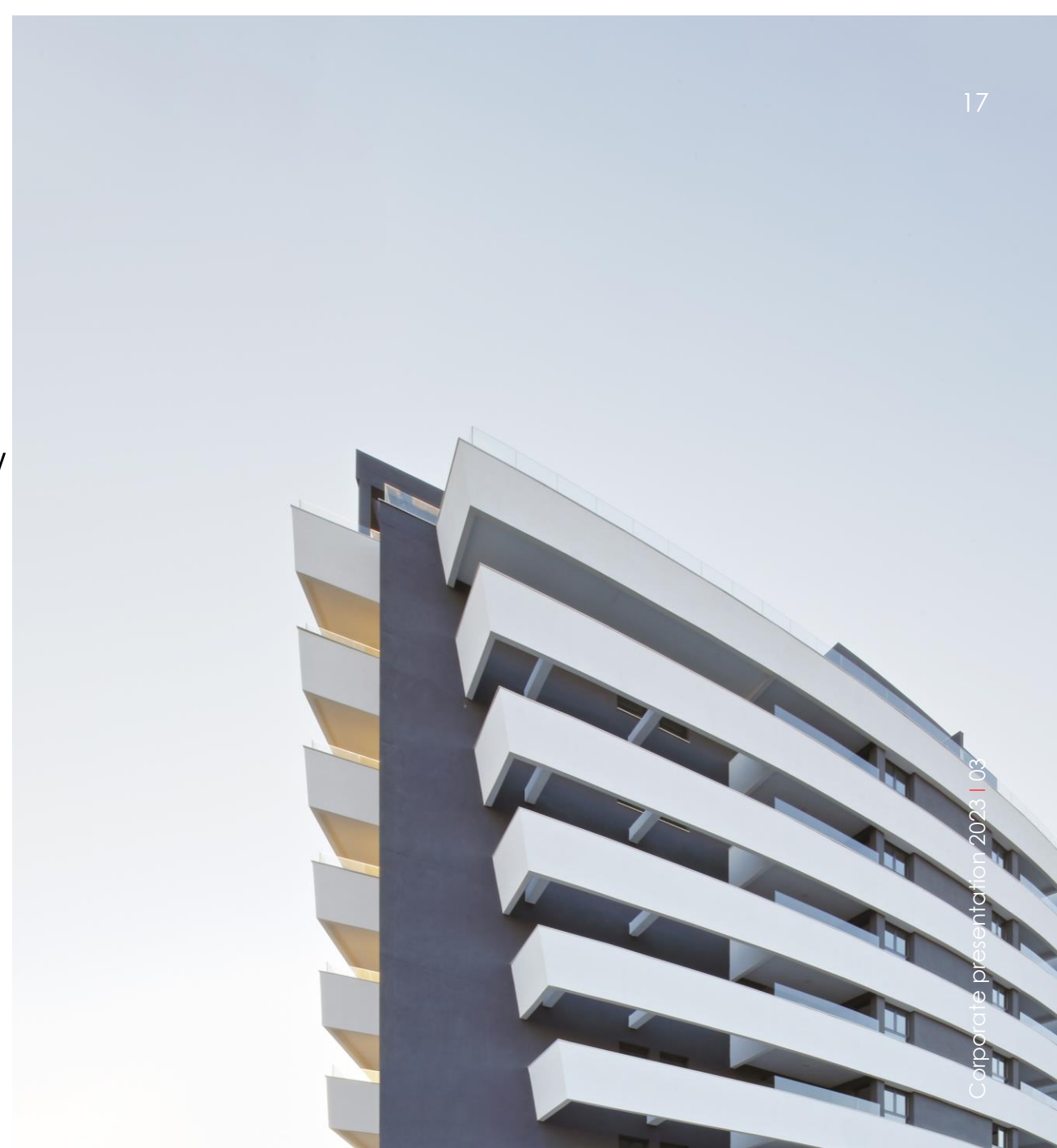


Source: Bloomberg.



03_ Capital markets performance review

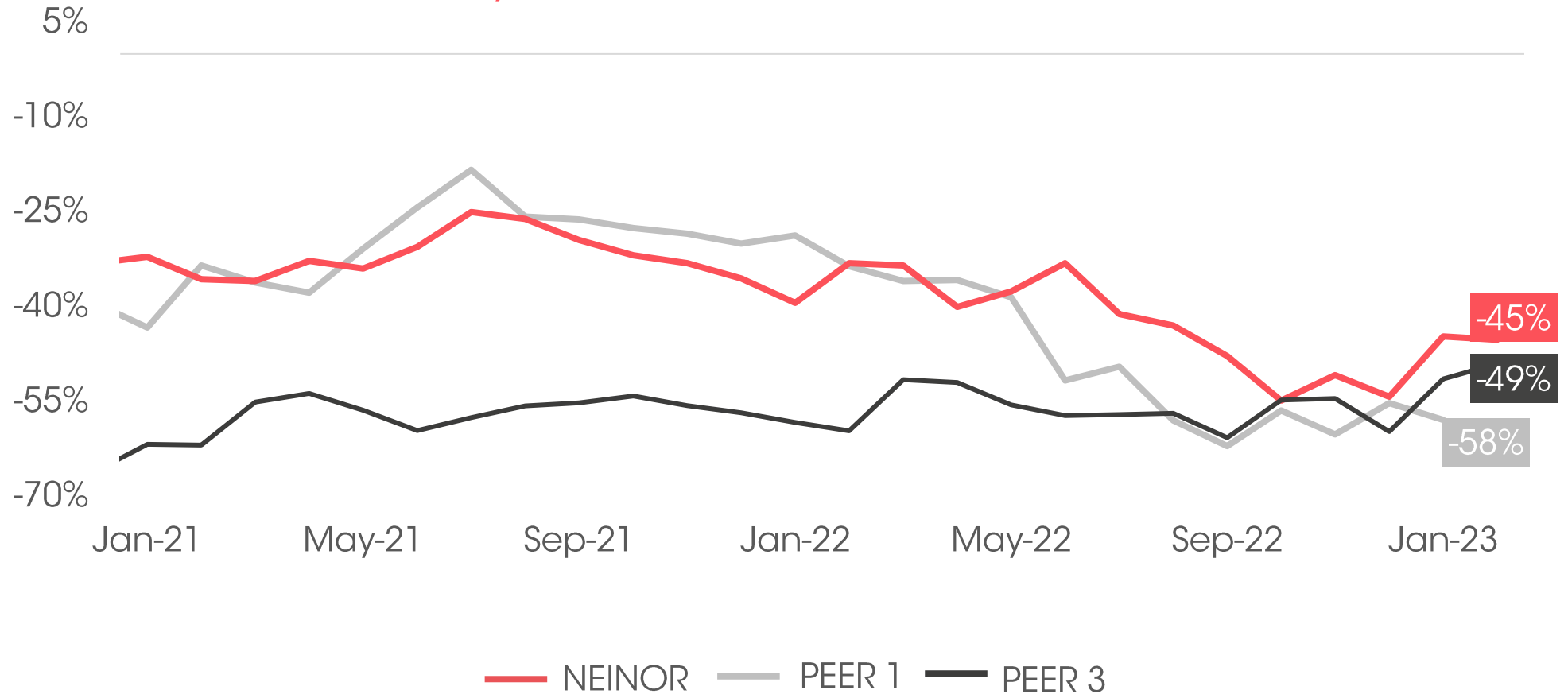
Share price
discount limits
growth
opportunities



Despite execution and solid fundamentals Neinor continues to trade at a significant discount to NAV...



P/NAV EVOLUTION SINCE 2021

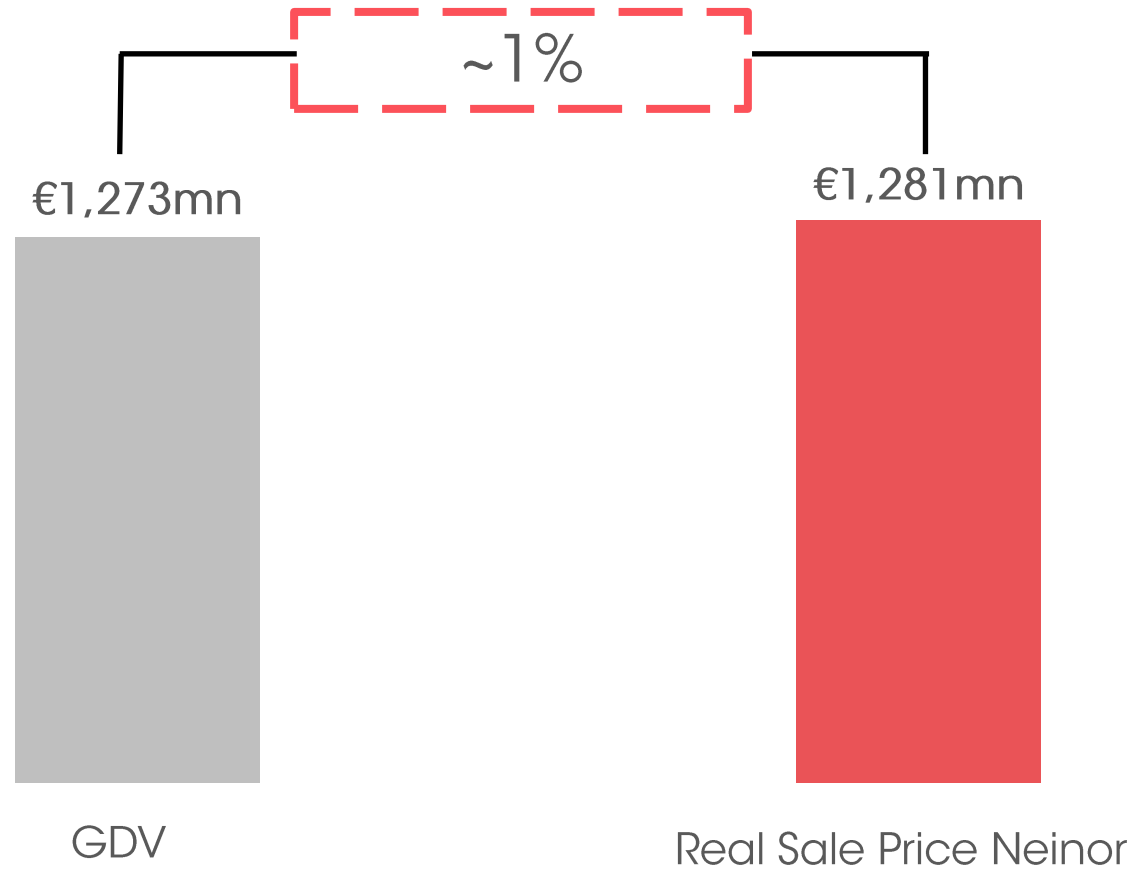


Source: Bloomberg.



Neinor is systematically realizing GAV at delivery...

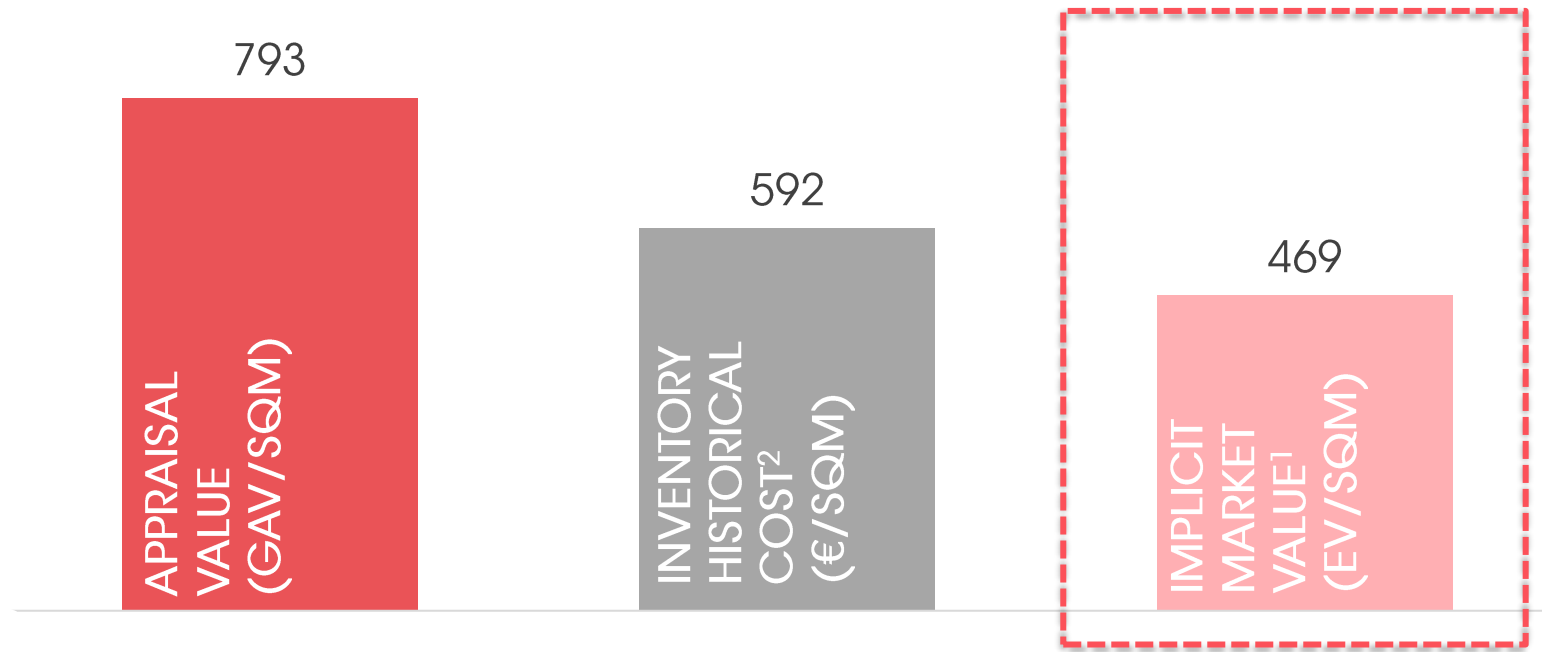
LAST 24-MONTHS DELIVERIES



...while market assumes Neinor will deliver negative margins when all of c9,000 active units are expected to be profitable



IMPLICIT MARKET VALUATION (€/SQM)



- ▶ Market not only assumes a value dilution scenario but completely overlooks the execution embedded in our active land bank with building permits, cranes and pre-sales

1. Share price as of 24/03/2023 of €8.56/sh. 2. Includes investment properties at Dec22 GAV



04_5Y strategic plan

Balance sheet optimization and further growth through co-investment



Optimize capital allocation to combine value crystallization through shareholder remuneration with equity efficient growth



SHAREHOLDER REMUNERATION

€600mn Dividend distribution (€7.5/sh)

▶ €450mn between 2023 and 2025

GROWTH STRATEGY

+€1bn new land acquisition

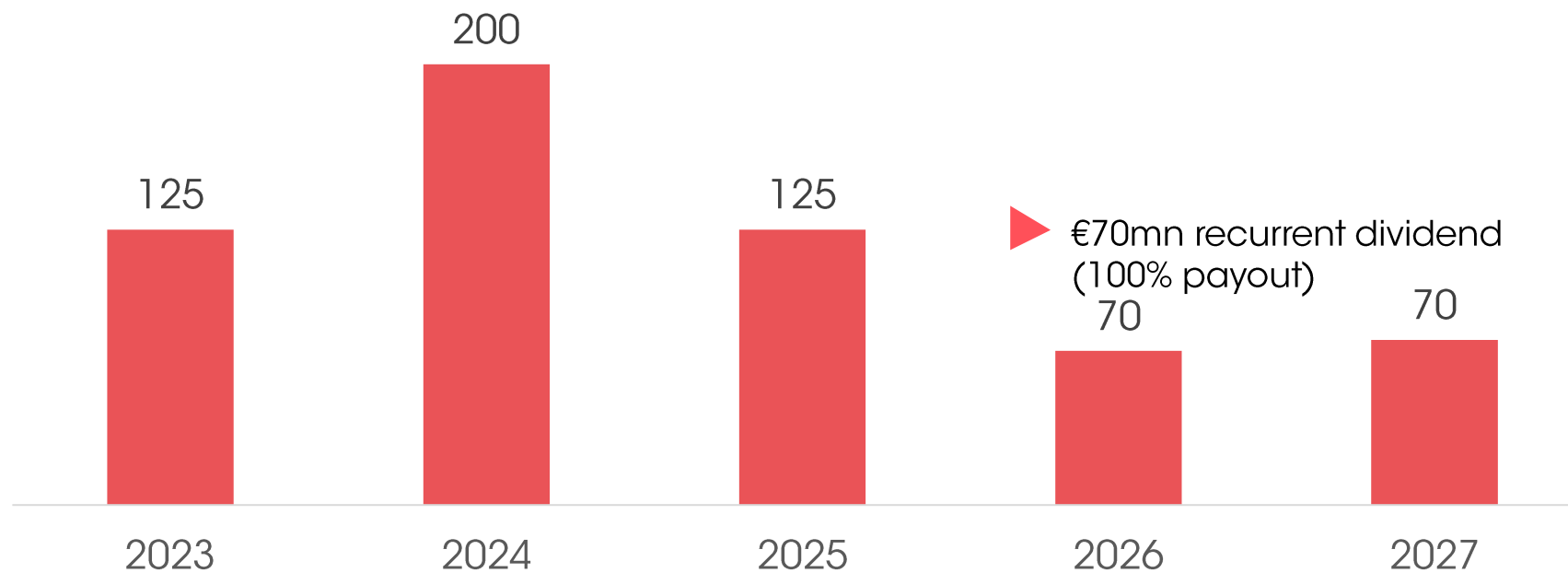
▶ Approximately 50% of total investment to be made through Neinor co-investment strategy, targeting +20% IRR



c€600mn shareholder remuneration plan to be distributed...

EXPECTED DIVIDEND PAYMENTS¹ BY YEAR

▶ €450mn to be distributed between 2023-25

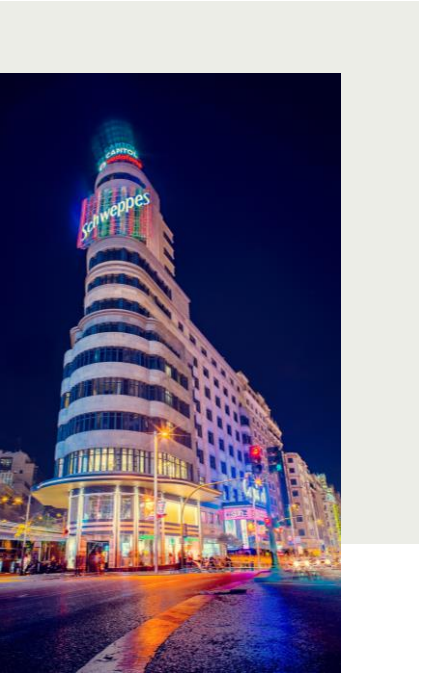


▶ €70mn recurrent dividend (100% payout)
70

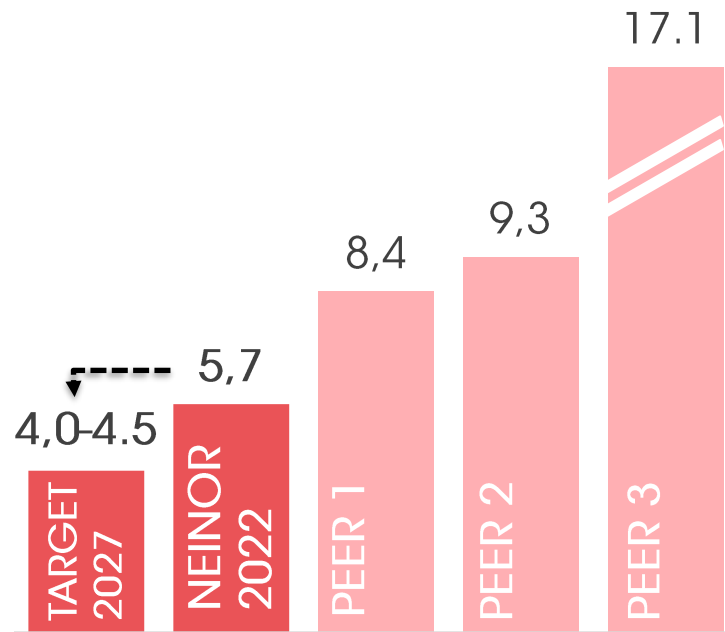


1. Includes €50mn share buyback cancelation in 2023. 2. Dividend payment subject to AGM schedule

...together with ambitious +€1bn to be deployed in equity efficient and opportunistic land acquisitions

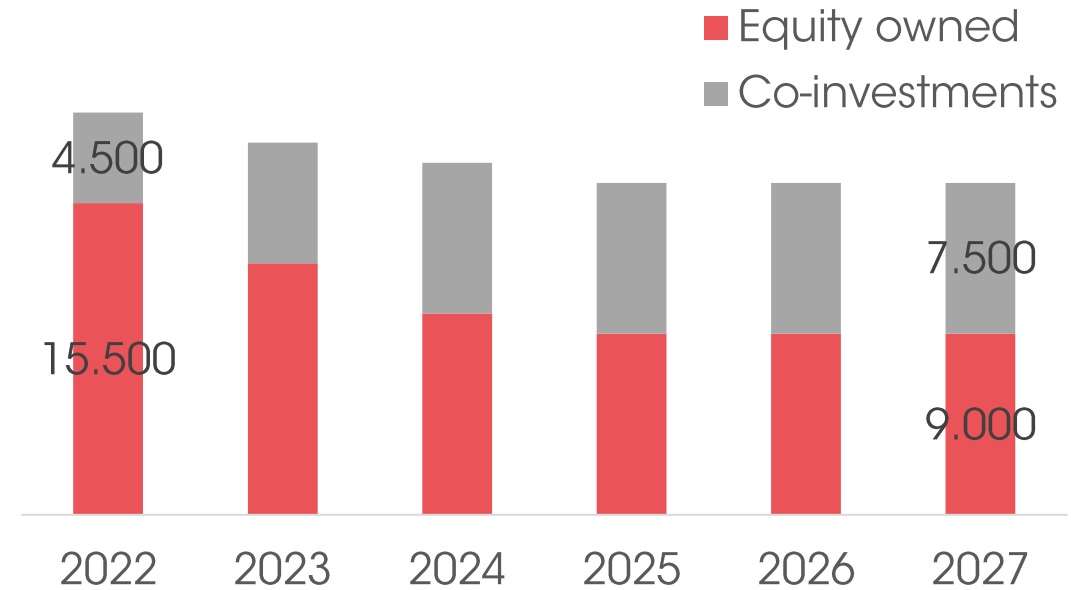


YEARS¹ OF LAND BANK DEC22



▶ Neinor expects to reduce the number of years in land bank by 20-25%

EXPECTED LAND BANK² EVOLUTION



▶ Reducing its equity owned land bank while growing in co-investment

1. Calculated as 2022 deliveries divided by total land bank. 2. Includes 4,500# from HMB where Neinor has a 25% stake.



Financial targets with 2,000# deliveries, €100mn EBITDA, €70mn Net Income and 15% ROE

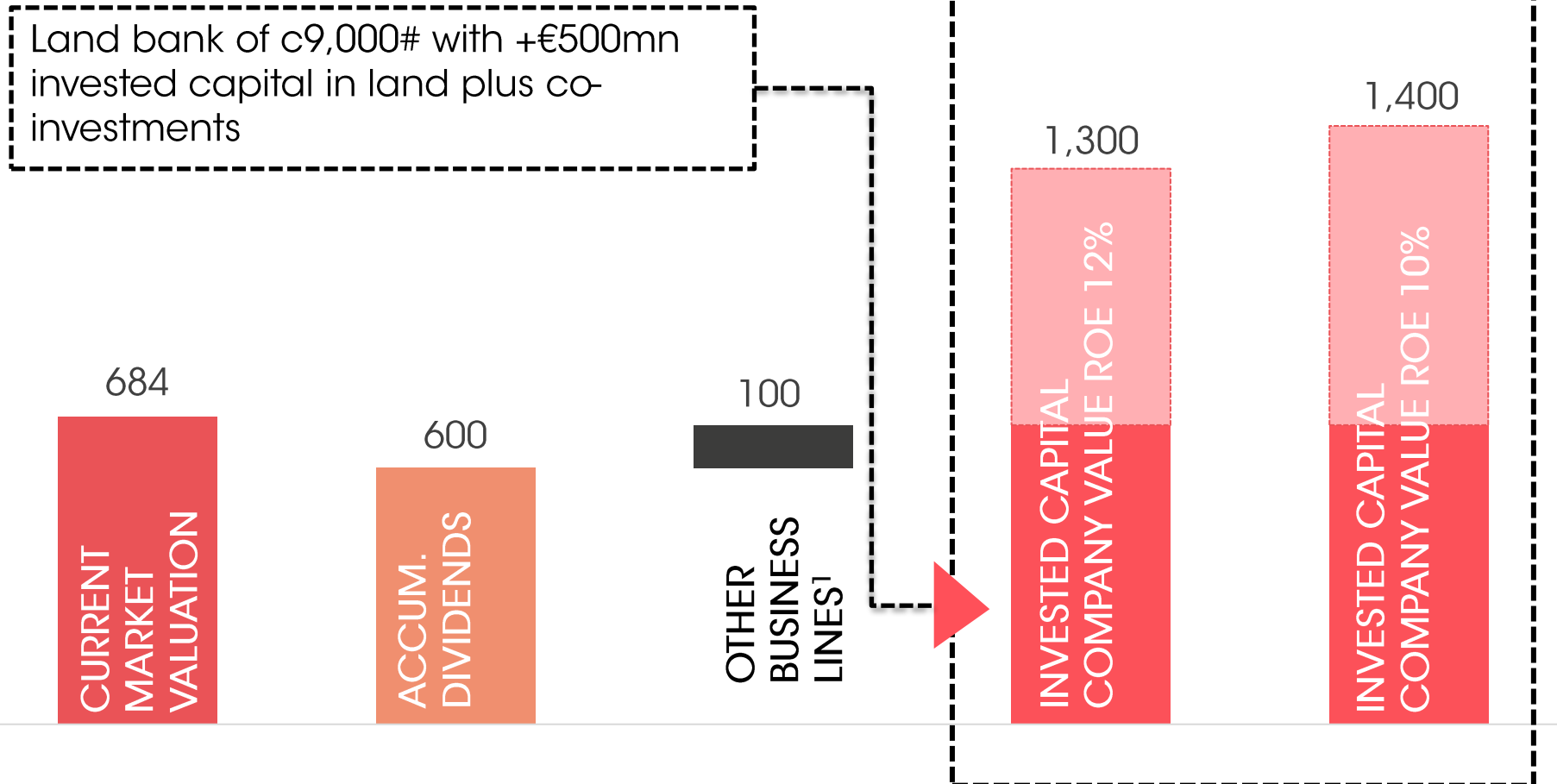
(€mn, unless stated otherwise)	2023	2024-25 (per year)	2026 onwards (per year)
Deliveries	+2,500# ¹	+2,000#	+2,000#
Total Revenue	+600	+700	+700
EBITDA	140 ²	100	100
Net Income	90	65	70
LTV	20-25%	20-25%	20%
Land Acquisitions Co-investment	100-150 c75%	100-300 c75%	150-300 c50%
ROE (%) ⁴	11%	11-13%	15% ³
Dividend	125	160	70

1. Includes BTS and BTR deliveries. 2. Include €40mn of BTR margin. 3. Return stabilized. 4. Returns on tangible equity.

Strategic plan with potential €1.4bn valuation vs €0.7bn market cap today

PLATFORM VALUATION BRIDGE

CAPITAL MARKET RETURN 10% - 12%



1. Includes Renta Garantizada, own construction business, excess cash and deferred tax credits.



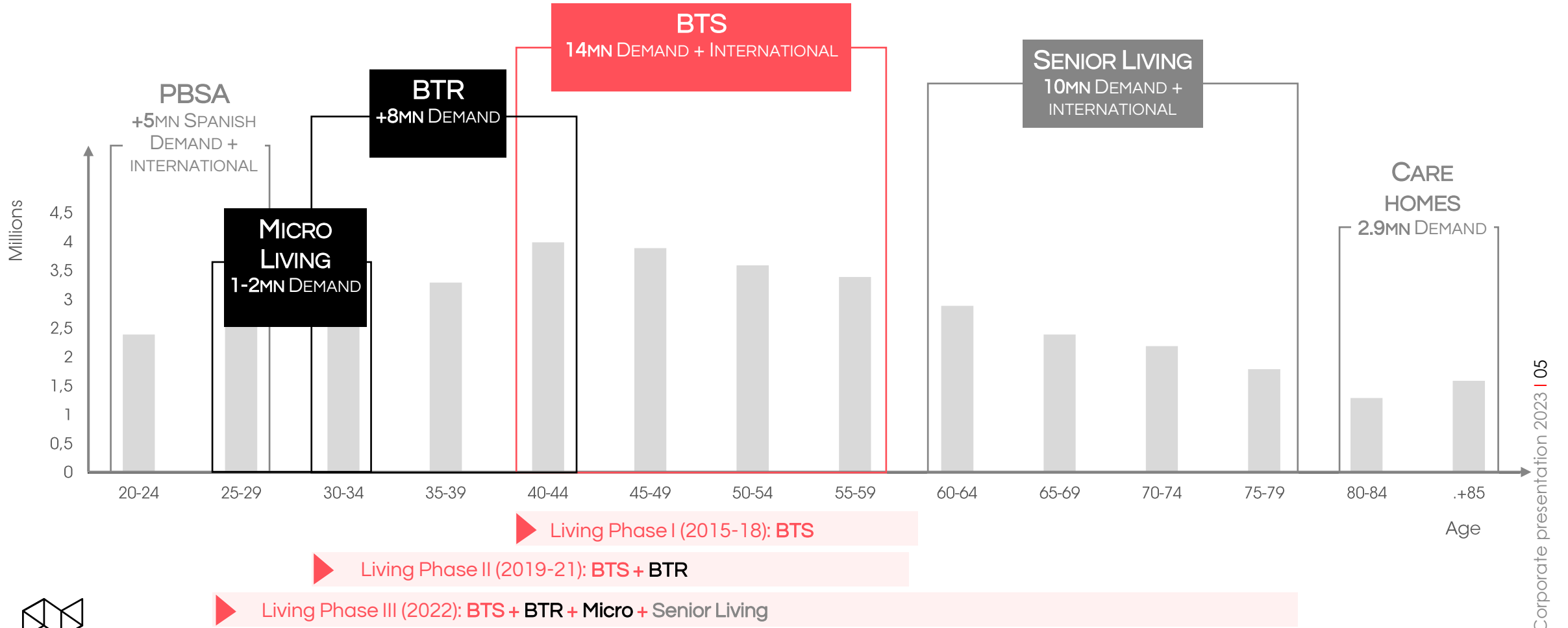
05 The new Spanish investment manager

Equity efficient growth strategy to boost shareholder returns

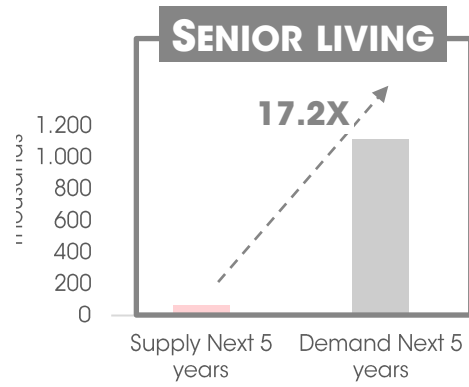
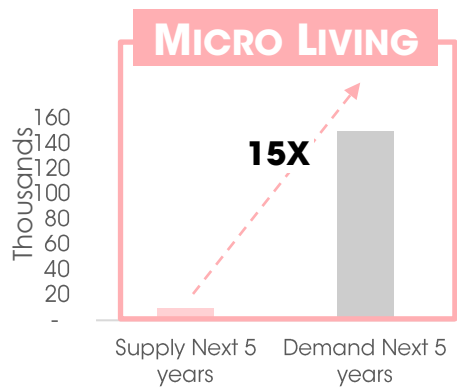
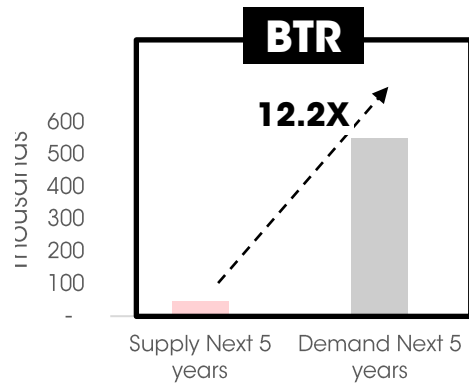
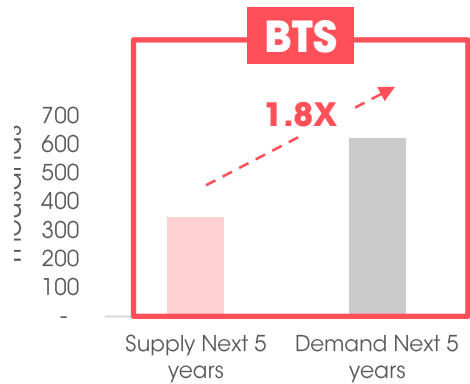


Why the living sector in Spain?

From the traditional to the new world trends with **constant, sustainable and long term demand**

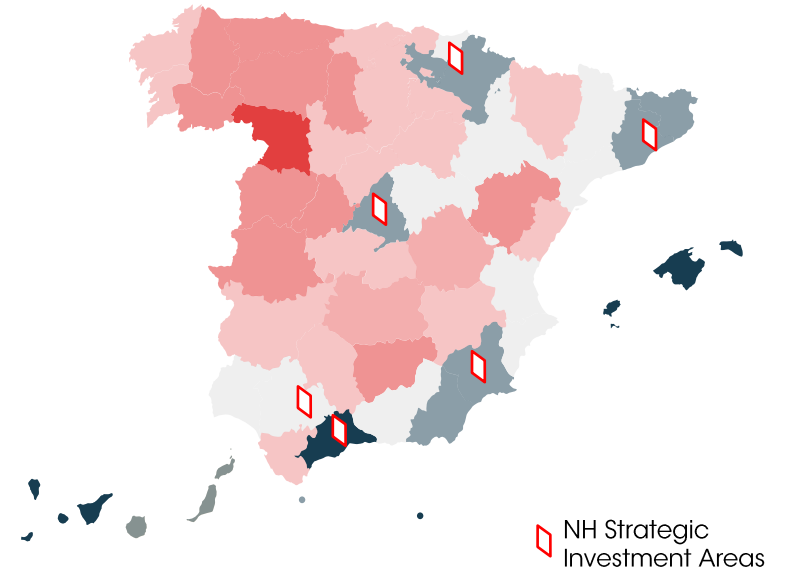


... WITH ENORMOUS SUPPLY - DEMAND IMBALANCE



TOP 6 PROVINCES IN SPAIN CONCENTRATE:

- ▶ C. 50% of total country population
- ▶ C. 90% of the Spain population increase per year (+1%/year)
- ▶ C. 50% of total GDP



- ▶ Same regions will increase population by +7-21% (as reflected in the map)
- ▶ The rest of Spain will concentrate a loss of population of 0-21%

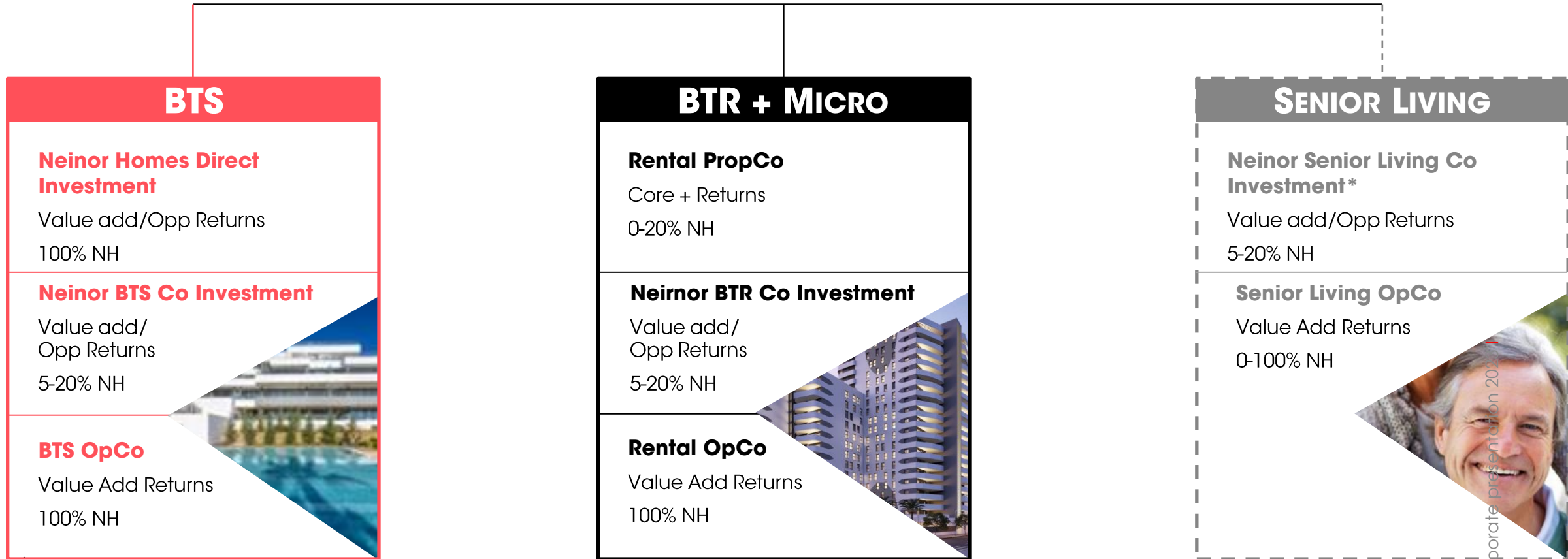
Source: CBRE Research, Savills and Neinor.



How to play Living in Spain? Neinor the leading Living Platform



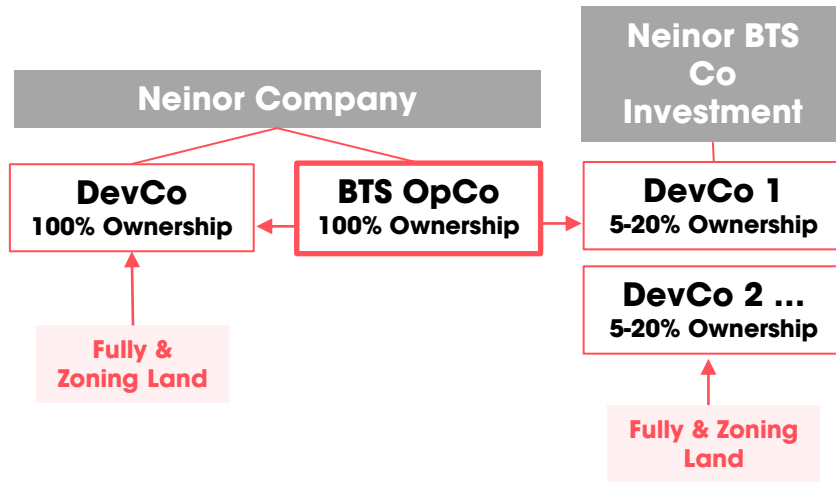
- ▶ Co Investment Business line by asset class
- ▶ Creating different equity efficient pockets for the different acquisition strategies
- ▶ Maximizing shareholders returns and allowing asset investors to co invest with the leading Living platform



*Potential Growth Segment

BTS Investment Line

STRUCTURE



- ▶ More investment opportunities than equity
- ▶ Synergies by volume (acquisition, construction cost, strategic control of areas, exit price maximization, etc.)
- ▶ Equity and OpCo efficiency maximization

TARGET RETURNS

IRR
15-20%

PM
1.5-2x

MORE THAN 8,000 UNITS DELIVERED IN RECENT YEARS



PIPELINE

PORTFOLIOS

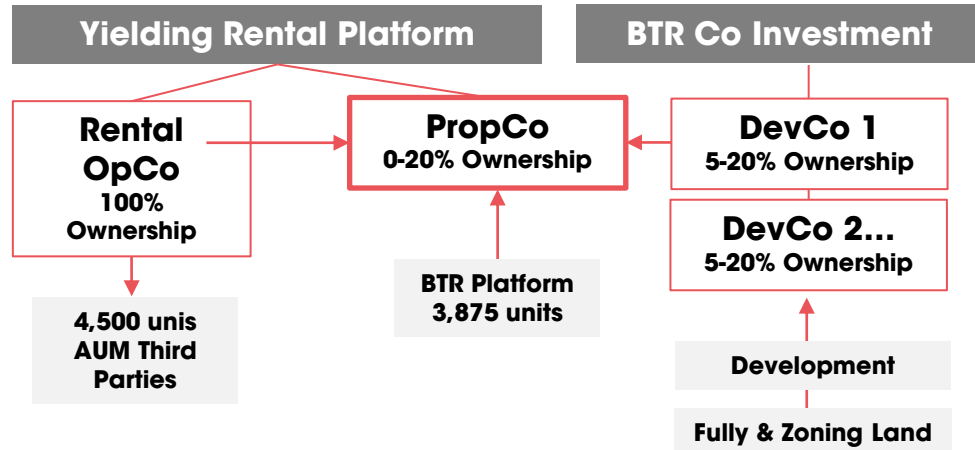
Portfolio	Owner type	Equity Maturity	# Resi units
Target 1	PE owned	7 years	+10,000
Target 2	PE owned	7 years	+10,000
Target 3	PE owned	3 years	+8,000
Target 4	PE owned	5 years	+6,000
Target 5	PE owned	5 years	+4,000
Various	Privates	-	+8,000

LAND PLOTS

Location	# Resi units	Equity (€)
Malaga	200	12M
Valencia	80	11M
Barcelona	175	23M
Barcelona	91	10M
Madrid	150	20M

BTR Investment line

STRUCTURE



- ▶ Right Equity partner for the yielding assets
- ▶ Multiply the capacity to grow and scale the business
- ▶ Synergies by volume (acquisition, construction cost, leakage optimization, etc)
- ▶ Equity and OpCo efficiency maximization

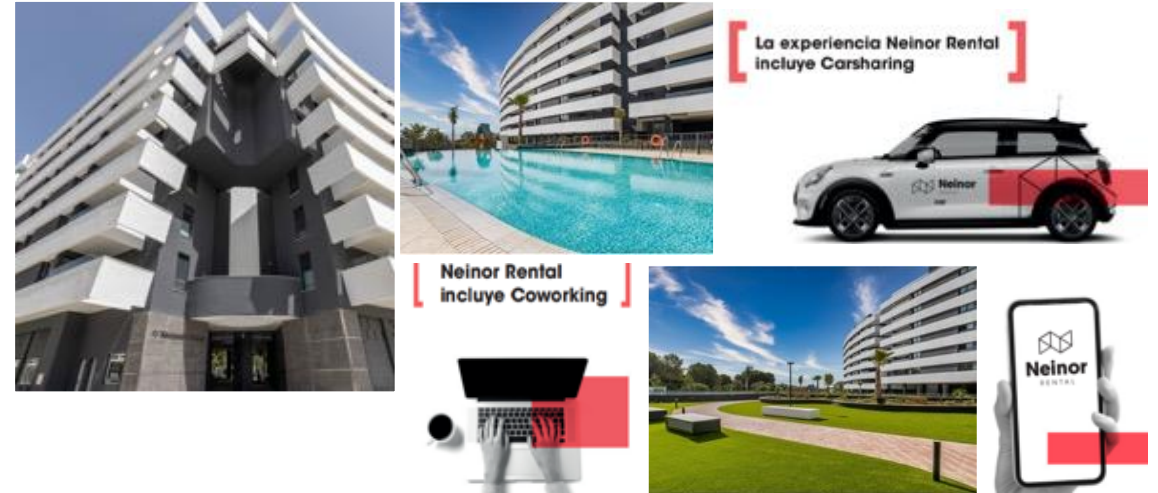
TARGET RETURNS

IRR
15-20%

BTR Co Investment

PM
1.5-2x

A FULL 360° OPERATING RENTAL PLATFORM WITH CAPACITY TO GROW

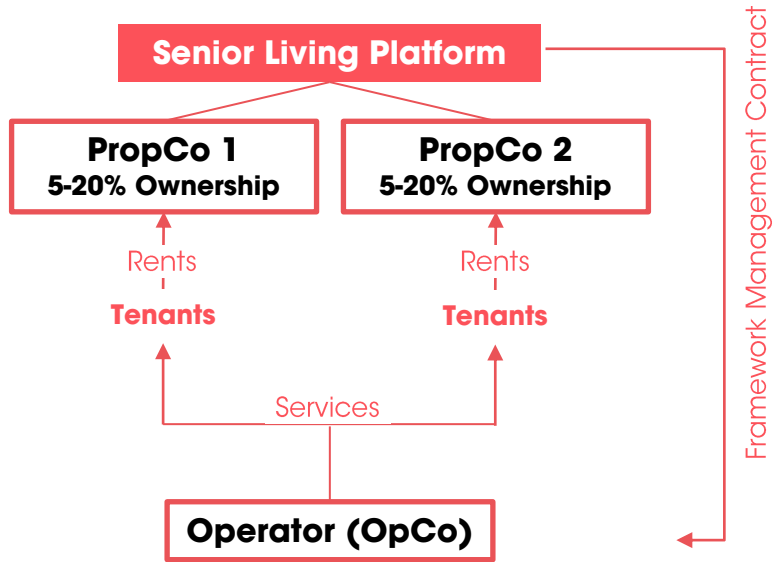


MAIN PRIORITY TO CRYSTALIZE VALUE OF EXISTING PORTFOLIO

Location	# Resi units	Status
Malaga	140	Closed
Madrid	146	Closed
Madrid	94	DD
Valencia	240	DD
Madrid	147	DD

Senior Living Investment Line





STRUCTURE



PLATFORM FOCUSED ON LIGHT CARE WITH WIDE RANGE OF SERVICES





BASIC SERVICES & FACILITIES

Basic services included in the total monthly rent of all assets

Admin & maintenance	24h front desk administration Weekly room cleaning service Property maintenance	
Security & safety	24h security Access control Proactive health protocols	
Digital network	Room phones connected to front desk Internet services Smart TV service	
Common areas & parking	Interior shared living spaces	

ORDINARY SERVICES & FACILITIES

Ordinary services some included in the rent and others with a minimum monthly variable cost depending on usage

SAR & nursing	SAR & nursing team Regular appointments, if needed	
Restaurant	Restaurant and catering services Room service tailored to specific needs	
Wellness	Adapted sport/fitness areas Swimming pool area	
Leisure	Recreational areas Cultural events and collaborations with local businesses	

TARGET RETURNS

IRR
+20%

PM
+2x

PIPELINE

Location	# units	Equity	Type
Madrid	240	50M	Urban
Madrid	150	20M	Urban

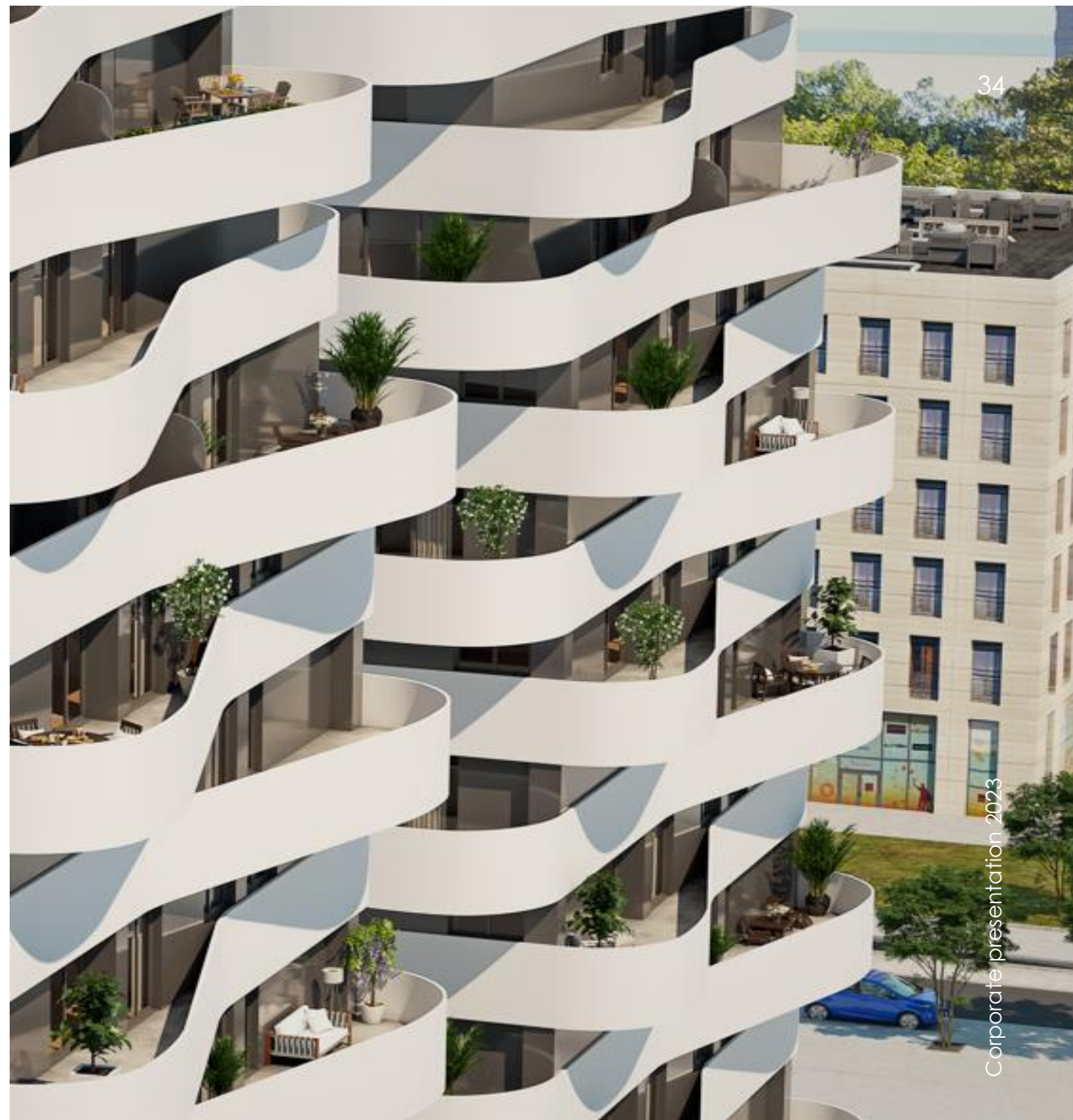
Location	# units	Equity	Type
Costa Sol	300	15M	Coast
Barcelona	280	13M	Urban





Key Takeaways

Leading the transformation of the Spanish Residential Sector



Leading the transformation of the Spanish Resi. sector

35

The 5Y Strategic Plan is built on expertise and track-record

01_Best-in-class execution in operations, financials and sustainability

02_Spanish Residential is positioning as the new "safe haven" for investors

Balance sheet optimization and further growth through co-investment

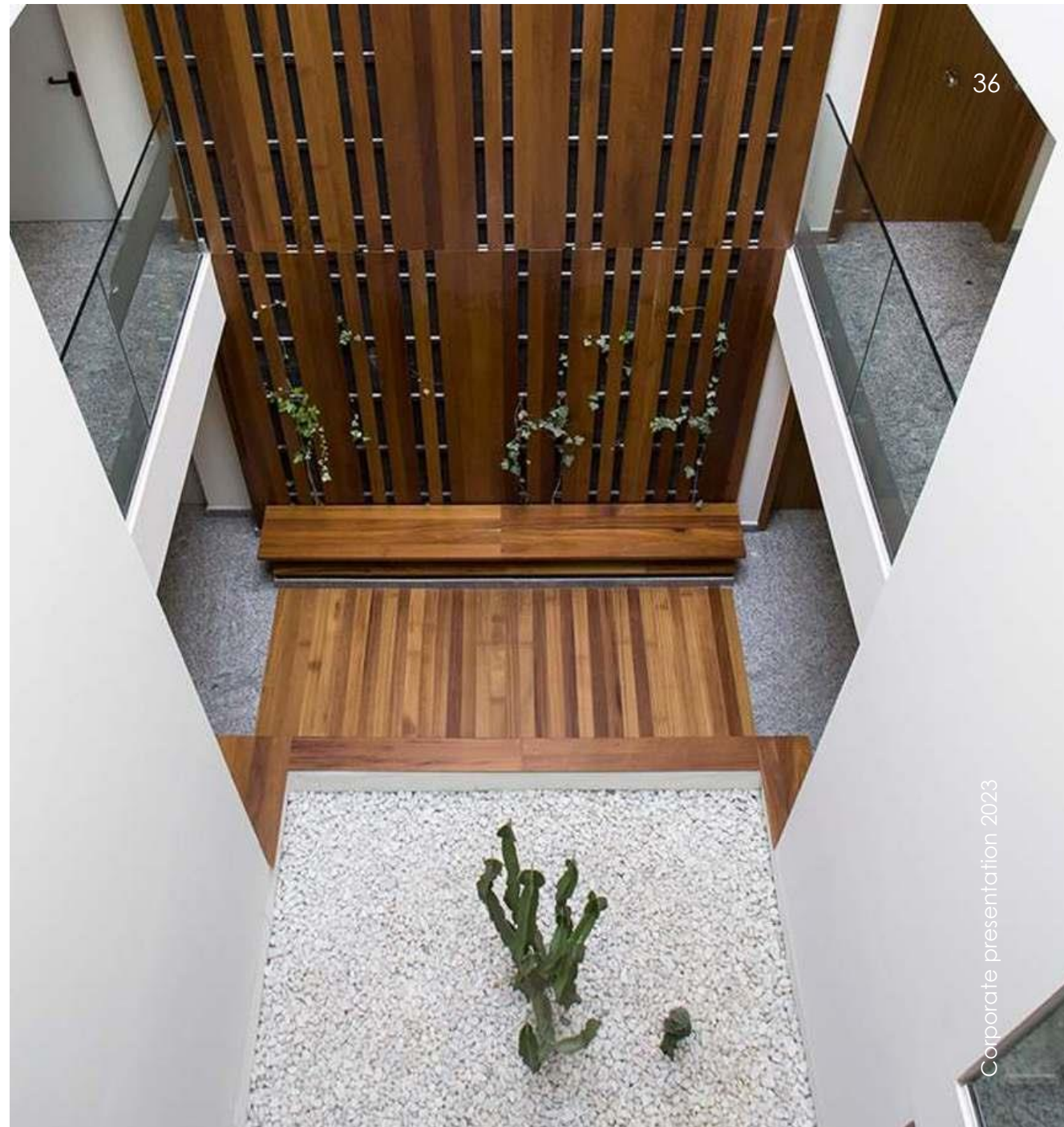
03_€600mn (€7.5/sh) 5Y Sh. Remuneration, out of which €450mn in the next 3Y

04_Business plan highly de-risked offering excellent FCF visibility

05_Co-investment strategy to further improve margins and ROE



Q&A Session



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