



# HALF-YEAR 2019 RESULTS PRESENTATION

Lisbon, September 30<sup>th</sup> 2019



## DISCLAIMER

This document has been prepared by Fundbox SGFI, S.A. ("Fundbox"), in representation of its managed fund NEXPONOR – Sociedade Especial de Investimento Imobiliário de Capital Fixo – SICAFI S.A. (the "Fund" or "Nexponor") exclusively for use during the presentation of the half-year 2019 results. As a consequence thereof, this document may not be disclosed or published, nor used by any other person or entity, for any other reason or purpose without the express and prior written consent of Nexponor. This document (i) may contain summarised information and be subject to amendments and supplements, and (ii) the information contained herein has not been verified, reviewed nor audited by any of the Fund's advisors or auditors. Except as required by applicable law, Nexponor does not undertake any obligation to publicly update or revise any of the information contained in this document. Consequently, the Fund does not assume liability for this document if it is used for a purpose other than the above. No express or implied representation, warranty or undertaking is made as to, and no reliance shall be placed on, the accuracy, completeness or correctness of the information or the opinions or statements expressed herein. Neither the Fund nor its directors, or advisors assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this document or its contents. Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement. This document has an informative nature and does not constitute, nor must it be interpreted as, an offer to sell, or buy any share issued by Nexponor, nor a solicitation of any kind by Nexponor. Distribution of this document in certain jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. Moreover, the recipients of this document are invited and advised to consult the public information disclosed by Nexponor on Fundbox website ([www.fundbox.pt](http://www.fundbox.pt)) as well as on the Portuguese Securities Exchange Commission's website ([www.cmvm.pt](http://www.cmvm.pt)). In particular, the contents of this presentation shall be read and understood in light of the financial information disclosed by Nexponor, through such means, which prevail in regard to any data presented in this document. By attending the meeting where this presentation is made and reading this document, you agree to be bound by the foregoing restrictions.

## FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. All the statements herein which are not historical facts, including, but not limited to, statements expressing our current opinion or, as applicable, those of our directors regarding the financial performance, the business strategy, the management plans and objectives concerning future operations and investments are forward-looking statements. Statements that include the words "expects", "estimates", "foresees", "predicts", "intends", "plans", "believes", "anticipates", "will", "targets", "may", "would", "could", "continues" and similar statements of a future or forward-looking nature identify forward-looking statements. All forward-looking statements included herein involve known and unknown risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results, performance or achievements to differ materially from those indicated in these statements. Any forward-looking statements in this document reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the results of our operations, growth strategy and liquidity, and the wider environment (specifically, market developments, investment opportunities and regulatory conditions). Although Nexponor believes that the assumptions beyond such forward-looking statements are reasonable when made, any third parties are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Nexponor, what could cause the models, objectives, plans, estimates and/or projections to be materially reviewed and/or actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Forward-looking statements (in particular, the objectives, estimates and projections as well as the corresponding assumptions) do neither represent a commitment regarding the models and plans to be implemented, nor are they guarantees of future performance, nor have they been reviewed by the auditors of Nexponor. You are cautioned not to place undue reliance on the forward-looking statements herein. All forward-looking statements included herein speak only as at the date of this presentation. Except as required by applicable law, Nexponor does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

HALF-YEAR 2019  
RESULTS  
PRESENTATION

## CONTENTS

01.

KEY HIGHLIGHTS

02.

TENANT's RELATIONS

03.

FINANCIAL & OPERATIONAL  
PERFORMANCE

04.

2019 YEAR END OUTLOOK



# 01

## KEY HIGHLIGHTS

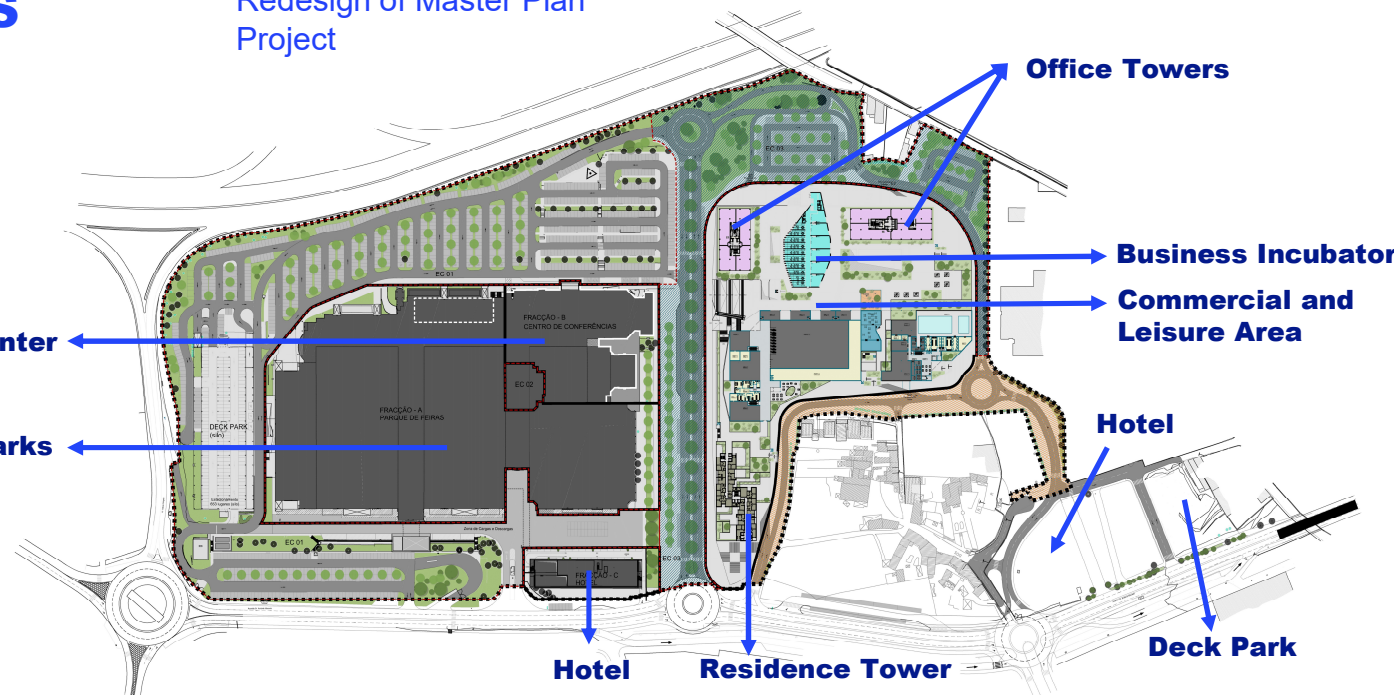
## KEY HIGHLIGHTS



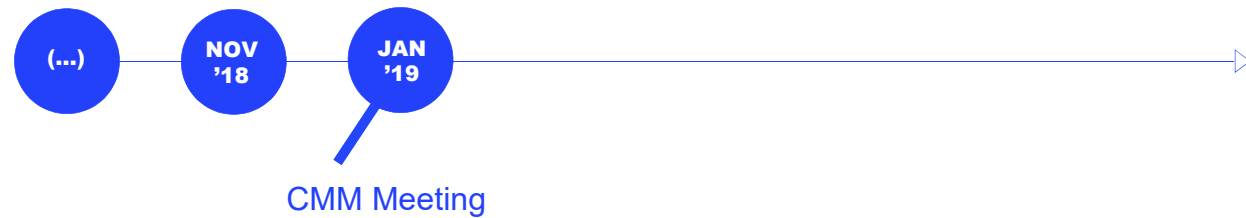
Redesign of Master Plan  
Project

**Conference Center**

**Exhibition Parks**



## KEY HIGHLIGHTS



- POLITICAL ACCEPTANCE OF ALL FEATURES INCLUDED IN THE MASTERPLAN
- NEXT STEPS:
  - PRESENT NEW PIP
  - REVIEW TRAFFIC STUDY
  - ENVIRONMENTAL IMPACT STUDY

## KEY HIGHLIGHTS

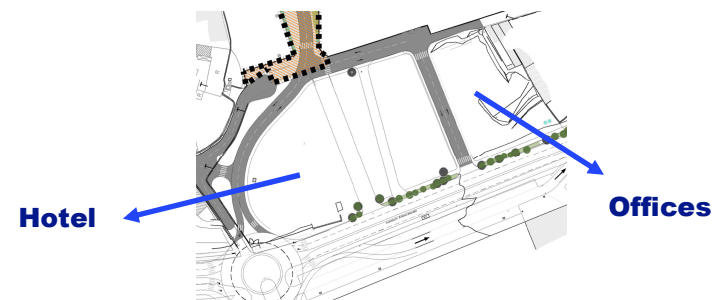


- NEW MASTER PLAN PIP PRESENTED TO CMM ON MARCH 21<sup>st</sup>
- NEW TRAFFIC STUDY INCLUDED IN PIP

## KEY HIGHLIGHTS



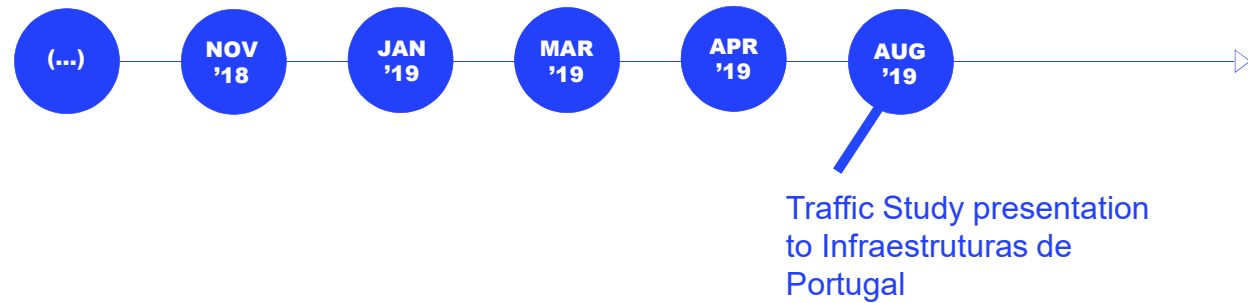
- REPLACE AUTO DECK BUILDING BY AN OFFICE BUILDING



- ADJUSTMENTS ON INITIAL TRAFFIC STUDY
- NO NEED FOR ENVIRONMENTAL IMPACT STUDY

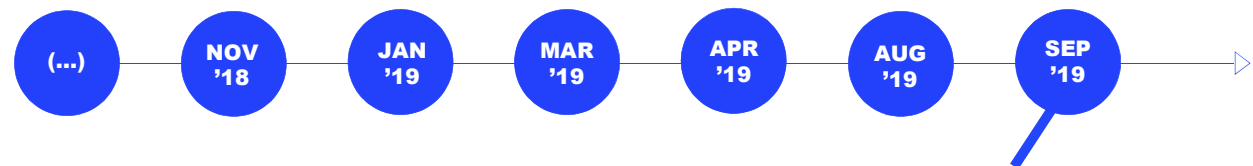


## KEY HIGHLIGHTS



- NEW TRAFFIC STUDY PRESENTED IN HAND ON AUGUST 23<sup>rd</sup>
- CMM DOES NOT GIVE ITS OPINION BEFORE HAVING INFRAESTRUTURAS DE PORTUGAL'S OPINION

## KEY HIGHLIGHTS



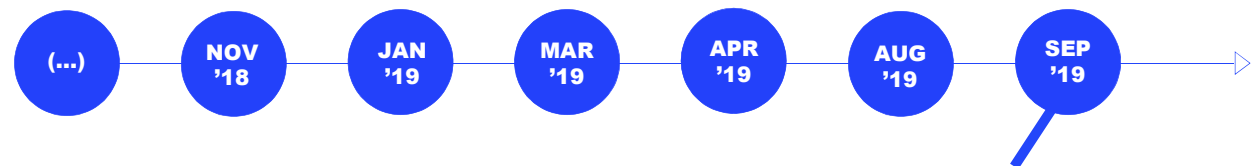
LOI from Super 8  
Exclusive Developer  
for Portugal



## KEY HIGHLIGHTS

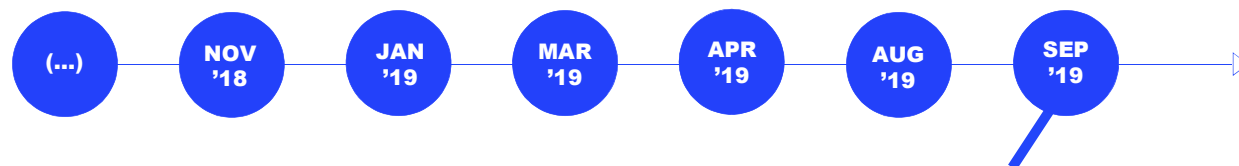
### WYNDHAM HOTEL GROUP

- Over 7,800 Hotels
- Over 678,000 Rooms
- 72 Countries
- 16 Diverse Hotel Brands

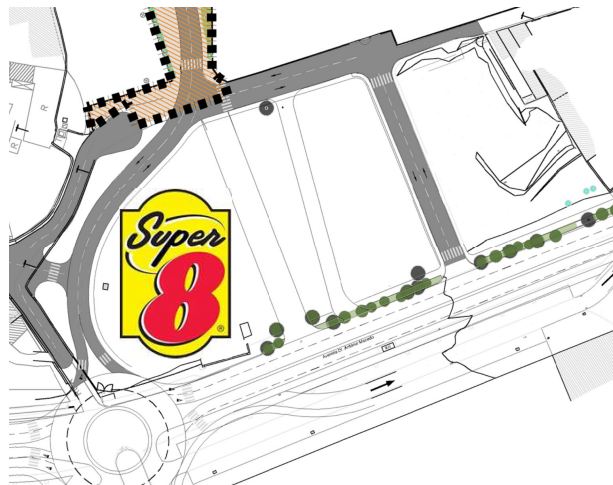


## KEY HIGHLIGHTS

**WYNDHAM**  
HOTEL GROUP



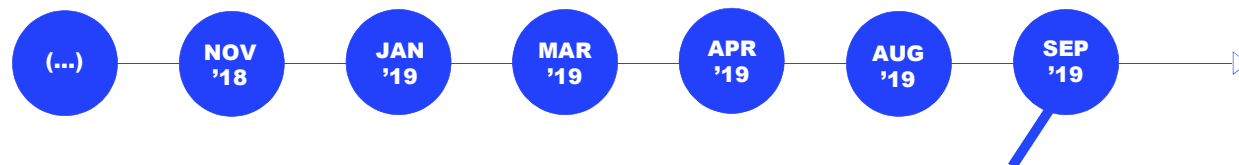
LOI from Super 8  
Exclusive Developer  
for Portugal



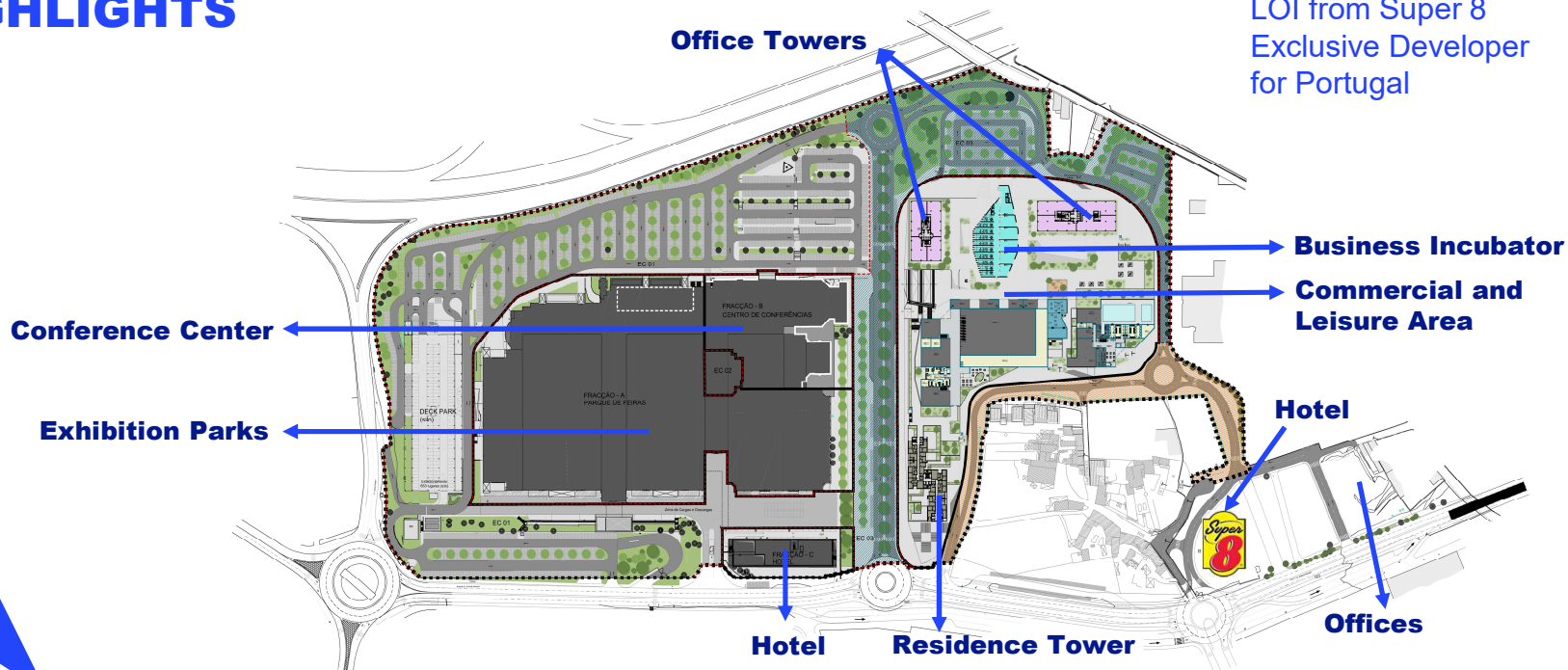
Construction Gross Area	3.410,00 m2
Construction Gross Area (by floor)	677,50 m2
Floors	5
Area	3.410,00 m2
Construction Index	1
Number of Rooms	100



## KEY HIGHLIGHTS



LOI from Super 8  
Exclusive Developer  
for Portugal



# 02

## TENANT'S RELATIONS

## / Exponor – Fiporto Injunction

<b>DATE</b>	July 2018
<b>SUBJECT</b>	Maintenance Expenses carried out between 2014 and 2015
<b>AMOUNT</b>	€ 175.496,46 plus Court Fee & Late Payment Interest, summing € 216.129,59 (until June 2018)
<b>NEXPONOR's RESPONSE</b>	The Fund never accepted the invoices and therefore does not recognise the debt + Made a Counterclaim requesting the payment of unduly paid invoices of € 145.991,72 plus Late Payment Interest
<b>STATUS</b>	<ul style="list-style-type: none"> <li>• Both Nexponor and Fiporto showed no interest in reaching an agreement.</li> <li>• The Injunction became a Court Action</li> <li>• Nexponor requested an expert's report of the expenses claimed by the Tenant</li> <li>• Nexponor is expecting the expert's report</li> </ul>

## /

### Exponor – Fiporto Declaratory Process

<b>DATE</b>	February 2019
<b>SUBJECT</b>	Infiltrations and poor operational conditions in the Conference Center
<b>CLAIM</b>	<ul style="list-style-type: none"> <li>(i) Repair the infiltrations</li> <li>(ii) Rent proportional reduction, since January 2016 until the infiltrations are repaired</li> <li>(iii) Pay the amount of € 383.119,17 of rent reduction plus the amount charged until the infiltrations are repaired</li> <li>(iv) Property damages of € 38.695,06 plus Non-Property damages of € 50.000,00 plus Late Interest</li> </ul>
<b>NEXPONOR's RESPONSE</b>	<ul style="list-style-type: none"> <li>• Nexponor requested the procedural intervention of both AEP and APEN: already granted by the Court</li> <li>• Nexponor also requested this Declaratory Process to be dismissed but, should the Court not agree, Nexponor has applied for a counterclaim seeking the reduction of the lease contract by excluding the Conference Center</li> </ul>
<b>STATUS</b>	<ul style="list-style-type: none"> <li>• The Court requested Nexponor to assign a value on this counterclaim</li> </ul>



## /

# Nexponor Declaratory Process

## /



DATE	January 2019
SUBJECT	Bank Guarantee
CLAIM	Comply with the terms defined in clause 15 of the Lease Contract
STATUS	<ul style="list-style-type: none"><li>• Exponor-Fiporto presented two Bank Guarantees that did not comply with the terms defined in the lease contract</li><li>• By the Court decision, Exponor-Fiporto was forced to replace both Bank Guarantees</li><li>• Exponor-Fiport has presented copies of two new Bank Guarantees, but one had Nexponor misspelled</li></ul>

## / Pavillion 6

<b>DATE</b>	December 2018
<b>SUBJECT</b>	Pavillion's 6 safety conditions
<b>CLAIM</b>	Assess both safety risk and business continuity
<b>STATUS</b>	<ul style="list-style-type: none"><li>• Nexponor selected an independent expert to get a fairness opinion</li><li>• The independent expert requested specific information</li><li>• Nexponor requested that information to Tenant which is yet to provide it</li></ul>

## /

### Tenant's Accounts

## /

<b>DATE</b>	April 2019
<b>SUBJECT</b>	Audit Tenant's 2018 accounts
<b>STATUS</b>	<ul style="list-style-type: none"><li>• Change in the information provided by the Tenant regarding its 2018 revenues used to calculate the percentage remuneration led Nexponor to select an independent auditor to audit Tenant's 2018 accounts</li><li>• Audit was carried out between May and June 2019</li><li>• Conclusions:<ul style="list-style-type: none"><li>➤ Given the information provided by the Tenant, there would be no percentage remuneration to be paid</li><li>➤ However, poor accounting procedures led auditors to find significant limitations that could lead to different conclusions</li></ul></li><li>• Nexponor presented audit conclusions to Tenant and requested clarification</li></ul>

# 03

## **FINANCIAL & OPERATIONAL PERFORMANCE**



## 1H19 FINANCIAL AND OPERATIONAL PERFORMANCE

INCREASE IN 1H2019 RESULTS  
DUE TO THE DECREASE OF  
ES&S COSTS

Net Result increased 219% to € 160.01 thousand backed on the 26% decrease in recurring costs, particularly on External Services and Supplies (ES&S)

### FINANCIAL INDICATORS

(€ THOUSANDS)

	1H18	1H19	Δ%
RECURRING REVENUES	559.90	566.17	+ 1.1 %
RECURRING COSTS	414.16	307.19	- 25.8 %
RECURRING EBITDA	145.74	258.98	+ 77.7 %
NET RESULT	50.17	160.01	+ 219.0 %

## /

# 1H19 RECURRING REVENUES



REAL ESTATE INCOME (RENTS)  
AMOUNTED TO € 566 THOUSAND

# 1.1%

### RENTAL INCOME INCREASE

due to rents update in accordance with lease agreement

## RECURRING REVENUES

(€ THOUSANDS)

	1H18	1H19	Δ%	Δ€
TOTAL	559.90	566.17	+ 1.1 %	+ 6.27
REAL ESTATE INCOME (Rents)	559.90	566.17	+ 1.1 %	+ 6.27
REAL ESTATE GAINS (assets revaluation)	0.00	0.00	-	0.00
FINANCIAL OPERATIONS GAINS	0.00	0.00	-	0.00

100.0%  
€566 thousand  
REAL ESTATE  
INCOME (Rents)



0.0%  
REAL ESTATE GAINS

0.0%  
FINANCIAL  
OPERATIONS GAINS

- REAL ESTATE INCOME (Rents)
- REAL ESTATE GAINS
- FINANCIAL OPERATIONS GAINS

## /

# 1H19 RECURRING COSTS



THE 42% DECREASE IN ES&S IS  
MAINLY EXPLAINED BY THE  
WORKS ON THE ROOF OF  
PAVILION 5 PERFORMED IN 2018

**€113.8** (THOUSANDS)

ES&S COSTS DECREASE

## RECURRING COSTS

(€ THOUSANDS)

	1H18	1H19	Δ%	Δ€
<b>TOTAL</b>	<b>414.16</b>	<b>307.19</b>	<b>- 25.8 %</b>	<b>- 107.0</b>
COMISSIONS & FEES	142.48	149.35	+ 4.8 %	+ 6.9
REAL ESTATE LOSSES	0.00	0.00	-	0.0
FINANCIAL OPERATIONS COSTS	0.00	0.00	-	0.0
EXTERNAL SERVICES & SUPPLIES	271.68	157.84	- 41.9 %	- 113.8

**51,4%**

€158 thousand  
EXTERNAL SERVICES  
& SUPPLIES

**0.0%**

REAL ESTATE LOSSES



**48,6%**

€149 thousand  
COMISSIONS & FEES

**0.0%**

FINANCIAL  
OPERATIONS COSTS

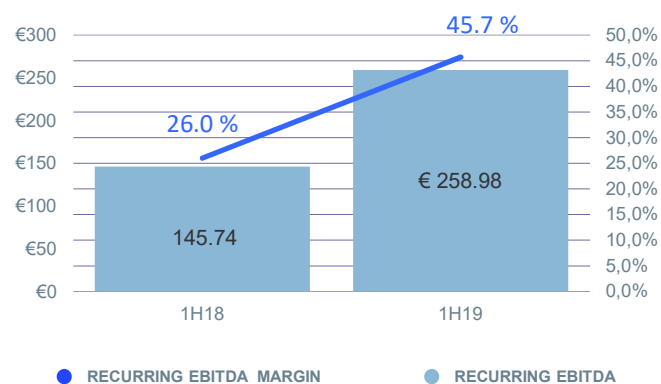
● EXTERNAL SERVICES & SUPPLIES  
● REAL ESTATE COSTS

● COMISSIONS & FEES  
● FINANCIAL OPERATIONS GAINS

## 1H19 RECURRING EBITDA

DECREASE IN ES&S LED TO A  
SIGNIFICANT IMPROVEMENT IN  
BOTH RECURRING EBITDA AND  
EBITDA MARGIN

(€ THOUSANDS / %)	1H18	1H19
RECURRING EBITDA	145.74	258.98
EBITDA MARGIN	26.0 %	45.7 %





# 1H19 CASH FLOW

DESPITE AN IMPROVEMENT ON LIQUIDITY ON A YOY BASIS, PAYMENTS RELATED TO THE MASTERPLAN'S REDESIGN IN 2H2018 PENALISED LIQUIDITY

CASH FLOW (€ THOUSANDS)	1H18	1H19
FROM REAL ESTATE ACTIVITIES:	269.02	403.36
Real estate income	559.90	566.17
FS&S in real estate assets	- 168.69	- 93.18
Other payments related to real estate assets	- 122.18	- 69.64
FROM INVESTING ACTIVITIES:	-	-
Shares subscriptions	-	-
Shares redemptions	-	-
FROM OPERATING ACTIVITIES:	- 244.14	- 250.92
Deposits interests	0.16	-
Other receivables	3.67	-
Commissions & fees	- 138.75	- 137.28
Taxes	- 23.42	- 31.28
Other payments	- 85.80	- 82.35
NET CHANGE IN CASH	+ 24.88	+ 152.44
CASH AT THE BEGINNING OF PERIOD	925.20	635.04
CASH AT THE END OF PERIOD	950.08	787.48

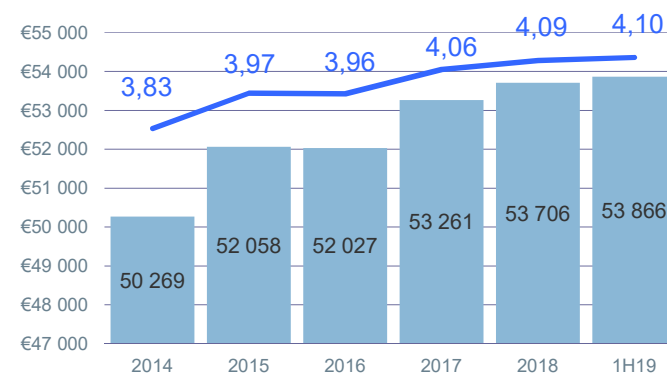
# /

## 1H19 NAV & VALUE PER SHARE

SUSTAINABLE  
VALUE PER SHARE  
GROWTH

NAV & VALUE PER SHARE	'14	'15	'16	'17	'18	'1H19
(€ THOUSANDS) / (€ EURO)						
NET ASSET VALUE	50 269	52 058	52 027	53 261	53 706	53 866
VALUE PER SHARE	3.83	3.97	3.96	4.06	4.09	4.10

● NET ASSET VALUES  
● VALUE PER SHARE



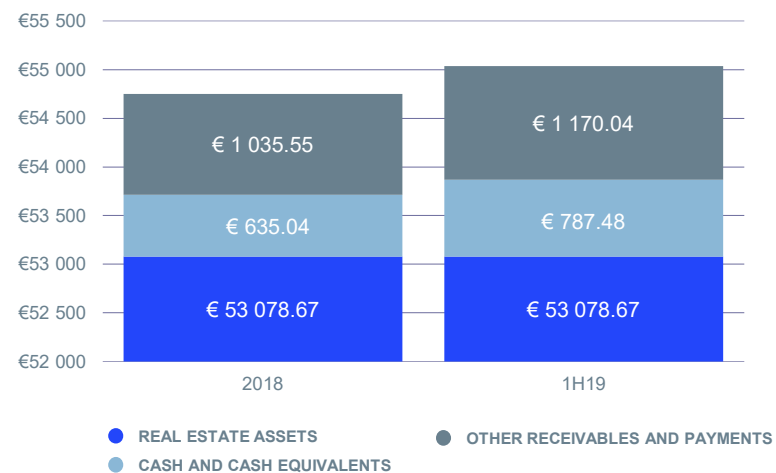
## 1H19 BALANCE SHEET

ASSETS GREW AS CASH AND CASH EQUIVALENTS AS WELL OTHER RECEIVABLES AND PREPAYMENTS INCREASED

### ASSETS

(€ THOUSANDS)

	'18	1H19
<b>TOTAL ASSETS:</b>	<b>54 749</b>	<b>55 036</b>
Real estate assets	53 079	53 079
Cash and cash equivalents	1 635	1 787
Financial assets at fair value through profit or loss	-	-
Other receivables and prepayments	1 036	1 170



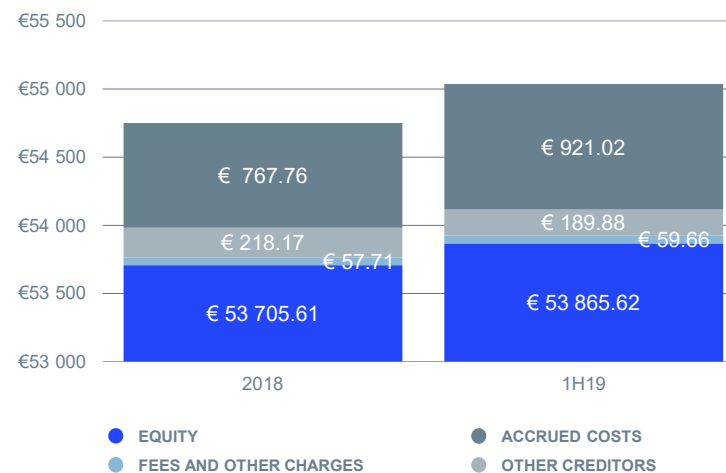
## 1H19 BALANCE SHEET

LIABILITIES GREW MAINLY DUE TO ACCRUED COSTS INCREASE

### LIABILITIES & EQUITY

(€ THOUSANDS)

	'18	1H19
<b>TOTAL EQUITY:</b>	<b>53 706</b>	<b>53 866</b>
<b>TOTAL LIABILITIES:</b>	<b>1 044</b>	<b>1 171</b>
Fees and other charges	58	60
Other creditors	218	190
Accrued costs	768	921
<b>TOTAL EQUITY &amp; LIABILITIES:</b>	<b>54 749</b>	<b>55 036</b>



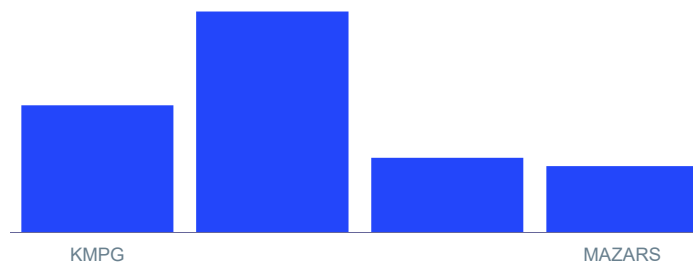
## AUDITOR's REPORT

- BOTH FY2018 AND 1H2019 AUDITOR's REPORT REFER A RESERVE REGARDING NEXPONOR's REAL ESTATE ASSETS
- ACCORDING TO THE AUDITOR's VALUATION, NEXPONOR's REAL ESTATE ASSETS ARE OVERVALUED BY, AT LEAST, € 21.525.600
- DESPITE SEVERAL REQUESTS, NO CLARIFICATIONS NOR EXPLANATIONS WERE PROVIDED TO EITHER NEXPONOR's MANAGEMENT OR NEXPONOR's AUDIT COMMITTEE
- FORMAL COMPLAINTS WERE MADE TO BOTH OROC AND KPMG INTERNATIONAL
- SINCE REAL ESTATE ASSETS REVALUATIONS WERE PERFORMED BY INDEPENDENT REAL ESTATE APPRAISERS, REGISTERED IN CMVM AND COMPLYING WITH THE LEGISLATION, NEXPONOR's MANAGEMENT MAINTAINED THESE VALUES IN BOTH FY2018 AND 1H2019 ACCOUNTS



## AUDITOR's DESIGNATION

- AUDITOR's MANDATE ENDED DECEMBER 31<sup>ST</sup> 2018
- NEXPONOR's MANAGEMENT INVITED FIVE AUDIT FIRMS TO PRESENT PROPOSALS FOR AUDITING NEXPONOR's ACCOUNTS
- GIVEN THE PRICES OF EACH PROPOSAL, SERVICE WAS AWARDED TO MAZARS

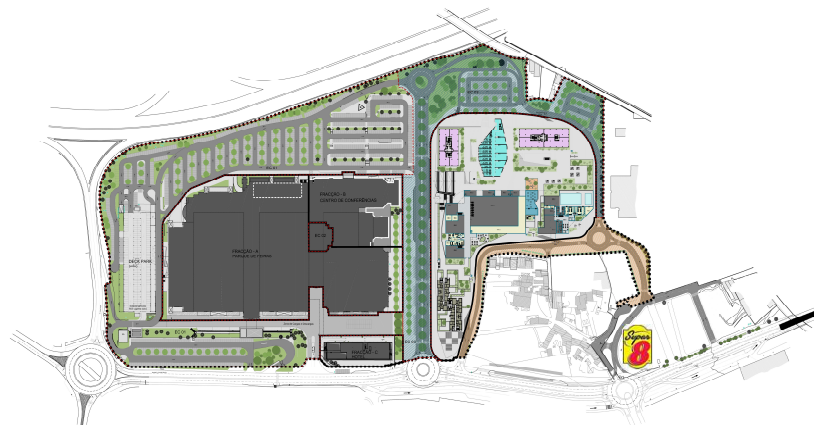


# 04

**2019 Outlook**

## 2019 YEAR END OUTLOOK

- **PRESENT REVIEWED MASTERPLAN PIP TO CMM**
- **MASTERPLAN's APPROVAL AND IMPLEMENTATION**
- **SIGNING LEASE AGREEMENT WITH SUPER 8 EXCLUSIVE DEVELOPER FOR PORTUGAL**



- **SMALL GROWTH IN REVENUES**
- **RECURRING EBITDA GROWTH**
- **SUSTAINABLE VALUE PER SHARE GROWTH**

## CONTACTS

HEADQUARTERS (LISBOA):  
AVENIDA ENGENHEIRO DUARTE PACHECO  
TORRE 1 – 15º ANDAR, SALA 2  
1070-101 LISBOA,  
PORTUGAL

TELF: (+351) 213 103 620  
FAX: (+351) 213 103 629  
EMAIL: [FUNDBOX@FUNDBOX.PT](mailto:FUNDBOX@FUNDBOX.PT)

[WWW.NEXPONOR.PT](http://WWW.NEXPONOR.PT)  
[WWW.FUNDBOX.PT](http://WWW.FUNDBOX.PT)

BRANCH (PORTO):  
LARGO TOMÉ PIRES, 27  
4150-731 PORTO,  
PORTUGAL

TELF: (+351) 226 156 120  
FAX: (+351) 226 156 129  
EMAIL: [FUNDBOX@FUNDBOX.PT](mailto:FUNDBOX@FUNDBOX.PT)

Sociedade Gestora:

 **FundBox** SGFI