

metrovacesa

Residencial Nereidas  
(Torremolinos, Málaga)

# Results 1H2021

July 27<sup>th</sup>, 2021



# Disclaimer

This Presentation neither constitutes nor forms part of any offer for sale or invitation to purchase or subscribe for, or request for an offer of purchase or subscription, of the shares belonging to Metrovacesa, SA ("Metrovacesa"). This Presentation, as well as the information included therein, neither constitutes nor forms part of (i) any contract or commitment of purchase or subscription of shares in accordance with the Securities Market Law, or (ii) an offer of purchase, sale or exchange of shares, or a solicitation of any type of voting rights in the jurisdiction of Spain, UK, USA or any other. "Presentation" refers to this document and any part or content of this document; any oral presentation, brainstorming session and written or audio material processed or distributed during the meeting related to the Presentation or in any way associated with the Presentation. The Presentation and the information contained in the Presentation may not be reproduced, used, distributed or published, in whole or in part, in any case, except with regard to the information extracted from the Presentation and used for the preparation of analysts' reports in accordance with the applicable regulations. The breach of this obligation may result in a violation of the legislation applying to the securities market and this may lead to civil, administrative or criminal liability. In addition to information related to historical facts, this Presentation may contain forward-looking statements relative to Metrovacesa's sales and results and to other issues such as industry, business strategy, goals and expectations concerning its market position, future operations, margins, profitability, capital investment, own resources and other operational and financial information. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements that are not about historical facts. The terms "foresee", "expect", "anticipate", "estimate", "consider", "may" and other similar expressions may identify forward-looking statements. Other forward-looking statements can be identified based on their context. Forward-looking statements are based on numerous hypotheses and assumptions relating to Metrovacesa's present and future business strategy, as well as the environment in which Metrovacesa expects to operate in the future. Forward-looking statements include and involve known and unknown risks, uncertainties and other material factors that may affect the actual results and performance of Metrovacesa or the industry. Therefore, the result and the actual performance may differ materially from those expressed or implied in these statements. None of the forward-looking statements, expectations, or perspectives included in this Presentation should be construed as a prediction or a promise. Neither should it be understood that the forward-looking statements involve any demonstration, promise or warranty whatsoever of the accuracy or completeness of the assumptions or hypotheses which such forward-looking statements, expectations, estimates or forecasts are based on, or, in the case of the assumptions, their full inclusion in the Presentation. Numerous factors may cause Metrovacesa's results or actual performance to be materially different from any future results or performance expressly or implicitly included in any of the aforementioned forward-looking statements. In the event that one or several of the aforementioned risks or uncertainties were to materialise, or in the event that the assumptions prove incorrect, actual results may be materially different from those described, anticipated, expected or projected in the Presentation. Therefore, the recipient of this presentation should not unduly rely on these forward-looking statements and their ability to predict future outcomes. Present and future analysts, securities brokers and investors must operate based on their own judgement as to the suitability and adequacy of the securities in terms of the achievement of their particular goals, having taken into consideration what is specified in this notice and the public information available and having received all the professional advice, or of any other type, deemed necessary or merely convenient in these circumstances, without having relied solely on the information contained in the Presentation. The dissemination of this Presentation does not constitute advice or recommendation by Metrovacesa to buy, sell or trade with Metrovacesa shares, or with any other security. Analysts, securities brokers and investors should take into account that the estimates, projections and forecasts do not guarantee the performance, result, prices, margins, exchange rates and other facts relating to Metrovacesa, which are subject to risks, uncertainties or other variables that are not within Metrovacesa's control, in such a way that the future results and the actual performance could be materially different to that anticipated, projected and estimated. The information contained in this Presentation which is not intended to be all-inclusive, has not been verified by an independent third party and shall not be updated. The information of the Presentation, including the forward-looking statements, refers to the date of this document and does not imply any guarantee for future results. Metrovacesa expressly disclaims any obligation or undertaking to disseminate any updates or revisions of the information, including financial data and forward-looking statements. In this regard, Metrovacesa shall not publicly distribute any revision that may affect the information contained in the Presentation that is derived from changes in expectations, facts, conditions or circumstances on which is based the forward-looking statements, or any other change that occurred on the date of the Presentation or after this date. The data relating to the industry, the market and the competitive position of Metrovacesa contained in this Presentation that are not attributable to a specific source have been extracted from the analyses or estimates made by Metrovacesa and have not been independently verified. In addition, the Presentation may include information related to other companies operating in the same sector and industry. This information comes from public sources and Metrovacesa provides no express or implied representation or warranty, nor assumes any responsibility for the accuracy, completeness or verification of the aforementioned data. Certain statistical and financial information contained in the Presentation are subject to rounding adjustment. Therefore, any discrepancy between the total and the sum of the amounts reflected is due to this rounding off. Some of the indicators of financial and operational management included in this Presentation have not been subjected to a financial audit or verification by an independent third party. In addition, certain figures of the Presentation, which have not been subject to financial audit either, are pro forma figures. Metrovacesa and its employees, executives, directors, advisors, representatives, agents or affiliates assume no liability (for fault or negligence, direct or indirect, tort or contract) for damages that may arise from the use of this Presentation or its content or that, in any case, are related to this Presentation. The information contained in this Presentation does not constitute legal, accounting, regulatory, tax, financial or any other type of advice. The aforementioned information has not been prepared taking into consideration the needs or particular situations nor the investment, legal, accounting, regulatory, tax, or financial goals of the recipients of the information. Solely recipients shall be responsible for forming their own judgment and reaching their own opinions and conclusions with respect to these matters and the market, as well as for making an independent assessment of the information. Solely recipients shall be responsible for seeking independent professional advice in connection with the information contained in the Presentation and any action taken based on such information. No one takes responsibility for the information or for any actions taken by any recipient or any of its directors, executives, employees, agents or associates on the basis of the aforementioned information. Neither this presentation nor any part thereof are contractual in nature, and may not be used to form part of or constitute any kind of agreement. Upon receipt of or attendance to the Presentation, the recipient declares its conformity and, therefore, to be subject to the restrictions specified in the preceding paragraphs.

# Agenda

Table of Contents

---

1. Highlights
  2. Business Update
  3. Financial Overview
  4. Closing Remarks
- Appendices



Today's Presenters



Jorge Pérez de Leza  
CEO



Borja Tejada  
CFO



Juan Carlos Calvo  
Strategy & IR

metrovacesa

Novolírez (Pontevedra, Galicia)

# 1. Highlights



# Highlights

---

## Continued recovery in housing demand

New record quarter in pre-sales: 1H already close to FY20

## New Build to Rent agreement for 206 units

Deal signed with AEW in Valencia confirms interest outside Madrid


## Stepping-up on our operating plans

On track to meet full-year targets and now intensifying volume of new launches and construction starts due to improved market conditions

## 2. Business Update



# Key operational data as of June 2021

Active projects	Construction	Deliveries / Sales	Land portfolio	Financials
 <p>Sales Backlog <sup>(1)</sup></p> <p><b>2,878</b> Sold units    <b>€846m</b>  <b>€294</b> k/unit ASP <sup>(2)</sup></p> <p><b>5,221</b> units and  <b>98</b> developments under  commercialization</p> <p><b>€301</b> k/unit ASP <sup>(2)</sup></p> <p><b>7,216</b> active units  <b>134</b> active developments</p>	 <p><b>3,620</b> units in  construction  or completed</p> <p><b>70</b> developments  in construction  or completed</p>	 <p><b>645</b> units  delivered</p> <p><b>€271</b> k/unit ASP <sup>(2)</sup></p> <p><b>956</b> units  pre-sold <sup>(3)</sup></p> <p><b>€288</b> k/unit ASP <sup>(2)</sup></p>	 <p><b>€12.4m</b>  Land Sales</p> <p><b>+ €17.2m</b> in private  contract</p> <p><b>c.33,600</b>  buildable units <sup>(4)</sup></p> <p><b>83%</b> <sup>(5)</sup>  Fully permitted</p>	 <p><b>€259m</b>  Total cash</p> <p><b>€219m</b>  Net debt</p> <p><b>8%</b> LTV ratio</p> <p><b>€16.05</b>  NAV per share</p>

Notes:

(1) Defined as cumulative pre-sales (reservations + contracts) minus deliveries

(2) Average Selling Price

(3) Pre-sales in the period, net of cancellations

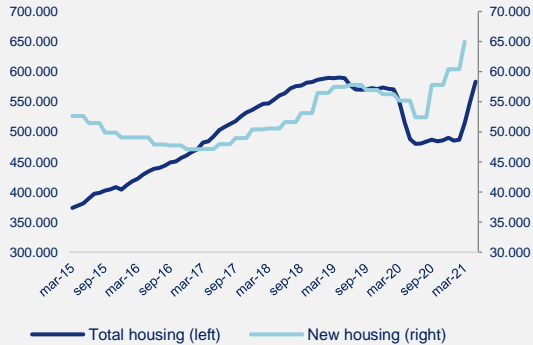
(4) Estimated number of units may vary in time depending on the type of projects and maximum buildability

(5) Calculated on June 2021 appraisal values

# Spanish Market Dynamics: visible recovery in housing demand

## Demand: housing transactions, accum. 12M (# units)

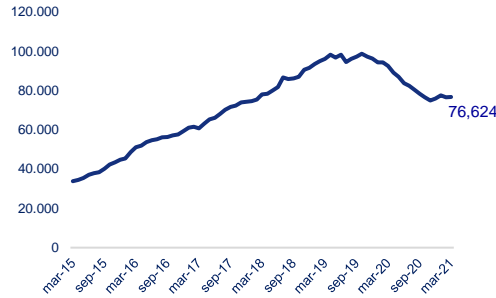
Source: MITMA and Notaries



- Confirmation of recovery in housing demand, specially in new housing
- Key demand drivers: savings rate during the pandemic, favorable mortgage terms, changes in buyers' preferences

## Supply: construction starts, accum. 12M (# units)

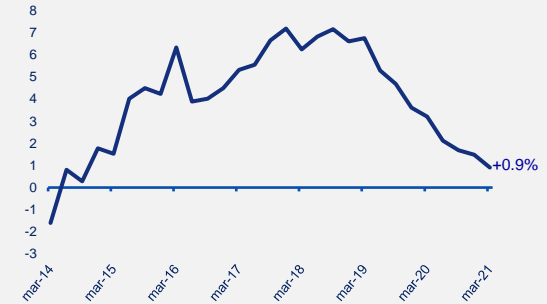
Source: MITMA



- New construction starts remains below pre-Covid levels
- Key restrictions for developers: tougher access to financing, scarcity of quality land

## House prices (% Y/Y change)

Source: INE



- A more balanced market, leading to moderation in house price increases
- We expect a moderate house price appreciation. Rises near inflation in areas with limited supply

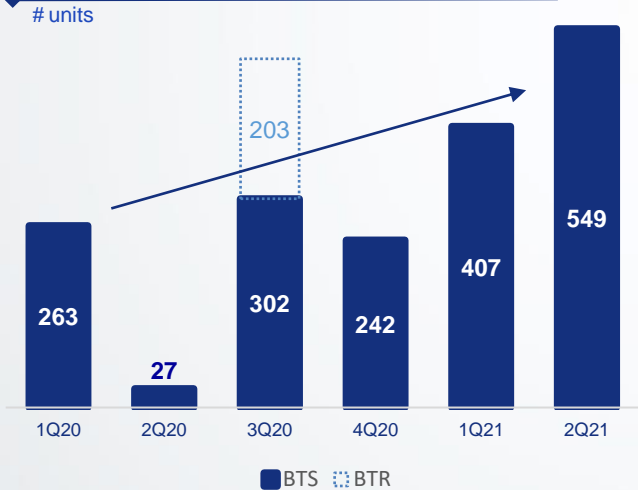
## Gross margins

- Unchanged view on the outlook for margins in coming years. For MVC: gross margin in low-20's %
- Construction costs:
  - Risk on rising commodity prices and, potentially, labour costs
  - So far, no impact on margins based on recent contract bidding, and smooth execution of work in progress
  - Final impact should be moderate, depending on the volume of new construction and HPA



# Residential pre-sales: capturing the recovery in demand

## MVC's pre-sales by quarter <sup>(1)</sup>

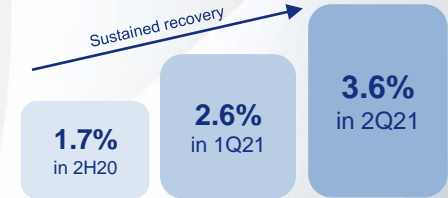


A record quarter:  
**549 units**  
sold in 2Q

A record semester:  
**956 units**  
sold in 1H

- 1H21 presales (956 units) is 3x larger than 1H20, and already close to FY20 figure (1,037)
- Monthly absorption ratio of 3.6%<sup>(2)</sup>, reflecting a sustained recovery in demand
- Demand in Costa del Sol is rising (+50% in 2Q vs 1Q), still below its full potential

## Absorption ratios, monthly avg (%)<sup>(2)</sup>



## Favourable changes in buyers' preferences

- Preference for suburbs vs city centre
  - Preference for larger size units, and for single-homes
  - Access to terraces, open spaces and common areas
- These changes are favourable for new housing vs used, and are likely to stay beyond the pandemic

## Innovating in our sales processes

- Fully-digital commercialization, reservation and contractual process. Use of Big-data analytics in the entire process
- Revamping of MVC's point of sale offices
- Agreement with El Corte Inglés to implement point-of-sale corners in several department stores
- Internal salesforce implemented in 13% of our developments, with improved sales rate



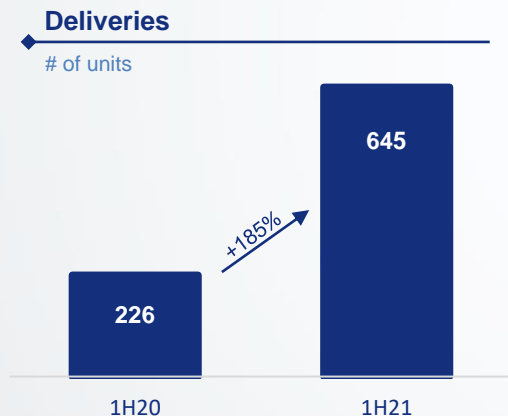
Point of sale in one El Corte Inglés centre

### Notes:

(1) 2Q21 presales figure does not include the new BTR agreement, signed in July

(2) Monthly net presales divided by total units in commercialisation (ex BTR), both sold or unsold

# Deliveries: 645 units in 1H, with a higher ASP and higher margins



More deliveries

- **645 units in 1H:** +185% yoy
- 349 units in 2Q vs 296 units in 1Q

Higher unit prices

- **ASP of €307k in 2Q** deliveries
- Up from €229k in 1Q

More revenues

- **€107m revenues in 1H:** +124% yoy
- Main locations: Málaga (184 units), Cádiz (107), Madrid (72), Seville (67)

Higher margin

- **21.5% gross margin in 2Q**
- Up from 14% in 1Q21 or 16% in 1H20

Well on track to meet 2021 target deliveries

- **Minimum target is already 100% covered** with existing pre-sales in finished projects
  - Target range: 1,300 to 1,700 deliveries in 2021
  - 50% is already delivered in 1H<sup>(1)</sup>; +60% by late July
  - +700 units with construction finished and already pre-sold
- **Room to exceed the low-end**
  - 488 units available for sale in recently completed projects, 68% in coastal areas. An opportunity to capture demand, specially from foreign buyers
  - +800 units expected to finish construction in 2H



**Nereidas (Torremolinos, Málaga):**

- ✓ 104 units
- ✓ ASP +€650k
- ✓ 94% sold
- ✓ Now under delivery

Notes:

(1) Calculated on the low range

# New Build to Rent agreement: 206 units in Valencia

## Summary of the new transaction

- Signed **turnkey agreement** with AEW to deliver **2 buildings with 206 units in Valencia**, next to the iconic *City of Arts and Sciences*
  - Moreras Torre: a 21-floor tower with 155 apartments
  - A second 11-storey building with 51 apartments
- Construction works will commence shortly and **will be completed in 2023**
- Total **sale price close to €50m**
- This is the second BTR deal signed with AEW, after last year's 203 units in Mallorca
- Agreed in July: not included in the reported 2Q pre-sales or backlog

## Overall BTR activity: 19% of backlog

- So far, MVC has signed turnkey agreements on **7 BTR projects with a total of 702 units** with institutional buyers
  - The first project is already completed and delivered, in Madrid
  - Currently, **BTR is 19% of MVC's backlog** (pro-forma)
  - Locations: Madrid, Barcelona, Mallorca and Valencia
- In addition, several projects identified for future BTR transactions: some with construction already started (152 units), others to be started soon. With flexibility to change to BTS segment depending on demand trends
- MVC's approach on BTR is as a developer, not as an owner or operator, via forward-purchase agreements preserving margins



*Moreras Torre and Moreras F3 in Valencia (render)*

# Kickstart on Palmas Altas / Isla Natura

A good start on MVC's largest project

- **Palmas Altas**, now renamed as **Isla Natura**, is MVC's largest scale project: +2,000 residential units, 6% of total GAV
  - A whole new district in the South of Seville, with 67 hectares, designed with the highest sustainability and environment-friendly standards
  - With 248k sqm of residential space, 180k sqm of green areas and 66k sqm for education and sport facilities. Direct access to a new subway station
  - Land urbanization works started in 1H; budgeted capex of €49m until 2023
- **A very successful initial launch:**
  - 240 units launched in 1H in four different developments: two multi-family and two for single-homes
  - Already 45% presold in the first four months of commercialization
  - Preparing additional launches for 2H



Residencial Mont Blanc (108 units)



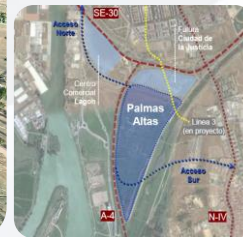
Residencial Mulhacén (52 units)



Villas del Nilo (33 units)

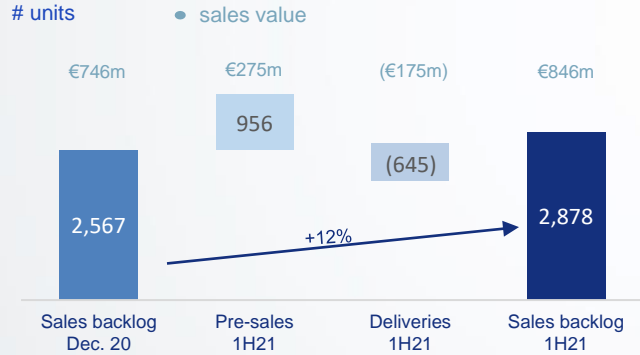


Villas del Volga (47 units)



# Operational activity: backlog, in construction, in commercialization

## Backlog of pre-sales: evolution



**+12%** growth in backlog

**80%** contracts, 20% reservations

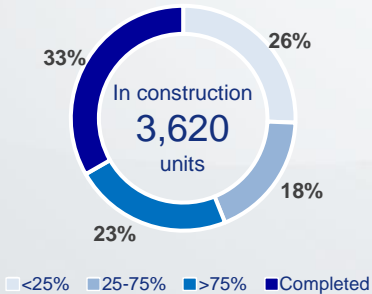
**€294k** avg unit price in backlog

## Backlog split by province



## Units in construction or completed

By % of construction progress



**100%** of target 2021 deliveries already finished

**70** projects under construction

- New construction starts: ✓ 708 units in 1H
- New building permits obtained: ✓ 1,237 units in 1H
- Construction completions: ✓ 1,013 units in 1H
- Preference for large contractors: lower execution risk

## Units in commercialization

% split by province



**55%** pre-sold already

**98** projects in commercialization

- Avg unit price of €301k
- New commercial launches: ✓ 574 units in 1H

# Land activity: progress on land sales and land management

## Land Sales

€29.6m  
sales signed

=

59%  
of FY target

- **Land sales recorded in 1H P&L: 12.4m**
  - Several small-size transactions
  - Locations: Huelva, Alicante, Tarrassa, Córdoba, Málaga and Cádiz
- **Plus sales agreed in private contract: €17.2m to date**
  - To be formalised before year-end, with partial prepayments already made
- So far, sale of non-core residential land plots, for a total of 738 units, at a price close to book values (-5%)
- In the second half of the year we expect a revitalisation of sales in the commercial segment
- **Full year target of (+€50m): 59% already secured**

## Land management

### • Transformation to fully-permitted:

- 185 units transformed in 1H: 2 plots in Barcelona (Sabadell and Manresa) and 1 in Málaga (Mijas)
- Other relevant milestones:
  - Palmas Altas (Seville): approval of urbanization plan and Northern access
  - ARPO (Pozuelo, Madrid): registration of rezoning plan
  - Parque Serralta (Barakaldo, Vizcaya): start of urbanization works
- €16m capex in land urbanisation works in 1H

### • On track to transform +6k units to fully permitted by 2023



#### Manresa (Barcelona)

- Transformed to FP in 2Q21
- 70 residential units



#### Parque Serralta (Barakaldo, Vizcaya)

- 259 units



#### ARPO (Pozuelo, Madrid)

- 256 units

# Commercial segment: growing investor interest

## Clesa (Madrid)

- MVC is preparing a masterplan design for this major site, with 88,700 sqm of buildable area in four buildings with mixed use:
  - At least 50% for offices and up to 50% for alternative uses (coliving, student residence, hotel, etc)
- Preliminary works on site are already in execution
- Ownership of the old factory will be transferred to the Madrid city council soon. Kadans Science Partner has won a long-term concession to refurbish it and develop a life sciences hub based on biotech research. MVC to act as project manager on this
- We are actively seeking investors for potential turnkey agreements in some of the new buildings



## Puerto Somport (Madrid)

- Phase 1 completed in June: 18.9k sqm of top quality office space at the A1 highway
  - Open 4,000 sqm floorplates
  - Top certifications: Leed Platinum, Well Gold, Safe Site
- Now in commercialisation for potential tenants
- MVC owns 24% stake and Tishman Speyer 76%. Future phases 2 & 3 to be launched under the same JV



# We reinforce our **commitment to Sustainability**

We work daily on the development of our **Strategic Sustainability Plan 2020-2022**, approved in 2020 and updated annually, built upon 8 strategic principles:

We apply our **ESG value proposition** in each link of the value chain, with the following global goals:

## Strategic lines

**E** Environmental dimension



- Mitigation and adaptation to climate change
- Environment and biodiversity
- Circular economy

**S** Social dimension



- Local communities
- Equality, conciliation and personal development

**G** Government dimension



- Simple and transparent government

- Product and process innovation
- Suppliers management

## Global goals

- To be recognized as one of the companies in the sector in Spain **most committed to the distribution of the economic value generated**
- Become **leaders in sustainable urban management**
- Promote the **efficient sustainability** of our homes
- **Progressively reduce the carbon footprint** of our residential developments and offices
- Become the **most attractive company in the sector** in terms of **talent management**

We participate with leading sustainability organizations:



Signatory as Participant Partner of the **United Nations Global Compact**, the largest corporate sustainability initiative in the world



**Green Building Council España** (GBCe), the main sustainable building organization in Spain



**Forética**, a leading organization in sustainability and corporate social responsibility in Spain, and its initiative **“Sustainable Cities 2030”**





### 3. Financial Overview

# Financial accounts: P&L highlights



## Profit & Loss

€m	1H 2020 <sup>(1)</sup>	1H 2021	% Change
<b>Revenues</b>	<b>48.6</b>	<b>187.4</b>	<b>286%</b>
Development	47.4	175.0	
Land sales	1.2	12.4	
<b>Gross Profit</b>	<b>7.8</b>	<b>31.3</b>	<b>301%</b>
Development	7.7	32.4	
% gross margin dev` t	16.2%	18.5%	
Land sales	0.1	(1.0)	
<b>Net margin</b>	<b>3.1</b>	<b>21.2</b>	<b>571%</b>
<b>EBITDA</b>	<b>(8.1)</b>	<b>8.2</b>	
<b>Pretax profit</b>	<b>(73.0)</b>	<b>(1.7)</b>	
<b>Net Profit</b>	<b>(75.7)</b>	<b>(2.2)</b>	
<b>Recurring pre-tax profit <sup>(2)</sup></b>	<b>(14.4)</b>	<b>3.0</b>	

286% rise in total revenues

Improved gross development margin  
21.5% in 2Q

Positive EBITDA and recurring pre-tax profit

### Notes:

(1) Figures for 1H 2020 are pro-forma, excluding the sale of one plot of land which was excluded in 4Q 2020

(2) Recurring pre-tax profit: pre-tax profit, excluding contribution from land sales and impact from changes in appraisal values

# Financial Debt: sound financial profile

## Net Debt

LTV ratio  
**8.0%**

Net debt  
**€218.6m**

Total cash  
**€259.2m**

<i>Eur m</i>	Dec 2020	Jun 2021
Developer loans	178.8	116.9
Corporate debt	257.1	296.7
<b>Gross Financial Debt</b>	<b>435.9</b>	<b>413.7</b>
Unrestricted cash	203.9	193.9
S/T investments	3.5	1.1
<b>Net Financial Debt</b>	<b>228.4</b>	<b>218.6</b>
Restricted cash <sup>(1)</sup>	130.1	65.3
% LTV	8.5%	8.0%

### Corporate debt

- Syndicated bank loan: €193m, after €28m repaid in 1H
- Bond: €30m issued in May, 5-yr maturity with a 4.1% coupon, listed in MARF
- Commercial paper: €42m
- Other credit lines: €32m

### Developer loans

- €117m used
- €436m available in existing loans
- Plus €258m pre-approved for new construction starts

### Cash

- €259m total cash: €194m available and €65m restricted (advances from clients)
- We are now prioritising the use of cash from clients in construction capex



Momentum (Barcelona)

Notes:

(1) Restricted cash includes advances from clients, which is not used for the calculation of net debt or LTV ratio

# Cashflow highlights



## Cashflow

<i>Eur m</i>	1H 2021
+ EBITDA	8.2
- Net financial expenses paid	(5.0)
- Corporate taxes paid	0.0
+ Land monetisation:	
Book value of land sold <sup>(1)</sup>	12.4
COGS of deliveries (land only) <sup>(2)</sup>	40.8
+/- Others	0.0
<b>= Gross Operating Cashflow (A)</b>	<b>56.4</b>
- Capex in land	(16.4)
- Capex in work in progress	(160.6)
+ COGS of deliveries (ex land)	101.9
+/- Change in cash advances from clients (increase = positive)	14.5
+/- Change restricted cash balance (decrease = positive)	64.8
+/- Other working capital and rest	9.8
<b>= Cashflow related to work in progress (B)</b>	<b>14.0</b>
<b>= Total cashflow (A) + (B)</b>	<b>70.4</b>
- Dividend paid	(60.6)
<b>= Change in net debt</b>	<b>9.8</b>

Cashflow related to deliveries and land sales of the period  
= Base for dividend calculation

Cashflow related to work in progress

Gross operating cashflow of €56.4m

Full-year CF target (+€100m):  
56% achieved in 1H

Strong cashflow conversion thanks to MVC's business model

Notes:

(1) Cash recovered from land sales, not included in EBITDA; (2) Land component in the cost-of-goods-sold, which represents cash flow generation assuming no need to replenish the land bank;

# Appraisal update: NAV of €16.05 per share, flat post dividend

## Net Asset Value calculation

<i>Eur m</i>	Dec 2020	Jun 2021
Shareholders' funds	2,179,8	2,117.4
+/- Capital gains gross	265.4	261.5
+/- Other adjustments	54.2	55.0
<b>= NAV gross</b>	<b>2,499.4</b>	<b>2,433.9</b>
+/- Taxes on capital gains	(66.4)	(65.4)
+/- Other adjustments	(6.5)	(6.7)
<b>= NAV net</b>	<b>2,426.6</b>	<b>2,361.9</b>
Number of shares (m)	151.7	151.7
<b>NAV per share (€)</b>	<b>16.48</b>	<b>16.05</b>
NNAV per share (€)	16.00	15.57

→ Flat NAV p.s. adjusting for dividend (€0.40/sh paid in May)

GAV  
€2,724m

NAV  
€16.05/sh

LFL +0.3%  
vs Dec20

## Portfolio breakdown (GAV) in € M

	MVC total	Residential use			Commercial use
		FP active units	FP non-active	Land under permitting	
<b>GAV in € million</b>	<b>2,724.0</b>	<b>968.4</b>	<b>679.4</b>	<b>472.4</b>	<b>603.9</b>
# Residential units	33.6k	7.2k	14.4k	11.0k	1.1k
GAV in €/sqm	469	1,118	372	249	771 <sup>(1)</sup>
GAV as % of GDV	24%	43%	20%	12%	30%

→ MVC's market cap is similar to the GAV of active units only (€968m). With current stock price, the implied value for all other assets (€1.76bn GAV) is close to zero

→ Implied ratios with stock price <sup>(2)</sup>: €214/sqm or 11% of GDV

Notes:

(1) Calculated on the Commercial FP land, which accounts for 96% of the commercial portfolio

(2) MVC stock price as of July 23rd, 2021



# 4. Closing Remarks

# Strategic positioning and value proposition

**Competitive strengths now reinforced**

- ✓ Access to land
- ✓ Access to financing
- ✓ Operational flexibility

**Key bottlenecks for the sector ...**

- Lack of quality land in good locations
- Tougher terms to finance residential projects

**... but competitive strengths for MVC**

- ✓ Our land bank provides greater visibility for future launches, particularly with the transformation of land under management
- ✓ Good access to financing
- ✓ Flexible portfolio adaptable to a varied mix of uses, client profiles and locations

**A differentiated value proposition**

**Strong cashflow generation**  
 CF in 2021-2024 > current market cap

+

**A recurrent developer platform**  
 Visibility beyond 2024

- | Residential dev't:                                                                                                                                                                                                                                                                                                                      | plus | land sales:                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>✓ 7,216 active units currently:<br/>GAV €968m, ASP c.€300k/unit</li> <li>✓ Cashflow conversion:                             <ul style="list-style-type: none"> <li>○ c.30% revenues</li> <li>○ 10-15% annual cashflow yield at current stock price (with deliveries only)</li> </ul> </li> </ul> |      | <ul style="list-style-type: none"> <li>✓ €600m assets identified for sale: commercial and residential</li> <li>✓ Cashflow: nearly 100% of revenues</li> </ul> |

- ✓ A well-established, efficient and flexible developer, with a leadership position
- ✓ Asset portfolio with long term visibility: more than 20k residential units in land remaining beyond 2024
- ✓ Including +6k units to be converted to fully permitted by 2023

**A very attractive dividend policy**

**Payout: +80% of cashflow generation**

- ✓ Our business model facilitates greater cashflow generation and dividends
- ✓ €60.6m paid in May (€0.40 per share)
- ✓ CF 2021 >€100m, implies dividend >€80m
- ✓ Plus share buyback in place<sup>(1)</sup>
- ✓ Execution to date: €20.2m invested, 2.1% stake

Notes:  
 (1) Stock purchases made via an equity swap agreement. Data as of July 23rd, 2021

# Stepping-up on activity / Closing remarks

---

## On track to meet our full-year 2021 targets

- Delivery range: 1,300-1,700 units
  - Min target range is already 100% covered with pre-sales in finished projects
  - 50% delivered in 1H and >60% in July
- Land sales: >€50m
  - 59% achieved to date, including private contracts to be notarised before year-end
- Cashflow generation: >€100m
  - 56% achieved



## Stepping up on activity

- Now intensifying our activity volumes: launches and construction starts
- On the back of: improved market conditions + limited construction starts in the market + MVC's good access to financing





# Appendices

# Profit and Loss Account

	(€m)	1H 2020 <sup>(1)</sup>	1H 2021
<b>A</b>	<b>Total Revenues</b>	<b>48.6</b>	<b>187.4</b>
	Residential Development	47.4	175.0
	Land Sales	1.2	12.4
	<b>Total COGS</b>	<b>(40.8)</b>	<b>(156.1)</b>
	Residential Development	(39.7)	(142.7)
	Land Sales	(1.1)	(13.5)
<b>B</b>	<b>Gross margin</b>	<b>7.8</b>	<b>31.3</b>
	Gross Margin Development	7.7	32.4
	% Gross margin Development	16.2%	18.5%
	Gross Margin Land Sales	0.1	(1.0)
	Commercial & other operating costs	(4.7)	(10.5)
<b>C</b>	<b>Net margin</b>	<b>3.1</b>	<b>20.8</b>
	Wages & Salaries	(7.9)	(8.0)
	Other general expenses	(3.3)	(4.6)
<b>D</b>	<b>EBITDA</b>	<b>(8.1)</b>	<b>8.2</b>
<b>E</b>	(Impairment)/revaluation/ depreciation	(59.4)	(4.2)
	Net financial results	(5.4)	(5.7)
	Others	(0.2)	0.0
	<b>Pre-tax profit</b>	<b>(73.0)</b>	<b>(1.7)</b>
	Income Tax	(2.7)	(0.5)
	<b>Net Income</b>	<b>(75.7)</b>	<b>(2.2)</b>
<b>F</b>	<b>Recurring pre-tax profit <sup>(2)</sup></b>	<b>(14.4)</b>	<b>3.0</b>



## Key comments

### A - Total revenues of €187.4m (up 286% YoY)

- Residential revenues of €175.0m
- Land sales of €12.4m

### B - Gross margin of €31.3m

- 18.5% margin in residential development in 1H (21.5% in 2Q)

### C – Net margin of €20.8m, after direct costs

### D - Positive EBITDA of €8.2m

### E – Impact from change in fair value of assets: -€3.6m

### F – Recurring pre-tax profit: €3.0m

- Pre-tax profit excluding contribution from land sales and impact from changes in appraisal values

Notes:

(1) Figures for 1H 2020 are pro-forma, excluding the sale of one plot of land which was excluded in 4Q 2020

(2) Recurring pre-tax profit: excluding contribution from land sales and impact from changes in appraisal values

# Balance Sheet

(€m)	Dec. 2020	Jun. 2021
<b>A</b>		
Investment Property	321.3	414.6
Other non-current assets	154.0	161.2
<b>Total non-current assets</b>	<b>475.3</b>	<b>575.8</b>
<b>A</b>		
Inventory	1,982.6	1,979.6
<i>Land</i>	<i>1,097.7</i>	<i>1,071.4</i>
<i>WIP &amp; finished product</i>	<i>884.9</i>	<i>908.3</i>
<b>B</b>		
Cash	334.0	259.2
Other current assets	133.7	27.8
<b>Total current assets</b>	<b>2,450.3</b>	<b>2,284.0</b>
<b>Total assets</b>	<b>2,925.6</b>	<b>2,859.8</b>
Provisions	14.6	14.0
<b>C</b>		
Bank debt	217.4	220.7
Other non-current liabilities	30.4	36.5
<b>Total non-current liabilities</b>	<b>262.4</b>	<b>271.1</b>
Provisions	26.6	26.9
<b>C</b>		
Bank debt	215.9	191.2
Other current liabilities	241.0	253.1
<b>Total current liabilities</b>	<b>483.5</b>	<b>471.2</b>
<b>D</b>		
Shareholders' funds	2,179.8	2,117.4
<b>Total equity + liabilities</b>	<b>2,925.6</b>	<b>2,859.8</b>



## Key comments

### A - Book value of real estate assets (inventory + investment property): €2.39bn

- Ratio GAV to BV at 1.1x
- Increase in investment property due to change in consolidation criteria in a subsidiary, from equity method to global consolidation

### B - Cash balance of €259m

- Includes €65m restricted cash (advances from clients) and €194m unrestricted

### C - Financial debt

- Reduction in gross debt figure due to more intensive use of cash from clients

### D - Shareholders' funds of €2,117.4m

# Data series: evolution of key operating data

# Units	2017	2018	2019	2020	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Pre-sales in the period	512	888	1,511	1,037	417	424	263	407	263	27	505	242	407	549
Backlog of presales (units)	541	909	2,131	2,568	1,312	1,718	1,882	2,131	2,248	2,195	2,637	2,568	2,678	2,878
Backlog of presales (€ m)	135	271	597	744	377	487	533	597	630	619	747	744	798	846
Active projects (# projects)	48	102	136	125	105	121	121	136	134	133	125	125	130	134
Active units total	2,141	5,565	7,962	7,382	5,834	7,436	7,340	7,962	8,054	7,893	7,429	7,382	7,276	7,216
Units in commercialisation	1,222	3,840	5,378	5,440	4,625	4,899	5,168	5,378	5,501	5,084	5,406	5,440	5,100	5,221
Units in construction	955	1,329	3,383	3,550	1,902	2,803	3,388	3,383	3,747	3,463	3,639	3,550	3,481	3,620
Deliveries in the period	110	520	289	601	14	18	99	158	146	80	63	312	296	349



Note / Definitions: Pre-sales: number of reservations plus contracts signed in a period of time, net of cancellations; Sales backlog: balance of accumulated pre-sales minus deliveries at a certain date; Units under commercialisation: total number of units in projects under commercialisation, including sold and unsold units; Active units: units in projects launched internally, including projects already under commercialisation and projects in design phase (prior to commercialisation)

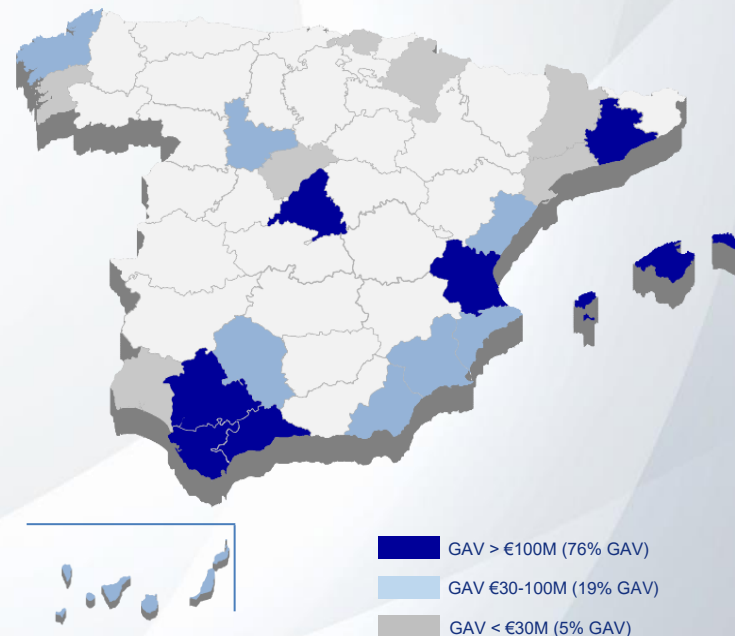
# Portfolio by provinces: strong presence in the key areas

## Portfolio details by province, ranked by % of GAV June 2021

Location	GAV (%)			Number of residential units		
	Total	Resid.	Commer	Total	Fully permitted	Under permitting
Madrid	21%	14%	49%	4.6k	0.8k	3.8k
Barcelona	17%	13%	31%	4.1k	1.8k	2.3k
Málaga	16%	20%	0%	2.3k	2.0k	0.3k
Valencia	7%	9%	0%	3.4k	2.1k	1.3k
Seville	6%	7%	0%	2.4k	2.4k	-
Cádiz	4%	4%	3%	1.6k	1.0k	0.5k
Balearics	4%	4%	7%	0.6k	0.5k	-
Alicante	3%	4%	0%	1.5k	1.2k	0.3k
A Coruña	3%	4%	0%	1.9k	0.8k	1.1k
Canary Islands	3%	3%	4%	0.9k	0.8k	0.2k
Rest of Spain	17%	18%	6%	10.3k	8.3k	2.0k
<b>Total MVC</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>33.6k</b>	<b>21.7k</b>	<b>11.9k</b>
<b>GAV (€m)</b>	<b>2,724</b>	<b>2,120</b>	<b>604</b>			

Top 7 provinces:

**76%** of GAV



# MVC project examples I

---

Llull 495 (Barcelona)

[Link to project website](#)



Terrazas de Poniente Sur (Córdoba) [Link to project website](#)



Altum Lezkairu (Pamplona)

[Link to project website](#)



Mirades (Terrasa, Barcelona)

[Link to project website](#)



# MVC project examples II

**Atlantia (Huelva)**

[Link to project website](#)



**Jardins de Can Gambús (Sabadell, Barcelona)**

[Link to project website](#)



**Serenity Collection (Estepona, Málaga)**

[Link to project website](#)



**Alamar (Torremolinos, Málaga)**

[Link to project website](#)



Q & A

