

METROVACESA S.A. ("**Metrovacesa**" or the "**Company**") in compliance with Article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council, of 16 April, on market abuse and Article 228 of the revised text of the Securities Market Act approved by Royal Legislative Decree 4/2015 of 23 October, communicates the following:

## **OTHER RELEVANT INFORMATION**

The Board of Directors and the management team of METROVACESA are continuously monitoring the situation created by the coronavirus pandemic (Covid-19), and the subsequent State of Alarm measures decreed by the Government. The Company is adapting its decisions according to the changing reality, with the aim of protecting Metrovacesa's social interest at all times, as well as the safety of its workers, customers and collaborators.

Following a meeting of Metrovacesa's Board of Directors, the Company wishes to communicate the following information on the current situation:

### **Operational situation**

- Metrovacesa's staff has been working entirely remotely from their homes since the beginning of the crisis, without incidents and with a high degree of involvement and productivity.
- The construction work of projects in progress was resumed in full between 13 and 14 April, after having been halted between 30 March and 10 April by application of the Royal Decree approved by the Government. Current work progress rates are lower than usual due to the reinforced health and safety measures that workers must respect during the pandemic. Currently, Metrovacesa has 44 works in progress with a total of 3,409 homes, excluding projects with completed works.
- Commercial activity continues to be carried out entirely telematically, as the physical points of sales have been closed since 16 March. The use of technological means to contact clients has been promoted, with virtual visits to projects, personalised attention through video calls, a system of digital signature of contracts and a free interior design service.
- During this period, it is still possible to sign reservations and contracts with clients, although there has been a decline in the rate of sales and clients contacts since the beginning of the pandemic, after a few months of January and February growing from the previous year. Notarisation and delivery of homes is only possible in certain cases, so many of the planned deliveries are being rescheduled for later dates.

- In this context, Metrovacesa has introduced different measures of support for its current and potential clients. For example, allowing a two-month moratorium on payment to clients who request it, or that new reservations during the month of April can be withdrawn free of charge until the end of May. An insurance policy for home buyers has also been negotiated to cover the outstanding monthly payments in case they are affected by the Covid-19. This set of measures is translating into a rebound in the number of contacts and leads from potential clients in recent weeks.
- The deadlines for procedures related to public administrations are interrupted during the duration of the State of Alarm. This could temporarily affect the timetables for granting municipal licences or land management steps.

## **Financial situation**

- Metrovacesa's solid financial situation is a strength for facing this period of uncertainty with confidence and flexibility. In order to preserve a strong cash position, the Company has decided to make use of the undrawn balance of the corporate loan, and several new loans have been signed in recent weeks to finance residential development projects. On the other hand, the convenience of any new investment decision or start of construction works is being reviewed on a case-by-case basis.
- The current cash position is close to 300 million euros, including 210 million euros of free disposal, and the remaining amount is from client's prepayments. The cash balance has been significantly strengthened in the first months of the year, doubling from 150 million euros at the end of 2019. The increase is explained by the cash generated by the business in the first quarter, and by the withdrawal of funds available in the corporate loan.
- No significant debt repayments are expected this year and the Company has 416 million euros from developer loans available to finance the construction works. The loan-to-value leverage ratio remains very low at 3%.

## **General Meeting, dividend and purchase of own shares**

- The Board of Directors has decided to call for its annual General Shareholders' Meeting to be held on May 25<sup>th</sup>. Attendance at the Meeting may be by electronic means. Among other points, the financial accounts for 2019 will be submitted for approval.
- The decision on dividends will be delayed until the second half of the year, for reasons of prudence, due to the uncertainty caused by Covid-19. The Board will consider the convenience of a possible dividend payment, and its amount, in the second half of the year, after a more precise evaluation of the situation and of the evolution of the business in the initial phase of recovery.

- The share buyback programme of up to 50 million euros, initiated in January 2020, remains in place. At the General Meeting, there is a proposal to update the authorisation for the purchase of own shares, making its conditions for execution more flexible.

## **Publication of 1<sup>st</sup> quarter results**

- The publication of the first quarter 2020 results will take place on Wednesday, May 13<sup>th</sup>, before the market opens. A webcast presentation for investors and analysts will take place on the same day at 10 am CET, with connection details available later.

Madrid, April 23<sup>rd</sup>, 2020.

Metrovesesa, S.A.