



## *Corporate Presentation*

November, 2020

# Relevant Legal Information

## Disclaimer

This presentation may contain certain statements that express Mitre Realty's ("Mitre" or "Company") management expectations, beliefs and assumptions about future events or results. Such statements are not historical facts, being based on information regarding the real state sector and financial and economic information currently available and on current projections about the sector Mitre works in. Currently, these statements may refer to the Company's ability to manage its business and financial liquidity during and after the pandemic related to COVID-19, as well as the impact of this pandemic on the results of its operations.

The verbs "anticipate", "believe", "estimate", "expect", "forecast", "plan", "predict", "project", "target" and other similar verbs are intended to identify these forward looking statements, which involve risks and uncertainties that could cause actual results to differ materially from those projected in this presentation and Mitre's performance.

Factors that might affect operating and financial performance of Mitre include but are not limited to: **(i) risks related to real state developments; (ii) lack of financial to supply its needs; (iii) its inability to transfer our customer financing receivables; (iv) delays or technical issues with its real state projects; (v) success of its partnerships; (vi) competition of real state sector; (vii) changes in the regulatory framework of the sector.**

This presentation was based on information and data available as of the date it was made and Mitre undertakes no obligation to update them in light of new information and/or future development.

The financial statements used in this presentation are based on accounting practices adopted in Brazil that comprise the rules of the Brazilian Securities and Exchange Commission (CVM) and the pronouncements of the Accounting Pronouncements Committee (CPC) and are in accordance with international accounting standards (International Financial Reporting Standards - IFRS) applicable to real estate development entities in Brazil, as approved by (CPC), the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC).

# Mitre



*Construction and real estate developer with over 50 years of experience in the market, focused on residential apartments for mid and mid-high income segments all over the city of São Paulo*



**Client focus:** NPS of 78 and 94% of cliente satisfacion

**People:** attraction, engagement and development of people, with the greatest partnership program in the sector and trainee program with over 7,000 candidates

**Product:** absolute focus on delivering the best product in each region with two products lines, Raízes and Haus Mitre, with 85% average sales of all products

**Execution:** execution with excellence, always delivering projects ahead of schedule and with 95% of acceptance in first inspection and SoS LTM of 72%

**Return on Equity:** always aiming shareholders' return, with 46% ROAE in 2018 and 62% in 2019

# Trajectory



## Establishment of a new strategy



2008

- ✿ **Fabício Mitre** is appointed as CEO
- ✿ Definition of new internal guidelines:
  - Full professionalization of the company
  - Variable compensation program
  - New Management team
  - Meritocracy driven practices

## Strategic Partnerships



2009  
2013

- ✿ Capital structure optimization through key partnerships
  - Pilot Project with RB Capital
- ✿ EY auditing
- ✿ Career development program

## Verticalization



2014  
2015

- ✿ Creation of in-house sales platform
- ✿ Gradual increase of Mitre's verticalization
- ✿ Development of CRM

## Equity Partnerships



2016  
2018

- ✿ Launch of "Raízes" and "Haus Mitre"
- ✿ Partnership with XP, Aguassanta and Nova Milano, and expansion of the Partnership with RB Capital
- ✿ Establishment of a Compliance Department
- ✿ Partnership program for main executives
- ✿ Start of Trainee Program

## Own Capital
























2019  
2020

- ✿ Further improvement of landbank pipeline
  - Focus on low-competitive regions with high-demand
- ✿ Capital structure improvement
- ✿ IPO in Novo Mercado of B3
- ✿ Partnership expansion to 21 partners



# Sizable Addressable Market Targeting a Low Competitive Segment

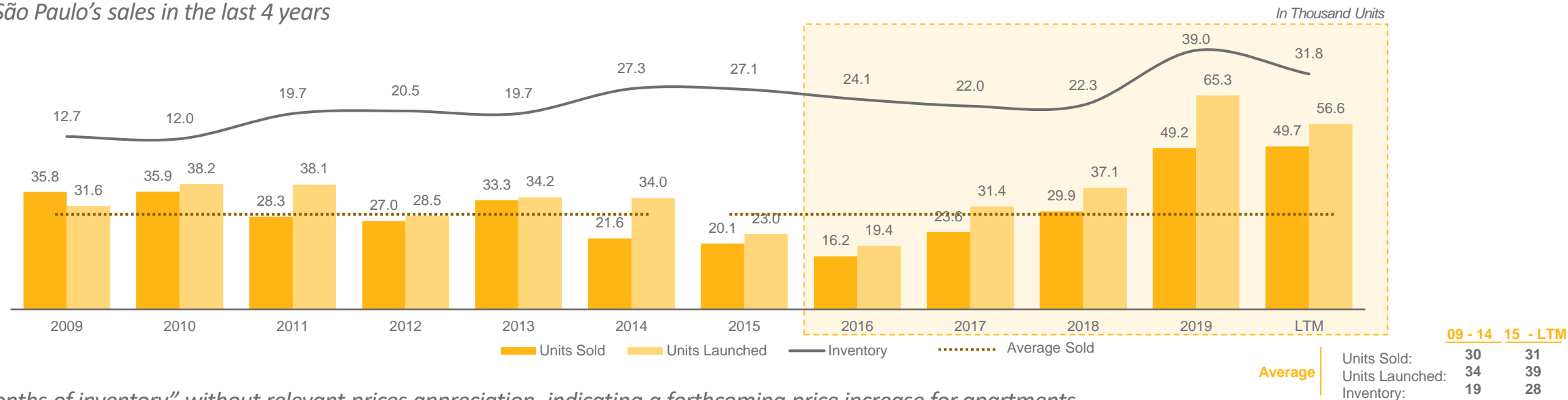


Segment	Players	Average Price	Region	Competition	Impact of Mortgage Rates
 High Income	 <b>TEC</b>  <b>TRISUL</b>  <b>CYRELA</b> <div>Mid-High</div>  <b>Helbor</b>  <b>even</b>	15k - 30k <i>R\$/sqm</i>	 South ~3mm inhabitants	 High	 Low
 Mid Income		7k - 15k <i>R\$/sqm</i>	 <b>Multiregion</b> ~11mm inhabitants	 Low	 High
 Low Income	<div>Mid-Low</div>   <b>TENDA</b>  <b>CURY</b> <small>A CONSTRUTORA DA SUA CASA</small>	3k - 5k <i>R\$/sqm</i>	 North and East ~5mm inhabitants	 High	 Low

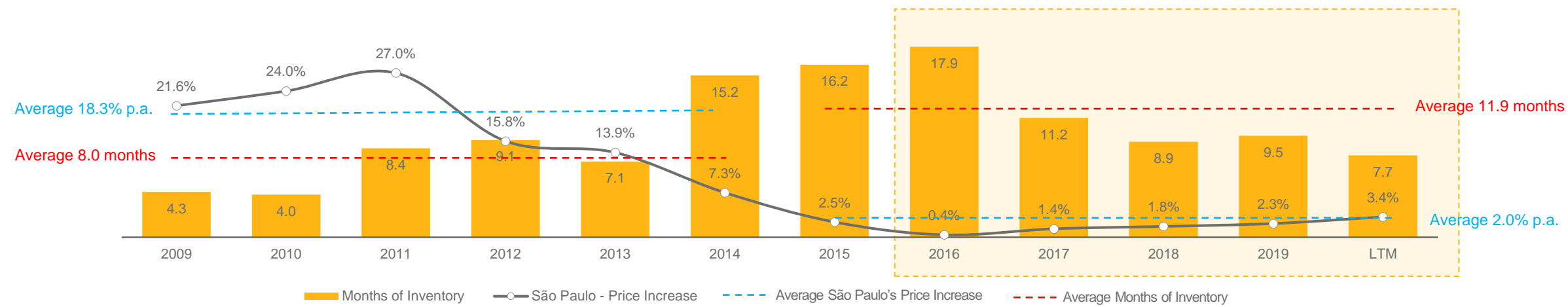
# Focus on São Paulo market



3x growth of São Paulo's sales in the last 4 years

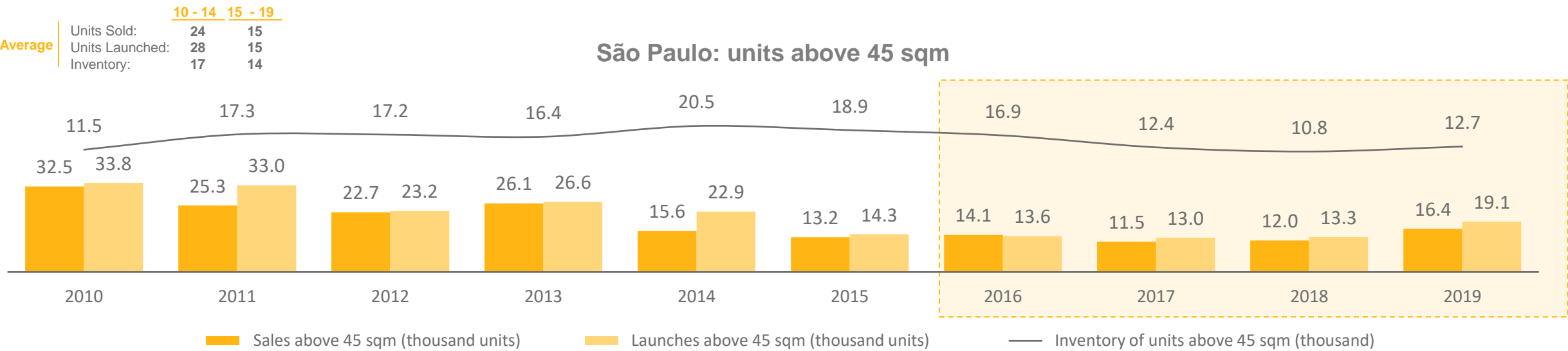
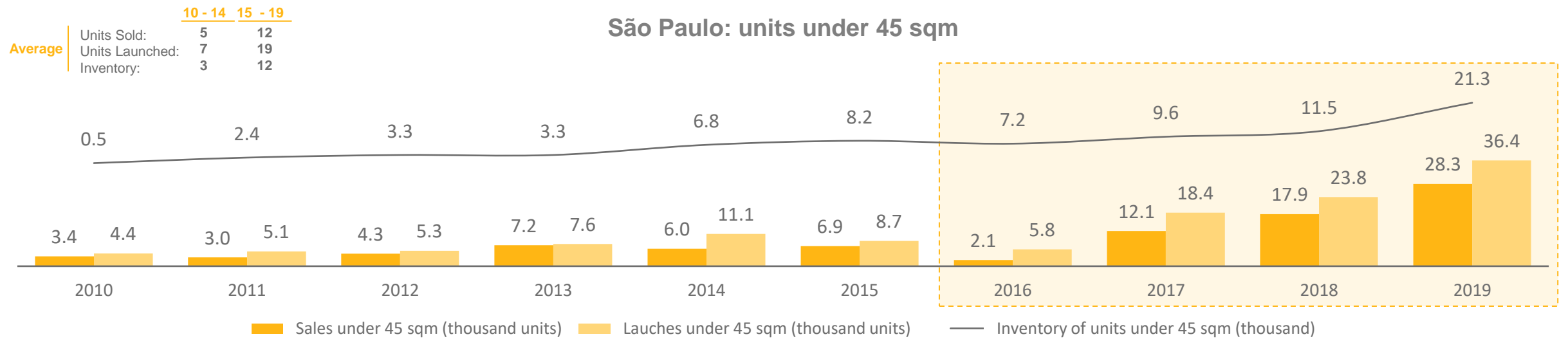


Decline in “months of inventory” without relevant prices appreciation, indicating a forthcoming price increase for apartments



Source: Secovi, FipeZap  
Note: (1) base date September,2020; (2) Calculated by inventory multiplied by units sold and divided by 12 months

# São Paulo: units by tipology





# Differentiated Positioning

*...offering a unique experience for our clients – innovative products, under-penetrated segments with high growth potential*



## RAÍZES

Mid income (lower-end)



R\$6,500 – R\$9,000/sqm



Diversified products with **1, 2 e 3 dorms**



Regions with **lower competition**



High **value proposition**



## haus mitre

Mid-high income (higher-end)



R\$10,000 – R\$15,000/sqm



Diversified products with **1, 2 e 3 dorms**



**Privileged regions**



**Design and sophistication appeal**





## Execution Excellence

One of the **largest landbanks** in the city of São Paulo...



Already mapped launches until 2023

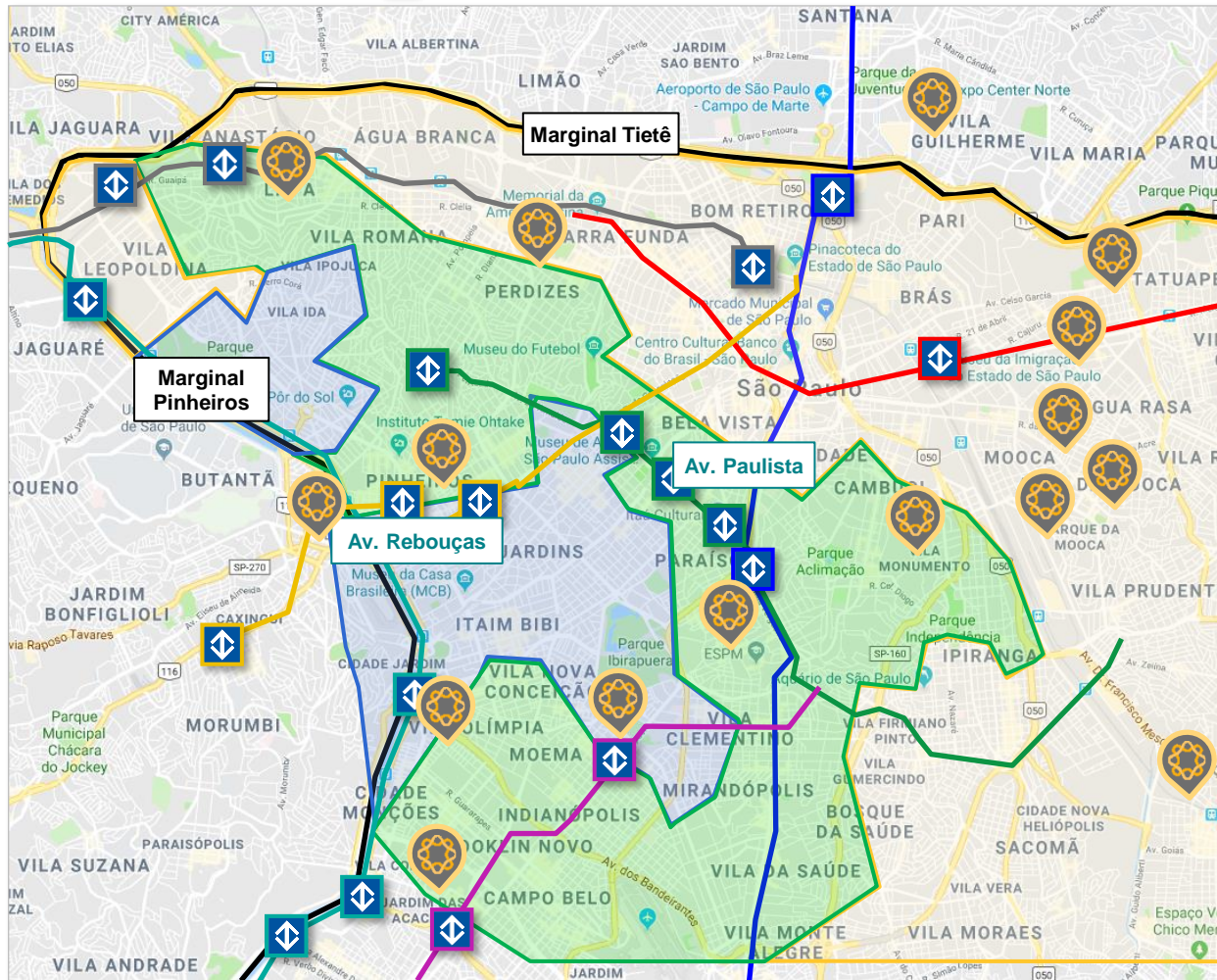


Subway / train station


- Very high income

Mid income

■ Mid-high income



- 🌀 **Robust mapping**, combined with a well disciplined aquisition approach

 **Strategically-located landbank**, close to subway and train stations, in mid and mid-high income regions

85% of land disbursement linked to the ***final project approval by the city hall***

 100% subject to regulatory and environmental due diligence

 Low regulatory risk

TOTAL POTENTIAL PSV\*

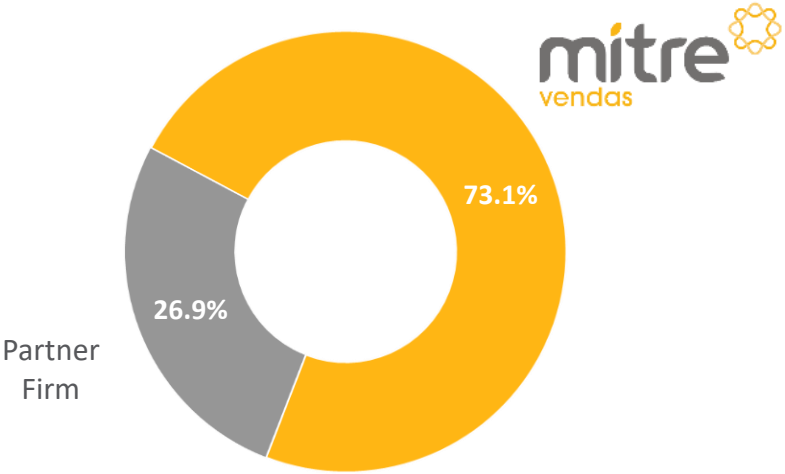
**R\$4.8 billion**

# Execution Excellence

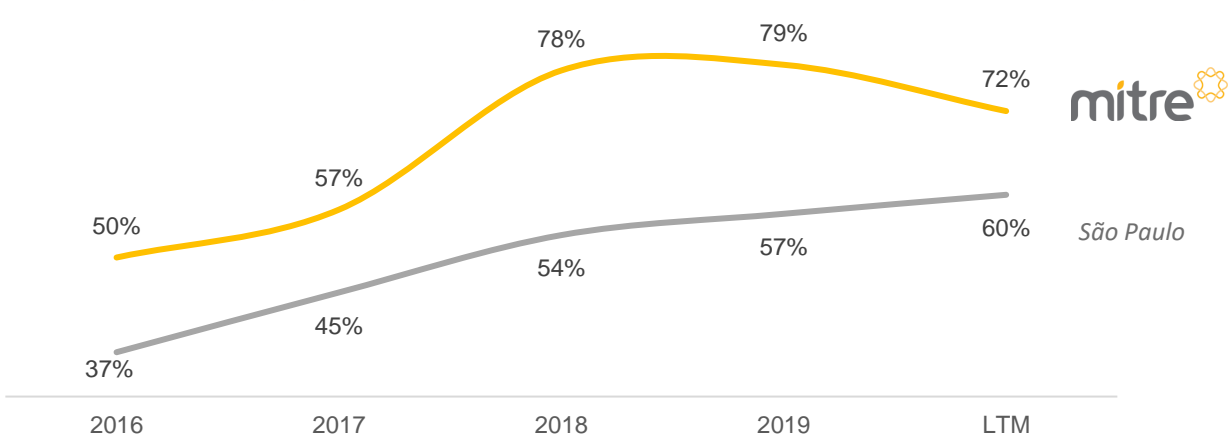


...and strong discipline in sales strategy maintaining low levels of inventory

Sales by Broker



Sales over Supply LTM (SoS)<sup>1</sup>

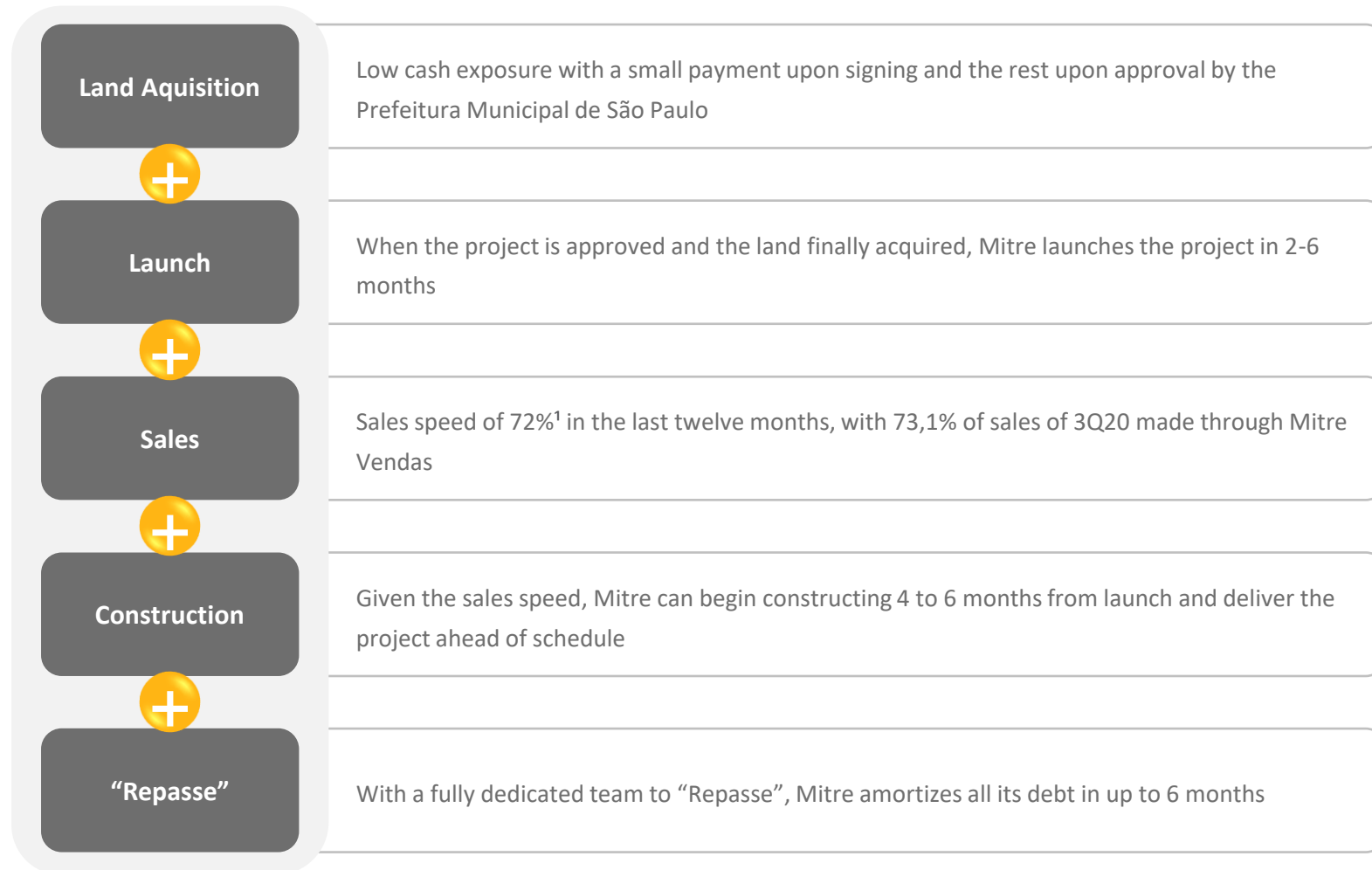


## Digital Sales Platform

- Since 2019, allows the execution of the whole **sales process 100% digitally**, including signing the contract
- Virtual tour on the amenities and model apartments** of every Mitre's projects, providing greater comfort and safety to our clients

# High Asset Turnover Strategy

*The highest among public-held companies...*



<sup>1</sup> Sales over Supply Last Twelve Months on June 30, 2020



## *Mitre's Lifestyle*



# What Living in a Haus Mitre is Like?

*Comfort and sophistication in privileged regions*



AV. PAULISTA  
1.800 M  
10 MIN.

PACAEMBU  
350 M  
5 MIN.

AV. DR. ARNALDO  
300 M  
5 MIN.

R. OSCAR FREIRE  
110 M  
2 MIN.

METRÔ SUMARÊ  
250 M  
4 MIN.

JARDINS  
1.300 M  
5 MIN.

R. ALVES GUIMARÃES  
150 M  
2 MIN.

AV. HENRIQUE SCHAUMANN  
650 M  
4 MIN.

AV. FARIA LIMA  
2.500 M  
9 MIN.

AV. HEITOR PENTEADO  
450 M  
7 MIN.

INSTITUTO TOMIE OHTAKE  
2.000 M  
7 MIN.

VILA MADALENA  
1.500 M  
6 MIN.



# What Living in a Mitre Raízes is Like?

*Diferentiated infrastructure in strategic locations*





# What Living in Every Mitre is Like?



*It's more than the dream of having your own home, we offer a **new lifestyle** for our clients*



Magazine and platform developed by Mitre Realty to bring trending themes to its clients, such as **health, food, tourism, culture, decoration and real estate tendencies**



Meu Mitre is an app that helps clients keep up with the **construction progress, financial status, schedule maintenance appointment and apartments customization**. The app also helps Mitre create its client's persona

## Client Experience Through High-End Infrastructure



*Haus Mitre Pinheiros*



*Raízes Freguesia do Ó*



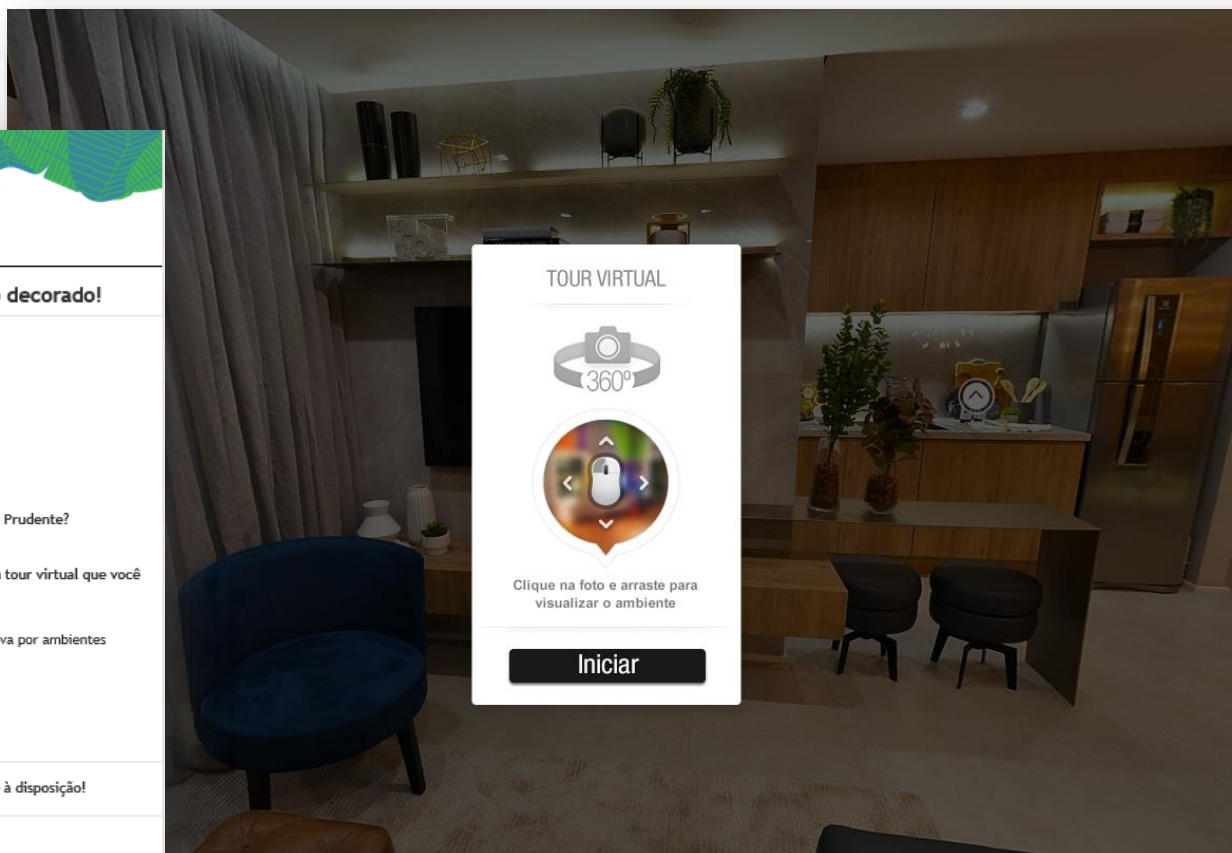
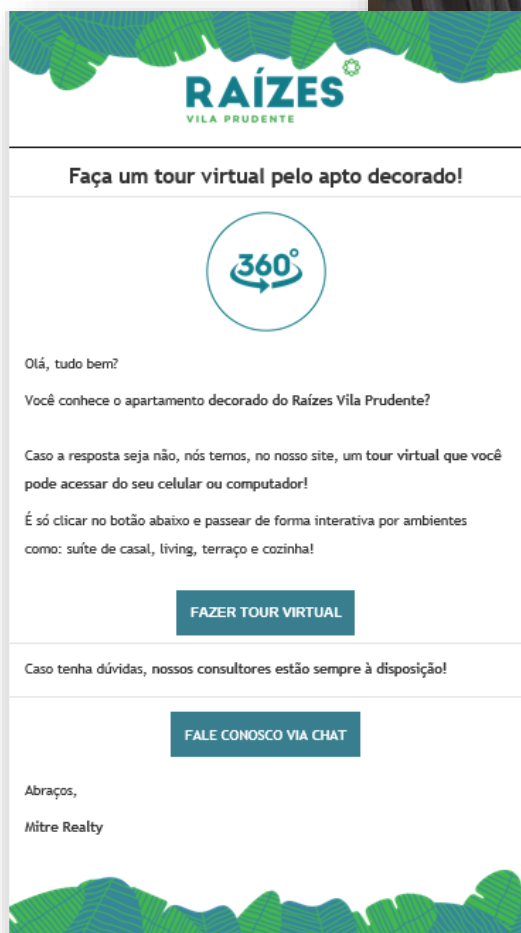
*Raízes Vila Prudente*



*Haus Mitre Alto Butantã*



# Digitalization



360º Virtual Tour in every model apartment and sales stands ([click here](#))



Digital sales made by specialized realtors



100% digital contract signing



The entire sales process can be made remotely



First digital deed for clients



## *Governance*

# Management Team and Board of Directors

Independence and alignment generating results





**Fabrício Mitre**  
CEO



**Rodrigo Cagali**  
CFO and IRO



**Henrique dos Santos**  
Commercial Director



**Luciano do Amaral**  
Engineering Director







**Thiago Cassa**  
Legal Director




**Juliana Monteiro**  
Product Design and Licensing Director


Previous Experience









6 years




20 years




14 years




10 years



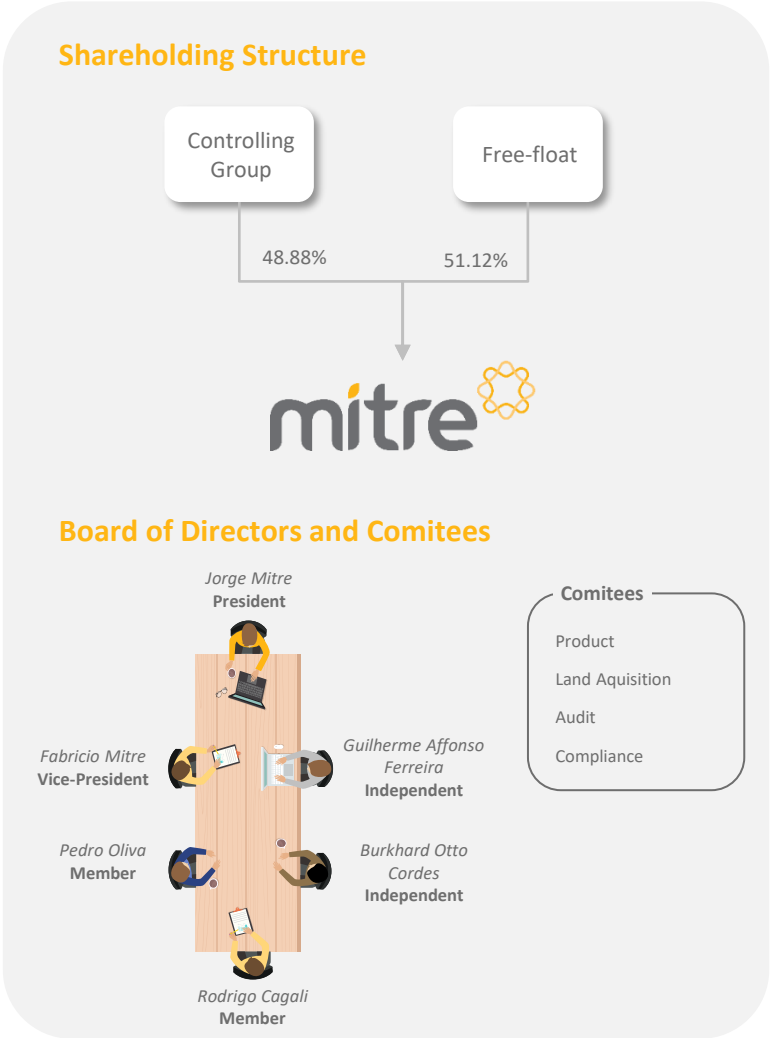
5 years



11 years



6 years



Multidisciplinary team

+

Experience and track record in real estate

+

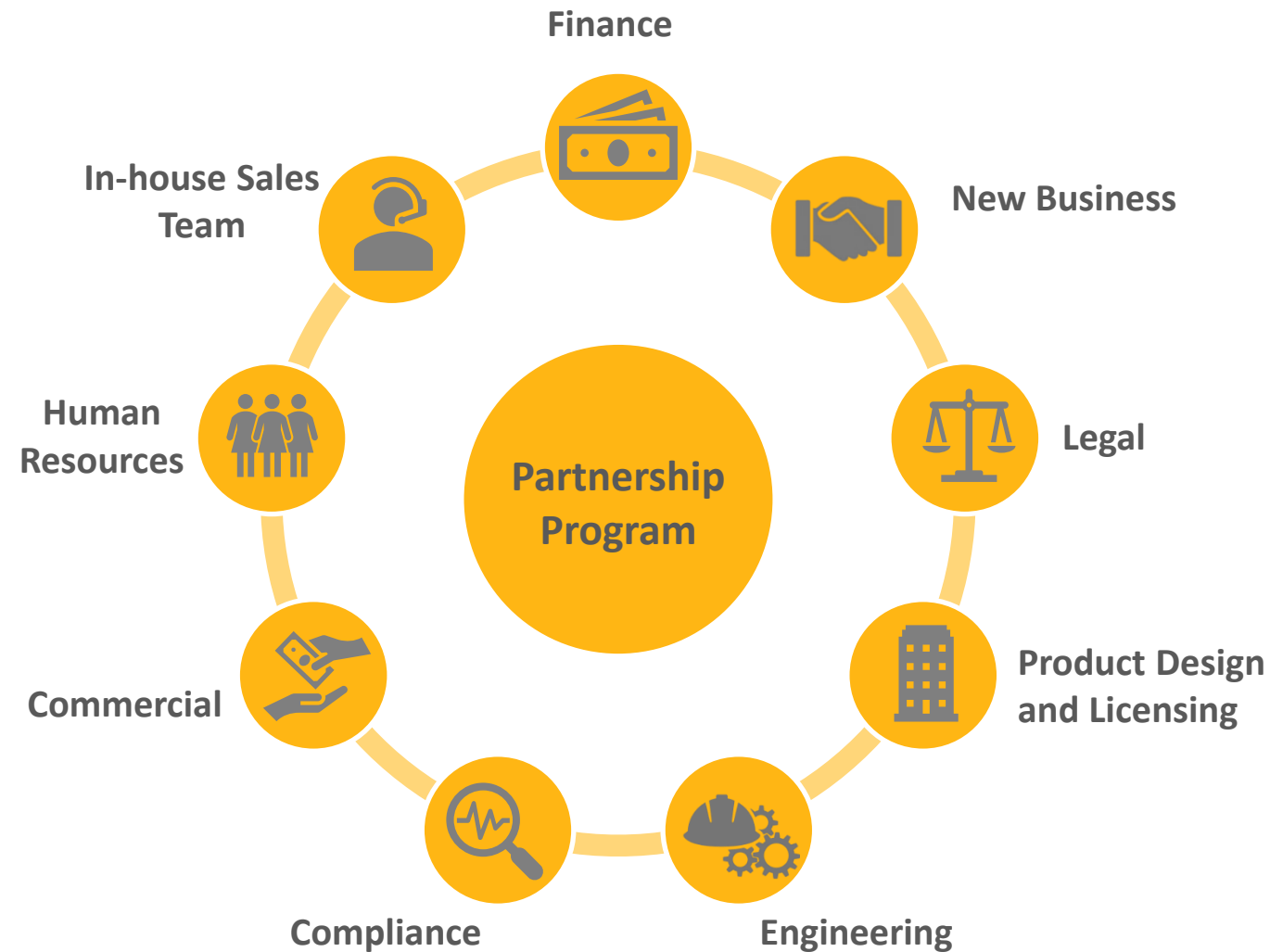
Alignment of interest

+

Strong commitment though long-term incentive plan

# Partnership

*Key competitive advantage for long-term sustainable growth*





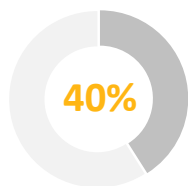
*ESG*

# ESG Aspects

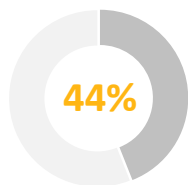
Always acting based on **transparency, social responsibility and respect for the environment**



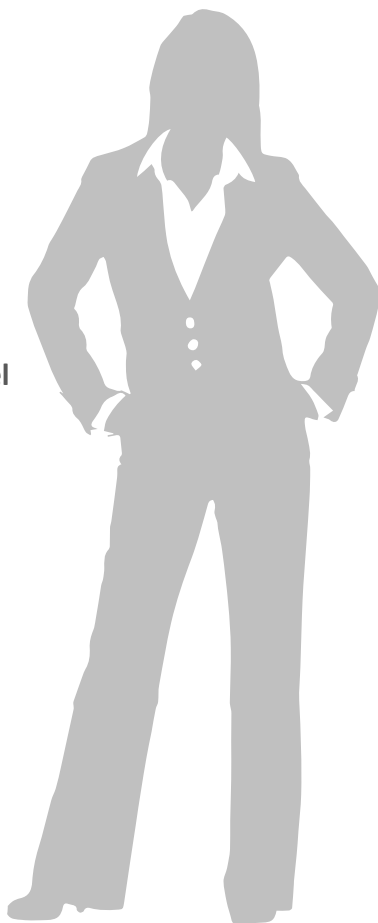
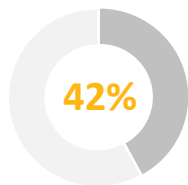
## Women in leadership positions



## Women in total personnel



## Women partners in the Partnership model



## Social and Environmental

- Donation of 1,000 basic-needs grocery package<sup>1</sup> for our construction workers and family
- Aid to 250 realtors and families
- Supportive “Arraiá Solidário”<sup>2</sup> Party: collection of 1,500 warm clothing and half a ton of food for donation
- Fashion Masks Campaign: donation of 10,000 masks, 4,000 hand sanitizer, 1,000 basic-needs grocery package for NGOs, totaling a contribution of R\$1MM to help fight Coronavirus
- Adoption of the rational use of natural resources in our construction sites and projects
- Adoption of public squares for conservation around our developments

## Governance

- Improvement of due diligence processes (know your supplier)
- Improvement of e-learning processes (interactive online training)
- Creation of performance indicators to monitor the program
- Company suitability to “Lei Geral de Proteção de Dados”



<sup>1</sup> A basket of sufficient consumption to meet the minimum needs of a typical family. A benefit established by Brazilian legislation in an attempt to guarantee the minimum of sustenance and nutrition to the people, usually to the needy sections of the population

<sup>2</sup> Arraiá is a typical party with traditional food that happens in June in Brazil



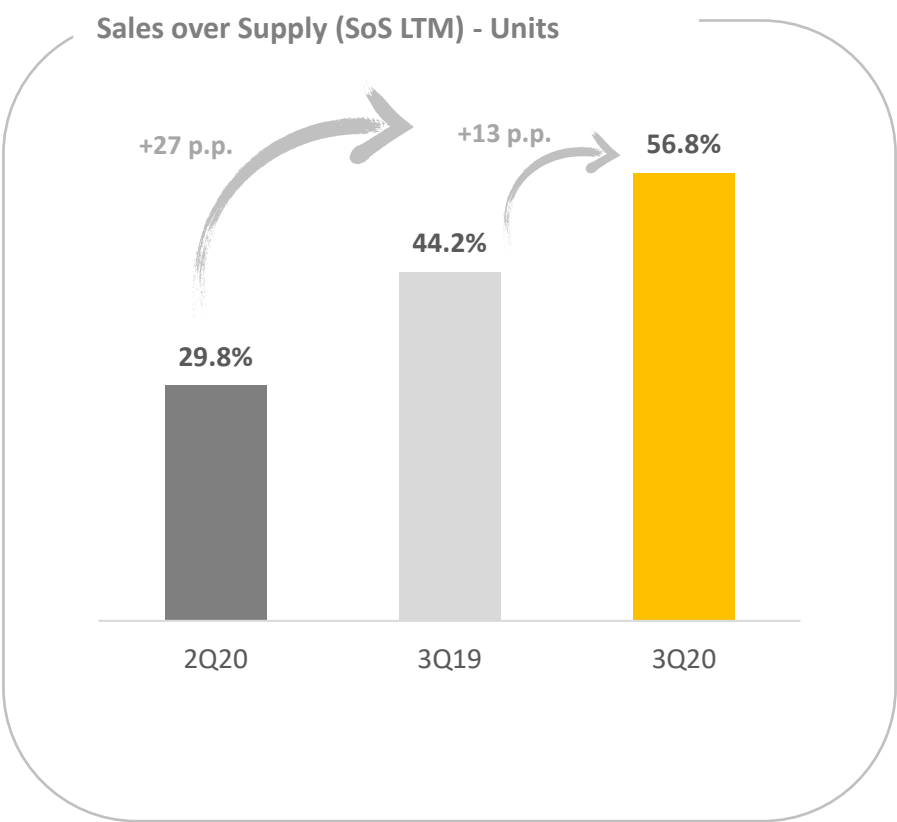
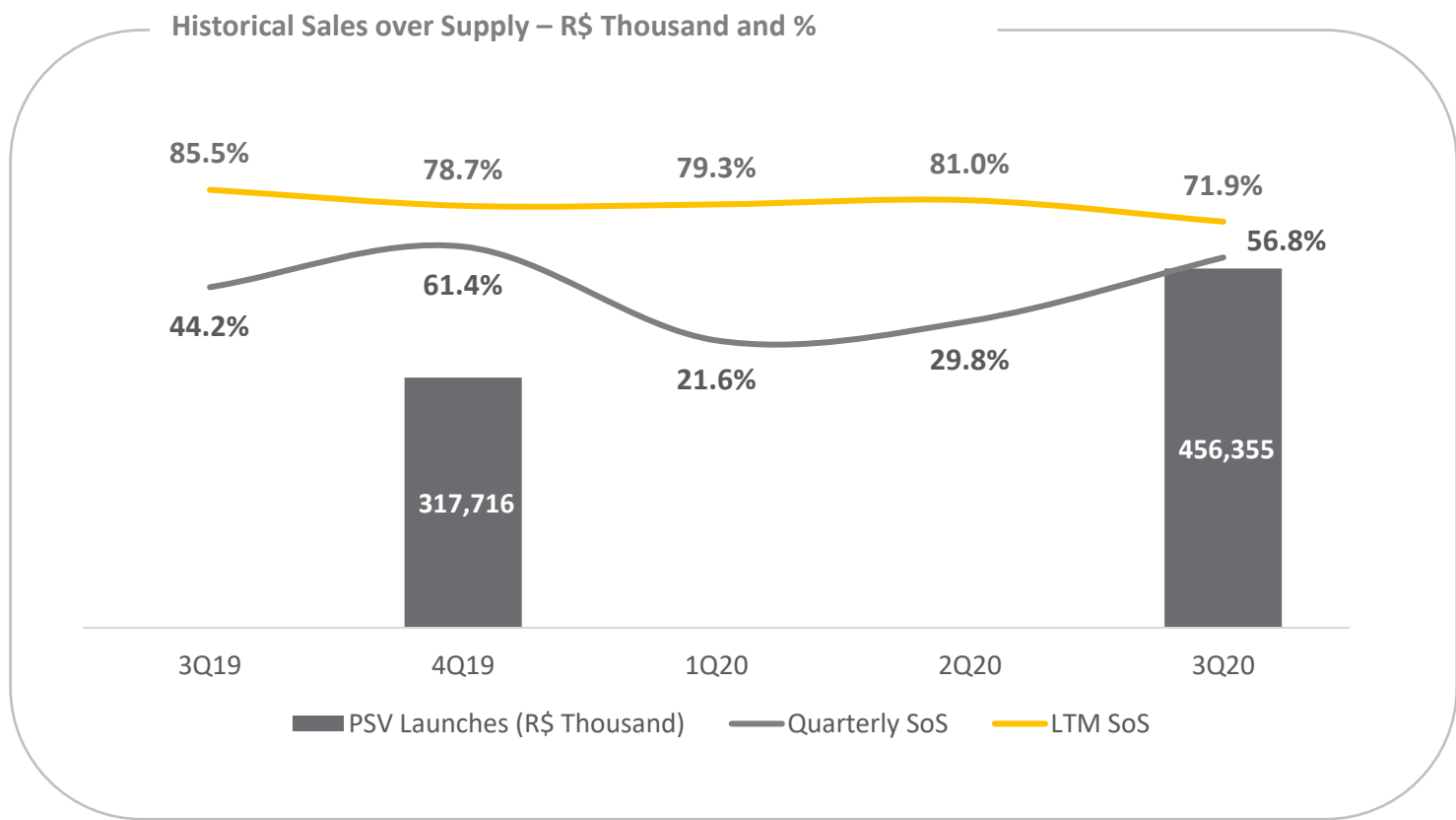
## *Operational Results*



# Sales over Supply



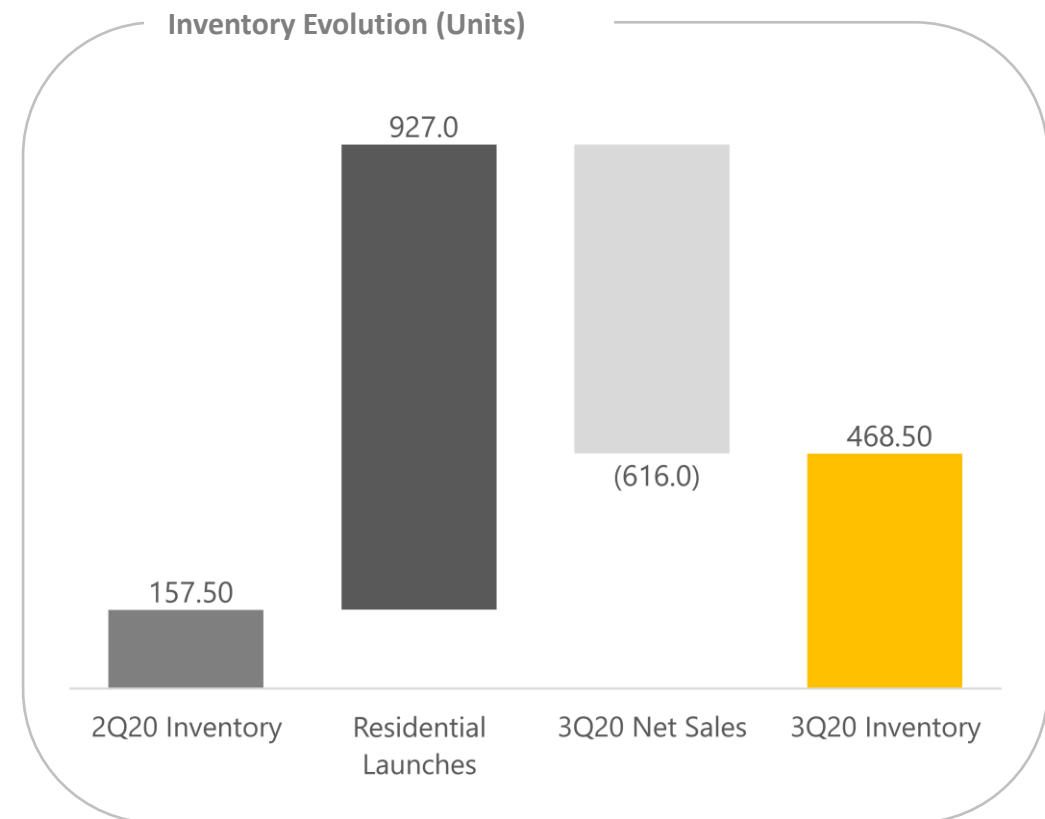
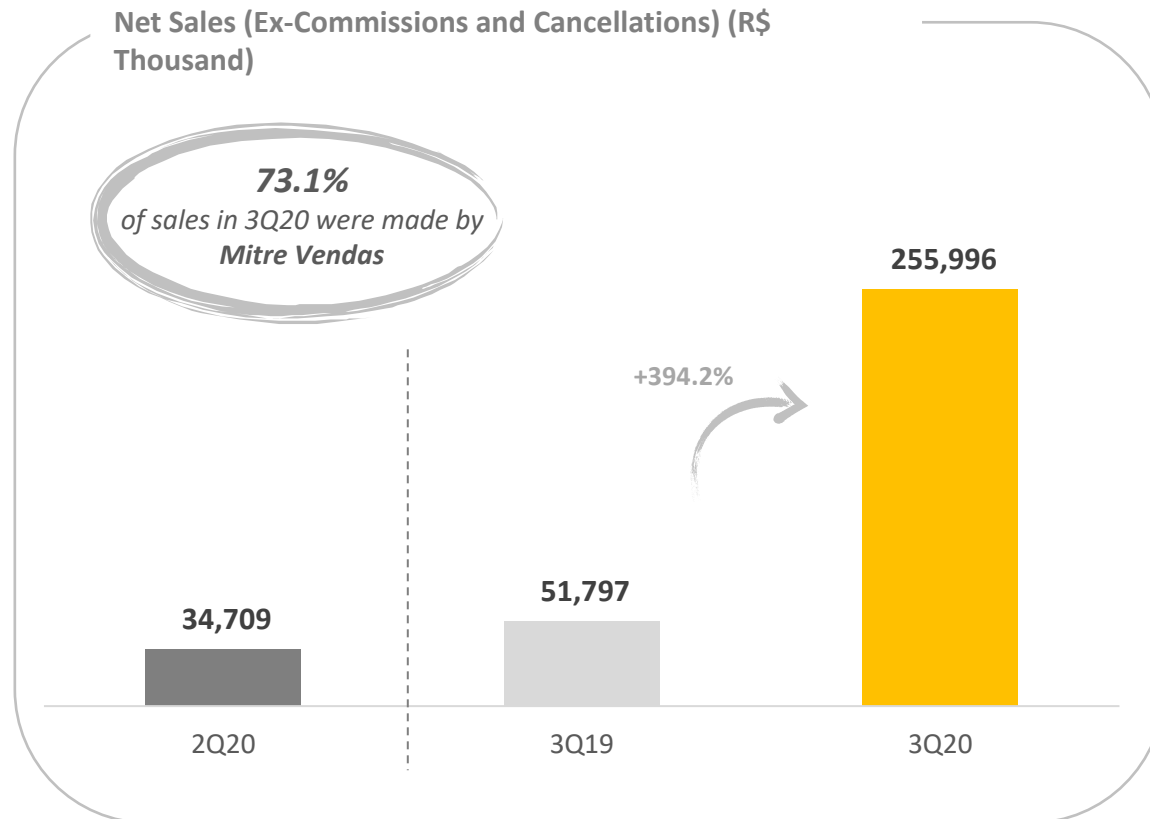
Sales over supply for the last twelve months (LTM SoS) of 71.9% and 56.8% in 3Q20



High sales speed with launches of R\$456.4 million in the quarter

# Net Sales and Inventories

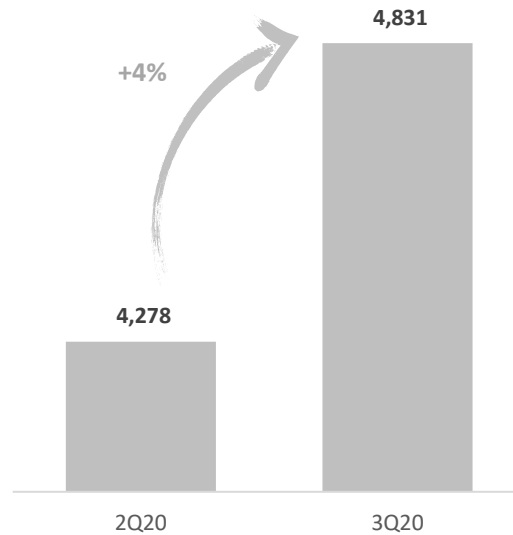
4 launches and sales of inventory resulting in **Net Sales of R\$256.0 million**, with only R\$5.3 million in 10 units of delivered projects



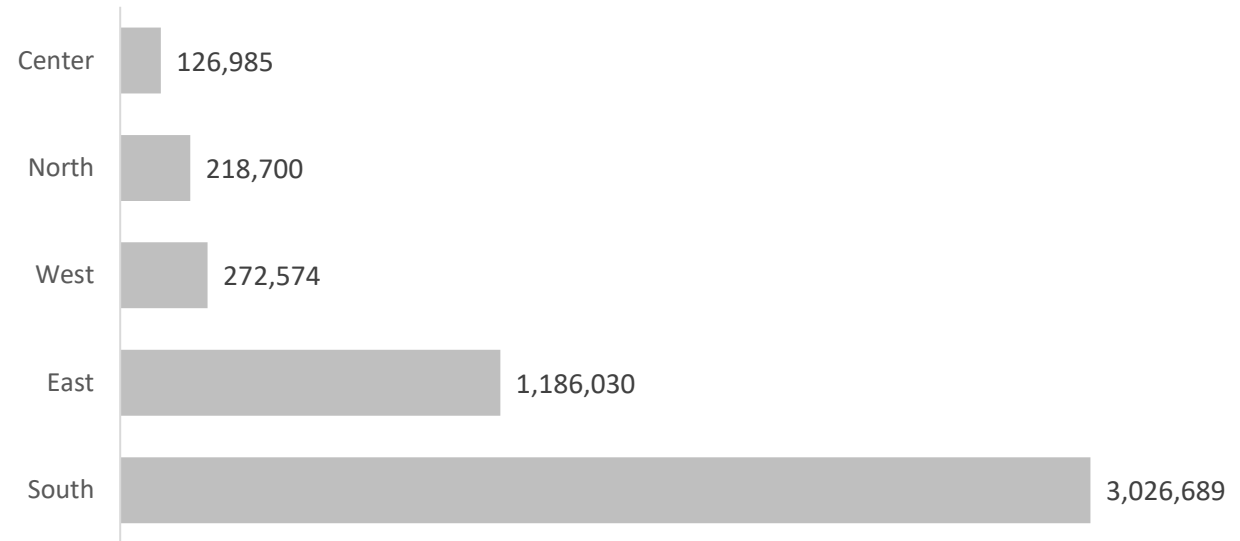
# Landbank

*R\$4.8 billion in potential PSV in landbank, growth of 4% compared to 2Q20*

Landbank – Potential PSV (R\$ million)



Landbank – Potential PSV (R\$ thousand)



One of the largest landbanks in the city of São Paulo



85% of landbank's disbursement linked to the project approval



Strategic Locations in the city of São Paulo

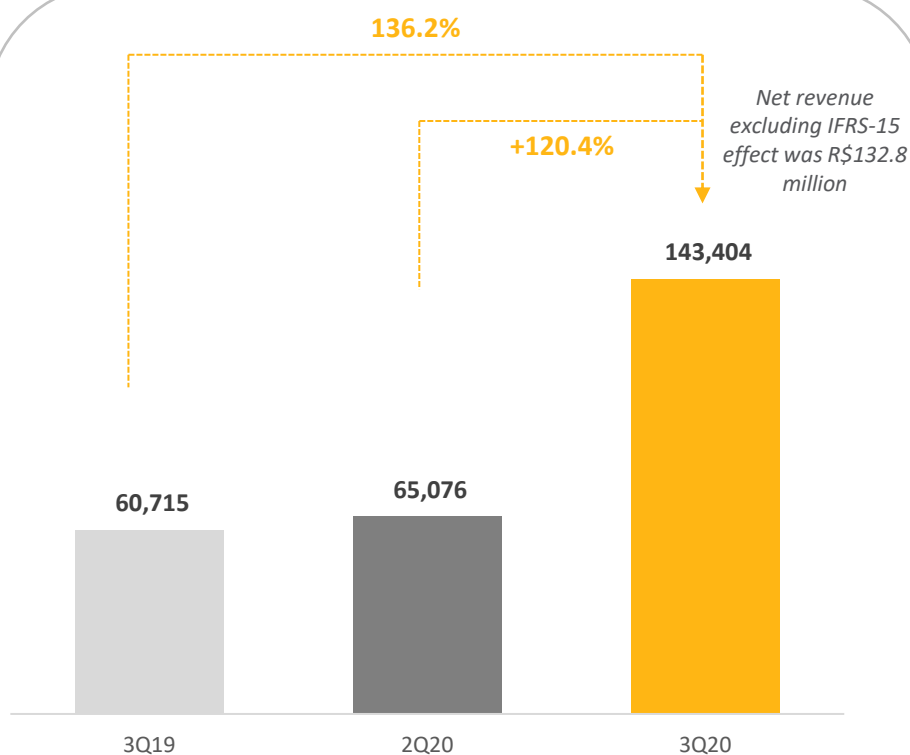


## *Financial Results*

# Net Revenue and Gross Margin

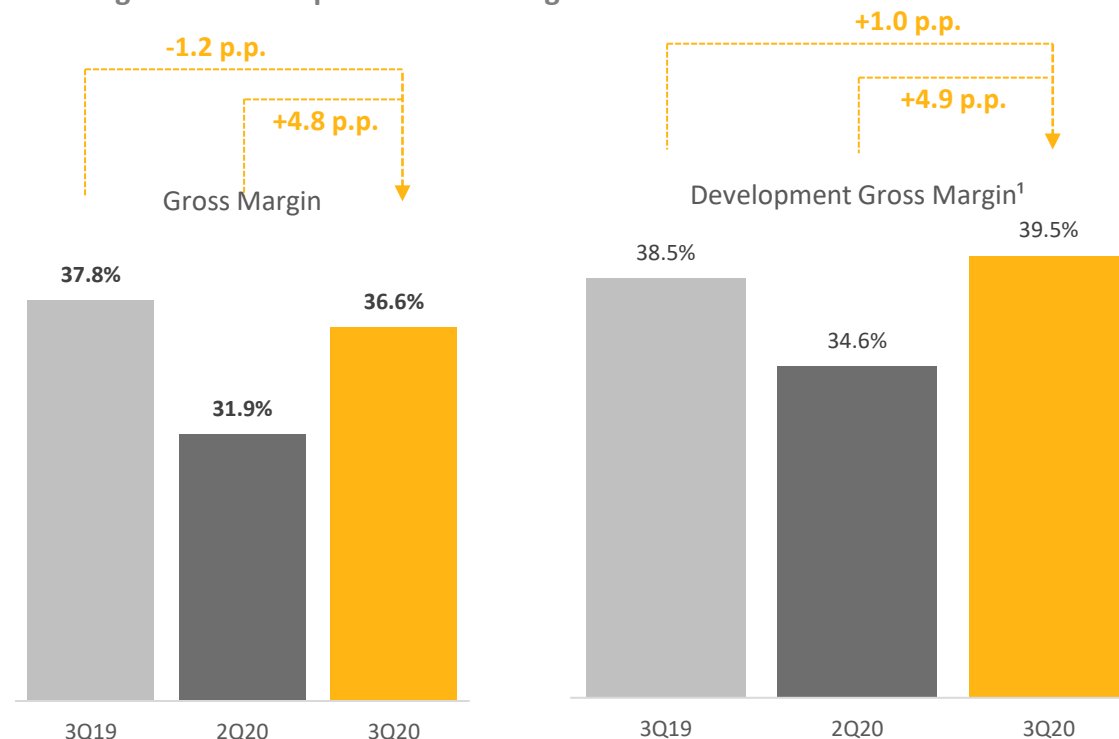
*Gain of 4.9 p.p. of development gross margin quarter over quarter, reaching 39.5%*

Net Operating Revenue (R\$ Thousand)



🔗 Growth of 120.4% compared to 2Q20, due to strong sales performance and the projects' construction progress, which are all ahead of schedule

Gross Margin and Development Gross Margin<sup>1</sup>



🔗 Development gross margin (ex-IFRS 15) gain both in relation to 3Q19 (1.0 p.p.) and to 2Q20 (4.9 p.p.), as a reflex of **higher prices practiced in the quarter launches, and the repurchase of the partners stake** on Haus Mitre Brooklin and Haus Mitre Pinheiros projects

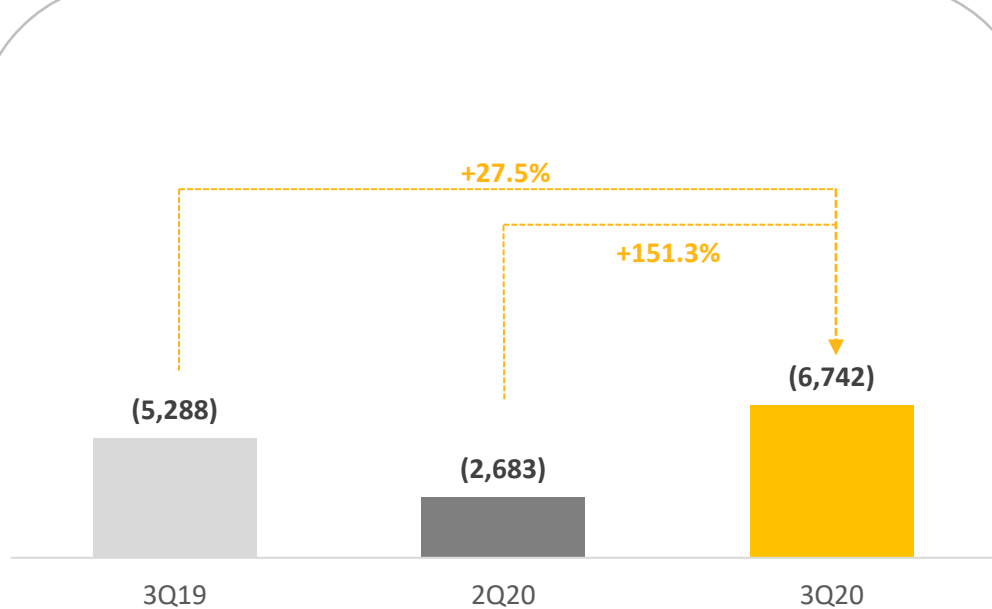
<sup>1</sup> Development gross margin: IFRS-15 accounting standard stipulates that the company responsible for the construction recognizes not only the revenue from the management fee, but also the full cost of the construction as revenue and also as a cost, meaning, despite the gross profit being zero, the margin calculation ends up impacted by the increase in revenue. Accordingly, the gross margin ex-IFRS-15 is calculated by dividing the gross profit by the net revenue minus the revenue from the construction contract, except for the portion corresponding to the management fee

# SG&A Expenses

*Well controlled and sized to support the Company's sustainable growth*

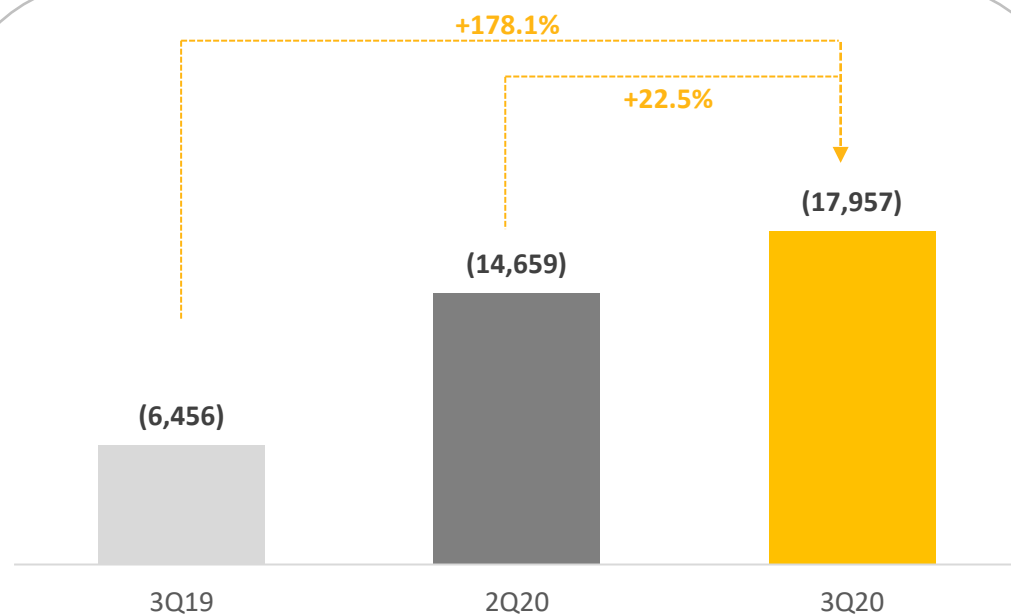


Selling Expenses (R\$ Thousand)



✿ +27.5% compared to 3Q19 and +151.3% versus 2Q20 reflecting four launches and part of selling expenses for the projects to be launched in the fourth quarter of 2020

G&A Expenses (R\$ Thousand)

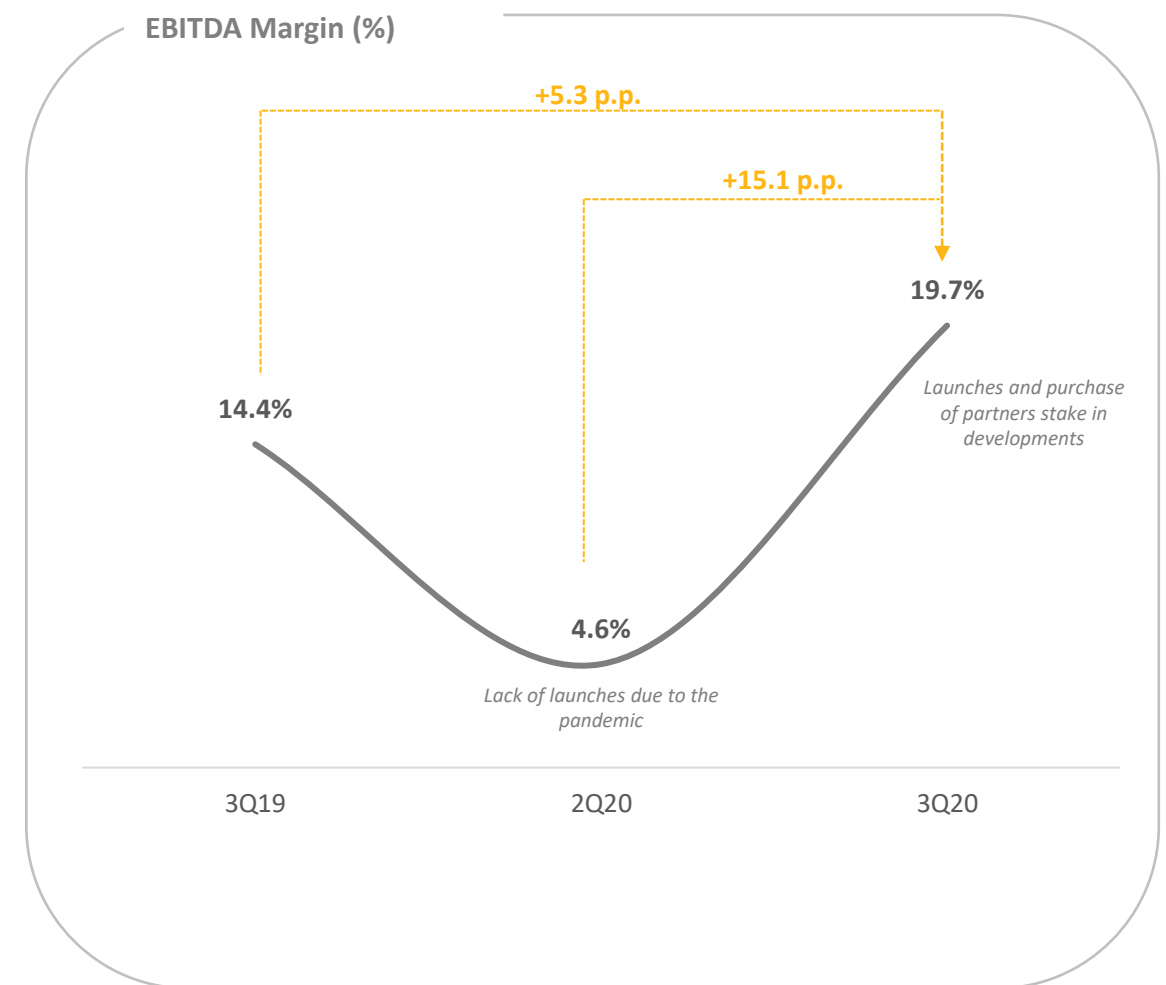
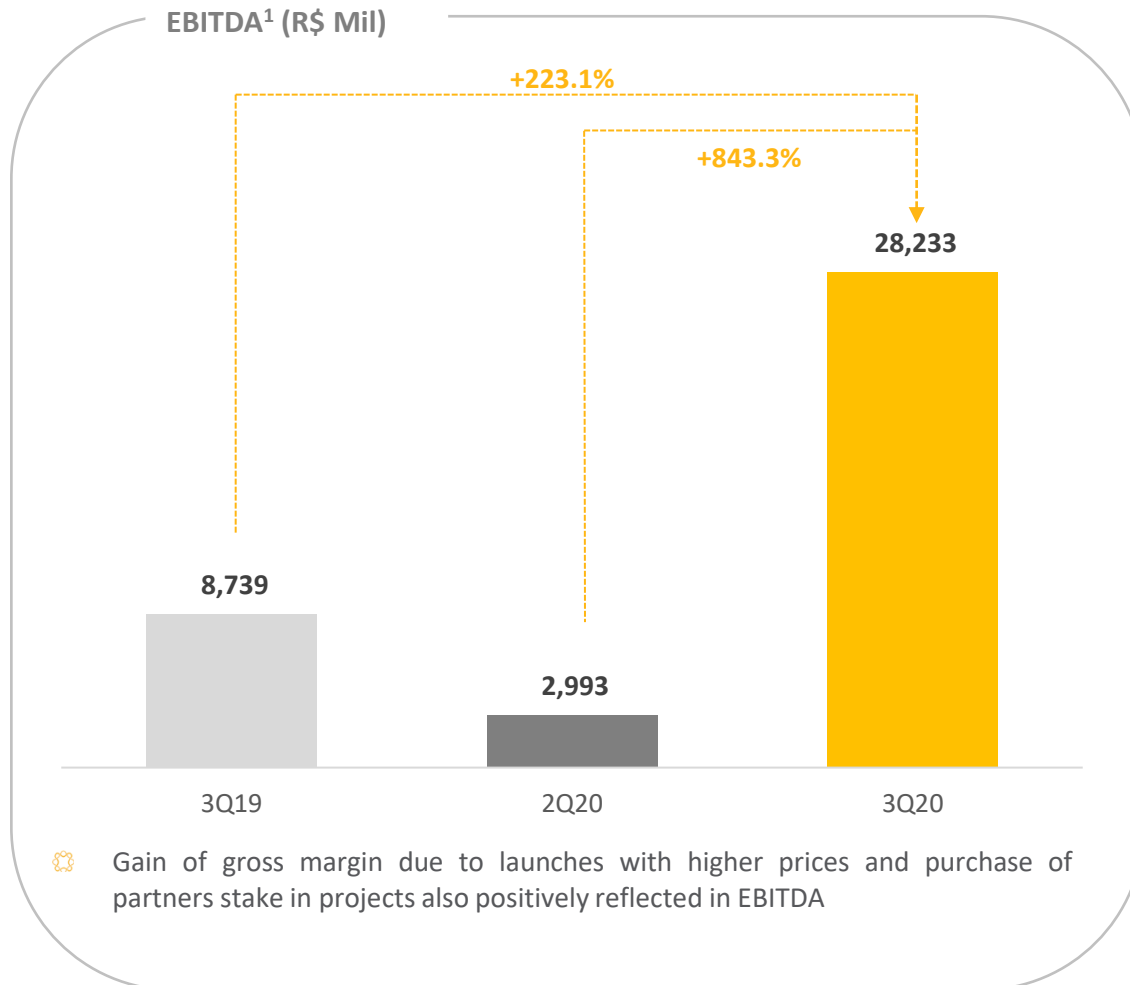


✿ **Executive partners at each department** create an extremely valuable ownership and expenses rationalization culture

✿ Ratio between the general and administrative expenses and the PSV launched places Mitre among the **most efficient companies in the sector**

# EBITDA and Adjusted EBITDA

843.3% growth versus 2Q20 due to gross margin gain



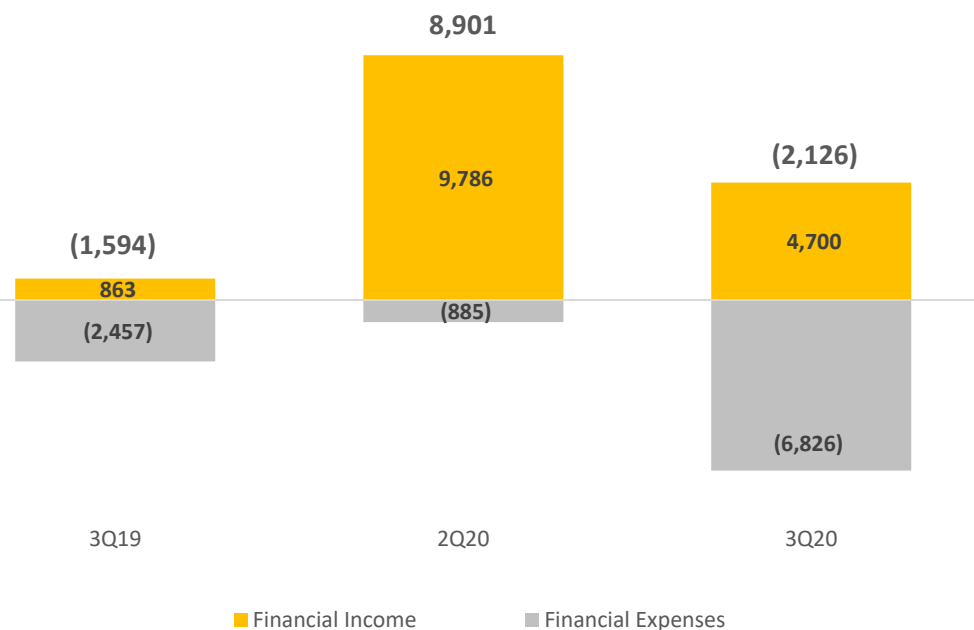
<sup>1</sup> EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-accounting measure disclosed by the Company consisting of net income added of net financial result, income and social contribution tax expenses, and depreciation and amortization costs and expenses

<sup>2</sup> Adjusted EBITDA is calculated by adding EBITDA and financial costs of production funding, which are capitalized into the cost of properties sold and recognized according to the ratio of units sold



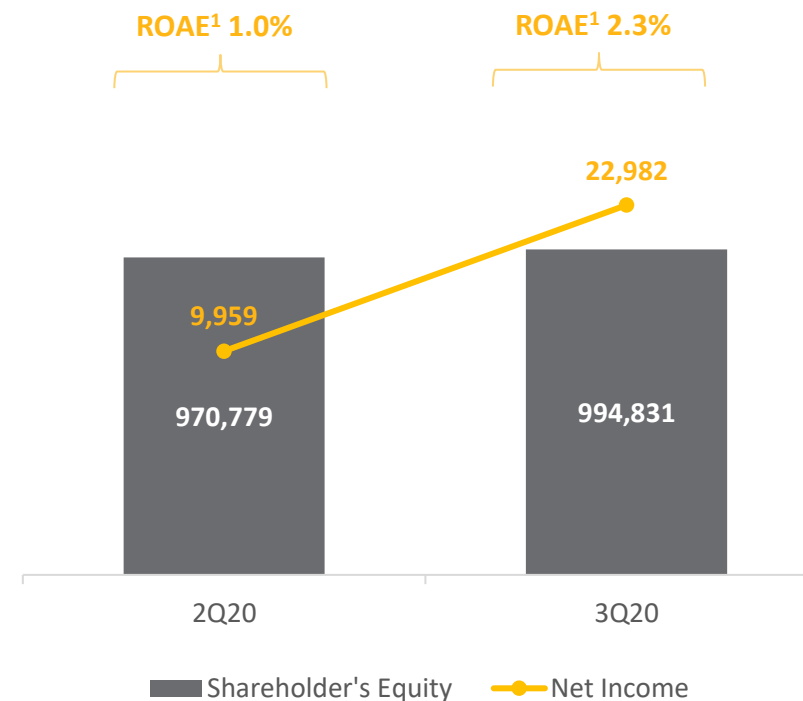
# Financial Result, Net Income and ROAE<sup>1</sup>

Net Financial Result (R\$ Thousand)



Change in net financial result reflects negative variation of the Total Return Equity Swap operation, reflecting the share price at the end of each quarter

Net Income and Shareholders' Equity (R\$ Thousand)



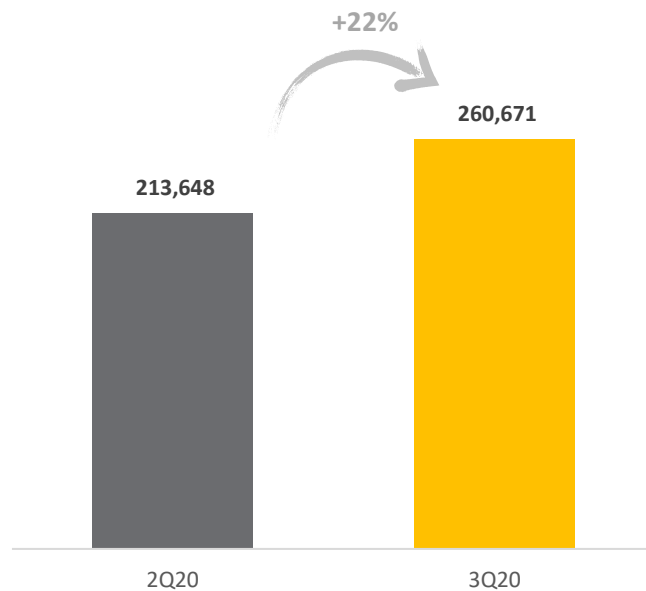
- Change in net income 3Q20 vs. 2Q20 as a consequence of the net revenue and gross profit's growth
- Variation in ROAE resulting from the growth in net income, but still distorted by the recent IPO and, consequently, increase in Shareholders' Equity

<sup>1</sup> ROAE: The quarterly ROAE (Return On Average Equity) is net income divided by the Company's average shareholders' equity. Other companies may calculate ROAE differently

# Receivables

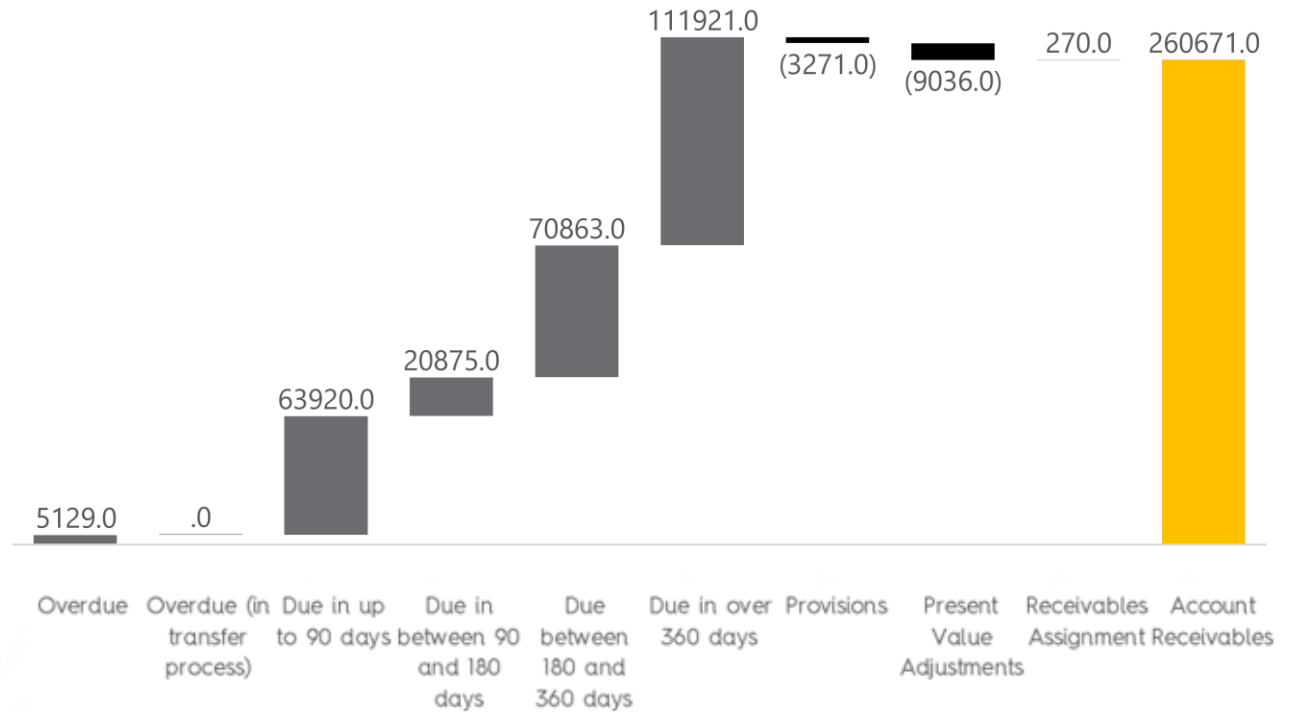
*Efficiency in sales of launches and inventory positively impacting receivables*

Receivables (R\$ Thousand)



⚙ Increase in receivables reflects the sales of the launches and existing inventory in the quarter

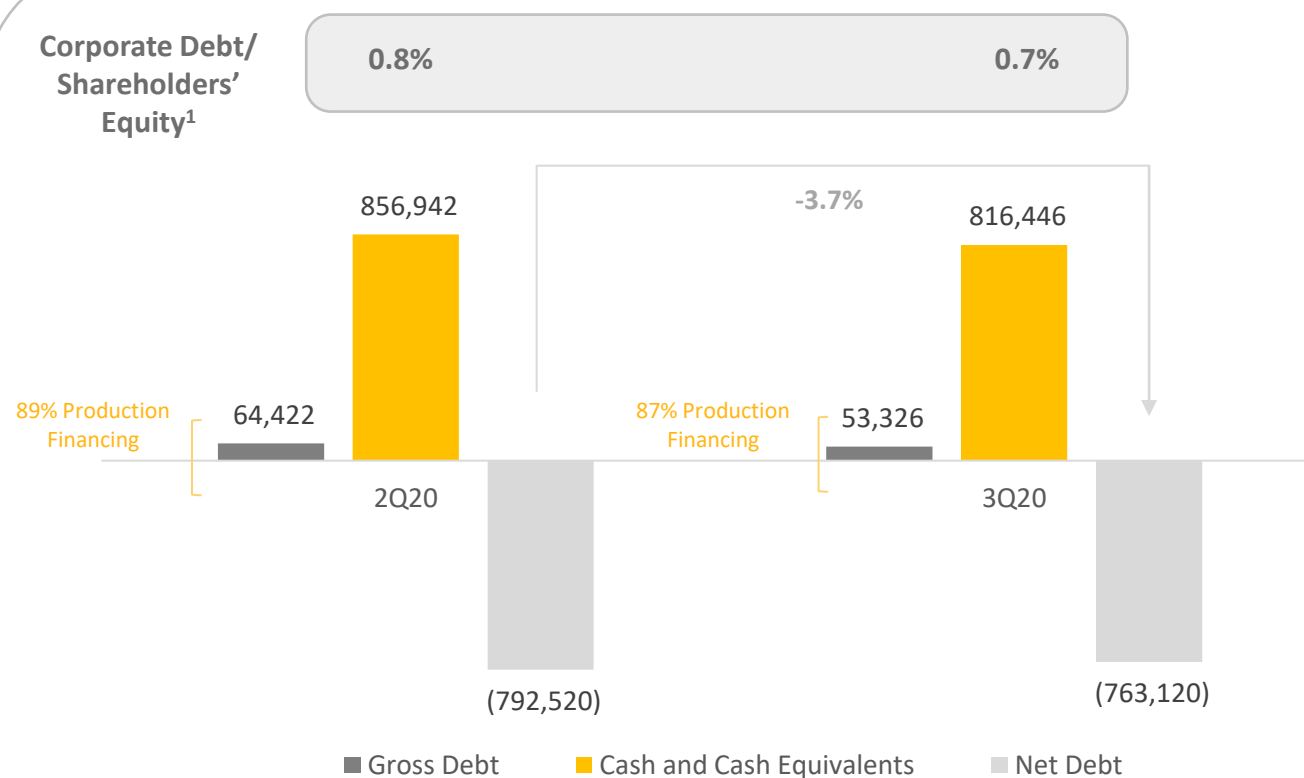
Receivables Breakdown (R\$ Thousand)



⚙ 62% of receivables are short-term

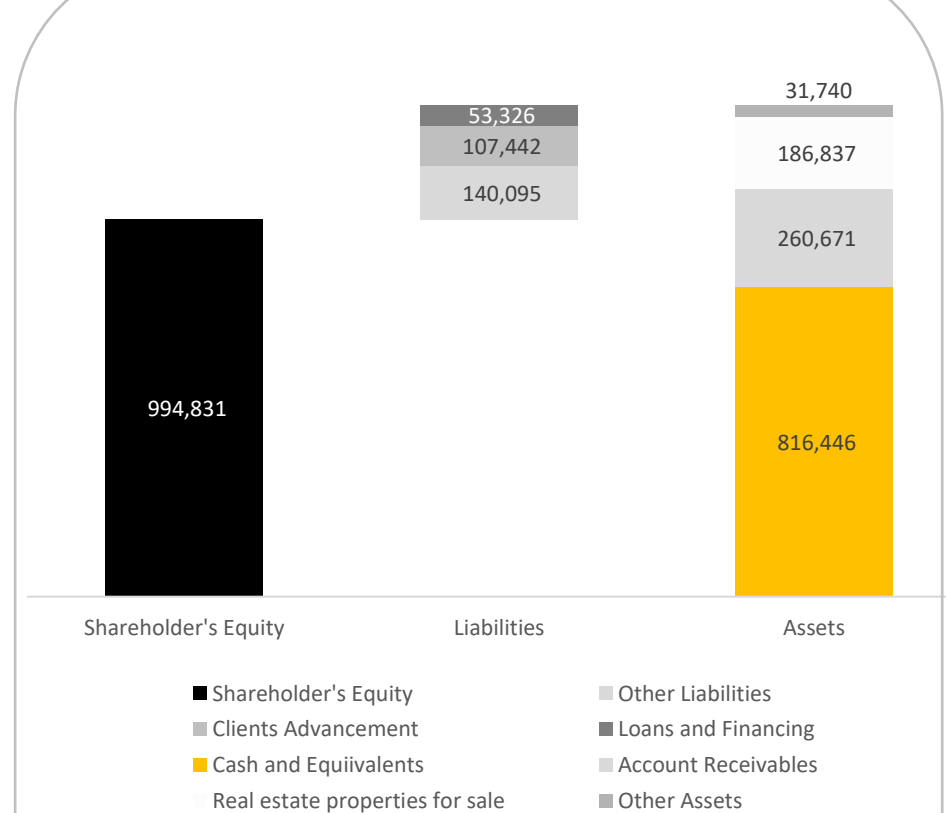
# Liquidity

## Net Indebtedness (R\$ Thousand)



- Gross debt reduction: amortization of SFH financing of MaxMitre
- Robust cash position of R\$816.4 million and without short-term maturity pressure
- 0.1 p.p. decrease in corporate debt/shareholders' equity due to decrease in gross debt

## Balance Sheet Composition (R\$ thousand)



- Net cash of R\$763,1 million, reinforcing Company's excellent liquidity

<sup>1</sup> The debt ratio is calculated by dividing the corporate debt by the shareholders' equity at the end of the period



## *Recent Events*

## Launches 3Q20



### ***Raízes Tucuruvi Jacarandá***

*Launched on September 05, 2020*

*PSV of R\$ 122 million*



### ***Raízes Tucuruvi Figueira***

*Launched on August 15, 2020*

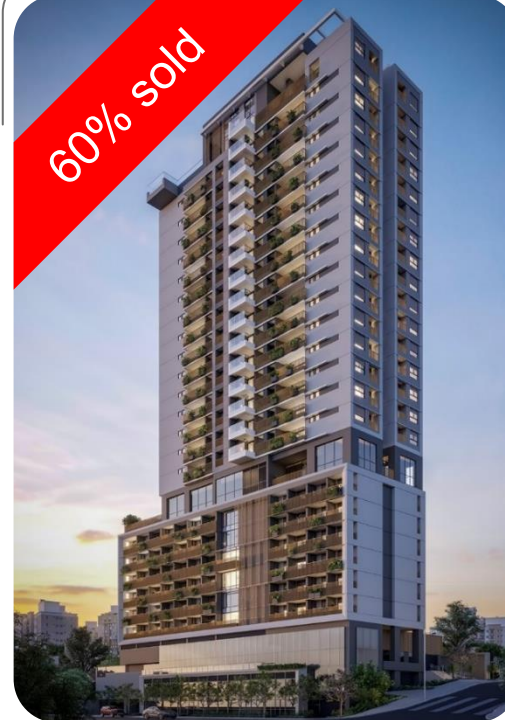
*PSV of R\$ 33 million*



### ***Haus Mitre Perdizes***

*Launched on August 22, 2020*

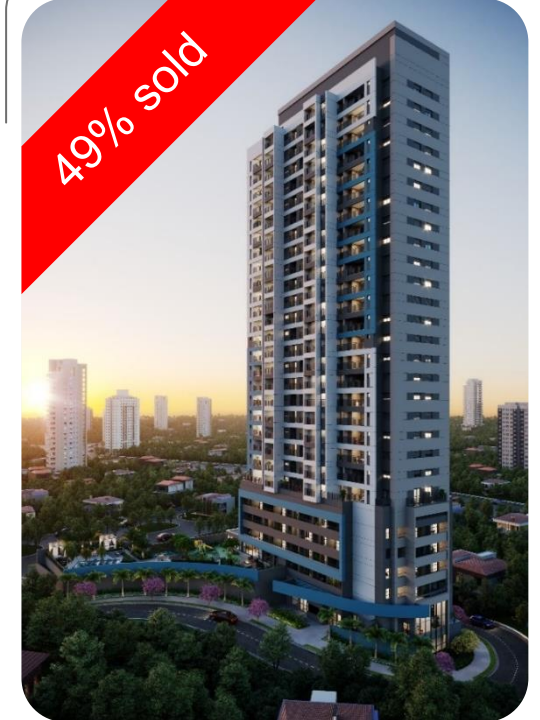
*PSV of R\$ 180 million*



### ***Raízes Freguesia do Ó***

*Launched on July 25, 2020*

*PSV of R\$ 120 million*





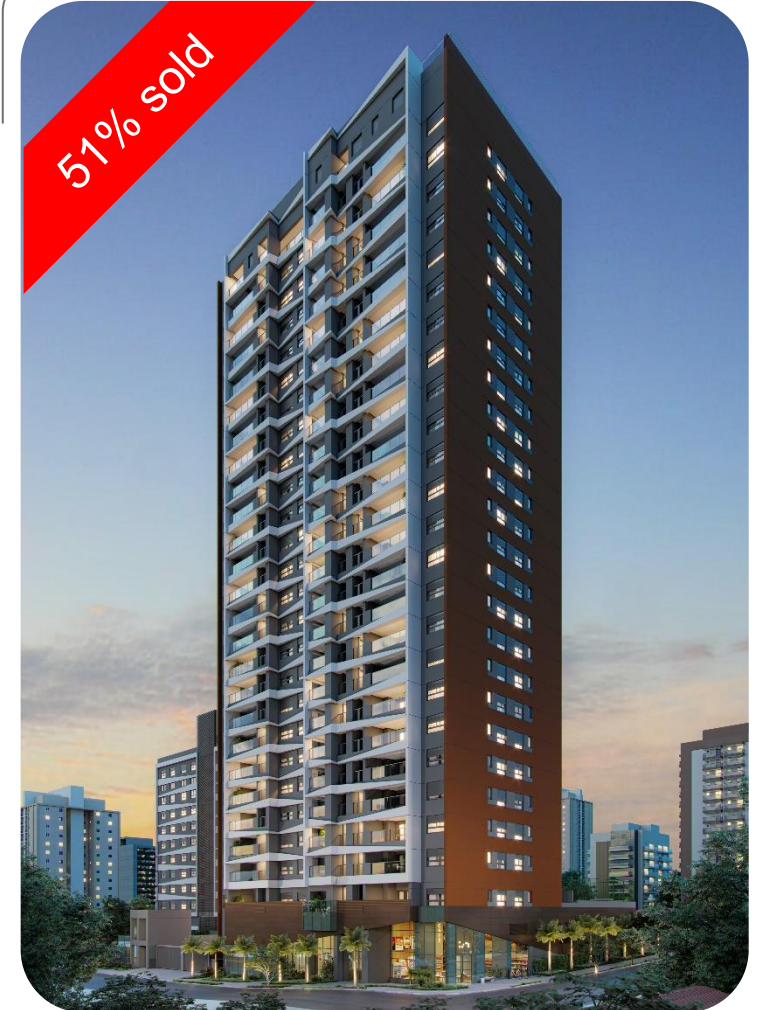
## Launches 4Q20



### ***Haus Mitre Residences***

*Launched on November 14, 2020*

*PSV of R\$ 71 million*



### ***Haus Mitre Platô Ipiranga***

*Launched on November 7, 2020*

*PSV of R\$ 181 million*

# Delivery of MaxMitre

Delivered in July, with **first 100% digital inspection**, besides being one of the first companies to have **deed registration and financing contract 100% online**



**PSV: R\$84 million**  
**Units: 190**  
**Launch: Sep/2017**

**195 days**  
in advance

1st Inspection Acceptance  
**99.5%**

Financing before Habite-se  
**57%**



**We always deliver what we promise**

**Perspective**



**Real Picture**







## *Conclusion*

# What Makes Mitre Unique?



*Strong track record in delivering unique products in high-growth mid-income regions of São Paulo*



## Client

**New Lifestyle Concept**

## Products

Focus on the **mid-income segment** of São Paulo

## Execution

**Integrated** and **verticalized** construction and sales structure

## Governance

**Partnership** Program  
**Compliance** Department  
**Dividend** Policy

## Growth

Robust **Landbank** pipeline  
Large **Addressable Market**  
**Affordability** phenomenon

## Risk Management

Differentiated **framework** for land acquisition  
**Strong discipline** in sales strategy to maintain **low inventory levels**

## IR Contacts



### Investor Relations

**Rodrigo Coelho Cagali**

*Chief Financial Officer and Investor Relations Officer*

**Giancarlo D'Elia Denapoli**

**Caio Perri Lima**

**Stefano Sé Stampacchio**

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