January-March 2021 Results

19th April 2021

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(*) This report includes a set of Alternative Performance Measures (APMs) defined in the herewith included Appendix, as recommended by ESMA (European Securities and Markets Authority).

1.- SUMMARY

REVENUE AND RESULTS

- Total revenue was €41,72m vs €25,04m at 1Q 2020 (+66,6%).
- Evolution of income in the different business areas vs 1Q 2020:

Commercial Property:	€20,87m (+1,8%)
Land & Homebuilding:	€20,21m (+392,9%)

Additionally, Realia Group has obtained an income from Services & Others for an amount of €0,64m (+45,5%).

Income from Commercial Property has gone up by 1,8%. It is mainly due to two reasons: income from Build to Rent (BTR) business activity which operation started in July 2020 and invoicing from updated contracts.

Income from Land & Homebuilding has gone up by 392,9%, and it is mainly due to:

1. 20 units of "Brisas de Son Dameto" residential development in Palma de Mallorca were delivered for an amount of €8,48m. These deliveries started at the end of 2020 and have carried on over 1Q 2021.
2. 25 units of "Essencia de Sabadell" residential development in Sabadell were delivered for an amount of €8,70m. These units were the first to be delivered.

Additionally, in 1Q 2020, income for an amount of €1,06m for sale of land for commercial use was registered. This sale was performed by *Management Board of Valdebebas*, Realia held a certain percentage of this property. If we do not consider the effect of the sale of this land, deliveries have increased by 564,8% vs 1Q 2020.

Income from homes in the pipeline has not been included. Accounting rules state that this information should be included once the homes have been delivered to clients.

Income from Services has gone up mainly due to new commercial agreements, technical management and administrative and fiscal management related to residential developments and/or third party companies different from Realia Group.

Operational costs have reached €25,04m, 124,5% higher than at 2020 (€11,15m).

- Overhead costs reached €1,33m (-1,5%) vs 1Q 2020.
- EBITDA reached €15,35m vs €12,54m at March 2020 (+22,4%). This result is mainly due to better margins in residential business operation, mainly in new residential developments that will be delivered over 2021, as well as, a positive evolution of overhead costs. Realia Group has obtained over 1Q 2021 a positive EBITDA in all areas (residential, commercial property and services).

- As of 31 March 2021, provisions for €2,02m have been reversed vs €1,87m at December 2020. Main transactions:

  1. At 1Q 2021, provisions related to residential finished product deliveries have been reversed for an amount of €2,18m vs €0,82m at 1Q 2020.
  2. Considering the economic impact that COVID 19 may cause, the Group has made provisions for €0,33m at 1Q 2021 vs €1,82m at 1Q 2020.

- Financial result reached €-3,05m vs €-3,01m at March 2020 (-1,3%). This result is due to two reasons:

  1. Lower financial expenses, €0,7m at 1Q 2021, due to lower level of debt and better applied spreads.
  2. Financial income gradual reversion reached €8,97m at December 2020 due to implementation of IFRS 9 causing an impact of €-0,52m at 1Q 2021.
  3. Valuation of derivatives performed by independent experts has reached €+0,05m at 1Q 2021 vs €+0,74m at 1Q 2020.
  4. Other financial income for an amount of €0,46m at 1Q 2021.

- As of March 2021, earnings before taxes reached €14,49m, vs €8,25m at 1Q 2020 (+75,6%). This result is mainly due to:

  1. Better margins from new residential developments, €1,68m at March 2021 vs €-0,65m at 1Q 2020.
  2. Margins from Commercial Property have remained stable.
  3. provisions net reversion, as above mentioned.

- As of 31 March 2021, earnings after taxes reached €8,51m, vs €3,92m at 1Q 2020 (+117,1%). This result is explained here above, following tax adjustments.

INDEBTEDNESS

- As of 31 March 20212, Realia Group gross financial debt reached €571,31m vs €577,35m at December 2020 (-1,0%). This debt is related to Realia Patrimonio.
- As of March 2021, cash and equivalents reached €90,23m vs €74,82m at December 2020. This amount together with cash-flow generated will be allocated to pay back banking debt at its maturity, to complete residential developments in the pipeline, to develop the Build to Rent (BTR) business, to invest in capex for the current assets and to purchase new ones.
- As a consequence, as of 31 March 2021, Realia net financial debt reached €481,08m vs €502,53m at December 2020 (-4,3%).
- As of 27 April 2020, Realia Group signed a novation contract of Realia Patrimonio, S.L.U. syndicated loan with the following modifications:
  - "Margin" - Applying 135 basis points when LTV 50% ≥ LTV > 40% and 120 basis points when LTV < 40%.
  - Extension of the expiry date until 27 April 2025 (final expiry date).

As a consequence of this novation and implementation of IFRS 9, the Group has reflected an adjustment in the valuation of its syndicated loan for an amount of €8,97m. Therefore, the gross financial debt has gone down on this amount and has meant a financial income. This valuation adjustment will be gradually reverted until the loan reaches its expiry date in 2025 causing a quarterly financial cost of €0,52m.

- The net financial result reached €-3,05m vs €-3,01m at March 2020 (-1,3%). This result is mainly due to several reason:

    1. Lower financial expenses, €0,7m at 1Q 2021, due to lower level of debt and better spreads.
    2. Financial income gradual reversion reached €8,97m at December 2020 due to implementation of IFRS 9 causing an impact of €-0,52m at 1Q 2021.
    3. Valuation of derivatives performed by independent experts has reached €+0,05m at 1Q 2021 vs €+0,74m at 1Q 2020.
    4. Other financial income for an amount of €0,46m at 1Q 2021.

- The weighted average rate (derivatives included) reached 1,79% vs 2,11% at 1Q 2020.

COMMERCIAL PROPERTY

- Gross rental income reached €16,38m over 1Q 2021 (39,3% of Realia Group total income). It has been 2,8% better than at 1Q 2020, €15,93m. It is mainly due to income from Build to Rent (BTR) business activity which has generated an income for €0,14m and invoicing from updated contracts.
- Overall occupancy levels of operational tertiary use assets (As Cancelas S XXI included) reached 92,1% vs 93,7 % at March 2020. This result is mainly due to Retail & Leisure activity where the impact of the health crisis is more important.
- Realia Group operates a Build to Rent (BTR) residential development of 85 homes in Tres Cantos (Madrid). As of 31 March 2021, 81,4 % of the total units were occupied vs 66% at December 2020.
- There are two new Build to Rent (BTR) residential development projects in the pipeline for 195 social rental homes in Tres Cantos (Madrid). Total investment will reach €39,9m, €29,2m still pending to be spent.

LAND AND HOMEBUILDING

- As of 31 March 2021, Realia delivered 65 units for an amount of €19,97m vs 20 units at 1Q 2020 for an amount of €2,89m. 25 units of "Essencia de Sabadell" residential development in Sabadell were delivered for an amount of €8,70m. 20 units of "Brisas de Son Dameto" residential development in Palma de Mallorca were delivered for an amount of €8,48m.

- As of 31 March 2021, there is a stock of 363 units (homes, small retail and offices) finished or in the pipeline non-delivered, 140 (pre-sold). There are also 41 land plots for single-family housing intended for sale.

- Realia has a gross land bank, in different urbanistic stages, of 6.351.338 sqm and an estimated buildable area of 1.830.653 sqm.

2.- FINANCIAL HIGHLIGHTS

(€mm)	1Q 2021	1Q 2020	Var. (%)
Total Revenue	**41,72**	**25,04**	**66,6**
Comm. Property	20,87	20,50	1,8
Land & Homebuilding	20,21	4,10	392,9
Services & Others	0,64	0,44	45,5
EBITDA	**15,35**	**12,54**	**22,4**
Net Result (Group share)	**8,51**	**3,92**	**117,1**
Net Financial Debt	**481,08**	**518,27**	**-7,2**
Nr. shares (mm) treasury shares not included	**811,09**	**815,70**	**-0,6**
Earnings per Share (€)	**0,010**	**0,005**	**100,0**

3.- OPERATIONAL HIGHLIGHTS

	1Q 2021	1Q 2020	Var. (%)
Commercial Property			
GLA	**416.761**	**406.782**	**2,5**
- Tertiary use (offices, shopping centres and others)	406.788	406.782	
- Residential use (BTR) (1)	9.973	-	
Occupancy (%)	**91,8%**	**93,7%**	**-1,9**
- Tertiary use (offices, shopping centres and others)	92,1%	93,7%	
- Residential use (BTR) (1)	81,4%	0,0%	
Land & Homebuilding			
Sales			
Total value of contracts (€mm)	19,97	2,89	**591**
Units	65	20	**225**
Headcount	**91**	**91**	**0**

(1) Build to Rent (BTR) operation started in July 2020

Headcount	1Q 2021	1Q 2020	Var. (%)
Total (1)	**91**	**91**	**0,0**
Realia Business	40	40	**0,0**
Realia Patrimonio	5	5	**0,0**
Hermanos Revilla (1)	46	46	**0,0**

(1) It includes 32 people working at reception and concierge services in buildings over 2021 and 2020.

4.- CONSOLIDATED BALANCE SHEET

(€mm)	1Q 2021	1Q 2020	Var. (%)
Total Revenue	**41,72**	**25,04**	**66,6**
Rents	16,38	15,93	2,8
Expenses provision	4,47	4,56	-2,0
Homebuilding	19,97	2,89	591,0
Land sales	-	1,06	-100,0
Services	0,64	0,44	45,5
Other (Homebuilding & Comm. Property)	0,26	0,16	62,5
Total Gross Margin	**16,68**	**13,89**	**20,1**
Rents	14,71	14,42	2,0
Homebuilding	1,68	-0,65	358,5
Services	0,29	0,12	141,7
Overheads & Other costs	-1,33	-1,35	1,5
EBITDA	**15,35**	**12,54**	**22,4**
Amortization	-0,08	-0,07	-14,3
Depreciation	2,02	-1,87	208,0
EBIT	**17,29**	**10,60**	**63,1**
Financial result	-3,05	-3,01	-1,3
Equity method	0,25	0,66	-62,1
Earnings before taxes	**14,49**	**8,25**	**75,6**
Taxes	-3,67	-2,09	-75,6
Results after taxes	**10,82**	**6,16**	**75,6**
Minority Interests	2,31	2,24	3,1
Net Results (Group share)	**8,51**	**3,92**	**117,1**

- Income from Land & Homebuilding has gone up by 591,0% due to 25 units of “Essencia de Sabadell” and 20 units of “Brisas de Son Dameto” residential developments have been delivered for a total amount of €17,18m.
- Income from rents has gone up by 2,8% in 2021. It is mainly due the Build to Rent (BTR) business activity with an income of €0,14m at 1Q 2021 and invoicing from upadated contracts.
- EBITDA has gone up by 22,4% reaching €15,35m. EBITDA result has been positive in all business areas of the Group.

- Provisions for €2,02m vs €-1,87m at 1Q 2020 have been reversed with the following breakdown:

Breakdown provisions (€mm)	1Q 2021	1Q 2020
Residential finished product	2,18	0,82
Land bank and developments in the pipeline	-0,09	-0,09
COVID 19	-0,33	-1,82
Others (clients, proceedings, …)	0,26	-0,78
Total	**2,02**	**-1,87**

- At 1Q 2021, provisions related to residential finished product deliveries have been reversed for an amount of €2,18m vs €0,82m at 1Q 2020.
- Considering the economic impact that COVID 19 may cause, the Group has made provisions for €0,33m at 1Q 2021 vs €1,82m at 1Q 2020.

- The net financial result reached €-3,05m vs €-3,01m at March 2020 (-1,3%). This result is mainly due to several reason:

  1. Lower financial expenses, €0,7m at 1Q 2021, due to lower level of debt and better applied spreads.
  2. Financial income gradual reversion reached €8,97m at December 2020 due to implementation of IFRS 9 causing an impact of €-0,52m at 1Q 2021.
  3. Valuation of derivatives performed by independent experts has reached €+0,05m at 1Q 2021 vs €+0,74m at 1Q 2020.
  4. Other financial income for an amount of €0,46m at 1Q 2021.

- The result of the equity-accounted companies (mainly As Cancelas, S.A., 50% owned Company) has gone down by 62,1% (€0,25m at 31st March 2021 vs €0,66m at 1Q 2020). It is mainly due to the COVID 19 crisis health and measures taken by Xunta de Galicia which have caused a negative impact on rents.

- Earnings before taxes reached €14,49m vs €8,25m at 1Q 2020 (+75,6%). This better result is mainly due to a better gross margin in the Residential area, €1,68m at 1Q 2021, vs €-0,65m at 1Q 2020 and for provisions net reversion.

- Earnings after taxes reached €8,51m vs €3,92m at 1Q 2020 (+117,1%).

5.- CONSOLIDATED BALANCE SHEET

(€mm) ASSETS	1Q 2021	2020	LIABILITIES	1Q 2021	2020
Tangible fixed assets	2,26	2,31	Equity	1.056,06	1.035,75
Investment property	1.464,52	1.464,12	Minority shareholders	240,23	238,03
Inventories	329,26	339,37	Financial debt	571,31	577,35
Accounts receivable	12,12	16,71	Current creditors	36,39	36,04
Treasury and equivalents	90,23	74,82	Other liabilities	204,93	206,57
Other assets	210,53	196,41			
Total Assets	**2.108,92**	**2.093,74**	**Total Liabilities**	**2.108,92**	**2.093,74**

6.- FINANCIAL STRUCTURE

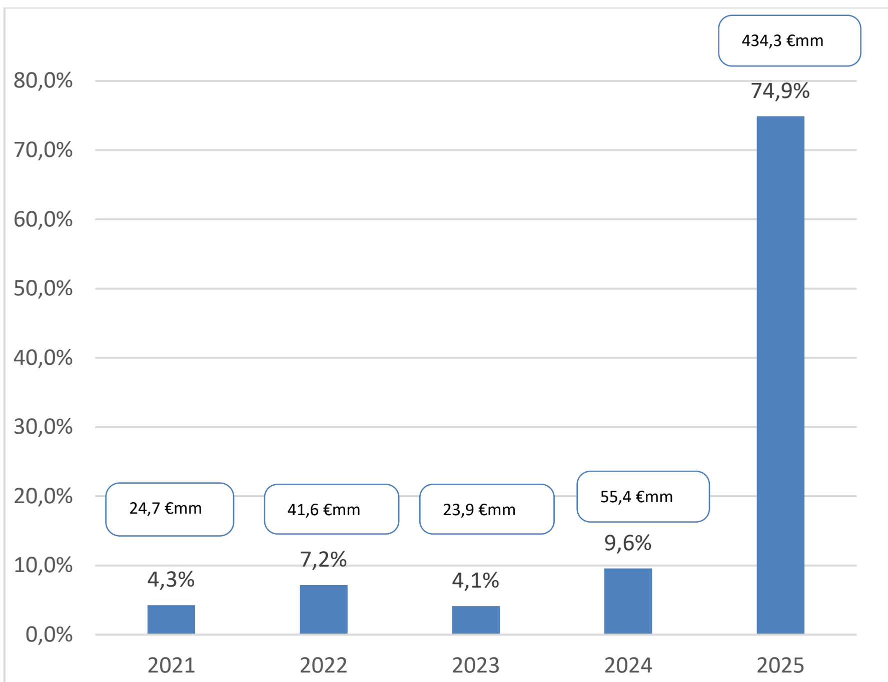
	REALIA Patrimonio Commercial Property	REALIA Business Land & Homebuilding	1Q 2021	1Q 2020	Var. (%)	Dec. 2020	Var. (%) 1Q 2021 s/ Dec. 2020
Syndicated loans	526,56	-	526,56	546,09	-3,6	526,56	0,0
Other loans	53,36	-	53,36	54,73	-2,5	59,77	-10,7
Valuation of derivatives	7,29	-	7,29	8,45	-13,7	7,93	-8,1
Interests	1,33	-	1,33	1,73	-23,1	1,36	-2,2
Debt formalisation expenses	-17,23	-	-17,23	-9,50	-81,4	-18,27	5,7
Total Gross Financial Debt	**571,31**	**-**	**571,31**	**601,50**	**-5,0**	**577,35**	**-1,0**
Cash and equivalents	38,40	51,83	90,23	83,23	8,4	74,82	20,6
Total Net Financial Debt	**532,91**	**-51,83**	**481,08**	**518,27**	**-7,2**	**502,53**	**-4,3**

- As of March 2021, Realia Group has a gross financial debt of €571,31m vs €577,35m at December 2020 (-1,0%). All financial debt is bound to Commercial Property portfolio.
- As of March 20212, cash and equivalents reached €90,23m vs €74,82m at December 2020. Cash and equivalents together with the cash-flow generated by the Group will be allocated to pay back banking debt at its maturity, to complete residential developments in the pipeline, to develop the Build to Rent (BTR) business, to invest in capex for the current assets and acquiring new ones.
- As a consequence, as of 31 March 2021, Realia net financial debt reached €481,08m vs €502,53m at December 2020 (-4,3%).

- As of 27 April 2020, Realia Group signed a novation contract of Realia Patrimonio, S.L.U. syndicated loan with the following modifications:
    - "Margin" - Applying 135 basis points when ratio LTV 50% ≥ LTV > 40% y 120 basis points when LTV < 40%.
    - Extension of the expiry date until 27 April 2025 (final expiry date).

- As of 31 March 2021, the weighted average interest rate of the gross debt was 1,79% (derivatives included) following the new lown agreement for the commercial property business vs 2,11% at 1Q 2020
- As of March 2021, the breakdown of the Group gross debt maturity is the following:

Gross debt maturity



7.- COMMERCIAL PROPERTY

Rents – Consolidated data (1)

(€mm)	1Q 2021	1Q 2020	Var. (%)
Rental income (2)	16,38	15,93	2,8%
Expenses provision	4,47	4,56	-2,0%
Other income	0,02	0,01	100,0%
Total revenue	**20,87**	**20,50**	**1,8%**
Building common charges (2)	-5,28	-5,20	-1,5%
Other charges	-0,88	-0,88	0,0%
Gross margin	**14,71**	**14,42**	**2,0%**
Margin (%)	***89,8%***	***90,5%***	***-0,7%***

(1) The data in this chart is consolidated. The data from of As Cancelas appear proporcionally (50%)

(2) It includes rental income and expenses provision from the Build to Rent (BTR) business for importe an amount of €0,14m and €0,03m respectively

- Total rental income (expenses charged to tenants not included) reached €16,38m (78,5% of the commercial property income, 2,8% better than at March 2020). It is mainly due to income from the Build to Rent (BTR) business activity which amounted €0,14m, as well as invoincing from updated contracts.
- Gross margin on rents reached 89,8%, 0,8% lower than at March 2020.
- Evolution of commercial property over 2021 will be affected by COVID 19 and its impact will depend on how pandemic will evolve and its effects. Realia is aware of this situation and will continue with its policy applied over 2020 contributing to relaunch the economic and commercial activity of its tenans where they will be unable to carry on with their activity.

Rents – Operating Break down

(€mm)	1Q 2021	1Q 2020	Var. (%)
Rental income (2)	17,26	17,14	0,7%
Expenses provision	4,79	4,92	-2,6%
Other income	0,02	0,01	100,0%
Total revenue	**22,07**	**22,07**	**0,0%**
Building common charges (2)	-5,64	-5,58	-1,1%
Other charges	-1,07	-1,11	3,6%
Total gross margin	**15,36**	**15,38**	**-0,1%**
Margin (%)	***89,0%***	***89,7%***	***-0,7%***

(1) The data in this chart is operational.The data from As Cancelas appear proportionally (50%).

(2) It includes rental income and expenses provision from the Build to Rent (BTR) business for an amount of €0,14m and €0,03m respectively.

Operating rental income [1]

Breakdown of rents by sector

(€mm)	1Q 2021	1Q 2020	Var. (%)	GLA (sqm)	Occup. 1Q 2021 (%)	Occup. 1Q 2020 (%)
Offices	**12,31**	**11,86**	**3,8%**	**226.842**	**94,6%**	**94,4%**
CBD	6,31	6,00	5,2%	84.550	97,4%	98,9%
BD	2,03	2,07	-1,7%	42.635	95,5%	100,0%
Periphery	3,96	3,79	4,6%	99.656	91,9%	88,3%
Retail & Leisure	**4,28**	**4,74**	**-9,8%**	**136.689**	**85,5%**	**90,4%**
Residential	**0,14**	**0,00**	**-**	**9.973**	**81,4%**	**-**
Other [2]	**0,67**	**0,54**	**24,4%**	**43.256**	**99,8%**	**100,0%**
Total revenue	**17,26**	**17,14**	**0,7%**	**416.761**	**91,8%**	**93,7%**

(1) The data in this chart is operational. The data from As Cancelas appear proportionally (50%).

(2) It includes rental income from the Build to Rent (BTR) business for an amount of €0,14m and a GLA of 9.973 sqm. 81,4% of this area is occupied. If we do not consider this asset, the occupancy rate would be of 100%.

- Occupancy of operational buildings reached 91,8% vs 93,7% at 1Q 2020. This variation is mainly due to inclusion of “Others” of the Build to Rent (BTR) residential development which operation has started in July 2020 and 81,4 % of the total units available are occupied. Homogenizing surfaces, occupancy at 1Q 2021 reached 92,1% vs 93,7% at 1Q 2020.
- At 1Q 2021, rental income reached €17,26m, 0,7% better than at 1Q 2020. It is mainly due to income from Build to Rent (BTR) business activity which has generated an income for €0,14m, as well as invoicing from updated contracts.
- Offices occupancy has gone up by 0,2% mainly due to the lease of the asset “Nudo Eisenhower II” located in periphery with a surface of 5.004 sqm and countered for several lease contracts in CBD and BD. Rental income has gone up by 3,8% mainly due to an increase of unitary rents in CBD offices.
- Retail & Leisure occupancy has gone down by 4,9% vs 1Q 2020. This result is mainly due to expiry of some lease contract and lower demand of surfaces, as a consequence of the economic impact of COVID 19. Rental income has gone down by 9,8% mainly due to COVID 19 commercial measures already mentioned.

  At present, a surface of 2.056 sqm is being refurbished. Once this surface will be ready to develop a new business activity, a lease contract will entry into force in 1H 2021. This lease contract will improve occupancy in Retail & Leisure activity.
- Evolution of commercial property over 2021 will be subject to the scale of COVID 19. The Group is aware that it must contribute to the relaunch of the economic and commercial activity of its tenants, above all small retail and shopping centres. Realia will carry on with its policy applied over 2020 and its willingness to give support when required to guarantee the continuity of their business, according to the evolution of this exceptional situation. Definite measures will be considered jointly to allow all parties to overcome this crisis as soon as posible and in the most efficient way.

Breakdown of rents by geographical area (Lfl)

(€mm)	1Q 2021	1Q 2020	Var. (%)	GLA (sqm)	Occup. 1Q 2021 (%)	Occup. 1Q 2020 (%)
Madrid	**12,87**	**12,22**	**5,3%**	**260.670**	**94,3%**	**93,9%**
CBD	6,58	6,28	4,8%	80.452	97,7%	99,3%
BD	2,41	2,46	-1,9%	49.878	96,1%	100,0%
Periphery	3,87	3,48	11,3%	130.340	91,6%	87,9%
Barcelona	**1,54**	**1,60**	**-4,0%**	**32.325**	**91,2%**	**97,7%**
Other	**2,86**	**3,32**	**-14,0%**	**123.766**	**86,7%**	**92,0%**
Total revenue	**17,26**	**17,14**	**0,7%**	**416.761**	**91,8%**	**93,7%**

- According to geographical area, rents have increased in Madrid (+5,3%) due to better rents in CBD and for a whole building in periphery completely rented.
- On the other hand, in Barcelona have gone down (-4,0%) due to contracts renewal over COVID 19. In the remaining towns, (Guadalajara, Murcia and Santiago) rents have gone down (-14,0%) due to commercial measures to support tenants in small retail and shopping centres.

8.- RESIDENTIAL BUSINESS (LAND & HOMEBUILDING)

Residential business

(€mm)	1Q 2021	1Q 2020	Var. (%)
Revenue			
Homebuilding sales	19,97	2,89	591,0%
Land sales	0,24	1,21	-80,2%
Total Revenue	**20,21**	**4,10**	392,9%
Costs			
Costs of sales	-18,02	-4,25	-324,0%
Other costs	-0,51	-0,50	-2,0%
Total Costs	**-18,53**	**-4,75**	-290,1%
Homebuilding gross margin	***1,68***	***-0,65***	358,5%
Homebuilding gross margin (%)	***8,3%***	***-15,9%***	152,2%
Provisions reversal finished product	***2,18***	***0,82***	165,9%
Gross margin (Provisions not included)	***3,86***	***0,17***	2170,6%

- Revenue from Land & Homebuilding amounted €20,21m, 392,9% better than in 1Q 2020 (€4,10m). This result includes 20 units delivered for an amount of €8,48m of "Brisas de Son Dameto" residential development in Palma de Mallorca and 25 units dellivered for an amount €8,70m of "Essencia de Sabadell" residential development in Sabadell.

- As of 31 March 2021, 65 units for an amount of €19,97m were delivered vs 20 units for an amount of €2,89m delivered in 1Q 2020. 45 units of "Brisas de Son Dameto" and "Essencia de Sabadell" residential developments have been delivered over 1Q 2021. These residential developments were in the pipeline in 1Q 2020.

- Gross margin reached €1,68m, once deducted the reversal of provisions for an amount of €2,18m, (€-0,65m at 1Q 2020). Once the provision is applied, the gross margin reached €3,86m vs €0,17m at 1Q 2020.

- As of 31 March 2021, there is a stock of 363 units (homes, small retail and office) finished or in the pipeline non-delivered (140 pre-sold). There are also 41 land plots for single-family housing intended for sale.

- Realia has a gross land bank, in different urbanistic stages, of 6.351.338 sqm and an estimated buildable area of 1.830.653 sqm. Realia has acquired 1.116 shares (33,33%) of "Company Inversiones Inmobiliarias Rústicas y Urbanas 2000 S.L." reaching 66,69% of the Company. This investment has amounted €4m increasing the land bank by 597.614 sqm with an estimated buildability of 208.778 sqm.

9.- RISKS ARISING FROM COVID 19

Impact of COVID 19 has been taken into account In all preliminary estimates for 2021 and, even though it remains unknown how it will affect on macroeconomic indicators (déficit, GDP, unemployment …), it is prudent to consider that the final impact on the real estate market in Spain will be r to the evolution of the above mentioned macroeconomic indicators in Spain and to another local measures. The demand for spaces may be affected by the measures taken to alleviate the effects of COVID 19, such as teleworking, @comerce, unemployment, savings, tax measures … The demand for housing and its sale price will also suffer from its impact, as the evolution of employment, the confidence of investors … may cause demand to decline.

Considering this situation and its impact on the real estate sector over 2020, we can expect the following for 2021:

a) Maintaining the demand for new housing, which will allow the ongoing developments to continue, but new projects will slow down until the demand and price trends are more visible. The evolution of the market will be uneven, accorging to the different geographical areas, locations and types of product, since COVID 19 has made clients to rethink where they want to acquire their home and in what type of product.

b) Hardening, until almost the disappearance of financing for the promoter, with a greater demand for the economic and commercial viability of the new development, as well as the financial strength of the promoter.

c) Little financing for the purchase of land, since currently financial entities understand that it must be financed with own funds.

d) Consolidation of other financial agents that may enter certain projects, from which they ask for high returns and interest rates well above traditional banking entities.

e) Regarding residential assets for rent, rents will tend to go down due to 1) larger number of homes for rent with new Build to Rent (BTR) projects and new policies to develop rental social homes. 2) tenants that will decline their interest due to COVID 19 and increase of unemployment and 3) regulatory rules to prevent price tension in rents.

f) Regarding tertiary use assets, (offices, small retail and shopping centres), the impact of COVID 19 has been crucial to think about future trends. Most likely, the current business model will change, as well as,the space where developing it. The impact will be different, depending on offices, small retail or shopping centres: 1) rents will stay stable in offices and will slightly go down in shopping centres and small retail due to discount on rents to help activity to carry on 2) leasing of spaces will go down in offices (teleworking, unemployment…) in small retail and shopping centres (lower consumption, @comerce….) and 3) new contractual relationships with tenant. Flexibility of the leased spaces will be included in contracts, as well as shorter duration of contracts and inclusion of clauses for exceptional situations (COVID 19 or others). Lessors will need to introduce new techniques to manage their assets and they will need to get adapted to new demands of space and needs of tenants.

g) The whole of the here above-mentioned factors may affect negatively the Group result. The intensity of the impact will depend on the capacity of the Spanish economy to recover its GDP growth to recover its economic activity, consumption and employment.

Given the strong financial structure of the Group, as well as the kind of assets in its portfolio and its capacity to generate cash-flow, it is estimated that before any new and unforseen socio-economic or health circumstance that might affect the business, the Company could obtain financial resources to cover this eventuality.

10.- STOCK DATA

The closing stock price (€ per share) has been 0,70 Euro. It has gone up by 3% vs 2020.

	31st March 2021
Closing Stock Price (€ per share)	0,70
Market cap. End-of-Period (€)	574.185.988
High of the period (€ per shrae)	0,74
Low of the period (€ per share)	0,62
Average of the period (€ per share)	0,68
Daily Trading Volume (€)	54
Daily Trading Volume (shares)	79,5

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APPENDIX – GLOSSARY OF APMs

Gross Margin:

Results directly attributable to the business activity. Company's total revenue (net revenue, other operating revenues and sale of assets) minus operating costs (variation of finished product or in the pipeline, provisions, operating costs (overhead costs excluded), disposal of tangible fixed assets and other results.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization):

Operating result (profit or loss) deducted from provisions for depreciation and variation in operating provisions.

EBIT (Earnings Before Interest and Taxes):

Operating profit plus change in the value of investment property and result for variation between assets value and impairment of assets.

Gross Financial Debt:

Loans with current and non-current credit institutions.

Net Financial Debt:

Gross financial debt minus cash and cash equivalents.

Earnings per share:

It is calculated by dividing the result attributable to the parent Company and the number of shares outstanding (treasury shares not included) at the end of the referred period.

BD:

Business District

CBD:

Central Business District

Occupancy:

Surface area occupied by the rental assets portfolio divided by the surface of the portfolio in operation.

Build to Rent "BTR":

Residential developments for rent.

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