January-June 2021 Results

26th July 2021

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

1.- EXECUTIVE SUMMARY

REVENUE AND RESULTS

- Total revenue was €71,99m vs €47,29m at 1H 2020 (+52,2%).
- Evolution of income in the different business aeas vs 1H 2020:

Commercial Property:	€40,90m (+0,9%)
Land & Homebuilding:	€29,51m (+416,8%)

Additionally, Realia Group has obtained an income from Services & Others for an amount of €1,58m (+51,9%).

Income from Commercial Property has gone up by 0,9%. This result is mainly due to income from Build to Rent (BTR) business activity which operation started in July 2020, as well as, invoicing from updated office contracts and lower income from Retail & Leisure activity due to vacant premises and commercial measures adopted to give support to tenants.

Income from Land & Homebuilding has gone up by 416,8% and it is mainly due to:

1. 24 units of “Brisas de Son Dameto” residential development in Palma de Mallorca were delivered for an amount of €10,30m. These deliveries started at the end of 2020 and have carried out over 1H 2021.
2. 31 units of “Essencia de Sabadell” residential development in Sabadell were delivered for an amount of €10,53m. These deliveries started in January 2021.
3. Deliveries from residential finished product have gone up. There have been 22 units delivered of “Hato Verde V” residential development in Sevilla for an amount of €3,82m.

Additionally, in 1H 2000 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, recurring deliveries would have increased by 534,6% vs 1H 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 €41,87m, 119,9% higher than at 2020 (€19,04m).
- Overhead costs reached €2,85m vs €2,71m at 1H 2020 (+5,2%). It is mainly due to better activity of the Company during 1H 2021 vs 1H 2020 where the health crisis impact was more important.
- EBITDA reached €27,27m vs €25,54m at June 2020 (+6,8%). 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 Services business area. Realia Group has obtained over 1H 2021 a positive EBITDA in all business areas (Residential, Commercial Property and Services).

- As of 30 June 2021, provisions for €4,06m have been reversed vs €7,32m at December 2020. These are the main transactions:
    1. At 30 June 2021, provisions related to residential finished product deliveries have been reversed for an amount of €4,20m vs €0,68m at 1H 2020.
    2. The Group has made provisions for €0,41m at June 2021 vs provisions for €4,91m at 1H 2020.
    3. The Group made provisions for €2,97m at 1H 2020, considering the economic impact that COVID 19 might cause on the Company. Realia Group adopted commercial measures to give support to tenants (mainly small retail and shopping centres). These measures were registered on financial statements at December 2020 amounting €3,4m.
- Following commercial property assets valuation (IAS 40) performed by independent experts, financial statements have reached €20,52m at 30 June 2021 vs €-19,08m at June 2020. This result is mainly due to better expectations with regards to economic recovery from post-COVID 19 and to a lower impact than expected at December 2020.
- Financial result reached €-7,09m (-304,3%) vs €+3,47m at June 2020. This result is due to several reasons:
    1. 1Q 2020 reflected the impact of IFRS 9 for novation of financial terms of Realia Patrimonio, S.L.U. syndicated loan. The net financial result reached €10m. This result will revert every 6 months with an impact of €-1,03m.
    2. Valuation of derivatives performed by independent experts has reached €-0,40m vs €+0,57m at 1H 2020.
    3. Other financial income for an amount of €0,46m at 1H 2021.

If we consider, exclusively, the financial result derived from the remuneration of the Group's level of debt at 1H 2021, it would have reached €-6,12m vs €-7,10m at 1H 2020. Therefore, there is a lower level of debt (13,8%) and better cost of it.

- As of June 2021, earnings before taxes reached €44,54m vs €1,86m at 1H 2020 (+2294,6%). This result is mainly due to:
    1. Better gross margin from new residential developments.
    2. Margins from Services business area have gone up.
    3. Provisions/net reversion, as above mentioned.
    4. Variation in the valuation of real estate investments at fair value €20,52m at June 2021 vs €-19,08m at June 2020.
- As a consequence, at June 2021, earnings after taxes reached €24,75m vs €1,50m at 1H 2020 (+1550.0%). This result is explained here above, following tax adjustments.

INDEBTEDNESS

- As of 30 June 2021, Realia Group gross financial debt reached €555,44m vs €577,35m at 31 December 2020 (-3,8%). This debt is related to Realia Patrimonio.
- As of June 2021, cash and equivalents reached €88,06m vs €74,82m at 31 December 2020. This amount together with cash-flow generated will be allocated to pay back banking debt, to complete residential developments in the pipeline, to develop the Build to Rent (BTR) business activity, to invest in Capex for the current assets and likely acquisition of new ones.

- As a consequence, as of 30 June 2021, Realia net financial debt reached €467,38m vs €502,53m at 31 December 2020 (-7,0%).

- The net financial result reached €-7,09m (-304,3%) vs €+3,47m at June 2020. This result is mainly due to several reasons:

    1. 1Q 2020 reflected the impact of IFRS 9 for novation of financial terms of Realia Patrimonio, S.L.U. syndicated loan. The net financial result reached €10m. This result will revert every 6 months with an impact of €-1,03m

    2. Valuation of derivatives performed by independent experts has reached €-0,40m at 1H 2021 vs €+0,57m at 1H 2020.

    3. Other financial income for an amount of €0,46m at 1H 2021.

If we consider, exclusively, the financial result derived from the remuneration of the Group's level of debt at 1H 2021, it would have reached €-6,12m vs €-7,10m at 1H 2020. Therefore, there is a lower level of debt (13,8%) and better cost of it.

- The weighted average rate (derivatives included) reached 1,80% both at 1H 2021 and 1H 2020.

COMMERCIAL PROPERTY

- Gross rental income reached €32,09m over 1H 2021 (44,6% of Realia Group total income). It has been 1,1% better than at 1H 2020 (€31,73m). It is mainly due to income from Build to Rent (BTR) business activity which has generated an income for €0,30m, as well as, invoicing from updated office contracts and lower income from Retail & Leisure activity due to vacant premises and commercial measures adopted to give support to tenants.

- Overall occupancy levels of operational tertiary use (As Cancelas S XXI included) reached 92,2% at June 2021 vs 93,6 % at June 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 social rental homes in Tres Cantos (Madrid). As of 30 June 2021, 87,3% of the total units were occupied vs 66% at December 2020.

- There are two new Build to Rent (BTR) residential developments projects in the pipeline for 195 social rental homes in Tres Cantos (Madrid). Total investment will reach €39,9m, €29,0m still pending to be spent,

LAND AND HOMEBUILDING

- As of 30 June 2021, Realia delivered 107 units for an amount of €29,16m vs 30 units delivered at 1H 2020 for an amount of €4,35m. 31 units of "Essencia de Sabadell" residential development in Sabadell were delivered for an amount of €10,53m. 24 units of "Brisas de son Dameto" residential development in Palma de Mallorca were delivered for an amount of €10,30m. Deliveries from residential finished product have gone up. There have been 22 units delivered of "Hato Verde V" residential development in Sevilla for an amount of €3,82m.

- As of 30 June 2021, there is a stock of 376 units (homes and small retail) finished or in the pipeline non-delivered, 157 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 6.349.190 sqm and an estimated buildable area of 1.543.923 sqm.

2.- FINANCIAL HIGHLIGHTS

(€mm)	1H 2021	1H 2020	Var. (%)
Total Revenue	**71,99**	**47,29**	**52,20**
Comm. Property	40,90	40,54	0,9
Land & Homebuilding	29,51	5,71	416,8
Services & Others	1,58	1,04	51,9
EBITDA	**27,27**	**25,54**	**6,8**
Net Result (Group share)	**24,75**	**1,50**	**1550,0**
Net Financial Debt	**467,38**	**513,16**	**-8,9**
Nº Shares (mm) treasury shares not included	**811,09**	**811,09**	**0,0**
Earnings per Share (€)	**0,031**	**0,002**	**1450,0**

3.- OPERATIONAL HIGHLIGHTS

	1H 2021	1H 2020	Var. (%)
Commercial Property			
GLA	**416.761**	**416.779**	**0**
- Tertiary use (offices, shopping centres and others)	406.788	406.806	
- Residential use (BTR) [1]	9.973	9.973	
Occupancy (%)	**92,1%**	**91,7%**	**0,4**
- Tertiary use (offices, shopping centres and others)	92,2%	93,6%	
- Residential use (BTR) [1]	87,3%	14,0%	
Land & Homebuilding			
Sales			
Total value of contract (€mm)	29,16	4,35	**570,3**
Units	107	30	**256,7**
Headcount	**92**	**90**	**2,2**

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

Headcount	1H 2021	1H 2020	Var. (%)
Total [1]	**92**	**90**	**2,2**
Realia Business	41	39	**5,1**
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)	1H 2021	1H 2020	Var. (%)
Total Revenue	**71,99**	**47,29**	**52,2**
Rents	32,09	31,73	1,1
Expenses provision	8,72	8,79	-0,8
Homebuilding	29,16	4,35	570,3
Land sales	-	1,06	-100,0
Services	1,58	1,04	51,9
Other (Homebuilding & Comm. Property)	0,44	0,32	37,5
Total Gross Margin	**30,12**	**28,25**	**6,6**
Rents	28,67	29,06	-1,3
Homebuilding	0,88	-1,00	188,0
Services	0,57	0,19	200,0
Overheads	-2,85	-2,71	-5,2
EBITDA	**27,27**	**25,54**	**6,8**
Amortization	-0,15	-0,15	0,0
Depreciation	4,06	-7,32	155,5
EBIT	**31,18**	**18,07**	**72,6**
Fair value appraisal result	20,52	-19,08	207,5
Financial result	-7,09	3,47	-304,3
Equity method	-0,07	-0,60	88,3
Earnings before taxes	**44,54**	**1,86**	**2.294,6**
Taxes	-11,17	-0,59	-1.793,2
Results after taxes	**33,37**	**1,27**	**2.527,6**
Minority Interests	8,62	-0,23	3.847,8
Net Results (Group share)	**24,75**	**1,50**	**1.550,0**

- Income from Land & Homebuilding has gone up by 570,3% due to delivery of 31 units of “Essencia de Sabadell” for an amount of €10,53m and delivery of 24 units of “Brisas de Son Dameto” residential developments for an amount of €10,30m. Deliveries from residential finished product have gone up. There have been 22 units delivered of “Hato Verde V” residential development in Sevilla for an amount of €3,82m.
- Income from rents has gone up by 1,1% in 2021. It is mainly due to the Build to Rent (BTR) business activity with an income of €0,30m at 1H 2021, as well as, invoicing from updated office contracts and lower income from Retail & Leisure activity due to vacant premises and commercial measures adopted to give support to tenants

- EBITDA has gone up by 6,8% reaching €27,27m. EBITDA result has been positive in all business areas of the Group.
- Provisions for €4,06m vs €7,32m at 1H 2020 have been reversed with the following breakdown:

Breakdown provisions (€mm)	1H 2021	1H 2020
Residential finished product	4,20	0,68
Land bank and developments in the pipeline	-0,41	-4,91
COVID 19		-2,97
Others (clients, proceedings, …)	0,27	-0,12
Total	**4,06**	**-7,32**

  - At 30 June 2021, provisions related to residential finished product deliveries have been reversed for an amount of €4,20m vs €0,68m at 1H 2020.
  - The Group has made provisions for €0,41m at June 2021 vs provisions for €4,91m at 1H 2020.
  - The Group made provisions for €2,97m at 1H 2020, considering the economic impact that COVID 19 might cause on the Company. Realia Group adopted commercial measures to give support to tenants (mainly small retail and shopping centres). These measures were registered on financial statements at December 2020 amounting €3,4m.
- Following commercial property assets valuation (IAS 40) performed by independent experts, financial statements have reached €20,52m at 30 June 2021 vs €-19,08m at June 2020. This result is mainly due to better expectations with regards to economic recovery from COVID 19.

- The net financial result reached €-7,09m (-304,3%) vs €+3,47m at 1H 2020. This result is mainly due to several reasons:
  1. 1H 2020 reflected the impact of IFRS 9 for novation of financial terms of Realia Patrimonio, S.L.U. syndicated loan The net financial result reached €10m. This result will revert every 6 months with an impact of €-1,03m.
  2. Valuation of derivatives performed by independent experts has reached €-0,40m vs € +0,57m at 1H 2020.
  3. Other financial income for an amount of €0,46m.

If we consider, exclusively, the financial result derived from the remuneration of the Group's level of debt at 1H 2021, it would have reached €-6,12m vs €-7,10m at 1H 2020. Therefore, there is a lower level of debt (13,8%) and better cost of it.

- The result of the equity-accounted companies (mainly As Cancelas, S.L., 50% owned Company) has gone up by 88,3% (€-0,07m at 30 June 2021 vs €-0,60m at 30 June 2020). Even though results have improved compared to 1H 2020, impact caused by the COVID 19 crisis health and measures taken by Xunta de Galicia have still caused a negative impact, even though lower, on the asset valuation and on rental income from shopping centre As Cancelas where commercial measures to support tenants are still implemented.

- Earnings before taxes reached €44,54m vs €1,86m at 1H 2020 (+2294,6%). This better result is mainly due to:
    1. Better gross margin in the new residential developments.
    2. Better margin in Services business area.
    3. Provisions/net reversion, as above mentioned.
    4. Variation in the valuation of real estate investments at fair value €20,52m at June 2021 vs €-19,08m at June 2020
- As a consequence, earnings after taxes reached reached €24,75m vs €1,50m at 1H 2020 (+1550.0%).

5.- CONSOLIDATED BALANCE SHEET

(€mm) ASSETS	1H 2021	2020	LIABILITIES	1H 2021	2020
Tangible fixed assets	2,18	2,31	Equity	1.073,03	1.035,75
Investment property	1.486,51	1.464,12	Minority shareholders	246,54	238,03
Inventories	327,87	339,37	Financial debt	555,44	577,35
Accounts receivable	12,43	16,71	Current creditors	40,08	36,04
Treasury and equivalents	88,06	74,82	Other liabilities	210,48	206,57
Other assets	208,52	196,41			
Total Assets	**2.125,57**	**2.093,74**	**Total Liabilities**	**2.125,57**	**2.093,74**

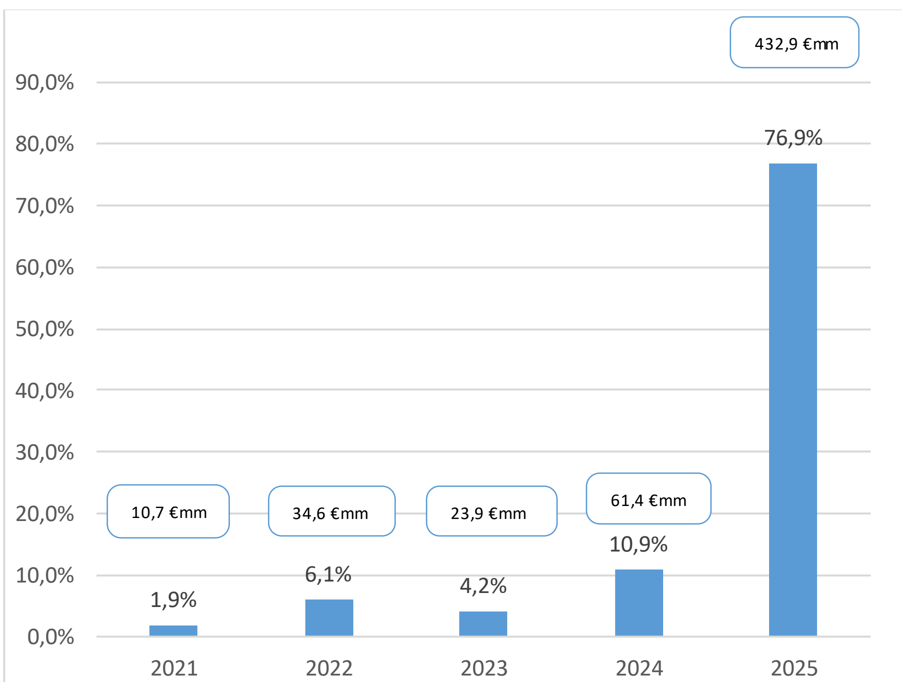
6.- FINANCIAL STRUCTURE

	REALIA Patrimonio	REALIA Business	1H 2021	1H 2020	Var. (%)	Dec. 2020	Var. (%) 1H 2021 s/Dec. 2020
	Commercial Property	Land & Homebuilding					
Syndicated loans	515,19	-	515,19	536,54	-4,0	526,56	-2,2
Other loans	48,35	-	48,35	51,03	-5,3	59,77	-19,1
Valuation of derivatives	6,75	-	6,75	8,59	-21,4	7,93	-14,9
Interests	1,32	-	1,32	1,37	-3,6	1,36	-2,9
Debt formalisation expenses	-16,17	-	-16,17	-20,38	20,7	-18,27	11,5
Total Gross Financial Debt	**555,44**	**-**	**555,44**	**577,15**	**-3,8**	**577,35**	**-3,8**
Cash and equivalents	32,63	55,43	88,06	63,99	37,6	74,82	17,7
Total Net Financial Debt	**522,81**	**-55,43**	**467,38**	**513,16**	**-8,9**	**502,53**	**-7,0**

- As of 30 June 2021, Realia Group has a gross financial debt of €555,44m vs €577,35m at 31 December 2020 (-3,8%). All financial debt is bound to Commercial Property portfolio.
- As of 30 June 2021, cash and equivalents reached €88,06m vs €74,82m at 31 December 2020. Cash and equivalents together with the cash-flow generated by the Group will be allocated to pay bank banking debt, to complete residential developments in the pipeline, to develop the Build to Rent (BTR) business activity, to invest in Capex for the current assets and likely acquisition of new ones.
- As a consequence, as of 30 June 2021, Realia net financial debt reached €467,38m vs €502,53m at December 2020 (-7,0%).
- As of 27 April 2020, Realia Group signed a novation contract of Realia Patrimonio, S.L.U. syndicated loan.

  As a consequence of this contract novation and implementation of IFRS 9, the Group reflected an adjustment in the valuation of the syndicated loan at FY 2020 for an amount of €8,97m. Therefore, the Gro up's level lof debt went down by said amount and generated financial income. This valuation adjustment will be gradually reversed until the loan expiry date, year 2025, generating a financial expense of €1,03m every 6 months.
- The weighted average interest rate (derivatives included) was 1,80%, both for 1H 2021 and 1H 2020.
- As of 30 June 2021, the breakdown of the Group gross debt maturity is the following:

Gross debt maturity



7.- ASSETS VALUATION

- The assets valuation is performed by two independent appraisers:
  - At June 2021 and at December 2020, CBRE (CB Richard Ellis) has valued, at fair value, the portfolio of Realia Patrimonio, subsidiaries, as well as small residential assets belonging to property companies, implementing the RICS method
  - At December 2020, TINSA has valued, at fair value, the portfolio of residential business assets implementing the RICS method.
- Residential assets valuation takes place every December and it is performed by an indenpendent expert. Therefore, valuation at June 2021 is the same as valuation at December 2020. It has increased for invesments made and decreased for home deliveries over 1H 2021.

(€mm)	June 2021	December 2020	% var. June 21 s/ Dec. 20
	€mm	€mm	
Rental assets	1.466,8	1.448,9	1,2%
Assets in the pipeline	11,7	10,8	8,3%
Land in the pipeline	62,7	59,9	4,7%
TOTAL RENTAL ASSETS [1]	**1.541,2**	**1.519,6**	**1,4%**
Land bank [2] [3]	281,7	270,1	4,3%
Residential developments in the pipeline [3]	55,8	62,0	-10,0%
Residential finished product [4]	44,0	43,9	0,2%
Residential land & others [5] in property companies	12,4	12,4	0,0%
TOTAL RESIDENTIAL ASSETS	**393,9**	**388,4**	**1,4%**
TOTAL ASSETS	**1.935,1**	**1.908,0**	**1,4%**

(1) It includes €51,4m at June 2021 and €52,4m at December 2020. Value of As Cancelas asset consolidated by the equity method.

(2) It includes €35,6m at June 2021 and €17,8m at December 2020. Value of the land of the Company IRU consolidated by the equity method. Additionally, investments on land bank for €1,0m over 2021 have been included.

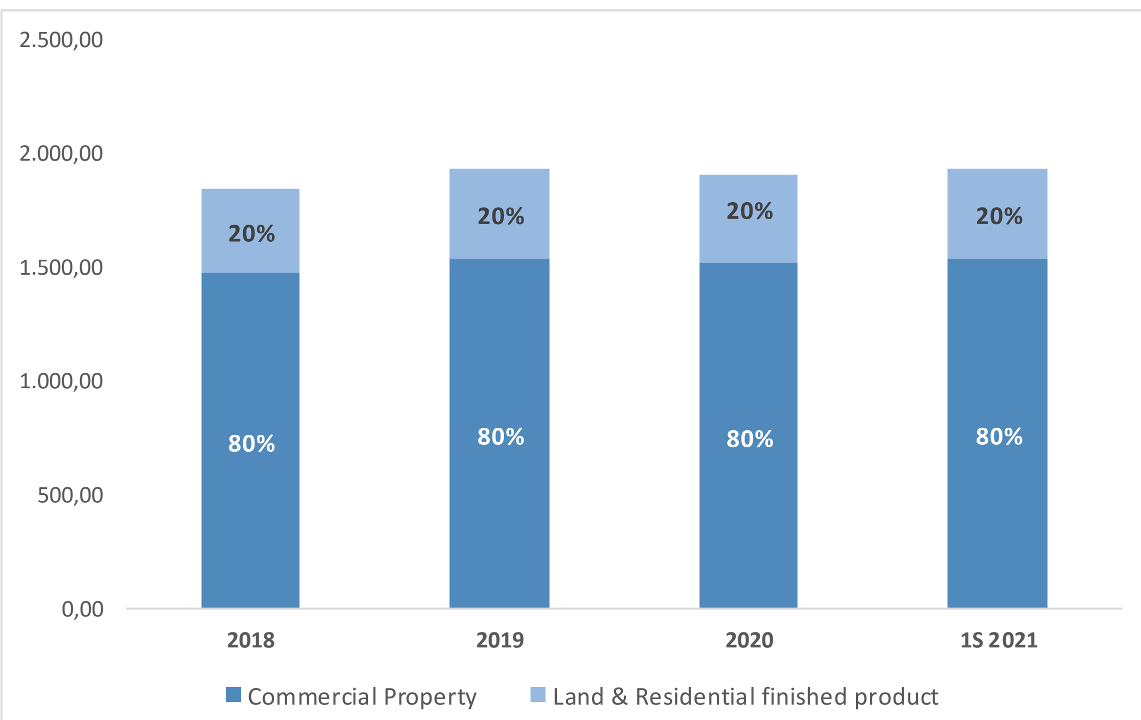
(3) Over 2021, a) "Sabadell FII" has been transferred from land bank to residential development in the pipeline for an amount of €7,1m and b) "Essencia de Sabadell" has been transferred from residential development in the pipeline to residential finished product for an amount of €22,8m. Over 2021, investments for €9,6m have been made on residential developments in the pipeline.

(4) Over 2021, residential finished product at December 2020 has been delivered for an amount of €28,0m. Valuation at June 2021 includes residential finished product of "Essencia de Sabadell" transferred from residential development in the pipeline to residential finished product at January 2021 for a market value of €28,1m.

(5) It includes €2,5m, value of Hato Verde golf course included in the residential business together with its residential developments.

- Fair value of Commercial Property assets reached €1.541,2m at June 2021 vs €1.519,6m at December 2019 (+1,4%). Over 2021, there have been investments on Capex for an amount of €2,07m (it includes investments of As Cancelas XXI consolidated by the equity method).
- Realia Group operates a Build to Rent (BTR) residential development of 85 social rental homes in Tres Cantos (Madrid). This operation started in June 2020 and its valuation reached €16,8m at 1H 2021 vs €16,0m 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).
- Fair value of Land & Homebuilding assets (land bank, developments in the pipeline and residential finished product) reached €393,9m at June 2021 vs €388,4m (+1,4%) at December 2020. This result is due to:
  - Valuation of land bank of the Company *Inversiones Inmob. Rústicas y Urbanas 2000, S.L.* has gone up by €17,8m due to the Company's acquisition of 1.116 representative shares, 33,33% of the Company,
  - Investment on land bank for an amount of €1,0m
  - Investment on developments in the pipeline for an amount of €9,6m.
  - Valuation of residential finished product has gone down by €22,9m due to home deliveries over 1H 2021.
- 80% of total GAV is related to Commercial Property portfolio and the remaining 20% to the residential portfolio.

Gross Asset Value evolution (GAV) by portfolio (€mm)

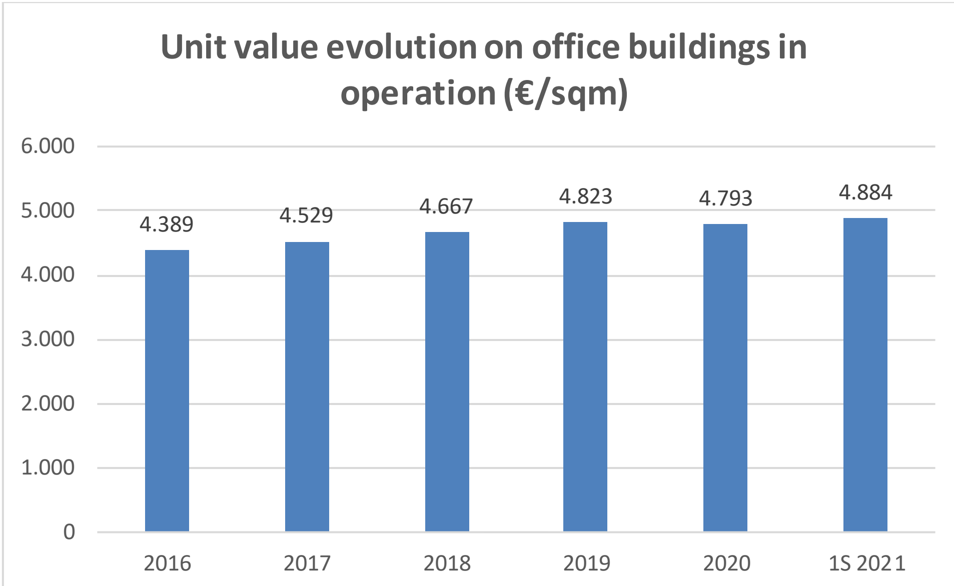


Commercial Property valuation

	Nr. Buildings	sqm	GAV June 2021 [1]	GAV Dec. 2020 [1]	Var. (%)	Value €/sqm	Yield 1H 2021 (%)[2]	Yield Dec. 2020 (%)[2]
Offices	**27**	**226.842**	**1.108,0**	**1.087,4**	**1,9**	**4.884,5**	**4,5%**	**4,6%**
CBD [3]	12	84.551	613,3	601,0	2,0	7.253,6	3,9%	4,2%
BD [4]	3	42.635	181,2	176,8	2,5	4.250,0	4,9%	4,9%
Periphery/Others	12	99.656	313,5	309,6	1,3	3.145,8	5,4%	5,4%
Retail & Leisure	**7**	**136.689**	**311,9**	**316,1**	**-1,3**	**2.281,8**	**6,1%**	**6,4%**
Other assets [5]	**7**	**53.230**	**46,9**	**45,4**	**3,3**	**881,1**	**6,3%**	**6,0%**
Total operational	**41**	**416.761**	**1.466,8**	**1.448,9**	**1,2**	**3.519,5**	**4,9%**	**5,1%**
Developable land [6]	**2**	**24.578**	**11,7**	**10,8**	**8,3**	**476,0**		
Land in the pipeline [7]		**127.291**	**62,7**	**59,9**	**4,7**	**492,6**		
Total	**43**	**568.630**	**1.541,2**	**1.519,6**	**1,4**	**2.710,4**		

1. *GAV in €mm*
2. *Yield: annualized current gross rent (CBRE) divided by the assets GAV*
3. *Central Business District*
4. *Business District, excluding Central Business District*
5. *Build to Rent (BTR) residential development, warehouse in Logroño and other assets such as commercial premises, parking spaces, ...*
6. *Land in the pipeline to develop residential developments intended to Build to Rent (BTR).*
7. *Land bank in Aguacate Str., La Noria, ParK Central (22@) and Leganés*

- As of 30 June 2021, the market value of the Commercial Property portfolio reached € 1.541.2m, 1,4% better than at December 2020.
- As of 30 June 2021, the current Yield of the Commercial Property portfolio in operation reached 4,9% (annualized current gross rent (CBRE) divided by the assets GAV.



Main assets for asset value (GAV)

Assets	Location	Use	GLA
Puerta Europa	Madrid	Offices	28.424
Torre Realia BCN	Barcelona	Offices	31.964
Paseo de la Castellana,41	Madrid	Offices	4.584
Plaza Nueva Parque Comercial	Leganés	Retail	52.675
Salvador de Madariaga 1	Madrid	Offices	25.398
Shopping Centre Ferial Plaza	Guadalajara	Retail	32.507
María de Molina 40	Madrid	Offices	9.684
Albasanz 16	Madrid	Offices	19.550
Príncipe de Vergara 132	Madrid	Offices	8.821
C.N. Méndez Álvaro	Madrid	Offices	13.229

Residential valuation

(€mm)	GAV June 2021	GAV Dec. 2020	Var. (%) June 2021 s/ Dec. 2020
Land bank [1]	281,7	270,1	4,3%
Residential in the pipeline [1] [2]	55,8	62,0	-10,0%
Residential finished product [2]	44,0	43,9	0,2%
Land bank [3] and other in property companies	12,4	12,4	0,0%
Residential assets total value	**393,9**	**388,4**	**1,4%**

(1) Over 2021, "Sabadell FII" has been transferred from land bank to residential in the pipeline for €7,1m.
'(2) Over 2021, residential finished product at December 2020 has been delivered for €28,0m. Valuation at June 2021 includes "Essencia de Sabadell" transferred from residential in the pipeline to residential finished product at January 2021, market value €28,1m.
'(3) Land bank reached €9,9m both at June 2021 and December 2020.

- Fair value of Land & Homebuilding assets (land bank, developments in the pipeline and residential finished product) reached €393,9m at June 2021 vs €388,4m (+1,4%) at December 2020. This result is due to:
  - Valuation of land bank of the Company *Inversiones Inmob. Rústicas y Urbanas 2000, S.L.* has gone up by €17,8m due to the Company's acquisition of 1.116 representative shares, 33,33% of the Company,
  - Investment on land bank for an amount of €1,0m
  - Investment on developments in the pipeline for an amount of €9,6m.
  - Valuation of residential finished product has gone down by €22,9m due to home deliveries over 1H 2021.

Land bank valuation

	Gross land sqm - June 2021	Buildability sqm - June 2021	Buildability sqm - Dec. 2020	GAV June 2021 €mm	GAV Dec. 2020 €mm	Var. GAV (%) June 2021 s/ Dec. 2020
Zoning [1]	3.563.718	96.155	387.598	10,9	10,9	0,0%
Planning [2]	1.815.823	707.302	488.962	43,1	25,3	70,4%
Urbanization	489.171	253.214	253.214	61,1	60,4	1,2%
Fully-permitted land [3]	480.479	487.252	492.100	176,5	183,4	-3,8%
Total	**6.349.190**	**1.543.923**	**1.621.874**	**291,6**	**280,0**	**4,1%**

The main variations in land bank urbanistic stages are the following:

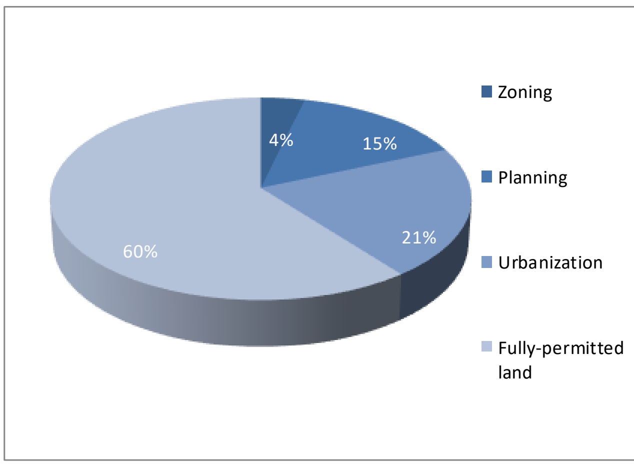
(1) Over 1H 2021, the agreement of the Plenary of San Roque City Council, Cádiz, has been notified denying the definitive approval of the Partial Plan of Guadalquinton land. This denial has meant that Realia estimated buildable land bank willd decrease by 91.442 sqm. Therefore, the Company has initiated a claim as compensation for the damages caused. Nevertherless, this denial has not impacted on Realia land bank valuation, as Finca Guadalquitón is rustic land.

(2) Over 1H 2021, Realia has acquired 1.116 representative shares, 33,33% of the Company *Sociedad Inversiones Inmobiliarias Rústicas y Urbanas 2000 S.L*, reaching 66,69% of the whole Comapny. This acquisition has meant valuation has increased by €17,8m and sectorized developable gross land has increased by 597.614 sqm with an estimated buildable area of 218.339 sqm.

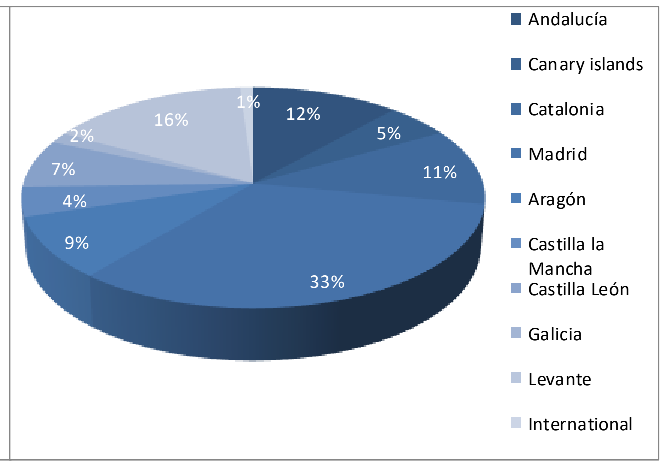
(3) "Sabadell FII", 6.578 sqm, has been transferred from land bank to homebuilding in the pipeline and more buildable area in Nou Nazareth, 1.729 sqm.

GAV land bank breakdown (€mm)

By urbanistic stage



By geographical area



8.- NET ASSET VALUE (NNAV)

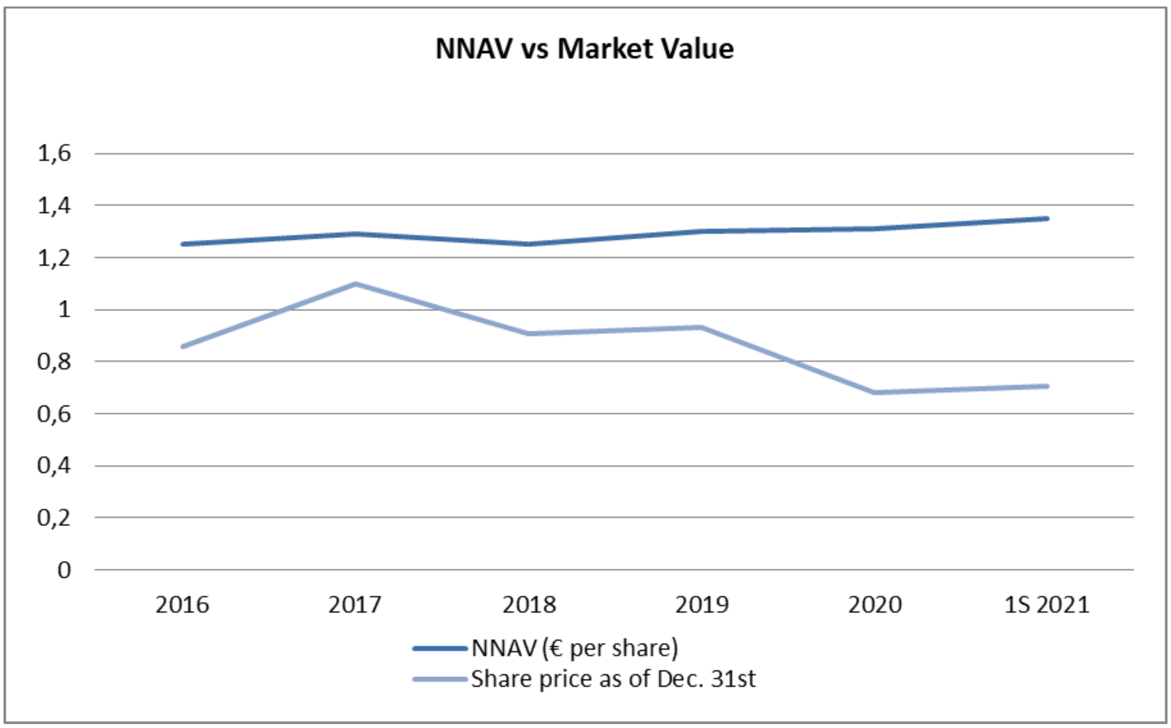
(€mm)	COMMERCIAL PROPERTY 1H 2021	COMMERCIAL PROPERTY 2020	LAND & HOMEBUILDING 1H 2021	LAND & HOMEBUILDING 2020	TOTAL 1H 2021	TOTAL 2020	Var. %
Total (GAV)	**1.541**	**1.520**	**394**	**388**	**1.935**	**1.908**	**1,4**
To be deducted							
Minorities	-317	-312	-2	-2	-319	-314	-1,6
GAV Realia (1)	**1.224**	**1.208**	**392**	**386**	**1.616**	**1.594**	**1,4**
Book value of the parent company (2)	**701**	**703**	**364**	**357**	**1.065**	**1.060**	**0,5**
Latent capital gains of the parent company (1)-(2)	523	505	28	29	551	534	3,2
To be deducted							
Tax	-131	-126	-7	-7	-138	-133	-3,8
Latent capital gains after tax	392	379	21	22	413	401	3,0
Adjustments IAS 40					-390	-378	
Equity					1.073	1.036	3,6
NNAV after tax					**1.096**	**1.059**	**3,5**
Nr. of shares (treasury shares not included, in €mm)					811	811	0,0
NNAV after tax per share (€/share)					**1,35**	**1,31**	**3,1**

- As of 30 June 2021, Net Asset Value (NNAV) reached 1,35 Euro per share, 3,1% better than at Dec. 2020.
- NNAV per share, considering the net equity of the consolidated financial statements is the following:

CONSOLIDATED NET EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	**1.073**
Adjustments:	
+ Capital gains tangible fixed assets (own use)	2
+ Capital gains stock	21
ADJUSTED NET EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	**1.096**
Number of shares (treasury shares not included)	811.089.229
NNAV PER SHARE	**1,35**

Net Asset Value evolution (NNAV)

	2016	2017	2018	2019	2020	1S 2021
NNAV (€mm)	805	833	1022	1064	1059	1096
NNAV (€ per shae)	1,25	1,29	1,25	1,3	1,31	1,35
Share price as of Dec. 31st	0,86	1,1	0,91	0,93	0,68	0,70
Discount NNAV	-31%	-15%	-27%	-28%	-48%	-48%



9.- COMMERCIAL PROPERTY

Rents – Consolidated data (1)

(€mm)	1H 2021	1H 2020	Var. (%)
Rental income (2)	32,09	31,73	1,1%
Expenses provision	8,72	8,79	-0,8%
Other income	0,09	0,02	350,0%
Total revenue	**40,90**	**40,54**	**0,9%**
Building common charges (2)	-10,41	-9,81	-6,1%
Other charges	-1,82	-1,67	-9,0%
Gross margin	**28,67**	**29,06**	**-1,3%**
Margin (%)	***89,3%***	***91,6%***	***-2,3%***

(1) Data in this chart is consolidated. Data from As Cancelas appear proportionally (50%)

(2) It includes rental income and expenses provision from the Build to Rent (BTR) business activity for an amount of €0,35m and €-0,09m at June 2021 and €0,00m and €-0,02m at June 2020, respectively.

- Total rental income (expenses charged to tenants not included) reached €32,09m (78,5% of the Commercial Property income, 1,1% better than at June 2020). It is mainly due to income from Build to Rent (BTR) business activity and has produced €0,30m at 1H 2021, as well as, invoicing from updated office contracts and lower income from Retail & Leisure activity due to vacant premises and commercial measures adopted to give support to tenants.

- Gross margin on rents reached 89,3%, 2,3% lower than at 1H 2020. It is mainly due to higher operational expenses at 1H 2021 due to anti COVID 19 measures, as well as, the reduction in costs over 1H 2020 due to low activity and temporary shut down of assets.

- Evolution of Commercial Property business over 2021 has been affected by COVID 19. Realia will keep the policy that has maintained over 2020 and will contribute to relaunch the economic and commercial activity of tenants affected by restrictions to develop their activity.

Rents – Operational data (1)

(€mm)	1H 2021	1H 2020	Var. (%)
Rental income (2)	33,97	33,94	0,1%
Expenses provision	9,40	9,42	-0,2%
Other income	0,09	0,02	350,0%
Total revenue	**43,46**	**43,38**	**0,2%**
Building common charges (2)	-11,13	-10,50	-6,0%
Other charges	-2,34	-2,10	-11,4%
Gross margin	**29,99**	**30,78**	**-2,6%**
Margin (%)	***88,3%***	***90,7%***	***-2,4%***

(1) 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 activity for an amount of €0,35m and €-0,09m at June 2021 and €0,00m and €-0,02m at June 2020, respectively.

Rents – Operating breakdown (1)

Breakdown of rents by sector

(€mm)	1H 2021	1H 2020	Var. (%)	GLA (sqm)	Occup. 1H 2021 (%)	Occup. 1H 2020 (%)
Offices	**24,25**	**23,62**	**2,7%**	**226.842**	**94,2%**	**94,7%**
CBD	12,25	11,88	3,1%	84.551	97,4%	98,9%
BD	4,08	4,15	-1,7%	42.635	95,1%	99,7%
Periphery	7,92	7,59	4,3%	99.656	91,0%	88,9%
Retail & Leisure	**8,39**	**9,23**	**-9,1%**	**136.689**	**86,6%**	**90,3%**
Residential (2)	**0,30**	**0,00**	**-**	**9.973**	**87,3%**	**14,0%**
Other	**1,03**	**1,09**	**-5,5%**	**43.257**	**99,8%**	**83,9%**
Total revenue	**33,97**	**33,94**	**0,1%**	**416.761**	**92,1%**	**91,7%**

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

(2) Build to Rent (BTR) business activity operation started in June 2020

- Occupancy reached 92,1% at June 2021 vsl 91,7% at June 2020. This variation is mainly due to the inclusion of the concept Build to Rent (BTR) residential development in “Residential” which operation started in June 2020. At 1H 2021, 87,3 % of the total units available are occupied.
- At June 2021, rental income reached €33,97m, 0,1% better than at 1H 2020. It is mainly due to income from the Build to Rent (BTR) new business activity which amounted €0,30m, as well as, invoicing from updated office contracts and lower income from Retail & Leisure activity due to vacant premises and commercial measures adopted to give support to tenants.

- Offices occupancy has gone down by 0,5%, mainly due to rotation of several lease contracts in CBD and BD. Rental income has gone up by 2,7% mainly due to an increase of unitary rents in CBD offices.

- Retail & Leisure occupancy has gone down by 3,7% at June 2021 vs June 2020. This result is mainly due to expiry of some lease contracts and lower demand of surfaces, as a consequence of the economic impact of COVID 19. Rental income has gone down by 9,1% due to lower occupancy and to COVID 19 commercial measures already mentioned.

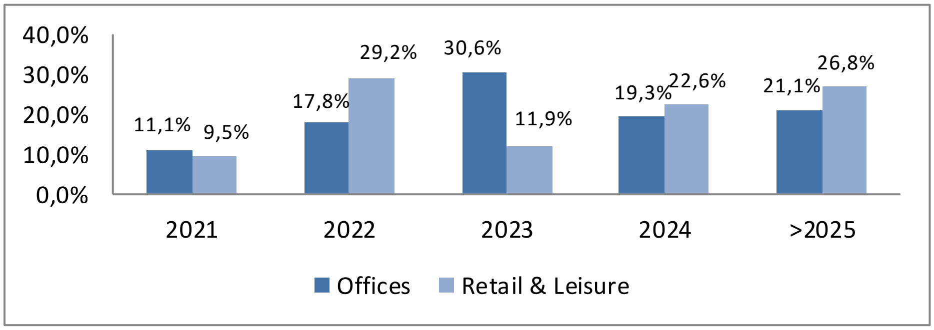
- Evolution of Commercial Property business over 2021 is subject to the evolution of COVID 19. The Group is aware that must contribute to the relaunch of the economic and commercial activity of tenants that have been more affected by the crisis, above all small retail and shopping centres. Realia will carry on with its policy applied over 2020 and to give support to tenants when required to guarantee the continuity of their business. Measures will be taken 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

(€mm)	1H 2021	1H 2020	Var. (%)	GLA (sqm)	Occup. 1H 2021 /%)	Occup. 1H 2020 (%)
Madrid	**25,28**	**24,04**	**5,2%**	**260.670**	**94,3%**	**90,8%**
CBD	12,79	12,22	4,7%	80.452	97,7%	99,3%
BD	4,72	4,91	-3,9%	49.878	95,8%	99,8%
Periphery	7,77	6,91	12,4%	130.340	91,6%	82,2%
Barcelona	**3,08**	**3,22**	**-4,3%**	**32.325**	**91,2%**	**99,8%**
Other	**5,61**	**6,68**	**-16,0%**	**123.766**	**87,7%**	**92,0%**
Total revenue	**33,97**	**33,94**	**0,1%**	**416.761**	**92,1%**	**91,7%**

- According to geographical area, rents have increased in Madrid (+5,2%) due to better rents in CBD and for a whole building in periphery completely rented.
- On the other hand, in Barcelona (-4,3%) due to contracts renewal over COVID 19. In the remaining towns (Guadalajara, Murcia and Santiago) rents have gone down by -16,0%, due to commercial measures to support tenants in small retail and shopping centres.

Expiry of lease contracts on annualized rents



10.- RESIDENTIAL BUSINESS (LAND & HOMEBUILDING)

(€mm)	1H 2021	1H 2020	Var. (%)
Revenue			
Homebuilding	29,16	4,35	570,3%
Land & Others	0,35	1,36	-74,3%
Total Revenue	**29,51**	**5,71**	416,8%
Costs			
Costs of sales	-27,34	-5,52	-395,3%
Other costs	-1,29	-1,19	-8,4%
Total Costs	**-28,63**	**-6,71**	-326,7%
Homebuilding Gross Margin	***0,88***	***-1,00***	188,0%
Homebuilding Gross Margin (%)	***3,0%***	***-17,5%***	117,1%
Provisions reversal finished product	***4,2***	***0,68***	517,6%
Gross Margin (Provisions not included)	***5,08***	***-0,32***	1687,5%

Residential portfolio

- Revenue from Land & Homebuilding amounted €29,51m, 416,8% better than at 1H 2020 (€5,71m).

- As of 30 June 2021, 107 units have been delivered for an amount of €29,16m vs 30 units at 1H 2020 for an amount of €4,35m. 55 units of "Essencia de Sabadell" and "Brisas de Son Dameto" residential develpments were delivered for an amount of €20,83m. In 1H 2020 these two residential developments were in the pipeline. Deliveries from residential finished product have gone up. There have been 22 units delivered of "Hato Verde V" residential development in Sevilla for an amount of €3,82m.

- By geographical area, the breakdown of units delivered at June 2021 and June 2020 is the following:

	1H 2021		1H 2020	
	Nr Units	Revenue (€mm)	Nr Units	Revenue (€mm)
Madrid/Centro	7	0,79	8	1,04
Levante	35	12,60	10	1,89
Catalonia	38	11,30	2	0,24
Andalusia	27	4,47	9	0,93
Portugal	-	-	1	0,25
Total	**107**	**29,16**	**30**	**4,35**

- Adjusted gross margin reached €5,08m (17,2%) vs €-0,32m at 1H 2020. Once deducted the reversal of provisions for an amount of €4,20m (€-1,00m at June 2020). Without considering the reversa lof provisions for an amount of €4,20m, the gross margin would have reached €0,88m (3,0%) vs €1,00m at 1H 2020.
- As of 30 June 2021, there is a stock of 376 units (homes and small retail) finished or in the pipeline non-delivered (157 presold). Thre are also 41 land plots for single-family housing intended for sale.

Home stock evolution	1H 2021	1H 2020	Var. (%)
Pre-sales			
Number of units	111,5	70,0	59,3%
Total value of contracts (€mm)	31,46	18,42	70,8%
Deliveries			
Number of homes	107,0	30,0	256,7%
Total value of contracts (€mm)	29,16	4,35	570,3%
Pre-sold			
Number of units	157,0	161,5	-2,8%
Total value of contracts (€mm)	57,68	56,73	1,7%
Stock at End-of-Period			
Projects finished			
Number of units	174,0	210,0	-17,1%
Projects in the pipeline			
Number of units	86,0	166,0	100,0%

- At 1H 2021, commercialization of 55 units of the residential development “Sabadell FII” in Sabadell has started.
- In July 2021, commercialization of 128 units of both residential developments “Gloriès” (48 units) in Barcelona and “Parque del Ensanche II” (80 units) in Alcalá de Henares, Madrid will start.

Land bank

- As of 30 June 2020, Realia has a gross land bank, in diferente urbanistic stages, of 6.349.190 sqm and an estimated buildable area of 1.543.923 sqm. 31,6% of this land bank is fully-permitted land and 44,7% is located in Madrid:

Land bank breakdown (buildability by sqm)

	Buildability (sqm)
Zoning	96.155
Planning	707.302
Urbanization	253.214
Fully-permitted land	487.252
Total	**1.543.923**

	Buildability (sqm)
Andalusia	169.409
Canary islands	18.541
Catalonia	75.353
Madrid	690.128
Aragón	154.508
Castilla la Mancha	222.886
Castilla León	64.451
Galicia	6.184
Levante	131.551
International	10.912
Total	**1.543.923**

The main variations in land bank urbanistic stages are the following:

(1) Zoning: Over 1H 2021, the agreement of the Plenary of San Roque City Council, Cádiz, has been notified denying the definitive approval of the Partial Plan of Guadalquinton land. This denial has meant that Realia estimated buildable land bank willd decrease by 91.442 sqm. Therefore, the Company has initiated a claim as compensation for the damages caused. Nevertherless, this denial has not impacted on Realia land bank valuation, as Finca Guadalquitón is rustic land.

(2) Planning: Over 1H 2021, Realia has acquired 1.116 representative shares, 33,33% of the *Company Sociedad Inversiones Inmobiliarias Rústicas y Urbanas 2000 S.L*, reaching 66,69% of the whole Comapny. Sectorized developable gross land has increased by 597.614 sqm with an estimated buildable area of 218.339 sqm.

11.- RISKS ARISING FROM COVID

Impact from COVID 19 has been taken into account in all preliminary estimates for 2021 and, even though it remains unknown how the successive waves will impact on macroeconomic indicators (deficit, GDP, unemployment……), it is prudent to consider that the final impact on the real estate market in Spain will be linked 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, we can expect the following for 2021:

a) Maintaining the demand for new housing, which will allow the ongoing promotions 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, according 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 developments, 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, new Build to Rent (BTR) projects and new policies in social homes for rent 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 tenants. 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 results. 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 might obtain financial resources to cover this eventuality.

12.- STOCK DATA

- The closing stock price (€ per share) has been 0,704 Euro. It has gone up by 3,5% vs 2020.

	30 June 2021
Closing Stock Price (€ per share)	0,704
Market cap. EoP (€)	577467051
High of the period (€ per shrae)	0,782
Low of the period (€ per share)	0,622
Average of the period (€ per share)	0,692
Daily Trading Volume (€)	120
Daily Trading Volume (shares)	175

13.- SUBSEQUENT EVENTS

- As of 27 July 2021, the Company has sold a land in Plan Especial de Reforma Interior del Sector Parc Central (22 @) for an amount of €18,5m according to the valuation performed by CBRE (CB Richard Ellis) in June 2021.

- As of 27 July 2021, Realia Group will pay off its syndicated loan for an amount of €50m, with the purpose of optimizing available cash and reducing financial costs. Following this amortization, the syndicated loan will reach €465,19m.

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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.

Net Net Asset Value (NNAV):

It is calculated on the basis of the net equity attributed to the parent company, adjusted for the implicit capital gains of the assets of working capital and for own usage valued at the market and deducting the taxes that would accrue on such implicit capital gains, taking into account the tax regulations at the time of calculation.

Net Net Asset Value (NNAV) per share:

It is calculated by dividing the total NNAV of the Company by the number of shares outstanding, treasury shares not included.

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.

GAV (Liquidation Value):

Assets valuation performed by independent appraisers (Tinsa and CBRE).

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.

Yield:

Annualized rents, considering 100% occupancy divided by GAV of assets in operation (percentage rate), according to valuation performed by CBRE.

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