REALIA

RESULTS 2020

24 February 2021

TABLE OF CONTENTS

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

1.- SUMMARY

REVENUE AND RESULTS

- Total revenue was €104,29m vs €97,03m at December 2019 (+7,5%).
- Evolution of income in the different business areas:

Commercial Property:	€79,02m (-4,1%)
Land & Homebuilding:	€22,99m (+86,9%)

Additionally, Realia Group has obtained an income from Services & Others for an amount of €2,28m (-2,1%).

Income from Commercial Property has gone down by 4,1%, and it is mainly due to two reasons:

a) Commercial measures adopted by Realia Group in support to tenants affected by COVID 19 (mainly small retail and shopping centres). These measures, discounts on rents, have registered an impact on financial statements amounting €3,40m.

b) A refund, in 2019, of a "municipal added value tax" for an amount of €2,12m. This taxi s due to the sale of an asset in previous years.

If we do not consider this impact, Commercial Property business would have gone up by 2,6%.

Income from Land & Homebuilding has gone up by 86,9% and it is mainly due to:

a) The delivery, over November and December 2020, of 27 units of the Brisas de Son Dameto residential development in Palma de Mallorca, for an amount of €10,88m. The remaining units will be delivered over 2021, together with other residential developments in the pipeline.

b) This result includes an amount of €1,18m corresponding to the sale of land for commercial use. This sale has been performed by *Management Board of Valdebebas*, Realia held a certain percentage of this property.

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 down, mainly due to expiry of commercial agreements, technical management and administrative and fiscal management related to residential developments and/or third party companies different from Realia Group.

- Overhead costs reached €5,41m (-13,7%) vs December 2019.
- EBITDA reached €51,90m vs €49,53m at December 2019 (+4,8%). This result is mainly due to an improvement in the operating margin of the residential area that has offset the reduction in the operating margin produced in the Commercial Property business due to commercial measures adopted in support to tenants affected by COVID 19 and, finallly, due to better evolution of overhead costs. Realia Group has obtained, over 2020, a positive EBITDA in Commercial Property, residential and services areas.
- As of December 2020, amounts provided have reached €14,26m, mainly due to COVID 19 impact on assets valuations (€15,38m) and other provisions reversion (1,12 M.€).

  These provisions have impacted negatively on 2020 results vs 2019 results where provisions were reversed for €11,52m. Comparing 2020 and 2019 results impact of the provisions variation is the addition of both (-25,78 €).
- According to valuation performed by independent appraisers at December 2020, impact due to Commercial Property assets valuation (IAS 40) has reached €24,63m vs v €30,77m at December 2019. This result is due to the impact caused by COVID 19 on rents and yields.

Valuation of Commercial Property assets (IAS 40) has impacted negatively on 2020 Group result. Comparing 2020 and 2019 results, impact will be the addition of both (€-55,40m).

- The net financial result reached €-4,60m (+65,9% vs €-13,47m at December 2019). This result is mainly due to: 1) lower debt of the Group; 2) improvement of applied spreads and 3) Implementation of IFRS 9 for novation of financial terms of Realia Patrimonio S.L.U. syndicated loan. An income for €8,97m has been reflected.

  If we do not consider this income, financial expenses would have been 7,1% better than the previous year, €-13,42m vs. €-14,45m at December 2019.

- As of December 2020, earnings before taxes reached €7,65m vs €80,50m at December 2019 (-90,5%). Even though EBITDA has gone up (+2,37 M.€), this result is mainly due to:

  1) Variation in provisions €-25,78m (€-14,26m at December 2020 vs €+11,52m at December 2019).
  2) Variation in the valuation of real estate investments at fair value €-55,40m (€-24,63m at December 2020 vs €+30,77m at December 2019)
  3) Result of companies accounted by the equity method, €-3,02m (€-0,47m at December 2020 vs €+2,55m at December 2019). This result is mainly due to the impact of COVID 19 on the operation of Shopping Centre As Cancelas
  4) Better financial results (€+8,87m) as mentioned in the previous point.

- As of December 2020, earnings after taxes reached €2,11m vs €44,88m at December 2019 (-95,3%). This result is explained here above, following tax adjustments.

INDEBTEDNESS

- As of December 2020, Realia Group gross financial debt reached €577,35m vs €596,29m at December 2019 (-3,2%). This debt financing is related to Realia Patrimonio.

- As of December 2020, cash and equivalents reached €74,82m vs €75,89m at December 2019. This budget, together with cash-flow, will be allocated to pay back banking debt at its maturity, to complete residential developments in the pipeline, to develop the Build to rent business, to invest in capex for the current assets and acquiring new ones.

- As a consequence, as of December 2020, Realia net financial debt reached €502,53m vs €520,40m at December 2019 (-3,4%).

- 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 which has meant a financial income of €8,97m. Therefore, the gross financial debt has gone down on this amount by adjusting the financial liability to reflect an amount equal to the sum of the new modified flows discounted with the original IRR against the income statement.

- The net financial result reached €-4,60m (+65,9%) vs €-13,47m at December 2019). This result is mainly due to: 1) lower debt of the Group; 2) improvement of applied spreads and 3) application of IFRS 9 due to the novation of the financial conditions of the syndicated loan of Realia Patrimonio, S.L.U. which has meant reflecting a positive financial result of €8,97m.

If we consider, exclusively, the financial result derived from the remuneration of the Group's financial debt as of December 2020, it would have improved by 7,1%, reaching the amount of €13,42m vs €14,45m at December 2019.

- The weighted average rate on gross debt (derivatives included) reached 1,79% vs 2,12% at December 2019.

ASSETS VALUATION

- As of 31 December 2020, assets valuation reached €1.907,9m (-1,4% vs December 2019). Assets valuation has been performed by CBRE (CB Richard Ellis) implementing the RICS method, at December 2020 and at December 2019.
- Fair value of Commercial Property assets reached €1.519,6m vs €1.540,8m at December 2019 (-1,4%). By adjusting this valuation with investments on capex for an amount of €6,3m over 2020, variation of its value reached -1,8%.
- Over 2020, the operation of a Build to Rent residential development valued in €16m has started.
- Fair value of homebuilding assets (land bank, residential developments in the pipeline and residential finished product) reached €388,4m at December 2020 vs €394,1m (-1,5%) at December 2019. Over 2020, investments on land bank and on residential developments in the pipeline for an amount of €31,2m. Homogenizing both years for investments made and finished product delivered in 2020, fair value of residential developments would have gone down by 4,5%.
- Commercial Property business represents 80% of total GAV and residential business represents the remaining 20%.
- Net Asset Value (NNAV) reached €1.059m at December 2020 vs €1.064m at December 2019. In unitary terms, it reached 1,31 Euro per share, 0,8% better than the previous year, 1,30 Euro per share.

COMMERCIAL PROPERTY

- As of 31 December 2020, gross rental income reached €60,83m. It has been 2,2% lower than at December 2019. It is mainly due to the commercial measures adopted by Realia Group in support to tenants (mainly small retail and shopping centres). If we do not consider these measures, rents would have gone up by 3,2%. These measures, discounts on rents, have registered an impact on financial statements amounting €3,40m. If we do not consider this impact, rents would have gone up by 3,2%.
- As of December 2020, overall occupancy levels of operational tertiary use assets (As Cancelas S XXI included) reached 93,9% vs 93,6 % at December 2019.
- At June 2020, the operation of a Build to Rent residential development in Tres Cantos (Madrid) started. As of 31 December, 66% of the total units available were occupied and, additionally, 10% are in process of being reserved.
- Two new Build to Rent residential development projects for 195 social rental homes in Tres Cantos (Madrid) are in the pipeline. Construction of these projects is scheduled for the coming months with an investment of €39,9m of which there is an outstanding investment of €39,2m.

LAND AND HOMEBUILDING

- As of 31 December 2020, Realia has delivered 99 units for an amount of €21,12m vs 82 units at December 2019 for an amount of €11,18m. Over November and December 2020, 27 units of the Brisas de Son Dameto residential development for an amount of €10,88m have been delivered.

- As of 31 December 2020, there is a stock of 428 units (homes, small retail and premises) finished or in the pipeline non-delivered, 156 (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 5.753.724 sqm and an estimated buildable area of 1.621.875 sqm.

2.- FINANCIAL HIGHLIGHTS

(€mm)	2020	2019	Var. (%)
Total Revenue	**104,29**	**97,03**	**7,5**
Comm. Property	79,02	82,40	-4,1
Land & Homebuilding	22,99	12,30	86,9
Services & Others	2,28	2,33	-2,1
EBITDA	**51,90**	**49,53**	**4,8**
Net Result (Group share)	**2,11**	**44,88**	**-95,3**
Net Financial Debt	**502,53**	**520,40**	**-3,4**
Nº Shares (mm) treasury shares not included	**811,09**	**816,83**	**-0,7**
Earnings per Share (€)	**0,003**	**0,055**	**-94,5**

3.- OPERATIONAL HIGHLIGHTS

	2020	2019	Var. (%)
Commercial Property			
Tertiary use assets			
GLA (sqm)	**406.806**	**406.782**	**0,0**
Occupancy rate (%)	**93,90%**	**93,60%**	**0,3**
Residential assets			
GLA (sqm)	**9.973**		**100**
Occupancy rate (%)	**66,00%**		**100**
Land & Homebuilding			
Sales			
Total value of contracts (€mm)	21,12	11,18	**88,9**
Units	99	82	**20,1**
Nº Employees	**90**	**90**	**0**

Number of Employees	2020	2019	Var. (%)
Total [1]	**90**	**90**	**0,0**
Realia Business	40	40	**0,0**
Realia Patrimonio	5	5	**0,0**
Hermanos Revilla [1]	45	45	**0,0**

(1) It includes 31 and 32 people working at reception and concierge services in buildings over 2020 and 2019 respectively.

4.- CONSOLIDATED BALANCE STATEMENT

(€mm)	2020	2019	Var. (%)
Total Revenue	**104,29**	**97,03**	**7,5**
Rents	60,83	62,22	-2,2
Expenses provision	17,95	17,44	2,9
Disposal of tangible fixed assets	-	2,12	-100,0
Homebuilding	21,12	11,18	88,9
Land sales	1,18	-0,13	1.007,7
Services	2,28	2,33	-2,1
Other (Homebuilding & Comm. Property)	0,93	1,87	-50,3
Total Gross Margin	**57,31**	**55,80**	**2,7**
Rents	55,23	57,88	-4,6
Homebuilding	1,73	-2,78	162,2
Services	0,35	0,70	-50,0
Overheads	-5,20	-6,19	16,0
Other costs	-0,21	-0,08	-162,5
EBITDA	**51,90**	**49,53**	**4,8**
Amortization	-0,29	-0,40	27,5
Depreciation	-14,26	11,52	-223,8
EBIT	**37,35**	**60,65**	**-38,4**
Fair value appraisal result	-24,63	30,77	-180,0
Financial result	-4,60	-13,47	65,9
Equity method	-0,47	2,55	-118,4
Earnings before taxes	**7,65**	**80,50**	**-90,5**
Taxes	-1,60	-20,32	92,1
Results after taxes	**6,05**	**60,18**	**-89,9**
Minority Interests	3,94	15,30	-74,2
Net Results (Group share)	**2,11**	**44,88**	**-95,3**

- Income from Land & Homebuilding has gone up by 88,9% due to the delivery of 27 units of the Brisas de Son Dameto residential development in Palma de Mallorca, for an amount of €10,88m, over November and December 2020. It includes an amount of €1,18m corresponding to the sale of land for commercial use. This sale has been performed by *Management Board of Valdebebas*, Realia held a certain percentage of this property.

- Income from rents has gone down by 2,2% in 2020. It is mainly due to some commercial measures, discounts on rents, for an amount of €3,4m that Realia Group has adopted in support to tenants affected by COVID 19 (mainly small retail and shopping centres).
- EBITDA has gone up by 4,8% reaching €51,90m. EBITDA result has been positive in all areas of the Group.
- Provisions for €-14,26m(+€11,52m at December 2019) have been reversed with the following breakdown:

Breakdown provisions (€mm)	2020	2019
Excess provisions	0,02	-
Residential finished product	1,71	3,42
Land bank and developments in the pipeline	-15,38	15,25
Others (clients, proceedings, …)	-0,60	-7,15
Total	**-14,26**	**11,52**

- As of December 2020 provisions reached €14,26m, mainly due to COVID 19 impact in assets valuation (€15,38m) and other provisions for an amount of €1,12m were reversed.

  These provisions have impacted negatively on the 2020 Group results. In 2019, €11,52m of provisions were reversed. Comparing 2020 vs 2019 results, impact of the variation of provisions is the addition of both (€-25,78m)

- Valuation of real estate investments (IAS 40) at December 2020, according to valuation performed by two independent appraisers at 31 December 2020, has meant a negative impact €24,63m vs €30,77m at December 2019. This result is a consequence of COVID 19 on rents and yields. The assets valuation has been performed by two independent appraisers:

  These valuations of Commercial Property assets (IAS 40) impact negatively on the result of the Group at December 2020. Comparing 2020 vs 2019 results, impact is the addition of both (€-55,40m).

  Financial result reached €-4,60m (+65,9% vs €-13,47m at December 2019). This result is mainly due to: 1) lower debt of the Group; 2) better applied spreads and 3) as a consequence of its novation and implementation of IFRS 9, the Group has reflected an adjustment in the valuation of its syndicated loan which has meant a financial income of €8,97m.

  If we only consider the financial result derived from remuneration of financial debt at December 2020, it would have reached €13,42m vs €14,45m at December 2019, it means an improvement of 7,1%.

  The result of the equity-accounted Companies (mainly As Cancelas S.A) has meant losses for €0,47m in 2020 vs, € 2,55m at December 2019. This result is mainly due to: 1) commercial measures adopted to give support to tenants and which have reached €0,9m and 2) impact caused by COVID 19 on rents and yields

- Earnings before taxes reached €7,65m vs €80,50m at December 2019 (-90,5%). Even though EBITDA has gone up (+€2,37m) earnings have gone down mainly due to:

a) Variation of provisions, €-25,78m (€-14,26m at December 2020 vs €+11,52m at December 2019).

b) Variation in the result of real estate investments at fair value reached €-55,40m (€-24,63m at December 2020 vs €+30,77m at December 2019).

c) The result of equity-accounted companies reached €3,02m (€-0,47m at December 2020 vs €+2,55m at December 2019), both results as a consequence of COVID 19 impact.

d) The best financial result (+8,87 M.€) as mentioned previously.

- Earnings after taxes reached €2,11m vs €44,88m at December 2019 (-95,3%).

5.- CONSOLIDATED BALANCE SHEET

(€mm) ASSETS	2020	2019	LIABILITIES	2020	2019
Tangible fixed assets	2,31	2,47	Equity	1.035,75	1.037,22
Investment property	1.464,12	1.483,55	Minority shareholders	238,03	243,13
Inventories	339,37	342,96	Financial debt	577,35	596,29
Accounts receivable	16,71	15,58	Current creditors	36,04	34,78
Treasury and equivalents	74,82	75,89	Other liabilities	206,57	208,58
Other assets	196,41	199,55			
Total Assets	**2.093,74**	**2.120,00**	**Total Liabilities**	**2.093,74**	**2.120,00**

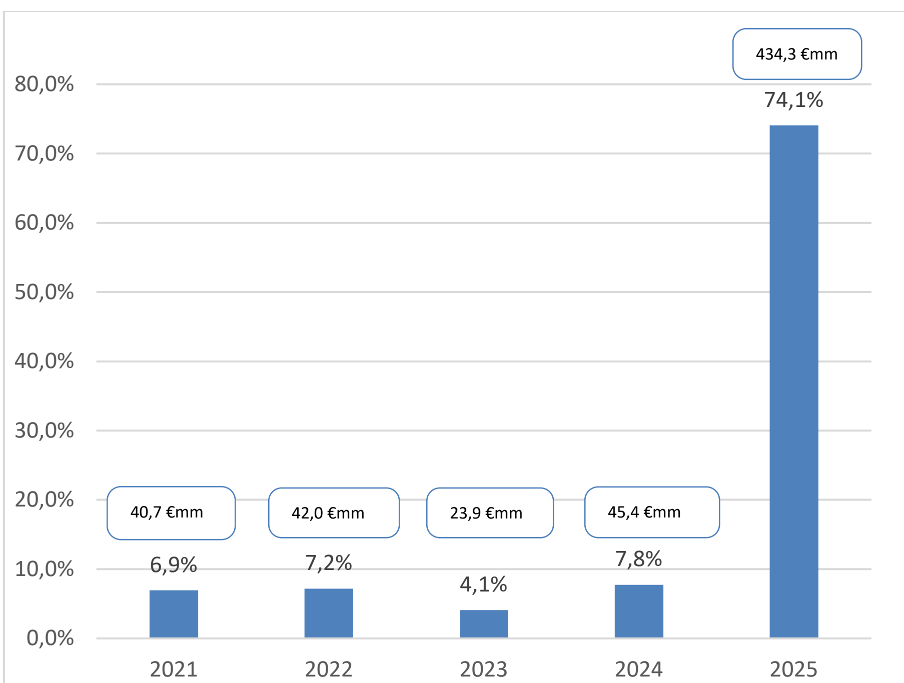
6.- FINANCIAL STRUCTURE

	Business Commercial Property	Business Land & Homebuilding	2020	2019	Var. (%)	2019	Var. (%) dic.2020 s/ dic.2019
Syndicated loans	526,56	-	526,56	546,09	-3,6	546,09	-3,6
Other loans	59,77	-	59,77	49,10	21,7	49,10	21,7
Valuation of derivatives	7,93	-	7,93	9,45	-16,1	9,45	-16,1
Interests	1,36	-	1,36	1,74	-21,8	1,74	-21,8
Debt formalisation expenses	-18,27	-	-18,27	-10,09	-81,1	-10,09	-81,1
Total Gross Financial Debt	**577,35**	**-**	**577,35**	**596,29**	**-3,2**	**596,29**	**-3,2**
Cash and equivalents	34,77	40,05	74,82	75,89	-1,4	75,89	-1,4
Total Net Financial Debt	**542,58**	**-40,05**	**502,53**	**520,40**	**-3,4**	**520,40**	**-3,4**

- As of 31 December 2020, Realia Group has a gross financial debt for an amount of €577,35m vs €596,29m at December 2019 (-3,2%). All financial debt is bound to Commercial Property portfolio.
- As of December 2020, cash and equivalents reached €74,82m. Therefore, the net financial debt reached €502,53m vs €520,40m at December 2019 (3,4% lower).
- Cash & equivalents together with the cash flow generated by the Group will allow the reduction of the net financial debt, finishing residential developments in the pipeline, development of the Build to Rent business, investment in capex and acquiring new assets.
- 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 which has meant a financial income of €8,97m. Therefore, the gross financial debt has gone down by applying this IFRS 9 on this amount by adjusting the financial liability to reflect an amount equal to the sum of the new modified flows discounted with the original IRR against the income statement.
- As of 31 December 2020, the weighted average interest rate of the gross debt was 1,79% (derivatives included) following the new loan agreement for the Commercial Property business vs 2,12% at December 2019.
- As of December 2020, the breakdown of the Group gross debt maturity is the following:

Gross debt maturity



7.- ASSETS VALUATION

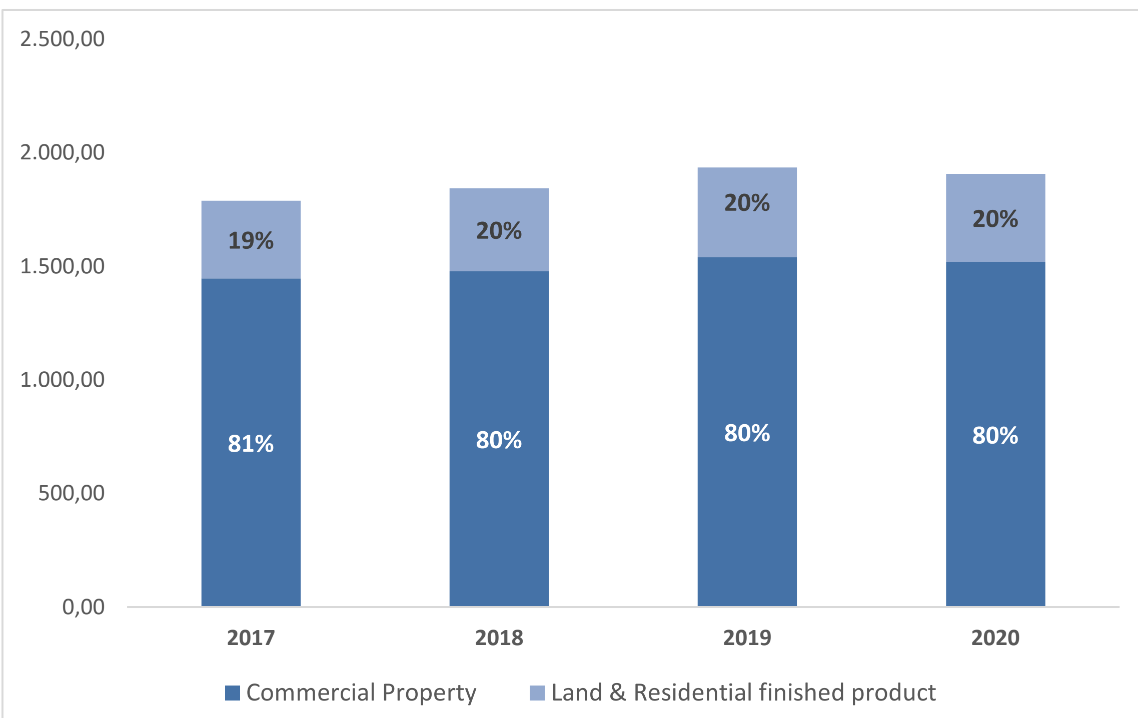
- The assets valuation has been performed by two independent appraisers:
    - At December 2020 and December 2019, CBRE (CB Richard Ellis) has valued, at fair value, the portfolio of Realia Patrimonio, subsidiaries, as well as small residential assets belonging to property companies, implementing the RICS method.
    - At December 2020 and December 2019, TINSA has valued, at fair value, the portfolio of residential business assets implementing the RICS method.

(€mm)	Dec. 2020 €mm	Dec. 2019 €mm	% var. Dec.20 s/ Dec.19
Rental assets	1.448,9	1.452,3	-0,2%
Assets in the pipeline	10,8	25,5	-57,6%
Land in the pipeline	59,9	63,0	-4,9%
TOTAL RENTAL ASSETS (1)	**1.519,6**	**1.540,8**	**-1,4%**
Land bank (2) (3)	270,1	274,0	-1,4%
Residential developments in the pipeline (3)	62,0	72,7	-14,8%
Residential finished product (4)	43,9	34,2	28,4%
Residential land & others (5) in property companies	12,4	13,2	-6,1%
TOTAL ACTIVOS RESIDENCIAL	**388,4**	**394,1**	**-1,5%**
TOTAL ACTIVOS	**1.907,9**	**1.934,9**	**-1,4%**

(1) It includes €52,4m at Dec. 2020 and €54m at Dec. 2019. Value of As Cancelas asset consolidated by the equity method.
(2) It includes €17,8m at Dec. 2020 and €18,2m at Dec. 2019, value of the land bank of the Company IRU, consolidated by the equity method. Additionally, investments on land bank for €3,9m have been made.
(3) Over 2020, Glories BCN has been transferred from residential development in the pipeline to land bank for an amount of €9,17m. Investments for €20,7m have been made on residential developments in the pipeline.
(4) Over 2020, finished product existing at Dec. 2019 has been delivered for an amount of €9,16m. Valuation at Dec. 2020 includes product of Brisas de San Dameto transferred from residential development in the pipeline to finished product at Nov.2020. it includes an investment for €6,6m made in 2020. Additionally, over November and December 2020 deliveries of this residential development have been made for an amount of €10,9m.
(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 €1.519,6m vs €1.540,8m at December 2019 (-1,4%), Over 2020, there have been investments on capex for an amount of €6,3m. Considering these investments, valuation in 2020 has gone down by 1,8% vs 2019.
- Operation of a Build to Rent residential development, for an amount of €16m, started in July 2020. At 2019, this asset, together with another two assets intended to Build to Rent valued in €10,80m were in the pipeline.
- At December 2020 and December 2019 all Commercial Property assets were valued by CBRE (CB Richard Ellis) implementing the RICS method.
- Fair value of homebuilding assets (land bank, developments in the pipeline and residential finished product) reached €388,4m at December 2020 vs €394,1m (-1,5%) at December 2019. Fair value decrease by 1,5% in 2020 is mainly due to investments on projects in the pipeline which have reached €31,2m. If these investments wouldn´t have been done and by homogenizing the finished residential developments fair value of residential assets would have gone down by 4,5%.
- At December 2020 and December 2019, TNSA valued all residential assets (land bank, residential developments in the pipeline and residential finished product) under the RICS method.
- 80% of total GAV is related to the Commercial Property portfolio and the remaining 20% to the residential portfolio.

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



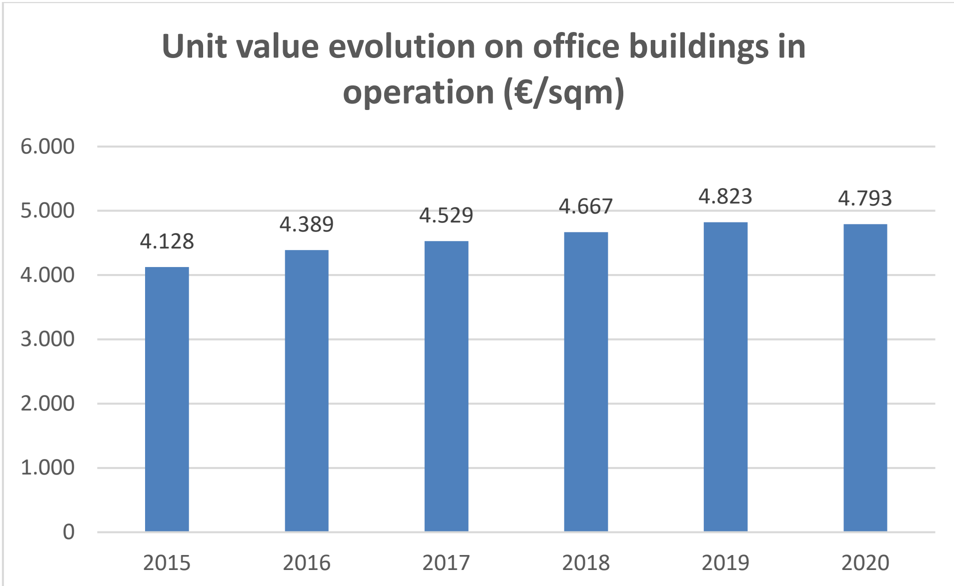
Commercial Property valuation

	Nr. Buildings	sqm	GAV Dec. 2020 [1]	GAV Dec. 2019 [1]	Var. (%)	Value €/sqm	Yield Dec. 2020 (%)[2]	Yield Dec. 2019 (%)[2]
Offices	**27**	**226.860**	**1.087,4**	**1.094,2**	**-0,6**	**4.793,3**	**4,6%**	**4,4%**
CBD [3]	12	84.550	601,0	605,7	-0,8	7.108,2	4,2%	3,9%
BD [4]	3	42.653	176,8	177,4	-0,3	4.145,0	4,9%	5,0%
Periphery/Others	12	99.656	309,6	311,1	-0,5	3.106,7	5,4%	4,9%
Retail & Leisure	**7**	**136.689**	**316,1**	**327,4**	**-3,5**	**2.312,2**	**6,4%**	**6,2%**
Other assets [5]	**7**	**53.230**	**45,4**	**30,7**	**47,9**	**853,0**	**6,0%**	**7,0%**
Total operational	**41**	**416.780**	**1.448,9**	**1.452,3**	**-0,2**	**3.476,3**	**5,1%**	**4,8%**
Developable land [6]	**2**	**24.578**	**10,8**	**25,5**	**-57,6**	**439,4**		
Land in the pipeline [7]		**127.291**	**59,9**	**63,0**	**-4,9**	**470,6**		
Total	**43**	**568.648**	**1.519,6**	**1.540,8**	**-1,4**	**2.672,2**		

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. *Warehouse in Logroño and other assets such as commercial premises, parking spaces .... A Build to Rent residential development has been included in 2020*
6. *Land in the pipeline to develop residential developments intended to home rental*
7. *Land bank in Aguacate Str., La Noria, ParK Central (22@) and Leganés*

- As of December 2020, the market value of the Commercial Property portfolio reached €1.519,6m, -1,4% lower than at December 2019.

- As of 31 December 2020, the current Yield of the Commercial Property portfolio in operation reached 5,1% (annualized current gross rent (CBRE) divided by the assets GAV) vs 4,8% at December 2019.



Main assets for asset value (GAV)

Assets	Location	Use	GLA
Torre REALIA	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
C.C. 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	13.247

Land & Homebuilding valuation

(€mm)	GAV Dec. 2020	GAV Dec. 2019	Var. (%) Dec. 2020 s/ Dec.2019
Land bank (1)	270,1	274,0	-1,4%
Residential in the pipeline (1) (2)	62,0	72,7	-14,8%
Residential finished product (2)	43,9	34,2	28,4%
Land bank (3) and others in property companies	12,4	13,2	-6,1%
Residential assets total value	388,4	394,1	-1,5%

(1) In 2020, Glories BCN has been transferred from residential development in the pipeline to land bank for an amount of €9,1m, as the start of its construction has been delayed.

(2) In 2020, finished product existing at Dec. 2019 has been delivered for an amount of €9,16m. Valuation at Dec. 2020 includes finished product of Brisas de San Damento which has been transferred from residential development in the pipeline to finished product in Nov.20. Units delivery of this residential development over November and December 2020 have reached €10,9m

(3) Land bank valuation reached €9,9m at Dec. 2020 and €10,7m at Dec. 2019

Land bank valuation

	Gross land sqm - Dec.2020	Building land sqm - Dec.2020	Building land sqm - Dec. 2019	GAV Dec. 2020 €mm	GAV Dec. 2019 €mm	Var. GAV (%) Dec.2020 s/ Dec. 2019
Zoning (1)	3.563.718	387.598	387.598	10,9	11,8	-7,9%
Planning	1.218.687	488.962	488.962	25,3	25,9	-2,4%
Urbanization	489.148	253.214	253.161	60,4	62,6	-3,5%
Fully-permitted land (2)	482.172	492.100	489.312	183,4	184,4	-0,5%
Total	**5.753.724**	**1.621.875**	**1.619.033**	**280,0**	**284,7**	**-1,7%**

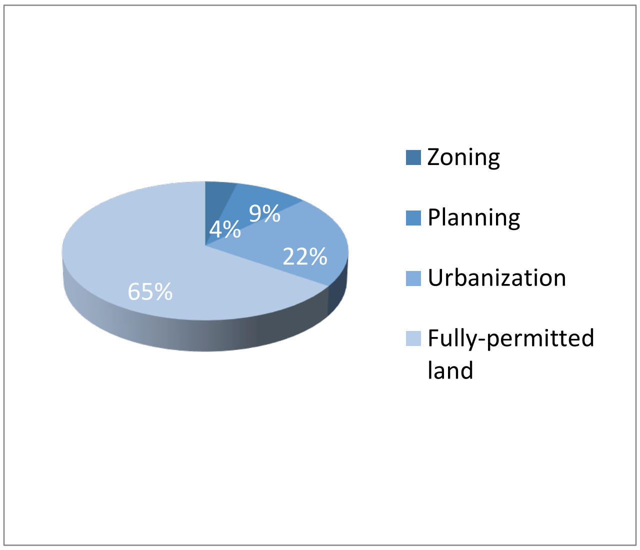
The most important variations in land bank:

(1) Buildability of fully-permitted land has gone up by 5.546 sqm due to Gorias BCN transfer from residential development in the pipeline to land bank.

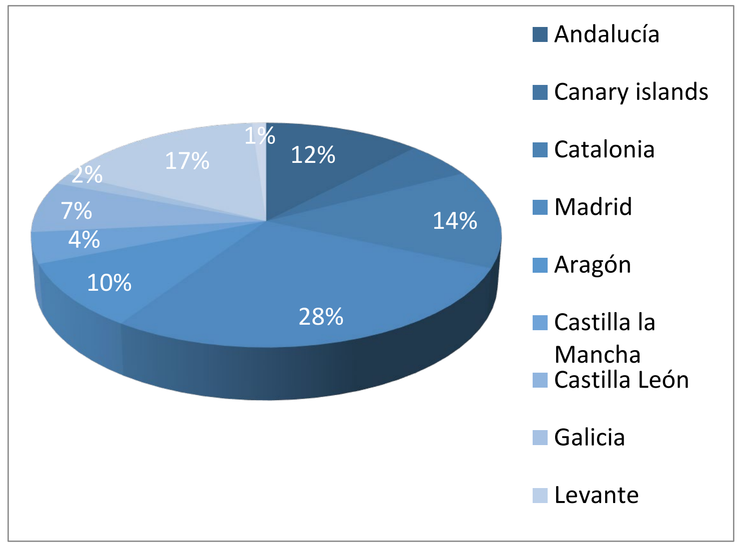
(2) Sale of land for commercial use. This sale has been performed by *Management Board of Valdebebas*, Realia held a certain percentage of this property. It has a buildability of 2.757 sqm.

GAV land bank breakdown (€mm)

By urbanistic stage



By geographical area



8.- NET ASSET VALUE (NNAV)

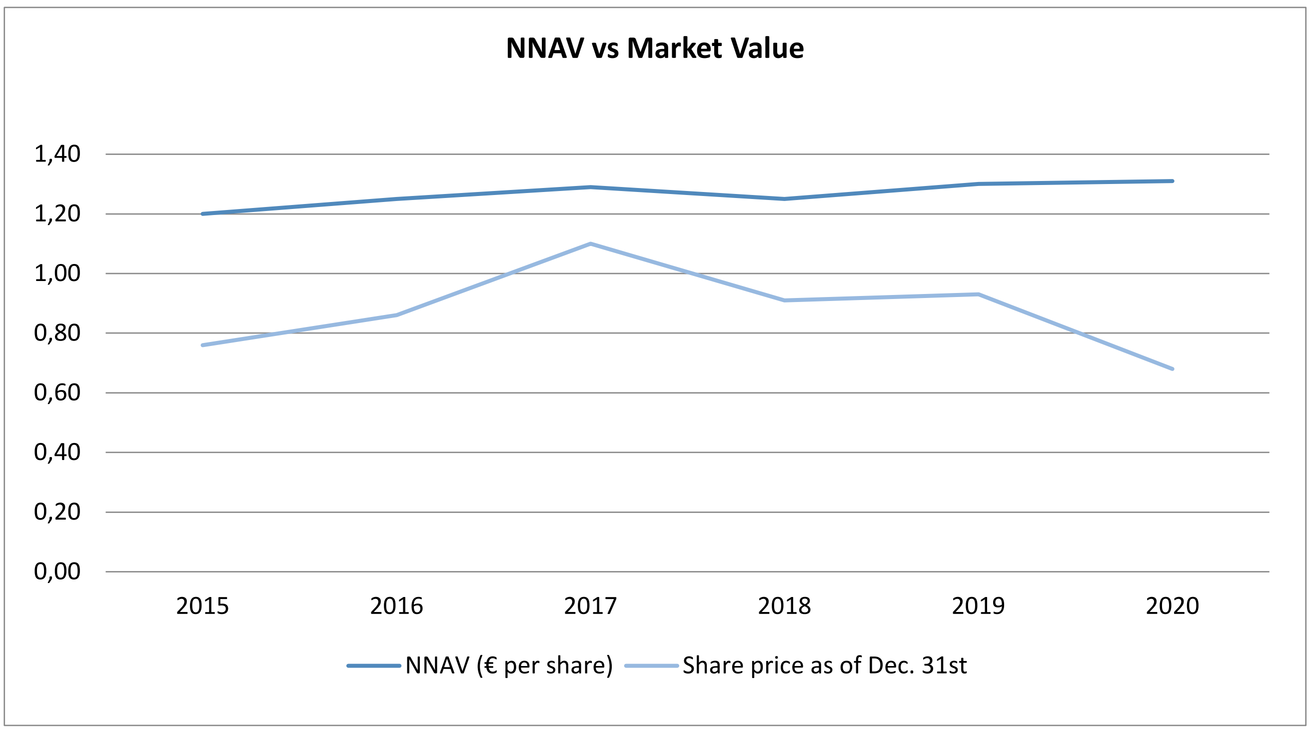
(€mm)	COMMERCIAL PROPERTY 2020	COMMERCIAL PROPERTY 2019	LAND & HOMEBUILDING 2020	LAND & HOMEBUILDING 2019	TOTAL 2020	TOTAL 2019	Var. %
Total (GAV)	**1.520**	**1.541**	**388**	**394**	**1.908**	**1.935**	**-1,4**
To be deducted							
Minorities	-312	-316	-2	-2	-314	-318	1,3
GAV Realia (1)	**1.208**	**1.225**	**386**	**392**	**1.594**	**1.617**	**-1,4**
Book value of the parent company (2)	**703**	**713**	**357**	**359**	**1.060**	**1.072**	**-1,1**
Latent capital gains of the parent company (1)-(2)	505	512	29	33	534	545	-2,0
To be deducted							
Tax	-126	-128	-7	-8	-133	-136	2,2
Latent capital gains after tax	379	384	22	25	401	409	-2,0
Adjustments IAS 40					-378	-382	
Equity					1.036	1.037	-0,1
NNAV after tax					**1.059**	**1.064**	**-0,5**
Nr of shares (treasury shares not included, in €mm)					811	817	-0,7
NNAV after tax per share (€/share)					**1,31**	**1,30**	**0,8**

- As of December 2020, Net Asset Value (NNAV) reached 1,31 Euro per share, 0,8% better than at December 2019.
- NNAV per share, considering the net equity of the consolidated financial statements, is the following:

CONSOLIDATED NET EQUITY ATTRIBUTABLE TO THE PARENT COMPANY (€mm)	**1.036**
Adjustments:	
+ Capital gains tangible fixed assets (own use)	2
+ Capital gains stock	22
ADJUSTED NET EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	**1.059**
Number of shares (treasury shares not included)	811.089.229
NNAV PER SHARE (Euro)	**1,31**

Net Asset Value evolution (NNAV)

	2015	2016	2017	2018	2019	2020
NNAV (€mm)	552	805	833	1.022	1.064	1.059
NNAV (€ per share)	1,20	1,25	1,29	1,25	1,30	1,31
Share price as of Dec. 31st	0,76	0,86	1,10	0,91	0,93	0,68
Discount NNAV	-37%	-31%	-15%	-27%	-28%	-48%



9.- COMMERCIAL PROPERTY

Rents – Consolidated data

(€mm)	2020	2019	Var. (%)
Rental income [1]	60,83	62,22	-2,2%
Expenses provision	17,95	17,44	2,9%
Disposal of tangible fixed assets	-	2,12	-100,0%
Other income	0,24	0,62	-61,3%
Total revenue	**79,02**	**82,40**	**-4,1%**
Building common charges [1]	-20,68	-20,85	0,8%
Other charges	-3,11	-3,67	15,3%
Gross margin	**55,23**	**57,88**	**-4,6%**
Margin (%)	***90,8%***	***93,0%***	***-2,4%***

(1) It includes rental income and expenses provision from the Build to Rent business for an amount of €0,15m and €0,07m respectively

- Evolution of Commercial Property business over 2020 has been affected by COVID 19. Realia is aware of this situation and the need to contribute to relaunch the economic activity in its premises and shopping centers. This measures have meant an impact of €3,4m and in the equity-accounted company, €0,9m which have caused a negative impact on 2020 results. Impact is expected to be less significant in the coming years, even though it will depend how pandemic will evolve and its effects.
- Total rental income (expenses charged to tenants not included) reached €60,83m (77,0% of the Commercial Property income and 2,2% lower than at December 2019). It is mainly due to lower rents in shopping centres motivated by commercial measures, which have reached €3,40m, to support tenans. If we do not consider these measures, rents would have increased by 3,2%.
- Gross margin on rents reached 90,8%, 2,4% lower than at December 2019. It is mainly due to a refund, in June 2019, of a "municipal added tax" for an amount of €2,12m. This tax is due to the sale of an asset in previous years. As well as for the above mentioned commercial measures to support tenants.

Rents – Operational data (1)

(€mm)	2020	2019	Var. (%)
Rental income (2)	64,60	66,89	-3,4%
Expenses provision	19,55	19,04	2,7%
Disposal of tangible fixed assets	-	2,12	-100,0%
Other income	0,32	0,62	-48,4%
Total revenue	**84,47**	**88,67**	**-4,7%**
Buildings common charges (2)	-22,24	-22,52	1,3%
Other charges	-4,15	-4,56	9,0%
Gross margin	**58,09**	**61,59**	**-5,7%**
Margin (%)	***89,9%***	***92,1%***	***-2,4%***

(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 business for an amount of €0,15m and €0,07m respectively.

Operating rental income (1)

Breakdown of rents by sector

(€mm)	2020	2019	Var. (%)	GLA (sqm)	Occup. Dec.2020 (%)	Occup. Dec.2019 (%)
Offices	**46,96**	**46,02**	**2,0%**	**226.860**	**96,0%**	**93,8%**
CBD	23,43	22,90	2,3%	84.550	98,3%	98,9%
BD	8,23	8,25	-0,2%	42.653	95,8%	100,0%
Periphery	15,30	14,87	2,9%	99.656	94,1%	86,9%
Retail & Leisure	**15,40**	**18,75**	**-17,9%**	**136.689**	**88,6%**	**91,2%**
Other (2)	**2,25**	**2,12**	**6,0%**	**53.230**	**93,4%**	**100,0%**
Total revenue	**64,60**	**66,89**	**-3,4%**	**416.780**	**93,2%**	**93,6%**

(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 business for an amount of € 0,15m and 9.973 sqm of GLA. 66,0% of this area is occupied. If we do not consider this asset, the percentage of occupancy would be of 100%.

- Occupancy reached 93,2% at December 2020 vs 93,6% at December 2019. This variation is mainly due to the inclusion of the concept “Others” of the residential development intended to Build to Rent which operation has started in July 2020. 66,0 % of the total units available are occupied. Homogenizing surfaces, occcupancy at December 2020 reached 93,9% vs 93,3% at December 2019.

- At December 2020, rental income has reached €64,60m, 3,4% lower than at December 2019. It is mainly due to lower rents in shopping centres, as a consequence of the commercial measures to support tenants which have reached €4,30m (it includes AS Cancelas shopping centre, for an amount of €0,90m). If we do not consider these commercial measures, operational rents would have gone up by 3,0%.

- Offices occupancy has gone up by 2,2%, 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 2,0% mainly due to an increase of unitary rents in CBD offices.

- Retail & Leisure occupancy has gone down by 2,6% at December 2020 vs December 2019. This result is mainly due to expiry of some lease contracts and low demand of surfaces as a consequence of the economic impact of COVID 19. Rental income has gone down by 17,9% mainly due to the COVID 19 commercial measures already mentioned.

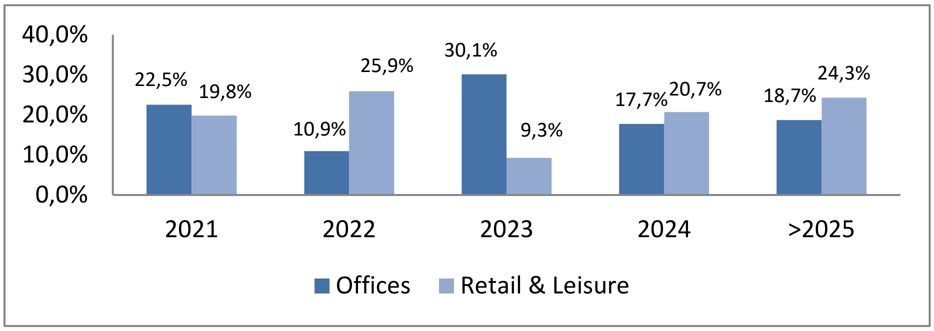
- Evolution of Commercial Property business over 2020 has been subject to the scale of the COVID 19. The Group is aware that it must contribute to the relaunch of the economic and commercial activity of its tenants that have been more affected by this crisis. Realia has communicated its tenants its willingness 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 possible and in the most efficient way

Breakdown of rents by geographical area (Lfl)

(€mm)	2020	2019	Var. (%)	GLA (sqm)	Occup. Dec.2020 (%)	Occup. Dec.2019 (%)
Madrid	**46,88**	**47,12**	**-0,5%**	**260.688**	**94,0%**	**94,0%**
CBD	24,32	23,60	3,1%	80.452	98,6%	99,3%
BD	9,16	9,81	-6,6%	49.896	96,4%	100,0%
Periphery	13,40	13,71	-2,3%	130.340	90,2%	88,0%
Barcelona	**6,55**	**6,24**	**5,0%**	**32.325**	**99,8%**	**97,7%**
Other	**11,18**	**13,53**	**-17,4%**	**123.767**	**90,0%**	**91,7%**
Total revenue	**64,60**	**66,89**	**-3,4%**	**416.780**	**93,2%**	**93,6%**

- According to geographical area, rents have increased in Madrid in the CBD (+3,1%) and in Barcelona (+5,0%), due to better rents in Torre Realia/The Icon and in Torre REALIA BCN.
- On the other hand, in Madrid, in BD (-6,6%), in periphery (-2,3%) and in other towns (-17,4%), Guadalajara, Murcia and Santiago. Rents have gone down as a consequence of measures taken to support tenants in shopping centres and small retail.

Expiry of lease contracts on annualized rents



10.- RESIDENTIAL BUSINESS (LAND & HOMEBUILDING)

(€mm)	2020	2019	Var. (%)
Revenue			
Homebuilding sales	21,12	11,18	88,9%
Land sales	1,87	1,12	67,0%
Total Revenue	**22,99**	**12,30**	86,9%
Costs			
Costs of sales	-19,27	-12,80	-50,5%
Other costs	-1,99	-2,28	12,7%
Total Costs	**-21,26**	**-15,08**	-41,0%
Homebuilding Gross Margin	***1,73***	***-2,78***	162,2%
Homebuilding Gross Margin (%)	***7,5%***	***-22,6%***	133,2%
Provisions reversal finished product	***1,71***	***3,42***	-41,8%
Gross margin (Provisions not included)	***3,72***	***0,64***	481,25%

Residential portfolio

- Revenue from Land & Homebuilding amounted €22,99m, 88,9% better than in 2019 (€12,30m). This result includes delivery of 27 units of the Brisas de Son Dameto residential development in Palma de Mallorca, over November and December 2020, for an amount of €10,88m. It also includes the sale of a land, for an amount of €1,18m, performed by *Management Board of Valdebebas*.

- As of 31 December 2020, 99 units for an amount of €21,12m have been delivered vs 82 units delivered at December 2019 for an amount of €11,18m. Over November and December 2020, 27 units of the Brisas de Son Dameto residential development been delivered. This residential development was in the pipeline in 2019.

- Gross margin reached €1,73m vs €-2,78m at December 2019 (once deducted the reversal of provisions). Once the provision is applied, the gross margin reached €3,72m vs €0,64m at December 2019.
- By geographical area, the breakdown of units delivered at December 2020 and December 2019 is the following:

	2020		2019	
	Nr. Units	Revenue (€mm)	Nr Units	Revenue (€mm)
Madrid/Centro	12	1,44	14	1,71
Levante	50	15,28	13	2,50
Catalonia	6	0,71	12	1,85
Andalusia	30	3,45	43	5,12
Portugal	1	0,25	-	-
Total	**99**	**21,12**	**82**	**11,18**

- As of December 2020, there is a stock of 428 units (homes, small retail and offices) finished or in the pipeline non-delivered (156 pre-sold). There are also 41 land plots for single-family housing intended for sale.

Home stock evolution	2020	2019	Var. (%)
Pre-sales			
Number of units	151	175	-13,8%
Total value of contracts (€mm)	40,96	44,53	-8,0%
Deliveries			
Number of homes	99	82	20,1%
Total value of contracts (€mm)	21,12	11,18	88,9%
Pre-sold			
Number of units	156	125	24,9%
Total value of contracts (€mm)	56,05	44,32	26,5%
Stock at End-of-Period			
Projects finished			
Number of units	197	244	-19,5%
Projects in the pipeline			
Number of units	116	247	100,0%

Land bank

- As of December 2020, Realia has a gross land bank, in different urbanistic stages, of 5.753.724 sqm and an estimated buildable area of 1.621.875 sqm. 30,34%of this land bank is fully-permitted land and 29,09% are located in Madrid:

Land bank breakdown (buildability by sqm)

	Buildability (sqm)
Zoning	387.598
Planning	488.962
Urbanization	253.214
Fully-permitted land	492.100
Total	**1.621.875**

	Buildability (sqm)
Andalusia	460.851
Canary islands	18.541
Catalonia	81.931
Madrid	471.789
Aragón	154.508
Castilla la Mancha	222.886
Castilla León	64.451
Galicia	6.184
Levante	129.821
International	10.912
Total	**1.621.875**

11.- RISKS ARISING FROM COVID 19

Preliminary estimates for 2020 have been altered due to COVID 19. The impact of this health crisis not only has impacted Spain and its real estate sector, but it is a global pandemic and the depth of its effects is not yet known. However, it is clear that the residential market has been altered and will be altered. The demand for spaces may be affected by the measures taken to alleviate the effects of COVID 19, such as teleworking, @commerce, 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…. It may cause demand declines.

Before this situation and considering what has happened in 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 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 the demand rethink, where it wants to be located 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.

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e) Regarding residential assets for rent, rents will tend to go down due to: 1) larger number of homes for rent 2) Tenants that will give up due to COVID 19 and increase of unemployment y 3) regulatory rules to prevent price tension in rents.

f) Regarding tertiary use assets (offices, small retail and shopping centres), predictably the current business models will change and, therefore, the sort of spaces where these activities will develop. The impact will be different, it will depend on offices, shopping centres or small retail: 1) rents will stay steady 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…) and in shopping centres (lower consumption, @comerce….) and 3) new contractual relationship 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 the 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 could obtain financial resources to cover this eventuality.

12.- STOCK DATA

- The closing stock price (€ per share) has been 0,68 Euro. It has gone down by 27% vs 2019.

	31 Dec. 2020
Closing stock price (€/share)	0,68
Market cap. End-of-Period (€)	557.781.000
High of the period (€/share)	0,97
Low of the period (€/share)	0,60
Average of the period (€/share)	0,6853
Daily trading volulme (€mm)	71
Daily trading volumen (thousands of shares)	100

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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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