

REALIA



RESULTS 3Q 2023

17th October 2023

EXECUTIVE SUMMARY
MAIN FINANCIAL FIGURES

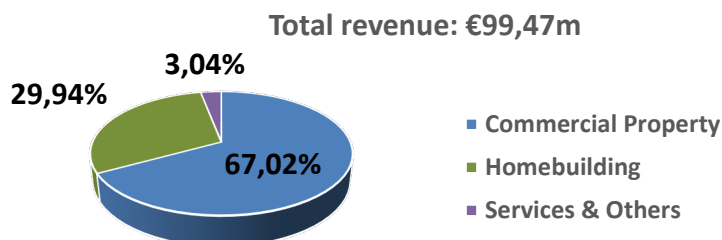
(€mm)	3Q 2023	3Q2022	Var. (%)
Total revenue	99,47	104,07	-4,4
Commercial Property	66,66	65,79	1,3
Homebuilding	29,78	23,42	27,2
Land	-	11,93	-100,0
Services & Others	3,03	2,93	3,4
Gross operating profit (adjusted EBITDA) ⁽¹⁾	51,01	50,96	0,1
Fair value appraisal result	-15,03	20,33	-173,9
Financial results	-13,33	-4,04	230,0
Profit after tax	21,00	51,98	-59,6
Attributable net profit	19,65	49,16	-60,0
Net financial debt	534,31	516,51	3,4
Nº shares (mm) treasury shares not included	811,09	811,09	0,0
Earnings per share (€)	0,024	0,061	-60,7

⁽¹⁾ It includes provisions related to current assets

REVENUE & RESULTS

- Total revenue was €99,47m, 4,4% lower than at 3Q 2022. Two extraordinary operations were carried out (sale of land for an amount of €11,93m and the refund of a municipal tax for an amount of €+1,00m). Without considering these extraordinary operations, annual variation would have reached +9,1%.
- Evolution of income in the different business areas vs 3Q 2022:
 - Commercial Property: €66,66m (+1,3%)
 - Homebuilding: €29,78m (-15,8%)
 - Services & Others: €3,03m (+3,4%)

Breakdown by business activity over 3Q 2023:



- Income from Land & Homebuilding went down by 15,8%. This result is mainly due to the sale of land for an amount of €11,93m over 2022. Without this extraordinary revenue, income would have gone up by 27,2%.
- Income from Commercial Property went up by 1,3%. This result is mainly due to: 1) rents updating, and 2) better rents from Build to Rent (BTR) business activity which have offset the atypical positive result obtained in 2022 from the refund of a municipal tax related to the sale of an asset (€+1,00m). Without considering this extraordinary revenue, income would have reached 2,9%.
- Additionally, income from Services & Others went up by 3,4%. These services include commercial agreements, technical management and administrative and fiscal management related to residential developments and/or third-party companies different from REALIA Group.
- Gross operating profit-“adjusted EBITDA” (it includes provisions associated with current assets amounting €1,35m), went up by 0,1%, reaching €51,01m vs €50,96m at September 2022. It is mainly due to better margins in both areas, Commercial Property and Land & Homebuilding which have allowed to reduce the atypical positive results previously mentioned obtained in 2022.
- In 3Q 2023, REALIA Group has obtained a positive Gross operating profit-“adjusted EBITDA” in all areas (Land & Homebuilding, Commercial Property and Services & Others).
- Commercial Property assets valuation (IAS 40) performed by independent appraisers has had a negative impact of €15,03m vs €20,33m the previous year. This valuation includes the increase in the yields required by investors due to the increase in capital costs.
- Net financial result reached €-13,33m vs €-4,04m at 3Q 2022. This negative interannual variation, €-9,29m, is mainly due to an increase by €-3,88m in ordinary financial result due to higher financial debt and financing cost related to Euribor and a negative variation of €-5,41m mainly due to the impact of extraordinary positive financial result obtained.
- Profit after tax reached €21,00m, 59,6% lower than that at 3Q 2022 (€51,98m). This result is mainly due to the reasons previously mentioned.
- Attributable net profit reached €19,65m, 60,0% lower than that at 3Q 2022 (€49,16m).

▪ INDEBTEDNESS

- Following the payment of dividends, 0,05 Euro/share, gross financial debt reached €567,51m at 30 September 2023 vs €554,74m at 3Q 2022 (+2,3%).
- Cash & Equivalents reached €33,20m vs €38,23m at 3Q 2022. This amount together with the cash-flow generated will be allocated to pay back banking debt, to complete residential developments in the pipeline, to start new developments, to develop the Build to Rent (BTR) business activity, to invest in CAPEX on the current assets to cover tenants’ expectations regarding sustainability and welfare issues (technology and health & safety in the workplace ...) and to the acquisition of new projects.
- Consequently, following the mentioned payment of dividends. Net financial debt reached €534,31m vs €516,51m at September 2022 (+3,4%).
- The weighted average rate (derivatives included) reached 3,07% at 30 September vs 1,72% at 3Q 2022.

COMMERCIAL PROPERTY

- As of 30 September, gross rental income reached €52,25m vs €49,71m at 3Q 2022 (+5,1%). This result is mainly due to rents updating.
- Overall occupancy levels of tertiary use assets in operation (As Cancelas Siglo XXI, SL, included), reached 90,8% at September 2023 vs 92,2% at September 2022.
- At 30 September 2023, REALIA Group operates several Build to Rent (BTR) residential developments for a total of 280 social homes in Tres Cantos (Madrid) vs 85 social homes at 3Q 2022.
- Overall occupancy levels of Build to Rent (BTR) buildings reached 54,5% at September 2023 vs 100% at 3Q 2022. This result is mainly due to completion and operation of new 102 social homes that have been added to this business activity in September. Without considering this new building, occupancy reached 90,5%.

OPERATIONAL HIGHLIGHTS	3Q 2023	3Q 2022	Var. (%)
Commercial Property			
GLA (sqm)	438.974	413.852	6,1
- Tertiary use (offices, shopping centres and others)	403.879	403.879	-
- Residential use (BTR)	35.095	9.973	251,9
Occupancy (%)	87,9%	92,4%	-4,9
- Tertiary use (offices, shopping centres and others)	90,8%	92,2%	-1,5
- Residential use (BTR)	54,5%	100,0%	-45,5

LAND & HOMEBUILDING

- At 30 September 2023, REALIA delivered 63 units for an amount of €28,97 M. € vs 75,5 units at September 2022 for an amount of €22,97m. Additionally, land was sold for an amount of €11,93m producing a positive impact on the operational result for an amount of €2,79m.
- At 30 September 2023, there is a stock of 482 units (homes & small retail) finished or in the pipeline non-delivered of which 113 are presold. There are also 25 land plots for single-family housing intended for sale.
- REALIA has a gross land bank, in different urbanistic stages, of 6.953.203 sqm and an estimated buildable area of 1.703.700 sqm.

STOCK DATA

The closing stock Price (€ per share) has been 1,06 Euro. It has gone down by 0,935% vs 3Q 2022.

	30th September 2023
Closing stock price (€ / share)	1,06
Market cap. end-of-period (€)	869.481.639
High of the period (€ / share)	1,095
Low of the period (€ / share)	0,982
Average of the period (€ / share)	1,037
Daily trading volume (Thousand of Euro)	61,5
Daily trading volume (Thousand of shares)	59

APPENDIX – GLOSSARY OF APMs**Gross Operating Profit (adjusted EBITDA):**

Operating result (Profit or Loss), deducting the impact of the provisions for amortization and the variation in provisions not associated with current assets.

BDI (Profit after tax):

Profit after tax

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.

Occupancy:

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

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