

# REALIA



**RESULTS 1Q 2023**

*18 April 2023*

EXECUTIVE SUMMARY

MAIN FINANCIAL FIGURES

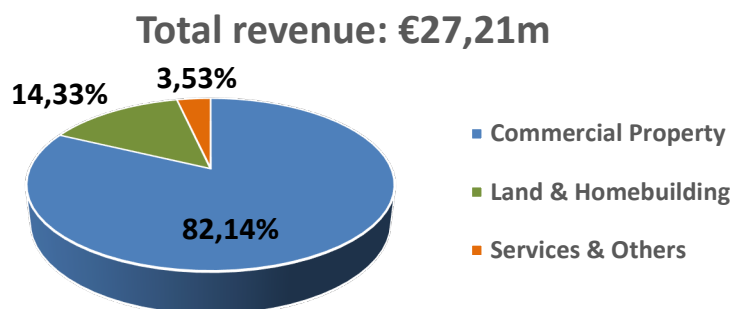
(€mm)	1Q 2023	1Q 2022	Var. (%)
<b>Total revenue</b>	<b>27,21</b>	<b>49,21</b>	<b>-44,7</b>
Commercial Property	22,35	21,24	5,2
Land & Homebuilding	3,90	27,01	-85,6
Services & Others	0,96	0,96	0,0
<b>Gross operating profit (adjusted EBITDA) <sup>(1)</sup></b>	<b>14,57</b>	<b>21,02</b>	<b>-30,7</b>
<b>Financial results</b>	<b>(4,49)</b>	<b>(0,76)</b>	<b>490,8</b>
<b>Profit after tax</b>	<b>8,03</b>	<b>15,41</b>	<b>-47,9</b>
<b>Attributable net profit</b>	<b>7,47</b>	<b>14,93</b>	<b>-50,0</b>
<b>Net financial debt</b>	<b>519,27</b>	<b>540,7</b>	<b>-4,0</b>
<b>Nº shares (mm) treasury shares not included</b>	<b>811,09</b>	<b>811,09</b>	<b>0,0</b>
<b>Earnings per share (€)</b>	<b>0,009</b>	<b>0,018</b>	<b>-50,0</b>

(1) It includes provisions related to current assets

REVENUE & RESULTS

- Total revenue was €27,21m, 44,7% lower than at 1Q 2022.
- Evolution of income in the different business areas vs 2022:
  - Commercial Property: €22,35m (+5,2%)
  - Land & Homebuilding: €3,90m (-85,6%)
  - Services & Others: €0,96m (+0,0%)

Breakdown by business activity at 1Q 2023:



Income from Commercial Property went up by 5,2%. This result is mainly due to better rents and increase of common charges transferred to tenants.

Income from Land & Homebuilding went down by 85,6%. It is mainly due to a decrease of product deliveries (14 units in 2023 vs 46 units in 2022) and for the sale, in 2022, of a land plot in Pinto (Madrid) for an amount of €11,63m. It is expected a recovery of product deliveries throughout the year according to scheduled planification.

Income from Services remains steady, due to 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” (for provisions associated with current assets amounting €0,95m) went down by 30,7% reaching €14,57m vs €21,02m at March 2022; according to the 2023 product delivery schedule and for the sale of a land plot in 2022 for an amount of €2,66m. Both negative impacts reverse 5,6% annual growth in Commercial Property area.
- Net financial result reached €-4,49m vs €-0,76m at 1Q 2022. This variation (€-3,73m) is mainly due to an increase by €-0,98m in ordinary financial result due to higher financing cost related to Euribor and €2,75m mainly due to the impact of an extraordinary positive financial result over 1Q 2022.
- Profit after tax reached €8,03m, 47,9% lower than at 1Q 2022(€15,41m), as a result of facts explained above.
- Attributable net profit reached €7,47m, 50,0% lower than at 1Q 2022 (€14,93m).

#### INDEBTEDNESS

- At 1Q 2023, Realia Group gross financial debt reached €558,40m vs €623,29m at 1Q 2022 (-10,4%). This result is mainly due to debt amortization made with the cash-flow generated by Realia Group.
- Cash & Equivalents reached €39,14m vs €82,60m at 1Q 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 residential 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, health & safety in the workplace, ...) and to the acquisition of new projects.
- The net financial debt reached €519,27m vs €540,70m at 1Q 2022 (-4,0%).
- The net financial result reached €-4,49m vs €-0,76m at 1Q 2022. This result is mainly due to a) cost increase for financing related to Euribor for an amount of €0,98m and b) “Other positive financial results” have decreased and have reached an amount of €2,75m. In 2022, positive variation in the fair value of a financial liability was reflected.
- The weighted average rate (derivatives included) reached 2,54% at 31st March 2023 vs 1,58% at 1Q 2022.

**COMMERCIAL PROPERTY**

- As of 31 March 2022, gross rental income reached €17,37m vs €16,47m at 1Q 2022 (+5,4%). This result is mainly due to rents updating.
- Overall occupancy levels of operational tertiary use assets (As Cancelas Siglo XXI, SL, included) reached 91,7% at March 2023 vs 91,8% at March 2022.
- Realia Group operates a Build to Rent (BTR) residential development of 85 social homes in Tres Cantos (Madrid). As of 31st March 2023 100,0% of the total units were occupied reaching the same rate occupancy as at 1Q 2022.
- There are two new Build to Rent (BTR) residential developments in the pipeline for 195 social homes in Tres Cantos (Madrid). Total investment will reach €42,9m, €5,5m still pending to spend. Commercialization of one of the projects is completely finished and its operation is expected to start in April 2023 (43 social homes). Operation of the other project (152 social homes) is expected to start at 3Q 2023.

<b>OPERATIONAL HIGHLIGHTS</b>	<b>1Q 2023</b>	<b>1Q 2022</b>	<b>Var. (%)</b>
<b>Commercial Property</b>			
<b>GLA (sqm)</b>	<b>413.852</b>	<b>410.837</b>	<b>0,7</b>
- Tertiary use (offices, shopping centres and others)	403.879	400.864	
- Residential use (BTR)	9.973	9.973	
<b>Occupancy (%)</b>	<b>91,9%</b>	<b>92,0%</b>	<b>-0,1</b>
- Tertiary use (offices, shopping centres and others)	91,7%	91,8%	
- Residential use (BTR)	100,0%	100,0%	
<b>Land &amp; Homebuilding</b>			
<b>Sales</b>			
Total value of contracts (€mm)	3,61	15,22	<b>-76,3</b>
Units	14	46	<b>-69,6</b>
<b>Headcount</b>	<b>77</b>	<b>82</b>	<b>-6,1</b>

- Leasable area of tertiary use assets went up, mainly due to the start of operation in April 2022 of a Realia Patrimonio asset with a surface of 3.015 sqm.

**LAND & HOMEBUILDING**

- As of 31st March 2023, Realia delivered 14 units for an amount of €3,61m vs 46 units at 1Q 2022 for an amount of €15,22m and the sale of a land plot in Pinto (Madrid) for an amount of €11,63m producing a positive impact on the operational result, €2,66m. This different amount in the number of units delivered is a consequence of the work schedule for completion of the different residential developments. This trend in sales will be redressed along 2023.
- As of 31 March 2023, there is a stock of 255 units (homes and small retail) finished or in the pipeline non-delivered of which 106 are pre-sold. There are also 25 land plots for single-family housing intended for sale.
- Realia has a gross land bank, in different urbanistic stages, of 6.964.002 sqm and an estimated buildable area of 1.736.158 sqm.

**STOCK DATA**

The closing stock price (€ per share) has been 1,02 Euro. It has gone down by 4,67% vs 1Q 2022.

	<b>31st March 2023</b>
Closing stock price (€ / share)	1,02
Market cap. end-of-period (€)	836.671.011
High of the period (€ / share)	1,095
Low of the period (€ / share)	0,982
Average of the period (€ / share)	1,054
Daily trading volume (Thousand of Euro)	63,14
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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