

1. Relevant issues

- ▶ Renta Corporación closed the period January-September of year 2017 with a **net result of €10.3 M**, compared to the result for the same period year 2016 which amounted to €2.1 M.
 - ▶ **Margin from operations** stands at **€14.1 M**, doubling the margin of same period of year 2016 which was of €6.2 M.
 - ▶ During this period, the company has carried out some outstanding transactions such as the sale of Edificio Mercurio in Vía Augusta of Barcelona, or the sale of Hotel Open in that same city; as well as the sale of two buildings located in Plaza Isabel II and General Moscardó Street in Madrid.
 - ▶ **Business portfolio** of the company, defined as investment rights and inventory for sale, stands at **€186.9 M** by the end of September in comparison with the amount of December 2016 which was of €197.9 M. In addition, Renta Corporación manages assets available for sale in collaboration with **real estate funds** totalling an investment amount of approximately **€35 M**.
 - ▶ In May this year it was initiated the activity of the Socimi (REIT) created in alliance with the Dutch company APG, the main shareholder, of which Renta Corporación is a shareholder and the exclusive manager. This vehicle had been created with the aim of acquiring **rental residential assets in Spain**, mainly in Barcelona and Madrid, worth **€250 M** in the initial phase, and it counts with a committed capital of €130 M. By the end of September this vehicle has invested an amount of around €75 M in the acquisition of three residential buildings with 489 homes, and has other additional assets under study amounting to around €95 M that will be materialized along next months.
- This way, the Company initiates an additional new business line which represents expanding its target market and obtaining higher and more recurrent revenues.
- ▶ The **share price** by the end of September 2017 is **3.23 euros** per share, **76%** above the price of year end 2016 which was of 1.84 euros per share.

2. Main consolidated economic-financial figures

- The financial statements are presented according to the International Financial Reporting Standards (IFRS), as adopted by the European Union.

January-September			
Consolidated profit and loss summary (€M)	2017	2016	% var.
Margin from operations	14.1	6.2	127%
EBITDA	9.0	2.5	257%
EBIT	8.9	2.5	261%
Net profit	10.3	2.1	390%
Consolidated balance sheet summary (€M)	Sep 17	Dec 16	dif.
Total assets	94.2	71.1	23.1
Current assets	54.0	34.4	19.6
Equity	43.8	33.6	10.2
Net debt ⁽¹⁾	29.6	21.4	8.2
Consolidated main figures (€M)	Sep 17	Dec 16	dif.
Ordinary business portfolio	186.9	197.9	-11.0
Inventory	21.9	7.0	14.9
Investment rights	165.0	190.9	-25.8

(1) Includes the temporary effect of the restatement of the equity loan, which has a nominal value of €18.0 M

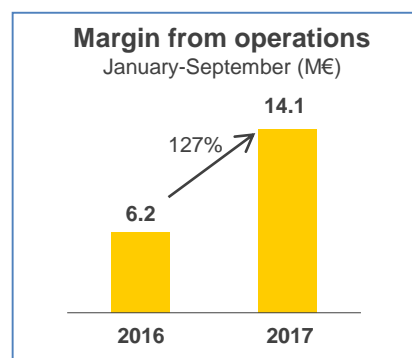
2.a. Consolidated profit and loss account

January-September				
(€M)	2017		2016	
	TOTAL	% Income	TOTAL	% Income
				Var. vs 2015
Sales	20.4		11.6	8.8
Cost of sales and variable expenses	-16.7		-9.1	-7.6
Margin from sales	3.7		2.5	1.2
Income from service rendering	11.7		5.8	5.9
Costs and variable expenses of service rendering	-1.7		-2.3	0.6
Margin from services rendered	10.0		3.5	6.5
Income from Socimi management services	1.1			1.1
Costs from Socimi management services	-0.1			-0.1
Margin from Socimi management services	1.1		0.0	1.1
Rents and other income	0.5		0.4	0.1
Variable sale expenses	-1.2		-0.2	-1.0
MARGIN FROM OPERATIONS	14.1	42%	6.2	35%
Admin and payroll expenses	-5.1	-15%	-3.7	-21%
EBITDA	9.0	27%	2.5	14%
Depreciation, provisions & other	-0.1	0%	0.0	0.0
EBIT	8.9	27%	2.5	14%
Net financial income	-0.4	-1%	-0.7	-4%
PROFIT BEFORE TAX	8.5	25%	1.7	10%
Taxes	1.8	5%	0.4	2%
NET PROFIT	10.3	31%	2.1	12%

NOTES ON THE RESULTS

- Total **income**, including sales and income from service rendering, rents and other, stood at €33.7 M compared with the same period of year 2016 amount, which was of €17.8 M.
- The accumulated **margin from operations** by the end of September 2017 is €14.1 M. This margin is mainly made up of:

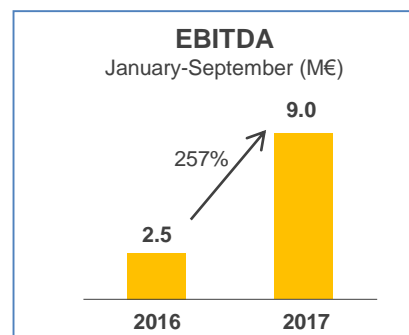
- ▶ **Margin from sales**, that is the difference between sales and their cost and variable expenses, totalling €3.7 M, among which it is worth to highlight the sale of a building in Córcega Street of Barcelona and another one in the General Moscardó Street of Madrid.
- ▶ **Margin from services rendered** totalling €10.0 M, to be pointed out the sale of the Edificio Mercurio in Vía Augusta of Barcelona, the Hotel Open and a building in Avenida Diagonal of that same city; as well as the sale of a building located in Plaza Isabel II of Madrid.
- ▶ **Margin from Socimi management services** amounting to €1.1 M, including the income originated in the management of this vehicle carried out by Renta Corporación.
- ▶ **Rents, other income and variable expenses** totalling €-0.7 M.



- The group's combined **general and personnel expenses** came to €5.1 M, €1.4 M above the amount of same period last year which was of €3.7 M, due mainly to the extraordinary expenses related to the new Socimi project setting-up.

January-September					
(€M)	2017	% Margin	2016	% Margin	dif.
Margin from operations	14.1		6.2		7.9
G&A and personnel expenses	-5.1	-36%	-3.7	-59%	-1.4
G&A	-2.2	-16%	-1.3	-21%	-0.9
Personnel	-2.9	-20%	-2.3	-38%	-0.5

- EBITDA** for the period January-September 2017 totals €9.0 M in comparison with the figure of same period last year which was of €2.5 M.



- Net financial result** stood at €-0.4 M, compared to the amount of same period last year that amounted to €-0.7 M and included extraordinary interests totalling €-0.4 M.
- The company has registered €+1.8 M of **taxes** for the net effect between several impacts: i) current tax expenses totalling €-1.8 M; ii) tax expenses amounting to €-0.5M derived from the fiscal adjustment on inventory provision as a consequence of the new tax regulation requiring the reversal of inventory impairment losses in a 5 years period and iii) the registration of a tax credit in assets amounting to €+4.1 M coming from tax losses to be offset against future profits.
- Renta Corporación closed the period January-September of year 2017 with a **net result of €10.3 M**, far above the result of €2.1 M for the same period of year 2016.

2.b. Consolidated balance sheet

Assets (€M)			Equity and Liabilities (€M)		
	Sep-17	Dec-16		Sep-17	Dec-16
Long term financial assets	1.9	1.0	Capital & Reserves	33.5	29.6
Other long term assets	38.3	35.7	Net profit	10.3	4.0
Long term assets	40.2	36.7	Equity	43.8	33.6
Inventory	41.5	27.3	Equity loan (long term)	14.5	14.5
Debtors	7.2	2.8	Long term financial debt	6.9	7.0
Cash/Financial investments	5.3	4.3	Long term creditors	7.5	7.5
Current assets	54.0	34.4	Short term financial debt	13.4	4.1
Total Assets	94.2	71.1	Short term creditors	8.0	4.3
			Equity and liabilities	94.2	71.1

NOTES ON THE BALANCE SHEET

- Long term assets** stood at €40.2 M and it is mainly made up of €18.7 M of investment properties and a tax credit totalling €19,3 M. The total amount increases by €3.5 M compared to December 2016 due mainly to the net variation of the current year tax credit registration, and the change in non-current loans and investment in equity instruments, specifically, in the Socimi created in alliance with the pension fund APG.

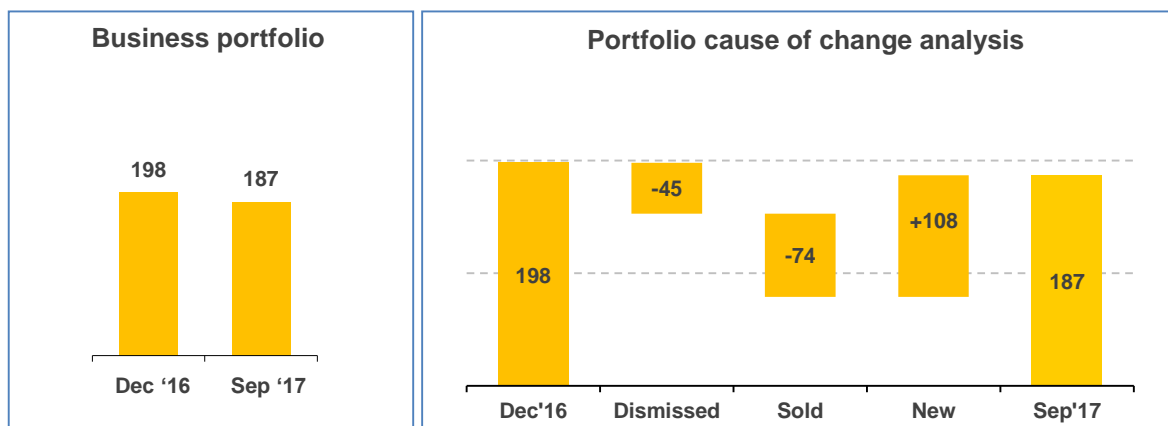
- **Inventory** stood at €41.5 M, increasing by €14.2 M compared to year end 2016 due primarily to the investment in the acquisition of new assets and the transformation of current portfolio, partially offset by the sales carried out during year 2017. Inventory amount includes option premiums of €1.4 M€ that entitle the Company to acquire future assets amounting to €165.0 M.
- **Debtors** amount to €7.2 M and increases by €4.4 M compared to year end 2016 due mainly to receivable amounts coming from service rendering carried out during the last quarter which, as a result of the countable closing calendar, have been collected the first day of October.
- **Equity** stood at €43.8 M and increases by €10.2 M compared to the amount of year end 2016, which was of €33.6 M, due to the profit of year 2017.
- **Short & long term creditors** stand at €15.5 M by the end of September 2017, €3.7 M above the amount of year end 2016 due mainly to the increase in pre-sales and the creditors related with the recurrent activity of the company, in particular, the activity of acquisition, transformation and sale of buildings.
- **Total net debt** stands at €29.6 M, €8.2 M above the amount of December 2016 due primarily to the increase in new operations financing.

(€M)	Jun-17	Dec-16	Dif
Operations with mortgage guarantee (long term)	6.9	7.0	-0.1
Operations with mortgage guarantee (short term)	9.1	4.1	5.0
Other financial debt (short term) ⁽¹⁾	4.3	0.0	4.3
Cash and short term deposits	-5.3	-4.3	-1.0
Financial Net Debt	15.1	6.8	8.2
Equity loan ⁽²⁾	14.5	14.5	0.0
Total Net Debt	29.6	21.4	8.2

(1) Includes a non-banking rewarded loan for the financing of an operation.

(2) It has been included the temporary effect coming from the restatement of the equity loan with a nominal value of €18.0M taking into account the effective interest rate, which is based on the market long term interest rates.

3. Business portfolio



- **Business portfolio** of the company, defined as investment rights and inventory for sale, stands at €186.9 M by the end of September 2017, in comparison with the amount of year end 2016 which was of €197.9 M. All the investment rights are focused in Madrid and Barcelona.
- In addition, Renta Corporación manages assets available for sale in collaboration with real estate funds totalling an investment amount of approximately €35 M.

4. Socimi

- Last April, Renta Corporación and the company APG from Holland, the main shareholder, created a **Socimi (REIT)** with the aim of acquiring **rental residential assets in Spain** worth **€250 M** in the initial phase. This vehicle, which has a committed capital of €130 M, will fund the operations up to 50% of the gross asset value and plans to be listing on the stock exchange market by the end of 2018. Renta Corporación is one of the shareholders and the exclusive manager of this vehicle, which activity will be focused on Madrid and Barcelona without dismissing other main Spanish cities to invest in.
- By the end of September this vehicle has invested an amount of around €75 M in the acquisition of three residential buildings with 489 homes, and has other additional assets under study amounting to around €95 M that will be materialized along next months.

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Warnings

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