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DISCLAIMER

The percentages and figures that appear in this report have been rounded off and, accordingly, in certain cases they may differ from the actual figures in euros. Also, the information in this report may contain statements that represent forecasts or estimates in relation to the Company's future performance. Analysts and investors should bear in mind that such statements in relation to the future do not constitute a guarantee of the Company's future performance, and they assume risks and uncertainties; therefore, actual performance could differ substantially from the performance envisaged by such forecasts.

1. Executive summary

MAIN AGGREGATES OF THE GROUP

REVENUE	OPERATING MARGIN	EBITDA	NET PROFIT	EBITDA/ REVENUE
92.0 €M	29.7 €M	21.0 €M	17.1 €M	23%
-1% vs. '18	+12% vs. '18	+7% vs. '18	+3% vs. '18	+2 pp vs. '18

DEBT AS A % OF ASSETS	PORTFOLIO	ROE	ROA	INVENTORY TURNOVER
41%	211.3 €M	25%	13%	8.8 months
+13 pp vs. '18	+58% vs. '18	-6pp vs. '18	-4pp vs. '18	10.9 months '18

TRANSACTIONAL BUSINESS

	REAL ESTATE SALES	REAL ESTATE PROJECT MANAGEMENT	TOTAL
# transactions 2019	14	7	21
Business margin (€M)	12.8	7.0	19.8
Average margin per transaction (€M)	0.9	1.0	0.9

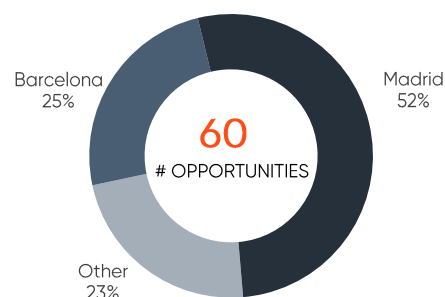
OPPORTUNITIES ANALYSED IN BUSINESS VOLUME %



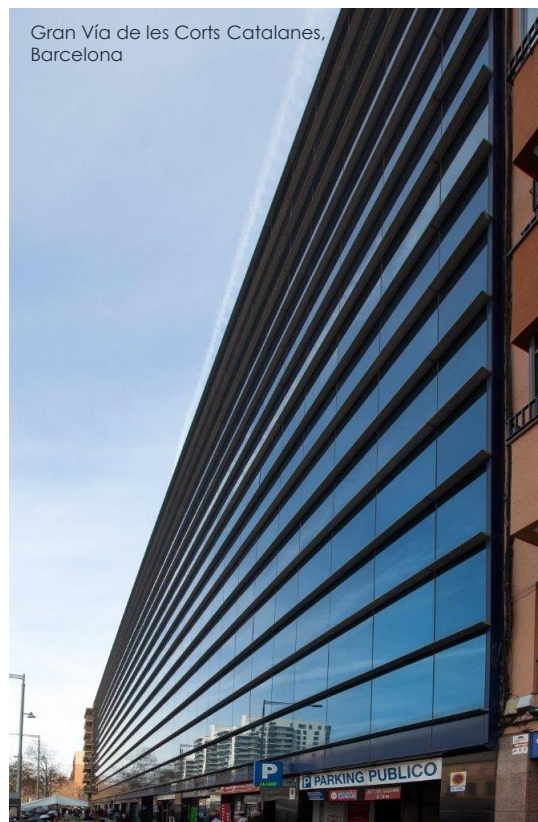
ASSET BUSINESS

	REIT MANAGEMENT	RENTAL MARGIN AND OTHER	TOTAL
GAV managed assets (€M)	942	23	965
Business margin (€M)	8.3	1.6	9.9
# managed assets	31	4	35
# assets under development	13	-	13
Average size managed assets (€M)	21.4	5.8	20.1

OPPORTUNITIES ANALYSED IN GAV %



- Substantial growth in **operating margin** compared to 2018, with the figure standing at EUR 29.7 million, up 12% on 2018. This margin consists of EUR 19.8 million from the transactional business and EUR 9.9 million from the asset business.
- **Overhead expenses** amount to EUR 8.7 million, reflecting an increase on 2018 as a result of increased staffing and costs incurred in the development of new projects.
- The diversification of funding sources that commenced in 2018 with the issue of bonds continued throughout 2019 with the launch of a commercial paper issue for a maximum amount of EUR 50 million, maturing in 12 months. This diversification means better and swifter access to financing, as well as a reduction in the average cost of debt.
- **EBITDA** rose by 7% compared to 2018 due to an increase in the gross margin exceeding that relating to overhead expenses.
- Renta Corporación ended 2019 with a **net profit of EUR 17.1 million**, EUR 0.5 million higher than the net profit obtained in 2018.
- **Vivenio Socimi** contributed EUR 8.3 million to the operating margin in 2019, due mainly to the origination of the investment portfolio and the incentive fee.
- The company's **business portfolio** at year-end had grown by 58% compared to December 2018, giving significant visibility to the 2020 results.
- **Turnover** of the inventories sold in 2019 stood at eight point eight-months, reflecting an improvement on the ten point nine-month inventory turnover in 2018.
- The Company is continuing to make progress in the projects to implement two investment vehicles specialising in property asset acquisitions in Spain, one of which focuses on office and logistics buildings and the other, on hotel assets.
- The Board of Directors resolved to pay the shareholders of Renta Corporación a total dividend of EUR 3.3 million out of profit for 2019. EUR 1.2 million were already distributed as an interim dividend in November 2019.
- **Equity** increased by EUR 14.3 million with respect to 2018 year-end.
- The **share price** at the end of 2019 was EUR 3.15 per share, remaining unchanged with respect to the end of 2018.



2. Description of the Group

2.1 Introduction to the Group

Renta Corporación is a Group with a high differential component within the real estate industry in Spain, with more than 25 years of experience. It has developed its business model, based on the acquisition of properties to adapt them to the needs of demand and their subsequent sale to third parties.

The pillars of the Group



Two differentiated lines of business: transactional and asset based

2.2 Transactional business

The transactional business is based on the performance of value-added transactions for the different uses of the asset. The added value is generated through the conversion of the properties, which usually entails changes in and/or a redistribution of uses, physical improvements to the properties and their repositioning in the market through improved profitability.



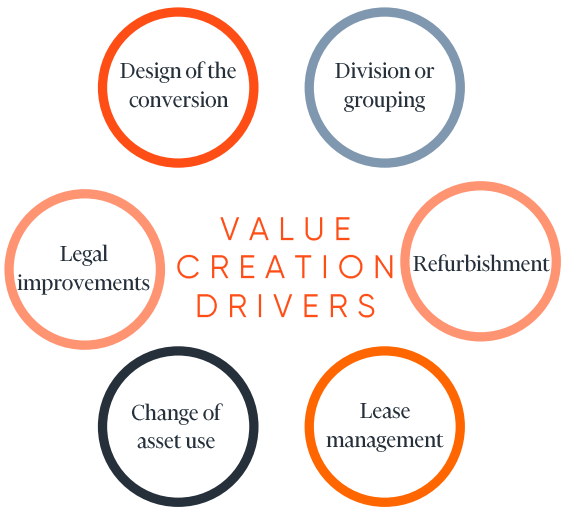


Figure 1

Specifically, in the transactional business, and with the objective of creating value, actions such as those described in Figure 1 can be carried out jointly or individually.

The in-depth knowledge of the needs of demand, on the one hand, and of the stock available in the markets in which the Group operates, on the other, is what allows it to identify operations in which to generate value. The entire design of the transactions is generated within the Group itself, and depending on the transaction, the conversion may be executed by Renta Corporación or the buyers themselves.



Transactional business lines

There are two lines of business generation within the transactional business:

a. “Real estate sales” line

Renta Corporación buys and refurbishes the building and sells it to an end third party. The average maturity period of these transactions is around 12 months.

b. “Real estate project management” line

Renta Corporación acquires the right to purchase a property and develops the entire conversion design of the project, which it sells to a third party. The proposed improvements and conversions may or may not be developed by the Group itself, at the request of the buyer. The average maturity period of these transactions is generally lower than that of “real estate sales” transactions.



2.3 Asset management business

“REIT management” line of business

In 2017 Renta Corporación started a new line of business focused on the creation and management of real estate portfolios that led to the creation, together with the pension fund manager APG, of Vivenio Socimi, in April of the same year. Vivenio Socimi specialises in the residential rental segment in Spain.

Renta Corporación is a shareholder and the sole manager of this vehicle, whose main activity is centred on Madrid and Barcelona, having already invested in some other Spanish provincial capitals. With the addition of this new line of business, the Company increases its target market and obtains higher revenues on an increasingly recurring basis.

APG, majority shareholder of the REIT with a percentage of ownership exceeding 95% of the capital, is one of the largest pension funds in the world with a long history in the residential real estate sector, and it has arrived on the Spanish market through this vehicle, along with Renta Corporación, as a result of the great opportunities for synergy and Renta Corporación's high degree of penetration in the market.

The Company is continuing to make progress in the projects to implement two investment vehicles specialising in property asset acquisitions in Spain, one of which focuses on office and logistics buildings and the other, on hotel assets.

Also, and while not considered to be a business line in itself, the Group manages residential properties owned by it that are under lease.



3. Business performance and results

3.1 Consolidated statement of profit or loss

(EUR M)	2019	2018	% change
Transactional business revenue	77.3	78.6	
Asset management business revenue	14.7	13.8	
REVENUE	92.0	92.4	-1%
Transactional business margin	19.8	16.3	
Asset management business margin	9.9	10.3	
OPERATING MARGIN	29.7	26.6	12%
Overheads and staff costs	-8.7	-6.9	
EBITDA	21.0	19.7	7%
Depreciation and amortisation charge, provisions and other	-0.3	-0.3	
EBIT	20.7	19.4	7%
Net financial loss	-3.5	-3.3	
PROFIT BEFORE TAX	17.2	16.1	7%
Income tax	-0.1	0.5	
NET PROFIT	17.1	16.6	3%

3.1.1 Revenue

The detail of revenue by business line is as follows:

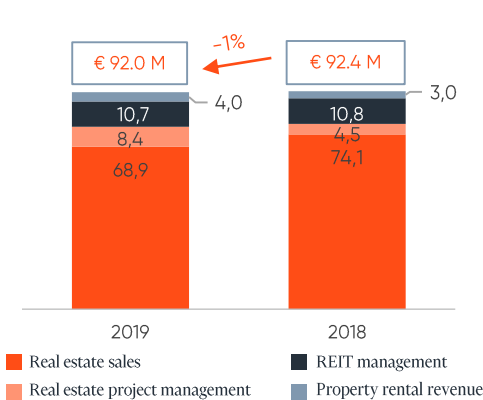
Revenue by business line (EUR M)	2019	2018	Change
Real estate sales	68.9	74.1	-5.2
Real estate project management	8.4	4.5	3.9
Total revenue - transactional business	77.3	78.6	-1.3
REIT management	10.7	10.8	-0.1
Property rental revenue/Investment property revaluation	4.0	3.0	1.0
Total revenue - asset management business	14.7	13.8	0.9
REVENUE	92.0	92.4	-0.4

Although revenue from **real estate sales** dropped by EUR 5.2 million with respect to 2018, **real estate project management** revenue was almost twice the figure for the same period of 2018, standing at EUR 8.4 million, due mainly to four transactions in Barcelona, namely, Mare de Déu de Montserrat, Badajoz, Diputació and Villarroel, and one on calle San Andrés in Madrid.

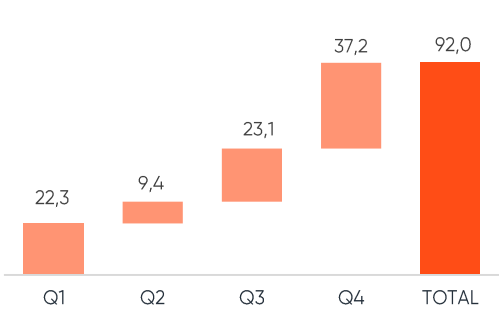
The **real estate sales** transactions relate to assets for residential, commercial, office and car park use, with the most noteworthy transactions being the Gran Vía de les Corts Catalanes, Provença, Pelai-Tallers, Passatge de la Pau and Rosselló transactions in Barcelona, and the Palencia, Embajadores and Corazón de María transactions in Madrid.

The **REIT management** business line generated revenue of EUR 10.7 million. In 2019 **Vivenio Socimi** acquired eight new residential assets in use and two building lots for future development, as well as commitments to purchase a turnkey asset. All these assets are located in Barcelona and Madrid, and they amount to a total purchase price of EUR 360 million.

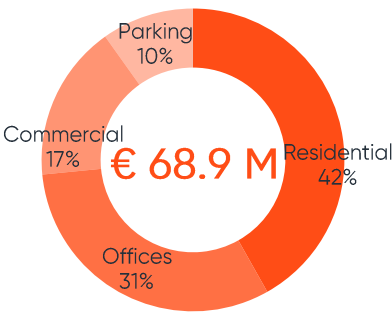
REVENUE BY BUSINESS LINE



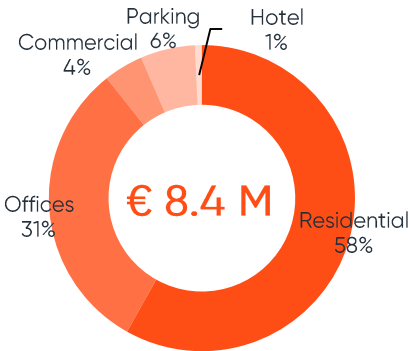
2019 REVENUE BY QUARTER



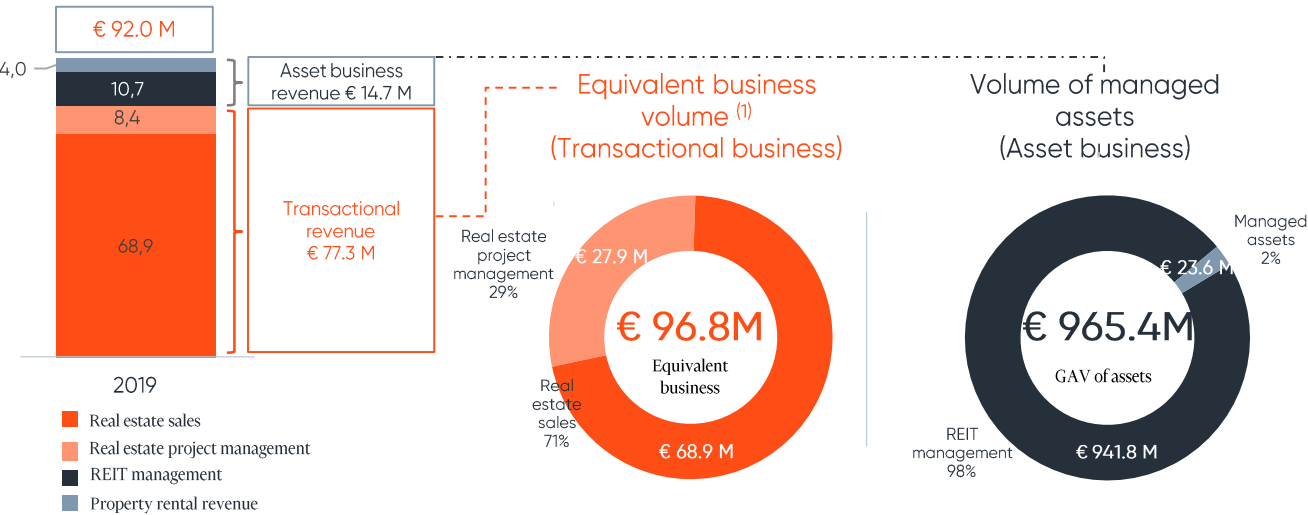
REAL ESTATE SALES REVENUE BY TYPE OF ASSET



REAL ESTATE PROJECT MANAGEMENT REVENUE BY TYPE OF ASSET



EQUIVALENT BUSINESS VOLUME IN 2019



Notes: (1) The equivalent business in the real estate project management business line is equal to the selling price of the underlying property of the transferred purchase options.

3.1.2 Operating margin

The operating margin by business line was as follows:

Margin by business line (EUR M)	2019	2018	Change
Real estate sales margin	12.8	12.7	0.1
Real estate project management margin	7.0	3.6	3.4
Total margin - transactional business	19.8	16.3	3.5
REIT management margin	8.3	9.6	-1.3
Rental margin and other variable costs	1.6	0.7	0.9
Total margin - asset management business	9.9	10.3	-0.4
OPERATING MARGIN	29.7	26.6	3.1

“Real estate sales” margin

The margin of the “real estate sales” business line, understood to be sales less direct costs to sell, amounted to EUR 12.8 million, in line with the EUR 12.7 million obtained in 2018.

“Real estate project management” margin

The margin of the “real estate project management” business line amounted to EUR 7.0 million, EUR 3.4 million higher than the 2018 figure.

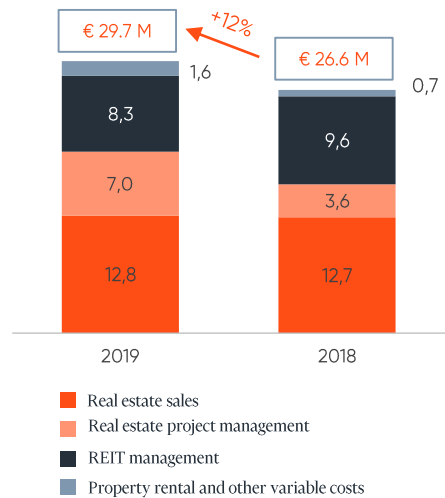
“REIT management” margin

The margin of the “REIT management” business line amounted to EUR 8.3 million, EUR 1.3 million lower than the 2018 figure. The margin arose mainly from the origination of the investment portfolio and the incentive fee.

Property rental revenue margin and other variable costs

Also, in order to calculate the total operating margin, rental revenue, investment property revaluations and the other variable costs to sell relating to the indirect costs associated with the properties (loss of options, marketing, administrative services company fees, etc.) must be taken into account.

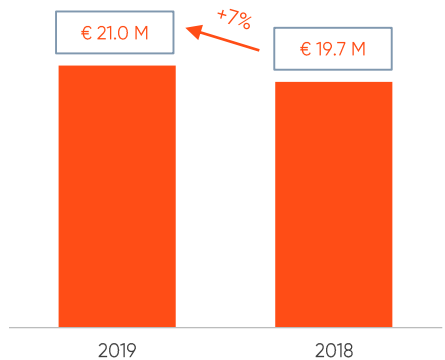
MARGIN BY BUSINESS LINE



3.1.3 EBITDA

Overhead expenses amounted to EUR 8.7 million, reflecting an increase of EUR 1.8 million with respect to 2018. This increase is due mainly to the strengthening of the team and the costs incurred in the development of new projects.

This increase in overhead expenses was lower than the increase in the operating margin. EBITDA has therefore risen from the EUR 19.7 million obtained in 2018 to EUR 21.0 million in 2019.



3.1.4 Financial loss

The financial loss amounted to EUR -3.5 million and increased by EUR -0.2 million compared to 2018. On the one hand, finance costs increased by EUR -1.4 million with respect to 2018 as a result of the increased activity and level of debt in 2019. Conversely, this figure represents an improvement of EUR 1.2 million compared to the previous year, due mainly to the fact that an additional cost was recognised in 2018 in relation to payment of the participating loan, which was not repeated in 2019.

The diversification of funding sources that commenced in 2018 with the issue of bonds continued throughout 2019, which has led to better and swifter access to financing and a reduction in the average cost of the debt.

3.1.5 Net profit

The Group recognised an income tax expense of EUR -0.1 million, corresponding to the net effect of the following:

- Income tax arising from the Group's ordinary activities amounting to EUR -3.1 million, compared with EUR -2.9 million in the same period of 2018.
- Recognition of a tax loss carryforward of EUR +3.0 million, compared with the EUR +3.4 million recognised in 2018 in this connection.

Consequently, Renta Corporación ended 2019 with a **net profit of EUR 17.1 million**, 3% higher than the EUR 16.6 million obtained in 2018.

2019 profit is somewhat lower than the Company's internal target due, on the one hand, to the operating cutoff, specifically with respect to a transaction relating to offices located in the uptown area of Barcelona, which was expected to take place at the end of 2019 and will ultimately be performed throughout the year 2020. Also, the Vivenio Socimi incentive fee was lower than expected since a considerable portion of the acquisitions performed in 2019 were made through capital contributions due to their features, reducing the loan-to-value ratio of the vehicle and thus penalising shareholder returns. It is expected that most of the acquisitions in 2020 will be made using borrowings, and an improvement in the incentive fee is therefore foreseeable.



Pelai-Tallers, Barcelona



Passatge de la Pau, Barcelona

3.2 Consolidated balance sheet

3.2.1 Assets

Assets (M€)	Dec-19	Dec-18	Change
Non-current assets	1.7	0.3	1.4
Other non-current assets	71.6	58.7	12.9
Non-current assets	73.3	59.0	14.3
Inventories	88.3	57.4	30.9
Accounts receivable	10.7	6.0	4.7
Cash	5.3	8.7	-3.4
Financial assets	0.4	0.1	0.3
Current assets	104.7	72.2	32.5
Total assets	178.0	131.2	46.8

Non-current assets

Renta Corporación's non-current assets amounted to EUR 73.3 million, reflecting an increase of EUR 14.3 million with respect to 2018. The detail of the balances forming part of the non-current assets is as follows:

(EUR M)	Dec-19	Dec-18	Change
Non-current assets	1.7	0.3	1.4
Investment property	23.6	21.7	1.9
Non-current financial assets	21.0	12.9	8.1
Deferred tax assets	27.0	24.1	2.9
Total non-current assets	73.3	59.0	14.3

- **Non-current assets** amounted to EUR 1.7 million, reflecting an increase of EUR 1.4 million with respect to December 2018, due mainly to initial application of IFRS 16, Leases. The balancing entry is classified under "Non-Current Payables" and "Current Payables".
- The assets classified as **investment property** include four fully-leased residential-use buildings located in Barcelona.
- "**Non-Current Financial Assets**" includes mainly Renta Corporación's ownership interest and non-current account receivable in relation to the share capital of Vivenio Socimi. This figure increased by EUR 8.1 million in 2019, mainly as a result of the share-based payment of a portion of the exclusive management agreement, with EUR 7.5 million yet to be converted into shares.
- The **deferred tax assets** relate mainly to tax loss carryforwards, and there were EUR 59 million of unrecognised tax losses.

Current assets

(EUR M)	Dec-19	Dec-18	Change
Inventories	88.3	57.4	30.9
Accounts receivable	10.7	6.0	4.7
Cash	5.3	8.7	-3.4
Financial assets	0.4	0.1	0.3
Total current assets	104.7	72.2	32.5

The current assets at 31 December 2019 amounted to EUR 104.7 million, up EUR 32.5 million on 2018. This change is explained mainly by Renta Corporación's investment in the purchase of new assets. The detail of the line items forming part of the current assets and the changes therein are as follows:



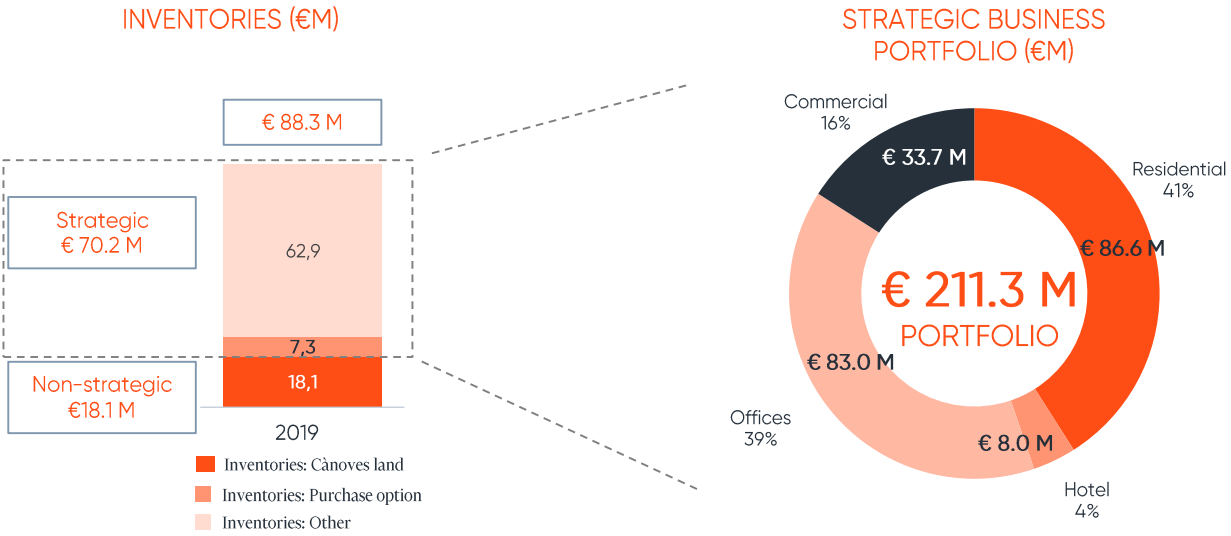
Provença-Rosselló, Barcelona

Inventories and transactional business portfolio

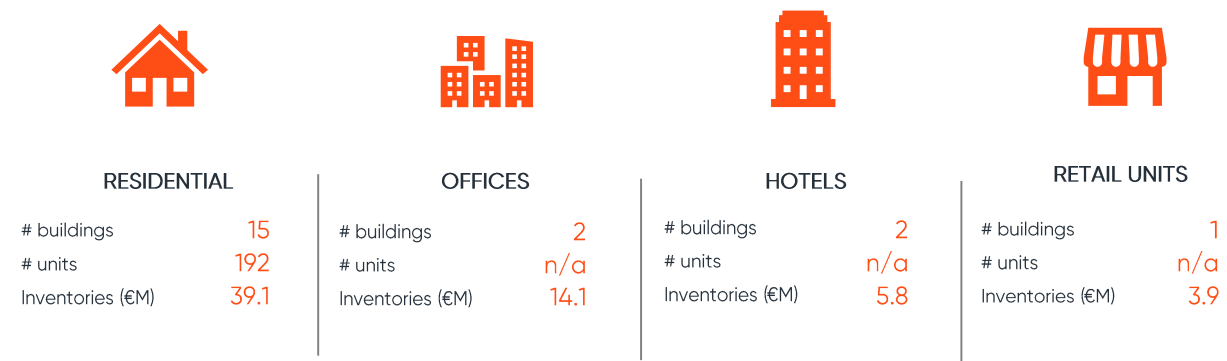
Renta Corporación recognised inventories amounting to EUR 88.3 million at 2019 year-end. This represents an increase of EUR 30.9 million with respect to 2018, due mainly to the acquisitions made in the year and not sold at 31 December as they were under conversion, namely: two office buildings on Gran Vía de les Corts Catalanes and Via Augusta, three residential buildings on calles Monterols, Nàpols and Francesc de Bolós, in addition to a car park located on calle Provença, all in Barcelona; and a batch of five residential buildings in the area of Ciudad Lineal, in addition to another residential building on calle Marqués de Monteagudo, all in Madrid. The Company expects these sale transactions to take place in 2020.

Renta Corporación recognised the Cànoves residential land for EUR 18.1 million under "Inventories". This asset is collateral for creditors pursuant to the agreement of 2014, which foresees the datation in payment thereof in 2022. Consequently, the analysis of the inventories, which is presented below, will focus on the assets that make up the other EUR 70.2 million.

The value of the inventories at the reporting date included purchase option premiums amounting to EUR 7.3 million, which grant the right to purchase assets amounting to EUR 148.4 million in the future. Therefore, the business portfolio amounted to EUR 211.3 million, the distribution by type of asset being as follows:



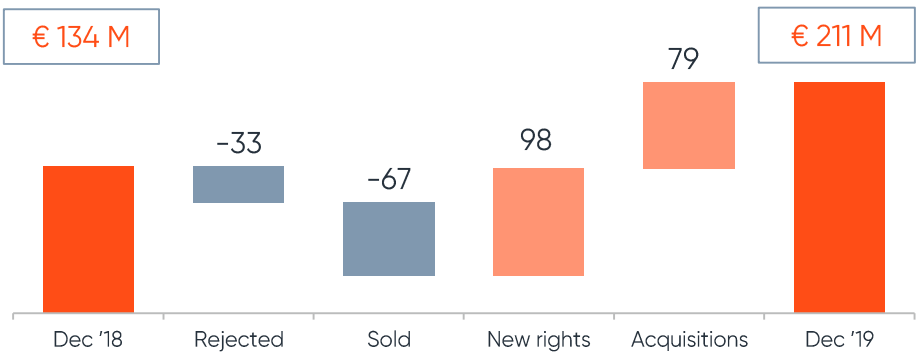
BREAKDOWN OF STRATEGIC INVENTORIES⁽¹⁾ (€M)



Notes: (1) The breakdown of the strategic inventories does not include the value of the purchase option.

CHANGES IN TRANSACTIONAL BUSINESS PORTFOLIO (€M)

The detail of the changes in the business portfolio from 2018 year-end to 2019 year-end is as follows:

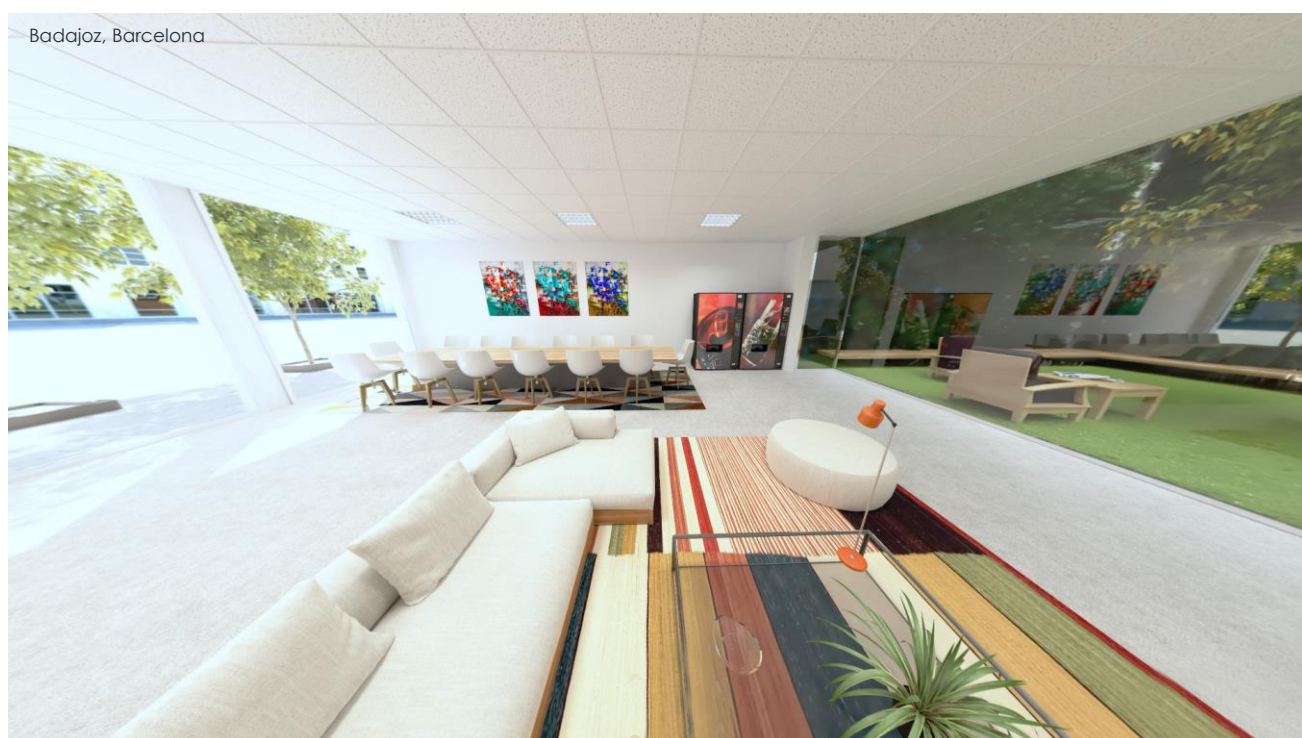


Accounts receivable

(EUR M)	Dec-19	Dec-18	Change
Trade receivables and notes receivable	7.1	1.1	6.0
Tax receivables	1.1	2.2	-1.1
Other receivables	2.5	2.7	-0.2
Total receivables	10.7	6.0	4.7

At 2019 year-end the balance of accounts receivable amounted to EUR 10.7 million. This balance is broken down into three line items:

- **Trade receivables and notes receivable:** There were changes of EUR 6.0 million due to the deferred collection of amounts from sales made in the last quarter of the year.
- **Tax receivables:** Tax receivable by Renta Corporación, which decreased by EUR 1.1 million with respect to December 2018, due to the refund of income tax from previous years.
- **Other receivables:** This line item decreased by EUR 0.2 million with respect to December 2018, due basically to changes in the amounts of the purchase options and purchase costs deposited with a notary.



3.2.2 Liabilities

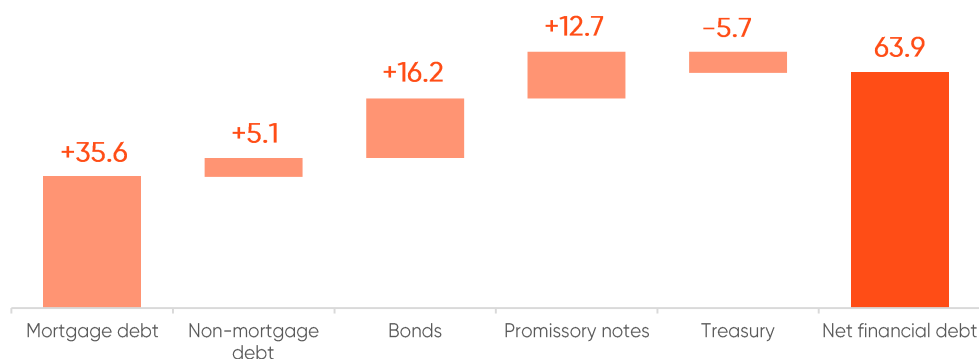
Equity + liabilities (EUR M)	Dec-19	Dec-18	Change
Equity	75.8	61.5	14.3
Liabilities			
Non-current financial debt	39.5	38.9	0.6
Other non-current payables	4.8	3.4	1.4
Non-current liabilities	44.3	42.3	2.0
Current financial debt	47.4	16.0	31.4
Other current payables	10.5	11.4	-0.9
Current liabilities	57.9	27.4	30.5
Total equity + liabilities	178.0	131.2	46.8

Financial debt

(EUR M)	Dec-19	Dec-18	Change
Mortgage debt	35.6	18.9	16.7
Other payables	34.0	19.1	14.9
(-) Cash and financial assets	-5.7	-8.8	3.1
Total Net Financial Debt	63.9	29.2	34.7
Participating debt	17.3	16.9	0.4
Total Net Debt	81.2	46.1	35.1

The net financial debt amounted to EUR 81.2 million, compared to EUR 46.1 million at the end of the prior reporting period, which represents a rise of EUR 35.1 million, due to an increase in business activity. This increase in financial debt was spread between bank and non-bank borrowings, mainly commercial paper.

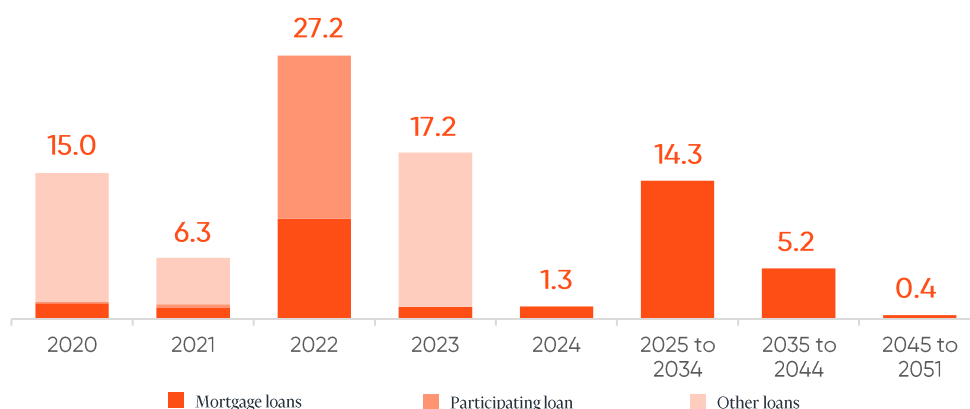
FINANCIAL DEBT BY TYPE (€M)



FINANCIAL DEBT BY TYPE AND CLASSIFICATION DEC-19

(EUR M)	Non current	Current	Total
Mortgage debt	6.1	29.5	35.6
Other payables	16.2	17.8	34.0
Participating debt	17.2	0.1	17.3
Total Financial Debt	39.5	47.4	86.9
(-) Cash and financial assets		-5.7	-5.7
Total Net Debt	39.5	41.7	81.2

REPAYMENT SCHEDULE FOR FINANCIAL DEBT (€M)

**Maturity of the financial debt**

The assets detailed in "Inventories" are classified as current, given that they must be realised during the Group's normal operating cycle. Accordingly, all the payables associated with those assets are classified as "Current Payables", irrespective of their maturity.

Mortgage debt

The *mortgage debt on inventories* tied to transactional business ("Real Estate Sales" business lines) stood at EUR 29.3 million, with an LTC ratio of 47% on the Company's inventories and an average cost of 2.15%.

The *mortgage debt on investment property* stood at EUR 6.3 million, with an LTV ratio of 27% and an average cost of 3.70%.

Other payables

In addition, the Group's non-bank liabilities to finance new transactions increased by EUR 14.9 million, EUR 12.7 million of which relate to the new commercial paper issue programme approved in the first quarter of the year.

On 25 March 2009, the Company launched a commercial paper issue programme for a maximum amount of EUR 50 million, maturing at 12 months. It performed an initial issue in April, and another three during the year, up to a total of EUR 19.4 million, some of which were partially repaid at 31 December, and, therefore, the outstanding amount at year-end, at discounted value, was EUR 12.7 million. The various issues and repayments of commercial paper is linked to the course of operations.

The non-bank loans accrued interest of EUR 2.0 million in this reporting period.

Participating debt

This debt is a participating loan for a nominal amount of EUR 18.2 million, guaranteed by means of a real estate mortgage on the site identified as Cànoves. The mortgage was registered by the Company in favour of the creditors who had adhered to Option B of the payment proposal detailed in the Creditors Arrangement. The debt will foreseeably be discharged by transfer of the asset in lieu of payment (dation in payment) in 2022.

Other non-current payables

At 31 December 2019, Renta Corporación recognised “**Other Non-Current Payables**” totalling EUR 4.8 million. This balance is broken down as follows:

(M€)	Dec-19	Dec-18	Change
Non-current payables (insolvency proceedings)	1.4	1.7	-0.3
Deferred Taxes	2.3	1.7	0.6
Long-term finance leases (IFRS 16)	1.1	0.0	1.1
Total other non-current payables	4.8	3.4	1.4

- **Non-current payables relating to insolvency proceedings:** this line item reflects the debt of EUR 1.4 million owed to the pre-insolvency creditors, which is payable in this and the next two years. The debt has been discounted in line with the effective market interest rate, an effect that has been and will be reversed in the years over which this debt is repaid.
- **Deferred taxes:** this line item increased by EUR 0.6 million with respect to 2018 year-end, to EUR 2.3 million, due mainly to the revaluation of the investment property.
- **Long-term finance leases (IFRS 16):** this item amounts to EUR 1.1 million and arose as a result of the initial application of IFRS 16, Leases.

Other current payables

Other current payables amount to EUR 10.5 million, EUR 0.9 million lower than in 2018.

(EUR M)	Dec-19	Dec-18	Change
Current payables	5.6	8.2	-2.6
Pre-sale downpayments and prepayments	2.4	1.3	1.1
Other current payables	2.5	1.9	0.6
Total other current payables	10.5	11.4	-0.9

- **Current payables** amounted to EUR 5.6 million, down EUR 2.6 million on 2018 year-end. They relate to the Company’s purchase, conversion and sale transactions.
- **Pre-sale downpayments and prepayments** stood at EUR 2.4 million, reflecting a EUR 1.1 million increase compared to 2018 year-end, and will give rise to a total in the future of EUR 11.7 million in Madrid and EUR 4.0 million in Barcelona.
- **Other current payables** amounted to EUR 2.5 million, reflecting a EUR 0.6 million increase with respect to 2018 year-end, comprised mainly of tax payables.

Cash flow performance

The Company generated profit from operations of EUR 18.5 million, which was used for the following:

- EUR 7.5 million investment in the REIT.
- Change in working capital and other operating cash flows of EUR 42.1 million, mainly for the purchase of properties for their subsequent sale and due to the cutoff of the deferred collection right relating to certain transactions performed in the last quarter of the year.
- EUR 0.7 million investment in non-current assets.
- Payment of a final dividend out of the Company's profit for 2018 and an interim dividend out of the profit for 2019 totalling EUR 3.1 million.

This growth in activities was financed with a net increase in debt of EUR 31.5 million, which resulted in a EUR 3.4 million decrease in cash and cash equivalents at the end of 2019.

(EUR M)	Dec-19
Profit or loss from operations	18.5
Investment in the REIT ⁽¹⁾	-7.5
Operating cash flow	11.0
Changes in working capital and other operating cash flows	-42.1
Investment in non-current assets	-0.7
Free cash flow	-31.8
Change in borrowings	31.5
Interim dividends paid	-3.1
Net increase/decrease in cash and cash equivalents	-3.4

Notes: (1) Relates to EUR 7.5 million in receivables from Vivenio Socimi to be converted into shares.

4. Information on the outlook for the Group

Macro environment - Main aggregates

GDP in Spain increased by 2.0% in 2019, representing a decrease of four points compared to the growth experienced in 2018. The slowdown in growth was due to the worsening of the market abroad and to the loss of dynamism of domestic demand. The growth of the economy continued to rely on domestic demand (consumption and investment), which contributes 1.7 growth points, whereas demand abroad (exports and imports) contributes 0.3 points. The Spanish government's and the IMF's 2020 GDP growth forecast for Spain coincide and is expected to be 1.6%.

Employment grew in 2019 at the same rate as the economy (2%), stabilising the rate of net job creation at rates lower than those experienced in 2018.

Tertiary market

The volume of tertiary investments in Europe experienced a 6% decrease compared to the 1% increase in Spain. The positive balance maintained in recent years has resulted in the Spanish tertiary market continuously increasing its market share at European level. Tertiary investment (excluding corporate transactions) in Spain continued the positive trend initiated in 2014 and gave rise to the second best year in history, with 2007 being the only year in which investment volume was higher.

The notable increase in activity in the office segment was the main market driver in 2019, accounting for a cumulative investment of EUR 4,300 million compared to EUR 2,810 million in 2018, i.e. growth of 53%.

The main obstacle was the commercial segment with investment of EUR 2,650 million in 2019 compared to EUR 4,300 million in 2018, a year-on-year adjustment of -38%.

The industrial and hotel segments also saw significant growth of between 15% and 20%.

In an environment of increased liquidity and finance costs that have remained low, the great challenge for investors, who are increasingly specialised, is to find the product that fits in with their investment strategy. Accordingly, in 2020 we forecast that there will continue to be substantial activity on the part of all investor profiles, from the most core type of segment to the opportunistic.

Residential segment

After six years of notable economic growth, the residential market is entering a more mature phase of the cycle, with average growth in Spain of 5%, driven mainly by a macroeconomic context of moderate growth, as well as by the effects of the new mortgage law and political circumstances.

Residential rental in Spain has continued to grow in recent years (23.9% of households live under this regime according to the latest data from the Spanish National Statistics Institute (INE)) and, despite being far from the levels of the main economies of the European Union, it is gaining increasing weight vis-à-vis home purchases. The concentration of jobs in areas with a rigid supply of housing, taxation linked to purchase or the reduction of the Loan to Value (LTV) associated with purchase are some of the main factors driving the demand for rental led by families and young people.

As a result of this growth in demand, throughout 2019, investor interest in the rental business increased and the professionalism of the sector was consolidated with the increase in agreements between funds and developers, which came together for the development of turnkey projects.

In terms of price, the growth trend in rental prices in the central areas of the main cities will begin to moderate in early 2020, while secondary areas will continue to experience a slight upward trend.

Business outlook

Renta Corporación's volume of business in 2020 is expected to increase compared to 2019, with growth both in the transactional business line and in the asset business, to reach a forecast net profit of EUR 22.1.

In relation to the transactional business in 2020, worthy of note is the considerable degree of visibility that the company currently has. The margin expected for the transactional business is marked by the volume and degree of maturity of the existing portfolio and, currently, this portfolio already represents a very significant portion of the margin expected for 2020. By asset type, approximately half of this margin, as in 2019, will be focused on transactions in the office sector, followed by the residential sector and, to a lesser extent, the hotel and commercial sectors. The forecast transactions will continue to be focused on Madrid and Barcelona.

With regard to the asset management business, the expected margins from management of investment vehicles will maintain a share over the total margin of operations in proportion to that of 2019. In parallel, the company is continuing to make progress in the projects to implement two investment vehicles specialising in property asset acquisitions in Spain, one of which focuses on office and logistics buildings and the other, on hotel assets. The margin from the management of these two vehicles is expected to be residual in 2020.

With regard to overhead expenses, growth is expected to be lower than that of the operating margin, which will give rise to an improvement in EBITDA. The increase in costs will arise mainly as a result of the reinforcement of the team and the costs incurred in the development and implementation of the two new investment vehicles.

Financial costs are expected to increase slightly compared to 2019, but their weight on the operating margin will decrease, resulting in an improvement in the relative values of the Company's net profits. Continued diversification of funding sources, as well as a reduction in the cost thereof, will aid the maintenance of a moderate financial leverage strategy.

Lastly, the use of the available tax assets will enable savings in income tax in 2020. At 2019 year-end there were EUR 59 million of unrecognised tax losses.



5. Shareholder structure and stock market performance

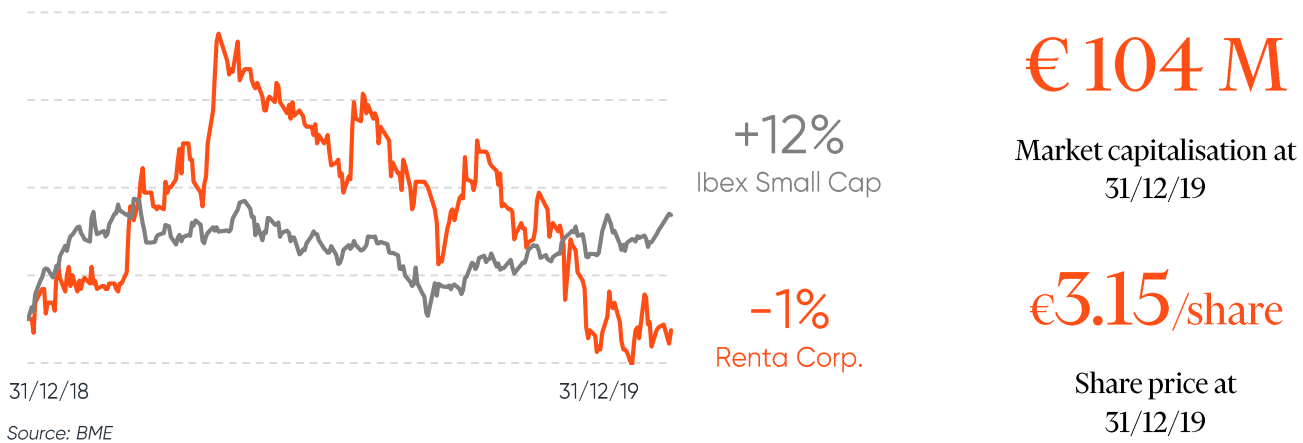
The share market price at 2019 year-end was EUR 3.15 per share, 1% lower than the price of EUR 3.19 per share at 2018 year-end.

At the end of 2019, market capitalisation stood at EUR 103.6 million, compared with EUR 104.9 million at the end of 2018, with 12.6 million shares having been traded at a value of EUR 44.8 million in the year.

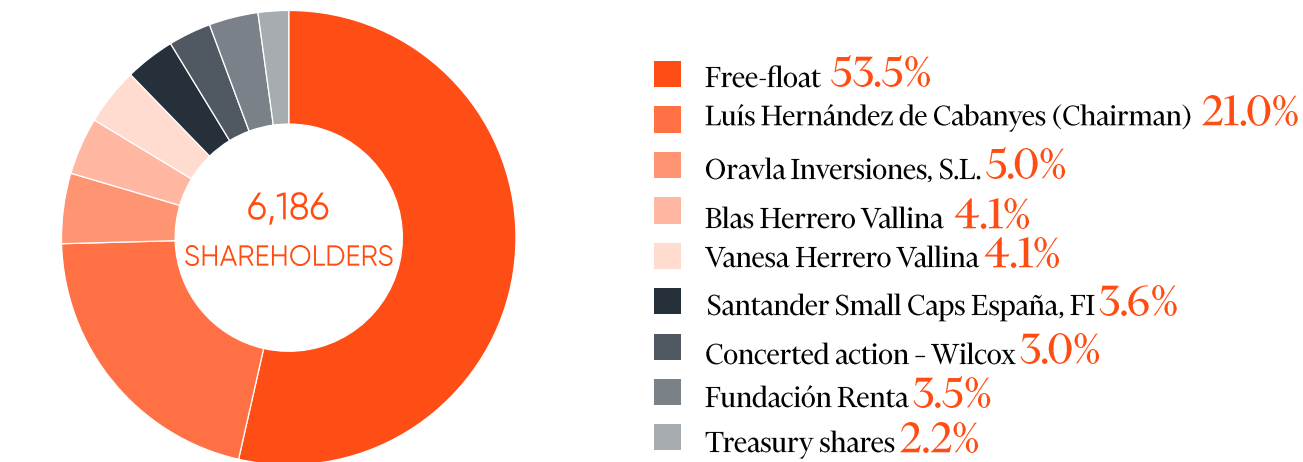
The Company entered into a liquidity agreement in November 2019, with the sole purpose of promoting the liquidity and regularity of the Company's share price, within the limits established by the Annual General Meeting and the applicable regulations in force.

On 14 June 2019, the Technical Advisory Committee (CAT) listed Renta Corporación on the Ibex Small Cap index.

SHARE PERFORMANCE SINCE DEC-18 (BASE 100)



SHAREHOLDER STRUCTURE DEC-19



Appendix 1: Significant transactions in 2019

Transactional business

TREBALL

Barcelona



- **Project:** Design of industrial and logistics project
- **Surface area:** 13,286 m²

PELAI/TALLERS

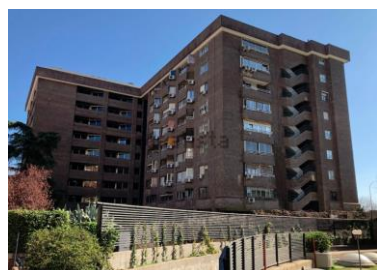
Barcelona



- **Project:** Refitting and repositioning of commercial building
- **Surface area:** 1,887 m²

CORAZÓN DE MARÍA

Madrid



- **Project:** Lease management. Piece by piece sale
- **Surface area:** 753 m²

MARE DE DÉU DE MONTSERRAT

Barcelona



- **Project:** Spin-off plan leading to residential development and future fitting-out project
- **Surface area:** 11,391 m² a/g+8,616 m² b/g

ALCALÁ - FERNANDO VII

Madrid



- **Project:** Lease management. Piece by piece sale
- **Surface area:** 1,018 m²

SAN ANDRÉS

Madrid



- **Project:** Lease management
- **Surface area:** 1,050 m²

Asset business

HERMOSILLA
Madrid



- Housing units: 78
- Surface area: 7,150 m²

TROLE
Madrid



- Housing units: 99
- Surface area: 7,575 m²

AVDA SAN LUÍS
Madrid



- Housing units: 146
- Surface area: 12,531 m²

ENSANCHE DE VALLECAS
Madrid



- Expected Housing units: 220
- Surface area: 18,350 m²

PADILLA
Madrid



- Housing units: 38
- Surface area: 2,347 m²

NUEVO MAHOU CALDERÓN
Madrid



- Expected housing units: 400
- Surface area: 30,330 m²

ATOCHA
Madrid



- Housing units: 47
- Surface area: 2,549 m²

PIONEER
Barcelona - Madrid



- Housing units: 510
- Surface area: 39,150 m²

Appendix 2: Significant inventories in progress at end of 2019

BADAJOS

Barcelona



- **Project:** Development of office building
- **Surface area:** 2,340 m² a/g + 541 b/g

PALENCIA

Madrid



- **Project:** Lease management, completion of construction project and individual sales
- **Surface area:** 1,009 m²

EMBAJADORES

Madrid



- **Project:** Lease management. Regeneration of common spaces. Piece by piece sale
- **Surface area:** 1,758 m²

VANGUARD BUILDING

Barcelona



- **Project:** Conversion of property to hotel and/or residential use
- **Surface area:** 21,023 m² a/g+2,496 m² b/g

AÑOVER DE TAJO

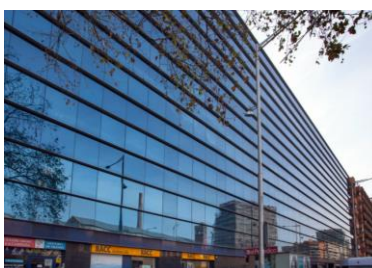
Madrid



- **Project:** Lease management. Refurbishment of housing units. Piece by piece sale
- **Surface area:** 2,409 m²

GRAN VIA DE LES CORTS CATALANES

Barcelona



- **Project:** Management of lease situation. Facility management
- **Surface area:** 11,486 m² a/g+3,000 m² b/g

Appendix 3: Glossary

Business portfolio	Investment rights plus strategic stocks (for sale)
Financial debt	Bank borrowings under non-current liabilities + current bank borrowings (long and short term) under current liabilities + other current financial liabilities (long and short term) under current liabilities
Net financial debt	Bank borrowings under non-current liabilities + current bank borrowings (long and short term) under current liabilities + other current financial liabilities (long and short term) under current liabilities - cash and cash equivalents - current financial assets
EBITDA	Consolidated profit or loss from operations + changes in value of investment property - depreciation and amortisation
Free float	Capital shares freely traded on the Spanish Stock Market Interconnection System and not stably controlled by shareholders
GAV	Market value ("Gross Asset Value")
IBEX Small	Index of small market capitalisation securities listed on the Spanish Stock Market Interconnection System
Core investor	Investor focused on yields (not an opportunist)
LTV	Net financial debt/market value of assets ("Loan to Value")
LTC	Net financial debt/cost of assets held in inventory ("Loan to Cost")
Operating margin	Revenue + other operating income + changes in value of financial assets - changes in inventories of buildings acquired for refurbishment and/or conversion - other operating expenses charged to the operating margin
€M	Millions of euros
REIT	Real estate investment trusts

