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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. COVID-19 crisis

The results of Renta Corporación for the first quarter of 2020 were significantly affected by the health crisis caused by COVID-19, which has led to a sharp slump in non-essential economic activities not only in Spain but practically all over the world.

The situation in Q1, with the first COVID-19 infection case reported in Wuhan in late January, created a climate of uncertainty and a slowdown in the real estate market not seen for decades. By contrast with previous economic crises, this time the abrupt halt in investments is expected to be temporary, since the differential variables that made the sector appealing and competitive before this crisis remain and, therefore, a gradual return to normality in the coming months should restore confidence in the investment market.

This is exactly the context where Renta Corporación is ready to harness new opportunities in the future. Yet, how the economy will recover and the precise time horizon is still unpredictable. Therefore, it is the Company's duty to be well prepared should this situation be longer than expected. To this end, and in addition to all the measures that have already been embedded into the Company as a result of prior restructuring processes, Renta Corporación has also taken the following actions:

## Employees' health

One of the Company's priorities is to safeguard our employees' health. In fact, one day before the Government of Spain decreed the state of alarm, Renta Corporación implemented teleworking for 100% of its staff, providing employees with all the necessary technological means to work remotely. This has enabled the Company to remain fully operational throughout this period.

During the lockdown a staggered-shift plan was prepared for the return to the workplace that will be implemented, together with any relevant recommended protection measures, when legally permitted.

We have been permanently in contact with our team to enquire after them and keep them informed about hygiene guidelines and the latest news about the disease and the measures required to stop the spread of COVID-19.

## COVID-19 Committee

Ensuring the continuity of our business in times of crisis and reacting adequately in the event of contingencies is critical. Renta Corporación went through difficult times in the past that we managed to overcome, taking away lessons that enable us to face new complex scenarios on much stronger foundations. In view of this context, the Company set up a COVID-19 Committee comprised of the Chairman of the Audit Committee, the CEO and the Corporate Managing Director. Its aim is to closely supervise any financial and non-financial impacts that may arise, as well as to monitor the contingency measures that the Company may put in place to address the threats posed by this crisis.

## Liquidity and the Business

The Company's business performance since the outbreak of the pandemic has been clearly unfavourable, and a similar trend may be expected in the second quarter, if not worse, due the current extension of the economic shutdown. Nonetheless, Renta Corporación faces this situation with a healthy asset portfolio on its balance sheet and a strong liquidity position.

## Assets

The Company does not expect a value impairment of its assets since they are, mainly, highly liquid residential assets in prime locations in Madrid and Barcelona. However, the exact time when margins will materialise is uncertain and will depend on external factors. This could lead the Company to take advantage of market liquidity windows, even in exchange for a portion of the estimated margins.

## Liquidity

Since the recovery of the previous economic crisis, liquidity has been a priority for the Company, and it is in times like these when austerity and liquidity prudence become particularly important. The closing of Q1 reflects the Company's strategy to diversify its sources of finance, with a current sustainable leverage level below 40% and cash at hand amounting to 15 million euros.

## Governance

The Company decided to postpone the Annual General Meeting convened to take place on second call on 22 April until 16 June and to hold it, preferably, through telematic means to protect our shareholders from the risk of infection. For this purpose, all necessary technical media will be made available to them so they can connect to the AGM safely.

Furthermore, due to COVID-19, the Board of Directors agreed to cancel the proposal for distribution of profits included in the notes to 2019 financial statements published on 27 February 2020. Upon calling the Annual General Meeting, the Board of Directors will submit an alternative profit distribution proposal in line with the current scenario, and will make the auditor's report available to the shareholders, as stated in article 40.6 bis under Royal Decree-law 8/2020.

Although the start of a gradual easing of the lockdown brings some hope to resume economic activity, the time when the economy will be restored back at full speed is still uncertain. Thus, Renta Corporación cannot maintain the estimations of profit for 2020 that it has held so far.

## 2. Executive summary

### GROUP'S KEY FINANCIALS

- The **operating margin** stands at 3.9 million euros, consisting of 3.5 million euros from the transactional business and 0.4 million euros from the asset management business.
- Overhead expenses** amount to 2.8 million euros and they rise compared to the previous period due to the costs incurred in developing new projects, which will not be recurrent in subsequent quarters.
- EBITDA** stands at 1.1 million euros, down 3.6 million euros against the same period in 2019 as a result, mainly, of reduced activity.
- Renta Corporación closes the first quarter of 2020 with a **net profit of 0.8 million euros**, 2.9 million euros down the figure reported in the first quarter of 2019.
- The Company's **business portfolio** at quarter-end grows 3% compared to December 2019.
- The **turnover** of inventories sold in Q1 2020 stands at 13.2 months against 8.8 months in 2019.
- The Company continues making progress in implementing two investment vehicles specialised in the acquisition of real estate assets in Spain, one of them aimed at office and logistic buildings and the other at hotel properties adapted to the new market reality.
- Equity** at the closing of the quarter totals 76.6 million euros, 0.8 million euros in excess of the figure at 2019 year-end.
- The Annual General Meeting scheduled to be held on 22 April was postponed, on second call, until 16 June and will be attended through telematic means preferably.
- Due to COVID-19 the Board of Directors agreed to cancel the proposal for distribution of profits included in the notes to 2019 financial statements. Upon the next call of the Annual General Meeting, the Board of Directors will submit an alternative profit distribution proposal in line with the new situation.
- Given the current uncertain scenario, Renta Corporación cannot maintain the estimations of profit for 2020 that it has held so far.
- The **market price of the share** at quarter-end stands at 1.49 euros per share, down 53% on the 3.15 euros per share at the end of 2019.

REVENUE	OPERATING MARGIN
20.6 M€	3.9 M€
-8% vs '19	-44% vs '19
EBITDA	NET PROFIT
1.1 M€	0.8 M€
-77% vs '19	-78% vs '19
OPERATING MG / REVENUE	DEBT AS A % OF ASSETS
19%	39%
-12pp vs '19	-2 pp vs Dec'19
ROE *	ROA *
20% * Last 12 months	11% * Last 12 months
-5pp vs Dec'19	-2pp vs Dec'19
PORTFOLIO	INVENTORY TURNOVER
217.6 M€	13.2 months
+3% vs Dec'19	8.8 months Dec'19

## 3. Business performance and results

### 3.1 Consolidated statement of profit or loss

(million EUR)	3M 2020	3M 2019	% change
Transactional business revenue	19.2	21.0	
Asset management business revenue	1.4	1.3	
<b>REVENUE</b>	<b>20.6</b>	<b>22.3</b>	<b>-8%</b>
Transactional business margin	3.5	6.6	
Asset management business margin	0.4	0.4	
<b>OPERATING MARGIN</b>	<b>3.9</b>	<b>7.0</b>	<b>-44%</b>
Overheads and staff costs	-2.8	-2.3	
<b>EBITDA</b>	<b>1.1</b>	<b>4.7</b>	<b>-77%</b>
Depreciation and amortisation charge, provisions and other	-0.1	-0.1	
<b>EBIT</b>	<b>1.0</b>	<b>4.6</b>	<b>-78%</b>
Net financial loss	-0.8	-0.7	
<b>PROFIT BEFORE TAX</b>	<b>0.2</b>	<b>3.9</b>	<b>-95%</b>
Income tax	0.6	-0.2	
<b>NET PROFIT</b>	<b>0.8</b>	<b>3.7</b>	<b>-78%</b>

#### 3.1.1 Revenue

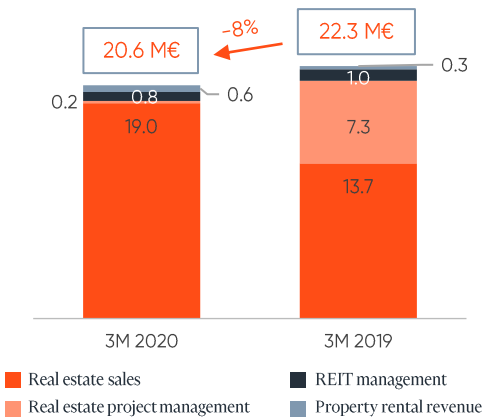
The breakdown of revenue by business line is as follows:

Revenue by business line (million EUR)	3M 2020	3M 2019	Change
Real estate sales	19.0	13.7	5.3
Real estate project management	0.2	7.3	-7.1
<b>Total revenue – transactional business</b>	<b>19.2</b>	<b>21.0</b>	<b>-1.8</b>
REIT management	0.8	1.0	-0.2
Property rental revenue/Investment property revaluation	0.6	0.3	0.3
<b>Total revenue – asset management business</b>	<b>1.4</b>	<b>1.3</b>	<b>0.1</b>
<b>REVENUE</b>	<b>20.6</b>	<b>22.3</b>	<b>-1.7</b>

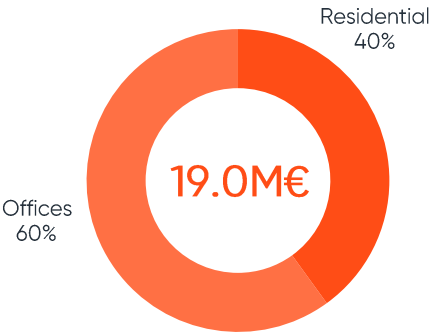
Revenue from the **transactional business** comes, mainly, from two office transactions on Gran Via and Calle Roselló in Barcelona, and a residential transaction on Calle Palencia in Madrid.

Revenue from the **asset management business** derives, principally, from the management of assets acquired by the REIT Vivenio whose gross value at the end of Q1 2020 is 958.8 million euros.

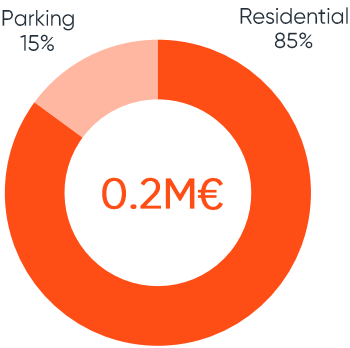
REVENUE BY BUSINESS LINE



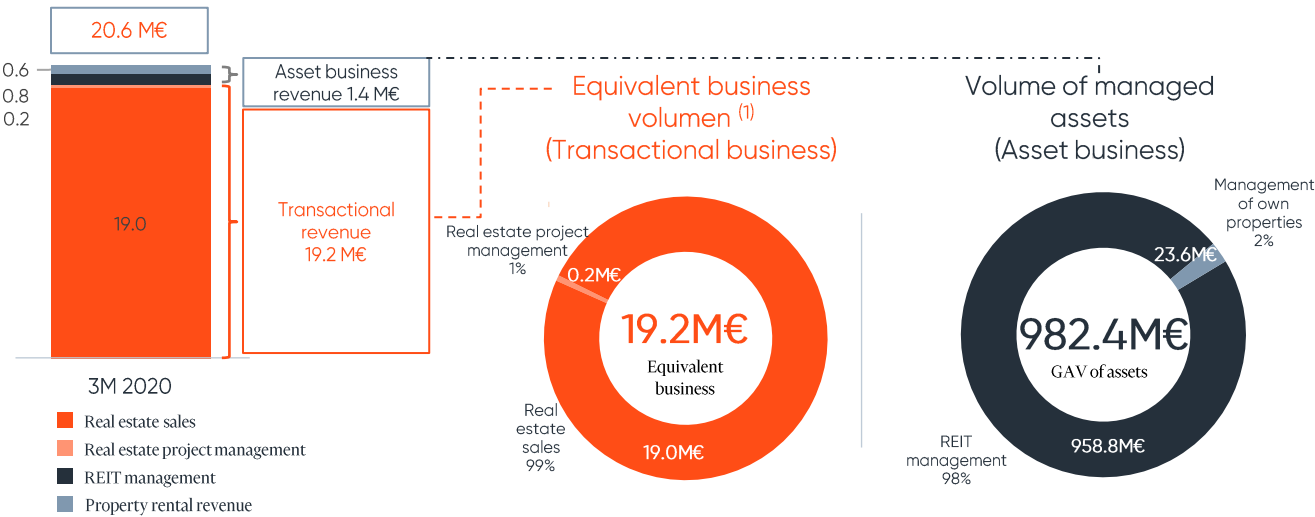
REAL ESTATE SALES REVENUE BY TYPE OF ASSET



REAL ESTATE PROJECT MANAGEMENT REVENUE BY TYPE OF ASSET



EQUIVALENT BUSINESS VOLUME 3M 2020



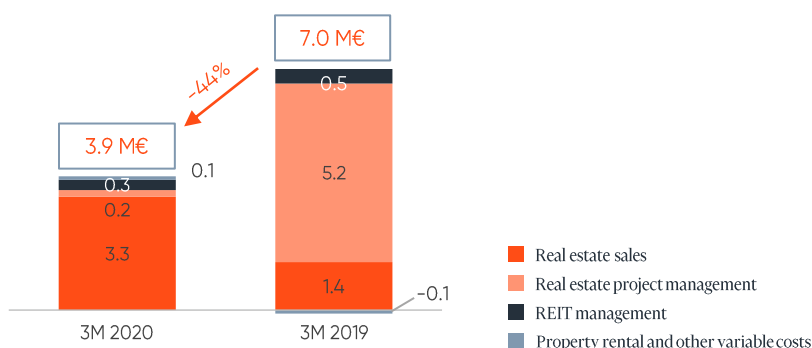
Notes: (1) The equivalent business in the real estate project management business line is equal to the selling price of the underlying property of the transferred purchase options.

### 3.1.2 Operating margin

The operating margin by business line is as follows:

Margin by business line (million EUR)	3M 2020	3M 2019	Change
Real estate sales margin	3.3	1.4	1.9
Real estate project management margin	0.2	5.2	-5.0
<b>Total margin - transactional business</b>	<b>3.5</b>	<b>6.6</b>	<b>-3.1</b>
REIT management margin	0.3	0.5	-0.2
Rental margin and other variable costs	0.1	-0.1	0.2
<b>Total margin - asset management business</b>	<b>0.4</b>	<b>0.4</b>	<b>0.0</b>
<b>OPERATING MARGIN</b>	<b>3.9</b>	<b>7.0</b>	<b>-3.1</b>

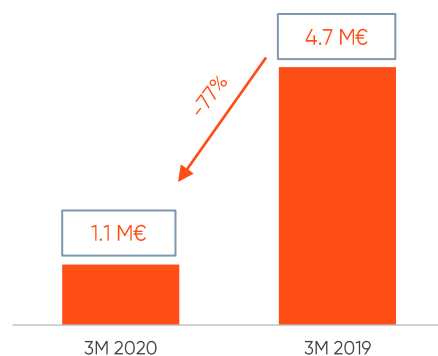
MARGIN BY BUSINESS LINE



### 3.1.3 EBITDA

Overhead expenses amount to 2.8 million euros, up 0.5 million euros compared to 2019. This increase is due to the costs incurred in developing the new projects of real estate investment vehicles, which will not be recurrent in subsequent quarters.

EBITDA at the closing of Q1 2020 totals 1.1 million euros against 4.7 million euros in the same period of 2019.



### 3.1.4 Financial loss

The financial loss amounts to -0.8 million euros, up -0.1 million compared to Q1 2019 due, mainly, to the finance costs arising from the promissory notes programme implemented at the closing of Q1 2019.



### 3.1.5 Net profit

The Group recognised a positive impact for income tax of +0.6 million euros, corresponding to the net effect of the following:

- Income tax arising from the Group's ordinary activities amounting to -0.1 million euros, compared to -0.6 million in the same period of 2019.
- Recognition of a tax loss carryforward of +0.7 million euros to be offset with future profits, compared to +0.4 million euros recognised in Q1 2019.

Consequently, Renta Corporación closes the first quarter of 2020 with a **net profit of 0.8 million euros**, 2.9 million euros down the figure reported in the first quarter of 2019.

## 3.2 Consolidated balance sheet

### 3.2.1 Assets

Assets (million EUR)	Mar-20	Dec-19	Change
Non-current assets	1.6	1.7	-0.1
Other non-current assets	72.5	71.6	0.9
<b>Non-current assets</b>	<b>74.1</b>	<b>73.3</b>	<b>0.8</b>
Inventories	76.5	88.3	-11.8
Accounts receivable	13.4	10.7	2.7
Cash	12.9	5.3	7.6
Financial assets	0.4	0.4	0.0
<b>Current assets</b>	<b>103.2</b>	<b>104.7</b>	<b>-1.5</b>
<b>Total assets</b>	<b>177.3</b>	<b>178.0</b>	<b>-0.7</b>

#### Non-current assets

Renta Corporación's non-current assets amount to 74.1 million euros, up 0.8 million euros compared to 2019. The detail of the balances forming part of the non-current assets is as follows:

(million EUR)	Mar-20	Dec-19	Change
Non-current assets	1.6	1.7	-0.1
Investment property	23.6	23.6	0.0
Non-current financial assets	21.2	21.0	0.2
Deferred tax assets	27.7	27.0	0.7
<b>Total non-current assets</b>	<b>74.1</b>	<b>73.3</b>	<b>0.8</b>

- **Non-current assets** totals 1.6 million euros, down 0.1 million euros against December 2019 due to amortisation.
- Assets classified as **investment properties** include four residential buildings in Barcelona, all of them fully rented.

- The item **non-current financial investments** includes, mainly, Renta Corporación's share and long-term receivable in the share capital of the REIT Vivenio. This figure rose 0.2 million euros during Q1 2020 as a result, chiefly, of the share-based payment of part of the exclusive management agreement, with 7.8 million euros pending conversion into shares.
- Deferred tax assets** arise, mainly, from tax loss carryforwards to be offset over the next periods, with 57 million euros in tax losses pending recognition.

## Current assets

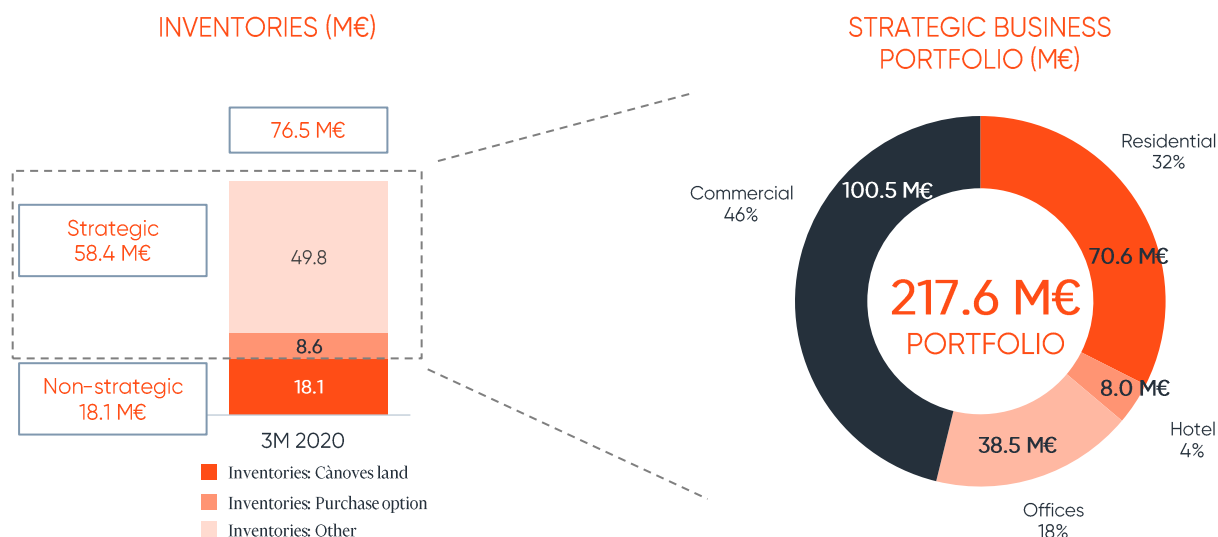
(million EUR)	Mar-20	Dec-19	Change
Inventories	76.5	88.3	-11.8
Accounts receivable	13.4	10.7	2.7
Cash	12.9	5.3	7.6
Financial assets	0.4	0.4	0.0
<b>Total current assets</b>	<b>103.2</b>	<b>104.7</b>	<b>-1.5</b>

## Inventories and transactional business portfolio

Renta Corporación has inventories recognised at the end of the quarter in the amount of 76.5 million euros. This implies a decrease of 11.8 million euros against 2019 due to the sales performed in Q1, which include two office transactions on Gran Vía and Calle Rosselló in Barcelona, and a residential transaction on Calle Palencia in Madrid.

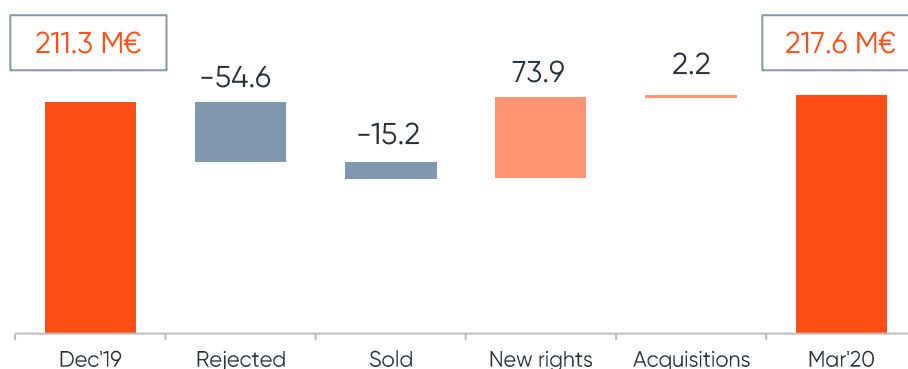
Under inventories, Renta Corporación has recognised the residential land of Cànoves for 18.1 million euros. This asset is a security granted by creditors as per the 2014 agreement that sets out its delivery in lieu of payment in 2022. For that reason, the analysis of the inventories portfolio below is focused on the assets making up the remaining 58.4 million euros.

The amount of inventories at quarter-end includes purchase options totalling 8.6 million euros, which grant the right to purchase assets amounting to 167.8 million euros. Thus, the business portfolio value totals 217.6 million euros distributed by type of asset as follows:



## CHANGES IN TRANSACTIONAL BUSINESS PORTFOLIO (M€)

The detail of the changes in the business portfolio between the closing of 2019 and the end of March 2020 is as follows:



## Accounts receivable

(million EUR)	Mar-20	Dec-19	Change
Trade receivables and notes receivable	9.4	7.1	2.3
Tax receivables	1.1	1.1	0.0
Other receivables	2.9	2.5	0.4
<b>Total receivables</b>	<b>13.4</b>	<b>10.7</b>	<b>2.7</b>

At the end of March 2020 the balance of accounts receivable amounts to 13.4 million euros. This balance is broken down into three headings:

- **Trade receivables and notes receivable:** Variations in the amount of 2.3 million euros arose due to the deferred collection of sales performed in the last quarters.
- **Tax receivables:** Tax receivable by Renta Corporación that does not change compared to 2019.
- **Other receivables:** This item goes up 0.4 million year-on-year, due mainly to the variation of the purchase options and purchase costs deposited with a notary.

### 3.2.2 Liabilities

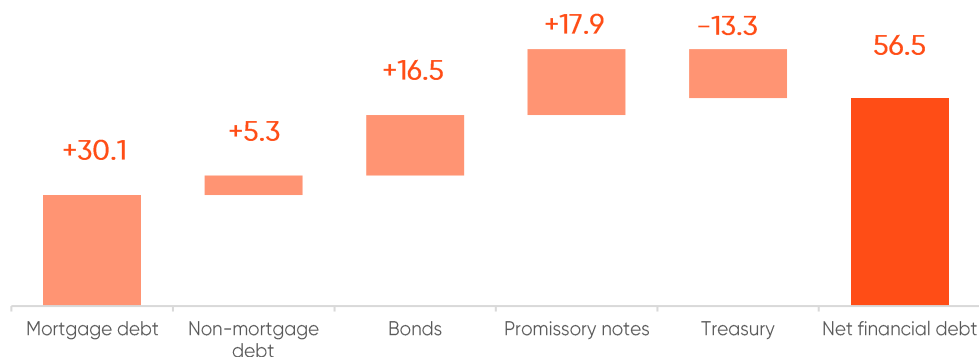
Equity + liabilities (million EUR)	Mar-20	Dec-19	Change
Equity	76.6	75.8	0.8
<b>Liabilities</b>			
Non-current financial debt	39.6	39.5	0.1
Other non-current payables	4.7	4.8	-0.1
<b>Non-current liabilities</b>	<b>44.3</b>	<b>44.3</b>	<b>0.0</b>
Current financial debt	47.5	47.4	0.1
Other current payables	8.9	10.5	-1.6
<b>Current liabilities</b>	<b>56.4</b>	<b>57.9</b>	<b>-1.5</b>
<b>Total equity + liabilities</b>	<b>177.3</b>	<b>178.0</b>	<b>-0.7</b>

#### Financial debt

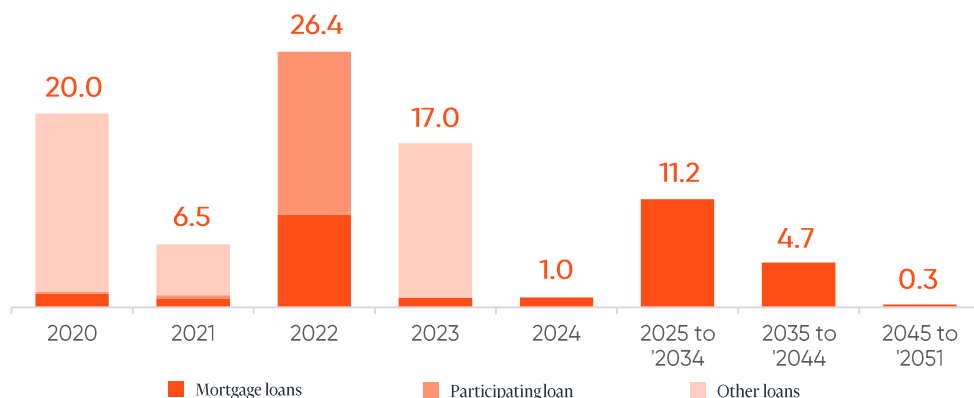
(million EUR)	Mar-20	Dec-19	Change
Mortgage debt	30.1	35.6	-5.5
Other payables	39.7	34.0	5.7
(- ) Cash and financial assets	-13.3	-5.7	-7.6
<b>Total Net Financial Debt</b>	<b>56.5</b>	<b>63.9</b>	<b>-7.4</b>
Participating debt	17.3	17.3	0.0
<b>Total Net Debt</b>	<b>73.8</b>	<b>81.2</b>	<b>-7.4</b>

Net debt totals 73.8 million euros against 81.2 million euros at 2019 year-end, with a fall of 7.4 million euros due to a cash increase at the closing of the quarter. Such increase in non-bank borrowings, mainly in promissory notes, is offset by a reduction in bank borrowings.

#### FINANCIAL DEBT BY TYPE (M€)



## REPAYMENT SCHEDULE FOR FINANCIAL DEBT (M€)



## Other non-current payables

At the closing of Q1 2020 Renta Corporación has **other non-current payables** recognised in the amount of 4.7 million euros. This balance is broken down into:

(million EUR)	Mar-20	Dec-19	Change
Non-current payables (insolvency proceedings)	1.4	1.4	0.0
Deferred Taxes	2.3	2.3	0.0
Long-term finance leases (IFRS 16)	1.0	1.1	-0.1
<b>Total other non-current payables</b>	<b>4.7</b>	<b>4.8</b>	<b>-0.1</b>

- **Non-current payables relating to insolvency proceedings:** This item reflects the debt held with pre-insolvency creditors amounting to 1.4 million euros, to be paid in this period and in the next two years. The debt has been discounted at the effective market interest rate, which has been and will be reversed over the years in which the debt is paid.
- **Deferred taxes:** This item stands at 2.3 million euros and remains at the same level as at 2019 year-end.
- **Long-term finance leases (IFRS 16):** This item totals 1.0 million euros and results from the first application in year 2019 of IFRS 16 on the recognition of leases.

## Other current payables

The total of **other current payables** is 8.9 million euros, down 1.6 million euros against the figure at the closing of 2019.

(million EUR)	Mar-20	Dec-19	Change
Current payables	5.7	5.6	0.1
Pre-sale downpayments and prepayments	1.7	2.4	-0.7
Other current payables	1.5	2.5	-1.0
<b>Total other current payables</b>	<b>8.9</b>	<b>10.5</b>	<b>-1.6</b>

- **Current payables** stand at 5.7 million euros, which is practically the same figure reported at the closing of 2019. This item is comprised of the creditors related to the purchase, conversion and sale operations performed by the Company.
- **Pre-sale downpayments and prepayments** stand at 1.7 million euros, down 0.7 million at the closing of 2019, and will result in future revenue of 7.8 million euros in Madrid, and of 4.1 million euros in Barcelona.
- **Other current payables** total 1.5 million euros, with a 1.0 million euros decrease against 2019; this item is mainly composed of current tax payables.

## Cash flow performance

The Company generated profit from operations in the period of 1.1 million euros, that was invested in the REIT in the amount of 0.2 million euros.

Working capital and other operating cash flows generated a cash flow of 7.3 million euros due, mainly, to property sales in Q1 2020, which was partially offset by the deferred collection of certain transactions performed.

Finally, the free cash flow obtained was allocated to debt amortisation in the amount of 0.6 million euros, resulting in an increase of 7.6 million euros in cash and cash equivalents at the closing of March 2020.

(million EUR)	Mar-20
Profit or loss from operations	1.1
Investment in the REIT <sup>(1)</sup>	-0.2
<b>Operating cash flow</b>	<b>0.9</b>
Changes in working capital and other operating cash flows	7.3
Investment in non-current assets	0.0
<b>Free cash flow</b>	<b>8.2</b>
Change in borrowings	-0.6
<b>Net increase/decrease in cash and cash equivalents</b>	<b>7.6</b>

**Notes:** (1) Relates to 0.2 million euros in receivables from the REIT Vivenio generated during Q1 2020 to be converted into shares.

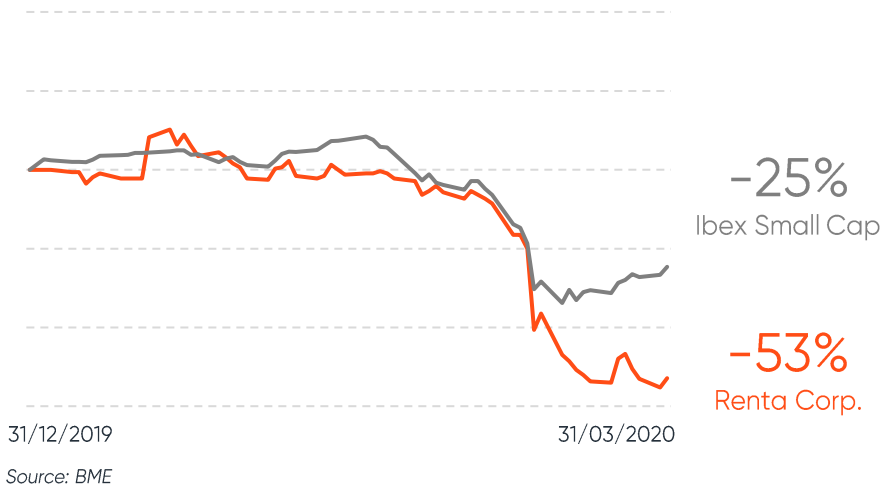
# 4. Stock market performance

The market price of the share at quarter-end stands at 1.49 euros per share, down 53% on the 3.15 euros per share at the end of 2019.

Market capitalisation at the end of Q1 2020 is 48.8 million euros against 103.6 million euros at the closing of 2019, with 5.0 million shares traded in the year for a total of 11.7 million euros.

The Company has a liquidity agreement formalised in November 2019 with the sole purpose of favouring the liquidity and regular market price of its shares within the limits set by the Annual General Meeting and the applicable regulations in force.

## SHARE PERFORMANCE SINCE DEC-19 (BASE 100)



49 M€

Market capitalisation at  
31/03/2020

1.49 €/share

Share price at  
31/03/2020

