
Renta Corporación approves its 2020 outturn at its General Meeting of Shareholders and expects to return to profit by the end of 2021

- The quality of its ongoing operations will allow the company to achieve a profit for the year of around €9M in 2021.
- In the first quarter of 2021, the real estate company conducted successful transactions with regard to 3 hotels with an aggregate value of more than €110M.
- Renta Corporación is reinforcing its commitment to sustainability in the real estate sector with its first industrialised housing development and the inclusion of LEED (Leadership in Energy and Environmental Design) certification in several of its refurbishment projects.

Barcelona, 21 April 2021.- Renta Corporación ended 2020 with an outturn consistent with the unfavourable evolution of real estate and economic activity due to the COVID-19 pandemic, with a loss of €8.8M. The General Meeting of Shareholders of Renta Corporación, which assembled today via videoconferencing in order to guarantee the health and safety of the participants, approved these results and the rest of the items on the agenda.

In his speech at the General Meeting of Shareholders of Renta Corporación, the company's Chairman, Luis Hernández de Cabanyes, stated: "From the second half of the year onwards, as a result of the vaccination process, the economy will recover strongly, and real estate will probably become a safe haven as interest rates will remain negative or very low for an extended period." In line with the reactivation of the economy, Hernández de Cabanyes announced that the company will return to profit during the current financial year and that the quality of the operations currently underway will allow it to make a profit of around €9M in 2021.

He also announced that Renta Corporación has already achieved a positive result in the first quarter of 2021. The chairman of Renta Corporación declared that the company has conducted successful transactions with regard to 3 hotels, the aggregate value of which exceeds €110M. "It is a very positive development for hotel owners that there is capital ready to be invested in this sector, as it establishes a 'floor' as regards the fall in hotel prices," he said.

A solid balance sheet

David Vila, the CEO of Renta Corporación, analysed the company's accounts, its main operations and its future prospects. Vila drew attention to the strength of the company's balance sheet with a 26% reduction in net financial debt to €47M in 2020, equivalent to a leverage of 38% of the balance sheet. Vila also emphasised that in 2020, Renta Corporación consolidated the diversification of its financing sources, which gives it the flexibility to finance both new projects and those existing currently in its portfolio.

Commitment to sustainability

During his speech, Hernández de Cabanyes also highlighted Renta Corporación's commitment to sustainability in the real estate sector through the promotion of more environmentally-friendly projects and industrialised construction. "We have started a small residential development in L'Hospitalet, which we view as R&D regarding sustainable and

industrialised construction,” he said. He added: “This type of construction is faster and more efficient, improving project profitability. We’re confident that this initial test will be a success, and that this type of development has great potential and will provide the company with margins and repeat business.”

Hernández de Cabanyes concluded by saying that among other things, industrialised and sustainable construction allows the use of renewable materials, better treatment and reuse of waste, energy efficiency and reduction of carbon footprints, as well as the incorporation of women into the construction process, due to the fact that a large part of the construction process takes place in factories and not in conventional construction sites.

Earlier this year, the company also announced the delivery of its first comprehensive office construction project in Barcelona's 22@ district to Ocado Technology, the technology division of the world's leading online supermarket. The building is one of the few properties in Barcelona awarded LEED Gold certification, which recognises that the construction of the estate meets the highest standards of sustainability. The offices also meet with advanced acoustic and lighting comfort requirements. With this operation, Renta Corporación also demonstrates its commitment to environmental sustainability in the construction sector, as well as to the health and well-being of the future users of the property.

The company has also recently announced the acquisition of a building on Barcelona's Via Augusta to develop a 4,000 square metre co-working space for the IWG Group, a world leader in flexible workspaces. Renta Corporación will invest €8M in the refurbishment of the former HQ building of the Institute of North American Studies, which is set to be awarded the Silver LEED Environmental Certification Seal.

About Renta Corporación

Renta Corporación is a listed real-estate company with a unique business model based on value creation through the acquisition of property assets for conversion and adaptation to market needs and their subsequent sale to third parties. The real estate company concentrates its business focus on the Madrid and Barcelona markets, the two most liquid and busiest arenas in Spain. The company complements its business model through its property activity, managing various types of real estate assets owned by both the company and participating companies, mainly Vivenio, which provides recurring revenue for the company.

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