

# Annual Report 2020

 **Renta**  
Corporación

2020

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**Luis Hernández de Cabanyes**  
Chairman of Renta Corporación

Dear shareholders,

2020 was dominated almost exclusively by the appearance of the Covid-19 pandemic and the restrictive measures imposed on the activity of people and companies to try to contain it. The result was a historic fall in the global economy, the likes of which have not been seen in the last 80 years.

The European economy most severely affected by the pandemic was that of Spain, and although it is true that the economic authorities responded with intent through stimulus actions to counteract the impact, Spanish GDP experienced a fall of 11.4% over the course of the year.

In terms of how this impacted the Spanish real estate market, it should be noted that the volume of investment in the sector closed the year at 9000 million euros, which represents a fall of almost 30% compared to the previous year, and despite the fact that investment was increased in the last quarter of 2020 compared to the three months prior, the balance was still negative.

In this context, Renta Corporación leaves the year 2020 with a very modest level of activity and operating results, especially if we compare them with those obtained by the company in recent financial years. The fall in revenue is close to 50%, and the year closed with a negative net result of 8.8 million euros compared to the 17.1 million profit of the previous year. However, Renta Corporación was able to face this exceptional situation with solid foundations behind it, thanks to its financial position, healthy balance sheet, and portfolio of highly liquid and well-located assets.

While it is true that the pandemic led to poor results for the company in 2020, it is also true that the quality of our business portfolio, as well as

the ongoing recovery of the sector during the first months of 2021, provides us with an optimistic vision for this financial year, and we foresee that this will take even greater dynamism in the second part of the year as COVID-19 immunity levels grow.

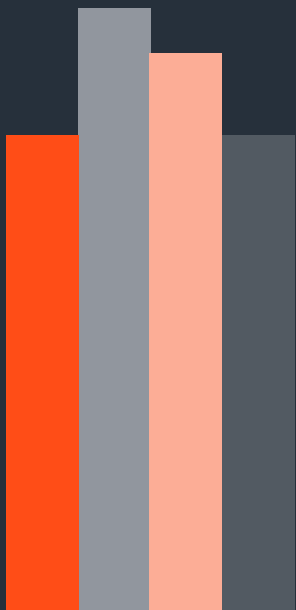
Despite the serious situation of recent months, the company maintains both the hypothesis of the strategic plan and its value levers, which continue to be the development of the equity business and the increase in the average size of the operations. We added two new lines of business to these operations which are already under development: the hotel transaction – in the last few months, we already successfully closed 3 hotels whose added value exceeds €110 million – and the promotion of sustainable, digitized and affordable housing in line with the new trends demanded by society.

On another note, as with every year, I want to congratulate our team as they redoubled their efforts at a particularly difficult time.

As for corporate social responsibility, the Fundación Renta Corporación supported a total of 68 organizations in projects which, for the most part, were related to the health crisis.

# Corporate Governance

01



Throughout 2020, Renta Corporación continued focusing on and reviewing the set of standards governing its action policies and corporate governance transparency, with the aim of upholding high standards in this area and proper recognition from our shareholders, investors and customers.

# Governing bodies

at 31 December 2020

The Company's internal regulations and compliance with the Good Governance Code of Listed Companies are set out in the Statutes, the Regulations of the General Meeting of Shareholders, the Regulations of the Board of Directors, the Internal Code of Conduct for Stock Market Operations and the Code of Conduct. All of these standards are part of the organisation's corporate culture which must press onward in the development of values, in professional standards and business transparency to continue building a company capable of generating confidence in the market, especially in its shareholders.

## Board of Directors

Luis Hernández de Cabanyes  
Chairman and Managing Director  
**Executive**

David Vila Balta  
Vice-Chairman and CEO  
**Executive**

Ainoa Grandes Massa  
Director  
**External independent**

Luis Conde Moller  
Director  
**External independent**

Manuel Valls Morató  
Director  
**External independent**

Blas Herrero Fernández  
Director  
**Representing substantial shareholders**

Oravla Inversiones, S.L.  
(Duly represented by Baldomero Falcones Jaquotot)  
Director  
**Representing substantial shareholders**

Cristina Orpinell Kristjansdottir  
Director  
**Representing substantial shareholders**

Elena Hernández de Cabanyes  
Director  
**Other external director**

José M<sup>a</sup> Cervera Prat  
Non-director Secretary

During 2020 there were no changes in the composition of the Board of Directors.

## Appointments and Remuneration Committee

Luis Conde Moller  
Chairman

Elena Hernández de Cabanyes  
Member

Ainoa Grandes Massa  
Secretary

## Audit Committee

Manuel Valls Morató  
Chairman

Elena Hernández de Cabanyes  
Member

Ainoa Grandes Massa  
Secretary

## Senior management

Luis Hernández de Cabanyes  
Executive Chairman and CEO

David Vila Balta  
Executive Vice-Chairman and CEO

José M<sup>a</sup> Cervera Prat  
Corporate General Manager  
and Non-director Secretary

Senior Management is the Company's highest executive body and the backbone for the whole organisation. As of 31 December 2020, this body is made up of three professionals with a proven track record and a strong ability to channel, organise and coordinate the various circumstances which converge in the Company's business activity, all with the objective of maintaining the business targets in the various environments where it operates as aligned and streamlined as possible.



# Background of Renta Corporación Directors

**Luis Hernández de Cabanyes**  
Chairman

Founder of Renta Corporación and Chairman of the Board of Directors, as well as Founder and Vice-President of Fundación Renta Corporación. He has devoted his professional life to business, beginning his career at PricewaterhouseCoopers and going on to found and manage various companies, including Second House. He is a Trustee of the Fundación Princesa de Girona. Holds a degree in Economics and Business Studies from the Universitat Autònoma de Barcelona and has completed the IESE Business School Business Management Program.

**David Vila Balta**  
Vice-Chairman and CEO

Joined Renta Corporación in 2000. From 1994 to 1997 he worked as Factory Manager at Rochelis. From 1997 to 1998 he was Deputy Purchasing Manager with Outokumpu Rawmet and National Sales Director with LOCSA from 1998 to 2000. He is Chairman of Fundación Sagrado Corazón. He holds a degree in Industrial Engineering from the Barcelona School of Engineering and has a PDG from IESE Business School and a degree from Harvard Business School on creating a high-performing Board of Directors.

**Ainoa Grandes Massa**  
Independent Director

Director of Renta Corporación since April 2017. She is Chair of the Museum of Contemporary Art of Barcelona, vice chairman of the MACBA Foundation and member of its General Board and its Executive Committee. She is also President of the SHIP2B Foundation (Accelerator of start-ups with social and environmental impact) and a trustee of Fundación Abertis. She is a Senior Advisor at financial group Alantra and a member of the advisory board of law firm Herbert Smith Freehills in Spain, the advisory board of communications company Llorente y Cuenca. She also serves on the board of the ARCO (IFEMA) fair in Madrid, the Balía Foundation for Children, and the Board of Barcelona Global and the Universidad Internacional de Catalunya (UIC).

Member of Foro Iberoamérica and the International Council of Moma in NY, she teaches a yearly module for the Cultural Management Master at the Carlos III University in Madrid.

Upon completion of her degree in Business Administration and Management from the Universidad Internacional de Catalunya, with a specialty in finance and AMP (Advanced Management Program) from IESE, she completed her training with courses in marketing and communication at EADA, cultural management and patronage at NYU, and PADI in digital business at ISDI.

She worked at the company Sotheby's in Barcelona, Madrid and London before joining the MACBA Foundation as executive director, a position she held for 18 years until her appointment as Chair.

**Luis Conde Moller**  
Independent Director

Director of Renta Corporación since May 2017. Founded Seeliger y Conde in 1990. He specialises in succession processes for large corporations. He was the Chairman of Amrop from 2003 to 2006. He began his career as Director of the International and Corporate Banking Division of the Mas-Sardá Bank in Barcelona. He was later a member of the Board of Directors and Executive Vice President of Banco Consolidado de Venezuela, as well as Chairman of Consolidado

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Barcelona

International Bank in New York. He currently chairs the Barcelona International Boat Show and is a director of the Godó Group Lazard Investment Bank, and a member of the Board of Directors of Fira de Barcelona. He holds a degree in Economics from the University of Barcelona.

**Manuel Valls Morató**  
Independent Director

Director of Renta Corporación since December 2017. Holds a degree in Economics and Business Administration from the University of Barcelona and a postgraduate degree from IESE - University of Navarra. He is a Chartered Accountant and member of the Official Register of Auditors. He boasts 40 years of experience in PwC, of which 26 years have been as a company partner, where he held various positions of responsibility at the board level, including as a Partner responsible



for the Barcelona office and Partner in charge of the Financial Sector in Catalonia, Balearic Islands and Valencia, leading to his position as Head of the Audit Division and as such, Chairman of PwC Auditores, S.L. He has served as Patron of the PwC Foundation and a lecturer at various universities. He is currently a Director of Banco de Sabadell and chairs its Audit Committee. He is also a member of the Risk Management Committee. He is a member of the Sabis Board of Directors. He also chairs the Audit and Compliance Committee of Cobega.

**Blas Herrero Fernández**

Director representing substantial shareholders

Director of Renta Corporación since June 2008. Businessman with experience in various industries, including food, audiovisual, real estate and automotive. He is president and owner of Radio Blanca Group, which manages Kiss FM and Hit FM radio stations and two TV channels: DKISS, the new national DTT channel, and Hit TV, the only music TV channel broadcasting free-to-air (FTA) in Spain. Through his company HVB Casas, he carries out real estate projects throughout Spain.

**ORAVLA INVERSIONES, S.L.**

Duly represented by Baldomero Falcones Jaquotot  
Director representing substantial shareholders

Director of Renta Corporación since April 2016. He was Chairman and Chief Executive Officer of Fomento de Construcciones y Contratas (FCC) from 2008 to January 2013 and of MasterCard International (New York), where he led the merger between MasterCard and Europay and the IPO on the New York Stock Exchange in 2005. He has also been Managing Director of Banco Hispanoamericano, Banco Central Hispano and of Banco Santander Central Hispano and a member of its Steering Committee for 15 years. He has also been Chairman of Banco Urquijo Limited (UK), Hispano Americano Sociedade do Investimento (Portugal), Banco Hispano Americano Benelux, Banco Urquijo

Chile, Fiat Finance, S.A. and Santander Seguros, S.A. After his career in banking he founded Magnum Industrial Partners. He has also served on the boards of directors of Unión Fenosa, CESCE, Generalli Spain and Seguros La Estrella.

He is the natural person representing Oravla Inversiones, S.L., a Spanish company registered in Madrid, C/ Barquillo nº 9, 5ª Pl. and NIF B-81796591 whose purpose is (i) to acquire, manage and dispose of stocks, shares and any securities, (ii) to promote the creation of companies, their expansion, development and modernisation, domestically and internationally, (iii) to acquire, dispose of, manage, lease, and construct real estate (iv) to conduct agricultural and hunting activities, and (iv) to manage its own securities, stocks and shares in all types of entities.

**Cristina Orpinell Kristjansdottir**

Director representing substantial shareholders

Director of Renta Corporación since 2018. President of Fundación Renta Corporación. She has a degree in pharmaceutics from the University of Barcelona and has completed a postgraduate degree in Management in NGOs at Esade Business & Law School, as well as the Finance Program for Non-Financial Managers at IESE. In 2019, she completed IESE's "From manager to director" programme, which is organized by KPMG and the Asociación Española de Directivos (Spanish Association of Managers).

**Elena Hernández de Cabanyes**

External Director

Member of the Renta Corporación Board of Directors since 2000. Founder of Second House, of which she is currently Sole Administrator. Founder and trustee of FUNDACIÓN PRIVADA RENTA CORPORACION and FUNDACIÓN SOÑAR DESPIERTO. She holds a degree in Economics and Business Studies from the Universitat Autònoma de Barcelona and has completed IESE's General Management Program (PDG).

**José Mª Cervera Prat**

Non-director Secretary

He joined Renta Corporación in March 2015 as Corporate General Manager, and in May 2017 he assumed Non-director Secretary duties on the Board of Directors. He spent his early career in the auditing field. In 1988 he joined Georgia Pacific as responsible for internal audit in Southern Europe until he was appointed Financial Managing Director for Iberia in 2001. In December 2005 he joined the Miquel Group and Costas & Miquel as Chief Financial Officer. Holds a degree in Business Administration and Management from the University of Barcelona and an MBA from ESADE Business School.

**Prevention of money laundering**

Renta Corporación has a money laundering prevention system consisting of client identification, establishment of risk profile and analysis of operations to ascertain whether they are suspicious. If they are, the information is presented to the Company Secretary's Office for review and, if confirmed, the issue is reported to the relevant government agency.

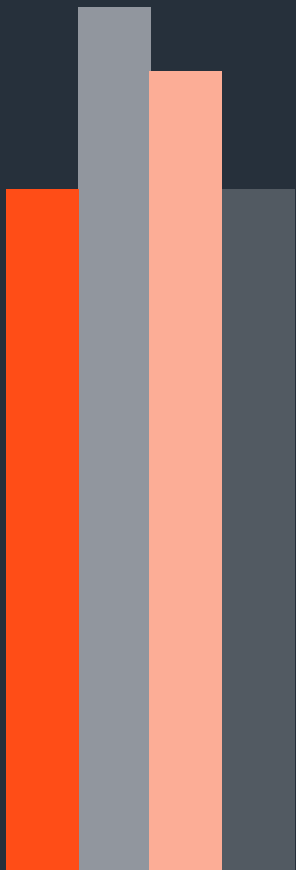
There were no incidents in the past year and an annual report was prepared by an external expert for the period 1 January 2019 to 31 December 2019 concerning the internal control and communication procedures and bodies referred to in Article 11, Section 7 of Royal Decree 925/1995 of 9 June,

which approves the Regulation of Law 19/1993 of 28 December on certain measures to prevent money laundering, demonstrating that Renta Corporación has control and detection systems in place to ensure compliance with regulations for preventing money laundering.



# Business and market environment report

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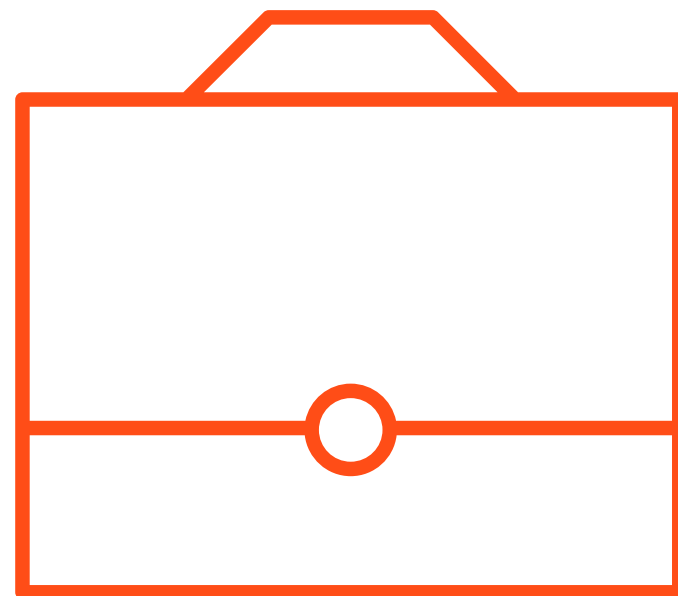
The COVID-19 pandemic has become one of the most impactful crises in recent decades, and the real estate sector, to a greater or lesser degree, has not escaped its effects.



The Bank of Spain forecasts estimate a fall in GDP of around 11% for FY 2020. The forecasts for the year 2021 anticipate improvement, especially in the second half of the financial year, which can lead to a positive annual GDP, although recovery to the pre-COVID-19 level of GDP will not occur until the end of 2022. The unemployment rate, for its part, will total around 16% at the end of 2020, with the potential to increase to between 17% and 20% during 2021 depending on how the pandemic evolves.

In this environment, inflation expectations are at negative or modest levels for 2021 and 2022. Long-term interest rates will also remain low; a favourable factor for a real estate sector which will continue to be an attractive sector for investment. Traditional bank financing is expected to remain restrictive and selective during FY 2021, and a strong increase in the demand for alternative financing is thus expected during FY 2021.

Hence, although stronger growth is expected for the year 2021, the economic outlook continues to be closely linked to epidemiological evolution, improved mobility restrictions and the application of the vaccine to the population. The impact of the crisis on the solvency of households and companies will be another factor that will determine the evolution of the economy.



€130M

Business portfolio at 31/12/2020



#### Residential segment.

Home sales decreased in FY 2020 in comparison with the previous year, but a slight recovery is expected for 2021. A slight drop in prices is estimated, which will affect second-hand sales more than new-builds, in the same way that the Madrid or Barcelona markets will experience much smaller adjustments given due to their status as high-demand locations with limited availability.

A change in trend continues to be observed with the increase in rental homes, in which this sector, together with that of residences for students and the elderly, continues to revolve around investor interest and suffer to a lesser extent from restrictions on financing.

#### Offices segment

In the year 2020, office rentals fell by 35% in Madrid and 51% in Barcelona, compared to the average of the last 5 years. Although the outlook for FY 2021 is more favourable, the figures are still lower than in previous years.

The unemployment rate will continue to increase as a consequence of both the readjustments in company costs due to the impact of the economic crisis, and the incorporation of a new range from projects under construction that have been completed, or the return of second-hand assets to the market. The evolution of teleworking as a practice for the future will also have an impact on the demand for offices. Investors in the office sector maintain their interest, but they are more selective towards prime assets in terms of location, asset quality and income security.

## Retail segment

The evolution of this sector is expected to go hand in hand with the recovery of household consumption. The post-COVID scenario will be marked by the gradual and constant increase in online purchases in the coming years. In this new environment, an optimal integration between the online and offline world will be pursued in order to give greater relevance to the role of technology.

## Logistics segment

The logistics sector was without doubt one of the most resilient in 2020, with strong demand that is expected to continue increasing throughout 2021. The main driving forces behind this strong performance are the food, pharmaceutical, technology and sports sectors, as well as online commerce. Rents also remained stable throughout 2020, and it is expected that they will continue to do so throughout FY 2021, since, despite the high demand, the incorporation of new square footage into the market will limit their increase. The logistics sector will continue to be a very attractive sector for investment during 2021, with a focus on large portfolios and proximity logistics.

## Hotels segment

The tourism industry was one of the most significantly affected industries in 2020, with an unprecedented contraction in demand and sites forced to close for much of the year. The sector is expected to begin recovering from mid-2021, once mobility restrictions are relaxed, although full recovery is not expected until 2023-2024.

The investment market, for its part, seems to be starting to wake up. As a result, there will likely be an increase in the liquidity tensions of some owners in the coming months, as well as in the environment of low interest rates and the lower profitability of others types of assets.



Share value at the close of FY 2020

Regarding Renta Corporación, its business portfolio, focused on Madrid and Barcelona, amounts to 129.8 million euros and, despite decreasing by 39% compared to the end of 2019, provides significant visibility on the transactional margin forecast for the year 2021. Although the crisis has delayed its implementation, the company continues to make progress in two new investment vehicles that are specialized in the acquisition of real estate assets in Spain. One focuses on real estate logistics, while the second focuses on hotel assets.

Throughout 2020, the Group consolidated the diversification of its sources of funding, which gives it flexibility to take on more complex projects that are financed by traditional banks. In this regard, in May 2020, the company renewed its promissory note programme and, in the last quarter of the financial year, joined ICO's direct financing programme using Marf promissory notes, as well as its guaranteed promissory note programme, in February 2021. The share price closed FY 2020 with a value of 2.05 euros per share, 35% below the 3.15 euros per share at the end of FY 2019.

# Renta Business Overview 2020

The operating profit suffered a significant decrease to 4.2 million euros due to delays in the execution of operations. This is composed of 5.1 million euros from the transaction business, 2.8 million euros from the equity business and -3.7 million euros from other income and expenses.

The overhead costs amount to 9.4 million euros and are composed of 8.1 million recurring euros - compared to 8.7 million euros in FY 2019 - and 1.3 million non-recurring euros as a result of the development of new projects which are yet to be implemented.

Although there are no doubts about the recoverability of the activated tax credits, the company decided not to increase the tax assets recorded in its balance sheet at the close of FY 2019, instead adapting its recognition based on the evolution of the new strategic plan.

Renta Corporación closes FY 2020 with an accumulated net result of -8.8 million euros as a result of the economic stagnation caused by the COVID-19 pandemic.

Regarding the assets section of the company's balance sheet, it is first worth highlighting the decrease in stock figures to 65.2 million euros

at the close of the year. This is mainly as a consequence of sales made during the year, as well as the company's lower levels of investment in new projects.

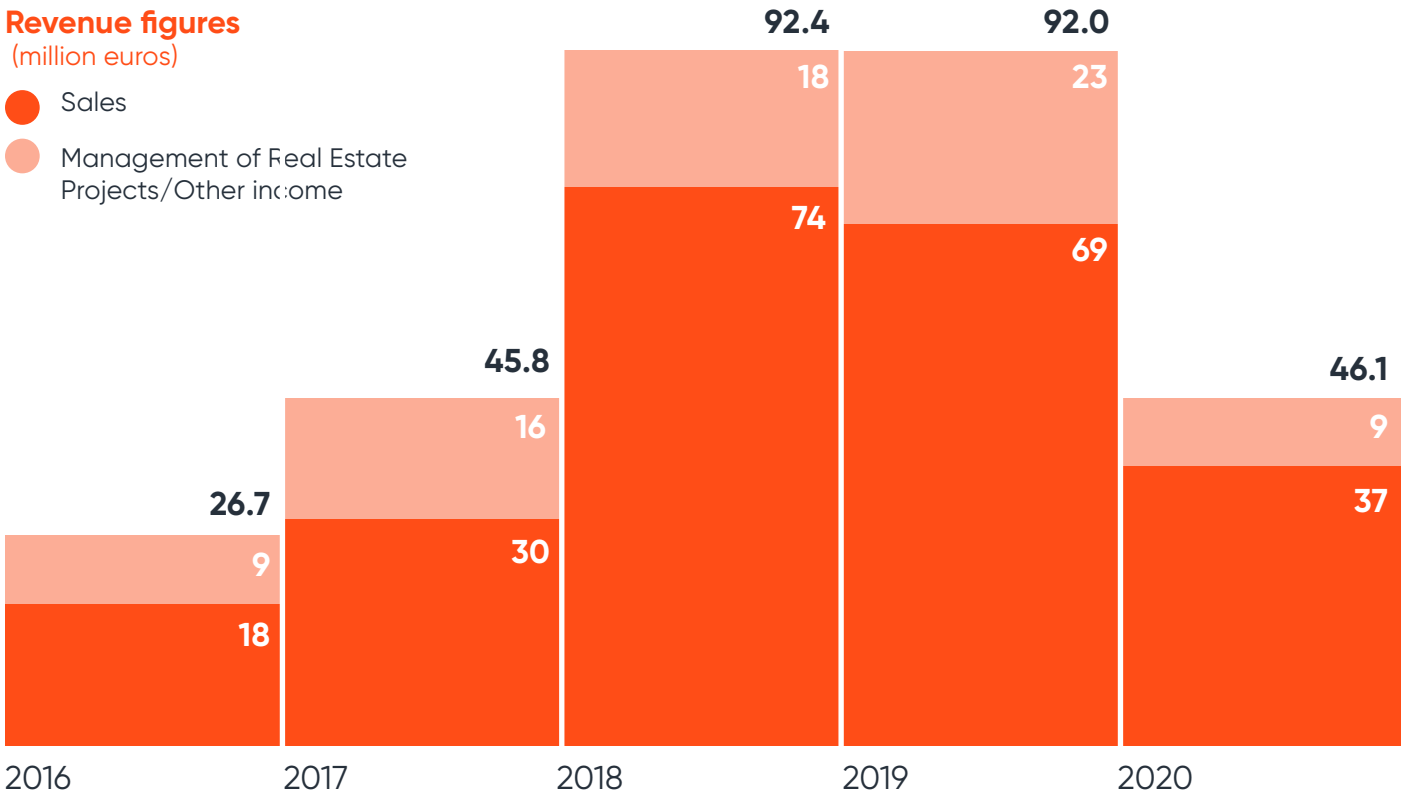
It is also worth highlighting the decrease in debtors, due to the collection of a delegated promotion of an office project located in Barcelona's 22@ district, which was sold to an institutional investor, as well as the collection of the sale of facilities in the Guinardó neighbourhood carried out at the end of 2019.

In contrast, cash and banks increased by practically 50% compared to the end of 2019, and closes FY 2020 at 7.7 million euros.

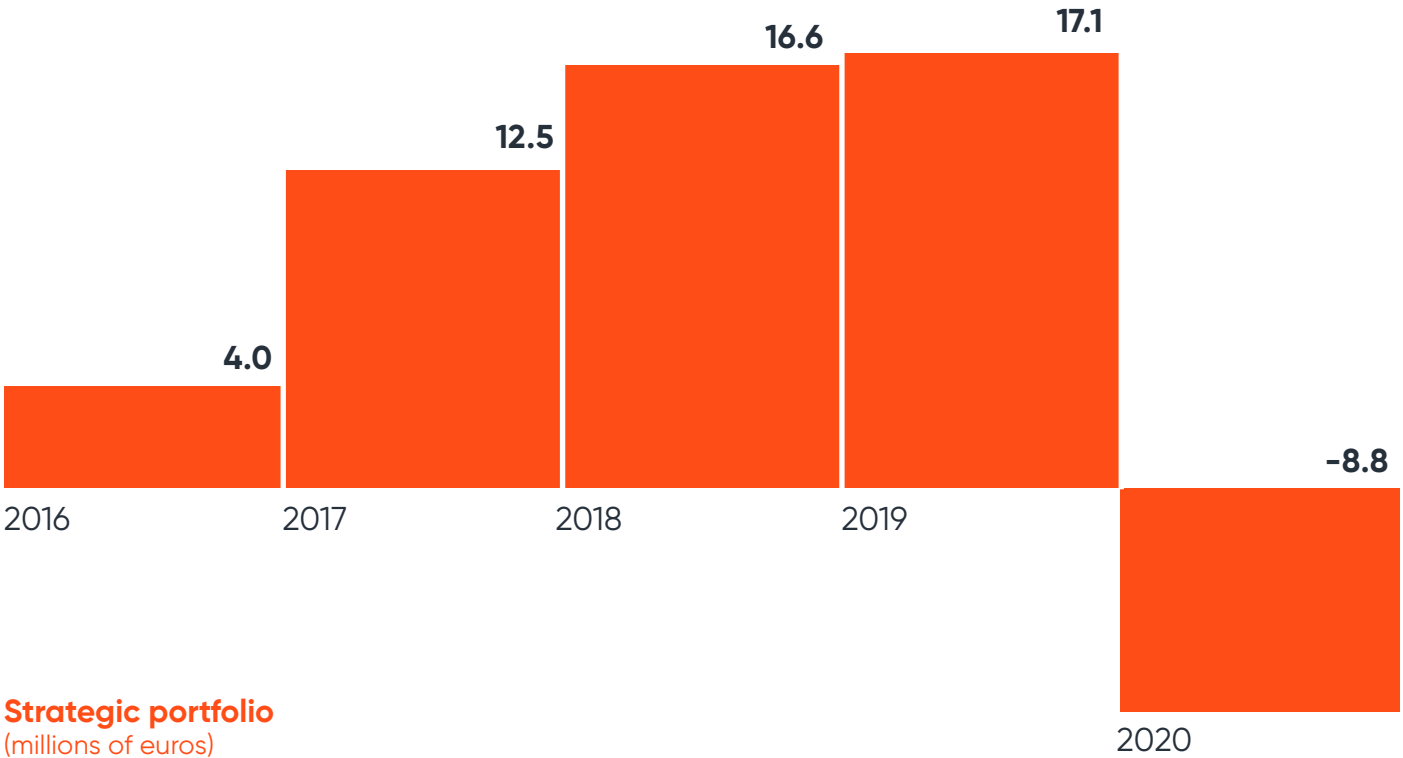
As for the liabilities section of the balance sheet, net financial debt fell by 26% to 47.5 million euros, with a reduction of more than 20% in short-term debt. Debt, for its part, decreased to 38% of assets.

Revenue figures  
(million euros)

- Sales
- Management of Real Estate Projects/Other income

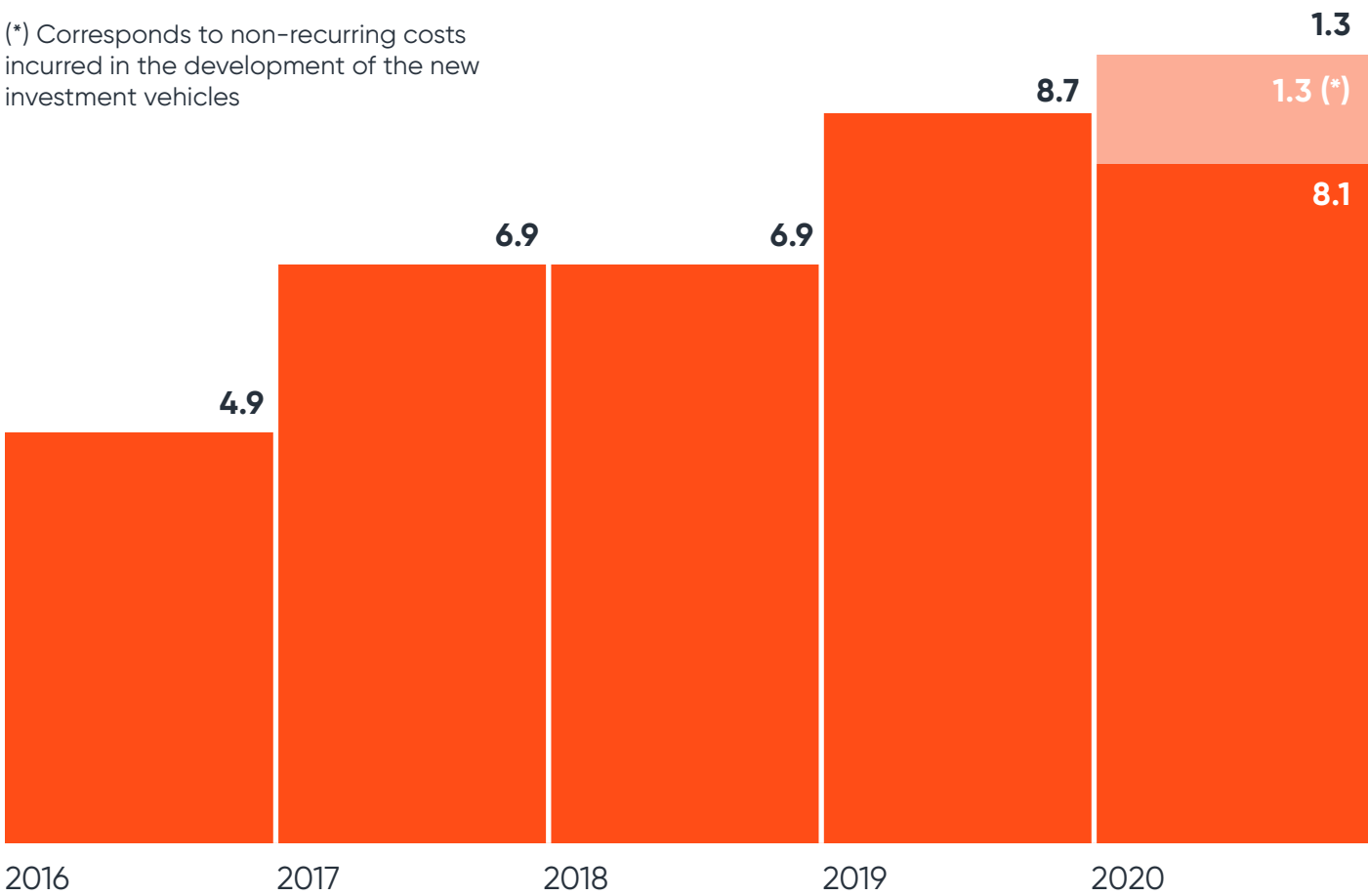


Net profit  
(millions of euros)



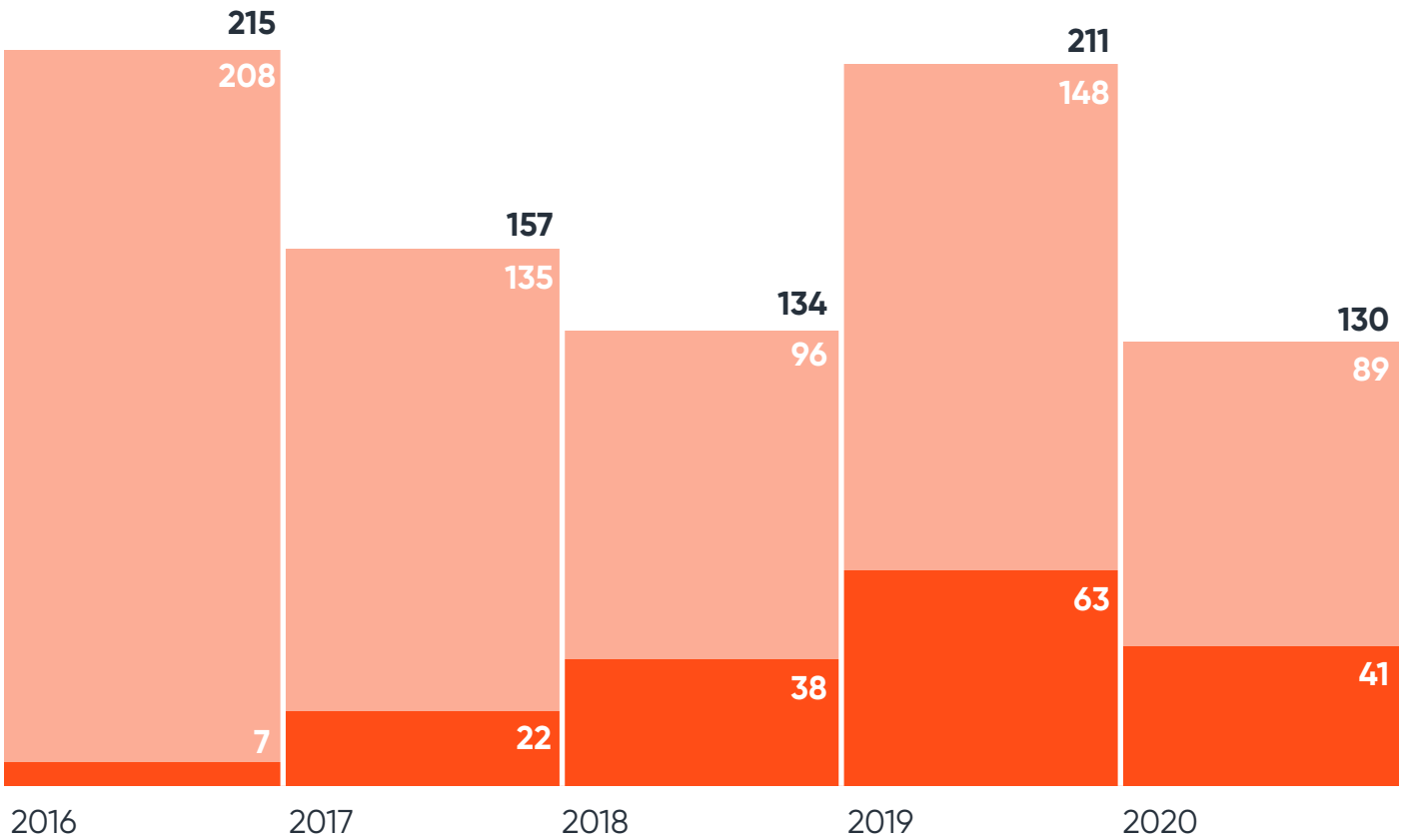
Overhead and staff expenses  
(millions of euros)

(\*) Corresponds to non-recurring costs incurred in the development of the new investment vehicles



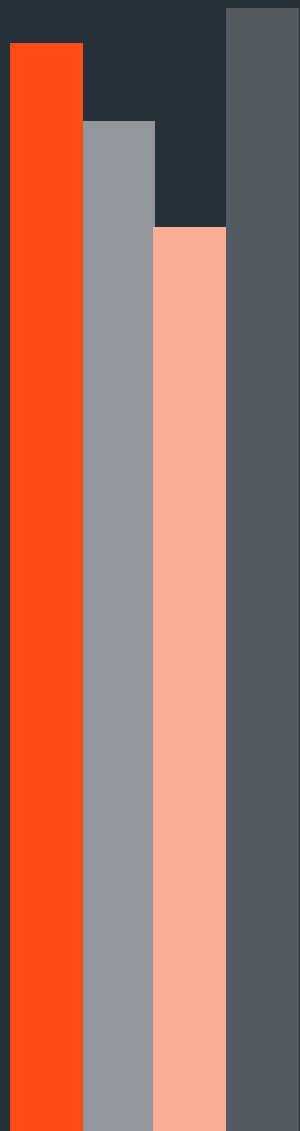
Strategic portfolio  
(millions of euros)

- Strategic inventory
- Rights



# Financial management

03



Net financial debt, calculated as Financial Debt minus Equity Loans, suffered a highly significant decrease to 47.5 million euros, compared to 63.9 million euros at the end of the previous year, mainly as a consequence of the amortization of mortgage debt and other debts associated with the sold assets.



# Financing

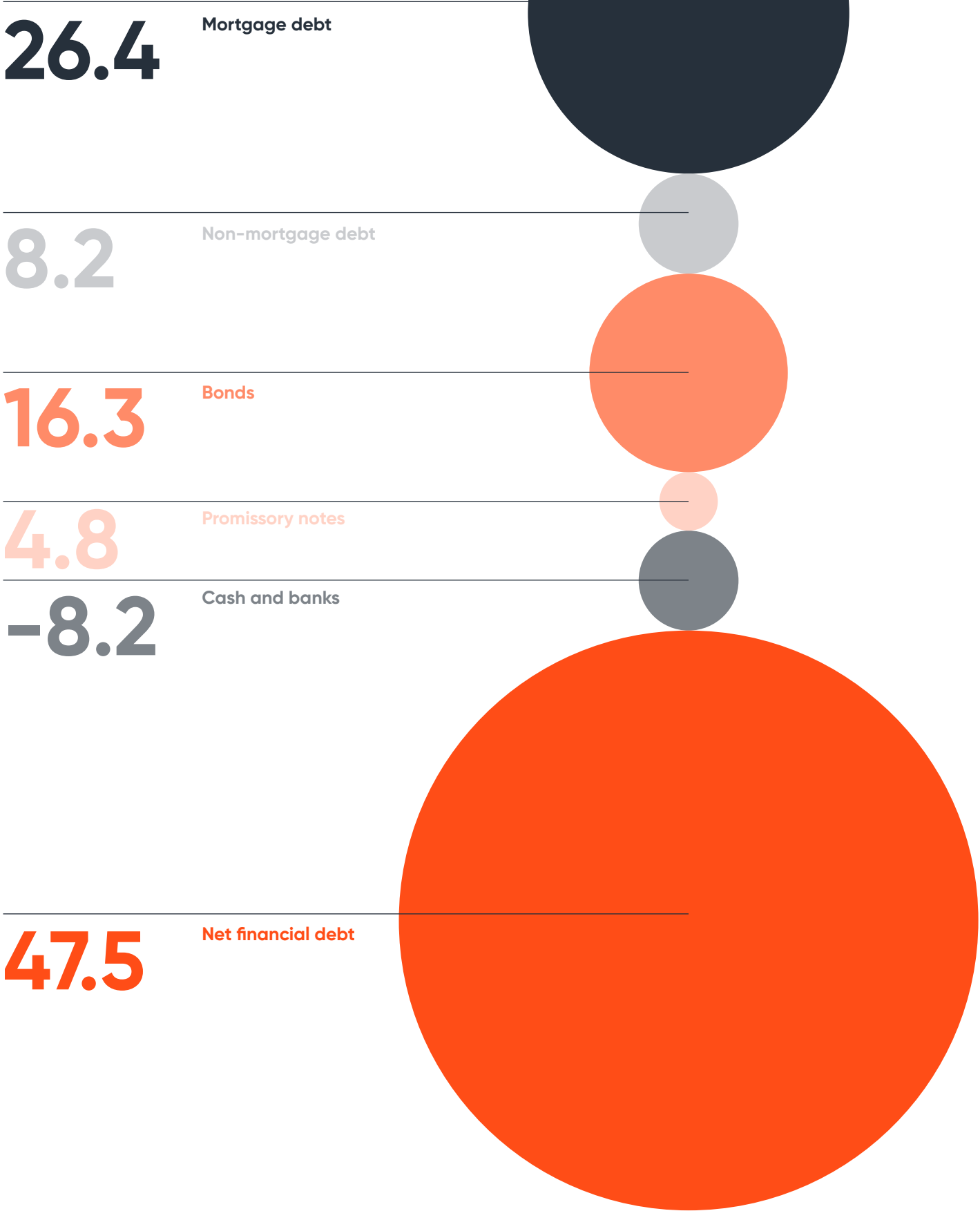


The following table analyses the data by headings in financial year 2020:

(Millions of €)	Dec-20	Dec-19	Var.
Mortgage debt	26.4	35.6	-9.2
Other debts	29.3	34.0	-4.7
(-) Cash and Investments Financial	-8.2	-5.7	-2.5
<b>Net financial debt</b>	<b>47.5</b>	<b>63.9</b>	<b>-16.4</b>

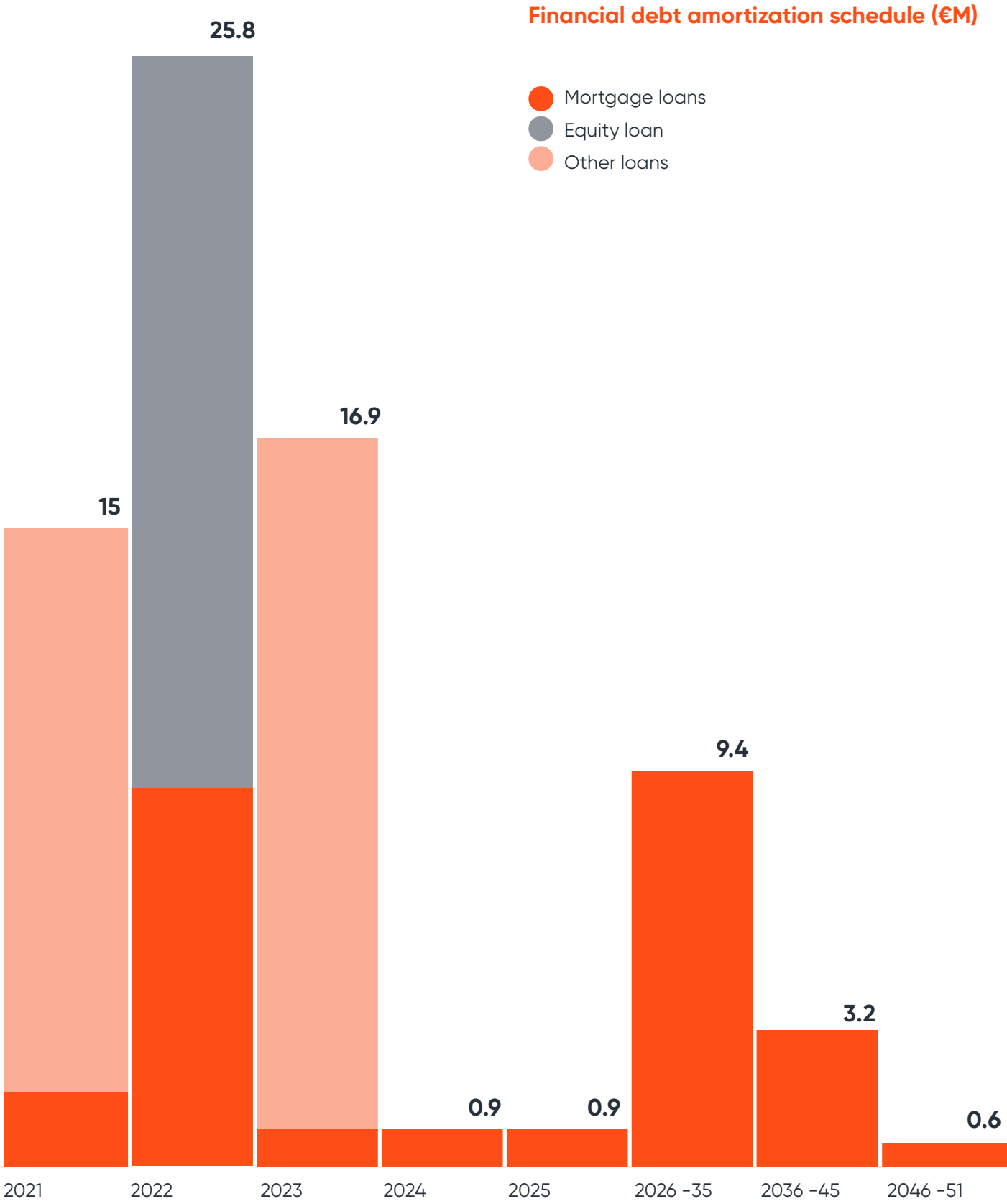
Net Financial Debt is distributed by type as follows:

## Financial debt by type (€M)



The assets listed under the “Inventory” heading are classified as current assets because they are to be completed in the Group’s normal operating cycle. Consequently, debt associated with the assets under this heading, appear in their entirety

as Financial Debts in current liabilities, regardless of its maturity. Financial debt maturity is shown in the chart below:



# Financial risk management

The Group's business is exposed to various financial risks: market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk. The Group’s global risk management programme focuses on the uncertainty of financial markets and seeks to minimise potential adverse effects on profitability.

Risk management is controlled by the Corporate General Management pursuant to policies approved by the Board of Directors. This Management identifies, evaluates and hedges financial risks in close collaboration with the Company's operating units. The Renta Corporación Group’s Board of Directors stipulates policies for managing global risk, exchange rate risk, interest rate risk, liquidity risk, use of derivatives and non-derivatives and investment of excess liquidity.

## Market risk: exchange rate

The Group defines currency risk as the negative effect that a fluctuation of exchange rates may have on profit, equity or cash flows. The Group has no international companies, nor does it carry out transactions for a significant amount in any currency other than the euro, so the exposure to this type of risk is not significant.

## Market risk: interest rate

The Group is currently financed through an equity loan, mortgage debt rewarded at variable market rates and through other loans, the issuance of promissory notes and 5-year ordinary unsecured bonds. Regarding the equity loan, for which a liability of 18.339 million euros is recognized, bears interest at a variable rate of Euribor plus a spread of between 1% and 3%, depending on the Group’s consolidated net profit, always provided that it exceeds 10 million euros. If the consolidated net profit is under 10 million euros, no variable interest is accrued. This loan accrued no interest in FY 2020.

The bond issue was made by the Company on 2 October 2018 for an amount of 16.500 million euros, and was remunerated with a 6.25% coupon.

As of December 31, 2020, the balance drawn down by the Group under the aforementioned promissory note programme amounts to 4.900 million euros in nominal value, with nominal interest rates of between 2.00% and 5.00%.

The interest rate risk is managed in accordance with policies approved by the Board of Directors, which establish whether or not hedging instruments are needed to minimise the impact of volatile interest rates. To date, Renta Corporación Group does not have any interest rate hedging contracted.

Given the favourable interest rate terms agreed in the Creditors' Agreement and the fixed nature of



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the bond remuneration, there is a natural hedge limiting volatility, so there is no need to take out interest rate insurance.

Credit risks

Credit risk arises from both the ability to obtain financing and the ability to access cash and deposits with banks and financial institutions as well as collection from customers, including outstanding receivables and committed transactions. The current market situation is causing a general increase in liquidity tensions in the economy, as well as a contraction of the credit market.

The Group has a diversified financial structure made up of both bank and non-bank financing, with the latter mainly coming in the form of bonds and promissory notes. This diversified structure provides greater flexibility for handling operations which, by their nature, are more difficult for the now more restrictive traditional banks to finance. Equally, given how the Group's results panned out in 2020 as a result of the current market situation, the Group reached an agreement with the 2018 bondholders to suspend the calculation of the covenant until FY 2022.

Liquidity risk

The Group's ability to obtain new financing depends on many factors, some of which are not under its control, such as general economic conditions, availability of credit from financial institutions and established monetary policies. The Group consolidated the diversification of its sources of funding, which gives it flexibility to take on more complex finance projects that are financed by traditional banks. In this regard, the Parent Company renewed its promissory note programme, which was incorporated in the Alternative Fixed Income Market (MARF) on 7 May 2020. Additionally, in the last quarter of the financial year, it joined ICO's direct financing programme through Marf promissory notes, as well as its guaranteed promissory note programme, on 4 February 2021.

In addition, any kind of alliance with financial partners could be explored, which will allow for the extension of funding sources to carry out more large-scale projects in the future which will bring higher margins.

Capital risk management

Exposure to capital risk is determined by the difficulty of maintaining sufficient net equity and debt levels to keep the company operational, to generate returns for shareholders and profits for holders of other equity instruments and to maintain an optimal capital structure and limit or reduce its cost.

Operational risks

The everchanging and unpredictable situation at present could provoke risks of temporary interruptions in developments or sales on top of those already experienced in during 2020's periods of confinement. Most of the Group's income comes from the operations it carries out. Consequently, income and results depend on the supply and demand of real estate assets. Additionally, it should

be noted that the entirety of the Group's business to date is located in Spain, so any change in the economic situation in our country could have a direct impact on the evolution of its business. As is to be expected, the evolution of the macroeconomic situation and the uncertainty of the markets due to the pandemic among other factors, may affect the Group's volume of current and potential operations.

# Cash Management

The Renta Corporación Group manages to finance its investments through an equity loan, the issuing of bonds and promissory notes, mortgage loans on favourable terms, other non-bank loans, and ordinary business-generated income.

Treasury management aims to meet payment obligations in the short term and manage cash surpluses. In order to meet payment commitments in the medium and long term and provide the financial resources needed for strategy implementation, Corporate General Management carries out:

## 01

Monitoring of the liquidity capacity to meet payments in the short term.

## 02

Monitoring of financing capacity to meet payment obligations in the medium and long term, as well as to continue the normal course of operations and the defined strategy.

## 03

Monitoring of compliance with provisos or other obligations associated with debt.

## 04

Searching for sources of credit with the best conditions for the Group.

## 05

Adapting the structure and amount of debt depending on the current situation and evolution of the business.

## 06

Planning and monitoring of cash inflows and outflows.

# Notes on the Consolidated Balance Sheet

Renta Corporación Group's non-current assets amount to 74.088 million euros. With respect to FY 2019, this revenue increased by 749 thousand euros.

This variation has arisen mainly due to the overall effect of the revaluation of real estate investments amounting to 445 thousand euros, an increase in participation and a long-term account receivable from Vivenio Socimi due to the conversion of credits into 7.700 million euros of Vivenio Socimi shares, of which 7.537 million euros were generated in 2019, partially offsetting the gross 560 thousand euro fall in the value of the shares.

Current assets for the year amounted to 77.712 million euros, which represents a decrease of 26.993 million euros compared to 2019, mainly due to sales made during the year. In 2020, property acquisitions decreased significantly compared to the previous year due to the pandemic, which is also reflected in the decrease in inventory. Additionally, the value of inventory at year-end includes purchase options and sale and purchase promises with a net value of 6.162 million euros, entitling a future purchase of assets for 88.917 million euros which, when added to strategic inventories, leads to a business portfolio of 129.835 million euros.

On the other hand, Customers and other accounts receivable also decreased compared to the end of the previous financial year, mainly due to the

collection of a delegated promotion of an office project and the deferred collection of the sale of equipment at the end of 2019, both in Barcelona.

Net equity stands at 66.830 million euros, a 9.011 million decrease compared to the 78.841 million euros in December 2019, mainly due to the negative result for the year amounting to -8.802 million euros, the variation in the value of Vivenio Socimi shares, which, according to the price at December 31, 2020, amounted to -420 thousand euros, and the 194 thousand euros of remunerations on equity participations. As part of the measures for preserving liquidity, at the General Meeting of Shareholders on 13 May 2020 the Board of Directors offered a new proposal for profit distributions which did not include the 2.100 million euro payment of a complementary dividend for FY 2019. The new profit distribution proposal was approved on 16 June at the General Meeting of Shareholders.

Long-term financial debt stood at 38.963 million euros, consisting of the equity loan, the senior bond issued in October 2018 and mortgages associated with real estate investments.

Items of other non-current liabilities decreased by 603 thousand euros to 4.209 million euros in 2020.



The variation has occurred mainly due to the short-term reclassification of the debt linked to the creditors' agreement, which will be settled in 2021.

Suppliers and other accounts payable amount to 7.882 million euros, mainly including deferred payments for the purchase of some assets and costs related to the acquisition and transformation of some operations purchased during the year, debts with public administrations and advances from customers for reserves and down-payments, which will give rise to future income of 10.248 million euros in Madrid, and 5.537 million euros in Barcelona.

Finally, short-term debts and financial liabilities amount to 33.916 million euros, a decrease of 13.666 million euros mainly a result of the amortization of the mortgage debt and other debts associated with the assets sold.

Consolidated Balance Sheet  
(amount in thousands of euros)

Assets	2020	2019	Variance
Total non-current assets	74,088	73,339	749
Inventory	65,195	88,308	-23,113
Trade debtors and other accounts receivable	4,298	10,672	-6,374
Financial investment	542	372	170
Cash and cash equivalents	7,677	5,353	2,324
Total current assets	77,712	104,705	-26,993
Total assets	151,800	178,044	-26,244

Liabilities	2020	2019	Variance
Total net equity	66,830	75,841	-9,011
Financial debt	38,963	39,522	-559
Other non-current liabilities	4,209	4,812	-603
Total non-current liabilities	43,172	44,334	-1,162
Trade creditors and other accounts payable	7,882	10,287	-2,405
Financial debt	25,465	42,673	-17,208
Other financial liabilities	8,451	4,909	3,542
Other current liabilities	41,798	57,869	-16,071
Total liabilities	84,970	102,203	-17,233
Total net equity and liabilities	151,800	178,044	-26,244

# Notes on Consolidated Profit and Loss Statement

Revenues reached 44.519 million euros in FY 2020, compared with 89.550 million in 2019 and comprised:

	2020	2019
Real estate sales	36,993	68,896
Real estate project management	1,773	8,465
Provision of equity services	3,927	10,682
Rents	1,826	1,507
Total	44,519	89,550

Income from the transaction business decreased by 38.595 million euros compared to FY 2019, a decrease which occurred both in real estate sales and in income from real estate project management. The operations behind the transaction business income are two office operations on Gran Vía and Badajoz street, as well as an off-market hotel operation in Barcelona, and two residential operations on the Calle Palencia and Calle Marqués de Monteagudo streets in Madrid. The Gestión de Socimi business line generated an income of 3.927 million euros, and decreased by more than half compared to 2019 as a result of the decrease in income from the

origination of investment portfolio – a prime example of the effects of the pandemic – as well as the collection of an incentive fee in 2019 which was not collected in 2020.

The consolidated operating profit suffered a significant decrease compared to 2019 due to the delayed execution of operations, and fell from 18.833 million euros in 2019 to -6.177 million in 2020.

Variations in the value of real estate investments in 2020 amounted to 445 thousand euros, compared to 1.899 million euros in 2019.

The net financial result for the year shows a net expense of 3.113 million euros, a 423 thousand euro decrease compared to 2019, mainly due to the combined effect of an increase in financial expenses by 591 thousand euros compared to FY 2019, and a positive impact of 1.014 million euros due to the lower expense associated with the equity loan remuneration based on the new approved strategic plan.

As a result of a profit of -8.845 million euros before tax , there was no impact on corporate tax deriving from current activity in 2020, compared to the 3.089 million euros of current tax expense recorded in 2019.

FRANCESC DE BOLÒS 20  
Barcelona



On the other hand, according to the strategic plan reviewed at the end of the year, no additional tax assets were recognized compared to the end of 2019, in correspondence with taxable income losses to be offset against profit. At the end of 2019, the recorded impact by this concept was 3.008 million euros.

With all this in mind, Renta Corporación closes FY 2020 with a net profit of -8.802 million euros, compared to the 17.115 million euros obtained in FY 2019.

Consolidated Profit and Loss Statement  
(amount in thousands of euros)

	2020	2019	Variance
Operating revenue	44,519	89,550	-45,031
Other operating income	1,115	578	537
Goods used	-31,689	-54,555	22,866
Employee benefit expenses	-936	-	-936
Other expenses - buildings	-5,754	-6,151	397
Outsourcing expenses	-12,181	-9,303	-2,878
Other taxes	-692	-986	294
Losses, impairment and changes in trade provisions	-255	-	-255
Amortisation and losses related to assets	-304	-300	-4
Profit from disposal of fixed assets	-	-	-
Consolidated operating profit	-6,177	18,833	-25,010
Change in value of real estate investments	445	1,899	-1,454
Net financial expenses	-3,113	-3,542	429
Impairment and profit/(loss) from disposals of financial instruments	-	6	-6
Income from investments recorded using the equity method	-	-	-
Consolidated profit before tax	-8,845	17,196	-26,041
Profit tax	43	-81	124
Profit and loss for the period from continuing operations	-8,802	17,115	-25,917
Profit and loss for the preceding period from discontinued operations, after tax	-	-	-
Consolidated profit for the year	-8,802	17,115	-25,917
Profit attributable to shareholders	-8,802	17,115	-25,917
Profit/(loss) attributable per share from continuing operations (stated in euros per share)	-0.27	0.53	-0.78
Profit/(loss) attributable per share from discontinued operations (stated in euros per share)	-	-	-
Profit/(loss) attributable per share (in euros per share)	-0.27	0.53	-0.78



# Notes on the Consolidated Cash Flow Statement

The Group's practice is focused on the acquisition, transformation and sale of real estate assets with high turnover, which allows rapid acquisition of liquidity.

Thus, the buoyancy of the housing market is pinpointed as the most determining factor for generating liquidity in the Group. The Group's business model, by its very essence of acquisition and sales flow, quickly identifies market changes and adapts its practices to the context in which they take place.

The cash flow generated from operating activities amounted to 18.260 million euros in 2020, which was mainly applied to financing investment operations for an amount of 384 thousand euros, and to the amortization of debt for an amount of 15.552 million euros, which resulted in a 2.324 million euro increase in cash and equivalents at the close of 2020.

VIEWS FROM THE PASSEIG DE GRÀCIA 54  
Barcelona



## Consolidated cash flow statement (in thousands of euros)

Operations	2020	2019	Variance
Operational Profit/(loss)	-2,253	10,990	-13,243
Changes in current capital	22,460	-37,271	59,731
Interest earned (paid)	-1,851	-2,279	428
Corporation tax payment	-96	-2,493	2,397
<b>Cash generated/(used) - Operations</b>	<b>18,260</b>	<b>-31,053</b>	<b>49,313</b>

Investment operations	2020	2019	Variance
Purchase of intangible assets	-116	-372	256
Acquisition of tangible fixed assets	-70	-27	-43
Real estate investment payments	-	-19	19
Receipts/(payments) relating to investments by group and associated companies	-	12	-12
Other financial assets	-198	-311	113
<b>Cash generated/(used) - Investment</b>	<b>-384</b>	<b>-717</b>	<b>77</b>

Financing operations	2020	2019	Variance
Alienation of equity instruments	211	63	148
Issuing of bonds and other negotiable instruments	16,415	19,021	-2,606
Issuance of loans by financial institutions	6,293	32,067	-25,774
Issuance of other loans	7,814	4,673	3,141
Reimbursement of obligations and other negotiable securities	-25,731	-6,500	-19,231
Repayment of loans	-15,778	-14,688	-1,090
Repayment of other debts	-4,776	-3,138	-1,638
Dividends	-	-3,100	3,100
<b>Cash generated/(used) - Financing</b>	<b>-15,552</b>	<b>28,398</b>	<b>-43,950</b>
Cash at beginning of the year	5,353	8,725	-3,372
Cash at year-end	7,677	5,353	2,324

<b>(Net reduction)/increase in cash flows and cash equivalents</b>	<b>2,324</b>	<b>-3,372</b>	<b>5,696</b>
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04

# Stock Market and Shareholders

Renta Corporación shares have been listed on the Barcelona and Madrid Stock Exchanges since April 2006, and are traded on the Spanish Stock Exchange Interconnection System (ISBE or Continuous Market).

Renta Corporación's share capital consists of 32,888,511 shares in circulation with a par value of €1/share. All shares have the same voting and financial rights.



# Share history

After the Renta Corporación's share closed 2019 at 3.15 euros, in 2020 the share closed at 2.050 euros, all due to the instability generated as a result of the COVID-19 health crisis. The year-end price equates to a market capitalisation of 67.4 million euros.

## Salient Figures

Source: BME

2.05

euros/share  
Share price at  
31/12/2020

3.59

euros/share  
Annual  
maximum 2020

1.40

euros/share  
Annual  
minimum 2020

2.02

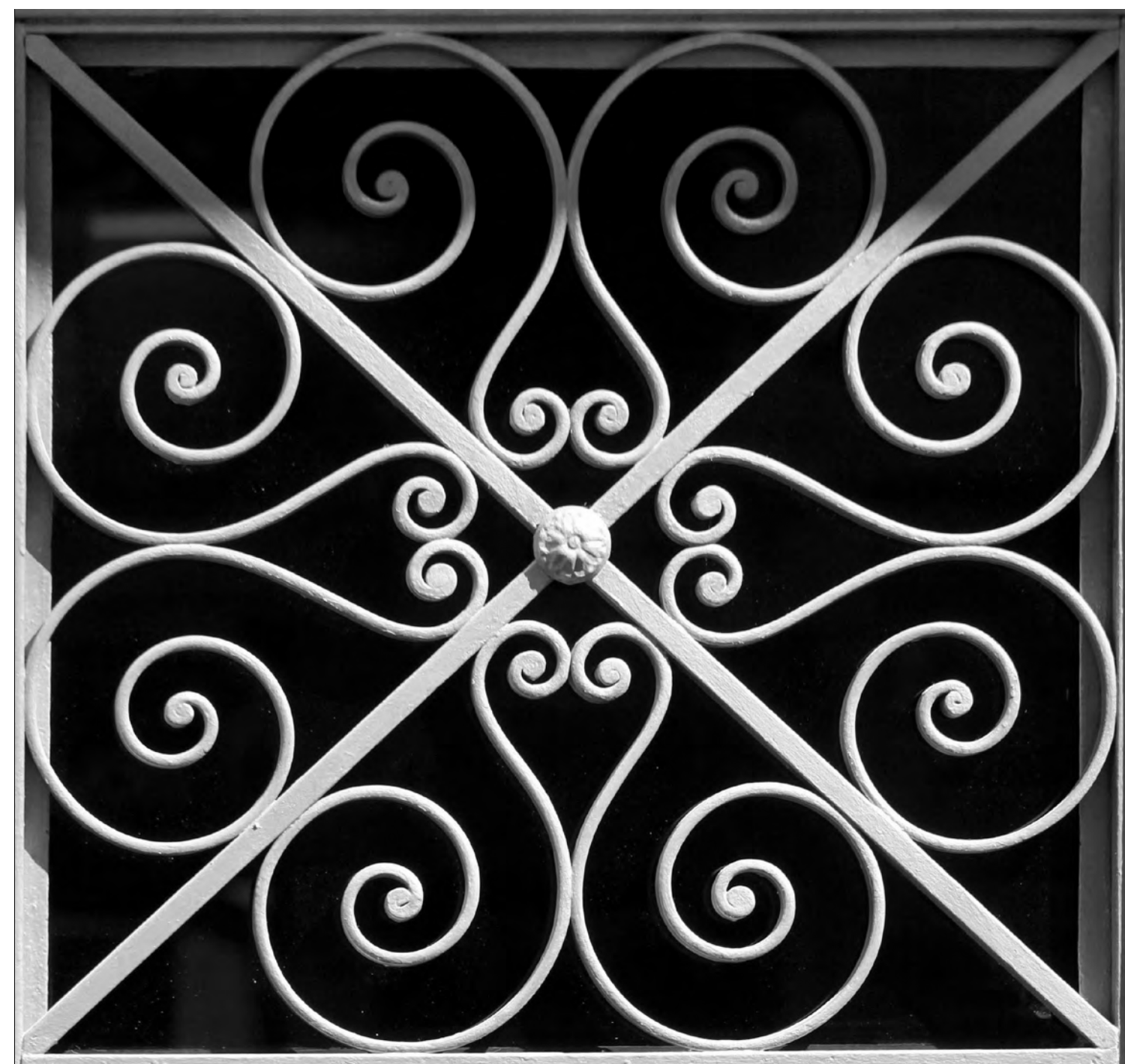
euros/share  
Annual  
average 2020

## Trading

In FY 2020, 13,604,039 shares were traded for a total price of 27,460,356 euros. The month with the highest volume of contracts was January and the month with the lowest volume was July. Average daily trading was 52,934 shares.

13,604,039

Shares traded during 2020



# Shareholders

52.89%

Free-float

Distribution of holdings in Renta Corporación Real Estate S.A. at 31 December 2020:

22.77%

Other significant shareholders

22.54%

Directors

Note: Information provided in this section was produced from reports filed by shareholders who reported their shareholder positions either because their holding exceeds regulated levels or because they are obliged to do so as company directors.

Up-to-date information is also available in the Annual Corporate Governance Report, as required by regulations, and on the Spanish Securities and Investment Board and Renta Corporación websites.

1.80%

Treasury shares

# Dividends

The dividend distribution policy was resumed in 2018, and during 2019 a total of €3,100,000 was distributed.

In addition, the Board of Directors of 26 February 2020 proposed to the Ordinary General Meeting of Shareholders initially scheduled for 22 April 2020 a supplementary dividend to be charged to FY 2019 profits for an amount of €2,100,000, but in view of the exceptional circumstances resulting from the spread of the COVID virus, and from a perspective of financial prudence, the Board of Directors considered it best to modify the proposal for the application of the profit, and propose an application of the 2019 year-close profits to the Ordinary General Meeting of Shareholders that did not include the distribution of said dividend.

MARQUÉS DE MONTEAGUDO 8  
Madrid



# Investor Relations

It is our wish to keep investors constantly informed of developments within the group, so that both shareholders and investors can access company public information and material events (from February 8, 2020 CIP or DIS onwards) through the following communication channels:



## Face-to-face

Mainly via the General Meeting of Shareholders.



## Publications

The Annual Report is the main means of communication, supplemented by communications with the Spanish Securities and Investment Board (CNMV):

1. Annual Report, including the Annual Corporate Governance Report, which provides relevant and accurate information on the Company business.
2. Reporting of all material events to the Spanish Securities and Investment Board (CNMV) (from February 8, 2020 CIP or DIS onwards).

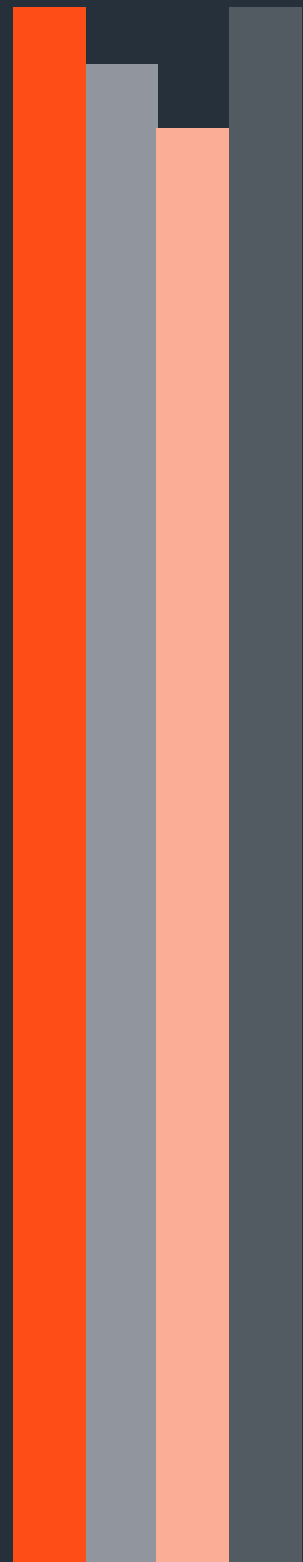


## Internet

Via its website at [www.rentacorporacion.com](http://www.rentacorporacion.com), the Company provides clear, objective and real-time information about corporate events, its organisation and financial statements, as well as the latest news, material events (from February 8, 2020 CIP or DIS onwards), reports, presentations and any other information which may help give a clear picture of the current status of the group. To handle shareholder queries about the progress of the Company, a channel exists which was specifically set up for this purpose via the e-mail address [r.inversores@rentacorporacion.com](mailto:r.inversores@rentacorporacion.com).



05



# Corporate Social Responsibility Report

Renta Corporación is a company which considers Corporate Social Responsibility (CSR) a strategic part of the business and has as a roadmap a mission and vision, through values that are applied within the framework of the Code of Ethics and shared with the people and stakeholders with which the Company interacts on a permanent basis in the course of its business.



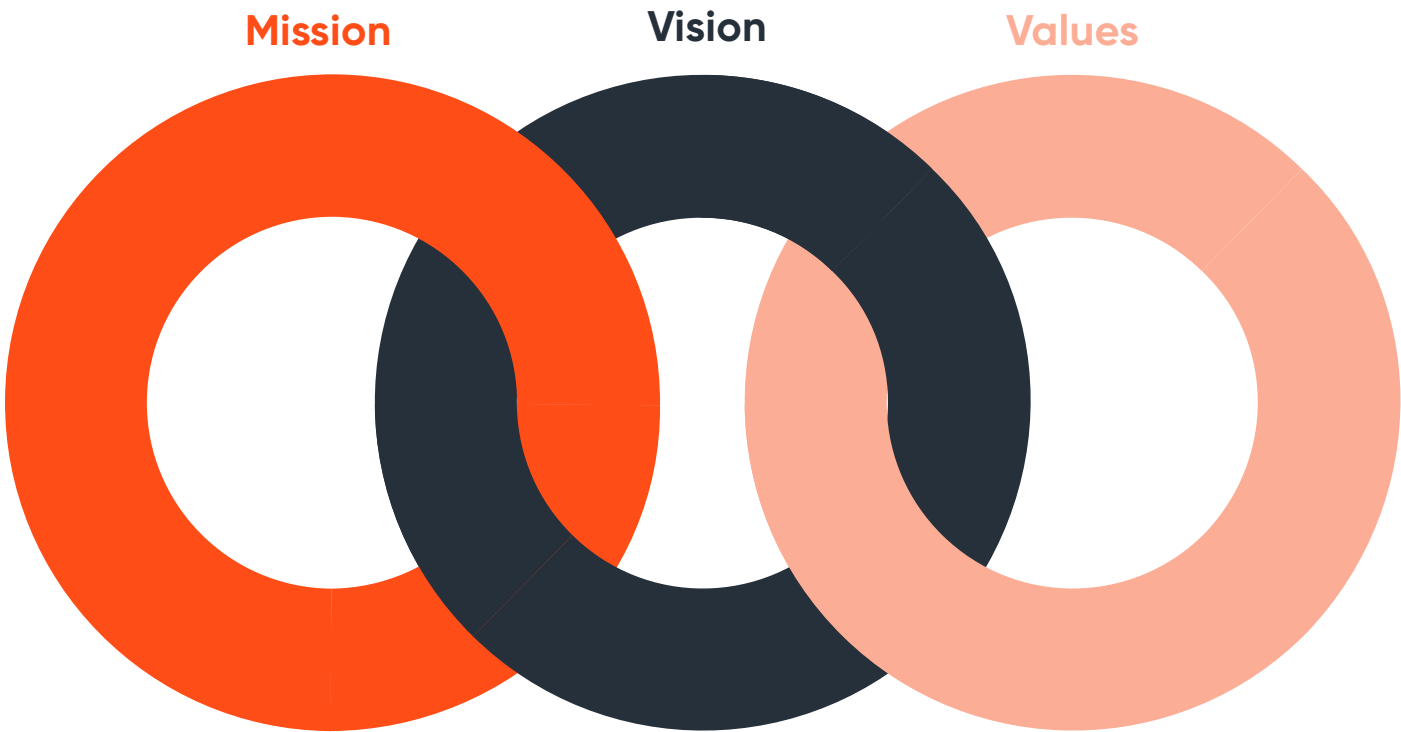
# CSR as a strategy

**One mission**  
Creating value through business activity that allows our customers to maximize their potential, and the creation of long-term value for our shareholders.

**One vision**  
Seeking to become leaders in the building purchasing and rehabilitating sector in large urban centres.

**Values**  
Applying ethics, rigour, commitment, transparency and responsibility in relationships and in real estate activity, as well as fostering talent and professionalism in the team. This CSR activity report features all aspects that

distinguish Renta Corporación as a responsible company. And we understand responsibility as not merely complying with environmental parameters and applying sustainability criteria when planning our business activity, but in reference to our ethics and responsibility to employees, our commitment to them and our need for transparency in all areas of our relationship.



# Corporate culture and stakeholders

**Companies that have integrated CSR into their business model are in a better competitive position for facing future challenges.**

This is the case of Renta Corporación, which continued to be committed to its stakeholders during 2020, providing strong communication channels and always looking for strong commitments to strengthen the relationship in the medium and long term. In addition, transparency, rigour, ethics, commitment and talent are the parameters that define Renta Corporación's corporate culture. These principles guide the Company's activity and its relationship with the environment, reflecting its commitment, its strong

belief in people as guarantors of delivering value to all its activities and preserving the reputation of the brand in business dealings.

Talent as the tip of the spear, the greatest asset for a company that strives to be a benchmark in its sector.

Ethics and commitment are overarching elements in all company relationships and a safeguard of integrity and respect in the organisation.

Transparency and rigour as the bases on which a company must work by providing the necessary credibility to carry out its work in the long run.



# Commitment to the team

Renta Corporación's people have always been one of the Company's most obvious strengths, pivotal for business development and its quest for excellence. The Company's responsibility in this area is among the main objectives of its Corporate Social Responsibility

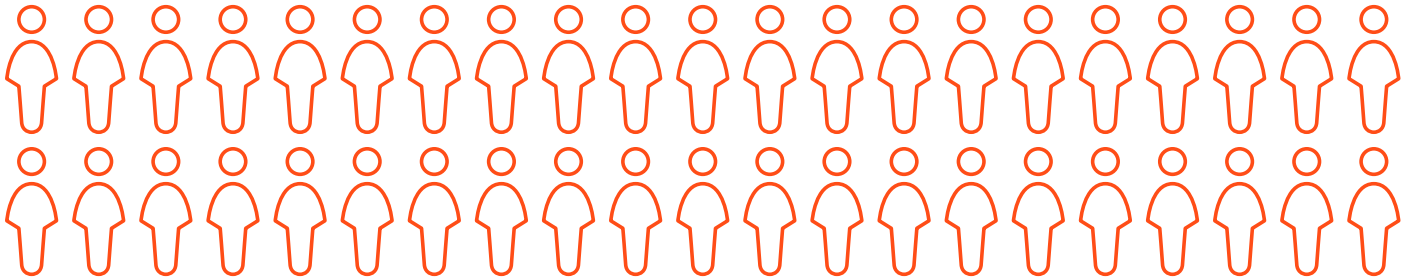
As of 31 December 2020, the Company had 42 employees.

By year-end 2020, 29% of the Company's team worked from the Madrid office and the remaining 71% from the Barcelona office.

The Company workforce highlights include:

42

Employees at 31 December 2020



Renta Corporación is aware that its team is its most important asset. This statement becomes more valuable in difficult times, since talent management in the pursuit of excellence is essential for overcoming any crisis situation alike to that experienced in 2020.

# Main communication channels

Communication with stakeholders is part of Renta Corporación's strategy and business management, the objective of which is to harness the information and opportunities that a smooth and direct relationship can provide.

In order to ensure the very best quality, the company is in constant contact with its customers, shareholders, investors and suppliers through various channels. These channels serve to detect strengths and weaknesses and to observe the needs and expectations of the customers themselves.



## 01

### Customers

- Bilateral information regarding new products.
- Regular sales campaigns.
- Internal policy for excellent relationships with tenants, involving direct and personal communication.
- Website and e-mail.

## 02

### Suppliers

- Loyalty actions designed to foster and strengthen good relations.
- Submittal of relevant information to technical personnel and property appraisers.
- Website and e-mail.

## 03

### Employees

- Annual corporate meetings.
- Human Resources Department performance review meetings with all employees.
- Monthly Management Committee meetings.
- Quarterly information meetings.
- E-mail updates (announcing appointments, organisational changes, job vacancies, etc.).
- Website, Intranet and Employee Mailbox.

## 04

### Society

- Regular presentations to the press concerning Company results.
- Dialogue with neighbourhood associations and government authorities.
- Membership of trade associations and CSR promoters.
- Feedback from NGOs and society at large about Fundación Renta Corporación's contributions and activities.
- Website and e-mail.

## 05

### Investors/shareholders

- Publication of annual and quarterly financial results.
- Press releases.
- Yearly publication of reports (Annual, Corporate Social Responsibility, Corporate Governance).
- Shareholder relations office.
- Website and e-mail.

# Value chain

Ethics, commitment and efficiency are the principles which underlie all activities carried out by Renta Corporación and its relationships with all of its stakeholders, as well as its professionalism as a manifestation of its strong commitment to the business model and the belief that it is the way forward in the coming years.

01

Rational consumption of energy resources

02

Recycling of materials and waste management

03

Selecting materials for construction projects that contribute to their energy efficiency

04

Focus on energy refurbishing in all properties in which the Company is involved

These principles, coupled with the conviction that people are the strength of our organisation, make Renta Corporación a company that is guided not only by the bottom line but also by the desire to promote more sustainable and efficient development with its business.

Renta Corporación helps to create quality and increasingly sustainable environments for its customers, with efficient resource management as its driving force, a philosophy which it extends to its suppliers. It therefore fosters the following set of guidelines both with its suppliers and internally:

# Good governance



In its commitment to establishing a culture of integrity, the Company is committed to good governance by encouraging awareness of it and safeguarding compliance.

Thus, the Good Governance Code, beyond its obligations and recommendations, guarantees the transparency and rigour of our operations and proper corporate governance in order to unify and strengthen the identity, culture and behaviour patterns of the Group.

A basic principle of our Corporate Governance is that of transparency with shareholders, investors and the market in general, and to carry out monitoring of best practices in this regard, identify risks and instruments for control and management, information management and security policies and promotion of socially responsible corporate policies.

Through the Company's website, [www.rentacorporacion.com](http://www.rentacorporacion.com), all stakeholders have access to detailed information for any question or request. Aware of the importance of risk management, Renta Corporación has established procedures for identifying reputation risks, as well as other risks deriving from compliance with the law, general and industry standards, and internal

policies. The Company has two supervisory bodies in the Board of Directors that act as safeguards: the Audit Committee and the Appointments and Remuneration Committee. There is also the internal auditor.

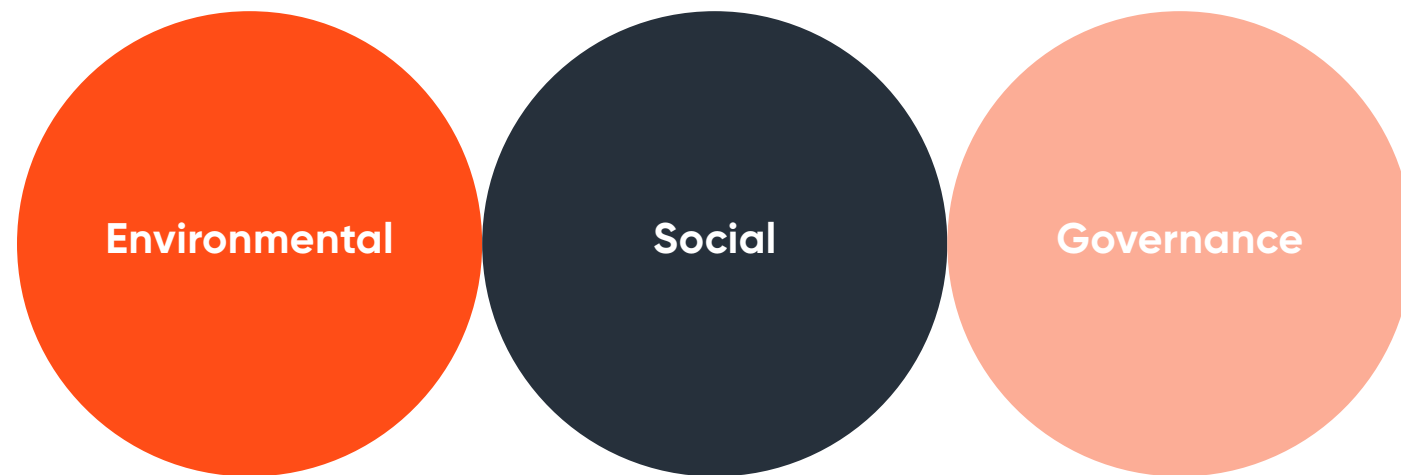
The Audit Committee assists the Board in its oversight duties by periodically reviewing the process of preparing the financial information, internal controls and ensuring the external auditor's independence. The Appointments and Remuneration Committee fulfils the function of informing the Board on appointments, re-elections, separations and remunerations of the Board of Directors and their positions, as well as the general remuneration and incentives general policy for the same and senior management.

The Internal Audit functions are assumed by an independent external expert, who is in charge of reviewing and evaluating the effectiveness of the risk management and internal control system's operations and contributing to its improvement. These responsibilities are carried out under the supervision of the Audit Committee, which periodically reports to the Board of Directors on the recommendations made for improving the risk management and internal control systems, and the degree of adoption thereof.





# ESG criteria



Renta Corporación maintains and continues to apply ESG (Environmental, Social and Governance) criteria, fully committed to the SDGs (Sustainable Development Goals).

For this reason, Renta Corporación requires LEED certification in its new office promotions (related to energy efficiency, use of water, green areas, etc.). This certification is a demonstration of our commitment to sustainability and the environment and, on the other hand, provides an added value of well-being to future users of the property, highly appreciated by tenants.

Renta Corporación should also highlight the commitment to sustainable construction and energy efficiency through a new housing project in Hospitalet de Llobregat, with an estimated finish date scheduled for the end of 2021. It will be a construction (i) with green certification from the Green Building Council of Spain, which recognizes projects that respect the environment, (ii) that will

work with almost zero energy consumption and with energy certification A, and (iii) that will be made using natural, local and recyclable materials and/or with recycled content and wood with FSC or PEFC certifications for sustainable forest management.

Lastly, in our VIVENIO SOCIMI we are applying a similar system, the BREEAM, in all our new developments, whether they are our own or turnkey. In addition, we are carrying out certain investments in those developments that are already in operation, in order to make them more sustainable. Together with our partner APG, we are committed to being valued at 4\* in the GRESB ranking (<https://gresb.com>) as a company by 2021.

# Fundación Renta Corporación



Renta Corporación's Social Responsibility is channelled largely through the Fundación Renta Corporación, which aims to collaborate on projects dedicated to:

1. Helping children and women.
2. Healthcare.
3. Housing, sanitation and infrastructure.
4. Nutrition and waters programmes.
5. Education.
6. Social assistance

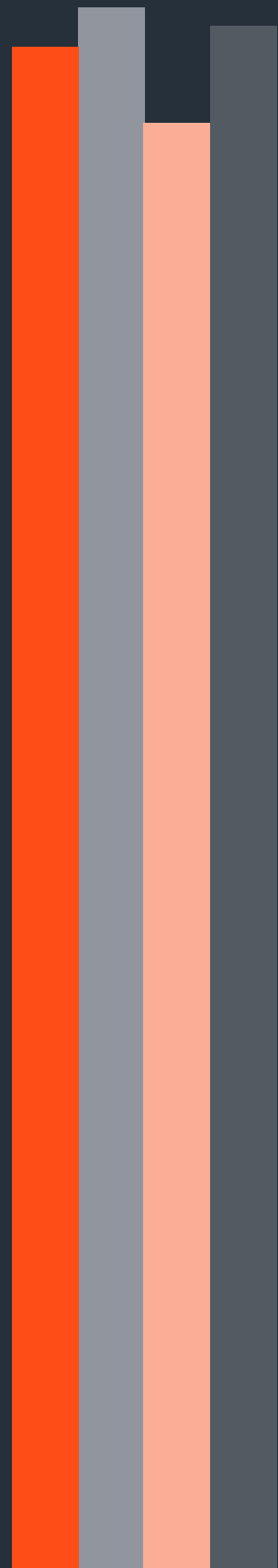
Since 1999, the Foundation has collaborated on more than 850 projects, with a contribution of nearly 25 million euros. It should be noted that the Renta Corporación Board of Directors, at October 22, 2014, and in order to continue the Group's ESG policy (Environmental, Social and Governance), agreed to allocate 2% of the Group's annual net profit

to the Fundación Renta Corporación. Because Renta Corporación group obtained negative profits in 2020 as a result of the crisis caused by the pandemic that we are experiencing, and because it was therefore not possible to provide the agreed 2% so that the Fundación Renta Corporación can keep ongoing projects alive and cover operations that it is committed to until 30 June 2021 (many of which being linked to the health crisis), it was decided that the Fundación will be provided with an extraordinary contribution amounting to €120,655.

Additionally, Fundación Renta Corporación holds 3.5% of Renta Corporación Real Estate S.A's shareholders. In 2020, the Fundación committed €244,722 in collaborations with 66 initiatives, the most significant being the contributions to the Fundación Princesa de Girona, the Fundación Pasqual Maragall, the Sant Joan de Deu Hospital and the Ashoka organization.



06



# Covid-19 Management

The 2020 financial year was entirely marked by the global health crisis caused by the COVID-19 virus, with Spain being one of the most severely affected countries.



# Environment



This crisis has resulted in a coming and going of restrictions on mobility and the normal development of economic activity, leading to the largest fall in GDP in Spanish history. The discovery of an effective vaccine against the COVID-19 virus and the initial administration of the vaccine to the most vulnerable members of the population closed the year with better prospects for FY 2021.

However, the impact of the crisis on companies and households is profound, and economic expectations continue to be closely linked with the evolution of the epidemic. It is expected that the economic recovery will be progressively visible, as the mobility of the population and the application of the vaccine gain momentum. Nevertheless, a recovery to pre-COVID levels is not expected until 2022.

Investment activity has been severely interrupted by the exceptional circumstances, but a gradual return to normal levels is forecast in 2021. The

real estate sector continues to be an attractive value. This especially applies to the logistics and residential rental sectors which, despite having a limited and selective financing environment, benefit from inflation and very low interest rates.

Renta Corporación faces this situation with solid foundations behind it, and has a portfolio of highly liquid assets, a healthy balance sheet and a solid financial position, which will allow it to take advantage of future opportunities which will be undertaken as long as they have clear visibility.

# Renta Corporación

## Covid-19 Committee

At the beginning of the state of alarm, the company formed a COVID-19 Committee made up of the Chairman of the Audit Committee and Coordinating Director, the CEO and the Corporate General Manager, in order to closely monitor

employees' health, the financial and non-financial impacts that may occur, and the contingency measures that the company is putting in place to face the threats posed by this crisis.





Liquidity

Cash flow was a priority during the financial year, and was therefore frequently monitored in detail. The year closed with a healthy liquidity position, a sustainable leverage level of 38% on assets, and 7.7 million euros of cash, which allows it to meet the Group’s payment obligations and investment needs in the medium term.

The current market situation is causing a general increase in liquidity tensions in the economy, as well as a contraction of the credit market. The Group continues to take the appropriate steps to handle this situation and minimize its impact, using methods including the incorporation of new financing channels into existing ones. The company has a diversified financial structure made up of both bank and non-bank financing, with the latter mainly coming in the form of bonds and promissory notes. This diversified structure provides the Group with greater flexibility for handling operations which, by their nature, are more difficult for the now more restrictive traditional banks to finance. Equally, given how the company’s results panned out in 2020 as a result of the current market situation, the Group reached an agreement with the 2018 bondholders to suspend the calculation of the covenant until 2022.

€7.7M

Cash and banks at the close of FY 2020

Business plan

The arrival of the pandemic has led to an unfavourable business evolution. The strong emergence of the health crisis and its global nature have led to a freeze in the investment market, a delay in the execution of the operations envisaged in the plan, as well as reduced investment by the company in new projects, which directly impacted in the business portfolio, the operating margin and, therefore, the result for the year.

As a result of the current market environment and the fact that its effects will last longer than initially anticipated, the company has revised its five-year strategic plan to make it reflect a delay in its implementation and project a recovery to pre-COVID levels in FY 2022. The Group has not changed the plan’s hypotheses or value levers, which continue to be the development of the equity business on the one hand, and the increase in the size of transaction operations on the other.

Renta Corporación has a healthy portfolio of assets on its balance sheet, made up of highly liquid and well-located assets, which provides it with high visibility, especially in relation to the transaction business, which will allow for a reverse of the current situation and a subsequent return to normal market activity, probably in the second half of 2021.

BADAJOS 112  
Barcelona





