



# Contents

1. Executive summary
2. Group activities
3. Business performance and results
4. Information on market performance
5. Shareholder structure and stock market performance

## APPENDICES

APPENDIX 1: Significant transactions in 2021

APPENDIX 2: Significant inventories in progress  
at end of 2021

APPENDIX 3: Glossary of terms

## DISCLAIMER

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

# 1. Executive summary

## KEY FINANCIALS OF THE GROUP

REVENUE	OPERATING MARGIN	EBITDA	NET PROFIT
83.8 €M	19.7 €M	12.1 €M	6.9 €M
+82% vs '20	x 4.7 vs '20	+17.3 €M vs '20	+15.7 €M vs '20

OPERATING MARGIN / REVENUE	BORROWINGS AS A % OF ASSETS	INCREASE IN EQUITY	PORTFOLIO
23%	32%	8.9 €M	62.7 €M
+14 pp vs '20	-6 pp vs '20	66.8 €M Dec 20	-52% vs Dec 20

## TRANSACTIONAL BUSINESS

	REAL ESTATE SALES	REAL ESTATE PROJECT MANAGEMENT	TOTAL
# transactions 2021	13	4	17
Transactional business margin (€M)	9.8	3.5	13.3
Average margin per transaction (€M)	0.8	0.9	0.8

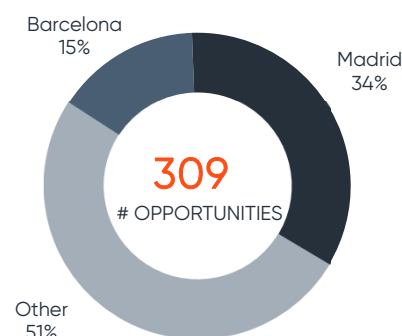
### OPPORTUNITIES ANALYSED IN BUSINESS VOLUME %



## ASSET BUSINESS

	REIT MANAGEMENT	INVESTMENT PROPERTY	TOTAL
GAV of assets (€M)	1,315.2	31.0	1,346.2
Transactional business margin (€M)	4.4	2.5	6.9
# managed assets	38	6	44
# assets under development	12	-	12
Medium-sized assets (€M)	26.3	5.2	24.0

### OPPORTUNITIES ANALYSED IN GAV %



- Renta Corporación ended 2021 with a **cumulative net profit of EUR 6.9 million**, as compared with the loss of EUR -8.8 million incurred in 2020.
  - On 30 July, as part of the **corporate transaction involving a capital increase at Vivenio**, Renta Corporación sold to the Australian fund Aware Super PTY LTD approximately one-half of the Vivenio shares held by it. This sale gave rise to a cash inflow of EUR 12.7 million and to a net gain of EUR 2.3 million, which was recognised directly in equity.
  - The **operating margin** amounted to EUR 19.7 million, more than four times the amount reported in 2020, and corresponded mainly to the transactional business.
  - Overheads** totalled EUR 7.6 million, down EUR 1.8 million from the EUR 9.4 million incurred in 2020.
  - The **net financial debt** dropped to EUR 41.9 million and borrowings as a percentage of assets stood at 32%.
  - The Company keeps **diversified sources of financing**. In 2021, the Company complemented ICO's direct financing programme -through promissory notes purchases- by arranging a contract under ICO's guaranteed promissory notes programme. The Company also renewed its own programme and rose its outstanding balance threshold to EUR 50 million.
  - The Company's **cash** position remains healthy, increasing to EUR 16.0 million at year-end.
  - The Company's **business portfolio** at 30 December 2021 totalled EUR 62.7 million, down 52% on the December 2020 figure.
  - Equity** at year-end stood at EUR 75.7 million, EUR 8.9 million higher than at 2020 year-end, mainly due to the profit generated in the year and to the gain from the sale of the shares of Vivenio to the fund Aware.
  - The Board of Directors resolved to pay the shareholders of Renta Corporación a **total dividend** of EUR 3.4 million gross out of profit for 2021. EUR 1.2 million were already distributed as an interim dividend in November 2021.
  - The **share market price** at 31 December 2021 was EUR 1.73 per share, 16% lower than the price of EUR 2.05 per share at 2020 year-end.
  - Although the **covid-19 pandemic** continued to characterise the current market climate in 2021, the results obtained this year show a substantial improvement on 2020. This recovery is based, on the one hand, on the diversification of the activity of the Company, which has taken advantage of the current opportunities in the market in sectors such as the hotel and logistics industries.
- Also, the aforementioned sale of shares of Vivenio to Aware, together with the containment of overheads and the monitoring of cash continued to set the Group's agenda and contributed to the evolution experienced.



Via Augusta, Barcelona

Illustrative images





## 2. Group activities

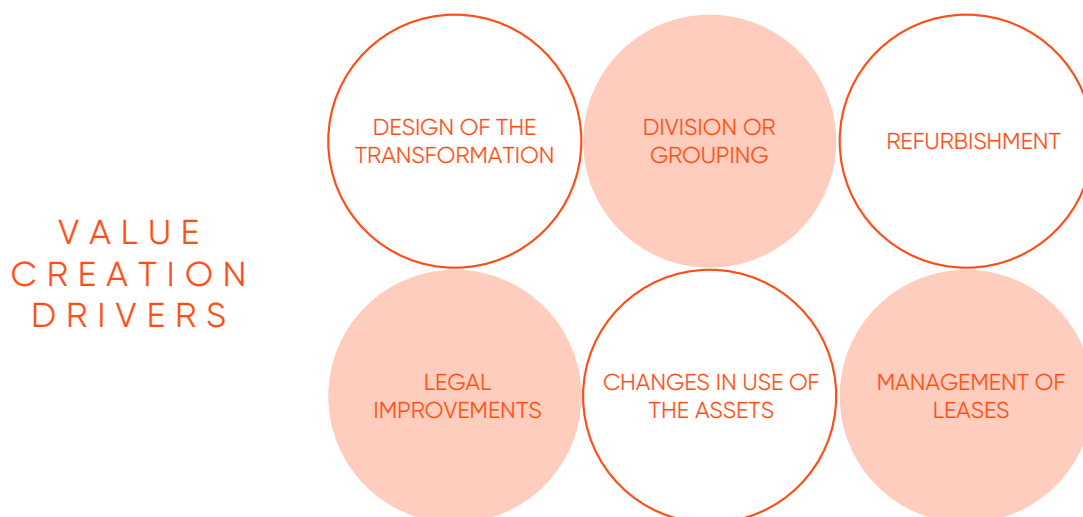
Renta Corporación is a Group with a high differential component within the real estate industry in Spain. It has two clearly differentiated lines of business, which it frequently adapts to the various realities in the Spanish property market without losing the essential business model of each one.

### Two differentiated lines of business: transactional and asset based

#### 2.2 Transactional business

The main characteristic of these transactions is the generation of value added through the purchase of outdated properties and maximising their value by converting them, which usually involves changing their use, physical improvements to the buildings and repositioning them in the market.

The main levers of the generation of value, which may be achieved jointly or individually depending on the needs and the stock available, are as follows:



The Company has experience with all kinds of assets. The resulting product mix at any time depends on the market situation, the interest shown by investors and the ability to generate value.

In 2021, hotel and logistics transactions had significant weight. The former as a result of the significant impact that covid-19 has had on the tourism industry and the value of hotels, which has allowed them to be acquired using a more opportunistic approach during part of the year. The latter, also caused by covid-19 but in the opposite direction, as a result of the growth in online trade, which has seen demand soar for logistics assets for which supply adapted to new logistics requirements cannot be found.

The transactional business is divided into two different business lines:

**a. “Real estate sales”**

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

**b. “Real estate project management”**

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

## 2.2 Asset management business

Started in 2017 with the aim of having an activity less exposed to the cyclicity inherent to the real estate industry and having more recurring resources over time, all while capitalising on the enormous capillarity of and access to the Group's property transactions that previously, for reasons of size or because they were not value-added investments, were rejected.

This business line is divided into two divisions:

### a. "Asset Management" division

The Asset Management division consists of the creation and management of real estate vehicles with third parties and earns fees and commissions tied to both origination and the management of properties.

This division includes the Vivenio REIT, which specialises in the residential rental assets and was created in 2017 with the Dutch pension fund manager APG as majority shareholder, and all the committed capital has been paid. In 2021 the Australian fund Aware Super PTY LTD became one of the shareholders of the REIT, which is one of the reasons why Vivenio currently has an investment capacity of more than EUR 800 million.

### b. "Own Assets" division

This division covers the acquisition and management of any property investment intended to be kept on the Company's balance sheet for a prolonged period of time. Until 2021 the only assets held by the Company for this purpose were four residential buildings in Barcelona. In 2021 it was decided to strengthen this unit with the inclusion of two new assets, a hotel and a commercial unit, which are either already leased out or will foreseeably be leased out in the short term. The strengthening of the asset strategy will be maintained over the next few years.

As a result of the continuous analysis of trends that the Company carries out, not only in the real estate industry but also in other areas, two new initiatives have been implemented that will foreseeably cover unsatisfied future demand:

### a. Renta Storage

The Group has started to study the storage room industry. Growth in the urban population, the continuing increase in the cost of housing, the high availability of commercial premises with significant price discounts following the covid-19 crisis, a low level of investment associated with it, the considerable scalability and the resilience to economic cycles are some of the reasons why the Group has decided to explore this industry.

### b. Terra Green Living

Renta Corporación, aware of the increasing importance of the inclusion of Environmental, Social and Governance (ESG) criteria among the standards governing the industry, launched on the market, together with the JV20 property boutique, Terra Green Living, the first green developer in Spain that will construct sustainable housing using an industrialised production process in which digitalisation, the use of clean energy, the treatment of waste, the use of sustainable materials and the inclusion of women in the production process, among others, are of great importance.



## 3. Business performance and results

### 3.1 Consolidated statement of profit or loss

(million EUR)	12M 2021	12M 2020	% change
Transactional business revenue	75.7	38.8	
Asset management business revenue	7.9	6.2	
Other income	0.2	1.1	
<b>REVENUE</b>	<b>83.8</b>	<b>46.1</b>	<b>82%</b>
Transactional business margin	13.3	5.1	
Asset management business margin	6.9	2.8	
Other income and expenses	-0.5	-3.7	
<b>OPERATING MARGIN</b>	<b>19.7</b>	<b>4.2</b>	<b>369%</b>
Overheads and staff costs	-7.6	-9.4	
<b>EBITDA</b>	<b>12.1</b>	<b>-5.2</b>	<b>n.a.</b>
Depreciation and amortisation charge, provisions and other	-0.4	-0.5	
<b>EBIT</b>	<b>11.7</b>	<b>-5.7</b>	<b>n.a.</b>
Net financial loss	-3.6	-3.1	
<b>PROFIT BEFORE TAX</b>	<b>8.1</b>	<b>-8.8</b>	<b>n.a.</b>
Income tax	-1.2	0.0	
<b>NET PROFIT</b>	<b>6.9</b>	<b>-8.8</b>	<b>n.a.</b>

#### 3.1.1 Revenue

The detail of revenue by business line is as follows:

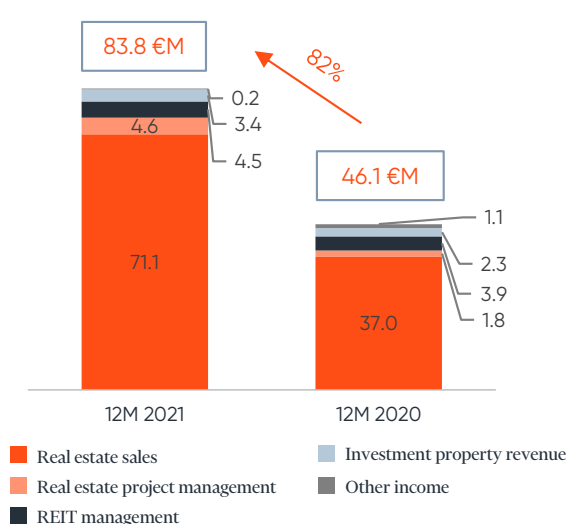
Revenue by business line (million EUR)	12M 2021	12M 2020	Change
Real estate sales	71.1	37.0	34.1
Real estate project management	4.6	1.8	2.8
<b>Total revenue - transactional business</b>	<b>75.7</b>	<b>38.8</b>	<b>36.9</b>
REIT management	4.5	3.9	0.6
Investment property	3.4	2.3	1.1
<b>Total revenue - asset management business</b>	<b>7.9</b>	<b>6.2</b>	<b>1.7</b>
<b>Other income</b>	<b>0.2</b>	<b>1.1</b>	<b>-0.9</b>
<b>REVENUE</b>	<b>83.8</b>	<b>46.1</b>	<b>37.7</b>

Revenue from the **transactional business** increased by EUR 36.9 million with respect to 2020, with the residential and office sectors, as well as the logistics sector, being particularly important. Worthy of note in the residential sector were the sale of two buildings in calle Euterpe and calle Entença in Barcelona and the sale of a batch of five buildings in Ciudad Lineal, Madrid. As regards office buildings, the sales related mainly to a delegated property development in the Via Augusta and another transaction in the calle Provença, both in Barcelona. Lastly, mention must also be made of a logistics transaction on the Carretera del Mig road in l'Hospitalet de Llobregat and the execution of three hotel transactions in Barcelona.

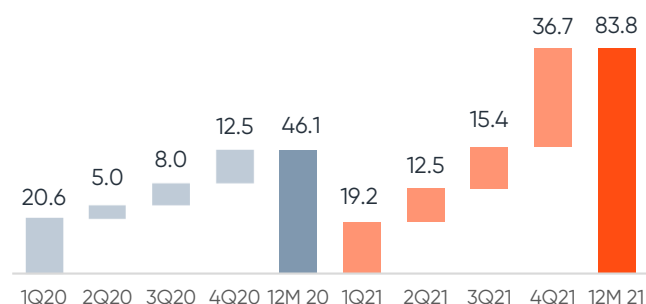
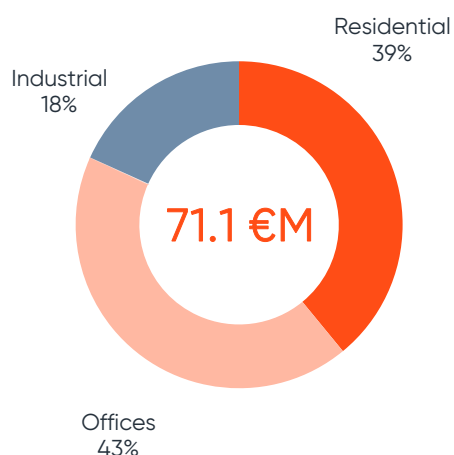
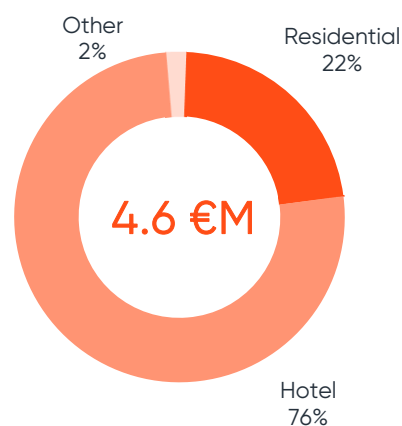
The **REIT management** business line generated revenue of EUR 4.5 million, which was EUR 0.6 million higher than in 2020 as a result of several positive and negative impacts. On the positive side, in 2021 an incentive fee substantially higher than the incentive fee received in 2020, which was practically zero, was received. On the negative side, the fee for the management of assets ceased to be received after Vivenio internalised it at the beginning of 2021, and origination fees fell sharply in 2021 as a result of the covid-19 period. In this connection, the acquisition by the Australian fund Aware Super PTY LTD of a stake in the share capital of the REIT will mark a watershed in this trend, since it will enable the latter to invest around EUR 800 million in the coming years.

Lastly, **investment property** revenue amounted to EUR 3.4 million and included the rent from all the assets held on the Company's balance sheet, in addition to the revaluation experienced by investment property.

REVENUE BY BUSINESS LINE

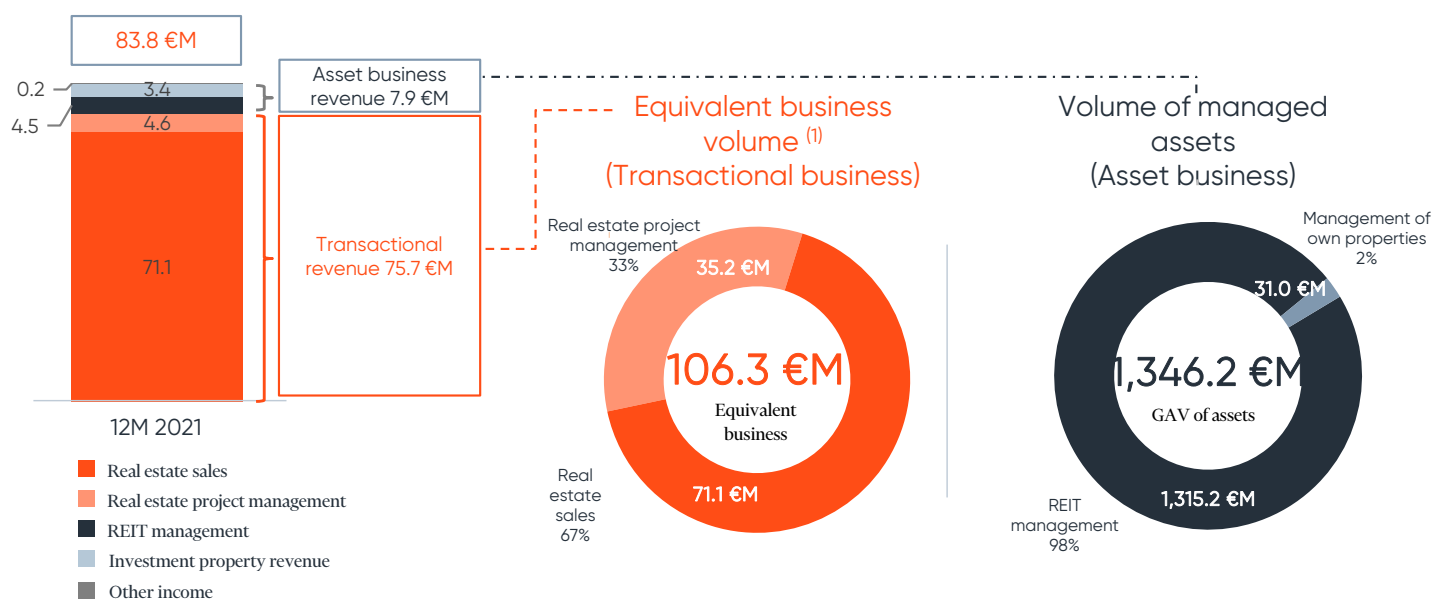


REVENUE BY QUARTER

REAL ESTATE SALES REVENUE BY  
TYPE OF ASSETREAL ESTATE PROJECT MANAGEMENT  
REVENUE BY TYPE OF ASSET



## EQUIVALENT BUSINESS VOLUME IN 12M 2021



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

## 3.1.2 Operating margin

The operating margin by business line was as follows:

Margin by business line (million EUR)	12M 2021	12M 2020	Change
Real estate sales margin	9.8	3.6	6.2
Real estate project management margin	3.5	1.5	2.0
<b>Total margin - transactional business</b>	<b>13.3</b>	<b>5.1</b>	<b>8.2</b>
REIT management margin	4.4	1.5	2.9
Investment property margin	2.5	1.3	1.2
<b>Total margin - asset management business</b>	<b>6.9</b>	<b>2.8</b>	<b>4.1</b>
<b>Other income and expenses</b>	<b>-0.5</b>	<b>-3.7</b>	<b>3.2</b>
<b>OPERATING MARGIN</b>	<b>19.7</b>	<b>4.2</b>	<b>15.5</b>

**“Real estate sales” margin**

The margin of the “Real estate sales” business line, understood to be sales less direct costs of disposal, amounted to EUR 9.8 million, EUR 6.2 million higher than the figure obtained in 2020.

**“Real estate project management” margin**

The margin of the “real estate project management” business line amounted to EUR 3.5 million, EUR 2.0 million higher than the figure for the period from January to December 2020. This margin was generated mainly by three transactions involving hotels.

**“REIT management” margin**

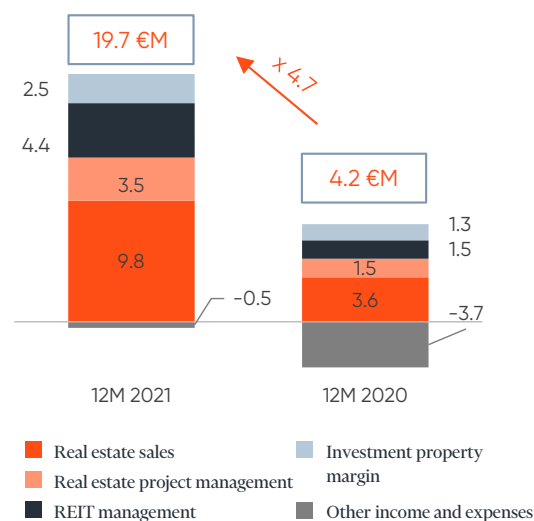
The margin of the “REIT management” business line amounted to EUR 4.4 million, which is three times the figure for 2020 as a result, mainly, of the receipt of an incentive fee that was substantially higher than the incentive fee recorded in 2020. The margin was also made up of the origination arising from acquisitions, the transactions under development and investment portfolio turnkey projects.

**Investment property margin**

The investment property margin amounted to EUR 2.5 million, EUR 1.2 million higher than the figure obtained at 2020 year-end, and was due to the revaluation experienced by the assets owned by the Company and the rent obtained from leasing them out.

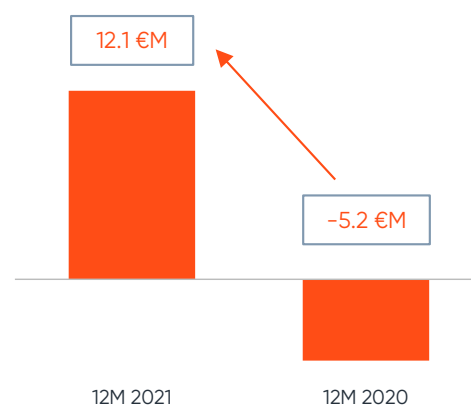
**Other income and expenses**

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

**MARGIN BY BUSINESS LINE****3.1.3 EBITDA**

Overheads amounted to EUR 7.6 million, EUR 1.8 million lower than the EUR 9.4 million recorded in 2020, of which EUR 5.3 million related to staff costs and EUR 2.3 million related to other overheads.

EBITDA at year-end amounted to EUR 12.1 million, as compared with the EUR -5.2 million reported in the same period of 2020.

**3.1.4 Financial loss**

The financial loss amounted to EUR -3.6 million, representing an increase of EUR -0.5 million on 2020 which included a positive impact of EUR 1.0 million resulting from the reduction in the expense associated with the participating loan on the basis of the strategic plan approved at that time. If this positive impact is disregarded, the finance costs related to the Company's activity declined in 2021 compared to 2020.

**3.1.5 Net profit**

The Group recognised an income tax expense of EUR -1.2 million arising mainly from the Group's ordinary activities; this impact was zero in 2020.

Moreover, as in 2020, in accordance with the revised strategic plan, no additional net tax assets to the tax loss carryforwards at 2020 year-end were recognised.

As a result of all the aforementioned factors, Renta Corporación ended 2021 with a **cumulative net profit of EUR 6.9 million**, as compared with the loss of EUR -8.8 million incurred in the same period of 2020.

## 3.2 Consolidated balance sheet

### 2.2.1 Assets

Assets (million EUR)	Dec-21	Dec-20	Change
Non-current assets and right-of-use assets	1.7	1.5	0.2
Other non-current assets	75.4	72.6	2.8
<b>Non-current assets</b>	<b>77.1</b>	<b>74.1</b>	<b>3.0</b>
Inventories	60.4	65.2	-4.8
Accounts receivable	10.9	4.3	6.6
Cash	16.0	7.7	8.3
Financial assets	0.4	0.5	-0.1
<b>Current assets</b>	<b>87.7</b>	<b>77.7</b>	<b>10.0</b>
<b>Total assets</b>	<b>164.8</b>	<b>151.8</b>	<b>13.0</b>

#### Non-current assets

Renta Corporación's non-current assets amount to EUR 77.1 million, up EUR 3.0 million from the figure at 2020 year-end. The detail of the balances forming part of the non-current assets is as follows:

(million EUR)	Dec-21	Dec-20	Change
Non-current assets and right-of-use assets	1.7	1.5	0.2
Investment property	31.0	24.0	7.0
Non-current financial assets	17.2	21.4	-4.2
Deferred tax assets	27.2	27.2	0.0
<b>Total non-current assets</b>	<b>77.1</b>	<b>74.1</b>	<b>3.0</b>

- **Non-current assets and right-of-use assets**, relating mainly to the recognition of the leases in accordance with IFRS 16, amounted to EUR 1.7 million, in line with the figure at the end of 2020.
- The assets classified as **investment property** include six buildings located in Barcelona, four of which are for residential use, a hotel and a commercial unit. The last two buildings were acquired by the Company in the last quarter of the year.
- **Non-Current Financial Assets** includes mainly Renta Corporación's ownership interest in the share capital of the Vivenio REIT, and the non-current account receivable amounting to EUR 4.1 million yet to be converted into shares. "Non-Current Financial Assets" fell by EUR 4.2 million with respect to 2020 year-end, due to the net effect of the sale of approximately one-half of the Vivenio shares held by Renta Corporación at the end of June to the Australian fund Aware Super PTY LTD and; on the other hand, the revaluation of the other Vivenio shares held and the accrual of new collection rights to Renta in the form of the origination fee and the incentive fee.

On 30 July Renta Corporación transferred to Aware Super PTY LTD 9.0 million shares of Vivenio, representing 1.45% of its share capital, which gave rise to a cash inflow of EUR 12.7 million and a net gain of EUR 2.3 million, which was recognised directly in equity. This sale forms part of the corporate transaction involving the REIT Vivenio whereby the Australian fund Aware Super PTY LTD became one of its shareholders through the acquisition of certain of the shares held by APG, the hitherto majority shareholder, and by Renta Corporación, and undertook, in conjunction with APG, to invest up to EUR 400 million in the REIT over the coming three years.

- **Deferred tax assets** relates mainly to tax loss carryforwards, and there were EUR 61 million of unrecognised tax losses.

## Current assets

(million EUR)	Dec-21	Dec-20	Change
Inventories	60.4	65.2	-4.8
Accounts receivable	10.9	4.3	6.6
Cash	16.0	7.7	8.3
Financial assets	0.4	0.5	-0.1
<b>Total current assets</b>	<b>87.7</b>	<b>77.7</b>	<b>10.0</b>

The current assets at 31 December 2021 amounted to EUR 87.7 million, up EUR 10.0 million on 2020. This change is explained mainly by the increase in accounts receivable and cash, which was largely offset by the decrease in inventories as a result of the sales made in 2021. The detail of the line items forming part of the current assets and the changes therein is as follows:



## Inventories and transactional business portfolio

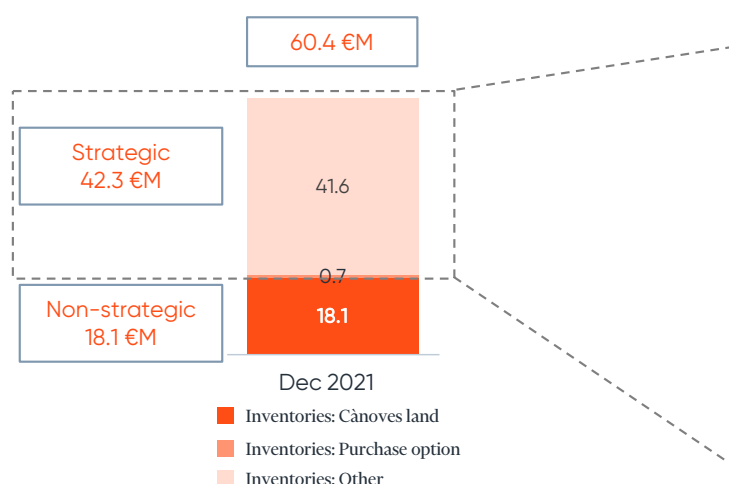
Renta Corporación recognised inventories amounting to EUR 60.4 million at 2021 year-end, which is in line with the figure at 2020 year-end. This represents a decrease of EUR 4.8 million with respect to December 2020 due to the net effect of, on the one hand, the purchases of properties and, on the other, the sales made in the year. The purchases of properties related, inter alia, to two logistics buildings, on Carretera del Mig in l'Hospitalet de Llobregat and on Carretera de Sabadell in Rubí; an office building and a residential building in Via Augusta, Barcelona; and two residential buildings in Avenida Carabanchel Alto and calle San Carlos, Madrid. The sales included most notably that of a batch of five buildings in Ciudad Lineal, Madrid; the aforementioned Carretera del Mig and Via Augusta office building transactions; two residential transactions in calle Euterpe and calle Entença, Barcelona; and an office building transaction in Gran Via de les Corts Catalanes, Barcelona.

Also, "Inventories" includes the Cànoves residential land totalling EUR 18.1 million. This asset is collateral for creditors pursuant to the agreement of 2014, which envisages the datation in payment thereof in 2022. Consequently, the analysis of the inventories, which is presented below, will focus on the assets that make up the other EUR 42.3 million.

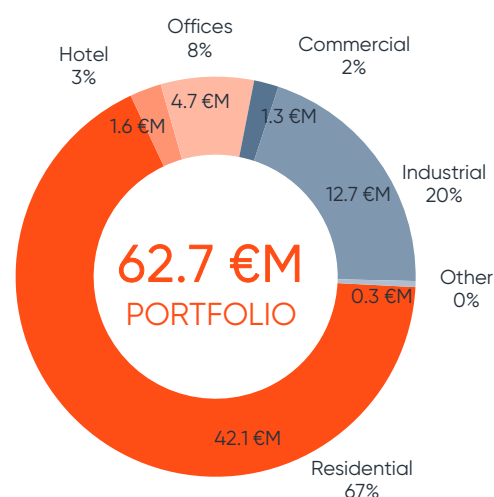


Lastly, the value of the inventories at the reporting date included purchase option premiums amounting to EUR 0.7 million, which grant the right to purchase assets amounting to EUR 21.1 million in the future. This, together with the strategic inventories, gives rise to a business portfolio of EUR 62.7 million. The following figures show that at year-end the portfolio had been reduced temporarily by half in comparison with 2020 year-end for two main reasons. Firstly, the sale of highly significant assets was concentrated in the last few months of the year, leading to a significant reduction in the portfolio. Also, the relative importance of the hotel industry, with assets exceeding the portfolio average, also fell, with the smaller volume residential assets becoming more important.

## INVENTORIES (€M)



## STRATEGIC BUSINESS PORTFOLIO (€M)

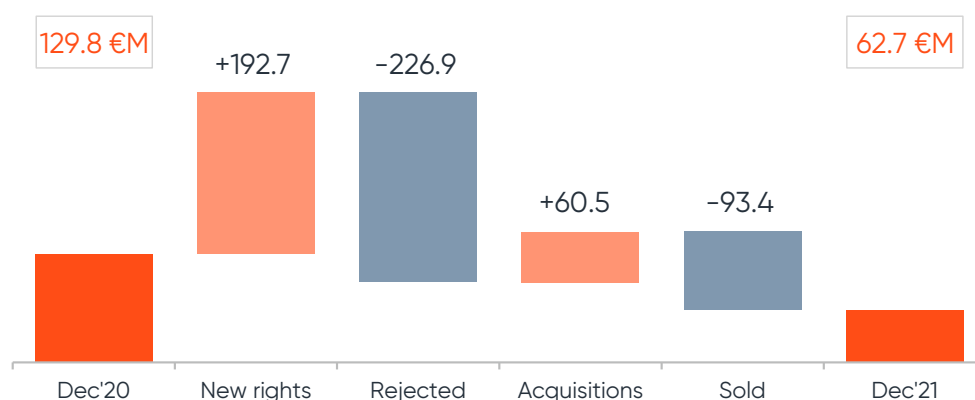
BREAKDOWN OF STRATEGIC INVENTORIES <sup>(1)</sup> (€M)

RESIDENTIAL		INDUSTRIAL/LOGISTIC		OTHER	
# buildings	11	# buildings	3	# buildings	1
# units	92	# units	N/A	# units	N/A
Inventories (€M)	32.0	Inventories (€M)	8.8	Inventories (€M)	0.8

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

## CHANGES IN TRANSACTIONAL BUSINESS PORTFOLIO (€M)

The detail of the changes in the business portfolio in the period from 2020 year-end to 31 December 2021 is as follows:



## Accounts receivable

(million EUR)	Dec-21	Dec-20	Change
Trade receivables and notes receivable	6.9	3.0	3.9
Tax receivables	1.2	0.6	0.6
Other receivables	2.8	0.7	2.1
<b>Total receivables</b>	<b>10.9</b>	<b>4.3</b>	<b>6.6</b>

At 2021 year-end the balance of accounts receivable amounted to EUR 10.9 million, up EUR 6.6 million with respect to 2020 year-end. This balance is broken down into three line items:

- **Trade receivables and notes receivable:** the balance of this line item increased by EUR 3.9 million with respect to 2020 year-end due mainly to the sale of a residential building in Barcelona performed on the last days of the quarter, payment for which had been received at the date of publication of this report; and to the recognition of the stage of completion of a delegated property development for offices located in Barcelona, sold in the last month of the reporting period.
- **Tax receivables:** the tax receivables of Renta Corporación increased by EUR 0.6 million with respect to December 2020, due mainly to the net effect of the refund of income tax of prior years and the increase in the VAT refundable and in the income tax for 2021.
- **Other receivables:** the balance of this line item increased by EUR 2.1 million with respect to 2020 year-end due mainly to the provisions of funds delivered for the purchase of buildings and amounts deposited to guarantee obligations to third parties.



### 3.2.2 Liabilities

Equity + liabilities (million EUR)	Dec-21	Dec-20	Change
<b>Equity</b>	<b>75.7</b>	<b>66.8</b>	<b>8.9</b>
<b>Liabilities</b>			
Non-current financial debt	26.2 <sup>(1)</sup>	39.0	-12.8
Other non-current payables	4.7	4.2	0.5
<b>Non-current liabilities</b>	<b>30.9</b>	<b>43.2</b>	<b>-12.3</b>
Non-current financial debt	15.4 <sup>(2)</sup>	18.7	-3.3
Current financial debt	34.6 <sup>(3)</sup>	15.0	19.6
Other current payables	8.2	8.1	0.1
<b>Current liabilities</b>	<b>58.2</b>	<b>41.8</b>	<b>16.4</b>
<b>Total equity + liabilities</b>	<b>164.8</b>	<b>151.8</b>	<b>13.0</b>

#### Equity

Equity at year-end amounted to EUR 75.7 million, EUR 8.9 million higher than at 2020 year-end, mainly as a result of the profit generated in the period; the recognition in equity of the gain, net of the related tax effect, on the sale of the Vivenio shares to the Australian fund Aware; the revaluation of the other Vivenio shares held by Renta following the corporate transaction to increase the share capital of the REIT; and the distribution of an interim dividend out of profit for 2021.

#### Financial debt

##### DEBT BY TYPE AND CLASSIFICATION (€M) – Dec 2021

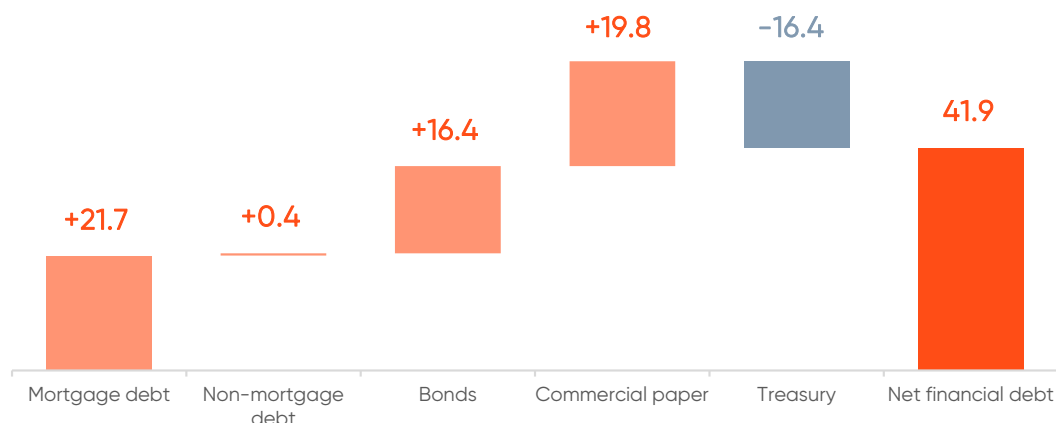
	Non current	Current		Total
(M€)	I/t	I/t	s/t	
Mortgage debt	5.7	15.4	0.6	21.7
Other payables	20.5	-	16.1	36.6
Participating debt	-	-	17.9	17.9
<b>Total Financial Debt</b>	<b>26.2<sup>(1)</sup></b>	<b>15.4<sup>(2)</sup></b>	<b>34.6<sup>(3)</sup></b>	<b>76.2</b>

##### NET FINANCIAL DEBT (€M)

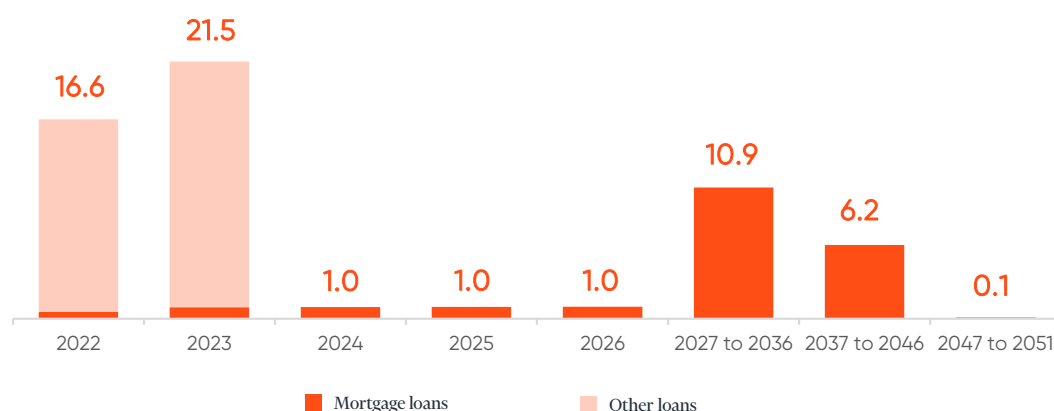
Net financial debt dropped by EUR 5.6 million from the EUR 47.5 million at 2020 year-end mainly as a result of the net effect of the repayment of the mortgage debt associated with the assets sold in the period, the increase in other payables and the increase in cash.

(million EUR)	Dec-21	Dec-20	Change
Mortgage debt	21.7	26.4	-4.7
Other payables	36.6	29.3	7.3
(-) Cash and financial assets	-16.4	-8.2	-8.2
<b>Total Net Financial Debt</b>	<b>41.9</b>	<b>47.5</b>	<b>-5.6</b>

## NET FINANCIAL DEBT BY TYPE (€M)



## FINANCIAL DEBT REPAYMENT SCHEDULE (€M) (\*)



Notes: (\*) Not including the participating loan, which will be repaid through the dation in payment of the Cànoves asset and will not give rise to a cash outflow.

**Maturity of the financial debt**

Since “Inventories” are classified as “current”, as they are assets that must be realised during the Group’s normal operating cycle, the associated liabilities must also be recognised as “current”, drawing a distinction between short and long term on the basis of their maturity date.

**Mortgage debt**

The *mortgage debt on inventories* tied to the transactional business (“real estate sales” business line) stood at EUR 15.8 million, with an LTC ratio of 38% on the Company’s inventories and an effective negotiated rate of 2.76%.

The *mortgage debt on investment property* stood at EUR 5.9 million, with an LTV ratio of 19% and an average cost of 3.78%.

**Other payables**

“Other Payables” includes bonds, commercial paper and other non-mortgage debt.

On 7 May 2021, the Company renewed its commercial paper programme for a further 12 months and increased the maximum outstanding balance to EUR 50 million. The outstanding amount at 31 December 2021, discounted to present value, was EUR 19.8 million, as compared with EUR 4.8 million at 2020 year-end.



Also, in the last quarter of 2020 the ICO began to finance the Company through the direct purchase of commercial paper. In addition, in February 2021 the Company entered into an agreement with the ICO under the latter's guarantee line, whereby secured commercial paper was issued up to the nominal amount of EUR 4.6 million.

#### Participating debt

This debt is a participating loan for a nominal amount of EUR 18.2 million, guaranteed by means of a real estate mortgage on the site identified as Cànoves. The mortgage was registered by the Company in favour of the creditors who had adhered to Option B of the payment proposal detailed in the Creditors Arrangement. The participating loan will be settled in 2022 through the dation in payment of this asset and, therefore, its repayment will not give rise to any cash outflow.

### Other non-current payables

At 31 December 2021, Renta Corporación recognised “**Other Non-Current Payables**” totalling EUR 4.7 million. This balance is broken down as follows:

(million EUR)	Dec-21	Dec-20	Change
Non-current payables (insolvency proceedings)	0.6	1.0	-0.4
Deferred tax liabilities	3.3	2.3	1.0
Long-term finance leases (IFRS 16)	0.8	0.9	-0.1
<b>Total other non-current payables</b>	<b>4.7</b>	<b>4.2</b>	<b>0.5</b>

- **Non-current payables relating to insolvency proceedings:** this line item reflects the debt of EUR 0.6 million owed to the pre-insolvency creditors. The debt has been discounted at the effective market interest rate, an effect that has been and will be reversed in the years over which this debt is repaid.
- **Deferred tax liabilities:** this line item amounts to EUR 3.3 million, up EUR 1.0 million on 2020 year-end as a result of the tax effect of the revaluation of the investment property and of the Vivenio shares held by Renta.
- **Long-term finance leases (IFRS 16):** this line item amounts to EUR 0.8 million and arose in 2019 as a result of the initial application of IFRS 16, Leases.

### Other current payables

Other current payables amounted to EUR 8.2 million, in line with the figure at 2020 year-end.

(million EUR)	Dec-21	Dec-20	Change
Current payables	6.5	4.2	2.3
Pre-sale downpayments and prepayments	0.2	1.2	-1.0
Other current payables	1.5	2.7	-1.2
<b>Total other current payables</b>	<b>8.2</b>	<b>8.1</b>	<b>0.1</b>

- **Current payables** relate to the Company's purchase, conversion and sale transactions. At 31 December 2021, the balance of this line item stood at EUR 6.5 million, EUR 2.3 million higher than at 2020 year-end.
- **Pre-sale downpayments and prepayments** stood at EUR 0.2 million, reflecting a EUR 1.0 million decrease with respect to 2020 year-end, and will give rise to revenue in the future of EUR 0.4 million in Barcelona and EUR 1.1 million in Madrid.
- **Other current payables** relate mainly to tax payables. At year-end they amounted to EUR 1.5 million, down EUR 1.2 million from the amount at 2020 year-end, due largely to the settlement of the personal income tax withholdings and output VAT in the Company's operations.

## Cash flow performance

The Company generated cash flows of EUR 9.1 million arising from the profit from operations in the year, of which EUR 4.1 million relate to the receivables from the REIT Vivenio which will be converted into shares and which resulted mainly from the accrual of the incentive fee generated in 2021.

Working capital and other operating cash flows generated negative cash flows of EUR -3.2 million, due mostly to the net effect of the fall in inventories, the increase in balances receivable, interest payments and income tax prepayments.

Also, non-current assets gave rise to positive cash flow of EUR 7.7 million, mainly as a result of the net effect of the sale of certain of the shares of Vivenio, which gave rise to positive cash flow of EUR 12.7 million, and the investment in new assets classified as investment property.

All of which, together with the payment of an interim dividend out of 2021 profit amounting to EUR 1.2 million gross, resulted in an EUR 8.3 million increase in cash and cash equivalents at 2021 year-end.

(million EUR)	Dec-21
Profit or loss from operations	9.1
Investment in the REIT <sup>(1)</sup>	-4.1
<b>Operating cash flow</b>	<b>5.0</b>
Changes in working capital and other operating cash flows	-3.2
Investment in non-current assets	7.7
<b>Free cash flow</b>	<b>9.5</b>
Change in cash flows from financing activities	0.0
Interim dividends paid	-1.2
<b>Net increase/decrease in cash and cash equivalents</b>	<b>8.3</b>

Notes: (1) Relating to the receivables from the Vivenio REIT to be converted into shares in full.



## 4. Information on the market performance

Almost two years after the outbreak of covid-19, we ended 2021 with a positive outlook for 2022 as a result of the high level of vaccination of the population and the reduction in the restrictions on mobility.

Bank of Spain forecasts estimate an increase of around 4% in GDP for 2021, and of more than 5% for 2022, the year in which a firm recovery is expected to be consolidated, with growth in the Spanish economy exceeding the average in the euro zone, despite the uncertain context stemming from the appearance of new variants of the virus. As regards unemployment, the Bank of Spain expects to end the year with a rate of around 15%, with a downward trend for the next few years.

2021 was an exceptional year for property investment, and the expectations for 2022 continue to confirm that trend. The positive outlook for the property industry is based on several factors, such as the positive performance of consumption, the recovery of the labour market, the reactivation of the tourism industry, interest rates remaining at all-time low levels and the attractive returns of its assets.

For its part, digitalisation, the use of omnichannel services and working from home will continue to characterise the evolution of the property industry. But if there is one common factor that will continue to increase in importance across all the segments of the property industry, it is the integration of Environmental, Social and Governance criteria (ESG) into the industry standards.

There is also expected to be an increase in financing in 2022, as the traditional banks assume more risk and agree to finance projects in industries most affected by the pandemic.

### Residential segment

The residential segment has shown itself to be resilient to the covid-19 crisis, in terms of both demand and prices. In general, it is considered that transactions will suffer a mild decline in 2022, although this will not be the case with new housing units, which are expected to see slight growth. It is also thought that selling prices will rise, especially those of new housing units, which are being pushed up by the increase in construction costs.

The residential rental segment, which will foreseeably see very attractive returns in 2022, especially in Madrid and Barcelona, continues to grow, and represents 75% of the investment in the residential segment; followed by investment in student housing. There are concerns regarding the regulation of rents by autonomous community governments, which make decision-making difficult, especially in the case of international investors.

In this sector, the sustainability of the buildings continues to be a clearly differentiating factor and a competitive advantage for new housing units. Technology and digitalisation are also becoming increasingly important.

### Offices segment

Office contracts somewhat exceeded initial forecasts in 2021 and are expected to continue to perform well in 2022, especially in Madrid, mainly due to the increase in employment in sectors that require offices. Despite this, there are now other factors to be borne in mind with a view to contracting offices, such as the balance between face-to-face work and teleworking, or calculating the amount of space needed.

2022 is also expected to be a year of growth in rents, following a year in which rents fell slightly, both in Barcelona and in Madrid.

As with other segments, covid-19 has accentuated concerns regarding sustainability, for which reason the number of office buildings in Spain with environmental certification has risen exponentially in recent years and this upward trend is expected to be even steeper in 2022.

Investors in the offices segment remain interested, although they are more selective towards prime assets with respect to location, asset quality and income security.

### Retail segment

The Consumer Confidence Index remains at high and optimistic levels, and private consumption is expected to continue to grow in 2022 and 2023. As a result of extensive vaccination, the latest waves seem to have had a less severe impact, with sales and the visits to physical stores bouncing back more quickly and, accordingly, 2022 is expected to be a year of consolidation in which 2019 levels will be recovered. Rents are also expected to recover, although at a more moderate level not yet back to pre-covid-19 levels.



The post-covid-19 scenario will continue to be marked by a gradual rise in online trading, a trend that will increase in the coming years. In this new scenario, optimal online and offline integration will be sought so that the two sides complement each other.

### Logistics segment

2021 was a record year in terms of surface area contracted in Spain, the most noteworthy areas being the central zone and Catalonia and also other logistics markets such as Valencia and Zaragoza. The industry is expected to continue to grow in 2022 thanks to the boost provided by segments such as supermarkets and fashion. The increase in ecommerce will also give rise to an increase in demand for logistics space.

In general, the high level of demand or the decline in supply, or both at the same time, led to an increase in prime rents in 2021. This trend is expected to continue in 2022, also driven by the increase in construction costs.

The investment made in this industry in 2021 set a new record and, accordingly, it is unlikely that such levels will be repeated. Nevertheless, the outlook is very positive since there are high levels of liquidity and financing in the market for all kinds of logistics projects.

### Hotels segment

In the last few months of 2021, the hotel industry started to show signs of recovery thanks to domestic leisure demand. Demand from Europe is expected to recover in 2022 as restrictions on mobility are relaxed, although international travel is expected to be re-established later.

The hotel industry will probably constitute a source of major opportunities for all the players involved, both in terms of new expansion and renovation projects, corporate agreements and strategic alliances or the development of new products that are adapted to new realities such as coworking, coliving and Food & Beverage experiences.

The digitalisation process also constitutes a rising trend in the industry, as with environmental, social and governance factors, in response to customers' increasing awareness in this regard.

The consolidation of Spain's position as one of the main tourist destinations, the high level of liquidity in the market, attractive returns and the liquidity pressures suffered by some owners are some of the factors that caused the steep rise in investment in the hotel industry in 2021, and these factors are expected to continue in 2022.



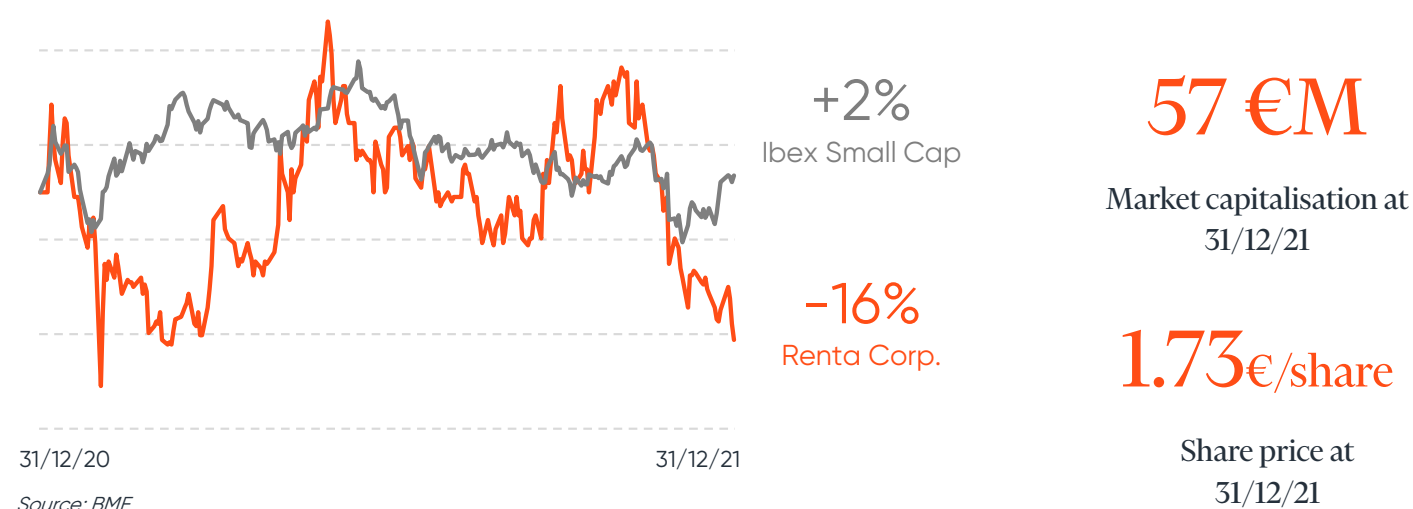


# 5. Shareholder structure and stock market performance

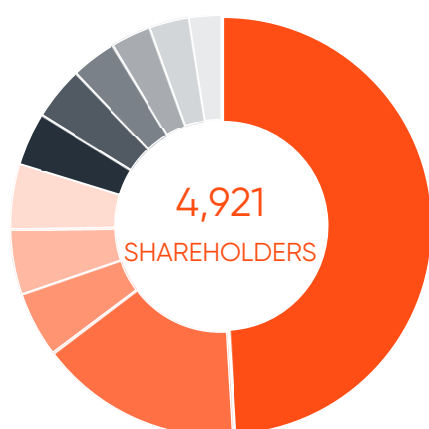
The share price at 2021 year-end was EUR 1.73 per share, 16% lower than the price of EUR 2.05 per share at 2020 year-end.

Market capitalisation at 31 December 2021 stood at EUR 56.9 million, with 14.6 million shares traded in the year for a total of EUR 29.8 million.

## SHARE PERFORMANCE SINCE DEC 20 (BASE 100)



## SHAREHOLDER STRUCTURE DEC 21



Free-float	49.0%
Luís Hernández de Cabanyes (Chairman)	15.7%
Oravla Inversiones, S.L.	5.0%
El Baile de Ibiza/Firmamento Estelar	5.0%
Naturinvest, S.À R.L.	5.0%
Vanesa Herrero Vallina	4.1%
Blas Herrero Vallina	4.1%
Fundación Renta	3.5%
Camac Fund, LP	3.1%
Concerted action - Wilcox	3.0%
Treasury shares	2.5%

# Appendix 1: Significant transactions in 2021

## Transactional business

### EUTERPE

Barcelona



- **Project:** Comprehensive conversion of an office building into a new build residential building.
- **Surface area:** 602 m<sup>2</sup>

### FRANCESC DE BOLÓS

Barcelona



- **Project:** Comprehensive conversion of an industrial building into a new build residential building. Lease management.
- **Surface area:** 1,362 m<sup>2</sup>

### MARQUÉS DE MONTEAGUDO

Madrid



- **Project:** New build residential project. Conversion and comprehensive refurbishment of an office building.
- **Surface area:** 1,346 m<sup>2</sup>

### MONTEROLS

Barcelona



- **Project:** Comprehensive refurbishment of the building. Change of use of the ground floor. Lease management.
- **Surface area:** 1,400 m<sup>2</sup>

### GRAN VÍA DE LES CORTS CATALANES

Barcelona



- **Project:** Management of lease status. Facility management.
- **Surface area:** 11,486 m<sup>2</sup> a/g + 3,000 m<sup>2</sup> b/g

### PASSEIG DE GRÀCIA

Barcelona



- **Project:** Comprehensive refurbishment of one floor used as offices and sale.
- **Surface area:** 255 m<sup>2</sup>

### CORNET I MAS

Barcelona



- **Project:** Refurbishment project.
- **Surface area:** 693 m<sup>2</sup>

### ROCAFORT

Barcelona



- **Project:** Refurbishment project. Lease management.
- **Surface area:** 1,566 m<sup>2</sup>

**GARMUR**

Madrid



- **Project:** Batch of five buildings in Ciudad Lineal. Refurbishment of common areas and conversion of commercial premises into housing units.
- **Surface area:** 3,546 m<sup>2</sup> a/g+ 1,178 m<sup>2</sup> courtyards.

**ENTENÇA**

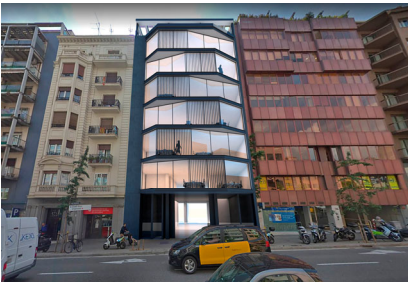
Barcelona



- **Project:** Negotiations with tenants. Sale of entire project to an investment fund.
- **Surface area:** 1,737 m<sup>2</sup> a/g + 323 m<sup>2</sup> courtyards.

**VÍA AUGUSTA**

Barcelona



- **Project:** Comprehensive refurbishment of an office building. Sale with sitting tenants.
- **Surface area:** 3,103 m<sup>2</sup> a/g + 799 m<sup>2</sup> b/g

**PROVENÇA**

Barcelona



- **Project:** Change of use from car park to office or commercial premises.
- **Surface area:** 3,163 m<sup>2</sup>

**HOTEL GRAN DUCAT**

Barcelona



- **Project:** Negotiation of lease with top-level operator and sale to investor.
- **# rooms:** 64

**HOTEL GRAN RONDA**

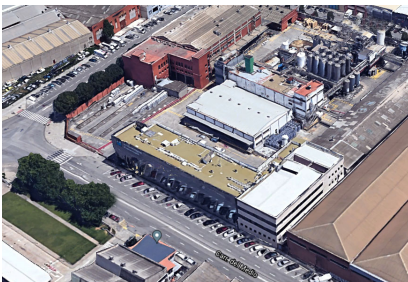
Barcelona



- **Project:** Sale to investment fund for conversion into flats. Legalisation of operating licence.
- **# rooms:** 65

**CARRETERA DEL MIG**

Hospitalet de Llobregat



- **Project:** Development of logistics warehouses.
- **Surface area:** 20,400 m<sup>2</sup> a/g+ 3,900 b/g



**Asset business****HERMOSILLA**

Madrid



- Housing units: 80
- Surface area: 6,619 m<sup>2</sup>
- Comprehensive refurbishment in progress.

**CARABANCHEL LOT**

Madrid



- Housing units: 517
- Surface area: 33,559 m<sup>2</sup>
- Operation under development

**AVDA SAN LUÍS**

Madrid



- Housing units: 170
- Surface area: 14,865 m<sup>2</sup>
- Comprehensive refurbishment in progress.

**ENSANCHE DE VALLECAS**

Development in Madrid.



- Expected housing units: 216
- Surface area: 18,953 m<sup>2</sup>
- Operation under development

**MÉNDEZ ÁLVARO**

Development in Madrid.



- Housing units: 273
- Surface area: 18,308 m<sup>2</sup>
- Operation under development

**NUEVO MAHOU CALDERÓN**

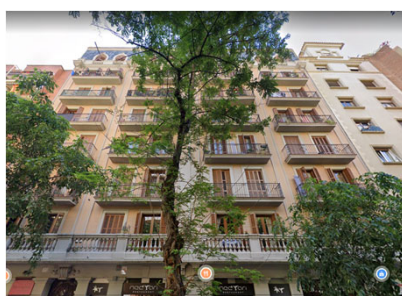
Development in Madrid.



- Expected housing units: 408
- Surface area: 33,680 m<sup>2</sup>
- Operation under development

**VALENCIA**

Barcelona



- Housing units: 72
- Surface area: 5,051 m<sup>2</sup>
- Comprehensive refurbishment in progress.

**ANTONIO LÓPEZ**

Madrid



- Housing units: 64
- Surface area: 7,058 m<sup>2</sup>



# Appendix 2: Significant inventories in progress at end of 2021

## HERCEGOVINA

Barcelona



- **Project:** New construction project consisting of two single-family housing units.
- **Surface area:** 667 m<sup>2</sup>

## JOAN MARAGALL

Barcelona



- **Project:** New construction project consisting of a sustainable building with 8 housing units. Joint venture between RC and OIHH.
- **Surface area:** 675 m<sup>2</sup>

## VÍA AUGUSTA

Barcelona



- **Project:** Work in common spaces and construction of a swimming pool and a gymnasium. Negotiations with tenants. Piece by piece sale.
- **Surface area:** 4,650 m<sup>2</sup> a/g + 1,500 m<sup>2</sup> b/g

## AVINGUDA DE MADRID

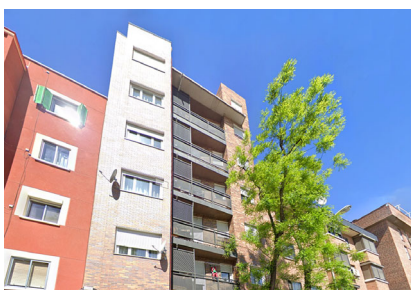
Barcelona



- **Project:** Work in common spaces. Negotiations with tenants. Sale of entire project to an investment fund.
- **Surface area:** 1,642 m<sup>2</sup>

## AVDA. CARABANCHEL ALTO

Madrid



- **Project:** Piece by piece sale.
- **Surface area:** 1,300 m<sup>2</sup>

## SAN CARLOS

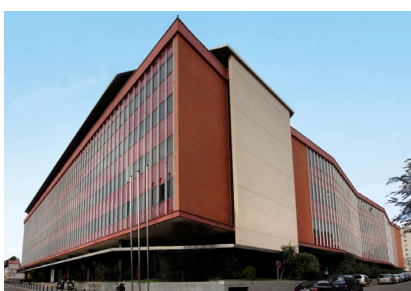
Madrid



- **Project:** Piece by piece sale.
- **Surface area:** 670 m<sup>2</sup>

## EDIFICIO VANGUARD

Barcelona



- **Project:** Conversion of property to hotel and residential use.
- **Surface area:** 21,023 m<sup>2</sup> a/g + 2,496 m<sup>2</sup> b/g

## CARRETERA DE SABADELL

Rubí (Barcelona)



- **Project:** Development of logistics warehouses.
- **Surface area:** 7,000 m<sup>2</sup>

# Appendix 3: Glossary of terms

<b>Business portfolio</b>	Investment rights plus strategic stocks (for sale)
<b>Financial debt</b>	Mortgage debt + Other payables + Participating debt
<b>Net financial debt</b>	Mortgage debt + Other payables - Treasury - Current financial assets
<b>Borrowings as a % of assets</b>	Net financial debt / Total assets - Carrying amount of the Cànoves asset (securing the participating loan) - Cash and cash equivalents - Current financial assets
<b>EBITDA</b>	Consolidated profit or loss from operations + Changes in value of investment property - Depreciation and amortisation charge
<b>Free-float</b>	Shares freely traded on the Spanish Stock Market Interconnection System and not stably controlled by shareholders
<b>GAV</b>	Market value (GAV)
<b>IBEX Small</b>	Index of small market capitalisation securities traded on the Spanish Stock Market Interconnection System
<b>LTV</b>	Net financial debt/Market value of assets (Loan to Value)
<b>LTC</b>	Net financial debt/Cost of assets held in inventory (Loan to Cost)
<b>Operating margin</b>	Revenue + Other operating income + Changes in value of financial assets - Changes in inventories of buildings acquired for refurbishment and/or conversion - Other operating expenses charged to the operating margin
<b>€M</b>	Millions of euros
<b>REITs</b>	Real estate investment trusts

