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## DISCLAIMER

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

# 1. Executive summary

## KEY FINANCIALS OF THE GROUP

<b>REVENUE</b>  <b>61.3</b> €M -27% vs '21	<b>OPERATING MARGIN</b>  <b>17.7</b> €M -10% vs '21	<b>EBITDA</b>  <b>9.7</b> €M -20% vs '21	<b>NET PROFIT</b>  <b>3.6</b> €M -3.3 €M vs '21
<b>OPERATING MARGIN/ REVENUE</b>  <b>29%</b> +6 pp vs '21	<b>DEBT AS A % OF ASSETS</b>  <b>32%</b> - pp vs '21	<b>INCREASE IN EQUITY</b>  <b>1.4</b> €M 75.7 €M at Dec '21	<b>PORTFOLIO</b>  <b>76.9</b> €M +23% vs Dec '21

## TRANSACTIONAL BUSINESS

	REAL ESTATE SALES	REAL ESTATE PROJECT MANAGEMENT	TOTAL
# transactions in 2022	10	2	12
Transactional business margin (M€)	4.3	2.1	6.4
Average margin per transaction (M€)	0.4	1.1	0.5

## OWN ASSETS BUSINESS

	CABE	INVESTMENT PROPERTY	TOTAL
GAV of assets (M€)	13.6	30.7	44.3
Asset business margin (M€)	6.5	1.7	8.2
# assets under management	9	7	16
Average size of assets (M€)	1.5	4.4	2.8

- Renta Corporación ended 2022 with a **cumulative net profit of EUR 3.6 million**, down 48% from the EUR 6.9 million it obtained in 2021. Year 2022 was characterised by an uncertain, scanty favourable macroeconomic environment that led to a significant increase in construction and borrowing costs in the real estate industry, in addition to a slowdown in the closing of transactions and in new investment decisions, all of which had a direct impact on the Group's transactional business portfolio, its operating margin and its profit for 2022.
- The **operating margin** amounted to EUR 17.7 million, down EUR 2.0 million from the figure reported at 2021 year-end. Broken down by business line, the **asset management business** increased its margin by EUR 5.6 million in year-on-year terms, whereas the **transactional business** saw its margin fall by EUR 6.9 million.
- **Overheads** totalled EUR 8.0 million, up EUR 0.4 million from the EUR 7.6 million incurred in 2021, as a result of the adjustment of staff costs in keeping with the cost of living and the reinforcement of core personnel in order to carry out the Company's new projects associated with the asset management business.
- **Net financial debt** amounted to EUR 44.0 million, while debt as a percentage of assets remained at 32%.
- The Company is currently at a very advanced stage of the process by means of which it will repay its participating loan through the dation in payment of the Cànoves asset. This, together with the repayment of the outstanding subordinated debt, will mean that the Company has complied in full with the terms of the Creditors Arrangement and the insolvency proceedings will come to a definitive end in the course of 2023.
- The Company continues to display a healthy **cash** position, standing at EUR 15.0 million at year-end.
- At the end of December the Company's **business portfolio** totalled EUR 76.9 million, up 23% on the figure for 2021 year-end, and consisted mostly of assets for residential and, to a lesser extent, industrial use.
- **Equity** closed the year at EUR 77.1 million, EUR 1.4 million higher than at 2021 year-end, mainly as a result of the profit generated for the year and the distribution of a final dividend of EUR 2.2 million out of the profit for 2021.
- Renta Corporación and the Dutch company APG joined forces once again to create the **Wellder REIT** (a Spanish "Socimi"), which specialises in care homes for the elderly. This vehicle, which will be managed exclusively by Renta Corporación, has been set up with the objective of acquiring property assets in Spain with a total value of EUR 250 million, in an initial phase, with priority being given to the quality of the assets and the attainment of high ESG standards.
- Renta Corporación performed the market launch of **Cabe**, a business dedicated to the rental of urban self storage spaces situated in Barcelona and Madrid, but which it expects to expand to other locations due to its high degree of scalability.
- The **market price of the share** at 31 December 2022 was EUR 1.34 per share, 23% lower than the EUR 1.73 per share at 2021 year-end.



## 2. Description of the Group

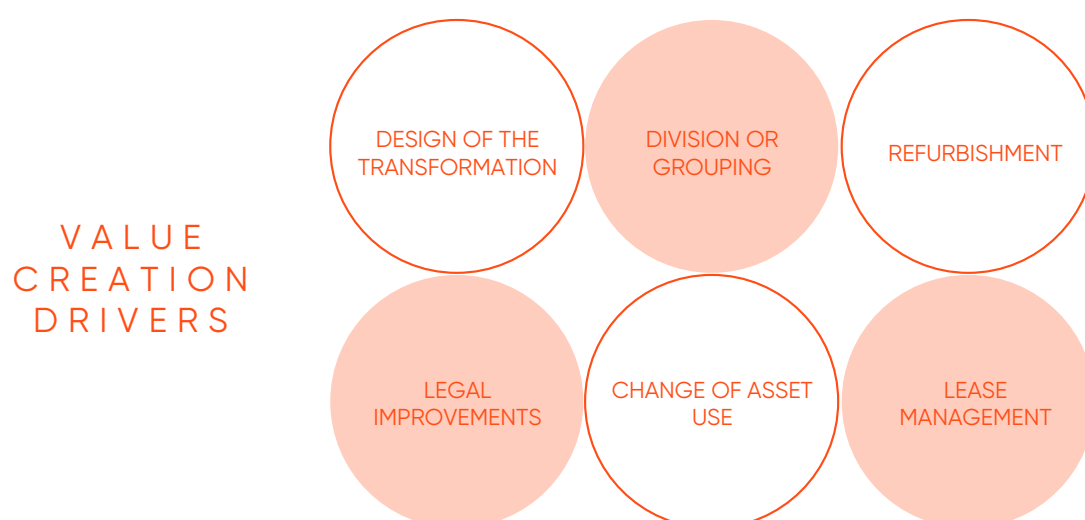
Renta Corporación is a Group with a highly distinguishing component that sets it apart from other players in the real estate industry in Spain. It has two clearly distinct lines of business, which it adapts from time to time in keeping with the changing reality of the Spanish property market, without losing the essence of each line's business model.

### Two clearly distinct lines of business: transactional and asset-based

#### 2.1 Transactional business

The main feature of this business is the generation of value added through the purchase of obsolete properties and the subsequent maximisation of their value by converting them, which usually involves changing their use, carrying out physical improvements to the buildings and repositioning them in the market.

The main drivers of value generation, which may occur jointly or individually depending on demand requirements and stock availability, are as follows:



The Company has experience with all kinds of assets and the resulting product mix at any time depends on the market situation, the interest shown by investors and the ability to generate value. In 2022 the focus of the transactional business lay mainly on operations in the residential segment, which continues to earn a position as one of the real estate segments with the greatest growth potential at investment level, as well as on the hotel segment, which showed signs of a clear recovery throughout 2022.

## 2.2 Asset business

This line of business is divided into two divisions:

### a. “Asset management”/“Fund management” division

This division, which consists of the creation and management of real estate vehicles with third parties, earns fees and commissions associated with both vehicle origination and management of the properties involved.

This division includes the **Vivenio REIT**, which, specialising in residential rental assets, was created in 2017 with the Dutch pension fund APG as majority shareholder. In 2021 the Australian fund Aware Super PTY LTD became a shareholder of the REIT, thus contributing to Vivenio’s current investment capacity, which stands at more than EUR 800 million.

In addition, at the end of 2022, APG and Renta Corporación joined forces again to create the **Wellder REIT**, which specialises in care homes for the elderly. This vehicle, which will be managed exclusively by Renta Corporación, has been set up with the objective of acquiring property assets in Spain with a total value of EUR 250 million, in an initial phase, with priority being given to the quality of the assets and the attainment of high ESG standards. Wellder will invest in assets located in towns with more than 100,000 inhabitants, preferably provincial capitals; each facility will have a surface area of between 4,000 and 7,500 m<sup>2</sup> and a capacity ranging from 80 to 140 beds. Investments will be made both by acquiring existing facilities and through the development of new projects.

### b. “Own assets” division

This division covers the acquisition and management of any investment property intended to be kept on the Company’s balance sheet for a prolonged period of time. It is expected that the asset-based strategy will continue to be strengthened in the next few years since it contributes to the Company’s regular revenue.

Within this division the Company has created **Cabe**, a business engaging in the rental of digital urban self storage spaces. Growth in the urban population, the ongoing rise in the cost of housing, the high availability of commercial premises at competitive prices following the covid-19 crisis, a low level of associated investment, the resilience to economic cycles and the high growth margin of this business are some of the reasons why the Group has decided to set its sights on this particular sector. Since the end of 2021 the Company has acquired nine premises situated in Barcelona and Madrid, and, in view of the high scalability of this business, it does not rule out the possibility of opening new facilities in other cities. Cabe offers a uniquely differentiated product, featuring premises located in city-centre areas and a highly digital experience for customers, both when arranging the related rental contract and when using the storage service. The premises acquired are currently in the process of being opened, and it is expected that they will all be fully operational within the next few months.



## 3. Business performance and results

### 3.1 Consolidated statement of profit or loss

(million EUR)	12M 2022	12M 2021	% change
Transactional business revenue	47.8	75.7	
Asset management business revenue	13.4	7.9	
Other income	0.1	0.2	
<b>REVENUE</b>	<b>61.3</b>	<b>83.8</b>	<b>-27%</b>
Transactional business margin	6.4	13.3	
Asset management business margin	12.5	6.9	
Other income and expenses	-1.2	-0.5	
<b>OPERATING MARGIN</b>	<b>17.7</b>	<b>19.7</b>	<b>-10%</b>
Overheads and staff costs	-8.0	-7.6	
<b>EBITDA</b>	<b>9.7</b>	<b>12.1</b>	<b>-20%</b>
Depreciation and amortisation charge, provisions and other	-0.5	-0.4	
<b>EBIT</b>	<b>9.2</b>	<b>11.7</b>	<b>-21%</b>
Net financial loss	-3.5	-3.6	
Results from equity method	-0.1	0.0	
<b>PROFIT BEFORE TAX</b>	<b>5.6</b>	<b>8.1</b>	<b>-31%</b>
Income tax	-2.0	-1.2	
<b>NET PROFIT</b>	<b>3.6</b>	<b>6.9</b>	<b>-48%</b>

#### 3.1.1 Revenue

The detail of revenue by business line is as follows:

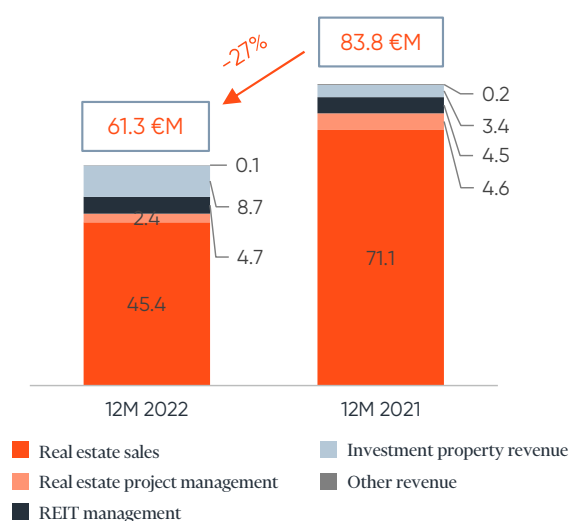
Revenue by business line (million EUR)	12M 2022	12M 2021	Change
Real estate sales	45.4	71.1	-25.7
Real estate project management	2.4	4.6	-2.2
<b>Total revenue - transactional business</b>	<b>47.8</b>	<b>75.7</b>	<b>-27.9</b>
REIT management	4.7	4.5	0.2
Investment property	8.7	3.4	5.3
<b>Total revenue - asset management business</b>	<b>13.4</b>	<b>7.9</b>	<b>5.5</b>
Other income	0.1	0.2	-0.1
<b>REVENUE</b>	<b>61.3</b>	<b>83.8</b>	<b>-22.5</b>

Revenue for 2022 amounted to EUR 61.3 million, representing a decrease of EUR 22.5 million compared with the figure for 2021; the **transactional business** accounted for most of this fall in revenue, as a result of the slowdown affecting the market, in particular in the second half of the year. 75% of revenue from the transactional business was obtained in the residential sector and, to a lesser degree, in the office and hotel sectors. Particularly worthy of note in the residential sector was the sale of part of a building in Via Augusta and of most of another building in calle Camèlies, both in Barcelona, in addition to the sale of part of a building in calle Carabanchel Alto and of substantially all of another building in calle San Carlos, both in Madrid. As far as other uses are concerned, the Company also recognised a hotel transaction in calle Alcalá in Madrid and the sale of a large portion of a delegated property development in Via Augusta, Barcelona.

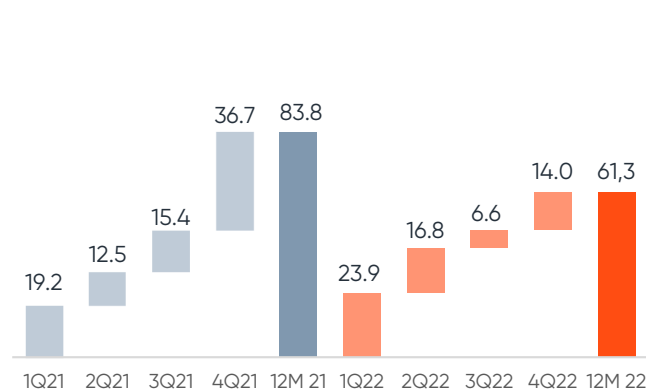
Revenue from the **asset management business**, which increased by EUR 5.5 million as compared with 2021, arose mainly from the fair value remeasurement of **investment property**, in particular the self storage portfolio acquired in 2022 in order to enable Cabe, the urban self storage company, to commence operations.

Lastly, the **REIT management** business line generated revenue of around EUR 4.7 million, slightly higher than the figure obtained in 2021.

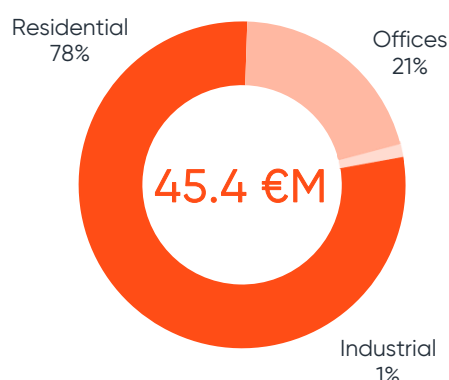
REVENUE BY BUSINESS LINE



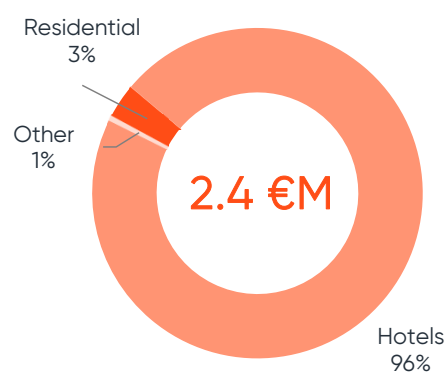
REVENUE BY QUARTER



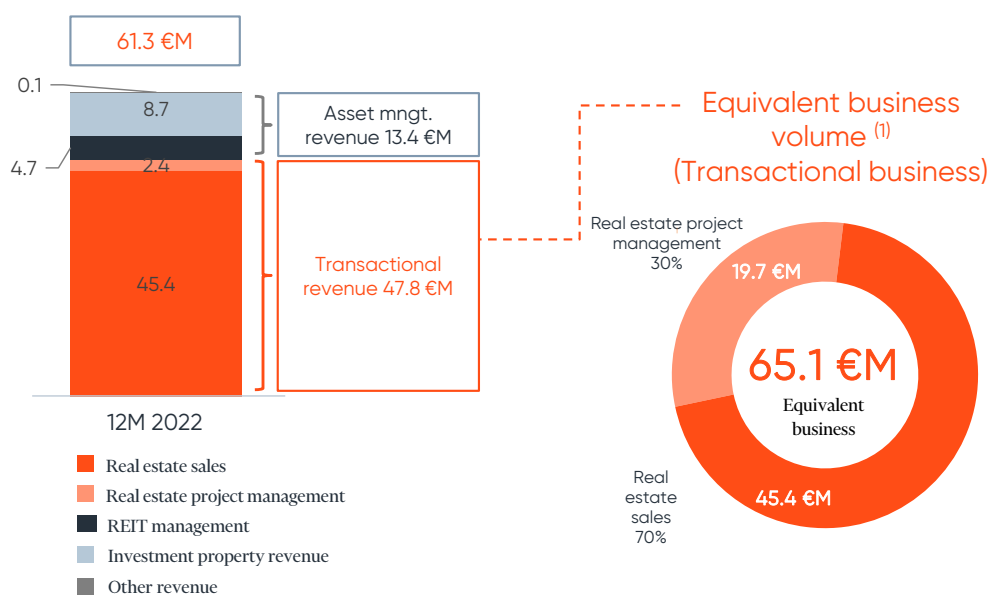
REAL ESTATE SALES REVENUE BY TYPE OF ASSET



REAL ESTATE PROJECT MANAGEMENT REVENUE BY TYPE OF ASSET



## EQUIVALENT BUSINESS VOLUME 12M 2022



**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 2022	12M 2021	Change
Real estate sales margin	4.3	9.8	-5.5
Real estate project management margin	2.1	3.5	-1.4
<b>Total margin - transactional business</b>	<b>6.4</b>	<b>13.3</b>	<b>-6.9</b>
REIT management margin	4.3	4.4	-0.1
Investment property margin	8.2	2.5	5.7
<b>Total margin - asset management business</b>	<b>12.5</b>	<b>6.9</b>	<b>5.6</b>
Other income and expenses	-1.2	-0.5	-0.7
<b>OPERATING MARGIN</b>	<b>17.7</b>	<b>19.7</b>	<b>-2.0</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 4.3 million, EUR 5.5 million lower than the figure obtained in 2021.

**“Real estate project management” margin**

The margin of the “Real estate project management” business line amounted to EUR 2.1 million, representing a decrease of EUR 1.4 million compared with 2021. This margin was obtained largely from a single hotel transaction.

**“REIT management” margin**

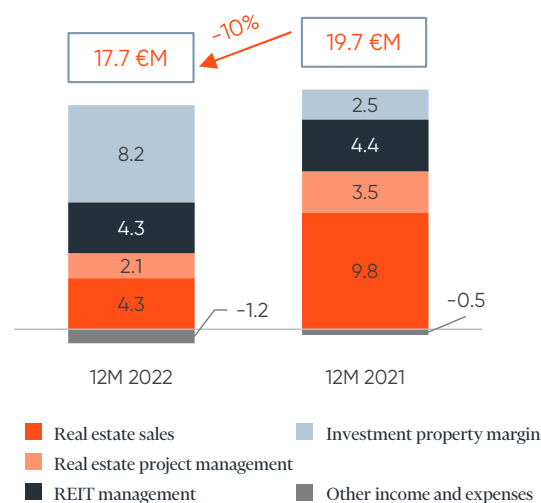
The margin of the “REIT management” business line amounted to EUR 4.3 million, in line with the figure for 2021. This margin consisted of an incentive fee somewhat lower than that earned in 2021, as well as the origination fee arising from acquisitions, transactions under development and investment portfolio turnkey projects.

**Investment property margin**

The investment property margin amounted to EUR 8.2 million, EUR 5.7 million higher than the figure obtained for 2021, and was due mainly to the revaluation of the assets owned by the Company, including nine premises most of which were acquired in 2022 to be used as urban self storage facilities.

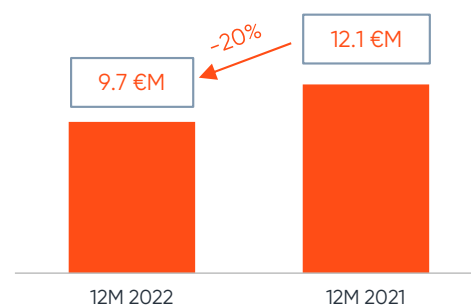
**Other income and expenses**

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 8.0 million, EUR 0.4 million higher than the EUR 7.6 million reported in 2021, and consisted of EUR 5.5 million of staff costs and EUR 2.5 million of other overheads.

At 2022 year-end EBITDA stood at EUR 9.7 million, down 20% from the EUR 12.1 million obtained in 2021.

**3.1.4 Financial loss**

The financial loss amounted to EUR -3.5 million, a figure in line with that recorded in 2021. The financial loss in 2022 resulted from an increase in the cost associated with the amounts of commercial paper and non-bank borrowings drawn down in 2022 in comparison with 2021, which was offset by a reduction in the cost associated with the reversal of debt moratoriums in the context of insolvency proceedings.

**3.1.5 Net profit**

The Group recognised an income tax expense of EUR -2.0 million; this impact amounted to EUR -1.2 million in 2021.

Moreover, as in 2021, in accordance with the revised strategic plan, no net tax assets additional to the tax loss carryforwards were recognised at 2022 year-end.

As a result of the foregoing, Renta Corporación ended 2022 with a **cumulative net profit of EUR 3.6 million**, down 48% from the EUR 6.9 million it obtained in 2021.

## 3.2 Consolidated balance sheet

### 3.2.1 Assets

Assets (million EUR)	Dec-22	Dec-21	Change
Non-current assets and right-of-use assets	2.9	1.7	1.2
Other non-current assets	92.6	75.4	17.2
<b>Non-current assets</b>	<b>95.5</b>	<b>77.1</b>	<b>18.4</b>
Inventories	52.8	60.4	-7.6
Accounts receivable	6.6	10.9	-4.3
Cash	15.0	16.0	-1.0
Financial assets	0.3	0.4	-0.1
<b>Current assets</b>	<b>74.7</b>	<b>87.7</b>	<b>-13.0</b>
<b>Total assets</b>	<b>170.2</b>	<b>164.8</b>	<b>5.4</b>

#### Non-current assets

Renta Corporación's non-current assets amount to EUR 95.5 million, up EUR 18.4 million from the figure at 2021 year-end. The detail of the balances forming part of the non-current assets is as follows:

(million EUR)	Dec-22	Dec-21	Change
Non-current assets and right-of-use assets	2.9	1.7	1.2
Investment property	44.3	31.0	13.3
Non-current financial assets	21.2	17.2	4.0
Deferred tax assets	27.1	27.2	-0.1
<b>Total non-current assets</b>	<b>95.5</b>	<b>77.1</b>	<b>18.4</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 2.9 million. The balance of this item rose by EUR 1.2 million compared with the figure at 2021 year-end, mainly as a result of the amendment of the lease for the Company's head office to extend the term and the leased space.
- The EUR 13.3 million increase in the assets classified as **investment property** in comparison with 2021 year-end was the result of the acquisition of new assets to be used as urban self storage facilities and, in addition, the fair value remeasurement of the assets forming part of this line item. At 31 December 2022, investment property included sixteen buildings located in Barcelona and Madrid, namely six residential-use buildings, one hotel and nine commercial premises.
- **"Non-Current Financial Assets"** includes basically Renta Corporación's ownership interest in the share capital of the Vivenio REIT, which specialises in residential properties for lease, and the non-current account receivable amounting to EUR 3.4 million yet to be converted into shares. The balance of this line item increased by EUR 4.0 million with respect to the figure at 2021 year-end, due mainly to the accrual of new incentive fee collection rights for Renta Corporación and, to a lesser extent, due to Renta Corporación's contribution to the new Wellder REIT, which, specialising in care homes for the elderly, was set up in conjunction with the Dutch pension fund manager APG.
- The **deferred tax assets** relate mostly to tax loss carryforwards, and there were EUR 64 million of unrecognised tax losses.

## Current assets

(million EUR)	Dec-22	Dec-21	Change
Inventories	52.8	60.4	-7.6
Accounts receivable	6.6	10.9	-4.3
Cash	15.0	16.0	-1.0
Financial assets	0.3	0.4	-0.1
<b>Total current assets</b>	<b>74.7</b>	<b>87.7</b>	<b>-13.0</b>

Current assets amounted to EUR 74.7 million at 31 December 2022, down EUR 13.0 million on 2021 year-end. This change is explained mainly by the reduction in inventories and accounts receivable:

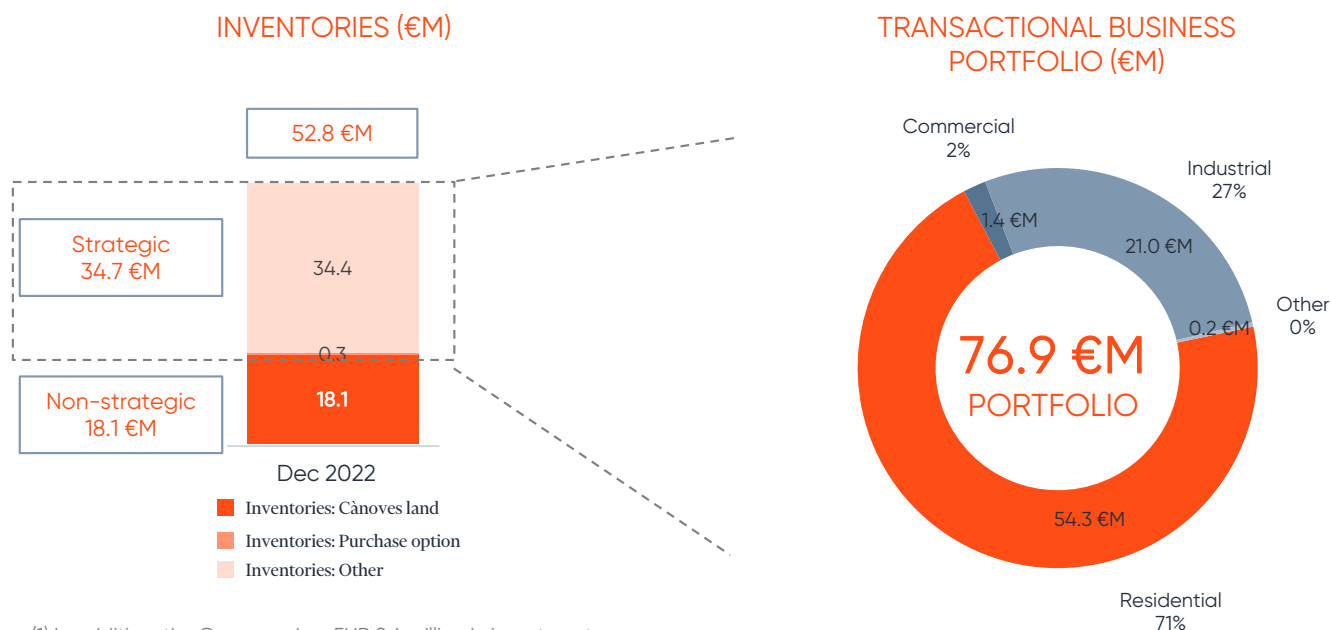


## Inventories and transactional business portfolio

Renta Corporación recognised inventories totalling EUR 52.8 million at 31 December 2022, down EUR 7.6 million with respect to 2021 year-end, due to the net effect of the property acquisitions and the sales made during the year. The properties acquired included, inter alia, two logistics buildings in calle Industria, Ripollet, Barcelona and another in Illescas, Toledo; commercial premises in calle Embajadores, Madrid, and three residential properties: two in Barcelona (calle Camèlies and calle Carrera) and a third in calle Nuestra Señora de la Soledad in Madrid. The sales included most notably those of part of a residential building in Via Augusta, three complete buildings in Avinguda de Madrid and Travessia de Sant Antoni, and another in calle Joan Maragall, l'Hospitalet de Llobregat, all of them in Barcelona. A portion of each of two residential buildings in calle Carabanchel Alto and calle San Carlos in Madrid were also sold.

This line item also includes the Cànoves land for residential use which, amounting to EUR 18.1 million, has been provided as security for creditors' rights under the 2014 arrangement, and which the Company is currently in the process of using, through dation in payment, to repay its participating loan, as established in the arrangement. Consequently, the analysis of the inventories, which is presented below, will focus on the assets that make up the remaining EUR 34.7 million.

Lastly, the value of the inventories at the reporting date included purchase option premiums amounting to EUR 0.3 million, which grant the right to purchase assets amounting to EUR 42.5 million in the future. This, together with the strategic inventories, gives rise to a transactional business portfolio of EUR 76.9 million, 23% higher than the figure at 2021 year-end.



**Notes:** (1) In addition, the Company has EUR 8.4 million in investment rights on self storage spaces and care homes for the elderly.

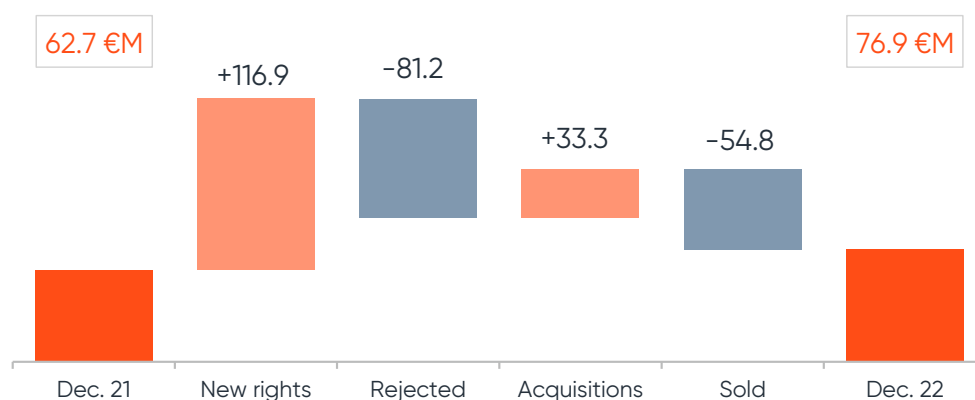
#### BREAKDOWN OF STRATEGIC INVENTORIES <sup>(1)</sup> (€M)

RESIDENTIAL		INDUSTRIAL/LOGISTIC		COMMERCIAL/OTHER	
# buildings	10	# buildings	5	# buildings	1
# units	47	# units	N/A	# units	N/A
Inventories (€M)	16.4	Inventories (€M)	16.3	Inventories (€M)	1.7

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

#### CHANGES IN TRANSACTIONAL BUSINESS PORTFOLIO (€M)

The detail of the changes in the business portfolio in the period from 2021 year-end to 31 December 2022 is as follows:



## Accounts receivable

(million EUR)	Dec-22	Dec-21	Change
Trade receivables and notes receivable	3.9	6.9	-3.0
Tax receivables	1.0	1.2	-0.2
Other receivables	1.7	2.8	-1.1
<b>Total receivables</b>	<b>6.6</b>	<b>10.9</b>	<b>-4.3</b>

At 2022 year-end the balance of accounts receivable amounted to EUR 6.6 million, down EUR 4.3 million with respect to 2021 year-end. This balance is broken down into three line items:

- **Trade receivables and notes receivable:** the balance of this line item decreased by EUR 3.0 million compared to the figure at 2021 year-end due mainly to the collection from the sale of a residential building in Barcelona made in the last few days of 2021. This line item also includes the recognition of the stage of completion of two delegated property developments in Barcelona, for a logistics building and an office building.
- **Tax receivables:** the tax receivables of Renta Corporación decreased by EUR 0.2 million with respect to December 2021, due mainly to the net effect of the decrease in the VAT balance refundable and the increase in the income tax balance receivable.
- **Other receivables:** the balance of this line item decreased by EUR 1.1 million with respect to 2021 year-end, due mainly to the net effect, on the one hand, of the decrease in the provisions of funds delivered for the purchase of buildings and the amounts deposited to guarantee obligations to third parties, and, on the other, to the increase in the options deposited under the due diligence review process.



### 3.2.2 Liabilities

Equity + liabilities (million EUR)	Dec-22	Dec-21	Change
<b>Equity</b>	<b>77.1</b>	<b>75.7</b>	<b>1.4</b>
<b>Liabilities</b>			
Non-current financial debt	7.0 <sup>(1)</sup>	26.2	-19.2
Other non-current payables	7.3	4.7	2.6
<b>Non-current liabilities</b>	<b>14.3</b>	<b>30.9</b>	<b>-16.6</b>
Non-current financial debt	7.6 <sup>(2)</sup>	15.4	-7.8
Current financial debt	44.7 <sup>(3)</sup>	16.7	28.0
Participating debt	18.2	17.9	0.3
Other current payables	8.3	8.2	0.1
<b>Current liabilities</b>	<b>78.8</b>	<b>58.2</b>	<b>20.6</b>
<b>Total equity + liabilities</b>	<b>170.2</b>	<b>164.8</b>	<b>5.4</b>

#### Equity

Equity at the end of the year stood at EUR 77.1 million, EUR 1.4 million higher than at 2021 year-end, mainly due to the generation of profit in the period and the payment of a final dividend of EUR 2.2 million out of profit for 2021.

#### Financial debt

##### DEBT BY TYPE AND CLASSIFICATION (€M) - Dec. 2022 (\*)

	Non current	Current		Total
(M€)	l/t	l/t	s/t	
Mortgage debt	7.0	7.6	0.6	15.2
Other payables	0.0	-	44.1	44.1
<b>Total Financial Debt</b>	<b>7.0 <sup>(1)</sup></b>	<b>7.6 <sup>(2)</sup></b>	<b>44.7 <sup>(3)</sup></b>	<b>59.3</b>

Notes: (\*) Not including the participating loan

#### Participating debt

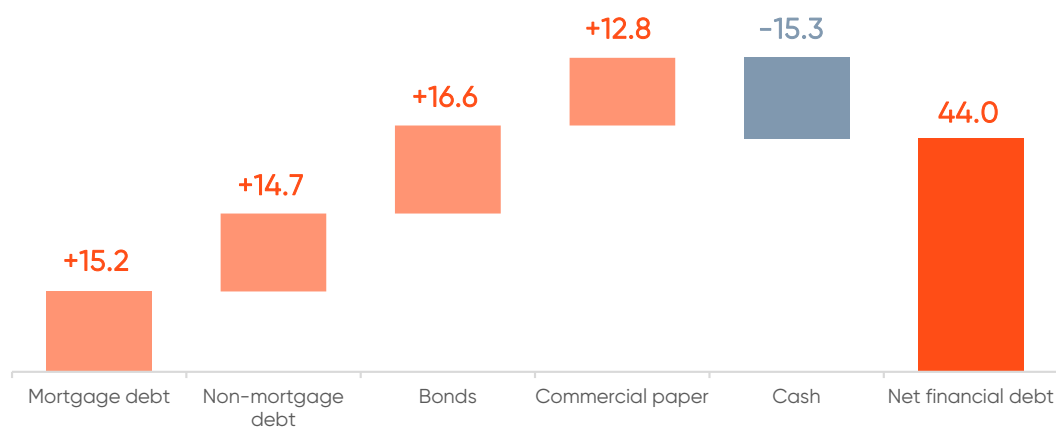
This is a participating loan for a nominal amount of EUR 18.2 million, guaranteed by means of a real estate mortgage on the site identified as Cànoves. The mortgage was registered by the Company in favour of the creditors who had adhered to Option B of the payment proposal detailed in the Creditors Arrangement. The Company is currently at a very advanced stage of the process by means of which it will repay its participating loan through the dation in payment of this asset, which will not give rise to any cash outflow.

## NET FINANCIAL DEBT (€M)

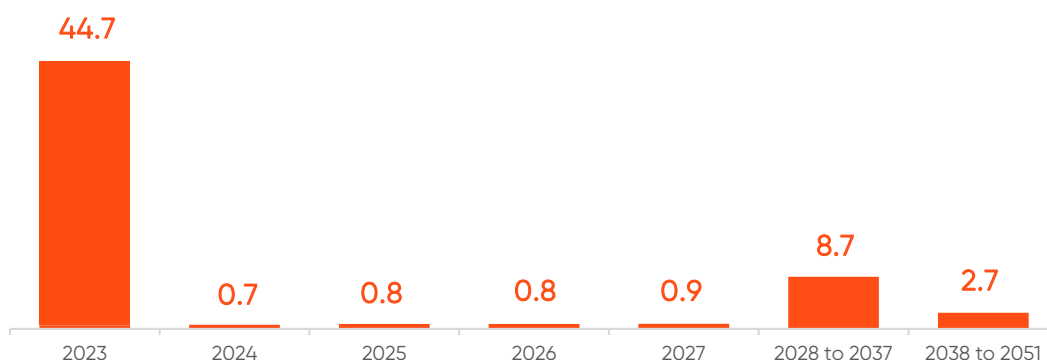
Net financial debt increased by EUR 2.1 million from the EUR 41.9 million at 2021 year-end mainly as a consequence of the net effect of the repayment of the mortgage debt associated with the assets sold in the period, the increase in other payables and the decrease in cash.

(million EUR)	Dec-22	Dec-21	Change
Mortgage debt	15.2	21.7	-6.5
Other payables	44.1	36.6	7.5
(-) Cash and financial assets	-15.3	-16.4	1.1
<b>Total Net Financial Debt</b>	<b>44.0</b>	<b>41.9</b>	<b>2.1</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

Although financial debt remained at the same level as at the end of 2021 and represented 32% of total assets, the terms to maturity are shorter. As shown in the chart, EUR 44.7 million of the total debt mature within 12 months and comprise mainly bonds, commercial paper and non-mortgage debt. At the date of this report, almost a quarter of this debt had been renegotiated to mature after 2023. The Company can draw down up to EUR 50 million against its 2022 commercial paper programme, against which only EUR 8.4 million had been drawn down at year-end. Also, the Company will foreseeably launch a MARF-format bond programme for a maximum amount of EUR 50 million in 2023.

## Other non-current payables

At 31 December 2022, Renta Corporación recognised “**Other Non-Current Payables**” totalling EUR 7.3 million. This balance is broken down as follows:

(million EUR)	Dec-22	Dec-21	Change
Non-current payables (insolvency proceedings)	0.6	0.6	0.0
Deferred tax liabilities	5.2	3.3	1.9
Long-term finance leases (IFRS 16)	1.5	0.8	0.7
<b>Total other non-current payables</b>	<b>7.3</b>	<b>4.7</b>	<b>2.6</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 is being reversed in the years over which this debt is repaid. The Company could repay this debt early in 2023 so that, together with the dation in payment of the Cánoves asset, it can comply in full with the terms of the Creditors Arrangement.
- **Deferred tax liabilities:** this line item amounted to EUR 5.2 million, up EUR 1.9 million on 2021 year-end as a result, mainly, of the tax effect of the revaluation of the investment property.
- **Long-term finance leases (IFRS 16):** this line item amounts to EUR 1.5 million and arose in 2019 as a result of the initial application of IFRS 16, Leases. As is the case with the non-current right-of-use asset, this line item increased in comparison with the previous period as a result, mainly, of the extension of the lease of the Company’s head office.

## Other current payables

Other current payables amounted to EUR 8.3 million, in line with the figure at 2021 year-end.

(million EUR)	Dec-22	Dec-21	Change
Current payables	7.3	6.5	0.8
Pre-sale downpayments and prepayments	0.2	0.2	0.0
Other current payables	0.8	1.5	-0.7
<b>Total other current payables</b>	<b>8.3</b>	<b>8.2</b>	<b>0.1</b>

- **Current payables** relate to the Company’s purchase, conversion and sale transactions. At 31 December 2022, they amounted to EUR 7.3 million, EUR 0.8 million higher than the 2021 year-end figure due mainly to the deferred payment in the purchase of a logistics transaction and the net decrease in the provisions for construction work and purchase costs.
- **Pre-sale downpayments and prepayments** stood at EUR 0.2 million, the same figure as at 2021 year-end, which will give rise to future revenue of EUR 8.9 million in Barcelona and EUR 0.5 million in Madrid.
- **Other current payables** relate mainly to tax payables and remuneration payable. At year-end they amounted to EUR 0.8 million, down EUR 0.7 million from the amount at 2021 year-end, due largely to the decrease in the latter.

## Cash flow performance

The Company generated cash flows of EUR 2.4 million arising from the profit from operations in the year, of which EUR 3.4 million relate to the receivables from the Vivenio REIT which will be converted into shares and which resulted from the accrual of the incentive fee generated in the year.

Working capital and other operating cash flows gave rise to a positive cash flow of EUR 11.1 million, due mostly to the decrease in inventories and in receivables.

Also, investment in non-current assets gave rise to a negative cash flow of EUR 7.3 million, mainly as a result of a significant investment in new assets classified as investment property.

Lastly, cash flows from financing activities were negative by EUR 1.6 million mainly as a result of the net effect of the repayment of existing mortgage and non-mortgage financing and the inflow of new financing of these nature.

All of which, together with the payment of a dividend out of 2021 profit amounting to EUR 2.2 million gross, resulted in a EUR 1.0 million decrease in cash and cash equivalents at 31 December 2022.

(million EUR)	Dec-22
Profit or loss from operations	2.4
Investment in the REIT <sup>(1)</sup>	-3.4
<b>Operating cash flow</b>	<b>-1.0</b>
Changes in working capital and other operating cash flows	11.1
Investment in non-current assets	-7.3
<b>Free cash flow</b>	<b>2.8</b>
Change in cash flows from financing activities	-1.6
Interim dividends paid	-2.2
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-1.0</b>

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



## 4. Information on market performance

Year 2022 was marked by various macroeconomic and geopolitical factors, such as the war between Russia and Ukraine, the energy crisis, the increased price of raw materials, runaway inflation and the consequent tightening of monetary policy by the European Central Bank.

Despite this, the Spanish economy has shown resistance, mainly as a result of the recovery of exports and the tourism industry, and ended 2022 with an increase of 5.5% in GDP and inflation of 5.7%, according to data from the Spanish National Statistics Institute. Also worthy of mention is the robustness and strength of the labour market.

In 2023, the effects of inflation and the rise in interest rates will moderate activity, the pulse of the economy will foreseeably recover from the second half of the year onwards. Nonetheless, the Bank of Spain's forecasts for growth in 2023 stand at 1.3%.

Against a backdrop of economic uncertainty, the property industry has demonstrated its capacity of resilience. Year 2022 was a good year for property investment, although in 2023 the dynamic will be significantly impacted by the effect of inflationary pressures and the tightening of monetary conditions, leading to a moderate outlook.

Foreign demand will foreseeably remain at the same level, and the real estate industry will continue to be very attractive to investors, positioning itself as a safe haven against inflation.

Meanwhile, digitalisation and sustainability are becoming the main trends in the property industry. In this regard, Environmental, Social and Governance (ESG) criteria will continue to increase in importance as key factors in increasing the profitability and resilience of property assets.

### Residential segment

The residential segment showed itself to be resilient in 2022, and was characterised by considerable dynamism: domestic demand was reactivated and the purchase and sale figures registered were very positive. However, the unprecedented rise in inflation, the increase in interest rates and the energy crisis have damaged, in recent months, the buoyancy shown by the industry.

Against this backdrop, the number of transactions is expected to decrease in 2023 and prices are expected to fall. Residential will continue to be the leading segment in the industry, positioning itself as one of the real estate segments with the most potential for growth.

The residential rental segment is consolidating its position and represents more than half of total investment, while student residences, coliving and senior living are becoming increasingly important.

The main trend in this segment is the increased concern, of both investors and occupants, for sustainability and ESG criteria to transform the industry and generate greater impact.

### Offices segment

After the impact of the pandemic, offices recovered their importance in 2022. Following workers' return to the office, either in person or on a hybrid basis, the recovery of the office market activity in Barcelona and Madrid has been consolidated.

The current macroeconomic scenario will lead to a lowering of expectations although the outlook for our product offering remains stable and refurbishment projects will continue to gain ground.

In the offices segment, concerns regarding sustainability were accentuated, 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 2023. The new workspaces, such as diaphanous, open spaces, are also gaining ground, and becoming trendy.

### Retail segment

The Spanish retail segment, where a significant percentage of all retail investment in Europe is concentrated, is also remaining strong. In this segment, supermarkets, the 'high street' and shopping centres will continue to arouse investor's appetites.

In 2023, investment activity is expected to slow down, under the influence of the economic situation, although investors will still show strong interest in Spain's most important streets. Also, the outlook for consumption will be more subdued due to the impact of inflation and the consequent loss of purchasing power, as well as the fall in consumer confidence.

Rents remain practically stagnant and are forecast to stay that way in 2023.

Online trade continues and will continue to grow in Spain, although it has registered a slowdown since the pandemic. In this new scenario, optimal online and offline integration will be sought so that the two sides complement each other.

### Logistics segment

In 2022 the logistics segment continued to register record figures in terms of investment and surface area contracted, exceeding the 2021 figures and revealing itself to be the segment most resistant to the economic uncertainty, due to the rise in industrial production and foreign trade. Thus, logistics is positioning itself as one of the most revalued property segments, especially in the central zone, Catalonia and Zaragoza.

In 2023, this positive dynamic will foreseeably continue, and growth will continue to be positive due to rising demand. Also, rents are expected to continue to rise, due to the scarcity of supply, high demand and the increase in construction costs.

In this segment, criteria of sustainability and energy resilience are also increasingly prioritised by investors and users.

### Hotels segment

The vigorous recovery of tourism was one of the main drivers of the Spanish economy, demonstrating that it is a key industry. Year 2022 featured the reactivation of tourist activity and the recovery of the hotel industry, with domestic demand being the main driver. In 2022, foreign demand also recovered, although there was more scope for growth.

Despite the economic uncertainty, the tourism sector is expected to maintain its momentum. The hotel industry will consolidate its recovery in 2023, and probably start growing again, although the industry must face significant challenges such as high energy and utility prices and finance costs. Tourist demand presented significant levers of growth for 2023.

Hotel investment in Spain recorded highly positive figures in 2022, due to the reactivation of tourism, and the outlook for 2023 is positive. Madrid, Barcelona and Málaga consolidated their positions as the major players in the urban sphere, while the Costa del Sol and the Balearic Islands did the same in the holiday segment. Hotel profitability will foreseeably be consolidated in 2023, both in urban markets and in holiday destinations.

The luxury segment is expected to continue to be an important focus of the investment arena. In addition, the search for experiences and digitalisation are becoming the main trends in the property industry.

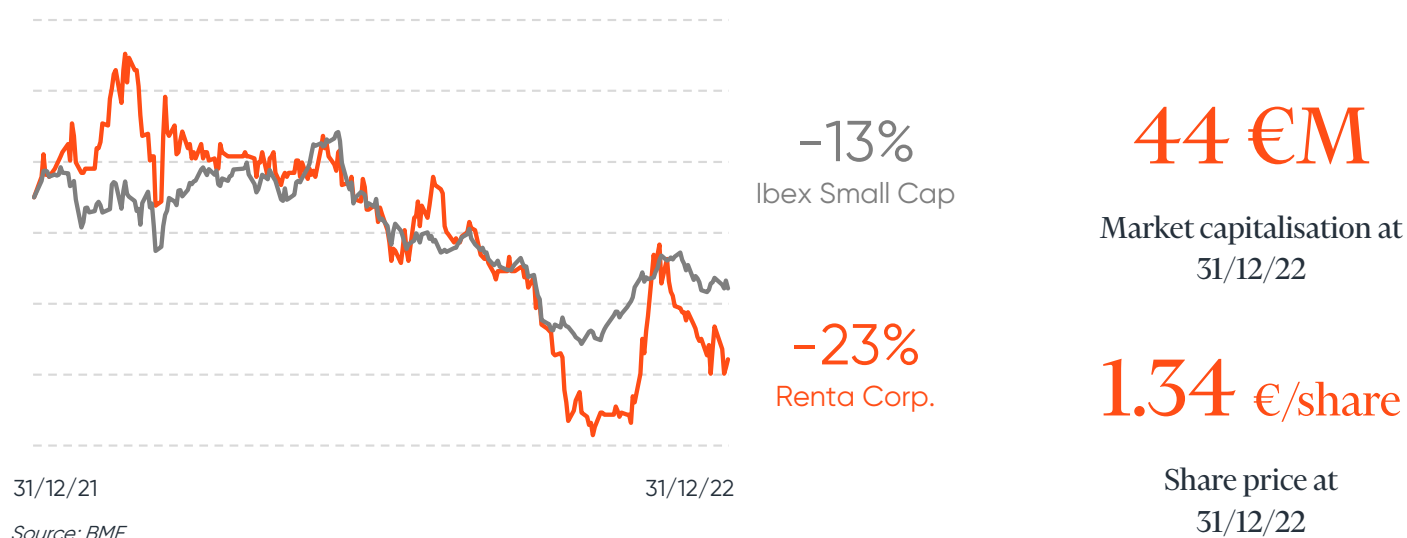


## 5. Shareholder structure and stock market performance

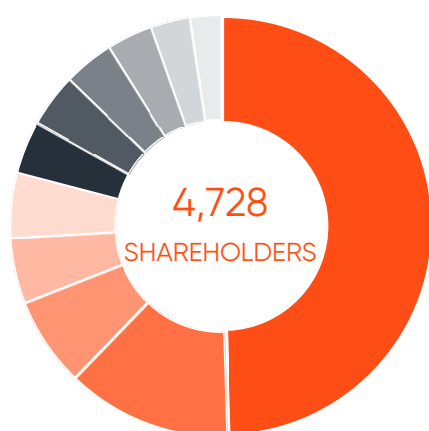
The share price at 2022 year-end was EUR 1.34 per share, 23% lower than the price of EUR 1.73 per share at 2021 year-end.

Market capitalisation at 31 December 2022 stood at EUR 43.9 million, with 8.3 million shares traded in the year for a total of EUR 13.5 million.

### SHARE PERFORMANCE SINCE DEC 21 (BASE 100)



### SHAREHOLDER STRUCTURE DEC 22



Free float	49.4%
Luís Hernández de Cabanyes (Chairman)	12.7%
El Baile de Ibiza/Firmamento Estelar	6.9%
Oravla Inversiones, S.L.	5.0%
Clervaux Invest, S.A.R.L.	5.0%
Vanesa Herrero Vallina	4.1%
Blas Herrero Vallina	4.1%
Camac Fund, LP	3.9%
Fundación Renta	3.5%
Concerted action - Wilcox	3.0%
Treasury shares	2.4%

# Appendix 1: Significant transactions in 2022

## Transactional business

### 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>

### VIA AUGUSTA

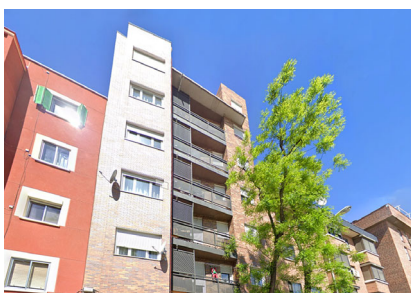
Barcelona



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

### AVDA. CARABANCHEL ALTO

Madrid



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

### SAN CARLOS

Madrid



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

### TRAVESSIA DE SANT ANTONI

Barcelona



- **Project:** Residential refurbishment, subject to expropriation by Barcelona City Council.
- **Surface area:** 761 m<sup>2</sup>

### CAMÈLIES

Barcelona



- **Project:** Regeneration of common spaces. Negotiations with tenants. Property by property sale.
- **Surface area:** 2,471 m<sup>2</sup>

### AVENIDA DE MADRID

Barcelona



- **Project:** Regeneration of common spaces. Negotiations with tenants. Single buyer sale.
- **Surface area:** 1,742 m<sup>2</sup>

### ALCALÁ

Madrid



- **Project:** Award at public auction arising from insolvency proceedings. Award agreement to a third party.
- **# rooms:** 111

**HERCEGOVINA**

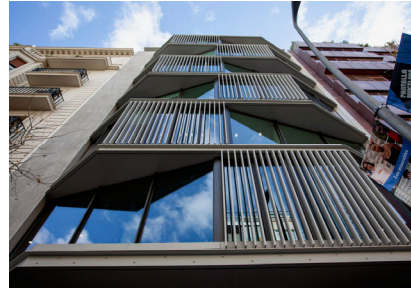
Barcelona



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

**VIA AUGUSTA**

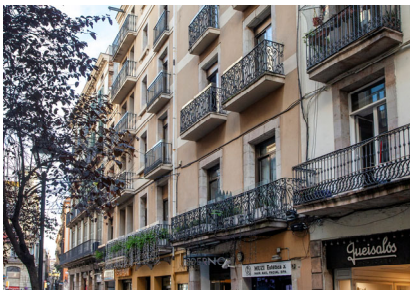
Barcelona



- **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

**Asset business****HOSPITAL**

Barcelona



- **Use:** Hotel
- **Surface area:** 1,500 m<sup>2</sup>

**GRECO**

Barcelona



- **Use:** Self storage
- **Surface area:** 1,422 m<sup>2</sup>

**BISCAIA**

Barcelona



- **Use:** Self storage
- **Surface area:** 279 m<sup>2</sup>

**JUAN PRADILLO**

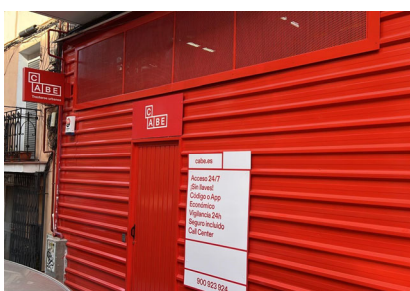
Madrid



- **Use:** Self storage
- **Surface area:** 697 m<sup>2</sup>

**PICOS DE EUROPA**

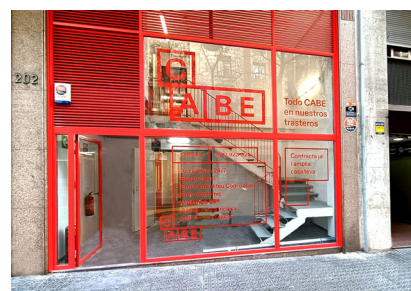
Madrid



- **Use:** Self storage
- **Surface area:** 890 m<sup>2</sup>

**VILLARROEL**

Barcelona



- **Use:** Self storage
- **Surface area:** 283 m<sup>2</sup>

# Appendix 2: Significant inventories in progress at end of 2022

## VANGUARD BUILDING

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>

## VIA AUGUSTA

Barcelona



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

## NTRA SRA DE LA SOLEDAD

Madrid



- **Project:** Negotiations with tenants. Regeneration of common space. Property by property sale.
- **Surface area:** 1,022 m<sup>2</sup>

## ZAPATEROS

Toledo



- **Project:** Development of a logistics warehouse.
- **Surface area:** 17,576 m<sup>2</sup> a/g

## INDÚSTRIA

Ripollet



- **Project:** Development of logistics warehouses.
- **Surface area:** 9,500 m<sup>2</sup> a/g

## EMBAJADORES

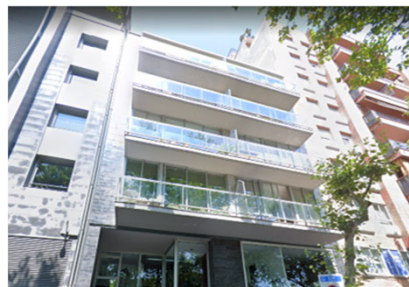
Madrid



- **Project:** Corner premises in Arganzuela district with a façade of over 60m, with potential use as a supermarket.
- **Surface area:** 1,850 m<sup>2</sup> a/g

## CARRERA

Barcelona



- **Project:** Negotiations with tenants. Property by property sale.
- **Surface area:** 723 m<sup>2</sup> a/g + 200 m<sup>2</sup> b/g

# Appendix 3: Glossary

<b>Business portfolio</b>	Investment rights plus strategic inventories (for sale)
<b>Financial debt</b>	Mortgage debt + Other payables + Participating debt
<b>Net financial debt</b>	Mortgage debt + Other payables - Cash - Current financial assets
<b>Debt as a % of assets</b>	Net financial debt/Total assets - Carrying amount of the Cànoves asset (securing the participating loan) - Cash - Current financial assets
<b>EBITDA</b>	Consolidated profit or loss from operations + Changes in value of investment property - Depreciation and amortisation
<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 ("Gross Asset Value")
<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

