Annual financial report

2023

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Table of contents

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 forward-looking statements do not constitute a guarantee of the Company's future performance and entail risks and uncertainties. Actual performance may thus differ substantially from the performance envisaged by such forecasts.

1. Executive summary

The sharp drop in investment volumes in the Spanish real estate sector weighed down the company's earnings for the year. However, effective liquidity management, divestiture of non-strategic assets and consolidation of the asset management business lines laid the groundwork for swift recovery.

1.1 Earnings for the year

The current macroeconomic situation has stymied the real estate sector due, in large part, to the rise in interest rates. Property investment closed 2023 at lows for the last decade, down more than 50% from the previous year. And the enactment of the new Housing Law has plunged the investment market into a climate of legal uncertainty, discouraging potential investors.

In this context, the Group's key financials in 2023 were as follows:

REVENUE	OPERATING MARGIN	EBITDA	NET PROFIT
42.0 €M	-5.0 €M	-13.6 €M	-15.9 €M

Though the declines are seen in both of the Group's core business lines, the reasons and the impact differ:

Transactional business

The number of deals, but above all margins, closed during the year fell significantly, in line with the property market as a whole. The sluggish activity and growth in yields in all segments and asset classes in which it operates have led the company to place priority on strengthening the Group's balance sheet and financial robustness with the sale of assets albeit at the expense of weaker margins in the transactions. The operating margin generated in 2023 in the transactional business was EUR +1.6 million, compared to EUR +6.4 million the previous year

Asset business

The business units involved in managing the **Vivenio** and **Wellder** real estate vehicles, and in managing the urban self-storage company **Cabe**, reported an operating margin of EUR +2.4 million. The growth sought in this business line will strengthen the recurring nature of the Group's future revenues. Furthermore, the residential assets that served as collateral for the participating loan are now available for sale after the last payment and fulfilment of the Creditors' Agreement. Given that some of those assets are non-strategic and generate low yields, the company has decided to start putting them on the market to pay down debt and support growth in the new business lines. So with a view toward their immediate sale, those assets have been marked to market, with an impact on the profit or loss account of EUR -8.9 million.

Via Augusta, Barcelona

1.2 Financial strength

Similarly to how the company reacted to the Covid outbreak in 2020, and in the expectation that 2023 was going to be a complicated year for the sector, the Group's strategy placed priority on liquidity management and on bringing debt load down to historical lows.

The following milestones were reached on that path during 2023:

- Assignment of the asset located in Cànoves (Barcelona) as payment of the participating loan of EUR 18.2 million.
- Settlement of the subordinated claims of the Creditors' Agreement for EUR 0.7 million.
- Final fulfilment of the Creditors' Agreement and receipt of the December 7th compliance order.
- The EUR 16.5 million redemption of the corporate bond in October.
- The commercial paper programme was continued with new notes issues.

As a result of all of the above, the key figures of the Group's balance sheet are:

WORKING CAPITAL (*)	NET FINANCIAL DEBT	DEBT AS A % OF ASSETS
9.9 €M	27.9 €M	28%
+14.0€M vs Dec'22	-37% vs Dec'22	-4 pp vs Dec'22

(*) Working capital rises to EUR 15.1 million if we strip long-dated debt out of current liabilities.

1.3 Solid fundamentals in all business units

Renta Corporación has two clearly differentiated business lines , the transactional business and the asset 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.

Transactional business

The transactional business basically generates added value through the transformation of property assets. This usually involves changes of use, physical upgrades to the properties and their repositioning in the market.

The company has experience with all types of assets and the resulting product mix at any point in time will depend on the market situation, the interest shown by investors and the capacity to generate value. The fall in the overall margin of the transactional business was mainly driven by the decline in the unit margin on transactions, which dropped 60% on average. The decrease in number of transactions was slightly lower at 8%.

	REAL ESTATE SALES	REAL ESTATE PROJECT MANAGEMENT	TOTAL
# transactions in 2023	10	1	11
Transactional business margin (€M)	1.3	0.3	1.6
Average margin per transaction (€M)	0.1	0.3	0.2

Asset business

GAV VIVENIO	GAV WELLDER	GAV CABE	GAV rest of INV. PROPERTIES
1,600 €M	45.6 €M	22.3 €M	15.3 €M

The asset business is steadily acquiring greater weight in the Group's activity, with the goal of reducing exposure to the cyclical nature of the sector and increasing the recurrence of Group revenues. The asset business is divided into two divisions:

"Asset Management"/"Fund Management" Division

This division, which is engaged in 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**, set up in 2017 and specialising in residential rental assets. Renta Corporación is the exclusive investment manager for this vehicle. Its asset portfolio is valued at EUR 1,600 million at 2023 year-end, composed of a total of 50 real estate developments, 43 of which are in operation, 4 are own developments and 3 are turnkey projects. The capital committed by the current shareholders gives it additional investment capacity of EUR 700 million. Renta Corporación earns commissions on presenting investment and disinvestment proposals for adequate asset turnover, in addition to an incentive fee.

The **Wellder REIT**, specialising in care homes for the elderly, was set up at the end of 2022 together with the Dutch pension fund APG. This vehicle is managed exclusively by Renta Corporación and was created with the objective of acquiring, in the initial phase, EUR 250 million in high-quality property assets in Spain with demanding ESG standards. Wellder invests in assets located in towns of more than 100,000 inhabitants, preferably provincial capitals. The facilities have surface areas ranging between 4,000 and 7,500 m^2 and capacity ranging from 80 to 140 beds per home. The investment includes both the acquisition of existing facilities and development of new ones.

At year-end 2023 it has a portfolio of 6 assets in operation, valued at EUR 45.6 million and with an aggregate of 924 beds.

"Own Assets" Division

This division involves acquisition and management of investment properties intended to be kept on the Company's balance sheet for a prolonged period of time, with the aim of contributing to the stability of the revenue base.

Within this division, in 2022 the company created **Cabe**, to rent out urban self-storage spaces. Cabe markets a differential product, both in terms of the downtown location of the units and the high level of digitisation of the process of contracting and using the storage spaces. The company has 17 premises in Barcelona, Madrid and Palma de Mallorca, with a market value of EUR 22.3 million.

1.4 Commitment to ESG standards

Given the importance of environmental, social and corporate governance (ESG) concerns for Renta Corporación, during 2023 the Group applied an ESG policy to foster a business culture in and out of the organisation aligned with the Sustainable Development Goals (SDG). The direct contributions to achieving those goals included:

The key levers of our policy are:

Sustainable construction and circular economy

- Renta Corporación is committed to the fight against climate change and to the need to contribute to the global targets of the Paris Agreement by measuring and reducing our carbon footprint.
- We understand the need to adapt to climate change, so we manage the risks it poses and act accordingly.
- The Group knows that buildings are key elements for the sustainable development of cities and therefore carries on construction and refurbishment applying the most demanding sustainability standards and certifications (LEED, BREAM...).
- We believe in the need for more circular business models. That is why we place paramount importance on innovation and work to achieve an economy based on responsible use of resources and responsible waste management, with a clear understanding of the life cycle of our buildings, both in their refurbishment and in their operation.

Decent work, equality and inclusion

- We emphatically reject any form of discrimination and inequality and put mechanisms in place to ensure fair and equitable treatment.
- The genuine motor of our company is our people. That is why we guarantee the professional development of all our employees and a work environment that fosters well-being and work-life balance.
- The Renta Corporación Foundation works to improve the quality of life of the communities where we operate and of society in general.
- We understand that we have an important role to play in creating social spaces in cities. That is why our designs seek to promote spaces that strengthen community ties in towns where we operate and strive to foster that outlook among the users of our buildings.

Governance model based on ethics and integrity

- We participate in the leading benchmark sustainability indicators for the sector in order to anchor these commitments and responsibilities in our governance model and keep them uppermost in mind in all our decisionmaking processes.
- We are committed to ensuring legal compliance and proper risk management in all areas. Our conduct is based on the highest ethical standards and is monitored by rigorous control and compliance mechanisms.

2. Business performance and results

2.1 Consolidated statement of profit or loss

(million EUR)	12M 2023	12M 2022	% change
Transactional business revenue	38.5	47.8	
Asset management business revenue	3.4	6.1	
Other income	0.1	0.1	
REVENUE	42.0	54.0	-22%
Transactional business margin	1.6	6.4	
Asset management business margin	-4.8	12.5	
Other income and expenses	-1.8	-1.2	
OPERATING MARGIN	-5.0	17.7	n.a.
Overheads and staff costs	-8.6	-8.0	
EBITDA	-13.6	9.7	n.a.
Depreciation and amortisation charge, provisions and other	-0.6	-0.5	
EBIT	-14.2	9.2	n.a.
Net financial loss	-3.8	-3.5	
Results from equity method and disposals	0.2	-0.1	
PROFIT BEFORE TAX	-17.8	5.6	n.a.
Income tax	1.9	-2.0	
NET PROFIT	-15.9	3.6	n.a.

2.1.1 Revenue

The composition of revenue by business line is as follows:

Revenue by business line (million EUR)	12M 2023	12M 2022	Change
Real estate sales	37.9	45.4	-7.5
Real estate project management	0.6	2.4	-1.8
Total revenue - transactional business	38.5	47.8	-9.3
REIT management	2.1	4.7	-2.6
Investment property	1.3	1.4	-0.1
Total revenue - asset management business	3.4	6.1	-2.7
Other income	0.1	0.1	0.0
REVENUE	42.0	54.0	-12.0

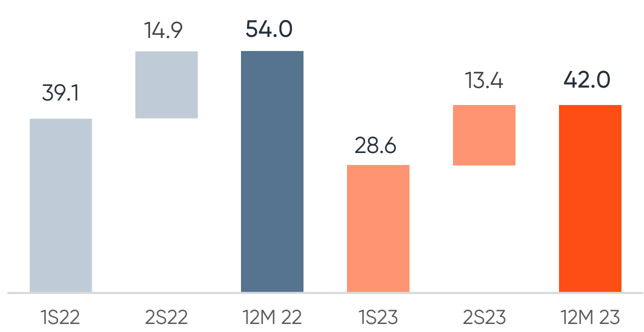
Revenue for 2023 totalled EUR 42.0 million, a notable drop compared to the previous year's figure. In the real estate sector, inflationary tensions and rising interest rates pushed costs and required yields higher, leading to a significant decline in the number of transactions and investment volumes. This impact was seen in the company's two business lines, both in the **Transactional Business** and in **Asset Management.** April saw the disposal of the Cànoves residential land, with its dation in payment of the participating loan, thus fulfilling one of the last mileposts of the insolvency proceedings.

During 2023, **the transactional business** was mainly concentrated in the residential and logistics segments, which continue to have strong investment growth potential. Apart from the dation in payment of Cànoves, noteworthy sales were the partial sale of a residential development on Hercegovina street, an entire building on Dagueria street and another on Via Augusta, all in Barcelona; while Madrid saw the sale of part of a building on Nuestra Señora de la Soledad street. An industrial property was sold in the town of Rubí, in the province of Barcelona.

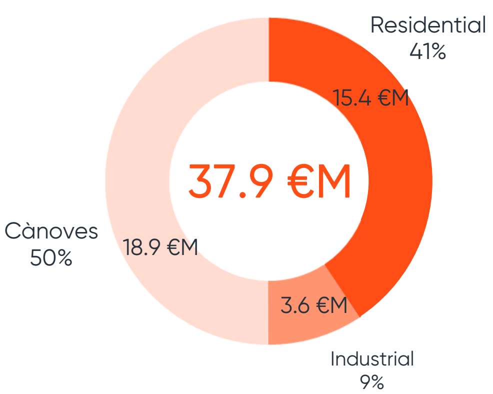
Revenue from the **asset management business** dropped EUR 2.7 million from 2022, including the revenues from the **Cabe** urban self-storage spaces business that began in 2022, and the **REIT management business line**, that is, management of the **Vivenio** and **Wellder** REITs. Management of those vehicles generated total revenue of EUR 2.1 million, a decline of EUR 2.6 million from the 2022 figure, which included an incentive fee from Vivenio that was not repeated in 2023.

REVENUE BY BUSINESS LINE

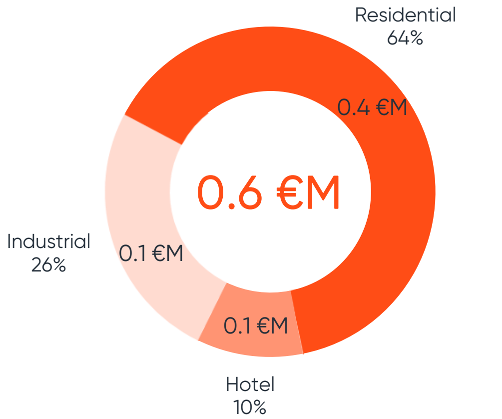
REVENUE PER HALF-YEAR



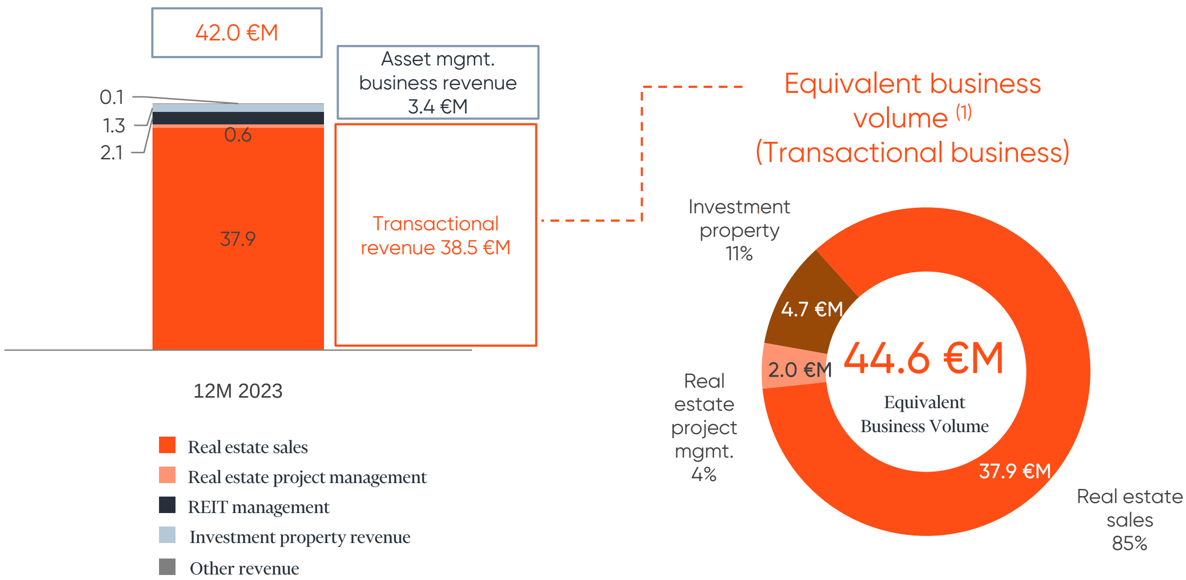
REAL ESTATE SALES REVENUE BY TYPE OF ASSET



REAL ESTATE PROJECT MANAGEMENT REVENUE BY TYPE OF ASSET



EQUIVALENT BUSINESS VOLUME 12M 2023



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.

2.1.2 Operating margin

The operating margin by business line was as follows:

Margin by business line (million EUR)	12M 2023	12M 2022	Change
Real estate sales margin	1.3	4.3	-3.0
Real estate project management margin	0.3	2.1	-1.8
Total margin - transactional business	1.6	6.4	-4.8
REIT management margin	1.7	4.3	-2.6
Investment property margin	0.7	0.9	-0.2
Valuation adjustments, extraordinary results and other	-7.2	7.3	-14.5
Total margin - asset management business	-4.8	12.5	-17.3
Other income and expenses	-1.8	-1.2	-0.6
OPERATING MARGIN	-5.0	17.7	-22.7

“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 1.3 million, EUR 3.0 million lower than the figure obtained in 2022.

“Real estate project management” margin
The margin of the “Real estate project management” business line amounted to EUR 0.3 million, a decline of EUR 1.8 million with respect to the previous year. This margin was largely in respect of a residential transaction in Barcelona.

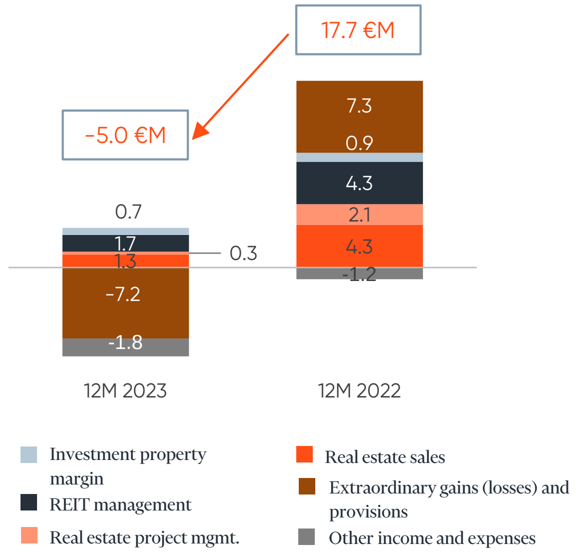
“REIT management” margin
The “REIT management” business line recorded a margin of EUR 1.7 million, after falling EUR 2.6 million with respect to the 2022 figure, which included an incentive fee from Vivenio that was not repeated in 2023. The 2023 figure mainly consists of an origination fee, from both Vivenio and Wellder, and a management fee from the latter REIT.

Investment property margin
The margin earned in this line item amounted to EUR 0.7 million, generated by the start of operations in Cabe and income earned on other assets

Valuation adjustments, extraordinary results and other
This heading amounted to EUR -7.2 million and includes (i) the result of the sale of a group of investment properties held by the company; (ii) valuation of the Cabe urban self-storage spaces, recorded under investment property; and (iii) the marking to market of non-strategic, low-yield assets now reclassified as held for sale upon being released from all liens with the last payment and discharge of the Creditors' Agreement. The purpose of this reclassification is to sell those assets in the immediate future in order to generate cash, pay down debt and support the growth of the new business lines.

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

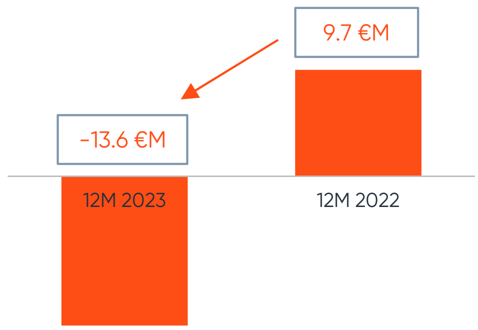


2.1.3 EBITDA

Overheads rose to EUR 8.6 million, EUR 0.6 million higher than the EUR 8.0 million recorded in 2022, as the cost structure was revised in line with the cost of living and additional capacity was added to take on new projects in the asset management business. This figure comprises EUR 5.7 million in respect of staff costs and EUR 2.9 million for other overheads.

The year-end 2023 EBITDA came in at EUR -13.6 million, compared to EUR 9.7 million in 2022.

EBITDA



2.1.4 Financial loss

The financial loss amounted to EUR -3.8 million, EUR -0.3 million higher than the figure recorded in 2022, even though debt at 2023 year-end was lower than the figure one year earlier. Finance costs were slightly higher in 2023 due to higher borrowing costs and to certain debts not having been discharged until the last quarter of the year.

2.1.5 Net loss

The Group recognised income tax revenue of EUR +1.9 million, versus the income tax expense of EUR -2.0 million recorded in 2022. The difference was primarily due to the tax impact of the valuation adjustments of investment properties and of assets classified as held for sale, prior to their transfer.

Furthermore, as in previous years, in accordance with the revised strategic plan, no additional net tax assets have been recognised in respect of tax loss carryforwards to be set off against future profits.

As a result of the foregoing, Renta Corporación ended 2023 with a **cumulative net loss of EUR -15.9 million**, compared to the EUR 3.6 million in profit obtained in 2022.

2.2 Consolidated balance sheet

2.2.1 Assets

Assets (million EUR)	Dec-23	Dec-22	Change
Non-current assets and right-of-use assets	6.2	2.9	3.3
Other non-current assets	54.0	92.6	-38.6
Non-current assets	60.2	95.5	-35.3
Assets classified as held for sale	9.8	0.0	9.8
Inventories	27.3	52.8	-25.5
Accounts receivable	1.7	6.6	-4.9
Financial assets	0.3	0.3	0.0
Cash	5.2	15.0	-9.8
Current assets	44.3	74.7	-30.4
Total assets	104.5	170.2	-65.7

Non-current assets

Renta Corporación's non-current assets amount to EUR 60.2 million, down EUR 35.3 million from the figure at 2022 year-end. The details of the balances forming part of the non-current assets are as follows:

(million EUR)	Dec-23	Dec-22	Change
Non-current assets and right-of-use assets	6.2	2.9	3.3
Investment property	24.3	44.3	-20.0
Non-current financial assets	2.2	21.2	-19.0
Deferred tax assets	27.5	27.1	0.4
Total non-current assets	60.2	95.5	-35.3

- **Non-current assets and right-of-use assets** mainly record outlays for computer applications and lease accounting per IFRS 16. This line item increased EUR 3.3 million over the 2022 year-end figure as a result, primarily, of a number of leases that were contracted with a purchase option on premises that are being reconditioned as urban self-storage units for the Cabe business and which are recorded at their market value.

- Assets classified as **investment properties** decreased EUR 20.0 million with respect to the 2022 year-end figure. The decline was mainly due to the sale of a group of assets in the city of Barcelona previously carried under this heading and to the reclassification as assets held for sale of several residential properties that are now starting to be sold. Conversely, part of that decrease was offset by the acquisition of new premises to be operated as urban storage units in the Cabe business and by the increase in their market value.

- **Non-current financial assets** basically includes Renta Corporación's shareholding in the Vivenio and Wellder REITs. This line item was EUR 19.0 million lower due to the sale of 14.6 million shares held by Renta Corporación to Vivenio, which produced a cash inflow of EUR 16.3 million and an impact on capital and reserves of EUR -2.9 million, net of the tax effect.

  This sale was carried out pursuant to the Vivenio authorisation to repurchase its own shares approved by its shareholders at their Extraordinary General Meeting of 26 June 2023, which allows the purchase of a maximum of 17.2 million own shares at EUR 1.115 per share within a maximum of one year from the date of that General Meeting.

- **Deferred tax assets** for the most part relate to tax loss carryforwards, and there were EUR 75.3 million of uncapitalised tax losses.

Current assets

(million EUR)	Dec-23	Dec-22	Change
Assets classified as held for sale	9.8	0.0	9.8
Inventories	27.3	52.8	-25.5
Accounts receivable	1.7	6.6	-4.9
Financial assets	0.3	0.3	0.0
Cash	5.2	15.0	-9.8
Total current assets	44.3	74.7	-30.4

Current assets amounted to EUR 44.3 million at 31 December 2023, down EUR 30.4 million on 2022 year-end. The decrease is mainly explained by the decrease in inventories, accounts receivable and in the cash position, offset in part by the reclassification of certain residential-use investment properties as assets held for sale.

Assets classified as held for sale

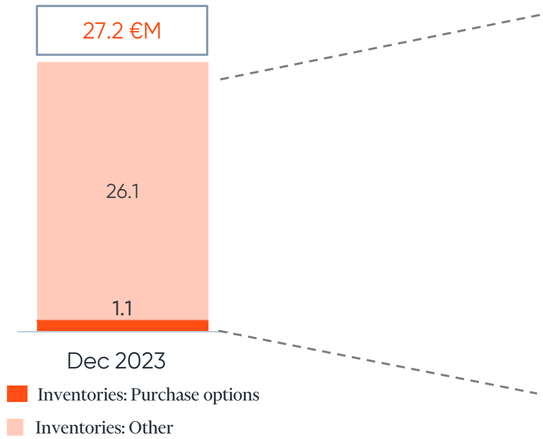
At 2023 year-end the company had decided to divest itself of part of the residential-use buildings located in downtown Barcelona that until that date had been operated on rental basis and were carried as investment properties. These involve non-strategic, low-yield assets which were released from liens with the last payment and final discharge of the Creditors' Agreement and consequently reclassified as assets held for sale. This movement under balance sheet assets means that the debt associated with those properties has likewise been reclassified as current liabilities.

Inventories and transactional business portfolio

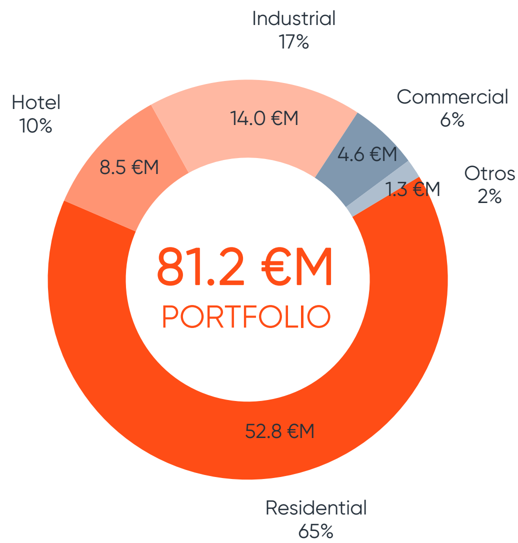
Renta Corporación carried inventories of EUR 27.3 million at the end of the year, EUR 25.5 million lower than the figure one year earlier, primarily due to the sales made during the year, most notably the dation in payment of the Cànoves residential land, with an inventory value of EUR 18.1 million. Apart from Cànoves, other inventory assets were also disposed of during the year, highlighted by the sale of an industrial building in Rubí, the partial sale of two residential buildings on Via Augusta and Carrera streets in Barcelona; and the sale of part of a building on Nuestra Señora de la Soledad street in Madrid. The most noteworthy addition to inventories was the acquisition of a sizeable residential asset in Málaga.

The inventories figure at the close of 2023 included purchase option premiums of EUR 1.2 million, of which EUR 1.1 million was for options on properties in the transactional business that the company will have the option of exercising in the future to purchase assets worth EUR 55.1 million. Taken together with inventories, this gives rise to a transactional business portfolio of EUR 81.2 million, 5% higher than the figure at the close of 2022.

INVENTORIES (€M)



TRANSACTIONAL BUSINESS PORTFOLIO (€M)



Notes: (1) In addition, the company holds EUR 0.1 million in options for future purchase of EUR 0.6 million in self-storage units and residential properties.

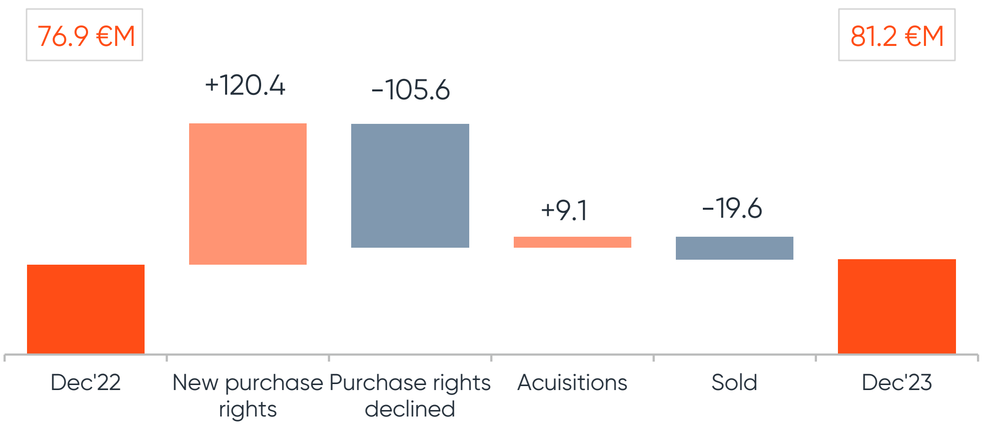
INVENTORIES [2] (€M)

RESIDENTIAL		INDUSTRIAL/LOGISTIC		COMMERCIAL/OTHER	
# buildings	6	# buildings	4	# buildings	1
# units	69	# units	N/A	# units	N/A
Inventories (€M)	10.3	Inventories (€M)	14.1	Inventories (€M)	1.7

Notes: (2) The breakdown of the strategic inventories does not include the purchase options.

CHANGES IN TRANSACTIONAL BUSINESS PORTFOLIO (€M)

The composition of the changes in the business portfolio from 2022 year-end to 31 December 2023 is as follows:



Accounts receivable

(million EUR)	Dec-23	Dec-22	Change
Trade receivables and notes receivable	0.1	3.9	-3.8
Other receivables	0.3	1.7	-1.4
Tax receivables	1.3	1.0	0.3
Total receivables	1.7	6.6	-4.9

At 2023 year-end the balance of accounts receivable amounted to EUR 1.7 million, down EUR 4.9 million with respect to 2022 year-end. This balance is broken down into three line items:

- **Trade receivables and notes receivable**: this line items is EUR 3.8 million lower than at the previous year-end, mainly as a result of payments received for the stage of completion of an office development in Barcelona and the sale in late 2022 of a dwelling in a residential development.
- **Other receivables**: the balance of this line item declined EUR 1.4 million from one year earlier, primarily due to the decrease in sums deposited for auctions and purchase options in due diligence proceedings.
- **Tax receivables**: Renta Corporación's tax receivables rose EUR 0.3 million over the 2022 year-end figure. These primarily include accounts receivable in respect of VAT and income tax.


Ntra. Señora de la Soledad, Madrid


Camèlies, Barcelona

2.2.2 Liabilities

Equity + liabilities (million EUR)	Dec-23	Dec-22	Change
Equity	**58.5**	**77.1**	**-18.6**
Liabilities			
Non-current mortgage debt	6.0 [1]	7.0	-1.0
Other non-current payables	5.6	7.3	-1.7
Non-current liabilities	**11.6**	**14.3**	**-2.7**
Non-current mortgage debt	5.2 [2]	7.6	-2.4
Currrent financial debt	22.2 [3]	44.7	-22.5
Participating debt	0.0	18.2	-18.2
Other current payables	7.0	8.3	-1.3
Current liabilities	**34.4**	**78.8**	**-44.4**
Total equity + liabilities	**104.5**	**170.2**	**-65.7**

Equity

Equity stood at EUR 58.5 million, marking a decline of EUR 18.6 million from the 2022 year-end figure, primarily reflecting the net loss recorded for the year and the charge to capital and reserves of EUR -2.9 million recorded on the sale of the Vivenio shares, net of tax effect.

Financial debt

DEBT BY TYPE AND CLASSIFICATION (€M) - Dec 2023

	Non current	Current		Total
(M€)	l/t	l/t	s/t	
Mortgage debt	6.0	5.2	0.4	11.6
Other payables	-	-	21.8	21.8
Total Financial Debt	**6.0** [1]	**5.2** [2]	**22.2** [3]	**33.4**

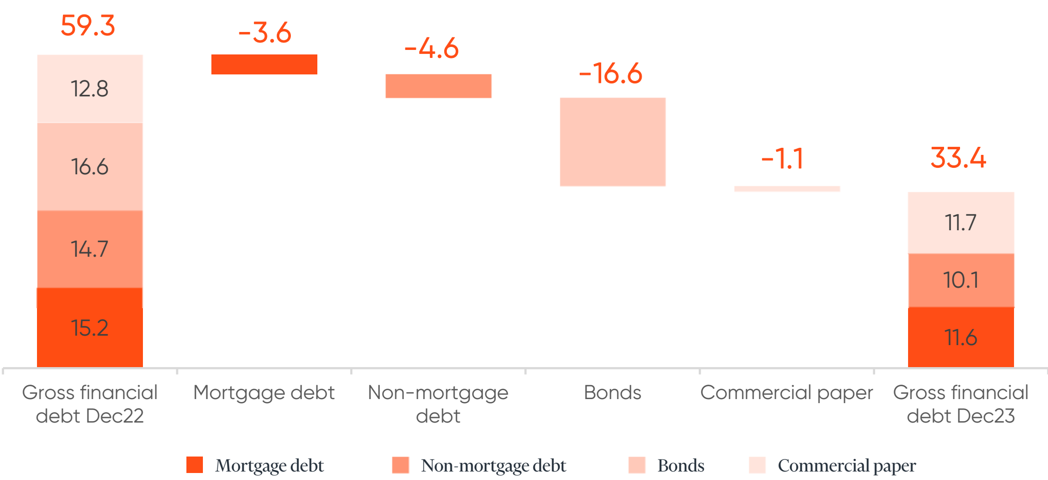
Participating debt
In April 2023 the whole of the EUR 18.2 million participating loan (nominal) was cancelled with the dation in payment of the Cànoves land, which had been mortgaged as security for the creditors who endorsed Alternative B of the Creditors' Agreement proposal. Cancellation of the loan involved no cash outflow and, together with the repayment of the subordinated debt of EUR 0.6 million, at amortised cost, in October 2023, marked the achievement of the last milestones of the insolvency proceedings.

NET FINANCIAL DEBT (€M)

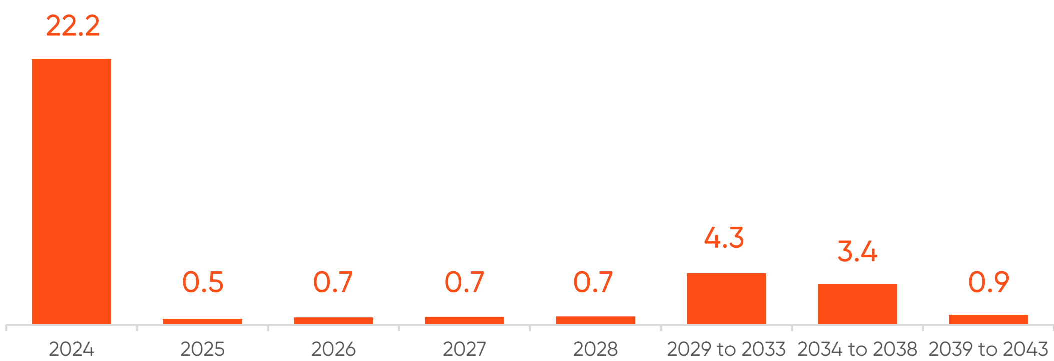
Net financial debt decreased by EUR 16.1 million from EUR 44.0 million at the end of 2022, mainly as a result of the net effect of the change in cash and financial assets, and the cancellation of EUR 25.9 million in mortgage debt associated with assets sold in 2023, commercial paper, bonds and non-mortgage debt.

(million EUR)	Dec-23	Dec-22	Change
Mortgage debt	11.6	15.2	-3.6
Other payables	21.8	44.1	-22.3
(-) Cash and financial assets	-5.5	-15.3	9.8
Total Net Financial Debt	27.9	44.0	-16.1

GROSS FINANCIAL DEBT BY TYPE (€M)



FINANCIAL DEBT REPAYMENT SCHEDULE (€M)



Maturity of the financial debt

Although financial debt, without considering participating debt, was reduced by EUR 25.9 million from the end of 2022 and was cut down to 28% of total assets, the associated remaining maturities are still significantly concentrated in the short-term, mainly in respect of commercial paper and non-mortgage debt. The company continues to work on refinancing or paying down this debt. Of note is the EUR 50 million available under the commercial paper programme that was set up in May 2023, on which it had only drawn a nominal EUR 12.2 million at year-end.

Other non-current payables

At 31 December 2023, Renta Corporación carried "**Other non-current payables**" totalling EUR 5.6 million. This balance is broken down as follows:

(million EUR)	Dec-23	Dec-22	Change
Non-current payables (insolvency proceedings)	0.0	0.6	-0.6
Long-term finance leases (IFRS 16)	2.4	1.5	0.9
Deferred tax liabilities	3.2	5.2	-2.0
Total other non-current payables	5.6	7.3	-1.7

- **Non-current payables relating to insolvency proceedings:** this line item records subordinated debt owed to pre-insolvency creditors that was repaid in full in October 2023. With all of the claims and obligations under the Creditors' Agreement having been discharged, on 20 October 2023 a petition was filed with the court to officially declare, after due process, the fulfilment of the Creditors' Agreement. The requested compliance order was issued on 7 December 2023.

  Achievement of this milestone marked compliance with all terms of the Creditors' Agreement and the official end of the insolvency proceedings.

- **Long-term finance leases (IFRS 16):** this line item amounts to EUR 2.4 million and, as with non-current right-of-use assets, this line item increased in comparison to the previous year as a result of the contracting of new leases with purchase options over premises that are being reconditioned as urban self-storage spaces for the Cabe business.

- **Deferred tax liabilities:** this line item amounted to EUR 3.2 million, a decline of EUR 2.0 million from the 2022 year-end figure and mainly records the tax impact of the revaluation of investment properties and right-of-use assets, and of the sale of the Vivenio shares.

Other current payables

Other current payables amounted to EUR 7.0 million, EUR 1.3 million lower than the 2022 year-end figure.

(million EUR)	Dec-23	Dec-22	Change
Current payables	5.8	7.3	-1.5
Other current payables	0.8	0.8	0.0
Pre-sale downpayments and prepayments	0.4	0.2	0.2
Total other current payables	7.0	8.3	-1.3

- **Current payables** are in respect of the creditors involved in the Company's purchase, conversion and sale transactions. At year-end these stood at EUR 5.8 million, EUR 1.5 million lower than at 2022 year-end, mainly as a result of the combined effect of the decrease coming from the end of works and property conversions and the net increase in payables for deferred payments of property purchases.

- **Other current payables** relate mainly to tax payables and remuneration payable.

- **Pre-sale down payments and prepayments** totalled EUR 0.4 million, in line with the figure one year earlier, and will give rise to future revenue of EUR 1.3 million in Barcelona.

Cash flow performance

The company generated negative cash flow of EUR 6.0 million in its operations during the year.

Working capital and other operating cash flows gave rise to a positive cash flow of EUR 6.7 million, due mostly to the decrease in inventories and in receivables.

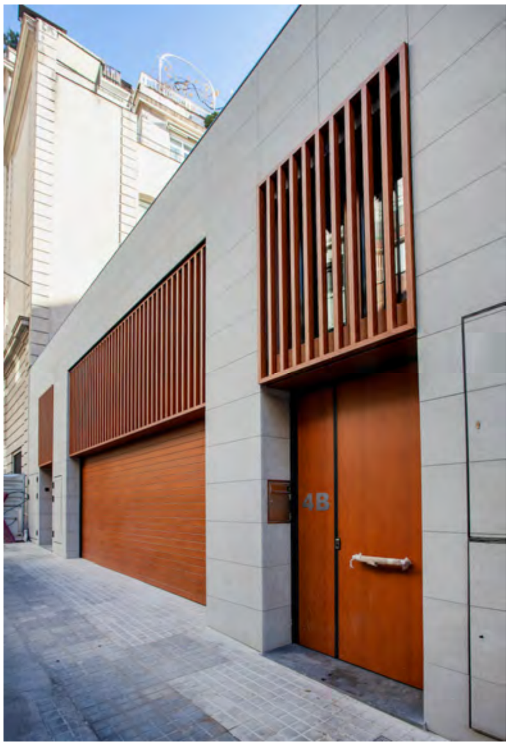
In addition, investment in non-current assets generated a likewise positive cash flow of EUR 16.2 million, primarily owing to the sale of a large part of the shares of Vivenio.

Lastly, cash flows from financing activities were negative by EUR 26.7 million, mainly as a result of the net effect of the repayment and the inflows of mortgage and non-mortgage financing.

The aggregate affect was a decline of EUR 9.8 million in cash and cash equivalents at the end of December 2023.

(million EUR)	Dec-23
Profit or loss from operations	-6.0
Operating cash flow	**-6.0**
Changes in working capital and other operating cash flows	6.7
Investment in non-current assets	16.2
Free cash flow	**16.9**
Change in cash flows from financing activities	-26.7
Interim dividends paid	0.0
Net increase/decrease in cash and cash equivalents	**-9.8**


Hercegovina, Barcelona



3. Information on market performance

The year was marked by geopolitical and macroeconomic uncertainty spawned by such diverse factors as the continued tensions between Russia and Ukraine, warfare between Israel and Palestine, the evolution of the energy crisis, raw material prices, high inflation and the consequent rate hikes by the European Central Bank, which increased its benchmark rate to 4.5%, the highest since 2008.

Despite this challenging environment, the Spanish economy displayed resilience, buoyed by the growth in exports and tourism, which continued to be the workhorses of its recovery. In this regard, the Bank of Spain projects that domestic GDP will close the year up 2.4%, wile inflationary pressures have moderated with a 3.1% reading in December. The labour market also remains sound and job creation is proceeding at a moderate pace.

In 2024, the Spanish economy is expected to decelerate somewhat more due to the effects of rising rates and decreased consumer spending. In all, the Bank of Spain is forecasting that the economy will expand by 1.6%, while inflation trends down to average 3.3% for 2024.

The current macroeconomic environment has stymied the real estate sector due, in large part, to sharply higher borrowing costs. Real estate investment thus closed 2023 at lows for the last decade, recording a fall of 50% from the previous year. And the enactment of the new Housing Law has plunged the investment market into a climate of legal uncertainty, discouraging potential investors.

Activity is expected to pick up again in 2024 as interest rates are projected to become more stable. International investor interest persists and the Spanish property market strengthens its appeal for foreigners, positioning itself as an inflation refuge.

The importance of environmental, social and corporate governance (ESG) considerations continues to grow and sustainability is thus becoming a fundamental condition for operating in the sector. And the use of artificial intelligence and new housing models are emerging as key trends in real estate.

Residential segment

The dynamism of the housing sector lessened in 2023 in a context marked by inflationary pressures and rate hikes, as the consequent rise in borrowing costs weakened demand. The number of purchases and transactions was down and investment decisions have been put on hold. Home prices, in turn, are giving off signs of slowing.

Despite the macroeconomic situation, the residential segment remains one of the star assets in real estate. In 2023, investor appetite for residential properties somewhat withstood the onslaught and has positioned residential as the second-highest segment for investment, driven by 'build to rent' (BTR), which has accumulated a large portion of the capital. Nevertheless, Barcelona saw a 90% drop in BTR investment, while the figure for Madrid was down only 3%. The returns demanded have been pushed higher by the rise in interest rates to reach approximately 4.25% in Barcelona and 3.90% in Madrid.

Economic uncertainty is expected to continue impacting the main indicators, but with the stabilisation of interest rates, a rebound in the activity and dynamism of the residential sector is anticipated from the second half of 2024. In addition, foreign demand is projected to stay strong, so housing will retain its lustre as a safe-haven asset.

For their part, student residences, co-living, and senior living arrangements stand out as important investment trends in residential assets for 2024. And ESG criteria are becoming an ever greater priority, for both investors and users, with the goal of continuing to transform the sector and generating a greater impact in the new year.

Offices segment

The office market in Spain lost momentum and in 2023 saw the sharpest downturn of the last decade, not counting the pandemic-induced drop in 2020. The advent of teleworking, coupled with pressure from interest rate hikes, has strained the segment, leading to a 73% drop in investment in Barcelona and a 29% decrease in Madrid.

The Central Business District (CBD) remains robust, yet the market is moving along at two different speeds. In 2023, the distinction between premium and secondary assets became increasingly pronounced, setting off a realignment of market assets. Concurrently, prime yields have stabilised at approximately 4.85% in both Barcelona and Madrid.

The outlook for the office market in 2024 anticipates a rebound in investment, buoyed by improving macroeconomic conditions and the stabilisation of interest rates.

Given the current scenario, the market is looking to innovate, promoting hybrid models to minimise the impact of teleworking. The pandemic and the rise of teleworking have transformed the office market, prompting many companies to embrace new trends with technological advances and more attractive spaces. Moreover, there is a clear trend towards high-quality spaces and a commitment to ESG principles as leading market drivers.

Retail segment

The Spanish retail sector also suffered, recording a drastic fall in investment over the course of 2023 as a consequence of economic uncertainty and reduced consumer spending. Barcelona, in particular, saw a sharp decrease of 90%, while Madrid recorded a decline of 43%. In contrast, the luxury retail segment has accelerated in Spain as international tourism recovers and has positioned itself as a growth market.

Looking to 2024, the pace of investment is expected to slow down, yet investment appetite remains, above all, for prime commercial parks and shopping malls. Consumer spending, however, is likely to be tempered by inflation and the resulting erosion of purchasing power.

Meanwhile, rental yields have continued to rise, influenced by rising rates, with yields reaching 3.80% in Barcelona and 3.85% in Madrid. They are expected to level out in 2024.

E-commerce, which surged during the pandemic, is showing signs of slowing down in recent months, with projections suggesting that its market share will plateau at 17% by 2026.

Logistics segment

The logistics sector slowed down in 2023, hindered by higher interest rates, escalating costs of materials and construction, and political and economic uncertainty. Yet, despite the contraction of this segment and the 34% drop in domestic investment, logistics continues to show notable growth and demand remains strong. In addition to the Central Zone and Barcelona, investors are starting to focus on other locations such as Valencia, Zaragoza, Seville, Malaga and Bilbao.

Anticipated rate reductions bode well for continuity vitality and expansion in 2024 for the logistics segment, adding to its already bright allure for international investors.

Rental yields, currently at 5.25% in both Barcelona and Madrid, are expected to align with the expected downward trend in interest rates after prime yields were pushed higher by the recent rate hikes.

Technology and sustainability are ever more important priorities for investors and users in this sector.

Hotels segment

Tourism has proven to be one of the powerhouses of the Spanish economy, with a record influx of more than 84 million tourists in 2023 and a strong performance in the hotel industry.

The upsurge in tourism has stimulated investment activity and, in 2023, the segment was the leader in real estate investment, registering its second highest numbers ever and seeing the biggest deals in the Spanish real estate market. Notably, Barcelona was home to a 105% surge in investment, while Madrid saw a contraction of 21%.

The outlook for 2024 is bright, lifted by strong numbers, continued investor interest and a foreseeable stabilisation of rates. The hotel segment in Spain is expected to be a key driver for economic recovery, consolidating its position as an attractive destination for international hotel investments.

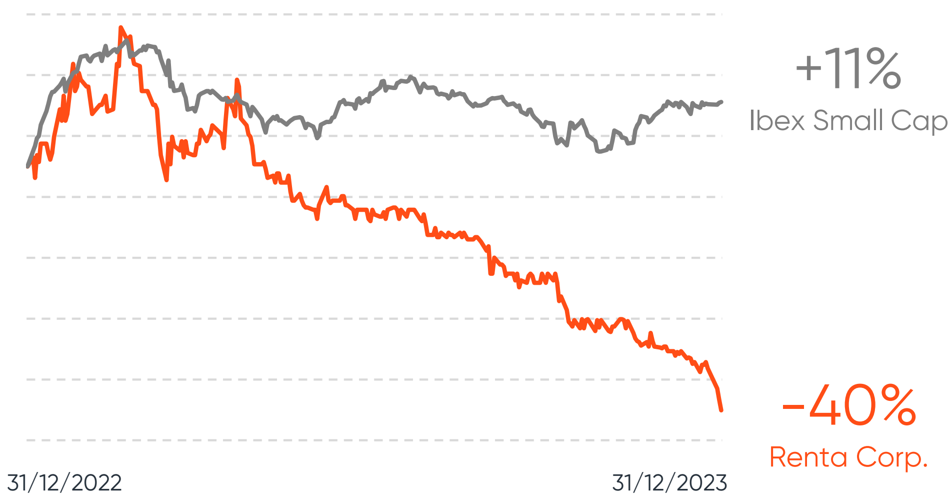
On the broader investment horizon, ESG considerations are becoming increasingly important and digitalisation is one of the shapers of the sector's future.

4. Shareholder structure and stock market performance

The share price at 2023 year-end was EUR 0.80 per share, 40% lower than the price of EUR 1.34 per share at 2022 year-end.

Market capitalisation at the end of December stood at EUR 26.3 million, with 6.1 million shares traded for EUR 7.2 million during the year.

SHARE PERFORMANCE SINCE DEC 22 (BASE 100)



Source: BME

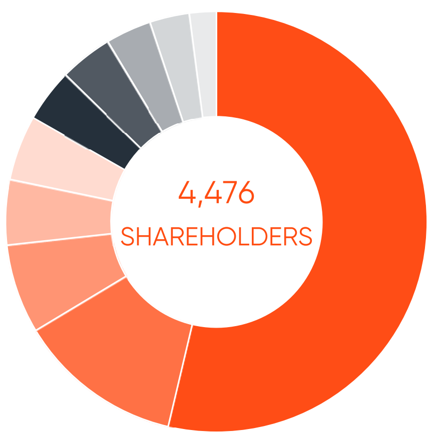
26 €M

Market capitalisation at 31/12/2023

0.80 €/sh

Share price at 31/12/2023

SHAREHOLDER STRUCTURE DEC-23



- Free-float 53.7%
- 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%
- Fundación Renta 3.5%
- Concerted action - Wilcox 3.0%
- Treasury shares 2.0%

Appendix 1: Significant transactions in 2023

Transactional business

HERCEGOVINA
Barcelona

- Project: New construction project consisting of two single-family housing units.
- Surface area: 667 m^2

CARRERA
Barcelona

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

DAGUERIA
Barcelona

- Project: Single buyer sale.
- Surface area: 842 m^2

CAMÈLIES
Barcelona

- Project: Regeneration of common spaces. Negotiations with tenants. Property by property sale.
- Surface area: 2,471 m^2

NTRA SRA DE LA SOLEDAD
Madrid

- Project: Negotiations with tenants. Refurbishment of common areas. Property by property sale.
- Surface area: 1,022 m^2

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^2 a/g+1,500 m^2 b/g

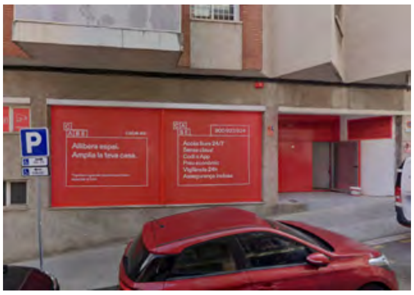
Renta Corporación

Asset business

HOSPITAL/LA RAMBLA
Barcelona

- Use: Hotel
- Surface area: 1,500 m²

GRECO
Barcelona



- Use: Self storage
- Surface area: 1,422 m²
- Units: 377

BISCAIA
Barcelona

- Use: Self storage
- Surface area: 279 m²
- Units: 81

JUAN PRADILLO
Madrid

- Use: Self storage
- Surface area: 697 m ²
- Units: 208

PICOS DE EUROPA
Madrid

- Use: Self storage
- Surface area: 890 m ²
- Units: 205

VILLARROEL
Barcelona

- Use: Self storage
- Surface area: 283 m ²
- Units: 94

FRANCESC XAVIER
Barcelona

- Use: Self storage
- Surface area: 768 m²
- Units: 222

PUJADES
Barcelona

- Use: Self storage
- Surface area: 664 m²
- Units: 173

Appendix 2: Significant inventory assets in progress at end of 2023

VANGUARD BUILDING
Barcelona

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

AV. INGENIEROS
Mijas (Málaga)

- Project: Complex of 122 homes + land to build an additional 67 dwellings. 50% co-investment.
- Surface area: 17,518 m^2 a/g+6,800 m^2

INDÚSTRIA
Ripollet

- Project: Development of logistics warehouses.
- Surface area: 9,500 m^2 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^2 a/g

ZAPATEROS
Toledo

- Project: Development of logistics warehouse.
- Surface area: 17,576 m^2 a/g

Appendix 3: Glossary

BTR	Construction developments which from the very beginning are undertaken with the intention of renting out the units ("Build to rent")
Business portfolio	Investment rights plus strategic stocks (for sale)
Financial debt	Mortgage debt + Other payables
Net financial debt	Mortgage debt + Other payables - Cash - Current financial assets
Debt as a % of assets	Net financial debt / Total assets - Cash - Current financial assets
EBITDA	Consolidated profit or loss from operations + Changes in value of investment property - Depreciation and amortisation
Free float	Shares freely traded on the Spanish Stock Market Interconnection System and not stably controlled by shareholders
GAV	Gross Asset Value (market value)
IBEX Small	Index of small market capitalisation securities listed on the Spanish Stock Market Interconnection System
Investment manager	Company responsible for locating assets that meet the charted strategy and target and for proposing disposals to achieve an appropiate turnover of assets
Operating margin	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
€M	Millions of euros
REIT	Real estate investment trusts
Yield	Return made on a property, calculated by dividing the total annual net revenue generated by the asset by the total investment in the asset

Renta
Corporación

Vía Augusta 252-260, 5ª planta
08017 Barcelona

T. (+34) 934 949 670

Velázquez, 51, 1º izq.
28001 Madrid

T. (+34) 915 750 462