

Table of contents

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

APPENDICES

APPENDIX 1: Significant transactions at June 2021

APPENDIX 2: Significant inventories in progress at June 2021

APPENDIX 3: Glossary

DISCLAIMER

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

1. Executive summary

KEY FINANCIALS OF THE GROUP

- Renta Corporación ended the first half of 2021 with a **cumulative net profit of EUR 2.4 million**, as compared with the loss of EUR -1.3 million incurred in the first half of 2020.
- The operating margin amounted to EUR 8.2 million and doubles the amount reported in the first six months of 2020. This margin comprises EUR 7.6 million from the transactional business, EUR 0.5 million from the asset business and EUR 0.1 million relating to other income and expenses.
- Overheads** amounted to EUR 3.5 million, EUR 1.3 million lower than the EUR 4.8 million recorded in the same period of 2020, of which EUR 0.7 million represented non-recurring costs relating to the development of new real estate investment vehicles. Recurring costs decreased by 15% with respect to the first half of 2020.
- The net financial debt amounted to EUR 53.7 million and debt as a percentage of assets increased slightly to 41%.
- The Company has consolidated the diversification of its sources of financing. Thus, in February 2021 the Company complemented the ICO's direct financing programme instrumented with the acquisition of commercial paper on the Spanish Alternative Fixed-Income Market (MARF) by entering into an agreement under the latter's guarantee line. Also, in May, the Company renewed its commercial paper programme, for a further 12 months, and increased the maximum outstanding balance to EUR 50 million.
- On 30 June Renta Corporación agreed to sell to the Australian fund Aware Super PTY LTD approximately half the shares of Vivenio owned by it, representing 1.45% of its share capital; the sale will take place on 30 July. This sale will give rise to a cash inflow of EUR 12.7 million and to a gross gain of EUR 2.5 million, which will be recognised directly in equity. This sale forms part of the corporate transaction to increase the share capital of Vivenio, of which Renta Corporación is the sole manager.
- The Company's **cash** position remains healthy, closing the first half of the year at EUR 8.6 million.
- The Company's **business portfolio** at 30 June 2021 totalled EUR 169.1 million, up 30% on the figure at 2020 year-end.
- Equity** at the end of the first half of the year stood at EUR 69.5 million, EUR 2.5 million higher than at 2020 year-end due to the profit generated in the period.
- Although the covid-19 crisis has delayed implementation of the new investment vehicles specialising in the acquisition of assets in the logistics and hotel segments, the Company continues to work on ensuring that they will be started up in the coming quarters.
- The **share price** ended the first half of the year at around the same level as at 2020 year-end at EUR 2.05 per share.

REVENUE

31.7
€M

+24% vs. 6M 20

EBITDA

4.7
€M

+5.5 €M vs. 6M 20

OPERATING MARGIN / REVENUE

26%

+10 pp vs. 6M 20

PORTFOLIO

169.1
€M

+30% vs. Dec. 20

OPERATING MARGIN

8.2
€M

+105% vs. 6M 20

NET PROFIT

2.4
€M

+3.7 €M vs. 6M 20

DEBT AS A % OF ASSETS

41%

+3 pp vs. Dec. 20

INVENTORY TURNOVER

10.5
months

17.7 months Dec. 20

NOTE ON COVID-19

The pandemic will continue to condition the evolution of the real estate market in 2021. The capacity of governments to minimise the waves of infections and administer vaccinations among the population will be key to reducing the uncertainty regarding the performance of the economy. Even so, the Bank of Spain's forecasts for 2021 envisage an improvement in GDP growth with respect to 2020, projecting positive annual GDP growth of around 6%.

The covid-19 era is accelerating existing trends in the sector such as remote working, the online world, digitalisation and environmental and sustainability issues. Nevertheless, the real estate industry remains a safe harbour for investors due to its capacity to generate attractive returns in the current environment of very low interest rates.

Renta Corporación is facing this new period with a positive outlook, borne out by the results for the first half of the year, and it expects to resume relatively normal operations in the second half of the year. The Company has firm foundations, a highly liquid asset portfolio, a healthy balance sheet and a sound financial position, which will enable it to harness the opportunities that arise in the future, which will be undertaken provided that they have clear visibility.

The covid-19 crisis will have a less significant impact on the position of Renta Corporación in 2021 and, therefore, when the state of emergency came to an end the Board decided to dissolve the Covid Committee.

Liquidity was, and continues to be, a priority and, therefore, monitored frequently and in detail. The Company ended the first half of the year with a healthy liquidity position and a sustainable leverage ratio of 41% of assets and cash of EUR 8.6 million, enabling the Group to meet its payment obligations and investment needs in the medium term.

The Company has a diversified financial structure, made up of bank and non-bank borrowings, the latter mainly in the form of bond and commercial paper issues, which provides it with greater flexibility and agility when it needs to carry out transactions which due to their nature are more difficult to finance through traditional banking transactions, as the latter have become more restrictive.

In addition, at the end of 2020 the Company revised its five-year strategic plan, reflecting the delay in its implementation and forecasting the recovery of pre-covid-19 levels in 2022. The assumptions in the plan and its value levers, which continue to be the development of the asset business and the increase of the size of transactional operations, have not varied. Based on the revised plan, the Group expects to end 2021 with a net profit of around EUR 9.5 million.

The Company has not seen any erosion of the value of its assets in addition to that reflected in its accounts.



2. Business performance and results

2.1 Consolidated statement of profit or loss

(million EUR)	6M 2021	6M 2020	% change
Transactional business revenue	30.6	22.8	
Asset management business revenue	1.0	2.7	
Other income	0.1	0.1	
REVENUE	31.7	25.6	24%
Transactional business margin	7.6	3.6	
Asset management business margin	0.5	1.2	
Other income and expenses	0.1	-0.8	
OPERATING MARGIN	8.2	4.0	105%
Overheads and staff costs	-3.5	-4.8	
EBITDA	4.7	-0.8	n.a.
Depreciation and amortisation charge, provisions and other	-0.2	-0.2	
EBIT	4.5	-1.0	n.a.
Net financial loss	-1.6	-1.6	
PROFIT BEFORE TAX	2.9	-2.6	n.a.
Income tax	-0.5	1.3	
NET PROFIT	2.4	-1.3	n.a.

2.1.1 Revenue

The detail of revenue by business line is as follows:

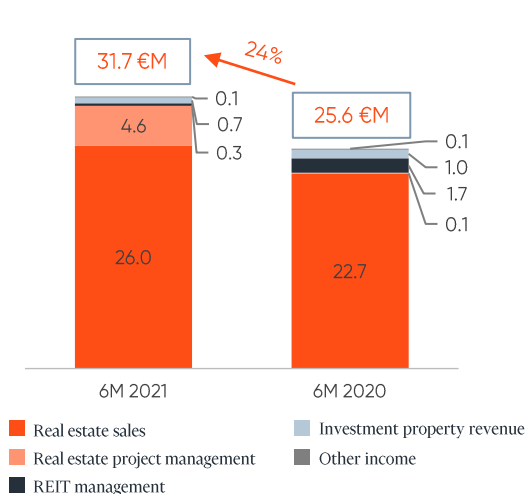
Revenue by business line (million EUR)	6M 2021	6M 2020	Change
Real estate sales	26.0	22.7	3.3
Real estate project management	4.6	0.1	4.5
Total revenue - transactional business	30.6	22.8	7.8
REIT management	0.3	1.7	-1.4
Investment property	0.7	1.0	-0.3
Total revenue - asset management business	1.0	2.7	-1.7
Other income	0.1	0.1	0.0
REVENUE	31.7	25.6	6.1

Revenue from the **transactional business** increased by EUR 7.8 million with respect to the same period of 2020, with the rise attributable to both **real estate sales** and **real estate project management**. The transactions that make up the revenue generated by the transactional business relate mainly to: a logistics transaction on the Carretera del Mig road in l'Hospitalet de Llobregat; two residential transactions in calle Euterpe and calle Francesc de Bolós in Barcelona; two office building transactions in Gran Via de les Corts Catalanes and Passeig de Gràcia, Barcelona; three hotel transactions in Barcelona and a residential transaction in calle Marqués de Monteagudo in Madrid.

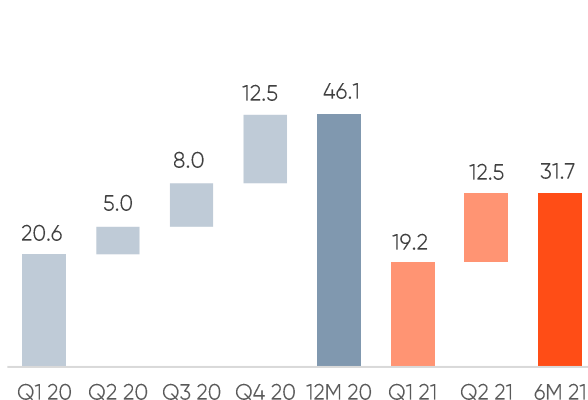
The **REIT management** business line generated revenue of EUR 0.3 million, which was 1.4 million lower than in the first half of 2020, due mainly to the decision taken by Vivenio to internalise its asset management activities. As regards origination fees, Vivenio has not made any investments in new assets since the beginning of 2020 other than those to which it was already committed with its available capital. The acquisition by the Australian fund Aware Super PTY LTD of a stake in the share capital of the REIT will mark a watershed in this trend.

Lastly, **investment property** revenue amounted to EUR 0.7 million and included the rent from all the assets held on the Company's balance sheet. This item experienced a decrease of EUR 0.3 million with respect to the first half of 2020 due to a drop in rental income as a result of the sale of the partially-leased properties included in inventories.

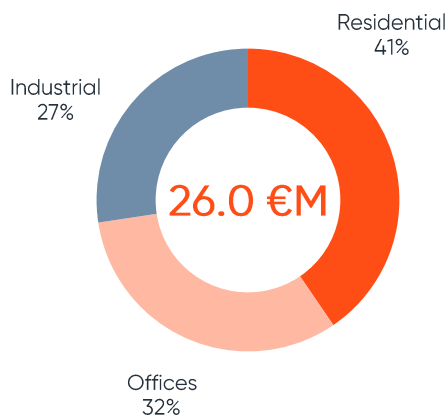
REVENUE BY BUSINESS LINE



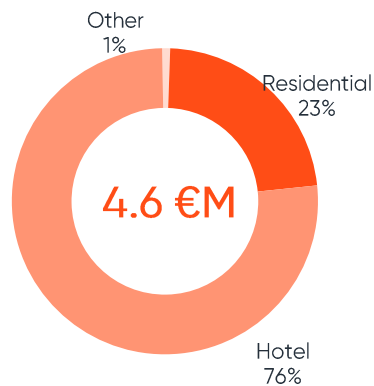
REVENUE BY QUARTER



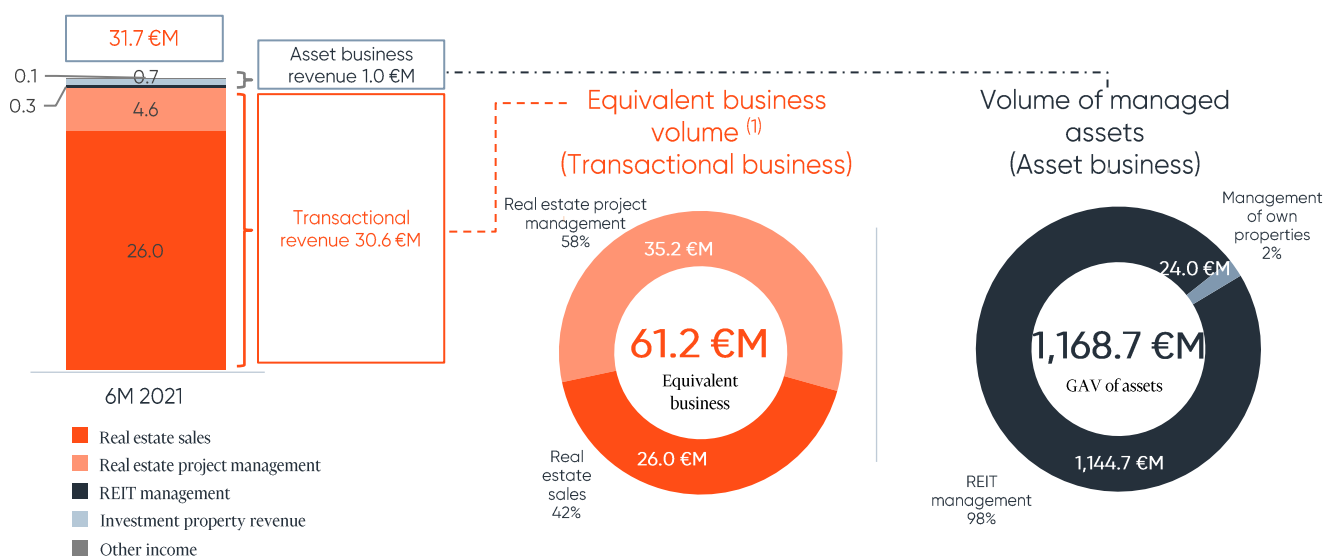
REAL ESTATE SALES REVENUE BY TYPE OF ASSET



REAL ESTATE PROJECT MANAGEMENT REVENUE BY TYPE OF ASSET



EQUIVALENT BUSINESS VOLUME 6M 2021



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

2.1.2 Operating margin

The operating margin by business line was as follows:

Margin by business line (million EUR)	6M 2021	6M 2020	Change
Real estate sales margin	4.0	3.5	0.5
Real estate project management margin	3.6	0.1	3.5
Total margin - transactional business	7.6	3.6	4.0
REIT management margin	0.3	0.6	-0.3
Investment property margin	0.2	0.6	-0.4
Total margin - asset management business	0.5	1.2	-0.7
Other income and expenses	0.1	-0.8	0.9
OPERATING MARGIN	8.2	4.0	4.2

“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 4.0 million, EUR 0.5 million higher than the figure obtained in the same period of 2020.

“Real estate project management” margin

The margin of the “Real estate project management” business line amounted to EUR 3.6 million, EUR 3.5 million higher than the figure for the first half of 2020. This margin was generated mainly by three transactions involving hotels.

“REIT management” margin

The margin of the “REIT management” business line amounted to EUR 0.5 million, half of that obtained in the first half of 2020. The margin was generated mainly by the origination arising from the transactions under development and turnkey investment portfolio projects.

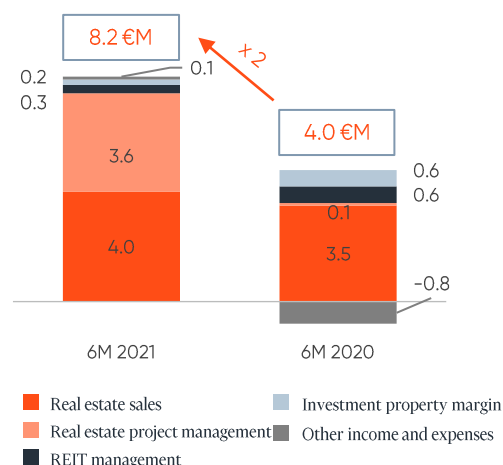
Investment property margin

The margin of this line amounted to EUR 0.2 million, EUR 0.4 million lower than the figure obtained in the same period of 2020. The margin arises mainly as a result of the net rents generated by all of the Company’s assets.

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.

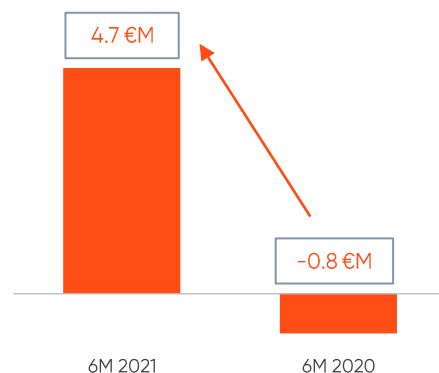
MARGIN BY BUSINESS LINE



2.1.3 EBITDA

Overheads amounted to EUR 3.5 million, EUR 1.5 million lower than the EUR 4.8 million recorded in the same period of 2020, of which EUR 0.7 million represented non-recurring costs related to the development of new real estate investment vehicles. Comparing the recurring costs of each period, EUR 2.4 million related to staff costs, down EUR 0.7 million from the previous year, and EUR 1.1 related to other overheads, an increase of EUR 0.1 million with respect to the first half of 2020.

EBITDA at the end of the first half of 2021 amounted to EUR 4.7 million, as compared with the EUR -0.8 million obtained in the same period of 2020.



2.1.4 Financial loss

The financial loss amounted to EUR -1.6 million, in line with the result obtained in the same period of 2020.

2.1.5 Net profit

The Group recognised an income tax expense of EUR -0.5 million, corresponding to the net effect of the following:

- Income tax arising from the Group’s ordinary activities amounting to EUR -0.5 million, as compared with the same period of 2020, in which the impact in this connection was zero.
- In accordance with the revised strategic plan, no net tax assets additional to the tax loss carryforwards at 2020 year-end were recognised. At the end of the first half of 2020, the impact recognised in this connection amounted to EUR +1.3 million.

As a result of all the aforementioned factors, Renta Corporación ended the first half of 2021 with a **cumulative net profit of EUR 2.4 million**, as compared with the loss of EUR -1.3 million incurred in the first half of 2020.

2.2 Consolidated balance sheet

2.2.1 Assets

Assets (million EUR)	Jun-21	Dec-20	Change
Non-current assets and right-of-use assets	1.4	1.5	-0.1
Other non-current assets	72.4	72.6	-0.2
Non-current assets	73.8	74.1	-0.3
Inventories	60.8	65.2	-4.4
Accounts receivable	15.2	4.3	10.9
Cash	8.6	7.7	0.9
Financial assets	0.4	0.5	-0.1
Current assets	85.0	77.7	7.3
Total assets	158.8	151.8	7.0

Non-current assets

Renta Corporación's non-current assets amount to EUR 73.8 million, in line with the figure at 2020 year-end. The detail of the balances forming part of the non-current assets is as follows:

(million EUR)	Jun-21	Dec-20	Change
Non-current assets and right-of-use assets	1.4	1.5	-0.1
Investment property	24.0	24.0	0.0
Non-current financial assets	21.4	21.4	0.0
Deferred tax assets	27.0	27.2	-0.2
Total non-current assets	73.8	74.1	-0.3

- **Non-current assets and right-of-use assets**, relating mainly to the recognition of the leases in accordance with IFRS 16, amounted to EUR 1.4 million, EUR 0.1 million lower than the December 2020 figure due to the depreciation and amortisation expense.
- The assets classified as **investment property** include four residential buildings located in Barcelona.
- **"Non-Current Financial Assets"** includes mainly Renta Corporación's ownership interest in the share capital of Vivenio Socimi, and the non-current account receivable amounting to EUR 0.1 million yet to be converted into shares.

On 30 June Renta Corporación and the Australian fund Aware Super PTY LTD entered into a share sale and purchase agreement whereby Renta Corporación undertook to transfer to the latter 9.0 million shares of Vivenio representing 1.45% of its share capital. These shares, which will be transferred on 30 July 2021, represent approximately one half of the total number of shares of Vivenio held by Renta Corporación at 30 June and the transaction will give rise to a cash inflow of EUR 12.7 million and a gross gain of EUR 2.5 million, which will be recognised, net of the related tax effect, directly in equity. This sale forms part of the corporate transaction involving the REIT Vivenio whereby the Australian fund Aware Super PTY LTD will become one of its shareholders through the acquisition of certain of the shares held by APG, the hitherto majority shareholder, and by Renta Corporación, and undertakes, in conjunction with APG, to invest up to EUR 400 million in the REIT over the coming three years.

- “**Deferred tax assets**” relates mainly to tax loss carryforwards, and there were EUR 65 million of unrecognised tax losses. Although no doubts exist as to the recoverability of the tax assets recognised, the Company decided not to increase this asset item but rather recognise tax assets on the basis of the evolution of the new strategic plan.

Current assets

(million EUR)	Jun-21	Dec-20	Change
Inventories	60.8	65.2	-4.4
Accounts receivable	15.2	4.3	10.9
Cash	8.6	7.7	0.9
Financial assets	0.4	0.5	-0.1
Total current assets	85.0	77.7	7.3

The current assets at the end of the first half of 2021 amounted to EUR 85.0 million, up EUR 7.3 million on 2020. This change is explained mainly by the increase in accounts receivable, which was offset in part by the decrease in inventories as a result of the sales made in the first half of the year. The detail of the line items forming part of the current assets and of the changes therein is as follows:

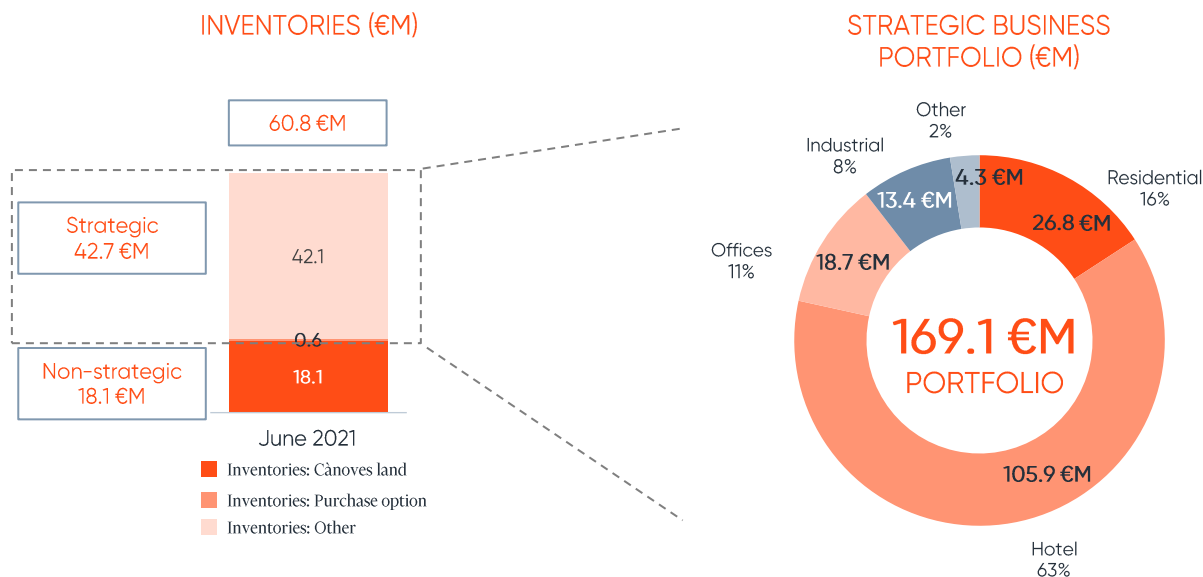


Inventories and transactional business portfolio

Renta Corporación had recognised inventories amounting to EUR 60.8 million at the end of the first half of the year. This represents a decrease of EUR 4.4 million with respect to December 2020 due to the net effect of the acquisitions of properties and the sales made in the period, which included most notably: a residential transaction in calle Marqués de Monteagudo in Madrid; a logistics transaction on the Carretera del Mig road in l'Hospitalet de Llobregat; two residential transactions in calle Euterpe and calle Francesc de Bolós in Barcelona; and two office building transactions in Gran Via de les Corts Catalanes and Passeig de Gràcia, Barcelona.

Renta Corporación recognised the Cànoves residential land for EUR 18.1 million under “Inventories”. This asset is collateral for creditors pursuant to the agreement of 2014, which foresees the daton in payment thereof in 2022. Consequently, the analysis of the inventories, which is presented below, will focus on the assets that make up the other EUR 42.7 million.

Lastly, the value of the inventories at the reporting date included purchase option premiums amounting to EUR 0.6 million, which grant the right to purchase assets amounting to EUR 127.0 million in the future. This, together with the strategic inventories, gives rise to a business portfolio of EUR 169.1 million. This portfolio, as can be seen in the figure below, is diversified on the basis of the current market situation, focusing circumstantially on hotel properties, which will make it possible for the Company to harness the opportunities offered by this segment.



BREAKDOWN OF STRATEGIC INVENTORIES ⁽¹⁾ (€M)

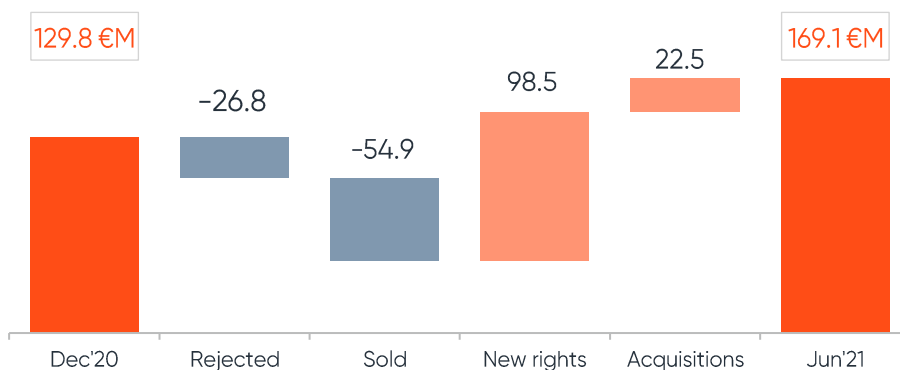


RESIDENTIAL		OFFICES		INDUSTRIAL/LOGISTIC		OTHER	
# buildings	9	# buildings	1	# buildings	3	# buildings	1
# units	94	# units	N/A	# units	N/A	# units	N/A
Inventories (€M)	15.0	Inventories (€M)	13.2	Inventories (€M)	9.5	Inventories (€M)	4.4

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 from 2020 year-end to the end of the first half of 2021 is as follows:



Accounts receivable

(million EUR)	Jun-21	Dec-20	Change
Trade receivables and notes receivable	10.2	3.0	7.2
Tax receivables	0.9	0.6	0.3
Other receivables	4.1	0.7	3.4
Total receivables	15.2	4.3	10.9

At the end of the first half of 2021, the balance of accounts receivable amounted to EUR 15.2 million, EUR 10.9 million higher than at 2020 year-end. This balance is broken down into three line items:

- **Trade receivables and notes receivable:** the balance of this line item increased by EUR 7.2 million with respect to 2020 year-end due to a logistics sale transaction in l'Hospitalet de Llobregat made on the last day of the six-month period, payment for which will be received in July.
- **Tax receivables:** the tax receivables of Renta Corporación increased by EUR 0.3 million with respect to December 2020, due mainly to the net effect of the refund of income tax of prior years and the recognition of the first tax pre-payment for the year.
- **Other receivables:** the balance of this line item increased by EUR 3.4 million with respect to 2020 year-end due mainly to the purchase option premiums under study and other amounts deposited in connection with transactions in progress.



2.2.2 Liabilities

Equity + liabilities (million EUR)	Jun-21	Dec-20	Change
Equity	69.3	66.8	2.5
Liabilities			
Non-current financial debt	43.2 ⁽¹⁾	39.0	4.2
Other non-current payables	4.1	4.2	-0.1
Non-current liabilities	47.3	43.2	4.1
Non-current financial debt	14.1 ⁽²⁾	18.7	-4.6
Current financial debt	22.4 ⁽³⁾	15.0	7.4
Other current payables	5.7	8.1	-2.4
Current liabilities	42.2	41.8	0.4
Total equity + liabilities	158.8	151.8	7.0

Financial debt

DEBT BY TYPE AND CLASSIFICATION (€M) - Jun. 2021

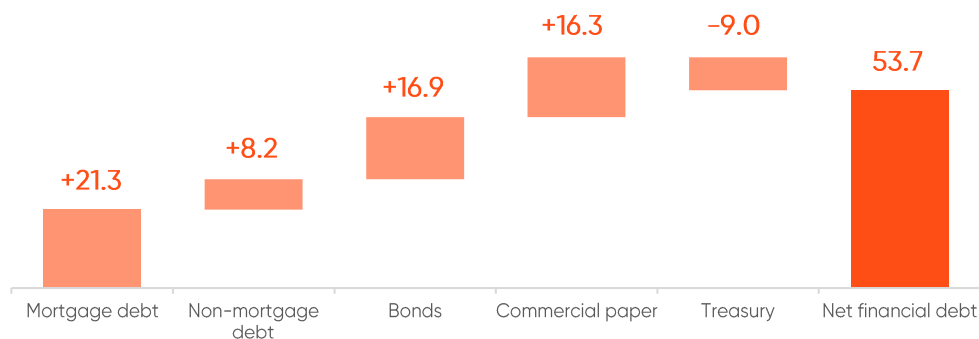
(M€)	Non current		Current		Total
	l/t		l/t	s/t	
Mortgage debt	5.9		14.1	1.3	21.3
Other payables	20.3		-	21.1	41.4
Participating debt	17.0		-	-	17.0
Total Financial Debt	43.2 ⁽¹⁾		14.1 ⁽²⁾	22.4 ⁽³⁾	79.7

NET FINANCIAL DEBT (€M)

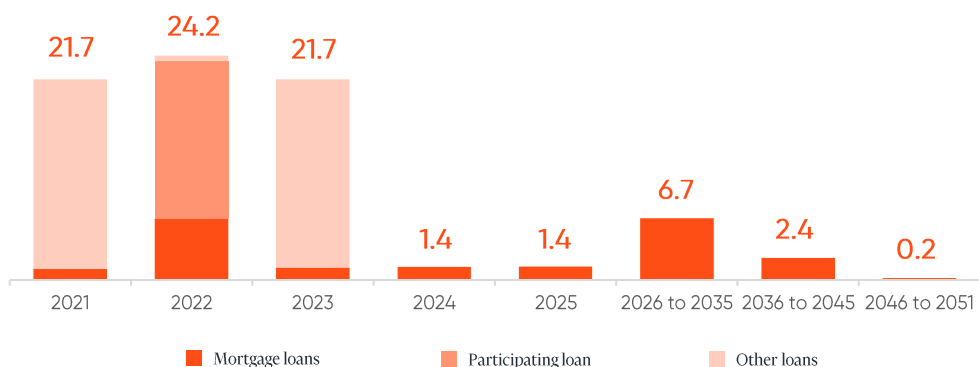
(million EUR)	Jun-21	Dec-20	Change
Mortgage debt	21.3	26.4	-5.1
Other payables	41.4	29.3	12.1
(-) Cash and financial assets	-9.0	-8.2	-0.8
Total Net Financial Debt	53.7	47.5	6.2

Net financial debt increased by EUR 6.2 million from the EUR 47.5 million at 2020 year-end mainly as a result of the net effect of the repayment of the mortgage debt associated with the assets sold in the period and the increase in other borrowings, relating basically to new commercial paper issues.

NET FINANCIAL DEBT BY TYPE (€M)



FINANCIAL DEBT REPAYMENT SCHEDULE (€M)



Maturity of the financial debt

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

Mortgage debt

The *mortgage debt on inventories* tied to transactional business (“Real estate sales” business line) stood at EUR 15.3 million, with an LTC ratio of 36% on the Company’s inventories and a negotiated effective rate of 2.68%.

The *mortgage debt on investment property* stood at EUR 6.0 million, with an LTV ratio of 25% and an average cost of 3.78%.

Other payables

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

On 7 May 2021, the Company renewed its commercial paper programme, for a further 12 months, and increased the maximum outstanding balance to EUR 50 million. The outstanding amount at 30 June 2021, discounted to present value, was EUR 16.3 million, as compared with EUR 4.8 million at 2020 year-end.

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

Participating debt

This debt is a participating loan for a nominal amount of EUR 18.2 million, guaranteed by means of a real estate mortgage on the site identified as Cànoves. The mortgage was registered by the Company in favour of the creditors who had adhered to Option B of the payment proposal detailed in the Creditors Arrangement. The participating loan will be settled in 2022 through the datation in payment of this asset.

Other non-current payables

At the end of the first half of 2021 Renta Corporación had recognised "Other Non-Current Payables" amounting to EUR 4.1 million. This balance is broken down as follows:

(million EUR)	Jun-21	Dec-20	Change
Non-current payables (insolvency proceedings)	1.0	1.0	0.0
Deferred Taxes	2.3	2.3	0.0
Long-term finance leases (IFRS 16)	0.8	0.9	-0.1
Total other non-current payables	4.1	4.2	-0.1

- **Non-current payables relating to insolvency proceedings:** this line item reflects the debt of EUR 1.0 million owed to the pre-insolvency creditors, approximately half of which is payable until 2022. The debt has been discounted at the effective market interest rate, an effect that has been and will be reversed in the years over which this debt is repaid.
- **Deferred taxes:** this item amounts to EUR 2.3 million and remains at the same level as at 2020 year-end.
- **Long-term finance leases (IFRS 16):** this item amounts to EUR 0.8 million and arose in 2019 as a result of the initial application of IFRS 16, Leases.

Other current payables

Other current payables amounted to EUR 5.7 million, EUR 2.4 million lower than at 2020 year-end.

(million EUR)	Jun-21	Dec-20	Change
Current payables	4.2	4.2	0.0
Pre-sale downpayments and prepayments	0.3	1.2	-0.9
Other current payables	1.2	2.7	-1.5
Total other current payables	5.7	8.1	-2.4

- **Current payables** relate to the Company's purchase, conversion and sale transactions. At the reporting date they amounted to EUR 4.2 million, the same figure as at 2020 year-end.
- **Pre-sale downpayments and prepayments** stood at EUR 0.3 million, reflecting a EUR 0.9 million decrease with respect to 2020 year-end, and will give rise to revenue in the future of EUR 8.4 million in Madrid and EUR 0.4 million in Barcelona.
- **Other current payables** relate mainly to tax payables. At the end of the first half of the year they amounted to EUR 1.2 million, down EUR 1.5 million from the amount at 2020 year-end, due largely to the settlement of the output VAT on the Company's transactions.

Cash flow performance

The Company generated cash flows from operations of EUR 4.3 million arising from the profit from operations in the period.

Also, working capital and the other cash flows from operating activities were negative by EUR -9.5 million, due mainly to the increase in accounts receivable as a result of the outstanding amount receivable in relation to the logistics sale transaction in l'Hospitalet de Llobregat made on the last day of the six-month period; offset in part by the decrease in inventories.

Lastly, the debt increased by EUR 6.1 million, due largely to commercial paper issues, which resulted in a EUR 0.9 million increase in cash and cash equivalents at the end of the first half of 2021.

<u>(million EUR)</u>	<u>Jun-21</u>
Profit or loss from operations	4.3
Investment in the REIT ⁽¹⁾	-0.1
Operating cash flow	4.2
Changes in working capital and other operating cash flows	-9.5
Investment in non-current assets	0.1
Free cash flow	-5.2
Change in borrowings	6.1
Net increase/decrease in cash and cash equivalents	0.9

Notes: (1) Relating to the receivables from the REIT Vivenio Socimi, of which EUR 0.1 million are yet to be converted into shares.



3. Information on market performance

After a 2020 that will be remembered for the health, economic and social impact of the covid-19 pandemic, the prospects for 2021 are for recovery, especially in the second part of the year depending on the progress of the vaccination of the population, increasingly relaxed mobility restrictions and the gradual upturn in economic activity.

According to Bank of Spain forecasts, GDP will grow by around 6% in 2021, as compared with the -11% drop witnessed in 2020. Also, forecasts point to an unemployment rate of around 16%, in line with that of 2020. General consumption will continue to be limited given low consumer confidence and uncertainty. In any case, the performance of the economy will continue to be conditioned by the evolution of the pandemic and by the impact that this crisis is having on the solvency of households and companies. A return to pre-covid-19 levels is not expected until the end of 2022-2023, depending on the sector of activity concerned.

Interest rates are expected to remain low in the medium term, which will boost the attractiveness of the real estate sector with respect to other investment options.

Bank financing is expected to remain restrictive and selective throughout 2021.

Residential segment

The fundamentals of the residential segment remain solid, which augurs a positive trend for this sector. An increase in demand for housing is expected in 2021, which will focus mainly on new construction, while second-hand housing will undergo readjustments.

A slight decrease is expected in the average house price, which will be somewhat more notable in the second hand market, while new construction will remain stable.

The residential segment for rental and student residences ("Multifamily") was one of the main investment sectors in 2020 and is expected to continue to be so in 2021. In recent years a growing trend in the rental market has been observed, mainly among the younger and foreign population, motivated by the tightening of the conditions of access to the purchase of a house, the increase in investor interest in this segment and the general professionalisation of the segment. A paradigm shift in home ownership trends in Spain is likely in the future as the rental market develops.

Offices segment

Office rentals in Madrid and Barcelona as a whole increased in the first few months of 2021 with respect to last year and this trend is expected to continue in the second half of the year. Even so, availability increased in all the submarkets of this segment in the first few months of the year and is expected to continue to rise as a consequence not only of the impacts of covid-19 but also of remote working and the entry of new assets in the market.

Slight increases are expected in returns due to higher risk perception and lower investor interest. Prime rentals remained stable.

Retail segment

The performance of this segment is directly linked to consumer spending which, despite its weakness in the first few months of the year, is expected to increase in the second half of 2021. In addition, there are several sources of uncertainty in this segment, including the end of the aid and incentives granted by owners to the lessees of the premises, an increase in unemployment, and the tourist numbers, which remain low as a result of limited vaccination levels and the threat of new strains of the virus. The greater prevalence of e-commerce following the pandemic will also mark the post-covid-19 scenario in this segment.

Investment in supermarkets remains strong.

Logistics segment

After a period of rent stability in both Madrid and Barcelona, prime rents increased in the first few months of the year as a result of the strength of demand and the boom brought about by e-commerce, as well as relatively limited availability.

New rentals also saw a very significant increase in the year in both cities. Progressively shorter delivery times are boosting interest in "last-mile" logistics assets, which occupy less surface area but are located as close as possible to city and town centres.

The logistics sector continues to be very attractive for investment.

Hotels segment

The focus is on the vaccination campaign and the recovery of tourism, despite the setback caused by the emergence of new strains of the virus. A significant recovery in the tourism industry is expected from the second half of the year onwards, although pre-covid-19 levels will foreseeably not be attained until 2023-2024.

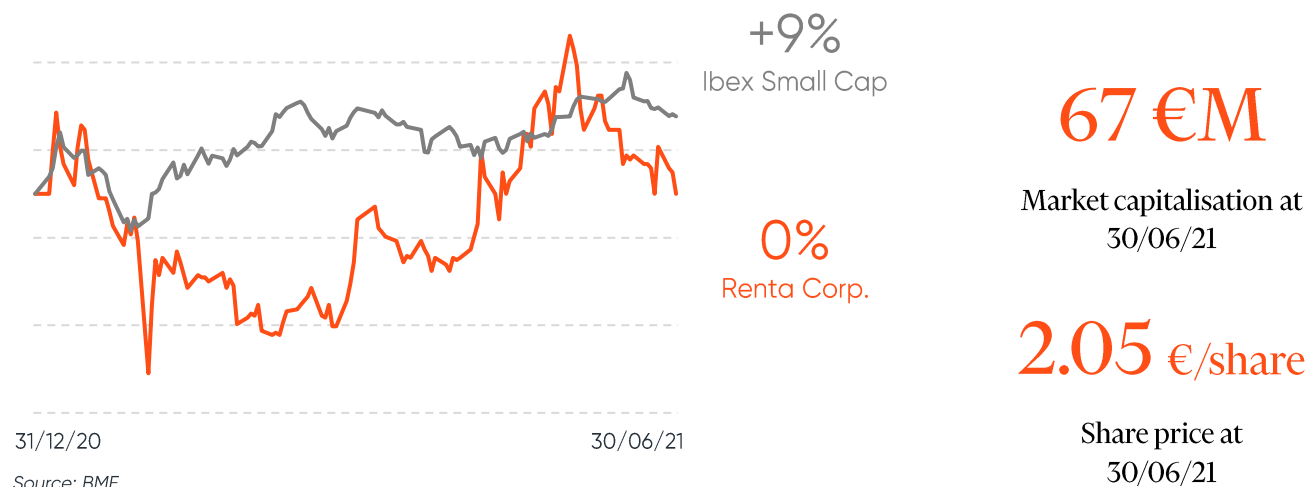
A drop in the value of hotel assets is being observed as a result of the liquidity constraints affecting certain owners, although this is possibly a temporary situation and values will recover once the excess assets for sale have been absorbed.

4. Shareholder structure and stock market performance

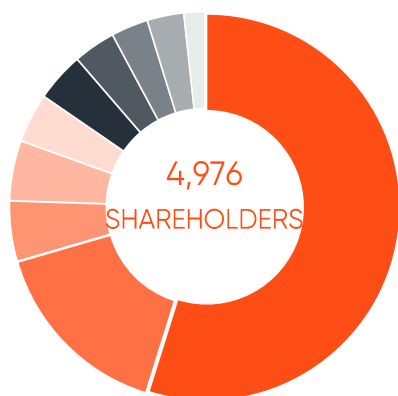
The share market price closed the first half of 2021 at EUR 2.05 per share, the same price as at 2020 year-end.

Market capitalisation at 30 June 2021 stood at EUR 67.4 million, with 8.7 million shares traded in the first half of the year for a total of EUR 17.8 million.

SHARE PERFORMANCE SINCE DEC-20 (BASE 100)



SHAREHOLDER STRUCTURE - JUN-21



- Free-float **54.8%**
- Luís Hernández de Cabanyes (Chairman) **15.7%**
- Oravla Inversiones, S.L. **5.0%**
- Naturinvest, S.À R.L. **5.0%**
- Vanesa Herrero Vallina **4.1%**
- Blas Herrero Vallina **4.1%**
- Fundación Renta **3.5%**
- Camac Fund, LP **3.1%**
- Concerted action - Wilcox **3.0%**
- Treasury shares **1.7%**

Appendix 1: Significant transactions at June 2021

Transactional business

EUTERPE
Barcelona



- **Project:** Comprehensive conversion of an office building into a new build residential building.
- **Surface area:** 602 sqm

FRANCESSC DE BOLÓS
Barcelona



- **Project:** Comprehensive conversion of an industrial building into a new build residential building. Lease management.
- **Surface area:** 1,362 sqm

MARQUÉS DE MONTEAGUDO
Madrid



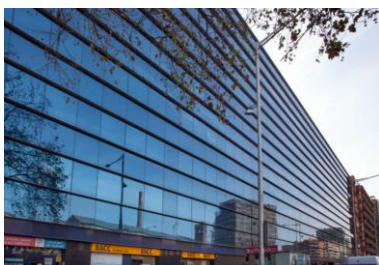
- **Project:** New build residential project. Conversion and comprehensive refurbishment of an office building.
- **Surface area:** 1,346 sqm

MONTEROLS
Barcelona



- **Project:** Comprehensive refurbishment of the building. Change of use of the ground floor. Lease management.
- **Surface area:** 1,400 sqm

GRAN VIA DE LES CORTS CATALANES
Barcelona



- **Project:** Management of lease status. Facility management.
- **Surface area:** 11,486 sqm above grade level + 3,000 sqm below grade level

PASSEIG DE GRÀCIA
Barcelona



- **Project:** Comprehensive refurbishment of one floor used as offices and sale.
- **Surface area:** 255 sqm

HOTEL GRAN DUCAT

Barcelona



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

HOTEL GRAN RONDA

Barcelona



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

CORNET I MAS

Barcelona



- **Project:** Refurbishment project.
- **Surface area:** 693 sqm

ROCAFORT

Barcelona



- **Project:** Refurbishment project. Lease management.
- **Surface area:** 1,566 sqm

CARRETERA DEL MIG

Hospitalet de Llobregat



- **Project:** Development of logistics warehouses.
- **Surface area:** 20,400 sqm above grade level + 3,900 sqm below grade level

Asset business

HERMOSILLA

Madrid



- Housing units: 80
- Surface area: 6,619 sqm
- Comprehensive refurbishment in progress

CARABANCHEL LAND LOT

Madrid



- Housing units: 517
- Surface area: 33,559 sqm
- Operation under development

AVDA SAN LUÍS

Madrid



- Housing units: 170
- Surface area: 14,865 sqm
- Comprehensive refurbishment in progress

ENSANCHE DE VALLECAS

Development in Madrid.



- Expected housing units: 216
- Surface area: 18,953 sqm
- Operation under development

MÉNDEZ ÁLVARO

Development in Madrid.



- Housing units: 273
- Surface area: 18,308 sqm
- Operation under development

NUEVO MAHOU CALDERÓN

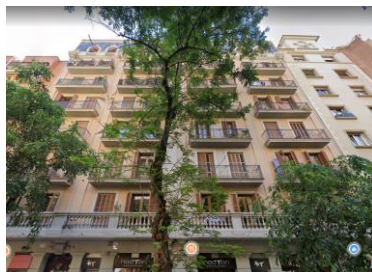
Development in Madrid.



- Expected housing units: 408
- Surface area: 33,680 sqm
- Operation under development

VALENCIA

Barcelona



- Housing units: 72
- Surface area: 5,051 sqm
- Comprehensive refurbishment in progress

PIONEER

Barcelona - Madrid

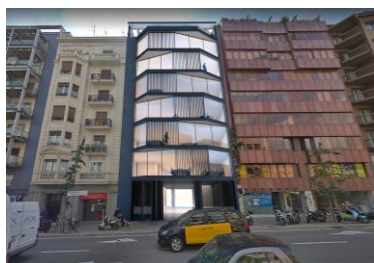


- Housing units: 510
- Surface area: 39,152 sqm

Appendix 2: Significant inventories in progress at June 2021

VIA AUGUSTA

Barcelona



- **Project:** Comprehensive refurbishment of an office building. Sale with sitting tenants.
- **Surface area:** 3,103 sqm above grade level +799 sqm below grade level

GARMUR

Madrid



- **Project:** Group of five buildings in Ciudad Lineal. Refurbishment of common areas and conversion of commercial premises into housing units.
- **Surface area:** 3,546 sqm above grade level + 1,178 sqm of courtyards

EDIFICIO VANGUARD

Barcelona



- **Project:** Conversion of property to hotel and residential use.
- **Surface area:** 21,023 sqm above grade level + 2,496 sqm below grade level

PROVENÇA

Barcelona



- **Project:** Change of use from car park to office or commercial premises.
- **Surface area:** 3,163 sqm

HERCEGOVINA

Barcelona



- **Project:** New construction project consisting of two single-family housing units.
- **Surface area:** 667 sqm

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 sqm

Appendix 3: Glossary

Business portfolio	Investment rights plus strategic stocks (for sale)
Financial debt	Non-current bank borrowings + Current bank borrowings (maturing at long and short term) + Other current financial liabilities (maturing at long and short term)
Net financial debt	Non-current bank borrowings + Current bank borrowings (maturing at long and short term) + Other current financial liabilities (maturing at long and short term) - Cash and cash equivalents - Current financial assets
Borrowings as a % of assets	Net financial debt / Total assets - Carrying amount of the Cànoves asset (securing the participating loan) - Cash and cash equivalents - Current financial assets
EBITDA	Consolidated profit or loss from operations + Changes in value of investment property - Depreciation and amortisation charge
Free-float	Shares freely traded on the Spanish Stock Market Interconnection System and not stably controlled by shareholders
GAV	Market value (GAV)
IBEX Small	Index of small market capitalisation securities traded on the Spanish Stock Market Interconnection System
LTV	Net financial debt/Market value of assets (Loan to Value)
LTC	Net financial debt/Cost of assets held in inventory (Loan to Cost)
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
REITs	Real estate investment trusts

