*Translation into English of consolidated financial statements for the year ended 31 December 2021 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.*

# Haya Real Estate, S.A.U. and Subsidiary (Haya Group)

Consolidated Financial Statements for the year ended December 31st, 2021, prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRS-EU) and Consolidated Management Report, together with the report of the independent auditor

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 3 and 26). In the event of a discrepancy, the Spanish-language version prevails.*

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel: +34 915 14 50 00
www.deloitte.es

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 3 and 26). In the event of a discrepancy, the Spanish-language version prevails.*

# INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Sole Shareholder of Haya Real Estate, S.A.U.,

## Opinion

We have audited the consolidated financial statements of Haya Real Estate, S.A.U. (the Parent) and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2021, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

## Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª.
C.I.F.: B-79104469. Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

## Material uncertainty related to going concern

We draw attention to Note 3.4 in the consolidated financial statements, which indicates that the Group shows a negative working capital position of EUR 163 million, caused by the short-term maturity of the senior secured notes issued in 2017, and that the Group has generated losses in the last years, which have additionally affected its equity position. As mentioned in that note, at the date of formulation of the consolidated financial statements of 2021, the Group has reached a Lock up Agreement with the majority of the bondholders in order to refinance the senior secured notes, even though its formalization is still on-going. This fact, together with the other matters disclosed in that note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and to realize its assets, among others the deferred tax assets, and to settle its liabilities in accordance with the amounts and the classification they are presented in the consolidated financial statements. The Directors estimate that the refinancing process will be successfully completed, allowing the Group to respond to the current financial and equity challenges. Our opinion is not modified in respect of this matter.

## Most significant audit matters

The most significant audit matters are those matters that, in our professional judgement, were considered to be the most significant risks of material misstatement in our audit of the consolidated financial statements of the current period. These risks were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those risks.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the most significant audit matters to be communicated in our report.

| Recognition of unbilled revenue | |
|---|---|
| **Description** | **Procedures applied in the audit** |
| As described in Notes 1 and 16 to the accompanying consolidated financial statements, the Group engages mainly in the exclusive asset management of some real estate owned assets and real estate developer loans of six customers who account for substantially all of its revenue and accounts receivable. | Our audit procedures to address this matter included, among others, obtaining an understanding of the business cycle of revenue recognition, including the analysis of the revenue recognition policies in order to assess their appropriateness with the regulatory financial reporting framework applicable. |

## Recognition of unbilled revenue

| Description | Procedures applied in the audit |
| --- | --- |
| The aforementioned management of assets owned by its customers is instrumented through service level agreements (SLAs) that establish the terms and conditions under which the service is provided.<br><br>The recognition of this revenue, although not complex, arises from the application to a multitude of transactions with assets owned by the Group's clients, of the various terms and conditions established in the service level agreements entered into with them. Such terms and conditions lead the Group, in certain cases, to recognize revenue before issuing the related invoices, including the caption "Trade and other receivables" of the accompanying consolidated statement of financial position, a large amount of unbilled operations, as described in Note 9 to the accompanying consolidated financial statements. As a result of this circumstance, the revenue recognized in the period but still unbilled at year-end was an area of significant auditor attention in our audit. | In addition, we carried out testing in order to verify the occurrence and accuracy of the revenue recognized in 2021 and unbilled at year-end, through subsequent billing testing, tests of details on statistical samples of transactions managed by the Group, and substantive analytical procedures which made it possible to assess the reasonableness of the revenue recognized for transactions happened in 2021 but not yet billed at year-end.<br><br>Lastly, we evaluated whether the disclosures made in this connection meet the requirements of the regulatory financial reporting framework applicable to the Group (see Notes 1, 4.13, 9 and 16 to the accompanying consolidated financial statements). |

## Recoverability of "Other contract intangible assets – Management business - Caixabank group and Management business – Unicaja group"

| Description | Procedures applied in the audit |
| --- | --- |
| As described in Notes 1 and 5 of the accompanying consolidated financial statements of 2021, in prior years, the Group acquired the exclusivity of the management of the Bankia group's (currently Caixabank) and Liberbank group's (currently Unicaja) real estate owned assets, recognizing the related intangible assets, subject to | Our audit procedures to address this matter consisted, among others, of understanding the Group's policies for analysing the intangible asset recovery and the factors that led the Group to recognize an impairment loss in the period, of obtaining the impairment tests of the intangible assets related to the management of the Unicaja |

## Recoverability of "Other contract intangible assets – Management business - Caixabank group and Management business – Unicaja group"

| Description | Procedures applied in the audit |
|---|---|
| amortisation, whose carrying amounts as at 31 December 2021 are EUR 50,017 and 2,332 thousand, respectively.<br><br>At year-end, the Group assesses whether there is indication that the assets related to asset management acquisitions, may be impaired and, if necessary, it tests those assets for impairment, using discounted cash flow-based valuation techniques, for which purpose it employs cash flow projections derived from estimates of inflows and outflows of assets under management, of the investments required to carry on its business activity and other assumptions contained in its business plan. Also, a discount rate is determined on the basis of the general economic situation and the Group's particular circumstances.<br><br>It should be noted that, in relation with Unicaja group SLA, in December 2021, the client has communicated the early termination of the contract so that the Group, in consequence, has evaluated the existence of a right to perceive a termination fee from that client as a result of the early termination communication, has concluded that it is a virtually certain right, and thus, has recorded in the consolidated financial statements of 2021 a financial asset for the amount that the Group estimates likely to recover. Notes 1-d and 5 of the of the accompanying consolidated financial statements of 2021 describe the effects of that situation and the results of the impairment test performed. | group's and Caixabank group's real estate owned assets, carried out by the Group, verifying the clerical accuracy of the calculations performed, and assessing the reasonableness of the main assumptions considered therein, mainly those relating to future cash flow forecasts and the discount rate.<br><br>For this purpose, we analysed whether the estimated cash flows considered in the tests were consistent with the business plan approved by the Board of Directors, as well as the Group's operating and economic results in prior years. In addition, we analysed the deviations occurred in the past years, with the related projections included in the Group's impairment tests prepared at the prior year-end, in order to validate the estimate process and the differences observed.<br><br>We involved our internal fair value specialists in order to evaluate the reasonability of the discount rate considered together with the risk factor used by the Group in the estimate process.<br><br>We have evaluated the impacts of the early cancellation of the Unicaja SLA and the accounting treatment granted by the Group to such situation. To do so, among others, we have obtained confirmation from the Group's legal advisors regarding the right to compensation and the factors considered by the management to determine its fair value. We have also engaged our internal legal |

## Recoverability of "Other contract intangible assets – Management business - Caixabank group and Management business – Unicaja group"

| Description | Procedures applied in the audit |
| --- | --- |
| The performance of these estimates requires the application of significant judgments, as described in Note 5 to the accompanying consolidated financial statements. This circumstance, together with the magnitude of the intangible assets recognised in the consolidated statement of financial position as at 31 December 2021, made that this matter was determined to be one of the most significant in our audit. | experts to assess the reasonableness of such confirmation.<br><br>Lastly, we reviewed whether the disclosures included in Notes 1 and 5 to the accompanying consolidated financial statements in connection with this matter are in conformity with those required by the applicable accounting regulations. |

## Deferred tax assets

| Description | Procedures applied in the audit |
| --- | --- |
| As described in Note 19 to the accompanying consolidated financial statements, the Group's consolidated statement of financial position as at 31 December 2021 includes an amount of EUR 26,148 thousand corresponding to deferred tax assets which are mainly made of tax losses carryforward for an amount of EUR 12,873 thousand, recognized in prior years, and of the temporary differences related to the intangible asset impairment, for an amount of EUR 9,050 thousand.<br><br>At year-end, the Group management prepares a financial model to assess the recoverability of the recorded deferred tax assets, considering the applicable tax law framework and the last business plan approved by the Board of directors, together with the reversal periods forecasted for each one of the deductible temporary differences | Our audit procedures to address this matter included, among others, obtaining an understanding of the estimation process followed by the Group management and the Directors, focusing our procedures on aspects such as:<br><br>- The process of preparing the financial model, which is substantially based i) on the asset management volumes generated by the asset servicing contracts existing at 2021 year-end and the cash flows generated by such volumes, ii) on the estimation of the services that will be rendered to the current clients, additional to the SLA services, and iii) on the estimation of the services that it will render to other future clients, according to the Group management's understanding of the servicing industry and of the |

| Deferred tax assets | |
|---|---|
| **Description** | **Procedures applied in the audit** |
| recognized in the consolidated statement of financial position. As a result of such assessment, the Group wrote-off an amount of EUR 8,017 thousand related to tax losses carryforward, since it considers that there were no sufficient evidence for its recognition.<br><br>We identify that matter as one of the most significant in our audit since the preparation of such financial model requires a high degree of judgment, fundamentally in relation to the projections of the evolution of both existing and expected businesses, which affect the assessment of the recorded deferred tax asset recovery. | opportunities that are expected to raise from the ongoing bank consolidation process and from the current economic situation.<br><br>- The criteria used in the deferred tax assets calculation.<br><br>- The base information used by the Group management in analysing the recoverability of the deferred tax assets, assessing its coherence with the historical data and with the financial model prepared in the prior year for the same analysis.<br><br>Lastly, we reviewed whether the disclosures included in Note 19 to the accompanying consolidated financial statements in connection with this matter are in conformity with those required by the applicable accounting regulations. |

## Other Information: Consolidated Management Report

The other information comprises only the consolidated management report for 2021, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility relating to the consolidated management report, according to the audit regulations in force, consists in:

a) Solely verifying that the consolidated statement of non-financial information has been provided for according to the applicable legislation and, if this is not the case, reporting this fact.

b) Evaluating and reporting on whether the rest of the information included in the consolidated management report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated management report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described in the preceding paragraph, we have checked that the information described in section a) above is provided for according to the applicable legislation and that the other information contained in the consolidated management report is aligned with the consolidated financial statements for 2021 and its content and presentation are in conformity with the applicable regulations.

## Responsibilities of the Parent's Directors for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the Appendix to this auditor's report. This description forms part of our auditor's report.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Antonio Sánchez-Covisa Martín-González
Registered in ROAC under no. 21251

28 March 2022

## Appendix to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Parent's directors, we determine those risks that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

*Translation into English of consolidated financial statements for the year ended 31 December 2021 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.*

# Haya Real Estate, S.A.U. and Subsidiary (Haya Group)

Consolidated financial statements for the year ended December 31st, 2021, and the corresponding notes

*Translation into English of consolidated financial statements for the year ended 31 December 2021 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.*

# HAYA REAL ESTATE, S.A.U.
# AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS OF 31 DECEMBER 2021
(Thousands of euros)

| ASSETS | Notes | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| **NON-CURRENT ASSETS:** | | | |
| Intangible assets | **5** | 137,045 | 200,892 |
| Property, plant and equipment | **4.4** | 2,933 | 4,536 |
| Right-of use assets | **8** | 2,505 | 3,272 |
| Non-current financial assets | **7** | 768 | 94,235 |
| Deferred tax assets | **19.6** | 26,148 | 30,702 |
| Goodwill | **6** | 2,067 | 6,332 |
| **Total non-current assets** | | **171,466** | **339,969** |
| **CURRENT ASSETS:** | | | |
| Non-current assets held for sale | **10** | 6,355 | - |
| Current financial assets- | | 308,060 | 148,346 |
| Trade and other receivables | **9** | 91,278 | 93,612 |
| Current financial assets | **7** | 99,669 | 709 |
| Cash and cash equivalents | **9** | 117,113 | 54,025 |
| Other current assets | | 595 | 303 |
| **Total current assets** | | **315,010** | **148,649** |
| **TOTAL ASSETS** | | **486,476** | **488,618** |
| **EQUITY:** | | | |
| Share capital | **11.1** | 9,683 | 9,683 |
| Share premium | **11.2** | 45,831 | 45,831 |
| Reserves of the Parent | **11.3** | (44,260) | (25,884) |
| Reserves of the Subsidiary | **11.3** | - | 635 |
| Other shareholder contributions | **11.4** | 3,900 | 3,900 |
| Profit for the period attributable to the Parent | | (11,708) | (19,011) |
| **Equity attributable to the Parent** | | **3,446** | **15,154** |
| **Total equity** | | **3,446** | **15,154** |
| **NON-CURRENT LIABILITIES:** | | | |
| Debts with credit institutions, bonds and other securities | **12** | - | 420,034 |
| Long-term provisions | **4.12** | 3,829 | 3,324 |
| Lease liabilities | **8** | 960 | 1,795 |
| **Total non-current liabilities** | | **4,789** | **425,153** |
| **CURRENT LIABILITIES:** | | | |
| Liabilities associated with non-current assets held for sale | **10** | 1,564 | - |
| Debts with credit institutions, bonds and other securities | **12** | 424,920 | 6,726 |
| Lease liabilities | **8** | 1,653 | 1,637 |
| Other financial liabilities | | 5,557 | 4,996 |
| Other current liabilities | **13** | 12,924 | 5,472 |
| Trade payables | **13** | 31,377 | 29,234 |
| Related party payable | **21.2** | 246 | 246 |
| **Total current liabilities** | | **478,241** | **48,311** |
| **TOTAL EQUITY AND LIABILITIES** | | **486,476** | **488,618** |

The accompanying Notes 1 to 26 are an integral part of the consolidated statement of financial position as of 31 December 2021.

# HAYA REAL ESTATE, S.A.U.
# AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS
## FOR THE YEAR ENDED 31 DECEMBER 2021
(Thousands of euros)

| | Notes | 2021 | 2020 |
|---|---|---|---|
| **CONTINUING OPERATIONS:** | | | |
| Revenue | **16** | 223,011 | 177,022 |
| Other operating expenses | **17.2** | (73,573) | (67,130) |
| Personnel expenses | **17.1** | (60,847) | (64,149) |
| Amortisation | **4.4, 5 & 8** | (60,889) | (51,823) |
| Impairment and gains or losses on disposals of non-current assets | **4.5 & 5** | (16,526) | (5,491) |
| **Profit / (Loss) from operations** | | **11,176** | **(11,571)** |
| Finance income | **7 & 21** | 5,564 | 12,941 |
| Finance expense | **8 & 12** | (24,761) | (28,008) |
| **Net finance income (expense)** | | **(19,197)** | **(15,067)** |
| **Loss before tax** | | **(8,021)** | **(26,638)** |
| Income tax benefit (expense) | **19.4** | (3,687) | 7,627 |
| **Loss for the period from continuing operations** | | **(11,708)** | **(19,011)** |
| **Loss for the period** | | **(11,708)** | **(19,011)** |
| Attributable to the Sole Shareholder of the Parent | **18** | (11,708) | (19,011) |
| **Earnings (Loss) per share** | | | |
| Basic and diluted (in euros) | **23** | (1.21) | (1.96) |

The accompanying Notes 1 to 26 are an integral part of the consolidated statement of profit or loss for the year ended 31 December 2021.

# HAYA REAL ESTATE, S.A.U.
# AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS) FOR THE YEAR ENDED 31 DECEMBER 2021

(Thousands of euros)

| | Notes | 2021 | 2020 |
|---|---|---|---|
| **PROFIT (LOSS) PER CONSOLIDATED STATEMENT OF PROFIT OR LOSS (I)** | | **(11,708)** | **(19,011)** |
| **Income and expenses recognized directly in equity** | | - | - |
| **TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II)** | | **-** | **-** |
| **Transfers to the consolidated statement of profit or loss** | | - | - |
| **TOTAL TRANSFERS TO CONSOLIDATED PROFIT OR LOSS (III)** | | **-** | **-** |
| **TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR (I+II+III)** | | **(11,708)** | **(19,011)** |

The accompanying Notes 1 to 26 are an integral part of the consolidated statement of comprehensive income (loss) for the year ended 31 December 2021.

# HAYA REAL ESTATE, S.A.U.
# AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Thousands of euros)

| | Share Capital | Share Premium | Reserves of the Parent | Reserves of Subsidiary | Other shareholder contributions | Profit (loss) for the period | Total Equity |
|---|---|---|---|---|---|---|---|
| **Balance at 31 December 2019** | **9,683** | **45,831** | **12,127** | **-** | **3,900** | **(37,376)** | **34,165** |
| Transfers to retained earnings | - | - | (38,011) | 635 | - | 37,376 | - |
| Loss for the period | - | - | - | - | - | (19,011) | (19,011) |
| **Balance at 31 December 2020** | **9,683** | **45,831** | **(25,884)** | **635** | **3,900** | **(19,011)** | **15,154** |
| Transfers to retained earnings | - | - | (19,894) | 883 | - | 19,011 | - |
| Loss for the period | - | - | - | - | - | (11,708) | (11,708) |
| Other changes in equity (see Note 2) | - | - | 1,518 | (1,518) | - | - | - |
| **Balance at 31 December 2021** | **9,683** | **45,831** | **(44,260)** | **-** | **3,900** | **(11,708)** | **3,446** |

The accompanying Notes 1 to 26 are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2021.

# HAYA REAL ESTATE, S.A.U.
# AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2021
(Thousands of euros)

| | Notes | 2021 | 2020 |
|---|---|---|---|
| **1. CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Loss before tax** | | (8,021) | (26,638) |
| **Adjustments for:** | | | |
| Depreciation and amortisation charges (+) | **4.4, 5 & 8** | 60,889 | 51,823 |
| Finance income (-) | | (5,564) | (12,941) |
| Finance expense (+) | | 24,761 | 28,008 |
| Provisions, Impairment and losses on disposals (+) | | 16,987 | 7,318 |
| **Adjusted profit** | | **89,052** | **47,570** |
| **Income tax received** | | **988** | **-** |
| **Increase/Decrease in current assets and liabilities** | | | |
| (Increase)/Decrease in current assets | | 330 | 60,187 |
| Increase/(Decrease) in current liabilities | | 11,089 | (37,695) |
| **Total net cash flows from operating activities (1)** | | **101,459** | **70,062** |
| **2. CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| **Payments due to investment:** | | | |
| Tangible assets | | (322) | (940) |
| Other intangible assets | **5** | (9,769) | (12,631) |
| Right of use | **8** | (1,828) | (1,890) |
| **Proceeds from disposal:** | | | |
| Other financial assets and interest received | | - | 23 |
| **Total net cash flows from investing activities (2)** | | **(11,919)** | **(15,438)** |
| **3. CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| **Proceeds and payments relating to financial liability instruments:** | | | |
| Financing obtained from - | | | |
| Credit institutions | **12** | - | 14,400 |
| Repayment of borrowings from- | | | |
| Credit institutions | **12** | (3,900) | (53,873) |
| Interest paid from debts with Credit institutions, bonds and others | | (22,552) | (25,408) |
| **Total net cash flows from financing activities (3)** | | **(26,452)** | **(64,881)** |
| **4. Net increase/(decrease) in cash and cash equivalents (1+2+3)** | | **63,088** | **(10,257)** |
| **Cash and cash equivalents at beginning of period** | | **54,025** | **64,282** |
| **Cash and cash equivalents at end of period** | | **117,113** | **54,025** |

The accompanying Notes 1 to 26 are an integral part of the consolidated statement of cash flows for the year ended 31 December 2021

*Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 3 and 26). In the event of a discrepancy, the Spanish-language version prevails.*

**Haya Real Estate, S.A.U.**
**and Subsidiary**
**(Haya Group)**

Notes to the consolidated financial statements
for the annual period ended
31 December 2021

## 1. Group activity

Haya Real Estate, S.A.U. (hereinafter, the Parent) was incorporated for an indefinite term on May 28th, 2013 and is duly registered in the Mercantile Registry of Madrid in Volume 1547, General, Book 31,153, Folio 10, Section 8, Sheet No. M-560,663, Entry 1 with VAT Registration No. (CIF) B-86744349. The Parent originally commenced trading as Cornalata Servicios y Gestión, S.L., changing its company name to Promontoria Plataforma, S.L.U. on August 1st, 2013, once again changing its name to its current one on April 21st, 2014. On April 25th, 2018, the Sole Shareholder agreed to modify the Parent's bylaws to become a public limited company, changing its company name to Haya Real Estate, S.A.U. (Sole Shareholder Company). Its transformation into Public Limited Company (Sociedad *Anónima*) became effective on May 7th, 2018.

On 5 February 2019, the Parent's registered address changed to Calle Medina de Pomar, 27, Madrid (Spain).

In accordance with its bylaws, the corporate purpose of Haya Real Estate, S.A.U. is:

- The provision of financial and investment consultancy services to financial institutions and companies in general.

- The preparation of business reports, whether for its own use or for third party use, compiled from any public or private body.

- Collection of payments owed to them on behalf of third parties, represented by any public or private payment documents or otherwise.

- Development, lease and sale of software and provision of all manner of IT services, particularly those related to financial services; and

- Provision of all manner of services related to the administration, management and marketing of real estate.

Excluded from the Parent's corporate purpose are any activities that are reserved by law for certain types of companies and any that require authorisation or permits that the Parent does not have.

Haya Real Estate, S.A.U. is the sole shareholder of the subsidiary Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U. ("Haya Titulización"), which both together form the Haya Group (hereinafter, the Group) as of December 31st,2021 and 2020. On October 27th, 2021, the Parent, has signed an agreement with an investor for the sale of 100% of shares of the Parent's subsidiary Haya Titulización (see Note 10).

The activity performed by the Parent in 2021 consisted mainly of managing real estate owned assets ("REOs") and non-performing loans ("NPLs"). The activity engaged in by the subsidiary Haya Titulización consisted of the incorporation, management and legal representation of asset securitisation funds, mortgage securitisation funds and bank assets funds.

The Parent is a Sole Shareholder company wholly owned by Promontoria Holding 62, B.V. (the Sole Shareholder). The Parent is therefore subject to the rules applicable to Sole Shareholder companies and has declared this circumstance before the Mercantile Registry. In this respect, the contracts entered into and the balances and transactions maintained with its Sole Shareholder are disclosed in Note 21. The consolidated financial statements for 2020, which were formulated by the Parent's Board of Directors on March 23rd, 2021 were approved by the Sole Shareholder on April 29th,2021.

**Group activity**

The Group's activity consists mainly in providing asset management and is regulated by the servicing agreements (Service Level Agreements or SLA) that it enters with its clients, being the most relevant the following ones:

***1.a. Business combination – Caixabank (formerly Bankia)***

On September 3rd, 2013, the Group signed an agreement with the Caixabank Group (formerly Bankia) for the purchase of a business relating to the management of certain real estate assets and loans granted to companies engaged in the real estate industry (developer loans) which were owned by the Caixabank group and Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB), the latter being managed up to the date of the business combination by the Caixabank group.

At the same time, within the framework of the business combination, the following contracts were signed between the Group and the Caixabank group:

- Exclusive service agreement for the management of assets owned by the Caixabank group, which, at the time of the business combination, were included within the agreed scope for a period of ten years.

- Outsourcing agreement extended by the Caixabank group in favour of the Parent as a management services provider for assets belonging to SAREB for a period ending on 31 December 2013, which included the possibility of annual renewals. This contract was renewed until 31 December 2014.

- Agreement extended by the Caixabank group to the Parent for the provision of IT services, asset marketing services through the Caixabank group branch network and retail financing in favour of potential buyers of the assets belonging to SAREB currently managed by the Parent.

- Service agreement between the Parent and the Caixabank group (as the service provider) in relation to other IT, leasing and administrative services.

The different agreements arranged with the Caixabank group establish that additions may be made to the volume of assets owned by the Caixabank group under the management of the Parent as the Caixabank group identifies and includes in its scope of consolidation assets with the same characteristics as those of the assets included in the initial scope.

On April 27th, 2018, the Parent Company entered into a new contract with Caixabank which replaced the previous one signed in 2013. Such new contract modified the terms of the aforementioned contracts, adding to the existing REOs under management, a new perimeter of REOs coming from the merger between Caixabank and Banco Mare Nostrum (BMN), and settling that the servicing term is indefinite, with a period of exclusivity of 10 years, starting on May 1st, 2018. Likewise, such new contract resolved the provision by the Parent of any service under the initial SLA dated September 3rd, 2013, in relation with Caixabank's REDs, managed by the Parent under the initial SLA. The total price agreed to be paid for the acquisition of this new contract amounted to EUR 107,687 thousand.

In 2021, Bankia group has merged with Caixabank group and the parties have agreed to modify the provisions of the current contract between them, by signing an Addendum with effects of February 17th, 2022, together with a SLA for the management of a new perimeter of assets. The Group continues providing asset management services, according to the provisions of the contract, on a prorate of the assets of the merged entity.

### *1.b. SAREB contract*

The aforementioned service-level agreement for the management of assets belonging to SAREB entered into with Caixabank (formerly "Bankia") ended on December 31st, 2014. During the second half of 2014, SAREB called a tender to award a service agreement for the administration and management of its assets in favour of several real estate operators and the Parent was awarded a package of financial assets originally owned by the Caixabank group on December 30th, 2014, for a period of five years. The agreement was executed in a public deed on December 30th, 2014 and the service became effective as of January 1st, 2015.

As consideration for the acquisition of the new contract with SAREB, the Parent made an upfront payment of EUR 235,100 thousand, fully disbursed on December 30th, 2014. During 2015, there was a reduction in the perimeter under management, which involved the return by SAREB of an amount of EUR 6,066 thousand and the total price upfront payment amounted to EUR 229,034 thousand.

The services that the Parent has been providing until the expiration of the agreement (December 31st, 2019) were focused on the management of real estate and financial assets, for which the Parent charged a commission (management fee), and on activities relating to the sale or collection thereof of such assets, for which the Parent charged an additional commission (volume fee) according to the transactions closed during the year.

On October 30th, 2019, after a tender process, the Parent Company entered into a new servicing contract (SLA) with SAREB to service a portfolio of Loans and Real Estate Owned assets with effective date from January 1st, 2020 until June 30th, 2022. The new SLA did not require any upfront payment from the Parent and does not replace the previous one signed in 2014 which expired on December 31st, 2019.

Over the last months of 2021 Sareb has launched a tender public offer for the servicing of its entire portfolio for the period starting July 1st, 2022. In February 2022 Sareb has made public that the Group has not been selected to be one of its service providers under the aforementioned tender process. As a result, the current contract with Sareb will not be extended or replaced and the Group will continue rendering its services until June 30th, 2022 (see Note 17.1).

### *1.c. Business combination - Cajamar*

On June 10th, 2014, former subsidiary Laformata Servicios y Gestiones, S.L.U. ("Laformata") entered into a business purchase agreement with Grupo Cooperativo Cajamar and Cimenta2 Gestión e Inversiones, S.A. (the "Cajamar group") for the purchase of a business relating to the management of real estate assets, mortgage and non-mortgage loans and securitised loans. Under this agreement, Laformata acquired the management of the abovementioned business. As consideration for the acquisition of this business, the Group made an upfront payment of EUR 225,000 thousand, fully disbursed on December 30th, 2014.

At the same time, as part of this business purchase transaction, the parties entered into an exclusive service agreement for the management of the Cajamar group's assets which, at the time of the business combination ("initial assets"), were included within the agreed scope for a period of ten years.

The different agreements arranged with the Cajamar group establish that additions may be made to the volume of assets owned by the Cajamar group under the management of the Parent as the Cajamar group identifies and includes in its scope of consolidation assets with the same characteristics as those of the initial assets.

The business purchase agreement was executed as a company transfer. The subsidiary Laformata assumed all the assets and liabilities related to the business and subrogated to all of the Cajamar group's rights and obligations with regard to all employees assigned to that business and under all supplier contracts relating thereto. The date for the business transfer was set as July 1st, 2014.

The subsidiary Laformata was merged into the Parent in 2016.

***1.d. Business combination – Unicaja (formerly Liberbank)***

On August 8th, 2017, the Group entered into certain agreements with the Unicaja group (former "Liberbank") to acquire the real estate asset management business for assets owned by the Unicaja group, for a total price of EUR 85,000 thousand (see Note 5). The asset management agreement gives the Group exclusive rights, for a period of seven years, extendable for further one year period, over the management of these assets and establishes that additions of new assets may occur as the Unicaja group identifies and includes in its scope of consolidation assets with the same characteristics as those in the initial scope.

In 2021, in the context of the bank industry consolidation, Liberbank group was merged with Unicaja group. In that context, on December 2nd, 2021 the Parent Company received a formal notice from Unicaja communicating the early termination of the contract which will be effective on June 2nd, 2022. This early termination is permitted according to contractual terms and implies the payment by Unicaja of a termination fee which will be calculated as of the early termination date in accordance with the formula agreed by the parties when the agreement was negotiated (see Note 5).

***1.e. BBVA contract***

On October 10th, 2018, the Parent Company entered into a Service Level Agreement (SLA) with Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") and other related entities ("BBVA group") for the exclusivity of the management of real estate owned assets owned by BBVA group included within the scope of the abovementioned SLA at the date of the agreement, for a period of eight years and a potential renewal up to two additional years. The Service Level Agreement did not require any upfront payment from the Parent Company. At the same date, the Parent Company signed a subcontracting agreement with Divarian Propiedad S.A. for the temporary subcontracting of the aforementioned management of REOs, until the Business Purchase agreement mentioned in note 1.f entered into force on May 31st, 2019 and the Parent Company could perform the BBVA SLA by itself.

**1.f. Business combination - Divarian**

On April 24th, 2019, the Parent Company signed a business purchase agreement with Divarian Propiedad, S.A. («Divarian») for the acquisition of Divarian's servicing business, including employees (345 people transferred) and other resources (mainly IT). The total price established in the agreement amounted to 1 Euro. The transaction was effective on May 31st, 2019.

The Group Management, for the aforementioned business purchase agreement and according to IFRS 3, made a best estimate of the allocation of the price paid to the fair value of the assets acquired and the liabilities assumed (PPA). Based on the analysis of the fair value of the assets and liabilities acquired, the Group recognised in 2019 a goodwill of EUR 253 thousand.

In addition, on May 31st, 2019, the Parent Company entered into a Service Level Agreement (SLA) with "Divarian Propiedad, S.A." and "Divarian Desarrollos Inmobiliarios, S.L." for the management of their REOs for a period of eight years. The Service Level Agreement did not require any upfront payment from the Parent Company.

**Environmental information**

Given the nature of the activities conducted by the different Group companies, the Group Management considers that the Group does not have any environmental liabilities, expenses, assets, provisions or contingencies that might be material in connection with the Group's equity, financial situation or profit and loss. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

## 2. Group companies

The following tables list the Group components, which are all located in Spain, and include information related thereto:

***2021***

| Company | Direct stake | Thousands of euros | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Share capital (b) | Share premium (b) | Reserves (b) | Equity holder contributions (b) | Operating profit or (loss) (b) | Profit/(loss) for the year (b) (c) | Carrying amount of the interest | Net book value of the interest |
| **Parent** | | | | | | | | | |
| Haya Real Estate, S.A.U. (a) (d) | - | 9,683 | 45,832 | (46,569) | 3,900 | 9,657 | (11,322) | - | - |
| **Group company** | | | | | | | | | |
| Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U. (a) (d) | 100% | 1,000 | - | 3,550 | - | 1,110 | 872 | 5,422 | 8,815 |

(a) Company whose financial statements as of December 31st, 2021 will be audited by Deloitte, S.L.
(b) Details obtained from the company's' separate financial statements as of December 31st, 2021.
(c) There are no profit or loss from discontinued operations.
(d) All equity instruments of this entity are pledged to secure a guarantee on the Senior Secured Notes (see Note 12).

***2020***

| Company | Direct stake | Thousands of euros | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Share capital (b) | Share premium (b) | Reserves (b) | Equity holder contributions (b) | Operating profit or (loss) (b) | Profit/(loss) for the year (b) (c) | Carrying amount of the interest | Net book value of the interest |
| **Parent** | | | | | | | | | |
| Haya Real Estate, S.A.U. (a) (d) | - | 9,683 | 45,831 | (26,507) | 3,900 | (13,124) | (20,060) | - | - |
| **Group company** | | | | | | | | | |
| Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U. (a) (d) | 100% | 1,000 | - | 5,113 | - | 1,156 | 883 | 6,997 | 9,744 |

(a) Company whose financial statements as of December 31st,2020 have been audited by Deloitte, S.L.
(b) Details obtained from the company's' separate financial statements as of December 31st, 2020.
(c) There are no profit or loss from discontinued operations.
(d) All equity instruments of this entity are pledged to secure a guarantee on the Senior Secured Notes (see Note 12).

The fully consolidated subsidiary referred to in the table above is deemed to be subsidiary within the meaning of the International Financial Reporting Standards.

In 2021, the subsidiary Haya Titulización, S.G.F.T., S.A.U. has distributed dividends to the Parent company, for an amount of EUR 2,447 thousand, of which an amount of EUR 1,518 thousand was generated by the subsidiary after its acquisition by the Parent. In 2020 no dividends were distributed to the Parent Company.

The subsidiary Haya Titulización, S.G.F.T., S.A.U. has registered office in Spain, is not listed on the stock market but is subject to the supervision of the National Securities Market Commission (CNMV) due to its activity.

**Changes in the scope of consolidation**

In 2021 and 2020, there has not been any change in the scope of consolidation. Note that Haya Titulización is currently in a sale process (see Note 1).

## 3. Basis of presentation and consolidation principles

### 3.1 Financial reporting standards applicable to the Group

The Group's 2021 consolidated financial statements have been prepared:

- In accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council.
- Applying all the mandatory accounting principles, standards and measurement criteria that have a material impact on the consolidated financial statements. There are no mandatory accounting principles that have not been applied.
- The significant accounting principles and measurement criteria used in preparing the Group's 2021 consolidated financial statements are set out in Note 4.
- In order to provide a true and fair view of the consolidated Group's equity and financial position as of December 31st, 2021, as well as the results of its operations, changes in its consolidated equity and consolidated cash flows for the year then ended.
- On the basis of the accounting records kept the Parent and by the Group company.

The consolidated financial statements for 2021, prepared by the Parent's directors, and the separate financial statements of Haya Real Estate, S.A.U. and of its Subsidiary shall be submitted for approval by their respective sole shareholder, and are expected to be approved unchanged.

However, since the accounting principles and valuation standards used to prepare the consolidated financial statements of the Group for 2021 (IFRS) differ from the rules and standards applied by the Group companies in their separate statements (local rules), all necessary adjustments and reclassifications were made as part of the consolidation process, to harmonise such principles and standards and to bring them into line with the International Financial Reporting Standards adopted by the European Union.

### 3.2 Responsibility for information and estimates

The Parent's directors are responsible for the information contained in these consolidated financial statements.

In the preparation of the accompanying consolidated financial statements, estimates have been made based on historical experience and other factors that are considered to be reasonable in light of prevailing circumstances. These estimates form the basis for establishing the carrying amount of certain assets, liabilities, income, expenses and commitments which cannot be easily measured using other sources. These estimates are reviewed by the Parent on an ongoing basis. These estimates relate basically to the following:

- The cost of business combinations (see Note 4.2).
- The useful life of intangible and tangible assets (see Notes 4.1 and 4.4).
- The measurement of recoverable amount of the intangible assets and goodwill to determine possible impairment losses (see Notes 4.3 and 4.5).
- Valuation of certain financial instruments (see note 4.7).
- Calculation of impairment on trade receivables (see Note 4.7).

- Assessment of the recoverability of deferred tax assets (see Note 4.14).

- Calculation of provisions, contingencies and other obligations to employees (see Notes 4.11 and 4.12).

- Management of the financial risk (see Note 3.4 and 11.5).

Even though these estimates have been made based on the best information available as of December 31st, 2021, on the events analysed and changes therein up to the date of authorisation for issue of these consolidated financial statements, they may, however, need to be revised (upward or downward) in subsequent financial years due to the occurrence of future events. Any such revisions will be applied prospectively, recognising the effect of the change in estimates and assumptions in the corresponding consolidated statement of profit or loss, in accordance with IAS 8 Accounting policies, changes in accounting estimates and errors.

In 2021, no significant changes took place regarding the estimates made as of December 31st, 2020, except for the change in useful life and impairment of Unicaja's contract (see Note 4.1 and 5).

**3.3 Comparative information**

The information contained in these consolidated financial statements for the year 2020 is provided only for comparison with the information for the year 2021.

**3.4 Going concern**

As at December 31st, 2021, the Group´s shows a negative working capital position of EUR 163,231 thousand, as the Senior Secured Notes mature in less than one year and therefore have been classified as a current liability (see Note 12).

During 2021, the Group has a profit from operations of EUR 11,176 thousand. After, among others, a Net Financial Expense of EUR 24,202 thousand related to the Senior Secured Notes, the Group ends with a Net Loss of EUR 11,708 thousand. These losses added with those incurred in previous years, mainly due to the Covid-19 situation (see Note 4.5), have led to a situation where the Net Equity position is lower than half of the Share Capital of the Parent Company of the Group, a technical dissolution event according to article 363 of the Spanish Companies Act. However, the Spanish Government has approved a temporary moratorium which establishes that losses incurred during financial years 2021 and 2020 shall not be considered for the purpose of a potential technical dissolution situation pursuant to the Spanish Companies Act and thus, any obligation of Directors to call a shareholders meeting will only take place when formulating the 2022 consolidated financial statements, thus, at the beginning of 2023 in case the temporary moratorium would not be extended.

In February 2022, SAREB has made public that the Group has not been selected as one of its service providers for the new SAREB contracts. Therefore, the Group will not extend the current contract which expires on June 30th, 2022 (see Note 1.b).

During 2021 the Group has generated positives cash flow from operating activities of EUR 101,459 thousand and expected to continue generating positive cash flows in the coming years. In that context, the Group and its sole shareholder have been working proactively and diligently exploring alternatives to reduce the refinancing risk, enhance its capital structure and reinforce its long-term stability by solving the current financial, economic and equity challenges that entail the existence of a material uncertainty that may cast significant doubts on the Group's ability to continue as a going concern.

In February 2022, the Group and an ad-hoc group of bondholders representing over 60% of majority in principal amount of the Senior Secured Notes have executed a Lock up Agreement (the "LUA") to support the implementation of a debt refinancing and a recapitalisation of the Group. This Lock-Up Agreement will allow the Group, after a partial repayment of the current bonds, to exchange the remaining Notes for a new Senior Secured Notes issued by a new Group's Parent holding company which will include, as relevant terms: (i) an extension of its maturity until November 2025, (ii) an increase of the interest rates, (iii) some cash sweep clauses, (iv) and the bondholders taking a minority shareholding of the Group. The new corporate structure will enhance the Parent Company's capital structure to avoid any negative equity concern in the coming years. At the date of these consolidated financial statements, the Lock-up Agreement has been approved by more than the minimum 75% of Noteholders in value needed to implement the agreements pursuant to an English law scheme of arrangement (see Note 12). The Group is currently meeting the milestones of the refinancing process and currently anticipates completion to occur by the end of the second quarter of 2022.

In light of the refinancing and recapitalisation processes and the future positive cash flows that the Group expects to generate in 2022 and subsequent years with its servicing contracts and new business opportunities, even without the new SAREB servicing contract and the current Unicaja servicing contract, the Group´s management considers that the Group will be able to realize the current assets and to face the current liabilities, and in that context, the

Board of Directors have prepared these consolidated financial statements according to going concern principles, which state that the assets and liabilities will be realized and settled, respectively, in the normal course of business.

### 3.5 Functional currency

These consolidated financial statements are presented in euros as this is the currency of the main economic area in which the Group operates. There were no foreign currency transactions in 2021 and 2020.

### 3.6 Consolidation principles

***Subsidiary Companies***

A subsidiary is a company in which another company, the Parent, is capable of exercising effective control. This capacity manifests itself in general when the following three elements are met, in accordance with IFRS 10: (i) having power over the investee; (ii) being exposed to or being eligible for variable returns from its involvement with the investee; and (iii) having the ability to use its power over the investee to affect the amount of returns from the company controlled. Information on the Group companies is provided in Notes 1 and 2.

At the time of acquisition of a subsidiary, its assets and liabilities and contingent liabilities are calculated at their fair values at the date of acquisition that gives rise to the takeover, according to IFRS 3 - Business combinations. When the cost of acquisition is higher than the fair value of the identified net assets, the difference is recognised as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets, the difference is taken to profit or loss at the acquisition date.

The results of Subsidiary acquired during the year are only those included in the consolidated statement of profit or loss from the date effective control is obtained to year-end. Similarly, the results of Subsidiary disposed of during the year are included in the consolidated statement of profit or loss from the beginning of the year to the date of disposal.

The financial statements of Subsidiary are fully consolidated with those of the Parent. Accordingly, all material balances and effects of the transactions between consolidated companies are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of Subsidiary to adapt the accounting policies used to those used by the Group.

These consolidated financial statements for 2021 include all the Group companies, using the applicable consolidation methods in each case, in accordance with Article 42 of the Spanish Code of Commerce. In this regard, in the opinion of the Parent's directors, these consolidated financial statements include all the companies belonging to the Group as of 31 December 2021.

### 3.7 Standards and interpretations applied

In preparing the consolidated financial statements for 2021, the Group applied all the principles, amendments and interpretations applicable to the International Financial Reporting Standards ("IFRSs") adopted by the European Union in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, and the other Spanish regulations applicable, taking into account all mandatory accounting principles and standards and measurement bases with a material effect.

### 3.8 Effective dates of new accounting standards

#### 3.8.1 New standards, amendments and interpretations are mandatorily effective for the annual period beginning 1 January 2021

In 2021 the following standards, amendments and interpretations came into force, which, where applicable, were used by the Group in preparing these financial statements:

| **Standards, amendments and interpretations** | **Description** | **Obligatory application in the years beginning on or after**: |
|---|---|---|
| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 Interest Rate Benchmark Reform (Phase 2) | Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 in relation to certain reliefs in connection with interest rate benchmark reform. | 1 January 2021 |

| **Standards, amendments and interpretations** | **Description** | **Obligatory application in the years beginning on or after**: |
|---|---|---|
| Amendments to IFRS 4, Deferral of IFRS 9 application | Deferral of IFRS 9 application until 2023 | 1 January 2021 |
| Amendments to IFRS 16 Leasing (improvements in rents) | Amendment to extend the time period over which the practical expedient is available for use since the effects of the COVID-19 pandemic are ongoing and significant | 1 April 2021 (*) |

(*) Early application is permitted.

The application of the Standards, Amendments or Interpretations described above have had no material effect on the Group's financial position or results of operations.

### 3.8.2 New standards, amendments and interpretations mandatorily effective for annual periods beginning after the calendar year starting on 1 January 2022 (applicable to 2022 and thereafter)

The following standards were not yet in force in 2021, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union:

| **Standards, amendments and interpretations** | **Description** | **Obligatory application in the years beginning on or after**: |
|---|---|---|
| Amendments to IFRS 3, Conceptual Framework | Amendments to IFRS 3 to align the definitions of assets and liabilities in a business combination with those contained in the conceptual framework. In addition, certain clarifications are introduced regarding to the recording of contingent liabilities and assets. | 1 January 2022 |
| Amendments to IAS 16, Proceeds before Intended Use | Amendments in relation to proceeds from selling items before the related PPE is available for its intended use can no longer be deducted from the cost of PPE. | 1 January 2022 |
| Amendments to IAS 37, Onerous Contract (Cost of Fulfilling a Contract) | Amendment to explain the cost of fulfilling the contract includes both the incremental costs of the contract and an allocation of other direct costs incurred on activities required to fulfill the contract | 1 January 2022 |
| Improvements to IFRS Standards 2018–2020 Cycle | Minor amendments of IFRS 1, IFRS 9, IFRS 16 and IAS 41 | 1 January 2022 |
| Amendments to IAS 1 | Clarifications regarding to the Presentation of Liabilities as Current or Non-current | 1 January 2023(1) |
| Amendments to IAS 1, Disclosure of Accounting Policies | Amendments to help entities in deciding which accounting policies to disclose in their financial statements | 1 January 2023 |
| Amendments to IAS 8, Definition of Accounting Estimates | Amendments and clarifications to distinguish between accounting policies and accounting estimates. | 1 January 2023 |
| Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction | Clarifications about how companies have to account for deferred tax on transactions such as leases and decommissioning obligations | 1 January 2023(1) |
| Amendments to IFRS 17, Insurance contracts- Initial application of IFRS 17 and IFRS 19. Comparative information | Amendments about the transition requirements of initial application of IFRS 17 for insurances companies that applies IFRS 17 and IFRS 9 | 1 January 2023 |
| IFRS 17, Insurance Contracts | It will replace IFRS 4. It includes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. | 1 January 2023 |

(1) Pending adoption by the European Union.

The Group Management has assessed the potential impact of the future application of these standards, amendments and interpretations and considers that the application of these would not have a significant effect on the Group's consolidated financial statements in the initial application period.

## 4. Accounting principles and policies and measurement standards applied

As described in Note 2, the Group has applied these accounting principles in accordance with the accounting principles and standards set down in International Financial Reporting Standards adopted by the European Union, in addition to other company law in effect at the date of publication of these consolidated financial statements. Therefore, only the policies that are specific to the Group's activities and those considered to be significant to the nature of its activities are detailed below.

### 4.1 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance which arise as a result of a legal transaction or which are developed internally by the consolidated companies. Only assets whose cost can be estimated reasonably objectively and from which the consolidated companies consider it probable that future economic benefits will be generated are recognised.

Intangible assets are initially recognised at cost of acquisition or production. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

In general, intangible assets can have an indefinite useful life - when, based on an analysis of all the relevant factors, it is concluded that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the consolidated entities - or, in all other cases, a finite useful life.

Intangible assets with indefinite useful lives are not amortised, but rather at the end of each reporting period the consolidated companies review the remaining useful lives of the assets in order to ensure that they continue to be indefinite or, if this is not the case, to take the appropriate steps. As of December 31st,2021 and 2020, there were no assets recognised in the accompanying consolidated statement of financial position with indefinite useful lives, other than the recognised goodwill (see Note 4.3).

Intangible assets with a finite useful life are amortised over their useful life, applying similar criteria to those used in the depreciation of items of property, plant and equipment.

In both cases, the consolidated entities recognise any impairment with a charge to "Net impairment losses" in the consolidated statement of profit or loss. The criteria used for recognition of impairment losses on these assets and, where applicable, reversal of impairment losses incurred in previous years are similar to those applied to property, plant and equipment.

***Patents, licenses, trademarks and similar***

This heading comprises the amounts paid for the purchase of intellectual property or user rights for the various manifestations thereof, as well as the costs incurred for the registration of any internally developed intellectual property. The Group amortises these assets on a straight-line basis throughout their useful life, which is estimated to be ten years.

***Computer software***

The acquisition and development costs incurred in relation to the basic computer systems used in the Group Management are recognised with a charge to “Intangible assets” on the consolidated statement of financial position.

Computer system maintenance costs are recognised with a charge to the consolidated statement of profit or loss for the year in which they are incurred.

Computer software is recognised at the amount paid to third parties for the acquisition of the software or of any rights of use in connection therewith. It is amortised on a straight-line basis over its estimated useful life, which has been determined to be five years.

***Other intangible assets***

The cost of the business acquisitions, comprising the asset management businesses described in Notes 1, and the cost of acquisition of asset management exclusive rights, are registered according to the business combination criteria described in Note 4.2. Those assets are amortized linearly according to the duration of the contracts.

Regarding to the Unicaja's contract and the notification by the client in December 2021 the early termination of the SLA (see Note 1.d), the Group has changed the useful life of the contract intangible asset according to the new maturity, stablished in June 2022. The change in the accounting estimate has been applied prospectively, recognising higher amortization costs in 2021 for an amount of EUR 8,695 thousand. than if no change had been applied. The expected impact of this change in 2022, if no impairment had been recognised, would have been higher amortization costs of EUR 8,695 thousand. Nevertheless, considering the impairment recognized as of December 31st, 2021, such change will have no impact in 2022.

**4.2 Business combinations**

Business combinations are recognised using the acquisition method for which the date of acquisition is determined and the cost of combination is calculated, recognising any identifiable acquired assets and assumed liabilities, both certain and contingent, at their fair value on said date. The value of the assets acquired is reduced by the corresponding accumulated depreciation, recognised on a straight-line basis and according to the assigned service life, and by any impairment losses, in accordance with the criteria in Note 4.5.

Any positive or negative differences from business combinations are determined by the difference between the combination cost and the fair value of the acquired assets and assumed liabilities recognised as of the acquisition date.

The cost of the combination is the sum of:

- The fair values on the acquisition date of the acquired assets, the liabilities incurred or assumed the equity instruments issued.

- The fair value of any contingent payment depending on future events or fulfilment of specified conditions.

Any costs related to the issue of equity instruments or financial liabilities delivered in exchange for the acquired items are not part of the combination costs.

Likewise, the costs of any legal advisors or other professionals who have taken part in the combination are excluded from the costs, as are any other costs internally produced through these concepts. Said amounts are directly attributed to the profit and loss account.

In the exceptional case of negative differences arising in business combinations, these are attributed to the profit and loss account as income consolidated statement of profit or loss

If the measurement procedures of a business combination necessary to apply the acquisition method explained above are incomplete by the end of the reporting period, the acquirer will report the provisional amounts. The acquirer may adjust the provisional amounts recognised during the period necessary to obtain the required information. The measurement period will not exceed one year. The effects of any adjustments made during the measurement period are accounted for retrospectively, modifying the comparative information if necessary.

Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss, unless the consideration was classified as equity, in which case, subsequent changes in its fair value are not recognised.

The business combinations under common control are accounted for using the acquisition method as established in this section.

**4.3 Goodwill**

Positive differences between the acquisition cost of ownership interests in consolidated companies and their corresponding underlying carrying amount at the time of the acquisition or at the date of initial consolidation, provided that the acquisition did not take place after the acquisition of control, are accounted for as follows:

- If they are attributable to specific equity accounts of the acquirees, by writing up the carrying value of assets to fair value where their market value was in excess of the carrying amounts recognised on their consolidated statements of financial position and which enjoy a similar accounting treatment to the Group's equivalent assets.

- If they are attributable to non-contingent liabilities, by recognising them in the consolidated statement of financial position, if it is likely that the outflow of funds to settle the obligation will include economic benefits, and their fair value can be measured reliably.

- If they can be allocated to specific intangible assets, it is explicitly recognised in the consolidated statement of financial position, provided the fair value at the date of acquisition can be reliably measured.

The remaining differences are recognised as goodwill.

Changes in the stake in Subsidiary that do not give rise to a loss of control are recognised as equity transactions. Additional investments in Subsidiary made after the acquisition of control and decreased holdings with no loss of control do not entail changes to goodwill. At the time of loss of control over a subsidiary, the respective amounts of the assets, liabilities, and external shareholders' interests are de-registered from the accounts (including goodwill), recognising the fair value of the consideration received and any stake in the subsidiary retained. The resulting difference is recognised as a profit or loss in the income statement for the financial year.

The assets and liabilities acquired are measured provisionally at the date on which the investment is acquired and the related value is reviewed within a maximum of one year following the acquisition date. Therefore, until the definitive fair value of the assets and liabilities has been established, the difference between the acquisition price and the carrying amount of the company acquired is provisionally recognised as goodwill.

Goodwill is considered as an asset of the company acquired and therefore, in the case of a subsidiary with a functional currency other than the euro, it is valued in that subsidiary's functional currency and translated to euros using the exchange rate prevailing at the date of the consolidated statement of financial position.

At the end of each reporting period goodwill is reviewed for impairment (i.e. a reduction in its recoverable amount to reduce its carrying amount) and, if there is any impairment, the goodwill is written down with a charge to "Impairment or Gains or Losses on Disposals of Non- Current Assets" in the consolidated statement of profit or loss. Under IAS 36, Impairment of Assets, an impairment loss recognised for goodwill must not be reversed in a subsequent period.

**4.4 Property, plant and equipment**

Assets included under the heading "Property, plant and equipment" that are used internally by the Group are valued at acquisition cost, less accumulated depreciation and any recognised impairment losses, according to the criteria described in Note 4.5.

Upkeep and maintenance expenses are taken to the consolidated statement of profit or loss in the year in which they are incurred. Conversely, amounts invested in increasing capacity or efficiency or that extend the useful life of the assets are recognised as an increase in the cost of the said assets.

The Group depreciates its tangible assets on a straight-line basis, distributing the costs of assets over their estimated useful life from the time that they come into service, or over the term of the lease contract for the buildings in which they are installed, whichever is shorter, as per the following table:

| | Years of estimated useful life |
|---|---|
| Furniture | 10 |
| Computer equipment | 4 |
| Other property, plant and equipment | 10 |
| Other facilities | 10 |

The Group carries out its business activity in leased buildings. The costs incurred in adapting the property leased by the Group are basically renovation work and investment in fixed installations that are definitively attached to these properties and depreciated on a straight-line basis distributing them over the estimated useful life of the assets or the term of the lease contract, whichever is shorter, from the moment activity commences in each of the properties. These are itemised according to their nature, in the "Property, plant and equipment" section of the consolidated statement of financial position.

The depreciation of property, plant and equipment in 2021 amounted to EUR 1,775 thousand (EUR 2,096 thousand in 2020).

**4.5 Impairment of property, plant and equipment and intangible assets**

At the date of each consolidated statement of financial position, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with an indefinite useful life are subject to impairment testing once a year.

An asset's recoverable amount is the higher of its fair value less costs to sell or value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately recognised as an expense, in which case the impairment loss is recognised as a decrease to the revaluation reserve.

When an impairment loss is subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. Such reversals are recognised in profit or loss unless the asset is carried at its revalued amount, in which case the reversal is treated as an increase in the revaluation reserve.

Due to the early termination of the Unicaja´s contract (June 2022), in addition to the accelerated amortization in 2021, the Group has registered an impairment of EUR 16,531 thousand, to adjust the net book value of the intangible asset to the estimated value in use. In addition, the Group has registered a trade receivable, under the caption "Trade and other receivables", for the estimated termination fee (see Note 5).

*Uncertainties related to Covid-19 situation*

During 2021, the Group has experimented a gradual recovery of its activity compared with 2020 driven by an improvement in the economic situation. This recovery will depend to a great degree on the evolution and the extension of the pandemic due to the new variations of the virus and the vaccination processes. In relation with this situation the Group has done its best to include Covid-19 impact in the intangible assets recoverability and has performed an impairment test for each contract. The Group has taking into consideration the gradual recovery of the economic and the remaining life of the contracts since most of them will expire in more than two years. In addition, during 2021 and 2020 the Group has implemented cost cutting measures (such as reduction in direct cost, saving in operating expenses and the restructuring labour process carried out in the first quarter of 2020) to improve the contracts' margin contribution.

**4.6 Operating leases**

The assets and liabilities arising from all leases (except for the short-term leases and leases of low-value assets) in which the Group acts as the lessee, under a contract, or part of a contract, which conveys the right to control the use of an identified asset for a period of time in exchange for consideration are recognized in the consolidated statement of final position.

**4.7 Financial assets and liabilities**

Financial instruments are recognized when the Group becomes an obligated party of the legal contract or business in accordance with its provisions. The Group classifies its financial assets as developed in IFRS 9 "Financial Instruments".

The criteria for classifying financial assets will depend both on the way in which an entity manages its financial instruments (its business model) and on the existence and characteristics of the contractual cash flows of financial assets. Based on the foregoing, the asset will be measured at amortized cost, at fair value through changes in other comprehensive income or at fair value with changes in profit or loss, as follows:

- If the objective of the business model is to maintain a financial asset in order to collect contractual cash flows and, according to the terms of the contract, cash flows are received on specific dates that exclusively constitute principal payments plus interest on said principal, the financial asset will be valued at amortized cost.

- If the business model is aimed both at obtaining contractual cash flows and their sale and, according to the terms of the contract, cash flows are received on specific dates that exclusively constitute payments of the principal plus interest on said principal, the financial assets will be valued at fair value through changes in other comprehensive income (equity).

Outside of these scenarios, the rest of the assets will be valued at fair value with changes in profit and loss. All equity instruments (for example, stocks) are valued by default in this category. This is because their contractual flows do not comply with the characteristic of being only payments of principal and interest. Financial derivatives are also classified as financial assets at fair value through profit or loss, unless they are designated as hedging instruments.

For the purposes of their valuation, financial assets must be classified in one of the following categories, with the accounting policies of each of them being the following:

1. Financial assets at amortized cost: these assets are recorded after their initial recognition at amortized cost according to the effective interest rate method. Said amortized cost will be reduced by any impairment loss. They will be recognized in the consolidated profit and loss account for the period when the financial asset is derecognized or has been impaired, or due to exchange differences. Interest calculated using the effective interest method is recognized in the consolidated statement of profit or loss under the heading of "Finance income".

2. Financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss are recognized initially and subsequently at fair value, without including transaction costs, which are charged to the consolidated statement of profit or loss. Gains or losses arising from changes in fair value are presented in the consolidated statement of profit or loss under "Changes in the fair value of financial instruments" in the period in which they originated. Any dividend or interest is also carried to financial results.

Impairment of financial assets

The impairment model is applicable to financial assets valued at amortized cost that include the item "Current financial assets" and “Non-current financial assets” of the consolidated statement of financial position.

The impairment model is based on a dual valuation approach, under which there will be a provision for impairment based on the expected losses over the next twelve months or based on the expected losses over the entire life of the asset. The fact that determines the passage from the first approach to the second is that there is a significant worsening in the credit quality.

Financial liabilities

The main financial liabilities held by the Group companies are financial liabilities at maturity that are valued at their amortized cost. The financial liabilities held by the Group companies are classified as:

1. Debt with credit institutions, bonds and other securities: Interest-bearing bank loans and debt securities are recognised at the proceeds received, net of the costs incurred in the transaction.

   Subsequently, the financial debts are valued at amortized cost. Any difference between the income obtained (net of the transaction costs) and the reimbursement value is recognized in results over the life of the debt according to the effective interest rate method.

   The financial debt is eliminated from the consolidated statement of financial position when the obligation specified in the contract has been paid, canceled or expired. The difference between the carrying amount of a financial liability that has been canceled or assigned to another party and the consideration paid, including any assigned asset different from the cash or liability assumed, is recognized in the consolidated statement of profit or loss as other finance income or expenses.

   The exchange of debt instruments between the Group and the counterparty or the substantial modifications of the liabilities initially recognized, are accounted for as a cancellation of the original financial liability and the recognition of a new financial liability, provided that the instruments have substantially different conditions. The Group considers that the conditions are substantially different if the present value of the discounted cash flows under the new conditions, including any commission paid net of any commission received, and using the original effective interest rate to make the discount, differs at least at 10 percent of the discounted present value of the cash flows that still remain of the original financial liability.

If the exchange is recorded as a cancellation of the original financial liability, the costs or fees are recognized in the consolidated income statement forming part of its profit or loss. Otherwise, the modified cash flows are discounted at the original effective interest rate, recognizing any difference with the previous carrying amount in profit or loss. In addition, the costs or commissions adjust the carrying amount of the financial liability and are amortized by the amortized cost method during the remaining life of the modified liability.

The Group recognizes the difference between the carrying amount of the financial liability or a part of it that is cancelled or assigned to a third party and the consideration paid, including any assigned asset different from the cash or liability assumed in profit or loss.

2. Trade payables and other accounts payable: Trade payables are not interest-bearing and are stated at their nominal value, which does not differ substantially from their fair value.

The Group derecognizes financial liabilities when the obligations that generated them are extinguished.

**4.8 Non-current assets held for sale and associated liabilities**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sales transaction rather than through continued use. This condition is deemed to have been met only when disposal is highly probable and the asset is available for immediate sale in its current state. The sale must be expected to occur within one year from the classification date.

These assets are measured at the lower of carrying amount and fair value less costs to sell or, where IAS 39 applies, at fair value without deducting any costs to sell.

Liabilities related to assets that meet the above definition are recognised under "Liabilities associated with non-current assets held for sale" on the liability side of the consolidated statement of financial position.

**4.9 Equity instruments**

Equity instruments are classified in accordance with the relevant contractual agreements. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Parent are recognised in equity at the proceeds received, net of direct issue costs.

**4.10 Valuation techniques and assumptions used to measure fair value**

The fair values of financial assets and financial liabilities are determined as follows:

- Fair values of financial assets or liabilities with standard terms and conditions traded on active liquid markets are determined by reference to their quoted market price.

- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally-accepted valuation models on the basis of discounted cash flows using the prices of observable market transactions.

Financial instruments measured subsequent to their initial recognition at fair value are categorised into levels 1 to 3, based on the extent to which the fair value is observable.

- Level 1: measurements derived from (unadjusted) quoted prices in active markets for identical assets or liabilities to which the entity has access at the measurement date.
  The most reliable evidence of fair value is the quoted price in an active market, used unadjusted to measure the fair value whenever available.

- Level 2: measurements derived from "inputs" other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the end of 2021 and 2020, the Group does not hold financial assets or liabilities that are measured at fair value on a recurring basis.

**4.11 Termination benefits and other obligations to employees**

Under current legislation, the Group is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken.

As of December 31st, 2021, the Group has recognised a total of EUR 516 thousand under "Current liabilities - Other current liabilities" on the accompanying consolidated statement of financial position for outstanding compensation pending settlement (EUR 85 thousand as of December 31st, 2020).

A company related to the Sole Shareholder of the Parent has established a specific incentive plan with part of the Company's workforce in order to remunerate these employees in cash for their service to the Group over a certain period of time, and for other employees, for meeting their performance targets over the specified time. This remuneration is conditional on complying with a determined minimum internal rate of return with respect to the initial investment made by the Sole Shareholder and is indexed to the aforementioned cash returns in a percentage agreed with each employee adhering to the plan. The right to receive this remuneration arises once the minimum internal rate of return has been surpassed, and will remain in force until the investors withdraw, as defined in the plan (see Note 11.4).

Finally, the Parent company has granted incentive plans to the executive director, the senior management members and to certain key employees. The incentive plans are designed to achieve certain objectives, essentially related to the Group's going concern, and to retain the Group´s key management. If conditions are met, the incentives are to be paid in cash in 2023. As of December 31st, 2021, considering the current situation of the conditions to be met, the Group has registered a provision of EUR 228 thousand in the consolidated statement of financial position.

**4.12 Provisions**

In preparing the consolidated financial statements, the Parent's directors drew a distinction between:

- Provisions: balances payable covering obligations existing at the date of the consolidated statement of financial position arising as a result of past events which could give rise to liabilities for the Group that are specific in nature but which require estimations as to their amount and/or timing; and

- Contingent liabilities: possible obligations arising from past events, whose existence will be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group.

The consolidated financial statements include all the provisions with respect to which it is considered more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed in the notes, unless they are considered remote.

Provisions are stated at the present value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available regarding the event and its consequences, and recognising those adjustments that arise from the restatement of those provisions as a financial expense as they accrue. The Group recognises a provision for restructuring costs only when i) it has a detailed formal plan for the restructuring identifying at least the business or part of the business concerned, the principal locations affected, the location, function, and approximate number of employees who will be compensated for terminating their services, the expenditures that will be undertaken, and when the plan will be implemented and ii) it has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

As of December 31st, 2021, the caption "Long-term provisions" of the accompanying consolidated statement of financial position included a total of EUR 3,829 thousand (EUR 3,324 thousand as of December 31st, 2020) mainly for ongoing litigation proceedings and contingencies.

In October 2020, the Parent Company received a request for arbitration from its client Caixabank, relating to services provided to Caixabank and a third party in the sale of a portfolio. The amount claimed by Caixabank in the request for arbitration is EUR 9 million. At the date of these consolidated financial statements the Group's Management has considered the risk as remote and no amount has been registered in this respect. The arbitration procedure is underway and its finalization is not expected until mid-2022.

**4.13 Revenue and expense recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. In general, expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Volume servicing fees and other revenues are recognised according to the stage of completion of the transaction at the date of the consolidated statement of financial position. In this regard, it is considered that a service has been fully rendered when all the associated milestones have been met. Concretely the volume servicing fees are recognized when the assets under management, property of the Group's clients, have been sold in the case of REOs or recovered in the case of NPLs. At that moment, the Group applies to the sale price of the REO, or to the appraisal value in case of a REO conversion process, or to the amount repaid of a RED under management, the corresponding percentage fee depending on the nature of each REO, REO conversion or repayment of RED, respectively, according to the conditions established in the management service agreement contracts governing their activity.

The "Other" revenues partly include the revenue recognized for the provision of funds securitization management services through the subsidiary Haya Titulización, for advisory and valuation services related to portfolios of real estate assets, for management services of rentals and other value-added services that complement the Group's core business.

In addition, the Group recognises on a monthly basis the management fees related to the assets included in the management perimeters agreed with its clients, applying the relevant commission fee to the reference value, contractually defined, of the assets under management. The nature of the basis taken into account to contractually determine the reference value of the assets under management in the different SLAs, varies according to the SLAs, and may match with their gross book value in the client's books, or with a value defined when entering into the agreement, or with other values that were then agreed with the clients.

**4.14 Income tax and deferred tax assets and liabilities**

Income tax expense is recognised in the consolidated statement of profit or loss, unless it arises as a consequence of a transaction the result of which is recognised directly in equity, in which case the income tax expense is also recognised in equity.

Income tax expense is the sum of the current income tax expense for the period and changes in recognised deferred tax assets and liabilities.

Income tax expense for the year is the sum of current tax, calculated by applying the tax rate to taxable income for the year, after recognising any allowable tax deductions, plus any changes in deferred tax assets and liabilities, including unused tax losses and credits.

Deferred tax assets and liabilities include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax-loss carry forwards and unused tax credits. These amounts are measured by applying to the corresponding temporary difference or tax asset the tax rate at which the asset is expected to be realised or the liability is expected to be settled.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the difference arises from initial recognition of goodwill. Deferred tax assets on deductible temporary differences are only recognised to the extent that it is probable that the consolidated entities will have sufficient taxable profit in future against which the deductible temporary differences can be applied. Other deferred tax assets (unused tax losses and credits) are only recognised if it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be applied.

Deferred tax assets and liabilities are reviewed at the end of each reporting period to verify that they remain current, and the appropriate adjustments are made on the basis of the results of the review.

Deferred tax assets and liabilities are offset only if they refer to an income tax applied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

In 2021 and 2020, the Parent company and its subsidiary filed consolidated income tax returns as part of consolidated tax group 0275/18 together with one sister company (see Notes 19 and 21).

**4.15 Foreign currency transactions**

The Group's functional currency is the euro. Accordingly, transactions denominated in currencies other than the euro are considered foreign currency transactions and are recognised accordingly at the rates of exchange prevailing at the transaction dates.

As of December 31st, 2021 and 2020, the functional currency of all of the companies included in the consolidation scope is the Euro.

In 2021 and 2020, there were no transactions in foreign currencies recognised by the Group. As a result, no specific information is included in the notes to these consolidated financial statements.

**4.16 Transactions with related parties**

The Group's transactions with related parties are all carried out at arm's length (see Note 21). Additionally, supporting documents on transfer prices are currently being updated according to applicable tax regulations and are expected to be completed within the established deadline (before the filing of corporate income tax for 2020). The Group Management believes there are no significant risks associated with this matter that could give rise to material liabilities in the future.

**4.17 Consolidated statement of cash flows**

The consolidated statement of cash flows was prepared by using the indirect method and the terms used are defined as follows:

- Cash flows: inflows and outflows of cash and cash equivalents; defined as highly liquid, short-term investments with low risk of experiencing significant fluctuations in their value.

- Operating activities: regular activities engaged in by companies that belong to the consolidated Group, in addition to other activities that do not fall under the categories of investing or financing activities.

- Investing activities: the acquisition and disposal of non-current assets and other investments not included in cash equivalents.

- Financing activities: activities that result in changes in the size and composition of equity and borrowings that are not part of the operating activities.

**4.18 Uniformity**

To ensure a consistent presentation of the items included in the accompanying consolidated financial statements, the valuation rules and standards used by the Parent have been applied to all the consolidated entities in aspects that could have a significant effect, in the preparation of these financial statements.

The financial year of all consolidated companies ends on December 31st.

**4.19 Classification of balances as current or non-current**

In the accompanying consolidated statement of financial position, balances are classified as current and non-current. Balances are classified as current when the Group expects to sell, consume, realise or settle them in its normal course of business; if they do not meet these criteria, they are classified as non-current.

## 5. Intangible assets

Changes in "Intangible assets" and accumulated amortisation for 2021 and 2020 were as shown below:

**2021**

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Balance as at 31/12/2020 | Additions | Transfer to assets held for sale (Note 10) | Balance as at 31/12/2021 |
| **Cost:** | | | | |
| Patents, licences, trademarks and similar items | 37 | - | - | 37 |
| Computer software | 61,056 | 10,376 | (1,301) | 70,131 |
| Other contract intangible assets- | | | | |
| Management business - Caixabank group | 125,932 | - | - | 125,932 |
| Management business - Cajamar group | 224,692 | - | - | 224,692 |
| Management business - Unicaja group | 84,800 | - | - | 84,800 |
| **Total cost** | **496,517** | **10,376** | **(1,301)** | **505,592** |
| **Accumulated amortisation:** | | | | |
| Patents, licences, trademarks and similar items | (23) | (4) | - | (27) |
| Computer software | (34,983) | (7,828) | 1,091 | (41,720) |
| Other contract intangible assets- | | | | |
| Management business - Caixabank group | (44,223) | (7,911) | - | (52,134) |
| Management business - Cajamar group | (145,956) | (22,461) | - | (168,417) |
| Management business - Unicaja group | (41,163) | (19,278) | - | (60,441) |
| **Total accumulated amortisation** | **(266,348)** | **(57,482)** | **1,091** | **(322,739)** |
| **Impairment** | | | | |
| Management business - Caixabank group | (23,781) | - | - | (23,781) |
| Management business – Unicaja group | (5,496) | (16,531) | - | (22,027) |
| **Total impairment** | **(29,277)** | **(16,531)** | - | **(45,808)** |
| **Net book value:** | | | | |
| Patents, licences, trademarks and similar items | 14 | (4) | - | 10 |
| Computer software | 26,073 | 2,548 | (210) | 28,411 |
| Other contract intangible assets- | | | | |
| Management business - Caixabank group | 57,928 | (7,911) | - | 50,017 |
| Management business - Cajamar group | 78,736 | (22,461) | - | 56,275 |
| Management business - Unicaja group | 38,141 | (35,809) | - | 2,332 |
| **Net book value** | **200,892** | **(63,637)** | **(210)** | **137,045** |

**2020**

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Balance as at 31/12/2019 | Additions | Disposals | Balance as at 31/12/2020 |
| **Cost:** | | | | |
| Patents, licences, trademarks and similar items | 37 | - | - | 37 |
| Computer software | 47,855 | 13,201 | - | 61,056 |
| Other contract intangible assets- | | | | |
| Management business - Caixabank group | 125,932 | - | - | 125,932 |
| Management business - Cajamar group | 224,692 | - | - | 224,692 |
| SAREB contract | 229,034 | - | (229,034) | - |
| Management business - Unicaja group | 84,800 | - | - | 84,800 |
| **Total cost** | **712,350** | **13,201** | **(229,034)** | **496,517** |
| **Accumulated amortisation:** | | | | |
| Patents, licences, trademarks and similar items | (19) | (4) | - | (23) |
| Computer software | (29,451) | (5,532) | - | (34,983) |
| Other contract intangible assets- | | | | |
| Management business - Caixabank group | (36,312) | (7,911) | - | (44,223) |
| Management business - Cajamar group | (123,495) | (22,461) | - | (145,956) |
| SAREB contract | (229,034) | - | 229,034 | - |
| Management business - Unicaja group | (29,050) | (12,113) | - | (41,163) |
| **Total accumulated amortisation** | **(447,361)** | **(48,021)** | **229,034** | **(266,348)** |
| **Impairment** | | | | |
| Management business - Caixabank group | (23,781) | - | - | (23,781) |
| Management business – Unicaja group | - | (5,496) | - | (5,496) |
| **Total impairment** | **(23,781)** | **(5,496)** | **-** | **(29,277)** |
| **Net book value:** | | | | |
| Patents, licences, trademarks and similar items | 18 | (4) | - | 14 |
| Computer software | 18,404 | 7,669 | - | 26,073 |
| Other contract intangible assets- | | | | |
| Management business - Caixabank group | 65,839 | (7,911) | - | 57,928 |
| Management business - Cajamar group | 101,197 | (22,461) | - | 78,736 |
| SAREB contract | - | - | - | - |
| Management business - Unicaja group | 55,750 | (17,609) | - | 38,141 |
| **Net book value** | **241,208** | **(40,316)** | **-** | **200,892** |

*Computer software*

Additions in 2021 under "Computer software" are mainly due to the investments being made by the Parent company in computer software to manage its clients' real estate and credit assets (mainly for the workload in relation to Transformation Plan and Caixabank systems and assets migration to the Group technological platform). As of December 31st, 2021, there are capitalised cost of investments on computer software still under development, therefore not in use, for the amount of EUR 3,428 thousand (EUR 3,363 thousand as of December 31st, 2020). At December 31st, 2021, additions of computer software pending payment to the relevant suppliers amount to EUR 5,370 thousand (EUR 4,774 thousand in 2020) and are recognised under "Current liabilities - Other financial liabilities" on the accompanying consolidated statement of financial position.

*Other intangible assets - Management business - Caixabank group*

On September 3rd, 2013, the Group signed an agreement with the Caixabank Group for the purchase of a business relating to the management of certain real estate assets and loans granted to companies engaged in the real estate industry (developer loans) which were owned by the Caixabank group and Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB), the latter being managed up to the date of the business combination by the Caixabank group (see Note 1.a).

On April 27th, 2018, the Parent Company entered into a new contract with Caixabank which replaced the previous one signed in 2013. Such new contract modified the terms of the original contract, adding to the current REOs under management, a new perimeter of REOs coming from the merger between Caixabank and Banco Mare Nostrum (BMN), and settling that the servicing term is indefinite, with a period of exclusivity of 10 years, starting on May 1st, 2018. Likewise, such new contract resolved the provision by the Parent of any service under the initial SLA dated September 3rd, 2013, in relation with Caixabank's REDs, managed by the Parent under the initial SLA. The total price agreed to be paid for the new contract amounted to EUR 107,687 thousand (see Note 1-a). As a result of this transaction, the Group in 2018 recognized an intangible asset for 107,687 thousand corresponding to the value of the asset management contract acquired, and fully amortized the remaining net book value of the intangible asset recorded for the original contract, for EUR 9,945 thousand.

In 2019, Caixabank sold through a portfolio sale a significant portion of the real estate assets managed by the Parent company (30% measured in GBV) as well as a portfolio of non-performing loans, for which the Parent company earned its corresponding sale fees in excess of EUR 20 million. The accelerated recoveries under such contract, which is amortized under the straight-line method, forced the Group Management to evaluate the recoverability of the net book value associated to this contract and registered an impairment of EUR 23,781 thousand.

*Other intangible assets - Management business - Cajamar group*

In 2014, the Group acquired the exclusive management business for the real estate and credit assets of the financial institution Cajamar and certain related entities (see Note 1.c). The acquisition price of the business was set as a fixed portion in the amount of EUR 225,000 thousand and a variable portion if new entities of the Cajamar group subscribed to the contract, which has not occurred since the date of signing.

Following the Purchase Price Allocation process carried out in 2014, the Group recognised an intangible asset for the amount of EUR 224,692 thousand corresponding to the value of the asset management business acquired. This figure was estimated according to the best estimate of the current value of the projected revenue generated by the business acquired, in accordance with the baseline scenarios of the investors' business plans and with the contract term of ten years for the management of the assets owned by the Cajamar group.

*Other intangible assets - Management business - Unicaja group*

In 2017, the Group entered into certain agreements with the Unicaja group (former "Liberbank group") to acquire the real estate asset management business for assets owned by the Unicaja group, for a total price of EUR 85,000 thousand. The asset management agreement gives the Group exclusive rights, for a period of seven years, extendable for further one-year periods, over the management of these assets and establishes that additions of new assets may occur as the Unicaja group identifies and includes in its scope of consolidation assets with the same characteristics as those in the initial scope.

Following the Purchase Price Allocation process carried out in 2017, the Group recognised an intangible asset for the amount of EUR 84,800 thousand corresponding to the value of the asset management business acquired. This figure was estimated according to the best estimate of the current value of the projected revenue generated by the business acquired, in accordance with the baseline scenarios of the investors' business plans and with the contract term of seven years for the management of the assets owned by the Unicaja group. The application of this criterion did not significantly differ from the application of the cash flow updating criterion based on the Group's business.

In 2020 due to the pandemic situation and considering the remaining life of the contract, the Group Management evaluated the recoverability of the net book value associated to Unicaja contract and registered an impairment of EUR 5,496 thousand.

On December 2nd, 2021, the Parent Company received a formal notice from Unicaja communicating the early termination of its contract, which will be effective on June 2nd, 2022, in accordance with contractual terms. In this regard, the Group has changed the useful life of the contract according to the new maturity (see Note 4.1) and has estimated in EUR 2,332 thousand the cash-flows that the contract will generate up until its termination. Consequently, the Group has recorded an impairment to adjust the net book value of the intangible asset to such estimated value in use (see Note 4.5). Moreover, the Group will be entitled to receive a termination fee, which will be calculated as of the early resolution date in accordance with the formula agreed by the parties when the agreement was negotiated. In this regard, the Group has registered a trade receivable, under the caption "Trade and other receivables", for the estimated termination fee.

*Impairment test*

At least annually, the Group evaluates the carrying amount of its intangible assets and, if there is an indication that those assets have suffered a significant change in its fair value, performs an impairment test of those intangible assets affected, which involves calculating the value in use of these assets according to the cash-generating unit's discounted cash-flows methodology.

As of December 31st, 2021, the Group has performed impairment tests for the three management business assets (Caixabank, Unicaja and Cajamar contracts) held in the consolidated financial statements at that date. For that purpose, Group management prepares a business plan covering the term of exclusivity of the contracts described in Note 1, based on projections on what constitutes the Group's main business activities. The main elements of this plan, are as follows:

- Projections of the assets under management inflows (REOs and NPLs).

- Projections on REO conversions.

- Projections of the assets under management outflows: REOs sales and NPLs recoveries, taking into account the units sold or recovered and the corresponding price.

Projections of the assets under management inflows, conversions and outflows are based on historical experience gathered from the Group's activity and estimates of future evolution of Non-Performing Loans and are determined taking into account each client's profile. With respect to inflows, Group Management estimates future evolution of Non-Performing Loans, which will depend on loan default rates, in client´s books and how those would be managed or converted into REOs. In this sense, an increase of loan default rate is assumed based on Covid-19 impact on economy from 2022 onwards. As a consequence, inflows (both NPLs and REOs) are expected to increase along the projections. With respect to outflows, the Group Management estimates the outflow volumes on the basis of (i) the trends observed by operating over the last years, (ii) the level of clients' willingness in concluding transactions, according to their own budgets and objectives, (iii) other exogenous factors such as regulatory changes or consolidation processes that may impact its clients. In addition, Group Management estimates the outflows' price based on its historical experience and considers a moderate growth of the real estate industry.

Taking into consideration that in 2021 the Group has experimented a gradual recovery of its activity compared with 2020 driven by an improvement in the economic activity and that Cajamar and Caixabank servicing contracts expire in more than two years the Group management expects that total projected volumes of outflows will be achieved before the expiration of the contracts. Furthermore, Group Management has not considered in its impairment exercise any terminal value for the management business assets, although Caixabank´s servicing contract term is indefinite.

In assessing value in use, estimated future cash flows, calculated for each one of the management business assets over the life of the respective SLA contracts, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Based on the methodology previously described, Group Management has performed the impairment test on the management business and has determined that there is no sign of impairment for such assets in 2021, except for the Unicaja asset, according to what has been explained above for an amount of EUR 16,531 million. In 2020, after performing an impairment test in the Unicaja´s management business, the Group registered an impairment of EUR 5,496 thousand.

With respect to the sensitivity analysis of the impairment tests of the intangible assets which recoverability amount is higher than the net book value (Caixabank and Cajamar), Group Management carried out a sensitivity test of the outputs of the impairment tests by stressing the following variables:

- Increase by 100 basis points of the discount rate.

- Decrease by 10% of the projected free cash flows.

Such sensitivity tests jointly performed, assuming the rest of variables to be constant, would lead to an impairment for such assets.

## 6. Goodwill

Changes in goodwill for 2021 are shown below (there were no changes in 2020):

| | Thousands of euros | | |
|---|---|---|---|
| | 2020 | Transfer to Assets held for sale (Note 10) | 2021 |
| Haya Titulización | 4,265 | (4,265) | - |
| Haya Property Management cash- generating unit | 1,814 | - | 1,814 |
| Divarian cash-generating unit (Note 1-f) | 253 | - | 253 |
| **Total** | **6,332** | **(4,265)** | **2,067** |

Transfer recorded corresponds to the classification of the Haya Titulización related assets as “held for sale” due to the sale agreement reached with Beka Financial Market Holding, S.L. in which the Parent Company sells 100% shares of Haya Titulizacion (see Note 10).

At year-end, or whenever there are signs of impairment, the Group proceeds to estimate, through an impairment test, the potential existence of permanent losses in value that reduce recoverable goodwill value to an amount lower than the recognized net cost.

For the purpose of impairment testing, goodwill is allocated to one of more of the Group's cash-generating units. The recoverable amount of each cash-generating unit is determined to be the higher of the value in use and the net sale price that would be obtained from the assets associated with the cash-generating unit. The recoverable value of the main cash-generating units to which goodwill has been assigned is their value in use.

Value in use was calculated on the basis of estimated future cash flows-prepared by the Group management. These estimations include the best available estimated income and costs of the cash-generating units, using industry forecasts and future prospects.

These future forecasts cover the next five years, including a suitable residual value for each business, in which a constant expected growth rate near zero applies.

In order to calculate the net present value of these cash flows, they are discounted at a rate that reflects the weighted average cost of the capital employed, adjusted for the country risk and business risk corresponding to each cash-generating unit.

*Haya Property Management cash generating unit*

The Haya Property Management (HPM) cash-generating unit engages in the management of leased properties, which was carried out by the subsidiary Gesnova Gestión Inmobiliaria Integral, S.L.U., before its merger by acquisition by the Parent in 2016.

The main variables used by Group Management to determine the value in use of the leased property management business are the following:

- Volume of managed real estate assets: the Group Management has considered the addition of new properties to be managed, considering the expected flow of the conversion of financial assets managed by the Parent into real estate assets, even though these additions do not imply a significant impact on total projected cash flows.

- Fees: The Group Management has only considered fee income from the management of leased buildings, ignoring potential ancillary income from its management activity. It has not considered any increase in the percentage fee.

On the basis of this analysis, the Group Management has concluded there is no impairment in the goodwill associated with the cash-generating unit Haya Property Management.

## 7. Financial assets

Changes in “Non-current financial assets” and “Current financial assets” during the years 2021 and 2020, in the accompanying consolidated statement of financial position are as follows:

**Non-current and current financial assets**

***Year 2021***

| | Thousands of euros | | | | |
|---|---|---|---|---|---|
| | Balance as at 31/12/2020 | Additions | Transfers | Withdrawals | Balance as at 31/12/2021 |
| Upstream loan to the Sole Shareholder | 93,315 | - | (93,315) | - | - |
| Other financial assets | 920 | 1 | - | (153) | 768 |
| **Total non-current financial assets** | **94,235** | **1** | **(93,315)** | **(153)** | **768** |
| Upstream loan to the Sole Shareholder | - | - | 98,834 | - | 98,834 |
| Interest on loan to the Sole Shareholder | 686 | 5,559 | (5,519) | - | 726 |
| Other financial assets | 23 | 86 | - | - | 109 |
| **Total current financial assets** | **709** | **5,645** | **93,315** | - | **99,669** |

**Year 2020**

| | Thousands of euros | | | | |
|---|---|---|---|---|---|
| | Balance as at 31/12/2019 | Additions | Transfers | Withdrawals | Balance as at 31/12/2020 |
| Upstream loan to the Sole Shareholder | 88,090 | - | 5,225 | - | 93,315 |
| Other financial assets | 943 | - | - | (23) | 920 |
| **Total non-current financial assets** | **89,033** | **-** | **5,225** | **(23)** | **94,235** |
| Interest on loan to the Sole Shareholder | 647 | 5,264 | (5,225) | - | 686 |
| Other financial assets | 25 | 5 | - | (7) | 23 |
| **Total current financial assets** | **672** | **5,269** | **(5,225)** | **(7)** | **709** |

On November 27th, 2017, the Parent extended a loan of EUR 88,090 thousand to its Sole Shareholder (“upstream loan”), maturing at the end of November 2022. Such loan accrues interest at arm’s length, which is settled on a semester basis or capitalized, at the sole discretion of the Sole Shareholder. During 2021, the Sole Shareholder decided to capitalise interest for an amount of EUR 5,519 thousand (EUR 5,225 thousand in 2020). At December 31st, 2021 accrued and unpaid interest amounted to EUR 726 thousand (EUR 686 thousand at December 31st, 2020). At December 31st, 2021, the Group management has presented such loan as “Current financial assets” on the accompanying consolidated statement of financial position since it matures in less than 12 months. In the context of the refinancing process completion (see Note 3.4) the upstream loan will be fully repaid in kind by offsetting against intragroup loans that will arise from this process. The Group Management considers that the carrying amount of financial assets as of December 31st,2021 and 2020 does not differ significantly from their fair value.

## 8. Leases

### 8.1 Right-of-use assets

The Group leases several offices, whose lease terms are between 3 – 5 years.

The movement of the right-of-use assets related to such leases, in 2021 and 2020, is as follows:

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Balance as at 31/12/2020 | Additions | Disposals | Balance as at 31/12/2021 |
| Cost | 6,403 | 1,017 | (1,706) | 5,714 |
| Amortization | (3,131) | (1,634) | 1,556 | (3,209) |
| **Net book value** | **3,272** | **(617)** | **(150)** | **2,505** |

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Balance as at 31/12/2019 | Additions | Disposals | Balance as at 31/12/2020 |
| Cost | 6,698 | - | (295) | 6,403 |
| Amortization | (1,597) | (1,706) | 172 | (3,131) |
| **Net book value** | **5,101** | **(1,706)** | **(123)** | **3,272** |

The main movements in 2021 correspond to the renewal of the lease contracts of the Valencia and Madrid's offices. The main movement in 2020 corresponds to the early cancellation contract of the lease of one floor in Valencia's office (no penalty was assumed for the Group for the aforementioned cancellation).

In addition, the Group has recognised an expense in 2021 for an amount of EUR 616 thousand related to other leases (EUR 687 thousand in 2020).

## 8.2 Lease liabilities

The detail of payment obligations derived from the Group's leases as of December 31st, 2021 and 2020, based on their maturity, is as follows:

***2021***

| | Thousands of euros | | | |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | Total |
| Lease liabilities | 1,653 | 907 | 53 | 2,613 |
| **Total lease liabilities** | **1,653** | **907** | **53** | **2,613** |

***2020***

| | Thousands of euros | | | |
|---|---|---|---|---|
| | 2021 | 2022 | 2023 | Total |
| Lease liabilities | 1,637 | 1,207 | 588 | 3,432 |
| **Total lease liabilities** | **1,637** | **1,207** | **588** | **3,432** |

The interest expenses recognised in 2021 for the lease liabilities amounted to EUR 149 thousand (EUR 231 thousand in 2020).

The total cash outflow for leases amounted to EUR 1,828 thousand in 2021 (EUR 1,890 thousand in 2020).

## 9. Other current financial assets

### Cash and cash equivalents

As of December 31st, 2021, and 2020, the heading "Cash and cash equivalents" in the accompanying consolidated statement of financial position includes the Group's cash, which is pledged to secure the funding received (see Note 12).

The Group Management considers that the carrying amount for this item as of December 31st,2021 and 2020 does not differ significantly from its fair value.

### Trade and other receivables

The breakdown of the heading "Trade and other receivables" in the accompanying consolidated statement of financial position as of December 31st,2021 and 2020 is as follows:

| | Thousands of euros | |
|---|---|---|
| | 2021 | 2020 |
| Trade receivables | 90,857 | 94,651 |
| Trade provisions | (1,228) | (2,320) |
| Staff | 11 | 217 |
| Sundry debtors | 625 | 37 |
| Other tax receivables (Note 19.2) | 1,013 | 1,027 |
| | **91,278** | **93,612** |

As of December 31st, 2021 and 2020, virtually all of the accounts receivable presented in "Trade receivables" in the accompanying consolidated statement of financial position are with six clients, SAREB, Caixabank, Cajamar, Unicaja, Divarian and BBVA. The balance of the heading "Trade receivables" in the table above corresponds to invoices issued (EUR 31,354 thousand as of December 31st, 2021 and EUR 55,081 thousand as of December 31st, 2020), provisions for invoices pending to be issued (EUR 59,503 thousand as of December 31st, 2021 and EUR 39,570 thousand as of December 31st, 2020) according to the frequency agreed in the service agreements with those clients (see Note 1) and the Unicaja's termination fee (see Note 5), not existing any defaulting item additional to those provisioned for by the Group as of December 31st, 2021 and 2020, respectively.

Of the accounts receivable presented under "Trade and other receivables" in the accompanying consolidated statement of financial position at 31 December 2021, an amount of EUR 69,406 thousand (EUR 64,320 thousand at 31 December 2020) has been pledged to secure the financing received by the Group (Caixabank, Sareb, Cajamar and Unicaja).

In the opinion of the Group Management, the carrying amount of trade and other receivables as of December 31st,2021 and 2020 does not differ significantly from their fair value.

## 10. Non-current assets held for sale and liabilities associated with non-current assets held for sale

The Group has classified the assets and liabilities related to its subsidiary "Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U." as held for sale due to the agreement signed on October 2021 with an investor for the sale of 100% of shares of its subsidiary. This transaction is subject to the regulatory approval by National Securities Market Commission (CNMV) and is expected to be obtained during the first half of 2022, not being the case at the date of formulation of the present consolidated financial statements.

As of December 31, 2021, the assets and liabilities in relation to Haya Titulización sale have been classified as a disposal held for sale are as follow:

| | Thousands of euros |
|---|---|
| **NON-CURRENT ASSETS:** | |
| Intangible assets | 210 |
| Property, plant and equipment | 49 |
| Goodwill | 4,265 |
| Deferred taxes | 6 |
| **Total non-current assets** | **4,530** |
| **CURRENT ASSETS:** | |
| Current financial assets- | 1,821 |
| Trade and other receivables | 517 |
| Cash and cash equivalents | 1,304 |
| Other current assets | 4 |
| **Total current assets** | **1,825** |
| **TOTAL ASSETS** | **6,355** |
| **CURRENT LIABILITIES:** | |
| Other financial liabilities | 247 |
| Other current liabilities | 484 |
| Trade payables | 833 |
| **Total current liabilities** | **1,564** |
| **TOTAL LIABILITIES** | **1,564** |

The revenues and net profit contributions of this subsidiary during 2021 amounted to EUR 3,100 thousand and EUR 872 thousand, respectively.

## 11. Equity

### 11.1 Share capital

As described in Note 1, the Parent was incorporated in 2013 with a share capital of EUR 3,010 divided in 3,010 shares with a face value of EUR 1 each.

On August 1st,2013, Promontoria Holding 62, B.V. purchased all 3,010 shares at a price equal to the face value of the shares, becoming the Sole Shareholder of the Parent.

In a public deed dated October 10th, 2013, Promontoria Holding 62, B.V. (Sole Shareholder) fully subscribed a capital increase in the Parent, for the amount of EUR 830 thousand with a share premium of EUR 7,470 thousand, through a cash contribution of EUR 8,300 thousand. The capital increase was registered in the Mercantile Registry on 24 October 2013. It was carried out with the objective of strengthening the equity structure of the Parent and providing it with greater balance. It was formalised through the creation of 830,000 shares, each with a face value of EUR 1 and a share premium of EUR 9.

In a public deed granted on July 3rd, 2014, the Sole Shareholder fully subscribed a share capital increase in the Parent for the amount of EUR 5,400 thousand, with a share premium of EUR 48,600 thousand, through a cash contribution of EUR 54,000 thousand. The capital increase was registered in the Mercantile Registry on August 8th, 2014 This capital increase was carried out in order to provide the Parent with sufficient resources to purchase the shares and to increase the share capital of its subsidiary Laformata Servicios y Gestiones, S.L.U. (see Note 1), and was formalised through the creation of 5,400,000 shares each with a face value of EUR 1 and a share premium of EUR 9.

Likewise, in a public deed granted on December 30th, 2014 the Parent performed another capital increase, fully subscribed by the Sole Shareholder on December 29th, 2014, for the amount of EUR 3,000 thousand, with a share premium of EUR 27,000 thousand through a cash contribution of EUR 30,000 thousand. This capital increase, formalised through the creation of 3,000,000 shares each with a face value of EUR 1 and a share premium of EUR 9, was registered in the Mercantile Registry on January 26th, 2015. The purpose of this increase was to partially finance the payment associated to the contract signed with SAREB (see Note 1.b).

On July 3rd, 2015, the Sole Shareholder fully subscribed an increase of EUR 450 thousand in the Parent's share capital, with a share premium of EUR 4,050 thousand. The capital increase was funded by a non-cash contribution consisting of the delivery of 100% of the shares of Haya Online, S.A.U and Gesnova, Gestión Inmobiliaria Integral, S.L.U. This capital increase, formalised through the creation of 450,000 new shares each with a face value of EUR 1 and a share premium of EUR 9, was registered in the Mercantile Registry on August 3rd, 2015.

The share capital as of December 31th, 2021 and 2020 is therefore represented by 9,683,010 company shares, each with a face value of EUR 1, all of the same class, fully subscribed and paid up, with Promontoria Holding 62, B.V. holding 100% of the shares in the Parent.

The shares of the Parent are pledged in full as collateral for the financing obtained on November 27th, 2017 (see Note 12). This pledge extends to all new shares of the Parent and any element replacing those shares in the event of a merger, spin off, dissolution, liquidation, capital increase or decrease, conversion, change or transformation of the shares, or any similar event involving the Parent or its shares. Further, this pledge shall extend to all amounts deriving from refunds, interest, dividends or distributions deriving from the shares or corresponding to them.

### 11.2 Share premium

In accordance with current regulations the Parent has recognised the share premium linked to the aforementioned capital increases described in the previous section. In 2015 and 2017, such share premium was partially paid back through dividend for respective amount of EUR 35,294 thousand and 5,995 thousand respectively. The nominal unit value of the share premium is EUR 4.7 per share as of December 31st, 2021 and 2020.

### 11.3 Reserves

As of December 31st, 2021 and 2020, reserves by type and company are broken down as follows:

***2021***

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Restricted reserves | Unrestricted reserves | Other reserves | Total |
| Haya Real Estate, S.A.U. (Parent) | 1,937 | (46,987) | 790 | (44,260) |
| **Total** | **1,937** | **(46,987)** | **790** | **(44,260)** |

As of December 31st, 2021, there is no reserve contributed by Haya Titulizacion to the consolidated equity since the reserves shown as of December 31st, 2020 have been fully distributed to the Parent Company during 2021 (see Note 2).

***2020***

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Restricted reserves | Unrestricted reserves | Other reserves | Total |
| Haya Real Estate, S.A.U. (Parent) | 1,937 | (28,445) | 624 | (25,884) |
| Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U. (Subsidiary) | 200 | 435 | - | 635 |
| **Total** | **2,137** | **(28,010)** | **624** | **(25,249)** |

*Restricted reserves*

Under the Consolidated Text of the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 20% of capital after the increase.

Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses. As of December 31st, 2021 and 2020 this reserve had been fully constituted in Parent's books.

*Unrestricted reserves*

On November 15th, 2019, the Parent's Sole Shareholder approved the distribution of a dividend in kind through the offset of the interests accrued (capitalized and not capitalized) of the Loan Agreement subscribed on November 27th, 2017 between the Parent Company, as Lender, and its Sole Shareholder, as Borrower, with a charge against "Unrestricted reserves" of the Parent for amount of EUR 5,210 thousand.

At year-end 2021 and 2020, there are certain restrictions on the distribution of dividends deriving from agreements signed by the Group, in the context of the financing obtained (described in Note 12).

*Other reserves*

"Other reserves" in the table above correspond mainly to the cumulative effect of certain differences in the accounting treatment of goodwill between the regulatory frameworks for the individual and consolidated financial information of the Parent.

**11.4 Other shareholder contributions**

The amount of EUR 3,900 thousand recognised under "Other shareholder contributions" on the accompanying consolidated statement of financial position as of December 31st, 2021 and 2020 corresponds to the amount fully vested in prior years to some directors, eleven senior management personnel and fifty-two employees of the Group, in relation to an incentive plan designed in 2013 and arranged with a company related to the Sole Shareholder of the Parent, remunerating these members of staff for their service to the Group for a certain period of time, and in some cases for meeting specific economic or financial targets.

In case new distributions would be made to the Sole Shareholder, through dividends in cash, shares sale or other operations with the Parent's equity instruments, the employees granted with the plan would receive their respective percentage of such distributions. As of the date of these consolidated financial statements, it is not possible to assess the amount, if any, of any future distributions under such plan.

**11.5 Capital management**

The Group manages its capital structure to ensure that its entities can continue to comply with the going concern principle while optimising the balance between debt and equity.

The Group's capital structure consists of net debt (bonds, as detailed in Note 12, offset by cash and liquid financial assets) and the Group's equity (consisting of its share capital, share premium, reserves and undistributed profits, as detailed in this Note).

The Group's strategy in 2021 has been focused on maximizing its cash generation capacity while, together with its sole shareholder, exploring alternatives to meet its financial and net worth challenges (see Note 3.4) The Group also ensures that the financial ratios established under its revolving financial agreement are met (see Note 12).

On the other hand, as of December 31st,2021, the Parent company presents an equity amount which is lower than half of the share capital, due to losses from the year and from previous years, mainly due to the Covid-19 situation. According to article 363 of the Spanish Companies Act this situation would constitute a dissolution cause. However, Spanish Government has approved a temporary moratorium that sets out that losses incurred during financial year 2021 and 2020 shall not be considered for the purpose of a potential technical dissolution situation pursuant to the Spanish Companies Act and thus, any obligation of Directors to call a shareholders meeting will only take place when formulating the 2022 financial statements, thus, at the beginning of 2023, in case the temporary moratorium would not be extended.

Thus, the computable net equity of the Parent company for the purposes of the aforementioned articles is as follows as of December 31st, 2021:

| | Thousands of euros |
|---|---|
| Equity as of December 31st, 2021 | 1,524 |
| Not computable losses from 2020 | 20,060 |
| Not computable losses from 2021 | 11,322 |
| **Total computable net equity** | **32,906** |

Financial indebtedness

Financial indebtedness at year end 2021 and 2020 was as follows:

| | Thousands of euros | |
|---|---|---|
| | 2021 | 2020 |
| Debts with credit institutions, bonds and other securities (Note 12)(*) | 424,920 | 426,760 |
| Cash and cash equivalents | (117,113) | (54,025) |
| **Net debt** | **307,807** | **372,735** |
| Equity | 3,446 | 15,154 |
| **Indebtedness (Net debt/Equity)** | **89.32x** | **24.60x** |

(*) Lease liabilities are not computed

The Group calculates its debt ratio defining net debt as total financial debt, defined as the sum of the nominal value of its current and non-current loans, bonds and other debts and accrued interest payable, less current deposits, guarantees and sight deposits and cash.

## 12. Non-current and current debts

The details of the debt for bonds issued and non-current and current borrowing as of December 31st, 2021 and 2020, according to their composition and maturity, are as follows:

***31 December 2021***

| | Thousands of euros | | |
|---|---|---|---|
| | Nominal | Current | Total |
| Senior secured notes | 423,950 | 422,123 | 422,123 |
| Super senior revolving credit facility | 14,400 | - | - |
| Accrued interest (notes) | - | 2,779 | 2,779 |
| Accrued interest (Credit facility) | - | 18 | 18 |
| **Total debts** | **438,350** | **424,920** | **424,920** |

***31 December 2020***

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Nominal | Current | Non-current | Total |
| Senior secured notes | 423,950 | - | 420,034 | 420,034 |
| Super senior revolving credit facility | 14,400 | 3,900 | - | 3,900 |
| Accrued interest (notes) | - | 2,811 | - | 2,811 |
| Accrued interest (Credit facility) | - | 15 | - | 15 |
| **Total debts** | **438,350** | **6,726** | **420,034** | **426,760** |

The detail of the variation existing in years 2021 and 2020 in the total amount of financing received are as follows:

**2021**

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Balance as at 31/12/2020 | Cash flows | Transfer to profit or loss | Balance as at 31/12/2021 |
| Senior secured notes | 420,034 | - | 2,089 | 422,123 |
| Super senior revolving credit facility | 3,900 | (3,900) | - | - |
| Accrued interest (notes) | 2,811 | (22,146) | 22,114 | 2,779 |
| Accrued interest (Credit Facility) | 15 | (238) | 241 | 18 |
| Other | - | (168) | 168 | - |
| **Total debts** | **426,760** | **(26,452)** | **24,612** | **424,920** |

**2020**

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Balance as at 31/12/2019 | Cash flows | Transfer to profit or loss | Balance as at 31/12/2020 |
| Senior secured notes | 468,413 | (43,373) | (5,006) | 420,034 |
| Super senior revolving credit facility | - | 3,900 | - | 3,900 |
| Accrued interest (notes) | 3,114 | (24,776) | 24,473 | 2,811 |
| Accrued interest (Credit Facility) | 14 | (270) | 271 | 15 |
| Other | - | (361) | 361 | - |
| **Total debts** | **471,541** | **(64,880)** | **20,099** | **426,760** |

**Senior secured notes**

The Group carried out a notes issue in the Euro MTF market in Luxemburg on November 15th, 2017. This comprised a EUR 250 million tranche with a fixed annual coupon of 5.25%, to be settled half-yearly, and a EUR 225 million tranche with a floating coupon of three-month Euribor (subject to a floor of 0%) plus a spread of 5.125% per annum, reset quarterly. The bonds mature in November 2022 and all or part of them can be redeemed at the Group's discretion in accordance with, and at the prices set forth in the terms of the notes. Moody's and Standard & Poor's have rated the notes B3 and B-, respectively. The amount effectively received by the Group amounted to EUR 468,920 thousand, being this amount the one offset by the bank fees up to EUR 6,080 thousand, deducted at the issue.

As of November 16th, 2020, the Parent Company announced a tender offer for an amount up to EUR 60 million and 80% minimum price. The transaction was settled on November 24th, 2020 and the Parent repurchased a total nominal amount of EUR 51.1 million (EUR 43.4 million in cash) which was comprised by EUR 35.1 million of the principal amount of the fixed rate note (with a purchase price of 85%) and EUR 16 million of the principal amount of the floating rate note (with a purchase price of 84.9%). The difference between the price paid by the Parent Company and the nominal amount reduction of the bond (which amounted to EUR 7.7 million) was recognised as a finance income in the consolidated statement of profit or loss for 2020.

The debt deriving from the notes issue is accounted for at amortised cost, considering the costs incurred in the arrangement of the financing, including the arrangement fee and consultants and notary fees totalling EUR 11,379 thousand (of which EUR 1,827 thousand are still pending to be recognized in the profit and loss as of December 31st, 2021). The amount of such costs recognized in the consolidated statement of profit or loss for 2021 was EUR 2,089 thousand (EUR 2,671 thousand in 2020).

To obtain this funding, the Group arranged the following guarantees:

- Pledge on the shares representing the share capital of the Parent (Note 11).
- Pledge over equity instruments representative of the share capital of the subsidiary, Haya Titulización, Sociedad Gestora de Fondos de Titulización.

- First ranking pledge over the credit rights deriving from certain servicing agreements with its clients (see Notes 1.a, 1.b, 1.c, 1.d and 9).
- Pledge of certain bank accounts: first ranking pledge on the credit rights deriving from bank accounts in the Parent´s name (see Note 9).
- Pledge over the credit rights deriving from certain insurance policies.

In addition to these of pledges, the subsidiary Haya Titulización acts as joint and several guarantors in the funding agreements.

The bond indenture also established certain limits that are generally applied in this kind of financing and affect the availability of new credit facilities, of the assets and of the equity items of the Group.

As the senior secured notes mature on November 2022 the Group has been exploring alternatives with the objetive of enhancing the capital structure and reinforcing the long-term stability (see Note 3.4).

**Super Senior Revolving Credit Facility**

On November 27th, 2017, the Parent, with its subsidiaries acting as guarantors, arranged a credit facility with certain financial institutions for a maximum amount of EUR 15,000 thousand to finance its working capital. This funding is guaranteed by the same pledges as those extended for the bonds, with determined priorities, and accrues interest at market rates.

As of December 31st, 2021 and 2020 the Group provided a guarantee of EUR 600 thousand for the new lease of Madrid's office through the Revolving Credit Facility, reducing the nominal amount up to EUR 14,400 thousand.

On March 2020 the Group fully drew the Revolving Credit Facility (EUR 14,400 thousand) to reinforce the cash position as a result of the COVID-19 situation (see note 14). On May 2020 the Group repaid EUR 10,500 thousand and on February 2021 fully repaid the outstanding amount (EUR 3,900 thousand). The funding under this facility is conditional on a specified consolidated debt ratio being tested each quarter, when the amount drawn under it exceeds 40% of its notional amount. As of December 31st, 2021, the Group had made no draw downs on this facility and thus no covenant is required to be met. This credit facility expires in May 2022.

## 13. Payables and other current liabilities

**Trade payables**

The balance under the heading "Trade payables" of the accompanying consolidated statement of financial position as of December 31st, 2021, and 2020 includes payables resulting from the Group's ordinary trade transactions.

In the opinion of the Group Management, the carrying amount of trade payables does not significantly differ from their fair value.

Following are the disclosures required for 2021 and 2020 pursuant to additional provision three of Law 15/2010 of 5 July (amended by final provision two of Law 31/2014, of 3 December) prepared in accordance with the ICAC resolution of January 29th, 2016, on information to be disclosed in the notes to financial statements on the average payment period in commercial transactions.

| | Days | |
|---|---|---|
| | 2021 | 2020 |
| Average period of payment to suppliers | 64 | 77 |
| Ratio of transactions paid | 64 | 77 |
| Ratio of transactions pending payment | 64 | 70 |

| | Thousands of euros | |
|---|---|---|
| | 2021 | 2020 |
| Total payments made | 98,635 | 117,126 |
| Total payments outstanding | 14,678 | 10,088 |

The figures shown in the foregoing table in relation to payments to suppliers relate to suppliers that because of their nature are trade creditors for the supply of goods and services and, therefore, they include the figures relating to “Trade payables" under current liabilities in the accompanying consolidated statement of financial position. At year-end 2021, the Group had recognised provisions for pending invoices amounting to EUR 18,953 thousand (EUR 19,827 thousand at year-end 2020) under these headings of the accompanying consolidated statement of financial position. These provisions correspond to services received during 2021 and 2020 for which the invoices corresponding to December 31st, 2021 and 2020, had not been received.

"Average payment period to suppliers" means the time elapsed between the date of receipt of the goods or services by the Parent and the date of actual payment. The Parent Company has an online supplier platform where the maximum payment term applicable is thirty days for unless another date or payment term is established in the contract (as in the agency services contracts where the maximum payment term is 45 days), without this term exceeding sixty days under any circumstances. The payment term for suppliers is significantly influenced by the speed of the suppliers and creditors in invoicing for their services and/or, to a lesser extent, delivery of their products and also in the speed of the approval of the invoice by the respective department responsible. The Group applies a procedure known to its suppliers and creditors under which most payments are made on the 5th and 20th day of each month.

**Other current liabilities**

The breakdown of this heading of the consolidated statement of financial position as of December 31st, 2021 and 2020 is as follows:

| | Thousands of Euros | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| Personnel, remuneration payable (Note 17.1) | 7,510 | 794 |
| Amounts payable to Public Administrations (Note 19.2) | 5,303 | 4,329 |
| Current income tax liabilities (Note 19.2) | 111 | - |
| Current accruals | - | 349 |
| **Total** | **12,924** | **5,472** |

As of December 31st, 2021, the “Personnel, remuneration payable” heading includes, mainly, variable remuneration pending to be paid. As of December 31st, 2020, due to the COVID situation, no variable remuneration was accrued.

## 14. Information on the nature and level of risks

Management of the Group’s financial risks is centralised in the Finance Department of the Group, which has the mechanisms necessary to control exposure to interest rate fluctuations and to credit and liquidity risks. The main financial risks to which the Group is exposed are outlined below:

a) Credit risk:

In general, the Group holds its cash and cash equivalents in financial institutions with high credit ratings.

There is a high level of concentration, as the Group's activity stems from the contracts with six clients. However, these clients are highly solvent, and the contracts all include clauses to mitigate the risk of the client cancelling the contract, covering all financial damage from lost profit that might result from cancellation for causes not attributable to the Group. Further, since its incorporation, the Group has proven itself capable of arranging service agreements with new clients in addition to expanding the range of services it offers to the market, underpinned by the development of software applications that are able to incorporate the asset bases of any company. Therefore, the Group Management considers that this range of services and outstanding technology factor offset the high level of concentration.

The Haya Group's revenues stem mainly from volume-servicing and management fees from clients. Any delay or default on such payments by clients could have a material adverse impact on the Group's operating profit. These deferred payments sometimes happen, although the Group works actively to manage and resolve any delay efficiently.

b) Liquidity risk:

In order to guarantee liquidity and be able to deal with payment commitments relating to its normal business, the Group has cash and cash equivalents as shown on its consolidated statement of financial position. However, as per the short-term maturity of the Senior Secured Notes in 2022, the accompanying consolidated statement of financial position presents a negative working capital position of EUR 163,231 thousand (see Note 3.4).

The detail of payment obligations derived from the Group's financial liabilities as of December 31st, 2021, and 2020, based on their maturity, using undiscounted amounts, is as follows:

***31 December 2021***

| | Thousands of euros | |
|---|---|---|
| | 2022 | Total |
| Senior secured notes | 423,950 | 423,950 |
| Accrued interest (notes) (*) | 22,000 | 22,000 |
| Accrued interest (Credit facility) | 18 | 18 |
| **Total debts** | **445,968** | **445,968** |

(*) Estimated based on current interest rates for the floating rate notes

***31 December 2020***

| | Thousands of euros | | |
|---|---|---|---|
| | 2021 | 2022 | Total |
| Senior secured notes | - | 423,950 | 423,950 |
| Super senior revolving credit facility | 3,900 | - | 3,900 |
| Accrued interest (notes) (*) | 22,000 | 22,000 | 44,000 |
| Accrued interest (Credit facility) | 15 | - | 15 |
| **Total debts** | **25,915** | **445,950** | **471,865** |

(*) Estimated based on current interest rates for the floating rate notes

c) Market risk (including interest rate risk, exchange rate risk and other price risks):

Changes in interest rates modify the fair value of those assets and liabilities that accrue a fixed interest rate, as well as the future flows of the assets and liabilities referenced to a variable interest rate.

In accordance with the information requirements of IFRS 7, the Group has carried out a sensitivity analysis in relation to possible fluctuations in interest rates that may occur in the markets in which it operates. Based on these requirements, the Group Management estimates that an increase in the 3-month Euribor of 25 basis points, to which the variable tranche of the bonds issued during the year 2021 is referenced (see Note 12), would imply an increase in the Group's financial expense of EUR 523 thousand in 2021 (the same amount in 2020).

As of December 31st, and 2020, the Group does not have any accounts receivable in a currency other than the euro.

d) Business risk:

The Spanish banking sector is going through a market consolidation process, with multiple mergers being contemplated or discussed in 2021. This consolidation could potentially impact the real estate servicing sector as well and could adversely affect our future revenues In this context, our clients Bankia and Liberbank have finalized their respective merger processes with Caixabank and Unicaja, being our clients the acquired party. Regarding to Bankia and Caixabank's merger, the Group continues providing services to the merged entity. In relation to Liberbank and Unicaja merger, the Group has received in December 2021 a formal notice communicating the early termination of the contract which will be effective in June 2022. This early termination contract implies the Group to receive from Unicaja a termination fee. This termination fee would arise in those contracts in which Haya paid an upfront payment (see Note 5).

Similarly, our clients may decide to sell a significant part or the entire portfolio we manage to another institution, which would decrease our fees. If this were to occur, we would receive as compensation a single, lump sum payment with no future management or volume fees on the portion sold. Furthermore, if one or more of our clients or potential clients decide to sell a substantial portion or the portfolio we manage for them to institutional investors or investment firms that are competitors of Cerberus Capital Management, L.P., it may be difficult for us to renew or enter into new servicing contracts to manage those portfolios, given that Cerberus is the indirect sole shareholder of the Group. Failure to renew existing contracts or enter into new servicing contracts with these potential new clients may have a material adverse effect on our business, results of operations or financial condition.

Concentration in the financial sector or the sale of portfolios by our clients could also imply opportunities for the Group to compete for the bidding of future new servicing contracts for both financial institutions and institutional investors which would have a positive impact in the Group's future revenues. Likewise, the evolution of the Spanish real estate sector will affect the future activity of the Group as part of its revenues are linked to the commercialization of real estate assets and the recovery of loans of loans with RE collateral.

e) COVID 19 risk:

The emerging spread of the global Coronavirus COVID-19 in the early months of 2020 caused a general decrease in Spanish economic activity, including the Group's real estate and debt recovery activity. In 2021 there was an improvement in the economy and the Group has experimented a gradual recovery. Nonetheless, the Group's management continues to assess the situation according to the best information available and take proactive and reactive measures where possible. Highlighted below are the measures the Group has taken to manage the following risks:

- Operational risk: despite of the decrease on the Group's volume activity in 2020, during 2021 the Group has experimented a gradual recovery of its activity compared with 2020 driven by economic recovery in Spain. In addition, part of the Group's revenue comes from a contractual asset management fee which is calculated as a % of assets under management, and the Group has a relatively high percentage of variable costs, which decrease proportionally with a decrease in volumes/sales transacted. In this context, the Group Management expects that the recovery of the activity will remain in the coming quarters and will compensate the performance during the COVID-19 crisis.

The losses of the Group for the year 2021 amount to EUR 11,708 thousand which have decreased the Group's net equity to EUR 3,446 thousand. As explained In Note 3.4 the Group has been exploring alternatives to reduce the refinancing risk, enhance its capital structure and reinforce its long-terms stability (see Note 3.4) and is focused on maintaining sustainable business margins for 2022 and subsequent years with a gradual recovery in revenues and implementing cost reduction measures which should bring the Group back to profitability.

Taking into considerations the factors above, the Group's Management considers the going concern principle in the preparation of these consolidated financial statements is still applicable.

## 15. Operating segments

The Group provides global and interrelated asset management services to its clients in the real estate sector. As a result of the services rendered to its clients through service agreements (SLA) that establish the terms and conditions of the services offered, the information prepared and analysed by the Parent's directors, who take all decisions relating to the distribution of resources and assess the Group's results, refers mainly to the transaction volumes associated with the assets under management. Therefore, internal financial information does not include information by segment, as defined in IFRS 8 Operating Segments. However, the Group's Management evaluates performance based on the following income segmentation:

| | Thousands of euros | |
|---|---|---|
| | Volume servicing fees | |
| | 2021 | 2020 |
| NPLs | 11,591 | 13,648 |
| REO Conversion | 7,942 | 10,899 |
| REO | 90,314 | 60,543 |
| **Total** | **109,847** | **85,090** |

## 16. Income

The breakdown of the "Revenue" heading of the accompanying consolidated statement of profit or loss for 2021 and 2020 is as follows:

| | Thousands of Euros | |
|---|---|---|
| | 2021 | 2020 |
| Volume servicing fees | 109,847 | 85,090 |
| Management fees | 57,480 | 63,816 |
| Other | 55,684 | 28,116 |
| **Total** | **223,011** | **177,022** |

All of the revenue recognised by the Group in the years 2021 and 2020 have been registered for operations carried out in Spain and 91% corresponds to the revenue derived from the management contracts held with six clients, Caixabank, SAREB, Cajamar, Unicaja, BBVA and Divarian (90% over the total revenues in 2020). Furthermore, practically all of the accounts receivable presented in the "Trade and other receivables" section of the accompanying consolidated statement of financial position are held with the aforementioned clients (see Note 9).

Certain SLAs entered into by the Group establish certain service level indicators, to be met periodically by the Group. These service level indicators in general include operational requirements, reporting obligations and fulfilment of milestones or dates related to the management of the assets. A breach in the required service levels would lead to different types of consequences. For minor breaches, the Group may be forced to assume an economic penalty, usually determined as a percentage of the revenues generated in the month of non-compliance. In case of certain serious and recurrent breaches, the client could terminate the contract without compensatory payment for the lost future income. Given the performance levels achieved in 2021 and the ongoing dialogue with the clients regarding the results of these indicators, the Group considers that as of December 31st, 2021, there are no significant liabilities that should be recognised as associated with such indicators.

## 17. Expense

### 17.1 Personnel expenses

The breakdown of the "Personnel expenses" heading of the consolidated statement of profit or loss for 2021 and 2020 is as follows:

| | Thousands of euros | |
|---|---|---|
| | 2021 | 2020 |
| Salaries and wages | 45,634 | 41,772 |
| Social security | 10,627 | 11,906 |
| Termination benefits | 2,512 | 7,972 |
| Other social charges | 799 | 961 |
| Contributions to pension plans | 1,275 | 1,538 |
| **Total** | **60,847** | **64,149** |

In 2021 the "Salaries and wages" heading includes a total of EUR 8,329 thousand in connection with variable remuneration, of which and amount of EUR 6,931 thousand is pending to be paid as at December 31st, 2021, and is recognised under "Personnel, remuneration payable" of the heading "Other current liabilities" on the accompanying consolidated statement of financial position (see Note 13) and is linked to the best estimate of the achievement of results and the accomplishment of objectives by each employee settled for 2021. In 2020, due to the COVID-19 situation, no variable remuneration was accrued as of December 31st, 2020.

*Labour Restructuring Process*

On January 20th, 2020, the Parent Company announced to employees, union representatives, bondholders and other stakeholders its intention to launch a labour restructuring process with the objective to create a more agile, efficient and customer-focused organization. The negotiation period with the employee representatives began on February 10th, 2020, and lasted until March 10th. On March 10th, 2020, the Parent Company and the employee representatives reached an agreement in which they defined the total number of dismissals, the severance package and a voluntary period for the adherence to the labour restructuring process. This labour restructuring process was completed on April 30th, 2020, with total employee exits of 136 and restructuring costs amounting to EUR 6,4 million, included in the caption "Termination benefits" of the above table.

On February 24th, 2022, Sareb has made public that the Group has not been selected to be one of its service providers for its new contract (see Note 1.b). As a result, the current contract with Sareb matures on June, 30th, 2022 and will not be extended. In that context, the Group will continue servicing its other clients, focusing on its commercial performance, and pursuing all new business opportunities. Group´s management is at the date of these consolidated financial statements exploring all potential alternatives to minimize the impact of the excess of capacity derived from the termination of Sareb´s and Unicaja's contracts in 2022. At present, it is not possible to fairly estimate such impact.

*Collective dispute*

In March 2021, based on the economic situation, the Group proceeded to modify the working conditions of its employees according to Article 41 of the Labour law in order to: a) standardize the variable remuneration system, establishing a single system applicable to all Group's employees and replacing the previous one derived from multiple integration and merger transactions within the Group, and b) not to pay any variable remuneration for 2020 as economic targets were not met.

In April 2021, employee representatives have raised a collective dispute process contesting, for certain group of employees, the Group´s decision not to pay any variable remuneration for 2020. In October 2021, at first instance the sentence was issued in favour of the employee representatives although it has been appealed by the Group. As the sentence is pending final resolution at the date of these consolidated financial statements is not yet possible to estimate the amount, if any, of this potential contingency.

The number of employees in the Group, is detailed by professional categories and gender in the tables below:

***2021***

| | Number of employees as at year-end | | | Average number of employees | Disabled employees (a) |
|---|---|---|---|---|---|
| | Men | Women | Total | | |
| Senior Management | 7 | 3 | 10 | 10 | - |
| Directors and qualified staff | 24 | 22 | 46 | 49 | - |
| Clerical staff and department heads | 353 | 423 | 776 | 794 | 3 |
| **Total** | **384** | **448** | **832** | **853** | **3** |

(a) Average number of employees in the consolidated companies with a degree of disability greater than or equal to 33% (or equivalent local classification).

***2020***

| | Number of employees as at year-end | | | Average number of employees | Disabled employees (a) |
|---|---|---|---|---|---|
| | Men | Women | Total | | |
| Senior Management | 8 | 3 | 11 | 17 | - |
| Directors and qualified staff | 31 | 19 | 50 | 132 | - |
| Clerical staff and department heads | 392 | 439 | 831 | 803 | 4 |
| **Total** | **431** | **461** | **892** | **952** | **4** |

(a) Average number of employees in the consolidated companies with a degree of disability greater than or equal to 33% (or equivalent local classification).

One employee included in Senior Management also exercised duties as director in the year 2021 (one employee in 2020).

**17.2 Other operating expenses**

The breakdown of "Other operating expenses" in the accompanying consolidated statements of profit or loss for 2021 and 2020 was as follows:

| | Thousands of euros | |
|---|---|---|
| | 2021 | 2020 |
| Professional services | 63,238 | 55,963 |
| Marketing and Contact Center | 4,238 | 4,153 |
| Travel and other general expenses | 2,562 | 2,792 |
| Leases and royalties | 616 | 687 |
| Insurance premiums | 809 | 682 |
| Supplies | 287 | 271 |
| Repair and maintenance | 71 | 77 |
| Banking and similar services | 117 | 57 |
| Losses, impairment and changes in provisions for trade receivables and provisions for litigation | 413 | 1,387 |
| Other charges | 320 | 266 |
| Other current operating expenses | 902 | 795 |
| **Total** | **73,573** | **67,130** |

The balance of "Professional services" in the accompanying consolidated statements of profit or loss for 2021 and 2020 included the following:

| | Thousands of Euros | |
|---|---|---|
| | 2021 | 2020 |
| Intermediation cost of real estate agents in the sale of REOs (channel costs) | 29,225 | 21,623 |
| Cost of agencies for the management of REOs | 13,985 | 17,031 |
| Valuation services on assets under management | 310 | 141 |
| Prevention of money laundering activities in relation to asset sales | 1,580 | 759 |
| Asset maintenance performed on client assets | 5,028 | 1,954 |
| Litigation and external recovery agency costs for NPLs | 1,747 | 4,394 |
| IT Operating expenses | 3,929 | 4,875 |
| Other professional services | 7,434 | 5,186 |
| **Total Professional services** | **63,238** | **55,963** |

"Asset maintenance performed in client assets" relates to costs incurred for the maintenance of REOs under management and has a corresponding impact in revenue recognized in "Other revenues" as the Parent Company is acting as a central maintenance agency on behalf of some of its clients.

"Other professional services" presented in the table above for 2021 includes mainly refinancing process costs, the transformation plan, HR and legal consultancy services, contract renewal costs and, business process outsourcing costs (in 2020, it included mainly advisory works on the transformation plan and labour restructuring process).

**Audit fees**

During 2021 and 2020, the amounts of fees charged relating to auditing services and other services provided by the Group auditor, Deloitte, S.L. or by other companies related to the auditor through control, shared property, or management, were the following:

| | Thousands of euros | |
|---|---|---|
| | 2021 | 2020 |
| Audit services | 159 | 156 |
| Other assurance services | 24 | 24 |
| **Total audit services and related** | **183** | **180** |
| Other services | 15 | 362 |
| **Total other professional services** | **15** | **362** |

Other services provided in 2020 consisted mainly of advisory services provided to the Group to assist in the integration of Divarian and in the post integration period (see Note 1-f).

## 18. Contribution to profit and loss

The contribution of each of the companies included within the scope of consolidation to consolidated profit and loss after income tax and consolidation adjustments is as follows:

| | Thousands of euros | |
|---|---|---|
| | 2021 | 2020 |
| Haya Real Estate | (12,580) | (19,894) |
| Haya Titulización (Note 10) | 872 | 883 |
| **Total profit or (loss) for the year** | **(11,708)** | **(19,011)** |

## 19. Tax situation

The Group files consolidated income tax returns as part of consolidated tax group 0275/18, for which Haya Real Estate, S.A.U. is the representative Company but not the Parent. The Parent is the non-resident Company Promontoria Holding Haya Coöperative UA. Therefore, it is Haya Real Estate, S.A.U. that recognises any tax debt that the Group might have and recognises the related accounts receivable from or payable to the other tax group companies on the basis of the tax base contributed by each company to the consolidated tax base and of each company's share of any net tax payable. In 2021 the entities included in the consolidated tax group, together with the Parent Company are: Haya Real Estate Servicing, S.A.U and Haya Titulización S.G.F.T.A., S.A.U. In January 2021, Haya Real Estate Servicing S.A.U. has been liquidated, therefore 2021 will be the last year where this subsidiary will be included within the consolidation tax group. The entity Housell Inmo Online Services, S.L. was excluded during 2020 from the consolidation tax group, not been part of the consolidation tax group as of December 31st, 2021, and 2020 (see Note 4.14).

Also, the Group opted for taxation under the special consolidated tax regime for VAT purposes (IVA82/16), for which Haya Real Estate, S.A.U. is the Parent, and in which the company Haya Titulización S.G.F.T.A., S.A.U., is included. As a result of applying this tax regime, the Parent recognises any VAT payable of refundable that the Group might have, as well as the related accounts receivable from or payable to the group companies on the basis of the results of the individual tax assessments performed by each of these companies.

### 19.1 Financial years open to inspection

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute of limitations period has expired. At December 31st, 2021, the Parent has 2017 and subsequent years open to inspection by the tax authorities for corporate income tax and VAT, and 2017 and subsequent years for the rest of taxes.

The Group Management considers that the settlements of all the non-prescribed taxes have been carried out adequately. Even if discrepancies arise in the interpretation of existing legislation on the tax treatment of the operations, any possible liabilities that might result would not significantly affect these consolidated financial statements.

Regarding to the verification procedures and requirements activities in relation to the Group are detailed as follow:

a) In January 2021, the Parent Company received the notification from the Tax Administration State Agency in which the Parent Company was notify about the initiation of verification and investigation proceedings in relation to the following tax items: Corporate Income Tax for financial the financial years 2016 and 2017; withholding taxes of non-resident income tax for the period December 2016 to December 2017. Subsequently, the Parent Company received notification of the extension of the verification and investigation proceedings, extending the scope of the procedure also to Corporate Income Tax for 2015. At the formulation date of these consolidated financial statements the verification and investigation proceedings are still in process.

b) On January 26th, 2016, the tax authorities made the Parent aware of the beginning of verification and investigation activities with respect to Value Added Tax and Corporate Income Tax for 2013 and 2014. The aforementioned verification procedure ended during 2016. With respect to Value Added Tax, a certificate of compliance was signed for the two aforementioned years, without any regularisation taking place. With respect to Corporate Income Tax for both financial years, a settlement agreement was received on November 28th, 2016 in relation to the inspection certificate issued in this inspection procedure and signed in disagreement by the Parent. From the aforementioned settlement agreement, appealed by the Parent before the Tax Appeal

Board, a payable in the amount of EUR 2,276 thousand and interest on arrears in the amount of EUR 97 thousand derived, both of which were paid by the Group in January 2017. The said payment was principally the consequence of a difference in criteria of the tax authorities with respect to the Parent concerning the accounting distribution of the acquisition cost of a particular asset (see Note 5), involving a difference in the timing of the deductibility of the amortisation associated with this asset. This payment was also the consequence of a difference in criteria between the Parent and Tax Authorities on relation to the deduction of labor cost resulted of senior management's labor contract termination. As a consequence of this, in 2016 the Parent recognised: an amount of EUR 2,373 thousand charged against "Other current liabilities" on the consolidated statement of financial position; "Deferred tax assets" for a temporary difference and deductions pending application in the amounts of EUR 2,120 and EUR 14 thousand, respectively; and expenses in the amount of EUR 239 thousand.

On November 21st, 2019, the Parent received the notification of the resolution agreement of the Tax Appeal Board, in which it resolved the following:

a) Dismiss the claim presented by the Parent against the settlement agreement issued by the Tax Authority (AEAT), and which amount was already deposited by the Parent in January 2017.

b) Partially estimate the claim presented by the Parent against the Penalty Agreement resulting from the procedure previously referred. In this sense, the Tax Appeal Board has ruled that the sanction imposed on the Parent was inappropriate in the part associated to the tax liability not deposited related to a difference in criteria with respect to the accounting distribution of the acquisition cost of a particular asset (see Note 5), involving a difference in the timing of the deductibility of the amortisation associated with this asset. While confirming the part of the given penalty resulting from a difference in criteria in relation to the deduction of labour costs associated with the termination of a senior manager labour contract.

In January 2020, the Parent filed an administrative appeal against the Court resolution referred to above, limiting the scope of the referred appeal to the tax treatment of the severance packages paid out as a result of the extinction of Senior Management's labour contracts and the related penalties. Currently, the aforementioned administration appeal is awaiting a ruling from the National High Court.

As a result of the above, the Parent has to file the rectification of the Corporate Income Tax return from 2015 to 2018 in order to align the amortisation criteria of the relevant asset with the Tax Authority. The tax credit associated to this (EUR 2,120 thousand) is recognised in the balance sheet as a deferred tax asset.

On July 23rd, 2020, the Parent filed the request for the rectification of the above mentioned Corporate Income Tax return for 2015. The tax refund resulting from this request together with the years open to inspection (2015-2017 inclusive) will be executed during the referred verification and investigation procedure.

The rectification of the Corporate Income Tax for 2016 and 2017 will result from the aforementioned verification and investigation proceedings performed by Tax Administration State Agency currently ongoing.

**19.2 Balances with Public Administrations**

The consolidated statement of financial position at December 31st, 2021, and 2020 includes the following balances with Public Administrations:

| | Thousands of euros | | | |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | Current | Non-current | Current | Non-current |
| **Receivables:** | | | | |
| Amounts receivable from tax authorities for | | | | |
| Other | 38 | - | 39 | - |
| Corporate Income Tax ( deductions) | 975 | - | 988 | - |
| Deferred tax assets | - | 26,148 | - | 30,702 |
| | **1,013** | **26,148** | **1,027** | **30,702** |
| **Payables:** | | | | |
| Amounts payable to tax authorities for: | | | | |
| Corporate income Tax | 111 | - | - | - |
| VAT | 3,462 | - | 2,442 | - |
| Withholdings | 715 | - | 734 | - |
| Amounts payable to social security | 1,126 | - | 1,153 | - |
| | **5,414** | - | **4,329** | - |

**19.3 Reconciliation of accounting profit/(loss) to taxable profit/(tax loss)**

The corporate income tax settlements for 2020 was filed based on the corresponding financial statements of the companies that make up the Group and the accounting policies then applied. Presented below is the reconciliation of the 2021 and 2020 periods between the expense for the income tax and the expense recorded for the aforementioned tax is presented.

***2021***

| | Thousands of euros | | |
|---|---|---|---|
| | Increase | Decrease | Total |
| **Accounting profit/(loss) in period** | | | **(11,708)** |
| **Corporate income tax expense (benefit)** | | | **3,687** |
| **Permanent differences** | | | |
| Non-deductible expenses and non-computable revenues | 121 | - | 121 |
| Consolidation Adjustment | 53 | (207) | (154) |
| **Temporary differences** | | | |
| **Arising in the year** | | | |
| Differences between depreciation and amortisation for accounting and tax purposes | 140 | - | 140 |
| Impairment of Unicaja intangible asset (Note 5) | 16,531 | - | 16,531 |
| **Arising in previous years** | | | |
| Tax deduction limit for depreciation of fixed assets | - | (366) | (366) |
| Impairment of contract intangible assets | - | (6,752) | (6,752) |
| Bad debt provisions | - | (516) | (516) |
| **Taxable base** | | | **983** |

***2020***

| | Thousands of euros | | |
|---|---|---|---|
| | Increase | Decrease | Total |
| **Accounting profit/(loss) in period** | | | (19,011) |
| **Corporate income tax expense (benefit)** | | | (7,627) |
| **Permanent differences** | | | |
| Non-deductible expenses and non-computable revenues | 332 | - | 332 |
| Consolidation Adjustment | - | (165) | (165) |
| Other permanent differences | - | (88) | (88) |
| **Temporary differences** | | | |
| **Arising in the year** | | | |
| Differences between depreciation and amortisation for accounting and tax purposes | 210 | - | 210 |
| Bad debt provisions | 516 | - | 516 |
| Impairment of Unicaja intangible asset (Note 5) | 5,496 | - | 5,496 |
| **Arising in previous years** | | | |
| Tax deduction limit for depreciation of fixed assets | - | (370) | (370) |
| Impairment of contract intangible assets | - | (2,857) | (2,857) |
| Differences between depreciation and amortisation for accounting and tax purposes | - | (71) | (71) |
| Bad debt provisions | - | (1,292) | (1,292) |
| **Taxable base** | | | **(24,927)** |
| **Tax base corresponding to the Consolidated Tax Group** | | | **(24,929)** |

In 2020 “Tax base corresponding to the Consolidated Tax Group” includes tax bases of the company Haya Real Estate Servicing, S.A.U, which has been liquidated in 2021.

The main temporary differences of year 2021 and 2020 are as follows:

a) An amount of EUR 366 thousand (EUR 370 thousand in 2020) corresponds to part of the amount of the amortisation not deducted in the years 2014 and 2013 due to the special tax measures on limitation of tax deductibility of the accounting amortisation existing in these financial years. The accounting amortisation not deducted for tax in the years 2013 and 2014, is deductible from the year 2015 for some elements during the useful life remaining for the element in question and for others, in ten years.

b) Positive temporary differences in 2021 and 2020 include EUR 16,531 and EUR 5,496 thousand in relation to the impairment of the Unicaja’s intangible asset (see Note 5) which was not deductible in both years for tax purposes according to the tax regulation but will be deductible during the remaining contract life.

   In 2021, an amount of EUR 3,895 thousand corresponds to a negative temporary difference in relation to the partial tax reversal of the aforementioned impairment registered in 2020 for the Unicaja contract which was not deductible in 2020.

c) In 2021, an amount of EUR 2,857 thousand corresponds to a negative temporary difference (same amount recognized in 2020) in relation to the partial tax reversal of the Caixabank impairment registered in 2019 for the Caixabank contract for an amount of EUR 23,781 thousand which was not deductible in 2019.

d) In 2021, a negative temporary difference has been included for an amount of EUR 516 thousand in relation to the trade provisions of 2020 which have been reversed in 2021 (in 2020 this negative difference amounted to EUR 1,292 thousand in relation to trade provisions of 2019).

In 2021, the Group has not generated tax losses (in 2020 the Parent Company decided to capitalize the tax credit rising from the tax losses generated in 2020).

The Group recognizes deferred tax assets associated to unused tax losses and credits only if the Group Management considers probable that the consolidated companies will have sufficient future taxable profits against which they can be applied (see Note 19.6).

### 19.4 Calculation of corporate income tax

The calculation of corporate income tax for 2021 and 2020 is as follows:

| | Thousands of euros | |
|---|---|---|
| | 2021 | 2020 |
| Accounting profit before tax | (8,021) | (26,638) |
| Permanent differences | 121 | 332 |
| Consolidation adjustments | (154) | (165) |
| **Total** | **(8,054)** | **(26,471)** |
| Tax rate | 25% | 25% |
| Tax charge | (2,014) | (6,618) |
| Deductions for technological innovations | (2,170) | (988) |
| Other deductions | (146) | (21) |
| Tax losses carryforward write-off (Note 19.6) | 8,017 | - |
| **Total corporate income tax expense (income) recognised in consolidated profit and loss** | **3,687** | **(7,627)** |

The heading "Deductions for technological innovation" in the table above for 2021 corresponds to the deductions for technological innovation through the development of a new technological tool for the comprehensive management of the real estate services of property valuation services and credit recovery processes corresponding to 2019 and 2020 (those recognized in 2020 corresponded to 2018). The amount recognized in the heading "Other deductions" corresponds to donations which can be deducted according to the applicable legislation.

### 19.5 Breakdown of Corporate Income Tax expense

The breakdown of the corporate income tax expense for 2021 and 2020 is as follows:

| | Thousands of euros | |
|---|---|---|
| | 2021 | 2020 |
| **Deferred tax:** | | |
| Continuing operations | (2,104) | (6,639) |
| Adjustments to corporate income tax | 5,791 | (988) |
| **Total (income) tax recognised in consolidated profit and loss** | **3,687** | **(7,627)** |

### 19.6 Deferred tax assets

The breakdown of deferred tax assets in 2021 and 2020 is as follows:

***2021***

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Beginning balance | Additions | Disposals | Closing balance |
| Non-deductible amortisation and depreciation of fixed assets | 324 | - | (99) | 225 |
| Impairment of contract intangible assets | 6,605 | 4,133 | (1,688) | 9,050 |
| Pension insurance contract | 166 | - | - | 166 |
| Trade provisions | 129 | - | (129) | - |
| Differences between depreciation and amortisation for accounting and tax purposes | 164 | 35 | - | 199 |
| Inspection regularisation (Note 19.1) | 2,120 | - | - | 2,120 |
| Deductions | 242 | 1,273 | - | 1,515 |
| Tax losses carryforward | 20,952 | - | (8,079) | 12,873 |
| **Total** | **30,702** | **5,441** | **(9,995)** | **26,148** |

***2020***

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Beginning balance | Additions | Disposals | Closing balance |
| Non-deductible amortisation and depreciation of fixed assets | 402 | 15 | (93) | 324 |
| Impairment of contract intangible assets | 5,945 | 1,374 | (714) | 6,605 |
| Pension insurance contract | 166 | - | - | 166 |
| Trade provisions | 323 | 129 | (323) | 129 |
| Differences between depreciation and amortisation for accounting and tax purposes | 129 | 53 | (18) | 164 |
| Deductions | 235 | 7 | - | 242 |
| Inspection regularisation (Note 19.1) | 2,120 | - | - | 2,120 |
| Tax losses carryforward | 20,327 | 6,232 | (5,607) | 20,952 |
| **Total** | **29,647** | **7,810** | **(6,755)** | **30,702** |

The Group Management has performed its best estimate of taxable income for a reasonable period and has prepared a tax plan. In such plan, the Group has estimated the future cash flows generated from its current servicing contracts and new potential businesses that the Group management reasonably expects to generate in the future, following its normal course of business. As a consequence, the Group has registered a write-off of tax losses carryforward of EUR 8,017 thousand. According to the tax plan, the Group has considered that the recoverability of the deferred tax assets is probable within the next years, although any potential change in futures projections could impact ~~in~~ the recoverability of these assets.

In 2020 the entity Housell Inmo Online Services, S.L was excluded from the consolidation tax group and the Parent Company wrote off the tax losses carryforward generated by this entity in previous years, for an amount of EUR 5,607 thousand.

**Tax loss carryforwards**

Some Tax Group companies have tax losses that can be carried forward and offset against taxable income of individual companies in subsequent years.

Unused tax losses carryforward as of December 31st, 2021 applicable in future years and considered recoverable (included the amount of EUR 51.5 million capitalized in the consolidated statement of financial position) are broken down as follow:

| Thousands of euros | | |
|---|---|---|
| Year generated | Amount | Cumulative |
| 2018 | 8,330 | 8,330 |
| 2019 | 49,704 | 58,034 |
| 2020 | 24,929 | 82,963 |
| | **82,963** | |

In addition, as of December 31st, 2021 the Parent Company has unused tax losses carryforward for an amount of EUR 599 thousand previously to the constitution of the consolidation tax group (same situation as of December 31st, 2020).

**Deductions pending application**

The breakdown of deductions pending application in 2021 and 2020 is as follows:

***2021***

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Beginning balance | Additions | Disposals | Closing balance |
| Deductions for technological innovation | - | 1,199 | - | 1,199 |
| Donations | 87 | 101 | (26) | 162 |
| Art. 37 of Corporate Income Tax Law | 154 | - | - | 154 |
| Other deductions from subsidiaries | 1 | - | (1) | - |
| **Total** | **242** | **1,300** | **(27)** | **1,515** |

***2020***

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Beginning balance | Additions | Disposals | Closing balance |
| Donations | 81 | 6 | - | 87 |
| Art. 37 of Corporate Income Tax Law | 154 | - | - | 154 |
| Other deductions from subsidiaries | - | 1 | - | 1 |
| **Total** | **235** | **7** | **-** | **242** |

In 2021 and 2020 the Group carried out technological innovation activities that may entitle it to apply the deduction established in article 35 of Royal Legislative Decree 4/2004, of 5 March, which approved the Consolidated Text of the Corporate Income Tax Law and article 35 of Law 27/2014, of 27 November, on Corporate Income Tax, insofar as they imply a technological advance and a substantial improvement of existing products and production processes, which will be demonstrated pursuant to the applicable legislation. These deductions can be deducted in a period of eighteen years after their generation. These deductions are capitalised by the Parent in the moment of the reception of the informative reports issued by the competent authorities and the Parent decides whether apply the monetisation or not.

## 20. Distribution of the profit or loss of the Parent

The Parent Directors' proposition of distribution of the 2021 losses recorded in the Parent's separate financial statements, and pending approval by the Sole Shareholder, is the following:

| | Thousands of euros |
|---|---|
| Prior year losses account | (11,322) |
| **Total** | **(11,322)** |

## 21. Related-party transactions

Transactions and amounts between the Parent and its Subsidiary have been eliminated on consolidation and are not disclosed herein. These transactions and amounts are disclosed in each of the companies' separate financial statements.

### 21.1 Related party transactions

Related party transactions for 2021 and 2020, which were all at arm's length, are as shown below:

***2021***

| | Thousands of euros | | |
|---|---|---|---|
| | Sole shareholder | Group companies and associates | Other related parties |
| **Revenue** | | | |
| Finance income from upstream loan to the Sole Shareholder (Note 7) | 5,559 | - | - |
| **Total revenue** | **5,559** | **-** | **-** |
| **Expenses** | | | |
| Non-executive Directors expenses (Note 22.1) | - | - | 616 |
| **Total expenses** | **-** | **-** | **616** |

***2020***

| | Thousands of euros | | |
|---|---|---|---|
| | Sole shareholder | Group companies and associates | Other related parties |
| **Revenue** | | | |
| Finance income from upstream loan to the Sole Shareholder | 5,264 | - | - |
| **Total revenue** | **5,264** | **-** | **-** |
| **Expenses** | | | |
| Non-executive Directors expenses | - | - | 504 |
| **Total expenses** | **-** | **-** | **504** |

The amount included under "Revenue – Finance income" in 2021 and 2020, with the Sole Shareholder, are related to the interests accrued by the loan granted by the Parent to its Sole Shareholder ("upstream loan") whose interests are at arm's length, and are settled on a semester basis or capitalized, at the sole discretion of the Sole Shareholder (see Note 7).

### 21.2 Related party balances

Balances with related parties in the consolidated statement of financial position at December 31st, 2021, and 2020 were as follows:

***2021***

| | Thousands of euros | |
|---|---|---|
| | Sole shareholder | Other related parties |
| Upstream loan granted (Note 7) | 98,834 | - |
| Interest accrued on loan granted (Note 7) | 726 | - |
| Other payables to related parties | - | (246) |
| **Total** | **99,560** | **(246)** |

***2020***

| | Thousands of euros | |
|---|---|---|
| | Sole shareholder | Other related parties |
| Upstream loan granted (Note 7) | 93,315 | - |
| Interest accrued on loan granted (Note 7) | 686 | - |
| Other payables to related parties | - | (246) |
| **Total** | **94,001** | **(246)** |

As of December 31st, 2021, and 2020, "Other payables to related parties" is related to payable tax balances with Housell Inmo Online Services S.L.

## 22. Remuneration of the Board of Directors and Senior Management

### 22.1 Remuneration of the Board of Directors and Senior Management

With effects from August 27th, 2021, Mr. Manuel González Cid has resigned from his position as non-executive Director and Mr. Gerald Porter Strong has been appointed as non-executive Director.

During 2021, the functions corresponding to directors of the Parent were performed by five men and one woman (five men and one woman during 2020). Also, at 2021 year-end, the functions corresponding to senior management of the Parent are performed by eight men and three women (eight men and three women at 2020 year-end), one of which (man) is an executive director of the Parent (one man at 2020 year-end). The nature and amount of the remunerations received by the people who have formed part of the Board of directors and the senior management (those who are not directors) of the Parent in the years 2021 and 2020, is as follows:

***2021***

| | Thousands of euros | | | | | | |
|---|---|---|---|---|---|---|---|
| | Fixed remuneration | Variable remuneration | Remuneration in kind | Compensation | Severance | Total | Pending |
| Directors | 1,116 | 795 | 2 | - | - | 1,913 | 783 |
| Senior Management | 1,849 | 1,017 | 36 | 67 | 36 | 3,005 | 979 |

***2020***

| | Thousands of euros | | | | | | |
|---|---|---|---|---|---|---|---|
| | Fixed remuneration | Variable remuneration | Remuneration in kind | Compensation | Severance | Total | Pending |
| Directors | 1,012 | 488 | 1 | 210 | - | 1,711 | 488 |
| Senior Management | 2,774 | - | 17 | 100 | 300 | 3,191 | - |

In 2021, the variable remuneration presented in the table above includes the amount accrued from multi-year incentive plans based on achieving the performance of the Group's activity (see 4.11). Only the executive members of the Board of Directors and the senior management are entitled to receive variable remuneration and incentive plans.

In 2020, no employees, including the Group's senior management, received variable compensation due to the pandemic.

The commitments of the Parent in 2021 for pensions for senior management personnel amount to EUR 71 thousand (EUR 118 thousand in the year 2020) and EUR 20 thousand for Directors (EUR 24 thousand in the year 2020). In 2021, obligations were also assumed for life insurance for senior management personnel for a total of EUR 23 thousand (EUR 17 thousand in the year 2020), and EUR 2 thousand for Directors (EUR 1 thousand in the year 2020).

In the year 2021, a total of EUR 60 thousand was paid for the civil liability insurance premium of the Parent's directors (EUR 34 thousand in 2020).

### 22.2 Other information on the Parent's directors

In accordance with prevailing legislation, at year-end 2021, the Parent's directors have communicated to the non-voting secretary of the Board that neither they or persons related to them, as defined in the Spanish Companies' Act, have been engaged in any conflict, direct or indirect, with the interests of the Group in 2021.

## 23. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Group by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year, where applicable. At December 31st, 2021 and 2020, basic earnings per share are as follows:

| | 2021 | 2020 |
|---|---|---|
| Profit/(loss) for the year (thousands of euros) | (11,708) | (19,011) |
| Weighted average number of ordinary shares outstanding (Note 11) | 9,683,010 | 9,683,010 |
| **Basic earnings (loss) per share (in euros)** | **(1.21)** | **(1.96)** |

At December 31st, 2021 and 2020, diluted earnings per share coincide with basic earnings per share.

## 24. Guarantees and surety

As of December 31st, 2021, and 2020 there were no guarantees or surety other than as referred to in Note 12 of these notes to the consolidated financial statements.

## 25. Events after the reporting period

As the Group fully operates in Spain, Ukrainian invasion started during the first quarter of 2022 should not have significant impact in Group's activity.

No other relevant events after the reporting period are to be informed, except for the one described in Note 3.4 that mentions the refinancing progresses made in 2022 and in Note 17.1. related to the Sareb's tender public offer.

## 26. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 3.1). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

*Translation into English of consolidated management report for the year ended 31 December 2021 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.*

# Haya Real Estate, S.A.U. and subsidiary (Haya Group)

## Consolidated Management Report for the year ended 31 December 2021

Pursuant to the provisions of article 262 of the Spanish Limited Liability Companies Law, we are pleased to present a true and fair view of the business performance and situation of the Group during the year ended 31 December 2021.

## 1. Introduction of the President and CEO

2021 began with significant uncertainties in the horizon, after the outbreak in 2020 of the pandemic caused by COVID-19 and the exceptional lockdown measures taken by the Government and its effects in the economy and the real estate sector. At Haya Real Estate, S.A. U. (hereinafter the Parent Company) and subsidiary (hereinafter “the Group”” or “Haya” o “Haya Real Estate”), we have tried to adapt to the situation continuing to provide the best quality in the services that our customers demand from us. We have an exceptional human team that, without a doubt, has been the true protagonist that has made this successful response possible in the face of adverse circumstances such as those we have continued to experience.

Haya Real Estate´s project is about to turn 9 years old, enough time to look back and remind what has been achieved during this period. Today, we can proudly say that Haya is one of the leading Spanish companies in the management of financial and real estate assets, which manages financial and real estate assets and vehicles for a wide variety of customers, from financial institutions to international investors, being currently responsible for 29.5 billion euros in assets under management. We have evolved and today our offering of products and services covers the entire value chain for the management of mortgage-backed loans and foreclosed real estate assets. We offer debt management services, including loan valuation, management and recovery, and the conversion of loan obligations into foreclosed real estate assets, whether owned by companies or individuals. With regard to real estate assets, the services we provide to a portfolio of ~195,000 properties cover a wide range, including their onboarding, management, maintenance, valuation, as well as their marketing, sale or lease management. In addition, we also carry out portfolio advice (selection, valuation, and negotiation) through our Advisory department, advice and management in land development, the completion of works in progress, specialised real estate advice and brokerage, from our Real Estate Development department, which has acquired great potential this year.

During 2021 has also been significant for us due to our adherence to the United Nations Global Compact, becoming the only servicer in Spain currently attached to this initiative, with the commitment acquired with the Ten Principles contained in the Global Compact, related to environmental, labour, human rights and anti-corruption matters. In addition, in parallel to this accession, at Haya Real Estate we have worked during the past year on the identification of the actions carried out to contribute to achieving the Sustainable Development Goals (SDG) of the United Nations 2030 Agenda and that we highlight throughout this report.

Haya Real Estate's adherence to the Global Compact adds to the strategy that the Company has established for years regarding the promotion and undertaking of commitments and good practices. Within this framework, Haya has developed a Code of Conduct that includes aspects related to Human and Labour Rights, the environment, equality and transparency and the fight against corruption. We have a Corporate Manual for Billing, Purchasing Supplier Approval, which it expressly determines that the application of the Corporate Social Responsibility criteria in the Purchasing and Supply Chain will be sought, and we carry out solidarity initiatives that incorporates~~e~~ the participation of employees and the Group at an institutional level, as detailed in the next few pages.

Regarding the Group's activity in 2021, we must highlight different milestones that occurred throughout this year:

- On 27 October 2021, the Parent Company signed an agreement with Beka Financial Markets Holding, S.L. for the sale of 100% of the shares of its subsidiary "Haya Titulización, Sociedad Gestora de Fondos de Titulización, SAU". The effects of this transaction are subject to a condition precedent consisting of the approval by the National Securities Market Commission (CNMV), which is pending to be received.

- In December 2021, Unicaja notified the early termination of its servicing contract with the Parent, which will be effective in June 2022. This termination is permitted in accordance with the conditions of the SLA contract and will result in a compensatory payment by Unicaja.

- During 2021, the Group has obtained different contracts for the management of real estate and recovery of credit assets with various institutional funds and financial institutions.

Recently, SAREB has made public the result of the tender process that has been carried for its new SMO contract and Haya has not been one of the selected servicer. Therefore, we will continue to provide the best service with the same levels of quality until June 2022, when the current contract expires (in December 2021, Sareb notified the Parent that its current servicing contract will not be extended beyond such date).

Finally, we are very pleased with the outcome of the refinancing process that we have undergone in the last months. In February we reach an agreement with the members of an ad hoc committee representing over 60% of Haya's 5.25% Senior Secured Notes due 2022 and Floating Rate Senior Secured Notes due 2022 and executed a lock-up agreement, pursuant to which the ad hoc committee have agreed to support the implementation of a debt refinancing and recapitalisation of the Group. Additional Noteholders have now acceded to the lock-up agreement, ensuring sufficient support to enable the recapitalisation to be implemented through an English law Scheme of Arrangement. This Recapitalisation is expected to have significant benefits for all stakeholders and allow Haya to preserve value while continuing on its path to becoming a leading player in the real estate servicing market by eliminating short-term refinancing risk and providing stability to the business; significantly improving its net worth and thereby strengthening its capital structure; and reducing its outstanding debt on day one through an initial redemption of a portion of the Existing Notes at par.

## 2. Situation of the entity

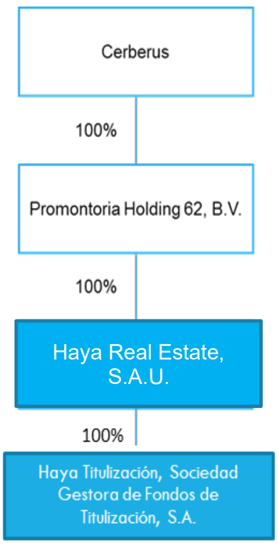
Haya Real Estate, S.A.U. was incorporated for an indefinite duration on May 28th, 2013 as Cornalata Servicios y Gestión, S.L, and is duly registered in the Mercantile Registry of Madrid in Volume 1547, General, Book 31,153, Folio 10, Section 8, Sheet No. M-560,663, Entry 1 with VAT Registration No. (CIF) B-86744349.

The entity's name was changed on 1 August 2013 to Promontoria Plataforma, S.L.U., before being changed to its current name on April 21st, 2014.

On April 25th, 2018, the Sole Shareholder agreed to modify the Parent's bylaws to become a public limited company, changing its company name to Haya Real Estate, S.A.U. (Sole Shareholder Company). The transformation was effective on May 7th, 2018.

Its registered office is at Calle Medina de Pomar 27, Madrid (Spain).

The corporate structure of Haya Real Estate, S.A.U. and subsidiary ("Haya" or the "Group") as of December 31st, 2021 is shown below:




On October 27th, 2021 the Parent Company, has signed an agreement with Beka Financial Markets Holding, S.L. for the sale of 100% of shares of the Parent's subsidiary "Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U". The effects of this transaction are currently subject to a condition precedent consisting of the approval by National Securities Market Commission (CNMV), which is pending to be received and is expected to be finalized during the first six months of 2022.

The Parent is a sole shareholder company wholly owned by Promontoria Holding 62, B.V. (the sole shareholder). Cerberus Capital Management L.P. ("Cerberus") advises funds that indirectly own 100% of the shares of the Parent, through the sole shareholder.

All of the Group's business activity is carried out in Spain, and mainly involves the following comprehensive services:

- Debt management and recovery: The Group actively manages and monitors its clients' portfolios of outstanding loans. For performing loans, the Group monitors the debtor's financial situation to anticipate a future default. It manages payments from debtors and performs necessary administrative functions. For NPLs, the Group assists in the analysis and implementation of a number of recovery strategies, including pre-legal recovery processes such as discounted pay-offs ("DPOs"), standstill payoffs, short sales, loan sales and portfolio sales. In addition, it manages legal recovery processes, such as foreclosure and insolvency processes and deeds in lieu ("DILs")

- Real estate asset management: The real estate asset management activities are centred on REO management activities such as asset onboarding activities (including reception of the assets and registration in IT systems), payment of taxes and debt cancellation. Once the asset is onboarded, the Group assists in analyzing any development work required, for example, construction or obtaining relevant urban planning permits, with the help of urban planning lawyers, architects and contractors. The Group also performs detailed appraisal analyses, and manages necessary repairs and incidents, where required.

- Real estate asset commercialization: The Group manages a number of commercialization activities on behalf of its clients, including the rental and sale of REOs, through a broad network of real estate brokers, its clients' bank branches, its internal salesforce and its own online platform. Its activities incorporate the management of rentals, implementation of marketing campaigns, contacting clients and arranging site visits, as well as the sale of asset portfolios. The Group also assists in the formalization of private contracts and public deeds and performs ongoing monitoring and reporting activities.

- Advisory and underwriting: The Group has a cross-functional advisory team that assists in managing the clients' portfolio through a variety of activities. The Group provides asset valuation services through a combination of automatic and manual valuation, performs extensive market research and offers extensive data analytics and statistical modeling.

- Value-added services: The Group's value-added services complement its core servicing business and consist of portfolio advisory services, securitization management and property management. The Group also leverages its direct contact with end customers to offer related products, such as mortgages, insurance, utilities and refurbishment services. It has a team that manages and assists in the development of land and projects under construction.

The Group's revenues in 2021 and 2020 derive mainly from servicing contracts (SLAs or Service Level Agreements) setting down the terms and conditions for the services. These contracts have fee structures generally based on:

- Volume-servicing fees: the percentage fee contractually agreed with the clients for each asset transaction or recovery managed by the Group on their behalf, based on its nature (i.e. the recovery or sale of debt, the conversion of NPLs to REOs or the commercialization of a REO).

- Asset management fees: the percentage fee contractually agreed with the clients charged on the amount of assets under management (AuM), except for Sareb contract where there is no asset management fee but rather a minimum fee to cover structure costs.

In addition, the Group derives its revenues from other business such as advisory, securitization and property management.

The main servicing contracts contributing to revenues in 2021 and 2020 are:

- Caixabank Group (former "Bankia"): The Group has been providing management services for real estate assets of the Caixabank Group under an SLA signed in April 2018, for an exclusivity period of ten years even though the agreement if for an indefinite period, which replaced a previous SLA signed in October 2013. In addition to volume-servicing and management fees, the SLA also establishes a success fee that the Group earns if certain benchmarks are achieved for the assets managed during the year. The SLA establishes certain service levels the Group has to achieve, which are measured regularly.

- Cajamar Group: The Group has been providing management services for the real estate and credit assets of the Cajamar Group since July 2014, under the SLA signed on June 10th, 2014, for a period of ten years. The SLA establishes certain service levels the Group has to achieve, which are measured regularly.

- SAREB: The Group has been providing management services for the real estate and credit assets of the Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (hereinafter, "SAREB") since January 2015, under an SLA that had a term of five years. This agreement expired on 31 December 2019. On October 30th, 2020, the Parent Company entered into a new servicing contract (SLA) with SAREB to service a portfolio of loans and Real Estate Owned assets with effective date from 1 January 2021 until June 30, 2022. The new SLA did not replace the original one signed in 2014 and did not require any upfront payment from the Parent Company. The new SLA establish certain service levels the Group has to achieve, which are measured regularly. In February 2022, SAREB has made public that the Group has not been selected to be one of its service providers for its new contract. Therefore, the Group won't extend the current contract which expires on June 30th, 2022

- Unicaja Group (former "Liberbank"): The Group has been providing management services for the real estate assets of the Unicaja Group since August 2017, under an SLA signed on 8 August 2017 for a period of seven years. The SLA establishes certain service levels the Group has to achieve, which are measured regularly. In December 2021 the Parent Company has received a formal notice from Unicaja communicating the early termination of the contract, which will be effective in June 2022, according to contractual terms.

- BBVA: in October 2018, the Group signed an agreement for the servicing of the BBVA Group's Spanish real estate assets, for a period of eight years and a potential renewal up to 2 additional years. The SLA establishes certain service levels the Group has to achieve, which are measured regularly.

- Divarian: in April 2019, the Parent Company signed a business purchase agreement with Divarian Propiedad, S.A. («Divarian»), the former internal servicing unit of BBVA acquired by Cerberus, for the integration of Divarian's servicing business in the Parent Company, including employees and other resources (mainly IT). The transaction was effective on 31 May 2019. At the same time, the Parent Company entered into a Service Level Agreement (SLA) with "Divarian Propiedad, S.A." and "Divarian Desarrollos Inmobiliarios, S.L." for the management of their REOs for a period of eight years. The Service Level Agreement did not require any upfront payment from the Parent Company, and the servicing business was acquired for 1 euro. The SLA establishes certain service levels the Group has to achieve, which are measured regularly.

- Apple: During 2019, the Group added one additional contract with Promontoria Manzana, S.A. and its affiliates, Global Licata, S.A. and Global Pantelaria, S.A. (owned through a JVCo 80% by Cerberus and 20% Banco Santander) for the management of real estate assets for a period of eight years.

The Group has expanded its activity since 2013, through acquisitions of asset management businesses from other financial institutions and of companies specialising in value-added services that complement its core business. The majority of the existing servicing contracts have required upfront payments in exchange for the exclusivity. The Parent is also the sole administrator of a few small portfolios of guaranteed real estate assets acquired by Cerberus.

**Business performance and results**

***Key indicators***

The nature of the Group's business requires it to use key indicators and alternative performance measures, which are regarded as essential for monitoring the development and performance of the business. These measures are defined and reconciled in the consolidated financial statements as explained in section 10 "Other relevant information":

| Key Indicators | Years ended December 31, 2021 | 2020 |
|---|---|---|
| Assets Under Management (GBV) | 29,503 | 32,287 |
| Transaction volumes (in € million) | 2,737 | 2,384 |
| Average Volume Servicing Fee | 4.01% | 3.57% |
| Average Management Fee | 0.19% | 0.17% |
| EBITDA (in € million) | 88.6 | 45.8 |
| Adjusted EBITDA (in € million) | 65.3 | 52.2 |
| Adjusted EBITDA Margin | 29.3% | 29.5% |
| Net Debt (in € million) | 307.8 | 372.8 |
| Leverage Ratio | 4.7 | 7.1 |
| Adjusted Capital Expenditures (in € million) | (10.1) | (13.5) |
| Adjusted Changes in working Capital (in € million) | 11.4 | 22.5 |
| Free Cash Flow (in € million) | 66.6 | 61.2 |
| Cash Conversion ratio | 102.0% | 117.2% |

***Environmental and human resources***

As explained in Note 1 to the consolidated financial statements, in view of the Group's business activities, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its consolidated equity, financial position and results.

The number of employees in the companies comprising the Group as of December 31st, 2021 amounted to 832, a 7% lower than in 2020.

Finally, as disclosed on the consolidated Notes, Group´s management is exploring all potential alternatives to minimize the impact of the excess of capacity derived from the termination of Sareb´s and Unicaja's contracts in 2022.

***Payments to suppliers***

"Average payment period to suppliers" means the time elapsed between the date of receipt of the goods or services by the Parent and the date of actual payment. The Parent Company has an online supplier platform where the maximum payment term applicable is thirty days for unless another date or payment term is established in the contract (as in the agency services contracts where the maximum payment term is 45 days), without this term exceeding sixty days under any circumstances. The payment term for suppliers is significantly influenced by the speed of the suppliers and creditors in invoicing for their services and/or, to a lesser extent, delivery of their products and also in the speed of the approval of the invoice by the respective department responsible. Currently, the Parent Company is working on streamlining the invoice approval process at each respective department, which has been drawn out during 2020 due to structural changes. The Group applies a procedure known to its suppliers and creditors under which most payments are made on the 5th and 20th day of each month.

Pursuant to the final provision two of Act 31/2014, of 3 December, amending the Spanish Limited Liability Companies Law, and the ICAC Resolution dated 29 January 2016, the average payment period (APP) for suppliers in 2021 was 64 days.

**3. <u>Liquidity and capital resources</u>**

Notes 11.5 and 14 of the consolidated financial statements describe the Group's capital management and liquidity risk policies.

Our liquidity requirements consist mainly of debt servicing requirements, capital expenditures and working capital. Historically, our principal sources of liquidity have been our net cash generated from operating activities and borrowings under the former syndicated facility or existing senior secured notes, and our revolving credit facility.

As of December 31st, 2021, our outstanding debt is a senior secured bond of €423.95 million signed in November 2017. Regarding to the short-term maturity of the Senior Secure Notes in 2022 the Group is proactively working on a refinancing process (see Note 1).

The Group, with its current cash generation capacity and the refinancing process, considers that has sufficient liquidity and capital resources to meet its current operating requirements even without the new SAREB servicing contract. Nonetheless, the Group's cash generation capacity depends on its future operating performance, which is dependent, to some extent, on a variety of factors, many of which are beyond its control and are detailed in "Main risks and uncertainties" section.

The Group has no off-balance-sheet transactions.

## 4. Main risks and uncertainties

The Parent has analysed the organisation's procedures and has identified and quantified potential sources of risk, taking appropriate measures to stop them from crystallising.

The main operational risks are as follows:

**Regulatory risk**

As a company authorised to set up, administer and act on behalf of securitisation funds and bank asset funds of various types, the subsidiary Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U. (en adelante Haya Titulización) operates in a highly regulated sector. The legal and regulatory provisions it is subject to at the European, national and local levels are constantly evolving, influencing the course of the Group's commercial operations. Specifically, Haya Titulización is required to comply with the provisions of Act 5/2015, of 27 April, on supporting business financing. In addition to ensuring that the interests of the creditors of the funds it manages are protected, Haya Titulización must also comply with various organisational and procedural requirements. Any failure to comply with these regulations could result in fines or other penalties. It is difficult to predict future changes to applicable laws and regulations. These changes may lead to additional, unexpected costs, or might interrupt commercial activities, negatively impacting Haya Titulización and its business, results and financial situation.

**Client concentration**

All of the Group's revenues and accounts receivable are mainly derived from service level agreements with a small number of clients (SAREB, the Caixabank Group, the Cajamar Group, the Unicaja Group, BBVA Group, and Divarian). These core contracts accounted for 91% of the Group's revenues in 2021. This degree of concentration entails a number of additional risks, which are discussed below.

There is also a risk that the Group's clients might decide to sell a substantial part, or all, of the asset portfolio managed by the Group to a third party, or might experience a change of control. If this were to occur, the majority contracts signed include clauses under which the Haya Group would receive compensation for any such sales or for early termination of the contract, mitigating the agreement cancellation risks. Depending on the date of an hypothetical cancellation, some losses may arise as a consequence of the difference between the termination fee and the book value of the upfront payments (accounted as intangible assets). Furthermore, the amount the Group would receive as compensation would be a single, lump sum payment with no future management or volume fees on the portion sold unless the Group is provided with the opportunity to service the portfolio for the new owner.

Since it was created, the Group has demonstrated its capacity to sign service provision agreements with new clients while expanding the portfolio of services it offers to the market, underpinned by development of IT applications that can integrate the asset databases of any entity. The high level of concentration is mitigated by the Group's leading technological offering and the diversity of its services.

**Business risk**

The Spanish banking sector is going through a market consolidation process, with multiple mergers being contemplated or discussed in 2021. This consolidation could potentially impact the real estate servicing sector as well and could adversely affect our future revenues In this context, our clients Bankia and Liberbank have finalized their respective merger processes with Caixabank and Unicaja, being our clients the acquired party. Regarding to Bankia and Caixabank's merger, the Group continues providing services to the merged entity. In relation to Liberbank and Unicaja merger, the Group has received in December 2021 a formal notice communicating the early termination of the contract which will be effective in June 2022. This early termination contract implies the Group to receive from Unicaja a termination fee. This termination fee would arise in those contracts in which Haya paid an upfront payment.

Similarly, our clients may decide to sell a significant part or the entire portfolio we manage to another institution, which would decrease our fees. If this were to occur, we would receive as compensation a single, lump sum payment with no future management or volume fees on the portion sold. Furthermore, if one or more of our clients or potential clients decide to sell a substantial portion or the portfolio we manage for them to institutional investors or investment firms that are competitors of Cerberus Capital Management, L.P., it may be difficult for us to renew or enter into new servicing contracts to manage those portfolios, given that Cerberus is the indirect sole shareholder of the Group. Failure to renew existing contracts or enter into new servicing contracts with these potential new clients may have a material adverse effect on our business, results of operations or financial condition.

Concentration in the financial sector or the sale of portfolios by our clients could also imply opportunities for the Group to compete for the bidding of future new servicing contracts for both financial institutions and institutional investors which would have a positive impact in the Group's future revenues. Likewise, the evolution of the Spanish real estate sector will affect the future activity of the Group as part of its revenues are linked to the commercialization of real estate assets and the recovery of loans of loans with real estate collateral.

**Financial Risks:**

***a. Market risk (including interest rate risk, exchange rate risk and other price risks):***

The Group's cash balances and borrowings are exposed to interest rate risk, which could have an adverse effect on its financial performance and cash flows. Some of the Group's debt is at variable interest rates, exposing it to changes in these rates. Any increase in these interest rates would increase the Group's debt servicing obligations.

The Group's variable interest-rate bonds and draw downs on its credit facility are subject to an interest rate indexed to the Euribor and periodically adjusted, plus a margin, which is also periodically adjusted. The Euribor may increase in future, which would result in additional interest costs, reducing the cash flow available for the Group's investments and limiting its capacity to meet the requirements generated by its debt.

Changes in interest rates modify the fair value of those assets and liabilities that accrue a fixed interest rate, as well as the future flows of the assets and liabilities referenced to a variable interest rate.

The Group's exposure to exchange rate risk is almost non-existent, as it has hardly any exposure to markets outside the eurozone.

***b. Credit risk***

In general, the Group holds its cash and cash equivalents in financial institutions with strong credit ratings.

The Haya Group's revenues stem mainly from volume-servicing and management fees from clients. Any delay or default on such payments by clients could have a material adverse impact on the Group's operating income. These deferred payments sometimes happen, although the Group works actively to manage and resolve any such delay efficiently.

***c. Liquidity risk***

The Group needs a significant volume of cash for its operations and to meet its financial obligations, given its level of indebtedness.

Its capacity to pay principal and interest to third parties and finance its operations and other payments that arise in the course of its activities depends on its future performance and its ability to generate cash which is subjected to a wide range of economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are outside its control.

To ensure its liquidity and capacity to meet the payment commitments that arise in the normal course of its business, the Group holds cash and cash equivalents as stated in the consolidated statement of financial position and has a EUR 15 million super senior revolving credit facility, which at year end has not been drawn down.

The bonds issued in 2017 imply, however, until their maturity or cancellation, restrictions on the Group's additional indebtedness and restrict the distribution of dividends to the Sole Shareholder. Additionally, as a result of their maturity in 2022, the Group presents a negative working capital of €188,346 thousand, being at the date of this report in a refinancing process (see Note 1).

### ***d. COVID 19 Risk***

The emerging spread of the global Coronavirus COVID-19 in the early months of 2020 caused a general decrease in Spanish economic activity, including the Group's real estate and debt recovery activity. In 2021 there was an improvement in the economy and the Group has experimented a gradual recovery. Nonetheless, the Group's management continues to assess the situation according to the best information available and take proactive and reactive measures where possible. Highlighted below are the measures the Group has taken to manage the following risks:

- Operational risk: despite of the decrease on the Group's volume activity in 2020, during 2021 the Group has experimented a gradual recovery of its activity compared with 2020 driven by economic recovery in Spain. In addition, part of the Group's revenue comes from a contractual asset management fee which is calculated as a % of assets under management, and the Group has a relatively high percentage of variable costs, which decrease proportionally with a decrease in volumes/sales transacted. In this context, the Group Management expects that the recovery of the activity will remain in the coming quarters and will compensate the performance during the COVID-19 crisis.

The losses of the Group for the year 2021 amount to EUR 11,708 thousand which have decreased the Group's net equity to EUR 3,446 thousand. As explained In Note 3.4 the Group has been exploring alternatives to reduce the refinancing risk, enhance its capital structure and reinforce its long-terms stability (see note 3.4) and is focused on maintaining sustainable business margins for 2022 and subsequent years with a gradual recovery in revenues and implementing cost reduction measures which should bring the Group back to profitability.

## 5. <u>Significant events after the reporting period</u>

No relevant events after the reporting period are to be informed, except for the ones described in Note 1 related to the refinancing progresses made in 2022 and the Sareb's tender process.

## 6. <u>Information on the Group's outlook</u>

The Haya Group's objective is to become the flagship real estate servicer in the Spanish market.

To this end, it is seeking to improve its efficiency while maintaining its effectiveness in the short term by focusing on improving its performance and operational stability, and exploiting its recently rolled out IT systems, which will enable it to integrate information from client asset portfolios directly into its systems.

The Group's strategy also includes increasing the ancillary services it offers to complement the core services that currently comprise its business, exploring all of the opportunities offered by its direct relationship with final clients in the developer and real estate sectors.

The objective also involves developing a number of strategic lines:

- A commercial focus on the key areas for the Group's clients.

- Improvement of internal procedures and further investment in sophisticated management systems to offer outstanding service to current and future clients.

The Group considers that the current situation in the Spanish economic activity as a result of the pandemic could present in the future an increase in credit defaults generating new NPLs inflows from its banking clients.

## 7. <u>R&D+i Activities</u>

The Group has invested heavily in developing its own IT systems for asset management, which are adapted to its needs and the needs of its clients. Full IT independence from its clients was achieved in 2017, a strength that sets it apart from its competitors. During 2021 and 2020, the Group has invested EUR 10,376 thousand and EUR 13,201 thousand, respectively, and will continue to invest within the next years in order to obtain competitive strength, reduce costs and improve the quality of our services.

## 8. <u>Treasury shares</u>

The Parent currently holds no treasury shares and held no treasury shares during 2021.

## 9. Use of financial instruments

The Group did not have any financial derivative in 2021.

## 10. Other relevant information

### Alternative Performance Measures (APMs)

As indicated in Note 3 to the consolidated financial statements, the Group draws up its consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU). In addition to the accounting information under IFRS-EU, the Group deems it appropriate to present a range of Alternative Performance Measures (APMs) to facilitate assessment of its performance. Users should use these APMs to complement - but not replace - the financial information presented in accordance with the presentation bases for the consolidated financial statements.

The key indicators used by the Group and its sector to describe its activities and performance are: Assets under Management (by total and by client), Transaction Volumes (by total and by type of transaction), Average Volume Servicing Fees and Average Asset Management Fees, EBITDA and Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin, Net Debt, Leverage Ratio, Capital Expenditures, Changes in Working Capital, Free Cashflow and Cash Conversion. The Group uses these measurements when planning its strategy, preparing budgets, reporting to the sole shareholder and reviewing the Group's performance.

The Group's management considers that these measures are commonly used among its peers in the industry. It considers measures based on EBITDA to be useful as they eliminate potential differences in operating income between the periods and companies being compared, due mainly to factors such as amortisation and depreciation, historic costs, the age of the assets, capital structures and tax regimes.

Details of the definitions, calculation and reconciliation of these APMs with the Group's consolidated financial statements are shown below:

***Assets under Management (by total and by client)***

The Group defines Assets under Management (AuMs) as the total contracted assets under management on which asset management fees are earned and which are comprised of NPLs and REOs, generally at the gross book value reflected in the client's balance sheets, or agreed upon reference price. The AuMs we manage can change for a specified period as a result of "inflows" (increases in AuMs resulting from new servicing contracts or additional AuMs from existing servicing contracts), "outflows" (decreases in AuMs resulting from the recovery or sale of NPLs or the commercialization of REOs) and RED conversions into REOs. The total amount of Assets under Management in a period forms the basis of our commissioning and is confirmed periodically with our clients.

This APM is used because it is understood to be a key measure to analyse and track our performance as it shows the base on which we earn our asset management fees and illustrate the volume of assets that we currently manage for our clients.

Given its nature we cannot reconcile this APM to either our or our clients' financial statements.

| | In € millions | |
|---|---|---|
| | December 31, 2021 | December 31, 2020 |
| Assets under Management (by client) | | |
| *Caixabank* | *2,857* | *2,909* |
| *Cajamar* | *3,726* | *4,677* |
| *Sareb* | *12,870* | *13,322* |
| *Unicaja* | *2,064* | *2,101* |
| *BBVA* | *1,621* | *1,924* |
| *Divarian (1)* | *3,645* | *4,288* |
| *Apple(1)* | *1,313* | *1,493* |
| *Other Cerberus Portfolios(1)* | *1,377* | *1,541* |
| *Other clients(1)* | *30* | *32* |
| **Assets under Management (total)** | **29,503** | **32,287** |

*(1)* Asset under Management indicated at "outstanding balance" for NPLs and "appraisal value" for REOs

As of December 31 ,2021 the AuMs decreased by €2,784 billion compared to December 31, 2020, mainly as a result of the natural evolution of recoveries under existing contracts.

***Transaction Volumes (by total and by type of transaction)***

The Group defines Transaction Volumes as the volume transacted on AuMs on behalf of clients and on which volume fees are earned. Transaction Volumes comprise:

- Transaction Volumes derived from the recovery or sale of NPLs, measured at the amount of cash recovered on the loan for our clients;

- Transaction Volumes derived from the achievement of certain milestones in connection with the conversion of NPLs into REOs (REO conversion) through foreclosures or bankruptcy proceedings, measured at the established amounts for such milestones in the applicable servicing contract;

- Transaction volumes derived from the commercialization of REOs, measured at sale price for our clients.

The total amount of Transaction Volumes transacted on a period forms the basis of our commissioning and is confirmed periodically with our clients.

This APM is used by the Group as a useful and relevant measure to show the base on which we earn our volume servicing fees and illustrate the volume of the transactions that we generate and manage for our clients in a given period by rendering our services.

Given its nature we cannot reconcile this APM to either our or our clients' financial statements.

| | In € millions | |
|---|---|---|
| | 2021 | 2020 |
| Transaction Volumes (by type of transaction) | | |
| *NPL* | 288.2 | 366.6 |
| *REO Conversion* | 492.3 | 700.7 |
| *REO* | 1,956.5 | 1,316.9 |
| **Transaction Volumes (total)** | **2,737.0** | **2,384.2** |

For the year 2021 compared to 2020, transaction volumes increased by €353 million (or 15%).

NPL volumes decreased by 21% (or €78 million) compared to 2020 mainly due to a large portfolio of NPLs sold in Caixabank during Q3'20. REO Conversion volumes decreased by 30% (or €208 million) when compared to 2020 mainly due to a lower activity in Q3'21 and Q4'21. REO volumes increased by 49% (or €640 million) compared to 2020 impacted by the progressive enhancement in economic activity and a large portfolio sold in Q4'21 in Cajamar.

***Average Volume Servicing Fees, and Average Asset Management Fees***

The Group defines Average Volume Servicing Fees, as volume servicing fees as per the consolidated financial statements divided by Transaction Volumes for a specified period.

Likewise, the Group defines Average Asset Management Fees as asset management fees as per the consolidated financial statements divided by the average Assets under Management for a specified period (such average being calculated using the AuMs at the beginning and the end of the relevant period as confirmed periodically with our clients).

These averages are relevant for the Group as they give an overall average for the fees received in terms of the volume of client activity and total assets managed by the Group, irrespective of the terms and conditions of the contract with each client.

Because of their nature, including information reported by our clients, these APMs cannot be reconciled directly with the Group's consolidated financial statements, but they provide a useful and relevant measure of the Group's performance and the overall trend in its revenues.

These averages were calculated as follows for 2021 and 2020:

| | In € millions, other than ratios | |
|---|---|---|
| | 2021 | 2020 |
| Volume servicing fees | 109.8 | 85.1 |
| Volume of transactions in the period (1) | 2,737.0 | 2,384.2 |
| **Average Volume Servicing Fees** | **4.01%** | **3.57%** |
| Asset management fees | 57.5 | 63.8 |
| Average Assets under Management in the period (2) | 30,895.0 | 36,693.0 |
| **Average Asset Management Fees** | **0.19%** | **0.17%** |

(1) According to the definition of this APM provided before.

(2) Calculated using the AuMs at the beginning and the end of the relevant period as confirmed periodically with our clients.

In relation to volume servicing fees as a % of volume there was an increase from 3.57% to 4.01% in 2021 when compared 2020 due to weight increase in REOs and the decrease in REOCO which have contractually lower % volume fee.

Asset Management Fees as a % of assets under management remains stable in LTM 2021 when compared to LTM 2020.

### *EBITDA and Adjusted EBITDA*

The Group defines EBITDA as the sum of net profit, corporate income tax, net financial expense, impairment and results on the sale of fixed assets, and depreciation and amortization. The Group defines Adjusted EBITDA as the sum of EBITDA minus non-recurring costs for the labor restructuring process that the Parent Company carried out in 2020 and the non-recurring costs and revenues in 2021.

The Group uses EBITDA and adjusted EBITDA as objective and comparable performance measures for assessing its payment and cash flow-generation capacity. The Group considers that it will continue using Adjusted EBITDA as long as there are isolated transactions that represent income or expense for the Group without an associated cash flow or transactions that are non-recurring in nature, and therefore need to be adjusted to ensure the usefulness and comparability of this indicator.

The reconciliation of this APM with the consolidated financial statements as follows:

| | Years ended December 31, (in € millions) *(unaudited))* | |
|---|---|---|
| | 2021 | 2020 |
| Profit (loss) for the period | (11.7) | (19.0) |
| Income tax (benefits)/ expenses | 3.7 | (7.6) |
| Finance income | (5.6) | (12.9) |
| Finance expenses | 24.8 | 28.0 |
| Depreciation and amortisation charge | 60.9 | 51.8 |
| Impairment and gains or losses on disposals of non-current assets | 16.5 | 5.5 |
| **EBITDA** | **88.6** | **45.8** |
| Non-recurring costs and (revenues) | (23.3) | 6.4 |
| **Adjusted EBITDA** | **65.3** | **52.2** |

In 2021, Adjusted EBITDA was €65.3 million, a 25% increase from Adjusted EBITDA 2020. This variance is explained by the increase of revenues of 26%, as a consequence of the increase in volumes previously explained and containment costs.

***EBITDA and Adjusted EBITDA Margin***

The Group defines the EBITDA Margin as EBITDA divided by revenues as per the consolidated financial statements. The Group defines the Adjusted EBITDA Margin as Adjusted EBITDA divided by revenues as per the consolidated financial statements. These APMs reflect the marginal return for the Group on each euro received, without considering costs that do not represent cash outflows, interest or tax.

These APMs arise from direct calculation based on one APM previously reconciled with the Group's consolidated financial statements the Group's revenues. These APMs were calculated as follows for 2021 and 2020:

| | In € millions, other than ratios | |
|---|---|---|
| | 2021 | 2020 |
| Adjusted EBITDA | 65.3 | 52.2 |
| Revenues | 223.0 | 177 |
| **Adjusted EBITDA Margin** | **29.3%** | **29.5%** |

***Net Debt***

The Group defines Net Debt as Debts with credit institutions, bonds and other securities, including accrued interests, less cash and cash equivalents, as shown in our consolidated statement of financial situation. This measure offers an objective view of the Group's net leverage. Lease liabilities applied under IFRS 16 are not computed in the Net Debt calculation.

The reconciliation of this APM with the consolidated financial statements is as follows:

| | In € millions | |
|---|---|---|
| | 2021 | 2020 |
| Debts with credit institutions, bonds and other securities | 424.9 | 426.8 |
| Cash and cash equivalents | (117.1) | (54.0) |
| **Net Debt** | **307.8** | **372.8** |

***Leverage Ratio***

The Group defines the Leverage Ratio as Net Debt divided by Adjusted EBITDA. This APM illustrates the Group's reliance on external funding, rather than own funds.

This APM arises from direct calculation of two APMs previously reconciled with the Group's consolidated financial statements. This APM was calculated as follows for 2021 and 2020:

| | In € millions, other than ratios | |
|---|---|---|
| | 2021 | 2020 |
| Net Debt | 307.8 | 372.8 |
| Adjusted EBITDA | 65.3 | 52.2 |
| **Leverage Ratio** | **4.7x** | **7.1x** |

***Capital Expenditures***

The Group defines Capital Expenditures as the sum of all the payments made for the tangible and other intangible assets in our consolidated statement of cash flows (excluding contract intangible assets). Payments for the right-of use assets are not included. The Group considers such indicators as relevant to measure the level of capital expenditures incurred to service its clients, particularly the capital expenditures incurred to develop the independent management IT platforms used to service its clients.

The reconciliation of this APM with the consolidated financial statements is as follows:

| | In € millions | |
|---|---|---|
| | 2021 | 2020 |
| Payments due to investments in: | | |
| Other intangible assets | (9.8) | (12.6) |
| Tangible assets | (0.3) | (0.9) |
| **Capital Expenditures** | **(10.1)** | **(13.5)** |

***Change in Working Capital***

The Group defines Change in Working Capital as the sum of increase/decrease in current assets plus increase/decrease in current liabilities plus the increase/decrease in other current assets and liabilities as shown in the operating cash flows section of our consolidated statement of cash flows. These APMs are presented as measures of the Group's capacity to continue the normal course of its business over the short term.

This APM reconciles with the consolidated financial statements as follows:

| | In € millions | |
|---|---|---|
| | 2021 | 2020 |
| (Increase)/decrease in current assets | 0.3 | 60.2 |
| Increase/(decrease) in current liabilities | 11.1 | (37.7) |
| **Change in Working Capital** | **11.4** | **22.5** |

***Free Cash flow***

The Group defines Free Cashflow as Adjusted EBITDA minus Capital Expenditures plus Change in Working Capital. This measures the cash available after operational needs have been met and after investment in fixed assets.

Because of its nature, this APM cannot be directly reconciled with the Group's consolidated financial statements, but provides a useful and relevant measure of the Group's performance and cash generating capacity.

This APM was calculated as follows for 2021 and 2020:

| | In € millions | |
|---|---|---|
| | 2021 | 2020 |
| Adjusted EBITDA | 65.3 | 52.2 |
| Capital Expenditures (-) | (10.1) | (13.5) |
| Changes in working capital (+) | 11.4 | 22.5 |
| **Free Cash Flow** | **66.6** | **61.2** |

***Cash Conversion***

The Group defines Cash Conversion as Free Cashflow divided by Adjusted EBITDA. The Group considers this indicator as relevant given that it shows in which proportion the Adjusted EBITDA is converted into cash in each period.

This APM arises from the direct calculation of two APMs previously reconciled with the Group's consolidated financial statements. This APM was calculated as follows for 2021 and 2020:

| | In € millions, other than ratios | |
|---|---|---|
| | 2021 | 2020 |
| Free Cash Flow | 66.6 | 61.2 |
| Adjusted EBITDA | 65.3 | 52.2 |
| **Cash Conversion** | **102.0%** | **117.2%** |

## 11. Non-Financial Information Statement

This non-financial information has been drawn up in accordance with the requirements laid down in Law 11/2018, of 28 December, which modified Spanish Commercial Law, the revised text of the Law on Capital Companies approved under Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Auditing of Accounts, regarding non-financial reporting and diversity.

### *11.1. Business*

The business activity of the Group involves mainly the debt management and recovery, real estate assets management and commercialization, and advisory and valuation services for the administration of the portfolios of clients, through diverse activities. Group revenues derive mainly from four main service contracts (SLAs or Service Level Agreements) which establish the commission charged on the services, and which are different in each contract, since the services provided vary. Furthermore, we have expanded our activity since 2013 through the acquisition of the asset management businesses from other financial institutions, and of other companies specialised in certain value-added services which complement their main business.

In 2021 and 2020, we have carried out our activity in Spain generating revenues of EUR 223,011 thousand and EUR 177,022 thousand, respectively.

The most relevant aspects for the Group have been defined as follows:

- Corporate Governance: transparency, ethics and integrity, risk management, prevention of corruption and bribery, and regulatory compliance.
- Environmental: sustainable use of resources, circular economy and climate change.
- Labour: equality and diversity, reconciliation, training and talent management and retention, health and safety and human rights
- Social: social commitment.
- Economic: sustainability of the business and tax contribution.
- Service management: customer relationships.

The Group has 20 leased work centres and a network of approx. 1,800 collaborators distributed throughout Spain (19 work centres and a network of over 1,800 collaborators in 2020). For this reason, this report considers Spanish territory to be local.

***Group's risks***

Given our activity, we have no significant environmental responsibilities, expenses, assets, provisions or contingencies with regard to the equity, financial situation or results of the Group.

With regard to social risks and personnel matters, as a consequence of the non-payment of the variable remuneration corresponding to the year 2020 given the economic situation and that the economic targets were not met in 2020, a collective dispute process has been raised by the union representatives in April 2021, for certain group of employees, appealing the Haya Real Estate´s decision not to pay any variable remuneration for this collective. In October 2021, at first instance the sentence was issued in favour of the employee representatives although it has been appealed by the Group and the sentence is pending final resolution. There are some individual claims that are judicially suspended until the resolution of the aforementioned collective dispute.

With regards to human rights, in Haya Real Estate we have no relevant risks deriving from the Group's commitment to the principles of ethical business and transparency in any of its areas of action as a result of the implementation of a set of principles and standards of conduct aimed at guaranteeing the ethical, responsible behaviour of all the professionals in the Group in the performance of their work. In addition, Haya Real Estate's adherence to the United Nations Global Compact, in the category of Signatory, is one more example of the firm intention of the company to support and develop the principles related to Human Rights, Labour Rights, the Environment and the fight against corruption within our sphere of influence.

We have identified and analysed possible sources of risk related to the activity of the Group, which have been quantified and the opportune measures have been taken to ensure that they do not occur. These risks are described in note 4 of the attached management report.

### *11.2. Group's philosophy: Company Mission, Strategy and Values*

At Haya Real Estate we want to apply and implement the best practices available in the various areas in which we operate.

Since the foundation of Haya Real Estate, we have worked with a clear Mission: to be the leading platform in debt management and real estate services in Spain, consolidating ourselves as a benchmark in the sector.

In addition, the Company's Vision reflects the sense of responsibility with good work and achieving the satisfaction of our customers.

The needs of our customers are our priority, so our goal is to offer them:

- Rigour and efficiency: a commitment to work with rigour and efficiency to achieve the objectives set.

- Transparency and equality: as essential elements in all our actions and as an indisputable basis to gain the trust of our customers.

- Excellence and professionalism: to ensure the satisfaction of their requirements and expectations.

- Commitment, trust and honesty: we firmly believe that diligence in our day to day operations is a necessary pillar to provide a responsible service at all levels.

- Responsibility: all our actions are aimed at strengthening the commitment made to our customers, demonstrating that they can trust us through an honest and rigorous service.

Finally, at Haya Real Estate we believe that the principles of Sustainable Development must be integrated into all our actions, as the backbone of our differentiation strategy and as an element that guarantees, on one hand, the long-term viability and permanence of the company, and, on the other, its ability to generate economic, environmental and social value. In this way, we adopt these principles as the basis of all our actions, and we reflect then with the values that seek to offer a service focused on each customer, acting in an ethical and socially responsible manner:

- Customers: in our day to day work we seek to offer the best possible service, respecting their commitments and placing customer satisfaction as an absolute priority. Customer orientation is not a mere declaration of intent but is the focus of each Haya professional and of the organisation as a whole.

- Ethics: we observe ethical and socially responsible actions in recognition of the role and responsibility that corresponds to private entities in the proper development and progress of society, and that must translate into respect for the legitimate rights of all natural and legal persons with which they are associated, and with those of society in general.

- Austerity: considered to be an obligatory value within the framework of the actions and decisions of each of the employees and professionals in the execution of their responsibilities.

- Proximity: the relationship with customers is based on professional attention and service, with quality, rigour, speed and closeness, which allow us to understand, anticipate and attend to their needs.

- Effort: dedication, involvement and commitment are hallmarks of the people that work at Haya.

- Rigour: Haya professionals work rigorously, making decisions with professional criteria, acting objectively, diligently, responsibly and efficiently.

- Order: order is a basic pillar at Haya to provide an efficient and quality service, coordinating a large number of different units, departments and activities. Compliance with the established procedures and the improvement of the systematisation of processes are obligations inherent to the daily activity of Haya

### *11.3.* Group’s stakeholders

At Haya Real Estate we consider our stakeholders are employees, shareholders and bondholders, suppliers, customers and society as a whole. In this way, we consider that this group comprises "all those persons or entities that at any time have maintained, maintain or will maintain, a potential or real relationship with Haya Real Estate”.

### *11.3.1 Employees*

***Group policy***

Our human resources culture is based on equality, endeavour, collaboration and commitment to the interests of our clients. The values that inspire the human resources policy of the Group are:

- ✓ EQUALITY IN SELECTION AND PROMOTION: in Haya real Estate we believe in and actively implements equal opportunities policies. Equality protocols have existed for both selection and promotion processes practically since the foundation of the Group, and they are applied in internal actions and in the Group. During 2021, the Group’s Equity Plan has been developed and negotiated with the employee representatives, being in its final review step prior signing it.
- ✓ STABILITY: We offer stable, quality jobs, with fixed contracts and salaries above the average for the sector.
- ✓ RECONCILIATION: We have a wide variety of active policies in favour of conciliation, considering that it undoubtedly favours the professional environment, the attraction and retention of talent and, with all this, productivity as a company. Within these policies, the existence of special schedules for the adaptation of the day to paternity, maternity and family care situations stands out, having obtained recognition as a "Baby Friendly" company by babyfriendlycompanies.com. Likewise, we have specific support measures such as having set up a lactation room in its main center in Madrid for use by employees who need it. During 2021, it has been implemented an active policy of digital disconnection, with training and awareness of the entire workforce, in addition to additional flexibility measures to those that already existed, highlighting the possibility of teleworking six days a month and expanding flexibility in schedules of entry and exit as measures to continue evolving in our Conciliation Policy.
- ✓ TRAINING: We are always committed to the continuous training of its workers with annual Training Plans drawn up prior to a detailed process of detecting the needs of all areas, and they are also presented to the workers' union representatives.
- ✓ COMPENSATION: We have a comprehensive compensation benefits package, thanks to which has achieved an award in 2021 at the Worker's Compensation competition organized by a major Human Resources publisher.
- ✓ OCCUPATIONAL HEALTH AND SAFETY: We have an in-house Prevention Service and a prevention policy to guarantee the health and safety of the entire workforce. Every year we offer medical examinations to employees, provides training and information on prevention of occupational hazards to new employees, and gives personal protective equipment. The workplaces have risk assessments and emergency plan that employees can consult. During the years 2020 and 2021, all measures against the pandemic have been reinforced with specific COVID-19 protocols that have been maintained in all centres.
- ✓ TRANSPARENCY AND INFORMATION: There is a policy of transparency and information with respect to the workers’ union representatives. The permanent provision of information and a fluid relationship with the workers is the basis of a track record of significant labour agreements with the workforce, and long-term harmonious labour relation. In the current year, the negotiation of a new variable remuneration model has been addressed, which has had the participation of the union representation, in addition to reaching an agreement to implement remote work and telecommuting permanently in the workplace with 100% of the working day labour for some employees.

During 2021, we have been working on an HR Transformation plan in which the main measures adopted have been to take:

- New organizational structures focused on the definition of current job positions and the definition of a remuneration model adapted to the new structures and benchmarked to the market which will allow for transparency and employee development.
- For the implementation of the new organisational model, work has been done on the description and assessment of all the company's jobs based on criteria of experience, training, responsibility for financial and personal resources, organisational processes, level of decisions, relationship with customers. etc. Based on this information, the Group's job map and the different organisational levels have been defined, which allows the Group to more effectively manage professional development and other talent management processes.
- Actions to expand remote working options as a measure to reconcile professional activity and the personal environment, as well as the safeguarding of the health of workers in environments linked to the COVID-19 pandemic, with various options and plans for returning to the work centres adapted to the circumstances and measures adopted by the health authorities.
- Other actions aimed at improving the work environment of employees (psychological care and support during the pandemic and lockdown situations and forced remote working due to health measures, improvement of the conditions of the health policy that provides coverage to employees, promotion of solidarity and collaborative actions, provision of personal protection equipment and additional safety measures for carrying out activities in work centres in a COVID-19 environment, among others).
- During the second half of 2021, we have worked on the design and implementation of a new concept of work environments with a specific project called Working Haya, which has led to the transformation of the company's forms and work spaces. In this way, work spaces have been optimized, as well as parking and means of travel to the centres, the conciliation policy has been improved through the implementation of teleworking and the expansion of the flexibility forks of entry and exit, a culture of non-territoriality has been implemented whereby workstations are optimized based on occupation, as well as an environment of clean spaces whereby the accumulation of paper has been reduced and greater efficiency in the treatment of waste. This project has been promoted by groups of "ambassadors" made up of employees from all organizational levels and areas of the company and accompanied by the Group's Human Resources team. During the year 2022, it is intended to continue working in this line and continue to evolve in the flexibility and optimization of the work environment.
- During the second and third quarters of 2021, the cultural transformation of the Group began, involving, in a first phase, all the directors of the company so that they have contributed their vision to the purpose and values that must shape the Group in the new reality he faces. During 2022, work will continue to define this culture at all levels of the company to achieve a shared vision that promotes the attraction and retention of talent.
- In the last quarter of the year, a measurement was made of the labour experience by the Group's employees throughout their life cycle in the company. This analysis, which has had a high participation of the workforce, will be analyzed with the Group's management to determine which initiatives can be improved or implemented during the year 2022 to achieve a better employer brand and increase the sense of belonging.

In accordance with Principle 4 of the Global Compact ("*Elimination of all forms of forced and compulsory labour*"), Haya Real Estate supports the elimination of all forms of forced or coerced labour. Proof of this are the different improvements mentioned in this report and that go beyond what is established in the applicable agreement. In addition, given its good reception among the workforce, the Company will work to maintain the maximum possible number of these measures in the future.

***Group's employees***

At Haya Real Estate we are aware that a large Company is composed by a professional human team.

As of 31 December 2021, the Group had 832 employees in its workforce, all of whom were based at the 20 workplaces in Spain (892 in 2020 all of them based at the 19 workplaces in Spain). As at 31 December 2021, 7 employees are in teleworking mode during 100% of their working hours due to there are no work centres in the zones.

As a relevant fact at the organizational level, the new organizational model has been implemented, which involves different categories based on criteria of experience, training, responsibility for economic and personal resources, organizational processes, level of decisions, relationship with clients, etc. This organizational model has caused a new organization structure specially in the Senior Management which has been reduced according to their professional functions, reinforcement their visibility and functional recognition with the Group.

In line with this new organizational model, throughout 2021 a new variable remuneration system has been implemented in line with the company's strategy, whose main objective is to maximize business results as well as encourage sales, implementing two variable remuneration models depending on the organizational family: general model for the entire company and commercial model for teams with commercial functions.

*Employees by type of contract*

As at December 2021 and 2020, all Group employees have a permanent employment contract. The Group's policy is clearly committed to stable employment policies since the Group's creation.

Temporary contracts, which are used for special projects, temporary peak working periods or to cover IT leave, are managed through duly authorised Temporary Employment Agencies. The number of employees in the Group as at 31 December 2021 and 2020 is detailed by sex, age and functions in the tables below:

***December 2021***

*Permanent contracts*

| Breakdown by age | 21-31 | 31-41 | 41-51 | 51-61 | 61-71 | Total |
|---|---|---|---|---|---|---|
| Men | 23 | 115 | 160 | 85 | 1 | 384 |
| Women | 30 | 172 | 186 | 60 | 0 | 448 |
| **Total permanent contracts** | **53** | **287** | **346** | **145** | **1** | **832** |

| Breakdown by function | Middle Management and Staff | Managers | Senior Management | Total |
|---|---|---|---|---|
| Men | 353 | 24 | 7 | 384 |
| Women | 423 | 22 | 3 | 448 |
| **Total permanent contracts** | **776** | **46** | **10** | **832** |

***31 December 2020***

*Permanent contracts*

| Breakdown by age | 21-31 | 31-41 | 41-51 | 51-61 | 61-71 | Total |
|---|---|---|---|---|---|---|
| Men | 31 | 132 | 184 | 82 | 2 | **431** |
| Women | 30 | 182 | 192 | 57 | - | **461** |
| **Total permanent contracts** | **61** | **314** | **376** | **139** | **2** | **892** |

| Breakdown by function | Middle Management and Staff | Managers | Senior Management | Total |
|---|---|---|---|---|
| Men | 392 | 31 | 8 | **431** |
| Women | 439 | 19 | 3 | **461** |
| **Total permanent contracts** | **831** | **50** | **11** | **892** |

*Employees by type of working day*

There are no part-time or permanent seasonal employment contracts as at 31 December 2021 either 2020. All contracts are full-time, though some employees have opted to reduce the working day as a reconciliation measure, as established under applicable regulations.

***December 2021***

| Breakdown by sex | Men | Women | Total |
|---|---|---|---|
| Full-time | 384 | 422 | 806 |
| Reduced working day | - | 26 | 26 |
| **Total** | **384** | **448** | **832** |

| Breakdown by age | 21-31 | 31-41 | 41-51 | 51-61 | 61-71 | Total |
|---|---|---|---|---|---|---|
| Full-time | 52 | 274 | 334 | 145 | 1 | 806 |
| Reduced working day | 1 | 13 | 12 | - | - | 26 |
| **Total** | **53** | **287** | **346** | **145** | **1** | **832** |

| Breakdown by function | Middle Management and Staff | Managers | Senior Management | Total |
|---|---|---|---|---|
| Full-time | 750 | 46 | 10 | 806 |
| Reduced working day | 26 | - | - | 26 |
| **Total** | **776** | **46** | **10** | **832** |

***31 December 2020***

| Breakdown by sex | Men | Women | Total |
|---|---|---|---|
| Full-time | 429 | 429 | **858** |
| Reduced working day | 2 | 32 | **34** |
| **Total** | **431** | **461** | **892** |

| Breakdown by age | 21-31 | 31-41 | 41-51 | 51-61 | 61-71 | Total |
|---|---|---|---|---|---|---|
| Full-time | 61 | 300 | 357 | 138 | 2 | **858** |
| Reduced working day | - | 14 | 19 | 1 | - | **34** |
| **Total** | **61** | **314** | **376** | **139** | **2** | **892** |

| Breakdown by function | Middle Management and Staff | Managers | Senior Management | Total |
|---|---|---|---|---|
| Full-time | 797 | 50 | 11 | **858** |
| Reduced working day | 34 | - | - | **34** |
| **Total** | **831** | **50** | **11** | **892** |

*Number of terminations employment during the year*

In the 2021 financial year, 189 employees left the Group:

***2021***

| Breakdown by sex | Men | Women | Total |
|---|---|---|---|
| Number of dismissals | 25 | 16 | **41** |
| Number of resignations | 43 | 32 | **75** |
| Number of terminations for other reasons (retirement, death, etc), including employees with a right to return to their previous company. | 44 | 29 | **73** |
| Turnover (including all terminations) (% calculated over total number of employees) | **13.13%** | **9.03%** | **22.16%** |

| Breakdown by age | 21-31 | 31-41 | 41-51 | 51-61 | 61-71 | Total |
|---|---|---|---|---|---|---|
| Number of dismissals | 2 | 15 | 9 | 13 | 2 | **41** |
| Number of resignations | 16 | 32 | 26 | 1 | - | **75** |
| Number of terminations for other reasons (retirement, death, etc), including employees with a right to return to their previous company. | - | 20 | 37 | 14 | 2 | **73** |
| Turnover (including all terminations) (% calculated over total number of employees) | 2.11% | 7.85% | 8.44% | 3.28% | 0.47% | **22.16%** |

| Breakdown by function | Middle Management and Staff | Managers | Senior Management | Total |
|---|---|---|---|---|
| Number of dismissals | 40 | 1 | - | **41** |
| Number of resignations | 70 | 5 | - | **75** |
| Number of terminations for other reasons (retirement, death, etc), including employees with a right to return to their previous company. | 64 | 8 | 1 | **73** |
| Turnover (including all terminations) (% calculated over total number of employees) | 20.4% | 1.64% | 0.12% | **22.16%** |

In the 2020 financial year, 311 employees left the Group:

***2020***

| Breakdown by sex | Men | Women | Total |
|---|---|---|---|
| Number of dismissals | 77 | 86 | **163** |
| Number of resignations | 33 | 28 | **61** |
| Number of terminations for other reasons (retirement, death, etc), including employees with a right to return to their previous company. | 51 | 36 | **87** |
| Turnover (including all terminations) (% calculated over total number of employees) | 18.05% | 16.82% | **34.87%** |

| Breakdown by age | 21-31 | 31-41 | 41-51 | 51-61 | 61-71 | Total |
|---|---|---|---|---|---|---|
| Number of dismissals | 15 | 52 | 81 | 6 | 9 | **163** |
| Number of resignations | 19 | 28 | 13 | 1 | 0 | **61** |
| Number of terminations for other reasons (retirement, death, etc), including employees with a right to return to their previous company. | 3 | 14 | 50 | 18 | 2 | **87** |
| Turnover (including all terminations) (% calculated over total number of employees) | 4.15% | 10.54% | 16.15% | 2.80% | 1.23% | **34.87%** |

| Breakdown by function | Middle Management and Staff | Managers | Senior Management | Total |
|---|---|---|---|---|
| Number of dismissals | 149 | 13 | 1 | **163** |
| Number of resignations | 55 | 4 | 2 | **61** |
| Number of terminations for other reasons (retirement, death, etc), including employees with a right to return to their previous company. | 70 | 14 | 3 | **87** |
| Turnover (including all terminations) (% calculated over total number of employees) | 30.72% | 3.48% | 0.67% | **34.87%** |

*Labour Restructuring Process*

On January 20, 2020 Haya Real Estate announced to employees, union representatives, bondholders and other stakeholders its intention to launch a labour restructuring process with the objective to create a more agile, efficient and customer-focused organization. The negotiation period with the employee representatives began on February 10, 2020 and lasted until March 10. On March 10, 2020 Haya Real Estate and the employee representatives reached an agreement in which they defined the total number of dismissals, the severance package and a voluntary period for the adherence to the labour restructuring process. This labour restructuring process was completed on 30 April 2020 with total employee exits of 136.

*Mean remuneration*

During 2021, the Group has changed the main remuneration trend. This trend reflected that the origin of the workforce came from entities acquired in the Group's constitution or from subsequent growth, mainly financial entities and real estate companies linked to them (in 2020 the origin of the workforce from absorbed entities was over 60%). In 2021, around 49% of the workforce has been directly hired by the Group and the remaining 51% comes from acquired entities on which there was an obligation to maintain their original remuneration.

The aforementioned factor together with the active gender equality policies established, has allowed this initial differential to be moderated and to become more closely adjusted to the real estate market, reducing the existing gender wage gap compared to previous year to levels below 25%.

In 2021, the ratio between the minimum mean remuneration paid by the Group and the minimum mean remuneration established by law has been 1.52 (1.32 in 2020).

The mean remuneration includes the fixed and variable salary, mobility compensation and the financial cost of social benefits, such as company insurance schemes (CIS), life insurance and medical insurance, among others for the employees, excluding the executive directors of the Parent (which are detailed in the paragraph "*Remuneration of the Board of directors and Senior Management*" ):

***2021***

| Breakdown by sex | Men | Women |
|---|---|---|
| Mean remuneration (in Euros) | 64,147 | 48,878 |

| Breakdown by age | 21-31 | 31-41 | 41-51 | 51-61 | 61-71 |
|---|---|---|---|---|---|
| Mean remuneration (in Euros) | 38,444 | 48,521 | 57,030 | 74,442 | 50,435 |

| Breakdown by function | Middle Management and Staff | Managers | Senior Management |
|---|---|---|---|
| Mean remuneration (in Euros) | 48,919 | 124,430 | 308,934 |

***2020***

| Breakdown by sex | Men | Women |
|---|---|---|
| Mean remuneration (in Euros) | 52,053 | 38,856 |

| Breakdown by age | 21-31 | 31-41 | 41-51 | 51-61 | 61-71 |
|---|---|---|---|---|---|
| Mean remuneration (in Euros) | 32,223 | 39,555 | 46,819 | 58,870 | 79,928 |

| Breakdown by function | Middle Management and Staff | Managers | Senior Management |
|---|---|---|---|
| Mean remuneration (in Euros) | 40,694 | 90,301 | 196,405 |

<u>*Salary gap*</u>

As mentioned previously, a large part of the gender salary gap is due to the historical salaries in the Group, which are influenced by the origin of the workforce, proceeding from different companies acquired by or merged with the Group, since one of the precepts in all corporate operations has been respect for pre-existing remuneration. This trend has changed in 2021 given that around 50% of the workforce has been hired by the Group which is similar to 50% of the workforce proceeding from different companies. This fact together with the policies of the Group that is firmly and actively committed to the equality in both the composition and remuneration of its workforce has made possible to reduce the gender wage gap below 25%.

***31 December 2021***

| Breakdown by age | 21-31 | 31-41 | 41-51 | 51-61 | 61-71 | Total |
|---|---|---|---|---|---|---|
| Salary Gap (1) | 20.28% | 20.15% | 18.88% | 26.13% | -* | 23.80% |

*No women for the age range

| Breakdown by function | Middle Management and Staff | Managers | Senior Management | Total |
|---|---|---|---|---|
| Salary Gap(1) | 19.95% | 14.58% | 19.60% | 23.80% |

Calculated as follows: $\frac{(average\ gross\ \ salary\ for\ men - average\ gross\ salary\ for\ women)}{\text{average gross salary for men}}$

***31 December 2020***

| Breakdown by age | 21-31 | 31-41 | 41-51 | 51-61 | 61-71 | Total |
|---|---|---|---|---|---|---|
| Salary Gap (1) | 29.05% | 22.54% | 22.41% | 24.84% | -* | 25.35% |

*No women for the age range

| Breakdown by function | Clerical staff and department heads | Directors | Senior Management | Total |
|---|---|---|---|---|
| Salary Gap(1) | 21.82% | 13.32% | 6.92% | 25.35% |

(1) Calculated as follows: $\frac{(average\ gross\ \ salary\ for\ men - average\ gross\ salary\ for\ women)}{\text{average gross salary for men}}$)

*Remuneration of the Board of directors and Senior Management*

There is an Nominations and Compensation Committee of the Board of Directors which periodically reviews both the general policies for variable remuneration in the Group and, annually, the remuneration of the upper management.

During 2021, the functions corresponding to directors of the Parent were performed by five men and one woman (five men and one woman during 2020). Also, at 2021 year-end, the functions corresponding to senior management of the Parent are performed by eight men and three women (eight men and three women at 2020 year-end), one of which (man) is an executive director of the Parent (one man at 2020 year-end). The nature and amount of the remunerations received by the people who have formed part of the Board of directors and the senior management (those who are not directors) of the Parent in the years 2021 and 2020, is as follows:

***2021***

| | Thousands of euros | | | | | | |
|---|---|---|---|---|---|---|---|
| | Fixed remuneration | Variable remuneration | Remuneration in kind | Compensation | Severance | Total | Pending |
| Directors | 1,116 | 795 | 2 | - | - | 1,913 | 783 |
| Senior Management | 1,849 | 1,017 | 36 | 67 | 36 | 3,005 | 979 |

***2020***

| | Thousands of euros | | | | | | |
|---|---|---|---|---|---|---|---|
| | Fixed remuneration | Variable remuneration | Remuneration in kind | Compensation | Severance | Total | Pending |
| Directors | 1.012 | 488 | 1 | 210 | - | 1.711 | 488 |
| Senior Management | 2.774 | - | 17 | 100 | 300 | 3.191 | - |

In 2021, the mean remuneration of the Directors (men), excluding the compensation amount and considering the executive functions performed by the Chief Executive Director, amounted to EUR 382 thousand (EUR 295 thousand in 2020). The mean remuneration of the Senior Management men and women in 2021 (eight men and three women), excluding the compensation and severance amounts, amounted to EUR 299 thousand and EUR 259 thousand, respectively (in 2020 amounted to EUR 139 thousand and EUR 179 thousand, respectively).

In 2021, the variable remuneration presented in the table above includes the amount accrued from multi-year incentive plans based on achieving the performance of the Group's activity. Only the executive members of the Board of Directors and the senior management are entitled to receive variable remuneration and incentive plans.

In 2020, no employees, including the Group's senior management, received variable compensation due to the pandemic.

The commitments of the Parent in 2021 for pensions for senior management personnel amount to EUR 71 thousand (EUR 118 in the year 2020) and EUR 20 thousand for Directors (EUR 24 in the year 2020). In 2021, obligations were also assumed for life insurance for senior management personnel for a total of EUR 23 thousand (EUR 17 thousand in the year 2020), and EUR 2 thousand for Directors (EUR 1 thousand in the year 2020).

In the year 2021, a total of EUR 60 thousand was paid for the civil liability insurance premium of the Parent’s directors (EUR 34 thousand in 2020).

The Nominations and Compensations Committee approved in 2020 the equal remuneration for men and women for the year 2020 for the members of the Board of Directors. In addition, on June 2020 the Board of Directors approved to reduce 25% the non-executive Directors remuneration for the year 2020 in the framework of the COVID-19 pandemic.

*Implementation of measurement to disconnect from work*

In line with article 88 of Organic Law 3/2018, dated 5 December, on the Protection of Personal Data and Guarantee of Digital Rights, we have implemented a policy of Digital Disconnection of measures regarding to the exercise of the right to digital disconnection, to favour the reconciliation of personal, family and professional life, expressly recognising the right of the workers that make up the Group, regardless of their rank, to disconnect digital devices. The aforementioned policy has been approved and communicated to the entire Group after informing and consulting the workers' representatives.

This policy, which is applicable to the Group workers and is managed by the Human Resources area, includes the following measures:

*ONE*

In Haya real Estate we recognise and guarantee the right to digital disconnection of its workers once their working hours have ended, in accordance with the provisions of the applicable regulations at all times. Said disconnection guarantees the right not to respond to any work communication received by any means (mail, telephone, SMS, WhatsApp ...) once the working day is over. This right is also recognised in periods of rest, weekends, vacations and sick leave. This right will be exempted due to urgency, necessity or force majeure that may cause serious or imminent damage to the business or activity of the Group.

*TWO*

The Group employees must make a consistent and responsible use of technological means in order to make the right to digital disconnection effective, be that their own and that of their colleagues. Compliance with this Policy must be observed in a particularly scrupulous way by the people who have teams under their supervision.

*THREE*

Whenever it is necessary to contact a Group worker outside of their working hours for exceptional and urgent reasons, the communication will preferably be done by telephone.

*FOUR*

We expressly recognise the right to digital disconnection, in the terms established in the applicable legislation. Employees may, if they deem it appropriate, carry out computer communications outside of their working hours, with priority of, as already indicated, scheduled communication. Any employee who makes communications outside of working hours will bear in mind that it may not be answered until the beginning of the receiver's working day.

*FIVE*

We will carry out specific awareness, training and information campaigns to guarantee the understanding and proper exercise of the right to digital disconnection. It will be specifically the responsibility of the people responsible for equipment to ensure the awareness of the people under their supervision, promoting, guaranteeing and setting an example of the responsible use of technological means in order to uphold the right to digital disconnection.

SIX

The exercise of the right to digital disconnection may not negatively affect the career development of the Group's employees. There will be no disciplinary or sanctioning measures derived exclusively from the correct exercise of this right.

*Employees with disabilities*

As at 31 December 2021, there were 3 employees with disabilities in the workforce (2 employees as at 31 December 2020). As a complementary measure approved by the labour authorities, there is recurrent collaboration with the Adecco Foundation for the integration of employees with disabilities, and we made a contribution in 2021 of a total amount of EUR 121 thousand (EUR 169 thousand in 2020). In addition, we have entered into an agreement with a Special Employment Centre, which has the purpose of providing employment for people with disabilities, to provide reception services in our headquarter.

***Organisation of work***

*Organisation of working time*

Annual working hours are those established in the applicable Collective Agreement, namely 1,772 hours. However, the general timetable of the company requires the effective performance of fewer hours per year, unless it is essential to work extra hours due to exceptional peaks of work, without exceeding, in any case, the applicable annual working time.

The generally applicable working timetable is:

*Winter Timetable (from 16 September to 14 June):*

- Monday to Thursday: Flexible starting time between 08:00 h and 10:00 h, finishing, depending on the starting time, between 17:30 h and 19:30 h, with one and a half hours unpaid rest period. *

- Friday: Flexible starting time between 08:00 h and 10:00 h, finishing, depending on the starting time, between 15:00 h and 17:00 h.

* Lunch break, between approximately 14:00 h and 16:00 h.

*Summer Timetable (from 15 June to 15 September):*

- Monday to Friday: Flexible starting time between 08:00 h to 10:00 h, finishing, depending on the starting time, between 15:00 h and 17:00 h.

*Number of hours of absence from work*

***2021***

| | |
|---|---|
| Hours of absence 2021 | 65,535 |
| Absence rate 2021 | 4.39% |

***2020***

| | |
|---|---|
| Hours of absence 2020 | 71,075 |
| Absence rate 2020 | 4.40% |

*Measures to facilitate reconciliation and encourage joint exercise of the measures by both parents*

The Group applies different measures over and above those which are legally required:

- **Temporary sick leave:** The Social Security benefit is complemented up to 100% of the salary until the 18th month of leave and 87.5% from the 18th month onwards.

- **Timetables**

  ✓ Timetable on the eve of public holidays: the same working hours as Fridays, with an uninterrupted working day.

  ✓ Employees with children under 14: the employees may reduce their lunch break by 30 minutes if the the service to provide is covered and they can finish their working timetable 30 minutes earlier.

  ✓ Employees with children under 8, with disabilities or with serious illness (affecting themselves, their spouse or partner, or family members up to the second degree of consanguinity or affinity) or who care for dependent family members, and who have seniority of at least three years in the company:

  *Winter Timetable (uninterrupted working day):*

  Monday to Thursday: from 08:00 h to 16:00 h.

  Friday: Flexible starting time between 08:00h and 10:00h, finishing, depending on the starting time, between 15:00 h and 17:00 h.

- **Maternity and paternity support programme**: A support programme is available for employees who are expecting a child. They are given an informative book when they communicate to the company the pregnancy or future paternity. Some months before the birth, the HR team provides them with information regarding their employment situation and the procedures to follow. When the baby is born, they receive a personalised layette and, finally, when they return to work, they receive another gift for the baby. This programme has received the bronze award from the babyfriendlycompanies.com website. We have also set up a lactation room in our Madrid office to support women who wish to continue breastfeeding after their maternity leave during the period recommended by the World Health Organization.

- **Teleworking:** In order to improve work flexibility within the Group, the employees can choose teleworking mode six days maximum per month. In addition, in those places where we do not have offices remote work 100% of the worktime is permitted and in those circumstances, we contribute economically to cover the costs for the labour activity including equipment.

The following table gives some indicators of the exercise of parental leave in 2021 and 2020:

***2021***

| | Men | Women |
|---|---|---|
| Total number of employees who have had the right to parental leave | 28 | 23 |
| Total number of employees who have chosen to use their parental leave | 28 | 23 |
| Rate of return to work and retention of employees after enjoying parental leave | 100% | 100% |

***2020***

| | Men | Women |
|---|---|---|
| Total number of employees who have had the right to parental leave | 35 | 35 |
| Total number of employees who have chosen to use their parental leave | 35 | 35 |
| Rate of return to work and retention of employees after enjoying parental leave | 100% | 100% |

*Health and safety*

*Target 8.8 Protect labour rights and promote safe and secure working environments for all workers*

Our business is the management and commercialization of real estate assets and the management of the debt of credit promoters (management of both performing and non-performing debt) and the recovery process (recovery and cancellation of the guarantee, collection, refinancing, sale), and as such we have a prevention policy which is a basic element of a prevention management system, allowing the implementation of a culture of prevention at all organisational levels of the company and in all of our workplaces, progressively increasing the levels of well-being and protection of the personnel with respect to the occupational risks which might exist in the sector and in the workplace.

In addition, we have a mixed preventive modality, the Self Prevention Service was established in 2016 and takes on the technical specialities of Safety and Ergonomics and Psychosociology, and the Industrial Hygiene and Health Surveillance specialities are in coordinated through a third-party prevention service.

The main preventive actions of the Prevention Service during 2021 have been:

- ✓ Occupational Risk Prevention Plan, carried out in 2016 and last updated in January 2021. The Prevention Plan contains and embodies the Prevention Policy approved by the Board of Directors on 26/03/2019.

- ✓ Annual Report 2020 and Annual Program 2021 of the Group's Prevention Service.

- ✓ Health Insurance Coverage for Employees: employees have medical insurance, with the main coverage of medical assistance, with in addition dental coverage, pharmaceutical expenses and psychological care.

- ✓ Regular meetings with the Health and Safety Committees of the Madrid, Valencia, Almería and Barcelona work centres:

- ✓ Evaluation of Occupational Risks and Planning of Preventive Activity. In 2021, the reports of new work centres of the company have been prepared, as well as those of the "remote working" modality.

- ✓ Emergency management: In 2021, the emergency brigades of the company's work centres have been set up and updated, emergency plans for the new work centres have also been drawn up and four drills have been organized.

- ✓ Compliance with the Coordination of Business Activities with concurrent suppliers in the work centres.

- ✓ Management of accidents at work.

The following table gives some indicators of Accidents at Work in 2021 and 2020:

**2021**

| | Men | Women |
|---|---|---|
| Number of accidents leading to leave | - | - |
| Number of days lost due to accidents leading to leave | - | - |
| Number of real hours worked by employees | 666,739 | 718,826 |
| Frequency rate | - | - |
| Severity index | - | - |

***2020***

| | Men | Women |
|---|---|---|
| Number of accidents leading to leave | 1 | - |
| Number of days lost due to accidents leading to leave | 20 | - |
| Number of real hours worked by employees | 788,409 | 815,527 |
| Frequency rate | 1.27 | - |
| Severity index | 0.03 | - |

*Health and safety measures against the COVID-19*

During 2021 and 2020, the Group's Prevention Service carried out complementary actions in accordance with the pandemic situation caused by COVID-19, including:

- Action Protocol in case of infected employees, close contacts and suspected cases of COVID-19.
- Monitoring of employees affected by COVID-19 (confirmed cases, suspected cases, close contacts in work and personal spaces).
- Delivery of masks and gloves.
- COVID-19 tests for employees.

*Target 8.8 Protect labour rights and promote safe and secure working environments for all workers*

*Psychosocial Risk Assessment*

During the last quarter of 2021, the Group's Prevention Service has started the Psychosocial Risk Assessment of its employees and has set up a working group with representatives of the company and workers.

*Labour Relations*

The Collective Agreement applicable in the Group is the Real Estate Management and Mediation Sectoral Agreement, which is applied to 100% of the employees in the workforce. The Collective Agreement applicable in the subsidiary company Haya Titulización is the Office collective Agreement for Madrid.

Dialogue and the exchange of information between us and the workforce, through their different representatives, is fluid, with full respect for freedom of unionisation and representation. Over the history of the company, there have been six significant employment agreements with the employees' union representatives, which are applied to the entire workforce or whose effects have been extended to all of the employees even though they did not fall within their scope of application.

In accordance with Principle 3 of the Global Compact ("*Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining*"), in Haya Real Estate we actively support freedom of association and the effective recognition of the right to collective bargaining. For this reason, the various employee representatives have e-mail mailboxes to send the communications they deem necessary to the workforce, in addition to putting notice boards at their disposal in the main headquarters. In addition, with the firm objective of optimising the information received by employees, we will promote the channels of information, communication and consultation that the Company Committees or Personnel delegates express as being necessary.

In 2021 and 2020 there are 37 union representatives in the Group, sitting on Company Committees or as Personnel delegates representing the 5 main centres of work and 8 representatives of the 3 Company Trade Union Sections accredited in the Group.

In 2021, the standardization of a new the variable remuneration system in line with the Group's strategy, which main objective is to maximize business results as well as encourage sales, was implemented. The definition of the new variable remuneration system stablishes a single system applicable to all Group’s employees and replacing the previous one derived from multiple integration and merger transactions within the Group, Although the negotiation process ended without a labour agreement, the new variable remuneration system has been implemented taking into consideration some perspectives made during such process by the union representatives. No legal proceedings have been raised regarding to this new variable remuneration system by the Union representatives

In addition, an agreement was reached on the implementation of teleworking and remote work in the Group, which establishes the minimum requirements that remote work must have for those workers who are going to work 100% remotely.

In 2021 based on the economic situation, the Group proceed to not to pay any variable remuneration for 2020 as economic targets were not met. In April 2021 the employee representatives have raised a collective dispute process contesting, for certain group of employees, the Group´s decision not to pay any variable remuneration for 2020. This sentence is pending final resolution. In addition, there are some individual claims that are judicially suspended until the resolution of the collective dispute.

***Training***

In Haya Real Estate we have an Annual Training Plan which is revised and designed specifically each year in order to adapt it to the needs of the employees, company strategy and regulatory requirements.

The Annual Training Plan is designed meeting the specific needs reported by the business units, through survey to Senior Management, and including all the standardized trainings that are carried out on annual basis. Once it has been drawn up, it is reported to the union representatives, making any adaptations that are requested by the representatives if they are feasible within the Annual Plan.

The methodology seeks a balance between classroom, online and mixed training, in line with the effectiveness, flexibility and accessibility of the training programmes.

In 2021, 132 training actions were undertaken, with 4,245 trainees and 18,343.9 hours of training given (most of the training hours were for Clerical staff and department heads), of which 16,118.4 hours have been online. This training actions have been impacted by the COVID-19 situation. In 2020, 184 training actions were undertaken, with 5,030 trainees and 20,132,9 hours of training given (most of the training hours were for Clerical staff and department heads), of which 15,863 were online.

| 2021 PROJECTS | Trainees | | Total Hours | |
|---|---|---|---|---|
| 1. Real Estate training | 568 | 13% | 2,382.5 | 13% |
| 2. Technological training | 53 | 1% | 1,098 | 6% |
| 3. Management Development skills and culture | 715 | 17% | 7,630 | 42% |
| 4. Regulation/Compliance | 1510 | 36% | 1,797 | 10% |
| 5. Prevention of Occupational Risks | 239 | 6% | 473.5 | 2% |
| 6. Languages | 357 | 8% | 3,784.9 | 20% |
| 7. Webinars | 751 | 18% | 1,074 | 6% |
| 8. Other (cybersecurity) | 52 | 1% | 104 | 1% |
| **TOTAL** | **4,245** | **100%** | **18,343.9** | **100%** |

| 2020 PROJECTS | Trainees | | Total Hours | |
|---|---|---|---|---|
| 1. Real estate training | 346 | 6.9% | 3,131 | 15.6% |
| 2. Corporate tools | 587 | 11.7% | 1994 | 9.9% |
| 3. Business continuity plan | 377 | 7.5% | 188.5 | 0.9% |
| 4. Regulation/Compliance | 960 | 19.1% | 1,745 | 8.7% |
| 5. Prevention of Occupational Risks | 328 | 6.5% | 1,098 | 5.5% |
| 6. English Language | 371 | 7.4% | 3,858.4 | 19.2% |
| 7. Management Development skills | 654 | 13.0% | 4,202 | 20.9% |
| 8. Business Model | 102 | 2.0% | 1,632 | 8.1% |
| 9. Other | 1,305 | 25.9% | 2,284 | 11.2% |
| **TOTAL** | **5,030** | **100%** | **20,132.9** | **100%** |

*Target 5.5: Ensure women's full and effective participation and equal opportunities*

In accordance with Principle 6 of the Global Compact ("*Elimination of discrimination in respect of employment and occupation*"), at Haya Real Estate we work to provide access to internal training and qualification-retraining for our employees, so that they can take the courses that provide them with new knowledge for the execution of their job. In addition, these training actions seek to extend the Company's willingness to support and respect the protection of these human rights to our employees. In this way, after each training action, the employees have completed an evaluation to establish their satisfaction with the course received and its benefit for the execution of the role they occupy.

***Equality***

In the field of equality, we have internal regulations and protocols which meet the most rigorous standards. Specifically:

- Since 2014, and regularly updated since then, there has been a rigorous Code of Conduct regarding respect for Human Rights and labour rights, with special reference to non-discrimination and the reporting of conduct contrary to the Code.

- Since 2014, Human Rights Management has had a protocol for action in the field of Selection and Professional Development oriented especially towards equality. This protocol is permanently available on the corporate intranet.

- Also, since 2014, we have a Protocol for the Prevention of Sexual Harassment, Mobbing and Gender-Based Harassment with a confidential procedure to address situations of conflict, with the strictly confidential involvement of Human Resources Management and Audit and Compliance Management.

- We have also joined the CEO partnership for the Diversity, promoted by the CEOE Foundation and ADECCO Foundation as a platform to boost diversity, equality, and inclusion on businesses and society.

- In 2021, the Equality Plan is being drawn up with the union representation of the company, for which a preliminary analysis of the remuneration situation for the financial years 2018 to 2020 has been carried out, different meetings have been held where the main measures have been implemented to guarantee equal treatment and opportunities between men and women in all human resources processes (hiring, access to employment, professional classification and promotion, training, remuneration). As of the date of this report, equality plan is being audited.

- In 2021 and 2020 the protocol against discrimination, sexual harassment or mobbing has not been activated because there were no cases to do such activation.

*Target 8.5: Achieve full and productive employment and decent work*

*Target 5.1: End all forms of discrimination*

*Target 5.5: Ensure women's full and effective participation and equal opportunities*

*Target 10.3: Ensure equal opportunity*

The foregoing demonstrates the Company's firm will to comply with Principle 6 of the Global Compact ("*Elimination of discrimination in respect of employment and occupation*"), supporting the abolition of discriminatory practices in employment and occupation.

***COVID-19***

In relation to the situation created by the COVID-19 spread in 2021, and the actions enacted by the Government, we activated in March 2020 actions planned in its Business Continuity Plan ("BCP"). After a detailed analysis of the situation, the Committee designated within the BCP decided to activate the established protocols against pandemics and activate the corresponding actions in relation to the highest levels of unavailability of work locations, as the lock-down situation in Spain has made impossible to activate alternative work centres for critical and non-critical personnel.

During the 2021 the protocols stablished against pandemic have been activated, producing a progressive and escalated return to work centres from June to October 2021, when the return at work centres took place, with an improvement in flexibility and teleworking measures. Likewise, the possibility of teleworking has been activated for 100% of the workforce when the pandemic has shown its greatest increase in infections (December 2021 and January 2022), without any notable disruption in our activity, which demonstrates the flexibility, effectiveness and adaptability of the internal protocols and means provided for the pandemic situation.

*Target 8.8 Protect labour rights and promote safe and secure working environments for all workers*

***11.3.2. Shareholders and Bondholders***

As explained in previous points, Haya Real Estate is 100% indirectly owned by funds advised by Cerberus Capital Management LP. We maintain a fluid and constant relationship with our shareholder, so that we respond to all of their requests for information, in addition to sending the reports that we consider to be of interest and necessary knowledge.

At Haya Real Estate we maintain continuous communication with our bondholders as established in the prospectus for the issue of the Bonds issued in November 2017, which are listed on the Luxembourg Market, through presentations of quarterly and annual results and the publication of the corresponding communications. Likewise, to improve and make the dialogue with them more efficient in a personalised way, we have a mailbox so that bondholders can contact us, and we are able to respond to their requests or questions about the company and we attend Credit Conferences coordinated by the main Investment Banks.

#### *11.3.3. Suppliers*

Suppliers are a necessary link in our daily lives and that is why we maintain fluid information with each and every one of them. We believe that it is necessary to deal directly with them, based on mutual knowledge and trust, and expecting the best from each other.

Therefore in 2021 and 2020 99% of our suppliers are local and 1 % are located abroad.

Target 8.3: *Promote development-oriented policies*

For the selection of suppliers, we have our own in-house Corporate Manuals on Procurement and the Approval of Suppliers which expressly establishes that the application of the criteria of Corporate Social Responsibility must be applied to Procurement and the Supply Chain.

In this way, all suppliers who are awarded contracts must sign a document confirming their knowledge and acceptance of the Code of Ethics of the Haya Group and of the Whistleblower's Channel. In the case of Real Estate Agents, in addition to the above, they must also sign a document confirming their knowledge and acceptance of the Prevention of Money Laundering Manual. In this way, the Group establishes the basic criteria so that our suppliers are aware of and meet our environmental and human rights requirements.

Furthermore, in all supplier selection processes, plurality and competition are encouraged, and it is obligatory to have a minimum number of tenders, which depends on the aggregate annual number of purchases (for the specific purchase of a good or service). In addition, and in order to supervise the performance of suppliers of the work contracted by Group companies, the Areas requesting the service must complete an evaluation form for the quality of service once it has been provided, or, if the service contracted is still active, the evaluation is made annually and is sent to the Procurement Team for future contracts.

In addition, and understanding that respect for human rights and the eradication of child labour are fundamental issues, in accordance with Principles 2 and 5 of the Global Compact ("*Make sure that they are not complicit in human rights abuses*" and *"Effective abolition of child labour", respectively*), we require to our suppliers to include a clause of adherence to the Company's Code of Conduct in their contracts, unless they are entities with equivalent public Codes of Conduct. In this way, we extend our human rights clauses to the entities with which we work, and we demand they are fully respected.

In addition, as a signatory entity of the United Nations Global Compact, we are obliged to extend good practices in sustainability to our supply chain. For this reason, and as a starting point to analyse their status in terms of sustainability, we have launched a survey, the main results of which would be:

- 100% of the suppliers that have responded do not currently have any file for non-compliance with environmental regulations

- 30% of the suppliers that have responded to the survey have already implemented sustainable mobility actions in their companies, such as the use of hybrid and electric vehicles or the promotion of collective transport.

- 96.8% of the suppliers who have sent us their answers guarantee that all the workers who work in their company are treated equally without discrimination of any kind.

Suppliers are a necessary link in our day to day work, and for this reason Haya Real Estate is going to make an effort to monitor them, by sending recurring surveys, which allows us to have a better understanding of their practices and, at the same time, they guarantee us that they respect and protect fundamental rights.

#### *11.3.4. Consumers*

***Corporate Clients***

Our corporate customers are our reason for being. As we have reflected previously, at Haya Real Estate we work every day to offer the best possible service to those companies that have placed their trust in us.

Within the different departments of the company, periodic meetings are held with the different corporate customers, monitoring the activity with them and constantly working to obtain the best possible results. In addition, we have an objective measurement system based on the KPIs that each customer defines and evaluates with respect to our activity.

***Client's final customers***

Given the activity of the Group and the business model, measures for health and security are not considered relevant in this report.

*We listen and respond*

At Haya Real Estate we think and work every day for our end customers, since we have the firm conviction that the best way is to achieve the satisfaction of those who have trusted us, and we try to achieve this with an exhaustive follow-up of each sale.

Within our responsibility for real estate asset management, we act as intermediaries with the clients who acquire the real estate assets (our client's final clients).

Client's final client satisfaction is also our priority. We therefore keep different channels of communication open with our clients' final customers, facilitating their suggestions as well as their complaints, if any:

- Social networks: we mainly use Facebook, Instagram, Twitter and Linkedin to resolve doubts and address the needs of our clients' final customers.

- Internet contact forms: all our websites (www.haya.es, www.haya.es/activos-singulares and http://www.haya.es/corporate) include contact forms to facilitate communication with the company.

- Call Centre: our customer service team receives questions and complaints by telephone.

In 2021, we handled a total of 4,893 complaints, all of which have been replied (4,830 complaints in 2020 and all of them replied). In addition, we handle 231 complaints throughout the social networks, of which 78% have been replied (242 complaints were received in 2020, of which 95% were replied).

In addition, in 2021 the Group has done an aftermarket satisfaction questionnaire for 2021 to its clients where 46% of the survey respondents has evaluated that they would recommend us (rating 4 or 5 out of 5), improving results when compared to 2020 were 37% of the survey respondents evaluated us positively.

### *11.3.5 Society*

In our relationship with society, we rigorously apply current legislation in all matters concerning different interest groups, in addition to our own in-house policies and codes drawn up by the company and which go beyond legal requirements, such as the Data Protection Policy, among others.

*Relationships and dialogue with players in local communities*

With respect to the local community, the Parent company is generally a leading player in dialogue. Though it is true that our suppliers and financier clients are an interest group with which we maintain an ongoing dialogue by means of meetings and regular calls in our day-to-day activity, at the Haya Group we endeavour to ensure that wider society is generally aware of our activity:

- We regularly send press communications to inform of the company news and promotional campaigns that we launch together with our clients, helping citizens to benefit by publicising those campaigns.

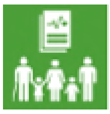
- Our Internet portals (www.haya.es, www.haya.es/activos-singulares and http://www.haya.es/corporate) are constantly updated so that any citizen can learn of the company's news and the new assets that we are selling. Furthermore, they are reciprocal communication channels, as we offer users different ways of contacting us with their suggestions and queries.

- Our social networks: Facebook, Instagram, Twitter and Linkedin are the most active online platforms and are updated constantly, so any citizen can learn of the company's news and the new assets that we are selling. In addition, these social networks are communication channel where the users can contact us to any query related to the Group's activity.

<u>*Partnerships and relationship*</u>

Within the *Haya Contigo* programme, the following contributions have been made to non-profit organisations in 2021:

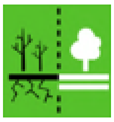
✓ Solidarity campaign to collect books in collaboration with AidaBooks, where the funds were donated to various projects in Guinea Bissau (paediatric school at the Simao Mendes hospital and the new rehabilitation centre to support children with functional disabilities).

 *Target 3.8: Achieve universal health coverage and affordable essential medicines*

 *Target 4.4: Substantially increase the relevant skills for employment*

 *Target 4.A: Build and upgrade education facilities, disability and gender sensitive*

✓ Healthy City by Sanitas: Collaborative challenge together with more than 90 companies to walk 6,000 steps per day through an App (Healthy Cities). The Group's contribution and collaboration has helped to implement reforestation projects.

 *Target 15.2: Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally*

✓ *Asindown Foundation promotion through a breakfast* to raise awareness of the NGO, its projects and the collaboration process among the Group’s employees.

✓ Adecco Foundation's Race of Abilities: Collaborative challenge that consists in participating at the same time and date and join a virtual run race between 1 and 5 km in order to support equality for disabled people.

✓ Rafael Quereda Reading Club: internal initiative to promote reading, through virtual books that are periodically updated on the Group's intranet, and with the support of a Yammer group to promote relationships among colleagues and their common preferences.

✓ Sponsorship of the Aljarafe Women's Basketball Club.

✓ Donation of obsolete computer equipment and furniture to non-profit organizations in the south of Spain.

 *Target 10.2: Promote the social, economic and political inclusion of all*

✓ Down Madrid soccer tournament: a team on behalf of Haya has participated, together with 19 other companies, in a solidarity soccer competition in collaboration with Syndrome Down people.

✓ Padel tennis lead: the Group has participated in the Padel tennis tournament.

✓ Food collection campaign on Christmas in cooperation with “*Banco de Alimentos*”.

*Zero hunger*

We have contributed EUR 5,926 in 2021 to the above causes (EUR 9,850 in 2020). Furthermore, we are engaged in ongoing collaboration with the Adecco Foundation for the integration of employees with disabilities, having made a contribution in 2021 of a total amount of EUR 121 thousand (EUR 169 thousand in 2020).

We have also joined the CEO partnership for the Diversity, promoted by the CEOE Foundation and ADECCO Foundation as a platform to boost diversity, equality, and inclusion on businesses and society.

*Target 1.4: Ensure that all men and women have equal rights to economic resources, as well as access to basic services*

*Target 5.5: Ensure women's full and effective participation and equal opportunities*

*Target 8.5: Achieve full and productive employment and decent work*

*Target 10.3: Ensure equal opportunity*

In addition, in 2021 we have participated actively in the following initiatives in terms of equality conveying our commitment to help vulnerable groups, in particular:

- ✓ Commemoration of World Cancer Day: in the World Cancer Day, we joined to the AECC's "Acuerdo contra el Cáncer ", which advocates for everyone should have the same opportunities to prevent cancer, live with it and have access to the results of its research.

  *Target 3.4: Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being*

- ✓ Commemoration of the International Women Day throughout awareness-raising actions to promote gender equality.

*Gender equality*

- ✓ Commemoration of the disability awareness day in collaboration with *Adecco Foundation* to impulse our commitment with the vulnerable groups.

*Target 10.3: Ensure equal opportunity*

- ✓ Training in unconscious biases to deepen in this concept and how it impacts in the relationships between people and teams.

- ✓ Training to be an inclusive professional. Online training aimed to promoting the inclusive employability, ensuring equal opportunities and standardizing the disability in a work environment.

*Target 10.3: Ensure equal opportunity*

*Target 5.5: Ensure women's full and effective participation and equal opportunities*

- ✓ Funding the Adecco Foundation´s Employment School, thus collaborating in the labour integration of people with disabilities.

*Target 10.3: Ensure equal opportunity*

*Target 5.5: Ensure women's full and effective participation and equal opportunities*

***Accessibility***

In accordance with regulatory requirements, all of our workplaces are completely accessible to persons with disabilities. In particular, at the central offices in Madrid, additional measures over and above the legal minimum have been applied, improving access by persons with disability to the entire building, including four specially adapted bathrooms and a changing room with an accessible shower.

***Social Housing***

Through our intermediation activity, the Group manages the social rental of its five main customers. In addition, we have a Social Policy department that acts as an intermediary with the local administrations and affected groups, so that we try to find the best possible housing solution in each case.

***Information with respect to human rights***

Due to the type of activity undertaken by the Group, there are no human rights risks. Despite this, we continuously endeavour to guarantee respect for such essential matters as Human Rights. An example of this can be found in the Code of Ethics of the company and in the creation of an Ethics and Compliance Committee to manage the system for promotion, vigilance and compliance with the Code. In addition, Haya Real Estate's recent adherence to the United Nations Global Compact reinforces the Company's commitment to respect and disseminate these principles based on human and labour rights, in the defence and protection of the environment and in the fight against corruption, and those derived from the Universal Declaration of Human Rights, the Declaration of the International Labour Organization, the Rio Declaration on Environment and Development, and the Fight against Corruption.

***Application of due diligence procedures in human rights matters and the prevention of the risk of the breach of human rights and, if applicable, measures to mitigate, manage and repair possible breaches committed***

It is a priority principle that everyone working in the Group should know, comply with and require compliance with both the spirit and the letter of the Code of Ethics of the Haya Group.

Internally, we require employees to be familiar with and to comply with the Code, which expressly devotes one of its points to respect for Human Rights. In this way, Haya Group and our employees take on board the principles of the United Nations Global Compact on human rights, among others. All of the Group's professionals thereby support and respect the protection of fundamental human rights within their area of influence, avoiding the possibility of being an accomplice to the breach of those rights. To record the commitment of the employee to this basic principle, new employees hired by the Group are provided with a Copy of the Code of Ethics and sign a clause of adhesion in their contract or in an annex .In addition, Compliance department sends a yearly communication to all employees attaching the Code of Conduct to which all employees may comply with periodically with the purpose of the reiterate the commitment of all employees to the principles expressed on it.

Externally, and understanding that respect for human rights is a primordial question, it should be underlined that contracts with suppliers and external professionals must include a clause of adhesion to the Code of Ethics, unless they have equivalent public codes of ethics. In this way, we extend our human rights clauses to the organisations with which we work, and we require maximum respect for human rights.

***Reporting of cases of the breach of human rights***

All persons subject to the Group's Code of Ethics are obliged to report any possible breach of the Code and, thereby, to report any breaches of human rights of which they become aware. To report breaches, there is a "Whistleblower's Mailbox" on the corporate intranet and on the public website of the Group https://www.canaldedenuncias.com/es/haya. The reports made through this mailbox are periodically sent by the Compliance Department to the Ethics and Compliance Committee together with information on the investigations made. The whistleblower's mailbox is managed by an independent third party specialised in this type of service.

In 2021 and 2020, no human rights breaches have occurred.

***Promotion of and compliance with the provisions of the fundamental conventions of the ILO***

Respect for labour rights, as part of the Universal Declaration of Human Rights, is a priority aspect of day-to-day work in the Haya Group. Proof of this is the inclusion of a specific point in our Code of Ethics which states that the Group and our employees shall avoid any type of discrimination in employment, harassment or any violent or offensive behaviour with respect to the rights and dignity of persons and they shall be obliged to report any behaviour of this type of which they are aware. Likewise, they must support the elimination of child labour, forced or coerced labour, and they must respect the rights to free association and collective bargaining.

This point is completed by the Protocol for the Prevention of Sexual Harassment, Mobbing or Gender-Based Harassment, in force in the Group since 2014.

***Information on combating corruption and bribery***

*Group policy*

As laid down by law, the Code of Ethics of the Group provides for the development of a system for the prevention of offences, by means of rules and internal control systems designed to guarantee compliance with the Code and to prevent the involvement of the company in operations or transactions in which there may be indications of criminal activities such as money-laundering, the financing of criminal activities, fraud or any form of corruption, including bribery or extortion, among others.

This system has been developed through a Money Laundering Prevention Manual and Financing of terrorism, a Protocol applicable to manage the conflict of interest and commercial irregularities, an Offence Prevention Manual, an Antibribery Policy and Corruption Prevention and the Haya Whistleblower's Channel. All of them are updated to the legal requirements, on top of the voluntary updates to reinforce the commitment of the Group to the current legislation.

During the procedure for the approval of suppliers, the suppliers are checked against the Factiva database and the internal Group's list in order to meet the requirements of the prevention of money laundering and financing of terrorism policies, and to avoid possible conflicts of interest and risk to reputation that might be derived from collaboration.

As evidence of this commitment, we have obtained the AENOR certification in their Criminal Compliance system. By doing so, on December 19, 2019, we obtained the UNE 1901 Certification issued by AENOR, which recognize the implementation of best practices related to Criminal Compliance and validates that the Health and Safety Module for Criminal Risks complies with the requirements demanded, recognizing with that the Company´s efforts to prioritize and adopt the Compliance, corporate government and professional ethics best practices.

***Management of anti-corruption and anti-bribery actions***

As well as the different mechanisms for the prevention of money laundering, criminal offences, financing of terrorism, conflicts of interest, and the whistleblower's channels, we have an active policy of providing regular information on the manuals, which are permanently available on the corporate intranet, and through communication reminders to all of the workforce.

As a complementary measure approved by the labour authorities, specific training is provided on the Regulations for the Prevention on money laundry and terrorism financing, Data protection regulation, conflict of interest and whistleblower channel, criminal compliance and crime prevention) on which in 2021 more than 1,797 hours were employed (1,400 in 2020). In accordance with Principle 1 of the Global Compact ("*Businesses should support and respect the protection of internationally proclaimed human rights*"), these training actions seek to extend to our employees the Company's willingness to support and respect the protection of these human rights. In this way, after each training action, the employees have completed an evaluation to establish their satisfaction with the course received and its benefit for the execution of the role they occupy.

During 2021 the Group has not received any complaint in its Whistleblower Channel in relation to corruption actions. During 2020 the Group received four complaints in relation to one corruption action carried out by two employees and the Group took the corresponding actions to solve the situation and applied corrective measures in order to mitigate future risks.


*Target 16.5: Reduce corruption and bribery*


*Target 16.6: Develop effective, accountable and transparent institutions*

In addition, what is indicated in the previous paragraphs also demonstrates the Company's commitment to Principle 10 of the Global Compact ("*Companies must work against corruption in all its forms, including extortion and bribery*"). Given the current sensitivity to the different forms of corruption, we establish our firm commitment to maintaining our procedures on money laundering and financing of terrorism, always bearing in mind the importance of training our employees in this regard.

***Tax information***

The Group revenues in 2021 amounted to EUR 223 million (EUR 177 million in 2020). The operating profit of the Group amounted to EUR 11.2 million in 2021 (EUR 11,6 million of operating losses in 2020). Additionally, the Group generated losses before tax for the year 2021 of EUR 8,021 thousand (EUR 26,638 thousand of losses before tax in 2020) and the net losses for the year 2021 were EUR 11,708 thousand (EUR 19,011 thousand of net losses for the year 2020). In 2021, the corporate income tax expense amounted to EUR 3,687 thousand (in 2020 the corporate income tax benefit amounted to EUR 7,627 thousand).

In 2021 and 2020 the Group has not paid amount in relation to Corporate Income Tax. As mentioned in note 19 of the attached consolidated financial statements, the Group belongs to Consolidated tax group 0275/18, of which Haya Real Estate, S.A.U. is the representative Company. In 2021 and 2020 there have been no payments related to Corporate Tax Income, and the Group applied deduction for the development of the new IT system for an amount of EUR 2,170 thousand in 2021 (EUR 988 thousand in 2020).

In 2021 and 2020, the Group has not received public subsidies of any type.

### ***11.3.6. Environmental information***

***Group policy, management, environmental performance, sustainable use of resources and the circular economy***

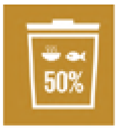
We are immersed in the implementation of waste separation policies. These have already been implemented in the centres in Madrid (Medina del Pomar and Serrano), Valencia, Almería, Barcelona, Sevilla and Málaga, where separate bins have been installed on each floor for plastic, paper, glass and other waste. Individual waste bins at each post which hinder the separation and appropriate treatment of waste have been eliminated. This implementation will apply in all the Group's centres.

We have signed a contract with a specialised company for the destruction of confidential documents and the management of batteries, toner cartridges and computer waste at all of its main workplaces. In the remaining smaller workplaces, this waste is collected on the request of the workplaces themselves with the same specialised company of destruction of confidential documents.

In order comply the waste management regulations, we have been registered as a producer of hazardous and non-hazardous waste in the regions of the main centres (Madrid, Valencia, Almería and Barcelona), thereby complying with the regulations on traceability of these residues, not being significant the volume managed for this non-financial information report.

We have staff canteen at our main offices in Madrid, run by a reputable company, a company which meets the highest quality standards in its production and elaboration of meals, and in waste management. It has a scheme to avoid excess food waste by offering it to our employees at cost price under the "takeaway dinner" programme.

In addition, we have a policy to restrict hard-copy printing through the preferential use of electronic formats (practically 100% of management information is available in electronic format) and all printing is in black-and-white and double sided (the print must be confirmed physically).



*Target 12.3: Reduce food losses*


*Target 12.5: Prevention, reduction, recycling and reuse*

***Contamination and climate change***

Through our activity, we have no special climate change impact or carbon emissions. We do not have our own or a leased vehicle fleet and the buildings which house our corporate offices are all rented, and so responsibility for energy efficiency lies with the respective owners of the buildings.

We are gradually implementing sustainable use policies in all of our workplaces. Some of the main indicators of this policy are:

- ✓ Replacement of conventional lighting with sustainable LEDs in the main workplaces: completed in the Madrid, Almería, Barcelona, Valencia and Coruña offices.
- ✓ Lighting managed by presence detection in main areas with façade lighting control for better efficiency of interior lighting.

In accordance with the applicable regulation, we have carried out energy audits by the company Eurocontrol in the 3 main workplaces of the Group (Madrid, Valencia and Almería) where the accumulated consumption exceeded 85% of the Group's total consumption. In all of them, it was highlighted that energy consumption is very low, being below average, with no serious incidences to report.

The following tables show the main indicators of electricity consumption for the years 2021 and 2020 of the three main workplaces of our Group:

| MADRID | Consumption Kwh 2021 | Consumption Kwh 2020 |
|---|---|---|
| TOTAL | 840,475 | 739,342 |

| VALENCIA | Consumption Kwh 2021 | Consumption Kwh 2020 |
|---|---|---|
| TOTAL | 201,878 | 289,173 |

| ALMERIA | Consumption Kwh 2021 | Consumption Kwh 2020 |
|---|---|---|
| TOTAL | 72,605 | 76,574 |

| Other Centres | Consumption Kwh 2021 | Consumption Kwh 2020 |
|---|---|---|
| TOTAL | 210,278 | 202,819 |

| TOTAL | 2021 | 2020 |
|---|---|---|
| Consumption (kwh)<br>Mean Workforce | 1,325,236<br>853 | 1,307,908<br>952 |
| **Efficiency Ratio (kwh/employee)** | **1,554** | **1,374** |
| $CO_2$ emissions (tons) | 183 | 188 |
| **Kg CO2/employee** | **214** | **197** |

*Target 7.3: Double the global rate of improvement in energy efficiency*

For comparative purposes it is important to mention that 2020 was impacted by lower electricity consumption due to teleworking as a result of COVID-19 situation with a very low occupancy in our Group's work centres. However, in 2021, the occupancy of work centres has significantly increased (70% of occupancy most of the year and 100% from October onwards). Despite of this, the consumption of 2021 and 2020 can be comparable due to the energy saving measures has been implemented progressively in the main centres, reducing the consumption.

Aware of the importance of measuring our carbon footprint in the environment, and with the firm intention of establishing comparisons in the coming years and studying their compensation, at Haya Real Estate we have made an effort to extract the data that reflects the $CO_2$ emissions (see table above)

Regarding scope 2 (indirect emissions generated by the electricity consumed and purchased by the supplier), our activity reflected in 2020 188 tons of $CO_2$ emissions which have been decreased to 183 tons in 2021.

Regarding the trips that our employees make regularly, we have suppliers committed to continuing to promote sustainable development and in accordance with SDG 13, they have designed their own carbon footprint calculation system that allows us to know how our trips can affect the environment. These figures reflect the impact of air travel, rail services, hotels and car rental, made by Haya employees in 2021: 67,658Tn

***Sustainable mobility***

In order to support and promote de sustainable mobility among Group's employees, the Group has implemented the following actions:

- There is a shuttle service the employees in the Group's Headquarter (Madrid), in order to avoid the use of private vehicles
- In main offices there are parking facilities for bicycles and electric scooters
- 4 Electric charging points for vehicles have been installed at the Madrid - Medina de Pomar Headquarter.

All of the above demonstrates the Company's preventive approach to protecting the environment and promoting initiatives that promote greater environmental responsibility, as established in Principles 7 and 8 of the Global Compact (*"Businesses should support a precautionary approach to environmental challenges"* and *"Businesses should undertake initiatives to promote greater environmental responsibility")*. In addition, the company, aware of the importance of this aspect and in accordance with the health recommendations that have prevailed over the last year, has encouraged remote meetings to avoid travel, whether they are internal meetings or with customers and suppliers, in accordance with what is established in Principle 9 of the Global Compact ("*Businesses should encourage the development and diffusion of environmentally friendly technologies*").

***Protection of biodiversity.***

Group activity has no significant impact on biodiversity.

***Significant events after the reporting period***

As the Group fully operates in Spain, Ukrainian invasion started during the first quarter of 2022 should not have a significant impact in Group's activity.

No other relevant events after the reporting period are to be informed, except for the ones described in Note 1 related to the refinancing progresses made in 2022 and the Sareb's tender offer.

### *11.4 Tables*

| Content | Section | Reporting Criteria |
|---|---|---|
| Business model<br>- Description of the business model<br>- Objectives and strategies<br>- Main factors and trends affecting future evolution | -Business<br>- Group's risks<br>- Group's philosophy | GRI 102-2<br>GRI 102-4<br>GRI 102-6<br>GRI 102-7<br>GRI 102-15 |
| Social and personnel questions | | |
| - Management focus | | GRI 103-2 |
| - Employment | | |
| • Number and breakdown of employees by country, sex, age and professional category | | GRI 102-8 |
| • Breakdown of types of contract and annual average by sex, age and professional category | | |
| • Number of terminations of employment by sex, age and professional category | | GRI 401-1 |
| • Mean remuneration by sex, professional category and age | | GRI 405-2 |
| • Salary gap | | GRI 405-2 |
| • Mean remuneration of board members and upper management | | GRI 102-35 |
| • Percentage of employees with disability | | GRI 405-1 |
| - Organisation of work | | |
| • Organisation of working time | | GRI 401-3 |
| • Absences from work | | GRI 403-2 |
| • Measures to facilitate reconciliation | | GRI 401-3 |
| - Health and Safety | | |
| • Health and safety at work | Employees | GRI 403-1, GRI 403-3 |
| • Accident rates | | GRI 403-2, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-9, GRI403-10 |
| - Labour relations | | |
| • Organisation of dialogue with the workforce | | GRI 103-2, GRI 402-1, GRI 403-1 |

| Content | Section | Reporting Criteria |
|---|---|---|
| • Balance of agreements in the field of health and safety<br>- Training<br>• Training policies implemented<br>• Training indicators<br>- Universal accessibility for persons with disability<br>- Equality | | GRI 403-4<br><br>GRI 404-2<br>GRI 404-1<br>GRI 405-1<br>GRI 405-1, GRI 405-2 |
| Environmental questions<br>- Management focus<br>- Environmental management<br>- Contamination prevention measures<br>- Circular economy, sustainable use of resources and the prevention of waste<br>• Consumption of raw materials<br>• Measures to improve energy efficiency<br>• Direct energy consumption<br>• Use of renewable energies<br>- Climate change<br>• Greenhouse gas emissions<br>- Biodiversity | Environmental information | GRI 103-2<br>GRI 102-11, GRI 307-1, GRI 305-1<br>GRI 305-2<br>305-3<br>GRI 306-2<br>GRI 301-1<br>GRI 302-4, GRI 302-5<br>GRI 302-3<br>GRI 302-1<br><br>GRI 305-5<br>GRI 304 |
| Respect for human rights<br>- Management focus<br>- Application of due diligence procedures<br>- Measures for the prevention and management of possible abuses<br>- Reporting of breaches of human rights<br>- Promotion of and compliance with ILO provisions | Society | GRI 103-2<br>GRI 102-17<br>GRI 412-1, GRI 410-1<br>GRI 102-17, GRI 411-1, GRI 419-1<br>GRI 407-1, GRI 409-1 |
| Anti-corruption and anti-bribery questions<br>- Management focus<br>- Measures to prevent corruption and bribery<br>- Measures to combat money laundering<br>- Contributions to non-profit foundations and organisations | Society | GRI 103-2<br>GRI 205-1, GRI 205-2, GRI 201-1<br>GRI 102-16 GRI 102-17 GRI 103-2<br>GRI 201-1 GRI 413-1 |
| Social commitment<br>- Management focus<br>- Commitment of the company to sustainable development<br>- Responsible management of the supply chain<br>- Customer relations management<br>- Tax information and transparency<br>• Company tax paid | Society<br>Suppliers<br>Consumers | GRI 103-2<br>GRI 102-43 GRI 413-1 GRI 413-2<br>GRI 308-1 GRI 308-2<br>GRI 416-1, GRI 416-2, GRI 417-1<br>GRI 207-1 GRI 201-4<br>GRI 201-7 |

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel: +34 915 14 50 00
www.deloitte.es

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

# INDEPENDENT LIMITED ASSURANCE REPORT ON THE 2021 CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT OF HAYA REAL ESTATE, S.A.U. AND SUBSIDIARY

To the Sole Shareholder of Haya Real Estate, S.A.U.:

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the Consolidated Non-Financial Information Statement ("NFIS") for the year ended 31 December 2021 of Haya Real Estate, S.A.U. and subsidiary ("the Group"), which forms part of the accompanying Consolidated Directors' Report of the Group.

The content of the Consolidated Directors' Report includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our work was limited solely to verification of the information identified in the "Non-Financial Information Statement Table of Contents" in the accompanying Consolidated Directors' Report.

## Directors' Responsibility

The preparation and content of the NFIS included in the Group's Consolidated Directors' Report are the responsibility of the directors of Haya Real Estate, S.A.U. The NFIS was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected Global Reporting Initiative Standards (GRI Standards), as well as other criteria described as indicated for each matter in the "Non-Financial Information Statement Table of Contents" of the aforementioned Consolidated Directors' Report.

These responsibilities of the directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The directors of Haya Real Estate, S.A.U. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª.
C.I.F.: B-79104469. Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

## Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

## Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance provided is also substantially lower.

Our work consisted in requesting information from management and the various units of the Group that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Group personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.

- Analysis of the scope, relevance and completeness of the contents included in the 2021 NFIS based on the materiality analysis performed by the Group and described in the "Business" section, taking into account the contents required under current Spanish corporate legislation.

- Analysis of the processes used to compile and validate the data presented in the 2021 NFIS.

- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2021 NFIS.

- Verification, by means of sample-based tests, of the information relating to the contents included in the 2021 NFIS and the appropriate compilation thereof based on the data furnished by information sources.

- Obtainment of a representation letter from the Parent's directors and management.

## Conclusion

Based on the procedures performed in our verification and the evidence obtained no matters came to our attention that might lead us to believe that the NFIS of Haya Real Estate, S.A.U. and subsidiaries for the year ended 31 December 2021 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the "Non-Financial Information Statement Table of Contents" of the Consolidated Directors' Report.

## Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE, S.L.

Antonio Sánchez-Covisa Martín-González

28 March 2022

**Formulation of the consolidated financial statements and consolidated management report, which includes the consolidated statement of non-financial information**

Pursuant to article 253 of the Spanish Limited Liability Companies Law, the signatories hereto, being the directors of HAYA REAL ESTATE, S.A.U., have agreed the formulation of the consolidated financial statements of HAYA REAL ESTATE, S.A.U. for the year ended 31 December 2021, comprising the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and the consolidated statement of cash flows, and the notes to the consolidated financial statements and the consolidated management report, which includes the consolidated statement of non-financial information, and which were drawn up by the Board of Directors on 24 March 2022.

Carlos Abad Rico
ID number (DNI): 50799133-E

Enrique Dancausa
ID number (DNI): 05255585-Q

José María Aznar Botella
ID number (DNI): 3251786-T

Charlotte Insinger
Passport no. NP36D38L2
Resident's ID number: Y-5814845-E

Cees Maas
Passport no. NSH2B6FK0
Resident's ID number: Y-3170330-R

Gerald Porter Strong
NIE-:X4127648-E