

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

Consolidated Financial Statements
for the year ended 31 December 2022,
prepared under International Financial
Reporting Standards 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

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 of 31 December 2022, 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 2022, 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.

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.

Recognition of unbilled revenue

Description

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 five customers who account for substantially all of its revenue and accounts receivable.

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.

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,

Procedures applied in the audit

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.

In addition, we carried out testing in order to verify the occurrence and accuracy of the revenue recognized in 2022 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 2022 but not yet billed at year-end.

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).

Recognition of unbilled revenue

Description

the revenue recognized in the period but still unbilled at year-end was an area of significant auditor attention in our audit.

Procedures applied in the audit

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

Description

As described in Notes 1 and 5 of the accompanying consolidated financial statements of 2022, in prior years, the Group acquired the exclusivity of the management of the Bankia group (currently Caixabank) and of the Cajamar group's real estate owned assets, recognizing the related intangible asset, subject to amortisation, whose carrying amount as of 31 December 2022 is EUR 37,270 thousand and EUR 23,421 thousand, respectively.

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.

Procedures applied in the audit

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 asset related to the management of Caixabank group and Cajamar 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.

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 year, with the related projections included in the Group's impairment tests prepared at the prior year-end, in order to validate the

Recoverability of “Other contract intangible assets – Management business - Caixabank group and Management business – Cajamar group”

Description

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 asset recognised in the consolidated statement of financial position as at 31 December 2022, made that this matter was determined to be one of the most significant in our audit.

Procedures applied in the audit

estimate process and the differences observed.

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.

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

As described in Note 19 to the accompanying consolidated financial statements, the Group’s consolidated statement of financial position as of 31 December 2022 includes an amount of EUR 27,016 thousand corresponding to deferred tax assets which are mainly made of tax losses carryforward for an amount of EUR 15,542 thousand and of the temporary differences related to the intangible asset impairment, for an amount of EUR 7,610 thousand.

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

Procedures applied in the audit

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:

- 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 2022 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

Deferred tax assets

Description

approved by the Board of directors, together with the reversal periods forecasted for each one of the deductible temporary differences recognized in the consolidated statement of financial position. As a result of such assessment, in 2022 the Group capitalized an amount of EUR 2,853 thousand related to tax losses carryforward, since it considers that there was sufficient evidence for its recognition.

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.

Procedures applied in the audit

services that it will render to other future clients, according to the Group management's understanding of the servicing industry and of the opportunities that are expected to raise from the ongoing bank consolidation process and from the current economic situation.

- The criteria used in the deferred tax assets calculation.
- 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.

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 2022, 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 2022 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

31st March 2023

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.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2022 (Thousands of euros)

ASSETS	Notes	31/12/2022	31/12/2021
NON-CURRENT ASSETS:			
Intangible assets	5	85,494	137,045
Property, plant and equipment	4.4	1,855	2,933
Right-of use assets	8	917	2,505
Non-current financial assets	7	5,232	768
Deferred tax assets	19.6	27,016	26,148
Goodwill	6	2,067	2,067
Total non-current assets		122,581	171,466
CURRENT ASSETS:			
Non-current assets held for sale	10	-	6,355
Current financial assets-		86,902	308,060
Trade and other receivables	9	53,713	91,278
Current financial assets	7	3,719	99,669
Cash and cash equivalents	9	29,470	117,113
Other current assets		1,743	595
Total current assets		88,645	315,010
TOTAL ASSETS		211,226	486,476
EQUITY:			
Share capital	11.1	9,683	9,683
Share premium	11.2	45,831	45,831
Reserves of the Parent	11.3	(55,968)	(44,260)
Other shareholder contributions	11.4	103,900	3,900
Profit for the period attributable to the Parent		(68,864)	(11,708)
Equity attributable to the Parent		34,582	3,446
Total equity		34,582	3,446
NON-CURRENT LIABILITIES:			
Debts with Group companies and associates	12	101,325	-
Long-term provisions	4.12	1,460	3,829
Lease liabilities	8	69	960
Total non-current liabilities		102,854	4,789
CURRENT LIABILITIES:			
Liabilities associated with non-current assets held for sale		-	1,564
Debts with credit institutions, bonds and other securities	12	-	424,920
Debts with Group companies and associates	12	20,890	-
Lease liabilities	8	927	1,653
Other financial liabilities		3,049	5,557
Other current liabilities	13	17,723	12,924
Short term provisions	4.12	5,377	-
Trade payables	13	25,824	31,377
Related party payable	21.2	-	246
Total current liabilities		73,790	478,241
TOTAL EQUITY AND LIABILITIES		211,226	486,476

The accompanying Notes 1 to 26 are an integral part of the consolidated statement of financial position as of 31 December 2022.

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of euros)

	Notes	2022	2021
CONTINUING OPERATIONS:			
Revenue	16	180,364	223,011
Other operating expenses	17.2	(95,609)	(73,573)
Personnel expenses	17.1	(68,397)	(60,847)
Amortisation	4.4, 5 & 8	(46,827)	(60,889)
Impairment and gains or losses on disposals of non-current assets	4.5 & 5	(15,229)	(16,526)
Profit / (Loss) from operations		(45,698)	11,176
Finance income	7 & 12	2,620	5,564
Finance expense	8 & 12	(25,641)	(24,761)
Net finance income (expense)		(23,021)	(19,197)
Result for loss of control of consolidated interests	2	2,433	-
Impairment and result from disposals of financial instruments		2,433	-
Loss before tax		(66,286)	(8,021)
Income tax benefit (expense)	19.4	(2,578)	(3,687)
Loss for the period from continuing operations		(68,864)	(11,708)
Loss for the period		(68,864)	(11,708)
Attributable to the Sole Shareholder of the Parent	18	(68,864)	(11,708)
Earnings (Loss) per share			
Basic and diluted (in euros)	23	(7.11)	(1.21)

The accompanying Notes 1 to 26 are an integral part of the consolidated statement of profit and loss for the year ended 31 December 2022.

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (LOSS) FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of euros)

	Notes	2022	2021
PROFIT (LOSS) PER CONSOLIDATED STATEMENT OF PROFIT AND LOSS (I)		(68,864)	(11,708)
Income and expenses recognized directly in equity		-	-
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II)		-	-
Transfers to the consolidated statement of profit and loss		-	-
TOTAL TRANSFERS TO CONSOLIDATED PROFIT AND LOSS (III)		-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR (I+II+III)		(68,864)	(11,708)

The accompanying Notes 1 to 26 are an integral part of the consolidated statement of comprehensive income (loss) for the year ended 31 December 2022.

**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 on 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 (Note 2)	-	-	1,518	(1,518)	-	-	-
Balance on 31 December 2021	9,683	45,831	(44,260)	-	3,900	(11,708)	3,446
Transfers to retained earnings	-	-	(12,580)	872	-	11,708	-
Loss for the period	-	-	-	-	-	(68,864)	(68,864)
Shareholder contribution (Note 11.4)	-	-	-	-	202,179	-	202,179
Dividend distribution (Note 11.4)	-	-	-	-	(102,179)	-	(102,179)
Other changes in equity (Note 2)	-	-	872	(872)	-	-	-
Balance at 31 December 2022	9,683	45,831	55,968	-	103,900	(68,864)	34,582

The accompanying Notes 1 to 26 are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2022.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of euros)

	Notes	2022	2021
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(66,286)	(8,021)
Adjustments for:			
Depreciation and amortisation charges (+)	4.4, 5 & 8	46,827	60,889
Finance income (-)		(2,620)	(5,564)
Finance expense (+)		25,641	24,761
Provisions, impairment and losses on disposals (+)		34,013	16,987
Disposals of financial instruments (+/-)		(2,433)	-
Adjusted profit		35,142	89,052
Income tax received		960	988
Increase/Decrease in current assets and liabilities			
(Increase)/Decrease in current assets		18,210	330
Increase/(Decrease) in current liabilities		(4,660)	11,089
Total net cash flows from operating activities (1)		49,652	101,459
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Payments due to investment:			
Tangible assets		(256)	(322)
Other intangible assets (computer software)	5	(10,631)	(9,769)
Right of use	8	(1,751)	(1,828)
Proceeds from disposal:			
Other financial assets and interest received		1,628	-
Business unit disposal		(1,061)	-
Total net cash flows from investing activities (2)		(12,071)	(11,919)
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds and payments relating to financial liability instruments:			
Repayment of borrowings from- Credit institutions	12	-	(3,900)
Group Companies		(87,828)	-
Others		(19,008)	-
Interest paid from debts with Credit institutions, bonds and others		(18,388)	(22,552)
Total net cash flows from financing activities (3)		(125,224)	(26,452)
4. Net increase/(decrease) in cash and cash equivalents (1+2+3)		(87,643)	63,088
Cash and cash equivalents at beginning of period		117,113	54,025
Cash and cash equivalents at end of period		29,470	117,113

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 2022

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.

As of December 31st, 2021, Haya Real Estate, S.A.U. was the sole shareholder of the subsidiary Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U. ("Haya Titulización"), which both together formed the Haya Group as of December 31st, 2021. On October 27th, 2021, the Parent, signed an agreement with an investor for the sale of 100% of shares of the subsidiary Haya Titulización (see Note 2). This transaction obtained regulatory approval from the Comisión Nacional del Mercado de Valores (CNMV) on June 27th, 2022, and on July 7th, 2022, the Parent executed the sale of 100% of shares of the subsidiary Haya Titulización for the amount of EUR 12,500 thousand. The sale transaction included a deferred price of EUR 4,675 thousand and a variable price of EUR 825 thousand (see Note 2). The net impact obtained from the sale amounts to a profit of EUR 2.433 million recorded in the caption "Impairment and result from disposals of financial instruments" within consolidated statement of profit and loss.

On September 29th, 2022, the Parent as a Sole Shareholder, has established the subsidiary HRE NB 2022, S.L.U. As of December 31st, 2022, both companies form the Haya Group (hereinafter, the Group). Such subsidiary and the Sole Shareholder form the "Group companies" hereinafter.

The activity performed by the Parent in 2022 consisted mainly of managing real estate owned assets ("REOs") and non-performing loans ("NPLs"). The activity engaged in by the subsidiary HRE NB 2022 (HRE NB) in 2022 consisted of consulting, management, administration and intermediation in real estate transactions and any type of related services through Internet or other telematic or electronic methods.

As of December 31st, 2021, the Parent was a Sole Shareholder company wholly owned by Promontoria Holding 62, B.V. (the Sole Shareholder). On April 11th, 2022, Promontoria Holding 62, B.V. sold 100% of the shares of the Parent to Haya Holdco 2, PLC (Haya Holdco 2). As a result, as of December 31st, 2022 the Parent is a Sole Shareholder company wholly owned by Haya Holdco 2.

Therefore, the Parent is subject to the rules applicable to Sole Shareholder companies and has declared this circumstance before the Mercantile Registry. In this respect, the contracts that the Parent has entered into with its Sole Shareholder, as well as the balances and transactions entered into with the same are disclosed in Note 21. The consolidated financial statements for 2021, which were formulated by the Parent's Board of Directors on March 24th, 2022, were approved by the Sole Shareholder on April 28th, 2022.

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 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 launched a tender public offer for the servicing of its entire portfolio for the period starting July 1st, 2022. In February 2022 Sareb made public that the Group had not been selected to be one of its service providers under the aforementioned tender process. As a result, the contract with Sareb was not extended or replaced and the Parent rendered its services until June 30th, 2022.

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 in accordance with the contractual terms, which became effective on June 2nd, 2022. The Group is entitled to receive a termination fee, which has been calculated as of early termination date in accordance with Contract agreed by the parties (see Note 9).

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 with 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

In these consolidated financial statements subsidiaries are consolidated using the global integration method as set out in the Group's accounting policies in note 3. The following tables list the Group components, which are all located in Spain, and include information related thereto:

2022

Company	Direct stake	Thousands of euros						Profit/(loss) for the year (d)	Carrying amount of the interest	Net book value of the interest
		Share capital	Share premium	Reserves	Equity holder contributions	Operating profit and (loss)				
Parent Haya Real Estate, S.A.U. (a) (e)	-	9,683	45,831	(57,890)	103,900	(46,584)	(68,227)	-	-	
Group company HRE NB 2022, S.L. (b) (c)	100%	3	-	-	-	-	-	-	3	

(a) Company whose financial statements as of December 31st, 2022, will be audited by Deloitte, S.L.

(b) Company that is not under obligation to have audited statutory accounts.

(c) Details obtained from the company's separate non audited financial statements as of December 31st, 2022.

(d) There are no profit and loss from discontinued operations.

(e) All equity instruments of this entity are pledged to secure a guarantee on the Senior Secured Notes (see Note 12).

2021

Company	Direct stake	Thousands of euros						Profit/(loss) for the year (b) (c)	Carrying amount of the interest	Net book value of the interest
		Share capital (b)	Share premium (b)	Reserves (b)	Equity holder contributions (b)	Operating profit and (loss) (b)				
Parent Haya Real Estate, S.A.U. (a) (d)	-	9,683	45,831	(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, 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 and loss from discontinued operations.

(d) All equity instruments of this entity were pledged to secure a guarantee on the Senior Secured Notes (see Note 12).

Translation into English of consolidated financial statements for the year ended 31 December 2022 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

The fully consolidated subsidiaries referred to in the tables above are deemed to be subsidiaries within the meaning of the International Financial Reporting Standards.

In 2022 no dividends have been distributed to the Parent company. In 2021, the subsidiary Haya Titulización, S.G.F.T., S.A.U. 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.

As of 31 December 2022, the only controlled company of the Haya Group is HRE NB 2022, S.L.U. (see note 1). As of 31 December 2021, the only controlled company of the Haya Group was Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U. (see note 1), which was sold on July 7th, 2022.

The subsidiary HRE NB 2022, S.L. has registered office in Spain.

In 2021, the subsidiary Haya Titulización, S.G.F.T., S.A.U. had registered office in Spain, was not listed on the stock market but was subject to the supervision of the National Securities Market Commission (CNMV) due to its activity.

Changes in the scope of consolidation

On July 7th, 2022, once the regulatory approval from the Comisión Nacional del Mercado de Valores (CNMV) was obtained, the Parent sold to an investor the 100% of the shares of Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U. The transaction price amounts to EUR 12,500 thousand, distributed as follows:

- EUR 7,000 thousand payable on the closing date. The net cash impact on consolidated cash flows amounted to EUR 1,490 deducted cash and cash equivalent deconsolidated.
- EUR 4,675 thousand payable on the first three anniversaries of the transaction date in equal parts, distributed as short-term receivable of EUR 1,559 thousand and long-term receivable of EUR 3,116 thousand included in the captions "Current assets: Current financial assets" and "Non-current financial assets", respectfully, of the consolidated statement of financial position as of December 31st, 2022, (Note 7). To guarantee collection of the deferred price, the buyer granted the Group performance bonds enforceable at Haya's request.
- EUR 825 thousand receivable related to the variable price to be received on the first three anniversaries of the transaction date in equal parts, distributed as short-term receivable of EUR 275 thousand and long-term receivable of EUR 550 thousand included in the captions "Current assets: Current financial assets" and "Non-current financial assets", respectfully, of the consolidated statement of financial position as of December 31st, 2022, (Note 7). The Parent has recorded this amount taking on the basis of its best estimation on compliance with the terms of the sale agreement.

This transaction has resulted in a gain of EUR 2,433 thousand recognized in the caption "Impairment and result from disposals of financial instruments" of the 2022 consolidated statement of profit or loss.

On 29th, September 2022, the Parent set up the company HRE NB 2022, S.L.U. whose corporate purpose consists of consulting, management, administration and intermediation in real estate transactions and any type of related services through internet or other telematic or electronic methods. Since its establishment until September 30, 2022, the new company (HRE NB) has not carried out significant activity in 2022, so the impact of its incorporation on these consolidated financial statements is not material.

3. Basis of presentation and consolidation principles

3.1 Financial reporting standards applicable to the Group

The Group's 2022 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 2022 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, 2022, 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 2022 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.

Since the accounting principles and valuation standards used to prepare the consolidated financial statements of the Group for 2022 (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, 2022, 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 and loss, in accordance with IAS 8 Accounting policies, changes in accounting estimates and errors.

In 2022, no significant changes took place regarding the estimates made as of December 31st, 2021.

3.3 Comparative information

The information contained in these consolidated financial statements for the year 2021 is provided only for comparison with the information for the year 2022.

3.4 Going concern

As at December 31st, 2021, the Group showed a negative working capital position of EUR 163,231 thousand, as the senior secured notes matured in 2022 and therefore were classified as a current liability, and a Net Loss of EUR 11,708 thousand. These losses added to those incurred in previous years, mainly due to the Covid-19 situation, led to a situation where the Net Equity position was lower than half of the share capital of the Parent company of the Group.

In 2022, the Parent and its previous shareholder successfully undertook a refinancing and recapitalization process, the main effects of which were as follows:

Translation into English of consolidated financial statements for the year ended 31 December 2022 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

- Conversion of the previous debt to bondholders into debt to the sole shareholder (see Note 11.4).
- Net capitalization of shareholders' equity amounting to EUR 100,000 thousand (see Note 11.4 and 12).
- Partial repayment of the Shareholder Loan subscribed with its sole shareholder for amount of EUR 57,322 thousand (see Note 12).
- Additional repayments of the Shareholder Loan subscribed with its sole shareholder made after the refinancing date for amount of EUR 30,506 thousand (see Note 12).

At year-end 2022, although the Group continued incurring net losses of EUR 68,864 thousand, as a result, in the directors' opinion, of the extraordinary circumstances occurring in the year 2022 (mainly, the early termination of the Unicaja contract, the non-renewal of the Sareb contract, the labour force restructuring process undertaken during the year and the refinancing costs assumed by the Group and losses due to impairment carried out in 2022 related to Cajamar and Caixabank contracts), profit from operations, after excluding these impacts, remained positive, and the Group is still capable of generating positive cash flows from its operations.

In addition, as of 31st December, 2022 the consolidated equity of the Parent was strengthened, and is above the minimum level at which Spanish corporate legislation requires share capital to be sufficiently increased or reduced, working capital is positive (EUR 14,855 thousand) and gross debt was reduced to EUR 122,215 thousand, which is also owed to its sole shareholder. Based on all these circumstances, along with the estimates for the future performance of the business and the results in the next few years, the Board of Directors have prepared the consolidated financial statements for 2022 in accordance with the going concern basis of presentation.

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 2022 and 2021.

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 and loss at the acquisition date.

The results of Subsidiary acquired during the year are only those included in the consolidated statement of profit and 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 and 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 2022 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 2022.

3.7 Standards and interpretations applied

In preparing the consolidated financial statements for 2022, 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 2022

In 2022 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 3 Reference to the 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 Property, Plant and Equipment—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 Contracts—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 fulfil the contract.	1 January 2022
Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle	Minor amendments of IFRS 1, IFRS 9, IFRS 16 and IAS 41	1 January 2022

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 2023 (applicable to 2023 and thereafter)

The following standards were not yet in force in 2022, 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 IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent	Clarifications regarding to the Presentation of Liabilities as Current or Non-current.	1 January 2023(*)
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements Disclosure of Accounting Policies	Amendments which allow the companies correctly identify the information related to material accounting policies which needs to be disclose in the financial statements.	1 January 2023(*)
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	Amendments and clarifications on what should be understand as a change in an accounting estimate.	1 January 2023(*)
IFRS 17 Insurance contracts and their modifications	Replaces IFRS 4 and includes the principles of registration, valuation, presentation and disclose of insurance contracts, with the aim that the entity provides relevant and reliable information that allows users of financial information to determine the effect that insurance contracts have on the financial statements.	1 January 2023

Standards, amendments and interpretations	Description	Obligatory application in the years beginning on or after:
Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent	Clarifications regarding to the Presentation of Liabilities as Current or Non-current.	1 January 2023(*)
Amendments to IAS 12 Income Taxes—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(*)
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Amendments that deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments clarify the principles for registration of gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.	To be set by the IASB

(*) Early application permitted.

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, 2022, and 2021, 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 and 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 and 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 Note 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 of the early termination of the SLA (see Note 1.d), the Group changed the useful life of the contract intangible asset in 2021 according to the new maturity, established in June 2022. The change in the accounting estimate was applied prospectively, recognising higher amortization costs in 2021 for an amount of EUR 8,695 thousand. This change has no impact in 2022 since Unicaja’s contract finalized on June 2nd, 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 and 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 and 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 and 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 and 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 and 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 2022 amounted to EUR 1,524 thousand (EUR 1,773 thousand in 2021).

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 and loss unless the asset is carried at its revalued amount, in which case the reversal is treated as an increase in the revaluation reserve.

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 financial 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 and 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 and 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 and loss under the heading of "Finance income".
2. Financial assets at fair value through profit and loss: Financial assets at fair value through profit and loss are recognized initially and subsequently at fair value, without including transaction costs, which are charged to the consolidated statement of profit and loss. Gains or losses arising from changes in fair value are presented in the consolidated statement of profit and 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, cancelled, or expired. The difference between the carrying amount of a financial liability that has been cancelled 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 and 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 and loss. Otherwise, the modified cash flows are discounted at the original effective interest rate, recognizing any difference with the previous carrying amount in profit and 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 and 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 2022 and 2021, 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, 2022, there are no termination benefits for outstanding compensation pending settlement (EUR 516 thousand as of December 31st, 2021, recognised under "Current liabilities - Other current liabilities" on the accompanying consolidated statement of financial position).

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).

In 2021 The Parent has granted incentive plans to the executive director, the senior management members and to certain key employees. The incentive plan is designed to achieve certain objectives, essentially related to the Parent's refinancing and recapitalization process, and to retain the Parent's key management. The receipt of the incentive plan is conditioned to the successful completion of the refinancing and recapitalization process, and to permanence in the company until June 2023. As of December 31st, 2022 the first of the required milestones was achieved, so the Parent has registered a provision of EUR 3,6 million in the profit and loss account, of which EUR 1,161 million has been paid (EUR 0,2 million as of December 31st, 2021).

Finally, in 2022 the Parent has granted an additional incentive plan to the executive director, the senior management members and to certain key employees. The incentive plan and its reception are subject to the successful completion of certain objectives established, mainly related to corporate transactions, before 31st December 2025. Additionally, the employees should permanence in the company six months after closing the transaction. As of December 31st, 2022, the Parent did not have enough visibility to conclude when the milestones related to corporate transactions would be met, therefore no provision has been recognized.

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, 2022, the captions "Long-term provisions" and "Short-term provisions" of the consolidated statement of financial position included a total of EUR 1,460 thousand and EUR 5,377 thousand, respectively (EUR 3,829 thousand long-term provision and no provision on the short-term, as of December 31st, 2021) 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 finalised during 2022 without any impact to the Group.

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 and 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.

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, 2022, and 2021, the functional currency of all of the companies included in the consolidation scope is the Euro.

In 2022 and 2021, there were minor 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 2022). 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 2022 and 2021 were as shown below:

2022

	Thousands of euros		
	Balance as at 31/12/2021	Additions	Balance as at 31/12/2022
Cost:			
Patents, licences, trademarks and similar items	37	-	37
Computer software	70,131	7,393	77,524
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	505,592	7,393	512,985
Accumulated amortisation:			
Patents, licences, trademarks and similar items	(27)	(3)	(30)
Computer software	(41,720)	(11,008)	(52,728)
Other contract intangible assets-			
Management business - Caixabank group	(52,134)	(7,911)	(60,045)
Management business - Cajamar group	(168,417)	(22,461)	(190,878)
Management business - Unicaja group	(60,441)	(2,332)	(62,773)
Total accumulated amortisation	(322,739)	(43,715)	(366,454)
Impairment			
Management business - Caixabank group	(23,781)	(4,836)	(28,617)
Management business - Cajamar group	-	(10,393)	(10,393)
Management business - Unicaja group	(22,027)	-	(22,027)
Total impairment	(45,808)	(15,229)	(61,037)
Net book value:			
Patents, licences, trademarks and similar items	10	-	10
Computer software	28,411	(3,618)	24,793
Other contract intangible assets-			
Management business - Caixabank group	50,017	(12,747)	37,270
Management business - Cajamar group	56,275	(32,854)	23,421
Management business - Unicaja group	2,332	(2,332)	-
Net book value	137,045	(51,551)	85,494

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

Computer software

Additions in 2022 under "Computer software" are mainly related to investments made by the Parent as improvements developments over its current IT systems and the implementation of new IT platforms. As of December 31st, 2022, there are capitalised cost of investments on computer software still under development, therefore not in use, for the amount of EUR 2,497 thousand (EUR 3,428 thousand as of December 31st, 2021). As of December 31st, 2022, additions of computer software pending payment to the relevant suppliers amount to EUR 3,128 thousand (EUR 5,370 thousand in 2021) 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 (EUR 18,245 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.

During 2022, the Group Management has evaluated the recoverability of the net book value associated to this contract taking into consideration the estimation of the assets under management until exclusivity contract termination in 2028. As a result of this evaluation, the Group has registered an impairment of EUR 4,836 thousand in the caption "Impairment and gains or losses on disposals of non-current assets" of the consolidated statement of profit and loss. Interest rate increase happened in 2022 has impacted discounted factor with a negative impact future cash flows valuation.

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.

During 2022, the Group Management has evaluated the recoverability of the net book value associated to this contract taking into consideration the assets under management until its finalisation in 2024. As a result of this evaluation, the Group has registered an impairment of EUR 10,393 thousand in the caption "Impairment and gains or losses on disposals of non-current assets" of the consolidated statement of profit and loss. Interest rate increase happened in 2022 has impacted discounted factor with a negative impact future cash flows valuation.

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 save 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 became effective on June 2nd, 2022. In this regard, in 2021 the Group changed the useful life of the contract according to the new maturity and estimated that the contract would generate cash-flows of EUR 2,332 thousand up until its termination. Consequently, in 2021 the Group recorded an impairment of

EUR 16,531 thousand to adjust the net book value of the intangible asset to such estimated value in use. As of December 31st, 2022, the Management business – Unicaja group is fully depreciated.

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, 2022, the Group has performed impairment tests for the two management business assets (Caixabank 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 the general economic conditions and the increase in interest rates 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.

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 a sign of impairment for both Caixabank group and Cajamar group management businesses assets and registered and impairment of EUR 4,836 and 10,393 thousand, respectively, in the caption "Impairment and gains or losses on disposals of non-current assets" of the consolidated statement of profit and loss.

In 2021, after performing an impairment test in the Unicaja's management business, the Group registered an impairment of EUR 16,531 thousand.

6. Goodwill

There are no changes in goodwill for 2022. Changes in goodwill for 2021 are shown below:

	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 in 2021 corresponded 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 sold 100% shares of Haya Titulización (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 or 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 2022 and 2021, in the accompanying consolidated statement of financial position are as follows:

Non-current and current financial assets

2022

	Thousands of euros				Balance as at 31/12/2022
	Balance as at 31/12/2021	Additions	Transfers	Withdrawals	
Other financial assets	768	5,077	(427)	(186)	5,232
Total non-current financial assets	768	5,077	(427)	(186)	5,232
Upstream loan to the Sole Shareholder	98,834	-	726	(99,560)	-
Interest on loan to the Sole Shareholder	726	2,618	(726)	(2,618)	-
Other financial assets	109	3,259	427	(76)	3,719
Total current financial assets	99,669	5,877	427	(102,254)	3,719

2021

	Thousands of euros				Balance as at 31/12/2021
	Balance as at 31/12/2020	Additions	Transfers	Withdrawals	
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

On November 27th, 2017, the Parent extended a loan of EUR 88,090 thousand to its Sole Shareholder at that time, Promontoria Holding 62, B.V., ("upstream loan"), maturing at the end of November 2022. Such loan accrued interest at arm's length, which is settled on a semester basis or capitalized, at the sole discretion of Promontoria Holding 62, B.V. As of December 31st, 2021, Promontoria Holding 62, B.V. decided to capitalise interest for an amount of EUR 5,519 thousand. As of December 31st, 2021 the interest accrued and unpaid related to the upstream loan was EUR 726 thousand. In 2022 Promontoria Holding 62, B.V. decided to capitalise interest for the hole pending amount as of 31st December, 2021. On June 14th, 2022, Haya Holdco 2 PLC accepted, as part of the refinancing process, to become the borrower of this loan (see Note 12). Subsequently, Haya Holdco 2 PLC approved a partial distribution of its contribution to the equity of the Parent company by the cancelation of this loan (which amounted to EUR 102,173 thousand at that date).

Furthermore, the additions of non-current and current financial assets in 2022 include the outstanding balance resulting from the sale of Haya Titulización, S.G.F.T., S.A.U an amount of EUR 3,666 thousand and EUR 1,834 thousand, respectively (see Note 2).

In addition, as of December 31st, 2022, the Group management expects reimbursement of some of the expenditures required to settle certain provisions as per its insurance contract (see Note 4.12) and as such has recognized a reimbursement asset for the amount that it's virtually certain that the Group will receive once the obligation is settled. The reimbursement assets are recognized in the other non-current financial assets and other current financial assets lines in the table above in the amount of EUR 1,411 thousand and EUR 1,425 thousand, respectively. The reimbursement of non-current financial assets depends on the progress of the underlying litigation process and is not expected before 2024.

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 2022 and 2021, is as follows:

2022

	Thousands of euros		
	Balance as at 31/12/2021	Additions	Balance as at 31/12/2022
Cost	5,714	-	5,714
Amortization	(3,209)	(1,588)	(4,797)
Net book value	2,505	(1,588)	917

2021

	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

In addition, the Group has recognised an expense in 2022 for an amount of EUR 639 thousand related to other leases (EUR 616 thousand in 2021).

8.2 Lease liabilities

The detail of payment obligations derived from the Group's leases as of December 31st, 2022, and 2021, based on their maturity, is as follows:

2022

	Thousands of euros		
	2023	2024	Total
Lease liabilities	927	69	996
Total lease liabilities	927	69	996

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

The interest expenses recognised in 2022 for the lease liabilities amounted to EUR 134 thousand (EUR 149 thousand in 2021).

The total cash outflow for leases amounted to EUR 1,751 thousand in 2022 (EUR 1,828 thousand in 2021).

9. Other current financial assets

Cash and cash equivalents

As of December 31st, 2022, and 2021, 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, 2022 and 2021 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, 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Trade receivables	71,878	90,857
Trade provisions	(19,363)	(1,228)
Staff	3	11
Sundry debtors	116	625
Other tax receivables (Note 19.2)	1,079	1,013
	53,713	91,278

As of December 31st, 2022, virtually all of the accounts receivable presented in "Trade receivables" in the accompanying consolidated statement of financial position are with five clients Caixabank, Cajamar, Unicaja, Divarian and BBVA (six clients in 2021, SAREB, Caixabank, Cajamar, Unicaja, Divarian and BBVA). The balance of the heading "Trade receivables" in the table above corresponds to invoices issued EUR 43,806 thousand as of December 31st, 2022 (EUR 31,354 thousand as of December 31st, 2021) and provisions for invoices pending to be issued EUR 28,072 thousand as of December 31st, 2022 (EUR 59,503 thousand as of December 31st, 2021) according to the frequency agreed in the service agreements with those clients (see Note 1).

On December 2nd, 2021, the Parent received a formal notice from Unicaja communicating the early termination of its contract in accordance with the contractual terms, which became effective on June 2nd, 2022 (see Note 1). According to the terms of the contract, Group was entitled to receive a termination fee, which has been calculated by the Parent on the basis of the Unicaja's contract. In this regard, the Group issued an invoice to Unicaja for EUR 31,881 thousand as a termination fee. However, on 1st July, 2022 Unicaja paid a lower amount (EUR 14,438 thousand), claiming that it did not agree with the amount determined by the Group. As a result of this dispute, and although the Group considers that it is entitled to receive the total amount, a provision was recognized for the difference (EUR 17,443 thousand) under the caption "Other Operating Expenses" in the consolidated statement of profit and loss of 2022. In any case, at the date of preparation of these consolidated financial statements, the Group, with the support of its legal advisors, had filed a claim through the courts against Unicaja Banco, S.A. for the outstanding amount, together with the related late-payment interest, which has been replied by Unicaja.

There are no defaulting items additional to those provisioned for by the Group as of December 31st, 2022, and 2021, respectively.

Of the accounts receivable presented under "Trade and other receivables" in the accompanying consolidated statement of financial position at 31 December 2022, an amount of EUR 23,617 thousand (EUR 69,406 thousand at 31 December 2021) has been pledged to secure the financing received by the Group (Caixabank and Cajamar for 2022 and Caixabank, Cajamar, Sareb and Unicaja for 2021) (see Note 12).

In the opinion of the Group Management, the carrying amount of trade and other receivables as of December 31st, 2022, and 2021 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

As of December 31st, 2021, the Group 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 obtained regulatory approval from the Comisión Nacional del Mercado de Valores (CNMV) on June 27th, 2022, and on July 7th, 2022, the Parent executed the sale of 100% of shares of the subsidiary Haya Titulización for the amount of EUR 12,500 thousand. The sale transaction included a deferred price of EUR 4,675 thousand and a variable price of EUR 825 thousand (see Note 2).

As of December 31, 2021, the assets and liabilities in relation to Haya Titulización sale classified as a disposal held for sale were as follows:

	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 in 2022 and until the transaction date, July 7th, 2022, amounted to EUR 1,489 thousand and EUR 380 thousand, respectively (EUR 3,100 thousand and EUR 872 thousand, respectively, in 2021).

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.

On April 11th, 2022, Promontoria Holding 62, B.V. ("PH62") sold to Haya Holdco 2 PLC 9,683,010 shares, with a nominal value of EUR 1 per share, numbered from 1 to 9,683,010, both included, fully subscribed and paid up, representing 100% of the share capital of the Parent, for the amount of approximately EUR 102,179 thousand. This amount was not paid upfront, but left outstanding, taking the form of a receivable under a shareholder loan between Promontoria Holding 62, B.V. as lender and Haya Holdco 2 PLC as borrower (the "PH62 SHL"). This receivable was cancelled by the acceptance by Haya Holdco 2 PLC of the debt held by Promontoria Holding 62, B.V. with the parent company for the same amount (EUR 102,179 thousand).

The share capital as of December 31st, 2022, and 2021 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. In addition, as of December 31st, 2022, the sole shareholder is Haya Holdco 2 PLC (Promontoria Holding 62, B.V. as of December 31st, 2021).

As of December 31st, 2022, the shares of the Parent are pledged in full as collateral in the context of the refinancing process effective on 14th, June 2022 (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.

As of December 31st, 2021, the shares of the Parent were pledged in full as collateral for the financing obtained on November 27th, 2017 (see Note 12). This financing was offset in 2022 as part of the debt refinancing and recapitalization process described in Note 12.

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 in the amounts of EUR 35,294 thousand and EUR 5,995 thousand, respectively. The nominal unit value of the share premium is EUR 4.7 per share as of December 31st, 2022 and 2021.

11.3 Reserves

As of December 31st, 2022, and 2021, reserves by type and company are broken down as follows:

2022

	Thousands of euros			
	Restricted reserves	Unrestricted reserves	Other reserves	Total
Haya Real Estate, S.A.U. (Parent)	1,937	(58,954)	1,049	(55,968)
Total	1,937	(58,954)	1,049	(55,968)

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)

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, 2022, and 2021 this reserve had been fully constituted in Parent's books.

Unrestricted reserves

On November 15th, 2019, the Parent's Sole Shareholder at that time, Promontoria Holding 62, B.V, 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 2022 and 2021, there are certain restrictions on the distribution of dividends deriving from agreements signed by the Group, in the context of the financing obtained (see 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 and right of use assets and liabilities between the regulatory frameworks for the individual and consolidated financial information of the Parent.

11.4 Other shareholder contributions

On June 14th, 2022 Haya Holdco 2 PLC, in the context of the debt refinancing and recapitalization process described in note 12, contributed a total amount of EUR 202,179 thousand to Parent equity by way of a contribution in kind, offsetting intragroup payable in the same amount between the Parent (as borrower) and Holdco 2 PLC (as lender) (see Note 12).

Also, on 14 June 2022, Haya Holdco 2 PLC approved the distribution, with charge to the caption "Other Shareholder Contributions", of an amount of EUR 102,179 thousand, which was settled in kind, by means of the repayment of a loan for the same amount held by Haya Real Estate, S.A.U. vis-à-vis Haya Holdco 2 PLC. As indicated in Note 11.3 above, the debtor position of Haya Holdco 2 PLC to Haya Real Estate, S.A.U. arose as part of the agreements between Promontoria Holding 62, B.V. and Haya Holdco 2 PLC for the purchase by the latter of shares of Haya Real Estate, S.A.U.

The remaining amount of EUR 3,900 thousand reflected under "Other shareholder contributions" on the accompanying consolidated statement of financial position as of December 31st, 2022 and December 31st, 2021 corresponds to the amount fully vested in prior years in relation to an incentive plan designed in 2013 and arranged with an affiliate of the Sole Shareholder of the Parent, remunerating certain members and former members of the management team 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 or former employees granted with the plan would receive their respective percentage of such distributions. As of the date of 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 (Shareholder Loan, 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 2022 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).

Financial indebtedness

Financial indebtedness at year end 2022 and 2021 was as follows:

	Thousands of euros	
	2022	2021
Debts with credit institutions, bonds and other securities (Note 12) (*)	-	424,920
Debts with Group Companies (Note 12)	122,215	-
Cash and cash equivalents	(29,470)	(117,113)
Net debt	92,745	307,807
Equity	34,582	3,446
Indebtedness (Net debt/Equity)	2.68x	89.32x

(*) Lease liabilities are not computed.

The Group defines 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.

In addition, the Parent guarantees the new senior secured notes issued by Haya HoldCo 2, PLC (see Note 12).

12. Non-current and current debts

The details of the non-current and current debts to banks and Group companies and associates as of December 31st, 2022, and 2021, according to their composition and maturity, are as follows:

2022

	Thousands of euros				
	Nominal	2023	2024	2025	Total
Debts with Group companies and associates (SHL)	135,743	19,598	20,115	81,210	120,923
Accrued interest (SHL)	-	1,292	-	-	1,292
Total debts	135,743	20,890	20,115	81,210	122,215

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

2022

	Thousands of euros						
	Balance at 31/12/2021	Cash flows	Debt restructuring	Recognition of amortized cost	Debt capitalization	Transfer to profit and loss	Balance at 31/12/2022
Debts with Group companies and associates (SHL)	-	(87,829)	425,752	(19,795)	(202,179)	4,974	120,923
Accrued interest (Debt w/ Group and ass.)	-	(7,021)	-	-	-	8,313	1,292
Senior secured notes	422,123	-	(423,950)	-	-	1,827	-
Accrued interest (notes)	2,779	(11,027)	(1,802)	-	-	10,050	-
Accrued interest (Credit Facility)	18	(361)	-	-	-	343	-
Total debts	424,920	(106,238)	-	(19,795)	(202,179)	25,507	122,215

2021

	Thousands of euros			
	Balance as at 31/12/2020	Cash flows	Transfer to profit and 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

Senior secured notes and debts with group companies

In 2022 the Group redeemed the bond issue (Existing SSNs) launched on 15th November, 2017 which its main features were as follows:

Former debt (Existing SSNs)

- Issuance for an original amount of EUR 425 million, divided into two tranches:
 - o a EUR 250 million tranche with a fixed annual coupon of 5.25%, to be settled half-yearly. The amount payable at the redemption date totalled EUR 214,925 thousand.
 - o 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 amount payable at the redemption date totalled EUR 209,025 thousand.

These issues, which were launched in the Euro MTF market in Luxembourg, had the following guarantees, among others, 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, bank accounts in the Parent's name and certain insurance policies.

In addition to these of pledges, the subsidiary Haya Titulización acted as joint and several guarantors in the funding agreements until its sale process. 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.

This debt was recorded at amortised cost, including the costs incurred in the arrangement of the financing. On 31st, December 2022 the balance of these costs amounting to EUR 1,827 thousand, have been charged to the 2022 profit and loss account, in accordance with accounting standards.

Refinancing and recapitalisation process and redemption

On February 18th, 2022, the Group reached an agreement with a committee representing more than 60% of the Existing SSNs holders, executing a lock-up agreement ("LUA") in which the ad-hoc committee agreed to support the implementation of a debt refinancing and a recapitalisation of the Group. In accordance with the terms agreed as part of the LUA and the English scheme of arrangement used to implement the recapitalisation, the Parent redeemed a portion of the Existing SSNs at par using excess cash on the date on which the recapitalisation completed and exchanged the remaining Existing SSNs following such redemption for new SSNs issued by Haya Holdco 2 PLC, with the following key terms:

- final maturity on 30th November, 2025;
- interest rate per annum reset quarterly, equal to sum of (i) three-month EURIBOR (with zero floor) plus (ii) 9% as determined by calculation agent; and
- Parent and Haya Holdco 1 LTD (the ultimate Parent company located in UK) as guarantors of the new SSNs

As of 3rd May 2022, Existing SSN Holders holding 95.24% by value of the aggregate outstanding principal amount under the Existing SSNs had entered into or acceded to the lock-up agreement ("LUA"). As part of the restructuring process, on 11st April, 2022, Haya Holdco 2 PLC acceded as a co-issuer of the Existing SSNs, alongside the Parent.

On June 14th, 2022, and agreed as part of the recapitalisation, the Parent Company was released from its obligations as co-issuer of the Existing SSN, and a payable arose (the "SSNs SHL") between the Parent (as borrower) and Holdco 2 PLC (as lender) in an amount of EUR 425,752 thousand, of which EUR 423,950 thousand corresponded to the outstanding principal amount of the Existing SSNs and EUR 1,802 thousand corresponded to accrued and unpaid interest as of the recapitalization effective date (14th June, 2022). The debt matures in November 2025, and the borrower may prepay the whole or any part of any loan (together with all interest accrued on it) in accordance with the contract terms. The loan shall be repaid in the event of an acceleration of all outstanding amounts under the new senior secured notes issued by Haya HoldCo 2, PLC guaranteed by the Parent. This credit accrues an annual interest rate of 3-month Euribor plus 9% plus a market margin.

Also on June 14th, 2022:

- Haya Holdco 2 PLC capitalized EUR 202,179 thousand of the SSNs SHL and contributed such amount to the Parent's equity under the caption "Other shareholder contributions" in the consolidated statement of financial position (see Note 12).
- The Parent then repaid EUR 57,322 thousand of the SSNs SHL using its excess cash available on the recapitalisation effective date, in order to fund the partial redemption of, and payment of accrued interest on the Existing SSNs.
- The Parent then made a distribution of EUR 102,179 thousand, which was settled in kind, by means of the repayment of a loan for the same amount held by Haya Real Estate, S.A.U. vis-à-vis Haya Holdco 2 PLC (see Note 11.4).

In accordance with IFRS 9, the Group concluded that, for the purposes of Haya Real Estate, S.A.U., the refinancing process undertaken in 2022 gave rise to the repayment of the previous debt (Existing SSNs) and the recognition of new financing from its shareholder (SHL). For this reason, the debt arising from the bond issue was derecognised and the new financing from the sole shareholder was recognised.

Likewise, in accordance with IFRS 9, the debt derived from the refinancing and recapitalization process has been accounted at amortized cost, taking into account the costs incurred in the formalization of the refinancing. These costs, which amount to EUR 19,795 thousand, correspond to the fees and commissions paid to the Group and Bondholder's legal and financial advisors, assumed by the Parent Company within the refinancing process, and considering them as incremental costs that would not have been incurred if the Group had not carried out these



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transactions. The amount of the arrangement costs taken to profit or loss in 2022 totalled EUR 4,974 thousand, which were included under "Finance Expense" in the consolidated statement of profit and loss.

During 2022 and in addition to the partial redemption described above, the Group repaid EUR 30,506 thousand of the SHL.

As of December 31st, 2022, the shares of the Parent are pledged in full as collateral to guarantee the debt to the bondholders arranged by the sole shareholder (see Note 11).

Super Senior Revolving Credit Facility

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

In relation to the guarantee of EUR 600 thousand provided under the revolving credit facility to secure the lease of the Parent's Madrid office, the revolving credit facility was substituted by a new guarantee issued by Banco Santander of the same amount.

In the process of refinancing the Group's debts, on April 8th, 2022, this revolving credit facility was pre-paid and cancelled in full.

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, 2022, and 2021 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.

Below is the information required by the third additional provision of Law 18/2022, of September 28th, on the creation and growth of companies and Law 15/2010, of July 5 (modified through the second final provision of Law 31/2014, of December 3) prepared in accordance with the ICAC Resolution of January 29th, 2016, on the information to be incorporated in the annual accounts in relation to the average payment period to suppliers in commercial operations.

	Days	
	2022	2021
Average period of payment to suppliers	57	64
Ratio of transactions paid	56	64
Ratio of transactions pending payment	71	64

	Thousands of euros	
	2022	2021
Total payments made	145,590	98,635
Total payments outstanding	6,099	8,963

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 2022, the Group had recognised provisions for pending invoices amounting to EUR 19,725 thousand (EUR 22,414 thousand at year-end 2021) under these headings of the accompanying consolidated statement of financial position. These provisions correspond to services received during 2022 and 2021 for which the invoices corresponding to December 31st, 2022, and 2021, had not been received.

"Average payment period to suppliers" means the time elapsed between the date of the delivery of the goods or the provision of services by the supplier 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.

The maximum legal payment term applicable to the Group in 2022 according to Law 11/2013 of July 26, which develops Law 3/2004, of December 29, which establishes measures to combat late payment in commercial operations, is 30 days, unless there is an agreement between the parties, in which case the maximum period would be 60 days (same term as in 2021). In this sense, in relation to the number of operations carried out within the maximum legal period established, the Group has considered including all those transactions paid with a limit of 45 days, due to the aforementioned agreements in the online supplier platform of the Parent that it maintains with its creditors and that allow it to make the corresponding payments within that period.

Likewise, in 2022, the number of invoices paid in the maximum period established in the aforementioned regulations was 6,342 invoices, whose total amount amounts to 57,128 thousand euros, which represent 23% of the total number of invoices paid and 39% of the total monetary payments to suppliers.

Other current liabilities

The breakdown of this heading of the consolidated statement of financial position as of December 31st, 2022, and 2021 is as follows:

	Thousands of Euros	
	31/12/2022	31/12/2021
Personnel, remuneration payable (Note 17.1)	8,756	7,510
Amounts payable to Public Administrations (Note 19.2)	4,284	5,303
Current income tax liabilities (Note 19.2)	4,683	111
Total	17,723	12,924

As of December 31st, 2022, and 2021, the "Personnel, remuneration payable" heading includes, mainly, variable remuneration and bonus pending to be paid.

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 primarily from the contracts with five clients (see Note 9). 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. In

addition, in the accompanying consolidated statement of financial position present a positive working capital position of EUR 14,855 thousand (see Note 3.4).

The detail of payment obligations derived from the Group's financial liabilities as of December 31st, 2022, and 2021, based on their maturity, using undiscounted amounts, is as follows:

2022

	Thousands of euros			
	2023	2024	2025	Total
Debts with Group companies and associates (SSNs SHL)	27,039	25,115	83,590	135,744
Accrued interest (Debt w/ Group and ass.) (*)	14,986	16,064	13,514	44,564
Total debts	42,025	41,179	97,104	180,308

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

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

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 or decrease in the 3-month Euribor of 25 basis points, to which the notional amount of the shareholder loan issued during the year 2022 is referenced (see Note 12), would imply an increase or decrease in the Group's financial expense of EUR 339 thousand in 2022 (523 thousand in 2021 related to the bonds issued).

As of December 31st, 2022 and 2021, 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 previous years. 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 received in December 2022 a formal notice communicating the early termination of the contract which became effective in June 2023. This early termination contract implies the payment by Unicaja of a termination fee (see Note 9).

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.

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.

e) Information Systems incident:

The Parent outsources IT infrastructure and hosting of many of its systems with one of the largest and most experienced suppliers in the Spanish and International markets, using its top Tier IV datacenter and back up sites. Notwithstanding this, on October 18th, 2022, the supplier unilaterally deleted information, systems and backups that belonged to the Parent with no previous consent or authorization from the Parent. The Parent immediately activated its Business Contingency Plan, starting up its 4th level backups hosted outside the external supplier. As a result of this, the Parent was able to minimize the business interruption, partly restoring the majority of affected systems in a short period of time (being obliged to run the Company contingency mode for an extended period in order to fully restore the systems, backups and information deleted by the supplier).. Despite the damages caused by actions of the supplier, as of December 31st, 2022, and as of the date of the preparation of the consolidated financial statements, all systems are running smoothly. The incident did not affect any confidentiality of any interested parties, neither did it involve any unauthorized access to any personal data. The incident only temporary affected access to some of the Parent's systems. The Parent is currently implementing action plans to further strengthen its IT and hosting infrastructure in the short term, consider alternative source models in the longer term and evaluate its compensation rights with its current supplier.

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	
	2022	2021
NPLs	12,447	11,591
REO Conversion	5,429	7,942
REO	87,712	90,314
Total	105,588	109,847

16. Income

The breakdown of the "Revenue" heading of the accompanying consolidated statement of profit and loss for 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Volume servicing fees	105,588	109,847
Management fees	40,889	57,480
Other	33,887	55,684
Total	180,364	223,011

All of the revenue recognised by the Group in the years 2022 and 2021 have been registered for operations carried out in Spain and 89% corresponds to the revenue derived from the management contracts held with six clients, Caixabank, SAREB, Cajamar, Unicaja, BBVA and Divarian (91% over the total revenues in 2021). 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 2022 and the ongoing dialogue with the clients regarding the results of these indicators, the Group considers that as of December 31st, 2022, 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 and loss for 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Salaries and wages	42,799	45,634
Social security	10,914	10,627
Termination benefits	12,798	2,512
Other social charges	1,127	799
Contributions to pension plans	759	1,275
Total	68,397	60,847

In 2022 the “Salaries and wages” heading includes a total of EUR 7,020 thousand (EUR 8,329 thousand in 2021) in connection with variable remuneration, of which and amount of EUR 5,474 thousand (excluding Social Security) is pending to be paid as at December 31st, 2022 (EUR 6,931 thousand as of December 31st, 2021), and is included in “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 2022.

Labour Restructuring Process

On April 7th, 2022, the Parent announced to employees, union representatives, bondholders and other stakeholders its intention to launch a labour restructuring process in order to adapt the Parent to the new challenging situation after receiving the notification of the early resolution of Unicaja’s contract and the no selection of the Parent as one of the service providers for the new Sareb’s contract. The negotiation period with the employee representatives began on April 25th, 2022 and lasted until May 25th, 2022. On May 25th, 2022, the Parent 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 restructuring labour process. This labour restructuring process has been completed on September 30th, 2022, with total employee layoffs of 160 and restructuring costs in the amount of EUR 12,049 thousand included in the caption “Personnel expenses” of the consolidated statement of profit and loss. Additionally, an amount of EUR 1,299 thousand related to the obligation of paying Social Security of certain employees affected by the restructuring were accrued in the caption “Other current liabilities” (see Note 19.2) which payment to Social Security is expected in 2023.

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 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.

Translation into English of consolidated financial statements for the year ended 31 December 2022 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

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

2022

	Number of employees as at year-end			Average number of employees	Disabled employees (a)
	Men	Women	Total		
Senior Management	8	3	11	11	-
Directors and qualified staff	23	20	43	46	-
Clerical staff and department heads	233	295	528	638	3
Total	264	318	582	695	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).

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).

One employee included in Senior Management also exercised duties as director in the year 2022 (one employee in 2021).

17.2 Other operating expenses

The breakdown of "Other operating expenses" in the accompanying consolidated statements of profit and loss for 2022 and 2021 was as follows:

	Thousands of euros	
	2022	2021
Professional services	67,144	63,238
Marketing and Contact Center	3,937	4,238
Travel and other general expenses	2,219	2,562
Insurance premiums	1,381	809
Leases and royalties	634	616
Supplies	360	287
Repair and maintenance	214	71
Banking and similar services	65	117
Losses, impairment and changes in provisions for trade receivables and provisions for litigation (Note 9)	18,788	413
Other charges	220	320
Other current operating expenses	647	902
Total	95,609	73,573

The balance of "Professional services" in the accompanying consolidated statements of profit and loss for 2022 and 2021 included the following:

	Thousands of Euros	
	2022	2021
Intermediation cost of real estate agents in the sale of REOs (channel costs)	28,923	29,225
Cost of agencies for the management of REOs	13,784	13,985
Valuation services on assets under management	230	310
Prevention of money laundering activities in relation to asset sales	1,561	1,580
Asset maintenance performed on client assets	6,555	5,028
Litigation and external recovery agency costs for NPLs	443	1,747
IT Operating expenses	4,451	4,875
Other professional services	11,197	7,434
Total Professional services	67,144	63,238

“Other professional services” presented in the table above includes mainly refinancing process costs, the transformation plan, HR and legal consultancy services, contract renewal costs and, business process outsourcing costs (in 2021, it included mainly transformation plan, HR and legal consultancy services, contract renewal costs and, business process outsourcing costs).

Audit fees

During 2022 and 2021, 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	
	2022	2021
Audit services	192	159
Services required by the applicable regulation	18	24
Other assurance services	25	-
Total audit services and related	235	183
Other services	13	15
Total other professional services	13	15

Other services provided in 2022 and 2021 consisted mainly of advisory services provided to the Group to assist in the in the prevention of both money laundering and the financing of terrorist activities.

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	
	2022	2021
Haya Real Estate	(69,244)	(12,580)
Haya Titulización (Note 10)	380	872
Total profit and (loss) for the year	(68,864)	(11,708)

19. Tax situation

In 2021, The Group filed consolidated income tax returns as part of consolidated tax group 0275/18, for which Haya Real Estate, S.A.U. was the representative company (Promontoria Holding Haya Coöperative UA as the Parent company). Therefore, Haya Real Estate, S.A.U., was the one who recorded, if appropriate, the Group's debt with the tax authorities. In 2021 the entities included in the consolidated tax group, together with the Parent company were: Haya Real Estate Servicing, S.A.U. and Haya Titulización S.G.F.T.A., S.A.U.

At the end of 2022, after the sale of Haya Titulización S.G.F.T.A and the liquidation of Haya Real Estate Servicing, S.A.U, Haya Real Estate, S.A.U. has communicated the dissolution of the tax consolidation regime. As a result, from January 1st all companies included in the Group file individual income tax returns.

19.1 Financial years open to inspection

Under current legislation, taxes cannot be considered 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, 2022, the Group has the last five corporate income tax years open for inspection and the last four 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. The aforementioned verification procedure ended during 2022. With respect to withholding taxes of non-resident income tax, a settlement proposal was received without claiming any tax debt to the Parent Company, but the proposal is provisional, it was signed in disagreement. With respect to Corporate Income Tax for the period December 2015 to December 2017, a settlement proposal was received on November 18th, 2022, and signed in disagreement by the Parent. The aforementioned settlement proposal, appealed by the Parent before the Tax Administration State Agency, included tax fee settlement proposal in the amount of EUR 4,611 thousand and late-payment interest in the amount of EUR 973 thousand. Against the aforementioned settlement proposal, the Parent company presented allegations before the Tax Administration State Agency. The Parent Company has received the final liquidation of both taxes on 17th March, 2023. Regarding the withholding taxes of non-resident income tax for the period December 2016 to December 2017, there is no tax debt and the final act is provisional. Regarding the Corporate Income Tax, the allegations made were partially admitted by the tax authorities and the final amounts claimed to the Parent Company are EUR 4,313 thousand and late-payment interest in the amount of EUR 962 thousand. The settlement was primarily consequence of a difference in criteria of the tax authorities with respect to the Parent concerning the non-capitalization of expenses included in the base for the R&T deduction applied and the timing of deductibility of the amortization of certain computer applications. As of December 31st, 2022, the Parent has recognised a provision of EUR 4,683 registered within the caption "Other current liabilities" of the consolidated statement of financial position.
- 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 recognized 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 (Central Economic-administrative Court), 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 (Central Economic-administrative Court), 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 2021, the Parent filed an administrative appeal against the Court resolution referred to above before the National Court, 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 other 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. The settlement for the period December 2015 to December 2017 described above, implies the reversal of certain deferred tax assets booked as a result of the December 2012 to December 2017 tax audit. Therefore, in 2022 the Parent has written off "Deferred tax assets" for an amount of EUR 709 thousand.

19.2 Balances with Public Administrations

The consolidated statement of financial position on December 31st, 2022, and 2021 includes the following balances with Public Administrations:

	Thousands of euros			
	2022		2021	
	Current	Non-current	Current	Non-current
Receivables:				
Amounts receivable from tax authorities for:				
Corporate Income Tax (deductions)	996	-	975	-
Other	83	-	38	-
Deferred tax assets	-	27,016	-	26,148
	1,079	27,016	1,013	26,148
Payables:				
Amounts payable to tax authorities for:				
Corporate income Tax	-	-	111	-
VAT	1,446	-	3,462	-
Withholdings	791	-	715	-
Current income Tax liabilities (Note 19.1 and 19.2)	4,683	-	-	-
Amounts payable to social security	2,047	-	1,126	-
	8,967	-	5,414	-

In 2022 "Current income Tax liabilities" net amount of EUR 4,683 thousand includes the best estimation of the accrual recognized due to the tax verification procedures explained in Notes 19.1-a and 19.1-b.

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

The reconciliation of the 2022 and 2021 fiscal years between the expense for the income tax and the expense recorded for the aforementioned tax is presented below:

2022

	Thousands of euros		
	Increase	Decrease	Total
Accounting profit/(loss) in period			(68,864)
Corporate income tax expense (benefit)			2,578
Permanent differences			
Non-deductible expenses and non-computable revenues	82	(86)	(4)
Non-taxable income sale of subsidiaries (Haya Titulización)	-	(3,501)	(3,501)
Consolidation adjustments	1,016	(127)	889
Temporary differences			
Arising in the year			
Differences between depreciation and amortisation for accounting and tax purposes	140	-	140
Impairment of Caixabank intangible asset (Note 5)	4,836	-	4,836
Impairment of Cajamar intangible asset (Note 5)	10,393	-	10,393
Accrual for variable remuneration	2,605	-	2,605
Noncapitalized personnel expenses related to R&T deduction	1,895	-	1,895
Corporate expenses	1,019	-	1,019
Bad debt provisions	675	-	675
Other provisions	129	-	129
Arising in previous years			
Tax deduction limit for depreciation of fixed assets	-	(360)	(360)
Impairment of contract intangible assets	-	(20,988)	(20,988)
Taxable base			(68,558)

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 adjustments	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

The main permanent differences in 2022 include EUR 3,501 thousand related to 95% of the income recognized by the Parent in the sale of the subsidiary Haya Titulización which is considered non-taxable according to the tax regulation.

The main temporary differences of year 2022 and 2021 are as follows:

- a) An amount of EUR 360 thousand (EUR 366 thousand in 2021) 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) Negative temporary difference in 2022 of EUR 18,131 thousand corresponds to the tax reversal of the impairment registered in previous years in relation to the Unicaja's intangible asset (see Note 5), which is considered as non-deductible in such years and deducted in the current year since the contract is fully amortized (partial tax reversal of EUR 3,895 thousand in 2021 registered according to the remaining useful life on December 31st, 2021).

Positive temporary difference in 2021 included EUR 16,531 thousand (see Note 5) which was not deductible for tax purposes according to the tax regulation but will be deductible during the remaining contract life.

- c) Positive temporary differences in 2022 include EUR 10,393 thousand in relation to the impairment of the Cajamar's intangible asset (see Note 5) which is not deductible in the current year for tax purposes according to the tax regulation but will be deductible during the remaining contract life. In addition, positive temporary differences in 2022 include EUR 4,836 thousand in relation to the impairment of the Caixabank's intangible asset (see Note 5) which is not deductible in the current year for tax purposes according to the tax regulation but will be deductible during the remaining contract life.
- d) In 2022 and 2021, an amount of EUR 2,857 thousand corresponds to a negative temporary difference 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.
- e) Positive temporary differences in 2022 include EUR 2,605 thousand in relation to the accrual for variable remuneration of certain employees, which will be deductible in the following years once the obligations related to it have been materialized.
- f) Positive temporary differences in 2022 include EUR 1,895 thousand in relation to noncapitalized personnel expenses related to R&T deductions and EUR 1,019 thousand related to corporate expenses, both of which are considered non-deductible in the current year considering the current state of the ongoing verification procedures of corporate income taxes of the Parent company described in Note 19.1.

In 2022, the Group has capitalized tax losses of EUR 2,853 thousand (no tax losses were capitalized in 2021). 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 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Accounting profit before tax	(66,286)	(8,021)
Permanent differences	(3,505)	121
Consolidation adjustments	889	(154)
Total	(68,902)	(8,054)
Tax rate	25%	25%
Tax charge	(17,226)	(2,014)
Deductions for technological innovations	-	(2,170)
Non capitalized tax losses (Note 19.6)	14,373	-
Tax losses carryforward write-off (Note 19.6)	-	8,017
Provision for tax inspection procedures (Note 19.1)	5,392	-
Other deductions	39	(146)
Total corporate income tax expense (income) recognised in consolidated profit and loss	2,578	3,687

The heading "Deductions for technological innovation" in the table above for 2021 corresponded 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.

19.5 Breakdown of Corporate Income Tax expense

The breakdown of the corporate income tax expense for 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Deferred tax:		
Continuing operations	(2,853)	(2,104)
Adjustments to corporate income tax	5,431	5,791
Total (income) tax recognised in consolidated profit and loss	2,578	3,687

19.6 Deferred tax assets

The breakdown of deferred tax assets in 2022 and 2021 is as follows:

2022

	Thousands of euros			
	Beginning balance	Additions	Disposals	Closing balance
Non-deductible amortisation and depreciation of fixed assets	225	-	(90)	135
Impairment of contract intangible assets	9,050	3,807	(5,247)	7,610
Pension insurance contract	166	-	-	166
Trade provisions	-	169	-	169
Other provisions	-	32	-	32
Differences between depreciation and amortisation for accounting and tax purposes	199	35	-	234
Inspection regularisation (Note 19.1)	2,120	-	(709)	1,411
Deductions	1,515	21	(1,199)	337
Accrual for variable remuneration	-	651	-	651
Noncapitalized personnel expenses related to R&T deductions	-	474	-	474
Corporate expenses	-	255	-	255
Tax losses carry forward	12,873	2,853	(184)	15,542
Total	26,148	8,297	(7,429)	27,016

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 carry forward	20,952	-	(8,079)	12,873
Total	30,702	5,441	(9,995)	26,148

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 capitalized tax losses carry forward of EUR 2,853 thousand (write-off of tax losses carry forward of EUR 8,079 thousand was registered in 2021). 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.

Tax loss carry forwards

The Parent company has losses that can be carried forward and offset against taxable income in subsequent years.

Unused tax losses carry forward as of December 31st, 2022 applicable in future years and considered recoverable (included the amount of EUR 62,168 thousand capitalized in the consolidated statement of financial position) are broken down as follow:

Thousands of euros		
Year generated	Amount	Cumulative
2018	7,568	7,568
2019	49,704	57,272
2020	24,929	82,201
2022	68,558	150,759
	150,759	

Deductions pending application

The breakdown of deductions pending application in 2022 and 2021 is as follows:

2022

	Thousands of euros			
	Beginning balance	Additions	Transfer	Closing balance
Deductions for technological innovation	1,199	-	(1,199)	-
Donations	162	21	-	183
Art. 37 of Corporate Income Tax Law	154	-	-	154
Total	1,515	21	(1,199)	337

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

In 2021 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. The Parent has transferred those deductions to the current income tax asset account since their monetisation is expected in the short term.

20. Distribution of the profit and loss of the Parent

The Parent Directors' proposition of distribution of the 2022 losses recorded in the Parent's separate financial statements, and pending approval by the Sole Shareholder, is distribute the losses of EUR 68,227 thousand to the "Prior year losses" account.

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 2022 and 2021, which were all at arm's length, are as shown below:

2022

	Thousands of euros		
	Sole shareholder	Group companies and associates	Other related parties
Revenue			
Finance income from upstream loan to Promontoria Holding 62, B.V. (Note 7)	-	2,618	-
Total revenue	-	2,618	-
Expenses			
Finance expenses (Note 12)	8,343	-	-
Other operating expenses	-	35	-
Non-executive Directors expenses (Note 22.1)	-	-	556
Total expenses	8,343	35	556

2021

	Thousands of euros		
	Sole shareholder	Group companies and associates	Other related parties
Revenue			
Finance income from upstream loan to Promontoria Holding 62, B.V. (Note 7)	5,559	-	-
Total revenue	5,559	-	-
Expenses			
Non-executive Directors expenses (Note 22.1)	-	-	616
Total expenses	-	-	616

As of December 31st, 2021, the Parent was a Sole Shareholder of the Parent was Promontoria Holding 62, B.V. As of December 31st, 2022, the Parent was a Sole Shareholder of the Parent was Haya Holdco 2 PLC (see Note 11).

The amount included under "Revenue – Finance income" in 2022 and 2021, with the sole shareholder, are related to the interests accrued by the loan granted by the Parent to Promontoria Holding 62, B.V. ("upstream loan") on November 27th, 2017, for a notional amount of EUR 88,090 thousand. The lender position of the Parent was assumed by Haya Holdco 2 PLC within the refinancing process (see Note 12) on June 14th, 2022. Subsequently, the outstanding amount related to the upstream loan as of June 14th, 2022, of EUR 102,178 thousand (including unpaid interest) was cancelled as part of the distribution described in Note 11.

The amount included under "Expenses – Finance Expenses" in 2022 with the sole shareholder, is related to the interest accrued by the loan granted by Haya Holdco 2 PLC to the Parent on June 14th, 2022, as part of the debt refinancing process, and once the Parent was released from its obligations as co-issuer of the Existing SSNs (see Note 11.4).

As of December 31st, 2022, the accrued and unpaid interests on such loan amounts to EUR 1,292 thousand.

21.2 Related party balances

Balances with related parties in the consolidated statement of financial position on December 31st, 2022, and 2021 were as follows:

2022

	Thousands of euros
	Sole shareholder
Debts (Note 12)	120,923
Accrued interest (Note 12)	1,292
Total	122,215

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)

As of December 31st, 2021, "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 April 1st, 2022, Ms. Charlotte Insinger has resigned from her position as non-executive Director.

At 2022 year-end, the functions corresponding to directors of the Parent were performed by five men (five men and one woman at 2021 year-end). Also, at 2022 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 2021 year-end), one of which (man) is an executive director of the Parent (one man at 2021 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 2022 and 2021, are as follows:

2022

	Thousands of euros						
	Fixed remuneration	Variable remuneration	Remuneration in kind	Compensation	Severance	Total	Pending
Directors	1,056	1,418	3	-	-	2,477	1,018
Senior Management	1,935	3,036	31	133	550	5,685	2,145

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

In 2022 and 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.

The commitments of the Parent in 2022 for pensions for senior management personnel amount to EUR 78 thousand (EUR 71 thousand in the year 2021) and EUR 24 thousand for Directors (EUR 20 thousand in the year 2021). In 2022, obligations were also assumed for life insurance for senior management personnel for a total of EUR 31 thousand (EUR 23 thousand in the year 2021), and EUR 3 thousand for Directors (EUR 2 thousand in the year 2021).

In the year 2022, a total of EUR 58 thousand was paid for the civil liability insurance premium of the Parent's directors (EUR 60 thousand in 2021).

22.2 Other information on the Parent's directors

In accordance with prevailing legislation, at year-end 2022, 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 2022.

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, 2022 and 2021, basic earnings per share are as follows:

	2022	2021
Profit/(loss) for the year (thousands of euros)	(68,864)	(11,708)
Weighted average number of ordinary shares outstanding (Note 11)	9,683,010	9,683,010
Basic earnings (loss) per share (in euros)	(7.11)	(1.21)

At December 31st, 2022 and 2021, diluted earnings per share coincide with basic earnings per share.

24. Guarantees and surety

As of December 31st, 2022, and 2021 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

There are no relevant events after the reporting period are to be informed.

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.

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

Consolidated Management Report
for the year ended
31 December 2022

1.	Introduction of the President and CEO	3
2.	Situation of the entity	4
3.	Liquidity and capital resources.....	8
4.	Main risks and uncertainties	8
5.	Significant events after the reporting period.....	10
6.	Information on the Group's outlook.....	10
7.	R&D+i Activities	11
8.	Treasury shares.....	11
9.	Use of financial instruments.....	11
10.	Other relevant information	11
11.	Non Financial Information Statement.....	16

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 2022.

1. Introduction of the President and CEO

Looking back over 2022, we can all agree that top of our minds was seeing the real estate sector return to the levels of activity we had come to expect before the COVID-19 pandemic. At Haya Real Estate, S.A.U. (the Parent Company) and its subsidiaries (the "Group", "Haya" or "Haya Real Estate"), we are proud of how quickly we were able to adapt at the pandemic's most critical moments, thanks to the efforts of our dedicated team. It was wonderful to see people, companies and other social actors getting back to business as usual, albeit with a new set of challenges to face.

Tragically, the first quarter of 2022 brought a new crisis that nobody saw coming: the war in Ukraine. While the servicing sector has been spared the worst, the wider impacts of the conflict are inescapable, triggering a global crisis in raw materials and, above all, energy. It serves as a powerful reminder of the uncertainties of today's world, where our future path will be shaped by the unfolding of national and European economic policy.

It is in this climate that Haya Real Estate is preparing to celebrate its 10th anniversary. A decade has passed since we began our journey as a company, our sights firmly set on becoming a leading name in financial and real estate asset management in Spain. Thanks to the hard work and dedication our teams put in every day, we are in the fortunate position of having an extensive portfolio of clients for whom we manage more than €12,000 million in assets. Our services span the entire value chain for managing loans with mortgage guarantees and repossessed property assets. Our debt management services include loan valuation, management and recovery and the conversion of company and consumer loan commitments into repossessed real estate assets. We also offer a range of services for property owners, encompassing handover, management, maintenance, valuation, marketing and handling sales and lettings. Furthermore, 2022 saw further expansion in our Real Estate Development division, which provides advisory services in portfolio management (selection, valuation and negotiation) and land development, the completion of construction works, and offers specialist real estate consulting and mediation services.

Ever-mindful of our due diligence obligations, at Haya Real Estate we have chosen to focus our energies on evaluating environmental, social and human resources risks. As part of this commitment, in 2021 we signed up to the United Nations Global Compact. In parallel, we began identifying actions taken towards the UN Sustainable Development Goals (SDGs), part of the 2030 Agenda. These actions are recounted throughout the report. As we unveil our first Progress Report as a signatory to the Global Compact, we reaffirm our commitment to promoting and exemplifying best practices by inviting stakeholders to discover a whole series of initiatives put into action over the course of the year. It is our intention to continue our work in this vein by developing industry-leading CSR and sustainability policies, contributing to raising standards across the servicing sector.

Our existing Code of Conduct already addresses aspects of human and employment rights, the environment, equality and transparency. This is complemented by our Company Supplier Manual, where we expressly commit to applying CSR criteria throughout our procurement and supply chains. Meanwhile, Haya has developed a number of charitable projects in which all staff are encouraged to get involved. In this way, we hope to raise awareness of key social issues at both individual and institutional levels — something we will be exploring later in this report.

To return to our core business activities, there are a number of points to highlight from 2022:

- After reaching an agreement with Beka Financial Market Holding S.L. on 27 October 2021 for the sale of 100% of shares in their subsidiary "Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U", the sale became official on 7 July 2022 as the Spanish Securities Market Commission gave its approval.
- On 14 June, Haya Real Estate completed its refinancing and recapitalisation programme supported by more than 90% of its current bondholders. This means that the Company's debt will not mature until November 2025. Now that former debts have been repaid and new bonds issued to the value of €368.5 million, our existing debt at the time of writing has dropped to €55.5 million.
- Throughout 2022, the Group secured further contracts for managing real estate assets and recovering credit assets held with institutional funds and financial entities.

Finally, if 2022 has taught us anything it is that our Company possesses extraordinary powers of adaptation and resilience. Following the termination of contracts with Unicaja and Sareb, Haya Real Estate embarked on a process of workforce restructuring in a bid to boost efficiency and agility in the face of our new reality while maintaining our competitive market position. A Workforce Adjustment Plan (ERE), negotiated with union representatives, was implemented between May and September. A total of 160 employees were affected, most of whom agreed to voluntary redundancy. At the same time, we launched our new Business Development Department, a mark of our determination to keep growing as a company and pursuing new business opportunities. It's part of Haya Real Estate's ambition to evolve as an industry leader, strengthening and consolidating our competitive position and branching out into new business lines focused on products and markets where there is significant potential to grow and diversify our income streams.

After almost ten years, we remain as committed as ever to our value proposition: delivering an exceptional quality of service, offering specialist expertise and, above all, meeting our clients' needs with efficiency, flexibility, responsiveness and unwavering dedication.

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.

On 11 April 2022, Promontoria Holding 62, B.V which held 100% of the Parent's share sold 100% of shares to Haya Holdco 2 plc, (hereinafter, the Sole Shareholder) which is owned by Haya Hold Co 1 Ltd. Both companies were created in the context of the refinancing and recapitalization process. Promontoria Holding 62, B.V. together with the bondholders are the shareholders of Haya Holdco 1, Ltd. Cerberus Capital Management L.P. ("Cerberus") advises funds that indirectly own 100% of the shares of Promontoria Holding 62, B.V.

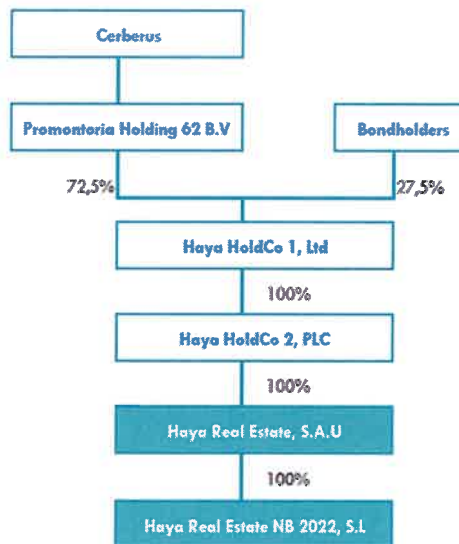
On October 27th, 2021 the Parent, has signed an agreement with Beka Finance for the sale of 100% of shares of the Parent's subsidiary "Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U". This transaction has obtained the regulatory approval by National Securities Market Commission (CNMV) on June 27th, 2022 and on July 7th, 2022, the transactions was closed.

On 29th September 2022, HRE NB 2022, S.L.U. was incorporated, with Haya Real Estate, S.A.U. as sole shareholder. The activity engaged in by the subsidiary HRE NB 2022 (HRE NB) consisted of consulting, management, administration and intermediation in real estate transactions and any type of related services through Internet or other telematic or electronic methods.

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, 2022 is shown below:





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 2022 and 2021 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:

3

- 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 2022 and 2021 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 is 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 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. The new SLA establishes 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 expired 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 has received a formal notice from Unicaja communicating the early termination of the contract, which was 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 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 into the Parent, including employees and other resources (mainly IT). The transaction was effective on 31 May 2019. At the same time, the Parent 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, 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. Two contracts, specifically Caixabank and Cajamar, out of the existing servicing contracts as of 31st of December 2022 have required upfront payments in exchange for the exclusivity.



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,	
	2022	2021
Assets Under Management (in € million)	11,575	29,503
Transaction volumes (in € million)	2,438	2,737
Average Volume Servicing Fee	4.33%	4.01%
Average Management Fee	0.20%	0.19%
EBITDA (in € million)	16.3	88.6
Adjusted EBITDA (in € million)	51.2	65.3
Adjusted EBITDA Margin	28.4%	29.3%
Net Debt (in € million)	92.7	307.8
Leverage Ratio	1.8	4.7
Adjusted Capital Expenditures (in € million)	(12.6)	(10.1)
Adjusted Changes in working Capital (in € million)	(4.8)	11.4
Free Cash Flow (in € million)	43.4	66.6
Cash Conversion ratio	84.6%	102.0%

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, 2022 amounted to 582, a 30% lower than in 2021. This decrease showed in 2022 is explained by, as disclosed on the Consolidated Notes, the labour restructuring process carried out in 2022 to adapt the Parent to the new challenging situation after receiving the notification of the early resolution of Unicaja contract and the no selection of the Parent as one of the service providers for the new Sareb contract.

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. The Group applies a procedure known to its suppliers and creditors under which most payments are made on the 10th and 25th 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 2022 was 57 days.

3. Liquidity and capital resources

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, 2022, our outstanding debt is a Shareholder Loan of €135.74 million subscribed with the Sole Shareholder of the Parent (Haya Holdco 2) signed in June 2022.

The Group, with its current cash generation capacity and the refinancing process, as explained in Consolidated Financial Statements, considers that has sufficient liquidity and capital resources to meet its current operating requirements. 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:

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 89% of the Group's revenues in 2022 (or 70% excluding Sareb and Unicaja which contract were expired or cancelled in 2022). 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 a 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 previous years. 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 received in December 2022 a formal notice communicating the early termination of the contract which became effective in June 2023. This early termination contract implies the payment by Unicaja of a termination fee.

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.

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.

Information Systems incident:

The Parent outsources IT infrastructure and hosting of many of its systems with one of the largest and most experienced suppliers, using its top Tier IV datacenter and back up sites. Notwithstanding this, on October 18th, 2022, the supplier acknowledged that it unilaterally deleted data and systems that belonged to the Parent with no previous consent or authorization from the Parent. The Parent immediately activated its Business Contingency Plan, starting up its 4th level backups hosted outside the external supplier. As a result of this, the Parent was able to minimize the business interruption promptly, restoring the vast of majority of affected systems in two days along with data and documents. As of December 31st, 2022, and as of the date of the preparation of the consolidated financial statements, all systems are running smoothly. The incident did not affect any confidentiality of any interested parties, neither did it involve any unauthorized access to any personal data. The Parent is also not aware of any economic damages or losses to those interested parties. The incident only temporary affected access to some of the Parent's systems. The Parent is currently implementing action plans to further strengthen its IT and hosting infrastructure in the short term, consider alternative source models in the longer term and evaluate its rights under the existing contract with its current supplier.

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 debt 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. 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 or decrease in the 3-month Euribor of 25 basis points would imply an increase or decrease in the Group's financial expense of EUR 339 thousand in 2022.

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 high credit ratings.

There is a high level of concentration, as the Group's activity stems primarily from the contracts with six clients (of which both Unicaja and Sareb were cancelled or expired in 2022). 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.

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.

As at December 31st, 2021, the Group showed a negative working capital position of EUR 163,231 thousand, as the senior secured notes matured in 2022 and therefore were classified as a current liability.

In 2022, the Parent and its previous shareholder successfully undertook a refinancing and recapitalization process, the main effects of which were as follows:

- Conversion of the previous debt to bondholders into debt to the sole shareholder.
- Net capitalization of shareholders' equity amounting to EUR 100,000 thousand.
- Partial repayment of the Shareholder Loan with Haya Holco 2 PLs, for a global amount of EUR 87,828 thousand.

As at December 31st, 2022 after the refinancing and recapitalization process, the Groups shows a positive working capital position of EUR 14,855 thousand.

5. Significant events after the reporting period

No relevant events after the reporting period are to be informed.

6. Information on the Group's outlook

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, interest rate increase and inflation could present in the future an increase in credit defaults generating new NPLs inflows from its banking clients.

7. R&D+i Activities

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 2022 and 2021, the Group has invested EUR 7,393 thousand and EUR 10,376 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. Treasury shares

The Parent currently holds no treasury shares and held no treasury shares during 2022.

9. Use of financial instruments

The Group did not have any financial derivative in 2022.

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, 2022	December 31, 2021
Assets under Management (by client)		
<i>Caixabank</i>	2,655	2,857
<i>Cajamar</i>	3,203	3,726
<i>Sareb</i>	-	12,870
<i>Unicaja</i>	-	2,064
<i>BBVA</i>	1,286	1,621
<i>Divarian (1)</i>	3,053	3,645
<i>Apple(1)</i>	1,136	1,313
<i>Other Cerberus Portfolios(1)</i>	238	1,377
<i>Other clients(1)</i>	4	30
Assets under Management (total)	11,575	29,503

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

As of December 31, 2022 the AuMs decreased by EUR17,928 billion compared to December 31, 2021, mainly because of the early termination of Unicaja contract, and the non-renewal of Sareb contract.

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	
	2022	2021
Transaction Volumes (by type of transaction)		
<i>NPL</i>	268.2	288.2
<i>REO Conversion</i>	241.5	492.3
<i>REO</i>	1,928.0	1,956.5

Transaction Volumes (total)	2,437.7	2,737.0
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For the year 2022 compared to 2021, transaction volumes decreased by €299 million (or 11%).

NPL volumes decreased by 7% (or €20 million) compared to 2021 due to the termination of Sareb's contract partially offset with an outstanding performance in Cajamar contract in which significant transactions were marketed in 2022. REO Conversion volumes decreased by 51% (or €251 million) when compared to 2021 due to a lower activity as a result of the termination of Sareb's contract. REO volumes performance showed in 2022 remain stable compared with 2021 performance despite the fact that Sareb and Unicaja contract were cancelled or expired in 2022.

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 2022 and 2021:

	In € millions, other than ratios	
	2022	2021
Volume servicing fees	105.6	109.8
Volume of transactions in the period ⁽¹⁾	2,437.7	2,737.0
Average Volume Servicing Fees	4,33%	4,01%
Asset management fees	40.9	57.5
Average Assets under Management in the period ⁽²⁾	20,539	30,895
Average Asset Management Fees	0.20%	0.19%

⁽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 4.01% to 4.33% in 2022 when compared 2021 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 2022 when compared to LTM 2021.

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) (<i>unaudited</i>)	
	2022	2021
Profit (loss) for the period	(68.9)	(11.7)
Income tax (benefits)/ expenses	2.6	3.7
Finance income	(2.6)	(5.6)
Finance expenses	25.6	24.8
Result for loss of control of consolidated interests	(2.4)	-
Depreciation and amortisation charge	46.8	60.9
Impairment and gains or losses on disposals of non-current assets	15.2	16.5
EBITDA	16.3	88.6
Non-recurring costs and (revenues)	34.9	(23.3)
Adjusted EBITDA	51.2	65.3

In 2022, Adjusted EBITDA was €51.2 million, a 22% decrease from Adjusted EBITDA 2021. This variance is explained mainly by the decrease of revenues of 19% impacted negatively by lower asset management fees as a consequence of contracts expired or cancelled in 2022 and natural rotation of the assets under management.

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 2022 and 2021:

	In € millions, other than ratios	
	2022	2021
Adjusted EBITDA	51.2	65.3
Revenues	180.4	223.0
Adjusted EBITDA Margin	28.4%	29.3%

In 2022, Adjusted EBITDA Margin remains stable (slightly below) compared with 2021 despite the fact that two contracts (Sareb and Unicaja) were expired or early terminated. This performance shows a higher cost flexibility of The Group to be adapted to new business environment.

Net Debt

The Group defines Net Debt as Debts with credit institutions, bonds and other securities or Debts with Group companies and associates 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	
	2022	2021
Debts with credit institutions, bonds and other securities	-	424.9
Debts with Group companies and associates	122.2	-
Cash and cash equivalents	(29.5)	(117.1)
Net Debt	92.7	307.8

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 2022 and 2021:

	In € millions, other than ratios	
	2022	2021
Net Debt	92.7	307.8
Adjusted EBITDA	51.2	65.3
Leverage Ratio	1.8x	4.7x

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). 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 payments due to investment carried out in 2022 amounted to € 12.6 million (of which € 10.6 million are related to IT investing activities) compared with € 10.1 million paid in 2021.

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:

Translation into English of consolidated management report for the year ended 31 December 2022 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

	In € millions	
	2022	2021
(Increase)/decrease in current assets	18.2	0.3
Increase/(decrease) in current liabilities	(4.7)	11.1
Change in Working Capital	1.6	11.4
Non-Recurring Adjustments	(8.8)	24.0
Adjusted Change in Working Capital	(4.8)	35.4

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 2022 and 2021:

	In € millions	
	2022	2021
Adjusted EBITDA	51.2	65.3
Capital Expenditures (-)	(12.6)	(10.1)
Changes in working capital (+)	(4.8)	35.4
Free Cash Flow	43.4	90.6

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 once is deducted capital expenditures and working capital investment/divestment.

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 2022 and 2021:

	In € millions, other than ratios	
	2022	2021
Free Cash Flow	43.4	90.6
Adjusted EBITDA	51.2	65.3
Cash Conversion	84.6%	138.7%

In 2022, 84.6% of cash conversion showed which is significantly lower than cash conversion achieved in 2021. This decrease is explained by the good cash results obtained in 2021 as a consequence of the action plan carried out in 2021 aiming a significant accounts receivable reduction.

11. Non-Financial Information Statement

This non-financial information statement 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. The Group is also the sole administrator of a few portfolios of guaranteed real estate portfolios acquired by Cerberus.

In 2022 and 2021, we have carried out our activity in Spain generating revenues of EUR 180,364 thousand and 223,011 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 10 leased work centres and a network of approx. 1,130 collaborators distributed throughout Spain (20 work centres and a network of over 1,800 collaborators in 2021). 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 questions, 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 was raised by the union representatives in April 2021, for certain group of employees (170), contesting the Haya real Estate's decision not to pay any variable remuneration for. 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 14 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 them 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 implement 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 was developed and negotiated with the employee representatives, being in the final phase of data updating at the end of the year 2022 for the signing.
- ✓ **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, was 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 our 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 it won 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, provide training and information on prevention of occupational hazards to new employees, and offer personal protective equipment. The workplaces have risk assessments and emergency plans that employees can consult. Since 2020, 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 2021, the main negotiation with the union representatives ended with an agreement to implement remote work and telecommuting permanently in the workplace with 100% of the working day labour for some employees.

Since 2021, we have been working on a 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.

- Since the second half of 2021 and during 2022, 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 2023, it is intended to continue working in this line and continue to evolve in the flexibility and optimization of the work environment.
- As a result of the conclusions obtained in the employee experience survey conducted in the last quarter of 2022, several initiatives have been launched and are currently in the design and implementation phase, such as:
 - The inclusion of new functionalities in the intranet directory in order to the employees can find other colleagues and its role or function, as well as to make known the hierarchical relationships or the company.
 - The development of a functional map that employees will be able to access through the intranet and where they could find out all the functional relationships between areas and thus acquire greater organizational knowledge when collaborating with each other.
 - The development of a talent map for which competency interviews are being conducted with employees to measure their potential as well as their skills in adapting to change, collaboration, results orientation and leadership. This information will be used for promotion and succession processes, and will be updated periodically.

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 2022, the Group had 582 employees in its workforce, all of whom were based at the 10 workplaces in Spain (832 in 2021 all of them based at the 20 workplaces in Spain). As at 31 December 2022, 30 employees are in teleworking mode during 100% of their working hours due to there are no work centres in the zones (7 employees in teleworking mode during 100% of their working hours as at 31 December 2021).

In line with new organizational model, implemented in 2021, throughout 2022 a new variable remuneration system has continued to be 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 2022 and 2021, 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 2022 and 2021 is detailed by sex, age and functions in the tables below:

31 December 2022

Permanent contracts

Translation into English of consolidated management report for the year ended 31 December 2022 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

Breakdown by age	21-31	31-41	41-51	51-61	61-71	Total
Men	14	69	122	58	1	264
Women	16	105	150	47	-	318
Total permanent contracts	30	174	272	105	1	582

Breakdown by function	Middle Management and Staff	Managers	Senior Management	Total
Men	233	23	8	264
Women	295	20	3	318
Total permanent contracts	528	43	11	582

31 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	-	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

Employees by type of working day

There are no part-time or permanent seasonal employment contracts as at 31 December 2022 either 2021. 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 2022

Breakdown by sex	Men	Women	Total
Full-time	264	302	566
Reduced working day	-	16	16
Total	264	318	582

Breakdown by age	21-31	31-41	41-51	51-61	61-71	Total
Full-time	30	165	265	105	1	566
Reduced working day	-	9	7	-	-	16
Total	30	174	272	105	1	582

Translation into English of consolidated management report for the year ended 31 December 2022 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

Breakdown by function	Middle Management and Staff	Managers	Senior Management	Total
Full-time	512	43	11	566
Reduced working day	16	-	-	16
Totalx	528	43	11	582

31 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

Number of terminations employment during the year

In the 2022 financial year, 316 employees left the Group:

2022

Breakdown by sex	Men	Women	Total
Number of dismissals	90	82	172
Number of resignations	56	49	105
Number of terminations for other reasons (retirement, death, etc), including employees with a right to return to their previous company.	17	22	39
Turnover (including all terminations) (% calculated over total number of employees)	23.45%	22.02%	45.47%

Translation into English of consolidated management report for the year ended 31 December 2022 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

Breakdown by age	21-31	31-41	41-51	51-61	61-71	Total
Number of dismissals	3	46	65	56	2	172
Number of resignations	11	61	27	6	-	105
Number of terminations for other reasons (retirement, death, etc), including employees with a right to return to their previous company.	4	13	17	5	-	39
Turnover (including all terminations) (% calculated over total number of employees)	2.59%	17.27%	15.68%	9.64%	0.29%	45.47%

Breakdown by function	Middle Management and Staff	Managers	Senior Management	Total
Number of dismissals	164	7	1	172
Number of resignations	101	4	-	105
Number of terminations for other reasons (retirement, death, etc), including employees with a right to return to their previous company.	38	-	1	39
Turnover (including all terminations) (% calculated over total number of employees)	43.60%	1.58%	0.29%	45.47%

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%

Labour Restructuring Process

On April 7th, 2022, the Parent announced to employees, union representatives, bondholders and other stakeholders its intention to launch a labour restructuring process in order to adapt the Parent to the new challenging situation after receiving the notification of the early resolution of Unicaja's contract and the no selection of the Parent as one of the service providers for the new Sareb's contract. The negotiation period with the employee representatives began on April 25th, 2022 and lasted until May 25th, 2022. On May 25th, 2022, the Parent 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 restructuring labour process. This labour restructuring process has been completed on September 30th, 2022, with total employee layoffs of 160 and restructuring costs in the amount of EUR 12,049 thousand included in the caption "Personnel expenses" of the consolidated statement of profit and loss. Additionally, an amount of EUR 1,299 thousand related to the obligation of paying Social Security of certain employees affected by the restructuring were accrued in the caption "Other current liabilities" which payment to Social Security is expected in 2023.

Mean remuneration

In 2021, the Group 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 2022, around 52% of the workforce has been directly hired by the Group and the remaining 48% 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.

In 2022 and 2021, the ratio between the minimum mean remuneration paid by the Group and the minimum mean remuneration established by law has been 1.52.

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 extraordinary Bonus and the remuneration of the executive director of the Parent (which are detailed in the paragraph "Remuneration of the Board of directors and Senior Management"):

2022

Breakdown by sex	Men	Women
Mean remuneration (in Euros)	69,363	51,283

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Breakdown by age	21-31	31-41	41-51	51-61	61-71
Mean remuneration (in Euros)	30,380	47,827	60,170	88,730	128,222

Breakdown by function	Middle Management and Staff	Managers	Senior Management
Mean remuneration (in Euros)	49,543	129,086	389,095

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

Salary gap

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 changed in 2021 given that around 52% of the workforce has been hired by the Group which is similar to 48% of the workforce proceeding from different companies. However, the reduction in the number of employees from previous companies maintains its relative weight in the comparison of the salary gap, which remains at a gap of 26.07%. In remuneration audit carried out by the company in 2022 (based on remuneration data from 2020), the income from previous companies on which action cannot be taken is marked as the main factor of this inequality. However, the company continues with the negotiation of the Equality Plan with the representatives of the workers to act to reduce these differences in the future.

31 December 2022

Breakdown by age	21-31	31-41	41-51	51-61	61-71	Total
Salary Gap ⁽¹⁾	22.50%	22.93%	20.27%	24.55%	-*	26.07%

*No women for the age range

Breakdown by function	Middle Management and Staff	Managers	Senior Management	Total
Salary Gap ⁽¹⁾	20.24%	17.17%	2.75%	26.07%

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

Translation into English of consolidated management report for the year ended 31 December 2022 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

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	Clerical staff and department heads	Directors	Senior Management	Total
Salary Gap ⁽¹⁾	19.95%	14.58%	19.60%	23.80%

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

Remuneration of the Board of directors and Senior Management

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

In 2022 and 2021, the functions corresponding to directors of the Parent were performed by five men and one woman. With effects from April 1st, 2022, Mrs. Charlotte Insinger has resigned from her position as non-executive Director. Therefore, five directors (men) performed the role of directors of the Parent since April 1st. (five men and one woman during 2021). Also, at 2022 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 2021 year-end), one of which (man) is an executive director of the Parent (one man at 2021 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 2022 and 2021, is as follows:

2022

	Thousands of euros						
	Fixed remuneration	Variable remuneration	Remuneration in kind	Compensation	Severance	Total	Pending
Directors	1,056	1,418	3	-	-	2,477	1,018
Senior Management	1,935	3,036	31	133	550	5,685	2,145

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

In 2022, the mean remuneration of the Directors (men), excluding the remuneration in kind and considering the executive functions performed by the Chairman and Executive Director, amounted to EUR 495 thousand (EUR 382 thousand in 2021). The mean remuneration of the Senior Management men and women in 2022 (seven men and three women), excluding the remuneration in kind, compensation and severance amounts, amounted to EUR 504 thousand and EUR 482 thousand, respectively (in 2021 amounted to EUR 299 thousand and EUR 259 thousand, respectively).

In 2022 and 2021, the variable remuneration presented in the table above includes the amount accrued from multi-year incentive plans based on the achievement of the Group activity's performance. Only the executive members of the Board of Directors are entitled to receive variable remuneration and incentive plans.

The commitments of the Parent in 2022 for pensions for senior management personnel amount to EUR 78 thousand (EUR 71 in the year 2021) and EUR 24 thousand for Directors (EUR 20 in the year 2021). In 2022,

obligations were also assumed for life insurance for senior management personnel for a total of EUR 31 thousand (EUR 23 thousand in the year 2021), and EUR 3 thousand for Directors (EUR 2 thousand in the year 2021).

In the year 2022, a total of EUR 58 thousand was paid for the civil liability insurance premium of the Parent's directors (EUR 60 thousand in 2021).

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 2022, there were 3 employees with disabilities in the workforce (3 employees in 2021). 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 2022 of a total amount

of EUR 60 thousand (EUR 121 thousand in 2021). 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 and supply of electricity in all the work centers of Haya.

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

2022

Hours of absence 2022	51,702
Absence rate 2022	4.20%

2021

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

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 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 2022 and 2021:

2022

	Men	Women
Total number of employees who have had the right to parental leave	16	29
Total number of employees who have chosen to use their parental leave	16	29
Rate of return to work and retention of employees after enjoying parental leave	100%	100%

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%

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 2022 have been:

- ✓ Occupational Risk Prevention Plan, carried out in 2016 and last updated in September 2022. The Prevention Plan contains and embodies the Prevention Policy approved by the Board of Directors on 26/03/2019.
- ✓ Annual Report 2021 and Annual Program 2022 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 2022 the reports of the company's work centre have been updated.
- ✓ Emergency management: In 2022, 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 2022 and 2021:

2022

	Men	Women
Number of accidents leading to leave	-	1
Number of days lost due to accidents leading to leave	-	24
Number of real hours worked by employees	529,792	585,841
Frequency rate	-	1.71
Severity index	-	0.04

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	-	-

Health and safety measures against the COVID-19

During 2022 and 2021, 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).



Target 8.8 Protect labour rights and promote safe and secure working environments for all workers

Psychosocial Risk Assessment

During 2022, the working group with representatives of the company and workers have worked in the Psychosocial Risk Assessment of its employees. The group has decided the evaluation method and the extra questions. The members of the group have carried out a training of Psychosocial Risk Assessment.

Teleworking

As at 31 December 2022, 30 employees are in teleworking mode during 100% of their working hours. These employees have undergone occupational risk prevention training during teleworking, and the company has carried out an evaluation occupational risks for these employees.

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 2022 there are 32 union representatives in the Group, sitting on Company Committees or as Personnel delegates representing the 5 main centres of work and 3 representatives of the 2 Company Trade Union Sections accredited in the Group (37 union representatives in 2021, 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 establishes 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 (around 170 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.

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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 2022, 161 training actions were undertaken, with 3.039 participants and 8.758,75 hours of training given (most of the training hours were for Clerical staff and department heads), of which 6.594,25 hours have been online and 2.164,5 on-site. 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 15,863 were online.

2022 PROJECTS	Trainees		Total Hours	
	Count	%	Count	%
1. Real Estate training	475	16%	2,423.7	28%
2. Technological training	624	21%	1,672.7	19%
3. Management Development skills and culture	261	9%	407	5%
4. Regulation/Compliance	826	27%	1,115	13%
5. Prevention of Occupational Risks	163	5%	387	4%
6. Languages	273	9%	2,247.85	25%
7. Webinars	417	13%	505.5	6%
TOTAL	3,039	100%	8,758.75	100%

2021 PROJECTS	Trainees		Total Hours	
	Count	%	Count	%
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%



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. 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.
- In 2021, we 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 in the process of updating data to the year 2022 to prepare its final version.
- In 2022 and 2021 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.

11.3.2. Shareholders and Bondholders

As explained in previous points, as of December 31st, 2022 Haya Real Estate is 100% owned by Haya Holdco 2, PLC (Haya Holdco 2). 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.

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 2022 and 2021 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.

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 2022, we handled a total of 2,597 complaints, all of which have been replied (4,893 complaints in 2021 and all of them replied). In addition, we handle 243 complaints throughout the social networks, of which 62% have been replied (231 complaints were received in 2021, of which 78% were replied).

In addition, in 2022 the Group has done an aftermarket satisfaction questionnaire for 2022 to its clients where 49% of the survey respondents has evaluated that they would recommend us (rating 4 or 5 out of 5), improving results when compared to 2021 were 46% 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.

Partnerships and relationship

Within the *Haya Contigo* programme, the following contributions was made to non-profit organisations in 2022 and 2021:

- ✓ 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

- ✓ Blood donation campaign at the Group's corporate headquarters in Madrid.
- ✓ Dissemination and promotion of training workshops on health care and wellness in collaboration with Sanitas.
- ✓ Dissemination of an employability program for young people in collaboration with the Lukkap consulting firm. This program is aimed at those employees who have children in the final stages of university so that they can participate in the employment exchange of this consulting firm and be oriented about the options they have to develop their professional career.
- ✓ Participation in the San Silvestre race at the end of the year, with the Group paying for the registration of employees interested in.
- ✓ Carrying out Focus Groups at the Madrid, Valencia y Almería offices to disseminate the results of the employee experience survey and to jointly build up initiatives between employees and the Human Resources team that contribute to improving the Group's employer brand.
- ✓ Promotion of special financial products through the creation of a virtual office of a bank exclusively for Haya, offering exclusive banking products at competitive prices for all employees.
- ✓ 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

- ✓ Padel tennis lead: the Group has participated in the Padel tennis tournament.

1. We have contributed EUR 13,737 in 2021 to the above causes (EUR 5,926 in 2021). Furthermore, we are engaged in ongoing collaboration with the Adecco Foundation for the integration of employees with disabilities, having made a contribution in 2022 of a total amount of EUR 60 thousand (EUR 121 thousand in 2021).

2. In 2022, we have also contributed to 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

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Target 10.3: Ensure equal opportunity

In addition, in 2022 and 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 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

3. 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.

4. 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 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 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.haya.canalcomunicacion.es>. 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.

In 2022 and 2021, 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.

5. 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 19601 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 2022 more than 1,147 hours were employed (1,797 in 2021). 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.

In 2022 and 2021, the Group has not received any complaint in its Whistleblower Channel in relation to corruption actions.



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 2022 amounted to EUR 180 million (EUR 223 million in 2021). The operating profit (loss) of the Group amounted to EUR (45.7) million and EUR 11.2 million in 2022 and 2021 respectively, the profit/(loss) before taxes for the year in 2022 and 2021 were EUR (66,286) thousand and (8,021) thousand, respectively, and the profit /(loss) for the year in 2022 and 2021 were EUR (68,864) thousand and EUR (11,708) thousand, respectively. In 2022 Corporate Income tax losses amounted to EUR 2,578 thousand (in 2021 Corporate income tax losses amounted to EUR 3,687 thousand).

In 2022 and 2021 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 2022 and 2021 there have been no payments related to Corporate Tax Income, and the Group has not applied deduction for the development of the new IT system (EUR 2,170 thousand in 2021).

In 2022 and 2021, 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.

We have 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 and Valencia 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 2022 and 2021 of the main workplaces of our Group:

MADRID	Consumption Kwh 2022	Consumption Kwh 2021	VALENCIA	Consumption Kwh 2022	Consumption Kwh 2021	ALMERIA	Consumption Kwh 2022	Consumption Kwh 2021
TOTAL	750,964	840,745	TOTAL	140,137	201,878	TOTAL	69,400	72,605

Other Centres	Consumption Kwh 2022	Consumption Kwh 2021
TOTAL	170,927	210,278

TOTAL	2022	2021
Consumption (kwh)	1,131,428	1,325,236
Mean Workforce	695	853
Efficiency Ratio (kwh/employee)	1,628	1,554
CO ₂ emissions (tons)	185	183
Kg CO₂/employee	265	214



Target 7.3: Double the global rate of improvement in energy efficiency

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 CO₂ emissions (see table above)

Regarding scope 2 (indirect emissions generated by the electricity consumed and purchased by the supplier), our activity reflected in 2022 185 tons of CO₂ emissions (183 tons of CO₂ 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 2022: 95,381Tn (67,658 Tn in 2021).

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

There are no relevant events after the reporting period to be informed.

11.4 Tables

Content	Section	Reporting Criteria
Business model - Description of the business model - Objectives and strategies - Main factors and trends affecting future evolution	-Business - Group's risks - Group's philosophy	GRI 2-6 GRI 2-1
Social and personnel questions - Management focus - Employment <ul style="list-style-type: none"> • Number and breakdown of employees by country, sex, age and professional category • 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 • Mean remuneration by sex, professional category and age • Salary gap • Mean remuneration of board members and upper management • Percentage of employees with disability - Organisation of work <ul style="list-style-type: none"> • Organisation of working time • Absences from work • Measures to facilitate reconciliation - Health and Safety <ul style="list-style-type: none"> • Health and safety at work • Accident rates - Labour relations	Employees	GRI 3-3 GRI 2-7 GRI 401-1 GRI 405-2 GRI 405-2 GRI 2-19 GRI 405-1 GRI 401-3 GRI 403-2 GRI 401-3 GRI 403-1, GRI 403-3 GRI 403-2, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-9, GRI 403-10

Content	Section	Reporting Criteria
<ul style="list-style-type: none"> • Organisation of dialogue with the workforce • Balance of agreements in the field of health and safety - Training <ul style="list-style-type: none"> • Training policies implemented • Training indicators - Universal accessibility for persons with disability - Equality 		GRI 3-3, GRI 402-1, GRI 403-1 GRI 403-4 GRI 2-26 GRI 404-2 GRI 404-1 GRI 405-1 GRI 405-1, GRI 405-2
Environmental questions <ul style="list-style-type: none"> - Management focus - Environmental management - Contamination prevention measures - Circular economy, sustainable use of resources and the prevention of waste <ul style="list-style-type: none"> • Consumption of raw materials • Measures to improve energy efficiency • Direct energy consumption • Use of renewable energies - Climate change <ul style="list-style-type: none"> • Greenhouse gas emissions - Biodiversity 	Environmental information	GRI 3-3 GRI 2-23, GRI 3-3, GRI 2-27, GRI 305-1 GRI 305-2 GRI 305-3 GRI 306-2 GRI 301-1 GRI 302-4, GRI 302-5 GRI 302-3 GRI 302-1 GRI 305-5 GRI 304-2
Respect for human rights <ul style="list-style-type: none"> - Management focus - Application of due diligence procedures - Measures for the prevention and management of possible abuses - Reporting of breaches of human rights - Promotion of and compliance with ILO provisions 	Society	GRI 3-3 GRI 410-1 GRI 411-1, GRI 2-27 GRI 407-1, GRI 409-1
Anti-corruption and anti-bribery questions <ul style="list-style-type: none"> - Management focus - Measures to prevent corruption and bribery - Measures to combat money laundering - Contributions to non-profit foundations and organisations 	Society	GRI 3-3 GRI 205-1, GRI 205-2 GRI 2-23 GRI 201-1, GRI 207-2, GRI 2-22
Social commitment <ul style="list-style-type: none"> - Management focus - Commitment of the company to sustainable development - Responsible management of the supply chain - Customer relations management - Tax information and transparency <ul style="list-style-type: none"> • Company tax paid 	Society Suppliers Consumers	GRI 3-3 GRI 2-29, GRI 413-1, GRI 413-2 GRI 308-1, GRI 308-2 GRI 416-1, GRI 416-2, GRI 417-1 GRI 207-1, GRI 201-4
Business model <ul style="list-style-type: none"> - Description of the business model 	-Business - Group's risks	GRI 2-6 GRI 2-1

Content	Section	Reporting Criteria
<ul style="list-style-type: none"> - Objectives and strategies - Main factors and trends affecting future evolution 	- Group's philosophy	
<p>Social and personnel questions</p> <ul style="list-style-type: none"> - Management focus - Employment <ul style="list-style-type: none"> • Number and breakdown of employees by country, sex, age and professional category • 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 • Mean remuneration by sex, professional category and age • Salary gap • Mean remuneration of board members and upper management • Percentage of employees with disability - Organisation of work <ul style="list-style-type: none"> • Organisation of working time • Absences from work • Measures to facilitate reconciliation - Health and Safety <ul style="list-style-type: none"> • Health and safety at work • Accident rates - Labour relations <ul style="list-style-type: none"> • Organisation of dialogue with the workforce • Balance of agreements in the field of health and safety - Training <ul style="list-style-type: none"> • Training policies implemented • Training indicators - Universal accessibility for persons with disability - Equality 	Employees	<p>GRI 3-3</p> <p>GRI 2-7</p> <p>GRI 401-1</p> <p>GRI 405-2</p> <p>GRI 405-2</p> <p>GRI 2-19</p> <p>GRI 405-1</p> <p>GRI 401-3</p> <p>GRI 403-2</p> <p>GRI 401-3</p> <p>GRI 403-1,</p> <p>GRI 403-3</p> <p>GRI 403-2, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-9, GRI 403-10</p> <p>GRI 3-3, GRI 402-1, GRI 403-1</p> <p>GRI 403-4</p> <p>GRI 404-2</p> <p>GRI 404-1</p> <p>GRI 405-1</p> <p>GRI 405-1, GRI 405-2</p>
<p>Environmental questions</p> <ul style="list-style-type: none"> - Management focus - Environmental management - Contamination prevention measures - Circular economy, sustainable use of resources and the prevention of waste <ul style="list-style-type: none"> • Consumption of raw materials • Measures to improve energy efficiency • Direct energy consumption • Use of renewable energies - Climate change <ul style="list-style-type: none"> • Greenhouse gas emissions 	Environmental information	<p>GRI 3-3</p> <p>GRI 2-23, GRI 3-3, GRI 2-27, GRI 305-1 GRI 305-2</p> <p>GRI 305-3</p> <p>GRI 306-2</p> <p>GRI 301-1</p> <p>GRI 302-4, GRI 302-5</p> <p>GRI 302-3</p> <p>GRI 302-1</p> <p>GRI 305-5</p>

Content	Section	Reporting Criteria
- Biodiversity		GRI 304
Respect for human rights - Management focus - Application of due diligence procedures - Measures for the prevention and management of possible abuses - Reporting of breaches of human rights - Promotion of and compliance with ILO provisions	Society	GRI 3-3 GRI 2-26 GRI 412-1, GRI 410-1 GRI 2-26, GRI 411-1, GRI 2-27 GRI 407-1, GRI 409-1
Anti-corruption and anti-bribery questions - Management focus - Measures to prevent corruption and bribery - Measures to combat money laundering - Contributions to non-profit foundations and organisations	Society	GRI 3-3 GRI 205-1, GRI 205-2, GRI 201-1 GRI 2-23, GRI 2-26, GRI 3-3, GRI 201-1, GRI 413-1
Social commitment - Management focus - Commitment of the company to sustainable development - Responsible management of the supply chain - Customer relations management - Tax information and transparency • Company tax paid	Society Suppliers Consumers	GRI 3-3 GRI 2-29, GRI 413-1, GRI 413-2 GRI 308-1, GRI 308-2 GRI 416-1, GRI 416-2, GRI 417-1 GRI 207-1, GRI 201-4 GRI 201-7

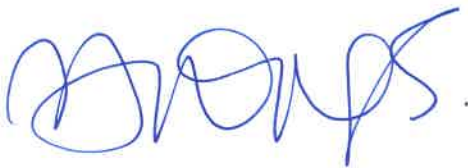
Formulation of the consolidated financial statements and consolidated management report, which includes the consolidated statement of non-financial information

Ms. Ana Suárez Garnelo, in my capacity as secretary of the board of directors of Haya Real Estate, S.A.U., I hereby certify that the attached consolidated annual accounts and consolidated management report, which includes the consolidated statement of non-financial information, have been prepared with the favorable vote of all the members of the board of directors of Haya Real Estate, S.A.U. mentioned below, at the meeting of the board of directors held on March 28, 2023, with a view to their verification by the auditors and subsequent approval by the sole shareholder.

- Carlos Abad Rico (DNI 50799133-E)
- Enrique Dancausa (DNI 05255585-Q)
- José María Aznar Botella (DNI 3251786-T)
- Cees Maas (NIE Y-3170330-R)
- Gerald Porter Strong (NIE X-4127648-E)

The consolidated financial statements, which are spread over 65 pages, pages 1 to 65, and the consolidated management report, which includes the consolidated statement of non-financial information, is spread over 49 pages, pages 1 to 49.

Signed the Secretary of the Board



Ms. Ana Suárez Garnelo



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

Independent limited assurance report on
the Consolidated Non-Financial
Information Statement for the year
ended 31 December 2022

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 CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT OF HAYA REAL ESTATE, S.A.U. AND SUBSIDIARY FOR 2022

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 (“CNFIS”) for the year ended 31 December 2022 (“2022”) 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 “Contents - Spanish Non-Financial Information and Diversity Law 11/2018” table included in the accompanying consolidated directors’ report.

Responsibilities of the Directors

The preparation and content of the CNFIS included in the Group’s consolidated directors’ report are the responsibility of the directors of Haya Real Estate, S.A.U. The CNFIS was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards), as well as other criteria described as indicated for each matter in the “Contents - Spanish Non-Financial Information and Diversity Law 11/2018” table in 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 CNFIS 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 CNFIS is obtained.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the international standards on quality in force and, accordingly, maintains a quality system of quality that includes 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 work 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 (ISAE 3000 Revised), 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 obtained is substantially lower.

Our work consisted of making inquiries of management and the various units of the Group that participated in the preparation of the CNFIS, reviewing the processes used to compile and validate the information presented in the CNFIS, 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 2022 CNFIS based on the materiality analysis performed by the Group and described in the “Business model” 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 2022 CNFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2022 CNFIS.
- Verification, by means of sample-based review tests, of the information relating to the contents included in the 2022 CNFIS, 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.

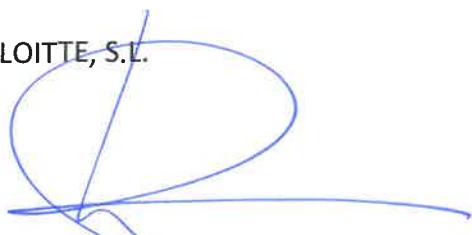
Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that the CNFIS of Haya Real Estate, S.A.U. and subsidiary for the year ended 31 December 2022 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 “Contents - Spanish Non-Financial Information and Diversity Law 11/2018” table in 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

31st March 2023