

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

Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
prepared under International Financial Reporting
Standards (IFRS) as adopted by the European Union
(IFRS-EU)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

(Thousands of Euros)

ASSETS	Notes	30/09/2021(*)	31/12/2020
NON-CURRENT ASSETS:			
Intangible assets	4	171,948	200,892
Property, plant and equipment		3,224	4,536
Right-of use assets		2,035	3,272
Non-current financial assets		96,935	94,235
Deferred tax assets	10	33,384	30,702
Goodwill	5	6,332	6,332
Total non-current assets		313,858	339,969
CURRENT ASSETS:			
Current financial assets-		169,972	148,346
Trade and other receivables	6	59,069	93,612
Current financial assets	14	2,135	709
Cash and cash equivalents		108,768	54,025
Other current assets		684	303
Total current assets		170,656	148,649
TOTAL ASSETS		484,514	488,618
EQUITY:			
Share capital	7	9,683	9,683
Share premium	7	45,831	45,831
Reserves of the Parent	7	(44,260)	(25,884)
Reserves of the subsidiary			635
Other shareholder contributions	7	3,900	3,900
Profit (loss) for the period attributable to the Parent		(6,341)	(19,011)
Equity attributable to the Parent		8,813	15,154
Total equity		8,813	15,154
NON-CURRENT LIABILITIES:			
Debts with credit institutions, bonds and other securities	8	421,598	420,034
Long-term provisions		3,734	3,324
Lease liabilities		876	1,795
Total non-current liabilities		426,208	425,153
CURRENT LIABILITIES:			
Debts with credit institutions, bonds and other securities	8	5,619	6,726
Lease liabilities		1,298	1,637
Other financial liabilities		4,750	4,996
Other current liabilities	9.2	10,930	5,472
Trade payables	9.1	26,448	29,234
Related party payable		448	246
Total current liabilities		49,493	48,311
TOTAL EQUITY AND LIABILITIES		484,514	488,618

(*) Unaudited financial statements.

The accompanying Notes 1 to 19 are an integral part of the consolidated statement of financial position as at September 30, 2021

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

(Thousands of Euros)

	Notes	(Debit)/Credit	
		30/09/2021(*)	30/09/2020 (*)(**)
Revenue	12	141,054	126,548
Other operating expenses	13.2	(52,163)	(46,707)
Personnel expenses	13.1	(45,444)	(50,365)
Amortisation and gains or losses on disposals of non-current assets		(38,863)	(39,248)
Profit (loss) from operations		4,584	(9,772)
Finance income	14	4,128	3,912
Finance expense		(18,500)	(20,952)
Net Finance income (expense)		(14,372)	(17,040)
Profit (loss) before tax		(9,788)	(26,812)
Income tax benefit (expense)	10.2	3,447	7,742
Profit (loss) for the period		(6,341)	(19,070)
Attributable to the sole shareholder of the Parent		(6,341)	(19,070)

(*) Unaudited financial statements.

(**) Restated figures

The accompanying Notes 1 to 19 are an integral part of the consolidated statement of profit or loss for the nine-month period ended 30 September 2021.

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

**A) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

Consolidated Statement of Profit or Loss for the nine-month period ended 30 September 2021 agrees with the Consolidated Statement of Comprehensive Income for the nine-month period ended 30 September 2021.

**B) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Thousands of Euros)**

	Share Capital	Share Premium	Reserves of the Parent	Reserves of Subsidiary Company	Other shareholder contributions	Profit (loss) for the period	Total Equity
Balance at 31 December 2019	9,683	45,831	12,127	-	3,900	(37,376)	34,165
Transfers to retained earnings	-	-	(38,011)	635	-	37,376	-
Income and expenses recognised for the nine-month period ended 30 September 2020	-	-	-	-	-	(19,070)	(19,070)
Balance at 30 September 2020(*) (**)	9,683	45,831	(25,884)	635	3,900	(19,070)	15,095
Balance at 31 December 2020	9,683	45,831	(25,884)	635	3,900	(19,011)	15,154
Transfers to retained earnings	-	-	(19,894)	883	-	19,011	-
Income and expenses recognised for the nine-month period ended 30 September 2021	-	-	-	-	-	(6,341)	(6,341)
Other changes in equity	-	-	1,518	(1,518)	-	-	-
Balance at 30 September 2021 (*)	9,683	45,831	(44,260)	-	3,900	(6,341)	8,813

(*) Unaudited financial statements.

(**) Restated figures

The accompanying Notes 1 to 19 are an integral part of the consolidated statement of changes in total equity for the nine-month period ended 30 September 2021.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

(Thousands of Euros)

	Notes	30/09/2021 (*)	30/09/2020 (*)(**)
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		(9,788)	(26,812)
Adjustments for:			
Amortisation and gains or losses on disposals of non-current assets (+)		38,863	39,248
Provisions (net) (+/-)		375	148
Finance income (-)		(4,128)	(3,912)
Finance expense (+)		18,500	20,952
Adjusted profit		43,822	29,624
Income tax received		978	-
Increase/(Decrease) in current assets and liabilities			
(Increase)/Decrease in current assets		34,200	61,858
Increase/(Decrease) in current liabilities		2,667	(38,472)
Total net cash flows from operating activities (1)		81,667	53,010
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Payments due to investments:			
Property, plant and equipment		(156)	(825)
Right of use		(1,371)	(1,433)
Other intangible assets (computer software)		(7,465)	(9,555)
Other financial assets		(2)	18
Total net cash flows from investing activities (2)		(8,994)	(11,795)
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds and payments relating to financial liability instruments:			
Financing obtained from-			
Credit institutions (revolving credit facility)		-	14,400
Repayment of borrowings from			
Credit institutions (revolving credit facility)		(3,900)	(10,500)
Interest paid (-)		(14,030)	(15,770)
Total net cash flows from financing activities (3)		(17,930)	(11,870)
4. Net increase/(decrease) in cash and cash equivalents (1+2+3)		54,743	29,345
Cash and cash equivalents at beginning of period		54,025	64,282
Cash and cash equivalents at end of period		108,768	93,627

(*) Unaudited financial statements

(**) Restated figures

The accompanying Notes 1 to 19 are an integral part of the consolidated statement of cash flows for the nine-month period ended 30 September 2021.

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

Explanatory Notes to the Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2021

1. Group activities

Haya Real Estate, S.A.U. ("the Parent") was incorporated for an indefinite term on 28 May 2013. Its registered office is at 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 at 30 September 2021 Haya Real Estate, S.A.U. is the sole shareholder of the subsidiary Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U., which both together form the Haya Group (hereinafter, the Group).

The activity performed by the Parent in the first nine months of 2021 consisted mainly of managing real estate owned assets ("REOs") and real estate developer loans ("REDs"). The activity engaged in by the subsidiary Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U. (Haya Titulización) consisted of the incorporation, management and legal representation of asset securitisation funds, mortgage securitisation funds and bank assets funds.

The Parent is a sole-shareholder company, wholly owned by Promontoria Holding 62, B.V. The consolidated financial statements for 2020, formally formulated on 23 March 2021 by the Parent's Board of Directors were approved by the Sole Shareholder on 29 April 2021.

2. Basis of presentation of the interim condensed consolidated financial statements for the nine-month period ended 30 September 2021

2.1 Basis of presentation

The interim condensed consolidated financial statement of the Group for the first nine months of 2021 were prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, taking into account all the mandatory accounting principles and rules and measurement bases with a material effect, as well as the Spanish Commercial Code, the mandatory rules approved by the Spanish Accounting and Audit Institute (ICAC) and all other applicable Spanish accounting legislation.

The interim condensed consolidated financial statements as at 30 September 2021 and the explanatory notes thereto were prepared by Group management pursuant to IAS 34 on Interim Financial Reporting. These interim condensed consolidated financial statements were formulated by the Parent's directors on November 22th 2021.

As established in IAS 34, the interim financial information is intended only to provide an update on the content of the latest annual consolidated financial statements prepared by the Group, focusing on new activities, events and circumstances occurring during the nine-month period, and does not duplicate information previously reported in the consolidated financial statements for 2020. Therefore, these interim condensed consolidated financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Consequently, for a proper comprehension of the information included in these interim condensed consolidated financial statements, they should be read together with the Group's consolidated financial statements for 2020.

Pursuant to IAS 8, the accounting policies and measurement bases used by the Group were consistently applied to all transactions, events and items, in the first nine months of 2021 and in 2020. Also, the consolidation bases applied in the first nine months of 2021 are consistent with those applied in the 2020 consolidated financial statements.

All accounting policies and measurement bases with a material effect on the consolidated financial statements were applied in their preparation.

2.2 Entry into force of new accounting standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated annual accounts for the year ended 31 December 2020.

The following standards, amendments and interpretations will be effective from 1 June 2021:

Standards, amendments and interpretations	Description	Obligatory application in the years beginning on or after:
Amendments to IFRS 7 and IFRS 4 Interest Rate Benchmark Reform (Phase 2)	Amendments to IFRS 7 and IFRS 4 in relation to certain reliefs in connection with interest rate benchmark reform (Phase 2)	1 January 2021 (1)
Amendments to IFRS 4, deferral of the IFRS 9 application	Deferral of IFRS 9 to 2023	1 June 2021(1)

(1) Pending adoption by the European Union

The application of the Standards, Amendments or Interpretations described above will not have material effect on the Group's financial position or results of operations.

2.3 Use of estimates

The consolidated results and the determination of consolidated equity are sensitive to the accounting principles and policies, measurement bases and estimates used by the Group's directors in preparing the interim condensed consolidated financial statements. The main accounting principles and policies and measurement bases used are indicated in Notes 3 and 4 to the consolidated financial statements for 2020.

In preparing the Group's consolidated financial information for the nine-month period ended 30 September 2021, estimates were occasionally made by Group management, later ratified by the directors, to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates basically refer to the same matters as those detailed in the consolidated financial statements for 2020:

- The cost of business combinations.
- The useful life of the intangible assets and property, plant and equipment.
- The measurement of intangible assets and goodwill to determine possible impairment losses.
- The value of certain financial instruments.
- The evaluation of the write-down of trade receivables.
- The assessment of the recoverability of deferred tax assets.
- The calculation of provisions and contingencies.

Although these estimates were made on the basis of the best information available at the date of approval of these interim condensed consolidated financial statements on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming periods or years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future consolidated statements of profit or loss.

In the first nine months of 2021, there were no significant changes versus the estimates made at 2020 year-end.

2.4 Comparative information

The information relating to the nine-month period ended 30 September 2020 or the year ended 31 December 2020 contained in these interim condensed consolidated financial statements is presented solely for comparison purposes with the information relating to the nine-month period ended 30 September 2021. The accounting policies applied in preparing such comparative information for the nine-month period ended 30 September 2020 is the same as those applied in the first nine months of 2021 and at December 31, 2020.

At the end of 2020, the Group reviewed the useful life of its Computer software related to the investments made to manage its clients' real estate and credit assets and determined to extend the useful life from 3 to 5 years due to these investments will be used as long as the Group manages its clients' real estate and credit assets. Such change in accounting estimate was applied prospectively.

In order to express the fair view and consistency of this change in accounting estimate applied with effect from 1 January 2020 and according to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, such change involves the restatement of the information for the prior period presented. The impacts of this change in accounting estimate for the information relating to the nine-month period ended 30 September 2020 formulated by the Parent's directors on 11 November 2020, are as follows:

Consolidated statement of profit or loss

	Thousands of Euros		
	Nine month period ended 30/09/2020 (*)	Change in accounting estimate	Nine month period ended 30/09/2020 Restated (*)
Depreciation and amortisation charge	(43,062)	3,814	(39,248)
Income tax benefit (expense)	8,695	(953)	7,742
Net effect on consolidated statement of profit or loss	-	2,861	-
Profit (loss) for the period	(21,931)	2,861	(19,070)
Basic earnings per share (in euros)	(2.26)	0.30	(1.97)

(*) Unaudited financial statements

Consolidated statement of changes in equity

	Thousands of Euros		
	Nine month period ended 30/09/2020 (*)	Change in accounting estimate	Nine month period ended 30/09/2020 Restated(*)
Income and expenses recognised for the nine-month period ended 30 September 2020	(21,931)	2,861	(19,070)
Balance at 30 September 2020 (*)	12,234	2,861	15,095

(*) Unaudited financial statements

Consolidated statement of cash flows

	Thousands of Euros		
	Nine month period ended 30/09/2020 (*)	Change in accounting estimate	Nine month period ended 30/09/2020 (*)
1. Cash flows from operating activities			
Profit (loss) before tax	(30,626)	3,814	(26,812)
Adjustments for:			
Depreciation and amortisation charge	(43,062)	3,814	(39,248)
Total net cash flows from operating activities	53,010	-	53,010
4. Net increase/(decrease) in cash and cash equivalents	29,345	-	29,345

(*) Unaudited financial statements

2.5 Seasonality of the Group's transactions

In view of the business activities in which the Group companies engage, their transactions are not substantially cyclical or seasonal in nature. Therefore, no specific disclosures are included in this respect in these explanatory notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2021.

2.6 Materiality

In determining the explanatory note disclosures to be made on the various line items in the interim condensed consolidated financial statements or on other matters, in accordance with IAS 34 the Group took into consideration materiality with respect to the interim condensed consolidated financial statements.

2.7 Correction of errors

There was no correction of errors in the interim condensed consolidated financial statements for the first nine months of 2021.

3. Changes in the Group's structure

As at 30 September 2021 and 31 December 2020 the only controlled company of the Haya Group is Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U.

4. Intangible assets

The detail of "Intangible assets" in the consolidated statement of financial position as at 30 September 2021 and 31 December 2020 is as follows:

	Thousands of euros	
	30/09/2021(*)	31/12/2020
Cost:		
Patents, licences, trademarks and similar items	37	37
Computer software	68,347	61,056
Other contract intangible assets-		
Caixabank contract	125,932	125,932
Cajamar contract	224,692	224,692
Unicaja contract	84,800	84,800
Total cost	503,808	496,517
Accumulated amortisation and impairments:		
Patents, licences, trademarks and similar items	(23)	(23)
Computer software	(40,507)	(34,983)
Other contract intangible assets-		
Caixabank contract	(73,937)	(68,004)
Cajamar contract	(162,798)	(145,956)
Unicaja contract	(54,595)	(46,659)
Total accumulated amortisation	(331,860)	(295,625)
Net book value:		
Patents, licences, trademarks and similar items	14	14
Computer software	27,840	26,073
Other contract intangible assets-		
Caixabank contract	51,995	57,928
Cajamar contract	61,894	78,736
Unicaja contract	30,205	38,141
Net book value	171,948	200,892

(*) Unaudited financial information.

Computer software

The additions in the first nine months of 2021 under “Computer software” amounted to EUR 7,291 thousand and related mainly to investments made by the Parent in various computer applications in order to manage and complete the onboarding of the REOs and REDs of its clients, as well as improvements over its current IT systems. As at 30 September 2021 there are capitalised cost of investments on computer software still under development, therefore not in use, for the amount of EUR 3,469 thousand (EUR 3,363 thousand as at 31 December 2020).

Other contract intangible assets

“Other contract intangible assets” includes the costs derived from upfront payments made in connection with asset management contracts entered into by the Group with the financial institutions Caixabank, Cajamar and Unicaja (former “Liberbank”) in prior years.

The contract assets are amortised on a straight-line basis in accordance with the useful life estimated by the Group Management and, on a yearly basis, Management performs an analysis on the recoverability of the net book value associated to these contract assets. In the first nine months of 2021, there were no changes in contract assets other than the amortisation of the aforementioned costs, in accordance with the useful lives assigned to each contract. The recoverability analysis on contract assets will be completed during the fourth quarter of 2021 and will consider the recoveries achieved under such contracts to date versus the amortization recorded under the straight-line method, in order to determine whether any write-off is necessary at year-end.

5. Goodwill-

The breakdown of the Group's goodwill at 30 September 2021 and 31 December 2020, is as follows:

	Thousands of euros	
	30/09/2021(*)	31/12/2020
Haya Titulización	4,265	4,265
Rental Asset Management cash-generating unit	1,814	1,814
Divarian cash-generating unit	253	253
Total	6,332	6,332

(*) Unaudited financial information.

In order to measure goodwill, each year the Group compares the carrying amount of the related company or cash-generating unit (CGU) with the value in use measured using the discounted cash flow method.

At 30 September 2021, the Group had not detected any significant indication of impairment of goodwill or other assets subject to the impairment test, as indicated in IAS 36. There were no significant changes in the assumptions used in the impairment tests on the Group's goodwill that could give rise to a significant risk that impairment losses may be recognised in the future.

6. Trade and Other receivables

The detail of “Trade and Other Receivables” in the accompanying consolidated statement of financial situation as at 30 September 2021 and 31 December 2020 is as follows:

	Thousands of Euros	
	30/09/2021(*)	31/12/2020
Trade receivables	57,565	94,651
Trade provisions	(1,021)	(2,320)
Staff	150	217
Sundry debtors	39	37
Other tax receivables	2,336	1,027
	59,069	93,612

(*) Unaudited financial information.

As at 30 September 2021 and 31 December 2020, virtually all of the accounts receivable presented in "Trade receivables" under the heading "Trade and other receivables" in the accompanying consolidated statement of financial position are with six clients, SAREB, Caixabank, Cajamar, Unicaja, Divarian and BBVA and correspond to invoices issued and provisions for invoices pending to be issued, according to the frequency agreed in the service agreements with those clients, not existing any defaulting party additional to those provisioned for by the Group on 30 September 2021, nor 31 December 2020, respectively.

The Parent Company may be, from time to time, a party to legal disputes and administrative proceedings within the scope of its business activities with clients but it is not currently part of any material, non-ordinary course legal proceeding other than the request for the arbitration from its client Caixabank. This information is described in the 2020 consolidated financial statements and at the date of these interim condensed financial the Parent Company has estimated the probability of this potential contingency as remote, therefore no amount has been registered as at 30 September 2021.

Of the accounts receivable presented under "Trade receivables" in the accompanying consolidated statement of financial position at 30 September 2021, an amount of EUR 37,232 thousand (EUR 64,320 thousand at 31 December 2020) has been pledged to secure the financing received by the Group (see Note 8).

In the opinion of the Group Management, the carrying amount of trade and other receivables as at 30 September 2021 and 31 December 2020 does not differ significantly from their fair value.

7. Equity

7.1 Share capital

There were no changes in the Parent's share capital in the first nine months of 2021. On 30 September 2021, the share capital was represented by 9,683,010 fully subscribed and paid shares of EUR 1 par value each, all of the same class and held by the Parent's sole shareholder, Promontoria Holding 62, B.V.

The shares of the Parent are pledged in full as collateral for the financing obtained on 27 November 2017 (see Note 8). 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.

7.2 Share premium

In accordance with current regulations the Parent recognised the share premium linked to the capital increases occurred since its incorporation. The nominal unit value of the share premium is EUR 4.7 per share at 30 September 2021 and 31 December 2020.

7.3 Other shareholder contributions

The amount of EUR 3,900 thousand recognised under "Other shareholder contributions" on the accompanying consolidated statement of financial position as at 30 September 2021 and 31 December 2020 corresponds to the amount fully vested in prior years in relation to an incentive plan designed in 2013 and arranged with a company related to 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 these interim condensed consolidated financial statements, it is not possible to assess the amount, if any, of any future distributions under such plan.

8. Non-current and current debts

The detail of the non-current and current debts to banks at 30 September 2021 and 31 December 2020 is as follows:

30 September 2021 (*)

	Thousands of Euros			
	Nominal	Current	Non-current	Total
Senior secured notes	423,950	-	421,598	421,598
Super senior revolving credit facility	14,400	-	-	-
Accrued interest (notes)	-	5,600	-	5,600
Accrued interest (credit facility)	-	19	-	19
Total debts	438,350	5,619	421,598	427,217

(*) Unaudited financial information.

31 December 2020

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

Senior secured notes

The Group carried out a notes issue in the Euro MTF market in Luxemburg on 15 November 2017. This comprised a EUR 250 million tranche with a fixed annual coupon of 5.25%, to be settled half-yearly, and a EUR 225 million tranche with a floating coupon of three-month Euribor (subject to a floor of 0%) plus a spread of 5.125% per annum, reset quarterly. The bonds mature in November 2022 and all or part of them can be redeemed at the Group's discretion in accordance with, and at the prices set forth in the terms of the notes. Moody's and Standard & Poor's have rated the notes Caa1 outlook negative and CCC+ outlook negative, respectively. On November 2020, the Group repurchased a total nominal amount of EUR 51.1 million (EUR 43.4 million in cash), reducing the nominal amount as of 31 December 2020 and 30 September 2021 to EUR 423.95 million.

The debt deriving from the bond issue is accounted for at amortised cost, considering the costs incurred in the arrangement of the financing. The amortised cost and interest costs recognised on the consolidated statement of profit or loss in the first nine months of 2021 were EUR 1,564 thousand and EUR 16,555 thousand, respectively (EUR 1,718 thousand and EUR 18,620 thousand, respectively in the first nine months of 2020).

To obtain this funding, the Group arranged the following guarantees which will remain in force until the maturity of the funding, in order to secure the fulfilment of the terms and conditions by the Group:

- Pledge on the shares representing the share capital of the Parent (Note 7.1).
- Pledge over equity instruments (shares or participations) representative of the share capital of the subsidiary, Haya Titulización, Sociedad Gestora de Fondos de Titulización.
- First ranking pledge over the credit rights deriving from certain servicing agreements with its clients (see Note 6).
- Pledge of credit rights held by the Parent owed by the Sole Shareholder (see Note 14).
- Pledge of bank accounts: first ranking pledge on the credit rights deriving from bank accounts in the Parent's name
- Pledge over the credit rights deriving from certain insurance policies.

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

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

Super Senior Revolving Credit Facility

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

As at 30 September 2021 and 31 December 2020 the Group provided a guarantee of EUR 600 thousand for the new lease of Madrid's office through the Revolving Credit Facility, reducing the nominal amount up to EUR 14,400 thousand.

As at March 2020 the Group fully drew the Revolving Credit Facility (EUR 14,400 thousand) to reinforce the cash position as a result of the COVID-19 situation (see note 18). On May 2020 the Group repaid EUR 10,500 thousand and on February 2021 fully repaid the outstanding amount (EUR 3,900 thousand). The funding under this facility is conditional on a specified consolidated debt ratio being tested each quarter, when the amount drawn under it exceeds 40% of its notional amount. As of 30 September 2021, the Group had made no draw downs on this facility and thus no covenant is required to be met. This credit facility expires in May 2022.

9. Accounts payable and other current liabilities

9.1. Trade payables

The balance of "Trade Payables" in the accompanying consolidated statement of financial position as at 30 September 2021 and 31 December 2020 includes the accounts payable arising from the Group's ordinary commercial transactions. The Group Management considers that the carrying amount of the trade payables does not differ significantly from their fair value.

9.2 Other current liabilities

The detail of the balance of "Other Current Liabilities" in the accompanying consolidated statement of financial position as at 30 September 2021 and 31 December 2020 is as follows:

	Thousands of Euros	
	30/09/2021(*)	31/12/2020
Personnel, remuneration payable	5,690	794
Amounts payable to Public Administrations	4,924	4,329
Current accruals	316	349
Total	10,930	5,472

(*) Unaudited financial information.

10. Tax matters

10.1 Tax audit

Regarding to the investigation activities with respect to the income tax inspections for 2013 and 2014, the Parent Company in January 2020 filed an administrative appeal against the Court resolution received on November 2019 regarding 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 and is still awaiting a ruling from the National High Court (full information described in the 2020 consolidated financial statements). As of 30 September 2021, and at the date of these interim condensed consolidated financial statements no additional matters in relation to the aforementioned tax inspection have occurred.

10.2 Calculation of corporate income tax

The main line items affecting the quantification of the income tax benefit (expense) are as follows:

	Thousands of Euros	
	30/09/2021(*)	30/09/2020 (*)(**)
Accounting profit (loss) before tax	(9,788)	(26,812)
Permanent differences	114	140
Consolidation adjustments	(155)	(118)
Total Adjusted Loss before tax	(9,829)	(26,790)
Effective tax rate	25%	25%
Tax benefit (expense) before deductions	2,457	6,698
Deductions for technological innovations	971	1,000
Deductions	19	-
Other	-	44
Total income tax benefit (expense) recognised in the consolidated statement of profit or loss	3,447	7,742

(*) Unaudited financial information.

(**) Restated

The Group Management has estimated the expense or income for the corporate income tax accrued in the first nine months of 2021 and 2020 based on the effective tax rate observed in the prior years' corporate income tax settled by the Group, which is similar to the applicable tax rate of 25%.

"Tax Deductions" presented in the table above of EUR 971 thousand in 2021 relate to deductions for Technological Innovation resulting from 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. This amount has been accrued after receiving the informative report issued by the competent authorities in the first nine months of 2021.

Deferred tax assets as of September 30, 2021 have increased to EUR 33,384 (EUR 30,702 thousand as at 31 December 2020) due to the capitalization of tax loss carryforwards.

11. 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.

12. Revenue

The detail of the balance of "Revenue" in the accompanying consolidated statements of profit or loss for the first nine months of 2021 and 2020 is as follows:

	Thousands of Euros	
	30/09/2021(*)	30/09/2020(*)
Volume servicing fees	73,932	56,170
Management fees	44,489	49,504
Other	22,633	20,874
Total	141,054	126,548

(*) Unaudited financial information.

The amount included under the heading “Other” in the table above relates to success fees earned under certain contracts for budget overachievement or for the accomplishment of specific operating objectives, advisory services, securitization management services, rental management services and ancillary services provided to clients for the management, maintenance and sale of REOs.

Substantially all of the revenue recognised by the Group in the first nine months of 2021 and 2020 corresponds to the revenue derived from the SLAs held with six clients, Caixabank, BBVA, Cajamar, Divarian, Unicaja and SAREB.

13. Expenses

13.1 Personnel expenses

The average number of employees at the Group in the first nine months of 2021 and 2020, by professional category and gender, was as follows:

	Number of Employees					
	30/09/2021(*)			30/09/2020(*)		
	Men	Women	Total	Men	Women	Total
Senior executives	8	3	11	12	6	18
Executives and university graduates	30	20	50	93	48	141
Clerical staff and line managers	368	430	798	360	453	813
Total	406	453	859	465	507	972

(*) Unaudited.

During the first nine months of 2020 the Parent Company carried out a labour restructuring process with total employee exits of 136 and restructuring costs amounting to EUR 6.4 million.

Collective dispute

On March 2021, based on the economic situation, the Group proceed 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.

On April 2021, employee representatives have raised a collective dispute process contesting, for certain group of employees (170), the Group’s decision not to pay any variable remuneration for 2020. On October 2021, at first instance the sentence was issued in favour of the employee representatives although it has been appealed by the Group. As the sentence is pending final resolution at the date of these interim condensed financial statements is not yet possible to estimate the amount, if any, or the probability of this potential contingency.

13.2 Other operating expenses

The detail of “Other Operating Expenses” in the accompanying consolidated statements of profit or loss for the first nine months of 2021 and 2020 is as follows:

	Thousands of Euros	
	30/09/2021(*)	30/09/2020
Outside services-	51,137	45,853
Professional services (see table below)	44,875	39,544
Advertising and public relations	2,999	2,916
Other services	1,928	2,037
Leases and royalties	461	533
Insurance premiums	548	499
Supplies	201	232
Repair and maintenance	45	50
Banking and similar services	80	42
Losses, impairment and changes in provisions for trade receivables (reversals)	327	10
Other charges	185	188
Other current operating expenses	514	656
Total	52,163	46,707

(*) Unaudited financial information.

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

	Thousands of Euros	
	30/09/2021(*)	30/09/2020(*)
Professional services	44,875	39,544
Intermediation cost of real estate agents in the sale of REOs (channel costs)	20,582	13,262
Cost of agencies for the management of REOs	9,991	9,348
Valuation services on assets under management.	207	87
Prevention of money laundering activities in relation to asset sales	1,072	575
Asset maintenance performed on client assets	3,603	5,318
Litigation and external recovery agency costs for REDs	1,178	3,920
IT Operating expenses	3,081	3,579
Other Professional services	4,437	3,455
Non recurring costs	724	-

(*) Unaudited financial information.

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

"Other professional services" presented in the table above for the first nine months of 2021 includes mainly advisory work on the transformation plan, HR and legal consultancy services and business process outsourcing costs (in the first nine months of 2020 it included costs associated to advisory work on the transformation plan and labour restructuring process).

14. Related party transactions

The transactions with related parties in the first nine months of 2021 and 2020, which were all performed on an arm's length basis, are as follows:

	Thousands of Euros					
	30/09/2021(*)			30/09/2020 (*)		
	Sole Shareholder	Group Companies and Associates	Other Related Parties	Sole Shareholder	Group Companies and Associates	Other Related Parties
Revenue						
Rendered services						
Finance income	4,128	-	-	3,912	-	-
Total revenue	4,128	-	-	3,12	-	-
Expenses						
Professional services	-					
Board of Directors expenses	-	-	475	-	-	458
Total expenses	-	-	475	-	-	458

(*) Unaudited financial information.

The amount included under “Revenue – Finance income” in the first nine months of 2021 and 2020, with the Sole Shareholder, are related to the interests accrued by a loan granted by the Parent to its Sole Shareholder (“upstream loan”) on 27 November 2017, for an amount of EUR 88,090 thousand, fully drawn down at 30 September 2021 and 31 December 2020 and with maturity in November 2022. Such accrued interests are at arm’s length, and are settled on a semester basis or capitalized, at the sole discretion of the Sole Shareholder. On May 2021 the Sole Shareholder decided to capitalise interest for an amount of EUR 2,698 thousand. At 30 September 2021 accrued and unpaid interests on such loan amounted to EUR 2,116 thousand (EUR 1,998 thousand at 31 December 2020).

15. Remuneration of directors and senior executives

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

In the first nine months of 2021 and 2020, the functions corresponding to directors of the Parent were performed by five men and one woman. Also, the functions corresponding to senior management of the Parent were performed by eight men and three women (thirteen men and six women in the first nine months of 2020), one of which (man) is an executive director of the Parent and holds the function of Chief Executive Officer. The nature and amount of the remuneration received by directors of the Parent and senior management, not directors, is as follows:

30 September 2021 (*)

	Thousands of euros						
	Fixed remuneration	Variable remuneration (1)	Remuneration in kind	Compensation	Severance	Total	Pending to be received
Directors	850	545	2	-	-	1,397	533
Senior Management	1,418	725	23	17	36	2,219	706
Total	2,268	1,270	25	17	36	3,616	1,239

(1) Relating to the best estimate of the variable remuneration earned in the first nine months of 2021.

(*) Unaudited financial information.

30 September 2020(*)

	Thousands of euros						
	Fixed remuneration	Variable remuneration ⁽¹⁾	Remuneration in kind	Compensation	Severance	Total	Pending to be received
Directors	881	-	-	210	-	1,091	-
Senior Management	2,110	-	11	100	300	2,521	300
Total	2,991	-	11	310	300	3,612	300

(1) Relating to the best estimate of the variable remuneration earned in the first nine months of 2020

(*) Unaudited financial information

The amounts shown in the "Pending to be received" column in the above tables correspond to the amount pending to be received by directors and senior management personnel as at 30 September 2021. Only the executive members of the Board of Directors are entitled to receive variable remuneration.

The commitments of the Parent for pensions for senior management personnel amount to EUR 34 thousand in the first nine months of 2021 (EUR 82 thousand in the first nine months of 2020) and EUR 8 thousand for Directors (EUR 14 thousand in the first nine months of 2020). In the first nine months of 2021, obligations were also assumed for life insurance for senior management personnel for a total of EUR 23 thousand (EUR 11 thousand in the first nine months of 2020) and EUR 2 thousand for the Directors (no commitments of this kind were assumed with respect to its directors in the first nine months of 2020).

16. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to the Group by the weighted average number of ordinary shares outstanding during the period, excluding the average number of treasury shares held in the year if applicable. At 30 September 2021 and 2020, the basic earnings per share were as follows:

	30/09/2021(*)	30/09/2020 (*)(**)
Net profit for the period (thousands of euros)	(6,341)	(19,070)
Weighted average number of shares outstanding (Note 7)	9,683,010	9,683,010
Basic earnings (losses) per share (in euros)	(0.65)	(1.97)

(*) Unaudited financial information.

(**) Restated

At 30 September 2021 and 2020, the diluted earnings per share coincided with the basic earnings per share.

17. Guarantees and surety

At 30 September 2021 and 31 December 2020 there were no guarantees or surety other than those mentioned in explanatory Notes 6, 7 and 8 to these interim condensed consolidated financial statements.

18. COVID-19 risk and other risks

COVID-19 risk

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

- Liquidity risk: Despite of the COVID-19, the Group continues in light with the evolution of collections from its clients, and on February 2021 decided to fully repay the RCF (for an amount of EUR 3,900 thousand) (see Note 8). Furthermore, the Group does not have any short term financial obligations other than the interest due on its existing senior secured notes. The Group has ended the first nine months of 2021 with a positive working capital position of EUR 121,163 thousand.
- Operational risk: The Group's volume activity has seen a significant decrease since the beginning of the COVID crisis, with a sharp reduction in REO sales, loan recoveries and low REO conversions. Nonetheless, during 2021 the Group has experimented a gradual recovery of its activity compared with 2020 driven by an improvement in the economic activity. This recovery will depend to a great degree on the evolution and the extension of the pandemic due to the new variations of the virus. In addition, part of the Group's revenue comes from a contracted asset management fee which is calculated as a % of assets under management, and the Group has a relatively high percentage of variable costs, which decrease proportionally with a decrease in volumes/sales transacted.

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

Other business risk

The Spanish banking sector is going through a market consolidation process, with multiple mergers being contemplated or discussed during 2021. This consolidation could potentially impact the real estate servicing sector as well and could adversely affect our future revenues if the newly merged entities decide to renegotiate their existing servicing contracts. 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 future strategy of the new merged institution is still uncertain. If contracts under which Haya paid upfront (and corresponding intangible assets are recognized) are terminated early, Haya would be entitled to receive compensation as a result of the early termination.

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. On the other hand, Sareb has already launched the renewal process of its main outstanding servicing contracts. The process outcome is uncertain and could affect the Group's position with this client. 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 with RE collateral.

19. Events after the reporting period

On October 27th, 2021 the Parent Company, 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 is subject to the regulatory approval by National Securities Market Commission (CNMV) and is expected to be finalized during the first quarter of 2022.

On November 2021, the Sole Shareholder decided to capitalise interest for an amount of EUR 2,822 thousand.

Declaration of responsibility

The directors hereby declare that, as far as they are aware, the interim condensed consolidated financial statements of **Haya Real Estate, S.A.U. and subsidiary (Haya Group)** presented for the nine-month period ended 30 September 2021 were formulated on 22 November 2021 in accordance with the applicable accounting policies and present fairly the consolidated equity, consolidated financial position, consolidated results and consolidated cash flows of the Group at that date.

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