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

Interim Condensed Consolidated Financial Statements
for the three-month period ended 31 March 2020
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 31 MARCH 2020
(Thousands of Euros)

ASSETS	Notes	31/03/2020(*)	31/12/2019
NON-CURRENT ASSETS:			
Intangible assets	**4**	230,396	241,208
Property, plant and equipment		6,364	6,684
Right-of use assets		4,664	5,101
Non-current financial assets		89,033	89,033
Deferred tax assets	**10**	36,033	29,647
Goodwill	**5**	6,332	6,332
Total non-current assets		**372,822**	**378,005**
CURRENT ASSETS:			
Current financial assets-		215,206	219,501
Trade and other receivables	**6**	123,911	154,547
Current financial assets	**14**	1,948	672
Cash and cash equivalents		89,347	64,282
Other current assets		634	213
Total current assets		**215,840**	**219,714**
TOTAL ASSETS		**588,662**	**597,719**
EQUITY:			
Share capital	**7**	9,683	9,683
Share premium	**7**	45,831	45,831
Reserves of the Parent	**7**	(25,884)	12,127
Reserves of the subsidiary		635	-
Other shareholder contributions	**7**	3,900	3,900
Profit (loss) for the period attributable to the Parent		(13,906)	(37,376)
Equity attributable to the Parent		**20,259**	**34,165**
Total equity		**20,259**	**34,165**
NON-CURRENT LIABILITIES:			
Debts with credit institutions, bonds and other securities	**8**	483,385	468,413
Long-term provisions		2,644	2,644
Lease liabilities		3,080	3,519
Total non-current liabilities		**489,109**	**474,576**
CURRENT LIABILITIES:			
Debts with credit institutions, bonds and other securities	**8**	6,389	3,128
Lease liabilities		1,724	1,701
Other financial liabilities		6,272	5,755
Other current liabilities	**9.2**	17,269	21,081
Trade payables	**9.1**	41,718	51,474
Related party payable		5,922	5,837
Total current liabilities		**79,294**	**88,978**
TOTAL EQUITY AND LIABILITIES		**588,662**	**597,719**

(*)Unaudited financial statements.

The accompanying Notes 1 to 19 are an integral part of the consolidated statement of financial position as at March 31, 2020

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

(Thousands of Euros)

	Notes	(Debit)/Credit	
		31/03/2020(*)	31/03/2019 (*)
Revenue	12	45,243	59,738
Other operating expenses	13.2	(20,135)	(27,039)
Personnel expenses	13.1	(25,290)	(15,581)
Depreciation and amortisation charge		(14,286)	(25,515)
Impairment and gains or losses on disposals of non-current assets		-	(164)
Profit (loss) from operations		**(14,468)**	**(8,561)**
Finance income	14	1,281	1,267
Finance expense		(7,017)	(6,884)
Net Finance income (expense)		**(5,736)**	**(5,617)**
Profit (loss) before tax		**(20,204)**	**(14,178)**
Income tax benefit (expense)	10.2	6,298	3,555
Profit (loss) for the period		**(13,906)**	**(10,623)**
Attributable to the sole shareholder of the Parent		(13,906)	(10,623)

(*)Unaudited financial statements.

The accompanying Notes 1 to 19 are an integral part of the consolidated statement of profit or loss for the three-month period ended 31 March 2020.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

A) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

Consolidated Statement of Profit or Loss for the three-month period ended 31 March 2020 agrees with the Consolidated Statement of Comprehensive Income for the three-month period ended 31 March 2020.

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 2018	**9,683**	**45,831**	**13,684**	**4,401**	**3,900**	**(445)**	**76,754**
Transfers to retained earnings	-	-	(1,717)	1,272	-	445	-
Income and expenses recognised for the three- month period ended 31 March 2019	-	-	-	-	-	(10,623)	(10,623)
Transfers to retained earnings	-	-	(3)	-	-		(3)
Balance at 31 March 2019 (*)	**9,683**	**45,831**	**11,964**	**5,373**	**3,900**	**(10,623)**	**66,128**
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 three- month period ended 31 March 2020	-	-	-	-	-	(13,906)	(13,906)
Balance at 31 March 2020 (*)	**9,683**	**45,831**	**(25,884)**	**635**	**3,900**	**(13,906)**	**20,259**

(*) Unaudited financial statements.

The accompanying Notes 1 to 19 are an integral part of the consolidated statement of changes in total equity for the three-month period ended 31 March 2020.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020
(Thousands of Euros)

	Notes	31/03/2020(*)	31/03/2019 (*)
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		(20,204)	(14,178)
Adjustments for:			
Depreciation and amortisation charge (+)		14,286	25,515
Provisions (net) (+/-)		(4)	-
Finance income (-)		(1,281)	(1,267)
Finance expense (+)		7,017	6,884
Impairment and losses on disposals (+)		-	165
Adjusted profit		**(186)**	**17,106**
Income tax paid		-	-
Increase/(Decrease) in current assets and liabilities			
(Increase)/Decrease in current assets		28,944	(16,079)
Increase/(Decrease) in current liabilities		(11,986)	5,570
Total net cash flows from operating activities (1)		**16,772**	**6,597**
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Payments due to investments:			
Property, plant and equipment		(1,056)	(3,079)
Other intangible assets (computer software)		(1,934)	(3,127)
Other financial assets		-	(297)
Total net cash flows from investing activities (2)		**(2,990)**	**(6,503)**
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds and payments relating to financial liability instruments:			
Obtaining financing with-			
Credit institutions		14,400	-
Interest paid (-)		(3,117)	(3,070)
Total net cash flows from financing activities (3)		**11,283**	**(3,070)**
4. Net increase/(decrease) in cash and cash equivalents (1+2+3)		**25,065**	**(2,976)**
Cash and cash equivalents at beginning of period		**64,282**	**21,021**
Cash and cash equivalents at end of period		**89,347**	**18,045**

(*) Unaudited financial statements

The accompanying Notes 1 to 19 are an integral part of the consolidated statement of cash flows for the three-month period ended 31 March 2020.

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

Explanatory Notes to the Interim Condensed
Consolidated Financial Statements
for the three-month period ended 31 March 2020

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.

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 three months of 2020 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 2019, formally formulated on 26 March 202020 by the Parent's Board of Directors were approved by the Sole Shareholder on 28 April 2020.

2. Basis of presentation of the interim condensed consolidated financial statements for the three-month period ended 31 March 2020

2.1 Basis of presentation

The interim condensed consolidated financial statement of the Group for the first three months of 2020 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 31 March 2020 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 20 May 2020.

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 three-month period, and does not duplicate information previously reported in the consolidated financial statements for 2019. 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 2019.

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 three months of 2020 and in 2019. Also, the consolidation bases applied in the first three months of 2020 are consistent with those applied in the 2019 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 2019, except for the adoption of new standards effective as of 1 January 2020.

The following standards, amendments and interpretations are effective from 1 January 2020:

Standards, amendments and interpretations	**Description**	**Obligatory application in the years beginning on or after**:
Amendments to IFRS 3, Definition of a Business	Clarifying the definition of a business	1 January 2020 (1)
Amendments to IAS 1 and IAS 8, Definition of Materiality	Amendments to IAS 1 and IAS 8 to align the definition of materiality used in the conceptual framework and the standards themselves	1 January 2020
Amendments to IFRS 9, IFRS 7 and IAS 39 Interest Rate Benchmark Reform	Amendments to IFRS 9, IFRS 7 and IAS 39 in relation certain reliefs in connection with interest rate benchmark reform.	1 January 2020
IFRS 17, Insurance Contracts	It will replace IFRS 4. It includes the principles for the recognition, measurement, presentation and disclosure of insurance contracts.	1 January 2021 (1) (2)

(1) Pending adoption by the European Union

(2) IASB has proposed its postponement to 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.

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 2019.

In preparing the Group's consolidated financial information for the three-month period ended 31 March 2020, 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 2019:

- 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 three months of 2020, there were no significant changes versus the estimates made at 2019 year-end.

2.4 Comparative information

The information relating to the three-month period ended 31 March 2019 or the year ended 31 December 2019 contained in these interim condensed consolidated financial statements is presented solely for comparison purposes with the information relating to the three-month period ended 31 March 2020.

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 three-month period ended 31 March 2020.

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 three months of 2020.

3. Changes in the Group's structure

As at 31 March 2020 and 31 December 2019 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 31 March 2020 and 31 December 2019 is as follows:

	Thousands of euros	
	31/03/2020(*)	31/12/2019
Cost:		
Patents, licences, trademarks and similar items	37	37
Computer software	50,369	47,855
Other contract intangible assets-		
Bankia contract	125,932	125,932
Cajamar contract	224,692	224,692
Sareb contract	229,034	229,034
Liberbank contract	84,800	84,800
Total cost	**714,864**	**712,350**
Accumulated amortisation:		
Patents, licences, trademarks and similar items	(20)	(19)
Computer software	(32,160)	(29,451)
Other contract intangible assets-		
Bankia contract	(38,290)	(36,312)
Cajamar contract	(129,106)	(123,495)
Sareb contract	(229,034)	(229,034)
Liberbank contract	(32,077)	(29,050)
Total accumulated amortisation	**(460,687)**	**(447,631)**
Impairment		
Bankia contract	(23,781)	(23,781)
Total impairment	**(23,781)**	**(23,781)**
Net book value:		
Patents, licences, trademarks and similar items	17	18
Computer software	18,209	18,404
Other contract intangible assets-		
Bankia contract	63,861	65,839
Cajamar contract	95,586	101,197
Sareb contract	-	-
Liberbank contract	52,723	55,750
Net book value	**230,396**	**241,208**

(*) Unaudited financial information.

Computer software

The additions in the first three months of 2020 under “Computer software” amounted to EUR 2,514 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 31 March 2020 there are capitalised cost of investments on computer software still under development, therefore not in use, for the amount of EUR 2,915 thousand (EUR 3,047 thousand as at 31 December 2019).

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 Bankia, Cajamar and Liberbank in prior years. The original Sareb contract asset expired on 31 December 2019 and was fully amortised. The new servicing contract (SLA) signed with Sareb in 2019 did not require any upfront payment from the Parent Company.

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, performs an analysis on the recoverability of the net book value associated to theses contract assets. In the first three months of 2020, 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. In addition, the Group Management has not identified any additional liabilities associated with the businesses/contracts acquired in accordance with expected cash flows and the expected term of the contracts.

5. Goodwill

The breakdown of the Group's goodwill at 31 December 2019 and 31 March 2020, is as follows:

	Thousands of euros	
	31/03/2020(*)	31/12/2019
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 31 March 2020, 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 31 March 2020 and 31 December 2019 is as follows:

	Thousands of Euros	
	31/03/2020(*)	31/12/2019
Trade receivables	122,895	155,039
Trade provisions	(1,583)	(1,583)
Staff	404	131
Sundry debtors	39	39
Other tax receivables	2,156	921
	123,911	**154,547**

(*) Unaudited financial information.

As at 31 March 2020 and 31 December 2019, 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, Bankia, Cajamar, Liberbank, 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 31 March 2020, nor 31 December 2019, respectively.

Of the accounts receivable presented under "Trade receivables" in the accompanying consolidated statement of financial position at 31 March 2020, an amount of EUR 96,826 thousand (EUR 125,835 thousand at 31 December 2019) 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 31 March 2020 and 31 December 2019 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 three months of 2020. At 31 March 2020, 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 31 March 2020 and 31 December 2019.

7.3 Reserves of the Parent

On 15 November 2019, the Parent's Sole Shareholder approved the distribution of a dividend in kind through the offset of the interests accrued (capitalized and not capitalized) of the Loan Agreement subscribed on 27 November 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.

7.4 Other shareholder contributions

The amount of EUR 3,900 thousand recognised under "Other shareholder contributions" on the accompanying consolidated statement of financial position as at 31 March 2020 and 31 December 2019 corresponds to the amount fully vested in prior years to the former executive chairman, former CEO, eleven senior management personnel and fifty-two employees of the Group, in relation to an incentive plan designed in 2013 and arranged with a company related to the Sole Shareholder of the Parent, remunerating these members of staff for their service to the Group for a certain period of time, and in some cases for meeting specific economic or financial targets.

In case new distributions would be made to the Sole Shareholder, through dividends in cash, shares sale or other operations with the Parent's equity instruments, the employees granted with the plan would receive their respective percentage of such distributions. As of the date of these 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 31 March 2020 and 31 December 2019 is as follows:

31 March 2020 (*)

	Thousands of Euros			
	Nominal	Short term	Long term	Total
Senior secured notes	475,000	-	468,985	468,985
Super senior revolving credit facility	14,400	-	14,400	14,400
Accrued interest (notes)		6,363	-	6,363
Accrued interest (credit facility)	-	26	-	27
Total debts	**489,400**	**6,389**	**483,385**	**489,774**

(*) Unaudited financial information.

31 December 2019

	Thousands of euros			
	Nominal	Current	Non-current	Total
Senior secured notes	475,000	-	468,413	468,413
Super senior revolving credit facility	14,400	-	-	-
Accrued interest (notes)	-	3,114	-	3,114
Accrued interest (credit facility)	-	14	-	14
Total debts	**489,400**	**3,128**	**468,413**	**471,541**

Senior secured notes

The Group carried out a notes issue in the Euro MTF market in Luxemburg on 15 November 2017, through its subsidiary Haya Finance 2017, S.A.U. This comprised a EUR 250 million tranche with a fixed annual coupon of 5.25%, to be settled half-yearly, and a EUR 225 million tranche with a floating coupon of three-month Euribor (subject to a floor of 0%) plus a spread of 5.125% per annum, reset quarterly. The bonds mature in November 2022 and all or part of them can be redeemed at the Group's discretion in accordance with, and at the prices set forth in the terms of the notes. Moody's and Standard & Poor's have rated the notes B3 and B-, respectively.

The 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 three months of 2020 were EUR 572 thousand and EUR 6,196 thousand, respectively (EUR 569 thousand and EUR 6,164 thousand, respectively in the first three months of 2019).

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 guarantors in the funding agreements.

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

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. The funding under this facility is conditional on a specified consolidated debt ratio being achieved each quarter. At 31 March 2020 and at 31 December 2019, the Group achieved the aforementioned debt ratio.

As at 31 March 2020 and 31 December 2019 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 31 March 2020 the Group had fully drawn the Revolving Credit Facility (EUR 14,400 thousand) to reinforce the cash position as a result of the COVID-19 situation (see note 18). This credit facility expires in May 2022. The Group partially repaid the amount drawn on May 18, 2020 (see note 19).

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 31 March 2020 and 31 December 2019 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 31 March 2020 and 31 December 2019 is as follows:

	Thousands of Euros	
	31/03/2020(*)	31/12/2019
Personnel, remuneration payable	5,787	13,255
Amounts payable to Public Administrations	11,133	7,534
Current accruals	349	292
Total	**17,269**	**21,081**

(*) 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 has 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 labor contracts and the related penalties (full information described in the 2019 consolidated financial statements). As at 31 March 2020 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	
	31/03/2020(*)	31/03/2019 (*)
Accounting profit (loss) before tax	(20,204)	(14,178)
Permanent differences	20	-
Consolidation adjustments	(52)	(23)
Total	**(20,236)**	**(14,201)**
Effective tax rate	25%	25%
Tax (loss) income	5,059	3,550
Adjustment to income tax	-	-
Tax Deductions	1,235	-
Other	4	5
Total income tax benefit (expense) recognised in the consolidated statement of profit or loss	**6,298**	**3,555**

(*) Unaudited financial information.

The Group Management has estimated the expense or income for the corporate income tax accrued in the first three months of 2020 and 2019 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 by EUR 1,235 thousand in 2020 related 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 2018. This amount has been accrued after receiving the informative report issued by the competent authorities in the first three months of 2020.

Deferred tax assets as of March 31, 2020 have increased to EUR 36,033 thousand (EUR 29,647 thousand as at 31 December 2019) 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 three months of 2020 and 2019 is as follows:

	Thousands of Euros	
	31/03/2020(*)	31/03/2019(*)
Volume servicing fees	19,434	29,400
Management fees	19,320	23,259
Other	6,489	7,079
Total	**45,243**	**59,738**

(*) 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 three months of 2020 corresponds to the revenue derived from the SLAs held with six clients, Bankia, BBVA, Cajamar, Divarian, Liberbank and SAREB (five clients in the first three months of 2019, Bankia, BBVA, Cajamar, Liberbank and SAREB).

13. Expenses

13.1 Personnel expenses

The average number of employees at the Group in the first three months of 2020 and 2019, by professional category and gender, was as follows:

	Number of Employees					
	31/03/2020(*)			31/03/20219(*)		
	Men	Women	Total	Men	Women	Total
Senior executives	12	6	18	12	4	16
Executives and university graduates	101	49	150	77	43	120
Clerical staff and line managers	403	512	915	330	444	774
Total	**516**	**567**	**1,083**	**419**	**491**	**910**

(*) Unaudited.

Labour Restructuring Process

On January 20, 2020 the Parent Company announced to employees, union representatives, bondholders and other stakeholders its intention to launch a labour restructuring process with the objective to create a more agile, efficient and customer-focused organisation. The negotiation period with the employee representatives began on February 10, 2020 and lasted until March 10. On March 10, 2020 the Parent Company and the employee representatives reached an agreement in which they defined the total number of dismissals, the severance package and a voluntary period for the adherence to the restructuring labour process. This labour restructuring process has been completed on 30 April 2020 with total employee exits of 136 and restructuring costs amounting to EUR 6.4 million, all of which has been registered in the accompanying consolidated statement of profit or loss for the three month period ending 31 March 2020.

13.2 Other operating expenses

The detail of "Other Operating Expenses" in the accompanying consolidated statements of profit or loss for the first three months of 2020 and 2019 is as follows:

	Thousands of Euros	
	31/03/2020(*)	31/03/2019
Outside services-		
Professional services (see table below)	17,509	24,000
Advertising and public relations	910	1,249
Other services	928	1,019
Leases and royalties	239	335
Insurance premiums	179	165
Supplies	109	86
Repair and maintenance	19	20
Banking and similar services	6	23
Losses, impairment and changes in provisions for trade receivables (reversals)	**(4)**	**37**
Other charges	**35**	**(13)**
Other current operating expenses	**205**	**118**
Total	**20,135**	**27,039**

(*) Unaudited financial information.

The balance of "Professional services" in the accompanying consolidated statements of profit or loss for the first three months of 2020 and 2019 included the following:

	Thousands of Euros	
	31/03/2020(*)	31/03/2019(*)
Professional services	**17,509**	**24,000**
Intermediation cost of real estate agents in the sale of REOs (channel costs)	5,996	6,446
Cost of agencies for the management of REOs	3,999	2,505
Subcontracting costs to Divarian under BBVA contract (see Note 14)	-	5,931
Valuation services on assets under management.	70	34
Prevention of money laundering activities in relation to asset sales	185	258
Asset maintenance performed on client assets	2,391	1,852
Litigation and external recovery agency costs for REDs	1,187	1,213
IT Operating expenses	1,706	1,392
Other Professional services	1,975	1,920
Non-recurring costs	-	2,449

(*) 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 Company is acting as a central maintenance agency on behalf of some of its clients.

"Non recurring costs" presented in the table above for the first three months 2019 includes mainly cost associated with non-recurring transactions, including potential M&A and contract renewal costs (i.e. Sareb renewal).

"Other professional services" presented in the table above for the first three months of 2020 includes mainly advisory work on the Divarian integration transaction, transformation plan and labour restructuring process. During the first three months of 2019 “other professional services” includes temporary workforce personnel cost, business process outsourcing costs, as well as other HR related consultancy services.

14. Related party transactions

The transactions with related parties in the first three months of 2020 and 2019, which were all performed on an arm’s length basis, are as follows:

	Thousands of Euros					
	31/03/2020(*)			31/03/2019 (*)		
	Sole Shareholder	Group Companies and Associates	Other Related Parties	Sole Shareholder	Group Companies and Associates	Other Related Parties
Revenue						
Finance income	1,281	-	-	1,266	-	-
Total revenue	**1,281**	**-**	**-**	**1,266**	-	-
Expenses						
Board of Directors expenses	-	-	173	-	-	113
Total expenses	**-**	**-**	**173**	**-**	**-**	**113**

(*) Unaudited financial information.

The amount included under “Revenue – Finance income” in the first three months of 2020 and 2019, 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 31 March 2020 and 31 December 2019 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. At 31 March 2020 accrued and unpaid interests on such loan amounted to EUR1,927 thousand (EUR 647 thousand at 31 December 2019).

15. Remuneration of directors and senior executives

On January 7, 2020, the former executive chairman, Juan Hoyos, resigned from his position and Carlos Abad, former chief executive officer, was appointed as non-executive Chairman. In addition, Enrique Dancausa has been appointed as Chief Executive Officer and director of the Parent Company.

In the first three months of 2020, the functions corresponding to directors of the Parent were performed by five men and one woman (six men and one woman in the first three months of 2019). Also, the functions corresponding to senior management of the Parent were performed by twelve men and six women (twelve men and four women in the first three months of 2019), 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:

31 March 2020 (*)

	Thousands of euros				
	Fixed remuneration	Variable remuneration(1)	Remuneration in kind	Total	Pending to be received
Directors	223	373	-	596	163
Senior Management	718	283	4	1,005	283
Total	**941**	**656**	**4**	**1,601**	**446**

(1) Relating to the best estimate of the variable remuneration earned in the first three months of 2020
(*) Unaudited financial information.

31 March 2019 (*)

	Thousands of euros				
	Fixed remuneration	Variable remuneration(1)	Remuneration in kind	Total	Pending to be received
Directors	298	231	-	529	231
Senior Management	589	291	3	883	291
Total	**887**	**522**	**3**	**1,412**	**522**

(1) Relating to the best estimate of the variable remuneration earned in the first three months of 2019
(*) 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 31 March 2020 and 2019.

The commitments of the Parent in 2020 for pensions for senior management personnel amount to EUR 42 thousand in the first three months of 2020 (EUR 34 thousand in the first three months of 2019) and EUR 8 thousand for Directors (no commitments of this kind were made in the first three months of 2019). In the first three months of 2020, obligations were also assumed for life insurance for senior management personnel for a total of EUR 4 thousand (EUR 3 thousand in the first three months of 2019). No commitments of this kind were assumed by the Parent with respect to its directors.

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 31 March 2020 and 2019, the basic earnings per share were as follows:

	31/03/2020(*)	31/03/2019 (*)
Net profit for the period (thousands of euros)	(13,906)	(10,604)
Weighted average number of shares outstanding (Note 7)	9,683,010	9,683,010
Basic earnings (losses) per share (in euros)	**(1.44)**	**(1.10)**

(*) Unaudited financial information.

At 31 March 2020 and 2019, the diluted earnings per share coincided with the basic earnings per share.

17. Guarantees and surety

At 31 March 2020 and 31 December 2019 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

The emerging spread of the global Coronavirus COVID 19 in the early months of 2020 is causing a general decrease on the Spanish industrial activity, including the Groups' real estate and debt recovery activity. The impact on the Group from this situation will depend in great manner on the evolution and the extension of the pandemic in the upcoming months, together with the adaptability and reaction capacity of all impacted economic agents.

The Group's management has assessed the current situation according to the best information available, highlighting the following points:

- Liquidity Risk : The Group has entered into this global health crisis with a strong cash position (see attached consolidated balance sheet), and decided on March 18, 2020, at the beginning of the crisis in Spain, to fully draw on its revolving credit line to provide a further liquidity buffer. Furthermore, the Group does not have any short term financial obligations other than the interest due on its existing senior secured noted. And the Group has ended the first three months of 2020 with a positive working capital position of EUR 136,546 thousand which it expects will reinforce its cash position during 2020. The Group's management considers that these circumstances allow to limit the short-term risk.

- Operational risk: Although the Group's volume activity has seen a significant decrease since the beginning of the state of alarm declared by the Spanish Government, with a sharp reduction in REO sales, loan recoveries and low REO conversions due to closed judicial courts, part of the Group's revenue comes from a contracted asset management fee which is calculated as a % of assets managed. Furthermore, the Group has a high percentage of variable costs, which decrease proportionally with a decrease in volumes/sales transacted. In addition, due to the nature of its long-term servicing contracts, the Group's management considers that any potential short term impact in sales should be recovered during the remaining contract term. Finally, the Group has initiated a contingency plan focused on cost cutting measures to mitigate part of the lost revenues expected in the year.

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.

19. Events after the reporting period

As of 18 May 2020, the Parent Company has partially repaid the RFC (for an amount of EUR 10,500 thousand) reducing the outstanding balance to EUR 3,900 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 three-month period ended 31 March 2020 were formulated on 20 May 2020 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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