



Management Discussion & Analysis of Financial Condition and Results of Operations

As of and for the three months ended
March 31, 2022



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

(Thousands of Euros)

	31/03/2022(*)	31/12/2021
NON-CURRENT ASSETS:		
Intangible assets	127,249	137,045
Property, plant and equipment	2,701	2,933
Right-of use asset	2,108	2,505
Non-current financial assets	759	768
Deferred tax assets	24,823	26,148
Goodwill	2,067	2,067
Total non-current assets	159,707	171,466
CURRENT ASSETS:		
Non-current assets held for sale	6,408	6,355
Current financial assets-	306,487	308,060
Trade and other receivables	80,634	91,278
Current financial assets	101,089	99,669
Cash and cash equivalents	124,764	117,113
Other current assets	643	595
Total current assets	313,538	315,010
TOTAL ASSETS	473,245	486,476
EQUITY:		
Share capital	9,683	9,683
Share premium	45,831	45,831
Reserves of the Parent	(56,840)	(44,260)
Reserves of the subsidiaries	872	-
Other shareholder contributions	3,900	3,900
Profit (loss) for the period attributable to the Parent	(11,558)	(11,708)
Equity attributable to the Parent	(8,112)	3,446
Total equity	(8,112)	3,446
NON-CURRENT LIABILITIES:		
Long term provision	3,191	3,829
Lease liabilities	538	960
Total non-current liabilities	3,729	4,789
CURRENT LIABILITIES:		
Liabilities associated with non-current assets held for sale	1,596	1,564
Debts with credit institutions, bonds and other securities	428,182	424,920
Lease liabilities	1,651	1,653
Other financial liabilities	3,954	5,557
Other current liabilities	10,333	12,924
Trade payables	31,666	31,377
Related party payable	246	246
Total current liabilities	477,628	478,241
TOTAL EQUITY AND LIABILITIES	473,245	486,476

(*) Unaudited financial statements.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

(Thousands of Euros)

	31/03/2022	31/03/2021
	(*)	(*)
Revenue	43,038	44,733
Other operating expenses	(22,271)	(15,897)
Personnel expenses	(14,114)	(15,210)
Amortisation and gains or losses on disposals of non-current assets	(12,131)	(12,841)
Profit (loss) from operations	(5,478)	785
Finance income	1,421	1,341
Finance expense	(6,175)	(6,113)
Net income (expense)	(4,754)	(4,772)
Profit (loss) before tax	(10,232)	(3,987)
Income tax benefit (expense)	(1,326)	1,984
Profit (loss) for the period of continuing operations	(11,558)	(2,003)
Profit (loss) for the period	(11,558)	(2,003)
Attributable to the sole shareholder of the Parent	(11,558)	(2,003)

(*) Unaudited financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022
(Thousands of Euros)

	31/03/2022(*)	31/03/2021(*)
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	(10,232)	(3,987)
Adjustments for:		
Amortisation and gains or losses on disposals of non-current assets (+)	12,131	12,841
Finance income (-)	(1,421)	(1,341)
Finance costs (+)	6,175	6,113
Provisions (+)	(25)	137
Adjusted profit before Tax	6,628	13,763
Income tax reimbursement	960	978
Increase/(Decrease) in current assets and liabilities		
(Increase)/Decrease in current assets	8,015	1,597
Increase/(Decrease) in current liabilities	(1,319)	1,723
Total net cash flows from operating activities (1)	14,284	18,061
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments due to investments:		
Property, plant and equipment	(138)	(50)
Right of use	(457)	(457)
Other intangible assets (computer software)	(3,157)	(3,018)
Other financial assets		
Total net cash flows from investing activities (2)	(3,752)	(3,525)
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds and payments relating to financial liability instruments:		
Financing obtained from-		
Credit institutions (revolving credit facility) (+)	-	-
Repayment of borrowings from		
Credit institutions (revolving credit facility) (-)		(3,900)
Interest paid (-)	(2,881)	(2,791)
Total net cash flows from financing activities (3)	(2,881)	(6,691)
4. Net increase/(decrease) in cash and cash equivalents (1+2+3)	7,651	7,845
Cash and cash equivalents at beginning of period	117,113	54,025
Cash and cash equivalents at end of period	124,764	61,870

(*) Unaudited financial statements.

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

1. Situation of the entity

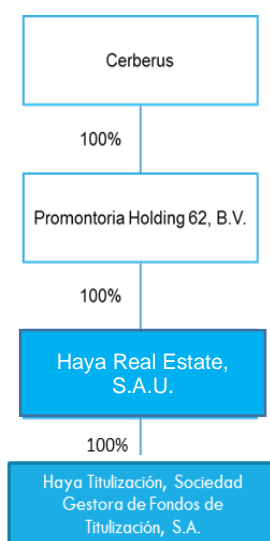
Haya Real Estate, S.A.U. (hereinafter, the Parent) was incorporated for an indefinite duration on 28 May 2013 as Cornalata Servicios y Gestión, S.L, and is duly registered in the Mercantile Registry of Madrid in Volume 1547, General, Book 31,153, Folio 10, Section 8, Sheet No. M-560,663, Entry 1 with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

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

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

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

The corporate structure of Haya Real Estate, S.A.U. and subsidiary ("Haya" or the "Group") at March 31, 2022 is shown below:



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 semester of 2022.

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

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

- Debt management and recovery: The Group actively manages and monitors its clients' portfolios of outstanding loans. For performing loans, the Group monitors the debtor's financial situation to anticipate a future default. It manages payments from debtors and performs necessary administrative functions. For NPLs, the Group assists in the analysis and implementation of a number of recovery strategies, including pre-legal recovery processes such as discounted pay-offs ("DPOs"), standstill payoffs, short sales, loan sales and portfolio sales. In addition, it manages legal recovery processes, such as foreclosure and insolvency processes and deeds in lieu ("DILs")
- Real estate asset management: The real estate asset management activities are centred on REO management activities such as asset onboarding activities (including reception of the assets and registration in IT systems), payment of taxes and debt cancellation. Once the asset is onboarded, the Group assists in analyzing any development work required, for example, construction or obtaining relevant urban planning permits, with the help of urban planning lawyers, architects and contractors. The Group also performs detailed appraisal analyses, and manages necessary repairs and incidents, where required.
- Real estate asset commercialization: The Group manages a number of commercialization activities on behalf of its clients, including the rental and sale of REOs, through a broad network of real estate brokers, its clients' bank branches, its internal salesforce and its own online platform. Its activities incorporate the management of rentals, implementation of marketing campaigns, contacting clients and arranging site visits, as well as the sale of asset portfolios. The Group also assists in the formalization of private contracts and public deeds and performs ongoing monitoring and reporting activities.
- Advisory and underwriting: The Group has a cross-functional advisory team that assists in managing the clients' portfolio through a variety of activities. The Group provides asset valuation services through a combination of automatic and manual valuation, performs extensive market research and offers extensive data analytics and statistical modeling.
- Value-added services: The Group's value-added services complement its core servicing business and consist of portfolio advisory services, securitization management and property management. The Group also leverages its direct contact with end customers to offer related products, such as mortgages, insurance, utilities and refurbishment services. It has a team that manages and assists in the development of land and projects under construction.

The Group's revenues in 2022 and 2021 derive mainly from servicing contracts (SLAs or Service Level Agreements) setting down the terms and conditions for the services. These contracts have fee structures generally based on:

- Volume-servicing fees: the percentage fee contractually agreed with the clients for each asset transaction or recovery managed by the Group on their behalf, based on its nature (i.e. the recovery or sale of debt, the conversion of NPLs to REOs or the commercialization of a REO).
- Asset management fees: the percentage fee contractually agreed with the clients charged on the amount of assets under management (AuM), except for Sareb contract where there is no asset management fee but rather a minimum fee to cover structure costs.

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

The main servicing contracts contributing to revenues in 2022 and 2021 are:

- Caixabank Group (former "Bankia"): The Group has been providing management services for real estate assets of the Caixabank Group under an SLA signed in April 2018, for an exclusivity period of ten years even though the agreement is for an indefinite period, which replaced a previous SLA signed in October 2013. In addition to volume-servicing and management fees, the SLA also establishes a success fee that the Group earns if certain benchmarks are achieved for the assets managed during the year. The SLA establishes certain service levels the Group has to achieve, which are measured regularly.
- Cajamar Group: The Group has been providing management services for the real estate and credit assets of the Cajamar Group since July 2014, under the SLA signed on June 10th, 2014, for a period of ten years. The SLA establishes certain service levels the Group has to achieve, which are measured regularly.

- SAREB: The Group has been providing management services for the real estate and credit assets of the Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (hereinafter, "SAREB") since January 2015, under an SLA that had a term of five years. This agreement expired on 31 December 2019. On October 30th, 2020, the Parent Company entered into a new servicing contract (SLA) with SAREB to service a portfolio of loans and Real Estate Owned assets with effective date from 1 January 2021 until June 30, 2022. The new SLA did not replace the original one signed in 2014 and did not require any upfront payment from the Parent Company. The new SLA establishes certain service levels the Group has to achieve, which are measured regularly. In February 2022, SAREB has made public that the Group has not been selected to be one of its service providers for its new contract. Therefore, the Group won't extend the current contract which expires on June 30th, 2022
- Unicaja Group (former "Liberbank"): The Group has been providing management services for the real estate assets of the Unicaja Group since August 2017, under an SLA signed on 8 August 2017 for a period of seven years. The SLA establishes certain service levels the Group has to achieve, which are measured regularly. In December 2021 the Parent Company has received a formal notice from Unicaja communicating the early termination of the contract, which will be effective in June 2022, according to contractual terms.
- BBVA: in October 2018, the Group signed an agreement for the servicing of the BBVA Group's Spanish real estate assets, for a period of eight years and a potential renewal up to 2 additional years. The SLA establishes certain service levels the Group has to achieve, which are measured regularly.
- Divarian: in April 2019, the Parent Company signed a business purchase agreement with Divarian Propiedad, S.A. («Divarian»), the former internal servicing unit of BBVA acquired by Cerberus, for the integration of Divarian's servicing business into the Parent Company, including employees and other resources (mainly IT). The transaction was effective on 31 May 2019. At the same time, the Parent Company entered into a Service Level Agreement (SLA) with "Divarian Propiedad, S.A." and "Divarian Desarrollos Inmobiliarios, S.L." for the management of their REOs for a period of eight years. The Service Level Agreement did not require any upfront payment from the Parent Company, and the servicing business was acquired for 1 euro. The SLA establishes certain service levels the Group has to achieve, which are measured regularly.
- Apple: During 2019, the Group added one additional contract with Promontoria Manzana, S.A. and its affiliates, Global Licata, S.A. and Global Pantelaria, S.A. (owned through a JVCo 80% by Cerberus and 20% Banco Santander) for the management of real estate assets for a period of eight years.

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

2. Business performance and results

2.1 Key Performance Indicators

a. Alternative Performance Measures (APMs)

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

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

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

a.1 Assets under Management (by total and by client)

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

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

<i>At GBV unless otherwise indicated</i>	In € millions	
	March 31, 2022	December 31, 2021
Assets under Management (by client)		
<i>Caixabank</i>	2,709	2,857
<i>Cajamar</i>	3,577	3,726
<i>Sareb</i>	12,215	12,870
<i>Unicaja</i>	1,987	2,064
<i>BBVA</i>	1,587	1,621
<i>Divarian (1)</i>	3,516	3,645
<i>Apple(1)</i>	1,273	1,313
<i>Other Cerberus Portfolios(1)</i>	1,586	1,377
<i>Other clients(1)</i>	29	30
Assets under Management (total)	28,479	29,503

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

As of March 31st, 2022, the AuMs decreased by €1,024 million compared to December 2021 mainly due to the natural evolution of recoveries under existing contracts.

a.2 Transaction Volumes (by total and by type of transaction)

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

- Transaction Volumes derived from the recovery or sale of NPLs, measured at the amount of cash recovered on the loans for our clients;
- Transaction Volumes derived from the achievement of certain milestones in connection with the conversion of NPLs into REOs (REO conversion) through foreclosures or bankruptcy proceedings, measured at the established amounts for such milestones in the applicable servicing contract;
- Transaction volumes derived from the commercialization of REOs, measured at sale price for our clients.

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

	Three months ended March 31, (in € millions)	
	2022	2021
Transaction Volumes (by type of transaction)		
<i>NPL</i>	78.9	79.0
<i>REO Conversion</i>	75.2	96.8
<i>REO</i>	446.5	385.8
Transaction Volumes (total)	600.6	561.5

For the three months ended March 31, 2022 compared to the three months ended March 31, 2021, transaction volumes increased by €39 million (or +6.9%).

NPL volumes remains stable compared to the first three months of 2021. REO Conversion volumes decreased by 22% (or €21.6 million) when compared to Q1 2021 mainly due to lower activity in Sareb. REO volumes increased by 16% (or €61 million) compared to the first three months of 2021 due to the increase in the real estate market activity.

a.3 Average Volume Servicing Fees, and Average Asset Management Fees

The Group generates revenues primarily from two types of fees under our Core Servicing Contracts: (i) volume servicing fees, which are calculated as a percentage of the recoveries volume for each NPA (i.e., the cash recovery or sale of debt, the activities performed to convert NPLs to REOs or the commercialization of a REO) that we achieve on behalf of our clients, and (ii) management fees, which are generally calculated as a function of AuMs in each contract in a given period. Such fees vary significantly from contract to contract and by type of asset recovery. Other revenues consist of success fees (linked to the achievement of performance objectives agreed with the clients) and revenues derived from other types of businesses (e.g., securitization, advisory services, rental management and land development advisory, among others).

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

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

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

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

Average Volume Servicing Fees were calculated as follows for the three months ended March 2022 and 2021:

	Three months ended March 31, (in € millions, other than ratios) (<i>unaudited</i>)	
	2022	2021
Volume servicing fees	24.0	23.7
Volume of transactions in the period ⁽¹⁾	600.6	561.5
Average Volume Servicing Fees	4.00%	4.22%

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

In relation to volume servicing fees as a % of volume there was a decrease from 4.22% to 4.00% in Q1 2022 when compared to Q1 2021 due to a weight increase in REO portfolios or large transactions sales which have contractually lower % volume fee.

Average Asset Management Fees were calculated as follows for the last twelve months (LTM) ended 31 March 2022 and 2021:

	Last twelve months ended March 31, (in € millions) (<i>unaudited</i>)	
	2022	2021
Asset management fees	55.9	58.7
Average Assets under Management in the period ⁽¹⁾	30,123	32,947
Average Asset Management Fees	0.19%	0.18%

⁽¹⁾ Calculated using the AuMs at the beginning and the end of the relevant period as confirmed periodically with our clients.

Asset Management Fees as a % of assets under management remains stable in LTM 2022 when compared to LTM 2021.

a.4 EBITDA and Adjusted EBITDA

The Group defines EBITDA as the sum of net profit, corporate income tax, net financial expense, impairment and results on the sale of fixed assets, and depreciation and amortization.

The Group defines Adjusted EBITDA for the first three months of 2022 as the sum of EBITDA and the non-recurring costs incurred in connection with Corporate Transactions (ie. refinancing advisors, commercial proposals advisors...).

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

The reconciliation of this APM with the interim condensed consolidated statement of profit or loss for the three-month period ended March 31, is as follows:

	Three months ended March 31, (in € millions) (<i>unaudited</i>)	
	2022	2021
Profit (loss) for the period	(11.6)	(2.0)
Income tax (benefit)/ expenses	1.3	(2.0)
Finance income	(1.4)	(1.3)
Finance expense	6.3	6.1
Depreciation and amortisation charge	12.1	12.8
EBITDA	6.7	13.6
Non-recurring costs in connection with Corporate Transactions	4.4	-
Adjusted EBITDA	11.1	13.6

For the three months ended March 31, 2022, Adjusted EBITDA was €11.1 million and for the three months ended March 31, 2021, Adjusted EBITDA was €13.6 million. Despite of the increase in volumes this decrease of €2.5 million is explained mainly by the decrease in management fee due to the natural evolution of the contracts and an increase in operating expense partially offset with lower personnel costs.

The following table provides a summary of the last twelve months (LTM) EBITDA ended 31 March 2022 and 2021. EBITDA LTM presented below is not meant to provide an indicator of future earnings potential, as it covers periods with subdued economic activity affected by COVID-19 situation and management actions to contain costs:

	LTM ended March 31, (in € millions) (<i>unaudited</i>)	
	2022	2021
Profit (loss) for the period	(21.3)	(7.9)
Income tax (benefit)/ expenses	7.0	(3.6)
Finance income	(5.7)	(12.9)
Finance expense	25.0	27.1
Depreciation and amortisation charge	60.2	51.4
Impairment and gains or losses on disposals of non-current assets	16.5	5.5
EBITDA	81.7	59.6
Non-recurring costs and revenues	(18.9)	-
Adjusted EBITDA	62.8	59.6

a.5 Net Debt

The Group defines Net Debt as debts with credit institutions, bonds and other securities, including accrued interests, less cash and cash equivalents, as shown in our consolidated statement of financial position. This measure offers an objective view of the Group's net financial debt.

The reconciliation of this APM with the interim condensed consolidated financial statements for the three-month period ended March 31, 2022 and year ended December 31, 2021 is as follows:

	In € millions	
	March 31, 2021 (<i>unaudited</i>)	December 31, 2021
Debts with credit institutions, bonds and other securities	428.2	424.9
Cash and cash equivalents	(124.8)	(117.1)
Net Debt	303.4	307.8

a.6 Leverage Ratio (Net Debt to EBITDA)

The Group defines the Leverage Ratio as Net Debt divided by Adjusted EBITDA of the last twelve months (LTM). This APM measures financial leverage and a company's ability to pay off its debt.

This APM was calculated as follows for the last twelve months (LTM) ended March 31, 2022 and for the year ended December 31, 2021:

	In € millions	
	March 31, 2022 (<i>unaudited</i>)	December 31, 2021
Net Debt	303.4	307.8
Adjusted EBITDA LTM	62.8	65.3
Leverage Ratio	4.8x	4.7x

a.7 Change in Working Capital and Adjusted Change in Working Capital

The Group defines Change in Working Capital as the sum of increase/decrease in current assets and plus increase/decrease in current liabilities as shown in the operating cash flows section of our consolidated statement of cash flows. The Group defines Adjusted Change in Working Capital as Change in Working Capital LTM in 2022 minus non-recurring costs and revenues and Change in Working Capital LTM 2021. These APMs are presented as measures of the Group's capacity to continue the normal course of its business over the short term:

	LTM ended March 31, (in € millions) (<i>unaudited</i>)	
	2022	2021
(Increase)/Decrease in current assets	6.7	32.9
Increase/(Decrease) in current liabilities	8.1	(24.1)
Changes in working capital	14.8	8.8
Non-recurring costs and revenues	24.0	-
Changes in working capital Adjusted	38.8	8.8

a.8 Free Cashflow

The Group defines Free Cashflow of the last twelve months (LTM) as Adjusted EBITDA LTM minus Capital Expenditures LTM (excluding investments in contract intangible assets) and Adjusted Change in Working Capital LTM. Payments for the right-of use assets are not included. The measure the cash available after operational needs have been met and after investment in fixed and intangible assets, mostly investments in computer software.

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

This APM was calculated as follows for the last twelve months (LTM) ended 31 March 2022 and 2021:

	LTM ended March 31, (in € millions) (<i>unaudited</i>)	
	2022	2021
Adjusted EBITDA LTM	62.8	59.6
Capital Expenditures LTM (-)	(10.3)	(14.1)
Adjusted Changes in working capital LTM (+/-)	38.8	8.8
Free Cash Flow LTM	91.3	54.3

a.8 Cash Conversion

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

This APM arises from the direct calculation of two APMs previously reconciled with the Group's interim condensed consolidated financial statements for the three-month period ended March 31, 2022. This APM was calculated as follows for the last twelve months (LTM) ended March 31, 2022 and 2021:

	LTM ended March 31, (in € millions, other than ratios) (<i>unaudited</i>)	
	2022	2021
Free Cash Flow LTM	91.3	54.3
Adjusted EBITDA LTM	62.8	59.6
Cash Conversion LTM	145%	91%

3. Income Statement

Key Income Statement Items

Set forth below is a brief description of the composition of the key line items of our consolidated statement of profit or loss:

Revenues

Our revenues are derived mainly from the volume servicing fees and management fees, which are linked to the transaction volume activity, as well as other revenues.

Other operating expenses

Other operating expenses consist primarily of channel costs, litigation costs for REO conversions, operational expenses and other operating expenses. Channel costs are commissions paid to real estate brokers or bank branches participating in the sale of REOs. Operational expenses are agency and consulting fees and the remaining of our operating expenses are comprised mainly of IT, marketing, rent and travel expenses.

Personnel costs

Personnel costs represent salaries, severance fees and related personnel expenses.

Amortization

Amortization includes the amortization of tangible and intangible fixed assets on a straight-line basis over the useful life of the assets.

Net finance costs

Net finance costs arise primarily from our debt obligations and related interest expenses.

Corporate income tax

Corporate income tax benefit (expense) is calculated as the sum of the current tax payable resulting from the application of the effective tax rate to the taxable income for the year, less any allowable tax deductions and tax credits and the change in assets and liabilities due to deferred taxes.

3.1 Revenues

The following table presents the breakdown of total revenues for the three months ended March 31, 2022 and 2021:

	Three months ended March 31, (in € millions) (unaudited)	
	2022	2021
<i>Volume servicing fees</i>	24.0	23.7
<i>Management fees</i>	12.5	14.1
<i>Other</i>	6.5	6.9
Total Revenues	43.0	44.7

For the three months ended March 31, 2022, revenues were €43.0 million, a 4% decrease (or €1.7 million) from revenues of €44.7 million for the three months ended March 31, 2021. This decrease of €1.7 million was primarily driven by a decrease in management Fee due to the natural evolution of the contracts. This increase has been partially offset by an increase in Volume Fee due to the increase in volumes (previously explained).

3.2 Other operating expenses

Other operating expenses increase by €6.4 million, or 40%, during the first three months ended March 31, 2022, compared to the three months ended March 31, 2021. The increase in expenses was driven by: (i) increase in non-recurring costs mainly associated with the refinancing process, (ii) higher intermediation costs of real estate agents in the sale of REOs impacted by higher REO volumes previously explained and (iii) an increase of costs associated to real estate asset management.

3.3 Personnel costs

Personnel costs decrease by €1.1 million, or 7%, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. The decrease was primarily driven by lower number of employees.

3.4 Net finance costs

For the three months ended March 31, 2022, net finance costs were €4.8 million vs €4.8 million incurred during the first three months of 2021.

3.5 Net profit/loss

Profit (loss) for the three months ended March 31, 2022, amounted to €(11.6) million compared with €(2.0) million for the three months ended March 31, 2021. This loss increases of €9.6 million is explained by: (i) Adjusted EBITDA decrease of €2.5 million mainly due to lower management fee by the natural evolution of the contracts, (ii) €4.4 million of non-recurring costs incurred for the three months ended March 31, 2022 with no costs incurred for the same period in 2021, (iii) the impact related to no capitalization of tax losses carryforwards in 2022 impacting negatively net profit/loss by €3.3 million compared with same period in 2021 and (iv) partially offset with €0.7 million lower amortization costs incurred for the three months ended March 31, 2022 in comparison with same period in 2021.

4. Liquidity and capital resources

Our liquidity requirements consist mainly of debt servicing requirements, capital expenditures and working capital. Historically, our principal sources of liquidity have been our net cash generated from operating activities and borrowings under the former syndicated facility or existing senior secured notes and our revolving credit facility. In April 2022 the Group has cancelled the revolving credit facility which expires in May 2022. In addition, in order to keep the guarantee provided for the lease of Madrid's office headquarter after the credit facility's resolution, the Group in March 2022 has provided a new guarantee of €0.6 million issued by Banco Santander.

As of March 31st, 2022, our outstanding debt is a senior secured bond of €423.95 million signed in November 2017. Regarding to the short-term maturity and to provide stability to the business, in February 2022, the Group and an ad-hoc group of bondholders representing over 60% of majority in principal amount of the Senior Secured Notes have executed a Lock up Agreement (the "LUA") to support the implementation of a debt refinancing and a

recapitalisation of the Group. This Lock-Up Agreement will allow the Group, after a partial repayment of the current bonds, to exchange the remaining Notes for a new Senior Secured Notes issued by a new Group's Parent holding company which will include, as relevant terms: (i) an extension of its maturity until November 2025, (ii) an increase of the interest rates, (iii) some cash sweep clauses, (iv) and the bondholders taking a minority shareholding of the Group. The new corporate structure will enhance the Parent Company's capital structure to avoid any negative equity concern in the coming years. On March 24th, the Lock-up Agreement had been approved by more than the minimum 75% of Noteholders in value needed to implement the agreements pursuant to an English law scheme of arrangement ("SOA"). As of March 31st, 2022 the Lock up Agreement had been approved by 95,24% of the Bondholders. The Group is currently meeting the milestones of the refinancing process and expects to launch the "SOA" in May 2022 and the completion of the refinancing process is expected to occur by the end of the second quarter of 2022

As of March 31, 2022, cash and cash equivalents amounted to €124.8 million. We believe we have sufficient liquidity and capital resources to meet our current operating requirements even without the new SAREB servicing contract. Our ability to generate cash depends on our future operating performance, which is in turn dependent, to some extent, on a variety of factors, many of which are beyond our control.

4.1 Cash Flows

The following table provides a summary of cash flow data:

	Three months ended March 31, (in € millions) (<i>unaudited</i>)	
	2022	2021
Cash flows from operating activities	14.3	17.1
Cash flows from investing activities	(3.8)	(3.5)
Cash flows from financing activities	(2.9)	(6.7)

a. Cash Flows from Operating Activities

Cash flows from operating activities were €14.3 million and €17.1 million for the three months ended March 31, 2022 and 2021, respectively. This change is mainly explained by a decrease in Adjusted EBITDA from €13.6million to €11.1 million for the three -month period ending March.

b. Cash Flows from Investing Activities

Investing activities used €3.8 million of cash flows for the first three months of 2022 in line with the 3.5 million used in the same period of 2021. Investment activities for the first three months of 2022 and 2021 mainly related to the investments made on IT applications to manage the Group clients' real estate and credit asset.

c. Cash Flows from Financing Activities

Financing activities generated/(used) of € (2.9) million and € (6.7) million of cash during the three months ended March 31, 2022 and 2021, respectively. Financing activities in 2022 only related to the interest paid in relation to the Senior Secured notes (in 2021 related to the interest paid and the repayment of €3.9 million of the Group's RCF).

5. Main risks and uncertainties

The main operational risks are as follows:

Client concentration

All of the Group's revenues and accounts receivable are mainly derived from service level agreements with a small number of clients (SAREB, the Caixabank Group, the Cajamar Group, the Unicaja Group, BBVA Group, and

Divarian). These core contracts accounted for 91% of the Group's revenues in 2021. This degree of concentration entails a number of additional risks, which are discussed below.

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

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

Business risk

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

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

Concentration in the financial sector or the sale of portfolios by our clients could also imply opportunities for the Group to compete for the bidding of future new servicing contracts for both financial institutions and institutional investors which would have a positive impact in the Group's future revenues. On the other hand, on February 24th, 2022, Sareb has made public that the Group has not been selected to be one of its service providers for its new contract. As a result, the current contract with Sareb matures on June 30th, 2022 and will not be extended. In that context, the Group will continue servicing its other clients, focusing on its commercial performance, and pursuing all new business opportunities. Likewise, the evolution of the Spanish real estate sector will affect the future activity of the Group as part of its revenues are linked to the commercialization of real estate assets and the recovery of loans of loans with real estate collateral.