

**Vía Célere Desarrollos Inmobiliarios, S.A.
and subsidiaries**

Auditor's report

Consolidated annual accounts at December 31, 2023

Consolidated management report



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the consolidated annual accounts

To the sole shareholder of Vía Célere Desarrollos Inmobiliarios, S.A. (Unipersonal Company)

Opinion

We have audited the consolidated annual accounts of Vía Célere Desarrollos Inmobiliarios, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, and the income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2023, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

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

Most relevant aspects of the audit

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

Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
<p>Subsequent valuation of inventories</p> <p>The Group's inventories mainly comprise land, housing developments in progress and completed housing developments, intended for sale and mainly distributed throughout the national territory, that amount to 934 million euros and constitute approximately 70% of the Group's assets at December 31, 2023.</p> <p>The Group, as described in notes 2.4, 4.k) and 15, makes the appropriate valuation adjustments when the market value of inventories is lower than their acquisition price or production cost. This market value is based on valuations performed annually by an independent expert, applying widely accepted valuation standards.</p> <p>Based on the above and on note 15.7, the Group has recorded a net allocation of impairment on untransferred inventories amounting to 1 million euros in 2023.</p> <p>Taking into account the relevance of the inventories heading for the accompanying consolidated annual accounts and the degree of estimation and judgment involved in the determination of market value of this type of assets, this aspect constitutes one of the most relevant aspects of the audit.</p>	<p>We have obtained an understanding of the process of determining the market value of inventories.</p> <p>Additionally, we have obtained the valuation report made by the management's independent expert on which we have carried out the following procedures, among others:</p> <ul style="list-style-type: none"> • Assessment of the competence, capability and objectivity of the expert by obtaining a confirmation and ascertaining their recognised prestige in the market. • Assessment of the reasonableness of the procedures and methodology used by the expert in his valuation. • Carrying out selective tests to assess the accuracy and reasonableness of the most relevant data supplied by management to the valuer and used by it in the valuation. • Assessment of the consistency of the main assumptions used by the independent expert, through an understanding of their evolution and with the involvement of our internal real estate valuation experts. <p>Additionally, we have checked that the information and disclosures included in the notes to the consolidated accounts in relation to this aspect are appropriate to accounting regulations.</p> <p>The result of the procedures carried out has made it possible to reasonably achieve the audit objectives for which said procedures were designed.</p>

Most relevant aspects of the audit

Recognition and recoverability of deferred tax assets

The Group's deferred tax assets are detailed in note 21 and amount to 72 million euros at December 31, 2023.

The Group, as described in notes 2.4, 4.n) and 21, recognises deferred tax assets to the extent that it is probable that sufficient future taxable profits will be available for their offset. As of December 31, 2023, the Group has generated a total of approximately 471 million euros of unused tax losses pending offset, of which an amount of 29 million euros has been capitalised at year-end, together with other deferred tax assets of 43 million euros.

In order to assess the recognition and recoverability of deferred tax assets, the Parent Company's directors take into account the business plan prepared by management, as well as the valuation of real estate inventories and the characteristics of the real estate sector.

The relevance of the deferred tax assets heading in the accompanying consolidated annual accounts, as well as the degree of estimation and judgment involved in the preparation of the projections of expected future tax results, mean that the recognition and recoverability of these assets are considered to be a relevant aspect of the audit.

How our audit addressed the most relevant aspects of the audit

We have made an understanding of the recognition process of deferred tax assets carried out by the Parent Company's management.

Additionally, we have obtained the projections of future tax results prepared by management, on which we have carried out, among others, the following procedures:

- Assessment of the reasonableness of the methodology used by management in preparing projections of future results and their concordance with applicable tax regulations.
- Evaluation of the reasonableness of the projections considered for future years, in accordance with the characteristics of the Group's real estate portfolio.
- Comparison of the estimates made by management in previous years against the results actually achieved, evaluating, where appropriate, the reasonableness of the deviations produced.
- Analysis of the consistency of the main estimates related to the development of the real estate portfolio with the evidence obtained in the audit procedures carried out on the Group's real estate inventories.

Finally, we have assessed that the information and disclosures made in the accompanying consolidated annual accounts are sufficient and appropriate to accounting regulations.

The result of the procedures carried out on the recognition and recoverability of deferred tax assets has made it possible to reasonably achieve the audit objectives for which said procedures were designed.



Vía Célere Desarrollos Inmobiliarios, S.A. and its subsidiaries

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2023 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

- a) Verify only that the consolidated statement of non-financial information has been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.
- b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2023 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the Parent company's directors for the consolidated annual accounts

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

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

Auditor's responsibilities for the audit of the consolidated annual accounts

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

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



Vía Célere Desarrollos Inmobiliarios, S.A. and its subsidiaries

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.
- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

From the significant risks communicated with the directors of the Parent company, we determine those risks that were of most significance in the audit of the consolidated annual accounts of the current period and are, therefore, considered to be the most significant risks.

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

PricewaterhouseCoopers Auditores, S.L. (S0242)

Fernando Chamosa Valín (21402)

March 12, 2024



Vía Célere Desarrollos Inmobiliarios, S.A.U. and subsidiaries

**Consolidated annual accounts and consolidated management report for the year
ended 31 December 2023**

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS)



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Consolidated statement of financial position as at 31 December 2023
(in thousands of euros)

Assets	Note	31.12.2023	31.12.2022
Intangible assets	8	82	150
Computer software		77	145
Goodwill	12	5	5
Property, plant and equipment	9	1,650	2,142
Land and buildings		671	723
Technical installations and machinery		241	403
Other fixed assets		738	1,016
Rights-of-use assets	11	1,310	1,807
Investment property	10	98	100
Land		75	75
Constructions		23	25
Equity – accounted investees		45,486	552
Equity instruments	13	45,486	552
Non-current financial investments	14	1,045	1,071
Deposits and guarantees		1,045	1,071
Deferred tax assets	21	71,937	70,270
Total non-current assets		121,608	76,092
Inventories	15	933,973	970,995
Raw materials		-	340
Land and plots		305,266	344,471
Completed developments		55,420	51,584
Property developments in progress		573,003	574,225
Advances to suppliers		284	375
Trade and other receivables		11,812	33,022
Customers, associates	14 and 24	3,448	6
Other receivables from public authorities	21.1	5,556	11,992
Current tax assets	21.1	140	343
Other accounts receivable	14	2,668	20,681
Short-term investments in associates	14 and 24	20,469	12,253
Loans to group companies		20,469	12,253
Current financial investments	14	5,395	3,168
Loans to third parties		423	403
Other financial assets		4,972	2,765
Current accruals and deferrals	14	8,389	2,293
Cash and cash equivalents	14	230,797	320,269
Cash		21	18
Treasury		181,875	316,251
Other cash equivalents		48,901	4,000
Total current assets		1,210,835	1,342,000
Total assets		1,332,443	1,418,092

Notes 1 to 26 are an integral part of the 2023 consolidated annual accounts.

Consolidated statement of financial position as at 31 December 2023
(in thousands of euros)

Equity	Note	31.12.2023	31.12.2022
Capital	16.1	411,161	411,161
Share premium	16.2	418,619	543,494
Reserves		(197,089)	(265,977)
Legal reserve	16.3	49,385	44,259
Voluntary reserves	16.3	(246,474)	(310,236)
Profit for the year		16,921	68,722
Total equity attributable to the Parent Company		649,612	757,400
Total equity		649,612	757,400
Non-current provisions	17	13,820	19,200
Non-current debts	18	264,433	296,414
Bonds and other marketable securities		262,328	294,822
Other financial liabilities		2,105	1,592
Deferred tax liabilities	21	4,466	4,825
Total non-current liabilities		282,719	320,439
Current provisions	17	10,277	9,038
Current debts	18	138,146	111,078
Bonds and other marketable securities		3,485	5,338
Bank borrowings		134,141	104,915
Other financial liabilities		520	825
Short-term debt with related parties	18 and 24	18,388	15,292
Trade and other payables		233,302	204,845
Short-term suppliers	18	83,879	95,528
Customer advances	18	134,390	82,906
Debts to personnel	18	3,457	2,137
Other debts with public authorities	21.1	11,545	24,159
Current tax liabilities	21.1	31	115
Total current liabilities		400,112	340,253
Total liabilities		682,831	660,692
Total equity and liabilities		1,332,443	1,418,092

Notes 1 to 26 are an integral part of the 2023 consolidated annual accounts.

Consolidated income statement for the year ended 31 December 2023
(in thousands of euros)

	Note	31.12.2023	31.12.2022
Revenue	23.1	360,810	578,934
Sales		360,810	578,934
Other Income		3,464	4,210
Work carried out by the company for its assets		-	254
Change in inventories of finished goods and in progress	23.2	25,116	(95,491)
Consumption of raw materials and other consumables		(310,005)	(329,014)
Consumption of raw materials and other consumables		(21,837)	(57,069)
Work carried out by other companies		(286,857)	(270,497)
Impairment of real estate inventories	15	(1,311)	(1,448)
Personnel expenses	23.4	(22,182)	(19,525)
Wages, salaries and similar items		(18,701)	(15,934)
Employee benefits expense		(3,481)	(3,591)
Other expenses	23.6	(19,548)	(28,148)
Depreciation of fixed assets	23.8	(1,164)	(893)
Impairment losses and gains (losses) from disposal of non-current assets	23.11	(100)	(44)
Gains (losses) on disposals and other		(100)	(44)
OPERATING INCOME		36,391	110,283
Financial income	23.9	4,031	840
Marketable securities and other financial instruments		4,031	840
Financial costs	23.10	(19,354)	(21,179)
Balances with Group companies, associates and related parties		-	(12)
For debts owed to third parties		(19,354)	(21,167)
Exchange rate differences		(46)	(1)
Impairment losses and gains (losses) on disposal of non-current assets	23.12	1,883	-
FINANCIAL RESULT		(13,486)	(20,340)
Income for the year from investments accounted for using the equity method	13	(4,724)	(2,531)
PROFIT BEFORE TAX		18,181	87,412
Corporate income tax	21	(1,260)	(18,690)
PROFIT OF THE FINANCIAL YEAR DERIVED FROM CONTINUING OPERATIONS		16,921	68,722
PROFIT FOR THE YEAR		16,921	68,722
Earnings per share			
Basic earnings per share (euros)	5	0.25	1.00
Basic earnings per share (euros)	5	0.25	1.00
Income attributable to shareholders of the Parent Company		16,921	68,722

Notes 1 to 26 are an integral part of the 2023 consolidated annual accounts.

Consolidated statement of recognised income and expenses for the year ended 31 December 2023
(in thousands of euros)

	Year 2023	Year 2022
Consolidated profit for the year	16,921	68,722
Total recognised income and expense, net of taxes	16,921	68,722
a) Shareholders of the Parent Company	16,921	68,722

Notes 1 to 26 are an integral part of the 2023 consolidated annual accounts.

Consolidated statement of changes in equity for the year ended 31 December 2023
(in thousands of euros)

	Attributed to owners of the Parent Company				Total	Total Equity Net
	Capital Corporate	Premium Issue	Reserves Legal	Other Reserves		
Balance as at 31 December 2021	411,161	650,087	38,112	(303,229)	796,131	796,131
Recognised income and expenses	-	-	-	68,722	68,722	68,722
Distribution of income for the year 2021	-	-	6,147	(6,147)	-	-
Distribution of voluntary reserves	-	(106,593)	-	-	(106,593)	(106,593)
Other changes in shareholders' equity (*)	-	-	-	(860)	(860)	(860)
Balance as at 31 December 2022	411,161	543,494	44,259	(241,514)	757,400	757,400
Recognised income and expenses	-	-	-	16,921	16,921	16,921
Distribution of income for the year 2022	-	-	5,126	(5,126)	-	-
Distribution of voluntary reserves (16.2)	-	(124,875)	-	-	(124,875)	(124,875)
Other changes in shareholders' equity	-	-	-	166	166	166
Balance as at 31 December 2023	411,161	418,619	49,385	(229,553)	649,612	649,612

Notes 1 to 26 are an integral part of the 2023 consolidated annual accounts.

Consolidated statement of cash flows for the year ended 31 December 2023
(in thousands of euros)

	Note	31.12.2023	31.12.2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		16,921	68,722
Adjustments to the result		26,079	50,677
Depreciation of fixed assets	23.8	1,164	893
Valuation adjustments for impairment	15	1,008	(1,423)
Change in provisions	17	4,526	9,603
Gains/losses on disposal of fixed assets	23.11	100	44
Financial income	23.9	(4,031)	(840)
Financial costs	23.10	19,354	21,179
Corporate Income Tax		(766)	18,690
Income for the year from investments accounted for using the equity method	13	4,724	2,531
Changes in working capital		50,289	79,433
Inventories		16,476	140,348
Trade and other receivables		20,231	(20,645)
Trade and other payables		27,366	(43,860)
Other current assets and liabilities		(6,096)	1,844
Other non-current assets and liabilities		(7,688)	1,746
Other non-current assets and liabilities		(24,766)	(21,761)
Corporate income tax payments	21	(169)	3,129
Dividend collections		-	1,430
Interest payments	18	(28,157)	(26,997)
Interest income (+)	23.9	3,560	677
Total cash flows from operating activities		68,523	177,071
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(17,036)	(25,502)
Acquisitions of intangible assets	8	(12,820)	(175)
Acquisitions of tangible fixed assets	9	(205)	(294)
Company acquisitions	2.5	(4,011)	(25,033)
Divestment proceeds		-	2,741
Other assets		-	2,741
Total cash flows from investing activities		(17,036)	(22,761)
CASH FLOWS FROM FINANCING ACTIVITIES			
Collections from bank borrowings		3,096	15,092
Collections from bank borrowings		161,670	137,932
Collections from bonds and other negotiable securities		(32,187)	-
For debts with Group companies		(8,216)	(11,862)
Bank borrowing returns		(140,447)	(197,708)
Dividend payments	16.2	(124,875)	(106,593)
Cash flows from financing activities		(140,959)	(163,139)
NET INCREASE IN CASH OR CASH EQUIVALENTS		(89,472)	(8,829)
Cash and cash equivalents as of 01 January	14.3	320,269	329,098
Cash and cash equivalents as at 31 December	14.3	230,797	320,269

Notes 1 to 26 are an integral part of the 2023 consolidated annual accounts.

1. Nature, activities and composition of the Group

A. GENERAL INFORMATION

Vía Célerе Desarrollos Inmobiliarios, S.A.U. (hereinafter, the Parent Company, the Company or VCDI) was incorporated in Pontevedra on 16 August 1989 under the name "Confecciones Udra, S.A.", which changed in 1993 to "Inmobiliaria Udra, S.A.", in June 2008 to "San José Desarrollos Inmobiliarios, S.A.", in June 2016 to "Dos Puntos Desarrollos Inmobiliarios S.A.". On 20 June 2017, the Extraordinary General Shareholders' Meeting of the Company resolved to change its corporate name to "Vía Célerе Desarrollos Inmobiliarios, S.A." and to change its registered office and the consequent amendment to the bylaws, with the new registered office at calle Carlos y Guillermo Fernández Shaw 1, 28007 Madrid (Spain). On 25 March 2021 the incorporation of Vía Célerе Holdco, S.L. was formalised by public deed, a company that from that date holds 100% of the Vía Célerе group and consequently, the legal form changed to "Vía Célerе Desarrollos Inmobiliarios, S.A.U.". On 23 November 2021, the Extraordinary General Shareholders' Meeting of the Company decided to change its registered office and the consequent amendment to the bylaws, with the new registered office at Calle Ulises 16-18, 28043 Madrid (Spain).

The Parent Company is the Parent of a group of companies engaging in residential property development activities and which together constitute the Vía Célerе Desarrollos Inmobiliarios Group (hereinafter "the Group"). Since 01 January 2022, the parent company has ceased to be the tax head of the consolidated Group in favour of its shareholder, Vía Célerе Holdco, S.L (see Note 21).

The Group's activity consists of providing the following services through Group companies: the development of all types of real estate; construction in general, whether for its own account or for that of third parties; the purchase and sale of construction, urban development and gardening equipment; the execution of public works in general; and the purchase and sale of all types of property, whether transportable or not, and both rural and urban real estate. The Group's activity is carried out in Spain and Portugal.

B. INCORPORATION OF VIA CÉLERE HOLDCO, S.L. THROUGH THE CONTRIBUTION OF 100% OF THE SHARES OF VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.

On 25 March 2021, the companies Maplesville Invest, S.L.U., Gleenwock Invest, S.L.U., Windham Spain, S.L.U., Rimbeу Spain, S.L.U., Lewistown Invest, S.L.U., Barclays Bank PLC, J.P. Morgan Securities, PLC, Deutsche Bank Aktiengesellschaft, Trinity Investments Designated Activity Company, Melf B.V., Merrill Lynch International and Greencoat B.V. (hereinafter "former shareholders of Vía Célerе Desarrollos Inmobiliarios, S.A.U.") executed the public deed of incorporation of Vía Célerе Holdco, S.L. based on the creation of 60,002 shares with a par value of 1 euro per share and a share premium of 6,851.46 euros per share (see Note 16.1).

The shares were fully assumed by the former shareholders of Vía Célerе Desarrollos Inmobiliarios, S.A., which became a sole shareholder company and maintained its indirect shareholding structure and composition through its shareholding in the Parent Company. Therefore, the investment funds managed by Värde Partners, Inc. ("Värde") indirectly hold 76.4% of the share capital of the new parent company of the Vía Célerе Holdco group.

The shares have been fully assumed through a non-monetary contribution consisting of 100% of the shares of Vía Célerе Desarrollos Inmobiliarios, S.A.U., being valued at 867,548 thousand euros corresponding to the consolidated book value of the shareholders' equity of Vía Célerе Desarrollos Inmobiliarios, S.A.U. at the date of contribution of its shares. The share capital has a par value of 60,002 euros and, at the time of incorporation, the share premium amounted to 411,101 thousand euros.

This transaction has generated a restructuring of the Group where Vía Célerе Holdco, S.L. is the new Parent Company, while maintaining the Vía Célerе Desarrollos Inmobiliarios subgroup. Vía Célerе Holdco, S.L. was registered in the Commercial Registry on 29 April 2021.

2. Basis of presentation of the consolidated annual accounts and consolidation principles

2.1 Financial reporting standards framework applicable to the Group

These consolidated annual accounts have been prepared on the basis of the accounting records of the Company and its subsidiaries in accordance with International Financial Reporting Standards adopted by the European Union (EU-IFRS) (the 2023 consolidated annual accounts) in order to give a true and fair view of the consolidated equity and consolidated financial position of the Group as at 31 December 2023, of the results of its consolidated operations, of its consolidated cash flows and of the changes in consolidated equity for the year then ended.

The Parent Company's Management Body considers that the consolidated annual accounts for the financial year 2023, which have been prepared on 6 March 2024, will be approved by the sole shareholder.

The Group's accounting policies are detailed in Note 4.

a) Changes in accounting policies and disclosures

The changes in application for the calendar year beginning on 01 January 2023 are as follows:

Amendments and/or interpretations	
IFRS 17 "Insurance contracts"	IFRS 17 replaces IFRS 4 "Insurance Contracts", which allowed for a wide variety of accounting practices. The new standard fundamentally changes the accounting by all entities issuing insurance agreements and investment contracts with discretionary participation components. In June 2020, the IASB modified the standard, developing specific amendments and clarifications aimed at facilitating the implementation of the new standard, although the fundamental principles of the standard did not change. The standard is applicable for annual periods commencing on or before 01 January 2023, with early application permitted if IFRS 9, "Financial Instruments", is applied on or before the date of initial application of IFRS 17.
IFRS 17 (Amendment) "Initial Application of IFRS 17 and IFRS 9 - Comparative Disclosures"	The IASB has published an amendment to IFRS 17 that introduces limited amendments to the transition requirements in IFRS 17 "Insurance Contracts" and does not affect any other requirements in IFRS 17. IFRS 17 and IFRS 9 "Financial Instruments" have different transition requirements. For some insurers, these differences may result in one-off accounting asymmetries between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when they apply IFRS 17 and IFRS 9 for the first time. The amendment will help insurers to avoid these asymmetries and thus improve the usefulness of comparative information for investors. This amendment is effective for annual periods commencing on or after 01 January 2023.
IAS 1 (Amendment) "Disclosure of accounting policies".	IAS 1 has been amended to improve disclosures about accounting policies to provide more useful information to investors and other primary users of financial statements. The effective date of these amendments is 01 January 2023.
IAS 8 (Amendment) "Definition of accounting estimates".	IAS 8 has been amended to help distinguish between changes in accounting estimates and changes in accounting policies. The effective date of these amendments is 01 January 2023.
IAS 12 (Amendment) "Deferred tax relating to assets and liabilities arising from a single transaction"	In certain circumstances under IAS 12, companies are exempt from recognising deferred taxes when they first recognise assets or liabilities ("initial recognition exemption"). Previously, there was some uncertainty as to whether the exemption applied to transactions such as leases and decommissioning obligations, transactions for which both an asset and a liability are recognised upon initial recognition. The amendment clarifies that the exemption does not apply and therefore, there is an obligation to recognise deferred taxes on such transactions. The amendment enters into force for financial years commencing on or after 01 January 2023, although its early application is permitted.
IAS 12 (Amendment) "International Tax Reform - Pillar Two Model Rules"	In October 2021, more than 130 countries, representing more than 90% of global GDP, agreed to implement a minimum tax regime for multinational companies, the "Pillar Two". In December 2021, the Organisation for Economic Co-operation and Development ("OECD") published the Two Pillar Model Rules to reform international corporate taxation. Large affected multinational companies must calculate their GloBE effective tax rate (acronym for "Global Anti-Base Erosion") for each jurisdiction in which they operate. Such companies will be required to pay an additional tax for the difference between their effective GloBE tax rate per jurisdiction and the minimum rate of 15%.

Amendments and/or interpretations	
	<p>In May 2023, the IASB issued limited scope amendments to IAS 12. A temporary exception to the requirement to recognise and itemise deferred taxes arising from an approved or substantially approved tax law implementing the Two Pillar model standards published by the OECD is provided.</p> <p>The amendments also introduce the following specific breakdown requirements for the affected businesses:</p> <ul style="list-style-type: none"> • The fact of having applied the temporary exception to the recognition and breakdown of information on deferred tax assets and liabilities related to income tax arising from Pillar Two; • Its current tax expense (if any) related to income tax arising from Pillar Two; and • During the period between the approval or substantial approval of legislation and the entry into force of legislation, entities are required to disclose known or reasonably estimable information that would help users of the financial statements to understand the entity's exposure to income tax arising from Pillar Two. <p>On the one hand, the amendment to IAS 12 is required to be applied immediately and retrospectively in accordance with IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", including the requirement to itemise the fact that the aforementioned temporary exception has been applied, if relevant. Furthermore, breakdowns relating to current tax expenditure and known or reasonably estimable exposure to Pillar Two income tax are mandatory for annual periods commencing on or after 01 January 2023. However, a breakdown of this information in the interim financial statements is not required for any interim period ending on or before 31 December 2023.</p>

The amended standards and interpretations have not had a significant impact on the Group's consolidated annual accounts.

b) Standards and interpretations issued but not yet effective

The new standards, amendments and interpretations that must be applied in years subsequent to the calendar year beginning on 01 January 2023 are:

Standards, amendments and interpretations that have not yet come into effect		
IFRS 16 (Amendment) "Lease liability on a sale and leaseback sale"	IFRS 16 included requirements on how to account for a sale and leaseback at the date the transaction takes place. However, it did not specify how to account for the transaction after that date. This amendment explains how an entity should account for a sale and leaseback sale after the date of the transaction. The effective date of this amendment is 1 January 2024, although its early adoption is permitted.	01 January 2024
IAS 1 (Amendment) "Classification of liabilities as current or non-current" and IAS 1 (Amendment) "Non-current liabilities with conditions"	The amendments, simultaneously adopted by the European Union clarify that liabilities are classified as current or non-current, depending on the rights that exist at the end of the reporting period in question. The classification is not affected by the entity's expectations or events after the reporting date (for example, receipt of a waiver or breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability. Furthermore, the new amendment aims to improve the information provided when the right to defer payment of a liability is subject to the fulfilment of conditions ("covenants") within twelve months after the reporting period. This amendment is effective for periods commencing on or after 01 January 2024, and is applied retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Its early adoption is allowed.	01 January 2024

Standards, interpretations and amendments to existing standards that have not yet been approved for use in the European Union at the date of drafting		
IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or contribution of assets between an investor and its associates or joint ventures".	These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures depending on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business". The investor shall recognise the entire gain or loss when the non-cash assets constitute a "business". If the assets do not meet the definition of a business, the investor recognises gain or loss to the extent of the interests of other investors. The amendments apply only when an investor sells or contributes assets to its associate or joint venture.	n/a (1)
IAS 7 (Amendment) and IFRS 7 (Amendment) "Supplier finance arrangements ("confirming")"	The IASB has amended IAS 7 and IFRS 7 to improve the breakdowns on supplier finance arrangements ("confirming") and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendment responds to investor concerns that the supplier finance arrangements of some companies are not sufficiently visible.	01 January 2024
IAS 21 (Amendment) "Lack of interchangeability"	The IASB has amended IAS 21 to add requirements to help entities determine whether a currency is exchangeable for another currency and the spot exchange rate to use when it is not. When a currency cannot be exchanged for another currency, it is necessary to estimate the spot exchange rate on a valuation date in order to determine the rate at which an orderly exchange transaction would be carried out on that date between market participants under the prevailing economic conditions. When an entity applies the new requirements for the first time, it is not allowed to restate the comparative information. Instead, the conversion of the affected amounts is required at the estimated spot exchange rates on the date of initial application of the amendment, with an adjustment against reserves.	01 January 2025

- (1) Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for annual periods beginning on or after 1 January 2016. However, at the end of 2015, the IASB took the decision to postpone the effective date of these amendments (without setting a new specific date), as it is planning a broader review that may result in simplifying the accounting for these transactions and other aspects of accounting for associates and joint ventures.

These approved and pending approval standards and interpretations are not expected to have a significant impact on the Group's consolidated annual accounts in future years.

2.2 Comparative information

These consolidated annual accounts present for comparative purposes, with each of the items of the balance sheet, the profit and loss account, the statement of changes in equity, the statement of cash flows and the report, in addition to the figures for 2023, the figures for the previous year, which formed part of the consolidated annual accounts for 2022 approved by the Sole Shareholder Meeting on 14 April 2023.

2.3 Functional and presentation currency

These consolidated annual accounts are presented in thousands of euros. The euro is the functional currency of the economic area in which the Group operates.

2.4 Relevant accounting estimates, assumptions and judgements used when applying accounting principles

The information contained in these 2023 consolidated annual accounts is the responsibility of the Parent Company's management body.

These 2023 Consolidated Annual Accounts have certain relevant accounting estimates, judgements and assumptions that must be made when applying the Group's accounting policies. In this regard, the areas requiring a greater degree of judgement or which are more complex, and the areas in which the assumptions and estimates made are significant considering the 2023 consolidated annual accounts as a whole, are summarised below:

- Significant estimates and assumptions

- Impairment of inventories: key assumptions for determining these values include growth rates of sale prices, constructions costs, discount rates and expected investment returns. The comparative method of valuation (of completed developments) and static and dynamic residual methods (for land and property developments in progress) are used to calculate inventories' fair value. Key assumptions for determining these values include growth rates of sale prices, constructions costs, discount rates and expected investment returns. The estimates, including the methodology used, may have a significant impact on the values and on impairment. For this reason, the Group uses valuations made by prestigious independent experts for the inventories (see Note 4.k).
- Recognition and measurement of provisions and contingencies: assumptions used to determine the probability of occurrence and the estimated amounts of outflows of resources (see Note 4.m).
- The assessment of recoverable amounts of tax credits (Note 4.n). The tax credits generated in corporate income tax are capitalised when it is probable that the Group will have future taxable profits that allow the application of these assets. Management makes estimates of the tax benefits of the tax group and the recoverability of the capitalised tax credits. The Group has recognised deferred tax assets as at 31 December 2023 amounting to 71,937 thousand euros (70,270 thousand euros as at 31 December 2022) relating to deductible temporary differences and part of the tax loss carryforwards (see Notes 4.n and 21).
- Recognition and measurement of the long-term incentive plan: assumptions used to determine the probability of the event and the estimated amounts of resource outflows (see Note 4.v).

- Changes in estimates

These estimates were made on the basis of the best information available as at 31 December 2023. However, future events may require them to be modified (upwards or downwards) in subsequent years. Under IAS 8, any change in accounting estimates is accounted for prospectively and the impact of changes in estimates is recognised in the consolidated income statement for the year of the change.

No significant changes have occurred during financial year 2023 to the estimates made at the end of financial year 2022.

- Determination of fair values

Certain Group accounting policies and details require the measurement of fair values, for both financial and non-financial assets and liabilities.

The valuation of the inventories is subject to significant unobservable criteria and adjustments in their valuation.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: measurements derived from (unadjusted) quoted prices in active markets for identical assets or liabilities.
- Level 2: measurements derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability can be categorised within different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the year in which the change takes place.

The following notes contain more information on the assumptions used in determining fair values:

- Notes 14 and 18: Short and long-term financial assets and liabilities.

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2.5 Companies included in the consolidation parameter

a) Subsidiaries

The companies included in the scope of consolidation 2023 are as follows:

Name	Signature auditor	Registered office	Activities	Thousands of euros Net Book Value of of participation (*)	Percentage of Participation
Copaga, S.A.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Real estate development	31,214	100%
Udralar, S.L.U.	PWC España	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Real estate development	-	100%
Torok Investment 2015, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Real estate development	7	100%
Udrasur Inmobiliaria, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Real estate development	3	100%
Douro Atlántico, S.A.	PWC Portugal	Av. Antonio Augusto de Aguiar, 19-4 (Lisbon, Portugal)	Real estate development	2,883	100%
Parquesoles Inversiones Inmobiliarias Y Proyectos, S.A.	PWC Portugal	Av. Antonio Augusto de Aguiar, 19-4 (Lisbon, Portugal)	Real estate development	2,373	100%
Maywood Invest, S.L.U.	PWC España	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Real estate development	12,110	100%
Vía Célere, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Real estate development	30,511	100%
Vía Célere 1, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Real estate development	-	100%
Vía Célere 2, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Real estate development	311	100%
Vía Célere Catalunya, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Real estate development	12,853	100%
Vía Célere Gestión de Proyectos, S.L.U.	PWC España	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Construction contractor	-	100%
Conspace, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Construction contractor	1	100%
Lealtad Directorship, S.L.U. (**)	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Real estate development	28,677	100%
Vía Célere Rental, S.L.U. (***)	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Investment property	38,815	100%

(*) Net book value of each investee in the Parent Company as at 31 December 2023.

(**) The participation in Lealtad S.L. is indirect through Copaga, S.A.U.

(***) The company was incorporated on 16 February 2023.

Asset acquisitions

Vía Célere Desarrollos Inmobiliarios, S.A.U. established on 16 February 2023 a wholly owned subsidiary (100%), Vía Célere Rental, whose main activity is the holding of the Group's 45% share in the "GSVC Thunder S.L.U." Joint Venture, incorporated together with investee entities and ultimately managed by Greystar Real Estate Partners, LLP ("Greystar"), for the operation of the "Thunder" residential rental portfolio (See note 15.6).

The companies included in the perimeter of consolidation 2022 are as follows:

Name	Signature auditor	Registered office	Activities	Thousands of euros Net Book Value of of participation (*)	Percentage of Participation
Copaga, S.A.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid (**)	Real estate development	31,214	100%
Udralar, S.L.U.	PWC España	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid (**)	Real estate development	-	100%
Torok Investment 2015, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid (**)	Real estate development	7	100%
Udrasur Inmobiliaria, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid (**)	Real estate development	3	100%
Douro Atlántico, S.A.	PWC Portugal	Av. Antonio Augusto de Aguiar, 19-4 (Lisbon, Portugal)	Real estate development	2,647	100%
Parquesoles Inversiones Inmobiliarias Y Proyectos, S.A.	PWC Portugal	Av. Antonio Augusto de Aguiar, 19-4 (Lisbon, Portugal)	Real estate development	6,225	100%
Maywood Invest, S.L.U.	PWC España	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid (**)	Real estate development	12,110	100%
Vía Célere, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid (**)	Real estate development	30,511	100%
Vía Célere 1, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid (**)	Real estate development	-	100%
Vía Célere 2, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid (**)	Real estate development	300	100%
Vía Célere Catalunya, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid (**)	Real estate development	12,588	100%
Vía Célere Gestión de Proyectos, S.L.U.	PWC España	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid (**)	Construction contractor	-	100%
Conspace, S.L.U.	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid (**)	Construction contractor	1	100%
Lealtad Directorship, S.L.U. (**)	Unaudited	C/Ilises 16-18, plantas 6ª y 7ª, 28043, Madrid	Holding property investment	28,677	100%

(*) Net book value of each investee in the Parent Company as at 31 December 2022.

(**) The participation in Lealtad S.L. is indirect through Copaga, S.A.U.

Asset acquisitions

On 26 July 2022, the group company Copaga, S.A.U. acquired the entire share capital of Lealtad Directorship, S.L.U. from Otterville Invest, S.L. The total price amounted to 28,459 thousand euros, which has been fully paid up.

Lealtad Directorship, S.L.U. is a company whose main activity is real estate development and operates in the Iberian Peninsula. This subsidiary was indirectly owned by investment funds controlled by Värde, which held 100% of the shares through the company Otterville Invest, S.L. The acquisition was carried out between entities under common control as Värde is the majority shareholder of all the companies involved in the transaction (through various funds managed by Värde Partners).

Lealtad Directorship, S.L.U. is the parent company of the Lealtad Group, which at the date of the transaction included six companies: Borino Lealtad, S.L.; Cabure Lealtad, S.L.; Siargo Lealtad, S.L.; Trim Lealtad, S.L.; Argus Lealtad, S.L. and Siona Lealtad, S.L.

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On 20 June 2022, the sole shareholder of Lealtad Directorship, S.L.U., Otterville Invest, S.L., approved the merger by absorption of Lealtad Directorship, S.L.U., as the absorbing company, with Trim Lealtad, S.L.U., Borino Lealtad, S.L.U., Argus Lealtad, S.L.U., Cabure Lealtad, S.L.U., Siargo Lealtad, S.L.U. and Siona Lealtad, S.L.U., as the absorbed companies, the former acquiring en bloc by way of universal succession all the assets and liabilities of the absorbed companies, which were dissolved and extinguished without liquidation. The deed of merger was executed on 28 October 2022, filed with the Commercial Registry on 8 November 2022 and registered on 15 November 2022. The merger has no effect on the consolidated financial statements as its fair values are the net book values shown in the table below.

The directors of the parent company have decided that the transaction will be registered as a purchase of assets, as the acquired company does not have any organised processes or procedures whose application results in the production of a product, nor does it have its own personnel to carry out such processes or procedures. In this sense, most of the assets of Lealtad Directorship, S.L.U. correspond to land located in Berrocales (Madrid), Rincón de la Victoria (Málaga) and Mataró (Barcelona) with a total buildable 71,983 square metres, 10,245 square metres and 6,679 square metres respectively. The directors calculate that these surfaces are equivalent to 696 dwellings on the basis of the projects and the existing land regulations. Of the land mentioned above, the Mataró land is under construction.

The net book value in thousand euros of the assets acquired and the liabilities assumed at the date of acquisition, as well as the value adjustments, were as follows:

Assets	Net book value	Adjustments	Fair Value
Total non-current assets	46	-	46
Inventories	28,641	2,097	30,738
Trade and other receivables	783		783
Prepayments and accrued income	7		7
Cash and cash equivalents	3,427		3,427
Total current assets	32,857	2,097	34,954
Total assets	32,904	2,097	35,000
Current provisions	139		139
Current payables	1,558		1,558
Trade and other payables	4,845	-	4,845
Total current liabilities	6,542	-	6,542
Net assets	26,362	2,097	28,459
Purchase price paid			28,459

The valuation was carried out by an independent expert to obtain the fair value of the assets acquired. The methodology used to calculate the fair value was the net asset value.

The NAV calculation included, on the one hand, the analysis of the market value of the real estate assets, applying the income approach. The income approach measured the value of an asset by analysing the present worth of the economic benefits it is expected to produce. These benefits could include earnings, cost savings, tax deductions, and disposal proceeds. This approach calculated the value at a rate return which incorporates the risk-free rate for the use of funds, the expected rate of inflation over the asset's holding period, and the risks associated with realising the cash flows in the amounts and at the times projected. The discount rate selected is usually based on the rates return available from alternative investments of similar type and quality as at the Valuation Date.

After the NAV calculation, the Triple Net Asset Value measure was used to report the net asset value including fair value adjustments related to all material Balance Sheet items. These adjustments included the following: (i) the fair value of financial instruments, (ii) the fair value of debt (mark-to-market adjustment related to all debt not held in the Balance Sheet at its fair value); and (iii) deferred taxes (the provision for deferred taxes relates to the latent capital gains tax, or similarly according to each country's tax rules, arising on the investment revaluation, development and trading properties and other investments to market value. Net capital gains or losses arising from the estimation of the market value of the Company's real estate assets resulted in an adjustment to the net asset value. It is the company's assessment and were based on the expected method of calculating the value of the underlying assets and liabilities).

The costs incurred by the Group for the acquisition of these assets amounted to 218 thousand euros.

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b) Associates

The associates included in the consolidation parameter as at 31 December 2023 and 2022 are as follows:

Name	Signature auditor	Registered office	Activities	Thousands of euros Net Book Value of Participation (*)	Percentage of Participation
Célere Forum Barcelona, S.L.	Unaudited	C/Ulises 16-18, plantas 6ª y 7ª, 28043, Madrid	Real estate development	919	50%
GSVC Thunder, S.L.(**)	EY España	C/ Príncipe de Vergara nº 112, 4th floor, 28002 Madrid	Lease of real estate	44,567	45%

(*) Net book value of each investee in the Parent Company as at 31 December 2023.

(**) The participation in GSVC Thunder S.L. is indirect through Vía Céler Rental S.L.U.

Name	Audit firm	Registered Office	Activity	Thousands of euros Cost of ownership interest (*)	Percentage of ownership interest
Célere Forum Barcelona, S.L.	Unaudited	C/Ulises 16-18, plantas 6ª y 7ª, 28043, Madrid(**)	Real estate development	552	50%

(*) Net book value of each investee in the Parent Company as at 31 December 2022

3. Distribution of the result of the Parent Company's profit

The Parent Company's profits for the year 2023 amount to 12,304 thousand euros, and the proposal for their distribution, formulated by the management body and pending approval by the Sole Shareholder, is to allocate the voluntary reserve in the amount of 11,074 thousand euros and the legal reserve in the amount of 1,230 thousand euros.

The distribution of the Parent Company's profit for 2022, approved by the General Shareholders' Meeting on 14 April 2023, was to allocate voluntary and legal reserves in the amount of 46,133 thousand euros and 5,126 thousand euros, respectively.

The amount of non-distributable reserves is limited to the balance of the legal reserve, amounting to 49,385 thousand euros as at 31 December 2023 (44,259 thousand euros as at 31 December 2022).

As at 31 December 2023 and 31 December 2022, the Parent Company maintains limitations on the distribution of dividends as a result of certain financial covenants during the term of the Senior Secured Notes signed on 25 March 2021 (see Note 18.1.3) and the Revolving Facility Agreement (RCF) signed on 6 March 2021 (see Note 18.1.4). These debentures permit the distribution of dividends if a number of conditions are met.

With the exception of the preceding paragraph, there are no significant limitations on the distribution of dividends, except that the total equity remaining of the Parent Company after the distribution of any dividend must not fall below half of the share capital.

4. Accounting policies

The accounting policies set out below have been applied consistently in the consolidated annual accounts.

a) Basis of consolidation

Subsidiaries

Subsidiaries, including structured entities, are defined as entities over which the Parent Company exercises control, either directly or indirectly through subsidiaries. The Parent Company controls a subsidiary when it is exposed to or entitled to variable returns and when it has the ability to influence those returns. The Parent Company has capacity when it holds sufficient voting rights to provide it with the ability to manage the significant business activities of the investee. The Parent Company is exposed to, or is entitled to, variable returns from its involvement in the subsidiary when the returns it obtains from such involvement may vary depending on the economic performance of the entity (IFRSs 10.6, 10 and 15). Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control ceases.

The income, expenses and cash flows of the subsidiaries are included in the consolidated annual accounts from the date of acquisition, which is the date on which the Group effectively obtains control over them. Subsidiaries are excluded from consolidation from the date on which control is lost.

Transactions and balances with Group companies and unrealised gains or losses have been eliminated in the consolidation process. However, unrealised losses have been considered as an indicator of impairment of the transferred assets.

The accounting policies of the subsidiaries have been adapted to the Group's accounting policies for transactions and other events in similar circumstances.

The annual accounts of the subsidiaries used in the consolidation process refer to the same reporting date and period as those of the Parent Company.

Business combinations

The Group applies the acquisition method in business combinations with the exception of the cases indicated in this Note. The acquisition date is the date on which control of the acquiree is obtained.

The consideration given for a business combination is calculated as the sum of the fair values of the assets transferred at the acquisition date, the liabilities incurred or assumed, the equity instruments issued and any contingent payments on future events or the fulfilment of certain conditions in exchange for control of the acquiree.

The consideration given does not include any payment that is not part of the exchange of the acquired business. Acquisition costs are recognised as an expense when they are incurred.

At the acquisition date, the Group recognises the assets acquired and the liabilities assumed at fair value. Non-controlling interests in the company acquired are recognised for the proportional share in the fair value of the net assets acquired. The criterion applies only to non-controlling interests that provide access at that time to the economic benefits and the right to a pro rata share of the net assets of the acquiree in the event of liquidation.

Except for lease and insurance contracts, assets acquired and liabilities assumed are classified and designated for subsequent measurement on the basis of contractual agreements, economic terms, accounting and operating policies and any other conditions existing at the date of acquisition.

The difference (excess) between the consideration paid plus the value assigned to non-controlling interests and the net amount of the assets acquired and liabilities assumed is recognised as goodwill. After assessing the consideration paid, the value assigned to non-controlling interests and the identification and measurement of the net assets acquired, any difference is recognised in consolidated profit or loss.

Associates

These are entities over which the Group has the capacity to exercise significant influence, without effective control or joint management. This ability is usually manifested in a holding (direct or indirect) of 20% or more of the voting rights of the investee.

The Group's investments in associates are accounted for in the consolidated annual accounts using the equity method from the date on which significant influence commences until the date on which influence ceases. Gains and losses resulting from transactions with an associate are eliminated to the extent of the Group's interest in the associate, less any impairment of individual interests. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Any excess of the cost of acquisition over the portion of the fair values of the identifiable net assets of the associate attributable to the Group at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any deficiency of the cost of acquisition in relation to the portion of the fair values of the identifiable net assets of the associate held by the Group at the date of acquisition is recognised in consolidated profit or loss in the year of acquisition.

If, as a result of losses incurred by an associate, its equity were negative, the Group's consolidated statement of financial position would include a zero value, unless the Group had an obligation to provide financial support for the associate.

The accounting policies of equity accounted investees are changed when necessary to ensure consistency with the policies adopted by the group.

Note 2.6.b to these 2023 consolidated annual account details the associates included in the consolidation parameter and the information relating to these companies.

Impairment

The Group applies the criteria for impairment described in the accounting policy for financial instruments to determine whether additional impairment losses to those already recognised on the net investment in the associate, or on any other financial asset held as a result of applying the equity method, should be recognised.

The Group applies the criteria indicated in the accounting policy for financial instruments, including valuation adjustments for impairment to other financial instruments to which the equity method is not applied, including those that form part of the net investment in the associated entity.

Impairment is calculated by comparing the carrying amount of the net investment in the associate with its recoverable amount. Recoverable value is the higher of value in use and fair value less costs to sell. In this regard, value in use is calculated on the basis of the Group's share of the present value of the estimated cash flows from ordinary activities and the income generated on the final disposal of the associate.

No impairment losses are assigned to goodwill or other assets implicit in the investment in associates arising from the application of the equity method. In subsequent years, reversals of investments are recognised in consolidated profit and loss to the extent that the recoverable amount increases. Impairment losses are presented separately from the Group's share of the results of associates.

Joint ventures

Investments in joint ventures are accounted for using the equity method. This method involves including the value of the net assets and any possible goodwill relating to the interest in the joint venture of companies accounted for using the equity method in the consolidated statement of financial position. The net annual profit/(loss) corresponding to the percentage interest in joint ventures is reflected in the consolidated income statement as profit/(loss) for the year of the companies carried by the equity method.

The distribution of dividends from joint ventures is recorded as a decrease in the value of the investments. Joint venture losses attributable to the Group are limited to the extent of its net investment, unless the Group has legal obligations or payments have been made on behalf of the joint ventures.

Non-controlling interests

Non-controlling interests are initially measured by the proportional interest in the identifiable net assets of the acquired company at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The companies comprising the Group have no non-controlling interests.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the consolidated income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intragroup balances and transactions and any unrealised income and expenses arising from intragroup transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currency transactions and balances and flows

(i) Foreign currency transactions and balances

Foreign currency transactions are translated to the functional currency by applying the spot exchange rates between the functional currency and the foreign currency at the dates when the transactions take place.

Monetary assets and liabilities denominated in foreign currencies were translated to euros at the year-end exchange rate, while non-monetary assets and liabilities measured at historical cost were translated at the exchange rates applied on the date of the transaction. Finally, non-monetary assets that are valued at fair value have been translated into euros at the exchange rate on the date when the asset was recorded.

In the presentation of the consolidated statement of cash flows, the flows from transactions in foreign currency are translated to euros at the exchange rates prevailing on the date on which the flows occurred.

Differences resulting from the settlement of foreign currency transactions and the translation to euros of monetary assets and liabilities denominated in foreign currencies are recognised in consolidated income statement. However,

exchange differences arising on monetary items forming part of the net investment in foreign operations are recorded as translation differences in other comprehensive income.

During 2023 and 2022, the Group has not carried out any transactions in foreign currency.

c) Financial income and financial expenses

The Group's financial income and finance expenses include:

- interest income;
- interest expense;
- dividend income;

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired, the calculation of interest income returns to the gross basis.

d) Borrowing costs

The Group includes in the cost of intangible assets, property, plant and equipment, investment property and inventories that require a period of more than one year to be ready for use, operation or sale, the borrowing costs related to specific or generic financing directly attributable to the acquisition, construction or production.

To the extent that financing has been specifically obtained, the amount of interest to be capitalised is determined on the basis of the related financial expenses incurred during the year, less the returns obtained on investments of temporary funds. In cases where the financing has not been used temporarily to fund assets under construction, the related financial expenses are not capitalised. The amount of interest to be capitalised relating to general non-trade financing is determined by applying a weighted average interest rate to the investment in progress, discounting the portion specifically financed, up to the limit of total accumulated interest expense in the consolidated income statement.

The capitalisation of interest begins when the interest on the expenses related to the inventories has been incurred and the activities necessary to prepare the assets, or part of them, for their intended use or sale are being carried out, and ends when all or substantially all the activities necessary to prepare the assets or part of the assets for their intended use or sale have been completed. However, the capitalisation of interest is suspended during periods of interrupted activity if those periods are significantly extended, unless the temporary delay is necessary to bring the asset into operating condition or to sell it.

The capitalisation of interest is recognised under "Financial expenses" in the consolidated income statement (see Note 23.10).

e) Intangible assets

As a general rule, intangible assets are recognised initially at acquisition or production cost and subsequently at cost less accumulated amortisation and accumulated impairment losses. These assets are amortised over their useful lives.

i) Goodwill

Goodwill is the excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill is tested for impairment annually and is measured at cost less accumulated impairment. The gain or loss on the sale of an entity includes the carrying amount of goodwill related to the entity sold.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts for 2023

ii) Computer software

Computer software acquired and developed by the Group, including website development expenses, are recognised to the extent that they meet the conditions indicated for development expenses. Expenditure on the development of a website for promotional purposes or to advertise the Group's products or services is recognised as an expense when incurred. IT maintenance expenses are expensed as incurred.

iii) Amortisation

Computer software, patents, licences, brands and similar items are amortised on a straight-line basis over their useful lives at the following rates:

Description	Year	Rate
Computer software	4	25%
Patents, licenses, brands and similar	10	10%

The Group evaluates and determines impairment losses and reversals of impairment losses on intangible assets in accordance with the criteria set out in Note 4-h.

f) Property, plant and equipment

i) Initial recognition

Property, plant and equipment are recognised at cost or deemed cost, less any accumulated depreciation and any accumulated impairment loss.

The cost of assets comprises the acquisition price, less trade discounts or rebates, and plus any costs directly related to locating the asset in its intended use and to establishing conditions necessary for it to be capable of operating in the manner intended by the management body, the initial estimate of the costs of dismantling or removing the asset and restoring the place where it is located, provided that they constitute obligations incurred as a result of use and for purposes other than the production of inventories.

Any gain or loss on the sale of an item of property, plant and equipment (calculated as the difference between the profit obtained and the carrying value of the item) is recognised in consolidated income.

ii) Subsequent costs

Subsequent expenses are capitalised only when it is probable that future economic benefits related to the expense will flow to the Group. Ongoing repair and maintenance costs are recorded as expenses when incurred.

iii) Amortisation

Amortisation of property, plant and equipment is carried out on a straight-line basis over their useful life. For these purposes, the amortisable amount is understood to be the cost of acquisition less its residual value.

Items are amortised from the date they are installed and ready for use.

Amortisation of assets is determined as follows:

Description	Rate
Buildings	2%
Plant and machinery	10%-33%
Other property, plan and equipment	20%-25%

The Group reviews the residual value, useful life and amortisation method of property, plant and equipment at the end of each year. Possible modifications to the initial criteria are recognised as a change in estimate.

The Group assesses and determines the losses and reversals of impairment losses on non-financial assets in accordance with the criteria set forth in Note 4-h.

g) Investment property

Investment property is property (including property in progress or under development for future use as investment property) that is held wholly or partly to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for sale in the ordinary course of business. Investment property is initially recognised at cost, including any transaction costs.

The interest and other financial expenses incurred during the construction period of the buildings intended to be rented and accrued for the specific financing received for that purpose are considered as capitalisation of the corresponding buildings. No amount was recognised in this connection in 2023 and 2022.

The same criteria are used for the measurement and amortisation of investment property, the estimation of its respective useful lives and the recognition of any impairment losses as those described in relation to property, plant and equipment, as indicated in Note 4-f.

The Group reclassifies an investment property to property, plant and equipment when it begins to use the property in the production or supply of goods or services, or for administrative purposes.

The Group reclassifies an investment property to inventories when it commences work to produce a substantial transformation of the property with the intention of selling it.

The Group reclassifies property, plant and equipment to investment property when it ceases to use the property in the production or supply of goods or services, or for administrative purposes, and uses it to obtain income or capital gains or both.

The Group reclassifies inventories of investment property when the property becomes the subject of an operating lease.

h) Impairment of non-financial assets subject to amortisation

The Group evaluates whether there is any indication that non-financial assets (except inventories and deferred tax assets) subject to amortisation may be impaired, in order to ascertain whether their carrying amount exceeds their recoverable amount, which is taken to be the higher of fair value less costs to sell and value in use.

Impairment losses are recognised in the consolidated income statement.

The recoverable amount should be calculated for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

The Group assesses at each closing date whether there is any indication that the impairment loss recognised in prior years no longer exists or may have decreased. Impairment losses on goodwill, if any, are not reversible. Impairment losses on other assets are only reversed if there has been a change in the estimates used to determine the asset's recoverable value.

The reversal of the impairment loss is recognised with a credit to the consolidated income statement. However, the reversal of the loss cannot increase the carrying amount of the asset above the carrying amount that it would have had, net of amortisation, had no impairment been recognised.

Once the valuation adjustment for impairment or reversal has been recognised, the amortisation of subsequent years is adjusted to the new carrying amount.

However, if the specific circumstances of the assets reveal a loss that is irreversible, this loss is recognised directly as a loss on non-current assets in the consolidated income statement.

i) Financial instruments

(i) Financial assets

Classification

The classification depends on the valuation category that is determined on the basis of the business model and the characteristics of the contractual cash flows, and only reclassifies the financial assets when and only when it changes its business model to manage said assets.

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, financial assets at fair value through changes in other comprehensive income and financial assets at amortised cost.

Valuation

Acquisitions and disposals of investments are recognised on the date on which the Group undertakes to acquire or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at

fair value through profit or loss. Financial assets measured at fair value through profit or loss are initially recognised at their fair value, and the transaction costs are charged to the income statement. Financial assets are derecognised when the related rights to receive cash flows have expired or have been transferred and the Group has substantially transferred the risks and profits of ownership.

For assets measured at fair value, gains and losses shall be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for all capital investment at fair value through other comprehensive income.

Financial Assets at amortised cost (Loans and receivables)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They arise when the Group supplies money, goods or services directly to a debtor without the intention of negotiating with the receivable. They are included in current assets, except for maturities greater than 12 months from the balance sheet date, when they are classified as non-current assets.

In addition, this category includes deposits and bonds granted to third parties. The loans and receivables are subsequently accounted for at amortised cost according to the effective interest rate method. Receivables that do not explicitly accrue interest are valued at their nominal value, provided that the effect of not financially updating the cash flows is not significant. Subsequent valuation, where appropriate, continues to be made at face value.

Financial assets at fair value with changes in other comprehensive income

Assets held for the collection of contractual cash flows and for the sale of financial assets, where the cash flows of the assets represent only payments of principal and interest, are measured at fair value with changes in other comprehensive income. Movements in carrying amount are taken through other comprehensive income, except for the recognition of gains or losses on impairment, interest income and foreign exchange gains and losses that are recognised in profit and loss. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income. When these financial assets are sold or suffer impairment losses, accumulated fair value adjustments recognised in equity are included in the income statement as profit or loss.

The fair values of the listed investments are based on current purchase prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value using valuation techniques that include the use of recent free transactions between interested and duly informed parties, referring to other substantially equal instruments and the analysis of discounted cash flows. In the event that none of the aforementioned techniques can be used to estimate fair value, investments are accounted for at their acquisition cost less impairment losses, if applicable.

In the case of equity instruments included in this category, Group Management has chosen to present the fair value gains and losses of equity instruments in other comprehensive income.

There is no subsequent reclassification of fair value gains and losses to profit or loss after derecognition of the investment. Impairment losses (and reversal of impairment losses) on equity instruments measured at fair value through other comprehensive income are not separately reported from other changes in fair value.

Dividends from such investments continue to be recognised in the income statement when the Group is entitled to receive payments.

Financial assets at fair value through profit or loss

Assets that do not meet the criteria of amortised cost or fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the category of financial assets at fair value through profit or loss are included in the income statement in the year in which they arise.

Impairment

The impairment model requires recognition of impairment provisions based on the expected loss model rather than only incurred credit losses.

The Group applies the simplified approach to its customer accounts, receivables and other assets, which mostly correspond to customers of recognised solvency with whom it has extensive experience, recognising the expected credit loss for the entire life of the assets.

For trade receivables and contract assets, provided that they do not contain a significant financial component, the Group applies the simplified approach, which requires recognising a loss allocation based on the expected lifetime loss model of the asset at each reporting date. The Group's model considers internal information, such as the balance exposed on clients, external factors such as client credit ratings and agency risk ratings, as well as the specific

circumstances of the clients considering the available information on past events, current conditions and prospective elements.

(ii) Financial liabilities

Financial liabilities at amortised cost (financial debt)

Financial debt is initially recognised at fair value, net of transaction costs incurred. Subsequently, financial debts are valued at their amortised cost. Any difference between the income earned (net of transaction costs) and the repayment value is recognised in profit or loss over the life of the debt according to the effective interest rate method. Commissions paid for obtaining loans are recognised as costs of the loan transaction to the extent that it is probable that part or all of the line will be available. In this case, commissions are deferred until draw down occurs. To the extent that there is no evidence that it is probable that all or part of the credit line will be drawn down, the commission is capitalised as an advance payment for liquidity services and is amortised in the period to which the availability of the credit refers.

The financial debt is removed from the balance sheet when the obligation specified in the contract has been paid, cancelled or expired. The difference between the carrying amount of a financial liability that has been cancelled or transferred to another party and the consideration paid, including any transferred asset other than the cash or liability assumed, is recognised in the profit or loss for the year as other financial income or expenses.

Financial debt is classified as a current liability unless the Group has an unconditional right to defer its settlement for at least 12 months after the balance sheet date.

Financial liabilities at fair value through profit or loss

They are liabilities that are acquired for the purpose of selling them in the short term. Derivatives are considered in this category unless they are designated as hedging instruments). These financial liabilities are valued, both at the beginning and in subsequent valuations, at their fair value, allocating the changes that occur in said value to the consolidated income statement for the year.

j) Shareholders distribution

IFRIC 17 "Distributions of Non-cash Assets to Owners" does not apply to a distribution of a non-cash asset that is ultimately controlled by the same party or parties before and after the distribution.

Furthermore, as indicated in paragraph 3 of IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments", the Group will not apply this Interpretation to transactions in which the creditor is also a direct or indirect shareholder and is acting in its current capacity as a direct or indirect shareholder.

IAS 8, "Accounting policies, changes in accounting estimates and errors", paragraph 10, states that "in the absence of an IFRS that is directly applicable to the transaction, other event or circumstance, management shall apply its judgement in developing and applying an accounting policy".

Consequently, the Company's administrative body has analysed these transactions and concluded the following from an accounting point of view:

- Dividends, in cash or in kind, are recognised as a reduction in equity when approved by the shareholders at the Annual General Shareholders' Meeting. The liability is recognised at the time the dividend is approved, measured at the fair value of the assets to be delivered. At the settlement date, the difference between the carrying amount of the assets delivered recognised in the consolidated annual accounts under EU-IFRSs at the date of the transaction and the amount of the liability is recognised in reserves in the consolidated statement of changes in equity.
- In accounting for division transactions, including distributions in kind, whether in the form of non-monetary assets, businesses or investments in other entities or groups, which are carried out between entities under common control, the Group applies book value accounting (predecessor).
- The capitalisation of loans granted by shareholders to the Company in the form of equity instruments is not within the scope of IFRIC 19. Therefore, the Group chose as its accounting policy the derecognition of the debt at its carrying amount, recording the equity instrument to be delivered at fair value and recognising the difference between those amounts as a gain or loss in the consolidated income statement. Equity instruments issued should be initially recognised and measured at the date on which the liability arises. IFRS 13 *Fair Value Measurement* was applied in the valuation of newly issued equity instruments.

Acquisitions and disposals that do not give rise to a change of control are accounted for as equity transactions in other reserves and no gain or loss is recognised in the consolidated income statement and goodwill is not remeasured. The difference between the consideration given or received and the decrease or increase in minority interest (non-controlling interest), respectively, is recognised in reserves.

k) Inventories

This heading in the consolidated statement of financial position includes the assets that:

- The Group maintains for sale in the ordinary course of its business.
- They are under construction or development for sale;
- The Group expects to consume in the production process or in the provision of services.

The Group considers that its inventories do not meet the requirements of IAS 40 to be considered as investment property. Therefore, land and other properties held for sale or for inclusion in a property development in the ordinary course of the Group's business are deemed to be inventories and not for appreciation or rental purposes.

The Group uses the following criteria in the valuation of its inventories:

- Land and plots acquired for disposal or for the development of real estate developments are recorded at their acquisition price, which includes the expenses directly related to their purchase (registration expenses, fees, expenses for studies and technical projects prior to the acquisition of plots, etc.).
- The Group does not capitalise, as an increase in the value of the land and plots, any financial expense accrued on loans obtained to finance their purchase during the period between the date of acquisition and the time when the building licence is applied for.
- As "Property Developments in Progress", the costs incurred at source in the developments in the execution phase are recorded. These costs include, for each development, the amounts corresponding to the acquisition price of the plot, development and construction costs, as well as other costs directly related to the development (studies and projects, licences, etc.) and the financial expenses accrued by the specific financing obtained during the construction period.

Short-cycle Property Developments in Progress are all those accumulated costs of developments whose completion period (undertaking and development) is estimated not to exceed 12 months.

At the end of each development, the Group follows the procedure of transferring the cost corresponding to those developments still pending sale from the Property Developments in Progress account to the Completed Property Developments account.

The Group analyses annually whether there are indications of impairment in order to make the appropriate valuation adjustments, recognising them as an expense in the consolidated income statement when the market value of inventories is lower than their acquisition price or production cost. This market value is based on valuations carried out by an independent expert.

Valuation adjustments and reversals for impairment of inventories are recognised under "Changes in inventories of completed goods and work in progress" or "Raw materials and other consumables used", depending on whether they are developments in progress or completed or land and plots.

l) Cash and cash equivalents

Cash and cash equivalents include cash on hand and in demand deposits at banks. This also includes other short-term, highly liquid investments with an original maturity of three months or less are also included, provided they can readily be converted to specific cash amounts and where the risk of change in value is insignificant. In the consolidated balance sheet, bank overdrafts are classified as financial debt under current liabilities.

This item includes cash and banks received as advances from the customer and deposited in a special account separately from the rest of the Group's funds allocated to cover the costs arising from the corresponding development.

m) Provisions and contingencies

In preparing the consolidated annual accounts, the Parent Company's management body differentiates between

- a) Provisions: credit balances covering current obligations arising from past events, the settlement of which is likely to give rise to an outflow of resources, but which are undetermined as to their amount and/or timing.
- b) Contingent liabilities: possible obligations arising from past events, the future materialisation of which is conditional on the occurrence or non-occurrence of one or more future events beyond the control of the Group.

The consolidated annual accounts include all the provisions with respect to which it is estimated that the probability that the obligation will have to be met is greater than otherwise. Contingent liabilities are not recognised in the consolidated annual accounts but are disclosed in the notes to the consolidated annual accounts, unless the possibility of an outflow is considered to be remote.

The amounts recognised in the consolidated statement of financial position for provisions correspond to the best estimate at the closing date of the disbursements required to settle the present obligation, after considering the risks and uncertainties related to the provision and, where significant, the financial effect of the discount, provided that the disbursements to be made in each year can be reliably determined. The discount rate is determined before taxes, considering the time value of money, as well as the specific risks that have not been considered in the future flows related to the provision at each closing date. No provisions are recognised for future operating losses.

The compensation to be received from a third party when the obligation is settled, provided that there is no doubt that such reimbursement will be received, is recorded as an asset, except in the event of a legal link by which part of the risk has been externalised and by virtue of which the Group is not liable. In this situation, the compensation will be taken into account to estimate the amount for which the corresponding provision will be made, if any.

Contingent liabilities recognised in a business combination

A contingent liability in a business combination is initially recognised at fair value. Subsequently, this contingent liability is recognised until it is settled, cancelled or expires at the higher of the amount initially recognised, less the amounts to be allocated to consolidated profit or loss in accordance with the rule for measuring income from customer contracts and the amount resulting from the rule for measuring provisions.

n) Corporate income tax

The income tax expense or benefit for the year is the tax payable or receivable on the taxable income for the current year based on the applicable tax rate for each jurisdiction adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. Therefore, the tax expense or benefit comprises both current and deferred tax.

Assets or liabilities due to current taxes on profits are measured at the amounts expected to be paid to or recovered from the tax authorities, using tax rates and regulations in force or approved and pending publication at year-end.

Current and deferred tax is recognised in the consolidated income statement, unless it arises from a transaction or economic event that is recognised, in the same or another year, directly in equity, or from a business combination.

As at 31 December 2023, all the Group companies, except Célere Fórum Barcelona S.L., GSVC Thunder S.L., Douro Atlántico, S.A. and Parquesoles Inversiones Inmobiliarias y Proyectos S.A., belong to a tax group for corporate income tax purposes, of which the Parent Vía Célere Holdco, S.L. has been the head since 01 January 2022.

The corporate taxes payable by companies filing a consolidated return are determined taking into account, in addition to the corresponding parameters for individual taxation, the following:

- Temporary and permanent differences arising from the elimination of gains or losses on transactions between companies in the tax group arising from the process of determining the consolidated tax base.
- The deductions and tax credit corresponding to each company in the tax group under the consolidated tax return regime. For these purposes, the deductions and allowances are allocated to the company that carried out the activity or obtained the yield necessary to obtain the right to the tax deduction or allowance.

Temporary differences arising from the elimination of profit or loss between companies in the tax group are recognised in the company that generated the profit or loss and are measured at the tax rate applicable to it.

As a result of the negative tax results from some of the companies in the tax group that have been offset by the other companies in the tax group, a reciprocal credit and debit arises between the companies to which they correspond and the companies that offset them. In the event that there is a tax loss that cannot be offset by other companies in the consolidated tax group, the tax credits for offsetting losses are recognised as deferred tax assets and the tax group is considered the taxpayer for recovery purposes.

The Parent Company, Holdco, records the total amount payable (refundable) for consolidated corporate income tax with a charge /(credit) to Credits (Debts) with group companies and associates.

The amount of the receivable/(payable) corresponding to the subsidiaries is recorded with a credit/debit to accounts receivable from/payable to Group companies and associates.

(i) Recognition of deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

(ii) Recognition of deferred tax assets

The Group recognises deferred tax assets provided that

- It is likely that there will be sufficient future taxable profits to offset them or when tax legislation provides for the possibility of future conversion of deferred tax assets into a receivable from the government. However, assets that arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and that at the date of the transaction affects neither accounting profit nor taxable profit are not recognised;
- Relate to temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the temporary differences will reverse in the foreseeable future and future taxable profit is expected to be generated to offset the differences.

The Group recognises the conversion of a deferred tax asset into a receivable from the government when it becomes due under current tax legislation. For this purpose, the derecognition of the deferred tax asset is recognised with a charge to the deferred income tax expense and the account receivable is recognised with a credit to current income tax. Similarly, the Group recognises the exchange of a deferred tax asset for government debt securities when title is acquired.

The Group recognises the payment obligation arising from the provision of equity as an operating expense with a credit to the government debt.

It is considered probable that the Group has sufficient taxable profits to recover deferred tax assets provided that there are sufficient taxable temporary differences related to the same tax authority and relating to the same taxpayer that are expected to reverse in the same tax year in which the deductible temporary differences are expected to reverse or in years in which a tax loss arising from a deductible temporary difference can be offset against prior or subsequent gains. When the only future taxable temporary differences arise, deferred tax assets arising from offsetting tax losses are limited to 70% of the amount of deferred tax liabilities recognised.

In order to determine future taxable profits, each Group takes tax planning opportunities into account whenever it intends to adopt them or is likely to adopt them.

(iii) Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that will apply to the years when the assets are expected to be realised or the liabilities are expected to be settled, based on the regulations and rates that are substantially effective or approved, and after considering the tax consequences that will arise from the manner in which each company expects to recover the assets or settle the liabilities. For these purposes, each Group considered the deduction for reversal of temporary measures developed in transitional provision thirty-seven of Law 27/2014, of 27 November, on Corporate Income Tax, as an adjustment to the tax rate applicable to the deductible temporary difference associated with the non-deductibility of depreciation in 2013 and 2014.

The Group reviews the carrying amount of deferred tax assets at the end of the year to reduce the value of these assets to the extent that it is not probable that there will be any future taxable income to offset them.

Deferred tax assets that do not meet these conditions are not recorded in the consolidated statement of financial position. At the end of the year, the Group reconsiders whether the conditions for recognition of deferred tax assets that had not been previously recognised are met.

(iv) Offsetting and classification

The Group only offsets deferred tax assets and liabilities when it has a legal right to do so and the assets and liabilities relate to the same tax authority and the same taxpayer, or to different taxpayers who expect to settle or realise current tax assets and liabilities for their net amount, or to realise the assets and settle the liabilities simultaneously, in each of the future years in which significant deferred tax assets or liabilities are expected to be settled or recovered.

Deferred tax assets and liabilities are recognised in the consolidated statement of financial position as non-current assets or liabilities, irrespective of the expected date of realisation or settlement.

Tax benefits acquired as part of a business combination that do not meet the criteria for separate recognition at that date will be recognised subsequently if information about the facts and circumstances changes. The adjustment is treated as a reduction of goodwill (provided that it does not exceed such goodwill) if it was incurred during the measurement period, or is recognised in the consolidated income statement.

o) Revenue from contracts with customers

Sales of goods

The Group recognises ordinary income so that the transfer of committed goods or services to its customers is recognised at the amount that reflects the consideration that the entity expects to receive in exchange for those goods or services, analysed as follows:

- Identification of the contract.
- Identification of the different performance obligations.
- Determination of the transaction price.
- Allocation of the transaction price to each of the performance obligations.
- Recognise revenue at the time when performance obligations are satisfied.

As the characteristics of the contracts entered into with customers do not differ significantly, and in accordance with the standard, the Group applies a collective accounting treatment to these contracts. With regard to sales of real estate developments, the Group companies recognise sales and the cost thereof when the properties and land have been delivered and the ownership of the properties and land has been transferred. For these purposes, it is understood that the sale of the completed residential product takes place when the keys are handed over, which coincides with the execution of the public deed. Otherwise, the sale is not deemed to be completed for accounting purposes.

Ordinary income does not include discounts, VAT and other sales-related taxes. The Group recognises the income upon delivery of the property to the customer, although three different documents are signed throughout the process (the pre-reservation and/or reservation, and the private deed of sale contract). Upon delivery, the customer accepts the property and the related risks and rewards of ownership transfer. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Customer advances

Customers make advances on the future delivery of the homes, which are recognised as a contractual liability. Since the period between delivery of the advance and recognition of the income exceeds twelve months, the Group recognises a finance charge with a credit to the liability from the time when the advance is collected until the income is recognised. The interest rate used to recognise the interest expense is determined by the discount rate that would be reflected in a stand-alone financing transaction between the Group and the customer at the inception of the contract. However, since customer advances are specifically used to finance work in progress, financial expenses are capitalised in inventories in progress, as indicated in Section 4.k.

Consequently, the application of IFRS 15 resulted in the recognition of 2,942 thousand euros as at 31 December 2023 (3,384 thousand euros as at 31 December 2022) under "Inventories" to recognise the aforementioned financial component.

Fees

In some property developments there are fees for sales that are granted to a third party. These fees are normally charged to property developments within the indirect costs charged. The fees are specific to each contract and would not have been incurred if the contract had not been obtained. These fees arise at two moments: at the signing of the private purchase agreement and at the formalisation of the deed of sale. The second part of the fee is paid at the moment of the transfer of control. IFRS 15 requires incremental costs of obtaining a contract and certain costs to fulfil a contract to be recognised as an asset if certain criteria are met. Any capitalised contract costs assets must be amortised on a systematic basis that is consistent with the entity's transfer of the related goods or services to the customer.

p) Classification of assets and liabilities between current and non-current

The Group distinguishes between current and non-current assets and liabilities in its consolidated statement of financial position. Except as mentioned in Note 18, current assets or liabilities are those that meet the following criteria:

- Assets are classified as current when they are expected to be realised or sold or consumed in the course of the Group's normal operating cycle, are held primarily for trading purposes, are expected to be realised within

twelve months after the balance sheet date or are cash or equivalent liquid assets, except in those cases in which they cannot be exchanged or used to settle a liability, at least within twelve months after the balance sheet date.

- Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, are held primarily for trading, have to be settled within twelve months from the balance sheet date or the Group does not have the unconditional right to defer the settlement of liabilities for twelve months from the balance sheet date.
- Financial liabilities are classified as current when they are due to be settled within twelve months after the balance sheet date, even if the original term was for more than twelve months and there is a refinancing or restructuring agreement for long-term payments that was concluded after the balance sheet date and before the consolidated annual accounts were prepared.

q) Exchanges of property, plant and equipment and/or inventories (swap)

An item of property, plant and equipment and/or inventory is deemed to be acquired by exchange when it is received in exchange for the delivery of non-monetary assets or a combination thereof with monetary assets.

In exchanges of a commercial nature, property, plant and equipment and/or inventories received are measured at the fair value of the asset delivered plus the monetary consideration given in exchange, unless there is clearer evidence of the fair value of the asset received and with the limit of the latter. Any differences arising from the derecognition of the item delivered in exchange shall be recognised in the consolidated income statement for the period in which the difference arises.

An exchange of a commercial nature has been considered when:

- The risk, timing and amount of cash flows of the asset received differs from the configuration of the cash flows of the asset delivered; or
- The present value of the after-tax cash flows of the Company's activities affected by the exchanges as a result of the exchange.

When the exchange is not of a commercial nature or when a reliable estimate of the fair value of the items involved in the transaction cannot be obtained, the property, plant and equipment and/or inventories received are measured at the lower of the carrying amount of the asset delivered plus, where appropriate, the monetary consideration that would have been given in exchange, up to the limit, where available, of the fair value of the asset received.

These criteria also apply to exchanges of building land in exchange for completed dwellings, which are valued at the fair value of the completed dwellings to be delivered in the future.

r) Foreclosed assets in payment of loans

The Group recognises non-monetary assets awarded in payment of loans at the lower of the book value of the loans, plus any expenses incurred as a result of the transaction, or the fair value of the non-monetary assets.

If the non-monetary assets meet the conditions for classification as non-current assets held for sale at the grant date, they are measured at the lower of the carrying amount of the loans plus any expenses incurred as a result of the transaction and the fair value less costs of disposal of the foreclosed assets.

s) Statement of cash flows

In the consolidated statement of cash flows, prepared under the indirect method, the following terms are used with the meanings specified:

1. Cash flows: inflows and outflows of cash and cash equivalents, i.e. short-term, highly liquid investments with no significant risk of changes in value.
2. Operating activities: the Group's main source of ordinary income, as well as other activities that cannot be classified as investment or financing activities.
3. Investing activities: the acquisition or disposal by other means of non-current assets and other investments not included in cash and cash equivalents.
4. Financing activities: activities that result in changes in the size and composition of equity and liabilities that are not part of operating activities.

t) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn ordinary income and incur expenses, whose operating results are reviewed regularly by the Group's chief operating decision maker to decide on the resources to be allocated to the segment in order to assess its performance and for which differentiated financial information is available (see Note 6).

u) Right-of-Use Asset & Lease Liability - IFRS 16

The Group evaluates lease contracts and recognises a right-of-use asset and a corresponding lease liability in respect of all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and low-value leases.

Right-of-use assets are initially recognised at cost calculated as the lease payments to be made plus the initial direct costs and decommissioning costs to be considered. Subsequently, the right of use is valued at cost less accumulated amortisation and impairment losses, as applicable.

Amortisation is calculated by applying the straight-line method to the cost of the right-of-use asset and based on the term of the contract, since this is the useful life of the right-of-use asset.

The Group determines the lease term as the non-cancellable term of the lease, together with any period covered by an extension (or termination) option the exercise of which is discretionary to the Group, if there is reasonable certainty that it will (or will not) be exercised.

The annual right-of-use amortisation charge is recognised in the consolidated income statement on the basis of the years of estimated useful life as follows:

	Annual percentage
<i>Straight-line amortisation system:</i>	
Right of use	20%

The recognition of lease liabilities is initially recorded as the present value of lease payments outstanding to date. These payments are discounted using an interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral and conditions.

Subsequently, the financial liability is restated by increasing its book value based on the financial expense recorded against "Financial expenses" in the consolidated income statement, and reducing the amount based on the lease payments made.

v) Severance indemnities and senior management compensation

Except in the case of dismissal for cause, companies are obliged to compensate their employees when they terminate their services.

In the absence of any foreseeable need for abnormal termination of employment and since employees who retire or terminate their services voluntarily do not receive severance payments, severance payments, when they arise, are expensed at the time that a valid expectation has arisen vis-à-vis those affected that the termination of employment will occur.

On 10 November 2021, the previous Parent Company's sole shareholder approved a long-term incentive plan for Vía Céler Desarrolos Inmobiliarios' Managing Director, members of Vía Céler Desarrolos Inmobiliarios' senior management and certain key employees of Vía Céler Desarrolos Inmobiliarios, which expires on 31 December 2027. On 01 March 2022, the maximum amount was amended from 14 million euros to 15.4 million euros, with the rest of the clauses remaining unchanged from its predecessor.

This incentive remuneration is linked to the occurrence of liquidity-generating events for the shareholders, such as the distribution of dividends, partial or total transfers of shareholdings, mergers or spin-offs, etc.

The calculation of the incentive remuneration, in the event of accrual, differs depending on the type of event that generates the right to receive the incentive and would range from 5.6 million euros to 15.4 million euros in the different scenarios that could give rise to the accrual of such remuneration.

As at 31 December 2023, the consolidated income statement includes the accrued amount of the plan in accordance with IFRS 2 - Share-based payment.

w) Surety deposits

In accordance with the legislation of the autonomous communities in which the Group operates, the Group deposits rental and guarantee deposits at government offices that request them to reasonably ensure the guarantees received from the tenants of the investment properties owned by the Group. These bonds are valued according to the criteria for financial assets. The difference between the amount delivered and the fair value is recognised as an advanced collection which it is taken to the consolidated income statement during the term of the lease (during the period in which the service is rendered).

The advances to be applied over the long term are subject to discounting at the close of each financial period depending on the market interest rate at the time of its initial recognition. In the case of short-term guarantees, cash flows are not discounted if their effect is not significant.

x) Share capital and basic and diluted earnings per share

The share capital is represented by ordinary shares.

The costs of issuing new shares or options are presented directly against the equity, as lower reserves.

In the case of the purchase of the Parent Company's own shares, the consideration paid, including any directly attributable incremental cost, is deducted from the equity until its cancellation, reissue or disposal. When these shares are subsequently sold or reissued, any amount received, net of any directly attributable incremental transaction costs, is included in the equity.

Basic earnings per share are calculated by dividing the profit attributable to the owners of the Parent Company, excluding any service costs of equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for incentive elements in ordinary shares issued during the year and excluding treasury shares.

For diluted earnings per share, the figures used in the determination of basic earnings per share are adjusted to take into account the after-tax effect of interest and other financial costs associated with potential ordinary shares with dilutive effects, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all potential ordinary shares with dilutive effects.

5. Earnings per share

Basic earnings per share

Basic earnings per share are determined by dividing the net profit attributable to shareholders of the Parent Company (after tax and non-controlling interests) by the weighted average number of shares outstanding during the year, excluding the number of treasury shares held in the same period. According to it:

	2023
	Thousands of euros
Profit for the year attributable to equity holders of the parent company (thousands of euros)	16,921
Weighted average number of common shares outstanding (thousands of shares)	68,527
Basic earnings per share (euros)	0.25
	2022
	Thousands of euros
Profit for the year attributable to equity holders of the parent company (thousands of euros)	68,722
Weighted average number of common shares outstanding (thousands of shares)	68,527
Basic earnings per share (euros)	1.00

The weighted average number of ordinary shares is calculated as follows:

In thousands of shares	2023
Shares outstanding at 01 January	68,527
Effect of shares issued	-
Weighted average number of shares outstanding at 31 December	68,527

Diluted earnings per share

Diluted earnings per share are established on a similar basis to that of basic earnings per share. However, the weighted average number of shares outstanding is increased by the number of shares outstanding for all dilution effects inherent in potential ordinary shares.

6. Segment reporting

At the date of preparation of these consolidated annual accounts, the management body considers that there is only one segment, the residential development business.

The Parent Company does not make decisions or prepare separate financial information for each line of business (developments and non-strategic) and, therefore, considers that there is only one operating segment.

7. Environmental information

In view of its activity as a property developer, the Group does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results of its operations. Notwithstanding this, the Group wishes to emphasise its intention to contribute to the transition to a low carbon economy through the framework under which we issue green bonds, which allows investors an opportunity to support objectives in this area, as well as helping to meet investors' responsible investment objectives. Green bonds are intended for the financing or refinancing of green projects, i.e. investment in sustainable and socially responsible assets in areas as diverse as renewable energies, energy efficiency, clean transportation or responsible waste management. The Non-Financial Information Report presented in Holdco Annual Accounts explains in more detail the committees in which the Group has membership are part of and all the actions it takes to measure the footprint and improve in all the processes to avoid generating more pollution.

Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated annual accounts.

8. Intangible assets

The changes in intangible assets in 2023 and 2022 were as follows:

	Thousands of euros			
	Computer software	Patents, licenses, trademarks and similar	Goodwill	Total
Cost				
01 January 2022	298	95	5	398
Additions	176	-	-	176
31 December 2022	474	95	5	574
01 January 2023	474	95	5	574
31 December 2023	474	95	5	574
Amortisation				
Accumulated as at 01 January 2022	(261)	(95)	-	(356)
Amortisation for the year	(68)	-	-	(68)
Accumulated as at 31 December 2022	(329)	(95)	-	(424)
Accumulated as at 01 January 2023	(329)	(95)	-	(424)
Amortisation for the year	(68)	-	-	(68)
Accumulated as at 31 December 2023	(397)	(95)	-	(492)
Net book value as at 31 December 2022	145	-	5	150
Net book value as at 31 December 2023	77	-	5	82

The cost of fully depreciated assets is 370 thousand euros as at 31 December 2023 (243 thousand euros as at 31 December 2022).

There have been no additions in 2023. The 2022 additions to IT applications relate entirely to the development of an online customer portal.

No intangible assets were derecognised during 2022 or 2023.

As at 31 December 2023 and 2022, there were no impairment indicators for the carrying amount of intangible assets.

Information on goodwill is presented in Note 12.

9. Property, plant and equipment

The changes in property, plant and equipment in 2023 and 2022 were as follows:

	Thousands of euros				
	Land and buildings	Plant installations and machinery	Others Tangible Fixed assets	Tangible In progress	Total
Cost					
01 January 2022	813	735	2,052	25	3,625
Additions	17	312	23	-	352
Transfers	-	-	-	(25)	-
31 December 2022	792	1,011	2,066	-	3,869
01 January 2023	792	1,011	2,066	-	3,869
Additions	89	-	139	-	225
Derecognitions	(122)	-	(23)	-	(245)
31 December 2023	756	1,011	2,182	-	3,949
Amortisation					
Accumulated as at 01 January 2022	(50)	(490)	(867)	-	(1,407)
Amortisation for the year	(22)	(118)	(186)	-	(326)
Reversal of the year	3	-	3	-	6
Accumulated as at 31 December 2022	(69)	(608)	(1,050)	-	(1,727)
Accumulated as at 01 January 2023	(69)	(608)	(1,050)	-	(1,727)
Amortisation for the year	(24)	(162)	(411)	-	(597)
Reversal of the year	8	-	17	-	25
Accumulated as at 31 December 2023	(85)	(770)	(1,444)	-	(2,299)
Net book value as at 31 December 2022	723	403	1,016	-	2,142
Net book value as at 31 December 2023	671	241	738	-	1,650

The additions for the year 2023, under the heading of Land and Buildings, mainly correspond to the purchase of modules for the installation of our sales offices in Berrocales. Under the heading, Other tangible assets, in 2023 we registered furniture from the sales of offices and pilot flats of our developments, Célere Nogal and Célere Aguamarina, as well as the purchase of various computer equipment.

Additions in 2022 mainly related to refurbishment work at Group headquarters.

During the 2023 financial year, the modules for the sales office and pilot flat of already delivered developments located in East Seville were derecognised, as well as the furniture of the pilot flat of our developments located in Entrenúcleos. Both were sold at a loss of 100 thousand euros (see Note 23.11).

During 2022, the sales offices located on the Adeje site (sold) and the furnishings of certain sales stands were derecognised, giving rise to a loss of 44 thousand euros (see Note 23.11).

The cost of fully depreciated assets as at 31 December 2023 and 2022 amounts to 1,436 thousand euros and 955 thousand euros, respectively.

The Group has taken out various insurance policies to cover the risks to which its property, plant and equipment are exposed. The coverage of these policies is considered sufficient.

The Group has evaluated the existence of any indications that could highlight the potential impairment of the assets comprising property, plant and equipment at 31 December 2023 and 2022, concluding that there is no impairment indicator as to the carrying value of property, plant and equipment in those years.

10. Investment property

The changes in this heading in the consolidated statement of financial position in 2023 and 2022 were as follows:

	Thousands of Euros		
	Land	Buildings	Total
Cost			
01 January 2022	75	50	125
31 December 2022	75	50	125
01 January 2023	75	50	125
Derecognitions	-	-	-
31 December 2023	75	50	125
Depreciation			
Accumulated as at 1 January 2022	-	(17)	(17)
Depreciation charge	-	(2)	(2)
Accumulated as at 31 December 2022	-	(19)	(19)
Accumulated as at 01 January 2023	-	(19)	(19)
Depreciation charge	-	(2)	(2)
Accumulated as at 31 December 2021	-	(21)	(21)
Impairment			
Impairment losses as at 01 January 2022	-	(6)	(6)
Impairment losses as at 31 December 2022	-	(6)	(6)
Impairment losses as at 01 January 2021	-	(6)	(6)
Impairment losses as at 31 December 2021	-	(6)	(6)
Net carrying amount as at 31 December 2022	75	25	100
Net carrying amount as at 31 December 2023	75	23	98

As at 31 December 2023 and 2022, investment property includes a commercial space located in Valdemoro, with a carrying amount of 98 thousand euros and 100 thousand euros, respectively. This commercial premises is owned by the subsidiary Vía Céler, S.L.U. and has been rented by the Parent Company, the latter using it as a warehouse for after-sales.

11. Rights of use

The activity in terms of rights of use in 2023 and 2022 is as follows:

	Thousands of euros			
	2023			
	Cost	Amortisation	Impairment	Net
Balance as at 31 December 2022	2,459	(652)	-	1,807
Additions /Allocations	-	(497)	-	(497)
Balance as at 31 December 2023	2,459	(1,149)	-	1,310

	Thousands of euros			
	2022			
	Cost	Amortisation	Impairment	Net
Balance as at 31 December 2021	2,459	(155)	-	2,304
Additions /Allocations	-	(497)	-	(497)
Derecognitions	-	-	-	-
Balance as at 31 December 2022	2,459	(652)	-	1,807

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The right of use corresponds to the central offices that are under lease. There is no impairment associated with rights of use as at 31 December 2023 and 31 December 2022.

12. Goodwill

As at 31 December 2023 and 2022, the Group had goodwill on consolidation generated by the business combination of Torok Investments 2015 S.L.U. amounting to 5 thousand euros in 2017. There is no indication of impairment associated with goodwill in 2023 or 2022.

13. Equity – accounted investees

The detail of movements in companies accounted for using the equity method in 2023 and 2022 is as follows:

	Thousands of euros		
	Célere Forum Barcelona, S.L.	GSVC Thunder, S.L.	Total
Balance as at 31 December 2021	5,903	-	5,903
Profit for the year 2022	194	-	194
Effect on fair value recognised	(1,430)	-	(1,430)
Balance as at 31 December 2022	4,667	-	4,667
Changes in the Consolidation perimeters	-	2	2
Effect on fair value recognised	-	49,656	49,656
Profit for the year 2023	39	(5,091)	(5,052)
Balance as at 31 December 2023	4,706	44,567	49,273
Impairment			
Opening balance as at 31 December 2021	(3,297)	-	(3,297)
Allocation	(818)	-	(818)
Opening balance as at 31 December 2022	(4,115)	-	(4,115)
Reversal	328	-	328
Closing balance as at 31 December 2021	(3,787)	-	(3,787)
Total investment in associates as at 31 December 2022	552	-	552
Total investment in associates as at 31 December 2023	919	44,567	45,486

Célere Fórum Barcelona, S.L. and GSVC Thunder, S.L. are the Group's shareholdings in associated companies.

Célere Fórum Barcelona, S.L.

Célere Fórum Barcelona, S.L. ("Célere Fórum") was recognised as coming from a joint venture and is accounted for using the equity method (see Note 4-a).

Célere Fórum is a joint venture between Vía Céleré Desarrollos Inmobiliarios, S.A.U. and AREO, S.A.R.L., whose objective is to promote the "Fórum" project, in which the Group holds a 50% share. This joint venture is structured as an independent vehicle.

On 01 April 2022, the General Shareholders' Meeting agreed to approve the distribution of unrestricted reserves by means of a cash payment in the amount of 2,200 thousand euros (1,430 thousand euros corresponds to Vía Céleré Desarrollos Inmobiliarios, S.A.U.).

GSVC Thunder, S.L.

GSVC Thunder, S.L. ("GSVC") was recognised as coming from a joint venture and is accounted for using the equity method (see Note 4.a).

Vía Céleré Desarrollos Inmobiliarios, S.A.U., indirectly through a 100% owned subsidiary (Vía Céleré Rental S.L.U.), maintains a 45% share in GSVC, partially monetising its exposure to BTR and reducing the exposure to risk in cash flows from this activity, while maintaining a position subject to increase in value through its participation in a portfolio located in high demand areas in the main cities of the country, where there is a greater need for rental housing.

Vía Céleré Desarrollos Inmobiliarios, S.A.U. acts as developer and sells each asset once all the conditions established in the contract have been fulfilled to the operating companies that operate under the Spanish EDAV

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regime, and they are 100% owned by GSVC. The company GSVC has already secured the financing of the portfolio with a seven-year green loan worth 160,705 thousand euros granted by CaixaBank.

The contributions of the assets have been made at cost (see note 15.6).

The financial information of the associated entities as at 31 December 2023 is as follows:

Description	2023	2023
	Thousands of euros Célere Fórum Barcelona, S.L.	Thousands of euros GSVC Thunder, S.L.
Balance sheet information		
Current assets	920	180,738
Current liabilities	(3)	(69,221)
Total net assets	917	111,517
Percentage of participation	50%	45%
Participation in net assets	458	50,183
Fair value adjustment	4,248	(5,616)
Impairment	(3,787)	-
Carrying value of the participation	919	44,567
Profit and Loss account information		
Income from continuing operations (100%)	78	(11,313)
Total (50%)	39	(5,091)

As at 31 December 2022, it was as follows:

	2022
	Thousands of euros Célere Fórum Barcelona, S.L.
Balance sheet information	
Current assets	1,006
Current liabilities	(168)
Total net assets	838
Percentage of participation	50%
Participation in net assets	419
Fair value adjustment	4,248
Impairment	(4,115)
Carrying value of the participation	552
Profit and Loss account information	
Income from continuing operations	388
Total (50%)	194

14. Financial investments**Classification of financial investments by category**

	Thousands of euros			
	Non-current		Current	
	2023	2022	2023	2022
Amortised cost				
Loans to associates (Note 24)	-	-	20,469	12,253
Financial investments	1,045	1,071	5,395	3,168
Customers, Group companies and associates (Note 24)	-	-	3,448	4
Other accounts receivable	-	-	2,668	20,681
	1,045	1,071	31,980	36,108

As at 31 December 2023 and 2022 the Board of Directors considers that the difference between the amortised cost and the fair value of these financial assets is not significant.

14.1. Financial assets

The breakdown of "Financial investments" as at 31 December 2023 and 2022 is as follows:

	Thousands of euros			
	Non-current		Current	
	2023	2022	2023	2022
Loans to third parties	-	-	423	403
Deposits and guarantees	1,045	1,071	4,972	2,765
	1,045	1,071	5,395	3,168

Loans to third parties

As at 31 December 2023 and 2022, these included mainly loans acquired by the parent company through assignment agreements with financial institutions, which were secured by mortgages on land amounting to 519 thousand euros and 525 thousand euros, respectively. These assignment contracts are totally impaired for both financial years. In 2023, loans amounting to 6 thousand euros (3,140 thousand euros as at 31 December 2022) were foreclosed as a result of the extrajudicial execution of mortgages..

For both financial years, the heading of loans to third parties also includes a loan granted to the Sant Jordi Compensation Board for an amount of 375 thousand euros and the corresponding interest, 48 thousand euros as at 31 December 2023 (28 thousand euros as at 31 December 2022).

Deposits and guarantees

Most of the deposits are the amounts retained by the banks' management companies from those buyers who do not subrogate their mortgage loans and are financed with external financing. This withholding is applied in order to ensure that the group cancels the charge within 90 days from the date of delivery of the property.

The deposits are linked to the obtaining of permits and licenses from the City Councils in the process of executing a development.

14.2. Trade and other receivables

The detail of Trade and other receivables is as follows:

	Thousands of euros	
	2023	2022
Associates		
Customers, Group companies and associates (Note 24)	3,448	6
Non-related		
Other accounts receivable	10,846	27,881
Valuation adjustments for impairment (Note 17)	(8,178)	(7,200)
	6,116	20,687

As at 31 December 2023, Group and associated customers includes the withholding of payment for the deliveries linked by the Joint Venture agreement for the sale and management of the BTR portfolio for an amount of 3,408 thousand euros, whose amount will be returned to the Parent Company, in whole or in part according to the provisions, twelve months after the date of delivery of each asset (see Note 15.6).

As at 31 December 2023, Other receivables mainly include 8,073 thousand euros receivable for penalties invoiced to construction companies for breach of contract, which have been fully provided for (7,200 thousand euros in penalties as at December 2022 which have been fully provided for). During 2023, an amount of 978 thousand euros has been recognised in the consolidated income statement (1,471 thousand euros in 2022) (see Note 17.3).

As at 31 December 2023, Other receivables include balances receivable for the sale of land in Vía Céleré Desarrollos Inmobiliarios, S.A.U. amounting to 2,455 thousand euros, including 2,405 thousand euros for the sale of a plot of land in Malaga and 50 thousand euros for another plot in Valladolid with maturity during financial year 2024.

As at 31 December 2022, Other receivables include balances receivable for the sale of land in Vía Céleré Desarrollos Inmobiliarios, S.A.U. amounting to 20,305 thousand euros, including 2,975 thousand euros for the sale of a plot of land in Malaga, 5,102 thousand euros for another plot of land in Seville and 8,408 thousand euros for another plot of land in Madrid sold in 2022 and which were collected in financial year 2023. During 2022, 3,910 thousand euros have been collected, a balance which at as at 31 December 2021 was pending collection for the sale of two plots of land.

The Group considers that the consolidated carrying amount of trade and other receivables approximates their fair value.

The Group does not have a significant concentration of credit risk, and its exposure is distributed among a large number of counterparties and customers.

14.3. Cash and cash equivalents

"Cash and cash equivalents" includes the Group's cash and short-term bank deposits with an initial maturity of three months or less. The carrying amount of these assets approximates their fair value.

The detail of the composition of this balance as at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Available cash	195,082	288,389
Restricted cash	35,715	31,880
	230,797	320,269

As at 31 December 2023 and 2022 there were no restrictions on the use of cash except for the amounts regulated by Law 20/2015, according to which advances received in relation to residential developments must be deposited in a special account separate from the Group's other funds and may only be used to cover expenses arising from the construction of the respective developments.

As at 31 December 2023, the parent company Vía Céleré Desarrollos Inmobiliarios, S.A.U. holds a series of short-term liquid investments corresponding to promissory notes negotiated in the MARF amounting to 48,901 thousand euros maturing in the first quarter of 2024 (a fixed-term investment amounting to 4,000 thousand euros as at 31 December 2022 maturing in the first quarter of 2023).

As at 31 December 2023, the cash available from companies accounted for using the equity method amounted to 6,762 thousand euros (96 thousand euros as at 31 December 2022).

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14.4 Current accruals and deferrals

The heading "Current accruals and deferrals" includes those prepaid marketing expenses that the Group's developers pay to the marketers. As at 31 December 2023, the capitalised financial expenses amount to 96 thousand euros (96 thousand euros as at 31 December 2022).

15. Inventories

The breakdown of the balances of this item in the consolidated financial position statement as at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Raw materials	-	340
Land and plots	651,856	700,950
Property developments in progress	590,885	598,518
Completed developments	56,640	53,062
Advances to suppliers	1,500	1,591
Valuation adjustments for impairment	(366,908)	(383,466)
	933,973	970,995

As at 31 December 2023, the detail of the net carrying value of inventories by geographical area is as follows

Location	Thousands of euros		
	2023		
	Cost	Impairment	Net book value
Madrid	478,651	(181,778)	296,873
Malaga	191,708	(2,427)	189,281
Valladolid	147,404	(88,140)	59,263
Barcelona	97,150	(182)	96,969
Seville	90,771	(5,177)	85,594
La Coruña	10,696	-	10,696
Valencia	69,116	-	69,116
Portugal	512	-	512
Other	213,373	(87,988)	125,385
	1,299,381	(365,692)	933,689

Note: the above breakdown does not include advances to suppliers (gross 1,500 thousand euros and net 284 thousand euros).

As at 31 December 2022, the detail of the net carrying value of inventories by geographical area was as follows

Location	Thousands of euros		
	2022		
	Cost	Impairment	Net book value
Madrid	510,419	(180,205)	330,214
Malaga	181,223	(6,387)	174,836
Valladolid	142,631	(98,204)	44,427
Barcelona	93,326	(30)	93,296
Seville	97,210	(4,840)	92,370
La Coruña	15,849	(442)	15,407
Valencia	75,568	(78)	75,490
Portugal	6,893	(4,090)	2,803
Other	229,751	(87,974)	141,777
	1,352,870	(382,250)	970,620

Note: the above breakdown does not include advances to suppliers (gross 1,591 and net 375 thousand euros).

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The movement in inventories during 2023 and 2022 is as follows:

	Thousands of euros					
	Material premiums	Land and plots	Developments constructed	Developments under construction	Advances	Total
Cost as at 01 January 2022	319	769,967	110,461	586,280	1,861	1,468,888
Additions	186	21,214	-	273,452	178	295,030
Additions due to change in consolidation perimeter	-	27,241	248	3,249	-	30,738
Derecognitions	(165)	(47,981)	(391,601)	-	(448)	(440,195)
Transfers	-	(69,491)	333,954	(264,463)	-	-
Cost as at 31 December 2022	340	700,950	53,062	598,518	1,591	1,354,461
Cost as at 01 January 2023	340	700,950	53,062	598,518	1,591	1,354,461
Additions	527	18,339	-	290,658	162	309,686
Derecognitions	(867)	(28,562)	(273,762)	-	(253)	(303,444)
Transfers	-	(38,871)	337,162	(298,291)	-	-
Transfer to Investments in associated entities	-	-	(59,822)	-	-	(59,822)
Cost as at 31 December 2023	-	651,856	56,640	590,885	1,500	1,300,881
Impairment losses						
for impairment as at 01 January 2022	-	(358,435)	(11,224)	(27,374)	(1,216)	(398,249)
Allocations	-	(8,906)	(326)	(1,126)	-	(10,358)
Reversals	-	10,864	10,072	4,205	-	25,141
Transfers	-	(2)	-	2	-	-
Impairment losses						
for impairment as at 31 December 2023	-	(356,479)	(1,478)	(24,293)	(1,216)	(383,466)
Impairment losses						
for impairment as at 01 January 2023	-	(356,479)	(1,478)	(24,293)	(1,216)	(383,466)
Allocations	-	(4,868)	(515)	(5,209)	-	(10,592)
Reversals	-	14,449	6,740	5,961	-	27,150
Transfers	-	308	(5,967)	5,659	-	-
Impairment losses						
for impairment as at 31 December 2023	-	(346,590)	(1,220)	(17,882)	(1,216)	(366,908)
Net book value as at 31 December 2022	340	344,471	51,584	574,225	375	970,995
Net book value as at 31 December 2023	-	305,266	55,420	573,003	284	933,973

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As "Property Developments in Progress" the Group records the cost of short-cycle and long-cycle developments in progress. In the same way, for "Short-cycle developments in progress" the accumulated costs of the developments are considered, for which the expected completion date of the construction does not exceed 12 months.

As at 31 December 2023 and 2022, the detail of the net carrying amount of property assets divided between short and long term is as follows:

	Thousands of euros	
	2023	2022
Short-cycle	426,192	370,523
Long-cycle	507,597	600,097
Total inventories (excluding advances to suppliers)	933,689	970,620
Total current assets	1,210,835	1,342,000
Debt related to stock financing (Long-term)	18,024	4,684
Debt related to stock financing (short-term)	115,341	101,377
Total short term debt (less interest)	133,365	106,061
Total current liabilities	400,111	340,253

As at 31 December 2023, the short-cycle property developments are: Célere Barajas (Phase III), Célere Finestrelles II (Phase II), Célere Velázquez, Célere Barajas (Phase IV), Célere Finestrelles II (Phase I), Célere Vega III, Célere Citrus (Phase II), Célere Barajas (Phase I), Célere Villaviciosa de Odón II, Célere Vitta Nature (Phase II), Célere Villaviciosa de Odón and Célere San Juan.

As at 31 December 2022, the short-cycle property developments were: Célere Port Avenue, Célere Alocs, Célere Parque Norte, Célere Jacaranda, Célere Villaviciosa de Odón, Célere Finestrelles II (Phase I), Célere Montecillos, Célere Villaviciosa de Odón II, Célere Barajas (Phase I), Célere Barajas (Phase III), Célere Montecillos II and Célere Cruces II (Flats).

The Group capitalises the borrowing costs incurred during the year for financing the development of property developments, provided that they relate to inventories with a production cycle of more than one year. In 2023, capitalised financial expenses amounted to 17,132 thousand euros (9,117 thousand euros in 2022) (see Note 23.10). In addition, during 2023 and 2022, 1,783 thousand euros and 1,643 thousand euros relating to personnel expenses have been recorded as an increase in the value of developments in progress. No external service expenses were capitalised in 2023 and 2022.

15.1. Land and plots

The balance of this account corresponds to the purchase price of various pieces of land and plots which, as at 31 December 2023 and 2022, were being prepared for urban development or were in the planning stage.

As at 31 December 2023 and 2022, the estimated surface area of the Group's land portfolio amounted to 1,031,569 square metres and 1,352,603 square metres, respectively, with approximately 65% and 49% of the land, respectively, classified as "fully authorised" developments. During 2023, the land in Berrocales has achieved "fully authorised" status.

The detail of the Group's land by geographical area is as follows:

	Total Sqm	
	2023	2022
Madrid	605,374	718,385
Malaga	169,165	208,321
Seville	38,676	86,072
Valencia	33,730	33,730
Barcelona	17,655	30,719
Valladolid	52,199	67,715
Other	114,770	207,661
	1,031,569	1,352,603

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The main plots included under this heading are:

- Plots in Pozuelo de Alarcón, Berrocales, Los Cerros, Guadarrama, Rivas Vaciamadrid and Coslada, in Madrid;
- Plots in Dos Hermanas in Seville;
- Plot in Condomina, in Murcia;
- Plots in Laderas Sur, in Valladolid;
- Plots in Mijas, Marbella, Benalmádena, Rincón de la Victoria, Vélez Málaga, Manilva and Torrox in Malaga;
- Plots in Sant Cugat de Valles, Terrasa, Sant Boi and Montcada i Reixac, in Barcelona;

The main activities in 2023 were:

- Acquisition of land for the dation in payment of Renta Corporación in Cánoves (Barcelona) for the amount of 203 thousand euros by the parent company, as well as a land in Berrocales (Madrid) acquired from the Compensation Board for the amount of 240 thousand euros by the subsidiary Lealtad Directorship, S.L.U..
- Capital expenditures for works carried out in plots that do not have a license yet have been up to 17,896 thousand euros.
- Disposals corresponding to the sale of land have generated a net turnover of 21,0751 thousand euros. Sales in Vía Céleré Desarrollos Inmobiliarios, S.A.U. have been the divestment of two plots in Seville; two plots in Valladolid; four plots in Malaga. In Douro Atlántico, S.A., two plots in Gaia (Portugal). In Maywood, S.L.U., a land in Leon.

The main movements in 2022 were:

- Acquisition of plots of land in the Berrocales sector (Madrid) and in Rincón de la Victoria (Málaga) with the acquisition of assets described in Note 2.6 for a cost of 27,241 thousand euros.
- Capital expenditures for works carried out in plots that do not have a license yet have been up to 21,214 thousand euros.
- Disposals corresponding to the sale of land have generated a net turnover of 81,464 thousand euros. The most significant sales in Vía Céleré Desarrollos Inmobiliarios, S.A.U. were the divestment of 5 plots of land in Tres Cantos (Madrid); the divestment of one plot in Boadilla del Monte (Madrid); two plots in Dos Hermanas (Seville); and five plots in Malaga (Malaga).

As at 31 December 2023 and 2022, the Group does not hold any "Land and Plots" as mortgaged land.

15.2. Commitments to acquire land and plots

As at 31 December 2023 and 2022, there were no commitments to acquire land and plots of land, but purchase or option contracts for land and plots of land exercised in previous years still had outstanding obligations amounting to 3,637 thousand euros (commitments acquired corresponding to land located in Coslada of which an amount of 2,616 thousand euros remains to be paid by the parent company and another land located in Berrocales by the subsidiary Lealtad amounting to 1,021 thousand euros as well as a commitment to monetise the parent company on the Torrox plot by the Céleré Duna Beach Development amounting to 2,276 thousand euros). During the 2023 financial year, the commitments in Coslada amounting to 1,000 thousand euros and in Berrocales amounting to 700 thousand euros have been paid (7,713 thousand euros as at 31 December 2022, corresponding to land located in Coslada that remained to be paid an amount of 3,616 thousand euros by the parent company and another plot located in Berrocales by the subsidiary Lealtad that remained to be paid an amount of 1,821 thousand euros, as well as a commitment to monetise the parent company on the Torrox plot for the Céleré Duna Beach Development amounting to 2,276 thousand euros).

15.3. Completed developments

The "Completed Developments" heading includes the cost of the unsold portion of completed developments.

As at 31 December 2023, the geographical distribution of the main property developments completed is as follows:

- **Madrid:** Céleré Parque Norte, Céleré Austral and Céleré Bremen.
- **Malaga:** Céleré Vega II (Phase II); Céleré Vega II (Phase I), Céleré Serenity and Azaleas del Rincón.
- **Barcelona:** Céleré Alocs and Céleré Finestrelles II (Phase I).
- **Valladolid:** Valladolid (Céleré Arco, Céleré Parqueluz).
- **La Coruña:** Céleré Castelo.
- **Cordoba:** Céleré Mirabueno.
- **Seville:** Céleré Jacaranda.
- **Valencia:** Céleré Torrent, Céleré Arnott, Céleré Nicet Patraix and Céleré Nauta Moreras.
- **Lisbon:** Céleré Miraflores.

As at 31 December 2022, the geographical distribution of the main property developments completed was as follows:

- **Madrid:** Céleres Parque Norte; Céleres Infanta V; Infanta IV.
- **Malaga:** Céleres Serenity; Céleres Vitta Nature (Phase I), Céleres Duna Beach.
- **Barcelona:** Céleres Alocs; Céleres Terram.
- **Valladolid:** Céleres Arco, Céleres Parqueluz.
- **La Coruña:** Céleres Bazán, Céleres Castelo.
- **Cádiz:** Céleres Punta Candor.
- **Navarre:** Céleres Ripagaina (Phase I).
- **Valencia:** Valencia (Céleres Arnott, Céleres Nicet Patraix, Céleres MT22, Céleres Nox Patraix).
- **Lisbon:** Céleres Miraflores.

In 2023, derecognitions amounting to 273,762 thousand euros were recorded under "Completed Developments" (391,601 thousand euros in 2022), relating to the cost of the developments delivered in the year.

The main sales of the year 2023 have been those referring to the developments of Céleres Minerva Patraix and Céleres Nauta Moreras in Valencia; Céleres Vega II (Phase I and II) and Céleres Valle Niza (Phase I and II), in Malaga; Céleres Finestrelles II (Phase I) and Alocs in Barcelona; Céleres Jacaranda in Seville; Cruces II (Detached), in Vizcaya and Céleres Ripagaina (Phase II) in Navarre.

The main sales in 2022 were those relating to the developments of Céleres Urbam, Céleres Parque Norte, Céleres Austral, Céleres Infanta V, Céleres Nova Rivas II in Madrid; Céleres Alocs, Céleres Finestrelles in Barcelona; Céleres Nicet Patraix, Céleres Nox Patraix, Céleres Arnott in Valencia; Céleres Citrus, Céleres Mairena (Phase I) in Seville; Céleres Port Avenue, Céleres Blossom, Céleres Vitta Nature (Phase I), Céleres Alegría Garden, Céleres Duna Beach II in Málaga; Céleres Ripagaina (Phase I) in Navarre.

As at 31 December 2023 and 2022, certain residential assets are recorded under "Completed developments" in the consolidated financial position statement at a net cost of 39,884 thousand euros and 38,985 thousand euros, respectively, which are mortgaged as security for the repayment of various bank loans with a drawn down balance at those dates amounting to 11,416 thousand euros and 14,702 thousand euros, respectively (see Note 18.1.2).

15.4. Property developments in progress

The balance of this account as at 31 December 2023 and 2022 relates to the total costs incurred up to that date in the development of the residential developments in progress, including the cost of purchasing the land.

As at 31 December 2023, the main developments included under this heading were:

- Residential developments Céleres Eiris (Phase I and Phase II) located in La Coruña, owned by the Group company "Udralar S.L.U."
- Ansa Mataró residential development in Barcelona, owned by the company of the Lealtad Directorship Group, S.L.U.
- Residential developments Céleres San Juan, located in Seville, and Céleres Cala Serena Village, located in Malaga, properties of the Group company "Maywood, S.L.U."
- Residential developments Céleres Aguamarina, Céleres Finestrelles II (Phase II), Céleres Velázquez, Céleres Barajas (Phase I, II, III and IV), Céleres Vega III, Céleres Villaviciosa de Odón I and II, Céleres Vitta Nature (Phase II), Opal Ibiza Beach Residence, Céleres Domeny (Phase II), Céleres Citrus (Phase II), Céleres Atenea Patraix, and Céleres Parqueluz II belonging to the company "Vía Céleres Desarrollos Inmobiliarios, S.A.U."

As at 31 December 2022, the main developments included under this heading were:

- Residential developments Céleres Eiris (Phase I and Phase II) located in La Coruña, owned by the Group company "Udralar S.L.U."
- Residential developments Céleres San Juan, located in Seville, and Céleres Cala Serena Village, located in Malaga, properties of the Group company "Maywood, S.L.U."
- Residential Developments Céleres Finestrelles II (Phase I and Phase II), Céleres Montecillos, Céleres Montecillos II, Céleres Barajas (Phase III), Céleres Barajas (Phase IV), Céleres Barajas (Phase I), Céleres Jacaranda, Céleres Vitta Nature (Phase II), Céleres Villaviciosa de Odón, Céleres Villaviciosa de Odón II, Céleres Valle Niza (Phase I), Céleres Alda II, Céleres Cruces II (Detached), Céleres Valle Niza (Phase II), Céleres Minerva Patraix, Céleres Parqueluz II, Céleres Cruces II (Flats), Céleres Vega III, Céleres Citrus (Phase II), Céleres Arts, Céleres Nuevo Bosque, Céleres Nuevo Peral belonging to the company "Vía Céleres Desarrollos Inmobiliarios, S.A.U."

Of the property developments in progress as at 31 December 2023 and 2022, several, which were recognised at those dates at a net cost of 551,932 thousand euros and 506,861 thousand euros, respectively, are mortgaged to

secure the repayment of bilateral loans, the balances of which at those dates amounted to 121,949 thousand euros and 89,959 thousand euros, respectively (see Note 18.1.2).

15.5. Commitments to sell residential developments in progress and constructed buildings

The Group recognises under "Trade and Other Payables" the amount, in cash or in commercial bills receivable, received from customers with whom it has entered into such sales commitments.

As at 31 December 2023 and 2022, the Group had signed contracts for the sale of residential developments in progress as at that date, or of buildings constructed, for a total of 825,076 thousand euros and 666,455 thousand euros, respectively. Of the total sales commitments, at as at 31 December 2023 and 2022 the Group has received advances on account totalling 134,390 thousand euros and 82,906 thousand euros, respectively (see Note 18.2).

As a standard procedure, almost all contracts of sale are subject to compensation clauses for non-delivery of the homes, consisting mostly of legal interest on the amounts delivered during the period between the scheduled delivery date in the contract and the actual delivery date. The Group does not estimate any impact on these consolidated annual accounts for this reason, mainly due to the historical experience of recent years, as well as the fact that the delivery date foreseen in the contracts takes into account a safety margin. Also, in general, pre-sales include compensation for the Group in the event of cancellation by the customer, although no amount is recorded for this item until it materialises.

15.6. Signing of a Joint Venture agreement for the disposal and management of the BTR portfolio

Vía Céleré signed an agreement to form a Joint Venture with Greystar to partially divest and operate its Build to Rent portfolio under a forward purchase structure. The initial perimeter included 2,425 units, however, it currently includes 2,010 units given that the SACO Group of the perimeter 284 units located in Valencia in July 2023 and additionally 131 units related to a purchase option that has been executed by the City Council of Valencia.

Vía Céleré Desarrollos Inmobiliarios, S.A.U., indirectly through a 100% owned subsidiary (Vía Céleré Rental S.L.U.), maintains a 45% share in GSVC, partially monetising its exposure to BTR and reducing the exposure to risk in cash flows from this activity, while maintaining a position subject to increase in value through its participation in a portfolio located in high demand areas in the main cities of the country, where there is a greater need for rental housing.

Vía Céleré acts as developer and sells each asset once completed to the operating companies operating under the Spanish EDAV regime, and they are 100% owned by GSVC. The company GSVC has already secured the financing of the portfolio with a seven-year green loan worth 160,705 thousand euros granted by CaixaBank. At the time of the transfer of each project, Vía Céleré will receive 55% of the net equity consideration in cash, plus the amount proportional to the leverage of each asset.

The current JV agreement includes 18 assets located in the provinces of Madrid, Malaga, Seville, Valencia and Vizcaya. Deliveries transferred to GSVC are measured at cost (see Note 13).

As at 31 December 2023, 11 assets have been delivered:

- **Madrid:** Céleré Alda II; Céleré Torrejón I and II; Céleré Infanta VII; Céleré Montecillos II.
- **Valencia:** Céleré Torrent II
- **Vizcaya:** Céleré Cruces (Apartments) II and IV.
- **Seville:** Céleré Reina I and II; Céleré Malaysia.

15.7. Impairment of inventories

Each year, the Group commissions independent experts to carry out studies to determine the market value of its inventories at year-end. As at 31 December 2023 and 2022 the studies were carried out by "Savills Valoraciones y Tasaciones S.A.U." ("Savills"). The valuations were carried out on the basis of the market value in accordance with the definition adopted by the Royal Institution of Chartered Surveyors (RICS) and with the International Valuation Standards (IVS), published by the International Valuation Standards Committee (IVSC), organisations that incorporate the international and European property valuation organisations, respectively.

To calculate the values of the various properties in the Group's portfolio, the discounted cash flow method, the sales comparison method and the dynamic residual method were used.

The discounted cash flow method, as defined by Savills, comprises analysing the property development and its sale upon completion, discounting the costs required to bring the project to completion (building, architecture, urban planning and cost of sale, among others) and recognising the income upon completion. This results in a cash flow that is updated to the valuation date by means of the IRR that indicates the level of risk the developer is willing to take and the benefits he expects to achieve.

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In relation to impairment losses, in 2023 the Group recorded additions of 10,592 thousand euros (10,358 thousand euros in 2022) and disposals of 27,150 thousand euros (25,141 thousand euros in 2022). These amounts include:

- Reversals of impairment losses arising from asset disposals amounting to 6,674 thousand euros and from the sale of land amounting to 10,874 thousand euros (9,955 and 3,428 thousand euros in 2022), which is recorded under "changes in inventories of finished goods and work in progress" and "consumption of raw materials and other consumables".
- Reversal of impairment of undelivered inventories due to valuation of assets in portfolio for a net amount of 990 thousand euros (1,400 thousand euros in 2022), which is recorded under the headings "changes in inventories of finished goods and work in progress" and "Impairment of real estate inventories". The latter valuation impairments are made in order to adjust the carrying amount of inventories to their market value, without exceeding cost, determined on the basis of Savills' valuations.

As at 31 December 2023 and 2022, the overall fair value of the Group's inventories resulting from the aforementioned studies amounted to 1,323,852 thousand euros and 1,350,295 thousand euros, respectively.

Savills' main assumptions in the valuation as at 31 December 2023 are as follows:

Sales price (€/m²)	Margin	Internal Rate of Return
1,447 - 6,413	1% - 43%	6% - 25%

The discount rates applied vary according to the state of development of the asset (land not yet developed, under construction, with pre-sales or completed), ranging from 6 % to 25 %, with a weighted average of 12.6% for the year 2023, as follows:

IRR (%)	Discount Rate (%)
	31.12.2023
Projects In progress	8.5%
Fully Permitted	13.2%
Strategic Land	14.6%
TOTAL	12.6%

Savills' main assumptions in the valuation as at 31 December 2022 were as follows:

Selling price (EUR/m²)	Margin	Internal Rate of Return
1,222 - 6,167	1% - 43%	6% - 25%

The discount rates applied vary according to the state of development of the asset (land not yet developed, under construction, with pre-sales or completed), ranging from 6 % to 25 %, with a weighted average of 12.4% for the year 2022, as follows:

IRR (%)	Discount rate (%)
	31.12.2023
Products in progress	8.3%
Fully authorized land	12.8%
Strategic land	15.3%
TOTAL	12.4%

In line with the above, the Company's directors commissioned Savills to perform a sensitivity analysis of the valuations in order to determine the effects of changes in key valuation assumptions on the net book value of the Group's inventories. This sensitivity exercise was performed assuming that all other valuation variables remain constant. The results of the sensitivity analysis are as follows:

- In the case of the discount rate, a sensitivity of +/- 100 basis points has been established based on different short and medium-term economic scenarios, as well as the consideration of the rate of return required by other property developers with characteristics other than those of the Group.
- In the case of the sales price, sensitivity analyses of +/-1%, +/-5% and +/-10% were performed.

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This sensitivity exercise was performed assuming that all other variables remain constant.

Changes in the net book value of inventories would be affected as follows if key assumptions changed:

Hypothesis	Thousand of euros	
	Discount rate	
	Increase /(decrease)	
	1%	(1%)
Market value	1,278,726	1,377,653
Net book value	924,119 (3%)	934,708 4%

Hypothesis	Thousand of euros					
	Selling price					
	Increase /(decrease)					
	1%	(1%)	5%	(5%)	10%	(10%)
Market value	1,346,902	1,303,859	1,429,236	1,214,370	1,532,136	1,102,619
Net book value	934,010	925,030	949,012	904,781	967,127	869,634
	2%	(2%)	8%	(8%)	16%	(17%)

The impact that these sensitivities would have on the assessments made by the independent expert is as follows:

- A decrease of 100 basis points in the discount rate would result in an increase in the valuation of 53,801 thousand euros, and an increase of 100 basis points would result in a decrease in the valuation of 45,126 thousand euros.
- A 1% decrease in the sale price would lead to a decrease in the valuation of 19,993 thousand euros, and a 1% increase would lead to an increase in the valuation of 23,050 thousand euros.
- A 5% decrease in the sale price would lead to a decrease in the valuation of 109,482 thousand euros, and a 5% increase would lead to an increase in the valuation of 105,384 thousand euros.
- A 10% decrease in the sale price would lead to a decrease in the valuation of 221,233 thousand euros, and a 10% increase would lead to an increase in the valuation of 208,284 thousand euros.

15.8. Insurance policy

The Group's policy is to take out insurance policies to cover the possible risks to which practically all its inventories are exposed. In the opinion of the Parent Company's management, the coverage of the policies taken out is sufficient.

16. Equity

16.1. Share capital

As at 31 December 2023 and 2022, the Parent Company's share capital amounted to 411,161,118 euros and is made up of registered shares of 6 euros par value each, all of them authorised, subscribed and paid up, not listed on the stock exchange, all with the same corporate rights. There were no increases or decreases of share capital in 2023 or 2022.

Vía Céler Holdco, S.L. holds 100% of the share of Vía Céler Desarrollos Inmobiliarios, S.A.U. as at 31 December 2023 and 2022.

The shares of Vía Céler Desarrollos Inmobiliarios, S.A.U. guarantee the senior bond issued on 25 March 2021 (See Note 18.1.3).

The Company shareholder as at 31 December 2023 and 2022 is as follows:

2023		
Company	Number of shares	Percentage of participation
Vía Céler Holdco, S.L.	68,526,853	100.0%
	68,526,853	100.0%
2022		
Company	Number of shares	Percentage of participation
Vía Céler Holdco, S.L.	68,526,853	100.0%
	68,526,853	100.0%

During 2023, there were no movements in the number of shares or capital increases or reductions.

16.2. Share premium

The Capital Company Act expressly permits the use of the share premium balance to increase the share capital of the entities in which it is registered and establishes the same restrictions as regards its availability as the voluntary reserves.

In the sole Company shareholder's meeting held on 24 February 2023, the distribution of an extraordinary dividend charged to the share premium was approved, in the amount of 124,875 thousand euros, payable in cash.

At the sole Company shareholder's meeting held on 27 July 2022, the distribution of an extraordinary dividend charged to the share premium was approved, in the amount of 106,593 thousand euros, paid in cash.

It should be noted that the distribution of these reserves has been made in accordance with the limitations on the distribution of dividends included in Section 16.4. and that these have not been violated.

The share premium as at 31 December 2023 amounted to 418,619 thousand euros and in 2022 amounted to 543,494 thousand euros.

16.3. Legal reserve and voluntary reserves

Under the Spanish Companies Act, 10% of net income of the Parent Company for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of share capital. The legal reserve may be used to increase capital in that part of its balance that exceeds 10% of the increased capital. Except for this purpose, until it exceeds 20% of the share capital, this reserve may only be used to offset losses and provided that sufficient other reserves are not available for this purpose.

The legal reserve amounts to 49,385 thousand euros as at 31 December 2023 (2022: 44,259 thousand euros).

The Group holds other reserves in the negative amount of 246,474 thousand euros (2022: 310,236 thousand euros), mainly due to the merger transaction with Aelca which was accounted for at predecessor values and resulted in a negative impact of 409,965 thousand euros in the financial year 2019.

16.4. Restrictions on the distribution of dividends

As at 31 December 2023 and 2022, the Parent Company maintains limitations on the distribution of dividends as a result of certain financial covenants during the term of the Senior Secured Notes signed on 25 March 2021 (see Note 18.1.3) and the Revolving Facility Agreement (RCF) signed on 6 March 2021 (see Note 18.1.4). These limitations have not been breached.

16.5. Treasury Stock

As at 31 December 2023 and 2022 the Group did not hold any treasury shares and had not carried out any transactions involving treasury shares during the year.

16.6. Capital Management

The Group's capital management is focused on achieving a financial structure that optimises the cost of capital while maintaining a solid financial position. This policy allows the creation of value for the shareholder to be made compatible with access to the financial markets at a competitive cost to cover the needs both of refinancing the debt and of financing the investment plan not covered by the generation of funds from the business.

17. Provisions and contingencies

The detail of the balances of these headings in the consolidated statement of financial position at the end of 2023 and 2022 is as follows

Thousands of euros					
2023					
	31 December 2022	Addition	Application	Reversal	31 December 2023
Non-current provisions					
Provisions for contingencies and expenses	19,200	7,247	(3,261)	(9,366)	13,820
Current provisions					
After-sales service	3,459	1,043	(1,097)	(1,616)	1,789
Operating provisions and others	5,579	7,989	(3,330)	(1,750)	8,488
Sundry debtors					
Provisions for bad debts	7,200	978	-	-	8,178
	35,438	17,257	(7,688)	(12,732)	32,275

Thousands of euros						
2022						
	31 December 2021	Addition	Addition of perimeter	Application	Reversal	31 December 2022
Non-current provisions						
Provisions for contingencies and expenses	15,268	4,850	-	(293)	(625)	19,200
Current provisions						
After-sales service	2,062	2,233	-	(836)	-	3,459
Operating provisions and others	5,765	4,236	138	(2,293)	(2,267)	5,579
Sundry debtors						
Provisions for bad debts	6,251	1,471	-	-	(522)	7,200
	29,346	12,790	138	(3,422)	(3,414)	35,438

As at 31 December 2023 and 2022, the provision for liabilities and expenses relates mainly to contingencies that the Group considers likely to arise from legal proceedings relating to its ordinary activities. The outcome of these related contingencies depends on the resolution of the corresponding legal proceedings.

17.1. Provisions for contingencies and expenses

As at 31 December 2023 and 2022, the most significant procedures maintained by the Group were as follows

- The Parent Company has received claims by different agents related to the real estate development process during the year 2023 for an amount of 1,806 thousand euros that it keeps provisioned and has reversed an amount of 8,014 thousand euros for dismissal of this type of claims.
- The Parent Company has received claims from construction companies during 2022 amounting to 1,236 thousand euros, for which it has made provisions.
- Also, in 2020, the Group subsidiary of Vía Célere, S.L.U. received a claim for compensation for an alleged delay in the delivery of the property covered by the transaction, for which a provision of 1,352 thousand euros has been made, but was reversed in 2023 as it was rejected.

During the 2023 financial year, the Group reversed 9,366 thousand euros for dismissing claims by different agents related to the real estate development process (625 thousand euros in the 2022 financial year).

17.2. Aftermarket provision

During the 2023 financial year, the Group has decided to endow a provision for possible aftermarket claims from customers for the developments delivered during 2023 for an amount of 1,043 thousand euros (2,233 thousand euros during 2022) and has been reversed for an amount of 1,616 thousand euros (during 2022, no amount was reversed for this concept) In addition, payments applied to the post-sale provision of 1,097 thousand euros (836 thousand euros in 2022) were made.

17.3. Insolvency provision

As at 31 December 2023 and 2022, the Group's provision for bad debts is mainly due to invoices issued to different construction companies which are currently in insolvency proceedings for the amount of 8,073 thousand euros and 7,200 thousand euros, respectively. During 2023, the amount of 978 thousand euros has been allocated (1,471 thousand euros in 2022). (see Note 14.2).

17.4. Operating provisions and others

As at 31 December 2023, the Group has provisioned mainly for construction completion costs for construction services received but not yet invoiced for developments delivered in the amount of 8,488 thousand euros (5,579 thousand euros as at 31 December 2022). These provisions are recognised at the date of transfer from work in progress to completed work on the property assets, according to the best estimate of the possible expense incurred by the Group and for the amount required to settle the Group's liability.

In the opinion of the management body, the provisions recorded as at 31 December 2023 and 2022 reasonably cover the existing risks, not considering that significant additional losses may arise from the resolution of litigation in progress.

18. Long and short-term liabilities and trade payables

The classification of financial liabilities by category is as follows:

	Thousands of euros			
	2023		2022	
	Non-current	Current	Non-current	Current
Bank borrowings	-	134,141	-	104,915
Bonds and other marketable securities	262,328	3,485	294,822	5,338
Balances with related companies	-	18,388	-	15,292
Debts to personnel	-	3,457	-	2,137
Suppliers	-	83,879	-	95,528
Customer advances	-	134,390	-	82,906
Other financial liabilities	2,105	520	1,592	825
	264,433	378,260	296,414	306,941

Irrespective of the effective date of repayment, the Group classifies as "current" the financial liabilities affecting the financing of goods or assets classified in the consolidated statement of financial position as "current".

The reconciliation of liability movements to cash flows resulting from financing activities is as follows:

Thousands of euros	
Short-term and long-term bank borrowings	
Balance as at 31 December 2022	405,075
Bonus repurchase	(32,187)
Return of commercial papers	(1,853)
Funds from credit institutions	161,670
Bank borrowing returns	(138,594)
Total cash variation flows from financing activities	(10,964)
Other changes	
Financial costs	36,486
Interest payments	(28,157)
Other changes	(2,486)
Balance as at 31 December 2023	399,954

Thousands of euros	
Short-term and long-term bank borrowings	
Balance as at 31 December 2021	457,625
Return of commercial papers	(23,300)
Funds from credit institutions	137,931
Bank borrowing returns	(174,955)
Total cash variation flows from financing activities	(60,324)
Other changes	
Financial costs	32,230
Interest payments	(26,450)
Other changes	1,994
Balance as at 31 December 2022	405,075

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18.1. Non-current and current payables

18.1.1. Bank borrowings

The detail by maturity of the items (in thousands of euros) included in short and long-term debts to credit institutions is as follows:

Instrument	Limit	Short-term sale		Long-term sale	Total drawn down	Maturity					
		Long-cycle	Short cycle			2024	2025	2026	2027	2027 and the rest	Total
Mortgage loans on inventories (Note 18.1.2)	914,989	18,024	115,341	-	133,365	115,341	18,024	-	-	-	133,365
Credit lines	30,000	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	246	4,015	-	4,261	4,261	-	-	-	-	4,261
Other loans (Note 18.1.3)	-	-	-	262,328	262,328	-	-	262,328	-	-	262,328
Loans as at 31/12/2023	944,989	18,270	119,356	262,328	399,954	119,602	18,024	262,328	-	-	399,954

Instrument	Limit	Short-term sale		Long-term sale	Total drawn down	Maturity					
		Long-cycle	Short cycle			2023	2024	2025	2026	2026 and the rest	Total
Mortgage loans on inventories (Note 18.1.2)	625,010	4,684	99,977	-	104,661	99,977	4,684	-	-	-	104,661
Credit lines	30,000	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	123	4,068	-	4,192	4,192	-	-	-	-	4,192
Other loans (Note 18.1.3)	301,400	-	1,400	294,822	296,222	1,400	-	-	294,822	-	296,222
Loans as at 31/12/2022	956,410	4,807	105,446	294,822	405,075	105,569	4,684	-	294,822	-	405,075

The total balance drawn down is shown net of the amount of unamortised fees and increased by unpaid interest. As at 31 December 2023, unamortised fees amounted to 12,626 thousand euros (15,928 thousand euros as at 31 December 2022) and unpaid interest at 31 December 2023 amounted to 4,261 thousand euros and (4,192 thousand euros as at 31 December 2022).

Debentures and other marketable securities in Vía Céleré Desarrollos Inmobiliarios, S.A.U. include the bond issued by Vía Céleré Desarrollos Inmobiliarios, S.A.U. on 25 March 2021 with a principal amount of 300,000 thousand euros and a coupon of 5.25%. This bond matures in April 2026 (see Note 18.1.3). The balance pending repayment as at 31 December 2023 is 262,328 thousand euros (294,822 thousand euros as at 31 December 2022). In addition, as at 31 December 2022, it included a line for the issue of promissory notes in the MARF with a balance of 1,400 thousand euros that has already been fully repaid in 2023.

Credit lines at 31 December 2023 and 2022 include a credit line (Revolving Facility Agreement (RCF)) in the amount of 30,000 thousand euros undrawn (see Note 18.1.5).

The debt of the equity-consolidated company at its percentage amounted to 28,459 thousand euros as at 31 December 2023 (debt fully repaid as at 31 December 2022).

18.1.2. Mortgage loans secured by inventories

"Developer loans" on developments under construction and on constructed buildings amounting to 133,365 thousand euros and "loans for the purchase of land" are defined as mortgage loans secured by inventories (see Note 15).

The total liability for financial liabilities associated with "Inventories" is presented under current liabilities in the accompanying consolidated statement of financial position, irrespective of the date on which it is actually repaid.

The detail of loans secured by mortgages on inventories as at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Loans secured by mortgages on property		
Property developments in construction phase	121,949	89,959
Vía Céleré Desarrollos Inmobiliarios, S.A.U.	115,960	85,017
The rest of the group's companies	5,989	4,942
Loans secured by mortgages on constructed buildings	11,416	14,702
Vía Céleré Desarrollos Inmobiliarios, S.A.U.	10,274	12,186
The rest of the group's companies	1,142	2,516
	133,365	104,661

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The main changes in 2023 in mortgage loans on inventories relate to transactions for the repayment of these loans through the delivery of assets to secure the loans, totalling 134,001 thousand euros in 2023 (164,912 thousand euros in 2022).

The capitalised interest cost as at 31 December 2023 and 2022 amounts to 17,132 thousand euros and 9,117 thousand euros, respectively (see Note 15).

The mortgage loans accrue annual interest at a variable rate (EURIBOR plus a spread aligned with market conditions). In 2023, rates were 2.50% to 7.64% (1.70% to 5.98% in 2022).

18.1.3. Bond (Senior Secured Notes)

On 25 March 2021 Vía Céleré Desarrollos Inmobiliarios, S.A.U. issued a senior secured bond in the amount of 300,000 thousand euros (which were fully drawn down and classified under "Debentures and other marketable securities") maturing on 01 April 2026. As at 31 December 2023, the Group has repurchased 34,465 thousand euros of the bond.

The interest rate of the bond is 5.25% per annum, payable semi-annually in arrears on 01 April and 01 October of each year, commencing on 01 October 2021. Interest on the bond is accrued from and including the date of issuance of the bond and is payable in cash. As at 31 December 2023, unpaid accrued interest payable on the accrued coupon amounted to 3,485 thousand euros (3,938 thousand euros as at 31 December 2022).

The bond, among other guarantees, is secured by the shares of Vía Céleré Desarrollos Inmobiliarios, S.A.U., the shares of Vía Céleré, S.L.U. and the shares of Maywood Invest, S.L.U.

Vía Céleré Holdco, S.L. has guaranteed this senior bond since 22 April 2021.

The bond is listed on Euronext.

Vía Céleré Desarrollos Inmobiliarios assumed extraordinary expenses associated with the issue amounting to 7,464 thousand euros as at 31 December 2021, of which 3,207 thousand euros are pending accrual at 31 December 2023 (5,025 thousand euros as at 31 December 2022).

The Company has undertaken to comply with certain financial covenant obligations during the term of the bond and relating to its financial statements, which have been fulfilled during 2023.

18.1.4. Super Senior Revolving Facility Agreement (RCF)

On 6 March 2021, the Parent Company entered into a credit facility agreement (RCF) with J.P. Morgan AG, Deutsche Bank Aktiengesellschaft, Banco Santander S.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco de Sabadell, S.A. and Credit Suisse (Deutschland) Aktiengesellschaft in the amount of 30,000 thousand euros (undrawn at 31 December 2023 and 2022 and classified as credit lines) maturing on 01 October 2025.

VCDI assumed an opening free in the amount of 225 thousand euros as at 31 December 2021 of which 109 thousand euros are outstanding as at 31 December 2023 (153 thousand euros as at 31 December 2022).

18.1.5. Other financial liabilities

The breakdown of other financial liabilities as at 31 December 2023 and 2022 is as follows:

	Thousands of euros			
	31.12.2023		31.12.2022	
	Non-current	Current	Non-current	Current
Lease liabilities	1,447	46	1,583	432
Other financial liabilities	658	474	9	393
Total other financial liabilities	2,105	520	1,592	825

The changes in lease receivables are as follows:

	Thousands of euro:
	Lease debts
Balance as at 31 December 2021	2,452
Additions	
Principal payments	(498)
Interests	61
Balance as at 31 December 2022	2,015
Principal payments	(570)
Interests	48
Balance as at 31 December 2023	1,493

18.2. Trade and other payables

The "Trade and other payables" heading includes mainly the advances received from customers, and amounts payable for trade purchases and related expenses. Its detail are as follows:

	Thousands of euros	
	2023	2022
Advances from customers (Note 15.5)	134,390	82,906
Short-term suppliers	83,879	95,528
Personnel, outstanding remuneration	3,457	2,137
	221,726	180,571

19. Information on payment deferrals made to suppliers. Second Final Provision of Law 31/2014, of 3 December

In compliance with the duty to report the average supplier payment period, established in the third additional provision of Law 15/2010, of 5 July, (modified by the second final provision of Law 31/2014, of 3 December), the average supplier payment period for 2023 and 2022 has been 33 and 38 days respectively.

	Payments made and outstanding payment at balance sheet date	Payments made and outstanding payment at balance sheet date
	2023	2022
	Days	Days
Average supplier payment period	33	38
Ratio of paid transactions	34	40
Ratio of transactions pending payment	29	54
	Amount (Euros)	Amount (Euros)
Total payments made	338,494,529	265,311,998
Total outstanding payments	24,969,632	14,929,120

The implementation of Law 15/2020 DA 3 (amendment by Law 18/2022 includes that the following information must be expressly included in the report:

- The monetary volume and number of invoices paid in a period shorter than the maximum established in the late payment regulations.
- The percentage they represent of the total invoices and of the total monetary payments to suppliers.

	Payments made and outstanding at balance sheet date	Payments made and outstanding at balance sheet date
	31.12.2023	31.12.2022
	Amount	Amount
	(Euros)	(Euros)
Invoices paid < 60 days	297,364,144	228,282,233
Ratio on total invoices paid	91%	90%
	31.12.2023	31.12.2022
	Number of	Number of
	Invoices	Invoices
Number of invoices < 60 days	10,932	14,052
Ratio on total number of invoices	68%	146%

"Average supplier payment period" shall mean the period that elapses from the date of invoice to the material payment of the operation as stated in the resolution of the Spanish Accounting and Audit Institute mentioned above.

The ratio of transactions paid is calculated as the ratio formed in the numerator by the sum of the products corresponding to the amounts paid, by the number of days of payment (calendar days elapsed from the start of the calculation of the term until the material payment of the transaction) and, in the denominator, the total amount of payments made.

This "Average supplier payment period" is calculated as the ratio formed in the numerator by the sum of the ratio of transactions paid for the total amount of payments made plus the ratio of transactions pending payment for the total amount of payments pending and, in the denominator, for the total amount of payments made and payments pending.

Likewise, the ratio of transactions pending payment corresponds to the ratio formulated in the numerator by the sum of the products corresponding to the amounts pending payment, by the number of days pending payment (calendar days elapsed from the beginning of the calculation of the term until the day of closure of the annual accounts) and, in the denominator, the total amount of payments pending.

In accordance with the provisions of article three of the resolution of the Spanish Accounting and Audit Institute dated 29 January 2016, the amount of transactions accrued prior to the entry into force of Law 31/2014, of 3 December, has not been considered.

The maximum legal period of payment applicable to the Company according to Law 11/2013 of July 26 is 30 days, unless there is an agreement between the parties with a maximum period of 60 days.

20. Financial risk management and fair value

20.1. Financial risk management

Risk management framework

The risk management policies within the different areas in which the Group taking into account the macroeconomic environment and the situation of the financial markets, as well as the analysis of the management of the assets composing the Group. To this end, we have instruments that allow us to identify them sufficiently in advance or to avoid them, minimising risks.

The Group's activities are exposed to credit risk, interest rate risk and liquidity risk. The Group's overall risk management programme seeks to reduce these risks through a variety of methods, including the use of financial instruments.

Financial risk management is centralised in the Finance Department, which has established the necessary mechanisms to manage exposure to credit and liquidity risk and, to a lesser extent, interest rate risk.

On February 24, 2022, Russia began the invasion of Ukraine, which marked the beginning of a war between the two countries on Ukrainian territory. During 2023 and until the date of preparation of these annual accounts, the conflict continues and the real consequences and duration thereof are still uncertain for the world economy.

After a preliminary assessment of the situation at the date of issuance of the present annual accounts, the Group considers that said conflict does not and will not have a direct or significant impact on its operations, and therefore no consequence is foreseen because of it.

20.2. Credit risk exposure

Credit risk is the risk of financial loss that the Group may suffer if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises in particular from the Group's customer receivables and investments in debt securities.

The Group does not have significant credit risk, since its customers and the institutions in which cash placements or derivatives are arranged are highly solvent entities in which counterparty risk is not significant.

The Group's main financial assets are cash and balances, trade and other receivables and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets, without taking into account any guarantees provided and other credit enhancement mechanisms.

The Group's credit risk is mainly attributable to its trade debts. The amounts are reflected in the consolidated statement of financial position net of provisions for bad debts, with the expected credit loss estimated by Group management on the basis of past experience and its assessment of the current economic environment. The Group has formal procedures for the detection of objective evidence of impairment of trade debts, in line with the provisions of IFRS 9. The impairment of trade receivables as at 31 December 2023 amounted to 8,178 thousand euros (7,200 thousand euros in 2022) (see Note 14.2). The balances of trade debts without credit risk are not included in this provision at the end of 2023 and 2022.

The credit risk of liquid funds and derivative financial instruments is limited because the counterparties are banking entities that have been assigned high ratings by international credit rating agencies.

The Group does not have a significant concentration of credit risk. Risk exposure is diversified among numerous clients.

The Group monitors and has established specific credit management procedures, establishing conditions for the acceptance of orders and carrying out periodic monitoring of these orders.

20.3. Interest rate risk exposure

The exposure to this risk is due to changes in the future cash flows of the debt contracted at variable interest rates (or with short-term maturity) as a result of changes in market interest rates.

The objective of managing this risk is to cushion the impact on the cost of debt caused by fluctuations in these interest rates.

The Group analyses its exposure to interest rate risk dynamically. In 2023 and 2022 all financial liabilities, both with variable and fixed interest rates, were denominated in euros.

In any case, the Company does not have a significant concentration of credit risk.

20.4. Market risk exposure

To counteract the market risk on the company's developments, detailed studies are carried out on the geographical areas in which the company operates or plans to operate, thus determining the existence of sufficient demand to absorb future developments and the product to be marketed, guaranteeing the success of the developments, always adapting them to the customer's needs and thus ensuring commercial viability.

20.5. Liquidity risk exposure

The Group manages its liquidity risk prudently, based on maintaining sufficient cash and marketable securities, the availability of financing through a sufficient amount of committed credit facilities and sufficient capacity to settle market positions. The Group determines its cash requirements through the cash budget, with a time horizon of 12 months. The Group considers that the agreed financing framework is sufficiently flexible to accommodate the dynamic needs of the underlying businesses.

The Group also presents the necessary financing for the development of the assets classified as "Property developments in progress". These loans are conditional upon the specific construction of the developments to which they are associated, and their decrease is presented gradually with the progress of the construction work and, therefore, the Group depends solely on the cash available as at 31 December 2023 to guarantee the continuity of the business.

20.6. Exposure to price risk

Property assets are subject to future changes in market price. Every year, the Company commissions market valuations from reference firms in order to detect possible accounting impairments.

21. Tax matters

On 01 January 2022, the Company ceased to be the parent company and became a subsidiary of the tax consolidation group No. 0465/22, the parent company of which is Vía Céler Holdco, S.L.

21.1. Tax receivables and payables

The composition of balances receivable from public authorities is as follows:

	Thousands of euros	
	2023	2022
Non-current balances		
Assets for deductible temporary differences	43,039	41,371
Credits for loss carryforwards.	28,898	28,899
	71,937	70,270
Current balances		
VAT receivable from the tax authorities	5,556	11,992
Current tax receivable	140	343
	5,696	12,335
Total	77,633	82,605

The composition of the balances payable to public authorities is as follows:

	Thousands of euros	
	2023	2022
Non-current balances		
Deferred tax liabilities	4,466	4,825
	4,466	4,825
Current balances		
VAT payable by the tax authorities	6,183	23,449
Taxes payable for Corporate Income Tax	31	115
Social security payable	272	260
Treasury, creditor for other concepts	5,090	450
	11,576	24,274
Total	16,042	29,099

21.2. Deferred tax assets and liabilities

The detail of the balance of the heading "Deferred tax assets" at the end of 2023 and 2022 is as follows

Thousands of euros		
	Balance 31/12/2023	Balance 31/12/2022
Limitation to depreciation.	121	242
Non-deductible financial expenses	34,435	34,449
Tax loss carryforwards	28,898	28,898
Impairment Forum	1,508	1,508
Other	3,382	3,742
Consolidation adjustments	3,593	1,431
Total	71,937	70,270

Thousands of euros				
	Balance 31/12/2022	Additions	Derecognitions	Balance 31/12/2023
Deferred tax assets	70,270	2,162	(495)	71,937

Thousands of euros				
	Balance 31/12/2021	Additions	Derecognitions	Balance 31/12/2022
Deferred tax assets	74,917	6,394	(11,041)	70,270

The detail of the heading "Deferred tax liabilities" at 31 December 2023 and 2022 is as follows:

Thousands of euros		
	Balance 31/12/2023	Balance 31/12/2022
Revaluation of assets from prior reorganisations	1,108	1,173
Reinvestment exemption	1,381	930
Margin elimination	242	59
Consolidation adjustments	1,735	2,663
Total	4,466	4,825

Thousands of euros					
	Balance 31/12/2021	Additions	Derecognitions	Transfer	Balance 31/12/2023
Deferred tax liabilities	4,825	686	(1,045)	-	4,466

Thousands of euros					
	Balance 31/12/2021	Additions	Derecognitions	Transfer	Balance 31/12/2022
Deferred tax liabilities	4,466	686	(1,045)	-	4,825

The Group's main deferred tax assets and liabilities are related to the following items:

- Non-deductible financial expenses. In accordance with Article 16 of the Corporate Income Tax Law, net financial expenses will be deductible annually up to a limit of 30% of the year's operating profit, and net financial expenses of 1 million euros may be deducted in any case. In 2023, no adjustments were made in this item. The deferred tax asset for this item as at 31 December 2023 amounts to 34,435 thousand euros (34,449 thousand euros as at 31 December 2022).
- Credits for loss carryforwards. During the year, no amount of negative tax bases has been derecognised. The BINs compensated in the year correspond to non-activated BINs. During the financial year 2023, the group has decided not to activate any additional amount of BINs. The deferred tax asset for this item as at 31 December 2023 amounts to 28,898 thousand euros (28,898 euros thousand as at 31 December 2022).
- Limitation to book depreciation. In 2013 and 2014, only 70 % of the accounting depreciation expense was deductible for tax purposes, and the remaining 30 % was recorded as a tax credit (deferred tax asset) which is reversed on a straight-line basis over 10 years.
- Other non-deductible tax provisions, during the year the Group has recorded a series of provisions that are not tax-deductible expenses in accordance with Article 14 of the Corporate Income Tax Law, for which reason it has made a positive adjustment for these items, recording the corresponding deferred tax asset.

o assess the recoverability of deferred tax assets, the Company has also taken into account the valuation of inventories at year-end 2023 carried out by Savills, which reflects a fair value of 1,323,852 thousand euros (see Note 15.7), as well as the business plan prepared by the Group for the period 2023-2033 and the sales forecasts for the developments included in the aforementioned plan, which have been made taking into account the characteristics of the Spanish real estate sector in which the Group operates. As at 31 December 2023, the Group has an order book amounting to 825,076 thousand euros (see Note 15.5). Based on this evidence, the Group estimates that it will recover the full amount of tax credits recognised in less than ten years.

21.3. Reconciliation of accounting profit and taxable profit

The reconciliation between consolidated accounting profit and taxable profit is as follows:

	Thousands of euros	
	2023	2022
Consolidated profit for the year	16,921	68,722
Corporate income tax	1,260	18,690
Profit before tax	18,181	87,412
Permanent differences	18,994	2,002
Temporary differences	(2,549)	(11,300)
Offset of tax loss carryforwards	(17,463)	(20,048)
Offset of tax loss carryforwards	250	-
Loss limit adjustment	(1,168)	-
Tax Base	16,245	58,066
Ajuste Portugal	(399)	816
Consolidation adjustments	(5,085)	-
Tax result / (Tax base)	10,761	58,882

The main adjustments for permanent differences to the accounting profit for 2023 are as follows:

- In 2017, as a result of the transfer of real estate in the carve-out operation carried out in favour of Dospuntos Asset Management, S.L. (an entity related to the Company under the terms established in Article 42 of the Commercial Code), an accounting loss was generated that was not considered deductible for tax purposes in application of the provisions of Article 11.9 of the Corporate Income Tax Law. In 2023, Dospuntos Asset Management, S.L. transferred to independent third parties a portion of the assets that generated the non-deductible loss at the Company's headquarters and, accordingly, the Company included in its tax base an amount of 4,282 thousand euros relating to part of the loss deferred in 2017.
- The Group has made a positive adjustment to the accounting result to record the adjustment of services rendered by one of the companies for the rest of the group for transfer pricing purposes in the amount of 2,548 thousand euros.

In 2023, the main temporary tax differences in accounting profit are as follows:

- A positive adjustment of 6,830 thousand euros derived from the provision for liabilities and expenses, in accordance with the provisions of Article 14.3 of the Corporate Income Tax Law, the provision derived from implicit or tacit obligations is a non-deductible tax expense. Likewise, a negative adjustment has been made for the same concept in the amount of 7,519 thousand euros, corresponding to the reversals/applications of the provisions provided in previous years for risk and expenses, which were tax non-deductible.
- A positive adjustment of 773 thousand euros derived from the provision for the guarantee of repairs and revisions, in accordance with the provisions of Article 14.9 of the Corporate Income Tax Law, this type of provision is a non-deductible tax expense. Likewise, a negative adjustment has been made for the same concept in the amount of 2,438 thousand euros, corresponding to the reversals/applications of the provisions for guarantees provided in previous years, which were tax non-deductible.
- Negative adjustment of 404 thousand euros corresponding to the reversal of accounting amortisation expenses
- Positive adjustment in the amount of 250 thousand euros derived from the limitation to 50% of the losses generated by the group entities during the year, a measure introduced by final provision 5 Three of Law 38/2022, of 27 December. The amount in which the compensation of the negative tax bases is limited will be

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recovered in the tax base of the tax group, via negative adjustment by tenths in each of the first ten tax periods that begin on or after 01 January 2024.

The relationship between the income tax expense/(income) and the profit/(loss) for the year is as follows:

	Thousands of euros	
	2023	2022
Balance of pre-tax income and expenses for the year	18,181	87,412
Tax at 25%	4,545	21,853
Net effect of deferred tax assets	(4,366)	(2,161)
Consolidation adjustments	1,124	(1,283)
Ajuste límite pérdida ejercicio	64	-
Ajustes de ejercicios anteriores	(107)	281
	1,260	18,690

The detail of the income tax expense/(income) in the consolidated income statement is as follows:

	Thousands of euros	
	2023	2022
Current tax expense /(income) and others	3,318	15,622
Deferred tax expense /(income) and others	(2,058)	3,068
	1,260	18,690

21.4. Tax deductions pending application

The legislation in force regarding Corporate Income Tax establishes various tax incentives. The tax credits earned in a given year that cannot be offset during that year because they exceed the applicable legal limits may be taken to reduce the corporate income tax payable in subsequent years, within the limits and time periods established by the related tax legislation.

The tax credits taken in prior years are as follows:

Year	Thousands of euros	Description
2023	35	Deductions for donations
	35	

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21.5. Tax losses carryforwards

The Group's tax loss carryforwards as at 31 December 2023 are detailed below:

- (i) The individual NOLs per company are as follows:

As all the entities belonging to the previous tax consolidation group, whose parent company was Vía Céleres Desarrollos Inmobiliarios, S.A.U., have become part of the new tax consolidation group, all the tax loss carryforwards have acquired the nature of pre-consolidation tax loss carryforwards. However, the special rules regulated in article 74.3 of the Corporate Income Tax Law apply to it, with the exception of the BINs of the Loyalty Directorship Company, which has been incorporated into the tax consolidation group with effect from 01 January 2023:

Years	Thousands of euros							Total
	Vía Céleres Desarrollos Inmobiliarios S.A.U.	Copaga, S.A.U.	Udralar, S.L.U.	Udrasur Inmobiliaria, S.L.U.	Torok Investmen t 2015, S.L.U.	Conspace, S.L.	Lealtad Directorship, S.L.	
2006	-	35	-	-	-	-	-	35
2007	-	1	-	-	-	-	-	1
2008	-	62	3,858	-	-	-	-	3,920
2009	-	23	1,813	-	-	-	-	1,836
2010	-	55	1,815	-	-	-	-	1,870
2011	26,380	111	2,014	-	-	-	-	28,505
2012	54,446	-	-	-	-	-	-	54,446
2013	133,160	25	9,613	-	-	-	-	142,798
2014	1	-	-	-	-	-	-	1
2015	150,284	-	50,466	1	-	-	-	200,751
2016	946	-	-	-	1,113	-	-	2,059
2017	20,801	-	-	-	-	250	-	21,051
2018	12,283	-	-	-	-	-	-	12,283
2020	-	-	-	-	-	-	260	260
2021	-	-	-	-	-	-	428	428
2022	-	-	-	-	-	-	1,002	1,002
TOTAL	398,301	312	69,579	1	1,113	250	1,690	471,246

The negative tax bases of the Company may be offset in the future, without a time limit and taking into account the current quantitative limit established in article 26 of the Corporate Income Tax Law.

In relation to the limitations introduced by Royal Decree Law 3/2016, on 18 January 2024, the Constitutional Court unanimously declared the unconstitutionality and nullity of several precepts introduced by Royal Decree Law 3/2016 that modified the Corporate Income Tax Law in order to collect and reduce the public deficit, among which is the limitation to the compensation of negative tax bases. The effects of the unconstitutionality and nullity of the precepts of Royal Decree Law 3/2016 apply to the liquidation of Corporate Income Tax (CIT) 2023, et seq. However, for the purposes of the years prior to the issuance of the judgement, as indicated in the judgement itself, those tax obligations accrued by the Tax, which have been definitively decided by a judgement with the force of *res judicata* or by a final administrative decision, cannot be considered situations capable of being reviewed. Nor may those settlements that have not been challenged at the date of the judgement be reviewed, nor the self-assessments whose rectification has not been requested at that date.

The Company, as the parent of tax group 0258/16, sought the rectification of the 2016 CIT settlement and the 2021 settlement. Therefore, for these years in which rectification of the CIT settlement has been requested and with the information available at the date of preparation of the accounts, the Group estimates obtaining a refund of the amount paid in excess between 4,000 thousand euros and 5,000 thousand euros, but qualifies this asset as contingent because it does not consider its obtaining virtually certain, so no accounting record has been made for this concept.

In summary, the tax loss carryforwards generated and pending offset by the Group companies amount to 471,246 thousand euros as at 31 December 2023, of which 115,592 thousand euros (115,592 thousand euros as at 31 December 2022) have been capitalised, corresponding to 28,898 thousand euros in units (25%) recorded as deferred tax assets (28,898 thousand euros as at 31 December 2022).

21.6. Company transactions

On 26 July 2022, the group company Copaga, S.A.U. acquired the entire share capital of Lealtad Directorship, S.L.U. from Otterville Invest, S.L.

Lealtad Directorship, S.L.U. is the parent company of the Lealtad Group, which at the date of the transaction included six companies: Borino Lealtad, S.L.; Cabure Lealtad, S.L.; Siargo Lealtad, S.L.; Trim Lealtad, S.L.; Argus Lealtad, S.L. and Siona Lealtad, S.L.

On 20 June 2022, the sole shareholder of Lealtad Directorship, S.L.U., Otterville Invest, S.L., approved the merger by absorption of Lealtad Directorship, S.L.U., as the absorbing company, with Trim Lealtad, S.L.U., Borino Lealtad, S.L.U., Argus Lealtad, S.L.U., Cabure Lealtad, S.L.U., Siargo Lealtad, S.L.U. and Siona Lealtad, S.L.U., as the absorbed companies, Siargo Lealtad, S.L.U. and Siona Lealtad, S.L.U., as absorbed companies, the former acquiring en bloc by way of universal succession all the assets and liabilities of the absorbed companies, which were dissolved and extinguished without liquidation. The deed of merger was executed on 28 October 2022, filed with the Commercial Registry on 8 November 2022 and registered on 15 November 2022.

On 25 March 2021, the companies Maplesville Invest, S.L.U., Gleenwock Invest, S.L.U., Windham Spain, S.L.U., Rimbey Spain, S.L.U., Lewistown Invest, S.L.U., Barclays Bank PLC, J.P. Morgan Securities, PLC, Deutsche Bank Aktiengesellschaft, Trinity Investments Designated Activity Company, Melf B.V., Merryll Lynch International and Greencoat B.V. (hereinafter "former shareholders of Vía Céleré Desarrollos Inmobiliarios, S.A.U.") executed the public deed of incorporation of Vía Céleré Holdco, S.L., which was incorporated with a share capital consisting of 60,002 shares with a par value of 1 euro per share and a share premium of 6,851.46 euros per share.

The shares have been fully assumed by the former shareholders of Vía Céleré Desarrollos Inmobiliarios, S.A., which became a sole shareholder company and maintained its indirect shareholding structure and composition through its shareholding in the Parent Company. Therefore, the investment funds managed by Värde Partners, Inc. indirectly hold 76.4% of the share capital of the new parent company of the Vía Céleré Holdco group.

The shares have been fully assumed through a non-monetary contribution consisting of 100% of the shares of Vía Céleré Desarrollos Inmobiliarios, S.A.U., being valued at 867,548 thousand euros corresponding to the consolidated book value of Vía Céleré Desarrollos Inmobiliarios, S.A.U. at the date of contribution of its shares. The share capital has a par value of 60,002 euros and, at the time of incorporation, the share premium amounted to 411,101 thousand euros.

The transaction described in the preceding paragraph is among the transactions covered by the special regime for mergers, spin-offs, contributions of assets and exchange of securities regulated in Chapter VII of Title VII of the Corporate Income Tax Law. In particular, such transactions are defined in Article 76.5 of the aforementioned Law, and therefore, the same is covered by the tax neutrality regime.

This transaction generated a restructuring of the Group where Vía Céleré Holdco, S.L. is the new Parent Company.

Therefore, and due to the fact that the Company ceased to have the status of parent company for the purposes of being able to apply the special tax system, Group no. 0258/16 will be broken up with effect from 01 January 2022.

However, the directors of the new parent company Vía Céleré Holdco, S.L. and its subsidiaries, currently included in Group No. 0258/16, agreed to pay tax under the special tax consolidation system for years beginning on or after 01 January 2022. In this regard, the corresponding notification has been made to the tax authorities of the option to be taxed under the tax consolidation system for the financial years 01 January 2022, whose group tax number assigned is 0465/2022.

21.7. Years open to review and tax inspection

At present, all the Group companies resident in Spain have the following taxes open for review by the tax authorities

	<u>Years open for review</u>
Corporate Income Tax	2016, 2019-2022
Value Added Tax	2020-2023
Personal Income Tax - WHT	2020-2023
Capital Gains	2020-2023

Corporate income tax year 2023 cannot be reviewed until the tax return has been filed (in July 2024).

The 2016 tax year is open to inspection as the Company interrupted the statute of limitations period by requesting a correction of the 2016 corporate income tax return.

However, the right of the tax authorities to check or investigate tax losses used or not yet used, double taxation deductions and deductions to encourage the performance of certain activities applied or not yet applied prescribes 10 years from the day following the end of the period established for filing the tax return or self-assessment corresponding to the tax period in which the right to offset or apply for it arose. Once this period has elapsed, the Group must accredit the negative tax bases or deductions, by means of the exhibition of the settlement or self-assessment and of the accounting, with accreditation of its deposit during the stipulated period in the Companies Registry.

With respect to the rest of the dependent entities not resident in Spain, the years open for inspection are all the years established as maximums by each of the legislation in force in the country of residence.

The Company's directors do not expect contingencies or liabilities of a significant amount as a result of the years opened for inspection.

- **Vía Célere, S.L.U. and Vía Célere 2, S.L.U. inspection.**

In July 2017, notification was received of the commencement of tax audits of the companies Vía Célere, S.L.U. and Vía Célere 2, S.L.U. in relation to corporate income tax (2013 to 2014), VAT (period July 2013 to December 2014) and personal income tax (period July 2013 to December 2014).

During 2019, the minutes of compliance referring to the inspection of VAT and deductions were signed, resulting in an amount to be paid of zero euros. However, for corporate income tax purposes, minutes were signed because they did not agree with the valuations carried out by the Technical Office of the Special Delegation of the Tax Administration on certain assets, and therefore the Company has requested a contradictory expert valuation.

In August 2020 a new settlement agreement was received, taking into account the report of the contradictory expert appraisal, which had been quite beneficial for VC, significantly reducing the amount to be paid. However, an appeal has continued, currently the procedure is in the administrative litigation phase, as the Administrative Economic Claim filed against the new settlement proposal has been rejected.

The Company's directors do not expect contingencies or liabilities of a significant amount as a result of the years opened for inspection.

22. *Guarantee commitments to third parties and litigation*

The Group has contingent liabilities for bank guarantees and other collateral related to the normal course of business amounting to 177,957 thousand euros (158,894 thousand euros as at the end of 2022). The Parent Company's management body considers that no additional liabilities will arise for the Group as a result of the transactions covered by these guarantees and warranties.

23. *Income and expenses*

23.1. *Revenue*

The detail of the Group's revenue in 2023 and 2022, by type of product and geographical area, is as follows:

	Spain		Portugal		Total	
	2023	2022	2023	2022	2023	2022
Revenue from sale of property developments	355,787	553,984	5,023	24,950	360,810	578,934
	355,787	553,984	5,023	24,950	360,810	578,934

As indicated in Note 6, the Group has a single segment, the residential development business, in which a distinction is made between the results generated by assets that will be developed and promoted (developments).

In addition, income recognised as a result of accounting for the significant financing component arising from advances received from customers in line with the requirements of IFRS 15 amounts to 1,523 thousand euros (3,384 thousand euros as at 31 December 2022).

In 2023 and 2022, the revenues correspond to:

- the sale of property developments, which amounted to 339,735 thousand euros (497,470 thousand euros in 2022).
- the sale of land, which amounted to 21,075 thousand euros (81,464 thousand euros during 2022).

23.2. Changes in inventories and procurements

The breakdown of "Changes in inventories of completed goods and work in progress" is as follows:

	Thousands of euros	
	2023	2022
Cost of goods sold	(273,678)	(389,123)
Impairment of finished goods and work in progress	6,977	12,825
Changes in inventory of land and work in progress	291,817	280,807
Raw material capitalised	290,034	279,164
Personnel expenses capitalised (Note 23.4)	1,783	1,643
Total	25,116	(95,491)

23.3. General information on the employees

The average number of employees at the Group in 2023 and 2022, by professional category, was as follows:

	2023	2022
Group General Management	4	5
Directors and Department Heads	71	76
Technicians	72	86
Sales representatives	19	23
Administrative workers	44	51
Other personnel	7	8
	217	249

The distribution of the Group's workforce by professional category and gender as at 31 December 2023 and 2022 is as follows:

	2023		2022	
	Women	Men	Women	Men
Group General Management	-	4	-	5
Directors and Department Heads	22	45	22	50
Technicians	37	31	44	38
Sales representatives	15	2	18	5
Administrative workers	25	14	34	15
Other personnel	-	7	-	7
	99	103	118	120

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As at 31 December 2023 and 2022, the members of the Parent Company's management body were 4 and 5 respectively, and all of them were men.

The Group's average workforce with a degree of disability of 33% or more during the financial years 2023 and 2022 is as follows:

	2023	2022
Group General Management	-	-
Directors and Department Heads	1	1
Technicians	-	1
Sales representatives	-	-
Administrative workers	1	1
Other personnel	-	-
	2	3

23.4. Personnel expenses

The detail is as follows:

	Thousands of euros	
	2023	2022
Wages, salaries and similar items	17,864	(15,723)
Employee benefits expense	(3,481)	(3,591)
Severance payments/indemnities	(837)	(211)
Total	22,182	(19,525)

In 2023, personnel expenses amounted to 22,182 thousand euros (19,525 thousand euros during 2022), of which 1,183 thousand euros related to internal commercial staff in 2023 (1,622 thousand euros in 2022) (this amount is allocated in the contribution margin).

On 10 November 2021, Vía Céleré Desarrollos Inmobiliarios's Shareholders' Meeting approved a long-term incentive plan for the Managing Director, members of Senior Management and certain key employees, with an expiration date of 31 December 2027. As at 31 December 2023, the consolidated income statement includes the accrued amount of the plan, which totals 1,569 thousand euros (2,924 thousand euros as at 31 December 2022). On 28 February 2023, a payment was made to the beneficiaries of the plan in the amount of 2,536 thousand euros, leaving a provision of 3,256 thousand euros as at 31 December 2023.

Personnel expenses costs capitalised to "Developments in progress" in 2023 amounted to 1,783 thousand euros (1,643 thousand euros in 2022) (see Note 23.2).

23.5. Audit Fees

The fees for auditing services provided by PricewaterhouseCoopers Auditores, S.L. and other services provided by entities in the PWC network during the years ended 31 December 2023 and 2022, are as follows:

	Thousands of euros			
	PwC Auditores, S.L.		Other entities in the Auditor's Network	
	2023	2022	2023	2022
Audit services	167	166	17	15
Other non-audit services (*)	-	-	78	148
Total external services	167	166	95	163

(*) No tax services or other services required of the auditor by applicable regulations were provided during the 2023 and 2022 financial years.

The Group did not receive audit services from other auditors during the years ended 31 December 2023 and 2022.

23.6. Other expenses

The detail is as follows:

	Thousands of euros	
	2023	2022
External services	(17,770)	(18,049)
Taxes	(6,623)	(1,897)
Other expenses	4,845	(8,202)
Total	(19,548)	(28,148)

During 2023, the group incurred independent professional services expenses in the amount of 13,817 thousand euros (8,028 thousand euros during 2022), which is mainly composed of the services received for the signing of a Joint Venture agreement for the sale and management of the BTR portfolio in the amount of 5,382 thousand euros.

The heading "Other Expenses" in 2023 includes a provision for bad debts amounting to 978 thousand euros, arising from the invoicing of penalties to a construction company for breach of contract (1,471 thousand euros in 2022) (See Note 17).

Additionally, it includes the allocation of provisions for risks and expenses amounting to 4,313 thousand euros and reversal amounting to 9,366 thousand euros for dismissal of claims by different agents related to the real estate development process (allocation of 4,850 thousand euros and reversal of 625 thousand euros in the 2022 financial year) (see Note 17).

23.7. Compensation in kind

As at 31 December 2023 and 2022 there was no significant remuneration of this nature.

23.8. Amortisation

The breakdown of "Amortisation" in the income statement is as follows:

	Thousands of euros	
	2023	2022
Intangible assets (Note 8)	(68)	(68)
Property, plant and equipment (Note 9)	(597)	(326)
Investment property (Note 10)	(2)	(2)
Rights of use (Note 11)	(497)	(497)
	(1,164)	(893)

23.9. Financial income

The breakdown of the balance of this heading in the consolidated income statement is as follows:

	Thousands of euros	
	2023	2022
Marketable securities and other	4,031	840
	4,031	840

During 2023, the bond was repurchased, generating a profit of 2,125 thousand euros. In addition, the liquidated investments have generated a profit of 1,435 thousand euros.

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23.10. Financial costs

The detail is as follows:

	Thousands of euros	
	2023	2022
Payable to Group companies (Note 24)	-	(12)
Finance cost capitalised (Note 15)	14,455	9,117
Finance cost from senior secured notes (Note 18.4)	(16,783)	(17,640)
Debt interest	(19,655)	(14,541)
Interest arising from revenue contracts	2,677	1,958
Finance cost from leasing (Note 18.1.5)	(48)	(61)
Total	(19,354)	(21,179)

23.11. Impairment losses and gains (losses) from disposal of non-current assets

The detail of these results is as follows:

	Thousands of euros	
	2023	2022
Gains/(losses) on disposal of property, plant and equipment (Note 9)	(100)	(44)
	(100)	(44)

As at 31 December 2023, the loss due to derecognition of fixed assets corresponds to a sales office located in Seville.

As at 31 December 2022, the loss on disposal of fixed assets relates to the sales offices located on the Adeje site (sold) and the furnishings of some sales offices.

24. Transactions and balances with companies accounted for using the equity method and related parties

Details of transactions with related companies

The detail of transactions with related parties during 2023 and 2022 is as follows:

	Thousands of euros					
	Revenue from sale of property developments		Provision of services		Financial income	
	2023	2022	2023	2022	2023	2022
GSVC Thunder, S.L.	84,213	-	-	-	-	-
Celere Forum Barcelona, S.L.	-	-	1	23	-	-
Vía Céler Holdco S.L.	-	-	12	12	461	149
	84,213	-	13	35	461	149

Income from the provision of services corresponds to Céler Forum Barcelona, S.L. (company accounted for using the equity method, see Note 13) for the provision of management, marketing and accounting services and to Vía Céler Holdco, S.L. for corporate services (management fees).

Financial income corresponds to the interest generated by the current account held by Vía Céler Holdco, S.L. with Vía Céler Desarrollo Inmobiliarios, S.A.

Income from the sale of real estate developments corresponds to the signing of a Joint Venture agreement for the sale and management of the BTR portfolio (see Note 15.6).

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Breakdown of balances with related parties and associates

The amount of the balances recorded in the consolidated statement of financial position with related companies is as follows:

	2023		
	Thousands of euros		
	Debtors and other accounts receivable (Note 14)	Short-term credits (Note 14)	Current debts (Note 18)
Célere Forum Barcelona, S.L.			
Via Céleré Holdco S.L.	40	20,469	18,229
GSVC Thunder, S.L.	3,408	-	-
Maplesville Invest, S.L.U	-	-	159
	3,448	20,469	18,388

	2022	
	Thousands of euros	
	Short-term credits (Note 14)	Current debts (Note 18)
Célere Forum Barcelona, S.L.	4	15
Via Céleré Holdco S.L.	12,248	15,135
Maplesville Invest, S.L.U	-	142
Dospuntos Asset Management S.L.U.	7	-
	12,259	15,292

All transactions and outstanding balances with related parties were carried out at market values.

25. Remuneration of members of the Board of Directors and Senior Management

José Ignacio Morales Plaza was the Managing Director during financial year 2023 and until 18 September 2023, when he submitted his resignation as a member of the board of directors and, consequently, his associated positions.

Héctor Serrat Sanz is the Managing Director since 3 November 2023 and until the date of formalisation of the Company's consolidated annual accounts.

As at 31 December 2023, there are four members of the Board of Directors (four men) and four members of Senior Management (four), one of whom is a member of the Board of Directors.

As for the personnel of Senior Management, during 2023, derived from the changes produced in the position of Managing Director indicated above, José Ignacio Morales Plaza stopped being Senior Management and this becomes held by Héctor Serrat Sanz.

25.1. Remuneration of the Board of Directors and Senior Management

During 2023, the members of the Board of Directors received remuneration of 405 thousand euros for their directorships. During 2022, the members of the Board of Directors received remuneration of 152 thousand euros for their directorships. Senior executives' remuneration in 2023 and 2022 amounted to 4,607 thousand euros and 1,972 thousand euros, respectively. These amounts include a director's remuneration for his executive duties. During 2023, with the approval of the long-term incentive plan in 2021, an amount of 2,924 thousand euros (1,569 thousand euros as at 31 December 2022) has been provisioned, corresponding to Senior Management personnel, of which 2,536 thousand euros have been paid to the beneficiaries of the plan, during 2022 no amount has been received for this item.

There are no advances or loans granted to all the members of the boards of directors.

In 2023, no liabilities were assumed on behalf of the management bodies by way of guarantee, and liability insurance premiums were paid for damages resulting from acts or omissions in office of 251 thousand euros (228 thousand euros in 2022). The Group also has life insurance commitments related to current members of senior management.

25.2. Transactions outside the ordinary course of business or under non-market conditions by the Directors and by the members of the Parent's Control Committee.

In relation to the ownership interests in the share capital of the members of the managing bodies and, in particular, of the members of the Board of Directors of the Parent Company or persons related to them, in 2023 and 2022 the directors and members of the Committee did not perform transactions with the Company or with Group companies that were not in the ordinary course of business or on terms and conditions other than those prevailing in the market.

25.3. Situations of conflict of interest of the Directors of the Parent Company.

Except as detailed below, the members of the Parents governing bodies and the persons related to them have not found themselves in any conflict of interest that has had to be reported in accordance with the provisions of Article 229 of the TRLSC:

Mr. Timothy James Mooney and his related persons have not incurred, during the financial year 2023 and up to the date of preparation of these consolidated annual accounts, in a situation of direct or indirect conflict with the interest of the Group. He is also a member of the board of directors of Aelca Desarrollos Inmobiliarios, S.L., an entity with a similar purpose to that of Vía Céleré Desarrollos Inmobiliarios, S.A.U. and has a professional relationship with Värde Partners, Inc., the entity that manages the funds owned, directly or indirectly, by shareholders that together hold the majority of the share capital of the Parent Company.

Mr Héctor Serrat Sanz and his related persons have not incurred, during the 2023 and up to the date of preparation of these consolidated annual accounts, in a situation of direct or indirect conflict with the interests of the Group, for which reason he has not had to abstain from intervening in resolutions or decisions, except as provided for in the eighth and ninth resolutions of the meeting of the Board of Directors of the Parent Company dated 24 February 2023, in the seventh resolution of the meeting of the Board of Directors of 18 September 2023 and in the first, second and third resolution of the meeting of the Board of Directors of the Company dated 03 November 2023, in which he abstained from intervening.

Mr. Anthony Clifford Iannazzo and his related persons have not incurred, during the financial year 2023 and up to the date of preparation of these consolidated annual accounts, in a situation of direct or indirect conflict with the interest of the Group. Nevertheless, Mr Anthony Clifford Iannazzo has a professional link with Värde Partners, Inc, an entity that manages the funds owned, directly or indirectly, by shareholders who, together, hold the majority of the Company's share capital.

Mr José Ignacio Morales Plaza and his related persons have not been in a situation of direct or indirect conflict with the interest of the Group since 01 January 2023 and until 18 September 2023, the date on which he ceased to hold his status as a member of the Board of Directors of the Parent Company, so he has not had to refrain from intervening in the agreements or decisions, except as provided for in the eighth agreement of the meeting of the Board of Directors of the Parent Company dated 24 February 2023. Also, in his capacity as the individual representing the position of sole director or that held by the Parent Company at various Group companies, as well as joint director of Céleré Fórum Barcelona, S.L., neither he nor his related persons found themselves in a situation of direct or indirect conflict with the interests of the Company from 1 January 2023 until 18 September 2023, and therefore he did not have to abstain from intervening in rulings or decisions relating to this situation of conflict. Finally, it should be added that Mr José Ignacio Morales Plaza participated in the management or held a share in Navamolo, S.L., Moviplamopla, S.L., and Vagovaga, S.L., entities with a corporate purpose similar to that of Vía Céleré.

Mr Antoni Elias Sugrañes and his related persons has not, since 2023 and until the date of drafting of these consolidated annual accounts, found themselves in a situation of direct or indirect conflict with the Company's interests, and therefore have not had to abstain from intervening in rulings or decisions relating to this situation of conflict.

26. Events after reporting period

On 11 January 2024, Vía CélerE Desarrollos Inmobiliarios, S.A.U., pursuant to the Joint Venture agreement for the sale and management of the BTR portfolio, delivered CélerE Torrent, in Valencia.

On 18 January 2024, the Constitutional Court unanimously declared the unconstitutionality and nullity of several precepts introduced by Royal Decree Law 3/2016 that modified the Corporate Income Tax Law in order to collect and reduce the public deficit, among which is the limitation to the compensation of negative tax bases. The effects of the unconstitutionality and nullity of the precepts of Royal Decree Law 3/2016 apply to the liquidation of Corporate Income Tax (IS) 2023, et seq. However, for the purposes of the years prior to the issuance of the judgement, as indicated in the judgement itself, those tax obligations accrued by the Tax, which have been definitively decided by a judgement with the force of *res judicata* or by a final administrative decision, cannot be considered situations capable of being reviewed. Nor may those settlements that have not been challenged at the date of the judgement be reviewed, nor the self-assessments whose rectification has not been requested at that date.

The Company, as the parent of tax group 0258/16, sought the rectification of the 2016 IS settlement and the 2021 settlement. Therefore, for these years in which rectification of the IS settlement has been requested and with the information available at the date of preparation of the accounts, the Group estimates obtaining a refund of the amount paid in excess between 4,000 thousand euros and 5,000 thousand euros, but qualifies this asset as contingent because it does not consider its obtaining virtually certain, so no accounting record has been made for this concept.

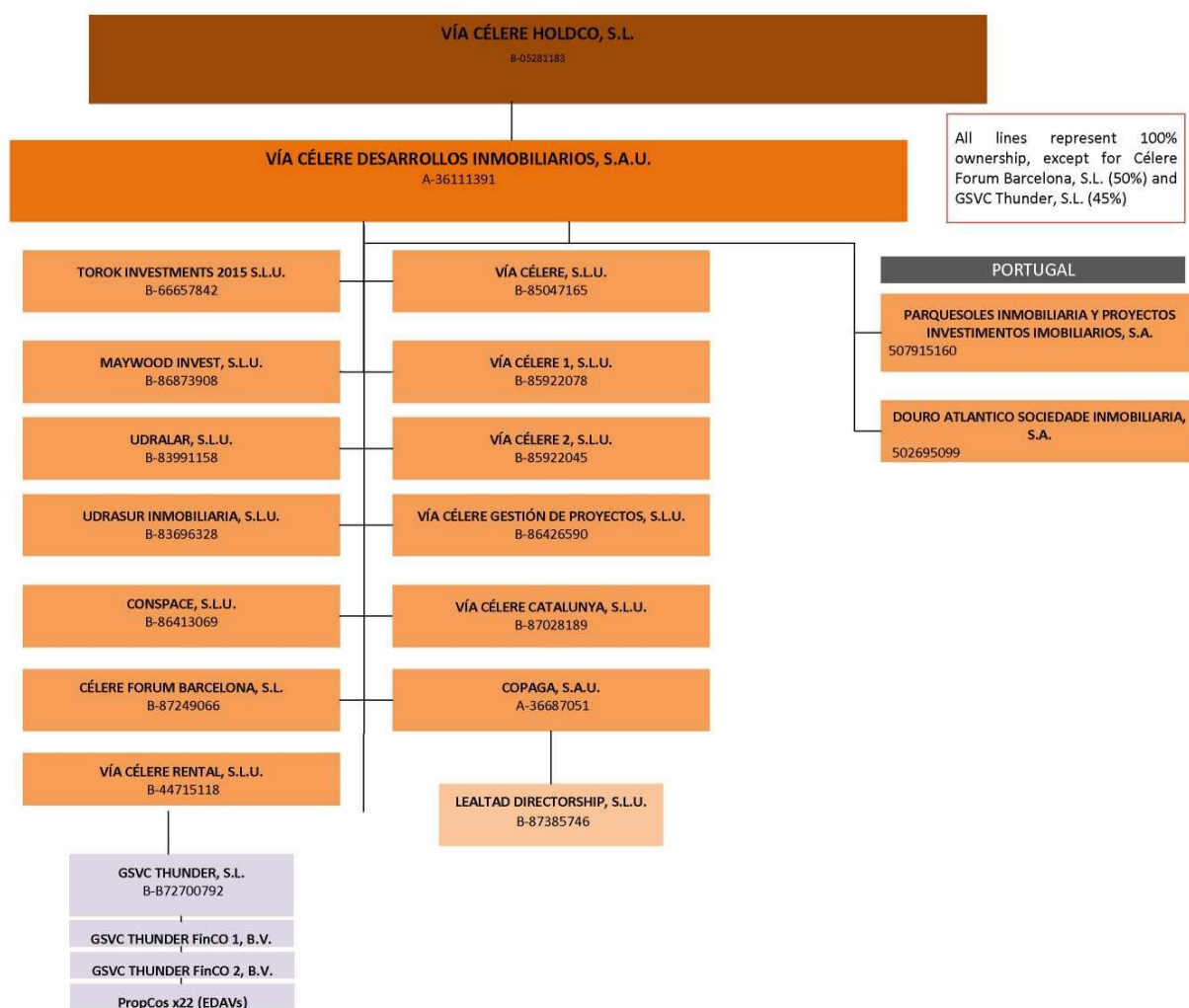
Consolidated management report

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U. AND SUBSIDIARIES

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1. Structure and background

The corporate structure of the Via Céleré Group as at 31 December 2023 is as follows:



The Parent Company in 2023 is 100% controlled by Vía Céleré Holdco, S.L.

The Group's main operational decision-making body is the Board of Directors of the Parent Company, which is made up of the following directors:

Name and surname(s)	Date of appointment	Date of resignation	Position
Jose Ignacio Morales Plaza	17 July 2019	18 September 2023	Managing Director
Héctor Serrat Sanz	26 January 2022	NA	Managing Director
Anthony Clifford Iannazzo ^[1]	21 October 2020	N/A	Board Member
Antoni Elías Sugrañes ^[2]	05 July 2022	N/A	Board Member
Timothy James Mooney	30 September 2021	N/A	Chairman

Executive Committee

^[1] Professional link with Vårde Partners, Inc, an entity that manages the funds owned, directly or indirectly, shareholders by who, together, hold the majority of the Company's share capital.

^[2] Professional link to Sixth Street Partners, LLC, indirect shareholder of the company.

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Furthermore, the Board of Directors, at its meeting of 22 December 2020, resolved to permanently delegate certain powers of the Board of Directors to the Executive Committee. Its rules of operation are set out in Article 16 of the Board of Directors' Regulations and its composition is as follows:

Name and surname(s)	Date of appointment	Date of resignation	Position
Jose Ignacio Morales Plaza	17 July 2019	18 September 2023	Chairman
Héctor Serrat Sanz	26 January 2022	14 December 2023	Board Member

However, at its meeting on 14 December 2023, the Board of Directors agreed to dissolve the Executive Committee, as it does not have the minimum number of members provided for in Article 16.1 of the Regulations of the Board of Directors and to dismiss its sole member on that date.

Executive Committee

The Executive Committee is set up as an internal management body. The objective of the Executive Committee is to ensure, together with the Board of Directors and senior management, the viability and growth of the Group's businesses. The Executive Committee includes the following members:

Name and surname(s)	Title	Position
Héctor Serrat Sanz	Chairman	Managing Director
Miguel Ángel González Galván	Member	Managing Director of Business
Aurelio Díez Ramos	Member	Managing Director of Business
Julio García Soriano	Member	Managing Director of Services
Aurora Mata Toboso	Secretary	Legal Director

2. Core business and ancillary activities

The Company has a diversified real estate portfolio comprising land and developments in progress and real estate assets with a fair value of 1,399,783 thousand euros, with a clear focus on property development for the sale of homes.

The assets represent a total estimated buildable area of 1,031,569 square metres distributed geographically as follows:

	Total Sqm	
	2023	2022
Madrid	605,374	718,385
Malaga	169,165	208,321
Seville	38,676	86,072
Valencia	33,730	33,730
Barcelona	17,655	30,719
Valladolid	52,199	67,715
Other	114,770	207,661
	1,031,569	1,352,603

The main movements in 2023 were:

- Capital expenditures for works carried out in plots that do not have a license yet have been up to 18,339 thousand euros.
- Disposals corresponding to the sale of land have generated a net turnover of 21,075 thousand euros. The most significant sales in Vía Célerе Desarrollos Inmobiliarios, S.A.U. have been the divestment of two plots in Seville; the divestment of two plots in Valladolid; four plots in Malaga. At Douro Atlántico, S.A., 2 in Gaia (Portugal). In Maywood, S.L.U., a land in Leon.

3. Business performance and financial position, key figures and trends.

The Group recorded a net profit of 16,921 thousand euros in 2023. At the equity level, the Group has total assets of 1,332,443 thousand euros, equity of 649,612 thousand euros and current and non-current liabilities of 682,830 thousand euros.

Revenue and EBITDA

Revenues amounted to 360,810 thousand euros, of which 339,735 thousand euros were sales of property developments delivered during the year: 656 housing units in the Central zone, 719 housing units in the South zone, 325 housing units in the East, 326 housing units in the North and 3 housing units in Portugal and 21,075 thousand euros of land sales. The Group's EBITDA amounted to 47,173 thousand euros.

Adjusted EBITDA

The adjusted EBITDA for 2023 is 43,089 thousand euros. The main adjustments are: reversal of higher cost of products sold by PPP (units delivered) amounting to 211 thousand euros, elimination of the endowment/reversal of impairment of completed products, work in progress and land for valuation amounting to 1,008 thousand euros and elimination of non-recurring expenses related to the Group's core business amounting to (5,297) thousand euros.

Net result

In the year ended 31 December 2023, the Group recorded a net profit of 16,921 thousand euros.

Financial situation

The balance of current and non-current financial debt as at 31 December 2023 is as follows:

Instrument	Limit	Short-term sale		Long-term sale	Total drawn down
		Long-cycle	Short cycle		
Mortgage loans on inventories (Note 18.1.2)	914,989	18,024	115,341	-	133,365
Credit lines	30,000	-	-	-	-
Accrued interest	-	246	4,015	-	4,261
Other loans (Note 18.1.3)	-	-	-	262,328	262,328
Loans as at 31/12/2023	944,989	18,270	119,356	262,328	399,954

4. Environmental matters and human resources

As detailed in Note 7 to the consolidated annual accounts, in view of the business activity carried on, the Group does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results of its operations. Additionally, the Group does not have any circumstances related to greenhouse gas emission rights.

As at 31 December 2023, the average number of employees in Group companies was 217. The total number of employees at the end of 2023 was 202. The category and gender distribution of employees is as follows:

	2023		2022	
	Women	Men	Women	Men
Group General Management	-	4	-	5
Directors and Department Heads	22	45	22	50
Technicians	37	31	44	40
Sales representatives	15	2	18	5
Administrative workers	25	14	35	15
Other personnel	-	7	-	7
	99	103	119	122

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The average distribution of staff by category is as follows:

	2023
Group General Management	4
Directors and Department Heads	71
Technicians	72
Sales representatives	19
Administrative workers	44
Other personnel	7
	217

5. Liquidity and capital resources

Note 20 to the consolidated annual accounts sets out the Group's capital management and liquidity risk policy. In addition, the Group has a sufficient level of cash to carry out its activities.

In 2023, the Group arranged fifteen developer loans for a total principal amount of 230,927 thousand euros, of which 8,855 thousand euros were drawn down, guaranteeing the financing of practically all the developments that commenced construction work during the year. The Group's current approach is to finance the construction of the developments through developer-type bank loans, linking the loan provisions to the degree of progress of the work. The company's policy regarding the financing of the plots: "Initially, the Company considers the use of its own resources to acquire new plots of land, although it does not rule out bank financing of no more than 50% of the purchase price, provided that the conditions of profitability, level of commercial risk and urban development status allow it." On 25 March 2021, Vía Céleré Desarrollos Inmobiliarios, S.A.U. issued a guaranteed bond with a principal amount of 300,000 thousand euros with a coupon of 5.25%. This bond matures in April 2026 (see Note 18.1.4).

As at 31 December 2023, the Group has repurchased 34,465 thousand euros of the bond.

Additionally, on 25 March 2021, Vía Céleré Desarrollos Inmobiliarios signed a credit facility agreement (RCF) in the amount of 30,000 thousand euros (undrawn as at 31 December 2023 and 2022 and classified as credit facilities) which matures on 1 October 2025.

6. Key risks and risk management

The risk management policies within the different areas in which the Group taking into account the macroeconomic environment and the situation of the financial markets, as well as the analysis of the management of the assets composing the Group. To this end, we have instruments that allow us to identify them sufficiently in advance or to avoid them, minimising risks.

On 24 February 2022, Russia began the invasion of Ukraine, which marked the beginning of a war between the two countries on Ukrainian territory. During 2023 and until the date of preparation of these annual accounts, the conflict continues and the real consequences and duration thereof are still uncertain for the world economy.

After a preliminary assessment of the situation at the date of issuance of the present annual accounts, the Group considers that said conflict does not and will not have a direct or significant impact on its operations, and therefore no consequence is foreseen because of it.

The most significant financial risks may be:

Market risk

To counteract the market risk on the company's developments, detailed studies are carried out on the geographical areas in which the company operates or plans to operate, thus determining the existence of sufficient demand to absorb future developments and the product to be marketed, guaranteeing the success of the developments, always adapting them to the customer's needs and thus ensuring commercial viability.

Exposure to interest rate risk

The exposure to this risk is due to changes in the future cash flows of the debt contracted at variable interest rates (or with short-term maturity) as a result of changes in market interest rates.

The objective of managing this risk is to cushion the impact on the cost of debt caused by fluctuations in these interest rates.

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The Group analyses its exposure to interest rate risk dynamically. In 2023 and 2022 all financial liabilities with floating interest rates were denominated in euros.

Exposure to price risk

Property assets are subject to future changes in market price. Every year the Group commissions market appraisals from reference firms in order to detect possible accounting impairments.

Credit risk

The Group does not have a significant credit risk with third parties arising from its own real estate business, since it collects substantially all of its sales at the time of formalisation, either through subrogation of the buyer in the part of the development loan that corresponds to him or by another method, at the buyer's choice. The credit risk arising from payment deferrals in transactions involving the sale of land or completed buildings is mitigated by obtaining guarantees from the buyer or establishing resolutive conditions that can be registered in the Public Registry in the event of non-payment that would result in the recovery of title to the asset sold and the collection of compensation.

Exposure to solvency risk

The Group regularly analyses the risk of insolvency of its accounts receivable by updating the related impairment provision. The management body considers that the amount of trade and other receivables approximates their fair value.

Liquidity risk

In general, the Group maintains its cash and cash equivalents at financial institutions with a high credit rating. At year-end, the Group had 230,797 thousand euros of cash for operations, which is considered sufficient to cover cash requirements for the next 12 months.

7. Events after reporting period

On 11 January 2024, Vía Céleré Desarrollos Inmobiliarios, S.A.U., pursuant to the Joint Venture agreement for the sale and management of the BTR portfolio, delivered Céleré Torrent, in Valencia.

On 18 January 2024, the Constitutional Court unanimously declared the unconstitutionality and nullity of several precepts introduced by Royal Decree Law 3/2016 that modified the Corporate Income Tax Law in order to collect and reduce the public deficit, among which is the limitation to the compensation of negative tax bases. The effects of the unconstitutionality and nullity of the precepts of Royal Decree Law 3/2016 apply to the liquidation of Corporate Income Tax (IS) 2023, et seq. However, for the purposes of the years prior to the issuance of the judgement, as indicated in the judgement itself, those tax obligations accrued by the Tax, which have been definitively decided by a judgement with the force of *res judicata* or by a final administrative decision, cannot be considered situations capable of being reviewed. Nor may those settlements that have not been challenged at the date of the judgement be reviewed, nor the self-assessments whose rectification has not been requested at that date.

The Company, as the parent of tax group 0258/16, sought the rectification of the 2016 IS settlement and the 2021 settlement. Therefore, for these years in which rectification of the IS settlement has been requested and with the information available at the date of preparation of the accounts, the Group estimates obtaining a refund of the amount paid in excess between 4,000 thousand euros and 5,000 thousand euros, but qualifies this asset as contingent because it does not consider its obtaining virtually certain, so no accounting record has been made for this concept.

8. Outlook for the group in 2024

The Group plans to continue with the disposal of inventories of completed products and the cancellation of the associated financial debt. To achieve the objective, trade policies and agreements with local commercial agents will be carried out to maximise the return on investment.

For the financial year 2024, the Group aims to further optimise its land in accordance with its strategic growth objectives, both geographically and in terms of identifying new housing demand niches with strong growth prospects in the coming years.

For the deliveries of homes scheduled for 2024, the Group plans to continue with its customer service policy to ensure a unique delivery experience and a high level of satisfaction.

9. Innovation

The relevant activities carried out by the Group in 2023 in the area of research, development and innovation were as follows:

From the Lean Management department, we have worked continuously with the aim of implementing automatic processes through an RPA that improve the efficiency of the departments by eliminating manual processes that do not add value.

During tax year 2023, four processes have been implemented as follows:

- **HR: RF Automation:** Execution of automatic payments of flexible remuneration (restaurant ticket, nursery and transport).
- **Cash Phase II:** Process that automatically deletes generated remittances to "0" (Implemented by BI/IT teams).
- **Adea/Athento:** Associate metadata to invoice URLs in Athento
- **Mass mailing of customer invoices:** Dissemination lists are created for sending to customers who request invoices on a recurring basis.

Additionally, improvements have been made to the commercial administration department internally together with the IT department:

- **Bizionar integration:** Integration of Bizionar in the new customer area.
- **Payment Plan Synchronisation:** Automatic sending of information on amounts and payment plans for signed contracts and deeds.

In addition, the IT department has carried out the **Azure Server Migration**, obtaining advantages such as modernising our systems, saving costs, speeding up our systems or maximising security. Particularly in the field of security, frequent system updates are carried out, which prevents failures, in addition to the fact that storage is more secure, that data privacy and integrity are guaranteed and that backup systems are in place.

10. Treasury Stock

The Group did not carry out transactions with its own shares during 2023 and did not hold any treasury shares as at 31 December 2023.

11. Information on payment deferrals made to suppliers. Second Final Provision of Law 31/2014, of 3 December

In compliance with the duty to report the average supplier payment period, established in the third additional provision of Law 15/2010, of 5 July, (modified through the second final provision of Law 31/2014, of 3 December), the average supplier payment period for 2023 was 33 days.

The implementation of Law 15/2020 DA 3 (amendment by Law 18/2022 includes that the following information must be expressly included in the report:

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- The monetary volume and number of invoices paid in a period shorter than the maximum established in the late payment regulations.
- The percentage they represent of the total invoices and of the total monetary payments to suppliers.

	Payments made and outstanding at balance sheet date
	31.12.2023
	Amount
	(Euros)
Invoices paid < 60 days	297,364,144
Ratio on total number of invoices	91%
	31.12.2022
	Number of invoices
Number of invoices < 60 days	10,932
Ratio on total number of invoices	68%

12. Statement of Non-Financial Information

In application of Law 11/2018 of 28 December 2018, the Group, although it exceeds the limits established by said Law for which it must present non-financial information for financial year 2023, is exempt from said obligation as it is prepared by a higher level group. This information has therefore been included as an appendix to the consolidated Directors' Report for financial year 2023 of the Vía Céler Holdco, S.L. group, called "Statement of Non-Financial Information of Vía Céler Holdco, S.L. for 2023".

The content of this report will be subject to review by an independent expert, in accordance with the provisions of the Law.

13. Alternative performance measurements

As indicated in Note 1 to the consolidated financial statements, the Group prepares its annual accounts in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU). In addition, it presents some Alternative Performance Measures ("APMs") to provide additional information that favours the comparability and understanding of its financial information, and facilitates decision making and evaluation of the Group's performance.

The APMs must be considered by the user of the financial information as complementary to the aggregates presented in accordance with the basis of presentation of the consolidated annual accounts. The APMs have limitations in terms of analytical tools and should not be considered separately or as a substitute for analysis of our results under EU-IFRS.

Comparative: the Parent Company presents the Group's figures for the previous year for comparison purposes. The observations are as follows:

1. The development sales revenue for 2023 amounts to 339,735 thousand euros (497,470 thousand euros as at 31 December 2022) with a delivery of 2,031 units (1,781 units in 2022).
2. As at 31 December 2023, the sale of land amounting to 21,075 thousand euros (81,464 thousand euros during 2022).

The main APMs related to the Group's performance and their reconciliation to the consolidated annual accounts (in thousands of euros) are as follows:

1. Revenue

Definition: sale of property developments + sale of land + services provided.

Explanation of use: The board considers that ordinary revenue to be a measure of performance, as it includes information on how revenue is generated, both from sales of property developments and non-strategic assets and from services rendered.

The following table presents our estimates of revenues for the years ended 31 December 2023 and 31 December 2022.

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	Thousand euros	
	2023	2022
Sale of property developments - Note 23.1	255,522	497,470
Sale of land - Note 23.1	21,075	81,464
Sale of BTR developments - Note 23.1	84,213	-
Revenue	360,810	578,934

2. Impairment losses

Definition: impairment + reversal of impairment losses on inventories.

Explanation of use: the Parent's management considers that impairment losses are a measure of performance, since they provide information on the net impairment of inventory losses (impairment loss less reversal).

The following table presents our estimates of impairment losses for the year ended 31 December 2023 and 31 December 2022:

	Thousand euros	
	2023	2022
Impairment – Note 15.7	(10,592)	(10,358)
Reversal of impairment losses of inventories – Note 15.7	27,150	25,141
Impairment losses	16,558	14,783

3. Gross margin

Definition: Revenue +/- changes in inventories of completed products and work in progress - raw materials and other consumables used – internal construction personnel expenses - other non-capitalised costs

Explanation of use: the Parent's management body considers the gross margin to be a measure of performance, since it provides information on how our business is performing, starting with sales revenue and subtracting the costs incurred on those sales.

The following table presents our gross margin calculations for the years ended 31 December 2023 and 2022.

	Thousand euros	
	2023	2022
Sales - Note 23.1	360,810	578,934
Sale of property developments	255,522	497,470
Sale of land	21,075	81,464
Sale of BTR developments	84,213	-
Changes in inventory of finished goods and Work in Progress - Note 2	25,116	(95,491)
Cost of goods sold (units delivered)	(267,052)	(388,347)
Changes in inventory of land and developments in progress	292,168	292,856
Raw materials and other consumables used	(310,005)	(329,014)
Purchase of land and developments in progress	(310,005)	(329,014)
Internal commercial staff expenses (workforce) and others cost of sale	(6,665)	(8,155)
Gross Margin	69,256	146,274

4. Adjusted gross margin

Definition: gross margin + reversal of higher cost of products sold per PPP (units delivered) + endowment/reversal of higher cost of land per PPP + endowment/reversal of impairment of completed products, work in progress and land for valuation +/- expenses - non-recurring income.

Explanation of use: the Parent's management body considers the adjusted gross margin to be a measure of the performance of its core business, since it provides information on the profits made on property developments. The adjusted gross margin does not include the higher cost of products sold by PPA as this is considered a distorting factor in accounting and the impairment allowance / reversal of impairment of finished goods and work in progress recorded prior to revenue recognition. This performance measure is calculated and included to show the ability of

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senior management to increase property development margins.

The following table presents our adjusted gross margin calculations for the years ended 31 December 2023 and 2022:

	Thousand euros	
	2023	2022
Gross Margin	69,256	146,274
Reversal of PPA adjustment on inventory delivered units	211	123
Net impairment reversal on not delivered -Note 15	1,008	(1,431)
Non-recurring expenses	4,290	-
Adjusted Gross Margin	74,765	144,966

5. Contribution margin

Definition: gross margin - internal commercial personnel expenses - sales and marketing costs included in other costs.

Explanation of use: the Parent's management body considers that the contribution margin is a measure of the performance of its activity, since it provides information on the contribution margin of the property developments that have generated income during the period. The contribution margin is calculated on the basis of the gross margin, net of certain costs associated with the marketing and sale of the relevant property developments.

The following table presents our contribution margin calculations for the years ended 31 December 2023 and 2022:

	Thousand euros	
	2023	2022
Gross Margin	69,256	146,274
Internal commercial staff expenses - Note 23.4	(1,183)	(1,622)
Other expenses, sales & marketing expenses	(10,200)	(11,841)
Contribution Margin	57,873	132,811

6. Adjusted contribution margin

Definition: Adjusted gross margin - internal commercial personnel expenses - sales and marketing and other costs +/- costs - non-recurrent income.

Explanation of use: the Parent's management body considers the contribution margin to be a measure of the performance of its activity, since it provides information on the contribution margin of the property developments that have generated revenue during the period, excluding the sales and marketing expenses incurred. The adjusted contribution margin is calculated on the basis of the adjusted gross margin.

The following table presents our adjusted gross margin calculations for the years ended 31 December 2023 and 2022.

	Thousand euros	
	2023	2022
Adjusted Gross Margin	74,765	144,966
Internal commercial staff expenses	(1,183)	(1,622)
Other expenses - Sales and marketing expenses	(10,200)	(11,841)
Non-recurring expenses	(454)	-
Adjusted Contribution Margin	62,928	131,503

7. EBITDA

Definition: contribution margin + other income - personnel expenses (*excluding internal commercial personnel expenses and internal construction personnel expenses*) - other operating expenses (*excluding sales and marketing expenses*) + others.

Explanation of use: the Parent's management body considers EBITDA to be a measure of the performance of its activity, since it provides an analysis of the result for the year (excluding interest, taxes and amortisation). In addition, EBITDA is a measure widely used by investors in the valuation of companies.

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The following table presents our EBITDA calculations for the years ended 31 December 2023 and 2022.

	Thousand euros	
	2023	2022
Contribution Margin	57,873	132,811
Other income	857	1,145
Personnel expenses (excluding internal commercial staff expenses)	(14,547)	(14,211)
Other expenses (excluding sales and marketing expenses)	2,990	(6,954)
Others	-	-
EBITDA	47,173	112,791

8. Adjusted EBITDA

Definition: adjusted contribution margin + other income + personnel expenses (excluding expenses for internal commercial personnel and expenses for internal construction personnel) - other operating expenses (excluding sales and marketing expenses) +/- costs - non-recurrent income.

Explanation of use: the Parent's management body considers that adjusted EBITDA is a measure of the Group's recurring business performance, since it provides an analysis of operating results excluding inventory impairments that do not represent cash outflows and transactions not considered to be core business.

The following table presents our estimates of adjusted EBITDA for the years ended 31 December 2022 and 2023.

	Thousand euros	
	2023	2022
Adjusted Contribution Margin	62,928	131,503
Other income	857	1,145
Personnel expenses (excluding internal commercial staff expenses)	(14,547)	(14,211)
Other expenses (excluding sales and marketing expenses)	2,990	(6,954)
Non-recurring expenses	(9,133)	326
Adjusted EBITDA	43,095	11,809
Associate companies EBITDA (100%)	(6)	528
Adjusted EBITDA (including Forum 100%)	43,089	112,337

9. EBIT

Definition: EBITDA - amortisation expense +/- impairment and disposals of fixed assets

Explanation of use: the Parent's management body considers EBIT to be a measure of the performance of its activity, since it provides an analysis of the result for the year (excluding interest and taxes). In addition, EBIT is a measure widely used by investors in the valuation of companies. Credit rating agencies and lenders use EBIT to assess debt against net debt and debt service.

The following table presents our EBIT calculations for the years ended 31 December 2023 and 2022.

	Thousand euros	
	2023	2022
EBITDA	47,173	112,791
Depreciation and amortisation charge	619	(937)
EBIT	47,792	111,854

Consolidated Management Report for 2023

10. Adjusted EBIT

Definition: Adjusted EBITDA - amortisation expense +/- impairment and disposals of fixed assets

Explanation of use: the Parent's management body considers adjusted EBIT a measure of the performance of its activity, since it provides an analysis of the result for the year (excluding interest and taxes), as an approximation of the operating cash flows reflecting the generation of cash. In addition, adjusted EBIT is a measure widely used by investors in the valuation of companies. Credit rating agencies and lenders use adjusted EBIT to evaluate debt compared to net debt and debt service.

The following table presents our EBIT calculations for the years ended 31 December 2023 and 2022.

	Thousand euros	
	2023	2022
Adjusted EBITDA	43,095	111,809
Depreciation and amortisation charge	619	(937)
Adjusted EBIT	43,714	110,872

11. Net result

Definition: EBIT + financial income/(expense) + share of profit for the year from investments accounted for using the equity method - tax +/- provisions

Explanation of use: net profit is considered to be a measure of performance, since it provides useful information for analysing the profitability of companies in order to show the net profit of the Parent's main activity and to eliminate the effect of the variation associated with certain items.

The following table presents our estimates of net profit for the years ended 31 December 2023 and 2022.

	Thousand euros	
	2023	2022
EBIT	47,792	111,854
Net finance income/(cost)	(15,369)	(20,340)
Share of loss on investments accounted for using the Equity Method	(4,724)	(2,531)
Income tax	(1,260)	(18,690)
Accruals (Non-cash) and others	(9,518)	(1,571)
Net Result	16,921	68,722

The most significant APMs referring to the company's financial debt situation are as follows:

A. Gross financial debt (Loans)

Definition: bank borrowings (classified into short-term and long-term creditors) + obligations and other marketable securities.

Explanation of use: the Parent's management body considers that the loans (Borrowings) are a measure of the performance of its activity, since they show the financial position of the company, which is necessary for the calculation of the leverage ratios normally used in the market.

The following table presents our estimates of loans for the years ended 31 December 2023 and 2022:

	Thousand euros	
	2023	2022
Non-current payables - Bank borrowings - Note 18	262,328	294,822
Current payables - Bank borrowings - Note 18	137,626	110,253
Gross Financial debt (Borrowings)	399,954	405,075

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B. Net financial debt

Definition: loans + other financial liabilities (classified under long-term and short-term liabilities), excluding leasing debt - cash or cash equivalents (Note 14.3).

Explanation of use: the Parent's management body considers financial debt to be a financial measure of a company's net debt position. In addition, it is a measure widely used by investors in the valuation of the net leverage of companies. Credit rating agencies and lenders use net financial debt to assess net borrowing.

In the table below we present our net financial debt calculations as at 31 December 2023 and 2022.

	Thousand euros	
	2023	2022
Gross Financial debt (Borrowings)	399,954	405,075
Non-current payables - Other financial liabilities - Note 18	780	-
Current payables - Other financial liabilities - Note 18	474	402
Cash and cash equivalents - Note 14.3	(230,797)	(320,269)
Net Financial Debt	170,411	85,208

C. Adjusted net financial debt

Definition: net financial debt + restricted cash + loans from companies carried by the equity method + deferred payments for optional land - cash from companies carried by the equity method - deferred receivables for land sold - other pending collections

Explanation of use: the Parent's management body considers adjusted financial debt to be a financial measure of a company's net debt position. In addition, it is a measure widely used by investors in the valuation of the net leverage of companies. Credit rating agencies and lenders use adjusted net financial debt to assess net indebtedness.

The following table presents our estimates of adjusted net financial debt for the years ended 31 December 2023 and 2022:

	Thousand euros	
	2023	2022
Net Financial Debt	170,411	85,208
Restricted cash - Note 14.3	35,715	31,880
Deferred payments for optioned land	6,037	7,713
Deferred receivables for land sold - Note 14.2	(2,455)	(20,305)
Cash like items	(4,013)	(194)
Adjusted Net Financial Debt	205,695	104,302

D. Leverage

Definition: loans (borrowings) /total assets

Explanation of usage: Leverage is an indicator that measures a company's debt position. It is a measure widely used by investors in the valuation of the leverage of real estate companies. Credit rating agencies and lenders use net financial debt to assess indebtedness.

The following table presents our estimates of leverage for the years ended 31 December 2023 and 2022:

	Thousand euros	
	2023	2022
Borrowings	399,954	405,075
Total assets	1,332,443	1,418,092
Leverage ratio	30%	29%

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E. Loan to Cost ("LTC")

Definition: adjusted net financial debt / (stock - advances to suppliers)

The following table presents our estimates of LTC for the years ended 31 December 2023 and 2022:

	Thousand euros	
	2023	2022
Adjusted Net Financial Debt	205,695	104,302
Inventories – Note 15	933,973	970,995
Advance to suppliers – Note 15	(284)	(375)
LTC	22%	11%

F. Loan to Value ("LTV")

Definition: Adjusted net financial debt /market value of the real estate portfolio of the companies within the consolidation perimeter (GAV).

Explanation of use: LTV is an indicator that measures the company's debt position in relation to the market value of its property assets. It is a measure widely used by investors in the valuation of the leverage of real estate companies. Credit rating agencies and lenders use this figure to assess indebtedness.

The following table presents our estimates of LTV for the years ended 31 December 2023 and 2022:

	Thousand euros	
	2023	2022
Adjusted Net Financial Debt	205,695	104,302
Portfolio market value associated to the Company's ownership interest percentage (GAV)	1,323,852	1,350,295
LTV	16%	8%

G. Loan to Value ("LTV")

Definition: Adjusted net financial debt /market value of the real estate portfolio associated with the Company's percentage of ownership (GAV).

Explanation of use: LTV is an indicator that measures the company's debt position in relation to the market value of its property assets. It is a measure widely used by investors in the valuation of the leverage of real estate companies. Credit rating agencies and lenders use this figure to assess indebtedness.

The following table presents our estimates of LTV for the years ended 31 December 2023 and 2022:

	Thousand euros	
	2023	2022
Adjusted Net Financial Debt	205,695	104,302
Portfolio market value associated to the Company's ownership interest percentage (GAV)	1,399,783	1,350,295
LTV	15%	8%

H. Net financial debt / EBITDA

Definition: adjusted net financial debt/ adjusted EBITDA

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The following table presents our estimates of Net financial debt / EBITDA for the years ended 31 December 2023 and 2022.

	Thousand euros	
	2023	2022
Adjusted EBITDA	43,095	111,809
Adjusted Net Financial Debt	205,695	104,302
NFD / Adjusted EBITDA	4.77	0.93

I. Interest cover ratio

Definition: Adjusted EBITDA / Interest expense.

In the table below we present our calculations of Adjusted EBITDA / Interest Expense as at 31 December 2023 and 2022.

	Thousand euros	
	2023	2022
Interest Coverage Ratio		
Adjusted EBITDA	43,095	111,700
Interest Expenses	19,354	21,179
	2.2	5.3

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U. AND SUBSIDIARIES

Signature sheet

With the Directors of the company Vía Céleré Desarrollos Inmobiliarios, S.A.U., on 6 March 2024 and in compliance with the requirements established in articles 253 of the Consolidated Text of the Capital Companies Law and article 37 of the Commercial Code, formulate the Annual Accounts and the Management Report of the financial year between 01 January 2023 and 31 December 2023. The Board of Directors delegates to the non-director secretary, Ms Aurora Mata, the power to approve these consolidated annual accounts and consolidated management report for 2023, which are set out in the attached document consisting of 67 and 14 pages respectively.

Mr Héctor Serrat Sanz
Managing Director

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U. AND SUBSIDIARIES

Signature sheet

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Mr Anthony Clifford Iannazzo
Board Member

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U. AND SUBSIDIARIES

Signature sheet

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Mr Timothy James Mooney
Chairman

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U. AND SUBSIDIARIES

Signature sheet

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Mr. Antoni Elías Sugrañes
Board Member