

Vía Célere Desarrollos Inmobiliarios, S.A.

Auditor's report
Annual accounts at December 31, 2020
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 annual accounts

To the shareholders of Vía Célere Desarrollos Inmobiliarios, S.A.,

Opinion

We have audited the annual accounts of Vía Célere Desarrollos Inmobiliarios, S.A. (the Company), which comprise the balance sheet as at December 31, 2020, and the profit and loss account, the statement of changes in equity, the statement of cash flows and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at December 31, 2020, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in Note 2.a of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

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 annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the 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 annual accounts of the current period. These risks were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España
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Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
<p data-bbox="277 510 561 539">Valuation of inventories</p> <p data-bbox="277 571 836 721">The Company's inventories mainly comprise land, developments in progress and completed developments, mainly located in Spain, and constitute 73% of the assets at December 31, 2020.</p> <p data-bbox="277 752 836 1028">The Company, as described in notes 2.d), 4.g) and 11, makes the appropriate valuation adjustments when the net realizable value of inventories is lower than their acquisition price or production cost. This net realizable value is based on valuations performed annually by an independent expert, applying widely accepted valuation standards as indicated in the aforementioned notes.</p> <p data-bbox="277 1059 836 1274">The external valuation expert has issued their inventory valuation report on the basis of a material valuation uncertainty due to the effects of the COVID-19 pandemic. This report mentions that such valuations should be considered with a higher degree of caution and uncertainty than under normal conditions.</p> <p data-bbox="277 1305 836 1520">Taking into account the relevance of the inventories line item in the accompanying annual accounts and the degree of estimation and judgment involved in the valuation of these types of assets, this aspect has been considered as one of the most relevant aspects of the audit.</p>	<p data-bbox="868 571 1426 692">We have obtained the valuations issued by the management's independent expert, and performed the following procedures, among others:</p> <ul data-bbox="868 723 1465 1373" style="list-style-type: none"> <li data-bbox="868 723 1465 880">• Assessment of the competence, capability and independence of the expert by obtaining an independence confirmation and ascertaining their recognized prestige in the market. <li data-bbox="868 911 1465 1003">• Assessment of the reasonableness of the procedures and methodology used by the expert in their valuation. <li data-bbox="868 1034 1465 1155">• Carrying out selective tests to assess the accuracy of the most relevant data supplied by management to the valuers and used by them in their evaluation. <li data-bbox="868 1187 1465 1373">• Assessment, by means of an understanding of their evolution and the involvement of our internal experts on real estate valuation, of the adequacy of the main assumptions used, taking into account current market conditions. <p data-bbox="868 1404 1465 1740">We have analyzed of the adequacy of the information included in note 11 of the annual accounts, where the aforementioned material valuation uncertainty is explained in relation to the inventories recorded in the balance sheet. For this purpose, we have held meetings with the Company's management and have obtained sufficient evidence to contrast both their assessment of the valuation of inventories and the disclosures included in the annual accounts in relation to this aspect.</p> <p data-bbox="868 1771 1465 1951">In performing our procedures, we obtained sufficient, appropriate audit evidence to assess that the estimates and conclusions of the Company's management regarding the valuation of inventories are consistent with information currently available.</p>

Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
<p>Recognition and recoverability of deferred tax assets</p> <p>The Company's deferred tax assets, which are detailed in note 16, amount to 62,987 thousand euros and constitute 4% of the assets at December 31, 2020.</p> <p>The Company, as described in notes 4.i) and 16, recognizes deferred tax assets to the extent that it is probable that sufficient future taxable profits will be available their offset. As of December 31, 2020, the Company has capitalized an amount of 20.6 million euros relating to the carryforward of unused tax losses and has generated approximately 456 million euros of unused tax losses pending offset at year end.</p> <p>In order to assess their recoverability, the Company's directors take into account the valuation of inventories at year end, as well as the business plan prepared by management and the sales forecasts for the developments included in the aforementioned plan, taking into account the characteristics of the Spanish real estate sector.</p> <p>The relevance of the deferred tax assets line item in the accompanying annual accounts, and the degree of estimation and judgment involved in the evaluation of the projections of expected future results, mean that this matter is considered to be a relevant aspect of the audit.</p>	<p>We have obtained the projections of future tax results estimated by the Company's management, performing the following procedures, among others:</p> <ul style="list-style-type: none"> • Assessment of the reasonableness of the methodology used by the Company's management in the construction of the economic projections used and their concordance with applicable tax regulations. • Evaluation of the reasonableness of the projections considered for future years based on the expected evolution of the Spanish real estate market, in accordance with the characteristics of the Company's real estate portfolio. • Comparison of the estimates included in the Company's projections for previous years with the results achieved, evaluating the impact of variances in such estimates. • Assessment of the consistency of the estimates of revenues, costs and development timeframes of the real estate portfolio with the evidence obtained via audit procedures carried out in this area and with public information provided by the Company. <p>In addition, we have evaluated the sufficiency of the information disclosed in the annual accounts.</p> <p>As a result of the procedures performed, we have obtained sufficient audit evidence to corroborate the estimates made by the Company's directors relating to the recoverability of deferred tax assets.</p>

Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
<p data-bbox="277 501 820 562">Valuation of investments in group, associates and related parties</p> <p data-bbox="277 595 820 779">The Company, as described in note 10, holds investments in group and associated companies consisting of equity instruments and loans granted amounting to 179,428 thousand euros at December 31, 2020, representing 12% of total assets at that date.</p> <p data-bbox="277 813 820 1480">As described in notes 4.f) and 10, the Company values the equity instruments and loans granted to group and associated companies at their acquisition cost, less the accumulated amount of impairment losses. These corrections are calculated by management when there is objective evidence of impairment, by the difference between their book value and the recoverable amount, which, unless there is better evidence, results from the equity of the investee adjusted by the unrealized gains on its assets net of the tax effect. To calculate the unrealized gains, the Company has used the market value of the real estate assets of these group and associated companies provided by an independent expert. In accordance with the aforementioned, these valuations have to be considered on the basis of a material valuation uncertainty, so they should be considered with a higher degree of caution and uncertainty than under normal conditions.</p> <p data-bbox="277 1514 820 1727">Taking into account the relevance of the heading of investments in group and associated companies for the accompanying annual accounts and the degree of estimates and judgments involved in the valuation of this type of assets, they should be considered as a more relevant aspect of the audit.</p>	<p data-bbox="866 595 1390 656">Our audit procedures have included, among others, the following:</p> <ul data-bbox="866 689 1453 1272" style="list-style-type: none"> <li data-bbox="866 689 1453 813">• Understanding and obtaining the summary of movements during the year in relation to investments and loans granted to group and associated companies. <li data-bbox="866 846 1453 969">• Obtaining supporting evidence of the main movements during the year in relation to equity instruments and loans granted to group and associated companies. <li data-bbox="866 1003 1453 1272">• Analysis and evaluation of the information and judgments used by the Company's management to determine the recoverable amount of these assets, which includes both the equity position of the investments and the unrealized gains on its assets, consisting mainly of land and real estate developments with varying degrees of development. <p data-bbox="866 1305 1445 1366">In addition, we have evaluated the adequacy of the information disclosed in the annual accounts.</p> <p data-bbox="866 1400 1453 1796">In performing our procedures, we have obtained sufficient and appropriate audit evidence to verify that the estimates and conclusions of the Company's management with respect to the valuation of investments and loans granted to group and associated companies, which for the purpose of calculating the unrealized gains take into account the uncertainty indicated in the valuation report of the independent expert and that therefore such valuations should be considered with a higher degree of caution and uncertainty than under normal conditions, are consistent with the information currently available.</p>

Other matter

The annual accounts of Vía Célere Desarrollos Inmobiliarios, S.A. for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on those annual accounts on March 20, 2020.

Other information: Management report

Other information comprises only the management report for the 2020 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the management report and the annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned annual accounts, as well as to evaluate and report on whether the content and presentation of the 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 in the previous paragraph, the information contained in the management report is consistent with that contained in the annual accounts for the 2020 financial year, and its content and presentation are in accordance with the applicable regulations.

Responsibility of the directors for the annual accounts

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

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

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the 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 annual accounts.

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 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.



Vía Célere Desarrollos Inmobiliarios, S.A.

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's directors.
- Conclude on the appropriateness of the 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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 Company's directors, we determine those matters that were of most significance in the audit of the 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)

A handwritten signature in blue ink, appearing to be 'Fernando Chamosa Valín', written over a horizontal line.

Fernando Chamosa Valín (21402)

March 2, 2021

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.

Annual accounts and Management report
As at 31 December 2020

(Together with the Independent Auditor's Report)

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.
BALANCE SHEET AS AT 31 DECEMBER 2020
(IN THOUSAND OF EUROS)

Assets	Note	31.12.2020	31.12.2019
Intangible assets	6	57	61
Computer software		57	61
Property, plant and equipment	7	4,020	3,782
Land and buildings		3,095	2,954
Technical installations		160	246
Other property, plant and equipment		765	582
Long-term investments in Group companies, associates and related parties	9 and 10	131,680	162,555
Equity instruments		71,499	90,123
Loans to companies		60,181	72,432
Long-term financial investments	9	3,186	1,306
Other financial assets		3,186	1,305
Derivatives		-	1
Deferred tax assets	16	62,987	69,568
Total non-current assets		201,930	237,272
Inventories	11	1,100,159	1,175,787
Land and plots		472,164	556,767
Developments in progress		502,959	514,246
Completed developments		124,092	95,381
Advances to suppliers		944	9,413
Trade and other receivables		23,552	24,764
Customers for sales and services	9	115	1,154
Customers, Group companies and associates	9 and 19	13,811	16,482
Sundry debtors	9	5,323	1,393
Personnel	9	4	45
Current tax assets	16	111	109
Other receivables from public authorities	16	4,188	5,581
Short-term investments in Group companies, associates and related parties	9 and 10	47,748	110,408
Loans to companies		47,748	110,408
Loans to associates			
Short-term financial investments	9	12,186	11,566
Loans to third parties		3,570	7,859
Other financial assets		8,616	3,707
Short-term accruals and deferrals		3,609	4,534
Cash and cash equivalents	8	110,222	132,674
Cash		10	13
Treasury		110,212	129,585
Other cash equivalents		-	3,076
Total current assets		1,297,476	1,459,733
Total assets		1,499,406	1,697,005

The accompanying notes forms an integral part of the annual accounts as at 31 December 2020.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.
BALANCE SHEET AS AT 31 DECEMBER 2020
(IN THOUSAND OF EUROS)

<i>Equity and Liabilities</i>	Note	31.12.2020	31.12.2019
Capital	12.1	411,161	411,161
Share premium	12.2	736,387	736,387
Reserves		(306,215)	(306,397)
Legal	12.3	30,090	29,908
Voluntary reserves	12.5	(336,305)	(336,305)
(Losses from previous years)		(71,497)	(73,133)
Profit for the period/year		80,223	1,818
Total equity		850,059	769,836
Long-term provisions	13	8,032	11,846
Long-term debts	14	1,004	222,408
Bank borrowings		997	222,401
Other financial liabilities		7	7
Deferred tax liabilities	16	1,034	9,446
Total non-current liabilities		10,070	243,700
Short-term provisions	13	8,605	5,026
Short-term debts	14	321,474	313,877
Bonds and other marketable securities		1,700	-
Bank borrowings		319,692	313,860
Other financial liabilities		82	17
Short-term payables to group companies, associates and related parties	14 and 19	74,339	123,752
Trade and other payables		234,859	240,814
Suppliers	14.2	78,786	83,133
Suppliers, group companies and associates	14.2 and 19	22,072	29,467
Personnel, outstanding remuneration	14	1	1,964
Current tax liabilities	14.2 and 16	4,941	654
Other debts with public administrations	14.2 and 16	22,068	6,037
Customer advances	11.5 and 14.2	106,991	119,559
Total current liabilities		639,277	683,469
Total equity and liabilities		1,499,406	1,697,005

The accompanying notes forms an integral part of the annual accounts as at 31 December 2020.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020
(IN THOUSAND OF EUROS)

	Note	31.12.2020	31.12.2019
CONTINUING OPERATIONS			
Revenue	17.1	539,109	249,091
Sales		457,713	231,480
Provision of services		81,396	17,611
Change in finished goods and work in progress inventories	17.2	(56,319)	176,566
Supplies		(318,176)	(360,324)
Consumption of raw materials and other consumables		(57,604)	(89,407)
Work carried out by other companies		(256,163)	(273,748)
Impairment of merchandise, raw materials and other supplies	11	(4,409)	2,831
Other operating income		3,395	4,367
Personnel expenses	17.3	(21,740)	(17,168)
Wages, salaries and similar		(18,283)	(13,810)
Employee benefits expense		(3,457)	(3,358)
Other operating expenses		(32,626)	(33,220)
External services	17.5	(16,198)	(21,304)
Taxes		(5,714)	(4,358)
Loss, impairment and changes in provisions for commercial operations	13	(10,007)	(4,363)
Other current administrative expenses		(707)	(3,195)
Depreciation of fixed assets	6 and 7	(307)	(333)
Excess provisions		1,225	-
Impairment and gains/losses on disposals of fixed assets and financial instruments in Group con	17.7	(11,097)	(5,266)
Impairment and losses		(11,097)	(5,266)
OPERATING INCOME		103,464	13,713
Finance income	17.6	38	520
Income from Group companies and associates		-	-
Marketable securities and other financial instruments		38	520
Capitalised financial expenses		-	-
Financial expenses	17.6	(37,521)	(29,919)
Payable to Group companies and associates		(4,793)	(2,452)
For debts owed to third parties		(32,728)	(27,467)
Activating Financial Expenses	11	11,995	6,548
Changes in fair value of financial instruments	17.7	(1)	(24)
FINANCIAL RESULT		(25,489)	(22,875)
PROFIT BEFORE TAX		77,975	(9,162)
Corporate income tax	16	2,248	10,980
PROFIT FOR THE YEAR		80,223	1,818

The accompanying notes forms an integral part of the annual accounts as at 31 December 2020.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2020
(IN THOUSAND OF EUROS)

	2020	2019
Profit and loss account result	80,223	1,818
Total recognised income and expenses	80,223	1,818

The accompanying notes forms an integral part of the annual accounts as at 31 December 2020.

B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020
(IN THOUSAND OF EUROS)

The accompanying notes forms an integral part of the annual accounts as at 31 December 2020.

	Social Capital	Share Premium	Legal and Statutory Reserves	Voluntary Reserves	Results from Previous Years	Result from the Year	Total
Balance as at 31 December 2018	204,187	239,294	20,814	73,660	(154,983)	90,963	473,935
Recognised income and expenses	-	-	-	-	-	1,818	1,818
Distribution of profit for 2018 (Note 3)	-	-	9,096	-	81,867	(90,963)	-
Transactions with partners or owners							
Corporate transactions (AELCA) (Note 12.1)	190,482	457,484	-	(409,965)	-	-	238,001
Capital increase March (Note 12.1)	10,929	26,248	-	-	-	-	37,177
Capital increase June (Note 12.1)	5,563	13,361	-	-	-	-	18,924
Other changes in equity	-	-	(2)	-	(17)	-	(19)
Balance as at 31 December 2019	411,161	736,387	29,908	(336,305)	(73,133)	1,818	769,836
Recognised income and expenses	-	-	-	-	-	80,223	80,223
Distribution of profit for 2019 (Note 3)	-	-	182	-	1,636	(1,818)	-
Balance as at 31 December 2020	411,161	736,387	30,090	(336,305)	(71,497)	80,223	850,059

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020
(IN THOUSAND OF EUROS)

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before tax		77,975	(9,162)
Adjustments to the result		25,174	14,220
Depreciation of fixed assets	6, 7 and 8	307	333
Valuation adjustments for impairment		3,578	(11,978)
Change in provisions		(1,896)	5,391
Finance income		(2,340)	(2,897)
Financial expenses		25,526	23,371
Changes in working capital		94,386	(109,636)
Inventories		114,496	(112,346)
Trade and other receivables		(758)	(827)
Other current assets		(5,716)	424
Trade and other payables		(10,242)	5,701
Other current liabilities		(2,848)	(1,058)
Other non-current assets and liabilities		(546)	(1,530)
Other cash flows from operating activities		(23,280)	(27,465)
Interest payments		(20,978)	(26,943)
Collection of interest		38	372
Collection of dividends		5,600	-
Income tax payments		(7,900)	(894)
Other payments (collections)		(40)	-
Cash flows from operating activities		174,256	(132,043)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(27,857)	(141,850)
Group companies and associates		(27,643)	(185,219)
Property, plant and equipment	7	(541)	(423)
Business acquisitions, net of cash, acquired		-	70,702
Other financial assets		-	-
Divestment proceeds		56,706	(173)
Group companies and associates		59,948	3,069
Non-current assets held for sale		(3,242)	(3,242)
Cash flows from investing activities		28,849	(142,023)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds and payments for equity instruments		-	37,177
Issuance of equity instruments		-	37,177
Receivables and payments for financial liability instruments		(225,557)	339,932
Payable to group companies and associates		-	80,258
Proceeds from bank borrowings		218,484	351,256
Repayment of bank borrowings		(444,041)	(91,582)
Cash flows from financing activities		(225,557)	377,109
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS		(22,452)	103,043
Cash or cash equivalents at beginning of year		132,674	29,631
Cash or cash equivalents at end of the year		110,222	132,674

The accompanying notes forms an integral part of the annual accounts as at 31 December 2020.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.

Notes to the Annual Accounts as at
31 December 2020

1. Incorporation and activity of the company

GENERAL INFORMATION

Vía Célere Desarrollos Inmobiliarios, S.A. (hereinafter, the Company) 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." and 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 name to "Vía Célere 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).

As described in Note 10, the Company has interests in subsidiaries and associates. As a result, the Company is the parent of a group of companies in accordance with applicable law (the Group). Information on investments in Group companies, associates and related parties is provided in Note 10.

On 26 February 2021, the Board of Directors prepared these individual annual accounts of the Company and the consolidated annual accounts of the Company and its subsidiaries as at 31 December 2020, showing consolidated equity of 819,721 thousand of euro, including profit for the year attributable to the Company amounting to 49,657 thousand of euro. The consolidated annual accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and other provisions of the financial reporting framework applicable to the Group.

The Company's corporate purpose is the development of all kinds of real estate buildings; construction in general, whether for its own account or for the account of others; the purchase and sale of construction, urban development and gardening equipment; the performance and execution of public works in general, the purchase and sale of all kinds of movable and immovable property, both rural and urban.

The Company may also subscribe and acquire shares and/or equity interests in other public and/or private limited companies, even if their corporate purpose does not coincide with that of the Company.

During 2020, the Company's sphere of activity was Spain.

The Company is controlled by investment funds managed by Värde Partners, Inc. which together account for 76.4% of the shareholding.

The Company is governed by its Articles of Association, the Commercial Code, the Spanish Companies Act and other legal provisions applicable to this type of company.

In 2017, the Company decided to spin off its rental business into a newly created company, Dospuntos Asset Management, S.L., which was subsequently transferred by means of a non-monetary contribution to the Company's shareholders.

MERGER AGREEMENT BETWEEN THE AELCA GROUP AND VÍA CÉLERE DESARROLLOS INMOBILIARIOS

On 28 September 2018 the Company signed certain agreements with Myjoja Inversiones, S.L. (hereinafter, "minority shareholder"), with the companies Lewistown Invest, S.L.U., Glenwock Invest, S.L.U., Rimbey Spain, S.L.U. and Windham Spain, S.L.U. (hereinafter, "the majority shareholders"), with the companies in which the former have an interest, with Aelca Desarrollos Inmobiliarios, S.L. (hereinafter, "Aelca" or "ADI") and with certain of its investees, for which the parties agreed to carry out the following transactions:

- i) Acquisition by the Company of the shareholdings held by the minority shareholder (shareholdings of around 10-20% of the share capital) in Promyva Inmuebles, S.L., Myvain Inmuebles, S.L., Nalenticia Urbana, S.L., Inmavy Urbana, S.L., Nirbe Inmuebles, S.L., Nirbe Meseta, S.L. and Nirbe Costa Norte, S.L. (hereinafter, the "parent companies"). These parent companies owned 100% of the share capital of 70 residential development companies (hereinafter the "project companies" (see Appendix I).

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- ii) Acquisition by the Company of 100% of the shareholding held by Aelca in Habitatio Urbana, S.L.U., Campuslar Inmuebles, S.L.U., Novosolum Urbana, S.L.U., Segeslar Inmuebles, S.L.U., Velan Urbana, S.L.U., Generlar Inmuebles, S.L.U. and Numen Inmuebles, S.L.U. (hereinafter, "Aelca operating companies").
- iii) Merger by absorption of the Company (as absorbing entity) with the parent companies, the project companies of the operating companies of Aelca and Ponsnova Inmuebles, S.L.U. (as absorbed entities), by means of simultaneous execution and in unity of act, with extinction of all of them and block transfer of their respective assets to the absorbing entity, which acquires by universal succession the totality of the rights and obligations of the former. In consideration of the merger transaction, the majority shareholders received shares of the Company equivalent to 80-90% of the share capital in the absorbed entities through a non-monetary contribution (issuance and delivery of new shares of the Company to these partners).

On 30 October 2018, the transaction was authorised by the National Commission on Markets and Competition (CNMC) and approved by the Company's Extraordinary General Shareholders' Meeting on 31 October 2018.

As a preliminary step to executing the transactions indicated in points i, ii and iii, on 2 January 2019 the Company signed a senior syndicated financing agreement for 223,000 thousand of euros as the original borrower, undertaking to comply with certain financial covenant obligations over the term of the loan and relating to its quarterly consolidated financial statements (Note 14).

On 9 January 2019, the merger deed was executed, and it was registered at the Companies Registry of Madrid on 8 March 2019. The accounting effects of the merger are considered from 1 January 2019 as a transaction under common control (Note 5).

Therefore, this merger by absorption implied (i) the dissolution and extinction of the absorbed entities, and (ii) the block transfer of their corporate assets to the Company that acquires, by universal succession, all the rights and obligations of the absorbed companies.

The issue of these new shares is equivalent to 48.26% of the Company's capital, while the remaining shareholders of the Company hold shares equivalent to 51.74% of the Company's capital.

The detail of the assets acquired and liabilities assumed at the date of the business combination are detailed in Note 5.

2. Basis of presentation of the annual accounts

a) **Financial reporting standards framework applicable to the Company**

These annual accounts have been prepared by the Directors in accordance with the regulatory financial reporting framework applicable to the Company, which is set out in:

- Commercial Code and other commercial legislation.
- General Accounting Plan approved by Royal Decree 1514/2007, and the amendments made to it by Royal Decree 1159/2010 and Royal Decree 1/2021. In addition, the Sectoral Adaptation of the General Accounting Plan published in the Ministerial Order of 28 December 1994, approving the rules for the adaptation of the General Accounting Plan for real estate companies. In accordance with the Fifth Transitional Provision of Royal Decree 1514/2007, which approves the General Accounting Plan, in general, the sectorial adaptations and other implementing provisions on accounting matters in force on the date of publication of said Royal Decree shall continue to apply in all matters that do not oppose the provisions of the Commercial Code, the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July, the specific provisions and the General Accounting Plan.
- The mandatory rules approved by the Spanish Accounting and Auditing Institute (ICAC) in implementation of the General Accounting Plan (PGC) and its complementary rules.
- All other applicable Spanish accounting legislation.

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b) Faithful image

These annual accounts have been prepared from the Company's accounting records and are presented in accordance with the regulatory financial reporting framework applicable to the Company, in particular the accounting principles and criteria contained therein, in order to present fairly the Company's equity and financial position as at 31 December 2020 and the results of its operations, changes in equity and cash flows for the year then ended.

These annual accounts, which were prepared by the directors of the Company on 26 February 2021, will be submitted for approval by the shareholders at the General Shareholders' Meeting, and it is expected that they will be approved without any changes. The annual accounts for 2019 were approved by the General Shareholders' Meeting held on 1 April 2020.

c) Non-mandatory accounting principles applied

No non-mandatory accounting principles have been applied. In addition, the directors of the Company prepare these annual accounts taking into account all the mandatory accounting principles and standards that have a material effect on these annual accounts. There is no accounting principle that is mandatory but no longer applied.

d) Critical aspects of uncertainty valuation and estimation

Estimates have been made in the preparation of these annual accounts which are based on historical experience and other factors that are believed to be reasonable under current circumstances and which form the basis for establishing the carrying amounts of certain assets, liabilities, income, expenses and commitments whose values are not readily determinable from other sources. The Company reviews its estimates on an ongoing basis.

- Relevant accounting estimates and assumptions:

The key assumptions made and other key sources of estimation uncertainty at the reporting date that could have a material effect on the annual accounts for the coming year were as follows:

- Impairment of inventories: estimates used to calculate recoverable amounts. The comparative method of valuation (for completed developments) and static and dynamic residual methods (for land and property developments in progress) are used to calculate inventories' fair value. Key assumptions in determining these values include sales price growth rates, construction costs, discount rates and expected investment returns. Estimates, including the methodology applied, may have a significant impact on the value and impairment of inventories. For this reason, the Company uses valuations performed by an independent expert of recognised standing (Note 4.g).
- The useful life of intangible and tangible assets (Notes 4.b and 4.c).
- The fair value of certain investments in Group companies, associates and related parties (Note 4.f.v). The Company tests its investments in Group companies, associates and related parties for impairment. The determination of the recoverable amount of these investments involves the use of estimates by Management. Recoverable amount is the higher of fair value less costs to sell and value in use. The Company generally uses discounted cash flow methods, considering the recoverable amount of inventories held by its subsidiaries, as defined above, or similar methods to determine such values. The flows take into account past experience and represent the best estimate of future market developments. Where appropriate, the estimates, including the methodology used, may have a significant impact on the values and impairment loss.
- The amount of certain provisions (Note 4.k).

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- The assessment of recoverable amounts of tax credits (Note 4.i). The tax credits generated in corporate income tax are capitalised when it is probable that the Company will have future taxable profits that allow the application of these assets. Management makes estimates of the tax benefits of the tax group to which the Company belongs, and the recoverability of the capitalised tax credits. The Company has recognised deferred tax assets as at 31 December 2020 amounting to 62,987 thousand of euros (69,568 thousand of euros as at 31 December 2019) relating to deductible temporary differences and part of the tax loss carryforwards (Note 16.2).

- Changes in estimates

Although the estimates made by the Directors of the Company have been calculated on the basis of the best information available as at 31 December 2020, it is possible that future events may require changes in the coming years. The effect on the annual accounts of any changes arising from adjustments to be made in future years would be recorded prospectively.

e) **Comparative information**

These 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 2020, the figures for the previous year, which formed part of the annual accounts for 2019 approved by the General Shareholders' Meeting on 1 April 2020.

f) **Grouping of items**

Certain items in the accompanying balance sheet, profit and loss account, statement of changes in equity and statement of cash flows are grouped together for ease of reference, although, to the extent material, the information is disclosed in the relevant notes to the report.

g) **Consolidation**

The Company is the head of a group of subsidiaries and associates (Note 10), which prepares separate consolidated annual accounts. The consolidated annual accounts for 2020 prepared together with these have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (hereinafter referred to as EU-IFRS). The consolidated annual accounts for 2019 were approved by the General Shareholders' Meeting of the Company held on 1 April 2020 and filed with the Companies Registry of Madrid.

These annual accounts do not reflect the changes in value that would result from consolidating the annual accounts of its subsidiaries.

The main figures of the consolidated annual accounts are as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
Capital and share premium	1,147,548	1,147,548
Reserves and other equity allocated to the controlling company	(377,484)	(397,557)
Net profit for the year attributable to the parent company	49,657	22,435
Total assets	1,499,282	1,713,797
Revenue	656,968	362,714

h) **Functional and presentation currency**

These annual accounts are presented in thousand of euros, rounded off to the nearest thousand. The euro is the functional and presentation currency of the economic environment in which the Company operates.

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3. Distribution of results

The distribution of the Company's profit for the year ended 31 December 2019, as formulated by the Directors and approved by shareholders at the General Shareholders' Meeting on 1 April 2020, was as follows:

	<u>Thousand of euros</u>
Basis of distribution	
Profit for the year	<u>1,818</u>
Distribution	
Legal reserve	182
Negative results from previous years	<u>1,636</u>
	<u><u>1,818</u></u>

The profit for 2020 amounts to 80,223,322.87 euros, the proposed distribution of which, formulated by the directors and pending approval by the General Shareholders' Meeting, is the offsetting of "Losses from previous years", amounting to 71,497,262.47 euros, the allocation to retained earnings amounting 703,728.11 euros and the allocation to the legal reserve amounting to 8,022,332.29 euros.

The amount of non-distributable reserves is limited to the balance of the legal reserve, which amounts to 30,090 thousand of euros as at 31 December 2020, and to the share premium and voluntary reserves for the amount necessary to cover the losses from previous years, provided that, if distributed, the resulting equity does not fall below half of the share capital.

4. Recording and valuation rules

The main accounting and valuation standards used by the Company in the preparation of these annual accounts, in accordance with the provisions of the General Accounting Plan and the rules for the adaptation of the previous General Accounting Plan to real estate companies, insofar as they do not contradict the provisions of the current one, are as follows:

a) *Interest costs*

The Company includes in the cost of intangible assets, property, plant and equipment 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 the financing has been specifically obtained, the amount of interest to be capitalised is determined on the basis of the borrowing costs accrued for the financing. In cases where the financing has not been used temporarily to fund assets under construction, the related borrowing costs 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 accrued borrowing costs in the profit and loss account.

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The capitalisation of interest begins when costs related to the assets have been incurred, interest has been incurred and the activities necessary to prepare the assets or parts of assets for their intended use or sale are in progress, and ends when all or substantially all of the activities necessary to prepare the assets or parts of assets for their intended use or sale have been completed. However, the capitalisation of interest is suspended during periods of discontinued operations if these are significantly extended in time, unless the temporary delay is necessary to bring the asset into working order or for sale.

Interest is capitalised through the item "Capitalisation of borrowing costs" in the profit and loss account.

b) Intangible assets

As a general rule, intangible assets are initially measured at cost. They are subsequently measured at cost less the related accumulated amortisation and any impairment losses. These assets are amortised over their useful lives.

Computer software

Expenditure on the development of a website for promotional purposes or to advertise the Company's products or services is recognised as an expense when incurred. Computer software maintenance costs are expensed as incurred.

The Company amortises intangible assets on a straight-line basis over their useful lives at the following amortisation rates:

Description	Years	Coefficient
Computer software	4	25%

The Company assesses and determines impairment losses and reversals of impairment losses on intangible assets in accordance with the criteria mentioned in section 4.d) (impairment).

The Company reviews the residual value, useful life and depreciation method of intangible assets at the end of each reporting period. Changes in the initially established criteria are recognised as a change in estimate.

c) Property, plant and equipment

Property, plant and equipment are initially measured at acquisition or production cost and are subsequently reduced by the related accumulated depreciation and impairment losses, if any, as described in Note 4.d).

Upkeep and maintenance costs of property, plant and equipment are charged to the profit and loss account for the year in which they are incurred. Conversely, amounts invested in improvements that contribute to increasing the capacity or efficiency or extending the useful life of such assets are recorded as an increase in the cost of the assets.

The annual depreciation rates for assets, which are applied on a constant straight-line basis according to the estimated useful lives of the assets, are as follows:

Description	Coefficient
Other fixed assets	20%-25%
Technical installations	10%-33%
Constructions	2%

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The Company reviews the residual value, useful life and depreciation method of intangible assets at the end of each reporting period. Changes in the initially established criteria are recognised as a change in estimate.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there are indications that non-financial assets subject to amortisation or depreciation may be impaired, in order to verify whether the carrying amount of the assets exceeds their recoverable amount, which is the higher of fair value less costs to sell and value in use.

Impairment losses are recognised in the profit and loss account and are reversed only if there has been a change in the estimates used to determine the asset's recoverable amount.

The reversal of the impairment loss is recognised with a credit to the profit and loss account. 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.

e) Leases

Lessee's accounts

The Company has the right to use certain assets under lease agreements.

Leases where the contract transfers substantially all the risks and rewards of ownership of the assets to the Company are classified as finance leases and otherwise as operating leases.

Operating leases

Lease payments under operating leases, net of incentives received, are recognised as an expense on a straight-line basis over the lease term.

f) Financial instruments

(i) Classification and separation of financial instruments

Financial instruments are classified on initial recognition as a financial asset, financial liability or equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, financial liability and equity instrument.

The Company classifies financial instruments into different categories on the basis of their characteristics and management's intentions at the time of initial recognition.

Financial asset purchase or sale transactions based on regular way contracts, defined as contracts in which the parties' reciprocal obligations must be performed within a time frame established by regulation or market convention and which cannot be settled net, are recognised on the trade or settlement date.

However, contracts that can be settled by differences are recognised as derivative financial instruments during the period between the trade date and the settlement date.

(ii) Offsetting principles

A financial asset and a financial liability are offset only when the Company has the right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Financial assets and liabilities held for trading

Financial assets or financial liabilities held for trading are those that are classified as such upon initial recognition.

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A financial asset or financial liability is classified as held for trading if:

- It is originated, acquired or issued primarily for the purpose of selling or repurchasing in the short term,
- It is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking, or
- It is a derivative, except a derivative that has been designated as a hedging instrument and qualifies as an effective hedging instrument and is not a financial guarantee contract.

Financial assets and liabilities held for trading are initially recognised at fair value. Transaction costs directly attributable to the purchase or issue are recognised as an expense in the profit and loss account as incurred.

Subsequent to initial recognition, they are recognised at fair value with changes recorded in profit or loss. The fair value is not reduced by transaction costs that may be incurred in connection with its eventual sale or other disposal. Accrued interest and dividends are included in the items by their nature.

The Company does not reclassify any financial assets or liabilities out of this category while they are recognised on the balance sheet, except for a change in the classification of hedging derivative financial instruments.

(iv) Loans and receivables

Loans and receivables consist of trade receivables and non-trade receivables with fixed or determinable payments. These assets are initially recognised at fair value, including transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method.

However, financial assets that do not have a stated interest rate, where the amount matures or is expected to be received in the short term and the effect of discounting is not material, are measured at nominal value.

The Company measures loans and receivables at amortised cost whenever reliable estimates of cash flows can be made based on the contractual terms.

The Company measures at cost, plus any profit or loss to be attributed, loans where the interest is contingent upon the achievement of a milestone at the borrower company, e.g. the achievement of profits, or is calculated solely by reference to the performance of the borrower company's business. In these cases, transaction costs are allocated on a straight-line basis over the life of the loan.

(v) Investments in Group companies, associates and related parties

Group companies are those over which the Company, directly or indirectly through subsidiaries, exercises control within the meaning of art. 42 of the Commercial Code, or when the companies are controlled by any means by one or more natural or legal persons acting jointly, or are under single management by agreements or clauses in the articles of association.

Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities, including potential voting rights exercisable or convertible at year-end held by the Company or third parties.

Associates are companies over which the Company, directly or indirectly through subsidiaries, exercises significant influence. Significant influence is the power to intervene in the financial and operating policy decisions of a company without exercising control or joint control over it. In assessing the existence of significant influence, the potential voting rights exercisable or convertible at the end of each financial year are considered, also taking into account the potential voting rights held by the Company or by another company.

Investments in Group companies, associates and related parties are initially recognised at cost, which is the fair value of the consideration given, including transaction costs incurred for investments in associates and related parties, and are subsequently measured at cost less any accumulated impairment losses.

If an investment no longer qualifies for classification in this category, it is reclassified to available-for-sale investments and measured as such from the date of reclassification.

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(vi) Interest and dividends

Interest is recognised using the effective interest method.

Dividend income from investments in equity instruments is recognised when the Company's rights to receive it have arisen. If the dividends distributed clearly arise from profits generated prior to the acquisition date because amounts in excess of the profits generated by the investee since acquisition have been distributed, they reduce the carrying amount of the investment.

(vii) Derecognition of financial assets

Financial assets are derecognised when the related rights to receive cash flows have expired or have been transferred and the Company has substantially transferred the risks and profits of ownership.

Upon the derecognition of a financial asset in its entirety, the difference between its carrying amount and the sum of the consideration received, net of transaction costs, including any assets obtained or liabilities assumed and any gain or loss deferred in income and expense recognised in equity, is recognised in equity.

(viii) Impairment of financial assets

A financial asset or group of financial assets is impaired and an impairment loss has been incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company recognises impairment losses on loans and receivables and debt instruments when there has been a reduction or delay in the estimated future cash flows due to the debtor's insolvency.

Likewise, in the case of equity instruments, impairment exists when the carrying amount of the asset is no longer recoverable due to a prolonged or significant decline in its fair value.

- Impairment of financial assets measured at amortised cost

For financial assets carried at amortised cost, the amount of the impairment loss is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, excluding future credit losses that have not been incurred, discounted at the asset's original effective interest rate.

An impairment loss is recognised in profit or loss and is reversible in subsequent periods if the decrease can be objectively related to an event occurring after its recognition. However, the reversal of the loss is limited to the amortised cost that the assets would have had if the impairment loss had not been recognised.

- Investments in Group companies, associates and equity instruments measured at cost

The impairment calculation is determined by comparing the carrying amount of the investment with its recoverable amount, which 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 Company's share of the present value of the estimated cash flows from ordinary activities and final disposal or the estimated cash flows expected to be received from the distribution of dividends and the final disposal of the investment.

However, in certain cases, unless there is better evidence of the recoverable amount of the investment, the estimate of the impairment of this type of asset takes into consideration the equity of the investee company adjusted, where applicable, to the generally accepted accounting principles and standards under Spanish GAAP, adjusted by the net unrealised gains existing at the valuation date.

For these purposes, the carrying amount of the investment includes any monetary item receivable or payable that is not expected or probable to be settled in the foreseeable future, excluding items of a commercial nature.

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Reversals of impairment are recognised in subsequent periods to the extent of any increase in recoverable amount, up to the limit of the carrying amount that the investment would have had if no impairment had been recognised.

The impairment loss or reversal of impairment is recognised in the profit and loss account.

Impairment losses on equity instruments measured at cost are not reversible and are therefore recognised directly against the value of the asset.

(ix) Financial liabilities

Financial liabilities, including trade and other payables, that are not classified as held for trading or as financial liabilities at fair value through profit or loss are initially recognised at fair value less any transaction costs that are directly attributable to their issue. Subsequent to initial recognition, liabilities classified under this category are measured at amortised cost using the effective interest method.

However, financial liabilities that do not have a stated interest rate, where the amount matures or is expected to be received in the short term and the effect of discounting is not material, are measured at nominal value.

The Company measures financial liabilities at amortised cost whenever reliable estimates of cash flows can be made based on the contractual terms.

(x) Guarantees

The guarantees provided as a result of operating leases are valued according to the criteria set out for financial assets. The difference between the amount delivered and the fair value is recognised as an advance payment and is charged to the profit and loss account over the lease term.

Advances to be applied on a long-term basis are subject to financial restatement at each year-end on the basis of the market interest rate at the time of their initial recognition. Where the bond is short-term, cash flows are not discounted if their effect is not material.

(xi) Derecognition and modification of financial liabilities

The Company derecognises a financial liability or part of a financial liability when it has discharged the obligation contained in the liability.

The Company recognises the difference between the carrying amount of the financial liability or part of the financial liability cancelled or transferred to a third party and the consideration paid, including any asset transferred other than cash or liability assumed, as a charge or credit to the profit and loss account.

g) Inventories

This item in the balance sheet includes the assets that the Company:

- Maintains for sale in the ordinary course of its business.
- Is in the process of constructing or developing for this purpose.
- Expects to consume in the production process or in the provision of services.

Therefore, land and other properties held for sale or for inclusion in a property development in the ordinary course of the Company's business are deemed to be inventories and not for appreciation or rental purposes.

The Company 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 Company does not capitalise the financial expenses accrued on loans obtained to finance the purchase of land and plots of land during the period between the date of acquisition and the date on

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which the building permit is obtained and transferred to Developments in progress as an increase in the value of the land and building plots.

- 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 Developments in Progress are all those accumulated costs of developments whose completion period is estimated not to exceed 12 months.

At the end of each development, the Company 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 Company makes the appropriate valuation adjustments and recognises them as an expense in the profit and loss account when the net realisable value of the inventories is lower than their acquisition price or production cost. This net realisable value is based on valuations performed by an independent expert.

Valuation adjustments and reversals of impairment losses on inventories are recognised under Changes in inventories of completed goods and work in progress or Supplies, depending on whether they are developments in progress or completed or land and plots of land.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank deposits held at call with credit institutions. Other short-term, highly liquid investments are also included under this item provided that they are readily convertible into specified amounts of cash and are subject to an insignificant risk of changes in value.

Also included under this heading is cash received in the form of advances from customers and deposited in a special account separate from the rest of the Company's funds to cover the expenses arising from the corresponding promotion.

i) Corporate income tax

The corporate income tax expense or income comprises the portion relating to current tax expense or income and the portion relating to deferred tax expense or income.

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 or deferred income tax is recognised in profit or loss, unless it arises from a transaction or economic event that is recognised in the same or a different period, against equity or from a business combination.

As at 31 December 2020, the Company files consolidated tax returns for corporate income tax purposes, being the head of a consolidated tax group.

The accrued corporate income tax expense of companies under the consolidated tax regime is determined taking into account, in addition to the parameters to be considered in the case of individual taxation set out above, 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.

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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. If there is a negative tax loss that cannot be offset by the other companies in the tax group, these tax loss carryforwards are recognised as deferred tax assets and the tax group is considered as the taxpayer for their recovery.

The Parent Company of the tax group 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

The Company recognises deferred tax liabilities in all cases except those arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that at the date of the transaction affects neither accounting profit nor taxable profit.

(ii) Recognition of deferred tax assets

The Company recognises deferred tax assets whenever it is probable 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;

In the absence of evidence to the contrary, it is not considered probable that future taxable profits will be available to the Company when their future recovery is expected to take place more than ten years from the reporting date, regardless of the nature of the deferred tax asset or, in the case of credits arising from tax credits and other tax benefits not yet available for tax purposes due to insufficient taxable profit, when the activity has been carried out or the income has been obtained that gives rise to the right to the tax credit or tax relief and there are reasonable doubts as to whether the requirements for their realisation have been met.

The Company only recognises deferred tax assets arising from tax loss carryforwards to the extent that there is convincing evidence that future taxable profits will be available against which they can be utilised within a period not exceeding that established by the applicable tax legislation, subject to a maximum limit of ten years.

It is considered probable that the Company 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.

The Company recognises deferred tax assets that have not been recognised because they exceed the ten-year recovery period to the extent that the future reversal period does not exceed ten years from the end of the reporting period, or when there are sufficient taxable temporary differences.

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

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(iii) Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that will apply in the years in which the assets are expected to be realised or the liabilities are expected to be settled, based on tax rates and tax laws that are in force or approved and pending publication, and after taking into account the tax consequences that will follow from the manner in which each company expects to recover the assets or settle the liabilities. For these purposes, the Company considered the deduction for reversal of temporary measures developed in thirty-seventh transitional provision 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.

(iv) Offsetting and classification

The Company only offsets income tax assets and liabilities if there is a legal right to set them off against the tax authorities and it intends either to settle the resulting amounts on a net basis or to realise the assets and settle the liabilities simultaneously.

Deferred tax assets and liabilities are recognised in the balance sheet as non-current assets or liabilities, irrespective of the expected date of realisation or settlement.

j) Revenue from contracts with customers

Revenue from the sale of goods or the rendering of services is recognised at the fair value of the consideration received or receivable. Cash, volume or other discounts, as well as interest incorporated in the nominal amount of the receivables, are recorded as a reduction of the receivables.

However, the Company includes embedded interest on trade receivables maturing in less than one year that do not have a contractual interest rate when the effect of not discounting cash flows is not material.

In respect of sales of property developments, the Company recognises sales and the cost thereof at the time of execution of the corresponding public deed of sale, i.e. when the properties have been delivered and ownership of them has been transferred.

Advances on account of future sales are valued at the value received. Advances to be applied on a long-term basis are subject to financial restatement at the end of each year or period on the basis of the market rate of interest at the time of their initial recognition.

k) Provisions and contingencies

When preparing the annual accounts, the Company's directors distinguish 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 Company.

The balance sheet includes 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. Unless they are considered probable, contingent liabilities are not recognised in the balance sheet, but are disclosed in the explanatory notes.

The amounts recognised in the balance sheet are the best estimate at the reporting date of the expenditure required to settle the present obligation, after taking into account the risks and uncertainties related to the provision.

Provisions are reversed against "Excess provisions" when it is not probable that an outflow of resources will be required to settle the obligation.

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l) Short-term employee benefits and severance payments

The Company recognises the expected cost of short-term employee benefits in the form of paid leave, the entitlements of which accrue as employees perform the services that give them the right to receive them. If the leave is not cumulative, the expense is recognised as the leave occurs.

Except in the case of dismissal for cause, the Company is obliged to compensate its employees when their services are terminated.

In the absence of any foreseeable need for abnormal termination of employment, and given that employees who retire or voluntarily terminate their services do not receive severance payments, severance payments, when they arise, are expensed at the time that a formal termination plan has been approved by the Company's management and a valid expectation has been created vis-à-vis those affected that the termination of employment will occur.

m) Mergers and spin-offs between Group companies

In mergers and spin-offs between Group companies involving the parent company of the Group or the parent company of a subgroup and its subsidiary, either directly or indirectly, the assets and liabilities acquired are valued at the amount that would correspond to them, after the transaction, in the consolidated annual accounts of the group or subgroup in accordance with the Rules for the Preparation of Consolidated Annual Accounts. Any difference that may become apparent in the accounting record as a result of the application of the above criteria shall be recorded in a voluntary reserve item.

The consolidated annual accounts to be used for these purposes shall be those of the group or major subgroup in which the assets and liabilities are included, the parent company of which is Spanish. In the event that the said accounts are not drawn up under any of the grounds for exemption provided for in the consolidation rules, the values existing before the transaction in the individual annual accounts of the contributing company shall be taken as those existing before the transaction was carried out.

In merger and spin-off operations between Group companies, as set out in the consultations of the Spanish Accounting and Auditing Institute, the accounting effective date shall be the beginning of the year in which the transaction is approved, provided that it is subsequent to the time at which the companies were incorporated into the Group. If one of the companies has joined the Group in the year in which the merger or spin-off takes place, the accounting effective date is the date of acquisition.

In the case of non-monetary contributions to a Group company, the contributor shall value its investment at the book value of the assets and liabilities delivered in the consolidated annual accounts at the date on which the transaction takes place, in accordance with the Rules for the Preparation of Consolidated Annual Accounts. The acquiring company shall recognise them at the same amount. Any difference that may become apparent from the individual values shall be recorded in a voluntary reserve item.

Transfer prices are adequately supported and the directors of the Company consider that there are no significant risks in this respect that could give rise to material liabilities in the future.

For the purposes of presenting the balance sheet, another company is understood to be part of the group when they constitute a decision-making unit in the terms provided for in Article 42 of the Commercial Code.

A company is an associate when, without being a group enterprise within the meaning of the preceding paragraph, one or more of its companies, including the controlling entity or individual, exercises significant influence over that company.

Inter-Group company transactions involving capital reductions, dividend distributions and dissolution of companies

The following criteria shall apply to inter-Group company transactions involving the distribution of dividends, provided that the business in which the capital reduction materialises, the dividend payment is agreed or the shareholder's or owner's liquidation share is cancelled remains in the Group.

The transferor accounts for the difference between the amount of the debt owed to the partner/owner and the book value of the business transferred with a credit to a reserve account.

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The transferee company shall account for it by applying the criteria set out in this paragraph.

Related party transactions

Transactions between Group companies, except those related to mergers, spin-offs and non-monetary contributions of businesses, are recognised initially at the fair value of the consideration given or received. Where appropriate, if the agreed price differs from the fair value, the difference is recorded on the basis of the economic reality of the transaction. Subsequent valuation is carried out in accordance with the relevant rules.

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

The Company classifies assets and liabilities in the balance sheet as current or non-current, except as mentioned in Note 14.1; 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 Company'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 Company's normal operating cycle, are held primarily for trading, have to be settled within twelve months from the balance sheet date or the Company 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 reporting date, even if the original term is for a period longer than twelve months and there is an agreement to refinance or restructure long-term payments that was concluded after the reporting date and before the explanatory notes were made, or they are used to finance goods or assets classified in the balance sheet as "current".

o) Equity items of an environmental nature

Assets of an environmental nature are assets that are used on a lasting basis in the Company's activity, the main purpose of which is the minimisation of environmental impact and the protection and improvement of the environment, including the reduction or elimination of future pollution.

The Company's activities, by their nature, do not have a significant environmental impact.

p) Statement of cash flows

In the 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: activities that constitute the principal source of the Company's ordinary income, as well as other activities that cannot be classified as investing or financing activities.
3. Investing activities: the acquisition or disposal by other means of long-term 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.

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5. Business combinations

MERGER AGREEMENT BETWEEN THE AELCA GROUP AND VÍA CÉLERE DESARROLLOS INMOBILIARIOS

On 28 September 2018 the Company signed certain agreements with Myjoja Inversiones, S.L., Lewistown Invest, S.L.U., Glenwock Invest, S.L.U., Rimbey Spain, S.L.U. and Windham Spain, S.L.U. and with the companies in which the aforementioned companies have an interest, with Aelca Desarrollos Inmobiliarios, S.L. and with certain of its investees (Note 1).

On 30 October 2018, the transaction was authorised by the National Commission on Markets and Competition (CNMC) and approved by the Company's Extraordinary General Shareholders' Meeting on 31 October 2018.

The Board of Directors of the Parent Company considered the transactions and agreements described in this section to be an integral part of a single transaction. This interpretation was agreed on the basis that the operations and agreements were carried out for the benefit of the merged companies and the timing of these were defined in a single framework of the merger, not generating profit for the previous owners except those who receive as part of the merged entity.

The transaction described above was subjected to the special tax regime for mergers, divisions, contributions of assets, exchange of securities and change of registered office of a European company or a European cooperative from one Member State to another of the European Union regulated in Section VII of Chapter VIII of Royal Legislative Decree 4/2014, of 27 November, on Corporate Income Tax.

The detail of the assets acquired and liabilities assumed at the date of the business combination is as follows:

<i>Business combination</i>	<i>(Thousand of euros)</i>
Property, plant and equipment (Note 7)	296
Non-current financial assets	4,539
Inventories (Note 11)	575,691
Trade and other receivables	9,637
Current investments in associates	23
Current financial assets	26,078
Prepayments and accrued income	89
Cash and cash equivalents	71,617
Total assets	687,970
Non-current provisions (Note 13)	1,128
Non-current payables	54
Non-current related-party payables	19
Current payables (Note 14)	113,574
Current related-party payables	57,659
Trade and other payables	105,257
Total liabilities	277,691
Value of the net assets	410,279
Payment to minority shareholders	(166,772)
Paid consideration	(647,966)
Merger reserve	(404,459)

The expenses incurred in the merger of Aelca amounting to 5,506 thousand of euros were recognised in the Company's equity (Note 12.1).

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The cash outflow produced in the business combination is as follows:

	Country	Thousands of euros Consideration paid in cash
Acquisition 10%-20% from minority shareholders (i)	Spain	126,031
Acquisition 100% "Aelca operating companies" (ii)	Spain	40,741
Contributed companies (80-90%) (iii)	Spain	-
Contribution 100% "Posnova" (iv)	Spain	-

The net turnover and profit attributable to the combination from the acquisition date up to 31 December 2019 amounted to 100,251 thousand of euros and 22,843 thousand of euros, respectively.

6. Intangible assets

The changes in intangible assets in 2020 and 2019 were as follows:

	Thousand of euros	
	Computer Software	Total
Cost		
01 January 2019	243	243
Additions	15	15
31 December 2019	258	258
Additions	39	39
31 December 2020	297	297
Amortisation		
Accrued as at 1 January 2019	(153)	(153)
Amortisation for the year	(44)	(44)
Accrued as at 31 December 2019	(197)	(197)
Amortisation for the year	(43)	(43)
Accrued as at 31 December 2020	(240)	(240)
Net book value as at 31 December 2019	61	61
Net book value as at 31 December 2020	57	57

The cost of fully depreciated assets as at 31 December 2020 amounts to 159 thousand of euros (31 December 2019: 116 thousand of euros).

The Company has assessed the existence of any indications of potential impairment of the assets comprising intangible assets and has found that there are no indications of impairment.

During 2020 and 2019, the additions of Computer software correspond entirely to the acquisition of new software for accounting and administrative use.

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7. Property, plant and equipment

The changes in property, plant and equipment in 2020 and 2019 were as follows:

	Thousand of euros				
	Constructions	Technical installations	Other Tangible Fixed Assets	Property, Plant and Equipment in Progress	Total
Cost					
01 January 2019	2,836	144	538	192	3,710
Additions	-	26	382	-	408
Merger acquisitions (Note 5)	-	172	124	-	296
Transfers	192	-	-	(192)	-
31 December 2019	3,028	342	1,044	-	4,414
Additions	177	-	325	-	502
31 December 2020	3,205	342	1,369	-	4,916
Amortisation					
Accrued as at 1 January 2019	(53)	(44)	(246)	-	(343)
Amortisation for the year	(21)	(52)	(216)	-	(289)
Accrued as at 31 December 2019	(74)	(96)	(462)	-	(632)
Amortisation for the year	(36)	(86)	(142)	-	(264)
Accrued as at 31 December 2020	(110)	(182)	(604)	-	(896)
Impairment					
Accumulated impairment as at 1 January 2019	(54)	-	-	-	(54)
Reversal of impairment for the year	54	-	-	-	54
Accumulated impairment as at 31 December 2019	-	-	-	-	-
Net book value as at 31 December 2019	2,954	246	582	-	3,782
Net book value as at 31 December 2020	3,095	160	765	-	4,020

Additions in 2020 mainly correspond to the acquisition of furniture and computer equipment, as well as the construction of worksite sales huts for various developments.

The Company has assessed the existence of indications that could highlight the potential impairment of the assets comprising property, plant and equipment as at 31 December 2020 and 2019, determining in 2019 the reversal of the impairment of 54 thousand of euros in constructions (Note 17.7). No impairment charges were recognised in 2020.

The cost of fully depreciated assets as at 31 December 2020 and 2019 amounts to:

	Thousand of euros	
	31.12.2020	31.12.2019
Other property, plant and equipment	241	287
	241	287

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

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8. Cash and cash equivalents

"Cash and cash equivalents" includes the Company'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 2020 and 2019 is as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
Cash on hand	10	13
Cash on hand euros	10	13
Bank current accounts	110,212	129,585
Unrestricted accounts	75,566	50,990
"Customer development" accounts	34,646	78,595
Other cash equivalents	-	3,076
	110,222	132,674

As at 31 December 2020 and 2019 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 Company's other funds and may only be used to cover expenses arising from the construction of the respective developments. These amounts are classified under "Customer development accounts".

9. Financial assets

Classification of financial assets by category

	Thousand of euros			
	Non-current		Current	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Investments in Group companies, associates and related parties (Note 10)				
Equity instruments	71,499	90,123	-	-
Loans to companies	60,181	72,432	47,748	110,408
Financial investments	3,186	1,306	12,186	11,566
Customers for sales and services	-	-	115	1,154
Customers Group companies and associates	-	-	13,811	16,482
Personnel	-	-	4	45
Sundry debtors	-	-	5,323	1,393
	134,866	163,861	79,187	141,048

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Financial investments

The details of Long-term financial investments at 2020 and 2019 year-end are as follows:

	Thousand of euros			
	Non-current		Current	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Loans to third parties	-	-	3,570	7,859
Derivatives	-	1	-	-
Deposits and bonds	3,186	1,305	8,616	3,707
	3,186	1,306	12,186	11,566

Loans to third parties

As at 31 December 2020 and 2019, these included mainly loans acquired through assignment agreements with financial institutions, which were secured by mortgages on land amounting to 3,570 thousand of euros and 7,703 thousand of euros, respectively.

In 2020 and 2019, loans amounting to 4,265 thousand of euros and 26,250 thousand of euros, respectively, were foreclosed as a result of extrajudicial foreclosure.

Also, in 2019, as part of the merger process (Notes 1 and 5), the Company included in its net assets 26,078 thousand of euros, of which 24,911 thousand of euros related to loans to third parties in arrears secured by land, of which in 2020 and 2019 the Company foreclosed on the purchase and sale of these assets as a result of the extrajudicial foreclosure of a mortgage amounting to 15,115 thousand of euros.

On 26 July 2019, the Company signed a loan agreement with Udralar, S.L.U., one of its subsidiaries, for an amount of 2,165 thousand of euros and agreed that the latter would execute the purchase and sale of the real estate asset that secured a loan that the Company had registered for a net book value of 2,085 thousand of euros.

The fair value of loans to third parties amounted to 7,505 thousand of euros as at 31 December 2020 and 18,353 thousand of euros as at 31 December 2019.

Deposits and guarantees

At 31 December 2020 and 2019, "Deposits and guarantees" relates mainly to guarantees deposited with autonomous bodies as security for possible damage to public roads associated with the development of property developments.

Trade and other receivables

The detail of Trade and other receivables is as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
Group		
Customers Group companies (Note 19)	13,811	16,482
No Group		
Customers	115	1,310
Sundry debtors	9,931	3,038
Personnel	4	45
Other receivables from public authorities (Note 16.1)	4,299	5,690
Valuation adjustments for impairment	(4,608)	(1,801)
	23,552	24,764

Trade receivables from Group companies include balances receivable from the Company's holding activity (Note 19).

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As at 31 December 2020, Other receivables mainly include 4,608 thousand of euros pending collection due to penalties invoiced to construction companies for breach of contract which are fully provisioned (3,160 thousand of euros as at 31 December 2019). During 2020, out of the total amount of 4,608 thousand of euros provisioned, an amount of 2,963 thousand of euros has been provisioned, with an expense being recorded in the income statement as a result of the entry by one of the construction companies into insolvency proceedings (1,645 thousand of euros in 2019).

Impairment

The analysis of the movement in the allowance accounts representing impairment losses arising from credit risk on financial assets measured at amortised cost is as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
Opening balance	(1,801)	(156)
Endowments	(3,253)	(1,645)
Reversals	446	-
Closing balance	(4,608)	(1,801)

10. Group companies, associates and related parties

Short and long-term investments in Group companies, associates and related parties

The composition and movement in short-term and long-term investments in Group companies, associates and related parties as at 31 December 2020 is as follows:

	Thousand of euros				31 December 2020
	31 December 2019	Additions / Allocations	Derecognition / Reversal	Transfers	
Long Term					
Equity instruments Group	138,237	2,445	(1,403)	958	140,237
Equity instruments Associates	11,112	-	-	-	11,112
Impairment of investments	(59,226)	(21,108)	484	-	(79,850)
Total Holdings	90,123	(18,663)	(919)	958	71,499
Loans to Group companies (Note 19)	97,968	3,500	(463)	(17,515)	83,490
Impairment of receivables	(25,536)	-	2,227	-	(23,309)
Total Long-term loans	72,432	3,500	1,764	(17,515)	60,181
Total EEGGAA and LP-related Investments	162,555	(15,163)	845	(16,557)	131,680
Short term					
Loans to Group companies (Note 19)	112,152	25,546	(104,697)	16,557	49,558
Loans to associates and related companies (Note 19)	51	-	(15)	-	36
Impairment of receivables	(1,795)	(51)	-	-	(1,846)
Total EEGGAA and CP-related Investments	110,408	25,496	(104,712)	16,557	47,748

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The most significant additions and derecognitions of long-term investments in Group companies and associates in 2020 were as follows:

- Capitalisations of short-term loans maintained with the Portuguese subsidiary Douro Atlántico, S.A., to solve the equity imbalance it presented, so that part of its current account in the amount of 455 thousand of euros has been converted into supplementary benefits (commercial figure used in Portugal), which represents an increase in the shareholding and a decrease in the current account for the aforementioned amounts.
- A contribution of 2,948 thousand of euros was made to the subsidiary Vía Céleré Gestión de Proyectos, S.L.U. to resolve the equity imbalance it presented, which represents an increase in the shareholding and a decrease in the debts it held with the Company. This contribution has been executed through the conversion of current account and other receivables for corporate services amounting to 504 thousand of euros and 2,444 thousand of euros, respectively, owed to the Company by the subsidiary.
- As at 31 December 2020, the subsidiary Vía Céleré, S.L.U., by means of a decision of the Sole Shareholder, agreed to distribute two dividends totalling 49,666 thousand of euros. Firstly, a dividend of 26,429 thousand of euros has been declared out of freely distributable reserves. In addition, at the same act, the Sole Shareholder also declared an interim dividend of 23,237 thousand of euros. Both dividends have been offset against the Company's debt to this subsidiary. Consequently, these operations have generated a decrease in the cost of the holding of 1,403 thousand of euros and dividend income of 48,263 thousand of euros in the accompanying profit and loss account (Note 18).

During 2020, the most significant derecognitions of investments in Group and related short-term companies were as follows:

- In November, the subsidiary Parquesoles Inversiones Inmobiliarias y Proyectos, S.A. repaid 12,900 thousand of euros from its current account with the Company.
- During the year, Maywood Invest, S.L.U. drew down an additional 3,390 thousand of euros from its current account with the Company and repaid the entire amount owed, which amounted to 27,488 thousand of euros.
- On 31 December 2020 the ordinary short-term loan that the subsidiary Vía Céleré, S.L.U. held with the Company amounting to 33,807 thousand of euros, accrued interest amounting to 768 thousand of euros and the current account amounting to 9,616 thousand of euros were offset.
- Additionally, on 31 December the ordinary short-term loan of 2,744 thousand of euros that the subsidiary Vía Céleré 2, S.L.U. had with the Company was offset against the current account in the amount of 2,672 thousand of euros and accrued interest of 72 thousand of euros.
- In addition, during the year the subsidiary Vía Céleré Gestión de Proyectos, S.L.U. drew down an additional 5,532 thousand of euros on its current account with the Company and repaid the entire amount owed, representing 13,425 thousand of euros.

The transfers in the year 2020 mainly relate to movements from long-term to short-term loans to Group companies due to the maturity of these loans in the year 2021.

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The composition and movement in short-term and long-term investments in Group companies, associates and related parties as at 31 December 2019 was as follows:

	Thousand of euros				31 December 2019
	31 December 2018	Additions / Allocations	Derecognition / Reversal	Transfers	
Long Term					
Equity instruments Group	136,096	-	-	2,141	138,237
Equity instruments Associates	13,212	-	(2,100)	-	11,112
Impairment of investments	(53,872)	(9,089)	3,735	-	(59,226)
Total Holdings	95,436	(9,089)	1,635	2,141	90,123
Loans to Group companies (Note 19)	138,017	1,497	(26)	(41,520)	97,968
Impairment of receivables	(27,358)	(80)	114	1,788	(25,536)
Total Long-term loans	110,659	1,417	88	(39,732)	72,432
Total EEGGAA and LP-related Investments	206,095	(7,672)	1,723	(37,591)	162,555
Short term					
Loans to Group companies (Note 19)	53,284	22,416	(2,927)	39,379	112,152
Loans to associates and related companies (Note 19)	366	-	(167)	(148)	51
Impairment of receivables	(7)	-	-	(1,788)	(1,795)
Total EEGGAA and CP-related Investments	53,643	22,416	(3,094)	37,443	110,408

The most significant additions and derecognitions of investments in Group companies and associates in 2019 were as follows:

- Capitalisations of short-term loans maintained with the Portuguese subsidiary Douro Atlántico, S.A., to solve the equity imbalance it presented, so that part of its current account for 1,041 thousand of euros and 1,100 thousand of euros were converted into supplementary benefits (commercial figure used in Portugal) which represented an increase in the shareholding and a decrease in the current account for the aforementioned amounts.
- Reduction of the shareholding in the associate Célere Fórum Barcelona, S.L., in the amount of 2,100 thousand euros agreed at the company's General Shareholders' Meeting held on 24 May 2019, in order to return contributions to the shareholders. In addition, the investee also agreed to distribute dividends charged to the share premium in the amount of 5,325 thousand of euros. In addition, an interim dividend totalling 13,866 thousand of euros was also declared at the General Shareholders' Meeting and paid in full. The shareholders of the investee unanimously agreed that these interim dividends should be distributed as follows:
 - Vía Célere Desarrollos Inmobiliarios S.A. corresponded to an amount of 9,089 thousand of euros. The Company received the aforementioned amount in cash and recorded it as income under the Provision of services heading.
 - AREO, S.à.r.l. was allocated an amount of 4,777 thousand of euros.

During 2019, the most significant derecognitions of short-term investments in Group and related short-term companies were:

- On 31 December 2019, the Company offset an amount of 4,941 thousand of euros of debt it had with its subsidiary Udralar, S.L.U. This compensation was due to:
 - The maturity of the current account held between them.
 - The loan signed on 26 July 2019.
 - The debt owed to the Company by the subsidiary Udralar, S.L.U. for corporate services rendered in 2018.

The transfer of 41,520 thousand euros from long-term to short-term loans to Group companies is due to the maturity of these loans in 2020.

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The transfer of 148 thousand of euros of receivables from associates and related companies is due to amounts from Vía Ágora, S.L.U., which at year-end 2019 did not have this status and was classified as receivables from third parties.

Equity instruments of Group companies, jointly controlled entities and associates

The amount of impairment losses and reversals recognised on the various investments as at 31 December 2020 and 2019 is as follows:

<i> Holding </i>	Thousand of euros			31 December 2020
	31 December 2019	Endowment	Reversal	
Group Companies				
Copaga, S.A.	(2,755)	-	-	(2,755)
Douro Atlántico, S.A.	(14,872)	-	484	(14,388)
Udrasur Inmobiliaria, S.L.U.	(3)	-	-	(3)
Udralar, S.L.U.	(33,515)	-	-	(33,515)
Vía Célere 1, S.L.U.	(20)	-	-	(20)
Vía Célere 2, S.L.U.	-	(7,051)	-	(7,051)
Vía Célere Catalunya, S.L.U.	-	(4,040)	-	(4,040)
Portugal Parquesoles SPGS S.A.	(2,029)	(6,771)	-	(8,800)
Associates				
Célere Forum Barcelona, S.L.	(6,032)	(3,246)	-	(9,278)
Total Group	(59,226)	(21,108)	484	(79,850)

<i> Holding </i>	Thousand of euros			31 December 2019
	31 December 2018	Endowment	Reversal	
Group Companies				
Copaga, S.A.	(2,755)	-	-	(2,755)
Douro Atlántico, S.A.	(14,920)	-	48	(14,872)
Udrasur Inmobiliaria, S.L.U.	(3)	-	-	(3)
Udralar, S.L.U.	(33,515)	-	-	(33,515)
Vía Célere 1, S.L.U.	(20)	-	-	(20)
Portugal Parquesoles SPGS S.A.	(2,659)	-	630	(2,029)
Associates				
Célere Forum Barcelona, S.L.	-	(9,089)	3,057	(6,032)
Total Group	(53,872)	(9,089)	3,735	(59,226)

In relation to the investments held in Group companies, in the opinion of the Company's directors, the excess of net book value over their underlying book value is covered by the capital gains associated with the future results of these investees, considering the valuations made by independent experts at 31 December 2020 of the assets held by the aforementioned investees.

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The most significant information relating to the Group companies, jointly controlled entities and associates in which the Company has an interest as at 31 December 2020 and 2019 is as follows:

		Thousand of euros				31.12.2020		Rest of Equity		Net book value of equity interest
Company	Address	% ownership interest		Capital	Result		Equity	Equity	value of equity interest	
		Direct	Indirect		From operations	From period				
Copaga, S.A.	Madrid	100%	-	144	(38)	(20)	(1,376)	-	-	
Udralar, S.L.U. (a)	Madrid	100%	-	3	3,156	3,117	(28,509)	-	-	
Torok Investment 2015, S.L.U.	Madrid	100%	-	3	(121)	(109)	(1,211)	7	7	
Udrasur Inmobiliaria, S.L.U.	Madrid	100%	-	3	(39)	(30)	(518)	-	-	
Douro Atlántico, S.A. (a)	Lisbon, Portugal	100%	-	8,062	(158)	(353)	(3,580)	7,432	7,432	
Maywood Invest, S.L.U. (a)	Madrid	100%	-	833	18,265	12,404	(10,241)	12,110	12,110	
Vía Céleré, S.L.U. (a)	Madrid	100%	-	22,749	28,320	23,878	(18,919)	30,511	30,511	
Vía Céleré 1, S.L.U.	Madrid	100%	-	3	(45)	(40)	(968)	-	-	
Vía Céleré 2, S.L.U.	Madrid	100%	-	3	(34)	282	-	285	285	
Vía Céleré Catalunya S.L.U.	Madrid	100%	-	11,112	(30)	335	693	12,140	12,140	
Vía Céleré Gestión de Proyectos, S.L.U. (a)	Madrid	100%	-	3	(10,193)	(12,811)	4,529	3,329	3,329	
Conspace, S.L.U.	Madrid	100%	-	3	(682)	(591)	(522)	451	451	
Parquesoles Inversiones Inmobiliarias Y Proyectos, S.A. (a)	Lisbon, Portugal	100%	-	50	(4,917)	(5,673)	8,137	3,400	3,400	
Céleré Forum Barcelona, S.L.	Madrid	50%	-	2	288	97	554	1,833	1,833	
									71,499	

(a) Company audited as at 31 December 2020 by PWC

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Company	Address	% ownership interest		Capital	Result		Rest of Equity	Net book value of equity interest
		Direct	Indirect		From operations	From period		
Copaga, S.A.	Madrid	100%	-	144	(37)	(24)	(1,352)	-
Udralar, S.L.U. (a)	Madrid	100%	-	3	(961)	(726)	(27,783)	-
Torok Investment 2015, S.L.U.	Madrid	100%	-	3	(266)	(532)	(1,181)	7
Udrasur Inmobiliaria, S.L.U.	Madrid	100%	-	3	(37)	(33)	(485)	-
Douro Atlántico, S.A. (a)	Lisbon, Portugal	100%	-	8,062	(848)	(995)	(2,929)	6,944
Maywood Invest, S.L.U. (a)	Madrid	100%	-	833	(2,154)	(2,475)	1,705	12,110
Vía Célere, S.L.U. (a)	Madrid	100%	-	22,749	29,843	22,646	8,102	31,914
Vía Célere 1, S.L.U.	Madrid	100%	-	3	(66)	(57)	(911)	-
Vía Célere 2, S.L.U.	Madrid	100%	-	3	59	221	8,010	7,336
Vía Célere Catalunya S.L.U.	Madrid	100%	-	11,112	(63)	312	5,127	16,180
Vía Célere Gestión de Proyectos, S.L.U. (a)	Madrid	100%	-	3	1,885	1,116	465	381
Conspace, S.L.U.	Madrid	100%	-	3	(17)	148	(592)	1
Parquesoles Inversiones Inmobiliarias Y Proyectos, S.A. (a)	Lisbon, Portugal	100%	-	50	(592)	(1,270)	9,518	10,171
Célere Forum Barcelona, S.L. (a)	Madrid	50%	-	2	12,394	9,487	(6,933)	5,079
								90,123

(a) Company audited as at 31 December 2019 by KPMG

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Loans with Group companies, associates and related parties

The loans granted by the Company to its investees which are of a participating nature bear interest at a variable rate based on the performance of the investee company, which is between 4% and 7% of the investee company's loan limit. Details as at 31 December 2020 are as follows:

Company	Short term		Maturity
	Thousand of euros		
	Limit	Available	
Udrasur Inmobiliarias, S.L.U.	1,000	561	30/06/2021
Copaga, S.L.U.	2,000	1,563	30/06/2021
Vía Célere 1, S.L.U.	5,000	62	30/06/2021
Conspace, S.L.U.	2,000	806	30/06/2021
Torok Investments 2015, S.L.U.	27,500	21,782	30/06/2021
Maywood Invest, S.L.U.	1,400	1,400	31/12/2021
Total	38,900	26,174	

Company	Long term		Maturity
	Thousand of euros		
	Limit	Available	
Udralar, S.L.U.	80,000	74,323	31/12/2023
Vía Célere Gestión de Proyectos, S.L.U.	10,000	9,167	31/12/2022
	90,000	83,490	

On 31 December 2020 the Company offset the ordinary loan it had with the subsidiary Vía Célere, S.L.U., as described at the beginning of Note 10.

Also, on 31 December 2020, the Company signed a novation of the participating loan it has with the subsidiary Vía Célere Gestión de Proyectos, S.L.U., increasing the limit amount available to 10,000 thousand of euros and maturing on 31 December 2022, which has led to the reclassification of this loan from short to long term at the end of 2020.

During the year 2020 various participating loans have been reclassified from long-term to short-term.

In addition, short-term receivables include cash transfers between Group companies under current account agreements between the Company and its investees, as well as with its parent company. These accounts are remunerated at Euribor plus a market spread.

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The detail of loans as at 31 December 2019 was as follows:

Company	Short term		Maturity
	Thousand of euros		
	Limit	Available	
Udrasur Inmobiliarias, S.L.U.	1,000	526	31/12/2020
Copaga, S.L.U.	2,000	1,563	30/12/2020
Vía Célere 1, S.L.U.	5,000	12	20/12/2020
Conspace, S.L.U.	2,000	756	31/12/2020
Vía Célere Gestión de Proyectos, S.L.U.	7,000	4856	31/12/2020
Total	17,000	7,713	

Company	Long Term		Maturity
	Thousand of euros		
	Limit	Available	
Torok Investments 2015, S.L.U.	26,100	22,246	15/03/2022
Maywood Invest, S.L.U.	1,400	1,400	31/12/2021
Udralar, S.L.U.	80,000	74,322	31/12/2023
	107,500	97,968	

Details of other ordinary loans assigned by the Company to investees at 31 December 2019 were as follows:

Ordinary loans	Thousand of euros		Maturity
	Limit	Available	
Vía Célere, S.L.U.	37,000	33,807	31/12/2020
Total	37,000	33,807	

The most significant event in 2019 was the reclassification of the participating loans and the ordinary loan from long-term to short-term receivables.

In addition, short-term receivables included cash transfers between Group companies under current account agreements between the Company and its investees as well as with its parent company. These accounts were remunerated at Euribor plus a market spread.

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11. Inventories

The movement in inventories during 2020 and 2019 is as follows:

	Thousand of euros				
	Land and plots	Developments completed	Development in progress	Advances to suppliers	Total
Cost as at 1 January 2019	537,522	2,768	303,167	6,545	850,002
Additions	104,072	-	262,285	4,080	370,437
Merger acquisitions (See Note 5)	383,279	8,370	183,689	353	575,691
Derecognitions	(3,346)	(197,656)	-	(1,565)	(202,567)
Transfers	(127,160)	284,361	(157,201)	-	-
Cost as at 31 December 2019	894,367	97,843	591,940	9,413	1,593,563
Additions	44,008	-	259,646	11,870	315,524
Derecognitions	(18,426)	(367,257)	-	(20,339)	(406,022)
Transfers	(90,812)	394,100	(303,288)	-	-
Cost as at 31 December 2020	829,137	124,686	548,298	944	1,503,065
Valuation adjustments for impairment as at 1 January 2019	(361,206)	(857)	(72,957)	-	(435,020)
Endowments	(7,665)	(11)	(5,699)	-	(13,375)
Reversals	10,496	17,851	2,272	-	30,619
Transfers	20,775	(19,465)	(1,310)	-	-
Valuation adjustments for impairment as at 31 December 2019	(337,600)	(2,482)	(77,694)	-	(417,776)
Endowments	(7,129)	(112)	(2,972)	-	(10,213)
Reversals	2,721	21,191	1,171	-	25,083
Transfers	(14,965)	(19,191)	34,156	-	-
Valuation adjustments for impairment as at 31 December 2020	(356,973)	(594)	(45,339)	-	(402,906)
Net book value as at 31 December 2019	556,767	95,361	514,246	9,413	1,175,787
Net book value as at 31 December 2020	472,164	124,092	502,959	944	1,100,159

As "Property Developments in Progress" the Company records the cost of short-cycle and long-cycle developments in progress.

As at 31 December 2020, the short-cycle property developments are: Célere Cortijo Norte IV, Célere Cruces (flats), Célere Ciencias 17, Célere Vega, Célere MT22, Célere Urban, Célere Doña Julia, Célere Cubic III and Célere Austral and are registered with a value of 355,114 thousand of euros.

As at 31 December 2019, the developments Célere Arco, Célere Cortijo Norte (phase I), Célere Navis, Célere Casa Banderas (phase II), Célere Retamar II, Célere Terran, Célere Jalón, Célere Serenity, Célere Cortijo Norte (phases II-III), Célere Llum Patraix, Célere Perales, Célere Els Ametllers, Célere Cubic II, Célere Bremen, Célere Domeny (phase I), Célere Cala Serena, Célere Lemos, Célere Nova Rivas were considered short-cycle inventories and were recorded with a value of 273,080 thousand of euros.

The Company capitalises borrowing costs accrued during the year relating to financing for the development of real estate inventories, provided that they relate to inventories that have a production cycle of more than one year. During the financial year 2020 and 2019, 11,995 thousand of euros and 6,548 thousand of euros of financial expenses have been capitalised, respectively.

11.1 Land and plots

The balance of this account corresponds to the acquisition price of various plots of land and sites which as at 31 December 2020 and 2019 were in the final phase or under urban development management, and whose destination is basically residential (although there are plots of land for use for public or industrial purposes).

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As at 31 December 2020 and 2019, the above-ground buildable area of the Company's land portfolio amounted to 1,830,065 m² and 2,027,624 m² respectively. The breakdown of the Company's land by geographical area is as follows:

Location	total m ²	
	31.12.2020	31.12.2019
Madrid	784,860	820,864
Malaga	302,318	353,079
Seville	256,411	312,630
Valencia	121,061	144,999
Valladolid	81,464	72,563
Other provinces	283,952	323,489
	1,830,065	2,027,624

At 31 December 2020 and 2019 there were "Land and Plots of Land" with a net cost of 30,241 thousand of euros (31 December 2019: 78,664 thousand of euros), which were mortgaged as security for the repayment of various bilateral loans, of which 29,570 thousand of euros and 37,097 thousand of euros respectively had been drawn down (Note 14.1).

The main movements in 2020 were:

- The execution of a purchase option held by ARPO on various plots of land forming part of UZ 2.4-03 in Pozuelo de Alarcón (Madrid) for an amount of 25,270 thousand of euros.
- The acquisition of land through the foreclosure of the third-party loans described in Note 9 for an amount of 4,265 thousand of euros, located in Tres Cantos (Madrid).
- The execution of an exchange for an amount of 7,000 thousand of euros for development in progress of land located in Marbella (Malaga).
- Derecognitions relating to the sale of land for a net amount of 30,571 thousand of euros, with an associated cost of 18,426 thousand of euros. The most significant sales correspond to the sale of two plots of land in Seville for a cost of 7,568 thousand of euros and the sale of a plot of land in Madrid for a cost of 2,667 thousand of euros.

The main movements in 2019 were:

- The acquisition of a plot of land in Berrocales (Madrid) for 11,475 thousand of euros.
- The acquisition of a plot of land called "Coslada RML1" (Madrid) for 5,232 thousand of euros, of which 4,709 thousand of euros were outstanding as at 31 December 2019.
- The execution of the purchase option on a plot of land held in Barajas (Madrid) for approximately 24,000 thousand of euros, with 17,621 thousand of euros outstanding as at 31 December 2019.
- The acquisition of the land through the foreclosure of the third-party loans described in Note 9 for 41,365 thousand of euros.
- Derecognitions relating to the sale of land for a net amount of 5,319 thousand of euros, with an associated cost of 3,346 thousand of euros. The most significant sale corresponds to Sevilla Este 13G for 4,745 thousand of euros.

11.2 Commitments to acquire land and plots

As at 31 December 2020, there were no commitments for the acquisition of land or plots of land.

As at 31 December 2019 the Company had entered into pledge agreements or agreements with purchase options on land and building plots totalling approximately 62,000 thousand of euros, and had delivered interim amounts of 2,342 thousand of euros. These amounts are recorded under "Advances to suppliers" in the balance sheet.

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As at 31 December 2019 the main advances were as follows:

- The purchase option contract formalised on 6 April 2017 with Resto HG, S.L. on several pieces of land that were part of UZ 2.4-03 "ARPO", of which 2,941 thousand of euros have been advanced. On 11 February 2020, the option to purchase this land was exercised.

11.3 Developments in progress

At 31 December 2020 and 31 December 2019 it includes the costs incurred in the development of property developments in progress at that date, including the cost of land purchase.

As at 31 December 2020, the main developments in progress are:

- Developments Célere Cubic III, Célere Nova Rivas, Célere Urbam and Célere Parque Norte in Madrid; Célere Vega, Célere Doña Julia and Célere Port Avenue in Málaga; Célere Alocs, Célere Finestrelles Fase I-II in Barcelona; Célere Ciencias 17 in Seville; Célere Domeny in Girona; and Célere Cruces in Vizcaya.

As at 31 December 2019, the main developments in progress were:

- Developments Casa Banderas Phase II and Célere Serenity in Málaga, Célere Perales and Célere Cubic II in Madrid and Cortijo Norte Phase I-II-III in Boadilla del Monte.

Property developments in progress at 31 December 2020 and 2019 have a net cost of 502,959 thousand of euros and 514,246 thousand of euros, respectively, of which property developments in progress amounting to 312,514 thousand of euros and 438,265 thousand of euros, respectively, have been mortgaged to secure the repayment of developer loans, with balances drawn down at that date of 150,071 thousand of euros and 116,799 thousand of euros, respectively (Note 14.1).

11.4 Completed developments

"Completed Developments" of the balance sheet as at 31 December 2020 mainly includes the cost of the unsold portion of the following developments:

Malaga

- Célere Serenity and Célere Duna Beach.

Madrid

- Célere Cortijo Norte Phase II-III-IV , Célere Jarama, Célere Perales and Célere Cubic II.

Barcelona

- Célere Els Atmellers and Célere Terram.

Valladolid

- Célere Arco.

"Completed developments" in the balance sheet as at 31 December 2019 mainly included the following developments:

Malaga

- Residencial Barama and Casa Banderas phase I.

Madrid

- Célere Boreal III, Célere Nueva Gavia, Célere Aquam, Célere Nacari, Célere Harmony, Célere Infanta III and Célere Monet.

Almeria

- Célere Duna Beach

Barcelona

- Célere Aviació

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Valladolid

- Célere Ponce de León

In 2020, derecognitions amounting to 367,257 thousand of euros (197,656 thousand of euros during 2019) were recorded under "Completed developments", corresponding to the cost of inventories delivered during the year.

Completed developments as at 31 December 2020 and 2019 have a net cost of 82,032 thousand of euros and 95,631 thousand of euros, which are mortgaged to secure the repayment of developer loans for completed developments, with the balances drawn down at those dates amounting to 39,134 thousand of euros and 48,011 thousand of euros, respectively (Note 14.1).

11.5 Commitments to sell property developments in progress and completed developments

The Company records under "Trade and other payables" the amount received in advance, in cash or commercial bills, from customers with whom it has entered into sales commitments.

As at 31 December 2020 and 2019, the Company had signed contracts for the sale of properties of developments in progress at that date, or of completed developments, for a total amount of 550,938 thousand of euros and 822,510 thousand of euros, respectively. Of the total sales commitments, as at 31 December 2020 and 2019 the Company has received advances on account totalling 106,991 thousand of euros and 119,559 thousand of euros, respectively (Note 14.2). Advances recorded at 31 December 2020 and 2019 include 34,646 thousand of euros and 78,595 thousand of euros of restricted cash (Notes 8 and 14).

As a standard procedure, almost all pre-sales are subject to compensation clauses for late delivery consisting, for the most part, of statutory interest on the amounts delivered during the period between the contractually agreed delivery date and the actual delivery date. The Company does not estimate any impact on these annual accounts for this reason, mainly due to the historical experience of the last years, as well as the fact that the delivery date foreseen in the contracts considers a safety margin. In addition, pre-sales generally include indemnities in favour of the Company in the event of cancellation by the customer, although no amount is recorded for this item until collection.

11.6 Impairment of inventories

The Company annually commissions independent expert valuations to determine the fair values of its inventories. As at 31 December 2020 and 2019 the valuations have been carried out by "Savills Aguirre Newman Valoraciones y Tasaciones, S.A.U.". The valuations have been carried out on a market value basis, in accordance with the definition adopted by the Royal Institution of Chartered Surveyors (RICS) and in line with the International Valuation Standards (IVS) published by the International Valuation Standards Committee (IVSC), the leading international valuation organisations for real estate and general valuation respectively.

The comparison method of valuation (mainly for completed products) and the static and dynamic residual methods (mainly for land and plots and developments in progress) have been used to calculate the market value. Using the dynamic residual method, the residual value of the property being valued is obtained by discounting the cash flows established on the basis of the forecast of outstanding expenses and income, taking into account the period until the cash flow is realised, by the fixed discount rate. The result of this calculation is added to all cash inflows that have been considered as already realised prior to the valuation date, thus obtaining the total value. The discount rate used is that which represents the average annual profitability of the project, without taking into account the external financing that an average developer would obtain in a development of the characteristics of the one analysed.

Discounted Cash Flow ("DCF") as defined by Savills comprises the analysis of the development and its derecognition on completion, or when urban status is granted, discounting the costs necessary to bring the project to completion (construction, architecture, planning and completion cost) and recognition of revenue as sales are completed. This will result in a cash flow that will be discounted to the valuation date using the IRR, which is indicative of the level of risk the developer is willing to accept and the expected returns.

As at 31 December 2020 the Company has recognised an impairment of 10,213 thousand of euros (13,375 thousand of euros during 2019), and a reversal amounting to 25,083 thousand of euros (30,619 thousand of euros during 2019), in order to adjust the carrying amount to its estimated realisable value, which is determined based on the independent expert's valuations.

As at 31 December 2020 and 2019, the overall fair value of the Company's inventories resulting from the above valuations amounts to 1,556 million euros and 1,828 million euros, respectively.

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Savills' main assumptions in the valuation are as follows:

	Selling price (€/m ²)	Margin	Internal Rate of Return
Min	950	1%	6%
Max	7,863	48%	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 12.7%, as follows:

IRR (%)	Discount rate (%) 31.12.2020
Projects in progress	8.9%
Fully licensed land	12.4%
Strategic land	15%
TOTAL	12.7%

The outbreak of COVID-19, considered a global pandemic by the WHO in 2020, has affected global financial markets. Savills, in accordance with RICS VPS 3 and VPGA 10, highlights the existence of a material uncertainty in the valuation and also recommends in its report that the valuation of the assets be kept under regular review.

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 Company'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, although the Directors do not consider 10 % valuation increases or decreases to be likely.

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%)	1%	(1%)
Market value	1,521,548	1,603,950		
Net book value	1,093,445	1,105,222		

Hypothesis	Thousand of euros					
	Selling Price					
	Increase /(decrease)					
	1%	(1%)	5%	(5%)	10%	(10%)
Market value	1,587,157	1,534,348	1,689,050	1,425,244	1,816,338	1,288,753
Net book value	1,102,858	1,095,391	1,116,421	1,076,093	1,133,018	1,038,679

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 47,549 thousand of euros, and an increase of 100 basis points would result in a decrease in the valuation of 34,852 thousand of euros.

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- A 1% decrease in the sale price would lead to a decrease in the valuation of 22,052 thousand of euros, and a 1% increase would lead to an increase in the valuation of 30,757 thousand of euros.
- A 5% decrease in the sale price would lead to a decrease in the valuation of 131,156 thousand of euros, and a 5% increase would lead to an increase in the valuation of 132,649 thousand of euros.
- A 10% decrease in the sale price would lead to a decrease in the valuation of 267,647 thousand of euros, and a 10% increase would lead to an increase in the valuation of 259,937 thousand of euros.

12. Equity

12.1. Share capital and share premium

On 9 January 2019 the merger deed of the Aelca Group with the Company was executed, which involved a capital increase by contribution, as approved by the shareholders at the General Shareholders' Meeting held on 31 October 2018, through the issue of 31,746,987 new shares with a par value of 6 euros each and with the same rights as the existing shares. On 10 January 2019 it was filed with the Companies Registry of Madrid and on 8 March 2019 it was duly registered.

On 15 March 2019, a capital increase of 10,929 thousand of euros, approved by the Company's General Shareholders' Meeting on 10 December 2018, was granted in a public deed, through the issuing of 1,821,490 new shares with a par value of 6 euros each with the same rights as those existing at that date. This increase was made by means of monetary contributions and is registered in the Companies Registry of Madrid on 1 April 2019.

On 15 March 2019, a capital increase of 5,563 thousand of euros, approved by the Company's General Shareholders' Meeting on 10 December 2018, was granted in a public deed, through the issuing of 927,189 new shares with a par value of 6 euros each with the same rights as those existing at that date. This increase was made by means of credit compensation and is registered in the Companies Registry of Madrid on 27 June 2019.

Following the transactions described above, as at 31 December 2020 and 2019, the 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.

The shareholders of the Company as at 31 December 2020 and 2019 were as follows:

Company	2020		2019	
	Number of shares	Percentage of ownership	Number of shares	Percentage of ownership
Maplesville Invest, S.L.U.	17,828,983	26.0%	17,828,983	26.0%
Windham Spain, S.L.U.	10,170,558	14.8%	10,170,558	14.8%
Lewistown Invest, S.L.U.	10,042,179	14.7%	10,042,179	14.7%
Glenwock Invest, S.L.U.	8,258,332	12.1%	8,258,332	12.1%
Rimbey Spain, S.L.U.	6,024,597	8.8%	6,024,597	8.8%
Greencoat B.V.	5,513,934	8.0%	5,513,934	8.0%
Trinity Investment Ltd.	5,112,989	7.5%	5,112,989	7.5%
Merrill Lynch International	2,229,368	3.3%	2,229,368	3.3%
MELF B.V.	1,832,276	2.7%	1,832,276	2.7%
Barclays Bank PLC	1,329,208	1.9%	1,329,208	1.9%
Deutsche Bank AG, London Branch	97,877	0.1%	97,877	0.1%
JP Morgan Securities PLC	86,552	0.1%	86,552	0.1%
	68,526,853	100.0%	68,526,853	100.0%

The expenses incurred in the merger of Aelca during 2019 amounting to 5,506 thousand of euros were recognised in the Parent Company's equity (Note 5).

During 2020 there were no movements in the number of shares between shareholders and no capital increases or decreases.

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The movement in the number of shares during 2019 was as follows:

Company	Number of shares as at 31.12.2018	Capital increase "Operation Aelca" (10.01.2019)	Capital increase (15.03.2019)	Capital increase by offsetting of receivables (15.03.2019)	Transfers	Number of shares as at 31.12.2019
Maplesville Invest, S.L.U	17,828,983	-	-	-	-	17,828,983
Greencoat B.V.	5,513,934	-	-	-	-	5,513,934
Trinity Investment Ltd.	5,112,989	-	-	-	-	5,112,989
MELF B.V.	1,832,276	-	-	-	-	1,832,276
Barclays Bank PLC	1,329,208	-	-	-	-	1,329,208
Merrill Lynch International	2,229,368	-	-	-	-	2,229,368
Deutsche Bank AG, London Branch	97,877	-	-	-	-	97,877
JP Morgan Securities PLC	86,552	-	-	-	-	86,552
Lewistown Invest, S.L.U.	-	8,217,065	897,925	-	927,189	10,042,179
Glenwock Invest, S.L.U.	-	7,758,416	499,916	-	-	8,258,332
Rimbey Spain, S.L.U.	-	5,986,150	38,447	-	-	6,024,597
Windham Spain, S.L.U.	-	9,785,356	385,202	-	-	10,170,558
Aelca Desarrollos Inmobiliarios, S.L.U.	-	-	-	927,189	(927,189)	-
	34,031,187	31,746,987	1,821,490	927,189	-	68,526,853

12.2 Share premium

The Spanish Companies 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.

12.3 Legal reserve

Under the Spanish Companies Act, 10% of net income 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 mentioned above, 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.

12.4 Restrictions on the distribution of dividends

As at 31 December 2020 and 2019, the Company maintains limitations on dividend distributions as a result of the conditions agreed in the corporate financing agreement signed on 2 January 2019 and novated on 26 June 2020 (Note 14).

12.5 Voluntary reserves

During 2020, there was no movement in the voluntary reserves. During 2019, the movement in voluntary reserves was as follows:

	Thousand of euros
Opening balance 31.12.2018	73,660
Reserves for corporate operations	(409,965)
Opening balance 31.12.2019	(336,305)

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13. Provisions and contingencies

The composition of the balance of these balance sheet headings corresponds entirely to the provision for litigation and is detailed below:

	Thousand of euros			
	31.12.2020		31.12.2019	
	Non-current	Current	Non-current	Current
Provisions for other liabilities	8,032	7,839	11,846	4,628
After-sales service	-	766	-	398
	8,032	8,605	11,846	5,026

The movement in provisions during 2020 and 2019 is as follows:

	Thousand of euros		
	Provision for other liabilities		After-sales service
	Non-current	Current	Current
Balance as at 1 January 2020	11,846	4,628	398
Endowments	6,249	7,862	710
Computer	(546)	(2,656)	(192)
Reversals	(9,517)	(1,995)	(150)
Balance as at 31 December 2020	8,032	7,839	766

	Thousand of euros		
	Provision for other liabilities		After-sales service
	Non-current	Current	Current
Balance as as 1 January 2019	8,547	240	-
Endowments	3,348	5,446	398
Merger additions	1,128	-	-
Computer	(1,177)	(1,058)	-
Balance as at 31 December 2019	11,846	4,628	398

13.1 Provision for other liabilities

As at 31 December 2020, the Company's most significant proceedings are due to claims received from construction companies in 2020 amounting to 4,685 thousand of euros, for which provisions have been recognised.

During 2020, the provision in the amount of 7,900 thousand of euros was reversed, due to the procedure maintained by the Company for having delivered two letters of guarantee to Antigua Rehabitalia, S.A., an indirect subsidiary of the Company until 29 December 2017, covering two mortgage loans between Antigua Rehabitalia, S.A. and SAREB amounting to 12,400 thousand of euros to secure two properties owned by Antigua Rehabitalia, S.A. located in the sector of Conil de la Frontera (Cádiz). During 2017, Antigua Rehabitalia, S.A. entered into insolvency proceedings. As a result, the Group decided to make a provision of 7,900 thousand of euros relating to the difference between the guarantee and the fair value of the land, which remained at year-end 2019. The claim action for said amount was time-barred on 7 October 2020.

During 2020, the Company was in the process of being inspected by the tax authorities for corporate income tax for 2015, whereby the tax values of the assets contributed in 2010 by Grupo San José in favour of Vía Celere Desarrollos Inmobiliarios are being questioned. In this respect, the Company has decided to make a provision of 1,800 thousand of euros.

In 2019 the Company registered 1,707 thousand of euros in the provisions for liabilities and charges in respect of property tax (IBI) relating to the foreclosure of loans to third parties, of which 1,177 thousand of euros have been applied in the year, and 530 thousand of euros were outstanding in this connection as at 31 December 2019.

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In 2019, as part of the merger process (Notes 1 and 5), the Company incorporated provisions amounting to 1,128 thousand of euros in connection with potential liabilities arising from the business activities of the absorbed companies.

13.2 After-sales provision

During 2020, the Company made a provision for possible customer claims for developments delivered amounting to 766 thousand of euros (398 thousand of euros during 2019).

13.3 Provisions for other current liabilities (trading provisions)

During 2020, the Company made a provision of 4,862 thousand of euros (5,446 thousand of euros) for the completion of work costs of construction services received but not yet invoiced on delivered developments. They are recognised at the date of sale of the relevant assets, based on the Company's best estimate of the possible expenditure and for the amount required to settle the Company's liabilities.

In the opinion of the Board of Directors, the provisions recorded as at 31 December 2020 and 2019 reasonably cover the existing risks, not considering that significant additional losses may arise from the resolution of litigation in progress.

14. Long-term and short-term debts and trade payables

The classification of Financial Liabilities by category is as follows:

	Thousand of euros			
	31.12.2020		31.12.2019	
	Non-current	Current	Non-current	Current
Bank borrowings	997	321,392	222,401	313,860
Payable to Group companies, associates and related parties (Note 19)	-	74,339	-	123,752
Remunerations pending payment	-	1	-	1,964
Suppliers (Note 14.2)	-	78,786	-	83,133
Suppliers to Group companies and associates (Note 19)	-	22,072	-	29,467
Advances from customers (Note 11.5)	-	106,991	-	119,559
Other financial liabilities	7	82	7	17
	1,004	603,663	222,408	671,752

Regardless of the effective repayment date, financial debt that is used to finance goods or assets also classified as "current" in the balance sheet is classified as "current".

Details of "Bank borrowings" at 31 December 2020 and 2019 are as follows:

	Thousand of euros			
	31.12.2020		31.12.2019	
	Non-current	Current	Non-current	Current
Mortgage loans on inventories (Note 14.1)	-	218,775	-	201,907
Interests	-	1,684	-	4,513
Other loans	997	100,933	222,401	107,440
	997	321,392	222,401	313,860

Other current receivables as at 31 December 2020 and 31 December 2019 include the amount drawn down, recorded at amortised cost, of a credit line arranged with Banco Popular to finance the purchase of land, with an available limit of 28 million euros, of which 26 million euros were drawn down as at 31 December 2020 (121 million euros of limit in 2019 and 105 million euros drawn down as at 31 December 2019).

In addition, the senior syndicated financing agreement signed by the Company on 2 January 2019 for 223,000 thousand of euros, with the Company as the original borrower and Vía Céler, S.L.U., Maywood Invest, S.L.U. and Udralar, S.L.U. as the original guarantors, J.P., is recognised under "Short-term bank borrowings" in the accompanying balance sheet. Morgan Securities PLC and Credit Suisse International as coordinators, a number of financial institutions as original lenders, and Credit Suisse International as agent and collateral agent. The initial amount was distributed by means of an

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Acquisition facility (loan) in the amount of 185,331 thousand of euros and a Revolving Credit Facility (RCF) in the amount of 37,669 thousand of euros.

The syndicated senior loan had a duration of two years, with final maturity on 2 January 2021, extendable for an additional year if certain conditions were met, and accrued an interest rate based on the EURIBOR plus a market differential. On 26 June 2020, the Company extended the financing agreement until 31 December 2021 on a half-yearly payment schedule.

Bonds and other marketable securities include a line for the issue of promissory notes on the Alternative Fixed Income Market ("MARF") of which the balance drawn down at as 31 December 2020 is 1,700 thousand of euros.

The Company continuously explores existing alternatives to optimise and diversify its funding sources.

During 2020, the Company has made repayments of 150 million euros, leaving an outstanding balance as at 31 December 2020 of 73 million euros.

The Company undertakes to comply with certain covenant financial obligations during the term of the loan and relating to its quarterly Consolidated Financial Statements. These obligations are as follows:

- Commitment to comply with a ratio known as "LTV", understood as the quotient between: Net Debt and Gross Assets Value ("GAV").

This ratio must be below 45%, which is met at 31 December 2020 and 2019.

- Commitment to comply with at least 85% of the consolidated EBITDA, the contribution by the guarantor companies of the senior syndicated loan and at least 5% of the total aggregate assets (calculated on a non-consolidated basis and excluding all intragroup elements and investments in investees).

In addition, a guarantee was granted on the shares of the investee companies: Via Célere, S.L.U., Maywood Invest, S.L.U. and Udralar, S.L.U. In relation to these guarantees, during 2019 the guarantee on Maywood Invest, S.L.U and Udralar, S.L.U. was released. However, during 2020, a guarantee has been granted on the shares of Maywood Invest, S.L.U., becoming the guarantor of this syndicated loan. The ratio as at 31 December 2020 and 2019 is complied.

Classification by maturity

The classification of financial liabilities by maturity is as follows:

Thousand of euros						
31.12.2020						
	2021	2022	2023	2024	2025 and later	Total
Inventory mortgage loans	167,958	46,557	4,261	-	-	218,775
Other loans	100,933	160	164	167	506	101,930
Total financial liabilities	<u>268,891</u>	<u>46,717</u>	<u>4,425</u>	<u>167</u>	<u>506</u>	<u>320,705</u>

Thousand of euros						
31.12.2019						
	2020	2021	2022	2023	2024 and later	Total
Inventory mortgage loans	173,713	22,313	1,740	4,141	-	201,907
Other loans	16,705	312,139	160	164	673	329,841
Total financial liabilities	<u>190,418</u>	<u>334,452</u>	<u>1,900</u>	<u>4,305</u>	<u>673</u>	<u>531,748</u>

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14.1 Mortgage loans secured by inventories

The detail of loans secured by mortgages on inventories as at 31 December 2020 and 2019 is as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
Mortgage loans secured by development		
Property under construction (Note 11.3)	150,071	116,799
Loans secured by mortgages on completed developments (Note 11.4)	39,134	48,011
Loans secured by mortgages on land and plots (Note 11.1)	29,570	37,097
	218,775	201,907

These mortgage loans bear annual market interest, which ranged between 1.00% and 3.35% during the financial year 2020 (between 1.00% and 4.00% in the financial year 2019).

14.2 Trade payables

"Trade and other payables" includes mainly the amounts payable for trade purchases and related expenses. The details of this heading are as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
Suppliers	78,786	83,133
Suppliers, group companies, associates (Note 19)	22,072	29,467
Customer advances (Note 11.5)	106,991	119,559
Personnel	1	1,964
Payable to public authorities (Note 16)	27,009	6,691
	234,859	240,814

15. Information on payment deferrals made to suppliers. Third final provision "Duty of Information" of Law 15/2010 of 5 July 2010.

The information required by the third additional provision of Law 15/2010 of 5 July 2010 (as amended by the second final provision of Law 31/2014 of 3 December 2014), prepared in accordance with the ICAC Resolution of 29 January 2016, on the information to be included in the notes to the annual accounts, is detailed below.

	Payments made and to be paid	
	2020	2019
	Days	Days
Average payment period to suppliers	81	71
Paid transactions ratio	88	77
Ratio of transactions pending payment	32	36
	Amount (Euros)	Amount (Euros)
Total payments made	194,630,185	197,279,517
Total outstanding payments	27,662,805	31,748,512

The management of the Company evaluates the necessary actions to reduce the average payment period to suppliers, in accordance with the established regulatory limits.

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16. Fiscal situation

Since 1 January 2016, the Company has been taxed under the consolidated tax regime for corporate income tax purposes, as the head of the group (Group 0258/16). Subsidiaries in the tax group are all subsidiaries resident in Spain in which the Company has a direct or indirect ownership interest of 75% or more.

As at 31 December 2020, the scope of the tax consolidation group is as follows:

<u>IS Group</u>	
Parent	
Via Célere Desarrollos Inmobiliarios, S.A.	
Dependents	
Copaga, S.A.	
Udralar, S.L.U.	
Udrasur Inmobiliaria, S.L.U.	
Torok Investment 2015, S.L.U.	
Via Célere, S.L.U.	
Via Célere 1, S.L.U.	
Via Célere 2, S.L.U.	
Via Célere Gestión de Proyectos, S.L.U.	
Conspace, S.L.U.	
Via Célere Catalunya, S.L.U.	
Maywood Invest, S.L.U.	

16.1. Tax receivables and payables

The detail of balances with public authorities is as follows:

	<u>Thousand of euros</u>			
	<u>31.12.2020</u>		<u>31.12.2019</u>	
	<u>No current</u>	<u>Current</u>	<u>No current</u>	<u>Current</u>
<u>Assets</u>				
Deferred tax assets	62,987	-	69,568	-
Current tax assets	-	111	-	109
Value-added tax and similar	-	4,188	-	5,573
Other	-	-	-	8
	<u>62,987</u>	<u>4,299</u>	<u>69,568</u>	<u>5,690</u>
<u>Liabilities</u>				
Deferred tax liabilities	1,034	-	9,446	-
Corporate income tax	-	4,941	-	654
Social Security	-	463	-	339
Withholdings	-	1,092	-	587
Value-added tax and similar	-	20,513	-	5,111
	<u>1,034</u>	<u>27,009</u>	<u>9,446</u>	<u>6,691</u>

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16.2. Deferred tax assets and liabilities

The movement of "Deferred tax liabilities" as at 31 December 2020 and 2019 is as follows:

	Thousand of euros			
	31.12.2019	Additions	Derecognitions	31.12.2020
Assets with a tax value different from the book value	6,073	180	(6,274)	(21)
Credits for loss carryforwards.	22,567	-	(1,967)	20,600
Non-deductible financial expenses	38,378	272	(463)	38,187
Limitation to depreciation	754	-	(119)	635
Non-deductible provisions	268	2,017	(227)	2,058
Portfolio impairment	1,508	-	-	1,508
Tax deductions	20	-	-	20
	69,568	2,469	(9,050)	62,987

	Thousand of euros			
	31.12.2018	Additions	Derecognitions	31.12.2019
Assets with a tax value different from the book value	5,770	303	-	6,073
Credits for loss carryforwards.	22,567	-	-	22,567
Non-deductible financial expenses	36,208	2,170	-	38,378
Limitation to depreciation	853	-	(99)	754
Non-deductible provisions	-	268	-	268
Portfolio impairment	-	1,508	-	1,508
Tax deductions	20	-	-	20
	65,418	4,249	(99)	69,568

The movement of "Deferred tax liabilities" as at 31 December 2020 and 2019 is as follows:

	Thousand of euros		
	31.12.2019	Derecognitions	31.12.2020
Revaluation of assets from prior reorganisations	7,905	(7,905)	-
Profit reinvestment exemption	1,541	(507)	1,034
	9,446	(8,412)	1,034

	Thousand of euros		
	31.12.2018	Derecognitions	31.12.2019
Revaluation of assets from prior reorganisations	8,633	(728)	7,905
Profit reinvestment exemption	1,592	(51)	1,541
	10,225	(779)	9,446

The Company'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. At 2018 year-end, the Company recognised non-deductible financial expenses from prior years amounting to 36,208 thousand of euros (share) as a deferred tax asset. In 2019, an addition of 2,170 thousand of euros was recognised in this connection. During 2020, the Company has recovered financial expenses not deducted in previous years amounting to 1,852 thousand of euros.

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- 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.
- Credits for loss carryforwards. At 2018 year-end, the Company recognised deferred tax assets relating to tax losses carried forward from prior years that had not yet been offset. In the current year the Company has already started to offset tax loss carryforwards.
- Difference between book and tax value of assets from different business restructuring operations. The Company has derecognised both the deferred asset and the deferred liability in this connection as it considers that it does not have sufficient supporting documentation to substantiate the amount recorded for both items.

To assess the recoverability of deferred tax assets, the Company has also taken into account the valuation of inventories at year-end 2020 carried out by an independent expert, which reflects a fair value of 1,564 million euros (Note 11.6), as well as the business plan prepared by the Group for the period 2020-2030 and the development sales forecasts included in this plan, which also include those corresponding to the companies integrated during the year (Note 1), and which have been made taking into account the characteristics of the Spanish real estate sector in which the Group operates. As at 31 December 2020, the Group has signed sales contracts amounting to 550 million euros (Note 11.5). Based on this evidence, the Group estimates that it will recover the full amount of tax credits recognised in less than ten years.

16.3. Reconciliation of accounting profit and taxable profit

The reconciliation between the net amount of income and expenses for the year and the tax base is as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
Balance of income and expenses for the year	80,223	1,818
Corporate income tax	(2,248)	(10,980)
Profit / (loss) before tax	77,975	(9,162)
Permanent differences	(76,759)	(29,531)
Temporary differences	3,137	15,633
Offset of tax loss carryforwards from previous years	(1,099)	-
Taxable income (Taxable profit)	3,254	(23,060)

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

	Thousand of euros	
	31.12.2020	31.12.2019
Balance of pre-tax income and expenses for the year	77,975	(9,162)
Tax at 25%	19,494	(2,291)
Permanent differences	(19,190)	(7,383)
Deductions and allowances for the current fiscal year	(8)	(77)
Prior year adjustments	(1,213)	(208)
Deferred tax assets not recognised in prior periods	-	(294)
Expense for reduction of deferred tax assets	480	(727)
Assets with a carrying amount other than fair value	(1,811)	-
Income tax expense / (income) tax expense	(2,248)	(10,980)

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The detail of the income tax expense/(income) in the profit and loss account is as follows:

	Thousand of euros	
	2020	2019
Current tax		
From the year	796	(5,765)
Prior year adjustments	(1,213)	(209)
Tax deductions applied but not recognised in previous years	-	(77)
	(417)	(6,051)
Deferred taxes		
Origination and reversal of temporary differences		
Commitment expense activations	191	(2,170)
Provisions for impairment of investments	-	(1,508)
Limitation on depreciation deduction	119	99
Assets with tax value different from book value	(1,811)	(303)
Other deferred adjustments	177	(268)
Revaluation of prior years' assets	-	(727)
Profit reinvestment exemption	(507)	(52)
	(1,831)	(4,929)
Continuing activities	(2,248)	(10,980)

The main adjustments for permanent differences to the accounting profit for 2020 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 2020, 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 817 thousand of euros relating to part of the loss deferred in 2017.
- In addition, Dospuntos Asset Management, S.L. has proceeded to liquidate a series of entities that were contributed in the carve-out operation, such as Udramar, S.L. Udrasol, S.L., and Douro Atlantico, S.L. When VCDI contributed these entities to Dospuntos Asset Management, S.L. in accordance with the provisions of Article 11.9 of the Spanish Corporate Income Tax Law, it did not deduct the impairment losses that had not been deductible for tax purposes when they were provided for. Therefore, since the entities have been liquidated, generating a definitive loss, the Company has proceeded to recover the impairment losses considered non-deductible for tax purposes, incorporating a loss in the tax base in the amount of 23,963 thousand of euros.
- Elimination of financial income in the amount of 73,954 thousand of euros derived from the dividend received from Célere Fórum Barcelona, S.L., Vía Célere 2, S.L., Maywood Invets, S.L., Vía Célere, S.L., Vía Célere Catalunya, S.L. as it complies with the requirements established in Article 21 of the Corporate Income Tax Law.
- The Company has recorded a portfolio impairment, which in accordance with the provisions of Article 13 of the Spanish Corporation Tax Law (IS) is non-deductible for tax purposes, and therefore a positive adjustment of 21,108 thousand of euros has been made to the accounting result for this item.

The main adjustments for permanent differences to the accounting profit for 2019 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 2019, 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 20,232 thousand of euros relating to part of the loss deferred in 2017.

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- Elimination of financial income of 9,088 thousand of euros derived from the dividend received from Célere Fórum Barcelona, S.L., as it complies with the requirements established in Article 21 of the Corporate Income Tax Law.

In 2020, the main temporary tax differences are as follows:

- Negative adjustment amounting to 1,896 thousand of euros derived from the recoverability of the financial expense not deducted in previous years due to the application of Article 16 of the Corporate Income Tax Law.
- A positive adjustment of 1,800 thousand of euros derived from the provision for tax risks, in accordance with Article 14.3 of the Corporate Income Tax Law, the provision for tax risks is a non-deductible tax expense.
- A positive adjustment of 3,671 thousand of 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.
- Negative adjustment of 399 thousand of euros corresponding to the reversal of accounting amortisation expenses.

In 2019, the main temporary tax differences are as follows:

- Impairment of certain inventories with carrying values different from taxable values (1,215 thousand of euros).
- Impairment of the Company's shareholding in Célere Fórum Barcelona, S.L. amounting to 6,032 thousand of euros.
- Positive adjustment of 7,496 thousand of euros arising from the limitation on the deductibility of financial expenses, in accordance with Article 16 of the Corporate Income Tax Law.
- Negative adjustment of 399 thousand of euros corresponding to the reversal of accounting amortisation expenses.

16.4. Deductions and tax losses carryforwards

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 income tax payable in subsequent years, within the limits and time periods established by the related tax legislation.

The deductions generated and applied during the year are as follows:

Year	Thousand of euros	Item
2020	8	Deduction for donations
	<u>8</u>	

As at 31 December 2020, there are no outstanding deductions.

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The individual tax losses (pre-consolidation) to be offset at 31 December 2020 are detailed below:

<u>Year of origin</u>	<u>Euros</u>
2009	294
2010	27,374
2011	44,313
2012	54,446
2013	133,160
2014	1
2015	160,449
2016	946
2017	5,477
2018	12,283
	<u>438,743</u>

The amount of BINs (pre-consolidation) has been increased by the amount of BINs from the entities absorbed in the merger operation carried out in 2019 (Note 16.5 below).

At 31 December 2020, the tax loss carryforwards generated in the tax group are detailed below:

<u>BINS Consolidation Group</u>	
<u>Year of origin</u>	<u>Euros</u>
2017	16,967

The tax losses of the Company may be offset in the future, without any time limit, but in accordance with the quantitative limits set out in Royal Decree Law 3/2016 of 2 December. As mentioned in section 2 of this note, during 2018 the Company proceeded to activate tax losses from previous years amounting to 22,567 thousand of euros.

In summary, tax loss carryforwards generated and pending offset by the Company amount to 456 million euros at 31 December 2020, of which 82.4 million euros are capitalised (90.4 million euros at 31 December 2019), corresponding to 20.6 million euros in instalments (25%) recognised as deferred tax assets (22.6 million euros at 31 December 2019).

16.5 Restructuring operations

During 2019 the merger by absorption of the Company (as the absorbing entity) with the parent companies, the project companies of the operating companies of Aelca and Ponsnova Inmuebles, S.L.U. was carried out. (as absorbed entities), by means of simultaneous execution and in unity of act, with extinction of all of them and block transfer of their respective assets to the absorbing entity, which acquires by universal succession the totality of the rights and obligations of the former (Notes 1 and 5).

The merger by absorption was covered by the tax neutrality regime provided for in Section VIII, Chapter VII of the LIS.

Although the merger was tax neutral, there is no difference between carrying values and tax values, as all assets were recorded for accounting purposes at the same value at which the absorbed entities had recorded them.

For the information required by Article 86 of the Corporate Income Tax Law, see Appendices I, II, III, IV of the 2019 annual accounts.

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16.6. Years open for inspection and ongoing inspections

As at 31 December 2020, the Company has the following taxes and years open for inspection:

	<u>Years Open for Inspection</u>
Corporate income tax	2015-2019
Value-added tax	2017-2020
Personal income tax	2017-2020
Capital gains tax	2017-2020

According to current legal provisions, tax records cannot be considered as definitive until they have been inspected by the tax authorities or until the four-year period of limitations has expired.

The year 2020 of the Corporation Tax will not be reviewable until it has been presented (July 2021).

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 Company must accredit the tax losses 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.

On 8 March 2019, the Company received notification from the Spanish tax authorities of the commencement of inspection and investigation proceedings in relation to the following taxes and periods:

- Corporate income tax: 2013 and 2014
- Value-added tax: 04/2014 to 06/2015.

In July 2020, the Company signed in accordance with diligence A04 in relation to the inspection of corporation tax for the years 2013 and 2014.

In July 2020 the Company received communication to expand the inspectorate actions of the IS for the 2015 financial year.

On 1 September 2017, the Company received notification of the processing of allegations and proposal for the provisional liquidation of the corporate income tax for the year 2015. Under the proposal, the tax authorities made the following deductions as a result of a formal error in the completion of the 2014 consolidated tax return filed by Grupo Empresarial San José (the parent company of the tax group in which the Company was then integrated), in which all of the tax losses corresponding to the Company were allocated:

1. Consolidated tax loss carryforwards: reduction of 259,713 thousand of euros.
2. Tax credits for double taxation: a reduction of 48 thousand of euros.

On 10 April 2018, the tax authorities requested the Company to clarify the allocation of negative tax bases that were pending compensation at the beginning of fiscal year 2016, and that coincided with those credited in the self-assessment for fiscal year 2015.

Grupo Empresarial San José presented a rectification of the self-assessment of the consolidated tax, recognising the rights questioned by the tax administration in the aforementioned procedure.

On 3 May 2018, the tax administration notified the positive resolution of the open procedure on the negative tax bases for 2016. Therefore, once the tax loss carryforwards declared by the Company in 2016 were validated, the tax loss carryforwards that were questioned with respect to 2015 were tacitly validated.

As a result of this procedure, no sanctioning procedures have been opened.

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In any event, the Company's Board of Directors considers that the aforementioned taxes have been properly settled and, therefore, even if discrepancies arise in the current legal interpretation of the tax treatment of the transactions, any resulting liabilities, if any, would not materially affect these annual accounts.

17. Income and expenses

17.1 Revenue

The breakdown this heading as at 31 December 2020 and 2019 is as follows:

	Thousand of euros	
	National	
	2020	2019
Income from the sale of real estate developments	457,713	231,480
Income from Holding activity (Note 18)	81,396	17,611
	539,109	249,091

According to the consultation published in 2009 by the Spanish Accounting and Audit Institute (ICAC), in the case of a holding company such as Vía Céleré Desarrollos Inmobiliarios, S.A., dividends and income from financing granted to investees or from the provision of management services must be classified and presented as part of net turnover, as this is understood to be a principal activity of the Company.

The Company records under "Income from holding activities" mainly income from financing granted, distribution of dividends and provision of corporate services to investees, which in 2020 amounted to 2,302 thousand of euros, 73,395 thousand of euros and 5,699 thousand of euros, respectively (Note 18). During the financial year 2019 these items amounted to 2,377 thousand of euros, 9,089 thousand of euros and 6,145 thousand of euros, respectively.

17.2 Change in finished goods and work in progress inventories

The breakdown of this item is as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
Expenses capitalised as an increase in inventories (Note 11)	291,659	359,809
Cost of sales (Note 11)	(367,257)	(197,656)
Impairment losses on sales (Note 11)	19,358	17,344
Impairment of inventories endowment (Note 11)	(3,084)	(5,710)
Reversal of impairment of inventories (Note 11)	3,005	2,779
	(56,319)	176,566

17.3. Personnel expenses

The breakdown as at 31 December 2020 and 2019 is as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
Wages and salaries	13,631	13,798
Indemnities	4,652	12
Social Security	3,266	3,079
Other employee benefits expenses	191	279
	21,740	17,168

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17.4 Personnel

The composition of the Company's workforce at 2020 and 2019 year-end, broken down by professional category and gender, is as follows:

	31.12.2020		31.12.2019	
	Women	Men	Women	Men
Group General Management	1	4	3	2
Directors and Department Heads	25	48	31	52
Technicians	47	30	54	37
Sales	24	8	36	12
Administrative	42	13	47	21
Other personnel	-	-	3	-
	139	103	174	124

As at 31 December 2020 and 2019, the composition of the Company's average workforce is as follows:

	31.12.2020	31.12.2019
Group General Management	5	5
Directors and Department Heads	77	81
Technicians	85	83
Sales	39	42
Administrative	63	61
Other personnel	2	3
	271	275

As at 31 December 2020 and 2019, there were 5 and 4 directors, respectively, all of whom are men.

	2020	2019
Group General Management	-	-
Directors and Department Heads	-	-
Technicians	1	1
Sales	-	1
Administrative	1	1
Other personnel	-	-
	2	2

During 2020 and 2019 the Company has had two employees with a disability of 33% or more in its workforce.

17.5 External Services

The detail of this heading during 2020 and 2019 is as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
Leases	1,414	1,482
Repairs and maintenance	99	196
Independent professional services	7,887	10,758
Insurance premiums	530	474
Banking and similar services	213	344
Advertising and publicity	4,126	4,952
Supplies	1,275	2,486
Other services	654	612
	16,198	21,304

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During 2020, the Company incurred expenses for independent professional services (audit, legal and legal consultancy, etc.) amounting to 7,887 thousand of euros. "Independent Professional Services" in 2019 included 6,199 thousand of euros relating to advisory services, legal, administrative and financial management, technical assistance and marketing services provided in the first three months of 2019 by Aelca Desarrollos Inmobiliarios as a result of the merger described in Note 1.

Leases

As at 31 December 2020 and 2019, the Company has contracted office leases in Valladolid, Barcelona, Madrid and Malaga.

Commitments for future minimum lease payments amount to 2,765 thousand of euros as at 31 December 2020 (2019: 2,123 thousand of euros).

The detail is as follows:

	Thousand of euros	
	2020	2019
Up to a year	961	910
Between 1-5 years	1,394	1,137
More than five years	410	75
	2,765	2,122

Audit fees

The fees for the services provided by the auditing firms for the Company's annual accounts for the years ended 31 December 2020 and 2019, PricewaterhouseCoopers Auditores, S.L. and KPMG Auditores, S.L., respectively, regardless of the time of invoicing, are as follows:

	Thousand of euros	
	2020	2019
Audit Services	126	-
Other services	247	-
Total services provided by PwC	373	-
Audit Services	-	187
Other services	-	5
Total services provided by KPMG	-	192
Total	373	192

The amounts included in the above table include all fees for services performed during 2020 and 2019, irrespective of the time of invoicing, and have been recognised under "Independent professional services" in the profit and loss account for the year.

The information relating to the services provided by both audit firms to the companies controlled by the Company during the year ended 31 December 2020 and 2019, if applicable, is included in the consolidated annual accounts of Vía Céleré Desarrollos Inmobiliarios, S.A. and subsidiaries at 31 December 2020.

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17.6. Financial income and expenses

The movement in this heading during 2020 and 2019 is as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
Financial expenses		
Accrued interest with group companies (Note 18)	4,793	2,452
Interest on debts	32,728	27,467
	37,521	29,919
Finance income		
Marketable securities and other financial instruments	38	520
	38	520

17.7. Impairment and gains/losses on disposal of fixed assets and financial instruments

The movement in this heading during 2020 and 2019 is as follows:

	Thousand of euros	
	31.12.2020	31.12.2019
(Impairment) Reversal of financial investments and receivables from companies (Note 10)	(11,097)	(5,320)
Reversal (Impairment) of fixed assets (Note 7)	-	54
Changes in fair value of financial instruments	(1)	(24)
	(11,098)	(5,290)

18. Transactions with Group companies, associates and related parties

The detail of transactions with the group, associates and related parties during 2020 and 2019 is as follows:

	Thousand of euros				
	31.12.2020				
	Expenses		Income		
Services Received	Financial expenses (Note 17.6)	Provision of services (Note 17.1)	Dividends received (Note 17.1)	Finance income (Note 17.1)	
Group companies					
Vía CélerE Catalunya, S.L.U.	-	469	36	4,746	8
Vía CélerE Gestión de Proyectos, S.L.U.	98,762	-	1,480	-	323
Torok Investments 2015, S.L.U.	-	-	36	-	23
Vía CélerE 2, S.L.U.	-	393	36	8,309	81
Vía CélerE 1, S.L.U.	-	2	36	-	3
Vía CélerE, S.L.U.	-	3,468	572	48,263	376
Copaga, S.A.	-	2	36	-	2
Conspace, S.L.U.	-	-	150	-	32
Maywood, S.L.U.	-	-	1,291	9,477	698
Udralar, S.L.U.	-	458	1,087	-	23
Udrasur, S.L.U.	-	1	36	-	2
Douro Atlántico S.A.	-	-	259	-	175
Parquesoles Inversiones Inmobiliarias y Proyectos S.A.	-	-	455	-	556
Associates					
CélerE Fórum Barcelona, S.L.	-	-	189	2,600	-
	98,762	4,793	5,699	73,395	2,302

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	Thousand of euros				
	31.12.2019				
	Expenses		Income		
Services Received	Financial expenses (Note 17.6)	Provision of services (Note 17.1)	Dividends received (Note 17.1)	Finance income (Note 17.1)	
Group companies					
Vía Céleré Catalunya, S.L.U.	-	467	36	-	7
Vía Céleré Gestión de Proyectos, S.L.U.	93,109	-	1,353	-	405
Torok Investments 2015, S.L.U.	-	-	36	-	22
Vía Céleré 2, S.L.U.	-	390	36	-	84
Vía Céleré 1, S.L.U.	-	-	36	-	2
Vía Céleré, S.L.U.	-	993	1,020	-	382
Copaga, S.A.	-	2	36	-	1
Conspace, S.L.U.	-	-	147	-	26
Maywood, S.L.U.	-	-	1,267	-	643
Udralar, S.L.U.	-	600	896	-	81
Udrasur, S.L.U.	-	-	40	-	2
Douro Atlántico S.A.	-	-	213	-	147
Parquesoles Inversiones Inmobiliarias y Proyectos S.A.	-	-	355	-	575
Associates					
Céleré Fórum Barcelona, S.L.	-	-	674	9,089	-
	93,109	2,452	6,145	9,089	2,377

During 2020, the Company received dividends from various investees totalling 74,798 thousand of euros, generating income of 73,395 thousand of euros under "Revenue" in the accompanying profit and loss account and a decrease in the cost of the investment in the subsidiary Vía Céleré, S.L.U. of 1,403 thousand of euros in the accompanying balance sheet (Note 10).

The Company has signed construction contracts with its investee Vía Céleré Gestión de Proyectos, S.L.U. for the construction of residential developments in Spain. The price of the work is determined by the costs incurred plus a market margin of 4%.

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19. Balances with Group companies, associates and related parties

The amount of on-balance sheet balances with Group companies, associates and related parties is as follows:

	Thousand of euros				
	31.12.2020				
	Long-term loans (Note 10)	Short-term loans (Note 10)	Trade receivables (Note 9)	Short-term debt (Note 14)	Trade payables (Note 14.2)
Group companies:					
Vía Célere, S.L.U.	-	7,880	701	41,615	4
Vía Célere Catalunya, S.L.U.	-	116	58	11,918	-
Vía Célere 1, S.L.U.	-	65	130	26	-
Vía Célere 2, S.L.U.	-	201	58	417	-
Vía Célere Gestión de Proyectos, S.L.U.	9,167	1,697	1,850	-	22,050
Maywood Invest, S.L.U.	-	3,163	6,068	741	-
Conspace, S.L.U.	-	1,596	27	334	18
Douro Atlántico, S.A.	-	3,424	472	-	-
Copaga, S.A.	-	1,566	130	94	-
Udralar, S.L.U.	74,323	130	3,010	18,974	-
Udrasur, S.L.U.	-	568	130	66	-
Parquesoles Inversiones Inmobiliarias y Proyectos, S.A.	-	6,736	787	-	-
Torok Investments 2015, S.L.U.	-	22,416	130	154	-
Associates					
Célere Fórum Barcelona, S.L.	-	-	260	-	-
Related companies					
Dospuntos Asset Management S.L.	-	36	-	-	-
	83,490	49,594	13,811	74,339	22,072
Thousand of euros					
31.12.2019					
	Long-term loans (Note 10)	Short-term loans (Note 10)	Trade receivables (Note 9)	Short-term debt (Note 14)	Trade payables (Note 14.2)
Group companies:					
Vía Célere, S.L.U.	-	44,254	5,921	80,245	-
Vía Célere Catalunya, S.L.U.	-	416	84	16,690	-
Vía Célere 1, S.L.U.	-	13	84	44	-
Vía Célere 2, S.L.U.	-	2,671	84	11,077	-
Vía Célere Gestión de Proyectos, S.L.U.	-	13,862	2,759	-	29,323
Maywood Invest, S.L.U.	1,400	24,429	4,388	1,674	-
Conspace, S.L.U.	-	1,557	280	210	144
Douro Atlántico, S.A.	-	3,470	193	-	-
Copaga, S.A.	-	1,571	84	85	-
Udralar, S.L.U.	74,323	-	1,618	13,559	-
Udrasur, S.L.U.	-	527	84	52	-
Parquesoles Inversiones Inmobiliarias y Proyectos, S.A.	-	18,686	321	-	-
Torok Investments 2015, S.L.U.	22,245	696	84	116	-
Associates					
Célere Fórum Barcelona, S.L.	-	-	498	-	-
Related companies					
Dospuntos Asset Management S.L.	-	51	-	-	-
	97,968	112,203	16,482	123,752	29,467

During 2020, various offsets have been made, mainly of ordinary loans and current accounts, between the Company and several of its subsidiaries as described in Note 10.

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20. Other information

José Ignacio Morales Plaza was the managing director during 2020 and until the date of authorisation for the formalisation of the Company's annual accounts.

As at 31 December 2020, there are five members of the Board of Directors (five men) and five members of Senior Management (four men and one woman), one of whom is a member of the Board of Directors.

During 2020, two members left the Board and three new members joined.

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

During 2020, the members of the Board of Directors received remuneration of 19 thousand of euros for their directorships. During 2019 the members of the Board of Directors of the Company did not receive any remuneration for their position as directors. Senior executives' remuneration in 2020 and 2019 amounted to 2,413 thousand of euros and 1,611 thousand of euros, respectively. These amounts include the remuneration of one director with executive role.

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

In 2020 no obligations were assumed on behalf of the management bodies by way of guarantee, and civil liability insurance premiums for damage caused by acts or omissions in the year of office of 74 thousand of euros were paid (56 thousand of euros in 2019). The Group also has life insurance commitments related to current members of senior management.

20.2. Transactions outside the ordinary course of business or under non-market conditions by the Directors and by the members of the Company's Board of Directors.

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 Company or persons related to them, in 2020 and 2019 the directors and members of the Committee did not perform transactions with the Company that were not in the ordinary course of business or on terms and conditions other than those prevailing in the market.

20.3. Conflict of interest situations concerning the Directors

Except as detailed below, the members of the Company's 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 Jaime Echevarría Aguirre and his related persons have not, since January 2020 and up until 16 December 2020, 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 resolutions or decisions relating to this situation of conflict. However, Jaime Echevarría Aguirre has had responsibilities in companies whose object is similar to that of Vía Célere Desarrollos Inmobiliarios, S.A. given his status as Director of Dospuntos Asset Management, S.L.

Mr Francisco Milone and his related persons have, during 1 January 2020 and up until 21 October 2020, found themselves in a situation of direct or indirect conflict with the Company's interests, and therefore have had to abstain from intervening in resolutions or decisions relating to this situation of conflict. In particular, he had to abstain from the first resolution of the Company's Board of Directors meeting on 15 October 2020. It should also be added that Mr Francisco Milone is a director of Finca Global Assets, SOCIMI, S.A. and maintains a professional relationship with Värde Partners, Inc, the entity that manages the funds held, directly or indirectly, by shareholders who together hold the majority of the share capital of the Company.

Mr Héctor Serrat Sanz and his related persons have not, during the 2020 financial year and until the date of preparation of these 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 resolutions or decisions relating to this situation of conflict. However, Mr. Héctor Serrat Sanz has responsibilities whose purpose is similar to that of Vía Célere Desarrollos Inmobiliarios, S.A. due to his position as director of La Finca Global Assets, SOCIMI, S.A., director of Mansfield Invest SOCIMI, S.A., Chairman of the board of Dospuntos Asset Management, S.L., and also maintains a professional relationship with Värde Partners, Inc. which manages the funds owned, directly or indirectly, by shareholders who together hold the majority of the Company's share capital.

Mr Jorge Morán Sánchez and his related persons have not, since 21 October 2020 and up until the date of preparation of these annual accounts, found themselves in a situation of direct or indirect conflict with the Company's interests, and

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therefore have not had to abstain from intervening in resolutions or decisions relating to this situation of conflict. However, Jorge Morán Sánchez has had responsibilities in companies whose object is similar to that of Vía Céleres Desarrollos Inmobiliarios, S.A., given his status as a member of the board of directors of La Finca Global Assets SOCIMI, S.A., La Finca Somosaguas Golf, S.L., La Finca Real Estate Management, S.L. and Castellana Properties SOCIMI, S.A.

Mr Anthony Iannazzo and his related persons have not, since 21 October 2020 and until the date of preparation of these 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 resolutions or decisions relating to this situation of conflict. Nevertheless, he maintains 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 Álvaro Travesedo Juliá and his related persons have not, since 16 December 2020 and up until the date of preparation of these 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 resolutions or decisions relating to this situation of conflict. However, Álvaro Travesedo has had responsibilities in companies whose object is similar to that of Vía Céleres Desarrollos Inmobiliarios, S.A. as a member of the board of directors of Bahía Azul Propco 1, S.L.U., Comercial Inversora Cornellá Sur, S.L.U., JC 19 Propco 4, S.L.U., GN 43 Propco 5, S.L.U., Match Propco, S.L.U., Vasiloma, S.L.U., San Cugat Activos, S.L.U., Miristela, S.L.U., Trigacia, S.L.U., Ordesa Propco, S.L.U. and Dospuntos Asset Management, S.L.

Mr José Ignacio Morales Plaza and his related persons have, during the 2020 financial year and up until the date of preparation of these annual accounts, found themselves in a situation of direct or indirect conflict with the interests of the Company, and therefore have had to abstain from intervening in resolutions or decisions relating to such situation of conflict, given his position as the Company's Managing Director. In particular, he had to abstain from the second resolution of the Company's Board of Directors meeting on 21 October 2020. Also, in his capacity as the individual representing the position of sole director or that held by the Company at various Group companies, as well as joint director of Céleres 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 in the 2020 financial year and up until the date of preparation of these annual accounts, and therefore he did not have to abstain from intervening in resolutions or decisions relating to this situation of conflict. Finally, Mr José Ignacio Morales Plaza participates in the management of or holds an interest in Navamolo, S.L. and Moviplamopla, S.L., entities with a similar corporate purpose to Vía Céleres.

20.4. Guarantees given to third parties

As at 31 December 2020, the Company holds guarantees with third parties amounting to 231,423 thousand of euros (31 December 2019: 224,671 thousand of euros). These guarantees mainly take the form of provisional guarantees provided mostly by banks and insurance companies.

21. Environmental information

In view of the Company's business activities, it has no environmental liabilities, expenses, assets, provisions and contingencies that could be material with respect to its equity, financial position and results. For this reason, no specific disclosures on environmental issues are included in the balance sheet.

22. Risk and risk management policy

The Company's management has evaluated the potential impacts caused by COVID-19 in the Financial Statements as at 31 December 2020. From that evaluation has not been identified any relevant impact, except as the mentioned in the Note 11.6.

Operational risks

These are those derived from the activity of the Company, in the development of the corporate purpose established in its articles of association, whether they are the purchase and sale and rental of assets, residential, tertiary or industrial development.

In order to guarantee and maximise the return on the investments made and to contribute to and boost the increase in the value of the real estate assets, detailed and individualised economic-financial studies of the projects are carried out.

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These studies are complemented by fiscal, legal and town planning analyses of each of the operations to be developed. This work is carried out by the Tax and Legal Department, in collaboration with leading law firms, analysing the possible tax, legal and town planning repercussions and risks in the different areas in which the Company operates.

Market risk

Market risk is one of the main risks to which the Company is exposed, both in terms of demand for new housing as well as in terms of housing casualties.

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

Financial risks

Credit risk exposure

In general terms, the Company 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 counterparties are banks that have been assigned high ratings by international credit rating agencies.

The Company's principal financial assets are cash and cash equivalents, trade and other receivables and investments, which represent the Company's maximum exposure to credit risk in relation to financial assets.

The Company's credit risk is mainly attributable to its trade debts. The amounts are reflected in the balance sheet net of provisions for bad debts, estimated by the Company's management on the basis of previous years' experience and its assessment of the current economic environment. In any case, the Company does not have a significant concentration of credit risk.

Interest risk exposure

This is shown by 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.

Liquidity risk exposure

As at 31 December 2020, the Company has working capital of 658,199 thousand of euros (31 December 2019: 850,729 thousand of euros).

The Company prudently manages its liquidity risk by maintaining sufficient cash and marketable securities, having adequate funding available through committed credit facilities and sufficient capacity to liquidate its market positions. The Company determines its cash requirements through the budget, with a time horizon of 12 months. The Company considers that the agreed funding framework is sufficiently flexible to adapt to the needs, given the dynamic nature of its business.

23. Events after the reporting period

Between the date of the financial year-end and the date of preparation of the annual accounts, no circumstances have arisen that would have entailed the inclusion of adjustments or changes in the annual accounts or that would affect the application of the going concern principle.

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APPENDIX I - Scope of companies acquired from Aelca in 2019

	Nombre	Accionista	Porcentaje de participación	Firma auditoria (*)	Tipo de compañía	Actividad
1	Habitatio Urbana, S.L.U.	Aelca Desarrollos Inmobiliarios, S.L.	100%	KPMG	Compañía Operativa de ADI	Promoción inmobiliaria
2	Novosolum Urbana, S.L.U.	Aelca Desarrollos Inmobiliarios, S.L.	100%	KPMG	Compañía Operativa de ADI	Promoción inmobiliaria
3	Ponsnova Inmuebles, S.L.U.	Lewistown Invest, S.L.U.	100%	KPMG	Compañía Operativa de ADI	Promoción inmobiliaria
4	Campuslar Inmuebles, S.L.U.	Aelca Desarrollos Inmobiliarios, S.L.	100%	KPMG	Compañía Operativa de ADI	Promoción inmobiliaria
5	Segeslar Inmuebles, S.L.U.	Aelca Desarrollos Inmobiliarios, S.L.	100%	KPMG	Compañía Operativa de ADI	Promoción inmobiliaria
6	Generlar Inmuebles, S.L.U.	Aelca Desarrollos Inmobiliarios, S.L.	100%	KPMG	Compañía Operativa de ADI	Promoción inmobiliaria
7	Numen Inmuebles, S.L.U.	Aelca Desarrollos Inmobiliarios, S.L.	100%	KPMG	Compañía Operativa de ADI	Promoción inmobiliaria
8	Velan Urbana, S.L.U.	Aelca Desarrollos Inmobiliarios, S.L.	100%	KPMG	Compañía Operativa de ADI	Promoción inmobiliaria
9	Promyva Inmuebles, S.L.	Myjoja, S.L.	20%			
		Lewistown Invest, S.L.U.	80%	KPMG	Sociedades matrices	Promoción inmobiliaria
10	Promyva Inmuebles I, S.L.U.	Promyva Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
11	Promyva Inmuebles II, S.L.U.	Promyva Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
12	Promyva Inmuebles III, S.L.U.	Promyva Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
13	Promyva Inmuebles IV, S.L.U.	Promyva Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
14	Promyva Inmuebles V, S.L.U.	Promyva Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
15	Promyva Inmuebles VI, S.L.U.	Promyva Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
16	Promyva Inmuebles VII, S.L.U.	Promyva Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
17	Promyva Inmuebles VIII, S.L.U.	Promyva Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
18	Promyva Inmuebles IX S.L.U.	Promyva Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
19	Myvain Inmuebles, S.L.	Myjoja, S.L.	20%			
		Lewistown Invest, S.L.U.	80%	KPMG	Sociedades matrices	Promoción inmobiliaria
20	Myvain Inmuebles I, S.L.U.	Myvain Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
21	Myvain Inmuebles II, S.L.U.	Myvain Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
22	Myvain Inmuebles III, S.L.U.	Myvain Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
23	Myvain Inmuebles IV, S.L.U.	Myvain Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
24	Myvain Inmuebles V, S.L.U.	Myvain Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
25	Myvain Inmuebles VI, S.L.U.	Myvain Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
26	Myvain Inmuebles VII, S.L.U.	Myvain Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
27	Myvain Inmuebles VIII, S.L.U.	Myvain Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
28	Nalentia Urbana, S.L.	Myjoja, S.L.	20%			
		Lewistown Invest, S.L.U.	80%	KPMG	Sociedades matrices	Promoción inmobiliaria
29	Nalentia Urbana I, S.L.U.	Nalentia Urbana, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
30	Nalentia Urbana IV, S.L.U.	Nalentia Urbana, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
31	Nalentia Urbana V, S.L.U.	Nalentia Urbana, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
32	Nalentia Urbana VII, S.L.U.	Nalentia Urbana, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
33	Invamy Urbana, S.L.	Myjoja, S.L.	20%			
		Lewistown Invest, S.L.U.	80%	KPMG	Sociedades matrices	Promoción inmobiliaria
34	Invamy Urbana I, S.L.U.	Invamy Urbana, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
35	Invamy Urbana II, S.L.U.	Invamy Urbana, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
36	Invamy Urbana IV, S.L.U.	Invamy Urbana, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
37	Invamy Urbana V, S.L.U.	Invamy Urbana, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
38	Invamy Urbana VI, S.L.U.	Invamy Urbana, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
39	Nirbe Inmuebles, S.L.	Myjoja, S.L.	10%			
		Glenwock Invest, S.L.U.	90%	KPMG	Sociedades matrices	Promoción inmobiliaria
40	Nirbe Inmuebles I, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
41	Akantia Urbana I, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
42	Naiva Urbana, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
43	Invamy Urbana III, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
44	Invamy Urbana VII, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
45	Invamy Urbana VIII, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
46	Nalentia Urbana II, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
47	Nalentia Urbana VI, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
48	Akantia Urbana Residencial, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
49	Selantia Urbana Residencial, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
50	Akantia Urbana, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
51	Nuarca Inmuebles, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
52	Nirbe Costa Este, S.L.U.	Nirbe Inmuebles, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
53	Nirbe Meseta, S.L.	Myjoja, S.L.	10%			
		Rimbey Spain, S.L.U.	90%	KPMG	Sociedades matrices	Promoción inmobiliaria
54	Selantia Urbana I, S.L.U.	Nirbe Meseta, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
55	Selantia Urbana, S.L.	Nirbe Meseta, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
56	Nirbe Costa Sur, S.L.U.	Nirbe Meseta, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
57	Nirbe Norte, S.L.U.	Nirbe Meseta, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
58	Nirbe Sur, S.L.U.	Nirbe Meseta, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
59	Nirbe Este, S.L.U.	Nirbe Meseta, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
60	Nirbe Oeste, S.L.U.	Nirbe Meseta, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
61	Nalentia Urbana III, S.L.U.	Nirbe Meseta, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
62	Nirbe Sierra, S.L.U.	Nirbe Meseta, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
63	Nalentia Urbana VIII, S.L.U.	Nirbe Meseta, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
64	Promyva Inmuebles X, S.L.U.	Nirbe Meseta, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
65	Nirbe Costa Norte, S.L.	Myjoja, S.L.	10%			
		Windham Spain, S.L.U.	90%	KPMG	Sociedades matrices	Promoción inmobiliaria
66	Lancaster Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
67	Argao Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
68	Makati Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
69	Laonan Investments, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
70	Cebu Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
71	Luzon Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
72	Manarola Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
73	Sangat Investments, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
74	Dunadry Costanor, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
75	Limavady Costanor, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
76	Derryllin Costanor, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
77	Craigavon Costanor, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
78	Strabane Costanor, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
79	Colorado Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
80	Manati Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
81	Duncan Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
82	Moraine Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
83	Baracoa Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
84	Lora Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria
85	Cienfuegos Directorship, S.L.U.	Nirbe Costa Norte, S.L.	100%	No auditada	Compañía operativa	Promoción inmobiliaria

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APPENDIX II

Details of real estate assets included in the merger project

Grupo	Activo	Fecha adq. Suelo	Grupo	Activo	Fecha adq. Suelo
Aelca	2026 - VILLAMAYOR (VALLECAS V II)	16/11/2016	Aelca	6263-NCN-PARCELA R-17 - R-10 SECTOR EL PIZARRILLO	02/07/2018
Aelca	2028 - RES. INFANTA (VALDEMORO I)	21/12/2016	Aelca	- NCN-PARCELA 17-B PARQUE VICTORIA	28/12/2018
Aelca	2033 - RES. MIRO (VALLECAS V III)	29/12/2016	Aelca	5132 - NM-RIVAS 15 B1 I (LOS MONTECILLOS)	05/12/2017
Aelca	5121 - P-RES. FLORIDA (MOSTOLES)	29/07/2016	Aelca	6253 - NCN- SUELO VILLAVICIOSA (AROCCASA) (24 FN)	15/02/2018
Aelca	5125 - P-RES. BALTICO (PARACUELLOS BA03)	07/02/2017	Aelca	6223 - NCN- ENTRENUELOS BC 11.2	28/12/2017
Aelca	5127 - P-RES. MONET (VALLECAS X)	30/01/2018	Aelca	5431 - NI-H. CABELLO II	23/05/2017
Aelca	5128 - P-RES. AVIACIO (PRAT DE LLOBREGAT)	18/05/2017	Aelca	6238-NCN-TORRENT 12.2, 12.3	28/12/2017
Aelca	5122 - P-RES. CUBIC 1 (RIVAS FASE I)	22/07/2016	Aelca	6239-NCN-TORRENT 14.2, 14.3	28/12/2017
Aelca	2027 - SERENITY (BENALMADENA)	29/04/2016	Aelca	6262-NCN-PARCELA 18 SECTOR MIRABUENO (KUTXA)	09/07/2018
Aelca	2036- BOREAL III (VILVAVERDE III)	29/07/2016	Aelca	6260- NCN-PARCELA 13-D SECTOR 07 (KUTXA)	06/07/2018
Aelca	5126 - P-RES. AQUAM (PARACUELLOS BA04)	07/02/2017	Aelca	4004 - NI- SUELO PATRAIX III Patraix III. 23.1	27/07/2017
Aelca	5129 - P-RES. INFANTA II (VALDEMORO II)	03/10/2016	Aelca	6244- NCN-PERIFLEX (MALAGA)	26/01/2018
Aelca	5131 - P-RES. AMAT (VALLECAS 5.34B)	21/12/2016	Aelca	6246- NCN-MONTCADA 5.2	30/01/2018
Aelca	5224 - M-RES. LLUM (PATRAIX I)	30/12/2016	Aelca	6258 - NCN-RIPAGAINA CS (FASE II)	28/12/2017
Aelca	5320 - I-RES. NACARI (VALENOSO IV)	20/02/2017	Aelca	5620 - NM-TORROX III	31/10/2017
Aelca	5130 - P-EDIF. NAVIS (BIZCOCHERO)	16/11/2017 y 23/11/2016	Aelca	2043 - BARAKALDO II (BARAKALDO II FLUR. JS)	27/12/2017
Aelca	5323 - NI-NEVA GAVIA (VALLECAS 3.8D)	21/02/2018	Aelca	4012 - NCN- SUELO VILLAVICIOSA (AROCCASA) (13 FN)	15/02/2018
Aelca	5220 - M-RES. INFANTA III (VALDEMORO III)	20/12/2016	Aelca	6022- NI-BENALMADENA "LA SIERRA" II (6.1)	30/11/2017
Aelca	5223 - M-DUNA BEACH (TORROX)	30/12/2016	Aelca	6233-NCN-MISLATA QUINT. II EDA B	20/12/2017
Aelca	5720 - NI-R. HARMONY (BOADILLA 8.3)	27/07/2017	Aelca	6230 - NCN- VILANOVA	27/12/2017
Aelca	5222 - M-RES. TERRAM (CAN GAMBUS)	29/05/2018	Aelca	6254- NCN-ARROYO EN MEDIO	21/03/2018
Aelca	5322 I-NOVARIVAS II (RIVAS S4 P20)	30/05/2018	Aelca	- NCN-ROTA PUNTA CANDOR MANZANA R-7 (F.CASTELLANOS)	28/12/2018
Aelca	5123 - P-RES. CUBIC 2 (RIVAS FASE II)	22/07/2016	Aelca	5326 - NI-R. ARTEMISA (BENISAUDET 3.1)	23/11/2017
Aelca	5423 - N-R. BREMEN (T. CANTOS SA)	29/09/2017	Aelca	4004 - NI- SUELO PATRAIX III Patraix IV. 13.2	27/07/2017
Aelca	2041 - CRUCES RES. (BARAKALDO I FLURI)	27/12/2017	Aelca	6130 - NI-DENA II	04/08/2017
Aelca	5421 - NI-R. VEGA (H. CABELLO I)	23/05/2017	Aelca	5422 - NM-VITTA NATURE (MUJAS C. EL CHAPARRAL I) FII	22/11/2017
Aelca	5920 - NI-EDIFICIO MT 22 (MANOLO TABERNER)	30/11/2017	Aelca	4006 - NCN- SUELO ENTRENUELOS BC (BA-5)	28/12/2017
Aelca	6259- NCN-ROTA MANZANA R1(SERVHABITAT)	25/06/2018	Aelca	5621 - NM-EDIFICIO MOKERO (TERRASA LA GRIPIA)	01/12/2017
Aelca	5422 - NM-VITTA NATURE (MUJAS C. EL CHAPARRAL I)	22/11/2017	Aelca	6237- NCN-BAVIERA CAJA MAR R5	27/12/2017
Aelca	6222 - NCN- ENTRENUELOS BC 11.1	28/12/2017	Aelca	5227 - M-SAN CUGAT	30/12/2016
Aelca	5426- N-URBAM RIVAS (RM 22)	31/03/2017	Aelca	5133 - NM-RIVAS 15 B1 II (LOS MONTECILLOS)	05/12/2017
Aelca	6124 - NM-TORREJON RM 7.2 LOS GIRASOLES	17/11/2017	Aelca	5432 - NI-H. CABELLO III	23/05/2017
Aelca	6256- NCN-MALLILLA 12.2.1	06/04/2018	Aelca	5433 - NI-H. CABELLO IV	23/05/2017
Aelca	5821 - NI-SBENSES VILLAGA(ESTEPONA CASAB. CANCELADA)	29/06/2017	Aelca	4012 - NCN- SUELO VILLAVICIOSA (AROCCASA) (17 FN)	15/02/2018
Aelca	6245- NCN-MONTCADA 6.1	30/01/2018	Aelca	2020 - XARBLANCA	24/03/2015
Aelca	6122 - NM-RES. AURA (MALLILLA 12.2.2)	10/11/2017	Aelca	6235- NCN-MISLATA QUINT. II EDA D	20/12/2017
Aelca	6231 - NCN- REBOL. 19 MALAGA (ADIF II)	29/12/2017	Aelca	2045 - BARAKALDO III (BARAKALDO III UNIF.)	27/12/2017
Aelca	5424 - N-R. BREMEN (T. CANTOS RC 9B)	28/06/2018	Aelca	6023- NI-BENALMADENA "LA SIERRA" III (7.1)	30/11/2017
Aelca	6240- NCN-MATARO R3	28/12/2017	Aelca	4006 - NCN- SUELO ENTRENUELOS BC (BC-12.1)	28/12/2017
Aelca	6021- NI-BLOSUM BEVALMADENA (LA SIERRA I 6.1, 6.2)	30/11/2017	Aelca	5435 - NI-PATRAIX PARC. 28.1.2	27/07/2017
Aelca	5329 I-NOVARIVAS II (RIVAS S4 P18)	30/05/2018	Aelca	6243 - NCN- ENTRENUELOS UH 9	22/03/2018
Aelca	5520- NI-TORROX II SAREB	20/07/2017	Aelca	6255- NCN-BAVIERA SOLVIA R2, R10b, R11b	20/03/2018
Aelca	2041 - CRUCES RES. (BARAKALDO I UNIF.)	27/12/2017	Aelca	6264-NCN-PARCELA R-9 - R16 SECTOR EL PIZARRILLO	06/07/2018
Aelca	5437 - NI- SUELO PATRAIX III Patraix VPP 27.1.4	27/07/2017	Aelca	6232- NCN-MISLATA QUINT. II EDA A	25/01/2018
Aelca	6258 - NCN-RIPAGAINA C9 (FASE I)	28/12/2017	Aelca	6241 - NCN-VILLAVICIOSA P14 (BLACKSTONE)	02/10/2018
Aelca	5436 - NI-PATRAIX MORERAS VPP 23.1-23.2	27/07/2017	Aelca	4011 - NCN-SUELO HUARTE (RIPAGAINA P.11)	24/07/2018
Aelca	5425- NI-RES. ALDARA (VISTAHERMOSA-LA CONDOMINA)	29/05/2017	Aelca	5430 - NM-MUJAS C. EL CHAPARRAL II	22/11/2017
Aelca	6128 - NI-R. MARMARA (DENA I)	04/08/2017	Aelca	4006 - NCN- SUELO ENTRENUELOS BC (BC-12.2)	28/12/2017
Aelca	6129- NM-RES. GRACE (VALEMARIN II)	22/11/2017	Aelca	5321 - I-RIVAS S4 F14	30/03/2017
Aelca	5420 - N-PORT AVENUE (MARBELLA E. HOSTELERIA)	23/03/2018	Aelca	5324- I-RIVAS S4 2,15,16	28/03/2017
Aelca	6224 - NCN- ENTRENUELOS UH 5	28/12/2017	Aelca	4003 - I-SUELO RIVAS S4 20,18,17,26	30/05/2018
Aelca	6123- NM-VALDEMORO IV (15.1.2)	28/06/2018	Aelca	2046- BARAKALDO FASE IV (10 FLURIFAMILIARES - 30 Unif.)	27/12/2017
Aelca	5221 - M-RES. AUSTRAL (MOSTOLES II)	25/01/2018	Aelca	6127 - NM-BAVIERA SAREB (R1, R13, COMERC.)	31/10/2017
Aelca	6242- NCN-TORRENT 10	24/01/2018	Aelca	6265-NCN-PARCELA R-15 - R8 SECTOR EL PIZARRILLO	06/07/2018
Aelca	5333 - NI-BENISAUDET 3.2	23/11/2017	Aelca	6228 - NCN- ENTRENUELOS BC 7.1	28/12/2017
Aelca	5428 - NM-CAÑAVERAL M13 D	14/12/2017	Aelca	5429 - NM-MUJAS C. EL CHAPARRAL II	22/11/2017
Aelca	6126 - NM-BOADILLA RM 7.3.2	22/11/2017	Aelca	- NCN-Parcela AGR1A_SUP.C-16 CHAPARRAL	24/07/2018
Aelca	5225 - M-TRES CANTOS RC 28	13/11/2018	Aelca	6266-NCN-PARCELA R-14 - R7 SECTOR EL PIZARRILLO	06/07/2018
Aelca	4005 - SUELO NI- TRES CANTOS RC 11	01/12/2016	Aelca	6229 - NCN- ENTRENUELOS BC 7.2	28/12/2017
Aelca	6137 - NM-TORREJON RML 3.1	16/10/2017 y 17/10/2017	Aelca	5332 I-RIVAS M13	28/09/2018
Aelca	6138 - NM-TORREJON RMP 8B	16/10/2017 y 17/10/2017	Aelca	6267-NCN-PARCELA R-18 1 - 18.2 SECTOR EL PIZARRILLO	06/07/2018
Aelca	6125 - NM-RES. ARECA (BOADILLA RM 1.1 (EL ENCINAR))	18/09/2017	Aelca	6227 - NCN- ENTRENUELOS BA 6	28/12/2017
Aelca	5226 - M-PATRAIX II PARC. 15.1	27/07/2017	Aelca	5327 - I-STYLE BOX (BOADILLA RU.4.3)	27/06/2017
Aelca	5325 - I-RES. IVORY (BOADILLA RM6 3, RM6.4)	10/02/2017	Aelca	4005 - SUELO N- TRES CANTOS IN2, ICI, TG2	27/07/2018
Aelca	6234 - NCN-MISLATA QUINT II EDA C	20/12/2017	Aelca	4004 - NI- SUELO PATRAIX III Patraix V 14.1.1	27/07/2017
Aelca	6257- NCN-CAÑAVERAL M19 A	10/04/2018	Aelca	4004 - NI- SUELO PATRAIX III Patraix VPP 13.1.2	27/07/2017
Aelca	2016 - TERR. DEL ENSANCHE II (VALLECAS IV)	22/12/2015	Aelca	4004 - NI- SUELO PATRAIX III Patraix 14.1.3	27/07/2017
Aelca	5124 - P-RIVAS FASE III	22/07/2016	Aelca	4004 - NI- SUELO PATRAIX III Patraix VPP 19.1.1	27/07/2017
Aelca	5330 - NI-MALAGA ADIF R2	29/09/2017	Aelca	NI- ESTEPONA CASABLANCA (CANCELADA) Comercial	29/06/2017
Aelca	2043 - BARAKALDO II (BARAKALDO II Unif.))S)	27/12/2017	Aelca	4007 - NM-SUELO MUJAS C. EL CHAPARRAL (Comercial)	22/11/2017
Aelca	6236 - NCN- VALDEMORO M 8.1	02/05/2018	Aelca	5622 - NM - ENTRENUELOS BC-5	28/11/2017
Aelca	6247- NCN-VALDEMORO 9.4	02/05/2018	Aelca	5622 - NM - ENTRENUELOS BC-5	28/11/2017
Aelca	6249- NCN-VALDEMORO 10.2	10/05/2018	Aelca	6225 - NCN- ENTRENUELOS UH 6	28/12/2017
Aelca	6248- NCN-VALDEMORO 20.2 VFPL	10/05/2018	Aelca	6226 - NCN- ENTRENUELOS UG 4	28/12/2017
Aelca	5521- NI-MANILVA	30/11/2017	Aelca	4006 - NCN- SUELO ENTRENUELOS BC (BC-9.1)	28/12/2017
			Aelca	4006 - NCN- SUELO ENTRENUELOS BC (BC-9.2)	28/12/2017
			Aelca	4015-NCN-PARCELA R-12 SECTOR EL PIZARRILLO	06/07/2018
			Aelca	4016-NCN-PARCELA R-13 SECTOR EL PIZARRILLO	06/07/2018
			Aelca	4017-NCN-PARCELA R-6 SECTOR EL PIZARRILLO	06/07/2018
			Aelca	4018-NCN-PARCELA R-5.2 SECTOR EL PIZARRILLO	06/07/2018

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.

Notes for the year ended
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Vía Célere Desarrollos Inmobiliarios, S.A.

1. Information on the Entity

1.1. Organisational Structure

Vía Célere Desarrollos Inmobiliarios, S.A.(hereinafter, "the Company") was incorporated on 16 August 1989, by deed executed in Pontevedra in the presence of the Notary Public of this city, Rafael Sanmartín Losada, under number 1,503 of his protocol, under the name "Confecciones Udra, S.A.", changing its name to "Inmobiliaria Udra, S.A." in 1993.

On 20 August 2008, the corporate resolution passed at the Extraordinary General Shareholders's Meeting of the Company on 30 June 2008, whereby the Company changed its name from "Inmobiliaria Udra, S.A." to "San José Desarrollos Inmobiliarios, S.A.".

On 14 June 2016, the Board of Directors of the Company passed a resolution to change its corporate name from "San José Desarrollos Inmobiliarios" to "Dos Puntos Desarrollos Inmobiliarios S.A.".

On 20 June 2017, at the Extraordinary General Shareholders' Meeting, it was resolved to change the registered office to Calle Carlos y Guillermo Fernández Shaw 1, 28007 Madrid, Spain.

On 30 June 2017, the Board of Directors of the Company agreed to change the name of the company from "Dos Puntos Desarrollos Inmobiliarios, S.A." to "Vía Célere Desarrollos Inmobiliarios, S.A.".

The Company's main operations are in Spain and consist mainly of residential property development for disposal. The Company's statutory activity consists of providing the following services: development of all types of real estate; construction in general, in its own name or on behalf of third parties; purchase and sale of construction equipment, development and gardening material; execution of public works in general; and purchase and sale of all types of real estate, whether transportable or not, and of real estate, rural or urban.

The Company is the parent company of the Vía Célere Desarrollos Inmobiliarios Group, which is obliged to file consolidated annual accounts with the Companies Registry of Madrid. The composition of the Group is detailed in Note 10 of the notes to the annual accounts.

For tax purposes, the Company is also the head of the VAT and corporate tax group. The composition of the two groups at closure is as follows:

Since 1 January 2016, the Company has been taxed under the consolidated corporate income tax regime (Group 0258/16). Subsidiaries in the tax group are all subsidiaries resident in Spain in which the Parent Company has a direct or indirect ownership interest of 75% or more.

With effect from 1 January 2018, seven companies acquired by the Company in 2017 were included in the tax consolidation group.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.

Notes for the year ended
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As at 31 December 2020, the tax consolidation group is as follows:

<u>IS Group</u>
Parent
Vía Célere Desarrollos Inmobiliarios, S.A.
Dependents
Copaga, S.A.
Udralar, S.L.U.
Udrasur Inmobiliaria, S.L.U.
Torok Investment 2015, S.L.U.
Vía Célere, S.L.U.
Vía Célere 1, S.L.U.
Vía Célere 2, S.L.U.
Vía Célere Gestión de Proyectos, S.L.U.
Conspace, S.L.U.
Vía Célere Catalunya, S.L.U.
Maywood Invest, S.L.U.

The Company has a diversified real estate portfolio in land, stock and assets, valued at 1,564 million euros, with a clear focus on the development of land for housing sales.

The shareholding situation of the Company as at 31 December 2020 is as follows:

Company	<u>2020</u>	
	Number of shares	Percentage of ownership
Maplesville Invest, S.L.U	17,828,983	26.0%
Windham Spain, S.L.U.	10,170,558	14.8%
Lewistown Invest, S.L.U.	10,042,179	14.7%
Glenwock Invest, S.L.U.	8,258,332	12.1%
Rimbey Spain, S.L.U.	6,024,597	8.8%
Greencoat B.V.	5,513,934	8.0%
Trinity Investment Ltd.	5,112,989	7.5%
Merrill Lynch International	2,229,368	3.3%
MELF B.V.	1,832,276	2.7%
Barclays Bank PLC	1,329,208	1.9%
Deutsche Bank AG, London Branch	97,877	0.1%
JP Morgan Securities PLC	86,552	0.1%
	<u>68,526,853</u>	<u>100.0%</u>

Operation

The Company's business model aims to strengthen housing development in Spain and Portugal, in the areas where the highest per capita growth is concentrated, as a way of being less exposed to the risks inherent to this type of activity, while optimising the asset portfolio to consolidate and increase the recurring income generated by this business area. The Company aims to consolidate its position as one of the major players in the real estate sector in the residential area, with an increasingly important weighting in the activity carried out and with a greater future contribution to the Company's turnover.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.

Notes for the year ended
31 December 2020

2. Business performance and results

2.1. Key figures of the Company

Revenue

Revenue amounted to 539,109 thousand of euros. Income from the sale of real estate assets in stock for the year amounted to 457,713 thousand of euros.

Equity

As at 31 December 2020, the 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.

Information on environmental and personnel actions

In view of the Company's business activities, it has no environmental liabilities, expenses, assets, provisions and contingencies that could be material with respect to its equity, financial position and results.

As at 31 December 2020, the average number of employees in the Company's companies was 271. The total number of resources at the end of 2019 was 275.

The gender distribution of employees is:

	31.12.2020		31.12.2019	
	Women	Men	Women	Men
Group General Management	1	4	3	2
Directors and Department Heads	25	48	31	52
Technicians	47	30	54	37
Sales	24	8	36	12
Administrative	42	13	47	21
Other personnel	-	-	3	-
	139	103	174	124

The average distribution of staff by category is as follows:

	31.12.2020	31.12.2019
Group General Management	5	5
Directors and Department Heads	77	81
Technicians	85	83
Sales	39	42
Administrative	63	61
Other personnel	2	3
	271	275

3. Liquidity and capital resources

Liquidity

In 2020, the Group arranged eleven developer loans for a total principal amount of 188,590 thousand of euros, of which 48,347 thousand of euros have been drawn down, guaranteeing the financing of almost all the developments that commenced construction work during the year. The Company'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

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.

Notes for the year ended
31 December 2020

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."

4. Principal risks and uncertainties

The risk management policies within the different areas in which the Company 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 Company. To this end, we have instruments that allow us to identify them sufficiently in advance or to avoid them, minimising risks.

The most significant financial risks may be:

Market risk

Exposure to interest rate risk

Most of the loans and credits held by the Company are indexed to Euribor. The Company has loans outstanding at year-end, with a drawn down amount of 218,775 thousand of euros, with a fixed interest rate of 1.00% to 3.35%.

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.

Credit risk

The Company 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 Company regularly analyses the risk of insolvency of its accounts receivable by updating the related impairment provision. The Directors consider that the amount of trade and other receivables approximates their fair value.

Liquidity risk

In general, the Company maintains its cash and cash equivalents at financial institutions with a high credit rating. At year-end, the Company had 110,222 thousand of euros of cash available for operations, which is considered sufficient to cover cash requirements for the next 12 months.

5. Significant events after closure

Between the date of the financial year-end and the date of preparation of the annual accounts, no circumstances have arisen that would have entailed the inclusion of adjustments or changes in the annual accounts or that would affect the application of the going concern principle.

6. Information on foreseeable developments

The Company 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. However, significant margins are not expected.

By 2020, the Company aims to continue acquiring new land plots 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.

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Notes for the year ended
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For the deliveries of homes scheduled for 2020, the Group plans to continue with its customer service policy to ensure a unique delivery experience.

7. Research and development activities and acquisitions of own shares.

The relevant activities carried out by the Group in 2020 in the area of research, development and innovation were as follows:

Lean process management

Our organisational work philosophy as a company is focused on the continuous improvement of processes through the incorporation of collaborative tools that improve communication, coordination, planning, monitoring, control and optimisation of processes.

With this model we achieve the standardisation of processes, eliminate activities that do not add value, minimise risks and help our employees to be more efficient. We encourage teamwork by involving all our employees in the entire management process of the company.

We rely on sharepoint or WRKE tools for business management, and on LPS (Last Planner System) planning methodologies for our projects.

WRIKE helps us to improve coordination between areas in the company's strategic cross-cutting projects, share information between teams and manage workflows securely on a large scale.

WRIKE is the ideal tool for implementing this project-based work methodology because it favours the visibility and transparency of all the projects carried out at Company level, facilitates continuous communication between different areas and helps decision-making.

Business Intelligence

We use strategies and sophisticated tools to process a myriad of descriptive and prescriptive data that enable us to transform information into knowledge, improving the process and anticipation of decision making. We collect, process, analyse and present insights to help our employees to have secure and reliable information, which helps them to have a single version of reality that allows them to draw conclusions and support decisions for the improvement and competitiveness of our business in the market.

We align processes with key business data to ensure the integrity, availability and security of information. Thanks to BI, we achieve a greater depth in the analysis of information with the appropriate means to make projections and analyses that allow excellence in decision-making.

Digital Signature

We continue to be at the forefront of PropTech with the incorporation of new technological tools that transform the traditional way of operating. We have implemented the possibility of formalising the purchase of the property through electronic signature. Our clients will be able to sign reservations, contracts and any other additional document without leaving home and in a 100% legal and secure way. The technology used complies with national and European regulations and the strictest international security and compliance standards.

Virtual Office

We have reinforced our digital channels to ensure the best service to our customers, adapting to the new needs and preferences of the market, marked to a large extent by the limitations of geographical mobility due to the situation caused by Covid-19.

We have implemented among our channels the new Havalook tool, a comprehensive Online Sales Office and Virtual Show Flat platform that offers the possibility of an online visit assisted by a sales advisor in real time and to obtain all the technical and contractual documentation necessary to facilitate the sale of a property in a new 100% digital environment.

Célere Wish

We are incorporating Amazon's voice service, Alexa, into our homes, making us the first Spanish developer to add this technology to its developments. The homes in the selected developments have a Smart Home kit, compatible with Amazon Alexa, which consists of an Amazon Echo dot speaker, as well as other devices such as light bulbs and smart plugs. In addition, we have exclusively developed an Alexa skill, with which each of the residents of the development will be able to ask questions and manage the services of the communal areas of their home.

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Notes for the year ended

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Lean Construction

We are implementing lean techniques to adjust our production model and achieve higher efficiency and safety ratios.

Building Information Modelling (BIM): BIM technology allows us to construct buildings virtually before they are physically built. With this tool we anticipate problems and can correct them in the project. We project the entire building in 3 dimensions with structure, partition walls, installations, carpentry, etc. Any interference or incompatibility is automatically detected.

Last Planner System (LPS): This system changes the traditional way of executing a building, improving above all the coordination between the trades on site. It is an approach that assumes that the person who is going to carry out a certain job (the painter or the plumber, for example) knows, better than anyone else, how to do their job and what things they need to carry it out. This improves on-site safety and the quality of the final product.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.
Signature sheet

Reunidos los Administradores de la sociedad Via Célere Desarrollos Inmobiliarios, S.A., con fecha de 26 de febrero de 2021 y en cumplimiento de los requisitos establecidos en los artículos 253.2 del Texto Refundido de la Ley de Sociedades de Capital y del artículo 37 del Código de Comercio, proceden a formular las Cuenta Anuales y el Informe de Gestión del ejercicio comprendido entre el 1 de enero de 2020 y el 31 de diciembre de 2020. Las cuentas anuales vienen constituidas por los documentos anexos que preceden a este escrito.

The directors of the Company Via Celere Desarrollos Inmobiliarios S.A., on a meeting held on 26 February 2021 and complying with the requirements established in the articles 253.2 of the Consolidated Text of the Spanish Companies Act and in article 37 of the Commerce Code, decide to draw up the Annual Accounts and the Management Report of financial year covered between 1 January 2020 and 31 December 2020. The annual accounts are composed of the documents attached herein.


D. Anthony Iannazzo


Mr. Anthony Iannazzo

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.
Signature sheet

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D. Álvaro Travesedo Julia

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Mr. Álvaro Travesedo Julia

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.

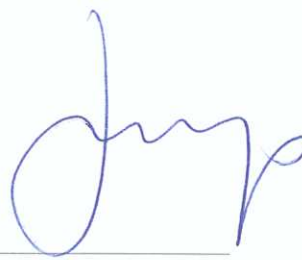
Signature sheet

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D. Jose Ignacio Morales Plaza



Mr. Jose Ignacio Morales Plaza

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.
Signature sheet

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D. Jorge Morán Sánchez



Mr. Jorge Morán Sánchez

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.
Signature sheet

Reunidos los Administradores de la sociedad Vía Célere Desarrollos Inmobiliarios, S.A., con fecha de 26 de febrero de 2021 y en cumplimiento de los requisitos establecidos en los artículos 253.2 del Texto Refundido de la Ley de Sociedades de Capital y del artículo 37 del Código de Comercio, proceden a formular las Cuenta Anuales y el Informe de Gestión del ejercicio comprendido entre el 1 de enero de 2020 y el 31 de diciembre de 2020. Las cuentas anuales vienen constituidas por los documentos anexos que preceden a este escrito.

The directors of the Company Via Celere Desarrollos Inmobiliarios S.A., on a meeting held on 26 February 2021 and complying with the requirements established in the articles 253.2 of the Consolidated Text of the Spanish Companies Act and in article 37 of the Commerce Code, decide to draw up the Annual Accounts and the Management Report of financial year covered between 1 January 2020 and 31 December 2020. The annual accounts are composed of the documents attached herein.



D. Héctor Serrat Sanz



Mr. Héctor Serrat Sanz