

Vía Célere Desarrollos Inmobiliarios, S.A.
(Sole Shareholder Company)

Auditor's report
Annual accounts at December 31, 2021
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 sole shareholder of Vía Célere Desarrollos Inmobiliarios, S.A. (Sole Shareholder Company),

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, 2021, 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, 2021, 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.

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Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
<p data-bbox="277 483 560 510">Valuation of inventories</p> <p data-bbox="277 544 834 694">The Company's inventories mainly comprise land, developments in progress and completed developments, located in Spain, that amount to 967 million euros and constitute 61% of assets at December 31, 2021.</p> <p data-bbox="277 728 834 999">The Company, as described in notes 2.d), 4.g) and 11, makes the appropriate valuation adjustments when the market value of inventories is lower than their acquisition price or production cost. This market value is based on valuations performed annually by an independent expert, applying widely accepted valuation standards as indicated in the aforementioned notes.</p> <p data-bbox="277 1032 783 1151">Based on the above, the Company has recorded a net reversal of impairment on untransferred inventories amounting to 7.6 million euros in 2021.</p> <p data-bbox="277 1184 834 1395">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="866 544 1385 663">We have obtained the valuations issued by management's independent expert, and performed the following procedures, among others:</p> <ul data-bbox="866 696 1461 1317" style="list-style-type: none"> <li data-bbox="866 696 1461 815">• Assessment of the competence, capability and objectivity of the expert by obtaining a confirmation and ascertaining their recognised prestige in the market. <li data-bbox="866 853 1461 949">• Assessment of the reasonableness of the procedures and methodology used by the expert in their valuation. <li data-bbox="866 987 1461 1106">• 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="866 1144 1461 1317">• Assessment, by mean 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 by the independent expert, in relation to current market conditions. <p data-bbox="866 1350 1461 1498">To this end, we have held meetings with the Company's management to contrast both their assessment of the valuation of inventories and the disclosures included in note 11 to the annual accounts in this respect.</p> <p data-bbox="866 1532 1461 1711">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 data-bbox="277 506 823 562">Recognition and recoverability of deferred tax assets</p> <p data-bbox="277 598 799 687">The Company's deferred tax assets are detailed in note 16 and amount to 68 million euros at December 31, 2021.</p> <p data-bbox="277 719 823 1023">The Company, as described in notes 2.d), 4.i) and 16, recognises deferred tax assets to the extent that it is probable that sufficient future taxable profits will be available for their offset. As of December 31, 2021, the Company has generated a total of approximately 433 million euros of unused tax losses pending offset, of which an amount of 27 million euros has been capitalised at year-end, together with other deferred tax assets of 41 million euros.</p> <p data-bbox="277 1055 823 1328">In order to assess the recognition and recoverability of deferred tax assets, 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 data-bbox="277 1359 823 1570">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 tax results, mean that this matter is considered to be a relevant aspect of the audit.</p>	<p data-bbox="868 598 1461 719">We have obtained the projections of future tax results estimated by the Company's management, performing the following procedures, among others:</p> <ul data-bbox="868 754 1461 1525" style="list-style-type: none"> <li data-bbox="868 754 1461 938">• 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. <li data-bbox="868 969 1461 1153">• 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. <li data-bbox="868 1184 1461 1305">• 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. <li data-bbox="868 1337 1461 1525">• 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 on the Company's inventories. <p data-bbox="868 1556 1461 1612">In addition, we have evaluated the sufficiency of the information disclosed in the annual accounts.</p> <p data-bbox="868 1644 1461 1792">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 recognition and 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="277 504 813 560">Valuation of investments in group, associates and related parties</p> <p data-bbox="277 593 813 750">The Company, as described in note 10, holds investments in group and associated companies consisting of equity instruments and loans granted amounting to 206 million euros at December 31, 2021.</p> <p data-bbox="277 772 813 1299">As described in notes 2.d), 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 unrealised gains on its assets net of the tax effect. To calculate the unrealised gains, the Company has used the market value of the real estate assets of these group and associated companies provided by an independent expert.</p> <p data-bbox="277 1321 813 1545">Taking into account the relevance of the heading of investments in group and associated companies for the accompanying annual accounts and the degree of estimate and judgment 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="861 593 1388 660">Our audit procedures have included, among others, the following:</p> <ul data-bbox="861 683 1452 1276" style="list-style-type: none"> <li data-bbox="861 683 1452 817">• 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="861 840 1452 974">• 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="861 996 1452 1276">• 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 unrealised gains on its assets, consisting mainly of land and real estate developments with varying degrees of development. <p data-bbox="861 1299 1452 1366">In addition, we have evaluated the adequacy of the information disclosed in the annual accounts.</p> <p data-bbox="861 1388 1452 1612">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 are consistent with the information currently available.</p>

Other information: Management report

Other information comprises only the management report for the 2021 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 entity obtained during the audit of the aforementioned financial statements, 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 2021 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 aforementioned 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 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.
- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.



Vía Célere Desarrollos Inmobiliarios, S.A.

- 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 entity'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 entity's directors, we determine those risks 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)

February 28, 2022

VÍA CÉLERE
DESARROLLOS
INMOBILIARIOS,
S.A.U.

Annual accounts and Management report
As at 31 December 2021

(Together with the Independent Auditor's Report)

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VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.

Balance sheet as at 31 December 2021

(in thousands of euros)

Assets	Note	31.12.2021	31.12.2020
Intangible assets	6	37	57
Computer software		37	57
Property, plant and equipment	7	1,760	4,020
Land and buildings		725	3,095
Technical installations		210	160
Other tangible fixed assets		825	765
Non-current investments in Group companies, associates and related parties	9 and 10	135,857	131,680
Equity instruments		75,769	71,499
Loans to companies		60,088	60,181
Non-current financial investments	9	1,152	3,186
Other financial assets		1,152	3,186
Deferred tax assets	16	68,517	62,987
Total non-current assets		207,323	201,930
Inventories	11	966,828	1,100,159
Land and plots		374,976	472,164
Property developments in progress		528,692	502,959
Completed developments		62,770	124,092
Advances to suppliers		390	944
Trade and other receivables		27,058	23,552
Customers for sales and services	9	-	115
Customers, Group companies and associates	9 and 19	17,387	13,811
Sundry debtors	9	5,859	5,323
General information on the employees	9	-	4
Current tax assets	16	69	111
Other receivables from public authorities	16	3,743	4,188
Current investments in Group companies, associates and related parties	9 and 10	70,057	47,748
Loans to companies		70,023	47,712
Loans to associates		34	36
Current financial investments	9	4,813	12,186
Loans to third parties		3,140	3,570
Other financial assets		1,673	8,616
Current accruals and deferrals		3,251	3,609
Cash and cash equivalents	8	296,152	110,222
Cash		10	10
Treasury		296,142	110,212
Total current assets		1,368,159	1,297,476
Total assets		1,575,482	1,499,406

The accompanying report forms an integral part of the annual accounts as at 31 December 2021.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.

Balance sheet as at 31 December 2021 (in thousands of euros)

<i>Equity and Liabilities</i>	<u>Note</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
Capital	12.1	411,161	411,161
Share premium	12.2	650,087	736,387
Reserves		(297,545)	(306,215)
Legal	12.3	38,112	30,090
Voluntary reserves	12.5	(335,657)	(336,305)
(Negative results from previous years)		-	(71,497)
Result for the period/year		61,466	80,223
Total equity		825,169	850,059
Non-current provisions	13	13,582	8,032
Non-current debts	14	293,268	1,004
Bank borrowings		-	997
Debentures and bonds		293,261	-
Other financial liabilities		7	7
Deferred tax liabilities	16	1,487	1,034
Total non-current liabilities		308,337	10,070
Current provisions	13	5,740	8,605
Current debts	14	153,361	321,474
Bonds and other marketable securities		28,638	1,700
Bank borrowings		124,467	319,692
Other financial liabilities		256	82
Current payables to group companies, associates and related parties	14 and 19	79,314	74,339
Trade and other payables		203,561	234,859
Suppliers	14.2	69,684	78,786
Suppliers, group companies and associates	14.2 and 19	19,218	22,072
Staff, outstanding remuneration	14	2,419	1
Current tax liabilities	14.2 and 16	2,923	4,941
Other debts with public authorities	14.2 and 16	10,444	22,068
Customer advances	11.5 and 14.2	98,873	106,991
Total current liabilities		441,976	639,277
Total equity and liabilities		1,575,482	1,499,406

The accompanying report forms an integral part of the annual accounts as at 31 December 2021.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.
Profit and loss account for the year ended 31 December 2021
(in thousands of euros)

	Note	31.12.2021	31.12.2020
CONTINUING OPERATIONS			
Revenue	17.1	490,364	539,109
Sales		485,763	457,713
Provision of services		4,601	81,396
Change in inventories of finished goods and in progress	17.2	(132,393)	(56,319)
Supplies		(239,235)	(318,176)
Consumption of raw materials and other consumables		(20,005)	(57,604)
Work carried out by other companies		(221,963)	(256,163)
Impairment of merchandise, raw materials and other supplies	11	2,733	(4,409)
Other operating income		2,127	3,395
Personnel expenses	17.3	(18,197)	(21,740)
Wages, salaries and similar items		(13,977)	(18,283)
Employee benefits expense		(4,220)	(3,457)
Other operating expenses		(22,722)	(32,626)
External services	17.5	(13,812)	(16,198)
Taxes		(5,193)	(5,714)
Loss, impairment and changes in provisions for commercial operations		(3,636)	(10,007)
Other current administrative expenses		(81)	(707)
Depreciation of fixed assets	6 and 7	(291)	(307)
Impairment and gains/losses on disposals of fixed assets and financial instruments in Group companies	17.7	7,308	(11,097)
Impairment and losses		7,168	(11,097)
Gains (losses) on disposals and other		140	-
OPERATING INCOME		86,961	103,464
Financial income	17.6	478	38
From income with Group companies and associates		-	-
Marketable securities and other financial instruments		478	38
Financial costs	17.6	(36,662)	(37,521)
Payable to Group companies and associates		(2,292)	(4,793)
For debts owed to third parties		(34,370)	(32,728)
Exchange rate differences		(5)	-
Activation of financial expenses	11	13,356	11,995
Change in fair value of financial instruments	17.7	-	(1)
FINANCIAL RESULT		(22,833)	(25,489)
PROFIT BEFORE TAX		64,128	77,975
Corporate income tax	16	(2,662)	2,248
PROFIT FOR THE YEAR		61,466	80,223

The accompanying report forms an integral part of the annual accounts as at 31 December 2021.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.
Statement of changes in equity for the year ended 31 December 2021
(in thousands of euros)

Statement of comprehensive income for the year ended 31 December 2021

	2021	2020
Profit or loss on the profit and loss account	61,466	80,223
Total recognised income and expense	61,466	80,223

The accompanying report forms an integral part of the annual accounts as at 31 December 2021.

Statement of total changes in equity for the year ended 31 December 2021

	Share capital	Share premium	Legal and statutory reserves	Voluntary reserves	Results from previous years	Result from year	Total
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
Recognised income and expenses	-	-	-	-	-	61,466	61,466
Distribution of profit for 2020 (Note 3)	-	-	8,022	704	71,497	(80,223)	-
Distribution of voluntary reserves	-	(86,300)	-	-	-	-	(86,300)
Other	-	-	-	(56)	-	-	(56)
Balance as at 31 December 2021	411,161	650,087	38,112	(335,657)	-	61,466	825,169

The accompanying report forms an integral part of the annual accounts as at 31 December 2021.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.
Statement of cash flows for the year ended 31 December 2021
(in thousands of euros)

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before tax		64,128	77,975
Adjustments to the result		21,340	25,174
Depreciation of fixed assets	6 and 7	291	307
Valuation adjustments for impairment		(9,301)	3,578
Change in provisions		8,950	(1,897)
Gains/losses on disposal of fixed assets		(140)	-
Financial income		(1,766)	(2,340)
Financial costs		23,306	25,526
Changes in working capital		119,469	91,145
Inventories		148,059	114,496
Trade and other receivables		(3,698)	(3,999)
Other current and non-current assets		9,928	(6,262)
Trade and other payables		(29,280)	(10,242)
Other current and non-current liabilities		(5,540)	(2,848)
Other cash flows from operating activities		(48,752)	(23,280)
Interest payments		(36,089)	(20,978)
Interest income		478	38
Dividend collections		-	5,600
Corporate income tax payments		(13,150)	(7,900)
Other payments (receivables)		9	(40)
Cash flows from operating activities		156,185	171,015
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(33,774)	(27,857)
Group companies and associates		(32,960)	(27,643)
Intangible asset	6	-	327
Property, plant and equipment	7	(814)	(541)
Divestment proceeds		21,339	59,948
Group companies and associates		18,395	59,948
Property, plant and equipment		2,944	-
Cash flows from investing activities		(12,435)	32,091
CASH FLOWS FROM FINANCING ACTIVITIES			
Receivables and payments for financial liability instruments		128,480	(225,557)
Bonds and other marketable securities		300,000	-
Payable to group companies and associates		2,617	-
Collections from bank borrowings		127,374	218,484
Bank borrowing returns		(301,511)	(444,041)
Payments for dividends and remuneration of other equity instruments		(86,300)	-
Dividends		(86,300)	-
Cash flows from financing activities		42,180	(225,557)
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS		185,930	(22,452)
Cash or cash equivalents at the start of the year		110,222	132,674
Cash or cash equivalents at the end of the year		296,152	110,222

The accompanying report forms an integral part of the annual accounts as at 31 December 2021.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.

Report for the year ended
31 December 2021

1. Incorporation and activity of the company

GENERAL INFORMATION

Vía Célere Desarrollos Inmobiliarios, S.A.U. (hereinafter, "the Company") was incorporated on 16 August 1989, by deed executed 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 agreed to change the corporate name to "Vía Célere Desarrollos Inmobiliarios, S.A.". On 25 March 2021 the incorporation of Vía Célere Holdco, S.L. was formalised by public deed, a company that from that date holds 100% of the Vía Célere group and consequently, the legal form changed to "Vía Célere Desarrollos Inmobiliarios, S.A.U.". On 23 November 2021, the Company's registered office was changed, and the bylaws were amended accordingly, and the new registered office is located at Ulises Street 16-18, floors 6^a y 7^a, 28043, 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 23 February 2022, 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 2021. 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. Following the creation of Vía Célere Holdco, S.L. (a company that holds 100% of VCDI), Vía Célere Desarrollos Inmobiliarios, S.A.U. is exempt from filing CAAs as it is a subgroup of companies whose parent company is a company domiciled in another EU country (Article 9 NFCAC), however, it has decided to file them voluntarily.

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 2021, the Company's sphere of activity was Spain.

The Company was controlled by investment funds managed by Värde Partners, Inc. which together represented 76.4% of the shareholding until 25 March 2021, the date on which the new company Vía Célere Holdco, S.L. was incorporated, a company which controls 100% of the shares of Vía Célere Desarrollos Inmobiliarios, S.A.U.

On 28 September 2018, VCDI 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, whereby the parties agreed to carry out a process of merger of the Aelca group with Vía Célere Desarrollos Inmobiliarios, S.A.U. Such merger process was explained and disclosed in the 31 December 2018 Consolidated Financial Statements.

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.

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.

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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.
- Spanish GAAP approved by Royal Decree 1514/2007, and the amendments made to it by RD 1159/2010, RD 602/2016 and RD 1/2021. In addition, the Sectoral Adaptation of the Spanish GAAP published in the Ministerial Order of 28 December 1994, approving the rules for the adaptation of the Spanish GAAP for real estate companies. In accordance with the Fifth Transitional Provision of Royal Decree 1514/2007, which approves the Spanish GAAP, 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 Spanish GAAP.
- The mandatory rules approved by the Spanish Accounting and Auditing Institute (ICAC) in implementation of the Spanish GAAP (PGC) and its complementary rules.
- All other applicable Spanish accounting legislation.

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 2021 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 23 February 2022, 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 2020 were approved by the General Shareholders' Meeting held on 26 February 2021.

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.

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- 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 (see Note 4.g).
- The useful life of intangible and tangible assets (see Notes 4.b and 4.c).
- The fair value of certain investments in Group companies, associates and related parties (see Note 4.f.). 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.
- Recognition and measurement of provisions and contingencies: assumptions used to determine the probability of occurrence and the estimated amounts of outflows of resources (see Note 4.m).
- The assessment of recoverable amounts of tax credits (see 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 2021 amounting to 68,517 thousand euros (31 December 2020: 62,987 thousand euros) relating to deductible temporary differences and part of the tax loss carryforwards (see Note 16.2).
- Recognition and measurement of management incentive plan long-term: assumptions used to determine the probability of occurrence and the estimated amounts of outflows of resources (see Note 4.q).

- 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 2021, 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 2021, the figures for the previous year, which formed part of the annual accounts for 2020 approved by the Sole Shareholder on 20 April 2021.

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.

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g) Functional and presentation currency

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

3. Distribution of results

The profit for the financial year 2021 amounts to 61,466,459 euros, with the proposed distribution formulated by the management body and pending approval by the Sole Shareholder being the allocation of the voluntary reserve in the amount of 55,319,813.10 euros and the allocation of the legal reserve in the amount of 6,146,645.90 euros.

	<u>Thousands of euros</u>
Apportionment basis	
Profit for the year	<u>61,466</u>
Distribution	
Legal reserve	6,147
Voluntary reserves	<u>55,319</u>
	<u><u>61,466</u></u>

The distribution of the Company's profit for the year ended 31 December 2020, as formulated by the Directors on 26 February 2021 and approved by the Sole Shareholder on 20 April 2021, was as follows:

	<u>Thousands of euros</u>
Apportionment basis	
Profit for the year	<u>80,223</u>
Distribution	
Legal reserve	8,022
Negative results from previous years	71,497
Voluntary reserves	<u>704</u>
	<u><u>80,223</u></u>

The amount of non-distributable reserves is limited to the balance of the legal reserve, which amounts to 38,112 thousand of euros as at 31 December 2021, and to the issue 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 Spanish GAAP and the rules for the adaptation of the previous Spanish GAAP to real estate companies, insofar as they do not contradict the provisions of the current one, are as follows:

Changes in accounting policies as a result of Royal Decree 1/2021

On 30 January 2021, Royal Decree 1/2021, of 12 January 2021, was published in the Official State Gazette, amending the Spanish GAAP approved by Royal Decree 1514/2007, of 16 November; the Spanish GAAP for Small and Medium-sized Companies approved by Royal Decree 1515/2007, of 16 November; the Rules for the Preparation of Consolidated Annual Accounts approved by Royal Decree 1159/2010, of 17 September; and the Rules for the Adaptation of the Spanish GAAP to non-profit entities approved by Royal Decree 1491/2011, of 24 October. Likewise, and as a consequence of RD 1/2021, on 13 February 2021, the resolution of the Spanish Accounting and Audit Institute (ICAC) was published in the Official State Gazette, which establishes the rules for recording, valuation and

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preparation of annual accounts for the recognition of income from the delivery of goods and the rendering of services (hereinafter "Income Ruling").

The content of the aforementioned Royal Decree and Ruling must be applied in the annual accounts for fiscal years beginning on or after 1 January 2021.

It should be noted that the policies that have been affected by Royal Decree 1/2021 are: Financial instruments (see Section F) and Revenue from contracts with customers (see Section J).

The main differences between the accounting and classification criteria used in 2020 and those applied in 2021 that have affected the Company are as follows:

a) Financial instruments - classification and valuation

At the date of initial application of Royal Decree 1/2021, 1 January 2021, the Company has opted for the application of DT 2 and to include comparative information without restatement by reclassifying the items for 2020 to show the balances for that year adjusted to the new presentation criteria. Therefore, the Company has applied the new categories of financial instruments in accordance with Royal Decree 1/2021 for the year ended 31 December 2021, and has applied the new categories, for presentation purposes only, for the comparative year ended 31 December 2020. Consequently, the main effects of this reclassification as at 1 January 2021 are as follows:

- All financial assets were classified as at 31 December 2020 as "Loans and receivables" and, effective 1 January 2021, have been reclassified to "Assets at cost".
- In the case of financial liabilities, all financial liabilities (both with credit institutions and others) were classified as at 31 December 2020 in the category "Debts and payables" and effective 1 January 2021 have been reclassified to "Liabilities at amortised cost".

There has been no impact of these changes on the Company's shareholders' equity.

b) Revenue from sales and services

The application as at 1 January 2021 of the ICAC Ruling establishing standards for the recording, valuation and preparation of the annual accounts for the recognition of revenue for the delivery of goods and services, and the latest amendment to the PGC and its supplementary provisions through RD 1/2021, has led to changes in the NRV 14 "Revenue from sales and services", as well as in the information to be included in the notes to the financial statements on these transactions.

The new standard is based on the principle that revenue is recognised when control of a good or service is transferred to the customer in an amount that reflects the consideration to which the entity expects to be entitled - thus the concept of control, as a fundamental principle, replaces the current concept of risks and rewards.

In order to apply the above fundamental principle, the following successive steps must be followed:

- identify contracts with customers;
- identify the obligations to be fulfilled;
- determine the price or consideration for the contract transaction;
- allocate the transaction price among the obligations to be fulfilled, and
- recognise revenue when (or as) the entity satisfies each committed obligation.

The key changes it implies to current practice are:

- Rules are established for the identification of the contract and the different goods and services included therein, as well as guidelines for the combination and modification of contracts.
- Requirements are established to determine when the accrual of income occurs, in particular, to determine whether the income should be recognised at a single point in time or over time, depending on the percentage of performance of the activity.
- First, the definition of the price of the transaction is used as a starting point and certain specific aspects are analysed, such as deliveries to customers of cash, goods free of charge or flagging costs; the

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variable consideration for discounts, contingent amounts, etc.; the financial component of the contract; and the assets transferred by customers.

- Particular issues and cases are analysed, such as: incremental costs of obtaining or fulfilling a contract, guarantees given to customers, indicators on own vs third party performance, customer options on additional goods and services, etc.

There has been no impact of these changes on the Company's equity. However, the application as of January 1, 2021 of the last amendment to the Spanish GAAP and its complementary provisions through RD 1/2021, has led to the recognition of an amount of 3,336 thousand euros as of January 1, 2021 in advances of customers.

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 financial expenses 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 bank borrowings accrued for the financing. In cases where the financing has not been used temporarily to fund assets under construction, the related financial expenses are not capitalised. The amount of interest to be capitalised relating to general non-trade financing is determined by applying a weighted average interest rate to the investment in progress, discounting the portion specifically financed, up to the limit of accrued financial expenses in the profit and loss account.

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 bank borrowings" 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).

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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.

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%

The Company reviews the residual value, useful life and depreciation method of property, plant and equipment 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 subject to amortisation or depreciation*

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.

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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 at fair value through profit or loss

This category includes equity instruments that are neither held for trading nor are to be measured at cost, and for which an irrevocable election was made at the time of initial recognition to present subsequent changes in fair value directly in equity.

In addition, financial assets irrevocably designated at initial recognition as measured at fair value through profit or loss, and which otherwise would have been included in another category, are included to eliminate or significantly reduce a valuation inconsistency or accounting asymmetry that would otherwise arise from valuing assets or liabilities on different bases.

Financial assets included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration given. Transaction costs directly attributable to them are recognised in the profit and loss account for the year. After initial recognition, the Company will measure the financial assets included in this category at fair value through profit or loss.

(iv) Financial assets at amortised cost

Included in this category are loans and receivables consisting 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

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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) Financial assets at fair value with changes in equity

This category includes those financial assets whose contractual conditions give rise, on specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding, and are not held for trading and are not classified in the "Financial assets at amortised cost" category. Investments in equity instruments for which the irrevocable option for classification as "Financial assets at fair value through profit or loss" has been exercised are also included in this category.

Financial assets included in this category are initially measured at fair value, which is generally the transaction price, i.e. the fair value of the consideration given, plus any directly attributable transaction costs, including the amount of any preemptive subscription rights and similar rights acquired. Subsequently, the financial assets included in this category are valued at fair value, without deducting any transaction costs that might be incurred in their disposal. Changes in fair value are recorded directly in equity until the financial asset is derecognised or impaired, at which time the amount so recognised is taken to the profit and loss account.

(vi) Financial assets at cost

The following are included in this valuation category:

- a) Investments in the equity of group, multigroup and associated companies.
- b) Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or cannot be reliably estimated, and derivatives underlying such investments.
- c) Hybrid financial assets whose fair value cannot be reliably estimated, unless the requirements for accounting at amortised cost are met.
- d) Contributions made as a result of a participation account contract and similar.
- e) Participating loans whose interest is of a contingent nature, either because a fixed or variable interest rate is agreed upon conditioned to the fulfilment of a milestone in the borrower company (for example, the achievement of profits), or because it is calculated exclusively by reference to the evolution of the borrower company's activity.
- f) Any other financial asset that initially should be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value.

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.

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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.

(vii) 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.

(viii) 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.

(iv) 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 at amortised cost

This category includes trade payables and non-trade payables:

- a) Trade accounts payable: are those financial liabilities arising from the purchase of goods and services in connection with the company's trade operations with deferred payment, and
- b) Non-trade payables: financial liabilities that, not being derivative instruments, do not have a commercial origin, but arise from loan or credit transactions received by the company.

Participating loans that have the characteristics of an ordinary or common loan are also included in this category without prejudice to the agreed interest rate (zero or below market).

Financial liabilities included in this category are initially measured at fair value, which is the transaction price, equal to the fair value of the consideration received adjusted for directly attributable transaction costs.

However, trade payables maturing in less than one year and which do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are valued at their nominal value, when the effect of not discounting the cash flows is not significant.

They are subsequently measured at amortised cost. Accrued interest is recognised in the profit and loss account using the effective interest rate method. However, debts maturing in less than one year that are initially valued at their nominal value continue to be valued at that amount.

(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.

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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 during the period between the date of acquisition and the date on 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 Group analyses annually whether there are indications of impairment with a view to making the appropriate valuation adjustments, recognising them as an expense in the consolidated income statement when the net realisable value of 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.

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.

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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 2021, 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.

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.

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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.

(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

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

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

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

Ordinary income does not include discounts, VAT and other sales-related taxes. The Company recognises the income upon delivery of the property to the customer, although three different documents are signed throughout

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the process (the pre-reservation and/or reservation, and the private deed of sale contract). Upon delivery, the customer accepts the property and the related risks and rewards of ownership transfer. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Customer advances

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

Consequently, the application as at 1 January 2021 of the ICAC Ruling establishing standards for the recording, valuation and preparation of the annual accounts for the recognition of revenue for the delivery of goods and services, and the latest amendment to the PGC and its supplementary provisions through RD 1/2021, has resulted in the recognition of an amount of 3,336 thousand euros as at 1 January 2021 and an amount of 3,012 thousand euros as at 31 December 2021 (see Note 11).

Fees

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

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.

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.

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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. 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

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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.

q) Remuneration of senior management

On 10 November 2021, VCDI's sole stakeholder approved a long-term incentive plan for VCDI's Managing Director, members of VCDI's senior management and certain key VCDI employees, which expires on 31 December 2027.

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

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The calculation of the incentive remuneration, in the event of accrual, differs depending on the type of event that generates the right to receive the incentive and would range from 5.6 million euros to 14 million euros in the different scenarios that could give rise to the accrual of such remuneration.

As at 31 December 2021, the accrued amount of the plan is included in the profit and loss account.

5. Business combinations

No business combinations have occurred in 2021 as well as in 2020.

6. Intangible assets

The changes in intangible assets in 2021 and 2020 were as follows:

	Thousands of euros	
	Computer software	Total
Cost		
01 January 2020	258	258
Additions	39	39
31 December 2020	297	297
31 December 2021	297	297
Amortisation		
Accrued as at 01 January 2020	(197)	(197)
Amortisation for the year	(43)	(43)
Accrued as at 31 December 2020	(240)	(240)
Amortisation for the year	(20)	(20)
Accumulated as at 31 December 2021	(260)	(260)
Net book value as at 31 December 2020	57	57
Net book value as at 31 December 2021	37	37

The cost of fully depreciated assets as at 31 December 2021 amounts to 244 thousand of euros (31 December 2020: 159 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, 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 2021 and 2020 were as follows:

	Thousands of euros			Total
	Constructions	Technical installations	Other tangible fixed assets	
Cost				
01 January 2020	3,028	342	1,044	4,414
Additions	177	-	325	502
31 December 2020	3,205	342	1,369	4,916
Additions	404	169	240	813
Derecognitions	(2,836)	(4)	(244)	(3,084)
31 December 2021	773	507	1,365	2,645
Amortisation				
Accrued as at 01 January 2020	(74)	(96)	(462)	(632)
Amortisation for the year	(36)	(86)	(142)	(264)
Accrued as at 31 December 2020	(110)	(182)	(604)	(896)
Amortisation for the year	(40)	(100)	(131)	(271)
Derecognitions	102	(15)	195	282
Accumulated as at 31 December 2021	(48)	(297)	(540)	(885)
Net book value as at 31 December 2020	3,095	160	765	4,020
Net book value as at 31 December 2021	725	210	825	1,760

Additions in 2021 mainly correspond to the acquisition of furniture and computer equipment, as well as the construction of worksite sales huts for various developments.

The value of the derecognition relates mainly to the sale to Vía Célere Desarrollos Inmobiliarios, S.A.U. of the office located at Calle Carlos y Guillermo Fernandez Shaw 1 in Madrid. The net book value of this fixed asset amounted to 2,707 thousand euros and has been sold for 2,850 thousand euros, recording a gain on the sale of this fixed asset of 140 thousand euros (see Note 17.7). The outstanding debt for this fixed asset at the date of sale, which amounted to 1,077 thousand euros, was cancelled and therefore the total amount collected was 1,173 thousand euros.

The Company has assessed the existence of indications of potential impairment of the assets comprising property, plant and equipment as at 31 December 2021 and 2020, and during 2020 and 2021 no impairment charge was recognised.

The cost of fully depreciated assets as at 31 December 2021 and 2020 amounts to:

	Thousands of euros	
	31.12.2021	31.12.2020
Other tangible fixed assets	361	241
	361	241

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 2021 and 2020 is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Cash	10	10
Unrestricted accounts	270,536	75,566
"Customer development" accounts	25,606	34,646
	<u>296,152</u>	<u>110,222</u>

As at 31 December 2021 and 2020 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

As at 31 December 2021, the Company holds only financial assets valued at cost.

	Thousands of euros			
	Non-current		Current	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Investments in Group companies, associates and related parties (Note 10)				
Equity instruments	75,769	71,499	-	-
Loans to companies	60,088	60,181	70,057	47,748
Financial investments	1,152	3,186	4,813	12,186
Customers for sales and services	-	-	-	115
Customers, Group companies and associates	-	-	17,387	13,811
General information on the employees	-	-	-	4
Sundry debtors	-	-	5,859	5,323
	<u>137,009</u>	<u>134,866</u>	<u>98,116</u>	<u>79,187</u>

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Financial investments

The details of Long-term financial investments at 2021 and 2020 year-end are as follows:

	Thousands of euros			
	Non-current		Current	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Loans to third parties	-	-	3,140	3,570
Deposits and guarantees	1,152	3,186	1,673	8,616
	1,152	3,186	4,813	12,186

Loans to third parties

As at 31 December 2021 and 2020, these included mainly loans acquired through assignment agreements with financial institutions, which were secured by mortgages on land amounting to 3,140 thousand euros and 3,570 thousand euros, respectively.

In 2021 and 2020, loans amounting to 687 thousand euros and 4,265 thousand euros, respectively, were foreclosed as a result of extrajudicial foreclosure.

The fair value of loans to third parties amounted to 5,305 thousand euros as at 31 December 2021 and 7,505 thousand euros as at 31 December 2020.

Deposits and guarantees

At 31 December 2021 and 2020, "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:

	Thousands of euros	
	31.12.2021	31.12.2020
Group		
Suppliers to Group companies (Note 19)	17,387	13,811
No Group		
Customers	-	115
Sundry debtors	10,657	9,931
General information on the employees	-	4
Other receivables from public authorities (Note 16.1)	3,812	4,299
Valuation adjustments for impairment	(4,798)	(4,608)
	27,058	23,552

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

As at 31 December 2021, Sundry debtors mainly include 6,229 thousand euros pending collection for penalties invoiced to construction companies for breach of agreement, of which 4,798 thousand euros (4,608 thousand euros as at 31 December 2020 which were fully provisioned). During 2021, out of the total of 6,229 thousand euros provided for, the amount of 190 thousand euros has been provided for in the income statement as a result of the insolvency of a construction company (out of the total of 4,608 provided for, 2,963 thousand euros were provided for in 2020 as a result of the insolvency of two of the construction companies).

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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:

	Thousands of euros	
	31.12.2021	31.12.2020
Opening balance	(4,608)	(1,801)
Allocations	(190)	(3,253)
Reversals	-	446
Ending balance	<u>(4,798)</u>	<u>(4,608)</u>

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 2021 is as follows:

	Thousands of euros				31 December 2021
	31 December 2020	Additions /Allocations	Derecognition / Reversal	Transfers	
Long Term					
Equity instruments Group	140,237	-	-	-	140,237
Equity instruments Associates	11,112	-	-	-	11,112
Impairment of investments	(79,850)	(271)	4,541	-	(75,580)
Total participations	<u>71,499</u>	<u>(271)</u>	<u>4,541</u>	<u>-</u>	<u>75,769</u>
Long-term receivables (Note 19)	83,490	-	-	(3,000)	80,490
Impairment of receivables	(23,309)	-	2,907	-	(20,402)
Total long-term loans	<u>60,181</u>	<u>-</u>	<u>2,907</u>	<u>(3,000)</u>	<u>60,088</u>
Total L/T investments in GCs, As and related parties	<u>131,680</u>	<u>(271)</u>	<u>7,448</u>	<u>(3,000)</u>	<u>135,857</u>
Short term					
Long-term receivables (Note 19)	49,558	37,545	(18,239)	3,000	71,864
Loans with Group companies and related parties (Note 19)	36	-	(2)	-	34
Impairment of receivables	(1,846)	(3)	8	-	(1,841)
Total S/T investments in GCs, AS and related parties	<u>47,748</u>	<u>37,542</u>	<u>(18,233)</u>	<u>3,000</u>	<u>70,057</u>

The most significant additions, derecognitions and transfers of investments in Group companies and associates in 2021 were as follows:

- As a result of the impairment analysis of the shareholding in Udralar, S.L.U., in 2021 part of the impairment recorded for the participating loan was reversed, amounting to 2,907 thousand euros.

During 2021, the most significant additions and derecognitions of investments in Group and related short-term companies were as follows:

- In October and November, the subsidiary Parquesoles Inversiones Inmobiliarias y Proyectos, S.A. drew 3,000 and 2,000 thousand euros, respectively, on its current account with the Company.
- During 2021 the subsidiary Vía Céleres Gestión de Proyectos, S.L.U. drew 16,283 thousand euros from the current accounts held with the Company. During 2021 the subsidiary in question repaid to the Company 9,879 thousand euros.

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Transfers in 2021 mainly correspond to two movements:

- The subsidiary Vía Céleré Gestión de Proyectos, S.L.U. was converted into the subsidiary Vía Céleré Gestión de Proyectos, S.L.U. to settle the equity imbalance presented by a current account contract in a participating loan in the amount of 8,000 thousand euros, of which 6,167 thousand euros are drawn down as at 31 December 2021.
- The participating loan was transferred to short-term due to its maturity in the next year, which has a limit of 10,000 thousand euros and was drawn down in 9,167 thousand euros.

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

	Thousands 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 participations	90,123	(18,663)	(919)	958	71,499
Long-term receivables (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 L/T investments in GCs, As and related parties	162,555	(15,163)	845	(16,557)	131,680
Short term					
Long-term receivables (Note 19)	112,152	25,546	(104,697)	16,557	49,558
Loans with Group companies and related parties (Note 19)	51	-	(15)	-	36
Impairment of receivables	(1,795)	(51)	-	-	(1,846)
Total S/T investments in GCs, AS and related parties	110,408	25,495	(104,712)	16,557	47,748

The most significant additions and derecognitions of 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 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 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 euros and 2,444 thousand 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 euros. Firstly, a dividend of 26,429 thousand 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 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 (see Note 18).

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

- In November, the subsidiary Parquesoles Inversiones Inmobiliarias y Proyectos, S.A. repaid 12,900 thousand euros from its current account with the Company.
- During 2020, Maywood Invest, S.LU. drew down an additional 3,390 thousand euros from its current account with the Company and repaid the entire amount owed, which amounted to 27,488 thousand euros.

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- On 31 December 2020 the ordinary short-term loan that the subsidiary Vía Célere, S.L.U. held with the Company amounting to 33,807 thousand euros, accrued interest amounting to 768 thousand euros and the current account amounting to 9,616 thousand euros were offset.
- Additionally, on 31 December the ordinary short-term loan of 2,744 thousand euros that the subsidiary Vía Célere 2, S.L.U. had with the Company was offset against the current account in the amount of 2,672 thousand euros and accrued interest of 72 thousand euros.
- In addition, during 2020 the subsidiary Vía Célere Gestión de Proyectos, S.L.U. drew down an additional 5,532 thousand euros on its current account with the Company and repaid the entire amount owed, representing 13,425 thousand euros.

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

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 2021 and 2020 is as follows:

<i>Participation</i>	Thousands of euros			31 December 2021
	31 December 2020	Allocation	Reversal	
In Group companies				
Copaga, S.A.	(2,755)	-	-	(2,755)
Douro Atlántico, S.A.	(14,388)	(186)	-	(14,574)
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)	(85)	-	(7,136)
Vía Célere Catalunya, S.L.U.	(4,040)	-	316	(3,724)
Portugal Parquesoles S.A.	(8,800)	-	4,126	(4,674)
Associates				
Célere Forum Barcelona, S.L.	(9,278)	-	99	(9,179)
Total Group	(79,850)	(271)	4,541	(75,580)

<i>Participation</i>	Thousands of euros			31 December 2020
	31 December 2019	Allocation	Reversal	
In 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 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)

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 2021 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 2021 and 2020 is as follows:

Thousands of euros									
31.12.2021									
Company	Address	Interest			Capital	Result		Rest of Equity	Net value in books of the shareholding
		Direct	Indirect	Total		Operating	From the period		
Copaga, S.A.	Madrid	100%	-	100%	144	(6)	1	(1,391)	-
Udralar, S.L.U. (a)	Madrid	100%	-	100%	3	1,851	1,764	(24,670)	-
Torok Investment 2015, S.L.U.	Madrid	100%	-	100%	3	(208)	(174)	(1,328)	7
Udrasur Inmobiliaria, S.L.U.	Madrid	100%	-	100%	3	(8)	(8)	(543)	-
DouroAtlántico, S.A. (a)	Lisbon, Portugal	100%	-	100%	8,062	582	350	(3,866)	7,695
Maywood Invest, S.L.U. (a)	Madrid	100%	-	100%	833	5,845	4,070	2,634	12,110
Vía Célere, S.L.U. (a)	Madrid	100%	-	100%	22,749	1,952	2,396	5,408	30,511
Vía Célere 1, S.L.U.	Madrid	100%	-	100%	3	(11)	(16)	(1,004)	-
Vía Célere 2, S.L.U.	Madrid	100%	-	100%	3	(16)	(92)	289	200
Vía Célere Catalunya S.L.U.	Madrid	100%	-	100%	11,112	24	261	1,084	12,458
Vía Célere Gestión de Proyectos, S.L.U. (a)	Madrid	100%	-	100%	3	(5,528)	(6,628)	(8,304)	3,329
Conspace, S.L.U.	Madrid	100%	-	100%	3	(28)	(44)	(1,095)	1
Parquesoles Inversiones Inmobiliarias Y Proyectos, S.A. (a)	Lisbon, Portugal	100%	-	100%	50	3,139	2,451	2,682	7,526
Célere Forum Barcelona, S.L.	Madrid	50%	-	50%	2	814	674	650	1,932
									75,769

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Company	Address	31.12.2020							Rest of Equity Net	Net value in books of the shareholding
		Participación			Capital	Result				
		Direct	Indirect	Total		Operating	From the year			
Copaga, S.A.	Madrid	100%	-	100%	144	(38)	(20)	(1,376)	-	
Udralar, S.L.U. (a)	Madrid	100%	-	100%	3	3,156	3,117	(28,509)	-	
Torok Investment 2015, S.L.U.	Madrid	100%	-	100%	3	(121)	(109)	(1,211)	7	
Udrasur Inmobiliaria, S.L.U.	Madrid	100%	-	100%	3	(39)	(30)	(518)	-	
Douro Atlántico, S.A. (a)	Lisbon, Portugal	100%	-	100%	8,062	(158)	(353)	(3,580)	7,432	
Maywood Invest, S.L.U. (a)	Madrid	100%	-	100%	833	18,265	12,404	(10,241)	12,110	
Vía Célere, S.L.U. (a)	Madrid	100%	-	100%	22,749	28,320	23,878	(18,919)	30,511	
Vía Célere 1, S.L.U.	Madrid	100%	-	100%	3	(45)	(40)	(968)	-	
Vía Célere 2, S.L.U.	Madrid	100%	-	100%	3	(34)	282	-	285	
Vía Célere Catalunya S.L.U.	Madrid	100%	-	100%	11,112	(30)	335	693	12,141	
Vía Célere Gestión de Proyectos, S.L.U. (a)	Madrid	100%	-	100%	3	(10,193)	(12,811)	4,529	3,329	
Conspace, S.L.U.	Madrid	100%	-	100%	3	(682)	(591)	(522)	451	
Parquesoles Inversiones Inmobiliarias Y Proyectos, S.A. (a)	Lisbon, Portugal	100%	-	100%	50	(4,917)	(5,673)	8,137	3,400	
Célere Forum Barcelona, S.L.	Madrid	50%	-	50%	2	288	97	554	1,833	
									71,499	

(a) Company audited as of December 31, 2020 by PWC

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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 2021 are as follows:

Company	Short term		Maturity
	Thousands of euros		
	Limit	Drawn	
Udrasur Inmobiliaria, S.L.U.	1,000	561	31/03/2022
Copaga, S.A.	2,000	1,563	31/03/2022
Vía Célere 1, S.L.U.	5,000	62	31/03/2022
Conspace, S.L.U.	2,050	806	31/03/2022
Torok Investments 2015, S.L.U.	27,500	21,787	(1)
Maywood Invest, S.L.U.	1,400	1,400	31/12/2022
Vía Célere Gestión de Proyectos, S.L.U.	11,000	11,000	31/12/2022
Total	49,950	37,179	

(1) Corresponds to two participating loans maturing on 31/03/2022 and 31/12/2022

Company	Long term		Maturity
	Thousands of euros		
	Limit	Drawn	
Udralar, S.L.U.	80,000	74,323	31/12/2023
Vía Célere Gestión de Proyectos, S.L.U.	8,000	6,167	31/12/2023
	88,000	80,490	

In December 2021 the Company converted the current account held with Vía Célere Gestión de Proyectos, S.L.U. into a participating loan maturing on 31 December 2023 as described in Note 10.

In 2021, various long-term participating loans of Vía Célere Gestión de Proyectos, S.L.U. have been reclassified to short-term.

In addition, during 2021 the Company signed novations of the participating loans maturing in 2021, extending the maturity date to 31 March 2023.

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.

The detail of loans as at 31 December 2020 was as follows:

Company	Short term		Maturity
	Thousands of euros		
	Limit	Drawn	
Udrasur Inmobiliaria, S.L.U.	1,000	561	30/06/2021
Copaga, S.A.	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	

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Company	Long term		Maturity
	Thousands of euros		
	Limit	Drawn	
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 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.

11. Inventories

The movement in inventories during 2021 and 2020 is as follows:

	Thousands of euros				
	Land and plots	Completed developments	Developments in progress	Advances to suppliers	Total
Cost as at 01 January 2020	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
Adjustment for RD 01/2021 to the opening balance	-	-	3,336	-	3,336
Cost as at 01 January 2021	829,137	124,686	551,634	944	1,506,401
Additions	13,109	-	221,268	8,428	242,805
Derecognitions	(19,834)	(367,041)	(5,499)	(8,982)	(401,356)
Transfers	(97,737)	308,552	(210,815)	-	-
Cost as at 31 December 2021	724,675	66,197	556,588	390	1,347,850
Valuation adjustments for impairment losses as at 01 January 2020	(337,600)	(2,482)	(77,694)	-	(417,776)
Allocations	(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 losses as at 31 December 2020	(356,973)	(594)	(45,339)	-	(402,906)
Valuation adjustments for impairment losses as at 1 January 2021	(356,973)	(594)	(45,339)	-	(402,906)
Allocations	(1,047)	(501)	(737)	-	(2,285)
Reversals	3,803	16,226	4,140	-	24,169
Transfers	4,518	(18,558)	14,040	-	-
Valuation adjustments for impairment losses as at 31 December 2021	(349,699)	(3,427)	(27,896)	-	(381,022)
Net book value as at 31 December 2020	472,164	124,092	502,959	944	1,100,159
Net book value as at 31 December 2021	374,976	62,770	528,692	390	966,828

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

As at 31 December 2021, the short-cycle property developments are: Célere Punta Candor, Célere Duna Beach II, Célere Nox Patraix, Célere Port Avenue, Célere Finestrelles, Célere Alocs, Célere Alegria Garden, Célere Citrus, Célere Blossom,
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Célere Vitta Nature (Phase I), Célere Nova Rivas II, Célere Nicet Patraix and Célere Austral and are registered with a value of 279,406 thousand euros.

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

The Company capitalises financial expenses 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 2021 and 2020, 13,356 thousand euros and 11,995 thousand 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 2021 and 2020 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).

As at 31 December 2021 and 2020, the estimated above-ground buildable area of the Company's land portfolio amounted to 1,574,315 m² and 1,830,065 m² respectively. The breakdown of the Company's land by geographical area is as follows:

	total sqm	
	31.12.2021	31.12.2020
Madrid	705,168	784,860
Malaga	252,281	302,318
Seville	203,004	256,411
Valencia	83,345	121,060
Valladolid	91,616	81,464
Other provinces	238,901	283,952
	1,574,315	1,830,065

As at 31 December 2021 there was no "Land and plots" mortgaged as collateral (as at 31 December 2020 they had a net cost of 30,241 thousand euros which were mortgaged as collateral for the repayment of various bilateral loans, of which 29,570 thousand euros had been drawn down (see Note 14.1)).

The main movements in 2021 were:

- Purchase of a plot in the Berrocales sector (Madrid) for 1,698 thousand euros.
- The acquisition of land through the foreclosure of the third-party loans described in Note 9 for an amount of 687 thousand euros, located in Tres Cantos (Madrid).
- The execution of a swap for an amount of 1,278 thousand euros in Tres Cantos (Madrid).
- Derecognitions relating to the sale of land for a net amount of 32,265 thousand euros. The most significant sales related to the divestment of a plot of land located in Marbella at a cost of 8,312 thousand euros and the sale of a plot of land in Villaviciosa de Odón at a cost of 5,778 thousand euros, for which an amount of 3,370 thousand euros is still pending collection.

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 euros.
- The acquisition of land through the foreclosure of the third-party loans described in Note 9 for an amount of 4,265 thousand euros, located in Tres Cantos (Madrid).
- The execution of an exchange for an amount of 7,000 thousand euros for a development in progress located in Marbella (Malaga).

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- Derecognitions relating to the sale of land for a net amount of 30,571 thousand euros, with an associated cost of 18,426 thousand euros. The most significant sales corresponded to the sale of two plots of land in Seville for a cost of 7,568 thousand euros and the sale of a plot of land in Madrid for a cost of 2,667 thousand euros.

11.2 Commitments to acquire land and plots

As at 31 December 2021 and 2020, there were no commitments for the acquisition of land or plots of land.

11.3 Developments in progress

At 31 December 2021 and 31 December 2020 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 2021, the main developments in progress are:

- Residential Developments Célere Finestrelles, Célere Port Avenue, Célere Alocs, Célere Citrus, Célere Parque Norte, Célere Vitta Nature (Phase I), Célere Nicet Patraix, Célere Duna Beach II, Célere Austral, Célere Finestrelles II (Phase I), Célere Nova Rivas II, Célere Nox Patraix, Célere Alegria Garden, Célere Montecillos, Célere Montecillos II, Célere Barajas (Phase III), Célere Blossom, Célere Barajas (Phase IV), Célere Palm Village, Célere Barajas (Phase I), Célere Atenea Patraix, Célere Ripagaina (Phase I), Célere Jacaranda, Célere Vitta Nature (Phase II), Célere Villaviciosa de Odón, Célere Valle Niza (Phase I), Célere Alda II, Célere Cruces II (Single-family), Célere Valle Niza (Phase II), Célere Minerva Patraix, Célere ParqueLuz II, Célere Cruces II (Flats), Célere Vega II.

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

- 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 Malaga; Célere Alocs, Célere Finestrelles Fase I-II in Barcelona; Célere Ciencias 17 in Seville; Célere Domeny in Girona; and Célere Cruces in Biscay.

Property developments in progress as at 31 December 2021 and 2020 have a net cost of 528,692 thousand euros and 502,959 thousand euros, respectively, of which property developments in progress are mortgaged to secure the repayment of developer loans, the balances drawn down at that date amounting to 101,258 thousand euros and 150,071 thousand euros, respectively (see Note 14.1).

11.4 Completed developments

"Completed Developments" of the balance sheet as at 31 December 2021 mainly includes the cost of the unsold portion of the following developments:

Madrid

- Célere Urbam; Célere Ensanche de Vallecas; Célere Grace; Célere Cubic III.

Malaga

- Célere Serenity; Célere Vega, Célere Duna Beach.

Barcelona

- Célere Els Ametllers; Célere Terram.

Valladolid

- Célere Parqueluz.

Seville

- Célere Lemos.

Valencia

- Célere Arnott, Célere Aura Malilla, Célere MT22, Célere Llum Patraix.

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"Completed developments" in the balance sheet as at 31 December 2020 mainly included 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.

In 2021, derecognitions amounting to 367,041 thousand euros (367,257 thousand euros during 2020) were recorded under "Completed developments", corresponding to the cost of inventories delivered during the year.

Completed developments as at 31 December 2021 and 2020 have a net cost of 62,770 thousand euros and 124,092 thousand euros, which are mortgaged to secure the repayment of developer loans for completed developments, with the balances drawn down at those dates amounting to 22,557 thousand euros and 39,134 thousand euros, respectively (see 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 2021 and 2020, 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 641,684 thousand euros and 550,938 thousand euros, respectively. Of the total sales commitments, as at 31 December 2021 and 2020 the Company has received advances on account totalling 98,873 thousand euros and 106,991 thousand euros, respectively (see Note 14.2). Advances recorded at 31 December 2021 and 2020 include 25,606 thousand euros and 34,646 thousand euros of restricted cash (see 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 2021 and 2020 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

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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 2021, the Company has recognised an impairment of 2,285 thousand euros (10,213 thousand euros during 2020), and a reversal in the amount of 24,169 thousand euros (25,083 thousand euros during 2020), in order to adjust the carrying amount to its estimated realisable value, which is determined based on the independent expert's valuations. These amounts include:

- Reversals of impairment losses arising from asset deliveries amounting to 14,227 thousand euros and from the sale of land amounting to 23 thousand euros (19,357 thousand euros in 2020), which is recorded under "Changes in inventories of completed goods and work in progress" and "consumption of raw materials and other consumables".
- Impairment reversal of undelivered inventories due to portfolio asset valuation for a net amount of 7,634 thousand euros (6,382 thousand euros of impairment loss in 2020), which is recorded under "Changes in inventories of completed goods and work in progress" and "Impairment of real estate inventories". The latter valuation adjustments are made in order to adjust the carrying amount of inventories to their market value, without exceeding cost, determined on the basis of Savills' valuations.

As at 31 December 2021 and 2020, the overall fair value of the Company's inventories resulting from the above valuations amounts to 1,365 million euros and 1,556 million euros, respectively.

Savills' main assumptions in the valuation are as follows:

	Sales price (€/Sqm)	Margin	Internal Rate of Return
Min	1,090	1%	6%
Max.	5,541	44%	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 12.2%, as follows:

TIR (%)	Discount rate (%)
	31.12.2021
Projects in progress	7.9%
Fully authorised land	11.9%
Strategic land	16.3%
Total	12.2%

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.

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

Hypothesis	Thousands of euros	
	Discount rate	
	Increase /(decrease)	
	1%	(1%)
Market value	1,306,971	1,428,240
Net book value	959,497	973,249

Hypothesis	Thousands of euros					
	Selling price					
	Increase /(decrease)					
	1%	(1%)	5%	(5%)	10%	(10%)
Market value	1,390,481	1,338,687	1,490,925	1,232,302	1,616,448	1,098,962
Net book value	971,129	963,610	984,798	944,440	1,000,519	911,823

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 61,426 thousand euros, and an increase of 100 basis points would result in a decrease in the valuation of 59,779 thousand euros.
- A 1% decrease in the sale price would lead to a decrease in the valuation of 28,072 thousand euros, and a 1% increase would lead to an increase in the valuation of 23,677 thousand euros.
- A 5% decrease in the sale price would lead to a decrease in the valuation of 134,368 thousand euros, and a 5% increase would lead to an increase in the valuation of 124,032 thousand euros.
- A 10% decrease in the sale price would lead to a decrease in the valuation of 267,597 thousand euros, and a 10% increase would lead to an increase in the valuation of 249,597 thousand euros.

12. Equity

12.1. Share capital

As at 31 December 2021 and 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.

As at 31 December 2021, Vía Célere Holdco is the sole shareholder of the Company after 25 March 2021, the companies Maplesville Invest, S.L., Gleenwock Invest, S.L., Windham Spain, S.L., Rimbey Spain, S.L., Lewistown Invest, S.L. Barclays Bank PLC, J.P. Morgan Securities, PLC, Deutsche Bank Aktiengesellschaft, Trinity Investments Designated Activity Company Melf B.V., Merrill Lynch International, and Greencoat B.V. (hereinafter "former shareholders of Vía Célere Desarrollos Inmobiliarios, S.A.U.") formalised by public deed the incorporation of Vía Célere Holdco, S.L. The shares have been fully subscribed by the shareholders of Vía Célere Desarrollos Inmobiliarios, S.A., changing its legal form to Vía Célere Desarrollos Inmobiliarios, S.A.U. The shares have been fully paid through a non-cash contribution consisting of 100% of the shares of Vía Célere Desarrollos Inmobiliarios, S.A.U.

The shareholders of the Company as at 31 December 2021 and 2020 are as follows:

Company	2021	
	Number of shares	Percentage of participation
Vía Célere Holdco, S.L.	68,526,853	100.0%
	68,526,853	100.0%

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2020		
Company	Number of shares	Percentage of participation
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%
	68,526,853	100.0%

12.2 Issue premium

The Capital Company Act expressly permits the use of the issue 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.

On 18 November 2021, the Sole Shareholder of Vía Céleré Desarrollos Inmobiliarios, S.A.U. approved the distribution of an extraordinary dividend charged to the issue premium in the amount of 86,300 thousand euros, payable in cash. It should be noted that the distribution of these reserves has been made in accordance with the limitations on the distribution of dividends included in Section 14.4. and that these have not been violated.

The issue premium at 31 December 2021 amounts to 650,087 thousand euros (31 December 2020: 736,387 thousand euros).

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. The legal reserve amounts to 38,112 thousand euros as at 31 December 2021 (2020: 30,090 thousand euros).

12.4 Restrictions on the distribution of dividends

As at 31 December 2021, the Company maintains limitations on the distribution of dividends as a result of certain financial covenants during the term of the Senior Secured Notes signed on 25 March 2021 (see and the Revolving Facility Agreement (RCF) signed on 6 March 2021 (see Note 14). These limitations have not been breached.

As at 31 December 2020, the Company maintained 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 (see Note 14).

12.5 Voluntary reserves

During 2021 voluntary reserves have increased by 648 thousand euros, mainly derived from the distribution of the previous year's profit. During 2020, there was no movement in the voluntary reserves.

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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:

	Thousands of euros			
	31.12.2021		31.12.2020	
	Non-current	Current	Non-current	Current
Provisions for other liabilities	13,582	4,146	8,032	7,839
After-sales service	-	1,594	-	766
	13,582	5,740	8,032	8,605

The movement in provisions during 2021 and 2020 is as follows:

	Thousands of euros		
	Provisions for other liabilities		After-sales service
	Non-current	Current	Current
Balance as at 01 January 2021	8,032	7,839	766
Allocations	3,952	5,222	852
Applications	(536)	(5,364)	(174)
Reversals	(586)	(681)	-
Transfers	2,720	(2,870)	150
Balance as at 31 December 2021	13,582	4,146	1,594

	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
Allocations	6,249	7,862	710
Applications	(546)	(2,656)	(192)
Reversals	(9,517)	(1,995)	(150)
Balance as at 31 December 2020	8,032	7,839	766

13.1 Provision for other liabilities

On 10 November 2021, the Group's Shareholders' Meeting approved a long-term incentive plan for the CEO, members of Senior Management and certain key employees, with an expiration date of 31 December 2027. For this plan, in the movement of the provision there is an addition for the accrued amount of the plan, which amounts to 1,288 thousand euros.

As at 31 December 2021, the most significant proceedings held by the Company were due to claims received from construction companies during the year 2021, for which it has provisions. During 2021, claims have been received and have been provisioned in the amount of 2,664 thousand euros.

As at 31 December 2020, the most significant proceedings held by the Company were due to claims received from construction companies during the year 2020 amounting to 4,685 thousand euros, for which it held provisions.

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During 2020, the provision in the amount of 7,900 thousand 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 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 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 euros. As at 31 December 2021, this inspection has been completed.

13.2 After-sales provision

During 2021, the Company has made a provision for possible customer claims for developments delivered in the amount of 852 thousand euros (766 thousand euros during 2020).

13.3 Provisions for other current liabilities (trading provisions)

During 2021, the Company has made a provision of 5,222 thousand euros (4,862 thousand euros in 2020) for construction completion costs 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 management body, the provisions recorded as at 31 December 2021 and 2020 reasonably cover the existing risks, not considering that significant additional losses may arise from the resolution of litigation in progress.

14. Current and non-current debts and trade payables

The classification of Financial Liabilities by category is as follows:

	Thousands of euros			
	31.12.2021		31.12.2020	
	Non-current	Current	Non-current	Current
Financial liabilities at amortised cost				
Bonds and other marketable securities	293,261	28,638	-	1,700
Bank borrowings	-	124,467	997	319,692
Financial liabilities at cost				
Payable to Group companies, associates and related parties (Note 19)	-	79,314	-	74,339
Outstanding debts	-	2,419	-	1
Received (Note 14.2)	-	69,684	-	78,786
Suppliers, Group companies and associates (Note 19)	-	19,218	-	22,072
Advances from customers (Note 11.5)	-	98,873	-	106,991
Other financial liabilities	7	256	7	82
	293,268	422,869	1,004	603,663

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".

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Details of "Bank borrowings" at 31 December 2021 and 2020 are as follows:

	Thousands of euros			
	31.12.2021		31.12.2020	
	Non-current	Current	Non-current	Current
Mortgage loans on inventories (Note 14.1)	-	123,815	-	218,775
Bonds and other marketable securities	293,261	24,700	-	1,700
Other financial liabilities	-	-	997	99,233
Interests	-	4,590	-	1,684
	293,261	153,105	997	321,392

Bond (Senior Secured Notes)

On 25 March 2021, Vía Célere Desarrollos Inmobiliarios, S.A.U. issued a senior secured bond in the amount of 300,000 thousand euros (which were fully drawn down and classified under "Other loans") maturing on 1 April 2026.

The interest rate of the bond is 5.25% per annum, payable semi-annually in arrears on 1 April and 1 October of each year, commencing on 1 October 2021. Interest on the bond is accrued from and including the date of issuance of the bond and is payable in cash. As at 31 December 2021, unpaid accrued interest payable on the accrued coupon amounted to 3,938 thousand euros.

As at 31 December 2021, the bond is listed on Euronext.

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

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

VCDI has assumed extraordinary expenses due to the bond issuance amounting to 7,464 thousand euros as at 31 December 2021, of which 6.739 thousand euros are still pending to be accrued.

The Company is committed to the fulfilment of certain covenants during the contract term, which have been fulfilled during 2021.

Super Senior Revolving Facility Agreement (RCF)

On 6 March 2021, VCDI entered into a credit facility agreement (RCF) with J.P. Morgan AG, Deutsche Bank Aktiengesellschaft, Banco Santander S.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco de Sabadell, S.A. and Credit Suisse (Deutschland) Aktiengesellschaft in the amount of 30,000 thousand euros (undrawn at 31 December 2021 and classified as credit lines) maturing on 1 October 2025.

Senior syndicated loan

In 2020, the senior syndicated financing agreement signed by the Company on 2 January 2019 for 223,000 thousand euros, with the Company as the original borrower and Vía Célere, S.L.U., Maywood Invest, S.L.U. and Udralar, S.L.U. as the original guarantors, J.P. was 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 Acquisition facility (loan) in the amount of 185,331 thousand euros and a Revolving Credit Facility (RCF) in the amount of 37,669 thousand euros. On 25 March 2021, this contract was fully amortised. 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 Parent Company extended the financing agreement until 31 December 2021 on a half-yearly payment schedule. During 2020, the Parent Company made repayments of 150 million euros, leaving an outstanding balance of 73 million euros as at 31 December 2020, which was fully repaid on 25 March 2021.

The Company undertook to comply with certain financial covenants during the term of the loan and related to its Financial Statements, which were complied with during the term of the loan.

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Other loans and other marketable securities

Other marketable securities includes a line for the issuance of promissory notes in MARF of which the balance drawn down at 31 December 2021 is 24,700 thousand euros (31 December 2020: 1,700 thousand euros).

Other loans at 31 December 2020 included the amount drawn down, recorded at amortised cost, of a credit facility arranged with Banco Popular to finance the purchase of land, with an available limit of 28 million euros, of which 26 million euros was drawn down at 31 December 2020. During the first quarter of 2021, this credit line has been fully repaid.

Classification by maturity

The classification of financial liabilities by maturity is as follows:

	Thousands of euros					Total
	31.12.2021					
	2022	2023	2024	2025	2026 and later	
Inventory mortgage loans	106,431	17,383	-	-	-	123,815
Bonds and other marketable securities	24,700	-	-	-	293,261	317,961
Total financial liabilities	131,131	17,383	-	-	293,261	441,776

	Thousands of euros					Total
	31.12.2020					
	2021	2022	2023	2024	2025 and later	
Inventory mortgage loans	167,958	46,557	4,261	-	-	218,775
Other financial liabilities	99,233	160	164	167	506	100,230
Other marketable securities	1,700	-	-	-	-	1,700
Total financial liabilities	268,891	46,717	4,425	167	506	320,705

14.1 Mortgage loans secured by inventories

The detail of loans secured by mortgages on inventories as at 31 December 2021 and 2020 is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Loans secured by mortgages on property developments under construction (Note 11.3)	101,258	150,071
Loans secured by mortgages on constructed buildings (Note 11.4)	22,557	39,134
Loans secured by mortgages on constructed buildings (Note 11.1)	-	29,570
	123,815	218,775

These mortgage loans bear annual market interest, which ranged between 2.00% and 3.35% during 2021 (between 1.00% and 3.35% in 2020).

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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:

	Thousands of euros	
	31.12.2021	31.12.2020
Suppliers	69,684	78,786
Suppliers, Group companies and associates (Note 19)	19,218	22,072
Advances to customers (Note 11.5)	98,873	106,991
Employees	2,419	1
Government payables (Note 16)	13,367	27,009
	203,561	234,859

Customer advances arising from the application as at 1 January 2021 of the latest amendment to the PGC and its supplementary provisions through RD 1/2021, resulted in the recognition of an amount of 3,336 thousand euros as at 1 January 2021 and an amount of 3,012 thousand euros as at 31 December 2021 (see Note 11).

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 Ruling of 29 January 2016, on the information to be included in the notes to the annual accounts, is detailed below.

	Payments made and pending payment	
	2021	2020
	Days	Days
Average supplier payment period	51	81
Ratio of paid transactions	52	88
Ratio of transactions pending payment	43	32
	Amount	Amount
	(Euros)	(Euros)
Total payments made	175,041,428	197,279,517
Total outstanding payments	28,014,118	31,748,512

The Group's management evaluates the necessary measures to try to reduce the average payment period in accordance with the legally established limits.

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.

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As at 31 December 2021, the scope of the tax consolidation group is as follows:

IS Group	
Dominant	
Vía Célere Desarrollos Inmobiliarios, S.A.U.	
Dependents	
Copaga, S.A.U.	
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.	

16.1. Tax receivables and payables

The detail of balances with public authorities is as follows:

	Thousands of euros			
	31.12.2021		31.12.2020	
	No Current	Current	No Current	Current
Assets				
Deferred tax assets	68,517	-	62,987	-
Current tax assets	-	69	-	111
Value added tax and similar taxes	-	3,743	-	4,188
	68,517	3,812	62,987	4,299
Liabilities				
Deferred tax liabilities	1,487	-	1,034	-
Corporate income tax	-	2,923	-	4,941
Social Security	-	259	-	463
Withholdings	-	329	-	1,092
Value added tax and similar taxes	-	9,856	-	20,513
	1,487	13,367	1,034	27,009

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16.2. Deferred tax assets and liabilities

The movement of "Deferred tax assets" as at 31 December 2021 and 2020 is as follows:

	Thousands of euros			
	31.12.2020	Additions	Derecognitions	31.12.2021
Assets with tax value different from book value	(21)	21	-	-
Credits for loss carryforwards	20,600	10,240	(3,434)	27,406
Non-deductible financial expenses	38,187	-	(1,253)	36,934
Limitation to depreciation.	635	-	(108)	527
Non-deductible provisions	2,058	536	(472)	2,122
Portfolio impairment	1,508	-	-	1,508
Tax deductions	20	-	-	20
	62,987	10,797	(5,267)	68,517

	Thousands of euros			
	31.12.2019	Additions	Derecognitions	31.12.2020
Assets with tax value different from 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

The movement of "Deferred tax liabilities" as at 31 December 2021 and 2020 is as follows:

	Thousands of euros			
	31.12.2020	Additions	Derecognitions	31.12.2021
Profit reinvestment exemption	1,034	505	(52)	1,487
	1,034	505	(52)	1,487

	Thousands of euros			
	31.12.2019	Additions	Derecognitions	31.12.2020
Revaluation of assets from previous reorganizations	7,905	-	(7,905)	-
Profit reinvestment exemption	1,541	-	(507)	1,034
	9,446	-	(8,412)	1,034

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. In 2021 the amount recovered by the Company of financial expenses not deducted in previous years amounts to 4,930 thousand euros.
- 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. In 2021, the Company has applied BINs amounting to 13,736 thousand euros on a basic basis, proceeding to the recognition of an amount of 40,960 thousand euros.

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To assess the recoverability of deferred tax assets, the Company has also taken into account the valuation of inventories at year-end 2021 carried out by an independent expert, which reflects a fair value of 1,365 million euros (see Note 11.6), as well as the business plan prepared by the Group for the period 2021-2031 and the development sales forecasts included in this plan, 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 2021, the Group has signed sales contracts amounting to 642 million euros (see 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:

	Thousands of euros	
	31.12.2021	31.12.2020
Balance of income and expenses for the year	61,466	80,223
Corporate income tax	2,662	(2,248)
Profit/(Loss) before taxes	64,128	77,975
Permanent differences	(13,203)	(77,356)
Temporary differences	(4,820)	3,734
Offset of tax loss carryforwards from previous years	(11,526)	(1,099)
Taxable income (Taxable profit)	34,579	3,254

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

	Thousands of euros	
	31.12.2021	31.12.2020
Balance of pre-tax income and expenses for the year	64,128	77,975
Tax at 25%	16,032	19,494
Permanent differences	(3,301)	(19,339)
Deductions and allowances for the current year	(8)	(8)
Prior year adjustments	(5,974)	(35)
Deferred tax assets not recognized in prior years	(1,205)	-
Expense for reduction of deferred tax assets	-	(810)
Assets with book value other than fair value	(2,882)	(1,550)
Corporate income tax expense / (income)	2,662	(2,248)

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

	Thousands of euros	
	2021	2020
Current tax		
From the year	8,616	796
Prior year adjustments	(269)	(1,213)
	8,347	(417)
Deferred taxes		
Origin and reversal of temporary differences		
Tax losses carryforwards activations	(10,240)	-
Commitment expense activations	-	191
Provisions for impairment of investments	2,881	-
Limitation on depreciation deduction	119	119
Assets with tax value different from book value	-	(1,811)
Other deferred adjustments	1,607	177
Profit reinvestment exemption	(52)	(507)
	(5,685)	(1,831)
Continuing activities	2,662	(2,248)

The main adjustments for permanent differences to the accounting profit for 2021 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 2021, 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 6,174 thousand euros relating to part of the loss deferred in 2017.
- The Company has reversed part of a portfolio impairment recorded for various company groups. As the provision recorded was a non-deductible tax expense in accordance with the Corporate Income Tax Law, the reversal of the provision is in the nature of non-taxable income and, therefore, a negative adjustment of 6,667 thousand euros has been made in this connection.

In 2021, the main temporary tax differences are as follows:

- Negative adjustment amounting to 4,930 thousand 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 844 thousand euros derived from the provision for the guarantee of repairs and revisions, in accordance with the provisions of Article 14.9 of the Corporate Income Tax Law, this type of provision is a non-deductible tax expense.
- A positive adjustment of 1,288 thousand euros derived from the provision for liabilities and expenses, in accordance with the provisions of Article 14.3 of the Corporate Income Tax Law, the provision derived from implicit or tacit obligations is a non-deductible tax expense.
- Negative adjustment of 399 thousand euros corresponding to the reversal of accounting amortisation expenses

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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 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 euros.
- Elimination of financial income in the amount of 73,954 thousand 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 Corporate Income Tax Law (IS) is non-deductible for tax purposes, and therefore a positive adjustment of 21,108 thousand euros has been made to the accounting result for this item.

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

- Negative adjustment amounting to 1,896 thousand 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 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 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 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 corporate 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	Thousands of euros	Item
2021	9	Deduction for donations
	9	

As at 31 December 2021, there are no outstanding deductions.

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The individual tax losses (pre-consolidation) to be offset at 31 December 2021 are detailed below:

<u>Year of origin</u>	<u>Euros</u>
2010	16,489
2011	44,313
2012	54,446
2013	133,160
2014	1
2015	150,284
2016	946
2017	5,477
2018	12,283
	<u><u>417,399</u></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.

At 31 December 2021, 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	15,295

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 and the current year, the Company has capitalised tax losses arising in previous years amounting to 27,406 thousand euros in taxable income.

In summary, tax loss carryforwards generated and pending offset by the Company amount to 432,694 thousand euros as at 31 December 2021, of which 109,642 thousand euros are capitalised (31 December 2020: 82,399 thousand euros), corresponding to 27,406 thousand euros in instalments (25%) recognised as deferred tax assets (31 December 2020: 20,599 thousand euros).

16.5 Restructuring operations

On 25 March 2021, the companies Maplesville Invest, S.L., Gleenwoc Invest, S.L., Windham Spain, S.L., Rimbey Spain, S.L., Lewistown Invest, S.L. Barclays Bank PLC, J.P. Morgan Securities, PLC, Deutsche Bank Aktiengesellschaft, Trinity Investments Designated Activity Company Melf B.V., Merrill Lynch International, and Greencoat B.V. (hereinafter "former shareholders of Vía Célere Desarrollos Inmobiliarios, S.A.U.") formalised by public deed the incorporation of Vía Célere Holdco, S.L. through the issuance of 60,002 shares with a par value of 1 euro per share and an issue premium of 6,851 euros per share.

The shares have been fully subscribed by the shareholders of Vía Célere Desarrollos Inmobiliarios, S.A., changing its legal form to Vía Célere Desarrollos Inmobiliarios, S.A.U. and maintaining its shareholding structure and composition, including the percentages of participation and rights over them. Therefore, the investment funds managed by Vårde Partners, Inc. hold 76.4% of the shares.

The shares have been fully paid through a non-monetary contribution consisting of 100% of the shares of Vía Célere Desarrollos Inmobiliarios, S.A.U., being valued at 867,548 thousand euros. The share capital has a par value of 60,002 euros and an issue premium of 411,101 thousand euros.

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

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This transaction has generated a restructuring of the Group where Vía Célere Holdco, S.L. is the new Parent Company of the group, while maintaining the Vía Célere Desarrollos Inmobiliarios subgroup.

Therefore, and due to the fact that the Company will cease to be a parent company for the purpose of applying the special tax consolidation regime, Group No. 0258/16 will be broken with effect from 1 January 2022.

However, the directors of the new parent company Vía Célere Holdco, S.L. and its subsidiaries, currently included in Group No. 0258/16, have agreed to pay tax under the special tax consolidation regime for years beginning on or after 1 January 2022. In this regard, the corresponding notification has been made to the tax authorities of the option to be taxed under the tax consolidation regime for the year starting 1 January 2022.

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 Annexes I, II, III, IV of the 2019 annual accounts.

16.6. Years open for inspection and ongoing inspections

As at 31 December 2021, the Company has the following taxes and years open for inspection:

	<u>Years Open for Inspection</u>
Corporate income tax	2016-2020
Value Added Tax	2018-2021
Personal income tax	2018-2021
Capital gains tax	2018-2021

According to the legal provisions in force, tax assessments cannot be considered final until they have been inspected by the tax authorities or the four-year limitation period has elapsed.

Corporate income tax year 2021 cannot be reviewed until the tax return has been filed (July 2022).

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.

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In July 2020, the Company signed the A04 statement in relation to the Corporate Income Tax and VAT inspection for 2013 and 2014.

In July 2020, the Company received notification of the extension of the 2015 tax audit proceedings.

In May 2021, the Company signed a compliance report in connection with the 2015 tax audit: The main impact of the inspection is the reduction of the amount of tax loss carryforwards by 10,164 thousand euros. Confirming an amount of 150,271 thousand euros of tax loss carryforwards generated in the aforementioned financial year.

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

17. Income and expenses

17.1 Revenue

The breakdown this heading as at 31 December 2021 and 2020 is as follows:

	Thousands of euros	
	National	
	2021	2020
Revenue from sale of property developments	485,763	457,713
Revenues from holding activities (Note 18)	4,601	81,396
	<u>490,364</u>	<u>539,109</u>

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.U., 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.

During 2021, the company recognised 3,313 thousand euros for the provision of corporate services (see Note 18) and 1,288 thousand euros in income from financing granted. During 2020 the company recognised income from financing granted of 2,302 thousand euros, 73,395 thousand euros from the distribution of dividends and 5,699 thousand euros from the provision of corporate services to investees.

17.2 Change in finished goods and work in progress inventories

The breakdown of this item is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Expenses capitalised as an increase in inventories (Note 11)	221,021	291,659
Cost of sales (Note 11)	(372,540)	(367,257)
Impairment losses on sales (Note 11)	14,225	19,358
Impairment of inventories (Note 11)	(1,238)	(3,084)
Reversal of impairment of inventories (Note 11)	6,139	3,005
	<u>(132,393)</u>	<u>(56,319)</u>

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17.3. Personnel expenses

The breakdown as at 31 December 2021 and 2020 is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Wages and salaries	(13,977)	(13,631)
Compensation	-	(4,652)
Social Security	(3,997)	(3,266)
Other employee benefits	(223)	(191)
	(18,197)	(21,740)

17.4 Personnel

The composition of the Company's workforce at 2021 and 2020 year-end, broken down by professional category and gender, is as follows:

	31.12.2021		31.12.2020	
	Women	Men	Women	Men
Group General Management	-	5	1	4
Directors and Department Heads	21	48	25	48
Technicians	44	29	47	30
Sales representatives	21	7	24	8
Administrative workers	38	11	42	13
Other personnel	-	-	-	-
	124	100	139	103

As at 31 December 2021 and 2020, the composition of the Company's average workforce is as follows:

	31.12.2021	31.12.2020
Group General Management	6	5
Directors and Department Heads	71	77
Technicians	74	85
Sales representatives	29	39
Administrative workers	52	63
Other personnel	-	2
	232	271

As at 31 December 2021 and 2020, there were 5 and 5 directors, respectively, all of whom are men.

During 2021 and 2020 the Company has had two employees with a disability of 33% or more in its workforce.

	2021	2020
Group General Management	-	-
Directors and Department Heads	-	-
Technicians	1	1
Sales representatives	-	-
Administrative workers	1	1
Other personnel	-	-
	2	2

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17.5 External Services

The detail of this heading during 2021 and 2020 is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Leases	(1,126)	(1,414)
Repairs and maintenance	(51)	(99)
Independent professional services	(7,219)	(7,887)
Insurance premiums	(533)	(530)
Banking and similar services	(112)	(213)
Advertising and publicity	(2,969)	(4,126)
Supplies	(846)	(1,275)
Other services	(956)	(654)
	(13,812)	(16,198)

During 2021, the Company incurred expenses for independent professional services (audit, legal and legal consultancy, etc.) amounting to 7,219 thousand euros.

Leases

As at 31 December 2021 and 2020, the Company has contracted office leases in Valladolid, Barcelona, Madrid and Malaga.

Commitments for future minimum lease payments amount to 3,435 thousand euros as at 31 December 2021 (2020: 2,765 thousand euros).

The increase in commitments in 2021 corresponds to the lease of the Madrid offices signed during 2021, since the offices were owned in 2020.

The detail is as follows:

	2021	2020
Less than 1 year	681	961
Between 1 - 5 years	2,754	1,394
More than 5 years	-	410
	3,435	2,765

Audit fees

The fees corresponding to the services rendered by the auditing firm, PricewaterhouseCoopers Auditores, S.L. and other services rendered by PwC Network entities, for the Group's annual accounts for the years ended 31 December 2021 and 2020, regardless of the time of invoicing, are as follows:

	Thousand euros			
	PwC Auditores, S.L.		Other entities from PwC Network	
	2021	2020	2021	2020
Audit services	126	126	-	-
Other services different from audit services (*)	120	-	102	247
Total services provided by PwC	246	126	102	247

(*) No tax services or other services required of the accounts auditor by applicable regulations have been provided during the 2021 or 2020 financial years.

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The amounts included in the above table include all fees for services performed during 2021 and 2020, 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 the audit firm to the companies controlled by the Company during the year ended 31 December 2021 and 2020, if applicable, is included in the consolidated annual accounts of Vía Céleré Desarrollos Inmobiliarios, S.A.U. and subsidiaries at 31 December 2021.

17.6. Financial income and expenses

The movement in this heading during 2021 and 2020 is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Financial costs		
Payable to Group companies (Note 18)	(2.292)	(4.793)
Debt interest	(34.370)	(32.728)
	(36.662)	(37.521)
Financial income		
Marketable securities and other financial instruments	478	38
	478	38

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

The movement in this heading during 2021 and 2020 is as follows:

	Thousands of euros	
	31.12.2021	31.12.2020
Reversal (impairment) of financial investments and receivables from companies	7,168	(11,097)
Change in fair value of financial instruments	-	(1)
Profit/(loss) on disposal of fixed assets	140	-
	7,308	(11,098)

In 2021, the gain on disposal of fixed assets arising from the sale of the Carlos and Guillermo Fernandez Shaw offices in Madrid is recognised, which amounted to 140 thousand euros.

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18. Transactions with Group companies, associates and related parties

The detail of transactions with the group, associates and related parties during 2021 and 2020 is as follows:

	Thousands of euros				
	31.12.2021				
	Expenses		Income		
Services Received	Financial expenses (Note 17.6)	Provision of services (Note 17.1)	Dividendos recibidos (Nota 17.1)	Finance income (Note 17.1)	
Group companies					
Vía Célere Catalunya, S.L.U.	-	(308)	6	-	1
Vía Célere Gestión de Proyectos, S.L.U.	56,161	(16)	1,156	-	314
Torok Investments 2015, S.L.U.	-	-	6	-	24
Vía Célere 2, S.L.U.	-	(16)	7	-	2
Vía Célere 1, S.L.U.	-	-	6	-	4
Vía Célere, S.L.U.	-	(1,316)	35	-	14
Copaga, S.A.U.	-	(2)	5	-	4
Conspace, S.L.U.	-	-	6	-	23
Maywood, S.L.U.	-	-	793	-	447
Udralar, S.L.U.	-	(634)	591	-	60
Udrasur, S.L.U.	-	-	6	-	3
Douro Atlántico S.A.	-	-	246	-	126
Parquesoles Inversiones Inmobiliarias y Proyectos S.A.	-	-	340	-	266
Associates					
Célere Fórum Barcelona, S.L.	-	-	110	-	-
	56,161	(2,292)	3,313	-	1,288

In 2021, the Company signed construction contracts with its investee Vía Célere 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%.

	Thousands of euros				
	31.12.2020				
	Expenses		Income		
Services Received	Financial expenses (Note 17.6)	Provision of services (Note 17.1)	Dividendos recibidos (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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During 2020, the Company received dividends from various investees totalling 74,798 thousand euros, generating income of 73,395 thousand euros under "Revenue" in the accompanying profit and loss account and a decrease in the cost of the investment in the subsidiary Vía Célere, S.L.U. of 1,403 thousand euros in the accompanying balance sheet (see Note 10).

In 2020, the Company signed construction contracts with its investee Vía Célere 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%.

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:

	Thousands of euros				
	31.12.2021				
	Long-term receivables (Note 10)	Short-term receivables (Note 10)	Trade receivables (Note 9)	Short-term debts (Note 14)	Trade payables (Note 14.2)
Group companies:					
Vía Célere Holdco, S.L.	-	357	12	-	-
Vía Célere, S.L.U.	-	8,649	744	37,391	-
Vía Célere Catalunya, S.L.U.	-	203	66	12,227	-
Vía Célere 1, S.L.U.	-	68	138	18	-
Vía Célere 2, S.L.U.	-	203	67	433	-
Vía Célere Gestión de Proyectos, S.L.U.	6,167	14,647	3,629	-	19,198
Maywood Invest, S.L.U.	-	4,703	7,009	128	-
Conspace, S.L.U.	-	1,324	1	346	18
Douro Atlántico, S.A.	-	4,499	718	-	-
Copaga, S.A.U.	-	1,569	137	95	-
Udralar, S.L.U.	74,323	323	3,203	28,380	2
Udrasur, S.L.U.	-	567	138	67	-
Parquesoles Inversiones Inmobiliarias y Proyectos, S.A.	-	12,183	1,126	-	-
Torok Investments 2015, S.L.U.	-	22,569	138	213	-
Associates					
Célere Fórum Barcelona, S.L.	-	-	261	16	-
Related companies					
Dospuntos Asset Management S.L.	-	34	-	-	-
	80,490	71,898	17,387	79,314	19,218

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	Thousands of euros				
	31.12.2020				
	Long-term receivables (Note 10)	Short-term receivables (Note 10)	Trade receivables (Note 9)	Short-term debts (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.U.	-	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

During 2021 and 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.

20. Other information

José Ignacio Morales Plaza was the managing director during 2021 and until the date of authorisation for the formalisation of the Company's annual accounts.

As at 31 December 2021, there are five members of the Board of Directors (five men) and five members of Senior Management (2020: four men and one woman), one of whom is a member of the Board of Directors.

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

During 2021, a member of the Board of Directors received remuneration of 150 thousand euros for his directorship. During 2020, the member of the Board of Directors received remuneration of 19 thousand euros for his directorship. Senior executives' remuneration in 2021 and 2020 amounted to 2,130 thousand euros and 2,413 thousand euros, respectively. These amounts include a director's remuneration for his executive duties. During 2021, the Company due to the long-term incentive plan's approved has registered the possible right of Senior Management, however, there has still not accrued amounting to 1,288 thousand euros.

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

In 2021 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 260 thousand euros were paid (74 thousand euros in 2020). 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 2021 and 2020 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.

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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:

Timothy James Mooney and his related persons have not incurred, since 30 September 2021 and up until the date of drafting of these annual accounts, found themselves in a situation of direct or indirect conflict with the Company's interests, and therefore he has not had to abstain from intervening in rulings or decisions. However, he is a member of the board of directors of Aelca Desarrollos Inmobiliarios, S.L., an entity with a similar purpose to that of Vía Célere Desarrollos Inmobiliarios, S.A.U. and also maintains a professional relationship with Värde Partners, Inc., the entity that manages the funds owned, directly or indirectly, by shareholders that together hold the majority of the share capital of the Company.

Héctor Serrat Sanz and his related persons have not incurred, from 1 January 2021 and until 29 September 2021, date on which he ceases to be a member of the management body, in a situation of direct or indirect conflict with the interest of the Company, so he has not had to abstain from intervening in the agreements. However, from 1 January 2021 to 29 September 2021, Héctor Serrat Sanz held responsibilities in entities whose purpose is similar to that of Vía Célere Desarrollos Inmobiliarios, S.A.U., as he was Chairman of the Board of Directors of Dospuntos Asset Management, SL. and also maintained a professional relationship with Värde Partners, Inc. which manages the funds owned, directly or indirectly, by shareholders who together hold the majority of the Parent's share capital. At the date of drafting of these annual accounts, Héctor Serrat Sanz does not hold any position or maintain any relationship with any entity whose corporate purpose is similar to that of Vía Célere Desarrollos Inmobiliarios, S.A.U.

Jorge Morán Sánchez and his related persons have not incurred, during 2021 and until 26 January 2022, the date on which he ceases to be a member of the management body, in a situation of direct or indirect conflict with the interests of the Company, and therefore he has not had to abstain from intervening in agreements or decisions relating to this conflict situation. However, Jorge Morán Sánchez has had responsibilities in companies whose purposes are similar to that of Vía Célere Desarrollos Inmobiliarios, S.A.U., given his status as a member of the management body 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.

Anthony Iannazzo and his related persons have not, since 2021 and until the date of drafting 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 rulings or decisions relating to this situation of conflict. However, Álvaro Travesedo has had responsibilities in companies whose object is similar to that of Vía Célere Desarrollos Inmobiliarios, S.A.U., given his status as a member of the management body 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.. 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.

Álvaro Travesedo Julia and his related persons have not, since 2021 and until the date of drafting 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 rulings or decisions relating to this situation of conflict. However, Álvaro Travesedo has had responsibilities in companies whose object is similar to that of Vía Célere Desarrollos Inmobiliarios, S.A.U. as a member of the management body 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.

José Ignacio Morales Plaza and his related persons have, during 2021 and up until the date of drafting 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 rulings or decisions relating to such situation of conflict, given his position as the Parent Company's Managing Director. In particular, he had to abstain from voting on the second ruling of the meeting of the Board of Directors of the Company dated 30 September 2021 and on the sixth ruling of the meeting of the Board of Directors of the Company dated 10 November 2021. 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 Célere 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 2021 and up until the date of drafting of these consolidated annual accounts, and therefore he did not have to abstain from intervening in rulings 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 Celere.

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21. Guarantees given to third parties

As at 31 December 2021, the Company holds guarantees with third parties amounting to 166,677 thousand euros (31 December 2020: 231,423 thousand euros). These guarantees mainly take the form of provisional guarantees provided mostly by banks and insurance companies.

22. 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.

23. Risk and risk management policy

The Directors of the Company have assessed the potential impacts of COVID-19 on the Group Company's annual accounts as at 31 December 2021, considering that there have been no relevant impacts.

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.

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

In order to counteract the market risk over the demand for new housing, 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 developments and the product to be marketed, guaranteeing the success of the developments, always adapting them to customer needs and thus ensuring commercial viability.

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 developments and the product to be marketed, guaranteeing the success of the developments, 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

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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 2021, the Company has working capital of 926,183 thousand euros (31 December 2020: 658,199 thousand 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.

24. 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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Management Report for 2021

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1. Information on the Entity

1.1. Organisational Structure

Vía Céleres 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 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 Céleres Desarrollos Inmobiliarios, S.A.". Finally, on 25 March 2021, after the change of parent company, Vía Céleres Holdco changed its corporate name to "Vía Céleres Desarrollos Inmobiliarios, S.A.U. On November 23, 2021, at the Extraordinary General Shareholders' Meeting, it was resolved to change the registered office to Calle Ulises 16-18, plantas 6ª y 7ª, 28043, Madrid, Spain.

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 Céleres 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 Income Tax group.

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.

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As at 31 December 2021, the tax consolidation group is as follows:

<u>IS Group</u>
Dominant Vía Célere Desarrollos Inmobiliarios, S.A.U.
Dependents Copaga, S.A.U. 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 1,367 million euros, with a clear focus on the development of land for housing sales.

As at 31 December 2021, Vía Célere Holdco is the sole shareholder of the Company after acquiring the shares from the previous shareholders on 25 March 2021.

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.

2. Business performance and results

2.1. Key figures of the Company

Revenue

Revenue amounted to 490,364 thousand euros. Income from the sale of real estate assets in stock for the year amounted to 485,763 thousand euros.

Equity

As at 31 December 2021, 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.

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As at 31 December 2021, the average number of employees in the Company's companies was 232. The total number of personnel at the end of 2020 was 271.

The gender distribution of employees is:

	31.12.2021		31.12.2020	
	Women	Men	Women	Men
Group General Management	-	5	1	4
Directors and Department Heads	21	48	25	48
Technicians	44	29	47	30
Sales representatives	21	7	24	8
Administrative workers	38	11	42	13
Other personnel	-	-	-	-
	124	100	139	103

The average distribution of staff by category is as follows:

	31.12.2021	31.12.2020
Group General Management	6	5
Directors and Department Heads	71	77
Technicians	74	85
Sales representatives	29	39
Administrative workers	52	63
Other personnel	-	2
	232	271

3. Liquidity and capital resources

Liquidity

In 2021, the Company arranged thirty-one developer loans for a total principal amount of 264,841 thousand euros, of which 6,347 thousand 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 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

In order to counteract the market risk over the demand for new housing, 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 developments and the product to be marketed, guaranteeing the success of the developments, always adapting them to customer needs and thus ensuring commercial viability.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.

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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 developments and the product to be marketed, guaranteeing the success of the developments, always adapting them to customer needs and thus ensuring commercial viability.

Exposure to interest rate risk

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.

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

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.

Liquidity risk

As at 31 December 2021, the Company has working capital of 926,183 thousand euros (31 December 2020: 658,199 thousand 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.

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.

By 2022, 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.

For the deliveries of homes scheduled for 2022, the Group plans to continue with its customer service policy to ensure a unique delivery experience and a high level of satisfaction.

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7. Research and development activities and acquisitions of treasury stock.

The relevant activities carried out by the Group in 2021 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 WRIKE 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.

In addition, during 2021, an RPA (Robotic Process Automation) technology has been implemented, which allows configuring a computer software that enables a "robot" to emulate and integrate certain actions in a digital system to execute a certain process. These "robots" execute tasks, trigger responses and communicate with other systems to operate in a wide range of actions. With the implementation of this technology we seek to relieve the teams from performing repetitive tasks that require a lot of employee time, with an inefficient result for the production process and that are monotonous for those who perform them, without the possibility of adding value to the business.

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 reserves, 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.

Lean Construction

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

Building Information Modeling (BIM): BIM technology allows us to construct buildings virtually before they are physically built, allowing us to anticipate project problems in early stages, providing us with more reliable analyses at each stage and with greater control over the design and construction phases. 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 and planning between the trades on site. This is an approach that assumes that the person who is going to execute a certain item (the painter or the plumber, for example) commits to have their work completed by a certain date and indicates what things they need to execute it. This improves the execution time, safety on site and the quality of the final product.

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.

Signature sheet

The directors of the Company Vía Céleres Desarrollos Inmobiliarios S.A.U., on a meeting held on 23 February 2022 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 2021 and 31 December 2021. The Directors delegate to the non-director secretary, Ms. Aurora Mata, the power to endorse these annual accounts and management report for the year 2021, which appear in the attached document that consists of 61 and 6 pages, respectively.

Mr. Álvaro Travesedo Julia

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.
Signature sheet

The directors of the Company Vía Célere Desarrollos Inmobiliarios S.A.U., on a meeting held on 23 February 2022 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 2021 and 31 December 2021. The Directors delegate to the non-director secretary, Ms. Aurora Mata, the power to endorse these annual accounts and management report for the year 2021, which appear in the attached document that consists of 61 and 6 pages, respectively.

Mr. Timothy James Mooney

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.
Signature sheet

The directors of the Company Vía Céleré Desarrollos Inmobiliarios S.A.U., on a meeting held on 23 February 2022 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 2021 and 31 December 2021. The Directors delegate to the non-director secretary, Ms. Aurora Mata, the power to endorse these annual accounts and management report for the year 2021, which appear in the attached document that consists of 61 and 6 pages, respectively.

Mr. Anthony Iannazzo

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.
Signature sheet

The directors of the Company Vía Célere Desarrollos Inmobiliarios S.A.U., on a meeting held on 23 February 2022 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 2021 and 31 December 2021. The annual accounts are composed of the documents attached herein. The Directors delegate to the non-director secretary, Ms. Aurora Mata, the power to endorse these annual accounts and management report for the year 2021, which appear in the attached document that consists of 61 and 6 pages, respectively.

Mr. Hector Serrat Sanz

VÍA CÉLERE DESARROLLOS INMOBILIARIOS, S.A.U.
Signature sheet

The directors of the Company Vía Célerе Desarrollos Inmobiliarios S.A.U., on a meeting held on 23 February 2022 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 2021 and 31 December 2021. The annual accounts are composed of the documents attached herein. The annual accounts are composed of the documents attached herein. The Directors delegate to the non-director secretary, Ms. Aurora Mata, the power to endorse these annual accounts and management report for the year 2021, which appear in the attached document that consists of 61 and 6 pages, respectively.

Mr. Jose Ignacio Morales Plaza