ANNUAL REPORT ON DIRECTOR REMUNERATION AT LISTED COMPANIES

DATA IDENTIFYING THE ISSUER

YEAR-END DATE:	**31 March 2022**

TAX ID (CIF)	**A-87586483**

COMPANY NAME
AEDAS HOMES, S.A.

REGISTERED OFFICE
Paseo de la Castellana, 42 28046 Madrid

ANNUAL REPORT ON DIRECTOR REMUNERATION OF AEDAS HOMES, S.A.

A REPORTING COMPANY'S REMUNERATION POLICY FOR THE YEAR IN PROGRESS

A.1 Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, as a minimum:

- **Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.**
- **Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.**
- **Information on whether any external advisors took part in this process and, if so, their identity.**
- **Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.**

On 23 June 2020, the Company updated its Director Remuneration Policy, which did not, however, change significantly with respect to the previous policy. The new policy is applicable for FY 2021-22 and FY 2022-23.

The new Remuneration Policy modifies the executive directors' long-term incentive plan ("LTIP") scheme to align its term of effectiveness with the Company's new financial year, which runs from 1 April each year until 31 March the following year, so that the overlapping cycles of the LTIP now coincide with the end of each financial year: (i) the second cycle, which began on 1 January 2019 will run until 31 March 2022; and (ii) the third cycle, which began on 1 April 2020 will run until 31 March 2023.

The CEO's fixed remuneration stands at €850,000 and the Board of Directors is empowered to increase it to €1,000,000 during the term of effectiveness of the prevailing Remuneration Policy. The Board of Directors is similarly entitled to increase that ceiling by up to 20% if prevailing circumstances so warrant. The CEO's annual variable remuneration is set at 30% of his fixed remuneration and the Board of Directors is empowered to increase that percentage to 50% during the term of effectiveness of the prevailing Remuneration Policy. That percentage will be decided by the Board of Directors for each financial year during the first five months thereof; should the Board fail to do so within that timeframe, the percentage awarded for the previous financial year shall apply.

In addition, the executive director receives the in-kind remuneration outlined in section A.1 (four paragraphs below). The Company's sole executive director at present is its Chief Executive Officer (CEO).

In FY 2020-21, the Company agreed to assign a number of shares equal to the surplus shares from cycle one of the first LTIP to a New Incentive consisting of variable remuneration, specifically the delivery of shares after a period of time, subject to delivery of the same targets as have been established for the second cycle of the LTIP, with the aim of incentivising continuation of the strong performance observed since the IPO.

The Remuneration Policy is also designed to duly reflect the Company's size and financial situation, market standards for comparable companies and the amount of time devoted by the Company's directors. The remuneration outlined is considered proportionate and conducive to the Company's profitability and sustainability over the long run. It features the precautions necessary to prevent the build-up of risks or the reward of poor results. It ensures the alignment of the interests of the directors and those of the Company and its shareholders, without compromising the directors' independence.

The general Remuneration Policy principles and fundamentals are: (i) guaranteeing the independent judgement of the external directors; (ii) attracting and retaining the finest professionals; (iii) promoting the Company's long-term sustainability and profitability; (iv) ensuring the rules used to determine remuneration are transparent; (v) ensuring the rules used to determine each director's remuneration are clear, simple and succinct; (vi) ensuring remuneration is fair and proportionate in respect of the dedication, skills and responsibility required of the post and the experience, duties and tasks performed at the Company; (vii) ensuring director remuneration is aligned with best market practices; (viii) ensuring director remuneration is compatible with the compensation received for the executive duties performed at the Company; (ix) involving the Appointments and Remuneration Committee in the definition and oversight of the Director Remuneration Policy; and (x) approving an overall limit on director remuneration at the Annual General Meeting and empowering the Board of Directors to allocate that sum between the various directors.

As stipulated in article 17 of the Company bylaws, the post of director is remunerated. In general, director remuneration comprises a fixed annual payment, determined as follows:

(i) The total maximum amount of remuneration to be paid to the directors as a group in their capacity as such must be approved at the Annual General Meeting.

(ii) The Board of Directors is responsible for allocating that fixed stipend to each director for their work on the Board, in keeping with the Remuneration Policy.

Under the prevailing Remuneration Policy, only the independent directors are entitled to receive remuneration in their capacity as members of the Board of Directors and members of the Board committees on which they sit. In keeping with article 17 of the Company's Bylaws, the directors earn a fixed annual stipend in their capacity as such.

It was resolved at the Annual General Meeting to set the cap for the total remuneration the Company may pay its directors, in their capacity as such, in the form of fixed annual stipends, at €1,000,000.

Board members may also receive: (i) a salary, payment or compensation of any kind related with the discharge of executive duties at the Company; (ii) payment of premiums for the director liability insurance policies taken out by the Company for its directors on market terms; and (iii) the reimbursement of any expenses incurred by the directors to attend the meetings of the Board or its committees.

- **Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.**

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

The independent directors receive fixed remuneration only. Variable remuneration of executive directors comprises: (i) an annual bonus, paid in cash, which is determined on the basis of their professional performance and delivery of certain pre-set targets (30% of their fixed remuneration in the event they deliver 100% of their established targets); and (ii) a long-term bonus designed to encourage delivery of the Company's financial targets and alignment with its long-term interests. Given the that sole director who receives variable remuneration is its chief executive (for further information, see below and section B.7), the importance of the Company's variable remuneration concepts relative to fixed pay is, to a degree, limited.

- **Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such**.

The amount and nature of the fixed components earned by the CEO are itemised in section A.1. The proprietary and external directors do not receive any remuneration; the independent directors received €572,890 between 1 April 2021 and 31 March 2022.

- **Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors**.

The pre-tax annual salary accrued between 1 April 2021 and 31 March 2022 for the performance of duties specific to the position of CEO amounted to €850,000.

- **Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director**.

The LTIP is a variable remuneration scheme entailing the delivery of shares after a certain period of time subject to the achievement of certain performance targets and the beneficiary's continuing employment.

Specifically, the LTIP comprises three overlapping cycles of approximately three years each. The shares corresponding to each cycle will be delivered net of payment of the applicable taxes and the beneficiaries who receive the shares will be subject to a lock-up arrangement. The Company's CEO, David Martinez Montero, must continue to hold 100% of any shares received under the LTIP for at least one year after their receipt. The only beneficiary of the LTIP is the sole executive director; i.e. the CEO, David Martinez Montero. In July 2021, the CEO collected the sum corresponding to the first cycle, specifically shares with a cash equivalent of €277,818. The target amounts in euros (100% delivery) for the second and third cycles are €380,404 and €353,000, respectively. The maximum amounts in euros (150%) that could be awarded to the CEO are €570,607 for the second cycle and €529,000 for the third. The target number of shares (100% target delivery) allocated to the CEO for the first cycle was 23,170 (he received 12,185 shares in July 2021); the amount allocated for the second and third cycles are 17,289 and 17,383 shares, respectively. The maximum number of shares (150% target delivery) to be allocated to the CEO are 25,934 for the second cycle and 26,075 for the third.

The remuneration awards are converted into shares using different benchmark share prices. That benchmark for the first cycle was AEDAS Homes' IPO price. The benchmark share price used for the second cycle is the average closing share price for the 20 trading sessions prior to 1 January 2019. The benchmark share price used for the third cycle is the average closing share price for the 20 trading sessions prior to 1 April 2020.

The New Incentive is a variable remuneration scheme entailing the delivery of shares after a certain period of time subject to the achievement of the same performance targets as stipulated for the second cycle of the LTIP.

The shares corresponding to New Incentive will be delivered at the end of FY 2021-22, net of payment of the applicable taxes and its recipients will be subject to a lock-up arrangement. Specifically, the Company's CEO, David Martinez Montero, must continue to hold 100% of any shares received under the New Incentive for at least one year after their receipt. The only beneficiary of the New Incentive is the sole executive director; i.e. the CEO, David Martinez Montero. The target amount in euros (100% delivery) is €429,364 and the maximum payout (150%), €644,046. The target number of shares (100%) to be allocated to the CEO under the New Incentive is 13,566 shares. The maximum number of shares (150%) to be allocated to the CEO under the New Incentive is 20,349.

The remuneration awards were converted into shares using the same benchmark share prices as for the first cycle of the LTIP.

The details of the different LTIP cycles and metrics:

First cycle: 20/10/2017 to 31/03/2021
Second cycle: 01/01/2019 to 31/03/2022
Third cycle: 01/04/2020 to 31/03/2023

Weighted average delivery coefficient = 1/3 X EBITDA delivery coefficient + 1/3 X Development Margin coefficient + 1/3 X TSR delivery coefficient

Nevertheless, the weighted average coefficient will be capped at 150%

In FY 2021-22, the CEO received, by way of in-kind remuneration: health insurance, life insurance, a savings scheme and the use of a company car valued at €3,600.96, €7,097.64, €25,000 and €7,568.40, respectively.

- **Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.**

  Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

At the time of writing, the structure of the CEO's variable remuneration for the year ended 31 March 2022 is as follows:

(A) 30% is discretionary.

(B) 40% is accrued on the basis of the level of delivery of the Company's targets. More specifically, up to 10% for each of the following four targets: (i) 10% for attainment of the target of having 60% of developments carry A energy ratings; (ii) 10% for delivery of the revenue target; (iii) 10% for delivery of the EBITDA target; and (iv) 10% for delivery of the gross development margin target.

(C) The remaining 30% accrues on the basis of delivery of targets specific to the CEO. More specifically, up to 9% for delivery of the sales target (in units); up to 9% for delivery of the 'start of construction work' target (units); up to 9% for delivery of the net development margin target; and up to 3% for delivery of the LCA performance target.

Delivery of 100% of the targets would trigger a payment equivalent to 30% of the CEO's pre-tax salary for the period from 1 April 2021 to 31 March 2022, i.e., to €255,000 in total, with scope for outperformance by up to 120% of target. Variable remuneration is likewise contemplated for target delivery intervals of between 60% and 100% but no remuneration will be accrued below the 60% threshold.

During the year ended 31 March 2022, the CEO, David Martinez Montero received variable remuneration under the LTIP, specifically the equivalent in euros of €277,818.

- **Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.**

  Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

-

- **Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.**

The executive director is the only director with such terms, as described in the following section.

- **Indicate the conditions that contracts of executive directors performing senior management functions must contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and postcontractual non-competition, unless these have been explained in the previous section.**

The key terms and conditions of the executive director's contract, for both the year ended 31 March 2022 and prior years, are as follows:

(i) <u>Duration</u>: indefinite.

(ii) <u>Exclusivity agreement</u>: executive directors must provide their services to the Company on an exclusive basis, which means that they cannot provide any manner of services, directly or indirectly, under any form of legal arrangement, on behalf of third parties or themselves, even when such activities do not compete with those pursued by the Company.

(iii) <u>Grounds for termination and termination benefits</u>: the CEO's contract can be terminated on the following grounds: (i) by mutual agreement between the parties; (ii) unilateral termination by the director providing three months' notice; in the event of non-compliance with the notice period, he would have to pay the Company a sum equivalent to the fixed remuneration applicable at the time of termination for the length of the notice period not complied with; (iii) unilateral termination by the director in the event of a change in control when: (a) a third party acquires, directly or indirectly, more than 50% of the Company's voting rights; or (b) a third party names half plus one of the members of its Board of Directors; (iv) at the unilateral will of the Company:
(a) (a) upon a Board resolution; (b) in the event of his dismissal or non-renewal as director at the Annual General Meeting; or (c) in the event of full or partial revocation of the powers vested in the CEO by the Company; or (v) the CEO's death; legal incapacitation,

official total or severe permanent incapacity or the temporary inability or impossibility to perform his duties for more than 12 months.

Termination of the CEO's contract under (iii) or (iv) above would entitle him to receive a pre-tax termination benefit equivalent to two years' fixed remuneration applicable at the time of termination so long as, in the event of termination under (iii) above, the termination takes place during the six months following the change of control; and in the event of termination under (iv) above, the termination is not attributable to infraction by the CEO of the law, the Company's internal rules and regulations or a Company agreement or to non-performance of his duties under the agreement.

(iv) Non-compete clause: the CEO has a one-year non-compete clause from termination of his contract, in exchange for which he would receive compensation consisting of a pre-tax sum equivalent to one year's fixed remuneration applicable at the time of termination, payable in a lump sum upon termination. In the event the director breaches that non-compete clause, he would be obliged to repay that lump sum plus a penalty equivalent to 25% of that lump sum, without prejudice to other damages to which the Company may be entitled.

(v) Clawback clause: the CEO's contract includes remuneration clawback clauses that would be triggered: (i) in the event of any development or circumstance that has the consequence of definitively altering or adversely affecting the Company's financial statements, earnings, financial metrics, performance or any other indicator on which the accrual and payment of any form of remuneration was based; and
(ii) that alteration or adverse effect means that, had it been know at the time of accrual or payment, the director would have received a lower amount than initially delivered, in which case the director would be obliged to reimburse the Company for the surplus received and the Company would be entitled to seek such payment. The foregoing shall be understood to be without prejudice to the scope for pursuing any additional damages from the director as a result of the above-mentioned alteration or adverse effect.

- **The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position**.

-

- **Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration**.

-

- **The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company**.

-

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

- **A new policy or an amendment to the policy already approved by the General Meeting.**
- **Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.**
- **Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.**

There were no changes in the Remuneration Policy in the year ended 31 March 2022.

The proposals ratified by the Board of Directors for presentation at the Annual General Meeting are the following:

- An update of the Director Remuneration Policy.
- An update of the remuneration applicable to the independent and external directors.
- Approval of a new LTIP for the Company’s CEO.

A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

https://www.aedashomes.com/inversores/gobierno-corporativo/politicas-corporativas

A.4 Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders’ Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

Item twelve on the agenda for the Annual General Meeting of 18 June 2021 was “Consultative vote on the Annual Director Remuneration Report corresponding to the financial year ended 31 March 2021”.

As a result of that advisory vote, the annual director remuneration report for the financial year ended 31 March 2021 was approved, having been made available to the Company's shareholders along with the rest of the AGM documentation from the date of publication of the corresponding call notice.

The Chairman declared the Remuneration Report for FY 2020-21 approved on the basis of an advisory vote.

The motion was carried with the favourable votes of shareholders representing 91.487% of the votes cast (8.511% against; 0.002% abstentions; and 0 votes cast blank).

B OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE LAST FISCAL YEAR

B.1 - Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

In the financial year ended 31 March 2022, total director remuneration increased due to the increase in the CEO’s remuneration.

- **Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.**

-

- **Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.**

-

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

- The proprietary and external directors are not remunerated;

  Independent directors only receive fixed remuneration. In addition to not receiving any variable remuneration, care is taken to ensure their decision-making is not, at any time, influenced by possible risks to the business's performance, in keeping with Code of Good Governance recommendation #57.
- The sole executive director: Does receive variable remuneration as explained in Section A.1 above. The amount of remuneration was determined based on market standards, engaging an independent external for assistance. The aim was to ensure that the amount was sufficient to retain the executive director and that the variable remuneration components were aligned with the business' core targets and sustainability over time.

B.3 Explain how the remuneration accrued and consolidated over the financial the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

- Remuneration accrued by independent directors is within the maximum limits approved at the Annual General Meeting. Remuneration of independent directors is entirely fixed and its amount does not vary with the Company's performance.
- The executive director's remuneration components (fixed salary, variable remuneration, and LTIP) are set out in his employment contract (drawn up considering the remuneration policy in force) and in line with the components listed in A.1. The contract is also in line with the Company's existing remuneration policy.
- The variable components of his remuneration are considered more suitable for creating long-term value for the Company bearing in mind the specific nature of its industry.
- During the year ended 31 March 2022, the CEO, David Martinez Montero, received variable remuneration under the LTIP of an equivalent amount in euros of €277,818. He also received, by way of in-kind remuneration, health insurance, life insurance, a savings scheme and the use of a company car valued at €3.600.96, €7,097.64, €25,000 and€7,568.40, respectively.

B.4 Report on the result of the shareholder advisory vote on the prior year's remuneration report, indicating the number of votes cast against the resolution, if any:

	Number	% of total
Votes cast	39,955,839	100

	Number	% of votes cast
Votes against	3,400,591	8.511
Votes in favour	36,554,533	91.487
Abstentions	715	0.002

Remarks
-

B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year.

Considerations regarding fixed remuneration of directors:

- The proprietary and other external directors are not remunerated;
- Independent directors only receive fixed remuneration. Remuneration was benchmarked by a prestigious independent consultant (see section B.1); and
- With respect to the sole executive director - the Company's CEO: the Company engaged independent experts to provide it with a number of in order to verify that the CEO's remuneration (fixed, variable and LTIP) is in line with market standards.

As for the change in fixed remuneration in the financial year ended 31 March 2022, the proprietary and other external directors are not remunerated.

- The independent directors were paid €572,894.34.
- And the CEO and sole executive director earned €850,000 of fixed remuneration.

B.6 Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

There were no changes in the executive director's salary during the financial year ended 31 March 2022.

B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.
In particular:

- **Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.**
- **In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.**
- **Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).**
- **Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.**

Explain the short-term variable components of the remuneration systems
Only the executive director receives variable remuneration. The proprietary and other external directors do not receive any remuneration and the independent directors only receive fixed amounts. The CEO's variable remuneration is linked to three types of objectives: company performance metrics, objectives inherent to the post, and personal performance. Achievement of 100% of those targets triggers remuneration equivalent to 30% of his pre-tax salary in the year ended 31 March 2022 (with scope for outperformance of up to 120%)

When allocating the CEO's variable remuneration, the Appointments and Remuneration Committee and the Board of Directors took into consideration his excellent performance the performance of the team he heads up.

Explain the long-term variable components of the remuneration systems
Only the executive director is eligible for the LTIP. The LTIP is linked to the level of achievement of the metrics included in the plan: EBITDA, developer margin and total shareholder return.

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

-

B.9 Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

The Company made a contribution to a long-term savings scheme on behalf of its CEO with the following coverage: survivors' benefits consisting of a sum of capital receivable at the age of 65 and insured risk benefits in the event of death or permanent disability of any degree.

B.10 Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

-

B.12 Outline any supplementary remuneration accrued by directors in exchange for services rendered other than those intrinsic to their positions.

-

B.13 Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

-

B.14 Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

The CEO is the only director who receives remuneration in kind. This is explained in A.1 above.

B.15 Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.

-

B.16 Explain any kind of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may constitute a related-party transaction or when its omission would detract from a true and fair view of the total remuneration accrued by the director.

-

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in FY 2021-22
DAVID MARTINEZ MONTERO	Executive director (CEO)	From 1 April 2021 to 31 March 2022
SANTIAGO FERNÁNDEZ VALBUENA	Independent director	From 1 April 2021 to 31 March 2022
JAVIER LAPASTORA TURPíN	Independent director	From 1 April 2021 to 31 March 2022
MIGUEL TEMBOURY REDONDO	Independent director	From 1 April 2021 to 31 March 2022
CRISTINA ÁLVAREZ	Independent director	From 1 April 2021 to 31 March 2022
MILAGROS MENDEZ UREÑA	Independent director	From 1 April 2021 to 31 March 2022
JAVIER MARTÍNEZ-PIQUERAS BARCELÓ	Independent director	From 1 April 2021 to 31 October 2021
JAVIER MARTÍNEZ-PIQUERAS BARCELÓ	External director	From 1 November 2021 to 31 March 2022

C.1 Fill in the following tables regarding individual remuneration accrued by each of the directors (including remuneration for the performance of executive duties) during the year:

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other (health insurance, life insurance, savings scheme and company car)	Total, FY 2021/22 (from 01/04/2021 to 31/03/2022)	Total, FY 2020/21 (from 01/04/2020 to 31/03/2021)
DAVID MARTINEZ MONTERO		N/A	€0	€850	355	€278		43	€1,526	€923
SANTIAGO FERNÁNDEZ VALBUENA		N/A	€9	€136	N/A	N/A	N/A	N/A	€145	€140
JAVIER LAPASTORA TURPíN		N/A	€20	€75	N/A	N/A	N/A	N/A	€95	€100
MIGUEL TEMBOURY REDONDO		N/A	€25	€75	N/A	N/A	N/A	N/A	€100	€100
CRISTINA ÁLVAREZ ÁLVAREZ		N/A	€40	€75	N/A	N/A	N/A	N/A	€115	€115
MILAGROS MENDEZ UREÑA		N/A	€0	€75	N/A	N/A	N/A	N/A	€75	€75
JAVIER MARTÍNEZ-PIQUERAS BARCELÓ		N/A	€0	€44	N/A	N/A	N/A	N/A	€44	€34

Remarks
-

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at start of FY 2021-22 (01/04/2021-31/03/2022)		Financial instruments granted in FY 2021-22 (01/04/2021 - 31/3/2022)		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of FY 2021-2022	
		No. of instruments	No. of equivalent shares:	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / vested shares	Price of vested shares	Pre-tax income from vested shares or financial instruments (€ 000)	No. of instruments	No. of instruments	No. of equivalent shares
DAVID MARTINEZ	LTIP 1st cycle (2017-2021)		34,755 (150%)				12,185	€22.8	278	22,570		12,185

MONTERO	LTIP 2st cycle		25,934 (150%)									25,934 (150%)
	LTIP 3st cycle (2020-2023)		26,075 (150%)									26,075 (150%)
	New Incentive tied to 2nd cycle LTIP metrics (2021-2022)		20,349 (150%)									20,349 (150%)

Remarks
The long-term variable remuneration scheme (LTIP) comprises three overlapping cycles of approximately three years each, as follows: • 1st Cycle: Started on the date of admission to trading of the Company's shares (20 October 2017) and ended at the end of the reporting period (31 March 2021). • 2nd Cycle: Started on 1 January 2019 and ends on 31 March 2022. • 3rd Cycle: Started on 1 April 2020 and ends on 31 March 2023. The New Incentive scheme spans from 28 July 2020 and ended on 31 March 2022 (the reporting date). •

iv) Long-term savings schemes

Name	Remuneration from vesting of rights to savings schemes
Long-term savings insurance	-

Name	Contribution for the year by the company (€ 000)				Amount of accrued funds (€ 000)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		FY 2021-21 (01/04/2021-31/03/2022)		FY 2020-21 (01/04/2020-31/03/2022)	
	FY 2021-22 (01/04/2021-31/03/2022)	FY 2020-2021 (01/04/2020-31/03/2021)	FY 2021-22 (01/04/2021-31/03/2022)	FY 2020-21 (01/04/2020-31/03/2022)	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
David Martínez Montero	-	-	25	-	-	25-	-	-

Remarks
-

v) Details of other items

Name	Item	Amount of remuneration

Remarks
N/A

b) Remuneration of company directors for seats on the boards of other group companies:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total, FY 2021/22 (from 01/04/2021 to 31/03/2022)	Total FY 2020/21 (01/04/2020 to 31/03/2021)
-	-	-	-	-	-	-	-	-	-	-

Remarks
N/

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at start of FY 2021/2022		Financing instruments granted in FY 2021/2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of FY 2021/2022	
		No. of instruments	No. of equivalent shares:	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / vested shares	Price of vested shares	Pre-tax income from vested shares or financial instruments (€ 000)	No. of instruments	No. of instruments	No. of equivalent shares
-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

Remarks
N/

iii) Long-term savings schemes

Name	Remuneration from vesting of rights to savings schemes
-	-

Name	Contribution for the year by the company (€ 000)				Amount of accrued funds (€ 000)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		FY 2021-21 (01/04/2021-31/03/2022)		FY 2020-21 (01/04/2020-31/03/2021)	
	FY 2021-22 (01/04/2021-31/03/2022)	FY 2020-2021 (01/04/2020) to 31/03/2021)	FY 2021-22 (01/04/2021-31/03/2022)	FY 2020-21 (01/04/2020-31/03/2021)	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
-	-	-	-	-	-	-	-	-

Remarks
N/

iv) Details of other items

Name	Item	Amount of remuneration
-	-	-

Remarks
-

c) Remuneration summary (€ 000):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remuneration accruing in the company (€ 000)					Remuneration accruing in group companies					
Name	Total cash remuneration	Pre-tax income from vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration (*)	Total FY 2021/22 (01/04/2021 - 31/3/2022)	Total remuneration in cash	Pre-tax income from vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Total GROUP FY 2021/22 (01/04/2021 - 31/3/2022)	Total Company + GROUP FY 2021/22 (01/04/2021 - 31 March 2022
DAVID MARTÍNEZ MONTERO	**€1,526**	278	25	**€18**	**€1,526**	N/A	N/A	N/A	N/A	N/A	1,526

Remarks
The preceding table only presents remuneration of the executive director. The remuneration of the other directors is presented in the

C.2 Indicate the trend in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

_Total amounts accrued and % annual change	**T: FY 2021-22 (01/04/2021-31/03/2022)**	% change FY2021-22/FY 2020-21	**T-1: FY 2020-21 (01/04/2020) to 31/03/2021)**	**% change FY 2020-21/ FY 2020 (1Q20)**	**T-2: FY 2020 (01/01/2020) to 31/03/2020)**	**% change FY 2020/FY 2019 (1/1/2019-31/12/2019)**	**T-3: FY 2019 (01/01/2019) to 31/12/2019)**	**% change FY 2019/18**	**T-4: FY 2018 (01/01/2018) to 31/12/2018)**
Total executive director	**1,922**	**45%**	**1,330**	**501%**	**221**	**-75%**	**869**	**4%**	**836**
Remuneration CEO	1,922	45%	1,330	501%	221	-75%	869	4%	836
External directors	**573**	**-5%**	**600**	**297%**	**151**	**-74%**	**586**	**27%**	**461**
Remuneration Javier Lapastora Turpín	95	-5%	100	300%	25	-75%	100	14%	88
Remuneration Miguel Temboury Redondo	100	0%	100	300%	25	-75%	100	14%	88
Remuneration Santiago Fernandez Valbuena	145	3%	140	300%	35	-75%	140	18%	119
Remuneration Cristina Álvarez Álvarez	115	0%	115	300%	29	-75%	115	14%	101
Remuneration Emile K. Haddad	0	0%	37	97%	19	-75%	75	15%	65
Remuneration Milagros Méndez Ureña	75	0%	75	300%	19	-66%	56		

Remuneration Javier Martínez-Piqueras Barceló	44	31%	33	0%	0	0%	0	0%	0
Company results	**93,125**	**9%**	**85,104**	**2,595%**	**3,158**	**-90%**	**31,572**	**1,186%**	**2,455**
Average employee remuneration	**88**	**-1%**	**89**	**333%**	**20**	**-74%**	**78**	**3%**	**76**

D OTHER INFORMATION OF INTEREST

If you consider that there are any material director remuneration related matters that have not been addressed anywhere else in this report yet are necessary to provide a more comprehensive and substantiated picture of the company's remuneration policy and structure with respect to its directors, outline them briefly here.

In relation to item C.2, note that the Company changed its financial year in 2020, from the calendar year to the 12 months between 1 April and 31 March of the following year. That meant the existence of a transitional 3-month financial year between 1 January 2020 and 31 March 2020. That 3-month financial year is included in C.2 but it not comparable with the other reporting periods which span 12 months.

This annual remuneration report was approved by the Board of Directors of AEDAS Homes at its meeting held on 25 May 2022.

Indicate whether any director voted against or abstained from approving this report.

Yes ☐ **No** ☒

Name or company name of any member of the Board of Directors not voting in favour of the approval of this report	Reasons (against | abstention | non-attendance)	Explain the reasons
-	-	-