Report on Limited Review

AEDAS HOMES, S.A. AND SUBSIDIARIES
Interim Condensed Consolidated Financial Statements
and Interim Consolidated Management Report
for the six-month period ended
September 30, 2020

Building a better
working world

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REPORT ON LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (see note 14)

To the Shareholders of AEDAS HOMES, S.A.:

Report on the interim condensed consolidated financial statements

Introduction

We have carried out a limited review of the accompanying interim condensed consolidated financial statements (hereinafter the interim financial statements) of AEDAS HOMES, S.A. (hereinafter the Parent Company) and subsidiaries (hereinafter the Group), which comprise the consolidated balance sheet at September 30, 2020, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and the notes thereto, all of them consolidated, for the six-month period then ended. The parent's directors are responsible for the preparation of said interim financial statements in accordance with the requirements established by IAS 34, "Interim Financial Reporting," adopted by the European Union for the preparation of interim condensed financial reporting as per article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope

We have performed our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit carried out in accordance with regulations on the auditing of accounts in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

During the course of our limited review, which under no circumstances can be considered an audit of accounts, no matter came to our attention which would cause us to believe that the accompanying interim condensed consolidated financial statements for the six-month period ended September 30, 2020 have not been prepared, in all material respects, in accordance with the requirements established in International Accounting Standard (IAS) 34, "Interim Financial Reporting," as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim condensed financial statements.

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Emphasis of matter paragraph

We draw attention to the matter described in the accompany interim condensed explanatory Note 2.a, which indicates that the abovementioned accompanying interim financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended March 31, 2020. This matter does not modify our conclusion.

Report on other legal and regulatory requirements

The accompanying consolidated management report for the six-month period ended September 30, 2020 contains such explanations as the parent's directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six-month period ended on September 30, 2020. Our work is limited to verifying the interim consolidated management report in accordance with the scope described in this paragraph, and does not include the review of information other than that obtained from the accounting records of AEDAS HOMES, S.A. and its subsidiaries.

Paragraph on other issues

This report has been prepared at the request of the Board of Directors with regard to the publication of the half yearly financial report required by article 119 of Royal Legislative Decree 4/2015, of October 23, approving the consolidated text of the Securities Market Law enacted by Royal Decree 1362/2007 of October 19.

ERNST & YOUNG, S.L.

(Signed in the original version)

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Fernando González Cuervo

November 24, 2020

Aedas Homes, S.A. and subsidiaries

Interim condensed consolidated financial statements for the six months period ended 30 September 2020

(Free translation from the original in Spanish. In case of discrepancy, the Spanish-language version prevails)

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2020 AND 31 MARCH 2020

(Euros)

ASSETS	Note	30 Sept. 2020	31 Mar. 2020	EQUITY AND LIABILITIES	Note	30 Sept. 2020	31 Mar. 2020
NON-CURRENT ASSETS:				**EQUITY**:			
Intangible assets		**1,212,144**	**1,244,614**	**Capital**		**47,966,587**	**47,966,587**
Software		1,179,551	1,170,138	Share capital		47,966,587	47,966,587
Other intangible assets		32,593	74,476	**Share premium**		**500,076,721**	**500,076,721**
Property, plant and equipment		**2,839,196**	**3,380,923**	**Parent company reserves**		**(307,029,451)**	**(307,929,668)**
Land and buildings		2,172,928	2,639,882	**(Own equity instruments)**		**(44,498,451)**	**(36,940,235)**
Plant and other PP&E		665,946	740,719	**Retained earnings (prior-year losses)**		**(10,744,632)**	**(11,811,332)**
Work in progress and prepayments		322	322	**Reserves at fully-consolidated companies**		**(2,383,591)**	**(3,546,171)**
Non-current investments in group companies and associates		**10,478,318**	**8,890,375**	**Other owner contributions**		**740,071,256**	**740,071,256**
Investments in associates		3,592,557	2,948,367	**Profit/(loss) for the period attributable to equity holders of the parent**		**(8,262,353)**	**3,157,875**
Loans to associates	7	6,885,761	5,942,008	**Other equity instruments**		**3,246,541**	**2,535,363**
Non-current financial investments		**1,734,421**	**1,715,251**	**Non-controlling interests**		**2,046,198**	**2,401,732**
Other non-current financial assets		1,734,421	1,715,251	**Total equity**	**4**	**920,488,825**	**935,982,128**
Deferred tax assets	6	**25,761,588**	**23,021,317**	**NON-CURRENT LIABILITIES:**			
Total non-current assets		**42,025,667**	**38,252,480**	**Non-current borrowings**	**5**	**137,919,035**	**3,981,760**
				Bonds and other marketable securities		46,273,848	2,546,915
				Bank borrowings		90,712,782	-
				Other financial liabilities		932,405	1,434,845
				Total non-current liabilities		**137,919,035**	**3,981,760**
CURRENT ASSETS:				**CURRENT LIABILITIES:**			
Inventories	**3**	**1,535,665,530**	**1,343,939,508**	**Current provisions**	**3**	**2,730,034**	**4,537,333**
Trade and other receivables		**38,929,431**	**43,450,266**	**Borrowings classified as current due in the long term**	**5**	**269,396,744**	**134,901,390**
Trade receivables		31,191,552	38,776,164	**Current payables**	**5**	**118,057,718**	**214,287,401**
Trade receivables, associates	**7**	343,917	234,556	Bonds and other marketable securities		7,061,329	59,522,751
Sundry receivables		624,270	590,377	Bank borrowings		107,431,106	150,783,796
Receivable from employees		9,695	10,576	Derivatives		2,289,229	2,615,456
Current tax assets		1,802	1,802	Other financial liabilities		1,276,054	1,365,398
Other receivables from public authorities		6,758,195	3,836,791	**Borrowings from associates**	**5 & 7**	**0**	**1,680,843**
Current investments in group companies and associates		**421,301**	**272,593**	**Trade and other payables**		**331,760,938**	**289,671,780**
Loans to associates	7	421,301	272,593	Trade and other payables		129,220,750	103,772,527
Current financial investments		**11,319,652**	**13,074,621**	Payable for services received	7	6,063,817	9,899,528
Loans to companies		**-**	56,838	Employee benefits payable		2,389,914	1,045,182
Other current financial assets		11,319,652	13,017,783	Current tax liabilities		916,340	6,552,255
Prepayments and accrued income	**7**	**10,831,150**	**9,939,916**	Other payables to public authorities		6,257,473	6,716,386
Cash and cash equivalents		**141,160,563**	**136,113,251**	Customer prepayments		186,912,644	161,685,902
Total current assets		**1,738,327,627**	**1,546,790,155**	**Total current liabilities**		**721,945,434**	**645,078,747**
TOTAL ASSETS		**1,780,353,294**	**1,585,042,635**	**TOTAL EQUITY AND LIABILITIES**		**1,780,353,294**	**1,585,042,635**

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements at 30 September 2020.

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2020 AND 30 SEPTEMBER 2019 (euros)

	Note	Six-month period ended 30 September 2020	Six-month period ended 30 September 2019 (*)
Revenue - property development	8	61,868,331	46,772,861
Cost of goods sold - property development		(46,517,384)	(35,641,122)
Gross margin - Property development		**15,350,947**	**11,131,739**
Gross margin - Property development %		**24.8%**	**23.8%**
Revenue - land	8	4,340,286	0
Cost of goods sold - land		(3,535,351)	0
Gross margin - Land		**804,935**	**0**
Gross margin - Land %		18.5%	**0.0%**
Revenue	8	66,208,618	46,772,861
Cost of goods sold		(50,052,735)	(35,641,122)
GROSS MARGIN		**16,155,882**	**11,131,739**
GROSS MARGIN %		**24.4%**	**23.8%**
Marketing		(2,680,012)	(5,172,404)
Sales commissions		(1,855,089)	(810,702)
Other direct development costs		(574,117)	(533,711)
Taxes related with developments		(1,349,560)	(817,959)
NET MARGIN		**9,697,104**	**3,796,963**
NET MARGIN %		**14.6%**	**8.1%**
General expenses	8 & 7	(13,465,991)	(12,384,389)
Other operating income		1,488,613	288,016
Other operating expenses		(55.853)	(66,848)
EBITDA		**(2.336.127)**	**(8.366.258)**
EBITDA %		**(3.5%)**	**(17.9%)**
Depreciation and amortisation		(997,132)	(775,883)
Impairment of inventories	3	(1,613,560)	56,546
OPERATING PROFIT/(LOSS)		**(4,946,819)**	**(9,085,595)**
Finance income	7	210,242	75,870
Finance costs - borrowings from group companies	7	(25,468)	(53,929)
Finance costs - bank borrowings, net of capitalised borrowing costs		(6,401,706)	(4,617,839)
Change in fair value of financial instruments		326,228	(231,150)
Exchange differences		(2,877)	(2,595)
Impairment of and gains/(losses) on disposal of financial instruments		-	(1,125)
NET FINANCE COST		**(5,893,580)**	**(4,830,768)**
Share of profit/(loss) of associates		**(195,791)**	**(65,303)**
PROFIT/(LOSS) BEFORE TAX		**(11,036,190)**	**(13,981,666)**
Income tax	6	2,756,039	4,024,476
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**(8,280,151)**	**(9,957,190)**
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS		**-**	**-**
PROFIT/(LOSS) FOR THE PERIOD		**(8,280,151)**	**(9,957,190)**
Attributable to non-controlling interests		(17,798)	(61,750)
Attributable to equity holders of the parent		(8,262,353)	(9,895,440)
Basic earnings per share		(0.17)	(0.21)
Diluted earnings per share		(0.18)	(0.21)

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements at 30 September 2020. (*) Unaudited.

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2020 AND 30 SEPTEMBER 2019

(Euros)

	Note	Six-month period ended 30 September 2020	Six-month period ended 30 September 2019 (*)
PROFIT/(LOSS) FOR THE PERIOD (I)		**(8,280,151)**	**(9,957,190)**
Income and expense recognised directly in equity		-	-
TOTAL INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY (II)		**-**	**-**
TOTAL AMOUNTS TRANSFERRED TO PROFIT OR LOSS (III)		**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		**(8,280,151)**	**(9,957,190)**
Total recognised income and expense attributable to equity holders of the parent		(8,262,353)	(9,895,440)
Total recognised income and expense attributable to non-controlling interests		(17,798)	(61,750)

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements at 30 September 2020.
(*) Unaudited.

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2020 AND 30 SEPTEMBER 2019

(Euros)

	Capital	Share premium	Reserves of the parent	(Own equity instruments)	(Prior-period losses)	Reserves at fully-consolidated companies	Other owner contributions	Profit/(loss) for the period attributable to equity holders of the parent	Other equity instruments	Non-controlling interests	TOTAL
OPENING BALANCE AT 1 APRIL 2019 (*)	47,966,587	500,076,721	(311,337,804)	-	(42,319,941)	(3,542,734)	740,071,256	(1,000,603)	1,404,861	1,603,737	932,922,080
Total recognised income and expense	-	-	-	-	-	-	-	(9,895,438)	-	(61,752)	(9,957,190)
Distribution of prior-period earnings	-	-	1,606,730	-	848,085	-	-	(2,454,815)	-	-	-
Transactions with shareholders	-	-	(38,058)	(8,194,990)	-	-	-	-	-	(306,398)	(8,539,446)
Consolidation scope and other changes	-	-		-	1,008	(1,862)	-	-	419,318	-	418,464
CLOSING BALANCE AT 30 SEPTEMBER 2019 (*)	47,966,587	500,076,721	(309,769,132)	(8,194,990)	(41,470,848)	(3,544,596)	740,071,256	(13,350,856)	1,824,179	1,235,587	914,843,908
Total recognised income and expense	-	-	-	-	-	-	-	48,080,616		2,717,749	50,798,365
Distribution of prior-period earnings	-	-	1,912,369	-	29,659,516	-	-	(31,571,885)	-	-	-
Transactions with shareholders	-	-	(72,905)	(28,745,245)	-	-	-	-	-	(1,551,604)	(30,369,754)
Consolidation scope and other changes	-	-	-	-	-	(1,572)	-	-	711,181	-	709,609
OPENING BALANCE AT 1 APRIL 2020	47,966,587	500,076,721	(307,929,668)	(36,940,235)	(11,811,332)	(3,546,168)	740,071,256	3,157,875	2,535,360	2,401,732	935,982,128
Total recognised income and expense	-	-	-	-	-	-	-	(8,262,353))	-	(17,798)	(8,280,151)
Distribution of prior-period earnings	-	-	935,882	-	1,066,700	1,155,293	-	(3,157,875)	-	-	-
Transactions with shareholders	-	-	(35,665)	(7,558,216)	-	-	-	-	-	-	(7,593,881)
Consolidation scope and other changes	-	-	-	-	-	7,284	-	-	711,181	(337,736)	380,729
CLOSING BALANCE AT 30 SEPTEMBER 2020	47,966,587	500,076,721	(307,029,451)	(44,498,451)	(10,744,632)	(2,383,591)	740,071,256	(8,262,353)	3,246,541	2,046,198	920,488,825

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements at 30 September 2020. (*) Unaudited.

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2020 AND 30 SEPTEMBER 2019

(Euros)

	Note	Six-month period ended 30 September 2020	Six-month period ended 30 September 2019 (*)
1. OPERATING ACTIVITIES			
Profit/(loss) before tax		**(11,036,190)**	**(13,981,666)**
Adjustments for finance income/costs		**5,893,580**	**4,830,768**
(Gains)/losses on derecognition and disposal of financial instruments		-	1,125
Finance income		(210,242)	(75,870)
Finance costs		12,584,590	10,037,016
Borrowing costs capitalised in inventories		(6,157,417)	(5,365,248)
Change in fair value of financial instruments		(326,228)	231,150
Exchange differences		2,877	2,595
Share of profit/(loss) of associates		**195,791**	**65,303**
Operating profit/(loss)		**(4,946,819)**	**(9,085,595)**
Depreciation and amortisation charges		997,131	772,825
Gains/(losses) on derecognition and disposal of fixed assets		-	3,059
Impairment of inventories	3	1.613.560	(56.546)
EBITDA		**(2.336.127)**	**(8.366.258)**
Other adjustments to profit		**(24.300.979)**	**12.722.355**
Provisions		711.181	13.396.167
Realised finance gains/losses (fair value and exchange differences)		(2,877)	(2,595)
Unrealised share of profit/(loss) of associates		(143,651)	(65,303)
Net increase/(decrease) in other non-current assets and liabilities		(24,865,632)	(605,914)
Other cash flows used in operating activities		**(6,224,563)**	**362,890**
Interest received		118,372	1,594
Interest paid		(6,342,935)	361,296
Change in working capital (excluding land purchases/sales during the period)		**(135.749.794)**	**(90,357,102)**
Increase/(decrease) due to inventories		(180.424.636)	(127,109,960)
Increase/(decrease) due to trade receivables		543.756	(143,498)
Increase/(decrease) due to trade payables		29,514,695	59,308,918
Increase/(decrease) due to net change in other current assets and current liabilities		14,616,391	(22,412,562)
Change in working capital attributable to land purchases/sales during the period	3	**2,712,758**	**(61,282,120)**
Net cash used in operating activities (1)		**(165,898,705)**	**(146,920,235)**
2. INVESTING ACTIVITIES			
Investments | disposals		**(2,347,021)**	**(4,024,776)**
Group companies and associates		(2,033,735)	(3,324,528)
Intangible assets		(272,543)	(411,596)
Property, plant and equipment		(40,743)	(288,652)
Net cash used in investing activities (2)		**(2,347,021)**	**(4,024,776)**
3. FINANCING ACTIVITIES			
Proceeds from and payments for equity instruments		**(7,593,881)**	**(8,233,048)**
Buyback of own equity instruments		(7,593,881)	(8,194,990)
Disposal of own equity instruments		-	(38,058)
Proceeds from and repayment of financial liabilities	**5**	**180,886,919**	**147,720,361**
Issue of bonds and other marketable securities		53,826,284	90,198,780
New financing obtained from banks		209,247,963	146,681,515
New borrowings from related parties		-	(5,691,573)
Redemption of bonds and other marketable securities		(62,900,000)	(69,500,000)
Repayment of bank borrowings		(18,705,988)	(13,966,957)
Repayment of borrowings from related parties		(581,340)	(1,404)
Net cash from financing activities (3)		**173,293,038**	**139,487,313**
4. Effect of changes in exchange rates on cash and cash equivalents (4)		-	-
5. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (1+2+3+4)		**5,047,312**	**(11,457,698)**
Cash and cash equivalents at beginning of period		**136,113,251**	**85,282,792**
Cash and cash equivalents at end of period		**141,160,563**	**73,825,094**

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements at September 2020.

(*) Unaudited.

Aedas Homes, S.A. and subsidiaries

Notes to the interim condensed consolidated financial statements for the six months period ended September 30, 2020

1. Parent and Group activities

The Aedas Homes Group comprises Aedas Homes, S.A. (indistinctly, the Parent or the Company) and its subsidiaries.

The Parent's registered office is located in Madrid, Spain, at Paseo de la Castellana, 42. It is registered with the Madrid Companies Register.

Aedas Homes, S.A. and its subsidiaries (together, the Group) are devoted to the following business activities, pursuant to article 2 of the Company's bylaws:

a) The acquisition, development and refurbishment of all manner of properties, whether for holding, use, disposal or lease.

b) The acquisition, holding, usage, sale and administration of marketable Spanish or international securities and of any titles or rights, such as the shares of limited-liability companies, that give it an equity interest in other companies, all of which as principal and not agent.

The above-mentioned activities may be performed by the Parent or by any Group companies either directly or indirectly, as well as through ownership interests in other companies with an identical or similar corporate purpose. At present, the Parent holds equity interests in other companies. Appendix I of these notes itemises the activities conducted by the subsidiaries of Aedas Homes, S.A.

The Parent was incorporated under the name of SPV Spain 19, S.L.U. as a result of the subscription and payment of 3,000 indivisible equity interests (*participaciones sociales)*, numbered sequentially, with a unit par value of 1 euro. They were paid for in cash. Hipoteca 43 Lux, S.A.R.L. purchased 100% of these interests on July 5, 2016. The Company's name was changed to Aedas Homes Group, S.L.U. on 18 July 2016. It assumed its current name in the wake of the restructuring transaction outlined in note 1.a.

On 12 September 2017, the Company's legal form of incorporation was changed to that of a public limited company (*sociedad anónima*) so that it took the name of Aedas Homes, S.A. (Sociedad Unipersonal).

The shares representing the share capital of Aedas Homes S.A. have been trading on the continuous stock markets of Madrid, Barcelona, Bilbao and Valencia since 20 October 2017.

The deeds declaring the loss of sole-shareholder status (*sociedad unipersonal*) were placed on public record on 23 November 2017.

On 30 March 2020, the Parent's shareholders resolved, in general meeting and on the basis of a report from the Board of Directors, to change the Company's fiscal year to the 12 months elapsing between 1 April and 31 March of the following year, with the exception of the first fiscal year following the change, which would run from 1 January 2020 until 31 March 2020.

Changes in the Group's composition

At 30 September 2020, the Company was the parent of a group of companies. Appendix I itemises the Group companies consolidated by the Parent and provides their salient information as at 30 September 2020, before making the corresponding standardisation adjustments, as appropriate, to their separate financial statements in order to adapt them for IFRS-EU reporting purposes. The figures disclosed in Appendix I were provided by the Group entities and their equity positions are those stated in their accounting records as of the reporting date.

Below is a description of the main movements in the Parent's equity interests in its subsidiaries and associates during the six months ended 30 September 2020:

- On 30 September 2020, SPV REOCO 15, S.L. acquired treasury stock representing 20% of its capital; it purchased those shares from Promociones y Propiedades Inmobiliarias Espacio, SLU. As a result of that acquisition, SPV REOCO 1, S.L.U. is now the sole shareholder of SPV REOCO 15, S.L. A public deed attesting to the reduction of SPV REOCO 15, S.L.'s share capital by 600 euros (in order to cancel those shares) and, as part of the same proceedings, an increase in share capital of the same amount (to reach the minimum threshold) was placed on public record in the same date.

2. Basis of presentation of the interim condensed consolidated financial statements

a) Basis of presentation

The interim condensed consolidated financial statements of the Group comprising Aedas Homes S.A. and its subsidiaries for the six months period ended 30 September 2020 were prepared from the accounting records of the Parent and the other companies comprising the Group (refer to Appendix I) in keeping with the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

The Group has drawn up the accompanying interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34. The related disclosures accordingly do not include all of the information and disclosures required when preparing annual consolidated financial statements under IFRS-EU. As a result, these interim condensed consolidated financial statements should be read together with the consolidated financial statements for the three-month fiscal year ended 31 March 2020.

The accounting standards used to prepare the accompanying interim condensed consolidated financial statements are the same as those used to prepare the Group's consolidated financial statements for the three-month fiscal year ended 31 March 2020.

However, given that the accounting principles and measurement criteria used to prepare the Group's interim financial statements for the six months period ended 30 September 2020 may differ from those used by certain of the Group entities, the appropriate uniformity adjustments and reclassifications have been made upon consolidation in order to standardise the various principles and criteria and bring them in line with IFRS-EU.

In order to present the different items that make up these interim condensed consolidated financial statements on a uniform basis, the accounting policies and measurement standards used by the Parent have been applied to all of the companies consolidated.

These interim condensed consolidated financial statements have been subjected to a limited review but have not been audited.

b) Functional and presentation currency

The interim condensed consolidated financial statements are presented in euros, which is the currency of the economic environment in which the Group operates. The Group does not currently trade outside of Spain or in any currencies other than the euro.

c) Responsibility for the information presented and estimates made

The Parent’s directors are responsible for the information included in these Interim Condensed Consolidated Financial Statements.

The Group’s Interim Condensed Consolidated Financial Statements for the six months period ended 30 September 2020 make occasional use of estimates made by the executives of the Group and of its consolidated companies, later ratified by their respective directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations recognised therein. Essentially, those estimates refer to:

- The estimation of the net realisable value of the Group's inventories: the Group has assessed, as of the reporting date, the realisable value of its inventories, understood as their estimated sale price less all of the estimated costs necessary to complete their construction. The market value of the Group's properties, determined on the basis of an assessment carried out by independent expert appraisers. Specifically, Savills Aguirre Newman Valoraciones y Tasaciones, S.A. appraised the Group's portfolio of real estate assets (without considering prepayments to suppliers) as at 30 September 2020. The assets were appraised using the 'market value' assumption, in keeping with the Valuation - Professional Standards and Guidance notes published by Great Britain's Royal Institution of Chartered Surveyors (RICS) (note 3).

- The probability of obtaining future taxable income when recognising deferred tax assets.

Although these estimates were made on the basis of the best information available at 30 September 2020 regarding the facts analysed, future events could make it necessary to revise these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with IAS 8, recognising the effects of the change in estimates in the related consolidated statement of profit or loss.

d) Principles of consolidation

In order to present the financial information on a uniform basis, the accounting policies and measurement rules used by the Parent have been applied to all of the companies consolidated.

The universe of companies included in the consolidation scope in the reporting periods ended 30 September 2020 and 31 March 2020 is itemised in Appendix I.

<u>Subsidiaries</u>

Subsidiaries are investees over which the Parent exercises control either directly or indirectly via other subsidiaries. The Parent controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with it and has the ability to affect those returns through its power over the investee. The Parent is deemed to have power over an investee when it has existing rights that give it the current ability to direct its relevant activities. The Parent is exposed, or has rights, to variable returns from its involvement with the investee when the returns obtained from its involvement have the potential to vary as a result of the entity’s performance.

The Parent re-evaluates whether it controls an investee when events and circumstances indicate the existence of changes in one or more of the control elements itemised above. The Parent consolidates a subsidiary from when it obtains control (and deconsolidates when it ceases to have such control).

The Parent currently accounts for all of its subsidiaries using the full consolidation method with the exception of Winslaro ITG, S.L., Servicios Inmobiliarios Licancabur, S.L., Urbania Lamatra I, S.L. and Urbania Lamatra II, S.L.

Any non-controlling interests are measured at their percentage interest in the fair values of the identifiable assets and liabilities recognised. Accordingly, any loss attributable to non-controlling interests in excess of the carrying amount of such interests is recognised with a charge against the Parent's equity. Minority interests in:

a) The equity of the Group's investees: are presented under "Non-controlling interests" in the consolidated balance sheet within Group equity.

b) Profit or loss for the period: are presented under "Profit/(loss) for the year attributable to non-controlling interests" in the consolidated statement of profit or loss.

The income and expenses of subsidiaries acquired or disposed of during the period are included in the Interim Condensed Consolidated Financial Statements from the acquisition date or until the date of change in control, as warranted.

Material intra-group balances and transactions among fully-consolidated investees are eliminated upon consolidation, as are the gains or losses included in the inventories deriving from purchases from other Group companies.

The Parent has the same reporting date as all of its subsidiaries with the exception of Winslaro ITG, S.L., Servicios Inmobiliarios Licancabur, S.L., Urbania Lamatra I, S.L. and Urbania Lamatra II, S.L., whose fiscal year coincides with the calendar year.

All of the assets, liabilities, equity, income, expenses and cash flows related with transactions among the Group companies are fully eliminated upon consolidation.

Investments in associates and joint ventures

An investment in an associate or a joint venture is measured using the equity method of accounting: they are initially recognised at cost, and the carrying amount of the investment is increased or decreased to recognise the Group's share of the profit or loss of the investee after the date of acquisition. The Group recognises its share of such investees' profit or loss within its profit or loss for the period. Distributions received from these investees reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the investee arising from changes in the investee's other comprehensive income (e.g. to account for changes arising from revaluations of property, plant and equipment and foreign currency translations). The Group recognises its share of any such changes in other comprehensive income.

The Parent has notified all the companies in which it has ownership interests of 10% or more, directly or indirectly through subsidiaries, of this fact, in keeping with article 155 of Spain’s Corporate Enterprises Act. The list of non-Group companies that hold an equity interest in any of the fully-consolidated subsidiaries of 10% or more is provided in Appendix II.

e) First-time consolidation differences

The assets, liabilities and contingent liabilities of a newly-acquired subsidiary are stated at their acquisition-date fair values. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets acquired (i.e., a bargain acquisition), the gain is recognised in profit and loss in the period of the acquisition.

The Group has not recognised any such goodwill or gains to date.

f) Comparative information

The information contained in these interim condensed consolidated financial statements for the six months period ended 30 September 2020 is accompanied by comparative information as at 31 March 2020 (the end of fiscal 2020, i.e. three months period from 1 January 2020 to 31 March 2020) for each of the items presented on the consolidated balance sheet and for the previous equivalent six-month period (i.e., from 1 April 2019 to 30 September 2019) for each of the items presented on the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement.

Note that for the purposes of making any comparison, as disclosed in note 1 above, the fiscal year of the Parent and its fully consolidated subsidiaries has been changed to that elapsing between 1 April and 31 March of the following year, and that as a result of the change the last fiscal year ran from 1 January 2020 to 31 March 2020.

Note, additionally, that the Group has modified the structure of its consolidated income statement and its consolidated cash flow statement for the six months period ended 30 September 2020, and the corresponding comparative figures for the six months period ended 30 September 2019, to make them easier to understand for its investors.

Any comparison should also consider the changes in the Group's capital structure outlined in note 1.

3. Inventories

The breakdown of the Group’s inventories at 30 September 2020 and 31 March 2020 is as follows:

	Euros	
	30 Sept. 2020	**31 Mar. 2020**
Land and sites	597,628,575	617,511,672
Developments in progress (*)	860,483,793	626,812,052
Completed buildings	64,083,701	80,188,609
Prepayments to suppliers	13,469,461	19,427,175
Total	**1,535,665,530**	**1,343,939,508**

(*) At 30 September 2020, "Developments in progress" include the cost of the land on which the developments are being carried out in the amount of 321,933,231 euros (292,025,960 euros at 31 March 2020).

During the six months ended 30 September 2020, the Group recognised additions totalling 17,255,232 euros as a result of new sites purchased. It also completed four developments (executed by SPV Reoco 1, S.L.U.) during the reporting period, triggering the transfer from "Developments in progress" to "Completed buildings" of 30,399,884 euros.

The deferred payments for land recognised on the consolidated balance sheet amounted to 6,526,994 euros at 30 September 2020, of which 3,060,393 euros corresponded to sites acquired during the reporting period.

The Group derecognised inventories in the amount of 50,052,735 euros during the six months ended 30 September 2020: 46,517,384 euros corresponded to finished housing units sold and 3,535,351 euros to land sold (note 8).

The Group generated a net cash outflow as a result of the purchase and sale of land and the settlement of payments deferred in prior reporting periods of 2,712,758 euros in the six months ended 30 September 2020, broken down as follows:

Land purchased during the six months ended 30 September 2020	17,255,232
Payments deferred in respect of land purchased during the six months ended 30 September 2020	(3,060,393)
Land purchased in exchange for debt (note 7)	(8,655,232)
Payments deferred in prior periods settled during the reporting period	65,000
Cash outflows in relation to land purchases during the six months ended 30 September 2020	**5,604,607**
Land sold during the six months ended 30 September 2020	4,340,286
Payments deferred in prior periods collected during the reporting period	3,977,079
Cash inflows in relation to land sales during the six months ended 30 September 2020	**8,317,365**
Land transactions: proceeds less payments	**2,712,758**

None of the Group's inventories are located outside of Spain. The locations of the Group's inventories, stated at their carrying amounts, without considering prepayments to suppliers:

Regional Branch	Euros	
	30 Sept. 2020	31 Mar. 2020
Central Region	529,138,803	457,552,739
Catalonia	211,570,198	189,897,621
Costa del Sol	291,443,973	275,832,527
Rest of Andalusia	167,388,190	152,205,297
Balearic Islands and Spanish east coast	322,654,905	249,024,149
Total	**1,522,196,069**	**1,324,512,333**

The Group reviews the carrying amounts of its inventories for indications of impairment periodically, recognising the required impairment provisions as warranted. The cost of the land and sites, developments in progress and completed developments is reduced to fair value by recognising the appropriate impairment provisions. If the fair value of the Group's inventories is above cost, however, the cost/contribution amounts are left unchanged.

At 30 September 2020, the net realisation value of the Group's inventories amounted to 2,158 million euros (31 March 2021: 2,009 million euros). The net realisation value is based on an appraisal performed by Savills Aguirre Newman Valoraciones y Tasaciones, S.A. at 30 September 2020. Although the appraisal does not factor in supplier prepayments, the directors believe that there are no indications that those amounts are impaired. In light of the appraiser's methodology, the key valuation hypotheses are the discount rate and sales prices modelled. As a result of the above, the directors have recognised an accumulated inventory impairment in the interim condensed consolidated financial statements for the six months period ended 30 September 2020 of 3,156,503 euros and unrealised gains of 620 million euros (1,542,943 euros and 671 million euros, respectively, at 31 March 2020). The additional impairment loss recognised is of minimal impact and reflects the potential delay in the ability to complete and deliver homes factored into the external appraiser's valuation assumptions as a result of COVID-19.

The assets were appraised using the 'market value' assumption, in keeping with the Valuation - Professional Standards and Guidance notes published by Great Britain's Royal Institution of Chartered Surveyors (RICS). To that end the appraisals took the form of individual asset-by-asset analysis, factoring in the building standards planned for each, which in term determine the associated contracting costs and sales price ranges. An individual assessment was also made of the average length of time expected to be needed to obtain the various planning permits and requirements and the average length of time needed to build each development as function of its nature and density.

Lastly, the appraisal exercise entailed the calculation of a discount rate for each project, which was then stressed depending on the state of progress of the various developments. The discount rates used vary depending on the state of development of the asset (untransformed land, developments under construction, developments being sold from plan and finished developments). They range between 6% and 16%, the weighted average discount rate being 11.0%.

Having made a first estimate of how much the assets are worth, the valuation methods are checked to ensure the reasonableness of certain ratios such as the percentage of land to finished product, profit over construction costs or profit as a function of sales.

Other assumptions are unchanged from one development to the next, the main ones being:

- It is assumed that off-plan sales will not be made before construction of the developments begins.

- As a general rule, it is assumed that approximately 70% - 75% of sales (off-plan sales under private sale-purchase agreements) take place during construction of the various developments, with the rest of the units being sold in the three to nine months following their completion.

- The estimates do not assume any generalised increase in sales prices with respect to market prices as of the reporting date. The average sale price assumed was 2,779 euros per square metre.

- As a general rule, it is assumed that it takes between 27 and 36 months from drawing up the plans for a development and obtaining the required permits until the marketing and sale of the development is complete.

At 30 September 2020, inventories with a carrying amount of 802 million euros were pledged to secure financing agreements (31 March 2020: 550 million euros).

At 30 September 2020, the Group recognised 2,730,034 euros of current provisions for the completion of works (31 March 2020: 4,537,333 euros).

4. Capital and reserves

a) Share capital

The Parent's share capital consisted of 47,966,587 shares with a unit par value of 1 euro at both 30 September 2020 and 31 March 2020. The shares are fully subscribed and paid in.

None of the Company's shares was pledged at either 30 September 2020 or 31 March 2020.

The breakdown of the Company's significant shareholders (those with equity interests of 3% or more) at 30 September 2020, as gleaned from the information reported to Spain's securities market regulator, the CNMV, by the shareholders themselves:

		% voting rights attributed to the shares		% voting rights held via financial instruments	
	% of total	Direct	Indirect	Direct	Indirect
HIPOTECA 43 LUX S.A.R.L. *(*)*	66.63	66.63	-	-	-
UBS GROUP AG	5.19	-	0.07	5.12	-
T. ROWE PRICE ASSOCIATES, INC	5.08	-	5.08	-	-
RYE BAY EUROPEAN MASTER FUND LIMITED	5.08	-	-	5.08	-
T. ROWE PRICE INTERNATIONAL FUNDS, INC.	4.09	-	4.09	-	-

(*) Percentage interests according to the shareholder register managed by Computershare (IBERCLEAR)

b) Share premium

There were no movements in the share premium account during the six-months ended 30 September 2020 or the three months ended 31 March 2020. It stood at 500,076,721 euros at both reporting dates.

The balance of the share premium account can be freely distributed.

c) Legal reserve

In accordance with article 274 of the consolidated text of the Spanish Corporate Enterprises Act, 10% of profits must be earmarked to endowment of the legal reserve each year until it represents at least 20% of share capital.

The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase.

Except for this purpose, until the legal reserve exceeds the limit of 20% of capital, it can only be used to offset losses, if there are no other reserves available.

The Parent's legal reserve has yet to be fully endowed. At 30 September it stood at 3,561,218 euros (31 March 2020: 3,109,529 euros).

d) *Voluntary reserves*

Parent company reserves

This reserve came about as a result of the difference between the fair value at which the real estate development business was contributed by the-then Sole Shareholder in 2017 and the amounts at which that business was carried in the latter's financial statements at the time. The movements during the reporting periods ended 30 September 2020 and 31 March 2020 stem from the impact of the purchase and sale of treasury stock, as detailed in section f) below.

Reserves at fully-consolidated companies

The movement during the six months ended 30 September 2020 is mainly due to the changes in the Group's composition (buyback by SPV Reoco 15, S.L.U. of treasury stock representing 20% of its share capital from Promociones y Propiedades Inmobiliarias Espacio, SLU) and the recognition of enterprise incorporation costs (Falcon Desarrollos Inmobiliarios, S.L.U. and Parker Desarrollos Inmobiliarios, S.L.U.)

There were no movements under this account in the three months ended 31 March 2020.

e) *Capitalisation reserve*

Article 25 of Spain's Corporate Income Tax Act (Law 27/2014) allows enterprises to reduce their tax income base by 10% of the increase in their own funds for the year so long as the increased own funds remain in equity for five years from the end of tax year in which they are applied to reduce taxable income, unless used to offset losses. The enterprises opting to apply this tax benefit must set up a capitalisation reserve in the amount of the increase in own funds. That reserve must feature as a separate and appropriately named reserve account on reporters' balance sheets and is restricted for five years.

At 30 September 2020, the Parent had recognised a capitalisation reserve of 893,761 euros (31 March 2020: 409,568 euros).

f) *Treasury Stock*

The Parent arranged a liquidity contract with BANCO DE SABADELL, S.A. (the “Financial Broker”) on 28 March 2018 with the sole object of fostering the frequency and regularity with which the Company's shares are traded, within the limits established at the Company's Annual General Meeting and, specifically, CNMV Circular 1/2017 on liquidity agreements.

The initial term of the contract was 12 months from its date of effectiveness, which was 5 April 2018.

The Parent suspended the liquidity agreement on 28 December 2018 due to a shortfall in the cash and shares allocated to the contract account pursuant to CNMV Circular 1/2017. It renewed the contract on 24 January 2019, having replenished the corresponding balances, as stipulated in the CNMV rules. On 20 March 2019, the contract was terminated, the underlying objectives having been met. While in effect, 94,178 shares were bought at an average price of 22.76 euros per share and 92,784 shares were sold at an average price of 22.93 per share, leaving an outstanding balance of 28,031 shares, which were sold as a block on 29 March 2019 for 22.80 per share.

The Board of Directors of the Parent agreed at a meeting held on 25 July 2019 to roll out a share buyback programme, initially in the form of a Discretionary Programme and then, as approved at a Board meeting on 25 September 2019, a Repurchase Programme, under which it authorised the buyback of up to 2,500,000 shares for up to 50,000,000 euros. The Repurchase Programme is valid for up to 36 months and is being managed by JB Capital Markets, S.V., S.A.U.

On 25 February 2020, the Board of Directors agreed to increase the size of the Parent's buyback programme from 50 million euros to 150 million euros, without changing any of the other terms and conditions it had approved on 25 September 2019.

Under the scope of the Parent's buyback effort (Discretionary Programme, Repurchase Programme and block trades), which began on 7 August 2019, a total of 2,483,829 shares representing 5.18% of capital has been bought back at an average price of 19.91 euros per share.

On 8 January 2020, the Parent entered into an equity swap agreement with Goldman Sachs International (GSI) covering a notional amount of up to 50 million euros and a maximum number of shares of 2,400,000. The settlement date is 8 January 2021. On the date it was arranged the Company sold GSI 236,406 shares for 4,999,987 euros under the scope of that agreement. Given the Company's obligation to repurchase those shares, they compute as treasury stock held indirectly. Other than that, the Company did not sell any other treasury stock during the six months ended 30 September 2020 or the three months ended 31 March 2020.

At 30 September 2020, the Company carried 2,247,423 shares at 44,498,451 euros (at 31 March 2020: 1,820,671 shares at 36,940,235 euros).

g) Prior-year losses

At the Annual General Meeting held on 23 June 2020, the Parent's shareholders ratified the following resolution for the appropriation of the profit for the three-month fiscal year ended 31 March 2020 formulated by the Board of Directors at a meeting held on 20 May 2020:

	Euros
Basis of appropriation	
Profit for the year (as per statement of profit or loss)	4,516,890
TOTAL	**4,516,890**
Appropriation to:	
Endowment of the legal reserve (art. 273 Corp. Enterprises Act)	451,689
Offset of prior-year losses	3,581,008
Capitalisation reserve (art. 25 of Corp. Income Tax Act)	484,193
TOTAL	**4,516,890**

As a result of the above appropriation of profit, the "Prior-period losses" account presented a credit of 2,260,054 euros. The Board of Directors is proposing to apply that balance to "Retained earnings". It expects the Parent's shareholders to approve that distribution along with the motion for the profit distribution for the fiscal year ending 31 March 2021.

h) Owner contributions

The Company did not receive any new owner contributions during the six months ended 30 September 2020 nor during the three months fiscal year ended 31 March 2020.

At both reporting dates - 30 September 2020 and 31 March 2020 - the Majority Shareholder had contributed a total of 740,017,256 euros.

i) Dividend distributions

As provided for in article 273 of the Corporate Enterprises Act, once the legal and bylaw-stipulated requirements have been met, dividends may be distributed against profit for the year or freely distributable reserves so long as the value of equity is not lower than or would not fall below share capital as a result of the distribution. Any profit recognised directly in equity may not be distributed either directly or indirectly for such purposes. If prior-year losses were to reduce the Company's equity to below the amount of share capital, profit would have to be allocated to offset those losses.

The Company did not pay out any dividends during the reporting periods ended 30 September 2020 or 31 March 2020. However, there were no restrictions on the payment of dividends at 31 March 2020 other than those contemplated in company law.

As a result, on 25 February 2020, the Parent's Board of Directors resolved to pay a dividend of one euro per share against its profit for the fiscal year ending 31 March 2021. Of the dividend corresponding to fiscal 2020-2021, an interim dividend of 0.50 euros per share was to be paid out in November 2020. The plan is to pay out the Company's ordinary dividends twice-yearly, in equal instalments, following the presentation to the market of its first-half and second-half results. The Parent's policy is to increase its dividend in line with cash generation between 2020 and 2023. The dividend will be paid in cash or via the delivery of treasury stock.

Notwithstanding the above and given the current circumstances induced by the COVID-19 pandemic, the Parent's Board of Directors, at a meeting held on 21 October 2020, has decided to defer the payment of the 0.50-euro-per-share dividend, initially scheduled for November 2020, framed by the capital preservation policy implemented by the Company in response to the pandemic in March in order to safeguard its capital structure. The Company will pay the dividend in full when it authorises the appropriation of its profit for the fiscal year ended 31 March 2021, thereby sharing the profit it generates with its shareholders (see note 13).

j) Other equity instruments

On 26 September 2017, the Parent's Majority Shareholder approved a long-term incentive plan payable entirely in shares for the CEO and members its key management personnel, structured into three overlapping three-year periods or cycles (from the IPO, i.e., 20 October 2017 to 31 December 2020; from 1 January 2019 to 31 December 2021; and from 1 January 2020 to 31 December 2022). The equally-weighted metrics to be used to measure delivery of the targets are: (i) EBITDA; (ii) the net development margin; and (iii) the shareholder return. For each there are minimum thresholds below which the bonuses do not accrue; there is also scope for outperformance. The number of shares to be received by each participant will be determined by the price of the shares in each three-year cycle (the IPO price for the first cycle and the average trading price during the 20 trading sessions prior to the start of the second and third cycles) and the level of target delivery. All of the shares received by the CEO and 50% of those received by the key management personnel will be subject to a one-year lock-up from when they are received. In the case of the CEO and members of the Executive Committee, this bonus is subject to repayment under certain circumstances. The cost of this incentive plan will be assumed by the Group. The maximum amount receivable by the plan beneficiaries is 11 million euros. The long-term incentive plan was endorsed by the Parent's Appointments and Remuneration Committee on 27 February 2018.

The amount recognised under "Other equity instruments" in respect of the commitment assumed by the Parent under the long-term incentive plan vis-a-vis its key management personnel stood at 3,246,541 euros at 30 September 2020 (2,535,363 euros at 31 March 2020).

k) Non-controlling interests

This heading presents the share of the equity of the fully-consolidated Group companies that is held by minority shareholders.

The reconciliation, by subsidiary, of the opening and closing balances of non-controlling interests during the six months ended 30 September 2020:

	Ownership interest attributable to the Parent	Euros			
		31 Mar. 2020	Profit/(loss) attributable to non-controlling interests	Other changes	30 Sept. 2020
SPV REOCO 15, S.L.U.	100%	337,737	-	(337,737)	-
SPV SPAIN 2, S.L.	87.5%	1,574,575	(12,096)	-	1,562,479
ESPEBE 11, S.L.	80%	364,960	(5,037)	-	359,923
FACORNATA SERVICIOS Y GESTIONES, S.L.	94.68%	124,460	(664)	-	123,796
Total		**2,401,732**	**(17,797)**	**(337,737)**	**2,046,198**

On 30 September 2020, Group subsidiary SPV REOCO 15, S.L. acquired treasury stock representing 20% of its capital from Promociones y Propiedades Inmobiliarias Espacio, SLU. As a result of that acquisition, SPV REOCO 1, S.L.U. is now the sole shareholder of SPV REOCO 15, S.L. A public deed attesting to the reduction of SPV REOCO 15, S.L.'s share capital by 600 euros (in order to cancel those shares) and, as part of the same proceedings, an increase in share capital of the same amount (to reach the minimum threshold) was placed on public record on the same date.

The reconciliation, by subsidiary, of the opening and closing balances of non-controlling interests during the three months ended 31 March 2020:

	Ownership interest attributable to the Parent	Euros			
		31 Dec. 2019	Profit/(loss) attributable to non-controlling interests	Other changes	31 Mar. 2020
SPV REOCO 15, S.L.U.	80%	347,421	(9,684)	-	337,737
SPV SPAIN 2, S.L.	87.5%	1,659,725	164,850	(250,000)	1,574,575
ESPEBE 11, S.L.	80%	365,614	(654)	-	364,960
FACORNATA SERVICIOS Y GESTIONES, S.L.	94.68%	124,739	(279)	-	124,460
Total		**2,497,499**	**154,233**	**(250,000)**	**2,401,732**

During the three months ended 31 March 2020, SPV Spain 2, S.L. agreed (pursuant to a resolution ratified at a shareholder meeting on 25 March 2020) to pay an interim dividend from 2020 profits (250,000 euros of which corresponded to its non-controlling shareholders); that dividend was paid in April 2020.

5. Borrowings and other financial liabilities

The Group had the following borrowings at 30 September 2020:

	Euros				
	30 September 2020				
	Limit	Current liabilities		Non-current liabilities	Total
		Long-term maturity	Short-term maturity		
Mortgage loans secured by inventories	755,048,219	269,396,744	1,551,523	-	270,948,267
Interest on developer loans	-	-	428,132	-	428,132
Total developer loans	**755,048,219**	**269,396,744**	**1,979,655**	**-**	**271,376,399**
Mortgage loans secured by inventories	9,497,081	-	9,497,081	-	9,497,081
Interest on mortgages secured by inventories	-	-	35,086	-	35,086
Total loans taken over as part of land purchase	**9,497,081**	**-**	**9,532,167**	**-**	**9,532,167**
Commercial paper issued	-	-	7,061,329	46,273,848	53,335,177
Syndicated loan	150,000,000	-	74,909,087	73,877,872	148,786,959
Corporate credit facilities	38,000,000	-	21,010,197	16,834,910	37,845,107
Derivatives	-	-	2,289,229	-	2,289,229
Interest on collateral provided	-	-	3,333	-	3,333
Lease liabilities	-	-	1,146,798	932,405	2,079,203
Other liabilities	-	-	125,923	-	125,923
Total other borrowings	**188,000,000**	**-**	**106,545,896**	**137,919,035**	**244,464,931**
Total	**952,545,300**	**269,396,744**	**118,057,718**	**137,919,035**	**525,373,497**

At 31 March 2020, the Group's borrowing profile was as follows:

	Euros				
	31 March 2020				
	Limit	Current liabilities		Non-current liabilities	Total
		Long-term maturity	Short-term maturity		
Shareholder Credit Facility Agreement with External Shareholders	6,675,000	1,668,104	12,739	-	1,680,843
All borrowings from non-controlling shareholders	**6,675,000**	**1,668,104**	**12,739**	**-**	**1,680,843**
Mortgage loans secured by inventories	676,831,933	125,404,309	425,065	-	125,829,374
Interest on developer loans	-	-	140,702	-	140,702
Total developer loans	**676,831,933**	**125,404,309**	**565,766**	**-**	**125,970,075**
Mortgage loans secured by inventories	9,497,081	9,497,081	-	-	9,497,081
Interest on mortgages secured by inventories	-	-	33,894	-	33,894
Total loans taken over as part of land purchase	**9,497,081**	**9,497,081**	**33,894**	**-**	**9,530,975**
Commercial paper issued	-	-	59,522,751	2,546,914	62,069,665
Syndicated loan	150,000,000	-	150,184,136	-	150,184,136
Derivatives	-	-	2,615,456	-	2,615,456
Interest on collateral provided	-	-	3,066	-	3,066
Dividends (note 13g)	-	-	250,000	-	250,000
Lease liabilities	-	-	1,056,924	1,434,845	2,491,769
Other assets	-	-	55,408	-	55,408
Total other borrowings	**150,000,000**	**-**	**213,687,741**	**3,981,760**	**217,669,501**
Total	**843,004,014**	**136,569,494**	**214,300,140**	**3,981,760**	**354,851,394**

At 30 September 2020, 77.53% of total recognised debt (39.61% at 31 March 2020) was due in the long term.

Loans from non-controlling shareholders

The loan provided by Promociones y Propiedades Inmobiliarias Espacio, S.L.U. to SPV Reoco 15, S.L. - in the amount of 6,675,000 euros, due 31 December 2022, carrying interest at an annual rate of 1m EURIBOR plus a spread of 3.5% - was fully repaid on 30 September 2020. That loan was drawn down by 1,668,104 euros at 31 March 2020.

Developer loans

At 30 September 2020, the Group had arranged mortgages in an aggregate amount of 755,048,219 euros in order to finance 73 developments (31 March 2020: 676,831,933 euros financing 51 developments). The amortised cost of those loans at 30 September 2020 is 270,948,267 euros, which is 35.88% of the aggregate limit (125,829,374 euros and 18.59%, respectively, at 31 March 2020). Those mortgages carry interest at EURIBOR plus spreads ranging between 100 and 275 basis points.

Loans taken on to purchase land

On 23 February 2016, Group subsidiary SPV Spain 7, S.L.U. acquired a plot of land which it financed by assuming the mortgage which the seller had taken out over the site. That mortgage amounted to 11,500,000 euros and fell due on 23 February 2018. It was partially cancelled (in the amount of 2,002,919 euros) on 15 February 2018 and on 22 February 2018 its terms were amended to extend its maturity to 23 February 2020. During the three-month fiscal year ended 31 March 2020, that loan was extended by 18 months so that it now matures on 23 August 2021. It carries interest at 12-month EURIBOR plus a spread of 3.5%.

That loan agreement does not entail any covenants or change of control clauses.

Loans classified as current due in the long term

The maturity profile of the face value of the loans classified as current borrowings but that fall due in the long term is as follows:

	Euros	
	Current	
Fiscal year ending	30 Sept. 2020	31 Mar. 2020
31/03/2022	1,882,691	11,018,587
31/03/2023	6,208,017	4,833,259
31/03/2024	6,732,847	3,149,960
31/03/2025 and beyond	254,573,189	117,567,688
	269,396,744	**136,569,494**

Bonds and other marketable securities

On 12 June 2020, the Parent arranged the AEDAS HOMES 2020 Commercial Paper Program on Spain's alternative fixed income market (MARF for its acronym in Spanish). Under the new programme, it can issue up to 150,000,000 euros of commercial paper with terms of up to 24 months, with the aim of continuing to diversify the Group's sources of financing. It substitutes the commercial paper programme arranged on 14 June 2019.

During the six months ended 30 September 2020, the Parent completed several issues under the scope of the new programme with an aggregate face value of 56.8 million euros, notably including the issuance on 15 September 2020 of 34.1 million euros, 70% of whose face value is secured by the Kingdom of Spain as part of its COVID-19 surety lines; that issue has been rated BBB by Axesor.

Also during the six-month period, the Parent repaid 62.9 million euros of commercial paper at maturity, leaving a balance of 56.2 million euros outstanding at 30 September 2020 due in several tranches by September 2022 at the latest. The effective annual cost of the commercial paper issues is 3.18%.

During the three-month fiscal year ended 31 March 2020, the Parent completed several commercial paper issues with a total face value of 25 million euros and repaid 41 million euros of commercial paper at maturity, leaving 62.3 million euros outstanding, due in several tranches by July 2021 at the latest, as of year-end 2020. The effective annual cost of the commercial paper issues during that period was 0.99%.

The commercial paper is initially recognised at the fair value of the consideration received plus directly attributable transaction costs. Subsequently, the implicit interest on the paper is accrued using the effective interest rate on the transaction so that the carrying amount of these borrowings is adjusted for the interest accrued. At 30 September 2020, the commercial paper recognised on the Group's balance sheet using the effective interest rate method amounted to 53,335,176 euros (62,069,665 euros at 31 March 2020).

Syndicated loan

On 6 August 2018, the Parent arranged a 150 million euro corporate loan which it used to finance future land purchases; it initially had six months to draw the loan down; that deadline was later extended to 5 August 2019 in exchange for a 0.25% fee. The loan originally had a maturity of 24 months and carried interest at 3m EURIBOR plus 3.5% in year one and plus 4.25% in year two. That loan was repaid at maturity and refinanced thanks to three new agreements: a syndicated loan of 134,215,000 euros and two loans backed by state guarantees totalling 15,785,000 euros. Those loans are repayable in five instalments between 31 December 2020 and 6 August 2022. They carry interest at 3m EURIBOR plus 4.5% in year one and 5.5% in year two. If EURIBOR is negative, a benchmark rate of 0% will apply.

The balance drawn down at 30 September 2020 was 150 million euros and the amount recognised at amortised cost was 147,755,710 euros. The interest payable at the September 2020 close amounted to 1,031,250 euros.

To secure those corporate loans, the Group has extended a mortgage promise over unsecured properties.

At 30 September 2020, the Group was in compliance with all of the above covenants, as indicated below:

	Covenant	30 Sept. 2020
Leverage ratio*	N/A	N/A
LTC ratio	< 35%	29.3%
LTV ratio	< 40%	24.4%
Interest coverage ratio	> 4x	6.1
Consolidated equity	900 million euros	920 million euros
Equity / net debt	> 1.7x	2.0 million euros
Unrestricted liquidity	> 15 million euros	90 million euros

**Applicable from 31/03/2021*

Corporate credit facilities

During the six months ended 30 September 2020, the Parent arranged four credit lines totalling 38 million euros to complement its developer loans. Three of the loans, arranged with different banks that have already provided developer loans, have state-backed guarantees. The credit lines carry fixed (2% - 2.5% - 3.5%) and variable rates of interest (EURIBOR plus a spread of 2.50%); they all have grace periods of at least 10 months and terms of maturity of between 12 and 24 months.

Derivatives

On 17 October 2017, the Company arranged an equity swap with Goldman Sachs to hedge the exposure arising from its obligation to deliver a certain number of shares to employees of AEDAS Homes under the long-term incentive plan (LTIP) approved by the Board of Directors on 26 September 2017.

In addition, as disclosed in note 4.f, on 8 January 2020, the Company entered into an equity swap agreement with Goldman Sachs International (GSI) covering a notional amount of up to 50 million euros and a maximum of 2,400,000 shares. The settlement date is 8 January 2021.

At 30 September 2020, the fair value of that derivative, which was classified as a liability, was 2,289,229 euros (2,615,456 euros at 31 March 2020).

The Group uses the following three levels of hierarchy, according to the nature of the main valuation inputs used, to classify the financial instruments it carries at fair value:

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

	Euros		
Six months ended 30 september 2020	Level 1	Level 2	Level 3
Derivatives	2,289,229	-	-
Total	**2,289,229**	**-**	**-**

	Euros		
Three months ended 31 march 2020	Level 1	Level 2	Level 3
Derivatives	2,615,456	-	-
Total	**2,615,456**	**-**	**-**

Changes in liabilities arising from financing activities

Below is an account of the changes in liabilities resulting from the Group's financing activities during the six months ended 30 September 2020, distinguishing between those that gave rise to inflows and outflows of cash and those that did not:

	Non-current bank borrowings	Non-current commercial paper	Other non-current liabilities	Current bank borrowings	Current borrowings from related parties	Current commercial paper	Other current liabilities	TOTAL
Balance at 31 March 2020	**-**	**2,546,914**	**1,434,845**	**285,685,186**	**1,680,843**	**59,522,751**	**3,980,854**	**354,851,393**
Changes from financing cash flows *(1)*	36,487,377	46,139,891	-	154,054,598	(581,340)	(55,213,608)	-	180,886,919
Changes arising from obtaining or losing control of subsidiaries or other businesses	-	-	-	-	-	-	-	-
Effect of changes in foreign exchange rates	-	-	-	-	-	-	-	-
Changes in fair values	-	-	-	-	-	-	(326,228)	(326,228)
Assumption of developer loans	-	-	-	(11,158,903)	-	-	-	(11,158,903)
Interest accrued without an impact on financing cash flows	385,551	144,062	-	2,086,823	(12,738)	195,165	-	2,798,864
Amounts transferred to 'current' without an impact on financing cash flows	78,839,854	(2,557,021)	-	(78,839,854)	-	2,557,021	-	-
Other changes	(25,000,000)	-	-	25,000,000	(1,086,764)	-	80,324	(1,006,440)
Dividends payable to third parties	-	-	-	-	-	-	(250,000)	(250,000)
Fixed asset suppliers Lease agreements	-	-	(502,440)	-	-	-	80,332	(422,108)
Balance at 30 September 2020	**90,712,782**	**46,273,847**	**932,405**	**376,827,850**	**-**	**7,061,329**	**3,565,283**	**525,373,497**

(1) During the six months ended 30 September 2020, the net cash generated by bank borrowings amounted to 190,541,975 euros: drawdowns of developer loans in the amount of 171,247,271 euros and repayments of developer loans upon delivery of homes in the amount of 15,913,208 euros.

6. Taxes payable and receivable and tax matters

a) Applicable legislation and years open to inspection

In accordance with prevailing tax legislation, tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period has elapsed. At 30 September 2020, the Parent and other Group companies had all their tax returns open to inspection for all required years.

The Parent's directors do not anticipate the accrual of additional liabilities other than those already provided for as a result of any review by the tax authorities of the years open to inspection.

b) Reconciliation of accounting profit/(loss) and tax income/(expense)

The reconciliation of accounting profit/(loss) and tax income/(expense) is as follows:

	Euros	
	Six-month period ended 30 September 2020	Six-month period ended 30 September 2019 (*)
Profit/(loss) before tax	(11,036,190)	(13,981,666)
Consolidation adjustments	202,561	
Permanent differences	(146,467)	4,245,590
Temporary differences	1,641,556	854,738
Taxable income/(tax loss) before utilisation of tax losses/credits	**(9,338,540)**	**(8,881,337)**
Capitalisation reserve	-	-
Utilisation of previously unrecognised tax losses	-	-
Utilisation of previously recognised tax losses	-	-
Taxable income/(tax loss)	**(9,338,540)**	**(8,881,337)**
Tax rate	25%	25%
Tax accrued	2,334,635	2,220,334
Utilisation of unused tax losses		
Increase/(decrease) in unused tax losses	-	(3,805,609)
Recognition of deductible temporary differences - prior years	-	3,485,703
Recognition/(utilisation) of deductible temporary differences - current year	410,389	213,685
Recognition of previously uncapitalised borrowing costs	-	1,910,380
Adjustment for prior year corporate income tax	9,912	-
Recognition of capitalisation reserve	-	-
Other adjustments	1,103	(16)
Current income tax income/(expense)	**15,768**	-
Deferred income tax income/(expense)	**2,740,271**	**4,024,476**

(*) Unaudited

c) Unrecognised deferred taxes

The breakdown of tax losses not recognised as tax assets at 30 September 2020 and 31 March 2020:

	Euros	
	30 Sept. 2020	31 Mar. 2020
AEDAS HOMES S.A.	-	-
Other Group companies	4,015,273	3,966,071
TOTAL	**4,015,273**	**3,966,071**

The Group has analysed the scope for utilising its tax credits as a function of its business plan and considering the fact that it applied to the tax authorities to file its taxes under the consolidated tax regime from 1 January 2018.

d) Deferred tax assets

The breakdown of the unused tax losses and credits recognised as deferred tax assets by the various Group companies at 30 September 2020 and 31 March 2020:

	Euros	
	30 Sept. 2020	31 Mar. 2020
AEDAS HOMES S.A.	2,837,650	2,254,531
Other Group companies	22,923,938	20,766,786
TOTAL	**25,761,588**	**23,021,317**

The reconciliation of the movement in deferred tax assets in the six months ended 30 September 2020 is shown below:

	Euros			
	31 Mar. 2020	Changes recognised in		30 Sept. 2020
	Closing balance	Statement of profit or loss	Equity	Closing balance
Deferred tax assets				
Unused tax losses	12,108,518	2,328,189	-	14,436,707
Deductible temporary differences	10,912,799	412,082	-	11,324,881
Total	**23,021,317**	**2,740,271**	**-**	**25,761,588**

The main movement in deferred tax assets during the six months ended 30 September 2020 relates to the recognition of assets in respect of unused tax losses in the amount of 1,931,245 euros, further increased by the utilisation and reversal of deductible temporary differences in the amount of 412,082 euros, offset by the adjustment made to prior-year income tax, which reduced unused losses by 6,446 euros.
On 27 December 2017, the Board of Directors resolved to avail of the consolidated tax regime (contemplated in article 55 *et seq.* of the Spanish Corporate Income Tax - Law 27/2014) in 2018 and thereafter, Aedas Homes, S.A. being the parent of the tax group.

The Parent's directors believe there are no indications that the deferred tax assets recognised are impaired on the basis of:

- The projections drawn up by the Group for 2020-2023; and

- The appraisal of Group inventories provided by Savills Aguirre Newman Valoraciones y Tasaciones, S.A., which indicates a gross asset value (GAV) of 2,158 million euros and unrealised gains of 620 million euros (note 3).

On the basis of the foregoing, the Parent's directors believe that it will be able to utilise the unused tax losses recognised as deferred tax assets within the horizon of the business plan, i.e., by 2023, at the latest.

7. Related-party transactions

The Group’s related parties include, in addition to its subsidiaries, jointly controlled companies and associates, its shareholders, key management personnel (the members of its Board of Directors and its executives, along with their close family members) and the entities over which its key management personnel have control or significant influence. Specifically, related-party transactions are those performed with non-Group agents with whom there is a relationship in accordance with the definitions and criteria derived from Spain's Ministry of Finance Order EHA 3050/2004 (of September 15, 2004) and CNMV Circular 1/2005 (of April 1, 2005). Pursuant to those criteria, the following are considered related parties:

- Non-controlling shareholders.

- Reoco Miradola, S.L., whose biggest investor is a fund managed by CastleLake L.P., which in turn manages the CastleLake funds and indirectly holds 100% of Hipoteca 43 Lux, S.A.R.L. (Aedas Homes, S.A.'s Majority Shareholder).
- Urbania Lamatra Holding, S.L., whose biggest investor is a fund managed by CastleLake L.P., which in turn manages the CastleLake funds and indirectly holds 100% of Hipoteca 43 Lux, S.A.R.L. (Aedas Homes, S.A.'s Majority Shareholder).

The main transactions completed with related parties in the six-month period ended 30 September 2020:

- Contracts entered into with minority shareholders: loan, management and sales agreements.
- Owner contribution and loans extended to Winslaro ITG, S.L., Servicios Inmobiliarios Licancabur, S.L., Urbania Lamatra I, S.L. and Urbania Lamatra II, S.L.
- Monitoring agreement entered into by and between SPV Reoco 1, S.L., on the one hand, with Urbania Lamatra I, S.L. and Urbania Lamatra II, S.L., on the other
- Management services agreement entered into by and between SPV Reoco 1, S.L., on the one hand, and Winslaro ITG, S.L. and Servicios Inmobiliarios Licancabur, S.L., on the other.
- Agreement for the purchase of inventories by a minority shareholder.
- Termination of a land sale agreement with a minority shareholder and payment by means of the delivery of land, sale of shares and repayment of loans extended by that same shareholder (note 3).

The main transactions completed with related parties in the six-month period ended 30 September 2019:

- Contracts entered into with minority shareholders: loan, management service and sales agreements.
- Share purchase agreement for the purchase of shares from Reoco Miradola, S.L. representing 20% of the share capital of Winslaro ITG, S.L. and the sale to Reoco Miradola, S.L. of shares representing 75% of the share capital of Servicios Inmobiliarios Licancabur, S.L.
- Share purchase agreement for the purchase of shares from Urbania Lamatra Holding, S.L. representing 10% of the share capital of Urbania Lamatra I, S.L. and Urbania Lamatra II, S.L.
- Owner contribution and loans extended to Winslaro ITG, S.L., Servicios Inmobiliarios Licancabur, S.L., Urbania Lamatra I, S.L. and Urbania Lamatra II, S.L.
- Monitoring agreement entered into by and between SPV Reoco 1, S.L. and Urbania Lamatra I, S.L.

The table below discloses the transactions completed with related parties during the six months ended 30 September 2020 and the resulting related-party balances at the September close:

	Euros					
	Income			Expenses		
	Revenue					
Six-month period ended 30 September 2020	Sales	Services rendered	Finance income	Cost of sales – Supplies	External services	Finance costs
Non-controlling interests (note 3)	-	-	-	(8,655,232)	-	(25,468)
Winslaro ITG, S.L.	-	97,637	12,775	-	-	-
Serv. Inmobiliarios Licancabur, S.L.	-	50,068	106,834	-	-	-
Urbania Lamatra I, S.L.	-	42,000	8,645	-	-	-
Urbania Lamatra II, S.L.	-	42,000	20,453	-	-	-
	-	**231,705**	**148,708**	**(8,655,232)**	**-**	**(25,468)**

30 September 2020	Euros					
	Trade and other receivables	Loans	Prepaid expenses	Borrowings from shareholders (note 5)	Trade and other current accounts payable	Customer down payments
Non-controlling interests	-	-	725,895	-	(2,890,068)	(715,000)
Winslaro ITG, S.L.	75,068	1,548,703	-	-	-	-
Serv. Inmobiliarios Licancabur, S.L.	132,764	3,718,666	-	-	-	-
Urbania Lamatra I, S.L.	16,940	614,082	-	-	-	-
Urbania Lamatra II, S.L.	119,145	1,425,610	-	-	-	-
	343,917	**7,307,061**	**725,895**	**-**	**(2,890,068)**	**(715,000)**

The table below discloses the transactions completed with related parties during the six months ended 30 September 2019 and the related-party balances at 31 March 2020:

Six-month period ended 30 September 2019 (*)	Euros					
	Income			Expenses		
	Revenue					
	Sales	Services rendered	Finance income	Cost of sales – Supplies	External services	Finance costs
Non-controlling interests	-	-	-	(230,691)	(356,440)	(53,929)
Winslaro ITG, S.L.	-	14,467	33,539	-	-	-
Serv. Inmobiliarios Licancabur, S.L.	-	-	17,981	-	-	-
Urbania Lamatra I, S.L.	-	-	5,618	-	-	-
Urbania Lamatra II, S.L.	-	-	18,391	-	-	-
	-	**14,467**	**75,529**	**(230,691)**	**(356,440)**	**(53,929)**

(*) Unaudited

31 March 2020	Euros					
	Trade and other receivables	Loans	Prepaid expenses	Borrowings from shareholders (note 5)	Trade and other current accounts payable	Customer down payments
Non-controlling interests	-	-	-	(1,680,843)	(564,195)	-
Winslaro ITG, S.L.	93,162	1,299,529	-	-	-	-
Serv. Inmobiliarios Licancabur, S.L.	67,987	2,962,134	-	-	-	-
Urbania Lamatra I, S.L.	16,940	593,867	-	-	-	-
Urbania Lamatra II, S.L.	56,467	1,359,071	-	-	-	-
	234,556	**6,214,601**	**-**	**(1,680,843)**	**(564,195)**	**-**

8. Revenue

The breakdown of revenue during the six months ended 30 September 2020 and 30 September 2019 is provided below:

	Euros	
	Six-month period ended 30 September 2020	Six-month period ended 30 September 2019 (*)
By business segment		
Land sales	4,340,286	-
Sales of developments	61,868,331	46,772,861
Rendering of services (note 7)	231,705	14,467
Total	**66,440,322**	**46,787,328**

(*) Unaudited

Revenue from the sale of developments, corresponding to the delivery of houses at 20 residential developments, amounted to 61,868,331 euros in the six months ended 30 September 2020 (46,772,861 euros from the delivery of 10 developments during the six months ended 30 September 2019).

9. Remuneration and other benefits provided to the directors, key management personnel and the Group auditor

Changes to the governing bodies

The Parent's shareholders ratified, in general meeting on 9 May 2019, the appointment of Ms. Milagros Méndez Ureña as independent director for the bylaw-stipulated term of three years, thereby filling the vacancy left by the director previously representing Merlin Properties SOCIMI, S.A.

The members of the Board of Directors at 30 September 2020:

- Cristina Álvarez
- Evan Andrew Carruthers
- Eduardo Edmundo D'Alessandro Cishek
- Santiago Fernandez Valbuena
- Emile K. Haddad
- Javier Lapastora Turpín
- David Martínez Montero
- Milagros Méndez Ureña
- Miguel Temboury Redondo

Disclosures regarding director conflicts of interest

Neither the current nor former directors of the Parent transacted with the Company or any of its Group companies other than in the ordinary course of business or other than on an arm's length basis during the six months ended 30 September 2020.

Nor did the members of the Parent's Board of Directors or their related parties, as defined in Spain's Corporate Enterprises Act, relate with other companies whose business activities could represent a conflict of interest for them or the Parent during the six months ended 30 September 2020 on the basis that none of the notices required under article 229 of that Act have been filed with the competent authorities. Accordingly, there are no related disclosures in these interim condensed consolidated financial statements.

Director remuneration and other benefits

The members of the Parent's Board of Directors accrued 816,269 euros of remuneration during the six months ended 30 September 2020 (735,217 euros during the six months ended 30 September 2019).

KMP remuneration and other benefits

The remuneration earned by the Company's key management personnel and professionals performing similar executive duties during the six-month periods ended 30 September 2020 and 30 September 2019:

No. of professionals	Euros				
	Six-month period ended 30 Sept. 2020			Advances	
30 Sept. 2020	Fixed and variable remuneration	Other remuneration	Total	Number	Amount
8	662,099	209,056	871,156	-	-

No. of professionals	Euros			Advances	
	Six-month period ended 30 Sept. 2019 (*)				
30 Sept. 2019	Fixed and variable remuneration	Other remuneration	Total	Number	Amount
8	636,786	259,544	896,330	-	-

(*) Unaudited

The Parent has no pension obligations to its key management personnel nor had it extended these professionals any advances, loans or guarantees, other than as disclosed in note 4j), at 30 September 2020 or 31 March 2020.

Auditor fees

The fees accrued by the Company's auditor, Ernst & Young, S.L., for audit services provided in the six months ended 30 September 2020 and the three-month fiscal year ended 31 March 2020:

	Euros	
	Six-month period ended 30 September 2020	Three-month fiscal year ended 31 March 2020
Audit and related services		
Audit services and limited review	33,350	103,500
Other assurance services	25,000	21,700
Total	**58,350**	**125,200**

10. Risk management

The Group, of which Aedas Homes, S.A. is the Parent (note 1), manages its capital so as to ensure that the Group companies will be able to continue as profitable concerns while maximising shareholder returns by balancing its debt versus equity structure.

Financial risk management is centralised in the Finance Department, which has established the mechanisms it deems advisable for controlling exposure to credit and liquidity risk and, to a lesser extent, interest rate risk.

Credit risk

The Group is not significantly exposed to credit risk as collection of the proceeds from the sale of its developments to customers is secured by the properties sold; in addition, it places its cash surpluses with highly solvent banks in respect of which counterparty risk is not material.

No accounts receivable from Group companies, related parties or third parties were past due at 30 September 2020.

The Group is currently in the process of formulating a policy for managing its potential cash surpluses.

Liquidity risk

The Group determines its liquidity requirements by means of cash forecasts. Those forecasts pinpoint when the Group will need funds and how much and new funding initiatives are planned accordingly.

In order to ensure ongoing liquidity and the ability to service all the payment commitments arising from its business operations, the Group holds the cash balances shown on the balance sheet as well as the credit lines and financing agreements detailed in note 5.

In addition to tapping the general credit markets, the Group has two sector-specific mechanisms for raising financing for its building work: developer loans and customer prepayments. After it acquires its sites, those mechanisms cover all of its financing needs during the construction period.

Developer loans

As outlined in note 5, the Group has arranged 755.05 million euros of developer loans, of which it had drawn down 274.43 million (face value) at the reporting date, leaving an undrawn balance of 480.62 million euros.

The undrawn loans become available for drawn down as the following milestones are met: (i) attainment of a specific volume of sales contracts at each development (a percentage that can change from one development to the next but in all instances exceeds 30%); (ii) execution and invoicing of each development milestone. At 30 September 2020, the progress of the Group's developments qualified it to draw down an additional 39.03 million euros.

Customer prepayments

At 30 September 2020, the Group recognised 186.9 million euros of customer down payments for housing units (pre-sales and private contracts), of which 19.6 million euros correspond to payment commitments set up as direct debits. Those advances are equivalent to roughly 20% of the sale price of the associated units. Unilateral cancellation by the customer is subject to a penalty of 50% of the down payment made.

Although much of the prepayment balance has been used to build the houses, 49.8 million euros has been set aside exclusively for execution of the corresponding developments.

This arrangement implies a liquidity risk insofar as contract termination would trigger the requirement to reimburse 50% of the down payments received. In the last 12 months, customer contract terminations have triggered the obligation to repay 893,673 euros, of which 717,300 euros corresponds to the six-month period ended 30 September 2020.

Elsewhere, the Group has listed a 150 million-euro commercial paper programme on Spain's alternative fixed-income market, the MARF for its acronym in Spanish. The issues outstanding at 30 September 2020 totalled 56.2 million euros. The overriding purpose of the programme is to diversify the Group's sources of financing, providing an alternative to bank credit with terms of up to 24 months. It is also making the fixed-income investor community familiar with the Company in preparation for potentially tapping the capital markets for longer-dated paper in the future. In so far as the commercial paper programme can involve the issuance of debt due within 12 months of the reporting date, the Group analyses it with respect to the sum of (i) developer loans immediately drawable due to invoice milestones and (ii) unrestricted cash. At 30 September 2020, the commercial paper issues falling due within 12 months amounted to just 7.1 million euros. By comparison, at 30 September 2020, the Group had 90 million euros of unrestricted cash and qualified to draw down a further 39.03 million euros of developer loans due to invoices already settled, so that the sum of those two sources of liquidity (129.03 million euros) exceeded current commercial paper maturities by 121.93 million euros.

Note, lastly, that the Group expects to generate net cash from its operating activities, i.e., the development and sale of its developments (factoring in the use of its specific financing mechanisms), such that it foresees considerable headroom in terms of servicing its obligations to financial institutions, suppliers and shareholders.

The Parent's directors believe that these arrangements will be sufficient to cover its cash requirements and those of its subsidiaries going forward. The liquidity function is managed at the Group level, so that the operating companies do not face liquidity shortfalls and can concentrate on pursuing their real estate developments, which are financed using external borrowings, as detailed above.

Market risk: interest rate risk

Although the Group’s cash balances and borrowings both expose it to interest rate risk, and this could have an adverse impact on its net finance costs and cash flows, the Parent's directors have not deemed it opportune to write interest rate hedges.

A 100 basis point movement in interest rates would have increased finance costs by 1,253,653 euros in the six months ended 30 September 2020 (and by 721,754 euros in the six months ended 30 September 2019).

Risks associated with Covid-19

In relation to the risks associated with Covid-19, the Group's directors and management are monitoring developments with respect to the global pandemic constantly with a view to assuredly mitigating any potential impacts, whether financial or non-financial.

The Company is monitoring the status of the relevant risk factors with the aim of correctly assessing the potential impact of the pandemic on AEDAS Homes' financial performance and readying the Company to take appropriate risk mitigation measures. Specifically, it is undertaking an extraordinary review of its corporate risk map in order to identify potential areas of risk in need of reinforced supervision. Those risks relate essentially to sales and access to financing.

The following risk categories have been deemed relevant from the Covid-19 perspective and located in the upper quadrant of the corporate risk map as a result of the assessment carried out by the Company's senior management team:

1. Fall in demand for new-build homes: volatility or external factors that could affect supply and demand in the housing market and could impede delivery of the growth forecasts contained in the Company's business plan. The Covid-19 pandemic has deteriorated Spain's key macroeconomic indicators, a situation that could have an adverse impact on delivery of the Company's business targets.

2. Availability of financing (customers): the risk that AEDAS Homes customers could find it hard to secure the financing needed to purchase homes developed by the Company, potentially impeding delivery of the Company's sales targets and even triggering the cancellation of pre-sales and private sales contracts by the customers faced with such difficulties.

3. Availability of financing (AEDAS Homes): a scarcity of financing opportunities or the existence unpalatable financing terms that would increase its borrowing cost and thereby erode the Company's profitability. More specifically, this risk factor could take the form of the banks imposing harsher terms on the developer loans they extend the Company, which in turn could have an adverse impact on its development margins.

4. Securities market risk: adverse impacts on the Company's market value due to adverse trends in the securities markets or regulatory changes that make it harder to attract or retain investors. For example, the volatility observed in the markets since the onset of the health crisis in March 2020.

5. Liquidity: a shortfall in liquid funds such that it is hard for the Company to meet its payment obligations and commitments on the agreed-upon dates. The Company has taken appropriate cash preservation measures so as to be able to continue to meet its financial obligations.

6. Sales: the introduction of misguided sales policies or inadequate sales management with an adverse impact on sales and the completion of contracts. More specifically, this risk factor could materialise as a result of changes in customer preferences and/or needs due to new habits or customs deriving from the pandemic, e.g., working from home.

The Company is taking the following measures with a view to monitoring and managing the risk factors itemised above:

- Identification of the adequate monitoring indicators
- Establishment of tolerance thresholds that reflect the Company's risk appetite in relation to each risk category
- Regular monitoring of the status of the risk indicators so identified

- Implementation and oversight of action plans designed to mitigate the risk factors

In addition, in early March 2020, the Company activated its Crisis Committee in order to take all the measures needed to guarantee the continuity of its business and the wellbeing of its employees. That Crisis Committee took measures to introduce remote working on a widespread basis and to guarantee the continuity of construction work at its ongoing developments.

The Company plans to continue to take any and all measures deemed necessary to monitoring and managing the risks deriving from the Covid-19 pandemic with the aim of guaranteeing, to the best of its abilities, delivery of its business targets.

In addition, in March 2020, the Group implemented a capital preservation policy designed to safeguard its capital structure, to which end liquidity developments are being constantly monitored across all Group companies. So far, the liquidity indicators have remained consistently satisfactory.

11. Information about reportable segments

The criteria used to assess the Group's reportable segments were the same as those used and described in the consolidated financial statements for the three-month fiscal year ended 31 March 2020.

The Group has defined neither operating nor geographical segments since its business consists exclusively of property development in Spain.

12. Other relevant information

The Group does not have highly-seasonal transactions of material amount.

Nor does it incur significant costs unevenly during the financial year warranting anticipation or deferral for interim reporting purposes.

The items affecting assets, liabilities, equity, net income and cash flows that are unusual because of their nature, size or incidence are duly disclosed in the notes to the accompanying the interim condensed consolidated financial statements. No events or transactions deemed significant to understanding the accompanying interim condensed consolidated financial statements have taken place that have not been disclosed herein. Specifically:

- There have been no significant impairment losses on items of property, plant or equipment or other assets (or reversals thereof) that because of their size or nature warrant detailed disclosures.

- There have been no provisions for restructuring costs (or reversals thereof).

- There have been no significant acquisitions or disposals of items of property, plant and equipment.

- There are no contractual commitments for the purchase of property, plant and equipment, intangible assets or other assets of material amount.

- There have been no changes in contingent liabilities or contingent assets since the date of the last set of annual financial statements. There have been no litigation settlements of material amount.

- There have been no prior-period errors requiring restatement.

- No loans have been defaulted on or loan agreements breached.

Given the business activities performed by the Group, it has no environmental liabilities, expenses, assets, provisions or contingencies that could be material in respect of its equity, financial position or performance. Therefore, no specific disclosures relating to environmental issues are included in these notes to the interim condensed consolidated financial statements.

13. Events after the reporting date

No events have taken place since the end of the reporting period that could have a material impact on the information presented in the interim condensed consolidated financial statements authorised for issue by the directors or that are worthy of disclosure on account of their materiality, other than as disclosed below:

- On 5 October 2020, the Parent settled the equity swap entered into with Goldman Sachs International (note 5f), repurchasing 236,406 shares for 4,999,987 euros.

- The Parent's Board of Directors, at a meeting held on 21 October 2020, resolved, unanimously, on the basis of a recommendation and report from the Appointments and Remuneration Committee, to appoint, by means of co-option, Javier Martínez-Piqueras as independent director, for the bylaw-stipulated term of three years. Javier Martínez-Piqueras will replace Emile K. Haddad, whose tenure had expired (on 27 September 2020). The appointment of Javier Martínez-Piqueras will need to be ratified by the Company's shareholders at the next Annual General Meeting.

- Given the current circumstances induced by the COVID-19 pandemic, the Parent's Board of Directors, at a meeting held on 21 October 2020, has decided to defer the payment of the 0.50-euro-per-share dividend, initially scheduled for November 2020, framed by the capital preservation policy implemented by the Company in response to the pandemic in March in order to safeguard its capital structure. The Company will pay the dividend in full when authorises the appropriation of its profit for the fiscal year ended 31 March 2021, thereby sharing the profit it generates with its shareholders (see note 4i).

- On 23 October 2020, the Parent agreed an addendum to the equity swap agreement entered into with Goldman Sachs on 17 October 2017 to hedge the exposure arising from its obligation to deliver a certain number of shares to employees of AEDAS Homes under the long-term incentive plan (LTIP). As a result of the addendum, the manner of settlement of the equity swap has been changed from cash to shares; it will be settled net, as a function of the price at which Goldman Sachs sells the shares.

- Between 1 October 2020 and the time of writing, the Group arranged mortgages in an aggregate amount of 87,553,124 euros in order to finance 3 developments in progress. Those mortgages carry interest at EURIBOR plus spreads ranging between 185 and 300 basis points.

- At the close of trading on 23 November 2020, the Parent held 2,578,613 shares of treasury stock, representing 5.37% of its capital; they were bought back at an average price of 19.83 euros per share. The number of shares bought back under the Discretionary Programme totals 148,724, representing 0.31% of capital; they were purchased at an average price of 20.33 euros per share. The number bought back under the Repurchase Programme totals 1,009,767 shares, representing 2.10% of capital; they were acquired at an average price of 19.77 euros per share. Lastly, the number of shares bought back via block trades totals 1,420,122 shares, representing 2.96% of capital; those shares were purchased at an average price of 19.83 euros per share.

14. Additional note for English translation

Free translation of interim condensed consolidated financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Appendix I - Subsidiaries included in the scope of consolidation at 30 September 2020

Company	Registered office	Business activity	Shareholding		Shareholder	Auditor	Consolidation method
			30.09.2020				
SPV REOCO 1, S.L.U.	Madrid	Development	100%	Direct	AEDAS HOMES, S.A.	ERNST & YOUNG, S.L.	Full consolidation
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
ESPEBE 18, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
SPV REOCO 15, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
SPV SPAIN 2, S.L.	Madrid	Development	87.5%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
ESPEBE 11, S.L.	Madrid	Development	80%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
FACORNATA SERVICIOS Y GESTIONES, S.L.	Madrid	Development	94.70%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
SERVICIOS INMOBILIARIOS LICANCABUR, S.L.	Madrid	Development	25%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Equity method
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
TURNKEY PROJECTS DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
WINSLARO ITG, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Equity method
EGON ASSET DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
LIVE VIRTUAL TOURS, S.L.U.	Madrid	Audiovisual distribution	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
URBANIA LAMATRA I, S.L.	Madrid	Development	10%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Equity method
URBANIA LAMATRA II, S.L.	Madrid	Development	10%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Equity method
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
PARKER DESARROLLOS INMOBILIARIOS, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation

Subsidiaries included in the scope of consolidation at 31 March 2020

Company	Registered office	Business activity	Shareholding		Shareholder	Auditor	Consolidation method
			31.03.2020				
SPV REOCO 1, S.L.U.	Madrid	Development	100%	Direct	AEDAS HOMES, S.A.	ERNST & YOUNG, S.L.	Full consolidation
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
ESPEBE 18, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
SPV REOCO 15, S.L.	Madrid	Development	80%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
SPV SPAIN 2, S.L.	Madrid	Development	87.5%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
ESPEBE 11, S.L.	Madrid	Development	80%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
FACORNATA SERVICIOS Y GESTIONES, S.L.	Madrid	Development	94.70%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
SERVICIOS INMOBILIARIOS LICANCABUR, S.L.	Madrid	Development	25%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Equity method
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
TURNKEY PROJECTS DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
WINSLARO ITG, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Equity method
EGON ASSET DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
LIVE VIRTUAL TOURS, S.L.U.	Madrid	Audiovisual distribution	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
URBANIA LAMATRA I, S.L.	Madrid	Development	10%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Equity method
URBANIA LAMATRA II, S.L.	Madrid	Development	10%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Equity method
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation
PARKER DESARROLLOS INMOBILIARIOS, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through SPV REOCO 1, S.L.U.	-	Full consolidation

Salient financial information about the directly and indirectly held investees is provided below:

Company	Equity at 30 September 2020 (euros) (*)							
	Capital	Share premium	Reserves	Retained earnings	Profit/(loss) for the period	Other owner contributions	(Interim dividend)	Total equity
SPV REOCO 1, S.L.U.	44,807,030	403,236,299	(321,618,002)	(4,801,688)	(13,306,438)	61,533,015	-	169,850,216
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	3,010	-	(353)	(4,763,598)	(701,551)	8,000,000	-	2,537,508
ESPEBE 18, S.L.U.	3,000	-	142	(1,431,013)	(1,906)	1,540,000	-	110,223
SPV REOCO 15, S.L.U.	3,000	-	(323,755)	(889,167)	(97,589)	2,555,125	-	1,247,614
SPV SPAIN 2, S.L.	100,000	978,848	8,204,620	-	(96,768)	4,124,175	-	13,310,875
ESPEBE 11, S.L.	3,000	-	1,126,446	(3,271)	(25,187)	-	-	1,100,988
FACORNATA SERVICIOS Y GESTIONES, S.L.	3,010	-	470,079	(5,242)	(12,489)	-	-	455,358
SERVICIOS INMOBILIARIOS LICANCABUR, S.L.	3,000	-	(215)	(282,206)	(377,334)	7,615,099	-	6,958,344
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	3,255,768	1,443,152	(3,520)	(357,085)	(116,259)	1,500	-	4,223,556
TURNKEY PROJECTS DEVELOPMENT, S.L.U.	3,000	-	(1,264)	(3,695)	(94,803)	264,600	-	167,838
WINSLARO ITG, S.L.	3,000	-	(371)	(218,076)	(224,239)	4,301,500	-	3,861,814
EGON ASSET DEVELOPMENT, S.L.U.	3,000	-	(1,404)	(2,037)	(4,172)	162,400	-	157,786
LIVE VIRTUAL TOURS, S.L.U.	3,000	-	258	-	(18,947)	56,000	-	40,311
URBANIA LAMATRA I, S.L.	3,000	-	(292)	(431,328)	(195,742)	3,031,350	-	2,406,988
URBANIA LAMATRA II, S.L.	3,000	-	(333)	(480,058)	(1.329,530)	9,773,900	-	7,966,979
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	3,000	-	(1,575)	-	78	-	-	1,503
PARKER DESARROLLOS INMOBILIARIOS, S.L.U.	3,000	-	(1,582)	-	391	-	-	1,809

Company	Equity at 31 March 2020 (euros) (*)							
	Capital	Share premium	Reserves	Retained earnings	Profit/(loss) for the period	Other owner contributions	(Interim dividend)	Total equity
SPV REOCO 1, S.L.U.	44,807,030	403,236,299	(321,618,002)	(4,738,831)	(62,857)	61,533,015	-	183,156,654
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	3,010	-	(353)	(4,418,627)	(344,972)	8,000,000	-	3,239,058
ESPEBE 18, S.L.U.	3,000	-	142	(1,429,894)	(1,119)	1,540,000	-	112,129
SPV REOCO 15, S.L.	3,000	-	(344)	(840,745.66)	(48,421)	2,555,125	-	1,668,614
SPV SPAIN 2, S.L.	100,000	978,848	6,885,817	-	1,318,803	4,124,175	-	13,407,643
ESPEBE 11, S.L.	3,000	-	1,126,446	-	(3,271)	-	-	1,126,175
FACORNATA SERVICIOS Y GESTIONES, S.L.	3,010	-	470,079	-	(5,242)	-	-	467,847
SERVICIOS INMOBILIARIOS LICANCABUR, S.L.	3,000	-	(215)	(282,206)	(118,926)	6,215,750	-	5,817,403
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	3,255,768	1,443,152	(235)	(137,774)	(219,311)	1,500	-	4,343,100
TURNKEY PROJECTS DEVELOPMENT, S.L.U.	3,000	-	(1,264)	(725)	(2,971)	264,600	-	262,640
WINSLARO ITG, S.L.	3,000	-	(371)	(218,076)	(68,916)	3,303,500	-	3,019,137
EGON ASSET DEVELOPMENT, S.L.U.	3,000	-	(1,405)	-	(2,037)	162,400	-	161,958
LIVE VIRTUAL TOURS, S.L.U.	3,000	-	(1,082)	-	1,341	56,000	-	59,259
URBANIA LAMATRA I, S.L.	3,000	-	(292)	(433,564)	(79,021)	2,969,050	-	2,459,173
URBANIA LAMATRA II, S.L.	3,000	-	(333)	(563,637)	(327,130)	6,930,750	-	6,042,650
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	3,000	-	-	-	-	-	-	3,000
PARKER DESARROLLOS INMOBILIARIOS, S.L.U.	3,000	-	-	-	-	-	-	3,000

(*) Unaudited figures, except for the annual financial statements for the three-month fiscal year ended 31 March 2020 of SPV REOCO 1, S.L.U., which were audited by ERNST & YOUNG, S.L.

Appendix II - List of non-Group companies that hold an equity interest in any of the fully-consolidated subsidiaries of 10% or more at 30 September 2020

Company invested in	Shareholder	Ownership interest, %
SPV SPAIN 2, S.L.	PROMOCIONES Y PROPIEDADES INMOBILIARIAS ESPACIO, S.L	12.50%
ESPEBE 11, S.L.	PROMOCIONES Y PROPIEDADES INMOBILIARIAS ESPACIO, S.L.	20%
WINSLARO ITG, S.L.	REOCO MIRADOLA, S.L.	80%
SERVICIOS INMOBILIARIOS LICANCABUR, S.L.	REOCO MIRADOLA, S.L.	75%
URBANIA LAMATRA I, S.L.	URBANIA LAMATRA II, S.L.	90%
URBANIA LAMATRA II, S.L.	URBANIA LAMATRA II, S.L.	90%

List of non-Group companies that hold an equity interest in any of the fully-consolidated subsidiaries of 10% or more at 31 March 2020

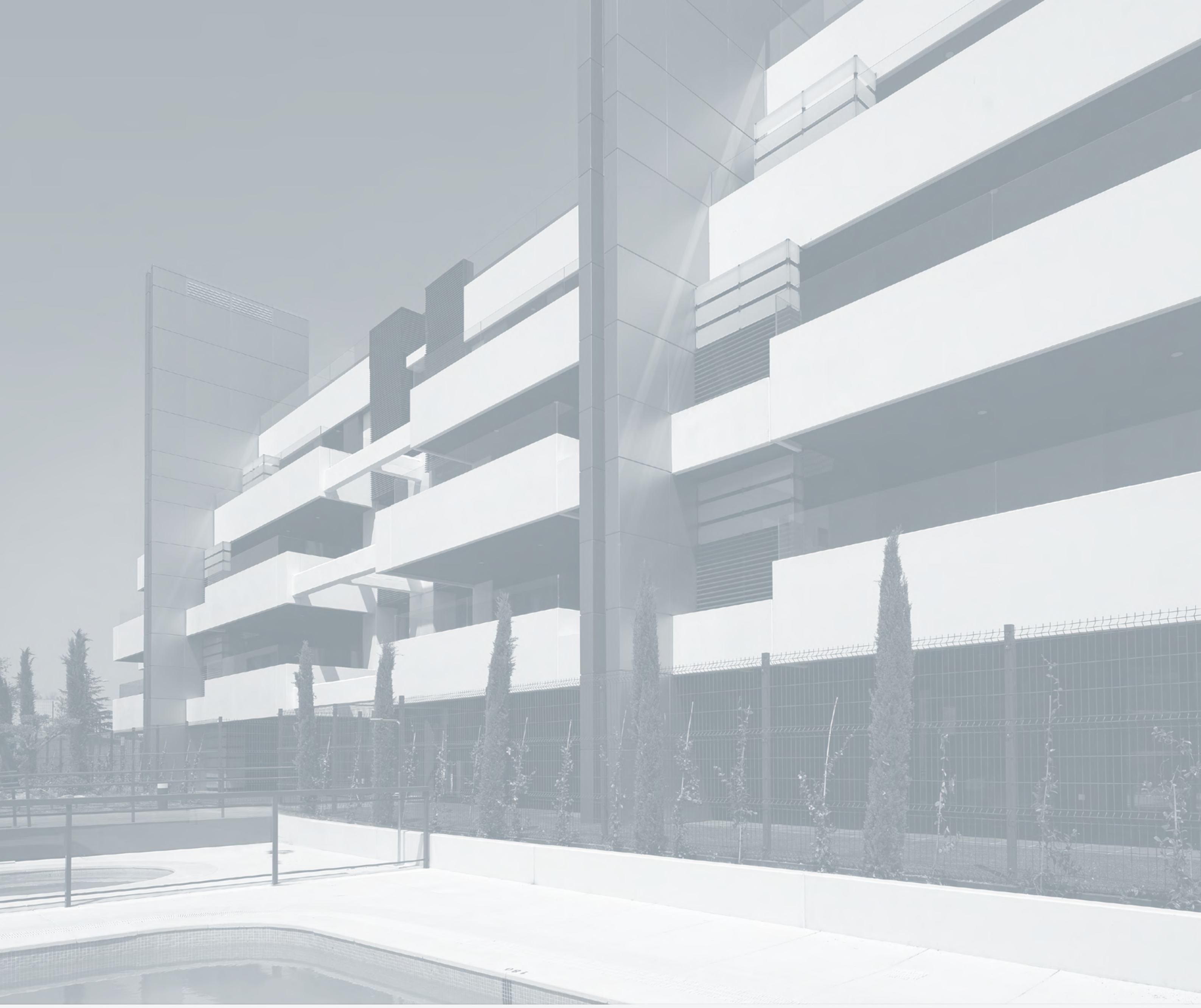
Company invested in	Shareholder	Ownership interest, %
SPV SPAIN 2, S.L.	PROMOCIONES Y PROPIEDADES INMOBILIARIAS ESPACIO, S.L	12.50%
SPV REOCO 15, S.L.	PROMOCIONES Y PROPIEDADES INMOBILIARIAS ESPACIO, S.L.	20%
ESPEBE 11, S.L.	PROMOCIONES Y PROPIEDADES INMOBILIARIAS ESPACIO, S.L.	20%
WINSLARO ITG, S.L.	REOCO MIRADOLA, S.L.	80%
SERVICIOS INMOBILIARIOS LICANCABUR, S.L.	REOCO MIRADOLA, S.L.	75%
URBANIA LAMATRA I, S.L.	URBANIA LAMATRA II, S.L.	90%
URBANIA LAMATRA II, S.L.	URBANIA LAMATRA II, S.L.	90%

Terrazas de los Fresnos I
(Boadilla del Monte)

Consolidated management report
1H 2020-21

AEDAS HOMES

24 November 2020



Disclaimer

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This Report does not constitute part of nor should be construed as an offer to sell or the solicitation of an offer to buy securities of the Company in any jurisdiction. No investment agreement or decision should be based on this Report, on any part thereof or on the fact of its distribution. Any decision to purchase the securities of the Company should be based solely on an analysis by each investor of all of the information in the public domain and his or her assessment of the implicit risks and the suitability of such an investment.

This Report should not be relied upon as a basis for an investment decision.

This document is a translation of a report originally issued in Spanish. In case of any discrepancy, the Spanish-language version will prevail.

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Snapshot

Revenue +41%

€66.2m

Apr-Sept 2019: €46.8m

Gross margin +45%

24.4%

Apr-Sept 2019: 23.7%

EBITDA +72%

€(2.3)m

Apr-Sept 2019: €(8.3)m

Cash +3.67%

€141.2m

(€ 90.1m unrestricted)

31 Mar. 2020: €136.2m
(€86.1m unrestricted)

LTV +64%

21.8%

31 Mar. 2020: 13.3%

NAV/share -3%

€33.73

31 Dec. 2019: €34.78

Orderbook +12%

3,263 units/ €1.09bn

31 Mar. 2020: 2,911 units/ €964m

Homes under construction +11%

4,164

Sept. 2019: 3,752

Message from the CEO

Foreword

The first half of the fiscal year ending 31 March 2021 ("FY 2020-21"), particularly the second quarter (from July to September 2020) was marked by the renewal of sales activity in the wake of the lifting of most of the measures introduced to stem the transmission of the Covid-19 virus. In the aftermath of the lockdown, AEDAS Homes sustained a strong recovery in requests for information about its products. Indeed, commercial leads hit record levels in June 2020.

"In the aftermath of the lockdown, AEDAS Homes sustained a strong recovery in requests for information about its products. Indeed, commercial leads hit record levels in June 2020".

During the second quarter as a whole, requests for information increased by 63% year-on-year, and the number of first-time in-person visits to our sales outlets jumped 44%. That increase in appetite for new homes was unquestionably shaped by the release of the pent-up demand accumulated during the lockdown, but also reflects the advent of a new source of demand for which the virus has been the catalyst by prompting certain home owners to switch their current residences for larger houses or houses with additional amenities.

In terms of sales, in July, August and September 2020, the Company pre-sold 396 new homes for €139.7m, evidencing a strong rebound following the months of lockdown. As a result, it recognised 523 pre-sales worth €186.7m in total in the first half of its fiscal year.

"The Company has been sustaining a strong recovery in sales since June".

On the delivery front, between 1 April and 30 September, AEDAS Homes delivered 171 homes. Note, however, that most of the deliveries contemplated for FY 2020-21 are concentrated in the second half (October 2020 to March 2021).

Also during the first half, the Company launched 652 homes so that it had 6,106 homes on the market at the September close (a figure that excludes those already delivered), 53% of which are pre-sold. During the reporting period, the Company began building 615 homes, to leave the following snapshot at the close: a total of 4,164 houses under construction, 885 completed houses that were pending occupancy permits and 172 completed with occupancy permits.

David Martínez,
Chief Executive Officer.

As a result, at 30 September 2020, the Company had strong visibility into its ability to meet its deliveries guidance for FY 2020-21 and FY 2021-22. More specifically, as of the reporting date, it had sold 95% of the units it expects to deliver to customers in FY 2020-21 and 56% of those scheduled for delivery in FY 2021-22. In revenue terms, the Company's orderbook (3,263 homes, 84% under sales contract) is worth €1.09bn.

The Company's land bank currently encompasses 15,722 homes (net of the units already delivered this year). The Group's property portfolio was appraised by Savills Aguirre Newman Valoraciones y Tasaciones, S.A. as of 30 September 2020, an exercise that yielded a GAV of €2.16bn, up 10% from the last appraisal, dated December 2019, and a NAV of €33.73 per share, down 3% from December 2019.

The Company boasts a very well-diversified financing structure, such that its financial risks are not concentrated. It is worth noting that on 1 July 2020, the Company refinanced its €150m loan from Citibank, Deutsche Bank, Goldman Sachs, Liberbank and EBN due August 2020. The new financing was arranged on terms similar to the refinanced facility but the maturity date has been extended by two years to 6 August 2022.

With respect to the AEDAS HOMES 2020 Commercial Paper Notes Program, on 7 September 2020, ratings agency AXESOR RISK MANAGEMENT S.L.U. assigned the programme a BBB rating. Note, further, that the programme was brought under the scope of the MARF ICO COVID listed commercial paper state guarantee scheme in August. The Company issued €34.1m of 24-month commercial paper under that programme in September, the longest-dated paper issued by the Company to date. Seventy per cent of that paper is guaranteed by Spain's official credit institute, the ICO. That issue has extended the average term of maturity of the Company's commercial paper from six to 15 months. At 30 September 2020, the Company had €56.2m of outstanding commercial paper.

AEDAS Homes closed the first half with a very solid financial position: inventories of €1.54bn (up 14% during the six-month period); unrestricted cash of €90.1m and a LTV ratio of 21.8%.

"The Company has strong visibility into its ability to meet its deliveries guidance for FY 2020-21 and FY 2021-22".

Market outlook

The residential property market has been affected by the pandemic, with home purchase volumes declining 32% year-on-year[1], however, that the second-hand housing market has been affected more significantly (-34%) than the new-build segment (-20%), which has been recovering healthily since June. Indeed, new houses currently account for 19% of total residential transactions in Spain, whereas historically they have tended to represent around 10% of the market.

According to a report issued by IMIE TINSA for the third quarter of 2020, average house prices in Spain had declined a slight 0.4% year-on-year, implying a correction of 1.6% with respect to the first quarter of 2020, the pre-Covid reference date. Despite the correction, average house prices remain 13.7% above their lows

1 INE, 31 July 2020

and 33.6% below their highs. That price correction was driven by the relatively greater slump in demand in the second-hand housing market. AEDAS Homes managed to defend its existing prices thanks to the fact that its developments are located in the regions experiencing strongest demand.

Economic activity recovered in Spain during the third quarter of 2020, mitigating the correction observed during the months of lockdown. The monetary policies rolled out have managed to largely offset the effects of the months of low activity, curbing the ramifications of the severe contraction sustained. The lifting of many of the lockdown measures has led to a rapid, albeit partial, recovery in economic activity.

"Although home purchase volumes declined 32% year-on-year, the second-hand housing market has been affected more significantly (-34%) than the new-build segment (-20%), which has been recovering strongly since June".

Strategy

AEDAS Homes continues to invest in Spain's most dynamic new housing markets. It has increased its footprint in the provinces that are emerging as hot spots in the market, in which demand exceeds supply, with small-scale yet high-end developments. The size of its land bank gives it visibility for more than three years, enabling the Company to pursue a selective investment policy, framed by a net development margin hurdle of at least 20%.

The growth in the home rental segment represents a major opportunity for the Company to expand its market reach. Many institutional investors are building positions in the segment, expanding their portfolios, a trend that is affording the Company, in its capacity as developer, the chance to provide them with turnkey solutions for buildings to be earmarked for rent.

"The growth in the home rental segment represents a major opportunity for the Company". "Many institutional investors are building positions in the segment, expanding their portfolios, which is affording the Company, in its capacity as developer, the change to provide them with turnkey solutions for buildings to be earmarked for rent".

This trend of block sales of turnkey-developed complexes to institutional investors could contribute to delivery of the Company's business targets at a time in which sales, despite staging a significant recovery since May 2020, have yet to return to pre-Covid levels.

The construction industry is a cornerstone of the home development sector, representing roughly 50% of the capital a developer has to put up to complete a residential development.

At present the construction industry (most particularly the building segment) is suffering serious endemic problems shaped by a number of factors: ageing of the working population; lack of skilled workers; low margins; scant investment in R&D; inefficiencies, etc. That situation, which is particularly hard to resolve in the current circumstances, could cause delays in execution timeframes, a reduction in quality and uncertainty regarding costs. All of which has a major impact on the Company's visibility into its returns and cash flows.

Keenly aware of that situation and the risk it poses, AEDAS Homes is spearheading the introduction of Modern Methods of Construction (MMC) in an effort to reduce prevailing risks and provide greater visibility, quality and certainty with regard to delivery of our homes to our customers.

Moreover, the MMC thrust will allow us to shorten execution times with the attendant favourable impact on our returns, as well as the economic footprint of our business activities.

Present in Spain's most dynamic housing markets
Home rental segment: a major opportunity
Implementation of Modern Methods of Construction (MMC)

"AEDAS Homes is spearheading the introduction of Modern Methods of Construction (MMC) in an effort to reduce prevailing risks and provide greater visibility, quality and certainty with regard to delivery of our homes to our customers".

Merian development, Torrejón de Ardoz.
100% industrialised development.

Who we are

Business model

AEDAS Homes is a home developer focused exclusively on the high end of the new-build market. Its shares are listed on the Spanish stock exchange. The Company is seen as a benchmark player in the homebuilding sector in Spain.

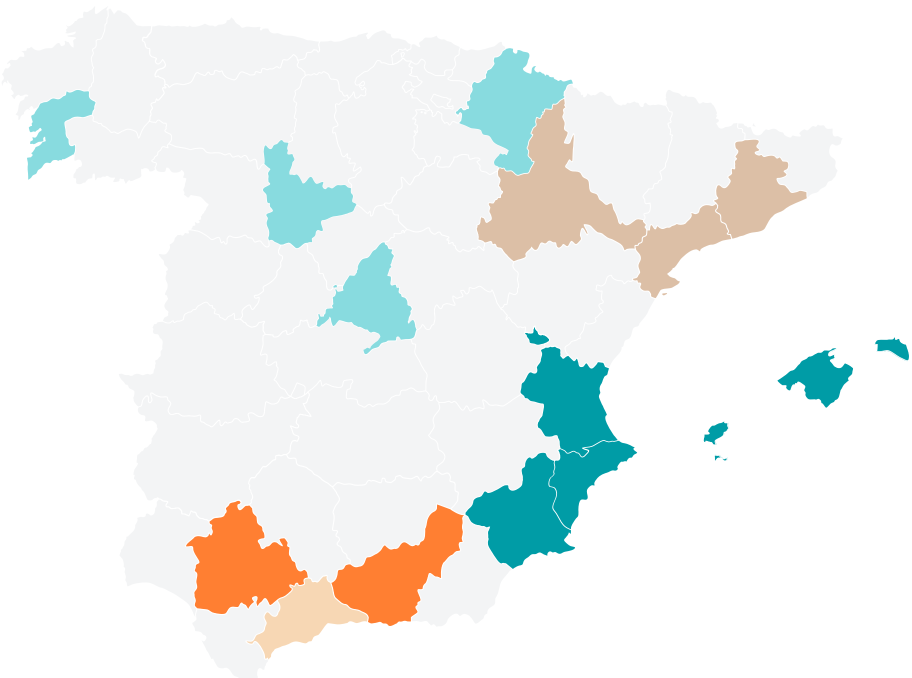
It develops sites it owns that are carefully selected for their location and other key screening criteria pinpointed to enable it to tap into pockets of demand.

Its land bank is unrivalled quality-wise, comprising owned sites with development potential of >15,700 homes.

The Company boasts a highly-regarded team of professionals with deep experience in the residential development sector.

AEDAS Homes is present in the most dynamic new home developments markets in Spain. Its business model is decentralised and scalable, with all the key activities performed in-house.

Decentralised and scalable business model



15,722* homes

CENTRE	32%
Madrid	4,617 homes
Valladolid	270 homes
Navarre (Pamplona)	92 homes
Pontevedra (Vigo, Sanjenjo)	103 homes
ANDALUSIA	17%
Seville	1,831 homes
Granada	836 homes
COSTA DEL SOL	17%
Malaga city	547 homes
Costa del Sol	2,116 homes
CATALONIA & ARAGON	12%
Barcelona	1,418 homes
Tarragona	221 homes
Zaragoza	197 homes
EAST	22%
Alicante	2,003 homes
Valencia	974 homes
Mallorca	306 homes
Murcia	190 homes

* Land bank at 31 March 2020 (15,542) + Investments (+422) – Disposals (-135) – Deliveries (-171) + Period adjustments (+64) = Land bank at 30 September 2020 (15,722)

The Company invests in land zoned for residential use on which it builds housing developments targeted at the middle and upper-middle segments of the market. The local teams, assigned to the Company's five regional departments, which cover the provinces presenting more buoyant demand for new housing, are tasked with identifying investment opportunities, while the due diligence and negotiation processes are centralised.

AEDAS Homes, driven by its duty to create value, has delivered 1,418 homes worth €495m since it set up in the business. It continues to ramp up operations with a view to delivering 3,000 homes a year from FY 2022-23. As of 30 September 2020, it had 6,106 homes on the market, 4,164 under construction, 885 completed and pending occupancy permits and 172 completed with occupancy permits. The development effort translates into an orderbook of 3,263 homes worth revenue of €1.09bn, giving it significant visibility into its ability to meet guidance for the coming years.

Humbold (Vilanova i la Geltrú)

AEDAS Homes' way of doing things

	Customer orientation
Customer-centred marketing	> In-depth market studies for optimal product definition
	> Innovative use of technology
	Unique strategy, decentralised execution
Decentralised approach	> Highly-experienced regional in-house teams with key local market know-how
	> Centralised oversight
	Nimble and flexible organisational structure
Scalable business model	> The essential functions are kept in-house relying on lean and scalable teams and processes
	> Contractors, architects and sales agents are outsourced
	Prudent bottom-up approach to development
Focus on preserving margins and ROCE	> Risk control throughout investment/project management
	> Ongoing capital structure optimisation
	> Responsibility: remuneration tied to performance

AEDAS Homes boasts the following certificates (more information later in this report) which are a testament to its commitment to excellence. It also passed its regimented occupational health and safety audit satisfactorily on 20 July 2020:

> **ISO 9001: 2015** > **ISO 14001:2015** > **ISO 45001:2018**

Team. Executive Committee

David Martínez
Chief Executive Officer

A civil engineering graduate from Madrid's Polytechnic University, David also holds an Executive MBA from IESE.
He boasts over 25 years' experience in the real estate sector, having worked at Ferrovial, Bovis Lend Lease and Valdebebas. He has headed up landmark real estate transactions such as Madrid's four new skyscrapers (the Cuatro Torres) and the Chamartín development, similarly in Madrid. He is a member of the Spanish Council of the Urban Land Institute and he teaches at IE Business School. He has been spearheading the incorporation and creation of AEDAS from the outset in 2016.

Sergio Gálvez
Managing Director of Strategy, Investment and Alternative Developments

An industrial engineering graduate from ICAI. Sergio has more than 20 years' experience in real estate in Spain, having worked at firms such as Crevare and Hansa Urbana. He began his career in strategic consulting, specifically in Arthur Andersen's real estate division. He joined AEDAS Homes as Director of Business Development in 2016 and in 2017 he was named Chief Investment Officer. In 2019, he was named Managing Director of Strategy, Investment and Alternative Developments.

María José Leal
Chief Financial Officer

A business administration graduate from CUNEF, María José has also completed IESE's executive management programme. She has extensive experience at fast-growing, listed multinational enterprises. Most recently, she has worked as Deputy CFO at the high-profile listed companies AENA and PROSEGUR. She was named CFO of AEDAS Homes in November 2018.

Alberto Delgado
Managing Director of Business Development

A civil engineering graduate from Madrid's Polytechnic University. Alberto has over 20 years' experience in the real estate sector. He began his career in ACS's residential construction division. He was then hired by Vallehermoso, where he worked in the operations and finance departments in Catalonia and Madrid for over a decade. He joined AEDAS Homes in 2016 and was its COO from 2017. In 2019 he was named Managing Director of Business Development in 2019.

Team. Executive Committee

Javier Sánchez
Director of Innovation and Branding

A dual-degree business and law graduate from ICADE. Javier has built his career in the technology, marketing, communication and innovation areas. He participated in the development of telecommunications and internet companies such as Vodafone and Orange and has founded a number of technology and audiovisual communication firms, including Vértice 360. Before joining AEDAS Homes, Javier worked as Director of Marketing and Innovation at Dospuntos, a property developer. Javier stands out for his expertise in real estate brand-building, digital marketing and customer journeys.

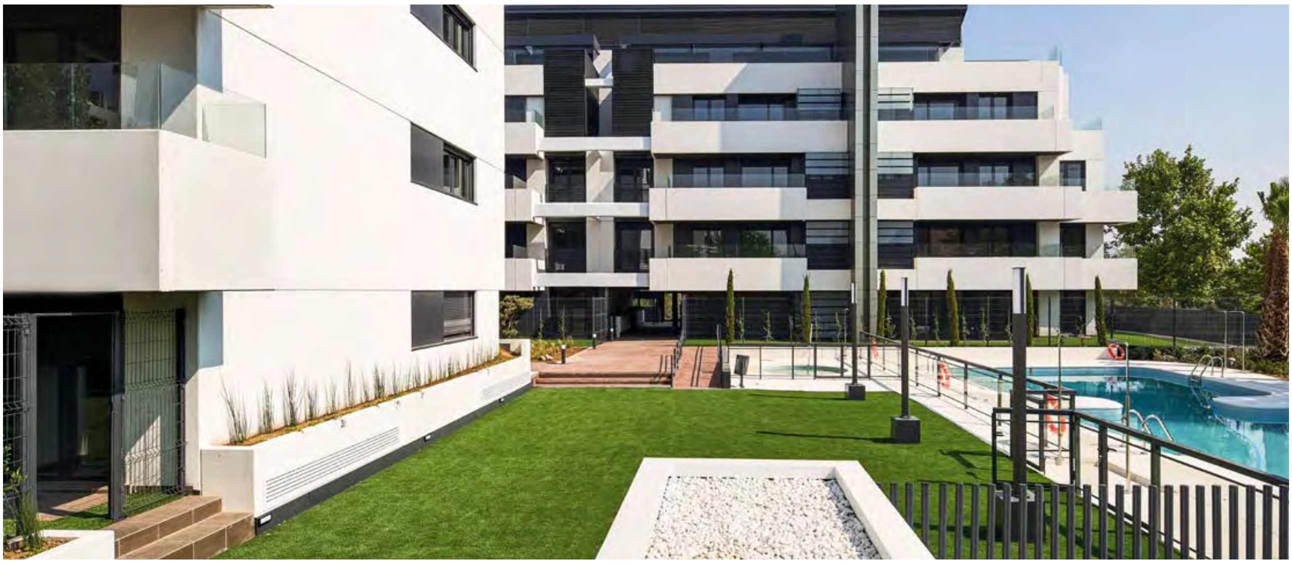
Esther Duarte
Director of Corporate Resources

Esther's academic qualifications include a diploma in educational sciences, Garrigues' executive programme in labour relations and ESADE's executive development programme in human resource management. She boasts more than 20 years' experience in human resource management at real estate and construction firms such as Ferrovial Inmobiliaria and Grupo Aldesa. Esther joined AEDAS Homes in 2017.

Luis Vega
Director of Legal Advisory

A law graduate (specialised in business law) from IES CEU San Pablo, Luis also holds a Master's in Town Planning from the CEU San Pablo Business School. Luis completed IESE's Management Development Programme in 2011. Luis brings more than 23 years' experience and expertise in property and planning law, restructurings and business and finance law and a track record as company counsel. He has served on the executive committees and as board secretary of several companies in the property development, property management and energy and construction sectors, including Grupo Aldesa, Gmp Sociedad de Inversiones Inmobiliarias, Grupo Empresarial Pinar, Ferrovial Inmobiliaria, Freshfields Bruckhaus Deringer and Iberforo. Luis has been serving as AEDAS Homes' Legal Director and Vice-Secretary of the Board since 2020.

Terrazas de los Fresnos I
(Boadilla del Monte)



Team. Regional Branches

Pablo Alonso
Director of Central Region

A law graduate from León University, Pablo also holds an LLM in Business Law from Navarra University. He has been working in the sector for 23 years. Before joining AEDAS Homes, he worked at sector players such as Testa, Vallehermoso and Grupo Prosacyr Ocio.

David Gómez
Director of Catalonia & Aragon

A civil engineering graduate from the Catalan Polytechnic University, David also holds an MBA from ESADE. He has been working in the real estate sector for more than 20 years. He has held executive positions in the residential development segment at different Spanish companies including Banco Sabadell, Solvia and Vallehermoso.

Diego Chacón
Director of Andalusia

A civil engineering graduate from Granada University, Diego also holds an MBA from EOI. He has been working in the sector for 17 years. Before joining AEDAS Homes, he worked at Hansa Urbana.

Juan López
Director of East

A technical architect (Alicante University), Juan also holds a Master's in Workplace Safety from Fundesem Business School. Juan has extensive experience in real estate, having worked at Solvia and Hansa Urbana prior to joining AEDAS Homes.

José Ignacio Fernández
Director of Costa del Sol

A law graduate from Seville University. He also holds an MBA from the San Telmo International Institute in Seville, a Master's in Town Planning and Management from Madrid's Carlos III University and a Master's in Town Planning and Design from the Seville School of Architecture, where he is currently pursuing a PhD in Town Planning. He brings 19 years' experience at firms such as Martinsa-Fadesa and Galia Grupo Inmobiliario and has also worked in the town planning department of Seville's City Hall.

Turning to its team of professionals, AEDAS Homes fosters fair hiring practices in terms of gender, age, country and job qualifications.

At 30 September 2020, the Group companies employed 233 people, one of whom presents a disability of a severity of over 33%.

The table below presents the employee breakdown by gender and qualifications at 30 September 2020:

	30 Sept. 2020			31 Mar. 2020		
	Women	Men	Total	Women	Men	Total
Graduates	74	77	151	76	78	154
Diploma holders	19	25	44	18	26	44
Other	22	16	38	21	15	36
Total	**115**	**118**	**233**	**115**	**119**	**234**

At the September 2020 close, it had 233 direct employees and was indirectly providing work to more than 3,800 people at suppliers, including contractors, sales and marketing agencies and architect firms.

New Folies (Andratx).

Housing market indicators

Demographic trends have a considerable effect on the new housing market.

According to the national statistics office (the INE), in January 2020, Spain had a total population of over 47 million, more than 5 million of whom were foreign residents. Spain's population grew by 0.8% in 2019. With the birth rate declining (7.60 per 1,000 in 2019), population growth is being driven primarily by immigration, as well as growth in life expectancy, currently at over 83 years of age.

Against that backdrop of low population growth, it is important for a homebuilder to monitor migratory movements within the country. The trend of exodus from rural areas to the major cities is fostering the development of new homes in recipient markets whose economic buoyancy is drawing new settlers such that certain provinces' populations are registering growth that is well above the national average.

The regional population growth forecasts drawn up by the statistics office for 2020-2035 facilitates the distinction between areas set to receive new inhabitants from those that are not.

Population forecasts by Spanish region, 2020-2035

Madrid	614,049
Catalonia	414,061
Canary Islands	188,272
Balearic Islands	179,921
Valencia	152,724
Murcia	91,512
Andalusia	41,495
Navarre	29,802
Melilla	701
La Rioja	-922
Ceuta	-3,238
Aragon	-11,552
Cantabria	-31,013
Basque region	-37,408
Castile La Mancha	-66,756
Extremadura	-88,404
Asturias	-101,436
Galicia	-178,257
Castile & Leon	-239,054

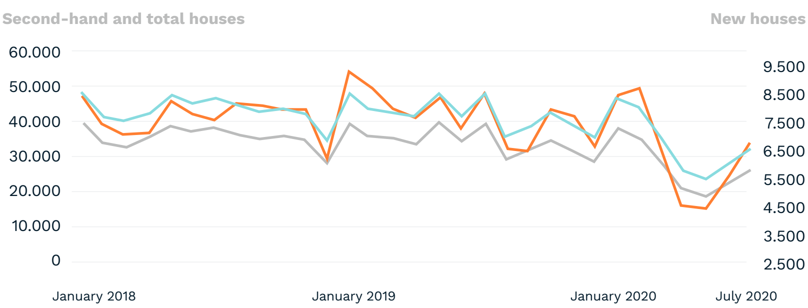
Source: INE

The estimated number of new homes needed to meet the needs of this migrant population plus these dynamic towns' own local demand, assuming an average of 2.4 inhabitants per household, points to around 50,000 new households per annum.

According to the new housing transaction figures for Spain between March and July 2020 (again as published by the INE), 63% of the total is concentrated in the 14 provinces in which AEDAS Homes is currently developing new homes.

Madrid and Catalonia, where over 40% of AEDAS Homes' portfolio is concentrated, are projected to create 28,000 new households per annum between now and 2035

Total house purchases, new and second-hand



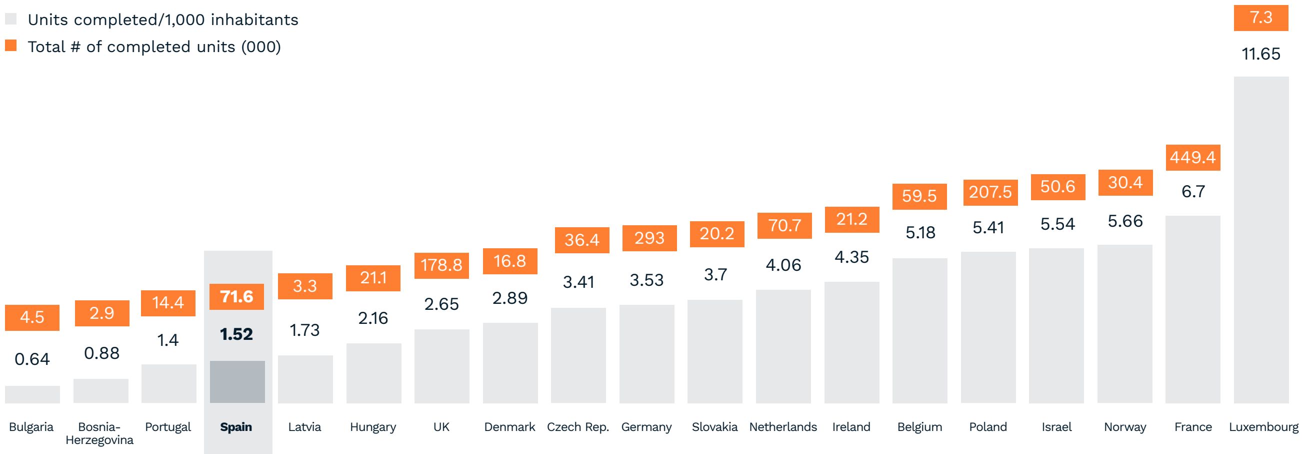
Second-hand houses
Total house transactions
New houses

Source: INE

On the supply side, by comparison with other countries, the statistics show that the number of new houses completed per 1,000 inhabitants (1.52) in 2019 is significantly lower than that of neighbouring countries with similar demographics.

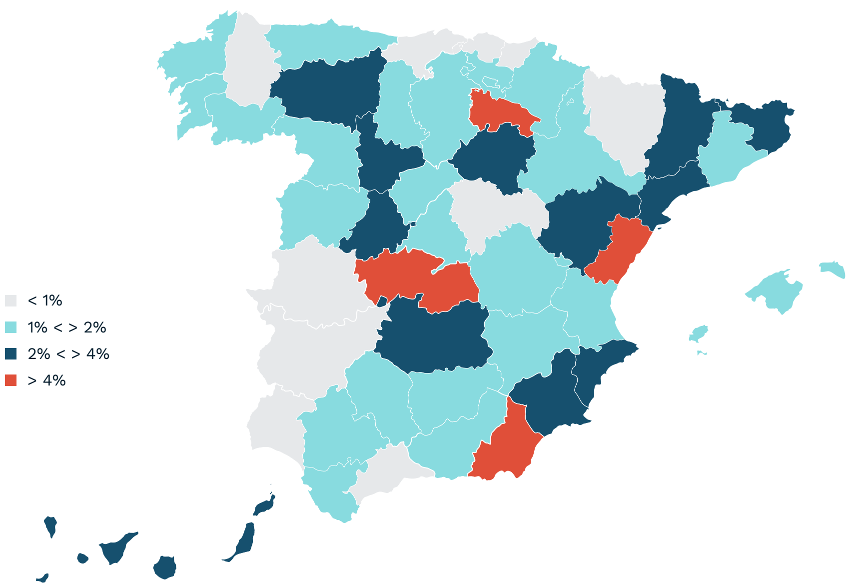
Elsewhere, according to Spain's Ministry of Transport, Mobility and Urban Agenda, the stock of unsold housing left over from the last cycle stood at c.457,000 homes at the end of 2019, down a slight 3,000 during the year. The slow pace of turnover in that stock indicates that most of that product is characterised by obsolete designs, located in markets in low demand, such that it can be considered residual.

Units completed by country, 2019



Source: Deloitte

Breakdown of the stock of unsold housing by province, 2019



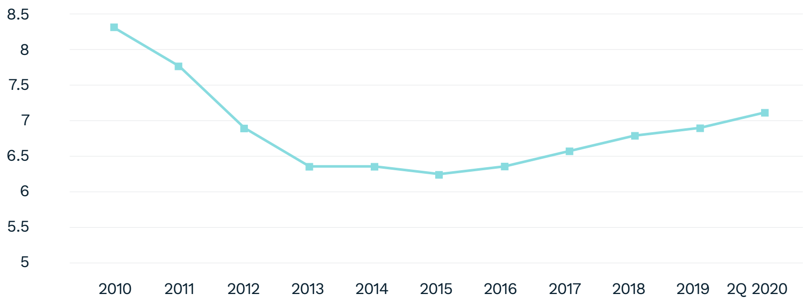
Source: Bankia

The nationwide stock of unsold housing represents 1.8% of the total housing stock

Until the end of February, demand for new housing was proving stable, underpinned by a healthy low-rate mortgage market, low household borrowing levels and a well-capitalised financial system. This crisis generated by the Covid-19 virus is exogenous to the sector such that its resolution is bound to be different from that of the last financial crisis, when certain indicators signalled market overheating; today, those same indicators are at healthy levels, far from those reached during the last bubble.

In the last financial crisis, certain indicators signalled market overheating; today, those same indicators are at healthy levels, far from those reached during the last bubble

Affordability (years): house prices/gross annual income per household



Source: Bank of Spain

Dampier (El Masnou)

Business performance

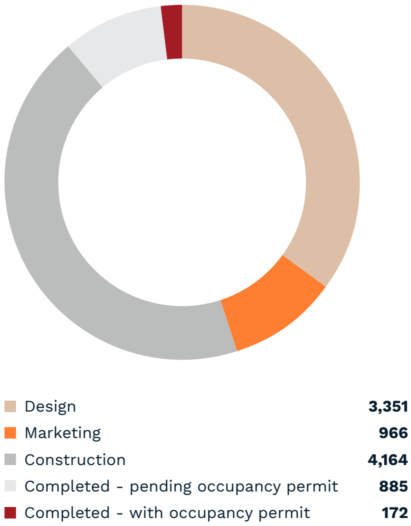
Homes under development

Homes are considered under development from when they enter the design phase until their delivery.

At 30 September 2020, of the more than 15,700 homes comprising its land bank, the Company had a total of 9,538 homes under development, year-on-year growth of 6.57%.

The breakdown of that development pipeline by phase of development is as follows: 35% at the design stage; 10% in the marketing phase; 44% under construction; 9% finished and pending occupancy permits and 2% completed with occupancy permits.

Classification of homes under development



9,538
homes
under development

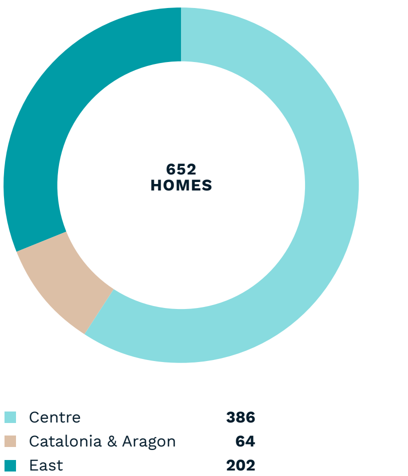
Launches

Housing units are considered launched once marketing is underway, i.e., they are classified as 'launched' subsequent to the design phase, once they are put up for sale.

During 1H 2020-21, the Company launched 11 residential developments encompassing 652 units in total. That marks a year-on-year decline of 47% in the number of developments launched and of 56% in the number of units launched, shaped notably by the postponement of new launches as a result of the lockdown measures taken to halt transmission of COVID-19, which forced the temporary closure of the Company's sales offices in mid-March. The offices reopened on 6 May.

In the wake of the postponements concentrated in April and May, launches recovered significantly in the second quarter. The current forecasts call for the launch of 1,607 units in the remainder of 2020 (3Q 2020-21) and 804 in the first three months of 2021 (4Q 2020-21).

Geographic breakdown



The GDV of the 652 units launched in the first half half of FY 2020-21 is €232.5m, implying an average sales price per unit launched of €357,000 (a figure that could foreseeably rise as the percentage sold increases).

As for the breakdown of those launches by region, 386 units were launched in the Central region; 64 units in Catalonia & Aragon; and 202 in the Eastern region; there were no new launches on the Costa del Sol or in Andalusia.

Translated into revenue potential, the 1H 2020-21 launches are worth €232.5m. Of that sum, 62% correspond to the Central region; 8% to Catalonia & Aragon; and 30% to the Eastern region.

Percentage-wise, 59% of the units launched in the first half of FY 2020-21 were launched in the Central region; 10% in Catalonia & Aragon; and 31% in the Eastern region.

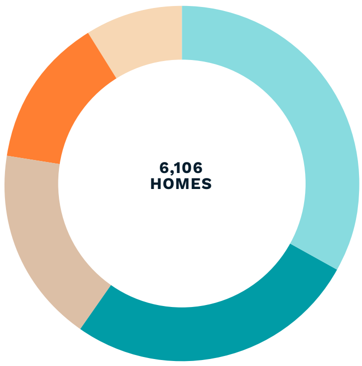
At 30 September 2020, the number of homes on the market (a figure that excludes the homes already delivered) totalled 6,106, 53% of which have been pre-sold.

6,106
homes
on the market

53%
sold

€351,000
average
house sales
price

Total homes on the market

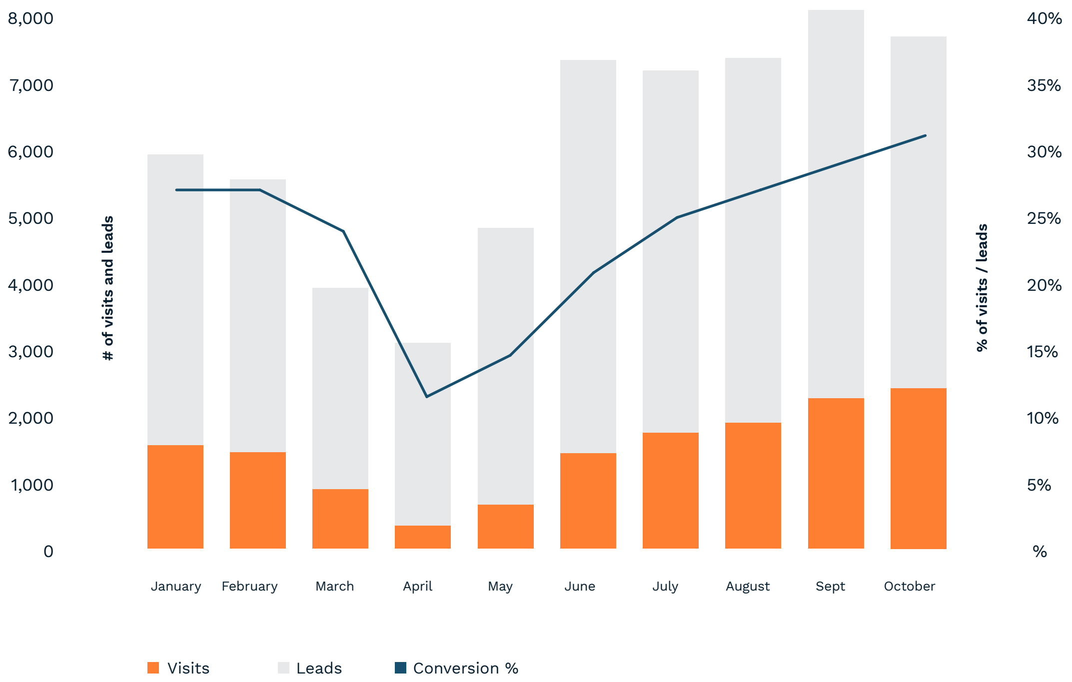


Centre	**2,026**
East	**1,631**
Catalonia & Aragon	**1,088**
Andalusia	**835**
Costa del Sol	**526**

As for the trend in leads and conversion of those initial enquiries into in-person visits, a comparison between the February numbers and the October volumes reveals significant growth (+38%) in the number of leads, coupled with even stronger growth in the rate of conversion of those leads into first-time in-person visits (+19%), with the latter figure reaching 2,356 in the month of October (+64%).

Sharp and ongoing rebound in sales leads in the aftermath of the lockdown

Trend in leads and conversion into in-person visits (January - October 2020)



Sales

The sale of a unit begins with execution of a presale agreement. Once the company has a building permit for a pre-sold house, the customer is asked to execute a sale contract. Lastly, when the construction work is complete and the occupancy licence has been obtained, the customer is asked to sign the deed of purchase, upon which the house is delivered immediately.

In the first half of FY 2020-21, the Company pre-sold or reserved 523 homes in total. Analysis of the second quarter - from June to September 2020 - reveals growing momentum, with pre-sales volumes similar to those recorded during the same period of 2019.

The price of the units pre-sold in the first half of FY 2020-21 is €186.7m, implying an average sales price per unit of €357,000. Pre-sales increased by 2.3% year-on-year by value.

The number of homes sold between June and September 2020 is similar to the sales figure recorded during the same period of 2019

The breakdown of pre-sales by quarter:

In the first quarter of FY 2020-21, the Company pre-sold 127 units for €47m.

In the second quarter of FY 2020-21, the Company pre-sold 396 units for €139.7m.

In the first half of FY 2020-21, the Company delivered 171 homes worth €61.9m of revenue.

Sales
Regional breakdown

	Homes	€ m	Average price (€ 000)
Central Region	250	97.7	391
Eastern Region	110	37.8	344
Catalonia & Aragon	85	28.9	340
Andalusia	57	11.1	194
Costa del Sol	21	11.3	537
Total	**523**	**186.7**	**357**

Homes delivered
Regional breakdown

	Homes	€ m	Average price (€ 000)
Central Region	56	28.6	510
Eastern Region	0	0.4*	0
Catalonia & Aragon	18	6.8	377
Andalusia	52	10.9	209
Costa del Sol	45	15.2	339
Total	**171**	**61.9**	**362**

*Due to the delivery of premises, garages and storerooms

As a result, at 30 September 2020, the orderbook was made up of 3,263 homes, implying revenue of €1.09bn.

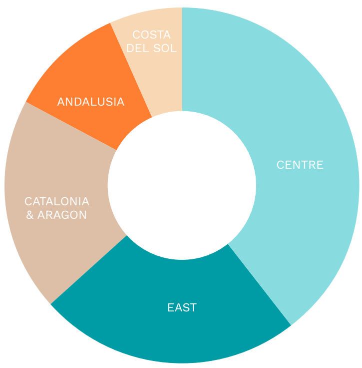
84% of the orderbook is under sales contract; the remaining 16% are pre-sales

Orderbook
Regional breakdown

	Homes	€ m	Average price (€ 000)
Central Region	1,294	476.2	368
Eastern Region	781	243.1	311
Catalonia & Aragon	632	201.6	319
Andalusia	344	80.9	235
Costa del Sol	212	87.6	413
Total	**3,263**	**1,089.40**	**334**

Orderbook
3,263 homes
€1.09bn

Orderbook
Regional breakdown (% of units)



Centre	**40%**
East	**24%**
Catalonia & Aragon	**19%**
Andalusia	**11%**
Costa del Sol	**6%**

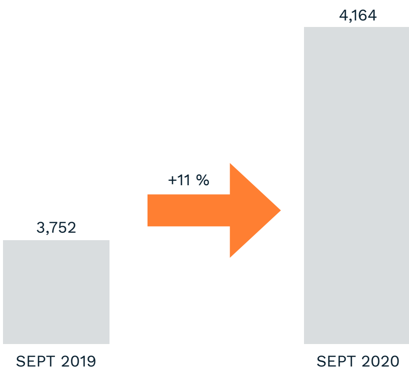
Construction

During the first half of FY 2020-21, the Company began to build 615 homes and obtained work completion certificates for 1,078 homes. At 30 September 2020, the Company had a total of 4,164 units under construction, growth of 11% compared to the 3,752 homes that were under construction 12 months earlier. It also had 885 homes awaiting occupancy permits and another 172 completed units for which that license had already been obtained.

The number of homes with certificates of completion obtained whose delivery is scheduled for the fiscal year 2020-21, is 1,273 at the end of October.

4,164 homes under construction

Homes under construction at reporting date



Building permits

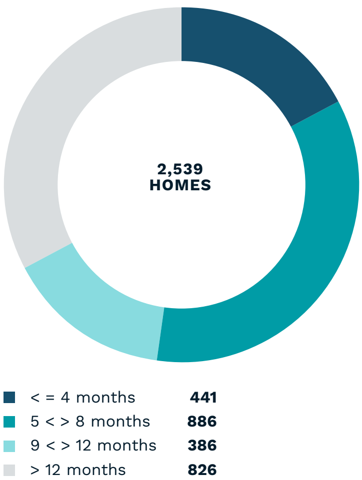
Building permits are awarded by the municipal authorities. Permit applications include the architectural plans which must necessarily comply with municipal planning and zoning requirements. Municipal authorities are obliged to grant building permits to the extent the plans meet those requirements. The permitting period depends on each authority's responsiveness.

In the first half of FY 2020-21, building permits were obtained for 678 units.

In addition, at 30 September 2020, a total of 2,539 building permit applications were being processed.

2,539 homes in permitting process

Building permits applied for by processing time



Investments

AEDAS Homes remains one of the most active purchasers of land in Spain. The investments closed over the course of the first half of FY 2020-21 are designed to fulfil the new development launch targets set by the company in its 2017-2023 business plan.

Specifically, in 1H 2020-21, the Company acquired sites for five new housing developments. Three of the sites are located in the Central region (1 in Madrid, 1 in Valladolid and 1 in Vigo) and the other two are located in the Eastern region (1 in Valencia and 1 in Alicante).

The newly acquired land presents scope for the development of 567 housing units. Three of the newly acquired sites have Ready-to-Build (RTB) status and the other two are Fully-Permitted Land.

The first-half investments amounted to €56.6m and include the cost of acquiring the properties, including the inherent transaction costs, and the capital expenditure needed to bring all of the sites to RTB status. In sum, the average acquisition cost per housing unit once all of the land is brought to RTB permitting status is estimated at €100,000/unit.

In addition, under the scope of the Project Land agreement, the Company acquired land in Madrid for the development of 52 homes for €2.4m, i.e., an average acquisition cost of €46,000/unit.

The Company also sold one site, with development potential of 135 units, for €4.3m during the reporting period.

The Company's GAV stood at €2.16bn at 30 September 2020, up 10% from the end of 2019. Like-for-like GAV decreased by 1.3% during the same period. Savills Aguirre Newman Valoraciones y Tasaciones, S.A. appraised the Group's portfolio of real estate assets at 30 September 2020.

15,722
homes
Land bank

€2.16bn
GAV

-1.3%
LfL

Risk management

AEDAS Homes has an enterprise risk management system which is regulated in accordance with its Risk Management Policy. That policy was approved by the Board of Directors on 17 October 2017.

The purpose of the risk model is to identify, evaluate, manage and report any risks that could jeopardise delivery of AEDAS Homes' business objectives.

The risk management model is articulated around the following phases:

Identification > **Assessment** > **Management** > **Reporting** > **Update**

- **Identification:** the risks of relevance to AEDAS Homes are duly identified.
- **Assessment:** the probability, the inherent impact and the robustness of the control environment are assessed for each of the relevant risks. AEDAS Homes' risk map contemplates three categories of risk: “critical”, “under surveillance” and “under monitoring”.
- **Management:** the risks classified as "critical" and "under surveillance" are included in the management mechanism, which means taking measures such as identification of the material risk events, tracking their development by following key indicators and analysis of response/control protocols, among other measures.
- **Reporting:** a report on how well the risk model is working is sent to the Management Committee and the Audit and Control Committee twice-yearly.
- **Update:** the model is reviewed and updated annually

As stipulated in its Risk Management Policy, the following bodies are involved in the activities related with the risk management effort at AEDAS Homes S.A.:

- **Board of Directors:** Its duty is to define, update and approve AEDAS Homes' Risk Control and Management Policy and establish prevailing risk tolerance levels.
- **Audit and Control Committee:** Its task is to supervise the internal control and risk management systems, making sure that the key risks are identified, managed and maintained within the planned levels.
- **Management Committee:** Its work involves allocating responsibilities for risk management, analysing the results of the risk assessments to determine their level of severity and approve attendant responses and initiatives.
- **Risk and Compliance Department:** The Compliance Department helps the Audit and Control Committee and the Management Committee fulfil their mandates, mainly by coordinating the activities defined in the Risk Management and Control Policy, ensuring that the risk management system works correctly and compiling relevant reports.
- **Officers and other risk owners:** They identify and assess the risks that fall within their purviews. In addition, they recommend and report indicators for monitoring them, as well as proposing and implementing risk mitigation plans and reporting on their effectiveness.

Board of Directors	General duty to oversee the risk management model
Audit and Control Committee	Supervises and ensures the risk management systems are working as intended
Executive Committee	Ultimate responsibility for the business processes / Decides on criticality of the risks
Third line of defence: Internal Audit Department	Evaluates and improves effectiveness of processes, risk management, control and governance
Second line of defence: Risk and Compliance Department	Advises on and supervises the activities conducted by the business areas in terms of risk management
First line of defence: Business Units	Execution of the business processes and responsibility for monitoring the risk indicators

Risk management model

AEDAS Homes' Internal Audit Department obtained the Quality Assessment certificate on 18 June 2020, making the Company the first property developer in Spain to earn this seal.

AEDAS Homes' risk management model groups its risks into the following categories:

Strategic risks

- Real estate market
- Land bank
- Expertise
- Availability of financing
- Reputation
- Securities markets

Operational risks

- Purchase of land
- Transformation of land
- Development
- Sales
- Talent management
- Technology
- Cybersecurity
- Health & safety
- Property security

Financial risks

- Interest rates
- Liquidity
- Credit risk
- Asset valuations
- Reliability of the financial information

Compliance risks

- Anti-money laundering legislation
- Criminal law (including risks related with the failure to comply with anti-corruption legislation)
- Securities market law
- Tax law
- Environmental regulations

Below is a detailed account of the financial risks identified:

Interest rate risk:

Although the Group’s cash balances and borrowings both expose it to interest rate risk, and this could have an adverse impact on its net finance costs and cash flows, the Parent's directors have not deemed it opportune to write interest rate hedges.

A 100 basis point movement in interest rates would have increased finance costs by €1.3m in the six months ended 30 September 2020 (and by €0.7m in the six months ended 30 September 2019).

The Group's directors and management are monitoring developments with respect to the Covid-19 global pandemic constantly with a view to assuredly mitigating any potential impacts, whether financial or non-financial. The Company is monitoring the status of the relevant risk factors with the aim of correctly assessing the potential impact of the pandemic on AEDAS Homes' financial performance and readying the Company to take appropriate risk mitigation measures.

Liquidity:

The Group determines its liquidity requirements by means of cash forecasts. Those forecasts pinpoint when the Group will need funds, and how much, and new funding initiatives are planned accordingly.

In order to ensure ongoing liquidity and the ability to service all the payment commitments arising from its business operations, the Group holds the cash balances shown on the balance sheet as well as the credit lines and financing agreements detailed in the section of this report dedicated to Borrowings.

In addition to tapping the general credit markets, the Group has two sector-specific mechanisms for raising financing for its building work: developer loans and customer prepayments. After it acquires its sites, those mechanisms cover all of its financing needs during the construction period.

Developer loans

- As outlined in the Borrowings section, the Group has arranged €755.1m of developer loans, of which it had drawn down €274.4m (face value) at the reporting date, leaving an undrawn balance of €480.6m.
- The undrawn loans become available for drawn down as the following milestones are met: (i) attainment of a specific volume of sales contracts at each development (a percentage that can change from one development to the next but in all instances exceeds 30%); (ii) execution and invoicing of each development milestone. At 30 September 2020, the progress of the Group's developments qualified it to draw down an additional €39.0m.

Customer prepayments

- At 30 September 2020, the Group recognised €186.9m of customer down payments for housing units (pre-sales and private contracts), of which €19.6m correspond to payment commitments set up as direct debits. Those advances are equivalent to roughly 20% of the sale price of the associated units. Unilateral cancellation by the customer is subject to a penalty of 50% of the down payment made.
- Although much of the prepayment balance has been used to build the houses, €49.8m has been set aside exclusively for execution of the corresponding developments.
- This arrangement implies a liquidity risk insofar as contract termination would trigger the requirement to reimburse 50% of the down payments received. In the last 12 months, customer contract terminations have triggered the obligation to repay €893,673, of which €717,300 corresponds to 1H 2020-21.
- Elsewhere, the Group has listed a €150m-euro commercial paper programme on Spain's alternative fixed-income market, the MARF for its acronym in Spanish. The issues outstanding at 30 September 2020 totalled €56.2m. The overriding purpose of the programme is to diversify the Group's sources of financing, providing an alternative to bank credit with terms of up to 24 months. It is also making the fixed-income investor community familiar with the Company in preparation for potentially tapping the capital markets for longer-dated paper in the future. In so far as the commercial paper programme can involve the issuance of debt due within 12 months of the reporting date, the Group analyses it with respect to the sum of (i) developer loans immediately drawable due to invoice milestones and (ii) unrestricted cash. At 30 September 2020, the commercial paper issues falling due within 12 months amounted to just €7.1m. By comparison, at 30 September 2020, the Group had €90m euros of unrestricted cash and qualified to draw down a further €39.0m million euros of developer loans due to invoices already settled, so that the sum of those two sources of liquidity (€129.0m) exceeded current commercial paper maturities by €121.9m.
- Note, lastly, that the Group expects to generate net cash from its operating activities, i.e., the development and sale of its developments (factoring in the use of its specific financing mechanisms), such that it foresees considerable headroom in terms of servicing its obligations to financial institutions, suppliers and shareholders.
- The Parent's directors believe that these arrangements will be sufficient to cover its cash requirements and those of its subsidiaries going forward. The liquidity function is managed at the Group level, so that the operating companies do not face

liquidity shortfalls and can concentrate on pursuing their real estate developments, which are financed using external borrowings, as detailed above.

Credit risk:

The Group is not significantly exposed to credit risk as collection of the proceeds from the sale of its developments to customers is secured by the properties sold; in addition, it places its cash surpluses with highly solvent banks in respect of which counterparty risk is not material.

No accounts receivable from Group companies, related parties or third parties were past due at 30 September 2020.

The Group is currently in the process of formulating a policy for managing its potential cash surpluses.

Asset valuation:

The Group reviews the carrying amounts of its inventories for indications of impairment periodically. Savills Aguirre Newman Valoraciones y Tasaciones, S.A., an independent expert, appraises all of the Group's real estate assets.

The cost of the land and sites, developments in progress and completed developments is reduced to fair value by recognising the appropriate impairment provisions.

At 30 September 2020, the appraised net realisation value of the Group's inventories stood at €2.16bn, implying unrealised gains of €620.3m and an additional impairment loss in the six months ended 30 September 2020 of €1.6m; the additional loss recognised is of minimal impact and reflects the appraiser's estimate that completion and delivery of the Group's housing developments could be delayed as a result of COVID-19.

The key input assumptions for the valuation methodology used by the external appraiser are the discount rate and sales prices. Sensitivity analysis modelling the impact of movements in those variables on the measurement of the Group's inventories indicates that a 1% increase in the discount rate would decrease their valuation by 1.9%, while a 5% reduction in sales prices would decrease their valuation by 8%.

Reliability of the financial information:

An entity's financial information must be transparent, accurate and comparable. The Audit and Control Committee is tasked with the duty of overseeing the internal control over financial reporting (ICFR) system. Among other things, it supervises the effectiveness of the Company’s internal controls, internal audit function and risk management systems and discusses the status of the ICFR system with the financial statement auditor. It also supervises the process of elaborating and presenting the financial information the Company is required to disclose and makes proposals and recommendations to the Board of Directors to safeguard the integrity of that information. It watches out for potential irregularities, in particular financial or accounting irregularities, with potentially serious implications for the Company.

A review of the effectiveness of the AEDAS Homes Group's ICFR system has been included in the Internal Audit Plan for 2020 and delegated in the Internal Audit Department, which will report on its findings to the Finance Department, CEO and Audit and Control Committee for evaluation.

During the first half of FY 2020-21, AEDAS Homes continued to monitor and manage the risks deemed critical based on the assessment conducted by the members of its Management Committee. The following risks are deemed critical:

- Securities markets
- Land bank
- Development
- Expertise
- Health & safety
- Reliability of the financial information
- Cybersecurity
- Transformation of land
- Availability of financing
- Sales

The model stipulates that the above-listed risks be monitored quarterly. The results of the risk monitoring reports received by the managers are compiled into a global report by the Risk and Compliance Manager. That report is sent to the Management Committee and Audit and Control Committee on a regular basis.

With respect to the risks associated with Covid-19[1], the Group's directors and management are monitoring developments with respect to the global pandemic constantly with a view to assuredly mitigating any potential impacts, whether financial or non-financial.

The Company is monitoring the status of the relevant risk factors with the aim of correctly assessing the potential impact of the pandemic on AEDAS Homes' financial performance and readying the Company to take appropriate risk mitigation measures. Specifically, it is undertaking

1 For further details see note 10 of the Interim Financial Statements.

an extraordinary review of its corporate risk map in order to identify potential areas of risk in need of reinforced supervision. Those risks relate essentially to sales and access to financing. The risks identified as relevant will be added to the Group's regular monitoring cycle.

In addition, in March 2020, the Group implemented a capital preservation policy designed to safeguard its capital structure, to which end liquidity developments are being constantly monitored across all Group companies. So far, the liquidity indicators have remained consistently satisfactory.

With respect to technology and cybersecurity risks, the Company's enterprise risk management model includes those risks within its operational risk category. AEDAS Homes has set up a specific governance framework to address those risk factors.

Board of Directors	General duty of supervising cybersecurity and IT risks
Innovation, Technology and Cybersecurity Committee	Supervises and ensures the strategic technology and cybersecurity plan is working as intended
Technology and Cybersecurity Committee	Ensures execution of the technology and cybersecurity initiatives in keeping with the Master Cybersecurity Plan
Third line of defence: Internal Audit	Evaluates and improves effectiveness of processes, risk management, control and governance
Second line of defence: Cybersecurity Department and CISO	Management of Master Cybersecurity Plan and infrastructure and technology monitoring functions
First line of defence: Infrastructure Department	Management of the Company's IT infrastructure

Technological and Cybersecurity Risk Management Model

Quality, environment and people

Environmental, quality and community matters

AEDAS Homes has had its quality and environmental management systems certified under ISO 9001 and ISO 14001, respectively, since 2017; those certifications cover its housing development activities (design management, building management and sales management). The Company renewed those certificates in 2020; the corresponding audits did not detect any system shortcomings. Note that the Company changed certification body during the year, switching to AENOR, and also increased the certification boundary to include new workplaces (Palma de Mallorca, Granada, Valencia and Zaragoza).

In the sustainability arena, AEDAS Homes aspires to spearhead the use of pioneering criteria in the homebuilding industry and set a benchmark with its developments. To that end, it has compiled a Green Book which (i) defines the minimum sustainability criteria all of its developments must uphold; and (ii) gives the Development Managers the chance to select additional measures for their projects.

The idea is for the Green Book to serve as a flexible, customisable and open guide that helps the design teams, builders and all the parties involved in the construction process to embed sustainability measures into its developments. By extension the aim is to rationalise the use of natural resources, promote innovation and energy efficiency via new building systems, emphasise the incorporation of sustainability considerations at the design phase thanks to new technology and drive changes in professional practice.

To attain a target as ambitious as that implied by the rollout of the Green Book, AEDAS Homes has devised the Ecoliving AEDAS Homes® seal. The advantages of this initiative are set down in a clear and user-friendly manner in an inventory of green-building specifications (the Ecoliving Guide), which itemises the characteristics its houses must present. The Ecoliving Guide defines the selected sustainability measures associated with the nine chapters of the Green Book: Energy; Water; Materials, Waste; Biocomfort (health and wellbeing); Landscape Integration; Community, Good Practices; Economy. Customers are urged to take a look at the Guide in the Ecoliving Corners available at the development sales outlets, where videos about sustainability at AEDAS Homes are also displayed.

The key steps in the Green Book are: Identification of the sustainability measures to be implemented in a given development;

Escalonia III (Las Rozas), a development that boasts the *AEDAS Homes Ecoliving®* seal

AEDAS Homes aspires to spearhead the use of sustainability criteria in the homebuilding industry and set a benchmark with its developments installation of the Ecoliving Corner at the point of sale; drafting of the Ecoliving Guide; assessment of the life cycle of the development; and the provision of the training to the development sales team.

Framed by above, considering the developments still to be delivered as of 1 April 2020, the key sustainability performance indicators for AEDAS Homes developments are:

No. of BREEAM developments	21
No. of Green Book developments in progress	28
No. of completed Ecoliving Guides	35
No. of Ecoliving Corners at sales outlets	59
LCA reports	27

On the training front, the Company has provided all new hires with an introductory course on health, safety and environmental management in 2020. Framed by its commitment to continuous improvement, it plans to continue to undertake educational and awareness activities for employees and other stakeholders to promote climate action. Specifically:

The sales professionals at 38 developments have received sustainability training and attended seminars on waste management.

In the quality management arena, 2020 has so far been marked by the following initiatives: review of policies, processes and procedures and, as already noted, expansion of ISO 9001 and ISO 14001 certification to the work centres in Palma, Granada, Valencia and Zaragoza.

As for specific sustainability projects, the Company has been focusing on measures specifically aimed at improving customer health such as the installation of dual-flow ventilation systems and the use of VOC-free paint and other materials with eco-labels (EPDs).

The Company has created the *AEDAS Homes Ecoliving®* seal and clear and user-friendly guide setting out all the sustainability benefits of this green building initiative

ecoliving
AEDASHOMES

Employees and related company matters

AEDAS Homes has had an ISO 45001-certified occupational health and safety management system in place since 2017. As with its ISO 9001 and ISO 14001 certificates, in 2020, the scope of the ISO 14001 boundary was extended to include the offices in Palma de Mallorca, Granada, Valencia and Zaragoza, and the certification body was changed to AENOR. The outcome of the audit (which took place in July) was similarly satisfactory.

All new hires this year have received introductory health and safety training online, as stipulated in article 19 of Spain's Occupational Health and Safety Act.

To oversee the health and safety management effort, the key performance indicators are presented to the company's Management Committee periodically. Internal audits are the key tool used to control the management system. During the first nine months of 2020, a total of 42 assessments were conducted at developments at between 30% and 70% of completion.

Due to onset of the health pandemic this year, one of the most important measures taken by the Company was the drafting and implementation of COVID-19 Safety Protocols for AEDAS Homes workplaces. It also supervised implementation (by the contractor firms) of those same protocols at active construction sites

Indicator	Indicator calculation	Tolerance	Observations on tolerance	Result July – Sept. 2020
Monthly trend in # of accidents.	Trend and average number of workplace accidents per month/development.	≤ 1	Calculated in monthly terms.	**0.16**
Results of health & safety assessments.	Shortcomings and recommendations issued as a result of assessments (by health and safety dept. and in development audits) in keeping with occupational health and safety (OHS) procedures; assessment of compliance with OHS regulations and of the alignment of subcontractor OHS procedures (year-on-year calculation).	≥ 50%	Calculated in year-on-year terms.	**75%**
Injury frequency rate	No. of injuries over total hours worked.	≤ 30	Calculated in quarterly terms.	**10.79**
Injury severity rate	No. of lost-time injuries over total hours worked.	≤ 3	Calculated in quarterly terms.	**0.15**
Severe injuries.	Number of severe workplace injuries (defined as accidents that result in permanent worker disability).	≤ 1	Calculated in quarterly terms.	**0**
Fatalities.	Number of fatal accidents.	≤ 1	Calculated in quarterly terms.	**0**
Fines or penalties for breach of OHS regulations (govt. penalties).	Number of govt. fines or penalties imposed for breach of OHS regulations.	≤ € 6,250	Calculated in quarterly terms.	**0**
Fines or penalties for breach of OHS regulations (criminal offences).	Number of criminal fines or penalties imposed for breach of OHS regulations.	≤ 1	Calculated in quarterly terms.	**0**
Weaknesses detected by internal audit function or external auditor	Qualifications and recommendations made by the internal audit function or the external auditor.	≤ 15	Calculated in quarterly terms.	**1**

Corporate governance

Organisational structure

General Shareholders' Meeting

Board of Directors

- **Audit and Control Committee**
- **Appointments and Remuneration Committee**
- **Innovation, Technology and Cybersecurity Committee**

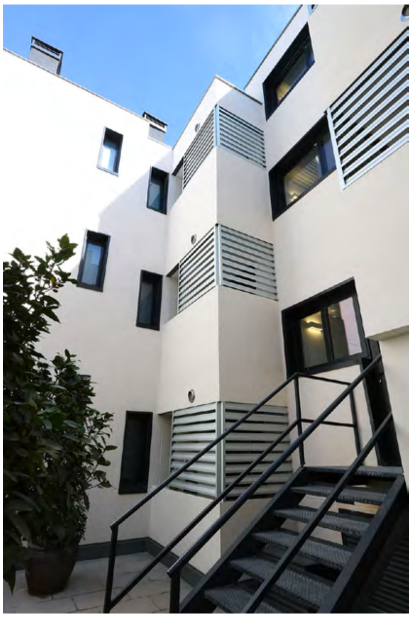
Executive Committee | Business Committee | Strategy Committee | Investment Committee | Technology and Cybersecurity Committee | Compliance Committee

Article 2 of AEDAS Homes' Bylaws states that the Company's core object is to acquire, permit, manage, market and develop properties of any kind for holding, use, management, sale or lease.

The Company conducts its business across five regional branches: Catalonia (Barcelona, Tarragona and Zaragoza); the Central region (Madrid, Valladolid, Vigo and Navarre); Andalusia (Seville and Granada); Costa del Sol (Malaga); and the Eastern region (Valencia, Alicante, Murcia and Mallorca). At the September 2020 close it had a total of 233 employees.

The general meeting is the Company's highest decision-making and control body in respect of the matters within the shareholders' purview and it is the vehicle around which the shareholders' right to intervene in the company's decision-making is articulated.

The Board of Directors has authority over any and all matters that are not specifically vested in the shareholders in general meeting by the Bylaws or prevailing company law. The Board of Directors, which is vested with the broadest powers to manage, direct, administer and represent the Company, generally delegates the Company's everyday management in the board's steering committees and the management team, establishing the content of, limits to and modus operandi for such delegation of powers, so that it can concentrate on its general supervisory duty as well as attending to matters of particular significance to the Company.



Escalonia (Las Rozas)

The Board of Directors is made up of nine members. Six [1] are independent directors, two are proprietary and the ninth is executive. It is regulated by the Board Regulations, the purpose of which is to set the guidelines governing its actions, the basic rules governing how it is organised and run, the rules of conduct its members must abide by and the directors' duties. The Board Regulations were approved by the Board of Directors.

The Board of Directors has set up the following board committees:

High standards of corporate governance articulated around delivery of the business targets and protection of the shareholder interests, framed by effective supervision, risk management and transparency

	Audit and Control Committee	Appointments and Remuneration Committee	Innovation, Technology and Cybersecurity Committee
Number of members	**3**	**3**	**5**
Directors by type	3	3	3
Independent directors	2	2	1
Proprietary directors	1	1	1
Executive directors	0	0	1
Executives	0	0	2
Chaired by	Independent director	Independent director	Independent director
Regulation	**Article 14 of the Board Regulations**	**Article 15 of the Board Regulations**	**Committee-specific regulations**

In addition, the company has an Executive Committee, a Business Committee, an Investment Strategy Committee and a Technology and Cybersecurity Committee made up of AEDAS Homes executives. Each is governed by its own set of rules that are approved by the company's CEO and address their make-up, powers and rules of operation.

There is also a Compliance Committee made up of the heads of the Corporate Resources, Legal and Risk Departments whose composition, powers and rules of operation are set down in the board-approved Compliance Policy and Manual. Lastly, there is an Internal Control Body which oversees anti-money laundering and counter terrorism financing (AML/CTF) matters whose composition, powers and rules of operation are set down in the AML/CTF Manual approved by the Internal Control Body itself.

1 Emile K Haddad was appointed director on 27 September 2017 for the statutory term of three years. His tenure therefore expired on 27 September 2020

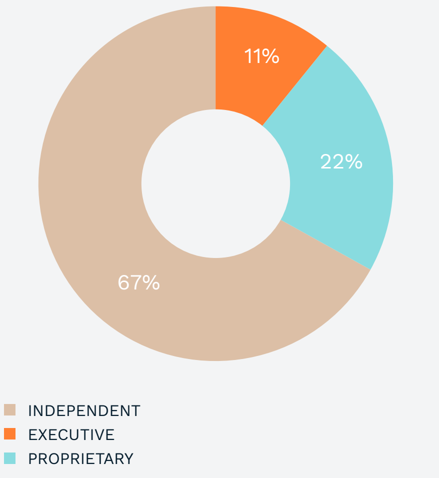
Board of Directors

Directors		Santiago Fernández Valbuena	David Martinez Montero	Javier Lapastora Turpin	Miguel Temboury Redondo	Cristina Alvarez Alvarez	Milagros Mendez Ureña	Eduardo D'Alessandro Cishek	Evan Andrew Carruthers	Emile K. Haddad[1]	Total
Position		Chairman	Chief Executive Officer	Member	Member	Member	Member	Member	Member	Member	
Board of Directors	**Executive**		√								1
	Proprietary							√	√		2
	Independent	√		√	√	√	√			√	6
Committees	**Audit and Control**	√		√ C				√			3
	Appointments and Remuneration				√ C	√					3
	Innovation, Technology and Cybersecurity		√			√ C		√			3
Shareholding	**Direct, %**	0.006%	0.16%	0.003%	0%	0%	0.001%	0%	0.06%	0%	0.23%
Other information	**Date of appointment**	27/09/17	25/05/17	27/09/17	27/09/17	07/10/2017	04/04/2019	27/09/17	27/09/17	27/09/17	
	Nationality	Spanish	Spanish	Spanish	Spanish	Spanish	Dominican	North American	North American	North American	
	Directorships at other companies	Vice-Chairman of EBN Banco de Negocios Director of Ferrovial Director of Mapfre Brasil		Independent Director of Servicios Financieros Carrefour, EFC, S.A. (Spain) Member of the Supervisory Board & Chairman of the Audit Committee of Mostostal Warszawa S.A. (Poland) Founding Partner of Kilmore Management Services (Spain) Partner al Glendalough Investments	Independent Director at Singular Bank	Board Member at Openbank	Managing Partner & Financial Advisor at Aldebaran Advisory SL	Partner at Castlelake LP	CIO & Managing Partner at Castlelake Director at Five Points Holding LLC Director at each of the aviation companies in which Castlelake has shareholdings	Chairman and CEO of FivePoint	
	Age	62	50	54	51	51	60	39	41	61	

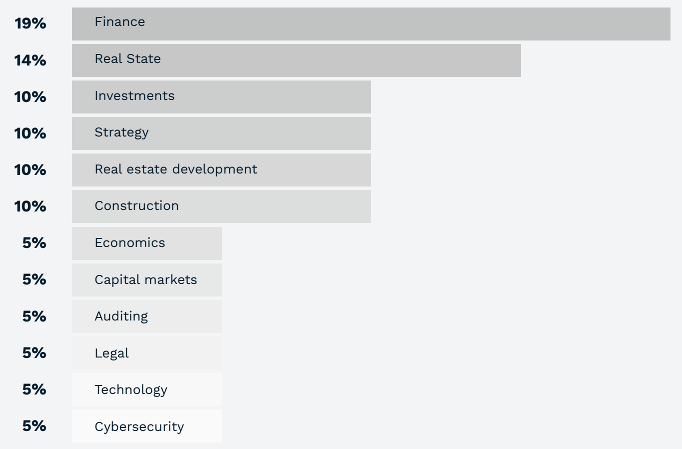
*C = the chair of any of the three committees.

1 Emile K Haddad was appointed director on 27 September 2017 for the statutory term of three years. His tenure therefore expired on 27 September 2020.

Boardroom composition by class of director



Director expertise



During the first six months of FY 2020-21, the Board of Directors met on five occasions: 20 May; 22 June; 25 June (in writing, no in-person session); 28 July; and 24 August (in writing, no in-person session). The most important matters addressed at those meetings:

- Business update
- Financial information
- Financial statement issuance authorisation
- Annual General Meeting (call, resolutions, reports)
- Reports from the chairs of the Audit and Control Committee, Appointments and Remuneration Committee and Innovation, Technology and Cybersecurity Committee on the items discussed at their respective meetings
- Risk indicators
- Removal and appointment of the Secretary of the Audit and Control Committee
- Amendment of the commercial paper programme
- Financing (syndicated loan)
- Setting on record of the Board's authorisation for the derivative acquisition of treasury stock
- Establishment of CEO targets and director remuneration
- Acceptance of renewal of director positions
- Approval of special investment transactions
- Establishment of Board meeting schedule

Its committees met as follows:

- The Audit and Control Committee sat four times: 13 May; 20 May; 22 June; and 28 July.
- The Appointments and Remuneration Committee met four times: 20 May; 1 June; 22 June; and 28 July.
- The Innovation, Technology and Cybersecurity Committee met once: 14 May.

Second Ordinary General Shareholders' Meeting of 2020

The Company held its second Ordinary General Shareholders' Meeting of 2020 on 23 June 2020, at which it submitted the following motions for ratification:

1. Approval of the individual and consolidated annual accounts corresponding to the three-month financial year ended 31 March 2020
2. Approval of the individual and consolidated management reports corresponding to the three-month financial year ended 31 March 2020
3. Approval of the Board of Directors' management and actions during the three-month financial year ended 31 March 2020.
4. Approval of the proposed application of results for the three-month financial year ended 31 March 2020.
5. Re-election of directors.
    - 5.1. Re-election of Mr. David Martínez Montero as executive director for the statutory term of three years.
    - 5.2. Re-election of Mr. Santiago Fernández Valbuena as independent director for the statutory term of three years.
    - 5.3. Re-election of Mr. Eduardo d'Alessandro Cishek as proprietary director for the statutory term of three years.
    - 5.4. Re-election of Mr. Javier Lapastora Turpin as independent director for the statutory term of three years.
    - 5.5. Re-election of Ms. Cristina Álvarez Álvarez as independent director for the statutory term of three years.
    - 5.6. Re-election of Mr. Miguel Temboury Redondo as independent director for the statutory term of three years.
    - 5.7. Re-election of Mr. Evan Andrew Carruthers as proprietary director for the statutory term of three years.
6. Re-election of Ernst and Young, S.L., as auditor of the Company's accounts and of its consolidated group for fiscal years 2020-2021, 2021-2022 and 2022-2023.
7. Approval, where appropriate, of the amendment to the term of the long term incentive plan by virtue of which shares of the Company are granted to the Chief Executive Officer.
8. Approval, where appropriate, of a new director remuneration policy.
9. Approval, where appropriate, of the amendment to article 13 ("Adoption of resolutions at the General Meeting") of the Bylaws in order to include technical improvements and to article 24 ("Approval of the annual accounts and application of profits") in order to include the possibility of interim dividends to be agreed upon and paid in kind.
    - 9.1. Amendment relating to technical improvements.
    - 9.2. Amendment relating to the possibility of interim dividends to be agreed upon and paid in kind.
10. Approval, where appropriate, of the amendment to article 9 ("Call notice"), article 10 ("Information available on the corporate website as from the call date"), article 14 ("Third parties at the General Meeting"), article 15 ("Representation") of the Regulations of the General Meeting of the Company and addition of an Additional Provision ("Telematic attendance at the General Meeting") in such Regulations to expressly regulate telematic attendance to the General Shareholders' Meeting, as well as approval of the amendment to article 16 ("Public request for proxy representation"), article 26 ("Right to information during the General Meeting"), article 27 ("Postponement and suspension of the General Meeting"), article 29 ("Voting on proposed resolutions"), article 32 ("Qualified majorities") and article 34 ("Publication of resolutions") of the Regulations of the General Meeting of the Company in order to include technical improvements.
    - 10.1. Amendments relating to the telematic attendance to the General Shareholders' Meeting.
    - 10.2. Amendments relating to technical improvements.
11. Authorization to the Board of Directors for the buyback of treasury shares, under the terms provided for in current legislation.
12. Delegation of powers to formalize, notarize and implement the resolutions adopted.
13. Consultative vote on the annual director remuneration report corresponding to the three-months financial year ended 31 March 2020.

The second General Shareholders' Meeting of 2020 was attended by 79 shareholders, present or duly represented, holders of a total of 38,260,476 shares, or share capital with a par value of €38,260,476 i.e., representing 79.77% of share capital. AEDAS Homes, S.A.'s share capital amounts to €47,966,587, represented by 47,966,587 ordinary shares with a unit par value of €1.

All of the resolutions were carried

Anti-corruption and bribery matters

AEDAS Homes has devised and implemented a compliance programme with the aim of establishing a culture of ethics while guaranteeing respect for applicable legislation. The compliance programme covers the relevant areas of risk and emulates best practices in the field.

More specifically, AEDAS Homes' compliance programme encompasses measures designed to guarantee compliance with:

- Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) legislation
- Anti-corruption legislation, specifically addressed by the Corporate Crime Prevention Framework

Anti-money laundering

AEDAS Homes is a home developer and as such is bound by anti-money laundering and counter-terrorist financing legislation. To comply with that legislation the company has implemented the following measures:

- Internal Control Body (ICB): AEDAS Homes has a designated internal control body which is tasked with supervising AML/CTF compliance at the Company
- Risk and Compliance Department: the Company's risk and compliance function is responsible for managing the AML/CFT model
- AML/CFT Manual: embodies the internal policies and procedures which need to be followed by all employees to comply with applicable legislation
- Due diligence: AEDAS Homes' Technical Unit carries out due diligence procedures for every single customer that buys one of the Company's homes. Company procedures prohibit sales without that unit's clearance. If customers present higher risk profiles, the Company carries out enhanced due diligence.

Corporate policies and regulations

- Director Remuneration Policy
- Code of Conduct
- Anti-Corruption Policy
- Shareholder and Investor Communication Policy
- Code of Conduct for Third Parties
- Corporate Social Responsibility Policy
- Internal Securities Markets Code of Conduct
- Quality and Environmental Management Policy
- Health and Safety Policy
- Shareholder Remuneration Policy
- Tax Policy
- Board Regulations
- Appointments and Remuneration Committee Regulations
- General Meeting Regulations

- External expert report: as required in applicable legislation, AEDAS Homes submits annually to review by an external AML/CTF expert. That report is presented to the Board of Directors within three months of issuance.
- Training: all employees receive AML/CFT training annually. That training was duly provided in 2020.
- Internal Audit review: the Internal Audit function analyses the effectiveness of the AML/CFT framework annually and reports its findings to the Audit and Control Committee.
- Analysis and reporting of suspicious transactions: suspicious transactions are duly analysed and reported to the AML watchdog as necessary

The Company has anti-money laundering and counter-terrorist financing measures and a Corporate Crime Prevention Framework

Corporate crime prevention

- AEDAS Homes has a Corporate Crime Prevention Framework, which is articulated around the following structures:
- Code of Conduct: the Company has a Code of Conduct which embodies its values and specifies the types of conduct it does not tolerate. It must be endorsed by all new hires.
- Code of Conduct for Third Parties: all essential suppliers that collaborate with AEDAS Homes have to sign the Code of Conduct for Third Parties before doing business with it. By doing so they commit to aligning their activities with AEDAS Homes' values and to not breaching the code rules.
- Compliance Manual and Policy: the documents which establish the ground rules for the Corporate Crime Prevention Framework.
- Anti-Corruption Policy: establishes the rules applicable to employees with respect to gifts and hospitality vis-a-vis the public and private sectors.
- Compliance Committee: the body responsible for supervising regulatory compliance and coordinating the measures needed to that end.
- Risk and Compliance Department: the Company has a risk and compliance function tasked specifically with managing the corporate crime prevention effort.
- Criminal risk map: the map is used to identify and assess the criminal risks to which the Company is exposed, enabling it to identify the biggest risks and establish mitigating measures. The Company currently has 125 controls in this respect.

- Risk and control matrix: the matrix encompasses all information related to the controls in place at the Company for monitoring criminal risks, including the risk of corruption.
- Whistle-Blowing Channel: employees are obliged to report conduct that violates the Company's Code of Conduct or applicable legislation using the Whistle-Blowing Channel. They may do so anonymously.
- Annual budget: the Risk and Compliance Department is assigned an annual budget for managing the crime prevention effort.
- Annual controls: the model is reviewed annually to verify its effectiveness. As part of that exercise, the effectiveness of the anti-corruption controls is also assessed. The results of the controls and the action plans devised to remedy areas in need of improvement are reported to the Audit and Control Committee
- Training: the Company provides its employees with the training needed to ensure they are sufficiently familiar with the core elements of the Corporate Crime Prevention Framework.

Escalonia III (Las Rozas),

Financial information

Income statement

The income statement clearly evidences the ramp-up phase in which the Company is immersed: during the first half of fiscal 2020-21, revenue increased by 41% year-on-year to €66.2m; €61.9m came from house sales and €4.3m from land sales. First-half revenue, despite registering growth year-on-year, represents just c.10% of the revenue target for FY 2020-21, as the projected home deliveries will be heavily concentrated in the second half of the fiscal year. As a result, FY 2020-21 revenue is expected to register significant growth compared to FY20. Gross margin increased by €5m, or 45%, year-on-year in 1H 2020-21.

€66.2m
revenue
+41%

+45%
gross margin

First-half direct expenses declined by 14.6% year-on-year to €5.1m due to fewer developments put on the market, shaped notably by the postponement of new launches as a result of the lockdown measures taken to halt transmission of COVID-19. Note that this heading recognises the marketing costs associated with all of the developments launched by the September close irrespective of whether or not they were actually delivered during the reporting period. In addition, the tax paid on developments increased by 65% to €1.3m mainly due to the increase in the number of taxes on construction, installations and works (ICIO), the increase in the payment of taxes on property (IBI) and the payment of taxes on capital gains.

General expenses were 8.7% higher year-on-year at €13.5m, reflecting the fact that the Company has the full staff it needs.

It is worth highlighting the increase in other income to €1.5m, driven mainly by the termination of sale agreements.

In addition, net finance cost increased by 21% year-on-year to €5.9m, driven mainly by the increase in developer loan drawdowns.

As a result of the impact of the health crisis, the Company recognised inventory impairment losses of €1.6m.

Accordingly, the Company recorded a net loss of €8.3m in the first half of FY 2020-21. The loss reflects the fact that the deliveries scheduled for this year are heavily concentrated in the second half, which is when the Company will recognise most of the fiscal year's revenue.

Income statement

(€ m)	1H 2020-21	Apr-Sept 2019	Change in 1H 2020-21 Abs.	%
Revenue - property development	61.9	46.8	15.1	32.3%
Revenue - land	4.3	-	4.3	-
Revenue	**66.2**	**46.8**	**19.4**	**41.6%**
Cost of goods sold	(50.1)	(35.6)	(14.4)	40.4%
Gross margin	**16.2**	**11.1**	**5.0**	**45.1%**
Gross margin, %	24.4%	23.8%	0.0	60bp
Sales and marketing costs	(5.1)	(6.0)	0.9	-14.6%
Other operating expenses	(1.3)	(1.4)	0.0	-0.2%
Net development margin	**9.7**	**3.8**	**5.9**	**155.4%**
Net development margin, %	14.6%	8.1%	0.1	653bp
Overhead	(13.5)	(12.4)	(1.1)	8.7%
Other income and expenses	1.5	0.2	1.2	559.2%
EBITDA	**(2.3)**	**(8.4)**	**6.1**	**72.4%**
EBITDA MARGIN, %	-3.5%	-17.8%	0.1	1.428bp
Depreciation and amortisation	(1.0)	(0.8)	(0.2)	28.5%
Net finance cost	(5.9)	(4.8)	(1.1)	22.0%
Share of profit/(loss) of associates	(0.2)	(0.1)	(0.1)	199.8%
Impairment losses	(1.6)	0.1	(1.7)	
Profit/(loss) before tax	**(11.0)**	**(14.0)**	**2.9**	**21.1%**
Income tax	2.8	4.0	(1.3)	-31.5%
Profit/(loss) for the period	**(8.3)**	**(10.0)**	**1.7**	**16.9%**
Net profit margin, %	-12.5%	-21.3%	0.1	879bp
Non-controlling interests	(0.0)	(0.1)	0.0	-71.2%
Profit/(loss) attributable to owners of the parent	**(8.3)**	**(10.0)**	**1.7**	**17.2%**

South Bay (Estepona)

Balance sheet, treasury stock, cash flow statement and average supplier payment term

Balance sheet

Current assets increased by 12% in the first six months of FY 2020-21 to €1.74bn, driven mainly by growth in inventories of €191.7m (14%), which reflects the progress made on developments underway and slated for delivery in the coming months since 31 March 2020 (year-end FY20) to €1.54bn. The overall increase is the net result of a decrease in land of 3% to €597.6m due to the transfer of sites to construction in progress, reflecting newly started construction work, net of new land purchases; an increase in construction in progress of 37.3% to €860.5m shaped by the start of new construction work net of the completion of other projects; a decrease in finished product of 20% to €64m due to deliveries during the reporting period net of the recognition of newly completed housing units (885 units pending occupancy permits and 172 already with such permits); and a 30.7% decrease in advances to suppliers to €13.5m, a heading which recognises the amounts paid for land purchase rights and prepayments made in the course of the execution of certain developments.

The inventories balance does not reflect unrealised gains of €620.3m implied by the most recent asset appraisal conducted by Savills Aguirre Newman Valoraciones y Tasaciones, S.A.. It reflects the minimum impairment of €1.6 m, which in turn is recorded in the income statement.

As a result, at 30 September 2020, inventories amounted to €1.54bn, broken down between land (39%); construction in progress (56%); finished product (4%); and advances to suppliers (1%).

The growth in inventories, of €19.7m, was financed primarily by the following balance sheet items, among others:

On the liability side:

€42m from trade and other accounts payable, which increased from €289.7m at 31 March 2020 (YE20) to €331.7m at 30 September 2020. The following movements stand out:

- €25.2m stemmed from the increase in customer down payments to €186.9m.
- €25.4m originated from the increase in trade payables to €129.2m.

€145.5m came from developer loans, the drawdown of which increased to €280.9m due to construction milestones (€19.7m corresponds to finished product pending delivery).

€1.54bn
inventories
+14%

€141.2m
cash
+3.67%

21.8%
LTV

Solid financial position marked by healthy leverage ratios

On the asset side:

The biggest movement was a decrease in trade and other accounts receivables of €4.5m from 31 March 2020 to €38.9m at 30 September 2020.

It is worth highlighting the cash balance: at the September close, cash and cash equivalents stood at €141.2m, of which €90.1m is unrestricted. Net debt has increased by €177.7m since 31 March 2020 to €438.1m (+68%) driven mainly by new drawdowns of developer loans to finance new building work and an increase in corporate borrowings; drawdowns and new financing increased by €91.1m on aggregate (made up of an increase in developer loans of 145.3m, offset by the repayment of corporate loans in the amount of €54.2m). As a result, the Company's LTV ratio stood at 21.8% and its LTC ratio stood at 29.3% at the September close. Note that €19.7m of the Company's debt finances housing pending delivery.

On 1 July 2020, the Company arranged a new €150m corporate financing facility, which refinanced that arranged on 6 August 2018. The new financing has been structured into three agreements: a syndicated loan in the amount of €134.2m and two secured loans totalling €15.8m (secured by the state, specifically, the official credit institute, or ICO). The new loans are repayable in five instalments between 31 December 2020 and 6 August 2022. The face value drawn down at 30 September 2020 was €150m and the amount recognised at amortised cost was €147.7m.

In addition, during the six months ended 30 September 2020, the Parent arranged four credit lines totalling €38m to complement its developer loans. Three of the loans, arranged with different banks that have already provided developer loans, have state-backed (ICO) guarantees. They all have grace periods of at least 10 months and terms of maturity of between 12 and 24 months.

In terms of the debt maturity profile, it is worth noting that the Company's current liabilities are made up of €269.4m of loans that mature in the long term and €118m of loans that mature in the short term, while non-current liabilities amount to €138m. As a result, 77.5% of the Company's total borrowings mature in the long term.

At 30 September 2020, the Company held €44.5m of treasury stock (further details below).

Balance sheet

(€ m)	30 Sept. 2020	31 Mar. 2020	Change in 1H 2020-21 Abs.	%
Intangible assets	1.2	1.2	(0.0)	-2.6%
Property, plant and equipment	2.8	3.4	(0.5)	-16.0%
Other non-current fixed assets	38.0	33.6	4.3	12.9%
Non-current assets	42.0	38.2	3.8	9.9%
Inventories	1,535.7	1,343.9	191.7	14.3%
Trade receivables	38.9	43.5	(4.5)	-10.4%
Short-term investments	22.6	23.3	(0.7)	-3.1%
Cash and cash equivalents	141.2	136.1	5.1	3.7%
Current assets	1,738.4	1,546.8	191.6	12.4%
Total assets	**1,780.4**	**1,585.0**	**195.4**	**12.3%**
Capital and reserves	920.5	936.0	(15.5)	-1.7%
Of which: treasury stock	(44.5)	(36.9)	(7.6)	20.5%
Non-current borrowings	137.0	2.5	134.5	
Other non-current liabilities	0.9	1.4	(0.5)	-35.0%
Non-current liabilities	137.9	4.0	134.0	-
Provisions	2.7	4.5	(1.8)	-39.8%
Current borrowings due in the long term	269.4	134.9	134.5	
Current borrowings	118.1	214.3	(96.2)	-44.9%
Other current liabilities	-	1.7	(1.7)	-
Trade and other accounts payable	331.8	289.7	42.1	14.5%
Current liabilities	721.9	645.1	76.9	11.9%
Total equity and liabilities	**1,780.4**	**1,585.0**	**195.4**	**12.3%**

Villas de Arco Norte (Dos Hermanas).

Treasury stock

The number of shares bought back between the start of the repurchases on 7 August 2019 and 30 September 2020 totals 2,483,829, which is equivalent to 5.18% of the Company's capital; the shares have been bought back for €49,449,503 , i.e., at an average price of €19.90/share.

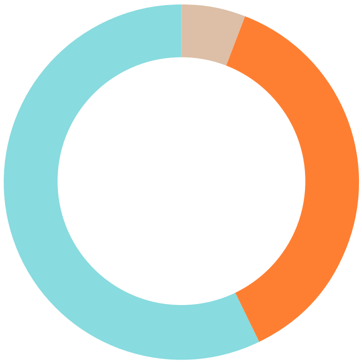
The number of shares bought back between 1 April and 30 September 2020 was 426,752, which is equivalent to 0.89% of capital; those shares were bought for €7,567,318[1] at an average price of €17.73/share. 32% of the shares were bought back under the scope of the Repurchase Programme and the remaining 68% pursuant to block trades.

The breakdown of the Company's treasury stock at 30 September 2020:

Treasury stock held at 30 September 2020	# shares	% of capital
Discretionary Programme	148,724	0.31%
Repurchase Programme	914,983	1.91%
Block trades	1,420,122	2.96%
Total	2,483,829	5.18%

On 8 January 2020, the Company drew down an equity swap line arranged with Goldman Sachs in the amount of €5m, corresponding to 236,406 shares, which are included in the total treasury stock.

Treasury stock by acquisition route



Discretionary Programme	6%
Repurchase Programme	37%
Block trades	57%

Cash flow statement

Cash and cash equivalents increased by €5.1m from €136.1m at 31 March 2020 to €141.2m at 30 September 2020.

That movement is attributable to net cash outflows from operating activities of €165.9m, net cash outflows from investing activities of €2.3m and net proceeds from financing activities of €173.3m.

The net cash used in operating activities was mainly driven by the movement in inventories. The €191.7m increase in inventories comprised a 3% decrease in land to €597.6m due to the transfer of sites to construction in progress, reflecting the start-up of new building work, which more than offset new site purchases; an increase in construction in progress of 37% to €860.5m, shaped by the start of new construction work net of the completion of other projects; a decrease in finished product of 20% to €64m, due to

€5.1m
net increase
in cash

1 Includes fees and royalties

deliveries during the reporting period, which more than offset the recognition of newly completed housing units; a decrease of 31% in advances to suppliers - the heading which recognises the amounts paid for land purchase rights and prepayments made in the course of the execution of certain developments - to €13.5m. In addition, trade and other receivables decreased by €4.5m and trade and other payables increased by €42m. The net cash used in investing activities amounted to €2.3m.

As for the net inflow of cash from financing activities of €173.3m, it is worth highlighting (i) an increase in commercial paper and bank borrowings of €263m (€53.8m of new commercial paper issues, €171.2m of developer loan drawdowns and €53.8m of corporate loan drawdowns); offset by (ii) repayments of notes and other marketable securities and bank borrowings of €82.2m (made up of the repayment of €62.9m of commercial paper, €17.2m of developer loans and €1.5m of corporate loans). This heading also reflects an outflow of €7.6m for the buyback of treasury stock.

Cash flow statement

(€ m)	1H 2020-21	Apr-Sept 2019	Change
Group profit before tax	**(11.0)**	**(14.0)**	**2.9**
Adjustments for finance income/costs	**5.9**	**4.8**	**1.1**
Net finance cost	12.4	10.0	2.4
Borrowing costs capitalized in inventories	(6.2)	(5.4)	-0.8
Change in fair value of financial instruments and exchange differences	(0.3)	0.2	-0.6
Share of profit/(loss) of associates	**0.2**	**0.1**	**0.1**
EBIT	**(4.9)**	**(9.1)**	**4.1**
Depreciation/amortisation and impairment charges	2.6	0.7	1.9
EBITDA	**(2.3)**	**(8.4)**	**6.0**
Other adjustments to profit	(24.3)	12.7	(37.0)
Other cash flows from/used in operating activities	(6.2)	0.4	(6.6)
Change in working capital excluding land purchases/sales	(135.7)	(90.4)	(45.4)
Change in working capital derived from land purchases/sales	2.7	(61.3)	64.0
(A) Net cash used in operating activities	**(165.9)**	**(146.9)**	**(19.0)**
Investment in group companies and associates	(2.0)	(3.3)	1.3
Investment in other PPE and intangible assets	(0.3)	(0.7)	0.4
(B) Net cash used in investing activities	**(2.3)**	**(4.0)**	**1.7**
Repurchase/(sale) of treasury stock	(7.6)	(8.2)	0.6
Issuance and repayment of borrowings	180.9	147.7	33.2
(C) Net cash from financing activities	**173.3**	**139.5**	**33.8**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**5.1**	**(11.5)**	**16.5**

Average payment period

Suppliers were paid at 54.21 days on average in the first half of FY 2020-21. The average term increased by nearly 8 days due mainly to the recognition for accounting purposes of all progress billings at the end of the month, which had the effect of increasing the outstanding transactions ratio. The paid transactions ratio did not change significantly.

54.21 days
+8 days

Average supplier payment term	1H 2020-21 Apr - Sept	FY20 Jan - Mar	2019	2018
Days				
Average supplier payment term	54.21	46.39	56.01	43.77
Paid transactions ratio	56.8	57.46	58.64	46.38
Outstanding transactions ratio	45.11	32.18	39.06	22.04

Borrowings

At 30 September 2020, the Company's gross borrowings stood at €528.1m: €283.9m (amortised cost) of bank loans (mortgages used to finance work in progress; note that €19.7m finances developments that are ready for delivery); €244.2m of corporate debt (€150m from the syndicated loan; €56.2m of commercial paper issues; and €38m of other corporate debt).

The face value of the limit on the borrowings arranged by the Company stands at €879.6m, €635.4m of which consists of developer loans.

As a result, the Company's net debt at the September 2020 close stood at €438.1m, up 29% from June 2020.

The snapshot of AEDAS Homes' borrowings reveals a diversified mix of sources of financing and lenders, so that its financial risk is not concentrated.

In terms of the debt maturity profile, it is worth noting that the Company's current liabilities are made up of €269.4m of loans that mature in the long term and €118m of loans that mature in the short term, while non-current liabilities amount to €138m. As a result, 77.5% of the Company's total borrowings mature in the long term.

€19.7m of the Company's mortgages finance houses that are ready for delivery

The average term of maturity of the Company's commercial paper has increased from six to 15 months

At the September 2020 close, the Company's average borrowing cost was 2.85%. If the Company were to drew down the entire limit, its borrowing cost would be 3.14% and the average cost of its developer loans would be 2.51%.

The 22% increase in gross borrowings since 30 June 2020 is attributable to the acceleration in business volumes as the company ramps up its operations. Despite that increase, when factoring in the balance of unrestricted cash of €90.1m, thanks to which the Company does not have to draw down more heavily, the key leverage ratios at 30 September 2020 were as follows: a LTV ratio of 21.8% and a LTC ratio of 29.3%.

Borrowings

46 % corporate vs. 54 % mortgage loans

Bank financing

Lender bank	Arranged	Drawn
	Developer mortgage loans	
Sabadell	148.7	61.3
BBVA	124.1	54.6
Abanca	27.1	2.0
La Caixa	40.4	9.1
Santander	66.3	36.6
Kutxabank	79.5	31.9
Targobank	36.1	7.8
Liberbank	18.8	7.3
Bankinter	29.1	12.3
Bankia	158.7	49.8
Ibercaja	26.3	1.8
Total	**755.0**	**274.4**

Trend in net debt[1]

(€ m)	30 Sept. 2020	30 June 2020	Change
(A) Secured debt	283.9	135.3	148.6
(B) Corporate debt	244.2	211.1	33.1
Syndicated loan	150.0	149.1	0.9
Commercial paper (MARF-listed)	56.2	62.1	(5.9)
Other corporate debt	38.0	-	38.0
Gross debt (A + B)	528.1	346.5	181.7
(C) Total cash	141.2	136.1	5.0
Net debt before prepayments (A + B - C)	387.0	210.4	176.6
(D) Cash tied to development prepayments	51.1	50.1	1.0
Net debt (A + B - C + D)	**438.1**	**260.4**	**177.7**

1 Differences with respect to the reported borrowing figures stem from a differing accounting treatment

77.5% of the Company's total borrowings mature in the long term

Alternative performance measures

The company presents certain alternative performance measures (APMs) in order to provide additional information designed to enhance the comparability and comprehension of its financial information, while also facilitating its ability to take decisions and monitor its performance. Financial information users should treat the APMs as complementary to the measures presented for accounting purposes.

The most significant APMs are the following:

Gross Development Margin

Definition: Revenue from sales – Change in inventories – Cost of sales (without factoring in provisions for the impairment of inventories).

Rationale for usage: the Company's directors use the Gross Development Margin to measure its performance as this yardstick provides information about how its development projects are performing by starting from third-party sales and subtracting the costs incurred to make such sales. Calculation of this APM factors in the impairment charges applied to real estate assets sold during the reporting period. Note that the Gross Development Margin does not include any gains realised on the sale of land.

Gross Margin

Definition: Revenue from sales – Change in inventories - Cost of sales.

Rationale for usage: used in the Company's financial statements; differs from the Gross Development Margin by factoring in land sales.

Net Development Margin

Definition: Gross Development Margin – Sales & marketing expenses (included within Other operating expenses in the statement of profit or loss).

Rationale for usage: the Net Development Margin is used by the Company's directors as a yardstick for its performance as it provides information about the net margin generated on the developments that generated sales revenue during the reporting period. The Net Development Margin is calculated based on the Gross Development Margin, net of certain expenses associated with the marketing effort. Note that the Net Development Margin does not include any gains realised on the sale of land.

Net Margin

Definition: Gross Margin - Sales and marketing expenses (included in other operating expenses in the statement of profit or loss).

Rationale for usage: used in the Company's financial statements; differs from the Net Development Margin by factoring in land sales.

EBITDA

Definition: Net Development Margin – Impairment of inventories + Revenue from services + Other operating income – Employee benefits expense – Other operating expenses other than sales & marketing expenses.

Rationale for usage: the Company's directors use EBITDA to measure its performance as it provides information for analysing profitability (before interest, tax, depreciation and amortisation) by approximating the operating flows that generate cash. It is also a measure that is widely used by the investment community in appraising companies' performance; it is further used by the rating agencies and creditor community to evaluate leverage and interest coverage by comparing EBITDA with an entity's net debt and debt service obligations.

Adjusted EBITDA

Definition: EBITDA + Inventory impairment

Rationale for usage: the Company's directors use Adjusted EBITDA to measure its performance as it provides information for analysing profitability net of inventory impairment charges, which do not represent cash flows.

Loans

Definition: Borrowings and other financial liabilities – the Shareholder Master Credit Facility Agreement.

Rationale for usage: Borrowings is a measure used by the Company's directors to track its performance as it measures the Company's net financial position and is necessary to calculate the leverage ratios typically used in the market.

Net debt

Definition: Borrowings – Deferred payments due on the acquisition of inventories – Cash and cash equivalents (excluding the sum that

Villas de Arco Norte (Dos Hermanas)

is restricted in respect of down payments on developments, which must be deposited in a special account and may only be used to service expenses derived from construction of the developments) and the cash pledged to cover debt service obligations under mortgages.

Rationale for usage: Net Debt measures an enterprise's net financial position. It is also a metric that is widely used by investors to analyse companies' net leverage and by rating agencies and creditors to assess net debt.

Leverage

Definition: Borrowings / Total assets

Rationale for usage: Leverage provides a measure of the Company's indebtedness. It is widely used by investors to analyse real estate companies' leverage and by rating agencies and creditors to assess their net debt.

Loan to Value (LTV)

Definition: Net Debt/(Cash) / (Market value of appraised assets (GAV) + Sale options over inventories)

Rationale for usage: LTV provides a measure of the Company's indebtedness relative to the market value of its properties. It is widely used by investors to analyse real estate companies' leverage and by rating agencies and creditors to assess their net debt.

Loan to Cost (LTC)

Definition: Net Debt/(Cash) / (Inventories - Prepayments to suppliers)

Rationale for usage: The LTC ratio provides another measure of the Company's indebtedness. It is widely used by investors to analyse real estate companies' leverage and by rating agencies and creditors to assess their net debt.

Gross Asset Value (GAV)

Definition: The value of the Company's assets, and, by extension, its GAV, is calculated by an independent appraiser, specifically Savills. That appraiser uses the RICS methodology to calculate the market value of properties. The RICS defines market value as the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. GAV is calculated on the basis of a series of assumptions made at the appraiser's judgement.

Net Asset Value (NAV)

Definition: The market value of the Company's equity or net worth, i.e., the total value of its assets minus the total value of its liabilities.

Gross Development Value (GDV)

Definition: A measure of what the Company's assets are expected to be worth on the open market once all development work has been completed.

Average Borrowing Cost

Definition: Weighted average cost of the Company's

Torre Estronci 99
(L'Hospitalet de Llobregat)

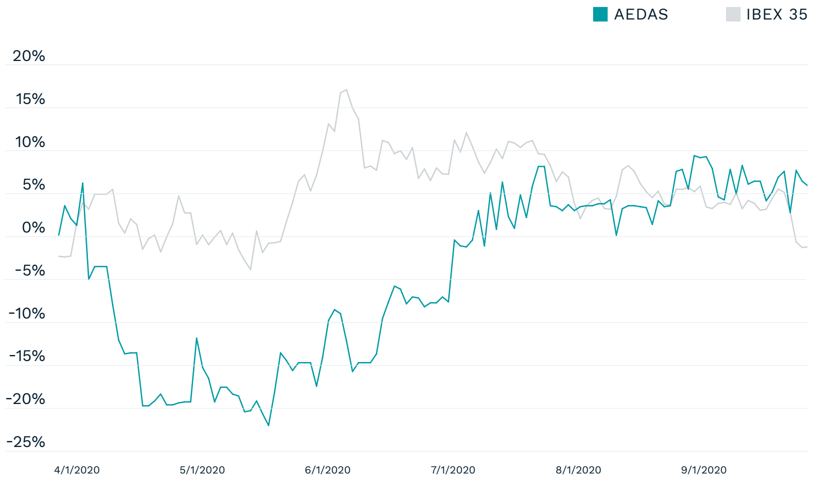
Share price performance and CNMV filings

Share price performance

At 30 September 2020, AEDAS Homes' share price was trading at a discount of 46% to the NAV reported as of that same date. The share price started the reporting period at €17.50, peaking at €19.02 on 27 August and registering a low of €13.52 on 20 May. It closed at €18.32 on 30 September, implying a gain of 4.69% over the six-month period.

+4.69%
1H 2020-21

AEDAS' share price performance vs. IBEX-35



Trading liquidity increased slightly in the second quarter of fiscal fiscal 2021 compared to the first quarter, with the equivalent of 4% of total outstanding shares trading hands.

CNMV filings

Publication date	› Other relevant information (ORI) › Price-sensitive information (PSI) › Financial/corp. information	Type	Summary content	Registration no.
6/4/2020	ORI	Buy-back programmes, stabilisation and treasury stock	31 - 6 April 2020 buy back programme report	1418
13/04/2020	ORI	Buy-back programmes, stabilisation and treasury stock	7-13 April 2020 buy back programme report	1531
20/04/2020	ORI	Buy-back programmes, stabilisation and treasury stock	14-20 April 2020 buy back programme report	1654
27/04/2020	ORI	Buy-back programmes, stabilisation and treasury stock	21-27 April 2020 buy back programme report	1784
04/05/2020	ORI	Buy-back programmes, stabilisation and treasury stock	28 April - 4 May 2020 buy back programme report	1974
11/05/2020	ORI	Buy-back programmes, stabilisation and treasury stock	5-11 May 2020 buy back programme report	2162
14/05/2020	ORI	Other relevant information	2020 Results for the three months ended 31 March 2020, webcast announcement	2251
18/05/2020	ORI	Buy-back programmes, stabilisation and treasury stock	12-18 May 2020 buy back programme report	2290
20/05/2020	ORI	On business and financial situation	2020 (1 Jan-31 Mar) Results Presentation	2333
20/05/2020	ORI	Announcement of general shareholders' meeting	Second 2020 Ordinary General Shareholders Meeting announcement	2334
21/05/2020	Interim financial information for listed companies	Half-yearly financial reports and audit reports/limited audit review	Submission of financial information for fiscal 2020	2348
(1 Jan - 31 March)	2348	IGC	Informe Anual de Gobierno Corporativo del ejercicio finalizado el 31 de marzo de 2020	2020023511
21/05/2020	Annual Corp. Gov. report	Annual Corp. Gov. report	Annual Corporate Governance Report for the year ended 31 March 2020	2020023511
21/05/2020	Director remuneration report	Director remuneration report	Annual Report on Director Remuneration for the year ended 31 March 2020	2020023510
25/05/2020	ORI	Buy-back programmes, stabilisation and treasury stock	19-25 May 2020 buy back programme report	2414
01/06/2020	ORI	Buy-back programmes, stabilisation and treasury stock	26 May - 1 June 2020 buy back programme report	2516
08/06/2020	ORI	Buy-back programmes, stabilisation and treasury stock	2-8 June 2020 buy back programme report	2617
15/06/2020	ORI	On financial instruments	2020 AEDAS Homes commercial paper programme	2749
16/06/2020	ORI	Buy-back programmes, stabilisation and treasury stock	9-15 June 2020 buy back programme report	2814
22/06/2020	ORI	Buy-back programmes, stabilisation and treasury stock	16-22 June 2020 buy back programme report	2940
23/06/2020	ORI	Announcement of general shareholders' meeting	Resolutions adopted Second 2020 General Shareholders' Meeting	2966
29/06/2020	ORI	Buy-back programmes, stabilisation and treasury stock	23-29 June 2020 buy back programme report	3068
06/07/2020	ORI	Other relevant information	€150m new term loan facility agreement	3209
06/07/2020	ORI	Buy-back programmes, stabilisation and treasury stock	30 June - 6 July 2020 buy back programme report	3242
13/07/2020	ORI	Buy-back programmes, stabilisation and treasury stock	7-13 July 2020 buy back programme report	3382
20/07/2020	ORI	Buy-back programmes, stabilisation and treasury stock	14-20 July 2020 buy back programme report	3493
22/07/2020	ORI	Announcements of public presentations or meetings	Q1 2020-21 Results webcast announcement	3549
27/07/2020	ORI	Buy-back programmes, stabilisation and treasury stock	21-27 July 2020 buy back programme report	3642
29/07/2020	Interim financial information for listed companies	Interim financial reports	Submission of interim management report for the first quarter of fiscal 2021	3703
29/07/2020	ORI	On business and financial situation	1Q 2020-21 Results presentation	3704
03/08/2020	ORI	Buy-back programmes, stabilisation and treasury stock	28 July - 3 August 2020 buy back programme report	3940
03/08/2020	ORI	Other relevant information	PKF Incorporation	3941
04/08/2020	ORI	Other relevant information	Subscription of the framework agreement to join the MARF ICO COVID commercial paper guarantee programme	3956
10/08/2020	ORI	Buy-back programmes, stabilisation and treasury stock	4-10 August 2020 buy back programme report	4041
17/08/2020	ORI	Buy-back programmes, stabilisation and treasury stock	11 - 17 August buy back programme and block trade report	4088
24/08/2020	ORI	Buy-back programmes, stabilisation and treasury stock	18-24 August 2020 buy back programme report	4114
31/08/2020	ORI	Buy-back programmes, stabilisation and treasury stock	25-31 August 2020 buy back programme report	4159
07/09/2020	ORI	On financial instruments	BBB rating State-guaranteed commercial paper note program	4257
07/09/2020	ORI	Buy-back programmes, stabilisation and treasury stock	1-7 September 2020 buy back programme report	4260
11/09/2020	ORI	General Shareholders' Meeting Regulations	Submission of the general meeting regulations	4368
14/09/2020	ORI	Buy-back programmes, stabilisation and treasury stock	8-14 September 2020 buy back programme report	4416
21/09/2020	ORI	Buy-back programmes, stabilisation and treasury stock	15 - 21 September buy back programme and block trade report	4548
22/09/2020	Major holdings and treasury stocK	Treasury stock notices filed	New additional 1% threshold	2020099013
28/09/2020	ORI	Buy-back programmes, stabilisation and treasury stock	22 - 28 September buy back programme and block trade report	4670

Events after the reporting date

No events have taken place since the end of the reporting period that could have a material impact on the information presented in the interim condensed consolidated financial statements authorised for issue by the directors or that are worthy of disclosure on account of their materiality, other than as disclosed below:

- On 5 October 2020, the Parent settled the equity swap entered into with Goldman Sachs International, repurchasing 236,406 shares for 4,999,987 euros.
- The Parent's Board of Directors, at a meeting held on 21 October 2020, resolved, unanimously, on the basis of a recommendation and report from the Appointments and Remuneration Committee, to appoint, by means of co-option, Javier Martínez-Piqueras as independent director, for the bylaw-stipulated term of three years. Javier Martínez-Piqueras will replace Emile K. Haddad, whose tenure had expired (on 27 September 2020). The appointment of Javier Martínez-Piqueras will need to be ratified by the Company's shareholders at the next Annual General Meeting.
- Given the current circumstances induced by the COVID-19 pandemic, the Parent's Board of Directors, at a meeting held on 21 October 2020, has decided to defer the payment of the 0.50-euro-per-share dividend, initially scheduled for November 2020, framed by the capital preservation policy implemented by the Company in response to the pandemic in March in order to safeguard its capital structure. The Company will pay the dividend in full when it authorises the appropriation of its profit for the fiscal year ended 31 March 2021, thereby sharing the profit it generates with its shareholders.
- On 23 October 2020, the Parent agreed an addendum to the equity swap agreement entered into with Goldman Sachs on 17 October 2017 to hedge the exposure arising from its obligation to deliver a certain number of shares to employees of AEDAS Homes under the long-term incentive plan (LTIP). As a result of the addendum, the manner of settlement of the equity swap has been changed from cash to shares; it will be settled net, as a function of the price at which Goldman Sachs sells the shares.
- Between 1 October 2020 and the time of writing, the Group arranged mortgages in an aggregate amount of €87.6m in order to finance three developments in progress. Those mortgages carry interest at EURIBOR plus spreads ranging between 185 and 300 basis points.

- At the close of trading on 23 November 2020, the Parent held 2,578,613 shares of treasury stock, representing 5.37% of its capital; they were bought back at an average price of 19.83 euros per share. The number of shares bought back under the Discretionary Programme totals 148,724, representing 0.31% of capital; they were purchased at an average price of 20.33 euros per share. The number bought back under the Repurchase Programme totals 1,009,767 shares, representing 2.10% of capital; they were acquired at an average price of 19.77 euros per share. Lastly, the number of shares bought back via block trades totals 1,420,122 shares, representing 2.96% of capital; those shares were purchased at an average price of 19.83 euros per share.

Ramón y Cajal (Seville)

aedashomes.com

DILIGENCIA DE FIRMAS

Diligencia que levanta el Secretario no consejero del Consejo de Administración para hacer constar que los miembros del mencionado Consejo de Administración de la sociedad AEDAS HOMES, SA han procedido a aprobar los Estados Financieros Intermedios Resumidos Consolidados de AEDAS HOMES, S.A. correspondientes al periodo de seis meses finalizado el 30 de septiembre de 2020, constitutivos de: el Balance de Situación Consolidado, la Cuenta de Pérdidas y Ganancias Consolidada, el Estado de Resultado Global Consolidado, el Estado de Cambios en el Patrimonio Neto Consolidado, el Estado de Flujos de Efectivo Consolidado, Notas Explicativas de los Estados Financieros Intermedios Resumidos Consolidados y el Informe de Gestión, firmando todos y cada uno de los señores Consejeros de la sociedad, cuyos nombres y apellidos constan a continuación, de lo que doy fe.

24 de noviembre de 2020

El Secretario no Consejero

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D. Alfonso Benavides Grases

SIGNATURE DILIGENCE

Diligence raised by the non-director Secretary of the Board of Directors to record that the members of the Board of Directors of the company AEDAS HOMES, SA have proceeded to approve the Interim Condensed Consolidated Financial Statements for the six months period ended September 30th, 2020, constituent of the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Notes to the Interim Condensed Consolidated Financial Statements and the Management Report, signed by each and every one of the Directors of the company, whose names and surnames are listed below, that I give faith.

November 24th , 2020

Non-director Secretary

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Mr. Alfonso Benavides Grases

D. Santiago Fernández Valbuena

D. David Martínez Montero

D. Eduardo D'Alessandro Cishek

D. Evan Andrew Carruthers

D. Francisco Javier Martínez-Piqueras

D. Javier Lapastora Turpín

D. Miguel Temboury Redondo

Dña. Cristina Álvarez Álvarez

Dña. Milagros Méndez Ureña

Mr. Santiago Fernández Valbuena

Mr. David Martínez Montero

Mr. Eduardo D'Alessandro Cishek

Mr. Evan Andrew Carruthers

Mr. Francisco Javier Martínez-Piqueras

Mr. Javier Lapastora Turpín

Mr. Miguel Temboury Redondo

Ms. Cristina Álvarez Álvarez

Ms. Milagros Méndez Ureña

DECLARACIÓN DE RESPONSABILIDAD DE AEDAS HOMES, S.A.

Conforme a lo establecido en el artículo 8.1(b) del Real Decreto 1362/2007, de 19 de octubre, los miembros del Consejo de Administración de Aedas Homes, S.A. abajo firmantes realizan la siguiente declaración de responsabilidad:

Que, hasta donde alcanza su conocimiento, los Estados Financieros Intermedios Resumidos Consolidados de AEDAS HOMES, S.A. y sus sociedades dependientes, correspondientes al periodo de seis meses finalizado el 30 de septiembre de 2020 han sido elaborados con arreglo a los principios de contabilidad aplicables; ofrecen, tomadas en su conjunto, la imagen fiel del patrimonio, de la situación financiera y de los resultados de Aedas Homes, S.A. y sus sociedades dependientes; y el Informe de Gestión consolidado incluye un análisis fiel de la evolución y los resultados empresariales y de la posición de Aedas Homes, S.A. y sus sociedades dependientes, junto con la descripción de los principales riesgos e incertidumbres a que se enfrentan.

Los consejeros, en prueba de conformidad, firman esta hoja:

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D. Santiago Fernández Valbuena
Presidente

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D. David Martínez Montero
Consejero Delegado

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D. Eduardo D'Alessandro Cishek
Consejero

DECLARATION OF LIABILITY OF AEDAS HOMES, S.A.

In accordance with the provisions of article 8.1 (b) of Royal Decree 1362/2007, of October 19, the members of the Board of Directors of Aedas Homes, S.A. below signatories make the following declaration of liability:

That, to the best of its knowledge, the Interim Condensed Consolidated Financial Statements of Aedas Homes, S.A. and its subsidiaries, corresponding to the six months period ended September 30th, 2020, have been prepared in accordance with applicable accounting principles; offer, taken as a whole, the true image of the Equity, the financial situation and the results of Aedas Homes, S.A. and its subsidiaries companies; and the Consolidated Management Report includes a faithful analysis of the evolution and business results and the position of Aedas Homes, S.A. and its dependent companies, together with the description of the main risks and uncertainties that they face.

The Members of the Board, in proof of compliance, sign this sheet:

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Mr. Santiago Fernández Valbuena
Chairmain

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Mr. David Martínez Montero
Chief Executive Officer

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Mr. Eduardo D'Alessandro Cishek
Board Member

____

D. Evan Andrew Carruthers
Consejero

____

D. Evan Andrew Carruthers
Board Member

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D. Javier Lapastora Turpín
Consejero

____

Mr. Javier Lapastora Turpín
Board Member

____

D. Miguel Temboury Redondo
Consejero

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Mr. Miguel Temboury Redondo
Board Member

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Dña. Milagros Méndez Ureña
Consejera

____

Mrs. Milagros Méndez Ureña
Consejera

____

Dña. Cristina Álvarez Álvarez
Consejera

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Mrs. Cristina Álvarez Álvarez
Board Member

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D. Francisco Javier Martínez-Piqueras
Consejero

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Mr. Francisco Javier Martínez-Piqueras
Board Member

24 de noviembre de 2020
Madrid

November 24th, 2020
Madrid

Yo, Alfonso Benavides Grases, Secretario no consejero del Consejo de Administración, certifico la autenticidad de las firmas que anteceden de las personas cuyo nombre figura en la parte inferior de la firma correspondiente, siendo todos ellos miembros del Consejo de Administración de Aedas Homes, S.A.

Madrid
24 de noviembre de 2020

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D. Alfonso Benavides Grases
Secretario del Consejo de Administración

I, Alfonso Benavides Grases, Non-Board Secretary of the Board of Directors, certify the authenticity of the foregoing signatures of the persons whose name appears in the lower part of the corresponding signature, all of whom are members of the Board of Directors of Aedas Homes, S.A.

Madrid
November 24th 2020

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D. Alfonso Benavides Grases
Secretary of the Board of Directors