

**Audit Report on Financial Statements
issued by an Independent Auditor**

**AEDAS HOMES, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
March 31, 2023**



AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See note 25)

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

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of AEDAS HOMES, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at March 31, 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at March 31, 2023 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of inventories

Description At March 31, 2023, the Group carried inventories at 1,610,671,024 euros, which mainly comprise land and sites, as well as various developments in progress and completed buildings that are being held for the purpose of selling the homes being built. The disclosures pertaining to these assets can be found in note 11 to the accompanying consolidated financial statements. As detailed in note 4.4, the Group's inventories are measured at their acquisition cost, grossed up primarily by the cost of any development works, related purchase costs, construction cost, and capitalized borrowing costs, or their estimated market value, if lower.

At each reporting date, the parent's directors test these inventories for indications of impairment. Impairment losses are recognized when their carrying amount exceeds their recoverable amount. To determine the inventories recoverable amount, the parent's directors rely primarily on the appraisals provided by an independent expert in keeping with the valuation standards prescribed by the Royal Institution of Chartered Surveyors (RICS).

The risk of the incorrect initial recognition of these assets, the incorrect capitalization of eligible costs and the possible impairment of these assets, as well as the materiality of the amounts involved, have led us to conclude that the measurement of the Group's inventories constitutes the key audit matter.

Our response

In this regard, our audit procedures included the following, among others:

- ▶ Understanding Group management's processes to determine the inventories recoverable amount the inventory, including evaluation of the design and implementation of the relevant controls.
- ▶ Reviewing the purchase deeds for real estate assets and analyzing a sample of costs capitalized as an increase in inventories.
- ▶ Reviewing, in collaboration with our valuation experts, the valuation methodology used by the independent expert for a sample of the properties appraised by the latter, which encompassed a mathematical assessment of the model, an analysis of the projected cash flows, and a review of the discount rates used.
- ▶ Reviewing the disclosures included in the notes to the accompanying consolidated financial statements in conformity with the applicable regulatory financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2023 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

- a. Checking only that the non-financial statement certain information included in the Corporate Governance Report and the Annual Report on the Remunerations of Directors, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2023 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company's directors and the audit and control committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit and control committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

We also provide the audit and control committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and control committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of AEDAS HOMES, S.A. and subsidiaries for the 2023 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of AEDAS HOMES S.A. are responsible for submitting the annual financial report for the 2023 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Corporate Governance Report and the Annual Report on the Remunerations of Directors have been incorporated by reference in the consolidated management report.

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit and control committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit and control committee on May 30, 2023.

Term of engagement

The ordinary general shareholders' meeting held on June 23, 2020 appointed us as Group's auditors for 3 years, commencing on March 31, 2021.

Previously, we were appointed as auditors by the shareholders for one year and we have been carrying out the audit of the consolidated financial statements continuously since December 31, 2016.

ERNST & YOUNG, S.L.
(Registered in the Official Register of
Auditors under No. S0530)

(Signed in the original version)

Alfonso Balea López
(Registered in the Official Register of
Auditors under No. 20970)

May 30, 2023

Aedas Homes, S.A. and subsidiaries

Consolidated financial statements for the year ended March 31, 2023 prepared under the International Financial Reporting Standards (IFRS) adopted by the European Union, Group Management Report and Independent Auditor's Report

(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 MARCH 31, 2023 AND MARCH 31, 2022

(Euros)

ASSETS	Note	March 31, 2023	March 31, 2022	EQUITY AND LIABILITIES	Note	March 31, 2023	March 31, 2022
NON-CURRENT ASSETS				EQUITY			
Intangible assets	7	6,634,322	5,991,992	Capital		46,806,537	46,806,537
Patents, licences and trademarks		2,486,878	2,486,878	Share capital		46,806,537	46,806,537
Software		3,139,282	2,294,916	Share premium		478,534,502	478,534,502
Other intangible assets		1,008,162	1,210,198	Parent company reserves		(299,721,536)	(299,735,041)
Property, plant and equipment	8	8,298,792	3,468,164	(Own Parent Company shares and equity holdings)		(63,922,166)	(55,868,955)
Land and buildings		6,507,113	2,129,417	Retained earnings (Prior period losses)		2,144,748	(10,995,576)
Plant and other PP&E		1,036,156	791,616	Reserves at fully-consolidated companies		(4,610,861)	13,519,644
Work in progress and prepayments		755,523	547,131	Other shareholder contributions		740,071,256	740,071,256
Investment property	9	7,828,733	5,941,195	Profit/(loss) for the year attributable to equity holders of the parent (Interim dividend)		105,071,928	93,125,034
Land		1,771,676	1,175,970	Other equity instruments		8,236,447	6,617,788
Buildings		6,057,057	4,765,225	Non-controlling interests		541,939	411,296
Non-current investments in Group companies and associates	10	12,856,893	21,058,130	Total Equity	14	969,643,889	976,333,185
Investments in associates		8,295,794	12,156,376				
Loans to associates		4,561,099	8,901,754	NON-CURRENT LIABILITIES			
Non-current financial investments	10	1,750,994	1,381,427	Non-current payables	10, 15	321,759,646	318,612,309
Other financial assets		1,750,994	1,381,427	Bonds and other marketable securities		318,994,440	317,416,728
Deferred tax assets	17	5,304,792	6,952,661	Other financial liabilities		2,765,206	1,195,581
Total non-current assets		42,674,526	44,793,569	Deferred tax liabilities	17	260,416	260,416
CURRENT ASSETS				Total non-current liabilities		322,020,062	318,872,725
Inventories	11	1,610,671,024	1,520,346,571	CURRENT LIABILITIES			
Trade and other receivables	10, 12	52,205,744	71,497,514	Current provisions	10, 11	21,407,715	13,236,445
Trade receivables		41,149,759	63,104,592	Development loans classified as current due in the long term	10, 15	125,561,716	98,599,126
Trade receivables from associates	20	1,000,155	708,799	Current borrowings	10, 15	57,829,696	51,287,073
Sundry receivables		712,844	721,851	Bonds and other marketable securities		49,279,073	42,460,562
Personnel		1,588	-	Debt with financial institutions		7,522,890	6,897,412
Current tax assets	17	104,201	179,014	Other financial liabilities	10	1,027,733	1,929,099
Other receivables from public authorities	17	9,237,197	6,783,258	Trade and other payables	16	472,495,990	440,379,366
Current investments in Group companies and associates	10	1,007,341	4,542,723	Suppliers		187,661,219	164,670,033
Loans to associates		1,007,341	4,218,723	Payable for services received		9,426,962	7,088,316
Current financial assets		-	324,000	Employee benefits payable		3,924,768	4,009,964
Current financial investments	10	3,558,315	5,588,112	Current tax liabilities	17	28,653,718	15,915,738
Other current financial assets		3,558,315	5,588,112	Other payables to public authorities	17	48,068,853	32,472,311
Prepayments and accrued income	10	14,109,258	11,918,290	Customer prepayments		194,760,470	216,223,004
Cash and cash equivalents	13	244,732,860	240,021,141	Total current liabilities		677,295,117	603,502,010
Cash		234,732,860	220,113,259				
Cash equivalents		10,000,000	19,907,882	TOTAL EQUITY AND LIABILITIES		1,968,959,068	1,898,707,920
Total current assets		1,926,284,542	1,853,914,351				
TOTAL ASSETS		1,968,959,068	1,898,707,920				

The accompanying notes 1 to 24 are an integral part of the consolidated balance sheet at March 31, 2023.

AEDAS HOMES, S.A. and subsidiaries
CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED MARCH 31, 2023 AND MARCH 31, 2022
(Euros)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Revenues from sales and provision of services	19.a & 20	919,812,265	765,620,206
Cost of sales and provision of services	11 & 19.b	(678,481,120)	(543,370,675)
Revenue - property development	19.a	884,559,342	746,731,285
Cost of goods sold - property development		(648,630,877)	(532,368,795)
Gross margin - Property development		235,928,465	214,362,490
Gross margin % - Property development		26.7%	28.7%
Revenue - Land sales	11 & 19.a	30,182,000	14,728,540
Cost of goods sold - Land sales		(27,782,061)	(10,260,402)
Gross margin - Land sales		2,399,939	4,468,138
Gross margin % - Land sales		8.0%	30.3%
Revenue from provision of services	19.a	5,070,923	4,160,381
Direct cost of provision of services		(2,068,182)	(741,478)
Gross margin - Provision of services		3,002,741	3,418,903
Gross margin % - Provision of services		59.2%	82.2%
GROSS MARGIN		241,331,145	222,249,531
GROSS MARGIN %		26.2%	29.0%
Marketing		(15,811,103)	(12,045,356)
Sales commissions		(17,298,671)	(17,338,637)
Other direct development costs		(3,129,627)	(2,311,658)
Taxes related with developments		(8,980,055)	(4,452,021)
NET MARGIN		196,111,689	186,101,859
NET MARGIN %		21.3%	24.3%
Overheads	19.c	(37,563,691)	(35,270,281)
Overheads - Share-based payment transactions	2.g & 19.c	(4,771,761)	(3,376,977)
Other operating income		2,003,625	1,470,649
Other operating expenses		(269,902)	(195,568)
Negative difference arising on business combinations	6	-	203,393
EBITDA	19.e	155,509,960	148,933,075
EBITDA %		16.9%	19.5%
Strategic land margin	2.g	8,704,443	-
ADJUSTED EBITDA	19.e	164,214,403	148,933,075
ADJUSTED EBITDA MARGIN (%)		17.9%	19.5%
Depreciation and amortisation	7, 8 & 9	(4,761,864)	(3,203,123)
Impairment of inventories	11	(1,261,520)	(1,298,365)
OPERATING PROFIT/(LOSS)		158,191,019	144,431,587
Finance income	20	576,902	636,377
Finance costs - bank borrowings, net of capitalised borrowing costs	19.d	(22,459,338)	(20,440,891)
Change in fair value of financial instruments		(505,459)	(19,835)
Exchange differences		-	(1,519)
NET FINANCE COST		(22,387,895)	(19,825,868)
Share of profit/(loss) of associates	10	1,548,619	598,336
Impairment and result due to loss of significant influence of equity-accounted investments	2.g, 10 & 20	-	(181,802)
PROFIT/(LOSS) BEFORE TAX		137,351,743	125,022,253
Income tax	17	(32,074,172)	(31,141,044)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		105,277,571	93,881,209
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS		-	-
PROFIT/(LOSS) FOR THE PERIOD		105,277,571	93,881,209
Attributable to non-controlling interests		205,643	756,175
Attributable to equity holders of the parent		105,071,928	93,125,034
Basic earnings per share		2.24	1.99
Diluted earnings per share		2.42	2.11

The accompanying notes 1 to 24 are an integral part of the consolidated income statement for the year ended March 31, 2023.

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED MARCH 31, 2023 AND MARCH 31, 2022

(Euros)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
PROFIT/(LOSS) FOR THE PERIOD (I)	3	105,277,571	93,881,209
Income and expense recognised directly in equity			
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)		-	-
TOTAL AMOUNTS TRANSFERRED TO PROFIT OR LOSS (III)		-	-
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		105,277,571	93,881,209
Total recognised income and expense attributable to equity holders of the Parent		105,071,928	93,125,034
Total recognised income and expense attributable to non-controlling interests		205,643	756,175

The accompanying notes 1 to 24 are an integral part of the consolidated statement of comprehensive income for the year ended March 31, 2023.

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED MARCH 31, 2023 AND MARCH 31, 2022

(Euros)

	Capital (Note 14.a)	Share premium (Note 14.b)	Reserves of the Parent (Nota 14.d)	(Own Parent Company shares and equity holdings) (Nota 14.f)	Retained earnings (prior- period losses)	Reserves at fully- consolidated companies	Other Shareholder contributions (Note 14.g)	Profit/(loss) for the year	(Interim dividend) (Note 14.h)	Other equity instruments (Note 14.i)	Non- controlling interests	TOTAL
OPENING BALANCE AT APRIL 1, 2021	47,966,587	500,076,721	(307,095,363)	(65,075,384)	(10,744,632)	(2,293,916)	740,071,256	85,104,149	-	4,406,966	1,889,489	994,305,873
Total recognised income and expense	-	-	-	-	-	-	-	93,125,034	-	-	756,175	93,881,209
Distribution of prior-period profit	-	-	7,339,273	-	(250,944)	15,843,548	-	(85,104,149)	-	-	-	(62,172,272)
Transactions with shareholders	(1,160,050)	(21,542,219)	(72,087)	9,206,429	-	-	-	-	(36,153,300)	-	(1,940,144)	(51,661,371)
Capital reductions	(1,160,050)	(21,542,219)	(895)	22,702,269	-	-	-	-	-	-	-	(895)
Transactions with own shares and equity holdings (net)	-	-	(71,192)	(13,495,840)	-	-	-	-	-	-	-	(13,567,032)
Distribution of dividends and repayment of equity contributions	-	-	-	-	-	-	-	-	(36,153,300)	-	(1,940,144)	(38,093,444)
Consolidation scope and other changes	-	-	93,136	-	-	(29,988)	-	-	-	2,210,822	(294,224)	1,979,746
CLOSING BALANCE AT MARCH 31, 2022	46,806,537	478,534,502	(299,735,041)	(55,868,955)	(10,995,576)	13,519,644	740,071,256	93,125,034	(36,153,300)	6,617,788	411,296	976,333,185
Total recognised income and expense	-	-	-	-	-	-	-	105,071,928	-	-	205,643	105,277,571
Distribution of prior-period profit	-	-	-	-	13,140,324	(15,326,237)	-	(93,125,034)	36,153,300	-	-	(59,157,647)
Transactions with shareholders	-	-	(52,180)	(8,053,211)	-	-	-	-	(43,508,905)	-	-	(51,614,296)
Transactions with own shares and equity holdings (net)	-	-	(52,180)	(8,053,211)	-	-	-	-	-	-	-	(8,105,391)
Distribution of dividends and repayment of equity contributions	-	-	-	-	-	-	-	-	(43,508,905)	-	-	(43,508,905)
Consolidation scope and other changes	-	-	65,685	-	-	(2,804,268)	-	-	-	1,618,659	(75,000)	(1,194,924)
CLOSING BALANCE AT MARCH 31, 2023	46,806,537	478,534,502	(299,721,536)	(63,922,166)	2,144,748	(4,610,861)	740,071,256	105,071,928	(43,508,905)	8,236,447	541,939	969,643,889

The accompanying notes 1 to 24 are an integral part of the consolidated statement of changes in equity for the year ended March 31, 2023.

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2023 AND MARCH 31, 2022

(Euros)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		137,351,743	125,022,253
Adjustments for finance income/costs		22,387,895	19,825,868
Finance income		(576,902)	(636,377)
Finance costs	19.d	45,954,854	32,199,842
Borrowing costs capitalised in inventories	11	(23,495,516)	(11,758,951)
Change in fair value of financial instruments		505,459	19,835
Exchange differences		-	1,519
Share of profit/(loss) of associates		(1,548,619)	(416,534)
Operating profit/(loss)		158,191,019	144,431,587
Depreciation and amortisation charges	7,8 & 9	4,761,864	3,203,123
Impairment of inventories	11	1,261,520	1,298,365
ADJUSTED EBITDA		164,214,403	148,933,075
Other adjustments to profit		1,530,903	3,456,904
Provisions		1,967,494	3,376,977
Realised finance gains/losses (fair value and exchange differences)		-	(1,519)
Unrealised share of profit/(loss) of associates		1,548,619	416,534
Net increase/(decrease) in other non-current assets and liabilities		(1,985,210)	(131,696)
Other income and expenses		-	(203,392)
Other cash flows used in operating activities		(46,786,912)	(28,173,655)
Interest received		257,476	473,511
Dividends received		1,212,023	-
Interest paid		(31,183,179)	(12,731,429)
Income tax received/(paid)		(17,073,232)	(15,915,737)
Changes in working capital (excluding purchases or sales of land during the financial year)		(17,657,063)	55,388,643
(Increase)/decrease in inventories	11	35,798,904	102,623,035
(Increase)/decrease in trade receivables	12	34,592,415	(12,019,809)
(Increase)/(decrease) in trade payables	16	(3,366,632)	75,533,952
(Increase)/decrease of other current assets less current liabilities	10	(84,681,750)	(110,748,535)
Changes in working capital arising from purchases and sales of land during the financial year	11, 12 & 16	(121,465,159)	(169,656,642)
Net cash used in operating activities (1)	15.2	(20,163,828)	9,948,325
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Investments disposals		4,105,692	(42,409,681)
Payments for Group companies and associates		(13,755,034)	(5,490,506)
Investment in business unit	6	-	(49,547,039)
Payments for intangible assets	7	(2,600,312)	(1,925,203)
Payments for property, plant and equipment	8	(3,269,841)	(986,153)
Payments for other financial assets		(17,045,715)	(7,406,475)
Proceeds from Group companies and associates		26,096,845	2,399,258
Proceeds from other financial assets		14,679,749	20,546,437
Net cash from/(used in) investing activities (2)	15.2	4,105,692	(42,409,681)
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments for equity instruments	14.f	(9,891,379)	(14,161,063)
Acquisition of own equity instruments		(9,891,379)	(14,161,063)
Proceeds from and repayment of financial liabilities	15	133,327,786	198,801,398
Issue of bonds and other marketable securities		154,129,606	351,177,825
New financing obtained from banks		449,649,239	238,866,778
Repayment of bonds and other marketable securities		(148,500,000)	(53,700,000)
Repayment of debt with financial institutions		(321,951,059)	(337,543,205)
Dividends and payments on other equity instruments		(102,666,552)	(98,325,572)
Dividends	14.h	(102,666,552)	(98,325,572)
Net cash from financing activities (3)		20,769,855	86,314,763
4. Effect of changes in exchange rates on cash and cash equivalents (4)		-	-
5. NET INCREASE IN CASH AND CASH EQUIVALENTS (1+2+3+4)		4,711,719	53,853,407
Cash and cash equivalents at beginning of year	13	240,021,141	186,167,734
Cash and cash equivalents, closing balance	13	244,732,860	240,021,141

The accompanying notes 1 to 24 are an integral part of the consolidated statement of cash flows for the year ended March 31, 2023.

Aedas Homes, S.A. and subsidiaries

Notes to the consolidated financial statements for the year ended March 31, 2023

1. The Aedas Homes Group's business

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

The Parent Company is a company incorporated in Spain, with registered office at Paseo de la Castellana, 130, Madrid (Spain); it is registered in the Commercial Register of Madrid, Spain.

The corporate purpose of Aedas Homes, S.A., in its capacity as Group Parent, is to acquire, permit, manage, market and develop properties of any kind for holding, use, management, sale or lease.

The foregoing activities may also be performed in whole or in part on an indirect basis through ownership interests in other companies with similar corporate purposes. To that end, the Parent may acquire, administer and sell securities of all kinds, including but not limited to, shares, convertible bonds and unitholdings of any kind. Appendix I of these notes itemises the activities conducted by the subsidiaries of Aedas Homes, S.A.

The Group operates only in Spain.

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 July 18, 2016. It assumed its current name in the wake of the restructuring transaction agreed on May 23, 2017.

On September 12, 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*). Since then, the Company has not changed its corporate name.

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 October 20, 2017.

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

On March 30, 2020, the Shareholders' Meeting of the Parent Company, at the proposal of the Board of Directors, agreed to change the Company's fiscal year to the twelve-month period from April 1 to March 31 the following year, except for the first fiscal year following the change, which would run from January 1, 2020 until March 31, 2020. These consolidated financial statements therefore relate to the twelve-month period from April 1, 2022 until March 31, 2023.

According to the ESEF taxonomy and in accordance with the technical standard 32-60-254 developed by the European Securities and Markets Authority (ESMA) published on December 18, 2017, Appendix II indicates the mandatory elements of the base taxonomy that must be marked with respect to the fiscal years beginning on or after January 1, 2020.

2. Basis of presentation of the consolidated financial statements

a) Basis of presentation

The consolidated financial statements of the Group comprising Aedas Homes, S.A. and its subsidiaries for the year ended March 31, 2023 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 consolidated financial statements were prepared under the IFRS-EU in effect on the date of their issuance. They take into consideration all of the accounting principles and standards and measurement criteria that are mandatorily applicable under IFRS-EU such that they present fairly the Group's equity and financial position as at March 31, 2023 and its financial performance, the changes in its equity and in cash flows, all on a consolidated basis, for the year then ended.

However, given that the accounting principles and measurement criteria used to prepare the Group's consolidated financial statements for the year ended March 31, 2023 may differ from those used by certain of the Group entities, the appropriate adjustments and reclassifications have been made upon consolidation in order to standardize the various principles and criteria and bring them in line with IFRS-EU.

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

The Group uses additional performance measures to those defined by IFRS, given that these measures incorporate essential information to assess the Group's performance.

In the consolidated income statement, GROSS MARGIN, NET MARGIN, EBITDA and ADJUSTED EBITDA are defined as:

- GROSS MARGIN: the difference between the Revenues from deliveries and the rendering of services and Cost of goods sold and services rendered. Detailed information is provided in Notes 19 a) and 19 b) regarding these items of the income statement. The Percentage GROSS MARGIN is calculated by dividing the GROSS MARGIN in absolute terms by the Revenues.
- NET MARGIN: the difference between the GROSS MARGIN and other costs: Marketing, Sales commissions, Other direct development costs and Taxes related with developments. The percentage NET MARGIN is calculated by dividing the NET MARGIN in absolute terms by the Revenues from sales and the rendering of services.
- EBITDA: the difference between the NET MARGIN and other costs/revenues: Overheads, Other operating income and Other operating expenses. The percentage EBITDA is calculated by dividing the EBITDA in absolute terms by the Revenues from sales and the rendering of services.
- ADJUSTED EBITDA: this is the result of adding the strategic land margin to EBITDA, with strategic land margin being understood as the adjustment to market value of the plots acquired through the exchange of shares in associated companies engaged in the development of strategic land, in which the Group held a minority position.
- Funds from operations (FFO): the sum of EBITDA plus two other line items of cash flow from operating activities, i.e., other adjustments to profit (due largely to provisions, profits of associates and changes in non-current assets and liabilities) and other cash flows from operating activities (due to interest, dividends and taxes).
- Cash flow from operations: the sum of FFO plus changes in working capital from the cash flow statement, not including changes due to development loan subrogation.
- Free cash flow from operations: cash flow from operations minus tangible asset investments included in the cash flows from investing activities.

b) Adoption of the International Financial Reporting Standards

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (IFRS-EU) pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, which were effective as at March 31, 2023.

The consolidated financial statements were prepared on a historical cost basis, except for certain assets and financial instruments which have been measured at their revalued amounts or fair values at the reporting date, as explained in the accounting policies section below. As a general rule, historical cost values are based on the fair value of the consideration paid for goods and services.

Unless indicated otherwise, the figures shown in the documents comprising these consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and these notes to the financial statements) are expressed in euros.

a) Standards and interpretations approved by the European Union and applied for the first time during the current reporting period

The accounting standards used to prepare these consolidated financial statements correspond to those used to prepare the consolidated financial statements for the year ended March 31, 2022, except for the following:

- Amendments to IAS 37 - Onerous contracts - Cost of Fulfilling a Contract.
- Amendments to IFRS 3 - Reference to the Conceptual Framework.
- Amendments to IAS 16 - Proceeds before Intended Use.
- Annual Improvements 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).

These amendments have not had an impact on the Group's consolidated financial statements.

b) Standards and interpretations issued by the IASB not yet applicable in the current reporting period

The Group intends to apply the IASB standards, interpretations and amendments that are not of mandatory application in the European Union at the date of preparing the accompanying consolidated financial statements, when said standards, interpretations and amendments take effect, insofar as they apply to the Group.

On the date of preparing these Consolidated Financial Statements, the following standards, amendments to standards and interpretations had been published by the IASB but were not mandatory:

Mandatory Implementation: effective for periods beginning on or after January 1, 2023

- IFRS 17 (and subsequent amendments) - Insurance Contracts.
- Amendments to IAS 1 - Disclosure of Accounting Policies.
- Amendments to IAS 8 - Definition of Accounting Estimates.
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities Arising from a Single Transaction.

Mandatory Implementation: effective for periods beginning on or after January 1, 2024

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current.
- Amendments to IAS 1 - Non-current Liabilities with Covenants.
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback.

Although the Group is still in the process of analysing their impact, based on the analysis performed to date, it estimates that their first-time application will not have a significant impact on its consolidated financial statements.

c) *Functional and presentation currency*

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

d) *Responsibility for the information presented and estimates made*

The Group Parent's directors are responsible for the information included in these consolidated financial statements.

The Group's consolidated financial statements for the year ended March 31, 2023 make occasional use of estimates made by the senior 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, these estimates refer to:

- Evaluation 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, has been 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 as at March 31, 2023, and without taking supplier prepayments into consideration. 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) (see Note 11).
- The probability of obtaining future taxable income when recognising deferred tax assets (refer to Note 4.10).

Although these estimates were made on the basis of the best information available at March 31, 2023 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 income statement.

e) *Basis 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 year ended March 31, 2023, and the year ended March 31, 2022 is listed in Appendix I.

Subsidiaries

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).

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:

1. The equity of the Group's investees: are presented under "Non-controlling interests" in the consolidated balance sheet within Group equity.
2. Profit or loss for the year: are presented under "Profit/(loss) for the year attributable to non-controlling interests" in the consolidated income statement.

The income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement 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.

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

Investments in an associate or, where applicable, in a joint venture, are recognised under the equity method; initially the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognised in the investor's 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.

Temporary homogenisation

The consolidated financial statements are drawn up for the same date and for the same period as the individual financial statements of the company, which is obliged to consolidate, i.e. AEDAS Homes, S.A. These financial statements relate to the twelve-month period beginning on April 1, 2022 and ending on March 31, 2023.

The closing date for all the companies within the Group is the same, i.e., March 31, except for the companies Winslaro ITG, S.L., Varía Acr Móstoles Fuensanta, S.L., Espacio Áurea, S.L., Allegra Nature, S.L., Residencial Henao, S.L., Áurea Etxabakoitz, S.L., Residencial Ciudadela Uno, S.L., Nature Este, S.L. and Domus Avenida, S.L., whose closing date coincides with the calendar year.

The inclusion of the companies whose year-end is different from that of the consolidated financial statements is made by means of temporary homogenisation, introducing transactions referring to the same date and the same period as the consolidated financial statements, given that according to IFRS 10, there is no obligation to prepare interim financial statements that refer to the same date and period, in view of the fact that the closing date for these companies is no more than three months different from the closing date of the consolidated companies. In these companies there have been no significant transactions or events.

f) First-time consolidation differences

The assets, liabilities and contingent liabilities of newly-acquired subsidiaries 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.

As a result of the acquisition of Áurea described in Note 6, a negative consolidation difference of 203,393 euros was recognized in the year ended March 31, 2022.

g) Comparative information

For comparative purposes, the information contained in the accompanying consolidated financial statements for the year ended March 31, 2023 is presented alongside the information at March 31, 2022 in respect of the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows.

The structure of the consolidated profit and loss account for the year ended March 31, 2023 has been modified with respect to the consolidated profit and loss account for the previous financial year:

- A new heading, "Strategic land margin", has been added. For purposes of comparison, during the previous period the strategic land margin was an expense of 181,802 euros, entered under "Impairment and result due to loss of significant influence of equity-accounted investments".
- The heading "Overheads" has been broken down, adding the heading "Overheads - Share-based payment transactions".

Any comparison should consider the changes in the Group's composition outlined in Note 6.

3. Distribution of profit/(loss)

At a meeting held on May 30, 2023, the directors of the Parent proposed the following distribution of the result for the year ended March 31, 2023, a proposal expected to be ratified by the General Shareholders' Meeting:

Distribution Base:

Balance of the profit and loss account (Profit): 96,165,647 euros.

Allocation:

TO DIVIDEND: an amount, the aggregate gross amount which shall be equal to the sum of the following amounts:

- i. 43,508,905 euros ("*Interim Dividend*") corresponding to an interim dividend out of the profit for the year ended March 31, 2023 equivalent to 1.00 euros per share for the number of shares that were not direct treasury shares on the corresponding date, as approved by the Board of Directors at the meeting held on March 23, 2023 in accordance with the accounting statement prepared and in accordance with the legal requirements, which evidenced the existence of sufficient liquidity for the distribution of such interim dividend out of the profit for the year ended March 31, 2023. The dividend was paid on March 31, 2023.
- ii. The amount resulting from multiplying 1.15 euros per share by the number of shares that are not direct treasury shares on the date specified, on which the registered holders entitled to the dividend ("*Complementary Dividend*") are to receive this. The aforementioned dividend will be paid to shareholders as of July 31, 2023.

The Complementary Dividend will be paid in cash in the amount per shares and on the date indicated above, through the entities that are members of the Spanish Central Register of Securities Depository, in charge of the Register of Securities, and the Clearing and Settlement of all trades (Iberclear) where they have their shares deposited.

The Board of Directors is expressly empowered to delegate its powers to the director(s) it deems fit so that they may perform all the actions required to carry out the distribution and, in particular, without limitation, so that they may set the date on which the aforementioned dividend will be paid to the shareholders and designate the entity that is to act as payment agent.

TO UNALLOCATED INCOME: Amount to be determined by subtracting the amount allocated to Dividend from the Distribution Base.

Total allocated: 96,165,647 euros.

This proposal for the appropriation of the profit made by the Board of Directors for approval by the General Shareholders' Meeting includes the payment of a Complementary Dividend of 1.15 euros per share by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed Complementary Dividend the same number of treasury shares of the Parent is maintained as at March 31, 2023 (3,305,632 shares), the maximum Dividend to be distributed (Interim Dividend and Complementary Dividend) would be 93,534,946 euros, leaving an unallocated income of 2,630,701 euros.

4. Recognition and measurement standards

The following accounting principles, policies and measurement criteria were used to draw up the Group's consolidated financial statements for the year ended March 31, 2023:

4.1 Intangible assets

Intangible assets are identifiable non-monetary assets, without physical substance, which arise as a result of a legal transaction or are developed by the consolidated companies. Only assets whose cost can be estimated reasonably objectively and from which the consolidated companies consider it probable that future economic benefits will be generated are recognised.

Intangible assets are initially recognised at acquisition cost and subsequently measured at cost less any accumulated amortization and impairment losses.

a) Software

The Group recognizes computer software at the amount of costs incurred to acquire and develop it; these costs include website development costs. Software maintenance costs are expensed currently. Software is amortised using the straight-line method over a three-year period.

b) Trademarks

Payments for the acquisition of trademarks, which have not been generated internally, are recognised under this heading. Its useful life is estimated to be indefinite.

c) Other intangible assets

The Group recognizes under this heading the cost for the acquisition of the management contracts from Áurea (Note 6), which are amortised according to the useful life of the projects.

4.2 Property, plant and equipment

The items comprising property, plant and equipment are measured initially at acquisition cost and are subsequently carried net of accumulated depreciation and any impairment losses.

Acquisition or production cost for items of property, plant and equipment that require more than one year to ready for use (qualifying assets) include borrowing costs accrued prior to readying the assets for use

when such expenses have been invoiced by the supplier or correspond to specific or generic loans or other external financing directly allocable to the acquisition, manufacture or construction of the asset.

The cost of maintaining and repairing the various items making up property, plant and equipment are charged to the consolidated income statement in the year incurred. On the other hand, amounts spent to upgrade these assets that increase their productivity, capacity or efficiency or lengthen their useful lives are capitalized.

Interest and other financial charges incurred during the construction of property, plant and equipment are recognised as an increase in the cost of the construction in progress.

The work that the Group performs on its own assets is recognised at cost, which is external costs plus internal costs, determined on the basis of in-house consumption of warehouse materials, direct labour costs incurred and general manufacturing costs allocated based on throughput rates similar to those used to value inventories.

Depreciation is calculated on a straight-line basis based on the assets' cost less residual value. The land on which the Group's buildings and other structures stand is deemed to have an indefinite useful life and, therefore, is not depreciated.

The annual depreciation charges are made with a balancing entry in the consolidated income statement as a function of the assets' estimated useful lives. The average estimated useful lives of the items comprising property, plant and equipment are shown below:

	Annual depreciation rate
<i>Straight-line depreciation charge:</i>	
Other plant	20%
Furniture & fittings	10%
Computer equipment	25%
Other items of PP&E	20%

Assets under construction earmarked for production or for administrative or commercial use, are recognised at cost, less any impairment losses. Cost includes professional fees. Depreciation of these assets commences when the assets are ready for their intended use.

Impairment of intangible assets and property, plant and equipment

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets for indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the asset does not generate cash flows that are independent from those of other assets, the Parent Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. To estimate value in use, the Group discounts the asset's estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset in question for which the estimated future cash flows have not been adjusted.

If the estimated recoverable amount of an asset (or CGU) is lower than its carrying amount, the carrying amount of that asset (or CGU) is written down to its recoverable amount. The impairment loss is expensed in profit and loss immediately.

When an impairment loss subsequently reverts, the carrying amount of the asset (or CGU) is written up to its newly estimated recoverable amount, so long as the restated carrying amount does not exceed the carrying amount that would have been recognised had no impairment loss been recognised for the asset (or CGU) in prior years. The impairment loss is reversed in profit and loss immediately.

4.3 Investment property

For lease agreements with purchase option for which the Group is the lessor and it is estimated that not all the risks and rewards incidental to ownership of the underlying asset are substantially transferred, the Group records such assets as investment property, being depreciated on a straight-line basis over their useful life (they are depreciated over a period of 50 years, at an annual rate of 2%), and lease payments are recognised as income on a straight-line basis. If the purchase option is exercised, the investment property is reclassified to inventories at its carrying amount, the result of the sale being recognised as the difference between the price of exercising the purchase option (after discounting the premium and the percentage of rent paid stipulated in the contract) and the carrying amount of the property.

4.4 Inventories

This consolidated balance sheet heading includes the assets that the consolidated companies:

1. Hold for sale in the ordinary course of their businesses
2. Have in the process of production, construction or development to this end
3. Expect to consume in the production process or in the provision of services

The Parent's directors believe that the Group's inventories do not qualify as investment properties under IAS 40. As a result, the land and other properties it holds for sale are considered inventories once integrated into a real estate development.

Land and sites are measured at the lower of (i) acquisition cost plus any planning costs, costs specific to the acquisition (transfer tax, registration fees, etc.) and the borrowing costs incurred during execution of the planning work; or (ii) estimated market value.

Construction in progress refers to costs incurred in property developments, or sections thereof, whose construction is not complete at the reporting date. These costs include those corresponding to the site, urban planning, construction work, capitalised borrowing costs incurred from the start of the technical and administrative work required prior to commencing construction and during the construction period itself, and other direct costs and indirect costs that can be allocated to the developments.

The Group companies transfer the costs accumulated under "Construction in progress" to "Finished properties" when the construction of its developments or sections thereof is complete.

Sales costs, other than sales commissions conditional upon the sale going through, are expensed currently.

Costs accumulated for developments for which the forecast construction termination date is within 12 months of the reporting date are classified as "Short-cycle developments in progress".

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

The fair value of the Group's inventories is estimated based on appraisals performed by independent experts not related to the Group (Savills Aguirre Newman Valoraciones y Tasaciones, S.A.). Those appraisals calculate fair value primarily using the dynamic residual method for land and the discounted cash flow method for developments in progress and finished developments, in keeping with the Valuation and Appraisal Standards published by the Royal Institute of Chartered Surveyors (RICS) of Great Britain, and the International Valuation Standards (IVS) published by the International Valuation Standards Committee (IVSC).

To calculate fair value, the Group uses the dynamic residual method and the discounted cash flow method for inventories of land and developments in progress/finished developments, respectively, as

mentioned above. The methodology consists of estimating the value of the land/developments in progress/finished developments by means of the comparative or discounted cash flow method which is then reduced by the development costs still to be incurred for each property, depending on its stage of completion (such costs therefore include any planning costs, construction costs, fees, duties, sales costs, etc.), and the developer's margin in order to estimate the residual value. The sources of income and costs are spread out in time to reflect the development timelines and sales estimated by the appraiser. The discount rate used is that representing the average annual return on the project, adjusted for the property's intrinsic characteristics and risks, without factoring in external borrowings, that a developer would obtain on a development of similar characteristics to that being analysed. The discount rate is arrived at by adding the risk-free rate and the risk premium (determined by assessing the development's risk in light of the nature of the property to be developed or under development, its location, liquidity, execution timeline and the investment required).

Given the uncertainty intrinsic in any forward-looking information, actual results may well differ from the projections used to estimate the recoverable amount of the Group's inventories, which could make it necessary to change these estimates (upwards or downwards) in future years; as disclosed in Note 2.d, any such changes would be applied prospectively.

As stated in Note 2.d, all the Group's assets (except for those covered by a pre-sale agreement and prepayments to suppliers) had been valued by an independent expert and that expert's appraisal values were used as inputs in testing its inventories for impairment.

Note that the appraisals took the form of individual asset-by-asset analysis, factoring in the building standards planned for each, which in turn 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.

4.5 Trade receivables

Trade receivables do not accrue interest and are recognised at their face value less provisions for impairment, if any.

For the impairment calculation of trade receivables as of March 31, 2023, the Group applies the simplified approach under IFRS 9 *Financial Instruments* (loss allowance at an amount equal to lifetime expected credit losses). Although, it causes no impact in the consolidated financial statements, mainly due to the fact that the agreements signed with customers are terminable if they fail to comply with their payment commitments.

4.6 Customer prepayments

The amounts received from customers as down payments for land and/or buildings, whether in cash or trade bills, before the sale is recognised are recognised under "Customer prepayments" within current liabilities.

4.7 Financial instruments by category

4.7.1 Financial assets

Financial assets are measured at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset. Despite this, at initial recognition, the Group measures trade receivables at their transaction price if the trade receivables do not contain a significant financing component.

The Group companies' financial assets are mainly classified as subsequently measured at amortised cost, because mainly such financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are derecognised by the different Group companies when the contractual rights over the cash flows of the financial asset expire or when substantially all the risks and benefits inherent to ownership of the financial asset are transferred.

At the end of each reporting period, the Parent's directors assess and recognize the applicable loss allowance for expected credit losses.

4.7.2 Financial liabilities and equity

An equity instrument is any contract that evidences a residual interest in the net assets of the Group.

The Group companies' financial liabilities are mainly held-to-maturity financial liabilities, which are classified as subsequently measured at amortised cost.

4.7.3 Equity instruments

The equity instruments issued by the Parent are recognised in equity at the amount received net of direct issuance costs.

4.7.4 Bank loans

Interest-bearing bank loans and overdrafts are recognised at the amount received, net of direct issuance costs. Finance costs, including premiums payable upon settlement or repayment and direct issuance costs, are recognised on an accrual basis in the consolidated income statement using the effective interest method and they are added to the carrying amount of the financial instrument to the extent that they are not settled in the year in which they accrue.

4.7.5 Trade payables

Trade payables do not accrue interest and are recognised at face value.

4.8 Own shares of the Parent Company

Own shares acquired by the Parent during the year are recognised at the amount of consideration given in exchange and are presented as a deduction from equity. The gains and losses resulting from the purchase, sale, issuance or cancellation of own equity instruments are recognised directly in equity and are not reclassified to profit or loss under any circumstances.

4.9 Provisions and contingent liabilities

In drawing up the consolidated financial statements, the Parent's directors distinguish between:

- a. Provisions: liabilities recognised to cover a present obligation arising from past events, of uncertain timing and/or amount, the settlement of which is expected to result in an outflow of resources embodying economic benefits.
- b. Contingent liabilities: a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

The consolidated financial statements recognize all provisions in respect of which it is considered more likely than not that a present obligation exists.

Contingent liabilities are not recognised in the financial statements, but they are disclosed in the accompanying notes to the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is deemed remote, as required under IAS 37.

Provisions (which are estimated using the best information available regarding the consequences of the event giving rise to their recognition and re-estimated at each reporting date) are used to cover the

specific obligations for which they were initially recognised; they are reversed, in full or in part, when these obligations cease to exist or diminish.

The compensation to be received from a third party when an obligation is settled is recognised as a separate asset so long as it is virtually certain that the reimbursement will be received, unless the risk has been contractually externalized so that the Company is legally exempt from having to settle, in which case the reimbursement is taken into consideration in estimating the amount of the provision, if any.

Provisions for completion of construction project

Provisions for completion of construction project are recorded upon completion of the work for the amount of invoices pending receipt from the related development and post sales costs based on industry experience.

There were no contingent liabilities, contingent assets or penalties for delays in delivering houses at either reporting date, March 31, 2023 and March 31, 2022, except those outlined in Note 18.

4.10 Income tax

The consolidated income tax expense is recognised in the consolidated income statement, except when it relates to transactions recognised directly in consolidated equity, in which case the related tax is likewise recognised in consolidated equity.

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

Deferred tax assets and liabilities are those expected to be recoverable or payable on the differences between the carrying amounts of assets or liabilities in the financial statements and the tax bases used to calculate taxable income and are recognised using the liability method in the consolidated balance sheet. They are measured at the tax rates that are expected to apply when the asset is realised or the liability is settled.

Deferred tax assets or liabilities are recognised for temporary differences originating from investments in subsidiaries and associates and interests in joint ventures unless the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

However:

1. Deferred tax assets are only recognised to the extent that it is probable that the consolidated entities will generate sufficient taxable profit in the future against which these assets can be utilised.
2. Under no circumstances are deferred taxes recognised in connection with goodwill arising in a business combination.

Recognised deferred tax assets and liabilities are reassessed at each reporting date to check that they still qualify for recognition and the appropriate adjustments are made on the basis of the outcome of the analyses performed, factoring in any applicable quantitative and/or time limits.

At December 27, 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.

4.11 Revenue and expenses

The Group recognizes their ordinary income in a way that the transference of goods and services that are committed with their clients is recorded by the amount that reflects the compensation that the entity expects to receive in exchange to those goods or services, performing an analysis according to the following steps:

- Identification of the contract.
- Identification of the different performance obligations.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations.
- Recognition the revenue when the entity satisfies the performance obligations.

Given the characteristics of the contracts signed with clients do not differ significantly, and according to the standard, the Group applies a collective accounting treatment to them.

The Group companies recognize property development sales and the related cost when the properties are handed over and title thereto has been transferred. For these purposes, the sale of a finished residential product is understood to have occurred when the keys are handed over, which coincides with the exchange of the deeds. A sale is not deemed closed for revenue recognition purposes until this happens.

Ordinary income does not include discounts, value added tax and other sales taxes.

Expenses are recognised on an accrual basis.

Interest income is recognised using the effective interest method, by reference to the principal outstanding and the applicable effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount.

Expenses are recognised in the income statement when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. This means that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets.

An expense is recognised immediately when an expenditure produces no future economic benefits or when future economic benefits do not qualify for recognition as an asset.

Similarly, an expense is recognised when a liability is assumed and no asset is recorded, such as a liability related to extension of a guarantee.

As a general rule, commissions paid to external agents that are not specifically allocable to the developments, albeit unquestionably related thereto, incurred between the start of the development work and recognition of the related sales as revenue are accrued under "Prepayments and accrued income" on the asset side of the balance sheet and are expensed upon recognition of the related revenue so long as at each reporting date the margin deriving from the sales contracts entered into and pending recognition as revenue is higher than such expenses. If a given development does not present a positive margin, these expenses are reclassified to the consolidated income statement.

Sales costs, other than sales commissions conditional upon the sale going through, are expensed currently to the consolidated income statement.

4.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets - assets that necessarily take a substantial period of time to ready for their intended use or sale - are capitalised within the cost of those assets until such time as the assets are substantially ready for their intended use or sale or their development is suspended. Interest income earned on the temporary investment of specific borrowings pending investment in qualifying assets is deducted from the borrowing costs eligible for capitalization.

In the case of funds obtained from generic loans, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the sum invested in the asset in question. That capitalization rate is the weighted average rate of interest borne on the loans received by the consolidated companies that were outstanding during the reporting period other than loans arranged specifically to finance certain assets. The amount of borrowing costs capitalized during the year did not exceed total interest expense incurred during the same.

4.13 Operating profit/(loss)

Operating profit or loss is presented before the Group's share of associates' earnings, income from financial investments and finance costs.

4.14 Redundancy payments

Under prevailing labour law, the Group is obliged to pay severance to employees who are discontinued under certain circumstances. Redundancy payments that can be reasonably estimated are recognised as an expense in the year in which the redundancy decision is taken.

No provision has been recognised in the accompanying consolidated financial statements in this connection at either March 31, 2023 or March 31, 2022 as no workforce restructuring is currently contemplated.

4.15 Director and key management personnel remuneration

The remuneration earned by the Parent's key management personnel (refer to Note 21) is recognised on an accrual basis such that the Group recognizes the corresponding provision at each reporting date in respect of any amounts that have not yet been paid.

In the case of equity-settled share-based transactions, both the services provided to the Group companies and the related increase in equity are measured at the fair value of the equity instruments granted with reference to the date of their grant. If, on the other hand, they are settled in cash, the goods and services received and the corresponding liability are recognised at the fair value of the latter, with reference to the date on which the vesting conditions are met.

4.16 Environmental assets and liabilities

Environmental assets are long-lived assets used in the ordinary course of the Group's business whose ultimate purpose is to minimize the Group's environmental impact and to improve its environmental record and include assets designed to reduce or eliminate future contamination.

Given the activities in which the Group is involved, it has no environmental liabilities, expenses, assets, provisions or contingencies that could be material in respect of its equity, financial position or performance. Environmental disclosures are accordingly not provided in these consolidated financial statements.

4.17 Related-party transactions

The Group carries out all transactions with related parties (whether financial, commercial or other in nature) at transfer prices that meet the OECD's rules governing transactions with Group companies and associates. The Group has duly met its documentation requirements in respect of these transfer prices so that the Parent's directors believe there is no significant risk of related liabilities of material amount.

In the event of a significant difference between the price so established and the fair value of a transaction between related parties, the difference would be considered a distribution of profits or contribution of funds between Group companies and as such would be recognised with a charge or credit to a reserves account, as warranted.

The Group Aedas Homes conducts all related-party transactions on an arm's length basis.

4.18 Distinction between current and non-current

The following assets are classified as current assets: assets associated with the normal operating cycle (which is generally considered one year); other assets that are expected to mature, be sold or realized within twelve months of the reporting date; financial assets held for trading other than financial derivatives due for settlement more than 12 months from the reporting date; and cash and cash equivalents. Any assets that do not meet these criteria are classified as non-current assets. The breakdown of short and long-term inventories is included in Note 11.

Likewise, the following liabilities are classified as current liabilities: those related with the normal operating cycle; financial liabilities held for trading other than financial derivatives due for settlement more than 12 months from the reporting date; and, in general, all liabilities that fall due or will be extinguished within 12 months of the reporting date. All other liabilities are presented as non-current. For these purposes, financial debt earmarked to finance inventories is considered linked to the normal operating cycle and is therefore a current liability (Note 15).

4.19 Business combinations

Business combinations are accounted for using the acquisition method, which requires identification of the acquisition date, calculation of the cost of the combination and recognition of the identifiable assets acquired and liabilities assumed at their acquisition-date fair values.

Goodwill (or a gain on a bargain purchase) is calculated as the difference between the fair values of the net assets acquired and the cost of the business combination, all as of the acquisition date.

The cost of a business combination is the aggregate of:

- The acquisition-date fair values of the assets received, the liabilities incurred or assumed and any equity instruments issued.
- The fair value of any contingent consideration that depends on future events or delivery of pre-determined conditions.

The cost of a business combination does not include expenses related with the issuance of any equity instruments or financial liabilities delivered in exchange for the assets acquired.

In the exceptional event of a gain on a bargain purchase, the gain is recognised in the income statement. However, in the year ended March 31, 2022, the acquisition of Áurea, as outlined in Note 6, gave rise to the recognition of a negative difference of consolidation for an amount of 203,393 euros.

If at the end of the reporting period in which the business combination occurs it is not possible to complete the valuation work needed to apply the acquisition method outlined above, the business combination is accounted for provisionally. The provisional amounts recognised can be adjusted within a measurement period of no more than one year from the acquisition date to reflect access to new information. The effects of any such adjustments are accounted for retroactively, modifying the comparative information as necessary.

Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss, unless the consideration has been classified in equity, in which case subsequent changes in its fair value are not recognised.

4.20 Share-based payments

The Parent recognizes, on the one hand, the goods and services received as an asset or expense, depending on their nature, at the time they are received and, the corresponding increase in equity, if the transaction is settled using equity instruments, or the corresponding liability, if it is settled in an amount that is based on the value of the equity instruments, on the other.

In the case of equity-settled share-based transactions, both the services provided to the Group companies and the related increase in equity are measured at the fair value of the equity instruments granted with reference to the date of their grant. If, on the other hand, they are settled in cash, the goods and services received and the corresponding liability are recognised at the fair value of the latter, with reference to the date on which the vesting conditions are met.

4.21 Leases

The assets and liabilities arising from all leases (except for the short-term leases and leases of low-value assets) in which the Group acts as the lessee, under a contract, or part of a contract, which conveys the right to control the use of an identified asset for a period of time in exchange for consideration are recognised in the consolidated balance sheets.

The rights of use assets are amortised on a straight-line basis over the estimated useful life or the term of the lease, whichever is shorter.

The lease contracts of the Group do not include dismantling or restoration obligations.

The right of use assets are not presented separately in the consolidated balance sheet.

4.22 Segment information

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

4.23 Investments in associates

Investments in an associate or, where applicable, in a joint venture, are recognised under the equity method; initially the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognised in the investor's other comprehensive income.

5. Earnings/(loss) per share

a) **Basic earnings/(loss) per share**

Earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Parent (i.e., after tax and profit/loss attributable to non-controlling interests) by the weighted average number of shares outstanding during the reporting period.

Accordingly:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(loss) for the period attributable to equity holders of the Parent	105,071,928	93,125,034
Number of shares outstanding (Note 14)	46,806,537	46,806,537
Basic earnings/(loss) per share	2.24	1.99

b) **Diluted earnings/(loss) per share**

Diluted earnings per share is calculated similarly to basic earnings per share; however, the weighted average number of shares outstanding is adjusted to factor in the potential dilutive effect of options over the Parent's shares, warrants and convertible debt outstanding at each year-end.

As of March 31, 2023, the Parent held 3,305,632 own shares (2,720,335 at March 31, 2022), not holding any other dilutive equity instrument, so the diluted earnings per share amounts to 2.42 euros (the diluted earnings per share was 2.11 euros at the end of the year ended March 31, 2022).

6. Changes in the Group's composition

At March 31, 2023, the Company was the parent of a group of companies. Appendix I itemizes the Group companies consolidated by the Parent and provides their salient information as at March 31, 2023, before making the corresponding standardization 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.

The description of the main changes, during the year ended March 31, 2023, in the investments in Group companies and associates, is as follows:

- On June 6, 2022, Aedas Homes Opco, S.L.U. acquired 20% of its social participation in the Company Proyectos Inmobiliarios Algedi Madrid, S.L., by means of the purchase of 600 social participations to Proyectos Inmobiliarios Lucida Navarra, S.L.U., in agreement with the deed of sale of social participations granted before the notary Francisco Javier Monedero San Martín, with the number 1,498 of his protocol, for amount of 1,745,094 euros.
- On June 23, 2022, Aedas Homes, S.A., in its capacity as the sole shareholder of Aedas Homes Opco, S.L.U., resolved for Aedas Homes Opco, S.L.U. (the surviving company), to take over eight of its subsidiaries, i.e., Proyectos Inmobiliarios Atria Madrid, S.L.U., Domus Aedas Residencial, S.L.U., Aedas Este, S.L.U. (formerly Allegra Este, S.L.U.), Proyectos Balmes 89, S.L.U., Aedas Mutilva Promoción, S.L.U. (formerly Áurea Mutilva Promoción, S.L.U.), Proyectos Inmobiliarios Lucida Navarra, S.L.U., Spv Reoco 15, S.L.U., and Proyectos Inmobiliarios Algedi Madrid, S.L.U. (the merging companies). This takeover became effective for tax and accounting purposes on April 1, 2022. The resolution was formalised in a public instrument dated September 12, 2022 and executed before Francisco Javier Monedero San Martín, notary of Madrid. It is public instrument number 2,243 in the notary's record, and it was registered in the Madrid Business Register on November 11, 2022. As a consequence of the merger, Aedas Homes Opco, S.L.U., is subrogated to the position of the merging companies in all their rights and obligations.

This merger by absorption implies: (i) the dissolution and extinction of the Absorbed Companies, and (ii) the transfer en bloc of their corporate assets to the Absorbing Company, which acquires, by universal succession, all the rights and obligations of the Absorbed Companies, with accounting and tax effects as from April 1, 2022.

The described transaction is subject to the special tax regime for mergers, spin-offs, contributions of assets, exchange of securities and change of registered office of a European company or a European cooperative society from one Member State to another of the European Union regulated in Title VII of Chapter VII of the Royal Legislative Decree 27/2014, of November 27, on Corporate Income Tax.

- On February 8, 2023, availing itself of a right established in a shareholders' agreement, Aedas Homes Opco, S.L.U., swapped its 10% interest in Urbania Lamatra II, S.L., for land in Sánchez Blanca, Málaga (see Note 20).
- On March 23, 2023, availing itself of a right established in a shareholders' agreement, Aedas Homes Opco, S.L.U., swapped its 25% interest in Servicios Inmobiliarios Licancabur, S.L., for land in Los Berrocales, Madrid (see Note 20).

The description of the main changes, during the year ended March 31, 2022, in the investments in Group companies and associates, is as follows:

- On July 29, 2021, AEDAS HOMES OPCO, S.L.U. exchanged its 10% interest in Urbania Lamatra I, S.L. for land in Mairena del Aljarafe (Sevilla), in execution of the right to exchange under the shareholders agreement. As a result of this exchange, AEDAS HOMES OPCO, S.L.U. acquired 62.35% of a plot of land in Mairena del Aljarafe (Sevilla) in exchange for the return of shares amounting to 204 thousand euros and partial repayment of the loan granted to the company for the amount of 875 thousand euros.

The remaining 37.65% of the plot of land was acquired by a cash payment of 652 thousand euros (Note 11).

- AEDAS HOMES OPCO, S.L.U. acquired Áurea Homes, the group of companies encompassing the development unit of construction firm, ACR, on July 29, 2021. That transaction brings the Group the Áurea trademark, the acquiree's team, eight developments under construction, seven fully-zoned sites and the management and sale contracts for the acquiree's developments in progress, among other. As a result of that acquisition, the following companies have become part of the AEDAS Group's scope of consolidation: Allegra Este, S.L. (now known as AEDAS Este, S.L.) (100%), Domus Áurea Residencial, S.L. (now known as Domus AEDAS Residencial, S.L.) (100%), Proyectos Inmobiliarios Atria Madrid, S.L. (100%), Proyectos Inmobiliarios Lucida Navarra, S.L. (100%), Proyectos Inmobiliarios Algedi Madrid, S.L. (100%), Proyectos Balmes 89, S.L. (100%), Aurea Mutilva Promoción, S.L. (now known as AEDAS Mutilva Development, S.L.U.) (100%), Domus Avenida, S.L. (52%), Varia ACR Mostoles Fuensanta, S.L. (15.6%), Espacio Áurea, S.L. (50%), Allegra Nature, S.L. (20%), Residencial Henao, S.L. (22.5%), Aurea Etxabakoitz, S.L. (14.81%), Residencial Ciudadela Uno, S.L. (17.13%) and Nature Este, S.L. (17.13%).

The fair value of 100% of the net assets acquired (determined essentially by means of discounted cash flow analysis for the developments under construction and the management contracts and using market values for the other assets identified) amounts to 50,261,401 euros, so that the Group has recognised a negative difference of consolidation in the amount of 203,393 euros.

	Euros		
	Acquisition method		
	Fair value recognised upon acquisition (IFRS 3)	Carrying amount	Restatement
Other intangible assets (management contracts) (Note 7)	1,399,355	-	1,399,355
Patents, licences and trademarks (Note 7)	2,486,878	-	2,486,878
Plant and other PP&E	46,989	46,989	-
Investments in associates	6,308,636	6,308,636	-
Loans to associates	3,161,087	3,161,087	-
Deferred tax assets (Note 17)	946,321	-	946,321
Land (Note 11)	40,012,287	42,755,906	(2,743,619)
Prepayments to suppliers	3,089	3,089	-
Other taxes receivable	235,616	235,616	-
Cash	378,402	378,402	-
Deferred tax liabilities (Note 17)	(260,416)	-	(260,416)
Bank borrowings (Note 15)	(4,380,000)	(4,380,000)	-
Other financial liabilities	(55,179)	(55,179)	-
Trade payables	(21,564)	(21,564)	-
Other taxes payable	(100)	(100)	-
Net assets acquired	50,261,401	48,432,882	1,828,519
Total acquisition cost	50,058,008		
Goodwill	(203,393)		

Of the total acquisition cost of 50,058,008 euros, the Group retained the sum of 1,304,411 euros, so that the transaction implied a cash outflow of 48,753,597 euros. As of March 31, 2023, the amount pending payment on this transaction amounts to 198,459 euros (510,969 euros as of March 31, 2022).

- On November 8, 2021, AEDAS HOMES OPCO, S.L.U. acquired a 20% equity interest in ESPEBE 11, S.L. (now known as AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.) from Promociones y Propiedades Inmobiliarias Espacio, S.L.U. As a result of that acquisition, AEDAS HOMES OPCO, S.L.U. became the sole shareholder of this company. On that same date, AEDAS HOMES OPCO, S.L.U. resolved to change the name of ESPEBE 11, S.L.U. to AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. The latter hereinafter would be the entity that provides real estate management services with and without co-investment within the AEDAS Homes Group, duly equipped with the resources needed to do so.
- On November 17, 2021, AEDAS HOMES OPCO, S.L.U. transferred interests in the companies that are presently party to management agreements to AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U., specifically equity interests of 52% in Domus Avenida, S.L., 50% in Espacio Áurea, S.L., 20% in Allegra Nature, S.L., 22.5% in Residencial Henao, S.L., 14.81% in Aurea Etxabakoitz, S.L. and 17.13% in Residencial Ciudadela Uno, S.L. In addition, on that same date, AEDAS HOMES OPCO, S.L.U.

transferred 100% ownership interest in AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. to AEDAS HOMES, S.A.

- On December 15, 2021, the Parent Company acquired a 100% equity interest in LIVE VIRTUAL TOURS, S.L. from AEDAS HOMES OPCO, S.L.U.

7. Intangible assets

The reconciliation of the movements under this heading during the years ended March 31, 2023 and March 31, 2022 is as follows:

	Euros				
	Software Applications	Advances for intangible assets	Trademarks	Other intangible assets	Total
Cost:					
Balance at April 1, 2022	4,381,865	244,489	2,486,878	1,399,355	8,512,587
Additions	2,156,773	443,559	-	-	2,600,332
Derecognitions	-	-	-	-	-
Transfers	-	-	-	-	-
Balance at March 31, 2023	6,538,638	688,048	2,486,878	1,399,355	11,112,919
Accumulated amortization:					
Balance at April 1, 2022	(2,086,949)	-	-	(433,646)	(2,520,595)
Charges	(1,312,408)	-	-	(645,595)	(1,958,003)
Derecognitions	-	-	-	-	-
Transfers	-	-	-	-	-
Total accumulated depreciation at March 31, 2023	(3,399,357)	-	-	(1,079,241)	(4,478,598)
Carrying amount at March 31, 2023	3,139,282	688,048	2,486,878	320,114	6,634,322

	Euros				
	Software Applications	Advances for intangible assets	Trademarks	Other intangible assets	Total
Cost:					
Balance at April 1, 2021	2,685,981	31,462	-	-	2,717,443
Additions	1,161,379	786,864	-	-	1,948,243
Business combinations (Note 6)	-	-	2,486,878	1,399,355	3,886,233
Derecognitions	(27,813)	(11,519)	-	-	(39,332)
Transfers	562,318	(562,318)	-	-	-
Balance at March 31, 2022	4,381,865	244,489	2,486,878	1,399,355	8,512,587
Accumulated amortization:					
Balance at April 1, 2021	(1,222,602)	-	-	-	(1,222,602)
Charges	(880,639)	-	-	(433,646)	(1,314,285)
Derecognitions	16,292	-	-	-	16,292
Transfers	-	-	-	-	-
Total accumulated depreciation at March 31, 2022	(2,086,949)	-	-	(433,646)	(2,520,595)
Carrying amount at March 31, 2022	2,294,916	244,489	2,486,878	965,709	5,991,992

The main additions recognised in the year ended March 31, 2023 and the year ended March 31, 2022 are related to the outsourced development of computer applications in order to accelerate and increase the efficiency and improvement of administrative and business processes. The amounts stated under "Advances for intangible assets" correspond to investments in the development of applications currently being carried out.

No items of intangible assets had been pledged as collateral at either March 31, 2023 or March 31, 2022.

As of March 31, 2023 there are fully amortised intangible assets and still in use for a total amount of 1,709,088 euros (620,897 euros as of March 31, 2022).

8. Property, plant and equipment

The reconciliation of the movements under this heading during the years ended March 31, 2023 and March 31, 2022 is as follows:

	Euros							
	Buildings	Technical installations	Other plant	Furniture & fittings	Computer equipment	Other items of PP&E	Prepayments for PP&E	Total
Cost:								
Balance at April 1, 2022	983,875	16,449	76,943	430,834	736,517	84,717	547,131	2,876,466
Additions	976,913	-	11,000	319,935	135,289	8,493	1,828,159	3,279,789
Derecognitions	-	-	(14,573)	(3,029)	(23,038)	(1,321)	-	(41,961)
Transfers	1,599,421	-	-	20,346	-	-	(1,619,767)	-
Balance at March 31, 2023	3,560,209	16,449	73,370	768,086	848,768	91,889	755,523	6,114,294
Accumulated depreciation:								
Balance at April 1, 2022	(394,993)	(4,112)	(54,407)	(138,591)	(562,239)	(65,372)	-	(1,219,714)
Charges	(568,764)	(5,498)	(8,699)	(65,015)	(92,458)	(13,294)	-	(753,728)
Derecognitions	-	-	11,654	-	16,378	1,066	-	29,098
Total accumulated depreciation at March 31, 2023	(963,757)	(9,610)	(51,452)	(203,606)	(638,319)	(77,600)	-	(1,944,344)
Carrying amount at March 31, 2023	2,596,452	6,839	21,918	564,480	210,449	14,289	755,523	4,169,950

	Euros							
	Buildings	Technical installations	Other plant	Furniture & fittings	Computer equipment	Other items of PP&E	Prepayments for PP&E	Total
Cost:								
Balance at April 1, 2021	613,315	-	72,627	333,564	645,500	82,336	22,174	1,769,516
Additions	176,713	-	4,316	90,308	83,637	-	723,078	1,078,052
Business combination (Note 6)	-	16,449	-	16,441	14,099	-	-	46,989
Derecognitions	-	-	-	(13,753)	(4,338)	-	-	(18,091)
Transfers	193,847	-	-	4,274	(2,381)	2,381	(198,121)	-
Balance at March 31, 2022	983,875	16,449	76,943	430,834	736,517	84,717	547,131	2,876,466
Accumulated depreciation:								
Balance at April 1, 2021	(283,934)	-	(41,881)	(101,068)	(457,183)	(49,651)	-	(933,717)
Charges	(111,059)	(4,112)	(12,526)	(39,105)	(106,445)	(15,721)	-	(288,968)
Derecognitions	-	-	-	1,582	1,389	-	-	2,971
Total accumulated depreciation at March 31, 2022	(394,993)	(4,112)	(54,407)	(138,591)	(562,239)	(65,372)	-	(1,219,714)
Carrying amount at March 31, 2022	588,882	12,337	22,536	292,243	174,278	19,345	547,131	1,656,752

The main additions recognised in the years ended March 31, 2023 and March 31, 2022 relate to the purchase of computer equipment and capital expenditure on the new office facilities.

As of March 31, 2023, there are items of property, plant and equipment that are fully depreciated and still in use for a total amount of 829,779 euros (504,622 euros as of March 31, 2022).

It is Group policy to take out all the insurance policies deemed necessary to cover the risks to which its property, plant and equipment is exposed.

No item of property, plant and equipment had been pledged as collateral at March 31, 2023 and March 31, 2022.

The Group had no contractual commitments for the purchase of property, plant and equipment at March 31, 2023 and March 31, 2022.

Additionally, right of use assets are recognised under “Property, plant and equipment” heading for a total amount of 4,128,842 euros at March 31, 2023 (1,811,412 euros at March 31, 2022). Set out below, are the carrying amounts of the Group’s right-of-use assets and lease liabilities and the movements during the period:

	Right of use assets			Lease Liabilities
	Buildings	Plant and other PP&E	TOTAL	
Balance at April 1, 2021	2,157,820	248,280	2,406,100	2,475,476
Additions	872,185	132,383	1,004,568	1,004,568
Depreciation expense	(1,432,351)	(104,420)	(1,536,771)	-
Interest Expense	-	-	-	97,745
Modification to lease terms – other adjustments	(57,119)	(5,366)	(62,485)	(62,485)
Lease Payments	-	-	-	(1,654,171)
Balance at March 31, 2022	1,540,535	270,877	1,811,412	1,861,133
Additions	3,979,515	81,317	4,060,832	4,060,832
Depreciation expense	(1,609,718)	(134,013)	(1,743,731)	-
Interest Expense	-	-	-	190,961
Modification to lease terms – other adjustments	329	-	329	329
Lease Payments	-	-	-	(1,886,095)
Balance at March 31, 2023	3,910,661	218,181	4,128,842	4,227,160

For the year ended March 31, 2023, the Group has recognised leases of low-value assets and short-term lease payments, for a total amount of 429,347 euros (337,157 euros for the year ended March 31, 2022).

For the lease liabilities recognised at March 31, 2023, an amount of 1,566,314 euros is due within one year, and an amount of 2,660,846 euros is due within one to five years (for the lease liabilities recognised at March 31, 2022, an amount of 762,241 euros was due within one year, and an amount of 1,098,891 euros was due within one to five years). The breakdown, at March 31, 2023, of the maturities by financial year is as follows:

	31.03.2023
31/03/2024	1,566,314
31/03/2025	1,273,781
31/03/2026	746,544
31/03/2027	551,985
31/03/2028	74,735
31/03/2029	13,801
Total	4,227,160

9. Investment property

The reconciliation of the movements under this heading during the years ended March 31, 2023 and March 31, 2022 is as follows:

	Euros		
	Land	Buildings	Total
Cost:			
Balance at April 1, 2022	1,175,970	4,825,307	6,001,277
Additions	-	-	-
Derecognitions	-	-	-
Transfers from inventories to investment property	998,044	3,090,827	4,088,871
Transfers from investment property to inventories (deeds)	(402,337)	(1,532,810)	(1,935,147)
Balance at March 31, 2023	1,771,677	6,383,325	8,155,001
Accumulated depreciation:			
Balance at April 1, 2022	-	(60,082)	(60,082)
Charges	-	(298,768)	(298,768)
Derecognitions	-	32,582	32,582
Balance at March 31, 2023	-	(326,268)	(326,268)
Carrying amount at March 31, 2023	1,771,676	6,057,057	7,828,733

	Euros		
	Land	Buildings	Total
Cost:			
Balance at April 1, 2021	286,114	1,423,053	1,709,167
Additions	-	-	-
Derecognitions	-	-	-
Transfers of inventories to investment property	966,824	3,685,620	4,652,444
Transfers from investment property to inventories (deeds)	(76,968)	(283,366)	(360,334)
Balance at March 31, 2022	1,175,970	4,825,307	6,001,277
Accumulated depreciation:			
Balance at April 1, 2021	-	(4,854)	(4,854)
Charges	-	(59,414)	(59,414)
Derecognitions	-	4,186	4,186
Balance at March 31, 2022	-	(60,082)	(60,082)
Carrying amount at March 31, 2022	1,175,970	4,765,225	5,941,195

The transfers from inventories to investment property in the financial years ended March 31, 2023 and March 31, 2022 related to homes developed by Group companies that have been rented under a lease with an option to purchase.

All investment properties are located in Spain at March 31, 2023 and March 31, 2022.

10. Current and non-current financial assets and liabilities

The breakdown of the Group's financial assets and liabilities at March 31, 2023 and March 31, 2022 is provided in the table below:

	Euros			
	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Investments in associates (Note 20)	8,295,794	-	12,156,376	-
Loans to associates	4,561,099	1,007,341	8,901,754	4,218,723
Guarantees and deposits extended	1,750,994	-	1,381,427	-
Trade receivables (Note 12)	-	41,149,759	-	63,104,592
Trade receivables from associates (Note 12)	-	1,000,155	-	708,799
Sundry receivables (Note 12)	-	712,844	-	721,851
Personnel (Note 12)	-	1,588	-	-
Current financial assets	-	3,558,315	-	5,588,112
Dividend receivable from associated companies	-	-	-	324,000
Current provisions	-	(21,407,715)	-	(13,236,445)
Financial debts (Note 15)	(321,759,646)	(57,829,696)	(318,612,309)	(51,287,073)
Bank borrowings in the long term (Note 15)	-	(125,561,716)	-	(98,599,126)
Suppliers (Note 16)	-	(187,661,219)	-	(164,670,033)
Payable for services received (Note 16)	-	(9,426,962)	-	(7,088,316)
Employee benefits payable (Note 16)	-	(3,924,768)	-	(4,009,964)
Customer prepayments (Note 16)	-	(194,760,470)	-	(216,223,004)
Prepayments and accrued income	-	14,109,258	-	11,918,290
Total	(307,151,759)	(539,033,286)	(296,172,752)	(468,529,594)

- "Current financial assets" on the accompanying consolidated balance sheet includes fixed-term deposits that mature less than one year after the reporting date, A total amount of 2,472,351 euros of those fixed-term deposits have been pledged to secure sureties and surety insurance extended to house buyers at March 31, 2023 (514,639 euros at March 31, 2022).
- At March 31, 2023, the Group has 21,407,715 euros in recognised short-term provisions. Of this sum, 20,783,898 euros are in the works conclusion provision and 623,817 euros make up the litigation provision (13,236,445 euros in short-term provisions at March 31, 2022, of which 12,708,965 euros were in the works conclusion provision and 527,480 euros in the litigation provision).
- "Investments in associates" on the accompanying consolidated balance sheet includes investments in associates and joint ventures, accounted for using the equity method. Summarised financial information of the associates, and reconciliation with the carrying amount of the investment in the consolidated financial statements as of March 31, 2023 and March 31, 2022 are set out below:

March 31, 2023

	Euros									
	Year ended March 31, 2023									
	WINSLARO ITG, S.L.	SERV. INMOBILIARIOS LICANCABUR, S.L.	URBANIA LAMATRA II, S.L.	Varia Acr Móstoles Fuensanta, S.L.	ESPACIO AUREA, S.L.	ALLEGRA NATURE, S.L.	RESIDENCIAL HENAO, S.L.	ÁUREA ETXABAKOITZ, S.L.	RESIDENCIAL CIUDADELA UNO, S.L.	NATURE ESTE, S.L.
Summarised statement of financial position of associates										
Non-current assets	798,506	-	-	-	-	1,487	3,128	8,416	7,096,208	40,145
Current assets	43,414,322	-	-	2,643,133	15,352,229	3,120,377	1,384,098	863,898	59,546	21,306,013
Non-current liabilities	25,541,903	-	-	-	6,284,468	-	-	-	-	-
Current liabilities	8,325,312	-	-	1,530,272	5,119,176	2,166,643	1,336,826	764,360	42,772	10,986,870
Equity	10,345,613	-	-	1,112,861	3,948,585	955,221	50,400	107,954	7,112,982	10,359,288
Ownership interest attributable to the Parent	20%	-	-	30%	50%	20%	22.5%	14.81%	17.13%	17.13%
Group's share in equity	2,069,122	-	-	333,858	1,974,293	191,044	11,341	15,980	1,218,453	598,116
Goodwill	332	-	-	-	-	-	-	-	-	-
Adjustment to fair value (business combination – Note 6)	-	-	-	11,628	576,571	696,768	257,031	165,843	175,414	-
Group's carrying amount of the investment	2,069,454	-	-	345,486	2,550,864	887,812	268,372	181,823	1,393,867	598,116
Revenue	-	-	-	26,553,571	8,939,761	9,463,045	22,592,227	11,100	-	26,736,322
Cost of sales	-	-	-	(23,867,238)	(7,715,090)	(7,472,991)	(18,614,572)	22,592	-	(21,647,823)
Other operating expenses	(67,112)	(80,234)	(512,425)	(1,463,730)	(28,260)	118,511	(1,110,704)	(124,213)	(1,548)	(1,392,744)
Finance income	-	-	1,199,284	170,514	-	-	52,429	-	-	57,739
Finance costs	(1,296,883)	(863,111)	(1,174,717)	(513,658)	(45,178)	(25,440)	(176,384)	31,076	-	(280,820)
Profit/(loss) before tax	(1,363,986)	(943,345)	(487,857)	879,459	1,151,233	2,083,125	2,742,956	(59,445)	(1,548)	3,472,674
Income tax	309,379	235,836	129,763	(219,865)	(191,292)	(484,896)	(658,362)	(42,221)	362	2,054
Profit/(loss) for the period from continuing operations	(1,054,617)	(707,509)	(358,094)	659,594	959,941	1,598,229	2,084,635	(101,666)	(1,186)	3,474,728
Group's share of profit/(loss) for the period	(210,923)	(176,877)	(110,079)	197,878	479,971	319,646	469,043	(15,057)	(203)	595,221
Result due to loss of significant influence	-	5,355,738	3,348,705	-	-	-	-	-	-	-

The result due to loss of significant influence is reported in the consolidated statement of income under the heading "Strategic land margin" (refer to Notes 6 and 20).

The business plans of the associated companies and joint ventures indicate that there is no evidence of impairment of the investments in said companies.

March 31, 2022

	Euros										
	Year ended March 31, 2022										
	WINSLARO ITG, S.L.	SERV. INMOBILIARIOS LICANCABUR, S.L.	URBANIA LAMATRA I, S.L.	URBANIA LAMATRA II, S.L.	Varia Acr Móstoles Fuensanta, S.L.	ESPACIO ÁUREA, S.L.	ALLEGRA NATURE, S.L.	RESIDENCIAL HENAO, S.L.	ÁUREA ETXABAKOITZ, S.L.	RESIDENCIAL CIUDADELA UNO, S.L.	NATURE ESTE, S.L.
Summarised statement of financial position of associates											
Non-current assets	489,128	524,704	-	560,484	-	-	1,487	4,194	8,416	7,095,846	38,091
Current assets	42,307,854	23,549,665	-	68,083,346	29,924,327	14,160,214	17,821,136	18,854,080	3,104,040	61,156	22,879,419
Non-current liabilities	19,254,969	17,159,453	-	42,404,468	-	4,979,900	-	-	-	-	-
Current liabilities	14,828,732	258,165	-	8,125,346	25,799,060	6,191,670	17,410,631	14,579,160	2,802,837	42,834	16,032,950
Equity	8,713,281	6,656,751	-	18,114,016	4,125,267	2,988,644	411,992	4,279,114	309,619	7,114,168	6,884,560
Ownership interest attributable to the Parent	20%	25%	-	10%	30%	50%	20%	22.5%	14.81%	17.13%	17.13%
Group's share in equity	1,742,656	1,664,188	-	1,811,402	1,237,580	1,494,322	82,398	962,801	45,855	1,218,657	2,895
Goodwill	332	-	-	10,035	-	-	-	-	-	-	-
Adjustment to fair value (business combination – Note 6)	-	-	-	-	11,628	576,571	696,768	257,031	165,843	175,414	-
Group's carrying amount of the investment	1,742,988	1,664,188	-	1,821,437	1,249,208	2,070,893	779,166	1,219,832	211,698	1,394,071	2,895
Other operating expenses	(77,045)	(56,785)	-	(544,814)	(1,581,867)	(247,616)	(1,605,264)	(329,421)	(1,034,863)	(874)	(272,683)
Finance income	-	-	-	-	487,009	-	377,305	88,049	229,546	-	180,071
Finance costs	(744,050)	(767,106)	-	(119,400)	(487,009)	(66,400)	(414,021)	(88,049)	(182,598)	-	(186,826)
Profit/(loss) before tax	(821,056)	(823,891)	-	(169,767)	1,874,666	(314,016)	2,865,878	(1,349)	1,959,791	(874)	(21,191)
Income tax	205,264	205,973	-	(36,043)	(485,639)	-	(751,584)	4,194	(488,433)	(42,604)	38,091
Profit/(loss) for the period from continuing operations	(615,792)	(617,918)	-	(205,810)	1,389,026	(314,016)	2,114,294	2,845	1,471,359	(43,478)	16,900
Profit/(loss) generated prior to integration into the Group	-	-	-	-	(2,283)	(45,839)	(3,083)	(15,427)	(6,061)	171,291	-
Group's share of profit/(loss) for the period	(123,158)	(154,479)	-	(20,581)	416,708	(157,008)	422,859	640	217,908	(7,448)	2,895
Result due to loss of significant influence	-	-	(181,802)	-	-	-	-	-	-	-	-

- "Loans to associates" on the accompanying consolidated balance sheet includes loans to associates and joint ventures. The breakdown at March 31, 2023 and March 31, 2022 is as follows:

March 31, 2023

	Limit	Principal	Unpaid accrued interest	Maturity date	Interest rate
WINSLARO ITG, S.L.	4,520,000	2,824,068	408,634	June 11, 2025	Euribor + 5.5%
WINSLARO ITG, S.L.	4,520,000	1,737,031	140,018	July 31, 2027	Euribor + 5.5%
ESPACIO ÁUREA, S.L.	1,300,000	400,000	58,689	August 24, 2023	Euribor + 5.5%
Total	10,340,000	4,961,099	607,341		

March 31, 2022

	Limit	Principal	Unpaid accrued interest	Maturity date	Interest
SERV. INMOBILIARIOS LICANCABUR, S.L.	5,300,000	3,820,073	468,722	July 29, 2025	Euribor + 5.5%
URBANIA LAMATRA II, S.L.	3,140,000	1,518,610	236,940	July 26, 2025	Euribor + 6.5%
WINSLARO ITG, S.L.	4,520,000	2,274,540	251,646	June 11, 2025	Euribor + 5.5%
WINSLARO ITG, S.L.	4,520,000	1,288,531	36,309	July 31, 2027	Euribor + 5.5%
VARÍA ACR MÓSTOLES FUENSANTA, S.L.	2,388,600	1,726,769	-	November 30, 2021	4%
ESPACIO ÁUREA, S.L.	2,600,000	400,000	33,308	August 24, 2022	Euribor + 5.5%
ALLEGRA NATURE, S.L.	2,320,000	864,000	201,029	April 30, 2022	4%
Total	24,788,600	11,892,523	1,227,954		

- "Prepayments and accrued income" on the accompanying consolidated balance sheet includes the marketing fees for the promotions, which are transferred to income once the sale of the property happens, since said fees are conditional on the delivery of the home.

Variation in other current assets and liabilities during the year ended March 31, 2023 are broken down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	March 31, 2023	March 31, 2022	Variation	Transfer to cash flows	Others
Current interest on loans	607,341	1,227,954	(620,613)	52,017	568,596
Dividend	-	324,000	(324,000)	324,000	-
Current deposits	2,560,379	699,871	1,860,508	(1,860,508)	-
Guarantees extended	811,395	784,561	26,834	(26,834)	-
Deposits extended	186,541	4,103,680	(3,917,139)	5,252,047	(1,334,908)
Prepayments and accrued income	14,109,258	11,918,290	2,190,968	(2,190,968)	-
Total other current assets	18,274,914	19,058,356	(783,442)	1,549,754	(766,312)
Bonds and other marketable securities	(49,279,073)	(42,460,562)	(6,818,511)	5,629,606	1,188,905
Debt with financial institutions	(133,084,606)	(105,496,538)	(27,588,068)	(90,336,873)	117,924,941
Other financial liabilities	(1,027,733)	(1,929,099)	901,366	(9,695,506)	8,794,140
Current provisions	(21,407,715)	(13,236,445)	(8,171,270)	8,171,270	-
Total other current liabilities	(204,799,127)	(163,122,644)	(41,676,483)	(86,231,503)	127,907,986
Total other current assets less current liabilities	(186,524,213)	(144,064,288)	(42,459,925)	(84,681,749)	127,141,674

Variation in other current assets and liabilities during the year ended March 31, 2022 are broken down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	March 31, 2022	March 31, 2021	Variation	Transfer to cash flows	Others
Current interest on loans	1,227,954	620,939	607,015	86,724	(693,739)
Dividend	324,000	-	324,000	(324,000)	-
Current deposits	699,871	13,859,668	(13,159,797)	-	13,159,797
Guarantees extended	784,561	366,667	417,894	(211,589)	(206,305)
Deposits extended	4,103,680	864,115	3,239,565	(3,239,565)	-
Prepayments and accrued income	11,918,290	6,708,671	5,209,619	(5,209,619)	-
Total other current assets	19,058,356	22,420,060	(3,361,704)	(8,898,049)	12,259,753
Bonds and other marketable securities	(42,460,562)	(22,301,428)	(20,159,134)	12,207,701	7,951,433
Debt with financial institutions	(105,496,538)	(242,181,557)	136,685,019	(111,050,183)	(25,634,836)
Other financial liabilities	(1,929,099)	(1,466,323)	(462,776)	(2,578,423)	3,041,199
Current provisions	(13,236,445)	(13,666,026)	429,581	(429,581)	-
Total other current liabilities	(163,122,644)	(279,615,334)	116,492,690	(101,850,486)	(14,642,204)
Total other current assets less current liabilities	(144,064,288)	(257,195,274)	113,130,986	(110,748,535)	(2,382,451)

11. Inventories

The composition and variation in the Group's inventories at March 31, 2023 and March 31, 2022 are as follows:

	Euros		
	March 31, 2023	March 31, 2022	Variation
Land and sites	566,765,626	644,427,376	(77,661,750)
Developments in progress (*)	794,244,978	672,379,820	121,865,158
Completed buildings	226,014,965	183,260,613	42,754,352
Prepayments to suppliers	23,645,455	20,278,762	3,366,693
Total	1,610,671,024	1,520,346,571	90,324,453

(*) At March 31, 2023, "Developments in progress" includes the cost of the land on which the developments are being carried out in the amount of 373,733,749 euros (329,638,101 euros at March 31, 2022),

The reconciliation of the movement during the year ended March 31, 2023 of the inventory balances is as follows:

Euros	March 31, 2022	Prepayments	Land purchases	Cost of sales	Derecognitions (Note 19.b)	Capitalized borrowing costs	Impairment	March 31, 2023
Inventories	1,520,346,571	3,366,693	173,687,246	567,449,456	(676,412,938)	23,495,516	(1,261,520)	1,610,671,024

Variation in inventories during the year ended March 31, 2023 are broken down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	Variation	Transfer to Cash Flows	Transfers	Impairment	Other
Land and sites	(77,661,750)	(169,286,129)	245,413,811	1,534,068	-
Developments in progress	121,865,158	(557,733,873)	436,275,210	(406,495)	-
Completed buildings	42,754,352	636,614,417	(681,689,021)	133,947	2,186,305
Prepayments to suppliers	3,366,693	(3,366,693)	-	-	-
Total	90,324,453	(93,772,278)	-	1,261,520	2,186,305
Changes in working capital arising from purchases and sales of land – Inventories		(129,571,182)			
Changes in inventories excluding purchases or sales of land - Inventories		35,798,904			

In the year ended March 31, 2023, the variation in the heading 'Land and sites' relates to land purchases for the sum of 173,687,246 euros, a decrease due to reclassification the sum of 245,413,811 euros to Developments in progress, land sales amounting to 27,782,061 euros, impairment of inventories amounting to 1,261,520 euros and the rest to investments in work undertaken on them. Additionally, during the year ended March 31, 2023 the Group completed the works on 41 housing developments developed by subsidiaries, which implied the transfer of a balance of 681,689,021 euros from "Developments in progress" to "Completed buildings".

The variation in inventories during the year ended March 31, 2023 generated a net cash outflow of 93,772,278 euros, of which 129,571,182 euros relates to the purchase and sale of land and a net cash generation of 35,798,904 euros consisting of changes in working capital without taking purchases and sales of land into consideration.

The cash flows in the year ended March 31, 2023 arising from the purchase and sale of land in the current year and as a result of the price deferred in previous years amount to the net sum of 121,465,159 euros of net cash consumption, broken down as follows:

Land purchases committed to during the previous reporting period	(41,897,566)
Land purchases related to new acquisitions	(131,789,680)
Deferred payments for land purchased during the financial year	38,223,631
Prepayments to suppliers and call options arranged in the previous financial year	1,251,599
Deferred payments for land purchased in previous reporting periods	(30,319,207)
Prepayments to suppliers and call options arranged during the financial year	(5,025,205)
Premiums paid on purchase options	(500,000)
Price paid to offset loans to and equity investments in associates (Note 20)	18,405,619
Payments made during the year ended March 31, 2023 for the purchase of land	(151,650,809)
Land sold during the financial year	30,185,650
Deferred payments received for land sold during the financial year	-
Deferred payments received for land sold in previous reporting periods	-
Payments received during the year ended March 31, 2023 from the sale of land	30,185,650
Change in working capital attributable to land purchases/sales during the financial year	(121,465,159)

The composition and variation in the Group's inventories at March 31, 2022 and March 31, 2021 were as follows:

	Euros		
	March 31, 2022	March 31, 2021	Variation
Land and sites	644,427,376	582,439,385	61,987,991
Developments in progress	672,379,820	581,043,918	91,335,902
Completed buildings	183,260,613	213,667,797	(30,407,184)
Prepayments to suppliers	20,278,762	17,348,690	2,930,072
Total	1,520,346,571	1,394,499,790	125,846,781

(*) At March 31, 2022, "Developments in progress" includes the cost of the land on which the developments are being carried out in the amount of 329,638,101 euros (275,650,335 euros at March 31, 2021).

The reconciliation of the movement during the year ended March 31, 2022 of the inventory balances is as follows

Euros	March 31, 2021	Prepayments	Land purchases	Acquisition of land through business combination (Note 6)	Cost of sales	Derecognitions (Note 19.b)	Capitalized borrowing costs	Impairment	March 31, 2022
Inventories	1,394,499,790	2,930,073	191,840,844	40,012,287	423,232,188	(542,629,197)	11,758,951	(1,298,365)	1,520,346,571

Variation in inventories during the year ended March 31, 2022 are broken down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	Variation	Transfer to Cash Flows	Transfers	Impairment	Other
Land and sites	61,987,991	(233,791,640)	172,335,699	(532,050)	-
Developments in progress	91,335,902	(421,098,329)	327,985,091	1,777,336	-
Completed buildings	(30,407,184)	526,378,600	(500,320,790)	53,079	4,296,295
Prepayments to suppliers	2,930,072	(2,930,072)	-	-	-
Total	125,846,781	(131,441,441)	-	1,298,365	4,296,295
Changes in working capital arising from purchases and sales of land – Inventories		(234,064,476)			
Changes in inventories excluding purchases or sales of land – Inventories		102,623,035			

In the year ended March 31, 2022, the variation in the heading 'Land and sites' relates to land purchases for the sum of 231,853,131 euros, a decrease due to reclassification the sum of 172,335,699 euros to Developments in progress, land sales amounting to 10,260,402 euros, impairment of inventories amounting to 1,298,365 euros and the rest to investments in work undertaken on them. Additionally, during the year ended March 31, 2022 the Group completed the works on 34 housing developments developed by subsidiaries, which implied the transfer of a balance of 500,320,790 euros from "Developments in progress" to "Completed buildings".

The variation in inventories during the year ended March 31, 2022 generated a net cash outflow of 131,441,441 euros, of which 234,064,476 euros relates to the purchase and sale of land and a net cash generation of 102,623,035 euros consisting of changes in working capital without taking purchases and sales of land into consideration.

The cash flows in the year ended March 31, 2022 arising from the purchase and sale of land in the current year and as a result of the price deferred in previous years amount to the net sum of 169,656,642 euros of net cash consumption, excluding the amount of the acquisition of land through the purchase of shares and loans to ÁUREA Homes (see Note 6), broken down as follows:

Land purchased during the year ended March 31, 2022	(231,853,131)
Down payments for land purchased during the financial year	100,000
Down payments for land purchased during previous years	(17,039,885)
Deferred payments for land purchased during the financial year	31,359,837
Deferred payments for land purchased in previous reporting periods	(8,679,979)
Price paid to offset loans to and equity investments in associates (Note 20)	1,079,805
Acquisition of land via the purchase of equity and credit investments in ÁUREA (Note 6)	40,648,171
Payments in the year ended March 31, 2022 for purchase of land	(184,385,182)
Land sold during the financial year	14,728,540
Deferred payments received for land sold during the financial year	-
Deferred payments received for land sold in previous reporting periods	-
Payments received in the year ended March 31, 2022 for the sale of land	14,728,540
Change in working capital attributable to land purchases/sales during the financial year	(169,656,642)

The outstanding amount of land acquired by the Group amounted to 43,726,636 euros at March 31, 2023 (35,822,211 euros at March 31, 2022), of which 38,223,631 euros relate to land acquisitions made during the year ended March 31, 2023 (31,359,837 euros to land acquisitions made during the year ended March 31, 2022) (refer to Note 16). Of said total outstanding amount of land, as of March 31, 2023, an amount of 33,405,415 euros is due in the short term (as of March 31, 2022, an amount of 30,646,259 euros was due in the short term).

In the year ended March 31, 2023, the Group capitalized 23,495,516 euros (11,758,951 euros in the year ended March 31, 2022) of borrowing costs in inventories (Note 4.4). The average cost of the borrowings capitalised was approximately 5.62% (2.51% in the year ended March 31, 2022), mainly because the Euribor has risen 389 bps since March 31, 2022.

The Group derecognised inventories in the amount of 676,412,938 euros during the year ended March 31, 2023: 648,630,877 euros related to completed housing units sold and 27,782,061 euros to land sold (542,629,197 euros in the year ended March 31, 2022, corresponding an amount of 532,368,795 euros to completed housing units sold and 10,260,402 euros to land sold) (Note 19.a).

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, are as follows:

	Euros	
	March 31, 2023	March 31, 2022
Centre	453,548,071	446,638,470
North	119,736,158	105,907,480
Catalonia and Aragon	261,832,423	244,886,050
Costa del Sol	229,911,255	236,658,003
Andalusia and Canary Islands	246,282,322	210,744,261
East and Mallorca	275,715,340	255,233,545
Total	1,587,025,569	1,500,067,809

As of March 31, 2023, there are contractual commitments to the purchase of plots for an amount of 54,111,945 euros (47,471,826 euros as of March 31, 2022), of which an amount of 5,025,205 euros have been paid, as advances (1,228,889 euros as of March 31, 2022), and which are included as Prepayments to Suppliers under the Current Assets on the Balance Sheet. In addition, as of March 31, 2023, there are advances to land suppliers amounting to 18,303,439 euros, of which 17,303,439 euros correspond to "Chamartín Norte" (17,840,997 euros as of March 31, 2022, of which 16,840,997 euros corresponded to "Chamartín Norte").

Of the total amount recognised under "Trade and other accounts payable - Customer prepayments" within Current Liabilities on the consolidated balance sheet at March 31, 2023, an amount of 194,760,470 euros (216,223,004 euros at March 31, 2022) corresponds to down payments from customers for house unit reservations and private house contracts.

At March 31, 2023, and March 31, 2022, there are no sales commitments.

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

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 9.17%.

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 has been assumed that off-plan sales will not be made before construction of the developments begins.
- As a general rule, it has been 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 increase in sales prices with respect to market prices as of the reporting date, in general. The average sale price assumed was 3,178 euros per square meter.
- As a general rule, it has been assumed that it takes between 27 and 42 months from drawing up the plans for a development and obtaining the required permits until the marketing and sale of the development is complete.

The net realizable value assigned to the portfolio of inventories amounts to 2,088 million euros at March 31, 2023 (2,075 million euros at March 31, 2022). Said value has been determined on the basis of the valuation carried by the independent appraiser Savills Aguirre Newman Valoraciones y Tasaciones, S.A. as of March 31, 2023, and without considering advances from suppliers. On the basis of the external appraiser's methodology, the key valuation hypotheses are the discount rate and selling prices (refer to Note 4.4). As a result of the above, the Group recognised an impairment loss of 6,948,035 euros at March 31, 2023 (5,689,907 euros at March 31, 2022), and tacit unrecorded capital gains amounting to 492 million euros (551 million euros at March 31, 2022).

The inventory impairment charge breaks down as follows by region:

	Euros	
	March 31, 2023	March 31, 2022
Centre	(1,713,281)	(2,319,158)
North	-	-
Catalonia and Aragon	(109,883)	(209,458)
Costa del Sol	(847,079)	(127,587)
Andalusia and Canary Islands	(1,569,913)	(2,219,313)
East and Mallorca	(2,707,879)	(814,391)
Total	(6,948,035)	(5,689,907)

The breakdown of the inventory impairment charge by inventory category:

	Euros	
	March 31, 2023	March 31, 2022
Land and sites	(5,285,529)	(3,751,460)
Developments in progress	(1,478,873)	(1,885,368)
Completed buildings	(183,633)	(53,079)
Total	(6,948,035)	(5,689,907)

The sensitivity analysis performed as of March 31, 2023 is as follows:

- The discount rate was varied by 100 basis points in both directions, based on the different economic scenarios forecast for the short and medium term and considering the rate of return that other developers with different profiles to that of the Group would demand.

- As for sales prices, the directors ran sensitivity analyses modelling variations of +/-1%, +/-5%, and +/-10% even though they believe it is unlikely that sales prices will differ by 10% (in either direction) with respect to the prices used for valuation purposes.

The sensitivity analysis was run keeping all other variables constant.

The above variations in the key assumptions would affect the net realizable and carrying amounts of the Group's inventories as follows:

Assumption	Thousands of euros	
	Discount rate	
	+1%	-1%
	Increase/(decrease)	
Change in carrying amount (*)	(9,294)	2,462

Assumption	Thousands of euros					
	Sale price					
	-1%	+1%	-5%	+5%	-10%	+10%
	Increase/(decrease)					
Change in carrying amount (*)	(5,856)	1,984	(40,588)	4,535	(112,644)	5,320

(*) The carrying amount is the lower of cost and the net realizable value. Increases in the net realizable value are not necessarily accompanied by an impact on the inventories' carrying amount.

The impact of the sensitivity analysis on the valuations compiled by the independent expert is as follows:

- A 100 basis point reduction in the discount rate would increase the valuation by 45 million euros, while a 100 basis point increase would decrease it by 43 million euros.
- A 1% decrease in sales prices would decrease the expert's valuation by 35 million euros, while a 1% increase would increase it by 35 million euros.
- A 5% decrease in sales prices would decrease the expert's valuation by 176 million euros, while a 5% increase would increase it by 176 million euros.
- A 10% decrease in sales prices would decrease the expert's valuation by 353 million euros, while a 10% increase would increase it by 352 million euros.

At March 31, 2023, "Inventories" includes assets with a gross carrying amount of 726 million euros (631 million euros at March 31, 2022) that have been pledged as collateral to secure the development loans obtained by the Group (see Note 15).

At the reporting date, the Group had insurance policies covering the inventories on which development work had begun.

At 31 March 2023, the Group has 21,407,715 euros in recognised short-term provisions. Of this sum, 20,783,898 euros are in the works conclusion provision and 623,817 euros make up the litigation provision (13,236,445 euros in short-term provisions at 31 March 2022, of which 12,708,965 euros were in the works conclusion provision and 527,480 euros, the litigation provision) (see Note 10).

The Group has certain assets and liabilities that are recognised within current assets or current liabilities, respectively, but their estimated or maximum contractual maturity (borrowings secured to finance inventories) is more than 12 months from the reporting date. Specifically:

	Euros	
	March 31, 2023	March 31, 2022
Inventories (long production cycle) before impairment	916,653,893	903,835,855
Inventories (short production cycle) before impairment	677,319,710	601,921,860
Total current assets	1,926,284,542	1,853,914,351
Borrowings secured to finance inventories (long cycle) – Note 15	125,561,716	98,599,126
Total current liabilities	677,295,117	603,502,010

12. Trade and other receivables

"Trade and other receivables" broke down as follows at March 31, 2023 and March 31, 2022:

	Euros	
	March 31, 2023	March 31, 2022
Trade receivables	41,149,759	63,104,592
Trade receivables from associates (Note 20)	1,000,155	708,799
Sundry receivables	712,844	721,851
Personnel	1,588	-
Current tax asset (Note 17.b)	104,201	179,014
Other receivables from public authorities (Note 17.b)	9,237,197	6,783,258
Total	52,205,744	71,497,514

The change in trade and other receivables during the year ended March 31, 2023 breaks down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	March 31, 2023	March 31, 2022	Variation	Transfer to cash flows	Others
Customers for sales of developments – remittances	23,076,171	41,951,219	(18,875,048)	18,875,048	-
Sundry customers	18,073,588	21,153,373	(3,079,785)	3,079,785	-
Trade receivables from associates	1,000,155	708,799	291,356	(291,356)	-
Sundry receivables	712,844	721,851	(9,007)	9,007	-
Personnel	1,588	-	1,588	(1,588)	-
Current tax asset (Note 17.b)	104,201	179,014	(74,813)	74,813	-
Other receivables from public authorities (Note 17.b)	9,237,197	6,783,258	2,453,939	12,846,706	(15,300,645)
Total Trade and other receivables	52,205,744	71,497,514	(19,291,770)	34,592,415	(15,300,645)
Changes in working capital arising from purchases and sales of land – Trade receivables					-
Changes in working capital excluding purchases or sales of land – Trade receivables				34,592,415	

As can be seen in the table, the decrease of 19.3 million euros in total trade and other receivables has led to the consumption of 34.6 million euros in net cash which is due to the decrease in customer for sales of developments (19 million euros) and the increase in assets receivable from public authorities (13 million euros).

The heading "Customers for sales of developments - remittances" includes the sums receivable from customers as a result of signing private sales contracts for homes, which represent between 15% and 25% of the total price of the sale, which is charged monthly in linear instalments until the estimated date of delivery of the development, during the construction phase, which lasts an average of 18 months. The cash obtained from a private sales contract is generated over the following time scale: 5% upon signing the private contract, 15%-25% in monthly instalments until the property is delivered and 80%-70% on signing the deed of sale when the customer takes physical possession of the property. The amounts received from customers prior

to signing the deed of sale are deposited in a special account that is held separately from any other type of funds belonging to the Group and can only be used for the construction of developments (see Note 13).

The change in trade and other receivables during the year ended March 31, 2022 breaks down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	March 31, 2022	March 31, 2021	Variation	Transfer to cash flows	Others
Customers for sales of developments – remittances	41,951,219	24,236,487	17,714,732	(17,714,732)	-
Sundry customers	21,153,373	21,026,378	126,995	(126,995)	-
Trade receivables from associates	708,799	78,833	629,966	(629,966)	-
Sundry receivables	721,851	652,618	69,233	(69,233)	-
Personnel	-	12,913	(12,913)	12,913	-
Current tax asset (Note 17.b)	179,014	75,498	103,516	8,229,769	(8,333,285)
Other receivables from public authorities (Note 17.b)	6,783,258	5,061,693	1,721,565	(1,721,565)	-
Total Trade and other receivables	71,497,514	51,144,420	20,353,094	(12,019,809)	(8,333,285)
Changes in working capital arising from purchases and sales of land – Trade receivables					-
Changes in working capital excluding purchases or sales of land – Trade receivables				(12,019,809)	

As can be seen in the table, the increase of 20.4 million euros in total trade and other receivables led to the consumption of 12.0 million euros in net cash which was mainly due to the increase in customer for sales of developments (18 million euros).

The Group regularly analyses its credit risk in respect of its accounts receivable updating the corresponding provision for impairment accordingly. The Parent's directors believe that the carrying amounts of the Group's trade and other receivables approximate their fair value.

Under "Trade receivables" a balance of 23,076,171 euros (41,951,219 euros at March 31, 2022) has been recognised for trade bills, which includes customer remittances falling due in the short term in the amount of 21,412,775 euros (38,856,239 euros at March 31, 2022).

In order to calculate the impairment of accounts receivable at March 31, 2023 and March 31, 2022, the Group has applied the simplified approach under IFRS 9 Financial Instruments (loss allowance at an amount equal to lifetime expected credit losses). However, this has no impact on the consolidated financial statements, mainly due to the fact that the agreements signed with customers can be terminated if they fail to comply with their payment commitments.

Trade receivables do not accrue interest. The directors believe that the carrying amounts of the Company's trade and other receivables approximate their fair value.

13. Cash and cash equivalents

The heading "Cash and cash equivalents" includes the liquid assets of the Group in current accounts and cash equivalents which conform to the following requirements:

- Term assets maturing in less than 3 months from the date of acquisition.
- Having high liquidity and easily converted into cash, i.e. without restrictions or penalties on conversion into cash.
- Subject to insignificant risks in alterations of value.
- Held to fulfil short term obligations or short term payment commitments, as part of the normal policy for the company's liquid assets.

The carrying amount of these assets approximates their fair value:

	Euros	
	March 31, 2023	March 31, 2022
Cash	234,732,860	220,113,259
Cash equivalents	10,000,000	19,907,882
Total	244,732,860	240,021,141

The amount pledged at March 31, 2023 to cover guarantees given to customers is 1,499,940 euros (1,495,014 euros at March 31, 2022), and to secure technical guarantees amounts to 591,730 euros (270,742 euros at March 31, 2022).

There were no restrictions on the use of the Group's cash at March 31, 2023 except for the fact, as required under Spanish Law 20/2015, that down payments received in connection with residential developments must be deposited in a special account separate from the rest of the Group's funds and may only be used to cover expenses deriving from the construction of the developments. The balance subject to this restriction amounted to 46,064,993 euros at March 31, 2023 (54,319,672 euros at March 31, 2022). The amount of cash that was restricted at March 31, 2023 accordingly totalled 48,156,663 euros (56,085,428 euros at March 31, 2022).

Cash and cash equivalents include receipts from customers in the form of banker's cheques which have not yet been paid into the account amounting to 20,770,603 thousand euros at March 31, 2023 (3,159 thousand euros at March 31, 2022).

14. Equity

a) *Share capital*

At March 31, 2023, the Parent's share capital accordingly consisted of 46,806,537 shares, with a par value of one euro each (46,806,537 shares at March 31, 2022, with a par value of one euro each). The shares are fully subscribed and paid in.

On July 27, 2021, the Parent reduced its share capital by 1,160,050 euros by cancelling 1,160,050 own shares (unit par value: 1 euro), which represented approximately 2.418% of the Company's share capital at the time.

None of the Parent's shares was pledged at either March 31, 2023 or March 31, 2022.

The breakdown of the Parent's significant shareholders (those with equity interests of 3% or more) at March 31, 2023, according to the information reported to Spain's securities market regulator, the CNMV, by the shareholders themselves was as follows:

	Total shareholding %	% Voting rights attached to shares		% Voting rights through financial instruments
		Direct shareholding %	Indirect shareholding %	
HIPOTECA 43 LUX S.A.R.L.	71.52	71.52	-	-
T. ROWE PRICE ASSOCIATES, INC	5.05	-	5.05	-
HELIKON LONG SHORT EQUITY FUND MASTER ICAV	3.13	0.31	-	2.82

The breakdown of the Parent's significant shareholders (those with equity interests of 3% or more) at March 31, 2022, according to the information reported to Spain's securities market regulator, the CNMV, by the shareholders themselves was as follows:

	% Voting rights attached to shares			% Voting rights through financial instruments
	Total shareholding %	Direct shareholding %	Indirect shareholding %	
HIPOTECA 43 LUX S.A.R.L.	71.52	71.52	-	-
T. ROWE PRICE ASSOCIATES, INC	5.05	-	5.05	-
T. ROWE PRICE INTERNATIONAL FUNDS, INC.	3.51	-	2.51	1.00

b) Share premium

The share premium account amounted to 478,534,502 euros at March 31, 2023 (478,534,502 euros at March 31, 2022).

As a result of the cancellation of own shares signed on July 27, 2021 (refer to the previous section), the Group recognised a reduction in the share premium account of 21,542,219 euros, which is equivalent to the difference between the par value of the shares cancelled and the price at which they were acquired.

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.

As of March 31, 2023 and March 31, 2022, the Parent Company's legal reserve amounted to 9,593,317 euros, having been endowed above the legal minimum of 20% of capital stock as a result of the capital reduction described in Note 14.a).

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 movement under this heading during the year ended March 31, 2023 corresponds mainly to the result of purchases and sales of own shares (refer to section f) below) in the amount of 52,180 euros (debit balance) and the impact on reserves resulting from the delivery of Parent company shares to AEDAS employees, framed by the commitments assumed in the incentive plans described in section i) below, in the amount of 65,685 euros (credit balance).

The movement under this heading during the year ended March 31, 2022 related mainly to the appropriation of profit for the year ended 31 March 2021, in the amount of 1,307,173 euros, of which 325,602 euros correspond to undistributed dividends corresponding to the own shares acquired between

the date of the resolution and effective payment, as outlined in section h) below. It was also shaped by the purchase and sale of own shares (refer to section f) below) in the amount of 71,192 euros, by the registration of invoices related to the capital reduction described in section a) for an amount of 895 euros and a 93,136 euro-impact on reserves of the delivery of Parent company shares to AEDAS employees, framed by the commitments assumed in the incentive plans described in section i) below.

Reserves of fully-consolidated companies

The movement under this heading during the year ended March 31, 2023 relates primarily to the appropriation of the earnings of the consolidated investees for the year ended March 31, 2022.

The movement under this heading during the year ended March 31, 2022 related primarily to the appropriation of the earnings of the consolidated investees for the year ended March 31, 2021.

e) Capitalisation reserve

Article 25 of Spain's Corporate Income Tax Act (Law 27/2014) allows enterprises to reduce their income TAX base by 10% of the increase in their own funds for the year provided that 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. 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 March 31, 2023, the AEDAS Homes Group has set aside a capitalisation reserve of 4,597,296 euros, of which 893,761 euros were allocated by the Parent and 3,703,535 euros by AEDAS HOMES OPCO, S.L.U. (3,611,844 euros at March 31, 2022, of which 893,761 euros were allocated by the Parent Company and 2,718,083 euros by AEDAS HOMES OPCO, S.L.U.).

The requirement of maintaining the increase in shareholders' equity was fulfilled as at March 31, 2023, and March 31, 2022.

f) Own shares

The Board of Directors of the Parent agreed at a meeting held on July 25, 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 was valid for up to 36 months and is being managed by JB Capital Markets, S.V., S.A.U.

On February 25, 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 September 25, 2019.

On July 12, 2022, the Parent Company decided to renew the share buyback program by modifying the limit of the share buyback program to 50 million euros, applicable to share acquisitions from the entry into force of this renewal. The effects of this new buyback program began on September 27, 2022, after the end of the buyback program in force prior to that date.

Since August 8, 2019, the Company has bought back 4,582,705 shares representing 9.79% of its capital at an average price of 19.42 euros per share for a total amount of 89,003,557 euros, of which: 148,724 shares (0.32% of capital) were purchased under the Discretionary Programme at an average price of 20.31 euros per share for a total amount of 3,019,990 euros; 2,107,506 shares (4.50%) were bought back under the Repurchase Programme at an average price of 19.59 euros per share for a total amount of 41,293,305 euros; and 2,326,475 shares (4.97%) were bought back via block trades at an average price of 19.21 euros per share for a total amount of 44,690,263 euros.

In June 2021, the Parent delivered 30,090 own shares to its employees as part of the commitments assumed under the long-term incentive plan described in Note 14 j). Those shares were acquired for 593,134 euros.

On July 27, 2021, the Parent reduced its share capital by 1,160,050 euros by cancelling 1,160,050 own shares (unit par value: 1 euro) which it had purchased for 22,702,269 euros (Notes 14.a) and 14.b)).

During June 2022, the Company delivered 86,933 of its own shares to its employees in compliance with its commitment under the second cycle of the first Long-Term Incentive Plan and the New Incentive described in section i). These shares were acquired for an amount of 1,785,988 euros.

During the year ended March 31, 2023, the purchases of own shares implied a cash outflow of 9,891,379 euros (14,161,063 euros during the year ended March 31, 2022).

At March 31, 2023, the Company's own share account (acquired under the Discretionary Programme, the Repurchase Programme and block trades) amounted to 63,922,166 euros, corresponding to 3,305,632 shares representing 7.06% of share capital; the average purchase price was 19.34 euros (March 31, 2022: 55,868,955 euros; 2,720,335 shares; 5.81% and 20.54 euros, respectively).

g) Shareholder contributions

The Parent did not receive any new shareholder contributions during the year ended March 31, 2023 or the year ended March 31, 2022.

At March 31, 2023 and March 31, 2022, the Parent's Majority Shareholder had contributed a total of 740,071,256 euros.

h) 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 shareholders of AEDAS Homes, S.A., at the Annual General Meeting held on June 18, 2021, resolved to pay out a dividend totalling 62,497,874 euros, before withholding tax, which is equivalent to 1.40 euros per qualifying share, taking into account the number of outstanding shares entitled to a dividend as at March 31, 2021, with a charge against profit for the year ended March 31, 2021, as proposed by the Board of Directors following a meeting held on May 7, 2021. On July 30, 2021, a dividend of 1.4 euros per entitled share was paid, amounting to 62,172,272 euros, with the remaining amount of 325,602 euros recognised in unallocated profit.

The Company's Board of Directors of the Parent, at the meeting held on March 23, 2022, agreed to distribute an interim dividend on the profits for the year ended March 31, 2022, for the gross amount of 0.82 euros per share, which was paid on those shares which had a right to the same. The payment of this dividend was made on March 31, 2022, for a gross amount of 36,153,300 euros.

The Ordinary General Shareholders' Meeting of the Company held on June 29, 2022, approved the distribution of a dividend in addition to the interim dividend (Supplementary Dividend), charged to the profit for the year ended March 31, 2022, of 1.34 euros per share for the number of shares that did not have the status of direct treasury shares on the date on which the registered holders entitled to receive the dividend were determined, as proposed by the Board of Directors at its meeting held on May 25, 2022. In this regard, in the event that at the time of the distribution of the aforementioned proposed dividend, the same number of the Company's own shares as at March 31, 2022 (2,720,335 shares) is maintained, the maximum dividend to be distributed (including the interim dividend and the supplementary dividend) would be 95,228,811 euros, leaving a remainder of 14,139,304 euros. On July 8, 2022, the final dividend of 1.34 euros per eligible share was paid, amounting to a gross amount of 59,157,647 euros, reducing the remaining balance by 82,136 euros.

The Company's Board of Directors of the Parent, at the meeting held on March 23, 2023, agreed to distribute an interim dividend on the profits for the year ended March 31, 2023, for the gross amount of 1.00 euros per share, which was paid on those shares which had a right to the same. The payment of this dividend was made on March 31, 2023, for a gross amount of 43,508,905 euros.

On the date of approval of the interim dividend, the Company had the necessary liquidity to proceed with its payment in accordance with the provisions of the Capital Companies Act. The accounting liquidity statement prepared by the Directors on March 23, 2023 was as follows:

	(in thousand euros)
Profit after tax at March 16, 2023	45,432
Reserves to be allocated	-
Negative results from previous years	-
Maximum amount distributable as interim dividend (art. 277 LSC)	45,432
Projected interim dividend payment for fiscal year 2022-23	43,700
Cash and cash equivalents	51,449

On May 30, 2023, the Board of Directors proposes the distribution of an additional dividend to the interim dividend (Complementary dividend), charged to the profit for the year ended March 31, 2023 of 1.15 euros per share by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed Complementary Dividend the same number of treasury shares of the Parent is maintained as at March 31, 2023 (3,305,632 shares), the maximum Dividend to be distributed (Interim Dividend and Complementary Dividend) would be 93,534,946 euros, leaving an unallocated income of 2,630,701 euros (see Notes 3 and 24).

The Board of Directors, at a meeting held on July 21, 2021, approved the Company's shareholder remuneration policy, pursuant to which:

- Each year, the Board of Directors will submit a motion for the distribution of an ordinary dividend equivalent to 50% of net profit until FY 2025/26, inclusive.
- The ordinary dividends may be complemented by extraordinary dividends that may be approved as a function of cash generation.
- Distribution of any such extraordinary dividends is conditional upon the ratio of net debt to gross asset value (i.e., net LTV) not exceeding 20%.

The Board of Directors reserves the right to modify its shareholder remuneration policy in the event of material developments that could affect the Company's earnings performance or financing needs, warranting its discontinuation; those events could include significant changes in macroeconomic conditions or a decision to undertake a significant transaction or acquisition that could impact the capacity for remuneration.

Nevertheless, at March 31, 2023 (and at March 31, 2022) there are no limits on the distribution of dividends other than those contemplated in company law and the Green Bond debenture (Note 15).

i) Other equity instruments

On September 26, 2017, the Majority Shareholder approved a long-term incentive plan (First Long-Term Incentive Plan) payable entirely in shares for the CEO, Senior Management and certain key employees, structured into three overlapping three-year periods or cycles (the first cycle was paid in June 2021, the second cycle was paid in June 2022 and the third cycle runs from April 1, 2020 to March 31, 2023). The metrics to be used to measure delivery of the targets for the third cycle are, in equal parts: (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 average share price of the 20 sessions prior to the beginning of each cycle for the third three-year

period) and the level of target delivery. All of the shares received by the CEO and 50% of those received by the members of the Management Committee are subject to a one-year lock-up from when they are received. In the case of the CEO and members of the Management 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 6,107,201 euros (this amount is less than the 11 million euros initially foreseen, since 150% was not achieved in the First and Second Cycle, which have already been paid). The plan was endorsed by the Appointments and Remuneration Committee on February 27, 2018. On July 28, 2020, the Company's Board of Directors approved the New Incentive Plan payable entirely in shares, with the CEO, members of Senior Management and certain key employees as beneficiaries, subject to the achievement of the same objectives established for the second cycle of the first Long-Term Incentive Plan. In the case of the CEO and members of the Management Committee, this incentive is subject to a clawback clause if certain circumstances occur. This new incentive was paid in June 2022 in the amount of 1,198,658 euros. On October 18, 2022, the Parent's Board of Directors approved the New Incentive Plan linked to the third cycle metrics, payable entirely in shares, with the CEO, members of Senior Management and certain key employees as beneficiaries, subject to the achievement of the same objectives established for the third cycle of the first Long-Term Incentive Plan. In the case of the CEO and members of the Management Committee, this bonus is subject to repayment under certain circumstances. At March 31, 2023, the Parent assessed the level of attainment of the metrics linked to the third cycle of the First Long-Term Incentive Plan.

During June 2022, the Company delivered 86,933 own shares to its employees as part of the commitments assumed under the Second Cycle of the First Long-Term Incentive Plan and the New Incentive mentioned above, which implied a decrease in "Other Equity Instruments" in the amount of 3,153,103 euros (see section 14.f)).

On November 23, 2021, the Company's Board of Directors approved a Second Long-Term Incentive Plan payable entirely in shares, the beneficiaries being the CEO, members of Senior Management and certain key employees and consisting of three consecutive overlapping three-year periods (from April 1, 2021 to March 31, 2024, from April 1, 2022 to March 31, 2025 and from April 1, 2023 to March 31, 2026). The performance metrics for the first cycle are 30% EBITDA, 30% net developer margin, 20% absolute shareholder return, 10% relative shareholder return (5% Sector index and 5% to IBEX Small CAP) and 10% Sustainability, establishing minimum amounts below which they do not yield and also the possibility of an additional bonus payment. The number of units to be received by each participant will be determined by the share price for the three-year period (the average share price of the 20 sessions prior to the start of the cycle) and by the fulfilment of objectives. None of the shares to be received by the CEO and Key Senior Management may be sold until two years after receipt and no more than 50% of the shares to be received by the other beneficiaries may be sold until two years after receipt. In the case of the CEO and members of the Management Committee, this incentive is subject to a clawback clause in the event of certain circumstances. The cost of this long-term incentive plan will be borne by the Group, the maximum aggregate amount received by the beneficiaries being 30 million euros. This plan was approved by the Company's Appointments and Remuneration Committee on November 23, 2021.

The amount recognised under "Other equity instruments" in respect of the commitments assumed under both Long-Term incentive plans by the Company vis-a-vis its key management personnel stood at 8,236,447 euros on March 31, 2023 (6,617,78 euros at March 31, 2022).

j) 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 in the year ended March 31, 2023 is as follows:

	Ownership interest attributable to the Parent	Euros			
		March 31, 2022	Profit/(loss) attributable to non-controlling interests	Other changes	March 31, 2023
SPV SPAIN 2, S.L.	87.5%	163,167	(11,003)	(75,000)	77,164
DOMUS AVENIDA, S.L.	52%	248,129	216,646	-	464,775
Total		411,296	205,643	(75,000)	541,939

On June 30, 2022, at the Ordinary General Meeting of SPV Spain 2, S.L., the shareholders agreed to distribute a final dividend charged to the profit for the year ended March 31, 2022 in the amount of 600,000 euros. This dividend was paid on July 29, 2022, and corresponded to minority shareholders in the amount of 75,000 euros.

The movement in the minority interests caption by company for the year ended March 31, 2022 was as follows:

	Ownership interest attributable to the Parent	Euros			
		March 31, 2021	Profit/(loss) attributable to non-controlling interests	Other changes	March 31, 2022
SPV SPAIN 2, S.L.	87.5%	1,544,180	559,131	(1,940,144)	163,167
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. (formerly known as ESPEBE 11, S.L.)	100%	345,309	-	(345,309)	-
DOMUS AVENIDA, S.L.	52%	-	197,044	51,085	248,129
Total		1,889,489	756,175	(2,234,368)	411,296

The shareholders of SPV Spain 2, S.L. agreed, in general meeting, to distribute a dividend of 5,500,000 euros from voluntary reserves on June 30, 2021 and to pay out another 9,000,000 euros on September 27, 2021, broken down as follows: dividend charged against voluntary reserves in the amount of 2,684,620 euros; dividend charged against the share premium account in the amount of 978,848 euros; dividend charged against earnings for the year in the amount of 1,212,357 euros, and the repayment of contributions of 4,124,175 euros. Additionally, on January 18, 2022, the Shareholders' Meeting agreed to distribute an interim dividend of two million euros. As a result of those resolutions, the non-controlling shareholders in SPV Spain 2, S.L. received 2.062.500 euros during the year ended March 31, 2022.

The shareholders of Espebe 11, S.L. (now known as AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.), in general meeting, resolved to distribute a dividend of 700,000 euros from voluntary reserves on June 30, 2021, with its non-controlling shareholders receiving 140,000 euros. On November 8, 2021, AEDAS HOMES OPCO, S.L.U. acquired a 20% equity interest in ESPEBE 11, S.L. (now known as AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.) from Promociones y Propiedades Inmobiliarias Espacio, S.L.U. As a result of this acquisition, AEDAS HOMES OPCO, S.L.U., became the company's sole shareholder (see Note 6).

On 29 July 2021, AEDAS HOMES OPCO, S.L.U. acquired 52% of the share capital of Domus Avenida, S.L. from Aurea Ibérica, S.L. (Note 6).

15. Borrowings and other financial liabilities

15.1 Composition

The Group had the following borrowings at March 31, 2023:

	Euros				
	March 31, 2023				
	Limit	Current liabilities		Non-current liabilities	Total
Due in the long term		Due in the short term			
Developer loans	468,080,862	122,487,749	3,202,989	-	125,690,738
Land financing	4,657,858	1,381,084	3,208,207	-	4,589,291
BtR project financing (**)	112,152,000	1,692,883	-	-	1,692,883
Total development financing	584,890,720	125,561,716	6,411,196	-	131,972,912
Green bonds issued	325,000,000	-	-	318,994,440	318,994,440
Revolving facility	55,000,000	-	-	-	-
Commercial paper issued (*)	150,000,000	-	44,367,965	-	44,367,965
Lease liabilities (*)	-	-	1,566,314	2,660,846	4,227,160
Total corporate debt	530,000,000	-	45,934,279	321,655,286	367,589,565
Interest on mortgage loans	-	-	1,111,694	-	1,111,694
Interest on green bonds	-	-	4,911,108	-	4,911,108
Other liabilities	-	-	(538,581)	104,360	(434,221)
Total other liabilities	-	-	5,484,221	104,360	5,588,581
Total borrowings and other liabilities	1,114,890,720	125,561,716	57,829,696	321,759,646	505,151,058

(*) Unsecured debt.

(**) Corresponds to debt with mortgage promises granted over real estate.

The Group had the following borrowings at March 31, 2022:

	Euros				
	March 31, 2022				
	Limit	Current liabilities		Non-current liabilities	Total
Due in the long term		Due in the short term			
Developer loans	450,882,872	96,225,384	3,380,145	-	99,605,529
Land financing	4,380,000	2,373,742	2,006,258	-	4,380,000
BtR project financing (**)	112,152,000	-	-	-	-
Total development financing	567,414,872	98,599,126	5,386,403	-	103,985,529
Green bonds issued	325,000,000	-	-	317,416,728	317,416,728
Revolving facility	55,000,000	-	-	-	-
Commercial paper issued (*)	150,000,000	-	37,549,452	-	37,549,452
Lease liabilities (*)	-	-	762,242	1,098,891	1,861,133
Total corporate debt	530,000,000	-	38,311,694	318,515,619	356,827,313
Interest on mortgage loans	-	-	1,511,009	-	1,511,009
Interest on green bonds	-	-	4,911,110	-	4,911,110
Other liabilities	-	-	1,166,858	96,690	1,263,548
Total other liabilities	-	-	7,588,977	96,690	7,685,667
Total borrowings and other liabilities	1,097,414,872	98,599,126	51,287,074	318,612,309	468,498,509

(*) Unsecured debt.

(**) Corresponds to debt with mortgage promises granted over real estate.

At March 31, 2023, 88.63% of total recognised debt (89.05% at March 31, 2022) was due in the long term.

Development loans

As of March 31, 2023, the AEDAS Group had arranged development loans in an aggregate amount of 561,609,370 euros (537,702,750 euros as of March 31, 2022), in order to finance 88 developments (75 developments as of March 31, 2022). In relation to these loans, the amount drawn down recorded by the amortized cost method at March 31, 2023 is 125,690,738 euros (99,605,529 euros at March 31, 2022). The related interest rate is EURIBOR plus a spread ranging between 200 to 300 basis points.

Of the 561.6 million euros borrowed, 93.5 million euros are restricted because of customer prepayments that are recognised in the buyers' account (thus avoiding double development financing through both prepayments and loans). The maximum available amount is therefore 468.1 million euros. Of this sum, a nominal amount of 126.9 million euros is drawn down (125.7 million euros at amortised cost), leaving a maximum available amount of developer financing of 341.1 million euros.

The undrawn loans become available for draw 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 March 31, 2023, the progress of the Group's developments qualified it to draw down an additional 14.03 million euros corresponding to supplier invoices already paid and, therefore, tied to delivery of the milestones indicated above.

As of March 31, 2022, the 538 million euros of developer's loan agreements in force had a restricted balance of 87 million euros because of customer prepayments recognised in the buyers' account, leaving a maximum of 451 million euros available. Of this, a nominal amount of 102 million euros was drawn down.

Land financing

As of March 31, 2023, the AEDAS Group includes in its balance sheet two loans to finance the acquisition of land with mortgage guarantee for a total amount of 4,607,858 nominal euros, which accrue an interest rate of Euribor 12 months plus a spread of 250 to 300 basis points (as of March 31, 2022 it included two loans to finance the acquisition of land with mortgage guarantee for a total amount of 4,380,000 euros). The amount recorded by the amortized cost method at March 31, 2023 is 4,589,291 euros.

Build-to-rent project financing

On July 22, 2021, the subsidiary Aedas Homes Rental, S.L.U. (formerly Facornata Servicios y Gestiones, S.L.U.) formalized a financing agreement with the investment company "Iberia Private Real Assets Credit, SCSp" for 112,152,000 euros in order to partially finance the construction costs of 10 Build to Rent (BtR) projects. The loan agreement has a term of four years from the close date and bears interest at 3-month EURIBOR plus 500 basis points (the applicable benchmark rate is zero if EURIBOR is negative).

The facility can be drawn down as the following conditions are met, among others: (i) Pre-financing by the AEDAS Homes Group of 40% of the developments' construction costs; and (ii) execution and invoicing of each development milestone.

As of March 31, 2023, 5 of the projects financed have been completed and delivered, being the effective limit 67.321.503 euros. As of March 31, 2023, the conditions required to avail of this line of financing had been met, and the nominal balance drawn down at that date was 1,858,466 euros. The amount recorded by the amortized cost method at March 31, 2023 is 1,692,883 euros. As of March 31, 2022, the subsidiary had not drawn down any amount from this financing facility.

To secure that financing, a mortgage promise was granted over the properties. The loan agreement also entails the following covenants for Aedas Homes Rental, S.L.U. (formerly, Facornata Servicios y Gestiones, S.L.U.) linked to the fulfilment of the mentioned financing contract, whose detail is the following one:

- a) A loan-to-cost (LTC) ratio of no more than 75% each quarter.
- b) A loan-to-value (LTV) ratio of no more than 60% each quarter.
- c) A minimum cash balance of 750,000 euros.

The Group was compliant with all of the related covenants at March 31, 2023 and March 31, 2022.

Borrowings (Development Loans) classified as current due in the long term

The breakdown of the maximum contractual due dates (that is, except for the obligation to cancel in the event of sale) of the loans classified as short-term but falling due in the long term, in accordance with the executed contract terms, is as follows:

Year	Euros	
	Current	
	March 31, 2023	March 31, 2022
March 31, 2024	-	3,182,959
March 31, 2025	8,341,707	3,322,484
March 31, 2026	7,553,005	3,023,686
March 31, 2027	4,208,519	3,418,100
March 31, 2028	3,318,403	2,695,160
March 31, 2029 and subsequent	102,140,082	82,956,737
	125,561,716	98,599,126

Green bonds

On May 21, 2021, Group company AEDAS HOMES OPCO, S.L.U. issued 325 million euros of green bonds due August 15, 2026. The bonds are listed on the Irish Stock Exchange's Global Exchange Market.

The bonds carry a coupon of 4%, payable semi-annually from the date of issue to August 15, 2026.

The green bonds constitute senior secured debt of the Issuer. Specifically, they are secured by (i) a personal guarantee extended by AEDAS; (ii) a first-ranking pledge, under Spanish law, over all of the share capital of the Issuer; and a (iii) a first-ranking pledge, under Spanish law, over all of AEDAS Group's credit claims as a result of any intra-group loans.

The gross proceeds were used for general corporate purposes, including to repay existing corporate borrowings, bolster liquidity and pay the fees and charges related with the issue. That subsidiary used an amount equivalent to the net proceeds to finance or refinance eligible green assets categorised as green buildings.

To meet potential contingencies, the bond issue has an associated back-up revolving facility. The limit on that facility is 55 million euros and it mature on May 15, 2026. That facility will accrue a variable rate of interest on the amount drawn of EURIBOR plus a spread of between 2% and 3%, depending on the Net Secured Loan-to-Value ratio, subject to a floor of 0% if EURIBOR is negative. The facility will also accrue a commitment fee of 30% of the spread.. At March 31, 2023, the nominal amount drawn down on this credit line was zero euros, and the amount recorded at amortized cost was zero euros at said date. At March 31, 2022, there was no balance drawn down.

Lastly, the bonds imply compliance with certain covenants; breach of those covenants would limit the ability to pursue certain transactions outside the ordinary course of the Group's business. At March 31, 2023, there was very significant headroom with respect to those limits. The related financial metrics are shown below:

	March 31, 2023	March 31, 2022
Pari Passu Senior Secured Loan to Value Ratio	12.1%	11.5%
Net Total Loan to Value Ratio	15.1%	13.8%
Net Secured Total Loan to Value Ratio	12.1%	11.5%

The net debts that are considered for the calculation of each of the ratios provided for in the Bond are shown in the following table. Based on the Gross financial debt (which is calculated in Note 15.2), in both cases the non-recourse debt of certain subsidiaries (development debt in SPVs) is excluded, additionally:

- Regarding the debt adjusted for the LTV ratio, leases and long-term deferred land payments are added.
- Regarding the secured loans, the promissory notes are eliminated.

	Year ended March 31, 2023	
	Adjusted LTV	Secured
Gross financial debt	495,335,317	
Leases	4,227,160	
Long-term deferred land payments	10,321,221	
Issuance of Promissory Notes		(44,367,965)
Development debt in SPVs	(7,905,328)	(7,905,328)
Adjusted gross debt	501,978,370	443,062,024
Unrestricted cash	198,667,867	
Adjusted Net Financial Debt LTV / Secured	303,310,503	244,394,157

Promissory notes

On June 23, 2022, the Parent arranged a new AEDAS HOMES 2022 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 June 14, 2021.

The Parent issued a total of 155.1 million euros of commercial paper under the programme during the year ended March 31, 2023 and it repaid 148.5 million euros of commercial paper at maturity, leaving an outstanding nominal balance of 44.7 million euros due on several dates between the reporting date and June 2024. The effective annual cost of the commercial paper issues is 4.33%.

During the year ended March 31, 2022, the Parent issued, under the programme in effect at that date, a total of 35.1 million euros of commercial paper, and it repaid 53.7 million euros of commercial paper at maturity, leaving an outstanding nominal balance of 38.1 million euros due on several tranches, until September 2022. The effective annual cost of the commercial paper issues was 3.33%.

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 March 31, 2023, the commercial paper recognised on the Group's balance sheet using the effective interest rate method amounted to 44,367,965 euros (37,549,452 euros at March 31, 2022).

15.2 Development of financial debt

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 years ended March 31, 2023 and March 31, 2022, distinguishing between those that gave rise to inflows and outflows of cash and those that did not:

	Non-current debt with credit entities	Non-current commercial paper and bonds	Other non-current debts	Current debt with credit entities	Current debt with related parties	Commercial paper current debt and bonds	Other current debt	TOTAL
Balance at April 1, 2021	56,078,404	32,354,834	1,078,419	242,181,558	-	22,301,428	1,466,322	355,460,965
Changes from financing cash flows (2)	(55,467,740)	316,098,851		(42,655,248)		(18,621,025)	(553,440)	198,801,398
Changes in fair values	-	-	250,814	4,379,990	180,890	-	1,559,760	6,371,454
Subrogation of development loans	-	-	-	(100,843,377)	-	-	-	(100,843,377)
Accrued interest without effect on financing cash flows	575,816	1,818,835	(18,924)	1,247,134	-	5,924,367	-	9,547,228
Other changes	-	-	62,800	-	(180,890)	-	(255,945)	(374,035)
Property, plant and equipment suppliers - Lease contracts	-	-	52,872	-	-	-	(517,997)	(465,125)
Short-term transfer without effect on financing cash flows	(1,186,480)	(32,855,792)	(230,400)	1,186,481		32,855,792	230,399	-
Balance at March 31, 2022	-	317,416,728	1,195,581	105,496,538	-	42,460,562	1,929,099	468,498,508
Changes from financing cash flows (1)	-	-	-	127,698,180	-	5,629,606		133,327,786
Subrogation of development loans	-	-	-	(99,960,359)	-	-		(99,960,359)
Accrued interest without effect on financing cash flows	-	1,577,712	-	399,315	-	1,188,905	-	3,165,932
Other changes	-	-	7,670	(549,067)	-	-	(1,705,439)	(2,246,836)
Property, plant and equipment suppliers - Lease contracts	-	-	1,561,955	-	-	-	804,073	2,366,028
Balance at March 31, 2023	-	318,994,440	2,765,206	133,084,607	-	49,279,073	1,027,733	505,151,059

(1) During the year ended March 31, 2023, the net cash generation related to bank borrowings amounted to 127,698,180 euros corresponding to developer loan drawdowns in the amount of 449,649,239 euros and developer loan repayments on delivery of housing units of 321,951,059 euros.

(2) During the year ended March 31, 2022, the net cash outflow related to debt with credit institutions amounted to 98,676,428 euros corresponding to loan drawdowns in the amount of 238,866,778 euros and loan repayments in the amount of 337,543,205 euros.

Impact of the generation of cash flow on net financial debt

The impact of the generation of cash flow on net financial debt is explained by the figures on the cash flow statement, with a single adjustment due to the effect of development loan subrogation.

Development loan subrogation happens when a customer pays for an asset purchase by taking the company's place as the borrower in the loan agreement with the financial institution that financed the development. This operation takes the place of cash payment to the company, and for this reason this income is not transferred to cash and is not included in the cash flow statement as a sum received. To exclude this income, its effect is incorporated into the change in working capital due to other assets minus current liabilities: Since the liabilities are reduced (with the disappearance of the development loan), the change in working capital has a negative impact on the cash flow statement, as it is revenue foregone. However, although these transactions do not increase the amount of cash, they do reduce the amount of financial debt.

As explained in "Changes in liabilities arising from financing activities", the total amount of development loans subrogated is 99,960,359 euros. To consider its impact on net financial debt, this sum's negative impact on the change in total working capital must be eliminated. The change in total working capital thus changes from negative 139,122,222 euros to negative 39,161,863 euros.

In the table below, the change in working capital (which does not include the impact of subrogation) is incorporated, and subtotals are added to help clarify the sources and uses of the generation of cash flow, in a focus that approximates that used by the credit rating agencies that follow the company. The added subtotals are:

- funds from operations (FFO), which do not include changes in working capital;
- cash flow from operations (taking FFO and adding changes in working capital) and
- free cash flow from operations (subtracting investments in fixed assets).

The free cash flow from operations this year comes to 73,926,378 euros.

To determine the impact on net financial debt, the free cash flow from operations has to be compared with the uses to which it is put. The free cash flow from operations is used for investments in companies, business units and financial assets, dividend payments and treasury share acquisitions. These uses add up to 102,582,086 euros for the year ended March 31, 2023. Thus, the net free cash flow from operations and its uses contributes 28,655,708 euros to the increase in net financial debt.

	Year ended March 31, 2023	Year ended March 31, 2022
EBITDA	164,214,403	148,933,075
Other adjustments to profit	1,530,903	3,456,904
Other cash flows from operating activities	(46,786,912)	(28,173,655)
Funds from operations (FFO)	118,958,394	124,216,324
Changes in working capital (w/o development loan subrogation)	(39,161,863)	(13,424,622)
Cash flow from operations	79,796,531	110,791,702
Investment in intangible assets	(2,600,312)	(1,925,203)
Investment in tangible assets	(3,269,841)	(986,153)
Free cash flow from operations (a)	73,926,378	107,880,346
Investment in group companies and associates, in business units and in other financial assets	(30,800,749)	(62,444,020)
Divestment from group companies and associates and from other financial assets	40,776,594	22,945,695
Dividend payments and other remunerations from equity instruments	(102,666,552)	(98,325,572)
Own equity instruments acquired	(9,891,379)	(14,161,063)
Uses of free cash flow from operations (b)	(102,582,086)	(151,984,960)
Free cash flow from operations minus uses (a)+(b)	(28,655,708)	(44,104,614)

The headings of "EBITDA", "Other adjustments to profit" and "Other cash flows from operating activities" are the headings that appear on the cash flow statement.

Other impact on the development of net financial debt

To trace the development of net financial debt, other types of impact must also be added to the impact of the free cash flow from operations and its uses, which is discussed above.

This year the only impact to take into account is the change in the carrying amount of debt, due to the accrual of 3,016,181.00 euros in unpaid interest on the items included in financial debt, which increases the amount of financial debt. In the year ended March 31, 2022, this item increased the financial debt by 4,300,593.56 euros.

In the year ended March 31, 2022, financial debt was increased by the amount brought into the group balance by Áurea Homes, which was acquired on 29 July 2021. The added financial debt was a total of 4,379,990 euros.

The combined impact of unpaid accrued interest and the free cash flow from operations net of uses yields a total increase of 23,417,210 euros in net financial debt for the year ended March 31, 2023.

	Year ended March 31, 2023	Year ended March 31, 2022
EBITDA	164,214,403	148,933,075
Other adjustments to profit	1,530,903	3,456,904
Other cash flows from operating activities	(46,786,912)	(28,173,655)
Funds from operations (FFO)	118,958,394	124,216,324
Changes in working capital (w/o development loan subrogation)	(39,161,863)	(13,424,622)
Cash flow from operations	79,796,531	110,791,702
Investment in intangible assets	(2,600,312)	(1,925,203)
Investment in tangible assets	(3,269,841)	(986,153)
Free cash flow from operations (a)	73,926,378	107,880,346
Investment in group companies and associates, in business units and in other financial assets	(30,800,749)	(62,444,020)
Divestment from group companies and associates and from other financial assets	40,776,594	22,945,695
Dividend payments and other remunerations from equity instruments	(102,666,552)	(98,325,572)
Own equity instruments acquired	(9,891,379)	(14,161,063)
Uses of free cash flow from operations (b)	(102,582,086)	(151,984,960)
Free cash flow from operations minus uses (a)+(b)	(28,655,708)	(44,104,614)
(Increase)/decrease of financial debt due to accrued interest with no impact on cash flows	(3,016,181)	(4,300,594)
(Increase)/decrease of financial debt due to change of business control	-	(4,379,990)
(Increase)/decrease of financial debt due to accrued interest and other reasons (c)	(3,016,181)	(8,680,584)
(Increase)/decrease of net debt due to change in restricted cash (d)	8,254,679	8,320,506
(Increase)/decrease of net financial debt (a)+(b)+(c)+(d)	(23,417,210)	(44,464,692)
Net debt at the start of the year	273,250,240	228,785,548
Net debt at the end of the year	296,667,450	273,250,240

The development of net financial debt reflects the changes in the line items that define it, as shown in the table below:

	March '21	March '22	March '23
Total project financing	167,331,611	103,985,529	131,972,912
Green Bond issue		317,416,728	318,994,440
Syndicated loan	98,869,357		
Corporate credit lines	31,455,874		
Promissory notes issued	54,656,262	37,549,452	44,367,965
Gross financial debt	352,313,104	458,951,709	495,335,317
Unrestricted cash	123,527,556	185,701,469	198,667,867
Net financial debt	228,785,548	273,250,240	296,667,450
Change		44,464,692	23,417,210

16. Trade and other payables

The following table provides the breakdown of this heading at March 31, 2023 and March 31, 2022:

	Euros	
	March 31, 2023	March 31, 2022
Suppliers	187,661,219	164,670,033
Accrued for services received	9,426,962	7,088,316
Employee benefits payable	3,924,768	4,009,964
Current tax liabilities (Note 17)	28,653,718	15,915,738
Other accounts payable to public authorities (Note 17)	48,068,853	32,472,311
Customer advances (Note 11)	194,760,470	216,223,004
Total	472,495,990	440,379,366

The variation in trade creditors and other payables during the year ended of March 31, 2023 is broken down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	March 31, 2023	March 31, 2022	Variation	Transfer to cash flows	Others
Suppliers	187,661,219	164,670,033	22,991,186	24,066,071	(1,074,885)
Accrued for services received	9,426,962	7,088,316	2,338,646	2,338,646	-
Employee benefits payable	3,924,768	4,009,964	(85,196)	(85,196)	-
Current tax liabilities (Note 17)	28,653,718	15,915,738	12,737,980	(15,915,738)	28,653,718
Other accounts payable to public authorities (Note 17)	48,068,853	32,472,311	15,596,542	15,596,542	-
Customer advances (Note 11)	194,760,470	216,223,004	(21,462,534)	(21,462,534)	-
Total	472,495,990	440,379,366	32,116,624	4,537,791	27,578,833
Changes in working capital arising from purchases and sales of land – Trade payables				7,904,424	
Changes in working capital excluding purchases or sales of land – Trade payables				(3,366,632)	

The variation in trade creditors and other payables during the year ended of March 31, 2023 has generated a net cash generation of 4,537,791 euros, of which 7,904,424 euros of net cash generation correspond to the purchase and sale of land and a net cash consumption of 3,366,632 euros correspond to changes in current capital without considering purchases or sales of land.

Suppliers and other accounts payable includes deferred payments, purchase of land as described in Note 11 and retentions levied on contractors as guarantee of fulfilment of contract obligations, for the amount of 38,998,444 euros (36,984,002 euros at March 31, 2022).

The customer advances account includes the amount collected from customers before signature of the public deed, which represents around 20%-30% of the sales price of a home (see Note 12).

The variation in trade creditors and other payables during the year ended of March 31, 2022 is broken down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	March 31, 2022	March 31, 2021	Variation	Transfer to cash flows	Others
Suppliers	164,670,033	140,339,246	24,330,787	21,478,806	2,851,981
Accrued for services received	7,088,316	6,159,782	928,534	928,534	-
Employee benefits payable	4,009,964	3,516,780	493,184	493,184	-
Current tax liabilities (Note 17)	15,915,738	19,237,338	(3,321,600)	(19,081,900)	15,760,300
Other accounts payable to public authorities (Note 17)	32,472,311	22,509,962	9,962,349	9,962,349	-
Customer advances (Note 11)	216,223,004	131,790,167	84,432,837	84,432,837	-
Total	440,379,366	323,553,275	116,826,091	98,213,810	18,612,281
Changes in working capital arising from purchases and sales of land – Trade payables				22,679,858	
Changes in working capital excluding purchases or sales of land – Trade payables				75,533,952	

The variation in trade creditors and other payables during the year ended of March 31, 2022 generated a net cash generation of 98,213,810 euros, of which 22,679,858 euros of net cash generation correspond to the purchase and sale of land and a net cash outflow of 75,533,952 euros correspond to changes in current capital without considering purchases or sales of land.

The directors believe that the carrying amounts of the Group's trade payables approximate their fair value.

Information on late payments to suppliers under Additional Provision Three "Disclosure requirements" of Law 15/2010

Below are the disclosures required under additional provision three of Spanish Law 15/2010 (of July 5, 2010) (as amended by final provision two of Law 31/2014, of December 3, 2014), prepared in accordance with the related resolution issued by the Spanish Institute of Accountants and Auditors (ICAC) on January 29, 2016, regarding the information to be disclosed in the notes to the financial statements in relation to the average term of payment to trade suppliers.

	Year ended March 31, 2023	Year ended March 31, 202
	Days	Days
Average supplier payment term	56.22	60.04
Ratio of paid transactions	57.78	61.33
Ratio of outstanding transactions	35.85	49.63
	Euros	Euros
Total payments made	636,202,004	465,634,358
Total payments outstanding	48,763,937	57,282,859

In keeping with the ICAC Resolution, in calculating the average supplier payment term, the Company considered the commercial transactions relating to goods or services delivered and accrued since Law 31/2014 (of December 3, 2014) came into effect.

Exclusively for the purposes of this Resolution, suppliers are trade creditors in respect of amounts due in exchange for the goods and services supplied shown under "Suppliers" and "Payable for services received" in current liabilities in the accompanying balance sheet. These calculations do not include deferred payments on purchase of land as described in Note 11.

"Average supplier payment term" is the period between delivery of the goods or provision of the services by the supplier and effective payment for the transaction.

The table below gives the monetary volume and number of invoices paid by the legal deadline in accordance with article 9 of Act 18/2022 of 28 September on business creation and growth.

	Financial year ended 31 March 2023
Monetary volume of invoices paid in less than the maximum period set by law (euros)	340,811,314
Percentage of all payments made	36%
Number of invoices paid in less than the maximum period set by law	50,510
Percentage of all invoices paid	80%

The maximum legal term applicable to the Company under Law 3/2004 of December 29, 2014), establishing measures to combat supplier non-payment, and the transitional relief provided under Law 15/2010 (of July 5, 2010) and Royal Decree-Law 4/2013 (of February 22, 2013) on measures to support entrepreneurs and stimulate growth and job creation, is 60 calendar days from the date of receipt of the merchandise or performance of the service (30 days if the parties have not entered into a prior agreement in respect of payment terms).

17. Taxes payable and receivable and tax situation

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. As of March 31, 2023, all the taxes to which the Parent and other Group companies are subject were open to inspection for all the years that have not become statute-barred

The Parent's directors do not anticipate the accrual of significant 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) Taxes payable and receivable

The breakdown of taxes payable to and receivable from the tax authorities is as follows:

	Euros			
	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Taxes payable:				
VAT payable (and IGIC)	(33,246,787)	-	(16,384,539)	-
Payable in respect of withholdings	(2,094,771)	-	(7,426,687)	-
Other taxes payable to the tax authorities	(12,283,491)	-	(8,275,430)	-
Social security contributions payable	(443,804)	-	(385,655)	-
Taxes payable (Note 16)	(48,068,853)	-	(32,472,311)	-
Current tax liabilities	(28,653,718)	-	(15,915,738)	-
Taxes receivable:				
Tax rebates receivable from the tax authorities – VAT (and IGIC)	8,437,197	-	5,980,736	-
Tax rebates receivable from the tax authorities – withholding and prepayments	-	-	2,522	-
Social security contributions receivable	800,000	-	800,000	-
Taxes receivable (Note 12)	9,237,197	-	6,783,258	-
Current tax assets	104,201	-	179,014	-
Deferred tax asset	-	5,304,792	-	6,952,661
Deferred tax liabilities	-	(260,416)	-	(260,416)
Net deferred tax assets	(67,381,173)	5,044,376	(41,425,777)	6,692,245

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

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

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(loss) before tax	137,351,743	125,022,253
Permanent differences	(8,400,696)	5,385,797
Temporary differences	(843,525)	(9,242,365)
Taxable income/(tax loss) before utilization of tax losses/credits	128,107,522	121,165,685
Capitalization reserve	(787,937)	(985,452)
Non-capitalised tax credits applied	-	-
Capitalised tax credits applied	(5,491,814)	(26,187,474)
Taxable income/(tax loss)	121,827,771	93,992,759
Tax rate	25%	25%
Tax accrued (expense)	(30,456,943)	(23,498,190)
Capitalised tax credits applied	(1,372,954)	(6,546,869)
Capitalisation) of tax credits generated in the financial year	-	267,216
Capitalisation) of tax credits generated in previous years	-	793,527
Capitalisation (application) of deductible temporary differences generated in the financial year	(210,881)	(2,310,591)
Previous year income tax adjustment (current expense)	30,725	153,864
Previous year income tax adjustment (deferred expense)	64,119	-
Current income tax (expense)/income	(30,426,218)	(23,344,326)
Deferred tax (expense)/income	(1,647,954)	(7,796,718)

The settlement of the Income Tax is as follows:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(loss) before tax	137,351,743	125,022,253
Permanent differences	(8,400,696)	5,385,797
Temporary differences	(843,525)	(9,242,365)
Taxable income/(tax loss) before utilization of tax losses/credits	128,107,522	121,165,685
Capitalization reserve	(787,937)	(985,452)
Tax credits applied (generated before the incorporation to the tax group)	-	-
Tax credits applied (tax group)	(5,491,814)	(26,187,474)
Taxable income/(tax loss)	121,827,771	93,992,759
Tax rate	25%	25%
Tax at 25 % on the Taxable Base	30,456,943	23,498,190
Deductions	-	-
Tax credits	-	-
Tax charge	30,456,943	23,498,190
Withholdings	(92,226)	(199,752)
Payments on account	(1,710,999)	(7,382,700)
Tax payable (+) / refundable (-)	28,653,718	15,915,738

d) Deferred taxes

The breakdown of tax losses not capitalised as tax assets at March 31, 2023 and at March 31, 2022 is:

	Euros	
	March 31, 2023	March 31, 2022
AEDAS HOMES S.A.	2,085,859	1,669,045
Other Group companies	3,218,933	5,283,616
TOTAL	5,304,792	6,952,661

The reconciliation of deferred tax assets at the beginning and end of the year ended March 31, 2023 is shown below:

	Euros			
	March 31, 2022	Changes recognised in		March 31, 2023
	Opening balance	Statement of profit or loss	Equity	Closing balance
Deferred tax assets				
Unused tax losses	1,850,706	(1,449,138)	-	401,568
Deductible temporary differences	5,101,955	(198,731)	-	4,903,224
Total deferred tax assets	6,952,661	(1,647,869)	-	5,304,792
Deferred tax liabilities				
Taxable temporary differences	(260,416)	-	-	(260,416)
Total deferred tax liabilities	(260,416)	-	-	(260,416)
Total net deferred tax assets	6,692,245	(1,647,869)	-	5,044,376

During the year ended March 31, 2023, the variation in deferred tax assets and liabilities relates mainly to the application of 1,372,954 euros of tax losses and the decrease due to the application and net reversal of deductible temporary differences amounting to (210,881 euros) (related mainly to differences between the carrying amounts and tax bases of certain assets and the provisions for the Group's two long-term incentive plans).

The reconciliation of deferred tax assets at the beginning and end of the year ended March 31, 2022 is shown below:

	Euros			
	March 31, 2021	Changes recognised in		March 31, 2022
	Opening balance	Statement of profit or loss	Business combination (Note 6)	Closing balance
Deferred tax assets				
Unused tax losses	7,336,832	(5,486,126)	-	1,850,706
Deductible temporary differences	6,466,226	(2,310,592)	946,321	5,101,955
Total deferred tax assets	13,803,058	(7,796,718)	946,321	6,952,661
Deferred tax liabilities				
Taxable temporary differences	-	-	(260,416)	(260,416)
Total deferred tax liabilities	-	-	(260,416)	(260,416)
Total net deferred tax assets	13,803,058	(7,796,718)	685,905	6,692,245

In the financial year ended March 31, 2022, the variation in deferred tax assets related mainly to the application of 6,546,869 euros of tax losses, the capitalization of tax loss carryforwards in the amount of 1,060,743 euros, the decrease due to the application and net reversal of deductible temporary differences in the amount of 2,305,667 euros (mainly relating to differences between the book and tax value of certain assets, as well as to the long-term incentive plan provision) and the recognition of the

net deferred tax assets derived from the acquisition of Áurea (Note 6) for the difference between its fair value and its tax value of a net amount of 685,905 euros.

At December 27, 2017, the Board of Directors resolved to opt for the consolidated tax regime (provided for 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 Company's directors believe there are no indications that the deferred tax assets recognised are impaired. Their opinion is based on:

- The projections drawn up by the Group for 2021/22-2025/26
- The appraisal of its inventories provided by Savills Aguirre Newman Valoraciones y Tasaciones, S.A. which indicates a gross asset value (GAV) of 2,088 million euros assuming a 100% ownership interest (Note 11).

On the basis of the foregoing, the Parent Company's directors believe that it will be able to utilize the tax assets recognised by 2024, at the latest.

18. Sureties and guarantees extended to third parties and other contingent liabilities

The balance of sureties extended to customers to guarantee their down payments stood at 146,551,174 euros at March 31, 2023 (106,437,456 euros at March 31, 2022). The total limit on surety lines extended stood at 337,046,317 euros at March 31, 2023 (353,937,524 euros as of March 31, 2022). In addition, surety insurance has been taken out for the same reason, the amount of which was 66,101,887 euros as of March 31, 2023 (61,878,403 euros as of March 31, 2022). The total limit of the insurance line formalized is 188,179,619 euros as of March 31, 2023 (112,971,750 euros as of March 31, 2022).

Performance bonds amounted to 48,788,173 euros at March 31, 2023 (40,026,032 euros at March 31, 2022).

At the end of each financial year, the Group assess, the amounts estimated to be needed for current and the corresponding provision made accordingly. With regards to this, at March 31, 2023, the companies within the Group have claims from suits totalling 18,300 thousand euros, of which 13,579 thousand euros correspond to claims received as a consequence of the termination of works contracts with construction companies due to the breach of their obligations. (8,254 and 7,485 thousand, respectively, as of March 31, 2022). This amount has not been provisioned as the Directors consider the risk related to said litigations as possible based on reports from external legal advisors.

In relation to the remaining open disputes for an amount of 4,721 euros at March 31, 2023, after an in-depth analysis of the claims, the amount provisioned for this concept amounts to 624 thousand euros, corresponding to those considered as probable, which are recognized as provisions (at March 31, 2022, the amount provisioned for this concept amounted to 1,731 thousand euros, of which 1,203 thousand euros were recorded under suppliers and the remaining amount as provisions). In the year ended March 31, 2023, additional provisions amounting to 96 thousand euros have been charged to Other operating expenses (in the year ended March 31, 2022, provisions for this item were recorded for a total amount of 1,375 thousand euros, charged to the Group's gross margin).

19. Income and expenses

a) Revenues from sales and provision of services

The breakdown of "Revenues from sales and provision of services" in the income statements for the years ended March 31, 2023 and March 31, 2022 is provided below:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Land revenues	30,182,000	14,728,540
Development revenues	883,863,618	746,033,900
Rental revenues (Note 5)	695,724	697,385
Real estate services	5,070,923	4,160,381
Total	919,812,265	765,620,206

Revenue from the delivery of developments in the year ended March 31, 2023 amounted to 883,863,618 euros, corresponding to the delivery of 2,730 homes of 104 developments (746,033,900 euros in the year ended March 31, 2022, corresponding to the delivery of 2,257 homes of 84 developments).

Revenues from real estate services corresponds to the provision of management and marketing services for projects acquired from ÁUREA (see Note 6), management services for the *Vive Plan*, as well as management and monitoring services for land in the development phase.

In the year ended March 31, 2023, the Group companies sold land for 30,182,000 euros (14,728,540 sales were made in the year ended March 31, 2022) (see Note 11).

All reported revenue was generated in Spain.

During the year ended March 31, 2023, the Group delivered a total of 2,730 units (not including the homes delivered by the Real Estate Services division). Six hundred and ten of these units (22.3% of all units delivered) were build-to-rent units. Their invoicing accounts for 12.7% of all income from development revenues, and the average developer's gross margin on their revenues is 19.1% (compared to the 27.8% developer's gross margin on revenues of build to sell homes). So, the Group's total developer's gross margin, a total of 236 million euros, is an average of 26.7%.

As part of the Group's strategy to improve return on equity, the Group regularly reviews the status of its land portfolio to identify those properties the Group does not expect to begin activating in the short or medium term and/or properties whose development is not expected to reach the anticipated yield level of the rest of the Group's land portfolio because of factors such as soil type. All these properties may be sold off at any time if an interested buyer is found.

Thus, in the year ended March 31, 2023, the Group divested from thirteen non-strategic assets on which it had once planned to develop 431 units. The divestment, which brought in 30 million euros, had a gross margin of 2.4 million euros, i.e., an 8% sales margin.

	Euros			% Growth	
	Year ended March 31, 2023	Year ended March 31, 2022	Variation	By line	Contribution to total growth
Land revenues	30,182,000	14,728,540	15,453,460	104.9%	2.0%
Development revenues	883,863,618	746,033,900	137,829,718	18.5%	18.0%
Rental revenues (Note 5)	695,724	697,385	(1,661)	(0.2)%	0.0%
Real estate services	5,070,923	4,160,381	910,542	21.9%	0.1%
Total	919,812,265	765,620,206	154,192,059	20.1%	20.1%

The total revenues from deliveries and services increased by 20.1% in respect of the preceding financial year, reaching 920 Million Euros, of which 884 Million come from the handover of houses, 30 Million from the land revenues and 5 Million Euros from the Real Estate Services line. 18 percentage points of this growth are due to sales of developments (which grew by 18.5% in respect of the preceding year) and correspond to the handover of a total 2,730 units (the average sale price of which has increased by 8% as compared to the preceding year), of which 610 units were Build-to-Rent units, the turnover of which contributed 12.7% of the total revenue from sale of homes with an average gross development margin of 19.1% (versus the gross development margin of 27.8% generated by the delivery of build to sell units

). Likewise, 2 percentage points come from the sale of land (which grew by 104.9% in respect of the preceding year) as part of the Group's strategy to improve the shareholders' profits by analysing and identifying the land that will not activate profits immediately or will not generate the expected profitability.

b) Cost of goods sold and provision of services

The breakdown of the cost of sales and provision of services in the income statements for the years ended March 31, 2023 and March 31, 2022 is shown below:

	Euros	
	Group total	
	Year ended March 31, 2023	Year ended March 31, 2022
Changes in inventories of finished products and work in progress	143,679,778	54,189,851
Consumption of inventories	(741,692,959)	(629,037,860)
Changes in land inventories	(78,403,149)	32,107,176
Depreciation applied to sales of finished products and work in progress	3,392	-
Depreciation applied to land deliveries	-	111,636
Total direct costs of goods sold	(676,412,938)	(542,629,197)
Direct costs of providing services	(2,068,182)	(741,478)
Total direct costs of goods sold and provision of services	(678,481,120)	(543,370,675)

The deviation in the direct costs associated with the Real Estate Services division is attributed fundamentally to employee expenses: Although in the year ended March 31, 2023, the Group recognised 100% of the employee expense accruing in the Real Estate Services division over the entire length of the said year, the Real Estate Services division's employee expense in the year ended March 31, 2022, was recognised for a period running from the date of the Áurea acquisition (described in Note 6) to March 31, 2022.

	Year ended March 31, 2023	Year ended March 31, 2022	Change	Growth by line %	Contribution to growth of gross margin %
Revenue - property development	884,559,342	746,731,285	137,828,057	18.5%	
Cost of goods sold - property development	(648,630,877)	(532,368,795)	(116,262,082)	21.8%	
Gross margin - Property development	235,928,465	214,362,490	21,565,975	10.1%	9.7%
Gross margin % - Property development	26.70%	28.70%	(2.00)%		
Revenue - Land sales	30,182,000	14,728,540	15,453,460	104.9%	
Cost of goods sold - Land sales	(27,782,061)	(10,260,402)	(17,521,659)	170.8%	
Gross margin - Land sales	2,399,939	4,468,138	(2,068,199)	(46.3)%	(0.9)%
Gross margin % - Land sales	8.00%	30.30%	(22.30)%		
Revenue from provision of services	5,070,923	4,160,381	910,542	21.9%	
Direct cost of provision of services	(2,068,182)	(741,478)	(1,326,704)	178.9%	
Gross margin - Provision of services	3,002,741	3,418,903	(416,162)	(12.2)%	(0.2)%
Gross margin % - Provision of services	59.20%	82.20%	(23.00)%		
Revenue from sales and services provision	919,812,265	765,620,206	154,192,059	20.1%	
Direct costs of goods sold and services provision	(678,481,120)	(543,370,675)	(135,110,445)	24.9%	
GROSS MARGIN	241,331,145	222,249,531	19,081,614	8.6%	8.6%
GROSS MARGIN %	26.20%	29.00%	(2.80)%		

The gross margin generated by the delivery of developments, the sale of land and the Real estate Services division increased by 8.6%, supported by the 10.1% growth in the gross margin from developments. This growth contributes 9.7 percentage points to the total gross margin increase.

The sales of land and services provision contributed negatively to the increase in the total gross margin, by 0.9 and 0.2 percentage points respectively. Although these two items had positive gross margins (8.0% and 59.2% respective), the absolute amount was less than the amount in the preceding year, due

to increased costs. It should also be noted that the change in gross margin in the services provision division was fundamentally due to the way in which the personnel costs were calculated, given that while the costs were attributed to the entire financial year in 2022, in the preceding period, they were only attributed as direct costs from the moment that Áurea was acquired.

c) Overheads and average workforce

The breakdown of "Overheads" is provided below:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Employee expenses	(22,986,109)	(22,384,461)
Share-based payment transactions	(4,771,761)	(3,376,977)
Rent and fees	(340,976)	(335,557)
Repairs and upkeep	(3,053,093)	(1,439,155)
Independent professional services	(5,639,686)	(6,522,067)
Insurance premiums	(213,455)	(195,763)
Publicity and public relations	(2,136,588)	(1,641,165)
Utilities	(65,053)	(46,664)
Other services and taxes	(2,577,962)	(2,325,317)
Banking and similar services	(550,769)	(380,132)
Total Overheads	(42,335,452)	(38,647,258)

"Share-based payment transactions" includes the charges recognised by the Group under the Long-Term Incentive Plan and the New Incentive described in Note 14.i). The increase in said charges compared to the previous financial year is 1.4 million euros, representing an increase of 41%.

"Repairs and upkeep" includes mainly the cost of maintaining computer applications. Its increase is due to the Group's investment in computer applications to improve administrative and business processes and make them faster and more efficient.

The average number of people employed by the various Group companies in the year ended March 31, 2023 was 304 (year ended March 31, 2022: an average of 290).

The breakdown, by job category, of the headcounts at March 31, 2023 and March 31, 2022 is shown below:

	March 31, 2023			March 31, 2022		
	Men	Women	Total	Men	Women	Total
Graduates	107	95	202	103	96	199
Diploma holders	33	36	69	32	30	62
Other	12	20	32	14	29	43
Total	152	151	303	149	155	304

Two employees with a disability of a severity of 33% or higher are employed by the Group at March 31, 2023 (one employee at March 31, 2022).

d) Finance costs

Finance costs, calculated using the effective interest rate method, are broken down below:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense	(32,131,137)	(24,897,540)
Financing entities	(16,122,141)	(9,922,729)
Green bond and promissory notes	(15,795,524)	(13,879,368)
Leases and others	(213,472)	(1,095,443)
Taxes (Stamp Duty), sureties and guarantees	(13,823,717)	(7,302,302)
Finance Cost	(45,954,854)	(32,199,842)
Borrowing costs capitalised in inventories	23,495,516	11,758,951
Finance costs net of capitalised costs in inventories	(22,459,338)	(20,440,891)

The Group has recognized an increase in financial expenses net of capitalized borrowings costs as a consequence, mainly, of a higher interest expense linked to borrowings on completed projects, whose expense is not capitalized, as well as the draw down of Corporate debt at floating rate. The reference interest rate of this debt has seen an increase of 389 basis points over the reporting period.

e) EBITDA

	Year ended March 31, 2023	Year ended March 31, 2022	Change	Growth by line %	ADJUSTED Contribution to increase in EBITDA %
GROSS MARGIN	241,331,145	222,249,531	19,081,614	8.6%	12.8%
GROSS MARGIN %	26.20%	29.00%	(2.80)%		
Marketing	(15,811,103)	(12,045,356)	(3,765,747)	31.3%	(2.5)%
Sales commissions	(17,298,671)	(17,338,637)	39,966	(0.2)%	0.0%
Other direct development costs	(3,129,627)	(2,311,658)	(817,969)	35.4%	(0.5)%
Taxes related with developments	(8,980,055)	(4,452,021)	(4,528,034)	101.7%	(3.0)%
NET MARGIN	196,111,689	186,101,859	10,009,830	5.4%	6.7%
NET MARGIN %	21.32%	24.30%	(2.98)%		
Overheads	(37,563,691)	(35,270,281)	(2,293,410)	6.5%	(1.5)%
Overheads - Share-based payment transactions	(4,771,761)	(3,376,977)	(1,394,784)	41.3%	(0.9)%
Other operating income	2,003,625	1,470,649	532,976	36.2%	0.4%
Other operating expenses	(269,902)	(195,568)	(74,334)	38.0%	0.0%
Negative difference arising on business combinations	-	203,393	(203,393)	(100.0)%	(0.1)%
EBITDA	155,509,960	148,933,075	6,576,885	4.4%	4.4%
EBITDA %	16.91%	19.50%	(2.59)%		
Strategic land margin	8,704,443	-	8,704,443		5.8%
ADJUSTED EBITDA	164,214,403	148,933,075	15,281,328	10.3%	10.3%

Note: The composition of the 2022 profit and loss account has been maintained without reassigning the strategic land margin, which decreased by 181,802 Euros during that year. If it had been reassigned, the contribution to the increase in the adjusted EBITDA would have been 6.0%, instead of the 5.8% shown in the table above, with the effect offset in a separate item in the table.

The direct costs associated to the residential development increased by 25% (9.1 million euros) as compared to the preceding period, of which more than 50% corresponds to taxes and 41% to marketing and commercialisation costs, in line with the increased number of units handed over and the increase in the number of developments launched on the market.

After deducting the direct costs from the Company's gross margin, the net margin resulted in the figure of 196.1 million euros, equivalent to 21.3% of the total invoiced revenues.

The adjusted EBITDA¹ increased by 10.3%, equivalent to 15,281,328 million euros in respect of the preceding financial year. This rise originates from the improved gross margin, 19,081,614 million euros higher than in the preceding year, equivalent to a contribution of 12.8 percentage points to the increase in adjusted EBITDA. This contribution is weighed down by the additional items used to establish the net margin, which subtract 6.1 percentage points from the increase of the adjusted EBITDA, more than half of which are due to the taxes on the developments (-3.0 p.p.), and another substantial part due to marketing costs (-2.5 p.p.). The structural costs were in the amount of 37.6 million euros (+6.5% in respect of the previous financial year), of which 28 Million Euros corresponded to personnel costs. At 31 March 2023, there was an increase of 1.4 Million Euros in respect of the financial year ended on 31 March 2022, corresponding to the Long Term Incentives and New Incentives Plan. Thus, the Overheads and other expenses subtract another 2.3 percentage points from the increase in the adjusted EBITDA, meaning that the increase in the level of the EBITDA (before application of the strategic land margin) is only 4.4%. The strategic land margin increases the total growth to 10.3%.

20. 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).

The main transactions with related parties in the year ended March 31, 2023 are as follows:

- Shareholder contributions and loans granted to associates.
- Agreements entered with associates: management, monitoring and sales-marketing service provision.
- On April 20, 2022, Aedas Homes Opco, S.L.U. formalized with URBANIA LAMATRA II, S.L. private contract of purchase of two plots in Sanchez Blanca (Malaga) for a total amount of 12,708,410 euros. As of March 31, 2023, an amount of 3,955,205 euros has been paid, which is shown under the heading "Customer prepayments".
- On February 8, 2023, availing itself of a right established in a shareholders' agreement, Aedas Homes Opco, S.L.U., swapped its 10% interest in Urbania Lamatra II, S.L., for land in Sánchez Blanca, Málaga. In the swap, Aedas Homes Opco, S.L.U., leveraged a 4,035,363-euro capital refund into the acquisition of 90.06% of two plots of land in Sánchez Blanca, Málaga, having an as-is market value of 8,276,505 euros. Before the swap, Aedas Homes, S.A., transferred to Aedas Homes Opco, S.L.U., a 1,888,503-euro credit claim against Urbania Lamatra II, S.L., stemming from a loan to Urbania Lamatra II, S.L., of 1,613,240 euros plus 275,263 euros in accrued interest. Urbania Lamatra II, S.L., then executed a public instrument increasing its capital, in which Aedas Homes Opco, S.L.U., contributed the loan. Furthermore, on that same date, Aedas Homes Opco, S.L.U., purchased the remaining 9.94% of the land from Urbania Lamatra II, S.L., at its market price, i.e., 1,255,375 euros plus 282,667 euros in costs passed on to the land's buyer. Aedas Homes Opco, S.L.U., was subrogated to the 1,427,000-euro mortgage loan on the land. The margin on the transaction comes to 3,348,785 euros. It is reported on the consolidated profit and loss account under the heading of "Strategic land margin" (see Note 10).

¹ Adjusted for the strategic land margin marked to market in the amount of 9 Million Euros, corresponding to the plots acquired through an exchange of shares in associated companies that managed strategic land, in which the Group held a minority interest.

- On March 23, 2023, availing itself of a right established in a shareholders' agreement, Aedas Homes Opco, S.L.U., swapped its 25% interest in Servicios Inmobiliarios Licancabur, S.L., for land in Los Berrocales, Madrid. In the swap, Aedas Homes Opco, S.L.U., leveraged a 6,630,438-euro capital refund into the acquisition of several plots of land in Los Berrocales, Madrid, having an as-is market value of 11,415,400 euros. Before the swap, Aedas Homes, S.A., transferred to Aedas Homes Opco, S.L.U., a 4,541,726-euro credit claim against Servicios Inmobiliarios Licancabur, S.L., stemming from a loan to Servicios Inmobiliarios Licancabur, S.L., of 3,876,948 euros plus 664,777 euros in accrued interest. Servicios Inmobiliarios Licancabur, S.L., then executed a public instrument increasing its capital, in which Aedas Homes Opco, S.L.U., contributed the loan. Furthermore, on that same date, Aedas Homes Opco, S.L.U., purchased the remaining % of two plots of land from Servicios Inmobiliarios Licancabur, S.L., at their market price, i.e., 5,654,820 euros, leaving 60% of the price deferred until June 30, 2023. The margin on the transaction comes to 5,355,738 euros. It is reported on the consolidated profit and loss account under the heading of "Strategic land margin" (see Note 10).

The main transactions with related parties in the year ended March 31, 2022 were the following:

- Shareholder contributions and loans granted to associates.
- Contracts entered into with minority shareholders: sales agreements.
- Agreements entered with associates: management, monitoring and sales-marketing service provision.
- On July 29, 2021, AEDAS HOMES OPCO, S.L.U.H exchanged its 10% interest in Urbana Lamatra I, S.L. for land in Mairena del Aljarafe (Seville), duly exercising an exchange right held under the shareholder agreement. As a result of that exchange, AEDAS HOMES OPCO, S.L.U. acquired 62.35% of a landplot in Mariena del Aljarafe (Sevilla) in exchange of the return of capital contributions of 204 thousand euros and partial repayment of the loan extended to that company in the amount of 875 thousand euros. The remaining 37.65% was also acquired through a cash payment of 652 thousand euros (Note 11).

The transactions during the year ended March 31, 2023 with related parties and the balances outstanding with Group's related parties at March 31, 2023 are shown in the tables below:

	Euros		
	Income		Expenses
	Revenue		
	Services rendered	Financial income	Cost of goods sold
Year ended March 31, 2023			
Winslaro ITG, S.L.	275,357	260,696	-
Serv. Inmobiliarios Licancabur, S.L.	100,000	196,056	(17,070,220)
Urbana Lamatra I, S.L.	77,000	-	-
Urbana Lamatra II, S.L.	77,000	55,951	(9,814,547)
Espacio Áurea, S.L.	118,278	25,381	-
Residencial Henao, S.L.	620,993	-	-
Nature Este, S.L.	524,730	-	-
Varía ACR Móstoles Fuensanta, S.L.	310,379	31,424	-
Áurea Etxabakoitz, S.L.	245,000	-	-
Allegra Nature, S.L.	508,218	4,506	-
Errota Real Estate	113,750	-	-
	2,970,705	574,014	(26,884,767)

	Euros				
	Trade and other receivables	Loans	Prepayments to suppliers	Land and sites	Suppliers
March 31, 2023					
Winslaro ITG, S.L.	333,182	5,109,751	-	-	-
Serv. Inmobiliarios Licancabur, S.L.	(10,083)	-	-	17,070,220	(3,392,892)
Urbana Lamatra II, S.L.	-	-	3,955,205	9,814,547	-
Espacio Áurea, S.L.	135,943	458,689	-	-	-
Residencial Henao, S.L.	28,413	-	-	-	-
Residencial Ciudadela Uno, S.L.	86	-	-	-	-
Nature Este, S.L.	512,827	-	-	-	-
Varía ACR Móstoles Fuensanta, S.L.	73	-	-	-	-
Áurea Etxabakoitz, S.L.	95	-	-	-	-
Allegra Nature, S.L.	(381)	-	-	-	-
	1,000,155	5,568,440	3,955,205	26,884,767	(3,392,892)

The transactions during the year ended March 31, 2022 with related parties and the balances outstanding with Group's related parties at March 31, 2022 are shown in the tables below:

	Euros		
	Income		Expenses
	Revenue		
Year ended March 31, 2022	Services rendered	Financial income	Cost of goods sold
Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	-	5,410	(1,871,651)
Winslaro ITG, S.L.	239,107	148,842	-
Serv. Inmobiliarios Licancabur, S.L.	205,262	191,776	-
Urbana Lamatra I, S.L.	84,000	11,531	-
Urbana Lamatra II, S.L.	84,000	80,613	-
Espacio Áurea, S.L.	260,776	33,308	-
Residencial Henao, S.L.	175,523	-	-
Nature Este, S.L.	191,092	-	-
Varía ACR Móstoles Fuensanta, S.L.	34,685	59,333	-
Áurea Etxabakoitz, S.L.	446,047	11,375	-
Allegra Nature, S.L.	185,963	35,040	-
AEDAS Mutilva Promoción, S.L.U.	-	34,568	-
Domus Avenida, S.L.	-	20,562	-
	1,906,455	632,358	(1,871,651)

	Euros			
	Trade and other receivables	Loans	Dividend receivable	Trade and other current payables
March 31, 2022				
Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	-	-	-	(85,657)
Winslaro ITG, S.L.	-	3,851,026	-	-
Serv. Inmobiliarios Licancabur, S.L.	237,275	4,288,795	-	-
Urbana Lamatra II, S.L.	8,470	1,755,550	-	-
Espacio Áurea, S.L.	42,941	433,308	-	-
Residencial Henao, S.L.	57,167	-	-	-
Nature Este, S.L.	57,098	-	-	-
Varía ACR Móstoles Fuensanta, S.L.	10,519	1,726,769	-	-
Áurea Etxabakoitz, S.L.	43,060	-	-	-
Allegra Nature, S.L.	252,269	1,065,029	324,000	-
	708,799	13,120,477	324,000	(85,657)

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

The Board of Directors of the Parent consists of the following members at March 31, 2023:

- Cristina Álvarez Álvarez
- Evan Andrew Carruthers
- Eduardo Edmundo D'Alessandro Cishek
- Santiago Fernandez Valbuena
- Javier Martínez – Piqueras Barceló
- 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 carried out transactions with the Parent 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 year ended March 31, 2023.

Likewise, during this same period, neither these directors nor the persons related to them, as defined in the Corporate Enterprises Act (LSC), have maintained relationships with companies outside the Parent Company's Group, which, due to their activity, could represent a conflict of interest for them or for the Parent Company, and therefore no communication has been made to the competent bodies in the sense indicated in Article 229 of the LSC, which is why these consolidated financial statements do not include any breakdown in this regard.

Director remuneration and other benefits

The remuneration accrued by the members of the Company's Board of Directors amounted to 3,444,973 euros in the year ended March 31, 2023 and 2,494,699 euros in the year ended March 31, 2022, and the accrued and consolidated remuneration amounted to 2,155,326 euros and 2,480,296 euros, respectively.

Key management personnel remuneration and other benefits

The remuneration paid to the Parent's key management personnel during the years ended March 31, 2023 and March 31, 2022 was as follows:

No, of individuals March 31, 2023	Euros			Advances	
	Year ended March 31, 2023			No.	Amount
	Fixed and Variable remuneration (*)	Other remuneration (**)	Total		
7	1,816,053	1,828,468	3,644,521	-	-

(*) Includes the annual variable remuneration accrued at 100% (345,709 euros), with the amount accrued and consolidated in the year ended March 31, 2023 being 297,994 euros.

(**) Includes the 100% accrued amount for each of the Long-Term Incentive Plans, regardless of the effective date of consolidation, the consolidated amount being 311,282 euros in the year ended March 31, 2023.

No, of individuals March 31, 2022	Euros			Advances	
	Year ended March 31, 2022			No.	Amount
	Fixed and Variable remuneration	Other remuneration	Total		
8	1,717,098	1,832,371	3,549,469	-	-

The Parent has no pension obligations to its key management personnel nor has it extended these professionals any advances, loans or guarantees and there were no special incentive plans over shares of Aedas Homes, S.A. at March 31, 2023 and March 31, 2022, except the incentive described in Note 14.i).

Auditor fees

The fees accrued in respect of services provided by the Company's auditor, Ernst & Young, S.L. in the years ended March 31, 2023 and March 31, 2022 is as follows:

	Euros	
	Year ended March 31, 2023	Year ended March 31, 2022
Audit and related services		
Audit services	244,663	214,230
Other assurance services	78,476	113,350
Total	323,139	327,580

22. Environmental disclosures

At AEDAS Homes, sustainability is a fundamental pillar. Therefore, the Company continues to promote projects to accelerate the inescapable transformation of residential construction where it has been leader since 2018, the year in which it created the industrialization business line to run residential projects using modern building methods. The Group reports in detail on its environmental protection activities and policies in its Integrated Notes to the Financial Statements available on the CNMV and Company's website from the date of publication of the financial statements.

23. Risk management

The Parent has drawn up a risk map. To this end, it has analysed the organization's procedures, identifying the potential sources of risk, quantifying the related exposures and taking the opportune measures to prevent their materialization. The Group reports in detail in its Integrated Notes to the Financial Statements, available on the CNMV and Company's website from the date of publication of the financial statements.

The Group, of which Aedas Homes 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 necessary 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 guaranteed by the properties sold and the diversification of the Group's customer portfolio; in addition, it places its cash surpluses with highly solvent banks, in accordance with the Group's cash surplus placement policy, in respect of which counterparty risk is not material.

No accounts receivable from Group companies, related parties or third parties were past due at March 31, 2023 and March 31, 2022.

Liquidity risk:

The Group determines its liquidity requirements by means of cash forecasts. These forecasts identify the amount and timing of the funds needed, and new funding requirements 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 15.

Cash and cash equivalents total 244,732,860 euros. This includes 10 million euros in cash surpluses placed so as to be immediately available. Part of the total (46,064,993 euros) comes from customer prepayments and can only be used to build the developments for which the prepayments are earmarked. The amount pledged to cover guarantees furnished to customers and to secure technical guarantees (a total of 2,091,670 euros) brings the restricted cash total (except for the specified uses) as of March 31, 2023, to 48,156,663 euros. Therefore, the discretionary cash flow is a total of 196,576,197 euros.

The Group also has its 55-million-euro revolving credit facility with a long-term maturity date (May 15, 2026). Immediately available liquidity thus comes to 251,576,197 euros.

On the minus side, maturing short-term financial liabilities and debt add up to 57,829,696 euros, leaving a liquidity of 193,746,501 euros net of maturities.

All project financing is classified as current liabilities, even though 125,561,716 euros have long-term maturity dates, the vast majority being developer's loans (122,487,749 euros). This does not change the net liquidity figure given above, because payment falls before the contractual due date only if the asset is sold, and at that point a payment is collected or the customer is subrogated to the borrower's position in the loan. Nevertheless, this early repayment condition means income from sales of assets associated with projects goes first toward cancelling the associated financing, and it will not be available for paying off other obligations.

Dividends also consume liquidity. The final dividend for the year ended 31 March 2023 would be 50,026,041 euros if there were no changes in treasury shares. That would leave a liquidity of 143,720,460 euros after declared dividends.

The liquidity remaining after 12 months (at March 31, 2024) will be affected by other financial and operating factors. It may be altered by dividends, the purchase of treasury shares, corporate acquisitions and, generally speaking, by cash flows from operating activities, investing activities and financing activities. This

year the cash flow from operating activities was negative by 20,163,828 euros, although it was affected by income in the shape of developer's loans subrogated (99,960,359 euros), which are not registered as cash receipts.

Apart from the availability of liquidity as explained above and access to general credit markets, the Group has two specific mechanisms for financing construction: developer's loans and customer prepayments. Once the land is purchased, these mechanisms cover practically all operational financing needs in this period. This is intended to minimise the risk of a lack of liquidity's affecting the normal course of business.

Development loans

As stated in Note 15, as of March 31, 2023, the AEDAS Group had arranged development loans in an aggregate amount of 561,609,370 euros (537,702,750 euros as of March 31, 2022), in order to finance 88 developments (75 developments as of March 31, 2022). In relation to these loans, the amount drawn down recorded by the amortized cost method at March 31, 2023 is 125,690,738 euros (99,605,529 euros at March 31, 2022). The related interest rate is EURIBOR plus a spread ranging between 200 to 300 basis points.

Of the 561.6 million euros borrowed, 93.5 million euros are restricted because of customer prepayments that are recognised in the buyers' account (thus avoiding double development financing through both prepayments and loans). The maximum available amount is therefore 468.1 million euros. Of this sum, a nominal amount of 126.9 million euros is drawn down (125.7 million euros at amortised cost), leaving a maximum available amount of developer financing of 341.1 million euros.

The undrawn loans become available for draw 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 March 31, 2023, the progress of the Group's developments qualified it to draw down an additional 14.03 million euros corresponding to supplier invoices already paid and, therefore, tied to delivery of the milestones indicated above.

Customer prepayments

At March 31, 2023, the Group recognised 194.8 million euros of customer down payments for housing units (pre-sales and private contracts), of which 23.1 million euros consist of payment commitments in the form of direct debits. These advances are close to 20% of the sale price of the homes concerned. Unilateral cancellation by the client is subject to a penalty of 50% of the advance paid.

Having used a significant part of the advance payments to finance construction of the homes, 46.1 million euros remains in special accounts for exclusive use in the execution of the developments concerned, as stated in Note 13.

There is a certain liquidity risk due to the possible cancellation of purchase contracts, with the subsequent reimbursement of 50% of the advance payments made. In the last 12 months, cancellations have made it necessary to reimburse 2,556,765 euros, which accounts for 0.28% of the sales portfolio.

In addition to these specific construction financing mechanisms, as disclosed in Note 15, the Group has in place a build-to-rent (BtR) finance agreement for a maximum available amount of €67.3 million and a revolving credit facility for a maximum available amount of €55 million. At 31 March 2023, the nominal figure drawn on the BtR project financing was 1.9 million euros and no drawdowns had been made on the revolving credit facility.

Additionally, the Group has registered a note issuance facility on the MARF for 150 million euros, as stated in Note 15, with an outstanding balance of issues as of March 31, 2023 of 44.7 million euros. The purpose of this facility is mainly to diversify the Group's sources of financing, to provide it with alternatives to bank funding with terms of up to 24 months, and to make the company better known to credit investors in order to prepare for possible access to capital markets in the longer term. To the extent that this activity introduces debt maturities of less than 12 months, the Group compares them with the sum of the immediate availability of development loans for invoices already paid and freely available cash funds. As of March 31, 2023, nominal amount of promissory notes maturing in less than 12 months stood at 44.3 million euros. In

comparison, as of March 31, 2023, freely available cash amounted to 196.6 million euros, and the immediate availability of development loans amounted to 14 million euros, so the sum 210.6 million euros exceeds the amount of short-term promissory notes due by 166.3 million euros.

Lastly, it should be said that the Group expects to generate a cash surplus as a result of its housing development and sale operations (taking into account the use of specific funding mechanisms), which should help it meet its commitments to financial institutions, suppliers and shareholders.

The Parent Company's directors are confident that these arrangements will be sufficient to meet its cash requirements and those of its subsidiaries going forward. In this regard, cash is managed at the Group level, so that the operating companies do not face liquidity shortfalls and can concentrate on completing their real estate developments, which are expected to be financed in the way described.

Market risk: interest rate risk

Both the Group's cash balances and certain borrowings are exposed to interest rate risk, which could have an adverse impact on its net financial results and cash flows. However, it should be noted that the green bond and promissory notes issued by the Group, accrue fixed interest rates, so are therefore not exposed to market risk associated with interest rates. Thus, the percentage of financial debt drawn down by the Group subject to fixed interest rates as of March 31, 2023, and therefore not exposed to market risk associated with interest rates, represents 71.9% of its total financial debt drawn down. For this reason, the Parent's directors have not deemed it necessary to arrange interest rate hedging instruments.

Changes of 100 basis points in interest rates would have increased financial expenses by 2,123,168 euros in the year ended March 31, 2023 (and by 2,616,036 euros in the year ended March 31, 2022).

24. Events after the reporting period

No events have taken place since the end of the reporting period March 31, 2023, that could have a material impact on the information presented in the consolidated financial statements authorised for issue by the directors or that are worthy of disclosure on account of their materiality, other than that disclosed below:

- During the month of April 2023, the AEDAS Group has amortized developer loans for an amount of 17.80 million euros.
- During the months of April and May 2023, the AEDAS Group has signed developer loans with a mortgage guarantee for a total of 73.68 million euros, in order to finance 7 developments in progress. The interest rate on these loans is EURIBOR plus a spread of between 225 and 300 basis points.
- At May 25, 2023, the total treasury stock held by AEDAS Homes at close of market was 3,402,709 securities representing 7.27% of the capital acquired at an average price of 19.17 €/share. The total number of securities acquired through Discretionary Management was zero securities; the total number of securities acquired through the Buyback Programme was 97,077 securities representing 0.21% of the capital at an average price of 13.60 €/share and the total number of securities acquired in the block market was zero.
- On May 30, 2023, the Board of Directors proposes the distribution of an additional dividend to the interim dividend (Complementary dividend), charged to the profit for the year ended March 31, 2023 of 1.15 euros per share by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed Complementary Dividend the same number of treasury shares of the Parent is maintained as at March 31, 2023 (3,305,632 shares), the maximum Dividend to be distributed (Interim Dividend and Complementary Dividend) would be 93,534,946 euros, leaving an unallocated income of 2,630,701 euros (see Notes 3 and 14).
- On May 30, 2023, the Board of Directors proposes a share capital reduction of the Company for an amount equal to 3,106,537 euros through the redemption of 3,106,537 treasury shares, with a par value of one euro each, corresponding to 6.64% of the share capital of the Company, and acquired under the Repurchase Program.

25. Translation of financial statements

Free translation of 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 March 31, 2023

Company	Registered office	Business activity	Shareholding		Shareholder	Auditor	Consolidation method
			March 31, 2023				
AEDAS HOMES OPCO, S.L.U.	Madrid	Development	100%	Direct	AEDAS HOMES, S.A.	ERNST & YOUNG, S.L.	Full consolidation method
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	Madrid	Real estate services	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation method
LIVE VIRTUAL TOURS, S.L.U.	Madrid	Audiovisual distribution	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation method
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	ERNST & YOUNG, S.L.	Full consolidation method
AEDAS HOMES CANARIAS, S.L.U. (formerly known as ESPEBE 18, S.L.U.)	Las Palmas, Gran Canary Island	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SPV SPAIN 2, S.L.	Madrid	Development	87.5%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
AEDAS HOMES RENTAL, S.L.U. (formerly known as FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
AEDAS HOMES COLMENAR VIEJO, S.L.U. (formerly known as TURNKEY PROJECTS DEVELOPMENT, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
WINSLARO ITG, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Equity method
EGON ASSET DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
AEDAS HOMES LIVING, S.L.U.	Madrid	Decoration and interior design services	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
DOMUS AVENIDA, S.L.	Madrid	Holdco	52%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Full consolidation method
VARIA ACR MÓSTOLES FUENSANTA, S.L.	Madrid	Development	15.6%	Indirect	AEDAS HOMES, S.A. through DOMUS AVENIDA, S.L.	KPMG Auditores, S.L.	Equity method
ESPACIO ÁUREA, S.L.	Madrid	Development	50%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
ALLEGRA NATURE, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	ETL Spain Audit Services, S.L.	Equity method

RESIDENCIAL HENAO, S.L.	Bizkaia	Development	22.5%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	KPMG Auditores, S.L.	Equity method
ÁUREA ETXABAKOITZ, S.L.	Navarra	Development	14.81%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	KPMG Auditores, S.L.	Equity method
RESIDENCIAL CIUDADELA UNO, S.L.	Navarra	Holdco	17.13%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
NATURE ESTE, S.L.	Madrid	Development	17.13%	Indirect	AEDAS HOMES, S.A. through RESIDENCIAL CIUDADELA UNO, S.L.	ETL Spain Audit Services, S.L.	Equity method

Subsidiaries included in the scope of consolidation at March 31, 2022

Company	Registered office	Business activity	Shareholding		Shareholder	Auditor	Consolidation method
			March 31, 2022				
AEDAS HOMES OPCO, S.L.U.	Madrid	Development	100%	Direct	AEDAS HOMES, S.A.	ERNST & YOUNG, S.L.	Full consolidation method
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	Madrid	Real estate services	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation method
LIVE VIRTUAL TOURS, S.L.U.	Madrid	Audiovisual distribution	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation method
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
ESPEBE 18, S.L.U. (now known as AEDAS HOMES CANARIAS, S.L.U.)	Las Palmas, Gran Canary Island	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SPV REOCO 15, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SPV SPAIN 2, S.L.	Madrid	Development	87.5%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
FACORNATA SERVICIOS Y GESTIONES, S.L.U. (now known as AEDAS HOMES RENTAL, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SERVICIOS INMOBILIARIOS LICANCABUR S.L.	Madrid	Development	25%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Equity method
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
TURNKEY PROJECTS DEVELOPMENT, S.L.U. (now known as AEDAS HOMES COLMENAR VIEJO, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
WINSLARO ITG, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Equity method
EGON ASSET DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
URBANIA LAMATRA II, S.L.	Madrid	Development	10%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Equity method
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
AEDAS HOMES LIVING, S.L.U.	Madrid	Decoration and interior design services	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
AEDAS ESTE, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method

DOMUS AEDAS RESIDENCIAL, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
PROYECTOS INMOBILIARIOS ATRIA MADRID, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
PROYECTOS INMOBILIARIOS LUCIDA NAVARRA, S.L.U.	Navarre	Holdco	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
PROYECTOS INMOBILIARIOS ALGEDI MADRID, S.L.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U. 80% and, through PROYECTOS INMOBILIARIOS LUCIDA NAVARRA, S.L.U., 20%	-	Full consolidation method
PROYECTOS BALMES 89, S.L.U.	Barcelona	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
AEDAS MUTILVA DEVELOPMENT, S.L.U.	Navarre	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
DOMUS AVENIDA, S.L.	Madrid	Holdco	52%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Full consolidation method
VARIA ACR MÓSTOLES FUENSANTA, S.L.	Madrid	Development	15.6%	Indirect	AEDAS HOMES, S.A. through DOMUS AVENIDA, S.L.	-	Equity method
ESPACIO AUREA, S.L.	Madrid	Development	50%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
ALLEGRA NATURE, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
RESIDENCIAL HENAO, S.L.	Bizkaia	Development	22.5%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
AUREA ETXABAKOITZ, S.L.	Navarre	Development	14.81%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
RESIDENCIAL CIUDADELA UNO, S.L.	Navarre	Holdco	17.13%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Equity method
NATURE ESTE, S.L.	Madrid	Development	17.13%	Indirect	AEDAS HOMES, S.A. through RESIDENCIAL CIUDADELA UNO, S.L.	-	Equity method

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

Company	Equity at March 31, 2023 (euros) (*)							
	Capital	Share premium	Reserves	Retained earnings (prior-year losses)	Profit/(loss) for the year	Other shareholder contributions	(Interim dividend)	Total equity
AEDAS HOMES OPCO, S.L.U.	44,807,030	387,236,299	(308,299,779)	-	82,300,227	63,175,332	(73,400,000)	195,819,109
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	3,000	-	600	-	1,214,019	4,190,676	(900,000)	4,508,295
LIVE VIRTUAL TOURS, S.L.U.	3,000	-	258	(163,174)	(147,194)	316,005	-	8,895
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	3,010	-	249	(3,357,589)	222,055	8,000,000	-	4,867,725
AEDAS HOMES CANARIAS, S.L.U. (formerly known as ESPEBE 18, S.L.U.)	3,000	-	142	(1,557,678)	(876,305)	2,340,000	-	(90,841)
SPV SPAIN 2, S.L.	100,000	-	437,522	-	(88,028)	-	-	449,494
AEDAS HOMES RENTAL, S.L.U. (formerly known as FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	4,991,549	42,163,414	40,007	(1,899,860)	12,910,332	-	(9,500,000)	48,705,442
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	3,000	-	69,311	-	(10,322)	-	-	61,989
AEDAS HOMES COLMENAR VIEJO, S.L.U. (formerly known as TURNKEY PROJECTS DEVELOPMENT, S.L.U.)	3,000	-	(183,374)	(429,847)	1,391,444	1,134,600	-	1,915,823
WINSLARO ITG, S.L.	3,000	-	(371)	(1,996,991)	(314,895)	12,654,871	-	10,345,614
EGON ASSET DEVELOPMENT, S.L.U.,	3,000	-	(1,405)	(135,864)	50,647	172,400	-	88,778
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	3,000	-	(1,574)	(14,767)	(14,242)	36,500	-	8,917
AEDAS HOMES LIVING, S.L.U.	3,000	-	(1,402)	(14,965)	716,816	2,463,816	-	3,167,265
DOMUS AVENIDA, S.L.	100,500	-	4,635	(4,908)	253,468	-	-	353,695
VARÍA ACR MÓSTOLES FUENSANTA, S.L.	3,000	-	1,109,862	-	-	-	-	1,112,862
ESPACIO ÁUREA, S.L.	723,000	1,160,000	219,078	(531,094)	1,017,601	1,360,000	-	3,948,585
ALLEGRA NATURE, S.L.	3,000	-	3,714,501	(7,280)	-	-	(2,755,000)	955,221
RESIDENCIAL HENAO, S.L.	42,000	-	2,081,435	(63,236)	-	-	(2,009,799)	50,400

ÁREA ETXABAKOITZ, S.L.	40,500	-	1,369,972	(102,518)	-	-	(1,200,000)	107,954
RESIDENCIAL CIUDADELA UNO, S.L.	152,118	240,000	12,826	(341,126)	(318)	7,049,482	-	7,112,982
NATURE ESTE, S.L.	386,000	-	-	(244,010)	3,480,891	6,736,407	-	10,359,288

Company	Equity at March 31, 2022 (euros) (*)							
	Capital	Share premium	Reserves	Retained earnings (prior-year losses)	Profit/(loss) for the year	Other shareholder contributions	(Interim dividend)	Total equity
AEDAS HOMES OPCO, S.L.U.	44,807,030	387,236,299	(306,057,800)	-	85,836,749	61,533,015	(80,600,000)	192,755,293
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	3,000	-	426,445	(101,524)	2,329,322	4,190,676	-	6,847,919
LIVE VIRTUAL TOURS, S.L.U.	3,000	-	259	(76,347)	(86,827)	137,839	-	(22,076)
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	3,010	-	(353)	(6,141,029)	2,784,042	8,000,000	-	4,645,670
ESPEBE 18, S.L.U. (now known as AEDAS HOMES CANARIAS, S.L.U.)	3,000	-	141	(1,172,079)	(385,598)	1,540,000	-	(14,536)
SPV REOCO 15, S.L.U.	3,000	-	(324,095)	(1,379,516)	(317,737)	2,555,125	-	536,777
SPV SPAIN 2, S.L.	100,000	-	20,000	(243,171)	4,473,050	-	(3,212,357)	1,137,522
FACORNATA SERVICIOS Y GESTIONES, S.L. (now known as AEDAS HOMES RENTAL, S.L.U.)	4,991,549	44,896,912	40,006	(24,813)	(1,875,046)	2,300,000	-	50,328,608
SERVICIOS INMOBILIARIOS LICANCABUR, S.L.	3,000	-	(215)	(957,465)	(617,918)	8,229,349	-	6,656,751
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	3,000	-	600	-	2,718,711	-	(2,000,000)	722,311
TURNKEY PROJECTS DEVELOPMENT, S.L.U. (now known as AEDAS HOMES COLMENAR VIEJO, S.L.U.)	3,000	-	(1,264)	(198,232)	(231,615)	334,600	-	(93,511)
WINSLARO ITG, S.L.	3,000	-	(371)	(641,478)	(615,792)	9,967,922	-	8,713,281
EGON ASSET DEVELOPMENT, S.L.U.,	3,000	-	(1,405)	(24,841)	(111,023)	172,400	-	38,131
URBANIA LAMATRA II, S.L.	3,000	-	(333)	(2,089,191)	(205,810)	21,044,900	-	18,752,566
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	3,000	-	(1,575)	(212)	(14,555)	21,500	-	8,158
AEDAS HOMES LIVING, S.L.U.	3,000	-	(1,402)	-	(14,965)	21,500	-	8,133
AEDAS ESTE, S.L.U.	3,000	-	-	(1,002)	(111,731)	9,715,600	-	9,605,867
DOMUS AEDAS RESIDENCIAL, S.L.U.	3,000	-	-	(80,635)	(95,369)	6,314,105	-	6,141,101
PROYECTOS INMOBILIARIOS ATRIA MADRID, S.L.	3,000	-	-	(92,840)	(153,725)	10,499,546	-	10,255,981
PROYECTOS INMOBILIARIOS LUCIDA NAVARRA, S.L.	3,000	-	-	(4,287)	(9,789)	1,772,448	-	1,761,372

PROYECTOS INMOBILIARIOS ALGEDI MADRID, S.L.	3,000	-	-	(7,882)	(237,178)	8,722,983	-	8,480,923
PROYECTOS BALMES 89, S.L.	3,000	-	-	(65,356)	(28,386)	2,329,121	-	2,238,379
AEDAS MUTILVA PROMOCIÓN, S.L.U.	20,000	-	-	(308,079)	(3,533)	510,000	-	218,388
DOMUS AVENIDA, S.L.	100,500	-	4,635	-	(4,908)	-	-	100,227
VARÍA ACR MÓSTOLES FUENSANTA, S.L.	2,775,000	-	-	(38,759)	1,389,026	-	-	4,125,267
ESPACIO ÁUREA, S.L.	723,000	1,160,000	219,078	(159,418)	(314,016)	1,360,000	-	2,988,644
ALLEGRA NATURE, S.L.	3,000	-	600	(5,902)	2,114,294	300,000	(2,000,000)	411,992
RESIDENCIAL HENAO, S.L.	42,000	-	-	(69,281)	2,845	4,303,550	-	4,279,114
ÁUREA ETXABAKOITZ, S.L.	40,500	-	-	(102,518)	1,471,637	-	(1,100,000)	309,619
RESIDENCIAL CIUADELA UNO, S.L.	152,118	240,000	-	(283,954)	(43,478)	7,049,482	-	7,114,168
NATURE ESTE, S.L.	386,000	-	-	(254,747)	16,900	6,736,407	-	6,884,560

(*) Unaudited figures, with the exception of the financial statements for the year ended March 31, 2023 of AEDAS HOMES OPCO, S.L.U. and DAMALANA SERVICIOS Y GESTIONES, S.L.U., audited by ERSNT & YOUNG, S.L., and the financial statements for the year 2022 of VARÍA ACR MÓSTOLES FUENSANTA, S.L., RESIDENCIAL HENAO, S.L. and ÁUREA ETXABAKOITZ, S.L., audited by KPMG Auditores, S.L., and those of ALLEGRA NATURE, S.L. and NATURE ESTE, S.L., audited by ETL Spain Audit Services, S.L. The financial statements for the year ended 31 March 2022 of AEDAS HOMES OPCO, S.L.U. were audited by ERSNT & YOUNG, S.L.

Appendix II - Fundamental annexes required according to the ESEF taxonomy and in accordance with the technical standard 32-60-254 developed by the European Securities and Markets Authority (ESMA) published on December 18, 2017:

Name of the reporting entity or other forms of identification	Aedas Homes, S.A.
Domicile of entity	Paseo de la Castellana, 130, Madrid (Spain)
Legal form of entity	Sociedad Anónima
Country of incorporation of the entity	Spain
Address of entity's registered office	Paseo de la Castellana, 130, Madrid (Spain)
Main center of activity	Paseo de la Castellana, 130, Madrid (Spain)
Description of the nature of the entity's operations and its main activities	<p>The corporate purpose of Aedas Homes, S.A., in its capacity as Group Parent, is to acquire, permit, manage, market and develop properties of any kind for holding, use, management, sale or lease.</p> <p>The foregoing activities may also be performed in whole or in part on an indirect basis through ownership interests in other companies with similar corporate purposes. To that end, the Parent may acquire, administer and sell securities of all kinds, including but not limited to, shares, convertible bonds and unitholdings of any kind. Appendix I of these notes itemises the activities conducted by the subsidiaries of Aedas Homes, S.A.</p>
Name of the Parent company	Aedas Homes, S.A.
Name of ultimate parent of group	Aedas Homes, S.A.

AEDAS
HOMES

FY 2022-23 Integrated Annual Report

CONSOLIDATED MANAGEMENT REPORT



Chairman's statement



Chief Executive Officer's statement



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Key figures

02
About AEDAS Homes

03
Financial performance

About this report

04
A year of creating value together

05
Towards sustainable construction

06
Corporate governance

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“

AEDAS Homes continues to make good on its commitment to being Spain's benchmark residential developer and has achieved the ambitious goals we set when we went public



Chairman's statement

Dear fellow shareholders:

Once again, I have the pleasure of presenting this year's Integrated Annual Report, which includes the company's most recent operating and financial figures, as well as an account of the progress we are making on the environmental, social, compliance and corporate governance fronts. Beyond providing our mandatory disclosures, we strive to outline what is inspiring us and moving us forward. Allow me to briefly summarise the efforts made in FY 2022-23 to achieve our business goals and lead the real estate sector in the transition towards a more sustainable future.

In our last fiscal year, which ran from 1 April 2022 to 31 March 2023, the company delivered a standout performance, generating €105 million in net profit, revenue of €920 million and FFO of €119 million. These figures confirm that AEDAS Homes continues to make good on its commitment to being Spain's benchmark residential developer, achieving the ambitious goals we set ourselves when we went public in 2017.

Despite the economic headwinds derived from the rise in interest rates and general economic uncertainty, the Spanish homebuilding sector had a solid 2022. The shortage of ready-to-build land, coupled with the return of international buyers seeking new-build homes in Spain, has kept the pace of sales buoyant, while prices, despite the gloomy forecasts, have continued to rise.



As we have been saying since the company's founding in 2016, homebuilders will not encounter the same fate in all markets, given that residential investment is concentrated in areas where demand, driven by demographic or economic factors, continues to grow — and this occurs in only a minority of markets. At AEDAS Homes we understand that making a strategic commitment to a narrow set of goals is the correct way forward. For this reason, we have continued to execute a very selective investment strategy, focusing on high quality, ready-to-build land in the six most dynamic areas of Spain.

Beyond meeting our business goals, at AEDAS Homes we are firmly committed to contributing to the 2030 Agenda for Sustainable Development, as a signatory to the United Nations Global Compact. To this end, we are fulfilling the environmental, social and corporate governance objectives set out in our ESG Strategic Plan 2021-2023, which will ensure that we become a leader in Spain in making the cities and regions where we operate more inclusive, safer, more resilient and more sustainable by 2030.

The fight against climate change is the central axis of our roadmap. By 2030, we intend to halve the carbon footprint of our developments and to achieve this, we are committed to using Modern Methods of Construction and sustainable

materials in our developments. This is why by FY 2023, 25% of the homes we deliver will be built offsite or incorporate a range of precision-built industrialised components, opening up a new path for the homebuilding sector.

Nothing we do is the product of a single individual. The AEDAS Homes teams across Spain undoubtedly play a leading role, but they are not the only participants driving this process. In order for us to multiply our positive impact and contribute to the sector's transformation, we rely on the collaboration of our shareholders, customers, partner suppliers and society in general. These groups helped us throughout the year to meet our goals, in a process of value co-creation that makes us more resilient. My most sincere thanks to everyone for their contribution.

Firstly, I would like to acknowledge the hard work and efforts of the 302 professionals that make up the AEDAS Homes team at our headquarters in Madrid and in our six Regional Branches. It is their talent and experience that helps us to build and improve the company day by day and serves as an inspiration to the rest of the sector to follow in our footsteps. In return, we offer our employees a stimulating working environment, which has been recognised by us as a Great Place to Work for two years running.

“

Beyond meeting our business goals, we're firmly committed to the 2030 Agenda. To this end, we are fulfilling the environmental, social and good governance objectives set out in our ESG Strategic Plan

“

We reward their loyalty attractive remuneration and have been recognised by our inclusion in the Ibex Top Dividend Index in 2023

Secondly, let me acknowledge our shareholders, who support our activity and incentivise us to continue our journey on the path towards sustainability. Our shareholders provide key support for our business and a spur for our sustainability thrust. We reward their loyalty with an attractive remuneration policy which every year translates into handsome yields, as borne out by our inclusion in the Ibex Top Dividend index in 2023.

Thirdly, our customers. Our focus on listening actively to what they want and need has been essential in the value creation process. In our interactions with our customers, we find our inspiration to innovate and improve the products we offer, and the services linked to them. Our commitment to personalisation, best embodied by our new flagship showroom, and the first sales closed 100% online, are a response to their aspirations.

Progress towards sustainable construction also requires the joint work of architecture firms, construction management and execution teams, construction companies and sales and marketing companies. These suppliers made it possible to deliver 3,544 homes to our stringent quality and safety standards. We want to continue to strengthen our relationship with them and, for this reason, we are working to build a Developer Operating System, which will fully integrate all the companies that participate in our developments.

Our responsible way of understanding residential development has also spurred us to get involved in one of the most pressing challenges facing Spanish society today: access to housing. Over the course of the year, we broke ground on almost 2,500 affordable rental units for the Plan VIVE scheme and we delivered 60+ affordable homes to customers. In addition, we have

contributed to designing the cities of tomorrow by participating in different sector forums, while lending our support to cultural, social and sports programmes in the communities where we operate.

This past year has been one of significant progress, carried out under the umbrella of an efficient and transparent governance model. AEDAS Homes, and of course, the Board of Directors that I chair, is deeply committed to the principles of good governance and strict compliance with the law, not only because it is our obligation, but because we are convinced that this way of doing things simply does not have a Plan B.

Many thanks,

Santiago Fernández Valbuena
CHAIRMAN OF THE BOARD OF DIRECTORS
OF AEDAS HOMES



Chief Executive Officer's statement

Dear friends of AEDAS Homes:

In FY 2022-23, we attained new milestones on our path to achieving our vision of being the benchmark in Spain's residential development sector by generating value for our shareholders and all our other stakeholders. Over the course of the year, we confirmed our ability to deliver strong results in times of economic uncertainty, and we demonstrated that environmental and social responsibility pays off.

In a year in which demand for housing normalised after the extraordinary boom experienced in the months after the pandemic, AEDAS Homes delivered 3,544 homes to private customers and institutional clients. This outstanding operating performance allowed us to generate revenues of €920 million and net profit of €105 million, with a gross development margin of 26.2% and adjusted EBITDA of €164 million.

Having fulfilled our annual strategic goals, at the upcoming Annual General Meeting in July the company will propose shareholder remuneration via dividends in line with last year's distribution; this remuneration will represent one of the highest yields on the Spanish stock market.

The company continues to enjoy a very solid financial position, with net financial debt of €297 million, implying a net debt-to-EBITDA ratio of 1.9 times and an LTV ratio of 14.2%. The current valuation of our landbank confirms the resilience of the land we have acquired in the past few years, standing at €2,088 million. In FY 2022-23, we continued to take a highly selective approach to investment, finalising investments totalling €140 million to acquire to develop an additional 1,428 homes and ensuring coverage of our delivery targets five years out.

The Company's financial statements reveal a Return on equity (ROE) of 10.8% and earnings per share (EPS) of €2.42, confirming the strength and reliability of our business model built on these pillars: sustainable homes designed for the way people live, selective investments in quality land, a decentralised and scalable structure, and innovation in construction processes and materials.



“

We've confirmed our ability to deliver strong results in times of economic uncertainty, and we've demonstrated that environmental and social responsibility pays off



Soul Marbella Sunrise (Marbella)

This model has allowed us to grow in a sustained, structured way since 2016 and has given us the ability to navigate successive episodes of economic uncertainty caused, first, by the pandemic, and now by the war in Ukraine and rising construction costs and interest rates.

In FY 2022-23, we maintained our focus on the mid-to-high segment of the market for our Build-to-Sell (BTS) business (sale to individuals), while we continued to expand our portfolio of Build-to-Rent (BTR) projects (sale to institutional investors for rent).

At the same time, our asset-light Real Estate Services division continued to gather momentum, participating in public-private partnership projects and providing high value-added development services to funds, institutional investors and family offices, so that they can invest in residential

development projects and leverage our platform's experience, market knowledge and execution capabilities.

As a result of our decision to diversify our business, our FY 2022-23 performance marks a true milestone in the residential development market in Spain in the current real estate cycle: delivery of 3,544 homes and total revenue of €920 million.

By lines of activity, we delivered 2,120 BTS units, at an ASP of €364k (up 8% over last year), generating BTS revenue of €772 million at a gross margin of 28%, and 610 BTR units (5 developments), at an ASP of €184k, generating €112 million in BTR revenue. Through our Real Estate Services division, we delivered a further 814 units which were developed as part of joint ventures or directly for third parties, generating income of €5 million from fees from

services and a margin of €3 million (59%). This asset-light division continues to grow and explore new business opportunities in niche markets such as senior housing or co-living.

At the end of March 2023, we had a total of 8,623 units on the market, 3,703 units forward sold in our orderbook, 5,740 units under construction, and 901 units completed. Our very high delivery coverage ratios of 75% for FY 2023-24 and 32% for FY 2024-25, resilient demand in the mid-high segment and the second home market, steady progress on construction work and a disciplined, highly selective investment policy give us full confidence in our ability to continue fulfilling our mid and long-term goals.

As Peter Drucker once wisely said, "the best way to predict the future is to create it", and that

is precisely what we did in FY 2022-23: lay the foundations for a sustainable future, in line with the United Nations 2030 Agenda and with the goals set out in our ambitious ESG Strategic Plan 2021-2023.

Let me take the opportunity to summarise our key advances in environmental, social and good governance matters.

At AEDAS Homes we have pioneered the use of Modern Methods of Construction (MMC) in large-scale developments in Spain. We believe that building offsite is the clear way forward if we want to build faster and build better. We must create a modern, efficient, competitive and sustainable construction industry which can reduce delivery times, costs and environmental impact while increasing safety. That's why by FY 2023, one quarter of the homes we deliver will be either fully or

“

We believe that building offsite is the clear way forward if we want to build faster and build better. That's why 25% of the homes we deliver by FY 2023-24 will be built fully or partially offsite

partially built offsite. Furthermore, last year, for the first time, we started building with cross-laminated timber at our Fioresta project, which will be the first of many.

Implementing MMC implies a sea change in the underlying construction model and contributes to our decarbonisation strategy, with which we intend to reduce emissions by 50% by 2030. Step by step, we are meeting and exceeding the environmental challenges that we have set out for ourselves. For example, this past year we carried out a Life Cycle Analysis (LCA) on 100% of our developments; 100% of the developments we finalised have their own Ecoliving@ seal or other accredited international seal; and 59% of the developments finalised this past year achieved an AA energy rating. We are convinced of the importance of alliances to deliver our objectives, and therefore we are working to reach agreements with different suppliers so that we can build homes with materials that have a low environmental impact, such as low-carbon concrete, 100% recycled aluminium and mass timber.

Innovation is the only way to lead the development sector towards sustainability. For this reason, we foster a culture of innovation among our 302 employees and collaboration with our stakeholders, without whom we would not be able to spearhead the sector's transformation. I'd like to take this opportunity to congratulate all the members of the AEDAS Homes team across Spain for contributing their ideas, talent and dedication to tackling this challenge.

An example of our employee-driven transformation culture is our innovative Developer Operating System, which will connect with the application programming interfaces (APIs) of our technical teams to integrate all the suppliers that participate in the development process. This innovative system, which covers all phases of the process, from the identification of a plot to the delivery of post-sales services, will allow us to automate and synchronise critical business data and processes in real time, forever changing the way of working in the real estate sector and maximising the efficient use of our resources.

Other successful initiatives stemming from our culture of innovation include the creation of a personalisation team, which allows us to adapt each home to an individual customer's life goals; the inauguration of our flagship showroom in Madrid, where customers can enjoy an immersive experience and choose the materials and finishes of their new home; and the launch of a pilot project to sell developments 100% online. These are just some examples of the top-notch work done by our team to improve our customers' journey.

The involvement of the people who make up AEDAS Homes is also decisive in our positive impact on society. In addition to contributing to progress by generating in the neighbourhood of 9,000 jobs indirectly, purchasing €431 million from suppliers and collecting €113 million in taxes, at AEDAS Homes we support initiatives for access to housing. An example of this commitment is our active

participation in the Community of Madrid's Plan VIVE initiative, where we are managing the development of 3,600 affordable rental homes through a public-private partnership.

Likewise, our social efforts are also focused on the communities in Spain where we operate. In the past year, we once again demonstrated our support by sponsoring 18 local sports teams, participating in seven social action initiatives, and through our innovative ConLasArtes by AEDAS Homes programme.

Finally, I would like to highlight the strength of our corporate governance system, which is now backed by the UNE 19601 Management System for Criminal Compliance.

I invite you to continue reading and learning more about how the AEDAS Homes team has contributed to innovation, collaboration and shared value over the last 12 months.

Thank you for putting your trust in us,

David Martínez
CEO OF AEDAS HOMES





Key figures

AEDAS Homes at a glance



A look back at the last 12 months



Milestones 2022-2023



AEDAS Homes at a glance

AEDAS Homes S.A. is a next-generation residential developer that leverages innovative construction methods and services to offer comfortable and environmentally-friendly homes designed to make people's lives better. Headquartered in Madrid and present in Spain's six most dynamic housing markets, its shares have been traded on the Spanish stock exchange since 2017.

* According to ASPRIMA, 2.4 jobs are indirectly created for every new-build home produced. This figure is calculated multiplying the ratio of 2.4 by the number of units finalised in a fiscal year, and encompasses our BTR, BTS and Services lines.

Key metrics

AS OF 31 MARCH 2023

GROSS ASSET VALUE (GAV)

€2,088m

INDIRECT JOBS CREATED

8,990*

LAND BANK
DEVELOPMENT CAPACITY

**15,255
homes**

REVENUES

€920m

EMPLOYEES

302

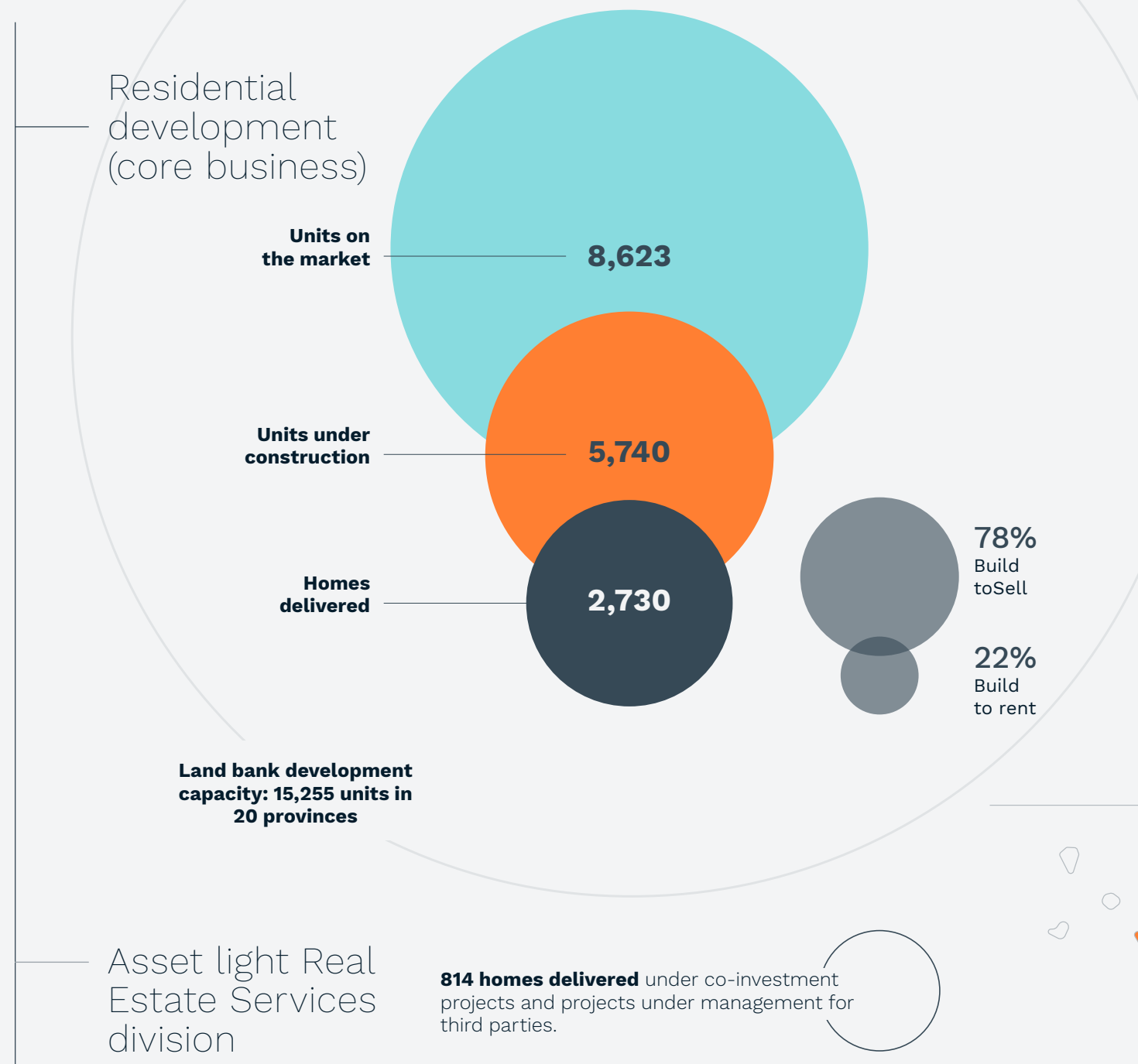
MARKET CAPITALISATION

€609m

PRESENCE

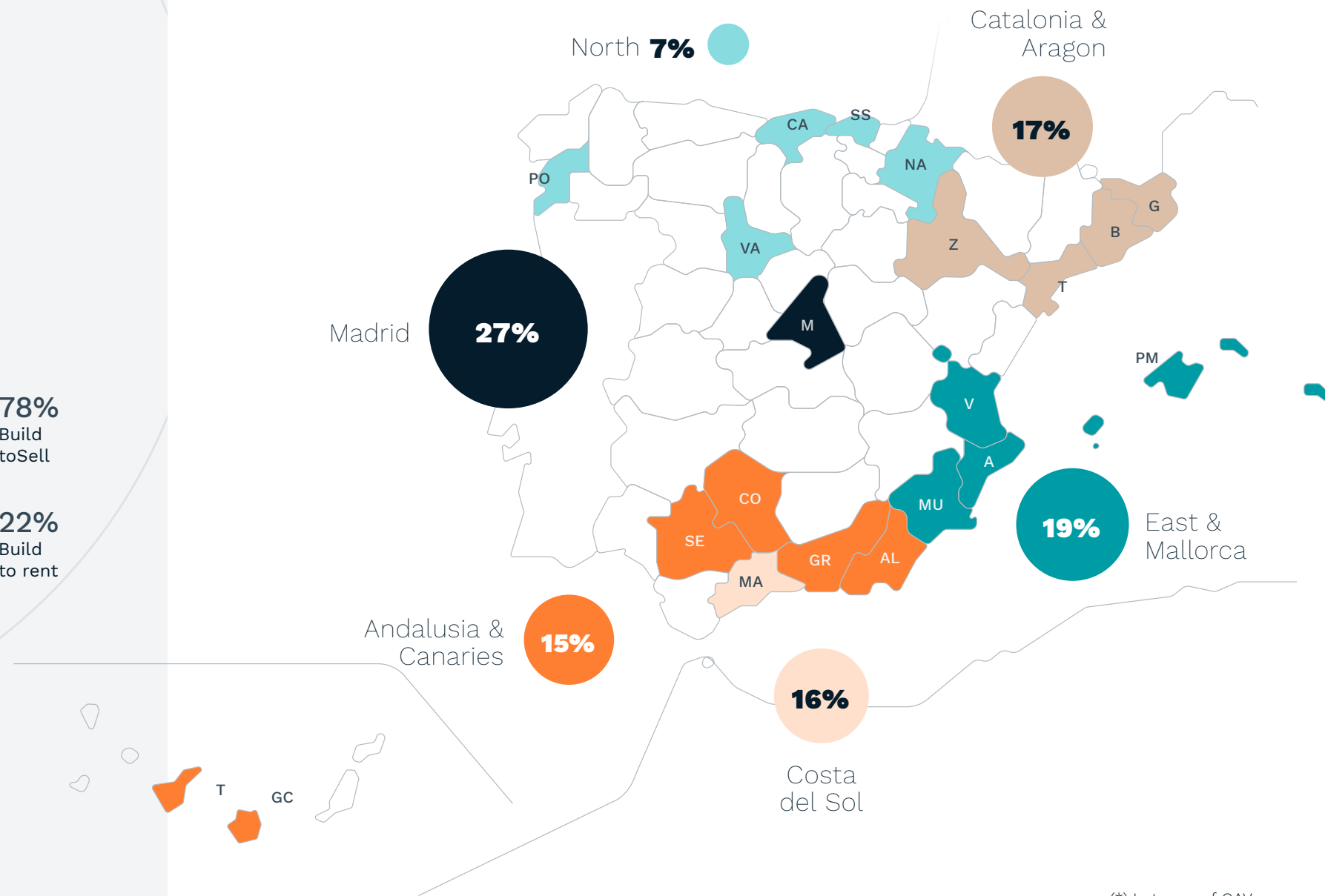
**20 provinces
60+ municipalities**

Business lines



AEDAS Homes footprint*

At 31 March 2023

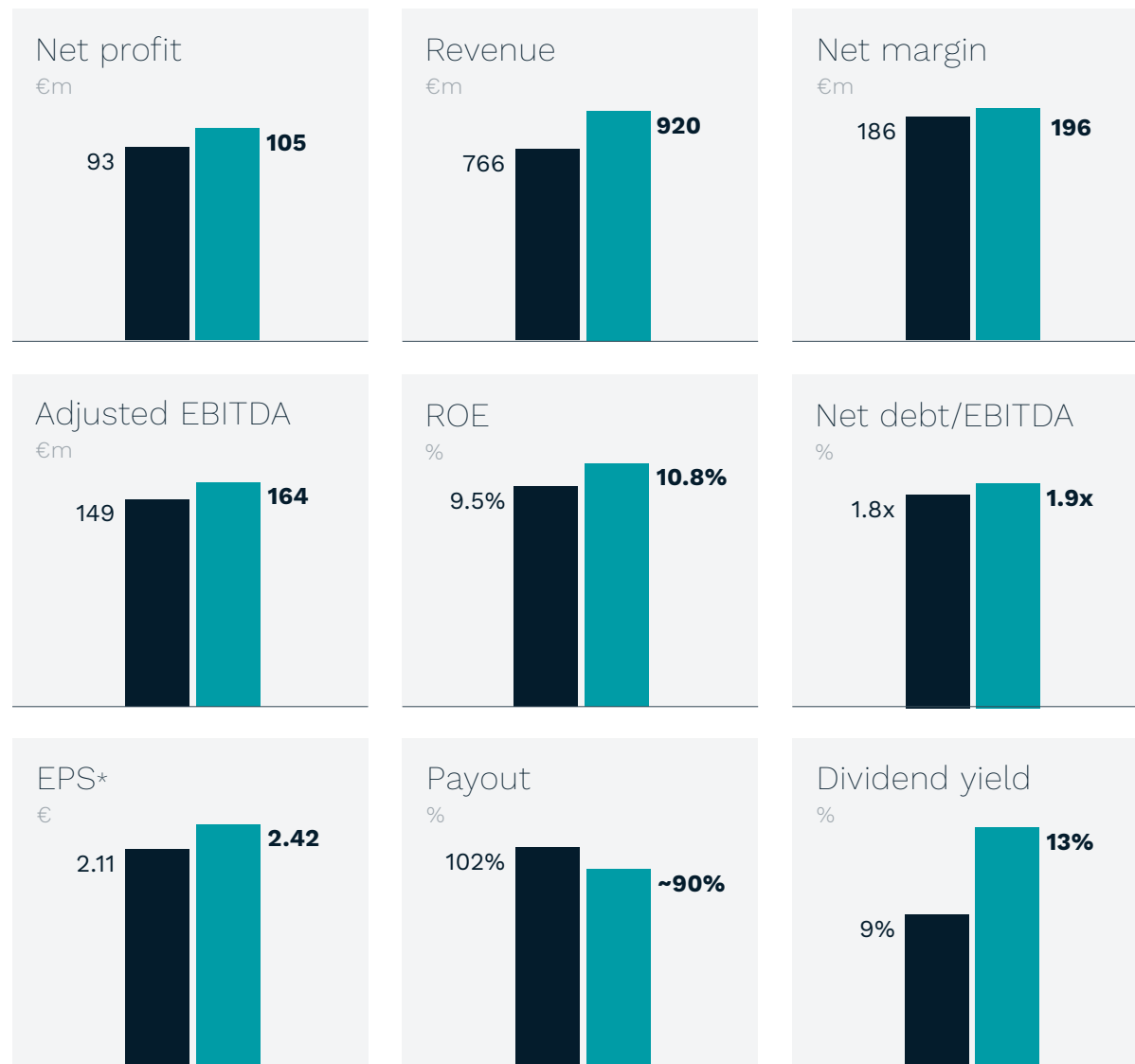


(*) In terms of GAV.

A look back at the last 12 months

2021-2022 ■ 2022-2023 ■

Key financial indicators



Key business indicators at year-end



AEDAS Homes delivered €105 million in net profit, having generated €920 million in revenue and delivered 3,544 homes

(*) Diluted earnings per share
 (**) In FY 2021-22, 2,257 BTS+BTR units were delivered and 148 units were delivered through the Real Estate Services division, whereas in FY 2022-23, 2,730 BTS+BTR units were delivered, and 814 units were delivered through the Real Estate Services division.
 (***) Total includes new land investments finalised in the fiscal year as well as committed investments (purchase options)

Partnering up
to create value



Shareholders

€103m
in dividends paid out

€50m
New share buyback
approved

>100 reuniones
with analysts and investors

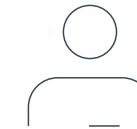


Customers

New flagship showroom
1,300 m²

Versus last year, average ticket
**for customisation
options tripled**

**Selling homes
100% online**
in 2 developments in Alicante
and Madrid



Employees

**Great Place to Work
certification**

for the second year running

**Variable compensation
scheme** tied to achievement of
sustainability metric

Eight measures
to promote health and safety

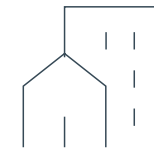
**Two initiatives to
foster young talent**
for recent graduates



Suppliers

€431m
paid to suppliers

300+ assessments
of critical suppliers



Community

€113m
in taxes collected

**7 social action
projects**

18 sports sponsorships

ConLasArtes Awards
in 10 municipalities

Environmental achievements

Sustainable construction

Life Cycle Assessments (LCA) carried out on **100% of completed developments**

59% of completed developments boast **AA energy ratings**

Recycling facilities installed at 39% of completed developments

37% of completed developments equipped with **sustainable drainage**

Key environmental indicators at AEDAS Homes

147,279 tCO_{2e}
Scope 1 and Scope 2 emissions

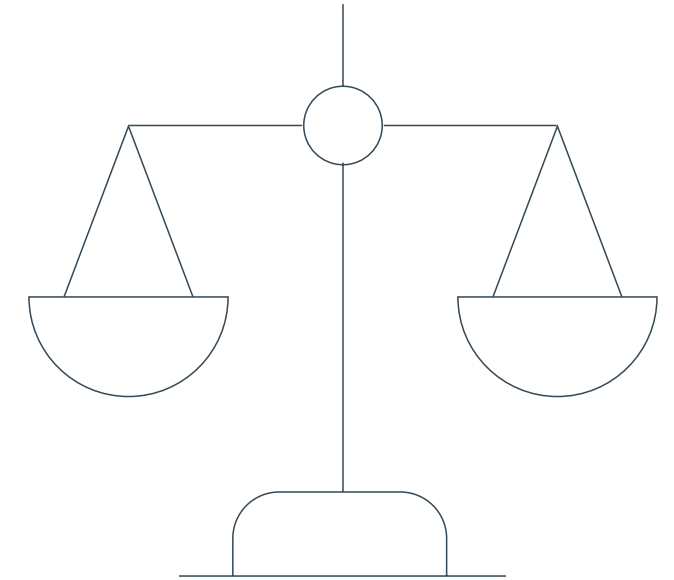
314,742.3 kWh
of electricity consumed

1,301.38 m³
of water consumed

30,126.11
litres of fuel consumed

4,643 kg
of paper waste generated

66.5 kg
of toner waste



Corporate governance indicators

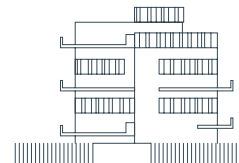
UNE 19601
Management System for Criminal Compliance

2 new corporate policies defined

0 enquiries received through Whistleblowing channel

Milestones

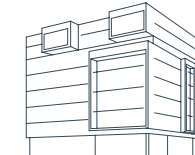
2022



Gazmira

April

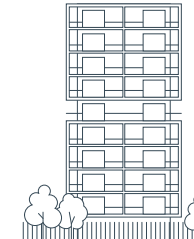
AEDAS Homes demonstrates its commitment to innovation in construction at REBUILD 2022



Comte

May

Board approves headquarters move to Paseo de la Castellana, 130 in Madrid
AEDAS Homes' second Charity Challenge raises €25,000 for the Red Cross' care programme for hospitalised children



Patmos

June

Inauguration of AEDAS Homes' flagship showroom in Madrid

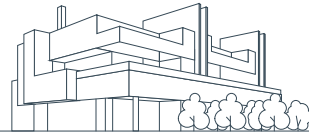


July

Payment of a final dividend of €1.34 per share from FY 2021-22 earnings
5th annual AEDAS Homes Architects Gathering, attended by ~100 professionals



Eida 1

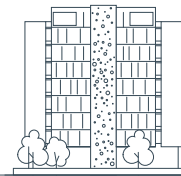


August

Construction starts on Fioresta in Alicante, the company's first development built using mass timber



Carreres



October

Compliance management system certified under UNE 19601
First development marketed 100% online in Alicante
Agreement with Iberdrola for the creation of sustainable homes in Community of Madrid



Tables 1



November

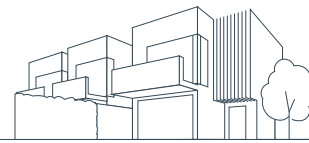
Construction starts on 1,400+ affordable rental units under the Community of Madrid's Plan VIVE



Leyster



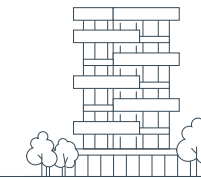
2023



Idilia Meraki

January

Homes sold by AEDAS Homes to individuals since its creation hit the 10,000 mark
AEDAS Homes revolutionises the housing market by selling its Aborda (Valencia) development exclusively online
Cervantes Sports Prize for the Best Company in Alcalá de Henares
AEDAS Homes and Pamplona launch an international urban sculpture contest under the umbrella of ConLasArtes



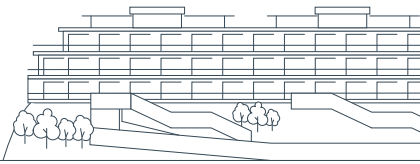
Tarsia

March

AEDAS Homes endorses the Generation & Talent Observatory's Business Network and Code of Generational Diversity Practices
Distribution of an interim dividend of €1.00 per share from FY 2022-23 earnings



Idilia





About AEDAS Homes

Our Background



Our lines of business



Our business model



Committed to sustainable development



Our strategy



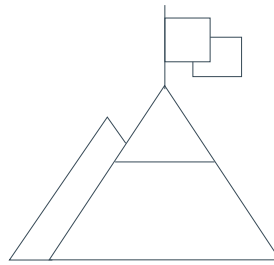
Our background

We are a next-generation, people-focused homebuilder and a benchmark in the Spanish development sector, having delivered 9,000+ homes since our founding 2016. With a strong presence in Spain's most dynamic markets, we currently have 8,600+ units on the market 5,700+ under construction and a land bank with a development capacity for 15,200+ homes. We boast an extraordinary team of 300+ professionals, and we generate approximately 9,000 indirect jobs in a range of areas.



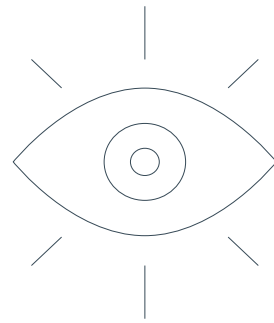
Dos Hermanas Centro (Dos Hermanas)

Corporate culture



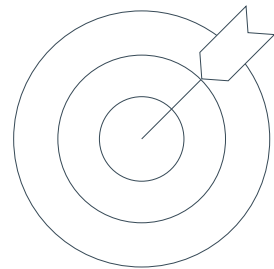
Mission

To develop high-quality, sustainable homes designed for comfortable living—homes which make our investors, employees and suppliers proud.



Vision

To be the benchmark in the residential development sector for our professionalism and ability to create innovative and sustainable solutions tailored for our customers' chosen lifestyles.

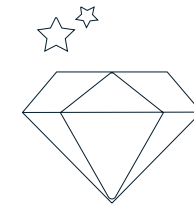
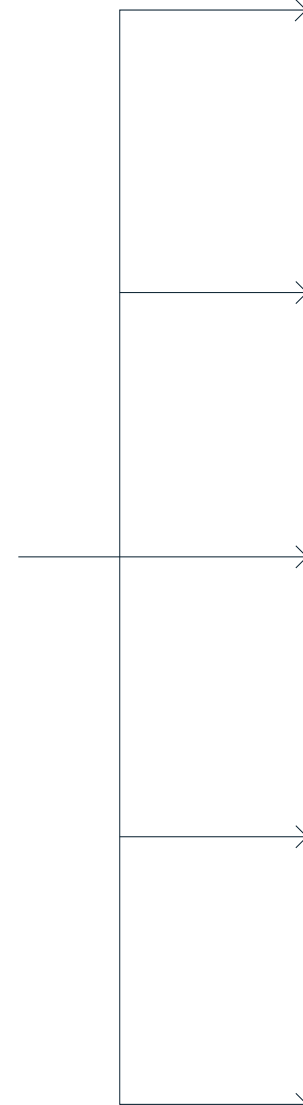


Purpose

To create places to live that maximise our customers' wellbeing.

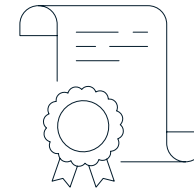


Values



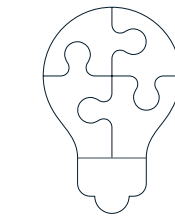
Passion

We are passionate about homes and we love to make people happy, which is why we never settle.



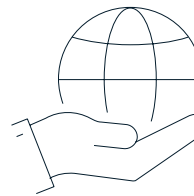
Excellence

We strive for excellence by paying close attention to the details.



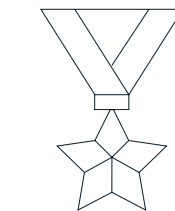
Creativity

We resolve the challenges we face in creative, innovative ways, ensuring that we deliver the best possible results.



Integrity

We are guided by strong principles and treat our customers, employees, partners and shareholders with the utmost respect.



Resilience

We have the ability to overcome adverse circumstances and adapt to change.

History

2013

- Castlake, AEDAS Homes' majority shareholder, acquires a portfolio of real estate assets

2013-2015

- Castlake focuses its acquisitions on A++ rated sites and invests land in the five Spanish regions presenting strongest demand
- The Castlake team identifies the opportunity to build a professional development firm and embarks on a search for top talent

2016

- AEDAS Homes is set up as a residential developer run by a team with a proven track record in the sector

2017

- AEDAS Homes breaks ground on approximately 1,700 units across 34 developments in five regions of Spain
- The company grows its landbank by around 2,000 units in Madrid and other areas
- AEDAS Homes goes public and its shares begin to trade on the Spanish stock market

2018

- AEDAS Homes beats expectations by putting 4,000 units on the market and acquiring land with a development capacity for 2,600 additional units

2019

- First agreements signed with institutional investors to develop turnkey rental projects (BTR)
- First agreement to set up a joint venture for co-investment in strategic land

2020

- Successful Covid-19 contingency plan with 2,480+ homes pre-sold despite lockdown

2021

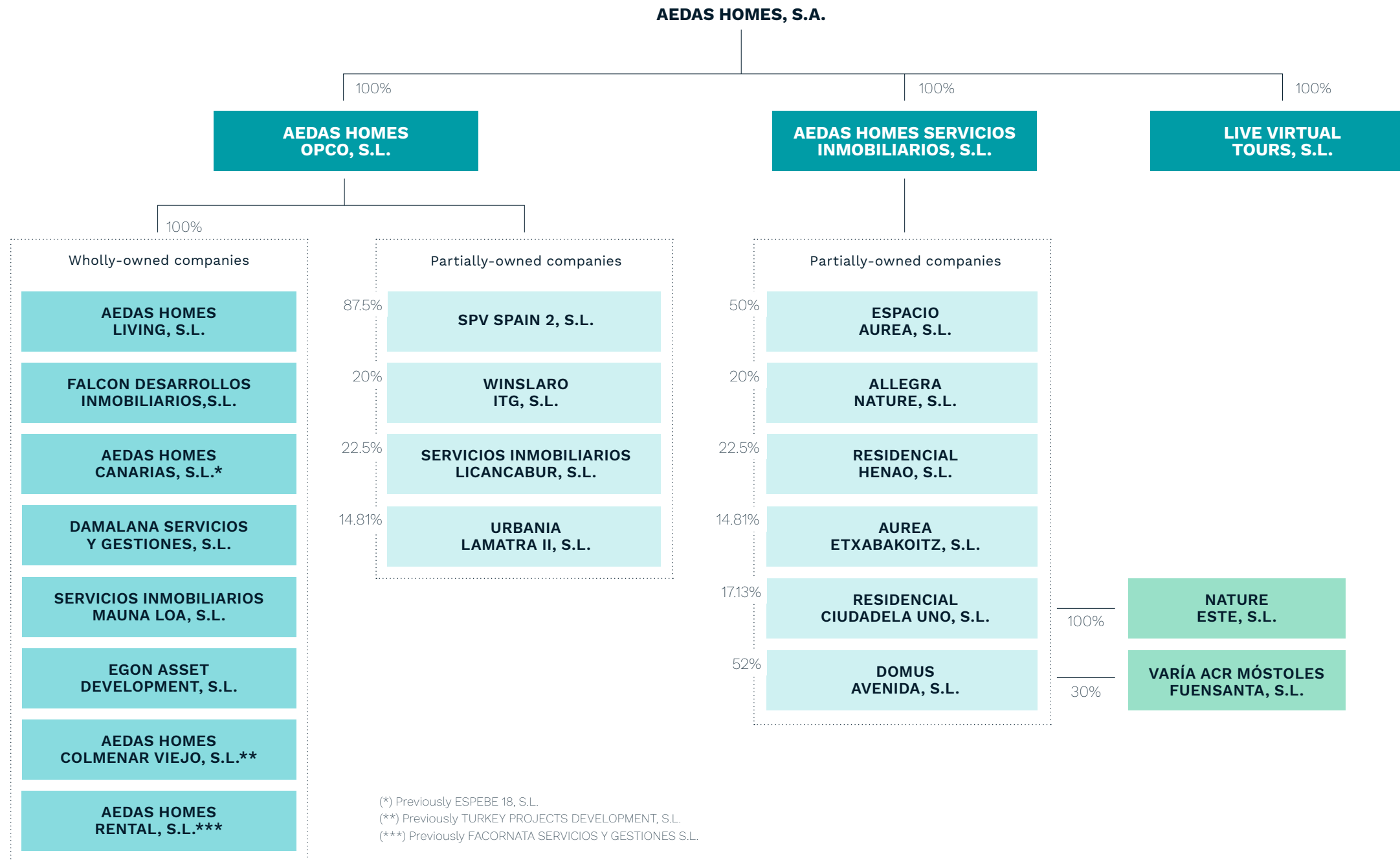
- Sale of 655 BTR units to institutional investors
- Investment in land for 1,945 additional units
- Approval of the ESG Strategic Plan 2021-2023
- Issuance of €325m of green bonds due in 2026
- Acquisition of Aurea Homes and creation of Real Estate Services division

2022

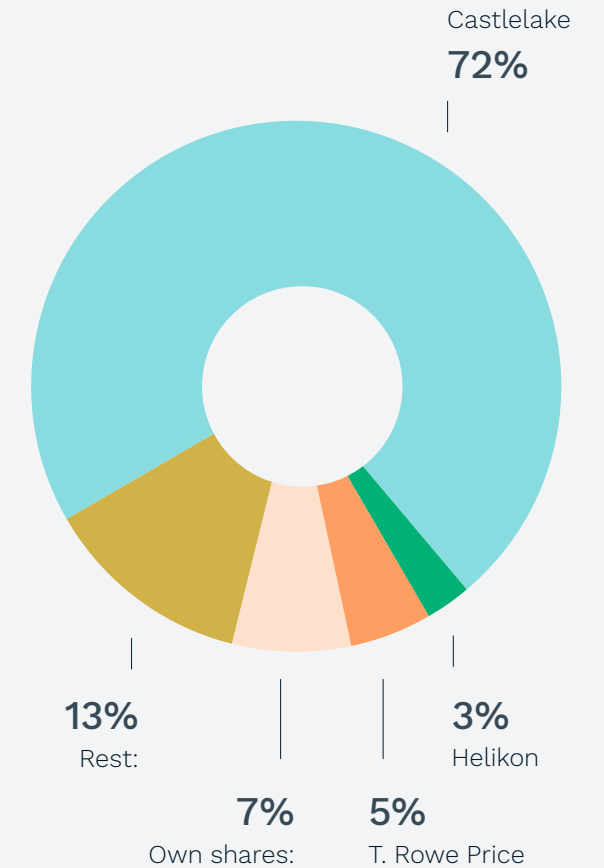
- New asset-light Real Estate Services division announced, with 4,700 units in co-investment projects and projects under management for third parties

Corporate and shareholder structure

Corporate structure



Shareholder structure

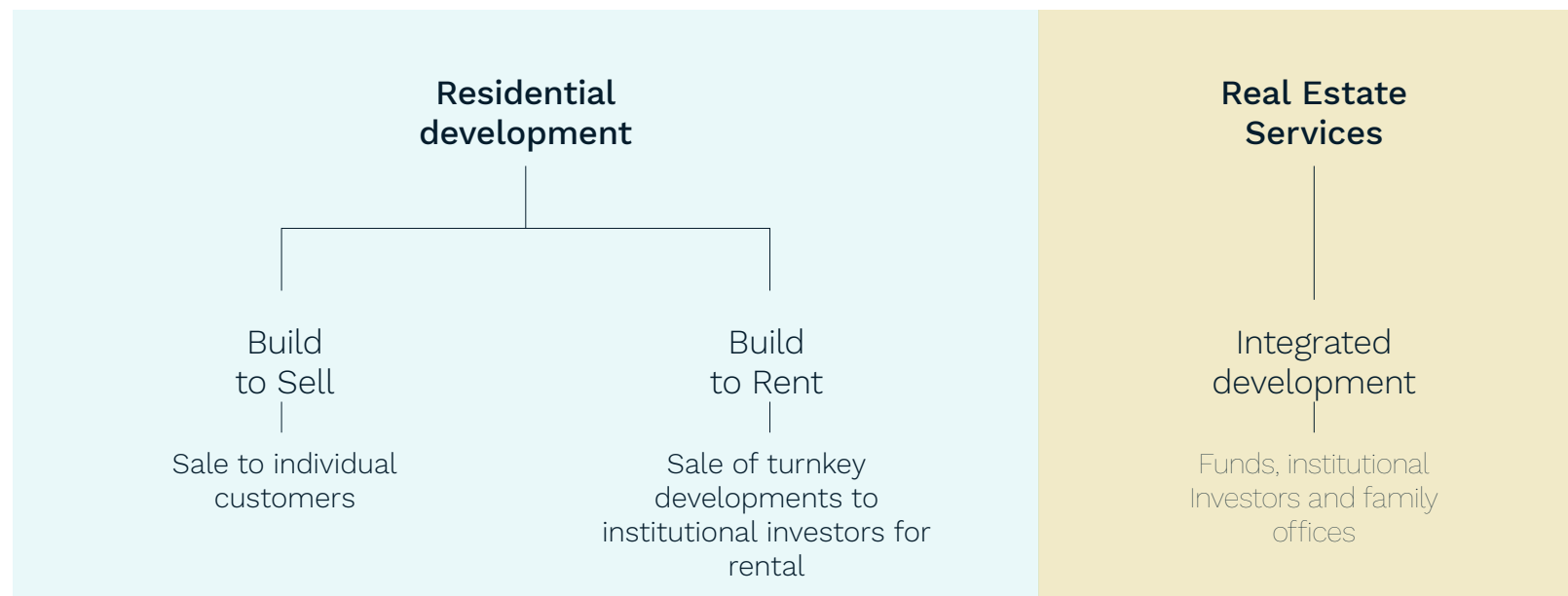


+ For more information, refer to "Our shareholders, key support for our business"

Our lines of business

At AEDAS Homes we have two lines of business: residential development and an asset-light Real Estate Services division. Our core development business, Build to Sell (BTS), focuses on the development of multi-family and single-family homes for sale to individuals, and we also develop turnkey Build-to-Rent (BTR) projects for institutional investors. Complementing that core business, AEDAS Homes also provides value-adding, end-to-end development management services, advising a range of clients on how to manage their real estate activities efficiently, profitably and with delimited risk.

Business lines



Gazmira (Las Palmas de Gran Canarias)

Residential development

Developing homes lies at the heart of what AEDAS Homes does. Our core business activity spans every phase of the development process, from land acquisition, to design and construction, marketing and sales and the provision of after-sales service.

AEDAS Homes development process



Our Regional Branches search for high-quality sites in the most in-demand locations across the company's six regions.

- 96% of deal flow is off-market, with no competitive bidding.
- 100% of the land purchased is fully permitted for residential use and 90% is ready-to-build.
- All land investments must meet a hurdle rate of 20% net development margin.
- The purchase process usually takes around eight weeks.

Our designs are articulated around our target customer profile and quality standards.

- Detailed studies are undertaken to identify potential buyers.
- Our technical and design specifications are set down in our White Book and Green Book.
- We select renowned architects to ensure top-quality developments.

We combine our sales teams' know-how with a powerful online marketing strategy.

- Nationwide marketing and sales platform.
- Solid sales strategy underpinned by a powerful CRM configured to capture potential customers and convert early contacts into sales.
- Separate dedicated Build-to-Rent (BTR) sales channel for targeting institutional investor demand for turnkey developments.

We get directly involved in supervising and overseeing outsourced construction work.

- Each Regional Branches manages their pool of suppliers and contractors, with support from headquarters.
- Our pool of contractors has been selectively built up over several years to reduce risks.
- Continuous improvement via the implementation of Modern Methods of Construction (MMC).

We offer after-sales service for up to 12 months after the sale closes.

- Production personalisation and interior design services.
- We also offer customers assistance with their moves and utilities on advantageous terms.



Business lines by customer type

Depending on the target customer, we distinguish between two segments within our core business:

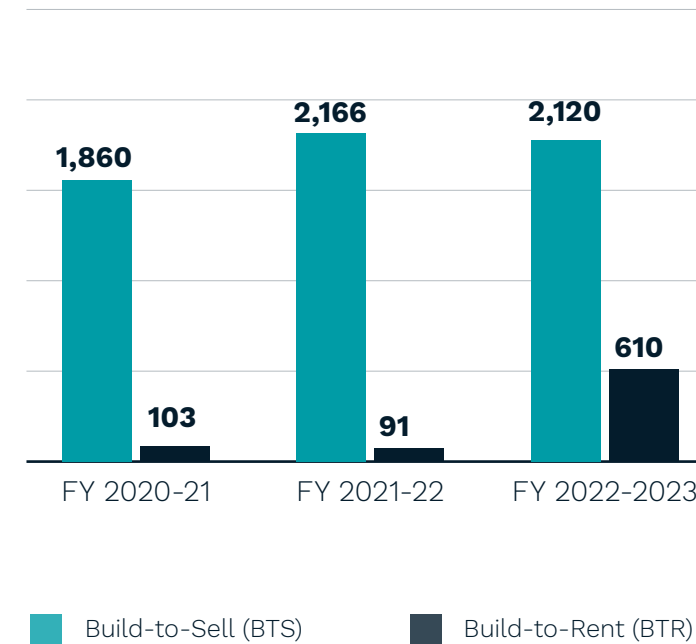
- 1. Build-to-Sell (BTS):** focused on multi-family and single-family developments for retail customers buying homes for their personal use and enjoyment or as an investment.
- 2. Build-to-Rent (BTR):** development of turnkey multi-family projects for institutional investors, designed specifically for the rental segment.

Although the BTS segment constitutes our core business, the weight of the BTR segment has been slowly increasing since this line was launched in 2019.

The simultaneous development of BTS and BTR projects accelerates asset monetisation and reduces sales risk.

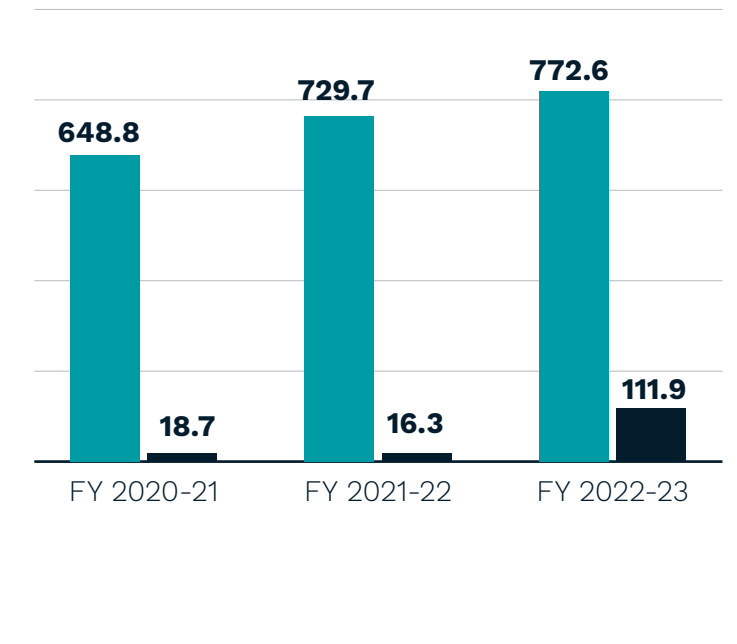
Trend in homes delivered, BTS VS. BTR

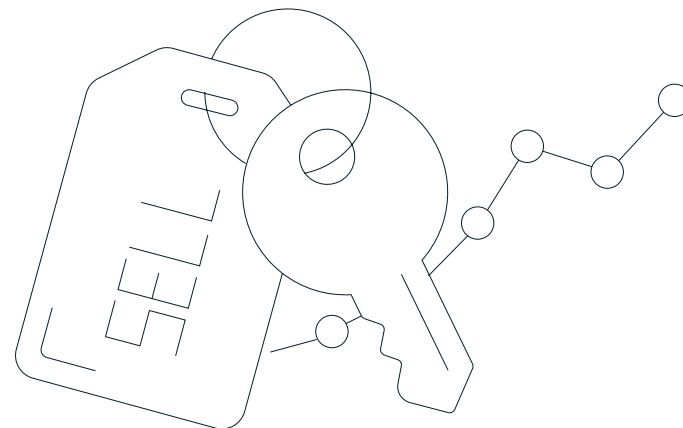
In units



Trend in revenue, BTS VS. BTR

€ m





Build-to-Sell (BTS) line

Our residential developments are concentrated in regions presenting strong and tangible demand fundamentals. We build well-designed, sustainable, modern and innovative homes for people in the mid to upper income brackets who are able to absorb possible price or interest rate increases, such as those encountered in the past year.

In FY 2022-23, we put 62 BTS developments with a total of 3,375 BTS units on the market.

We delivered 2,120 homes to retail customers, and at year-end, we had 9,912 active BTS units, of which 2,127 were in the design phase, 7,580 were on the market, 5,041 were under construction and 901 were completed.

Key metrics in the BTS line		
(units)	2021-2022	2022-2023
Deliveries	2,166	2,120
Net sales	2,885	2,143
On the market	6,325	7,580
Order Book	3,113	3,136
Under construction	4,344	5,041

Build-to-Rent (BTR) line

Since 2019, we have been developing homes for institutional investors in the Private Rented Sector (PRS).

This business line addresses demand from a broad and diverse group of Spanish and international institutional investors, on the one hand, and demand from society, which is looking for more and better rental options under professional management.

Since launching our BTR line, we have delivered seven turnkey rental developments with a total of 804 units in Torrejón de Ardoz (Madrid), Seville, Alcalá de Henares, El Cañaveral (Madrid), Patraix (Valencia) and L'Hospitalet de Llobregat (Barcelona). At present, we have four additional turnkey developments with a total of 567 units currently under construction for delivery to different institutional partners in the coming years.

In FY 2022-23, we delivered five turnkey developments with a total of 610 homes to Azora, Grupo LAR and Primevest. We also signed a sale-purchase agreement with Azora for a 184-unit turnkey development in Alcalá de Henares.



Key metrics in the BTR line		
(units)	2021-2022	2022-2023
Deliveries	91	610
Order Book	1,142	567
Under construction	993	699

Land bank with potential for 15,255 homes

Property development needs to be underpinned by an astute land investment and management policy. Framed by stringent profitability, planning status and location criteria, we have built up the highest quality land bank in Spain with the potential to develop 15,255 homes across six Spanish regions.

At 31 March 2023, the Gross Asset Value (GAV) stood at €2,088 million, while the Gross Development Value (GDV) stood at €5,805 million.

Nearly all of the land - 90% - is ready-to-build, which reduces regulatory risks and adds to the land's value.

73% of the land bank is already active (either at the design, marketing or construction phase), lending very significant visibility to our ability to deliver our targets over the next five years.

Our Regional Branches are in charge of sourcing and proposing land acquisition transactions, which then have to be approved by our Investment Committee, as well as securing the building permit from the local authority.

AEDAS Homes landbank at 31 March 2023

1 Madrid

Units	3,786	25%
GAV* (€m)	561	27%
GDV* (€m)	1,682	29%

3 East & Mallorca

Units	3,111	20%
GAV* (€m)	399	19%
GDV* (€m)	1,022	18%

5 Costa del Sol

Units	2,211	14%
GAV* (€m)	326	16%
GDV* (€m)	1,158	20%

2 Catalonia & Aragón

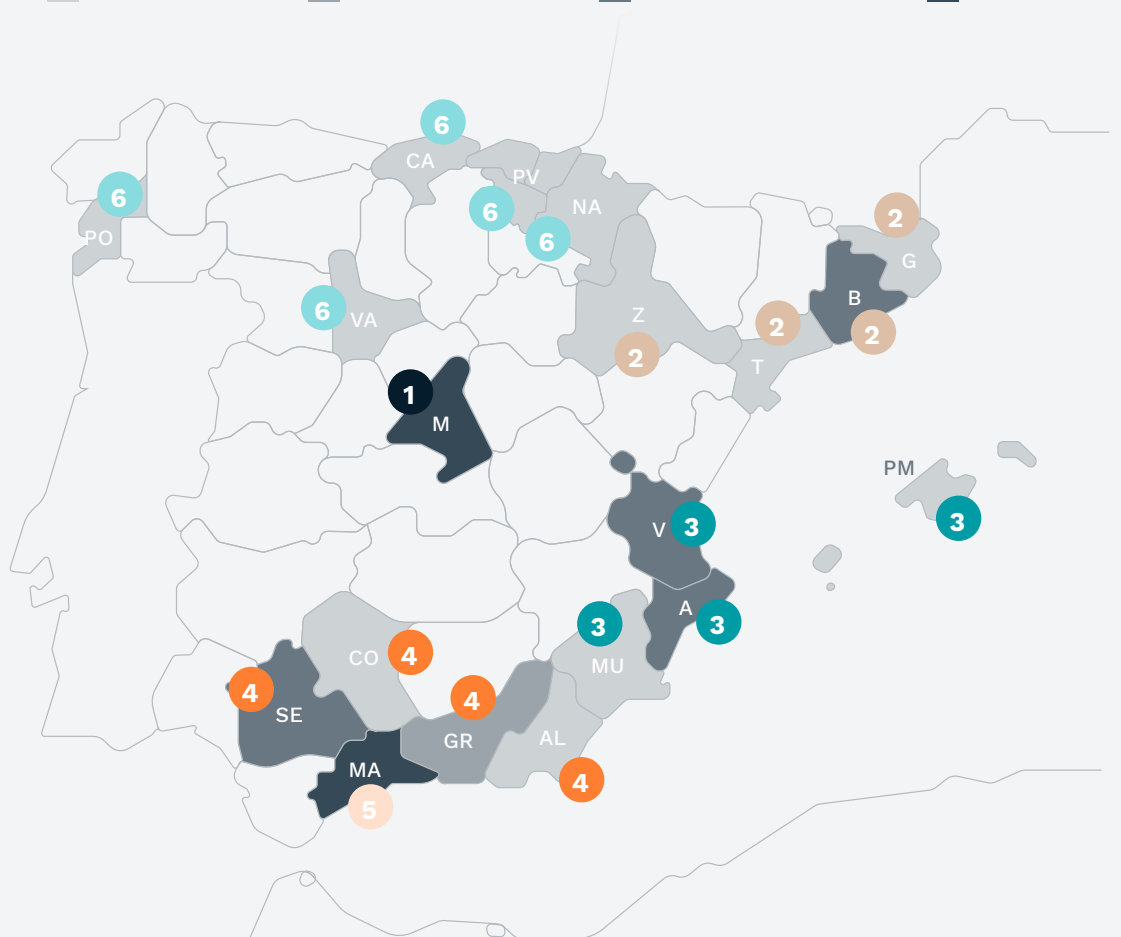
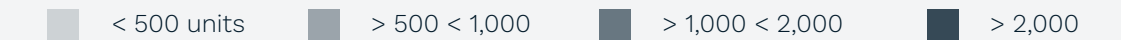
Units	2,222	15%
GAV* (€m)	345	17%
GDV* (€m)	821	14%

4 Andalusia & Canarias

Units	3,071	20%
GAV* (€m)	306	15%
GDV* (€m)	827	14%

6 North

Units	854	6%
GAV* (€m)	151	7%
GDV* (€m)	295	5%



(* EL GAV and GDV figures exclude committed investments (purchase options for 496 units) as of March 2023 close. Please note that these 496 units are included in the landbank total of 15,255 units.

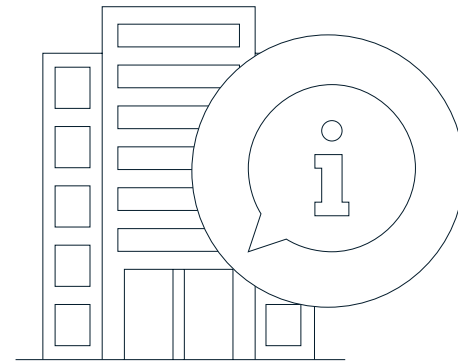
Asset-light Real Estate Services line

Our asset-light Real Estate Services business line consists of the provision of value-added services to institutional funds and investors to support their real estate activities by leveraging our experience, market know-how and execution capabilities, with the ultimate aim of generating high returns while minimising risks.

This new business line was announced in early 2022 with the goal of adding a new revenue stream and bolstering the company's return on equity.

After one year in existence, our team of 10 professionals is already managing more than 30 developments spanning over 4,000 homes with an investment value of more than €400 million. This business is set to grow in the coming years.

Depending on AEDAS Homes' financial role, there are two types of project:

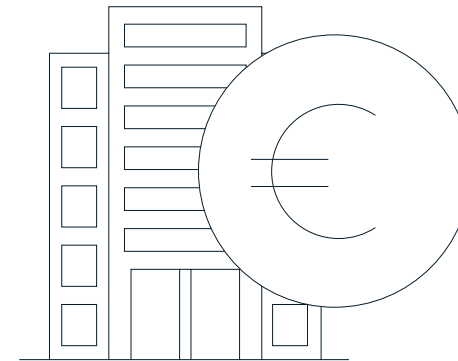


Without co-investment

Here we provide real estate services without investing any capital in their development. We advise our customers and manage their property developments end to end, from business generation to development through completion and commissioning.

The two most important projects encompassed by this business line are:

- Project structuring management for the holder of the concession to operate 23 developments under Madrid's affordable rental housing project, Plan Vive, implying the construction of 3,600 homes for rental at affordable prices. By year-end, construction had begun on 2,497 units, specifically on the following plots: Madrid-Valdebebas (3), Alcalá de Henares (2), Colmenar Viejo (2), Getafe (1), Tres Cantos (1), Torrejon (1) y Alcorcón (4). We structured the transaction from the outset as well as acting as project manager for the public land concessionaire, Avalon Properties, in collaboration with the appointed developer, San José Constructora.
- End-to-end management of the 375-unit development in Cañaveral in Madrid for Azora, which plans to rent the units out once delivered.



With co-investment:

Here we draw the interest of financial investors looking to invest in BTS or BTR developments, putting up some of the capital required. Our financial contribution in these projects tends to be around 20%, albeit varying from one development to the next.

In these projects we provide integrated development management services including lead generation, transaction analysis, permitting, administrative management, sales and marketing, construction through delivery and after-sales services.

This business line allows us to explore opportunities emerging in the residential space such as urban regeneration and new living arrangements, investing alongside the lead investors and thus leveraging third-party equity.

The residential developments we co-invest in may therefore benefit from complementary sources of financing, including greater scope for bank financing.



Lambot (Madrid)

+ **For further information, refer to “Contribution to affordable housing”**



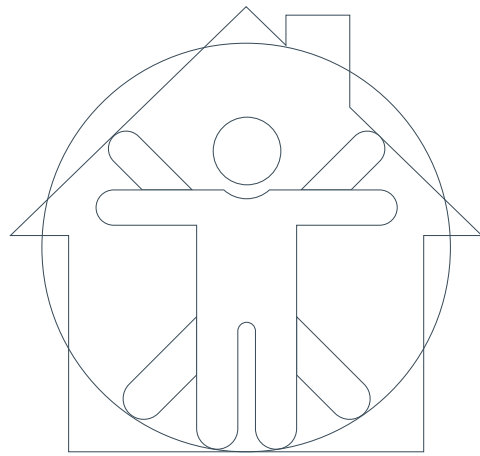
Our business model

We have articulated our business model around five pillars which allow us to adapt to different scenarios and generate value for our shareholders and other stakeholders.



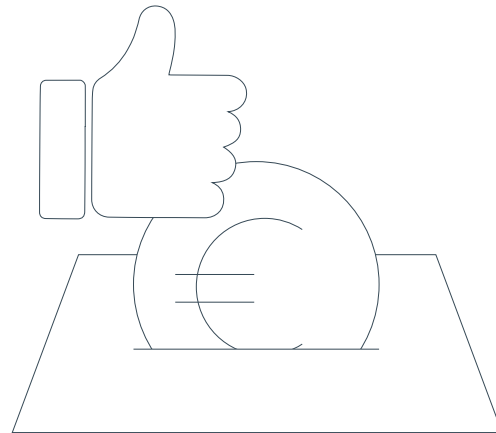
Business model pillars

Sustainable, people-focused homes



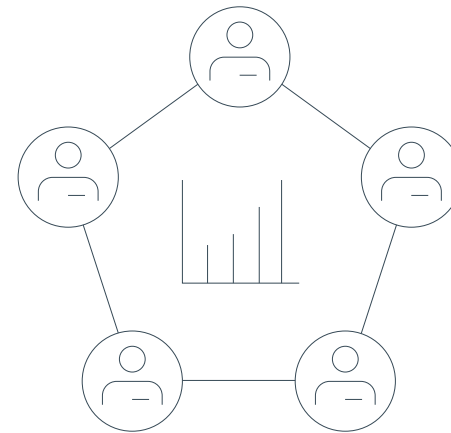
- Designs drafted with individuals and their wellbeing in mind.
- Retail customers with mid to upper income levels.
- In-depth market studies for optimal product definition.
- Innovative use of technology at all customer touch points.

Selective investment in quality land



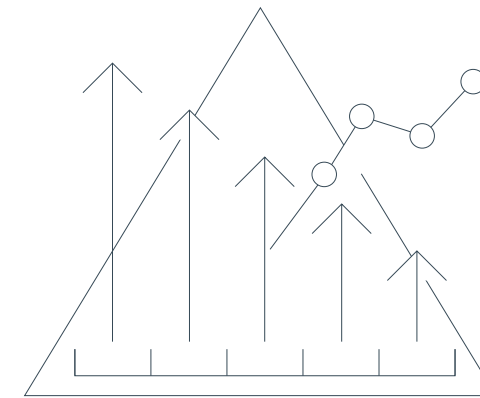
- Concentrated in areas with proven, long-term demand fundamentals.
- Regional experts with deep knowledge of their local markets.
- Centralised due diligence, negotiations and closings.
- Ability to originate, analyse and execute opportunities of varying sizes.

Decentralised and scalable management



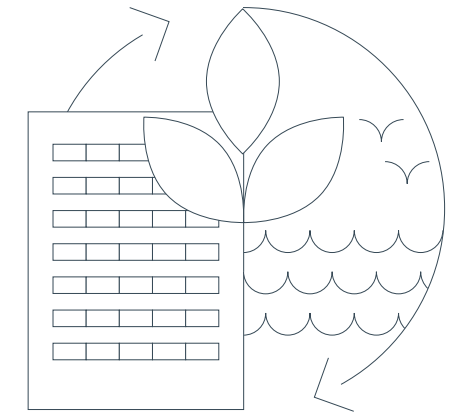
- Nimble and flexible organisational structure.
- Regional teams with rich experience so as to leverage local know-how.
- Centralised supervision with key functions performed in-house.
- Design, sales and construction outsourced to trusted partners.
- Limited fixed-cost base.

Bottom-up approach



- Risk control via investment/project management.
- Continuous fine-tuning of the capital structure.
- Responsibility: results-oriented remuneration.
- Focus on preserving margins and ROE.

Innovation inspired by sustainability ambitions



- Implementation of modern methods of construction in our developments, which means building partially or fully offsite
- Use of environmentally-friendly materials.
- Process digitalisation.

Sustainable people- focused homes



The homes we build focus on the people who are going to live in them and respect for the environment. Our residential buildings are characterised by modern and balanced architecture that look good and perform better.

Our homes are characterised by flexible layouts and are designed for intense use during their entire life cycles and to facilitate the lifestyles and comfort of all kinds of people throughout their lives. We care about people's health and wellbeing, which is why we pay special attention to noise, temperature and light comfort. We create homes that connect with nature through large windows and spacious balconies that look out onto meticulously landscaped gardens.

We target our homes at the mid to upper segments of the market and we deliver what our customers want. Our customers know precisely what they are looking for because an AEDAS House home is typically not their first home. They are perfectly capable of identifying what sets the homes we build apart. They expect very high quality specifications across the core aspects of the value proposition, as well the scope for personalisation. They are environmentally conscious and appreciate the advantages of an energy-efficient home.

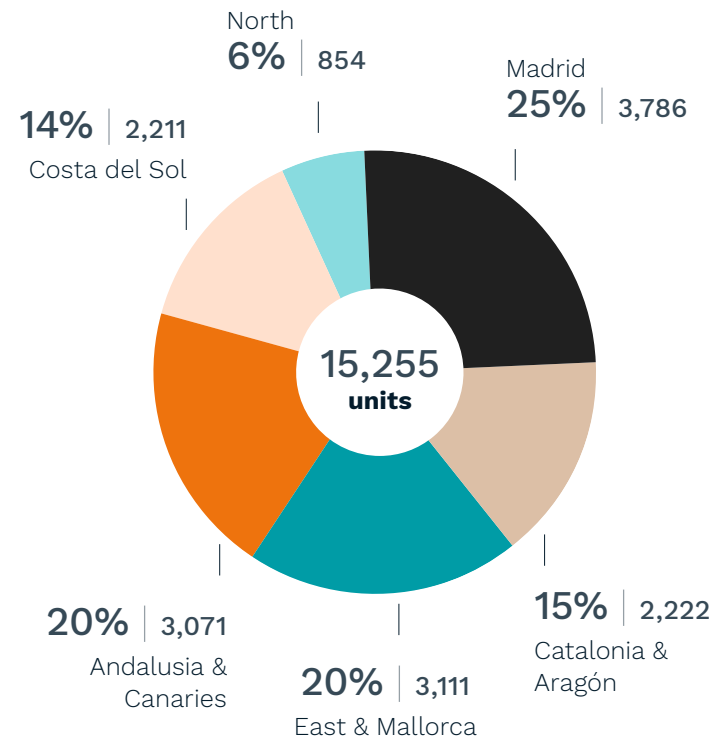
+ *For further information, refer to "Our customers, our inspiration to innovate"*

Selective investment in quality land

Land bank breakdown

Landbank breakdown by Regional Branch

Units

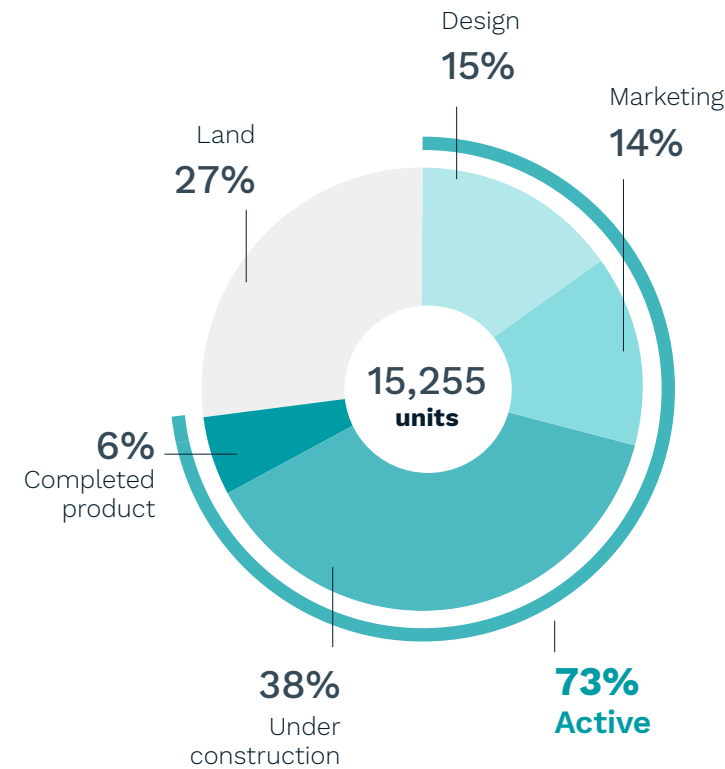


Our ability to identify, analyse and close new investment opportunities is unrivalled. We buy permitted land in markets with proven and solvent demand with a focus on buyers with greater purchasing power. We look for ways to defer payments and factor in net developer margin and internal rate of return hurdles in every opportunity we look at.

The ultimate goal is to ensure a strategic buffer of carefully selected sites to enable the company to carry out its business activity and deliver its

Landbank breakdown

Active units

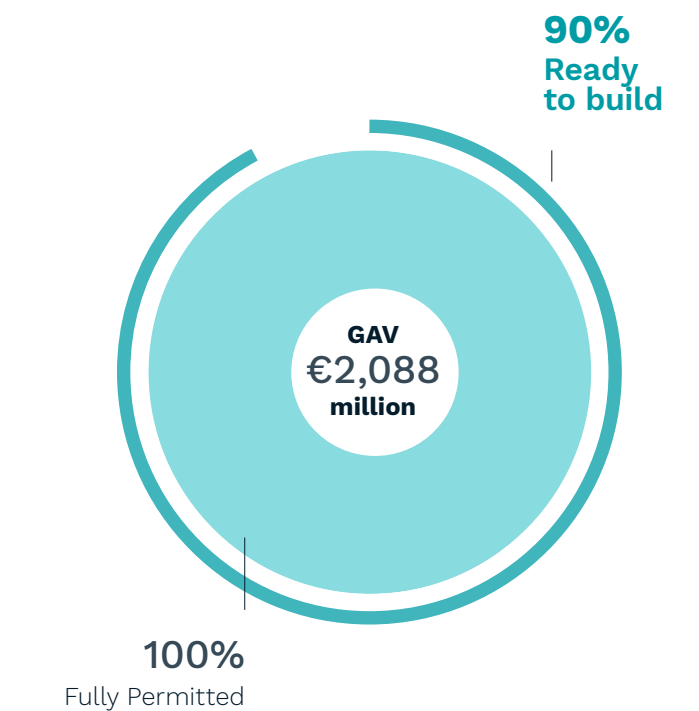


strategic targets. To achieve that goal, we take a proactive approach to investment, anticipating general market trends and identifying and generating off-market investment opportunities.

The regional units are empowered to pitch the most compelling land acquisition opportunities to fit our goals, leveraging their knowledge of local customers and preferences. Their pitches are analysed and approved by the Investment Committee, factoring in the overall corporate strategy.

Landbank breakdown

GAV



Virtually all of the land acquired by AEDAS Homes is fully permitted or ready to build and is in excellent locations where demand is strong. Our assets are liquid and command strong commercial interest.

As for the coverage ratio, we take a dynamic stance depending on the timing of the residential market cycle, increasing or decreasing our target coverage in response. In recent years, the coverage ratio has varied within the targeted range of between four and five years' coverage of future deliveries.

Decentralised and scalable management

From the outset we designed a decentralised, scalable, efficient and agile organisational structure articulated around six largely autonomous Regional Branches. This approach allows us to adapt more precisely to our customers' needs and take better advantage of opportunities in what is ultimately a very local business.

We are surrounded by a team of excellent professionals who are deeply committed to AEDAS Homes' values and goals. Their work is

passionate, rigorous, honest and transparent. We work according to planned and flexible processes that make us predictable while enabling us to respond to different cycles or regional developments. We are assisted by a carefully selected coterie of external partners (architects, builders, marketers, etc.) who share our values, goals and way of doing things.

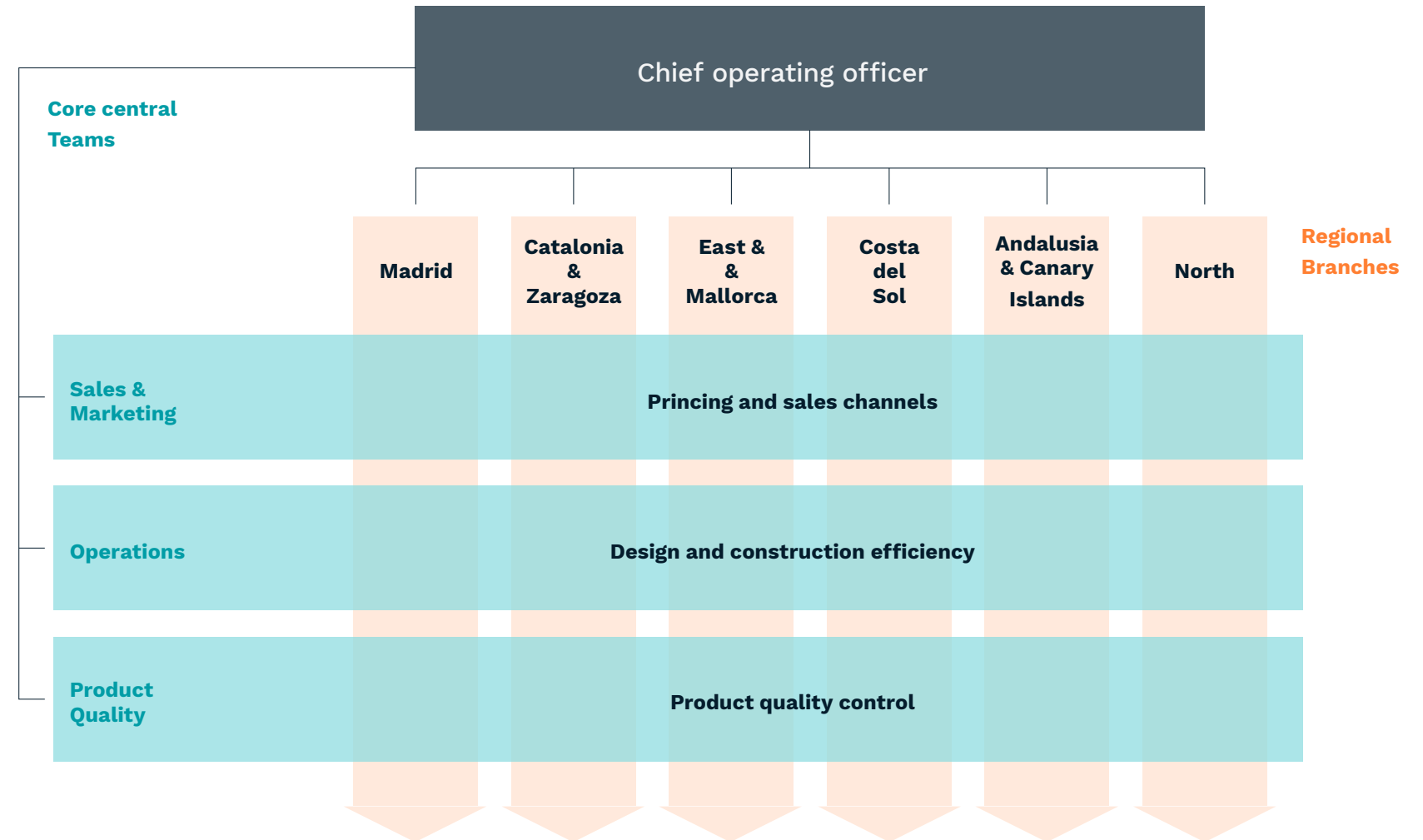
That approach has enabled us to build our success on the local know-how and experience of our

teams and partners, who see us as a strategic partner they can trust.

The critical business functions are carried out in-house, with non-critical functions outsourced. That means that the company can adapt easily to market trends and reconfigure its targets very nimbly. Despite a significant degree of externalisation, we build long-term relationships with our partners, generating high levels of loyalty and trust.

Decentralised management

- Six Regional Branches
- Three core oversight teams at headquarters



Bottom-up approach

Efficient management, taking a bottom-up approach, has delivered margins that are well above the sector average.

We focus proactively on efficiency throughout the entire development life cycle so as to enhance profit margins: from execution cost optimisation and control to the sales process and policy and after-sales service provision.

We apply that same approach to optimising our capital structure and sources of financing, lowering our average cost of capital and broadening and/or diversifying the latter.

By the same token, our employee remuneration policy is based on 360° performance assessments and the delivery of business targets, so aligning our professionals' interests with those of our shareholders.

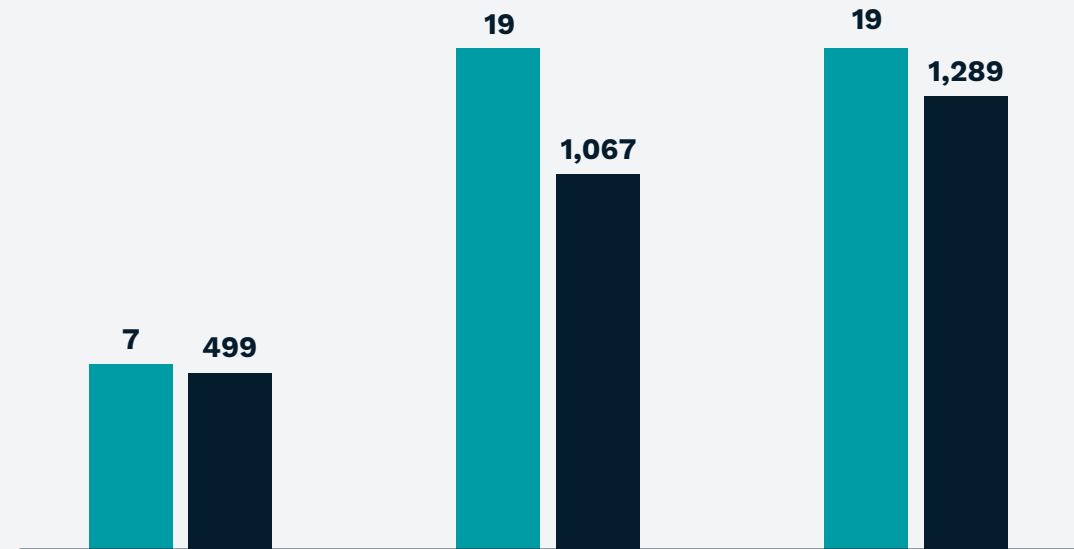


Innovation at the service of sustainable construction

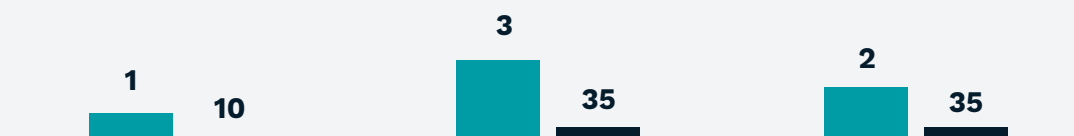
Key indicators for offsite construction

■ Developments
■ Units

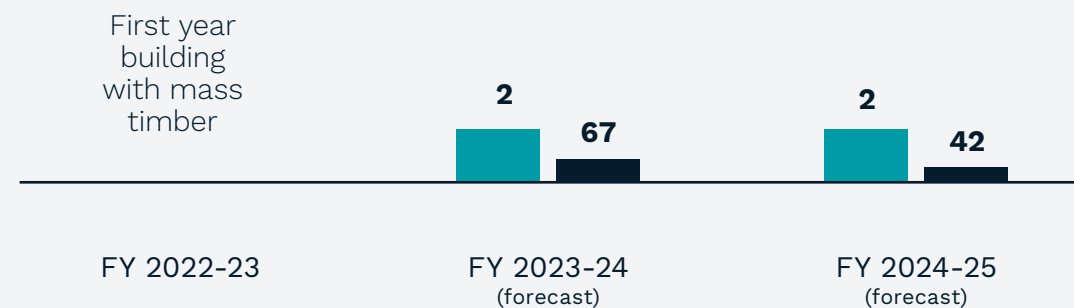
Developments completed with industrialised components



Completed developments built fully offsite



Developments completed with timber framing



Innovation is in our blood. We are constantly looking for novel solutions for improving our processes and homes: new designs, new construction methods, new services and innovative ways of reaching out to our customers.

We have pioneered the use of large-scale offsite construction in Spain. We believe that using Modern Methods of Construction holds the key to a more sustainable building industry and responds to the sector's most pressing challenges: scarcity of skilled labour, the need to compress construction timeframes, the need to decarbonise the building process and boost product quality, all of which provides our investors with certainty.

In 2018, we began to use the 3D (modular construction) system to build fully industrialised developments with cement or steel frames for single family houses. We then moved on to using 2D systems, assembling factory-finished industrialised products (bathrooms, façades, structures, etc.) on site.

And in 2021, we began to work with timber, the most sustainable material, using cross-laminated timber (CLT, a structurally rigid and durable technical material) in frames and load-bearing walls, as well as in lighter-weight structures.

Committed to sustainable development

We are firmly committed to contributing to the creation of a fairer, more inclusive and sustainable world, in line with the United Nations 2030 Agenda. To do so, we have layered the Sustainable Development Goals (SDGs) into our business strategy and we are driving the construction of sustainable housing through the use of Modern Methods of Construction.



Contribution to the 2030 Agenda

We joined the Spanish branch of the United Nations Global Compact in 2019, so formalising our commitment to complying with its 10 principles around human rights, labour, environment and anti-corruption.

Beyond upholding and promoting those universal values, we want to be an agent of change, which is we have put the 2030 Agenda at the heart of our policies, strategies and activities.

Informed by our activities, presence and business model, we have identified eight SDGs where we think we can make a bigger difference. Within those, the goals where we can have a bigger impact are SDG 8 (Decent work and economic growth); SDG 9 (Industry, innovation and infrastructure) and SDG 11 (Sustainable cities and communities).

We understand how important it is to report transparently on our progress. Below is a summary of our contribution to each SDG during the year. Also, in each chapter of this report we indicate in greater detail the SDGs our activities contributed to.



SDG 3.
Health and wellbeing

Employee wellbeing program: medical check-ups, flu jabs, physiotherapy in the office, Health Week event, nutrition workshops, defibrillators, road safety talks, Healthy City challenge, health recommendations shared monthly.

Monitoring of onsite safety conditions throughout the construction process.

Health and Safety awards in our developments



SDG 8.
Decent work and economic growth

96% of employees on permanent contracts.

Annual training programmes (50 hours/employee) and ESG training programme, in FY 2022-23 for the entire workforce.

47 events at universities and business schools to help boost the employability of young people

Programmes for “Development Managers in Training” and “Development Technical Specialists in Training” for recent graduates.

Remote working policy.



SDG 9.
Industry, innovation and infrastructure

25% of developments built partially or fully offsite.

Developer Operating System for external partners.

Introduction of phygital experiences.

Pilot testing of 100% online development marketing.

Strategic alliances to explore innovation in residential development.

Innovation workshops and Innovation Newsletter for employees.



SDG 10.
Reduce inequality

Development services for 3,600 affordable rental homes under Madrid’s Plan Vive.

Corporate volunteering programme.

Social Action Plan.



SDG 11.
Sustainable cities and communities

- Fostering the development of affordable housing.
- Life cycle assessments (LCA) carried out on 41 developments finalized last year.
- 100% of developments compliant with Green Book and/or BREEAM.
- Developments with AA energy ratings.
- Green spaces and sustainable drainage.
- Sponsorship of a number of local sports clubs.
- Cultural initiatives in the cities where we operate through our ConLasArtes programme.



SDG12.
Responsible consumption and production

- 100% of construction work compliant with Green Book and/or BREEAM.
- Life cycle assessments (LCA) carried out on all developments.
- Spain's first residential development to incorporate fully recycled aluminium components.
- Use of sustainable concrete.
- Recycled insulation used in façades.
- Use of cross-laminated timber (CLT) in some developments.
- One tree planted for every home delivered.



SDG 13.
Climate action

- 62% of developments activated are targeting an AA energy rating.
- Deliver part of our developments built partially or fully offsite.
- Breaking ground on first residential developments built with CLT.
- Implementing recycling centres and sustainable drainage systems in our developments



SDG 17.
Partnerships for the goals

- Participation in key sector platforms to foster sustainable building.
- Sustainable building agreements with suppliers.

Membership in the World Green Building Council (WGBC)

We want to spearhead the sector's transformation towards sustainable building to attain a net zero carbon, healthy, equitable and resilient built environment. Bearing that out we are members of Green Building Council Spain (GBCe), the country's leading sustainable building organisation.

GBCe is in turn part of the World Green Building Council, a global network present in over 70 countries with more than 36,000 members representing the various sector agents.



Escalonia III (Las Rozas)

ESG policy and goals

In July 2021, AEDAS Homes' CEO approved the company's **ESG Policy**, which sets out our commitments along the environmental, social and governance dimensions and how we engage with our stakeholders.

Approval of that policy marked delivery of the first milestone laid out in the ESG Strategic Plan (2021-2023), approved by the Board of Directors in 2021.

ESG policy principles

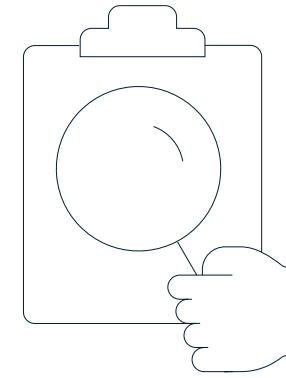
Compliance and integrity



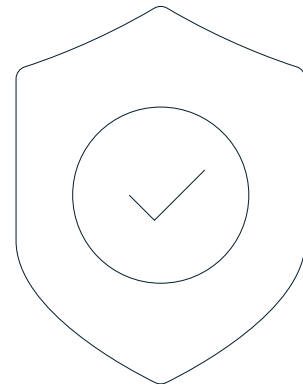
Excellence



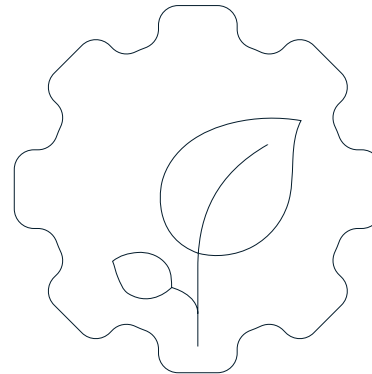
Transparency



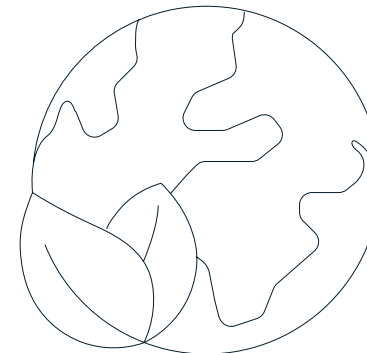
Health and safety



Sustainability and innovation



Environmental protection



Duties

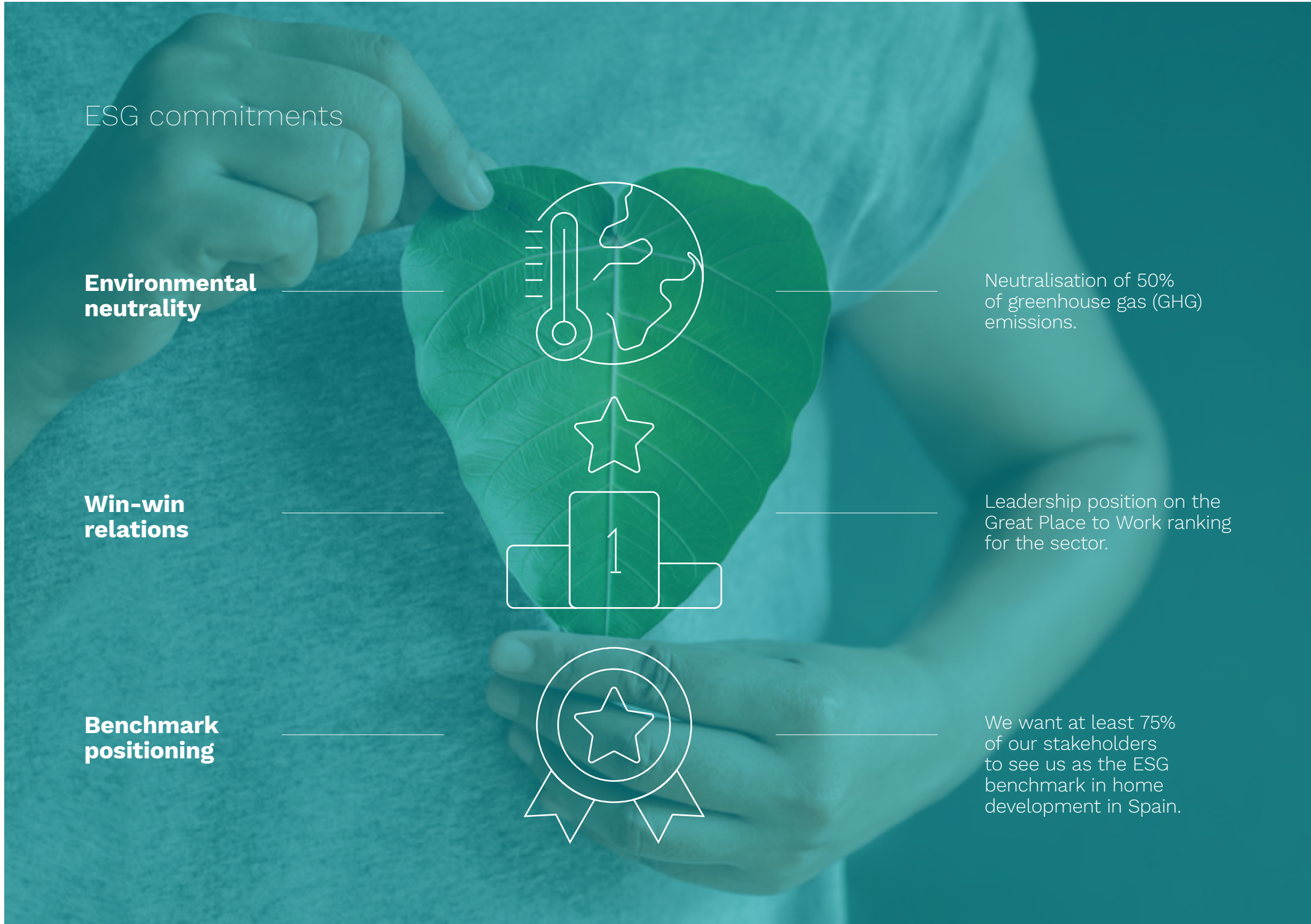
Under that policy, the Board of Directors is tasked with approving the ESG Strategic Plan and the resources needed to implement it and is also responsible for annual oversight of environmental, social and governance aspects and the enterprise risk management (ERM) system.

The Audit and Control Committee is responsible for supervising compliance with the ESG policy, strategy and performance, relying on the ESG Committee for support.

The ESG Committee is made up of the CEO, the CFO, the Chief Technology and Communications Officer, and the Chief Corporate Resources Officer, who share the responsibility of running, championing, cementing and monitoring ESG targets, initiatives and performance.

Integration of ESG aspects

To integrate ESG aspects into the company's business activities, we have formulated an ESG Strategic Plan which sets down the key lines of initiative. It also sets specific targets for delivery by 2030 for each line of initiative.



ESG commitments

Environmental neutrality

Neutralisation of 50% of greenhouse gas (GHG) emissions.

Win-win relations

Leadership position on the Great Place to Work ranking for the sector.

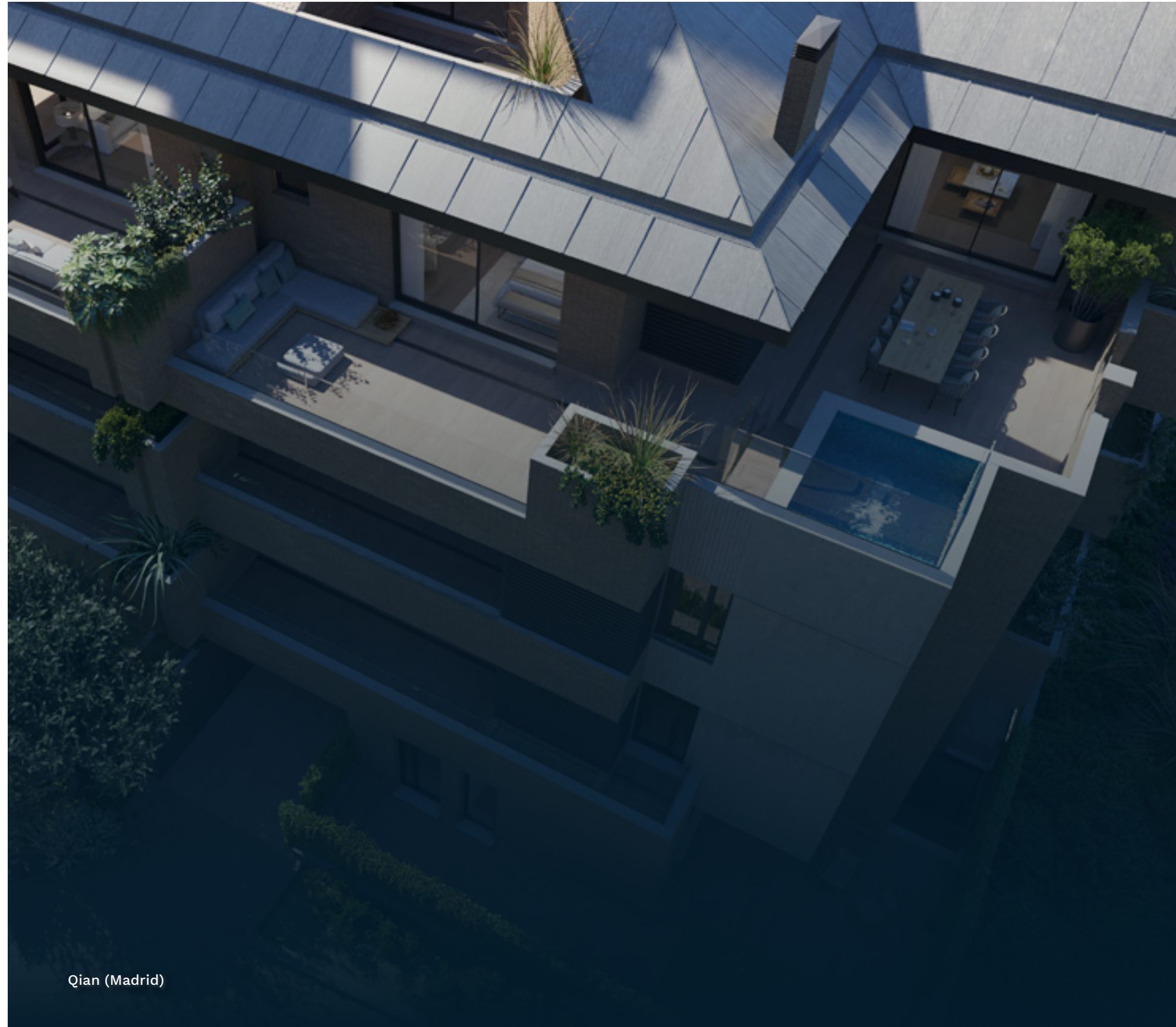
Benchmark positioning

We want at least 75% of our stakeholders to see us as the ESG benchmark in home development in Spain.

We have committed to environmental, social and good governance targets for 2030, in line with the UN Agenda for Sustainable Development

Our strategy

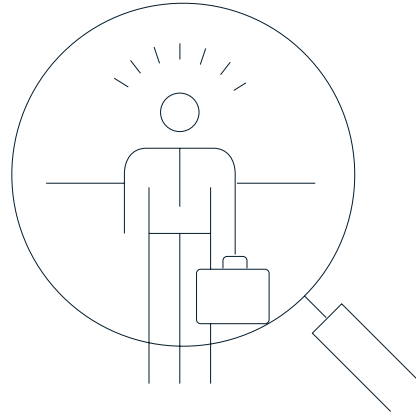
We are a predictable and reliable company. Our strategic focus on developing homes for the most resilient pockets of demand, a selective land investment policy, innovation and diversification has enabled us to deliver our annual business targets and continue to spearhead the sector's sustainability transformation.



Business strategy

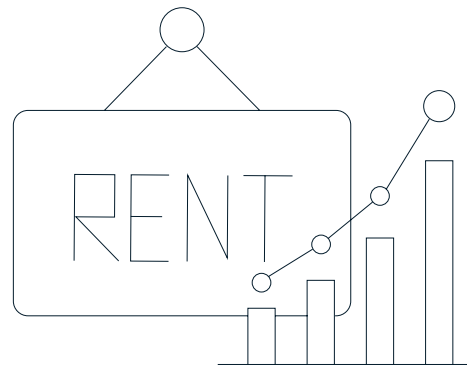
We have a solid long-term business plan marked by ambitious financial and shareholder remuneration commitments. To achieve those targets, even during times of economic uncertainty such as these, we are pursuing the following lines of initiative:

Continued strong presence in the upper and mid-to-upper ends of the Build-to-Sell segment.



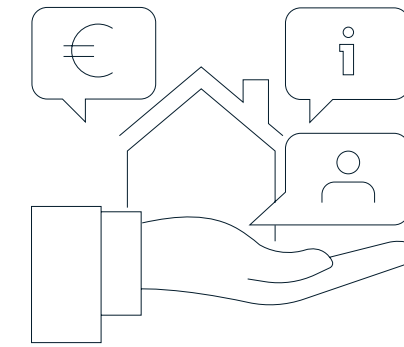
Where buyers have the capacity to absorb the effects of inflation, thanks to select investment in high-quality land in areas where demand is strong, unlocking compelling returns.

Growth in the Build-to-Rent segment taking an opportunistic approach.



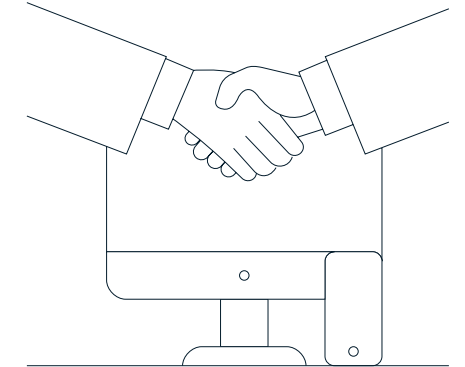
The shortage of quality new-build product in the booming institutional build-to-rent market is creating a business opportunity for us. Build-to-rent transactions help to de-risk the business plan and pin down the organisation's revenue and earnings targets. We consider the BTR formula opportunistically in areas where we have a concentration of land so that accelerated development could be beneficial.

Generation of complementary revenue through our asset-light Real Estate Services line.



This new business line smooths out and diversifies our revenue. It will also allow us to analyse uses outside of the residential space when buying land.

Increased efficiency and broader sales base via digitalisation of internal procedures coupled with an enhanced physical experience.



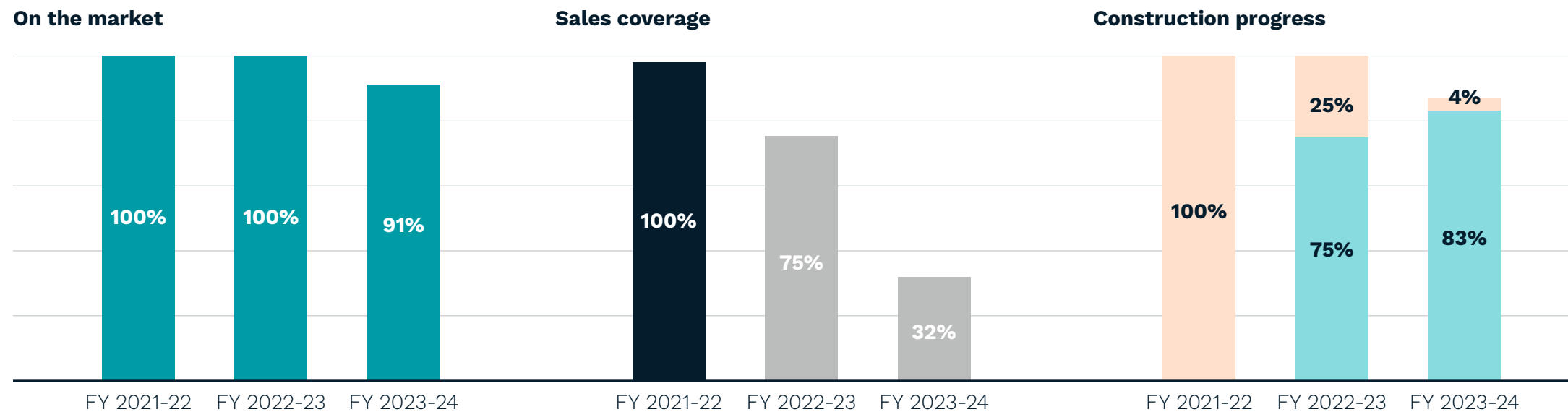
We are fostering the phygital (physical + digital) experience, connecting the in-person and virtual realms to create satisfying experiences for customers. In parallel, we have created an API-based technology platform whereby external partners can integrate their business processes with those of AEDAS Homes. And we have boosted our physical presence by inaugurating a flagship showroom.

Thanks to these strategic lines of initiative, coverage of our business targets is very strong and visibility for the next few years is high.

Coverage ratios

Number of BTS & BTR units

- Delivered
- On the market
- Sold
- Under construction
- Completed



ESG Strategic Plan 2021-2023

In parallel to execution of our business strategy, we continue to implement our ESG Strategic Plan, a roadmap aligned with the United Nations 2030 Agenda which sets down and articulates our environmental, social and governance targets around eight key lines of initiative and 27 specific action plans.



+ For further information about how the ESG strategy was put into practice, refer to Chapter 4, A year creating value together.

Environmental

Climate change



Our Climate Change Policy is currently being defined and is at a very advanced stage.

Healthy and sustainable developments



100% of our developments were built to specifications aligned with the Green Book or another prestigious seal

Recycling facilities installed at 39% of new developments

Sustainable draining systems installed at 37% of developments

One tree planted for every home delivered

Water reusage system installed at 32% of developments

Ecoefficient operations



34% of units ongoing this year are being built partially or fully offsite

Social

Excellence and innovation in customer dealings



Questions about sustainability perceptions added to customer satisfaction surveys

Employees encouraged to adopt a culture of innovation through two Innovation Workshops

Publication of an Innovation Newsletter

Human capital



Rated as a Great Place To Work in the real estate sector for the second year running

An ESG target is included in the annual variable remuneration system covering 82% of the workforce

Social footprint



Foundations laid for disseminating community initiatives. Six collaborative actions last year benefitting nine different groups (ahead of the target of three collaborative actions and three groups)

Governance

ESG governance and value generation



Compliance management system certified under UNE 19601

Incentive scheme tied to delivery of ESG targets for senior management and key employees

Risk map updated, with two ESG risks identified

Transparency and brand



Annual report prepared as an Integrated Report

Improvement in ESG risk rating

ESG matters layered into the company's communication strategy

Financial performance

Economic and market dynamics



Business performance



Earnings performance



Balance sheet and cash flows



Key performance indicators



Economic and market dynamics

The real estate sector is facing a period of uncertainty in the wake of the European Central Bank's recent monetary tightening in an effort to curb inflation. In this climate, demand for new-build homes from individuals in the mid- to high-income brackets is proving resilient, while institutional investors continue to display interest, albeit cautious, in purchasing housing for subsequent rental.



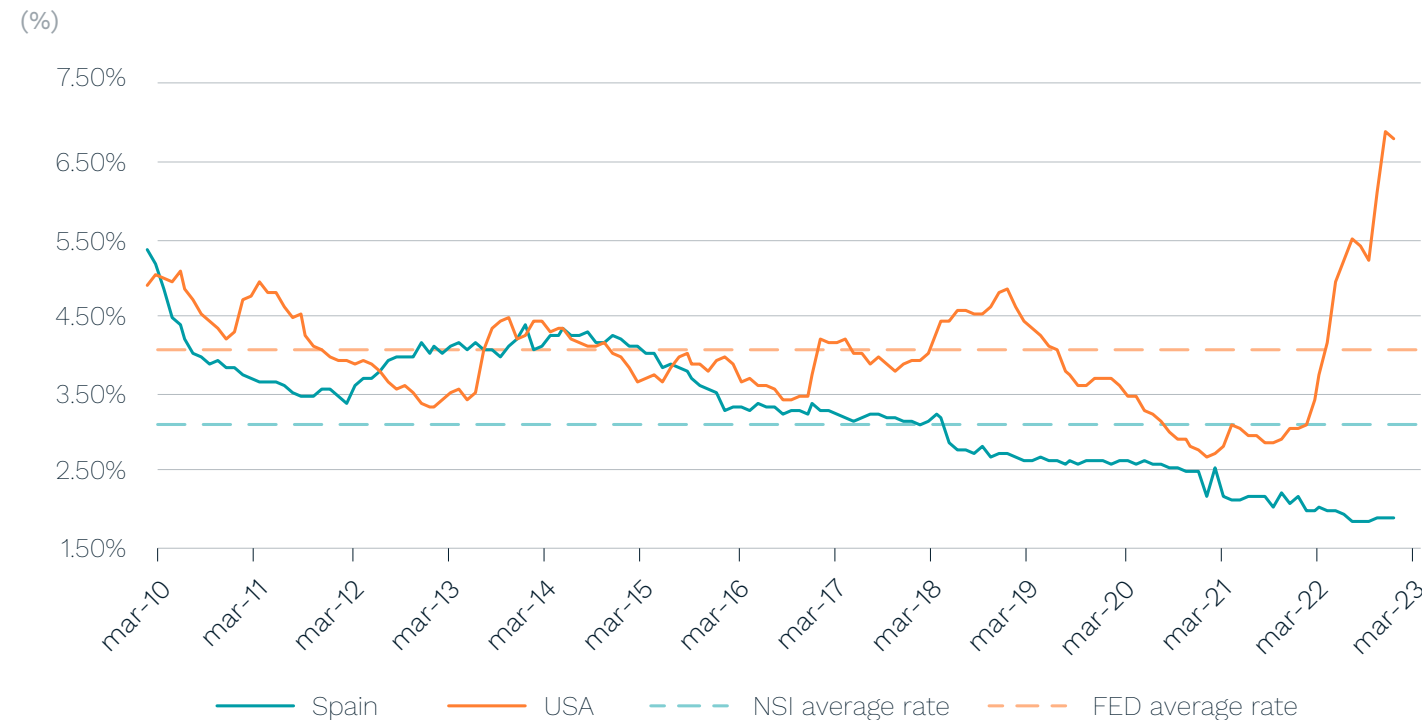
Spain is expected to be one of Europe’s strongest economies in the coming years. According to the Organisation for Economic Cooperation and Development (OECD), gross domestic product is set to increase by 1.3% in 2023, down from the 5.5%^[1] registered in 2022, but ahead of the growth of 0.7% forecast for France and the 0.3% anticipated in Germany. The 2022 job data published by Spain’s national statistics office (INE) likewise evidence the economy’s strength: employment increased by 1.4% last year.

The real estate market is facing a new interest rate environment more akin to the average for the last 15 years. In July 2022, the European Central Bank (ECB) decided to raise rates after 11 years without hikes, following in the footsteps of the Federal Reserve, in order to curb inflation. That first 50 basis point increase has since been followed by a further five hikes to leave official ECB rates at 3.5% by March 2023: 75 basis points (September 2022), 75 basis points (October 2022), 50 basis points (December 2022), 50 basis points (February 2023) and, most recently, 50 basis points (March 2023). Despite that path of gradual monetary policy tightening, in March 2023, core inflation (which excludes unprocessed foods and energy products) stood at 5.7% year-on-year in the eurozone and 7.5% in Spain.

The rate increases do not appear to have impacted the new-build segment in Spain so far. Demand for new housing remains resilient, with both households and developers in better financial health than in the past. Demand has polarised, however, remaining strong among buyers with mid to upper income levels, with those in the mid to lower brackets tending to drift to the rental segment.

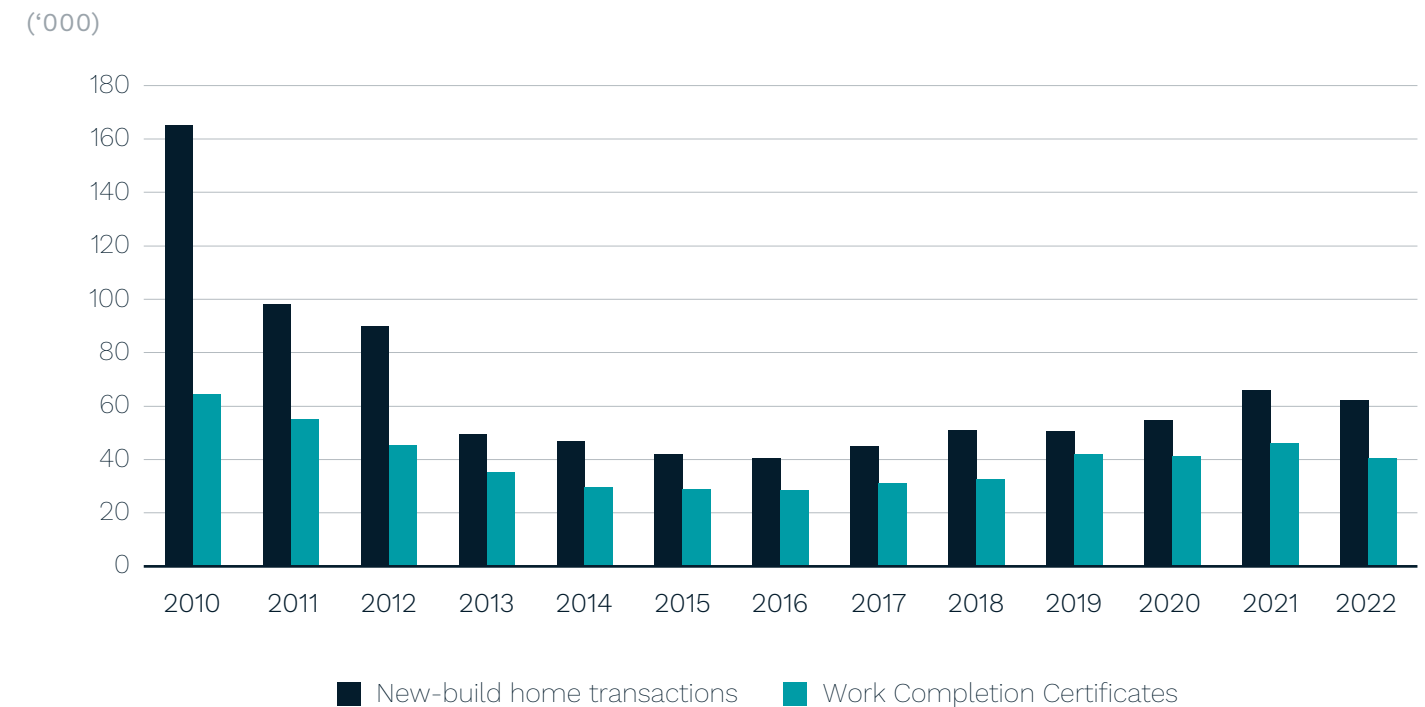
The new rate paradigm has yet to erode home-buying appetite. Moreover, according to the most recent figures published by the Spanish Ministry of Transport, Mobility and Urban Agenda, new-build sale transactions and work completion certifications continue to lag the volume of supply needed by a country with the population size and growth expectations of Spain (estimated at around 100,000 units per annum). Indeed, the current volumes are a considerable 40% below that threshold.

Average mortgage rates



Source: National Statistics Institute and Federal Reserve.

Transaction volumes and work completion certifications



Source: Ministry of Transport, Mobility and Urban Agenda

[1] According to Spanish National Statistics Institute (INE) figures.

Since the last major financial crisis, Spanish households have improved their finances significantly. Individuals have become more risk averse and have deleveraged. Professionalisation of the development sector has been a key driver of that deleveraging process, as is evident in the reduction in the size of Spain's mortgage portfolio (which is down 20%+ from the peak reached towards the end of 2010).

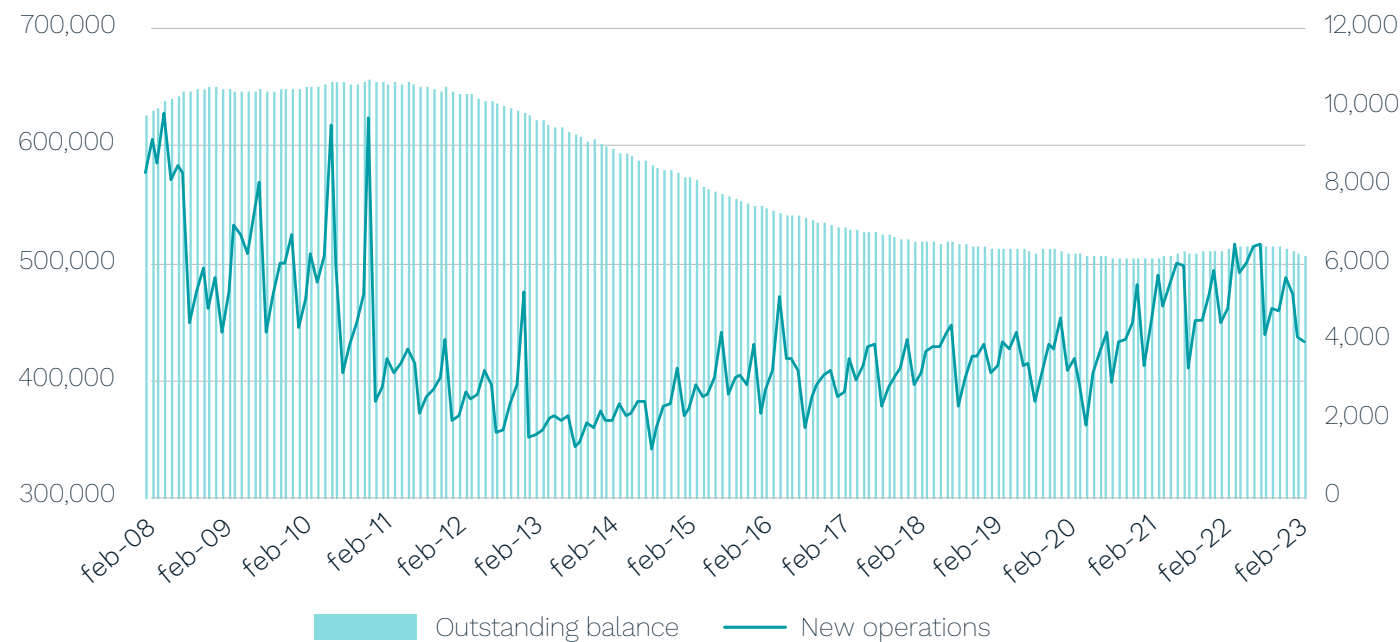
House prices, meanwhile, are currently similar to 2010 levels, whereas other European countries have sustained price increases of 90%+, which may cool demand in those countries as their affordability metrics deteriorate. In Spain, the affordability ratio measured as average house prices over average annual household income stood at 7.8 years as of the fourth quarter of 2022, well below the level of almost 10 years observed in 2008, according to Bank of Spain figures.

More specifically, new house prices registered growth of 6.2% in Spain in 2022 according to the INE, with the shortage of supply in new builds also invigorating the second-hand housing segment, where prices increased by 5.3%.

The price of housing in Spain is at levels similar to 2010, while European peers have experienced increases of 90%

Spanish mortgage market

In millions of euros



Source: Bank of Spain

Comparative growth in house prices

(%)



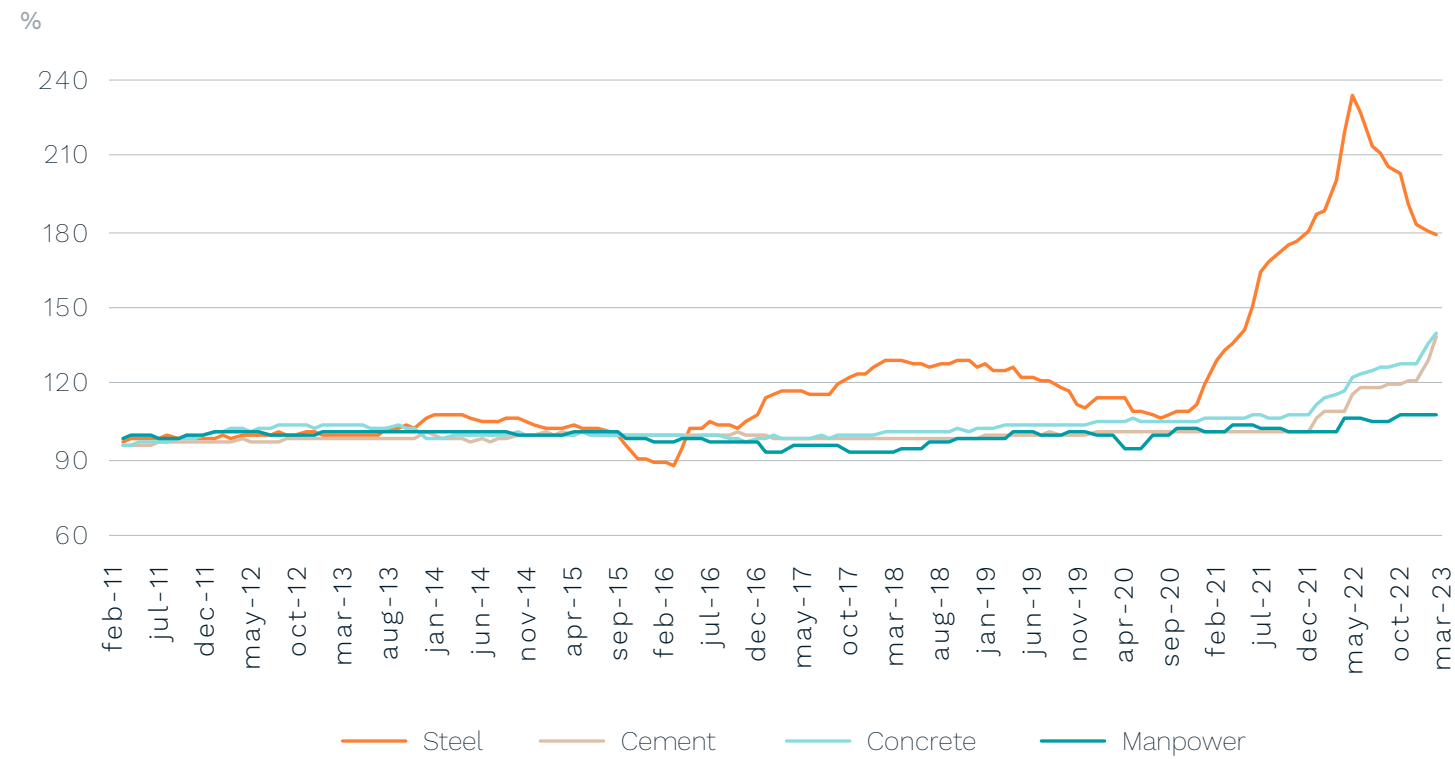
Source: Eurostat

[2] Measured by dividing average house prices by disposable gross household income.

Elsewhere, the wave of inflation engulfing the development sector, with some raw materials (such as steel) sustaining price increases of over 50% during the past two years, has been settling down since the summer of 2022. Here it is worth mentioning the delays encountered in obtaining certain supplies (kept to under one month) at the start of 2022 on account of the truckers' strike in March, exacerbating the construction material inflation scenario.

Nevertheless, we expect the normalisation of raw material costs to be offset by growth in labour costs due to the scarcity of skilled labour in the construction sector.

Trend in the construction costs index [3]



Source: Ministry of Transport, Mobility and Urban Agenda

[3] All four indices rebased to January 2015 = 100.

New opportunities are emerging in the sector, specifically in response to the need to boost the stock of rental housing, which is increasingly drawing the interest of expert institutional investors. According to Eurostat, rental housing accounts for roughly 50% of the national stock of housing in countries such as Germany. The institutional investor community's increased interest in Spain is driving sector professionalisation, a trend expected to transform the current market where an estimated 95%+ of the stock of housing is in the hands of individual owners, despite the increase in Build-to-Rent transactions observed in recent years, which has recently stagnated in wake of the ECB's new monetary policy tack.



Business performance

AEDAS Homes' strong business performance and execution capabilities led to high delivery of its targets for FY 2022-23. In the current inflationary scenario, the resilience of the demand segments targeted by the company enabled it to defend its margins and thereby reiterate most of the targets set and announced to the market in the June 2021 Strategic Plan update.

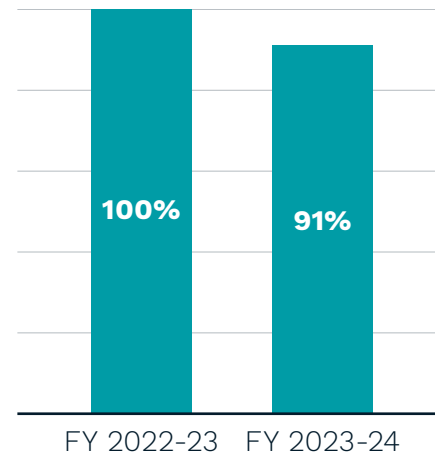
In order to highlight the level of visibility into delivery of our key targets for the next two years, the table below provides information about existing coverage of those metrics, specifically in relation to units put on the market, sold and under construction at 31 March 2023.

In terms of developments put on the market, the numbers reveal virtual full coverage of the next two years' targets.

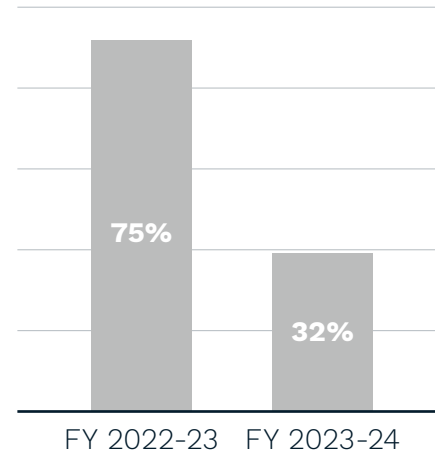
As for sales, AEDAS Homes has already sold 75% of the FY 2023-24 delivery target and 32% of the FY 2024-25 target.

Indicating the progress made on the construction front, 75% of the deliveries targeted for FY 2023-24 are under construction, with 25% already complete, with those same ratios running at 83% and 4% of the FY 2024-25 delivery target, respectively.

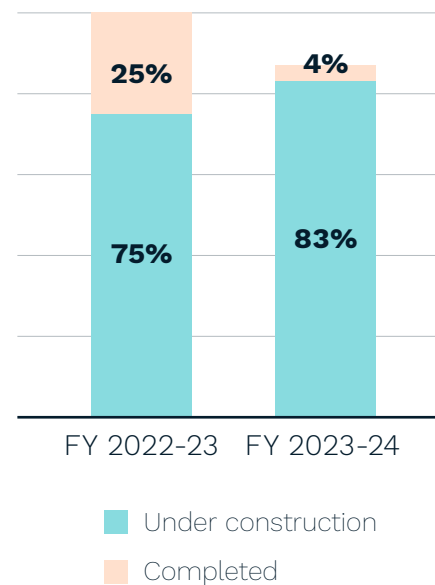
Units on the market



Sales



Construction

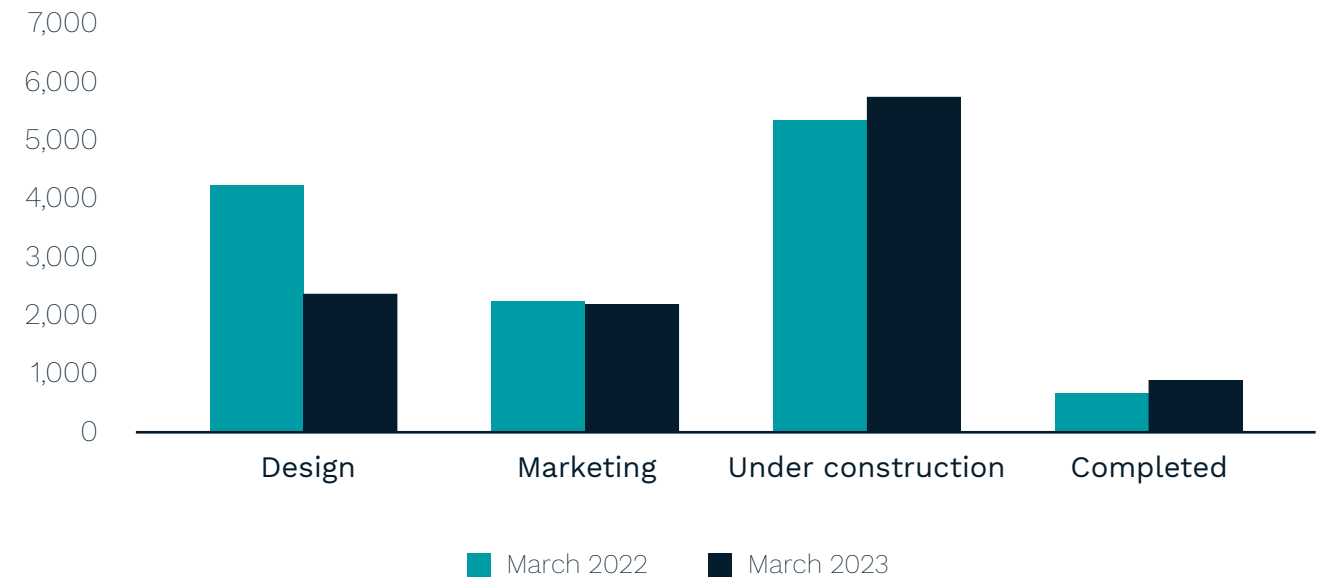


Active units

Units are considered 'active', or under development, from when they enter the design phase until their delivery.

At 31 March 2023, AEDAS Homes had a total of 11,194 active units: 21% at the design stage; 20% in the marketing phase; 51% under construction; and 8% completed (of which 84% had obtained the First Occupancy Permit).

Active units breakdown



Developments on the market

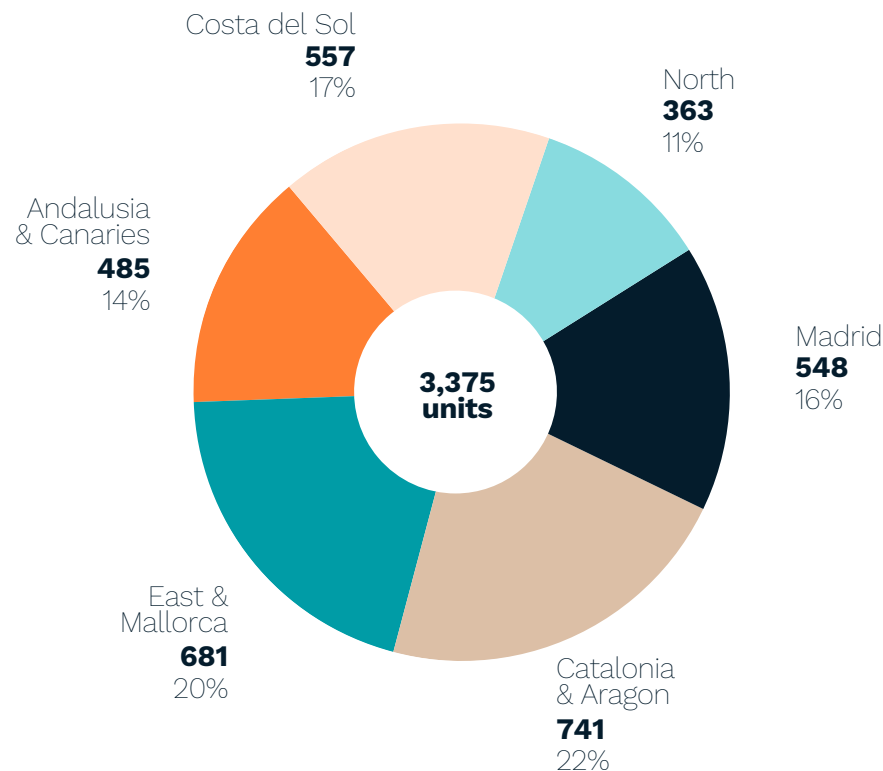
Housing units are considered 'launched', or on the market, once marketing is underway, i.e., they are classified as on the market subsequent to the design phase, once they are put up for sale.

During FY 2022-23, the company put 62 residential developments encompassing 3,375 units on the market, similar to the FY 2021-22 volume and in line with the level needed to attain annual deliveries of close to 3,000 units.

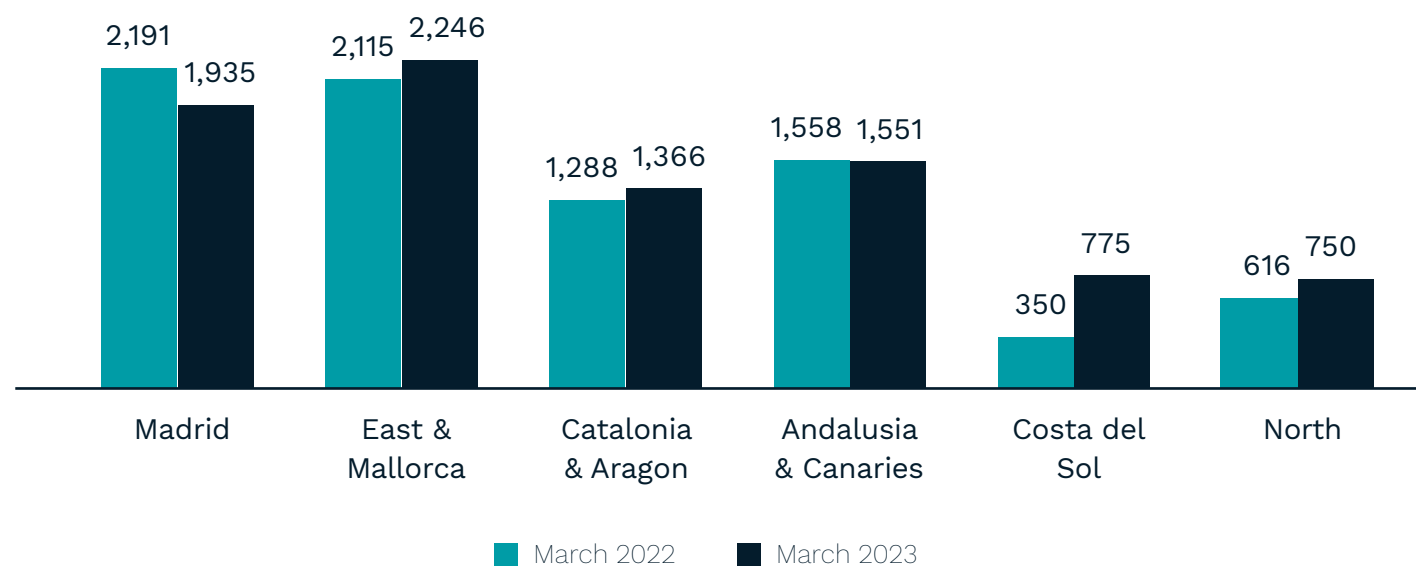
At 31 March 2023, the number of units on the market stood at 8,623; they were on sale at average prices of close to €400,000 in the Build-to-Sell (BTS) segment and almost €174,000 in the Build-to-Rent (BTR) segment.

Elsewhere, the trend around leads and their conversion into in-person visits was similar to that observed in prior years, whereas the conversion of those leads and visits into pre-sale agreements suggests that buyers are taking longer to take the final purchase decision.

Units put on the market in FY 2022-23, by Regional Branch



Units on the market, by Regional Branch



Sales

The sale of a unit begins with execution of a pre-sale agreement. Once the company has a building permit for a pre-sold house, the buyer is asked to execute a sale contract and provide a down payment of 10% of the total price; buyers continue to pay instalments of 10% at regular intervals until the building work is complete. Lastly, when the building work is complete and the First Occupancy Permit has been granted, the customer is asked to pay the remaining 80% (plus applicable VAT) when signing the deed of purchase, upon which keys to the house are delivered immediately.

In FY 2022-2023, the company sold a total of 2,327⁴ units (184 units in the BTR segment, which were sold at an average price of close to €171,000, with the remaining 2,143 in the BTS segment, sold at an

average price of €385,000) at a blended average sales price (BTS + BTR units) of close to €368,000 (year-on-year growth of 9%). The value of the units sold in FY 2022-23 was €856^[4] million.

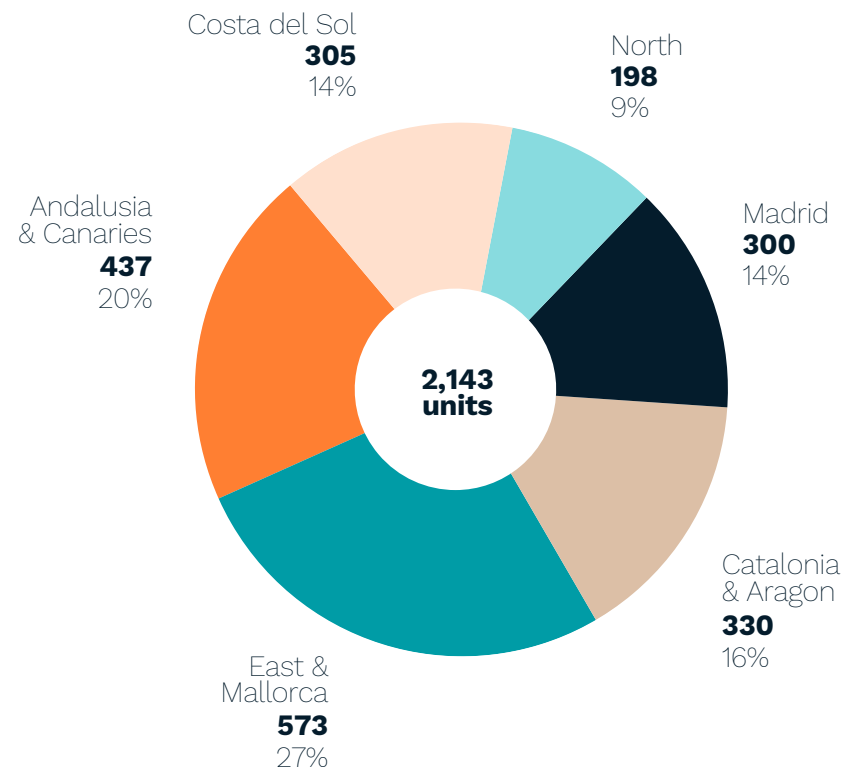
There is a sustained evolution in demand, with absorption ratios stabilised at healthy levels

In FY 2022-23, the company delivered 2,730 homes (2,120 BTS units and 610 BTR units), which translated into €885 million of revenue (+18% year-on-year, fuelled by growth in deliveries, as well as the higher average sales price of the units delivered). The company's Real Estate Services line also delivered 814 units. Note that the income generated by this business line is not accounted for within revenue from the sale of homes.

Average quarterly sales absorption rate (BTS)



BTS sales by Regional Branch



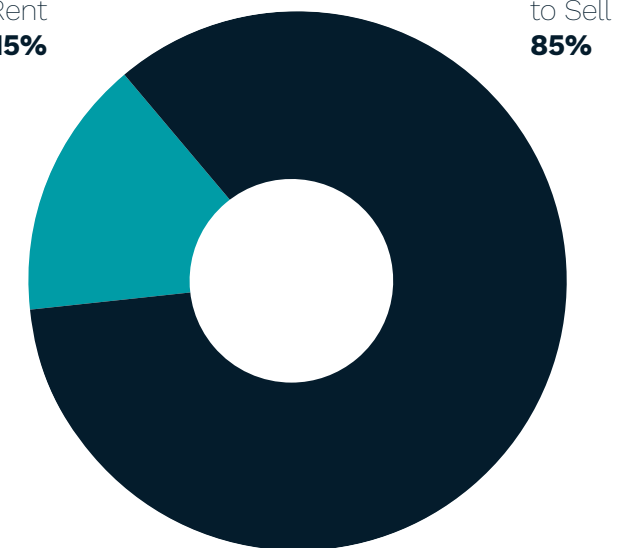
Order Book

units

By 31 March 2023, the company had sold an accumulated ~12,000 units for €3.96 billion since its creation. Of that total, 8,197 homes, valued at €2.73 billion, have been delivered. As a result, the Order Book at 31 March 2023 stood at 3,703 units worth €1.23bn, 73% of which are under a sales agreement and 27% of which constitute pre-sales.

Build to Rent
15%

Build to Sell
85%



[4] Not including the cancellation of a BTR development for which the Sales and Purchase Agreement had not been signed.

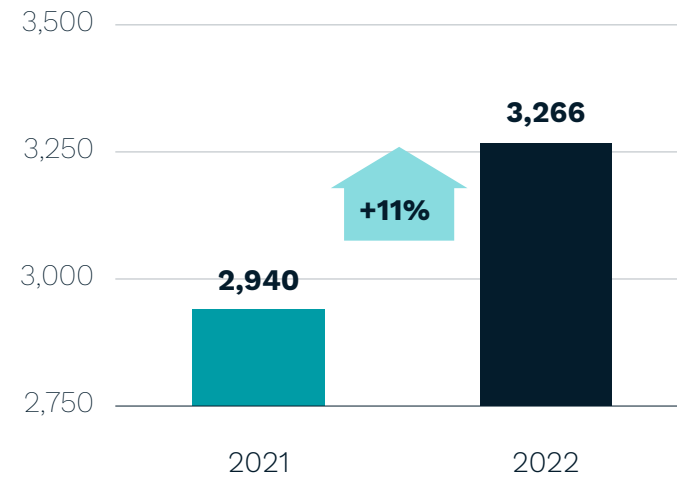
Building permits

Building permits are awarded by the municipal authorities.

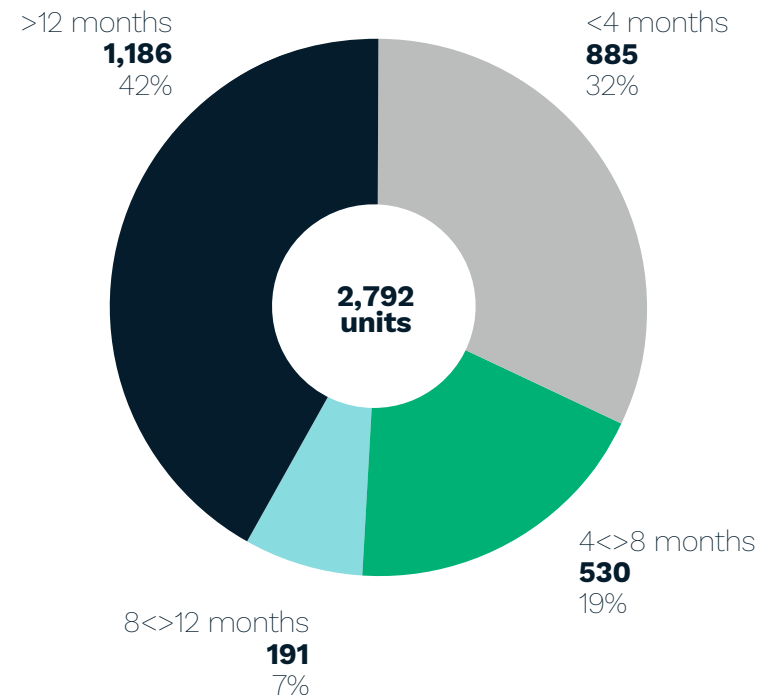
Permit applications include the architectural plans which must necessarily comply with municipal planning and zoning requirements. Municipal authorities are obliged to grant building permits to the extent the plans meet municipal regulatory requirements. The permitting period depends on each authority’s responsiveness and can take anything from a few months to more than one year.

In FY 2022-23, the company obtained a total of 3,266 building permits, up 11% year-on-year. That means that the company has so far obtained building permits for 15,455 units in total, with a further 2,792 permits across 52 developments in process at 31 March 2023, of which 1,186 units (21 developments) are already 12+ months into the permitting process.

Trend in securing building permits



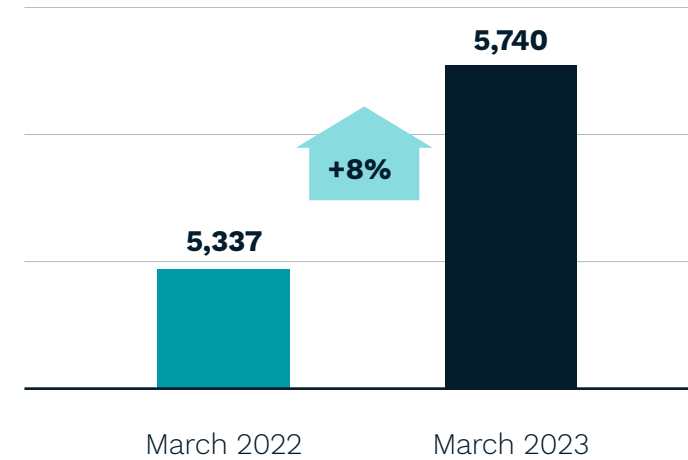
Building permit request status



Construction

The company broke ground on 3,362 units in FY 2022-23 and obtained work completion certificates for 2,959 units. At 31 March 2023, the company had a total of 5,740 units under construction, marking growth of 8% from the volume under construction 12 months earlier. In turn, it had 144 homes completed and pending receipt of the corresponding First Occupancy Certificates and another 757 units completed and with First Occupancy Certificates granted. In short, at 31 March 2023, the company had a total of 6,641 units under construction or completed, injecting significant visibility into its ability to achieve its deliveries guidance over the next two fiscal years.

Units under construction at year-end



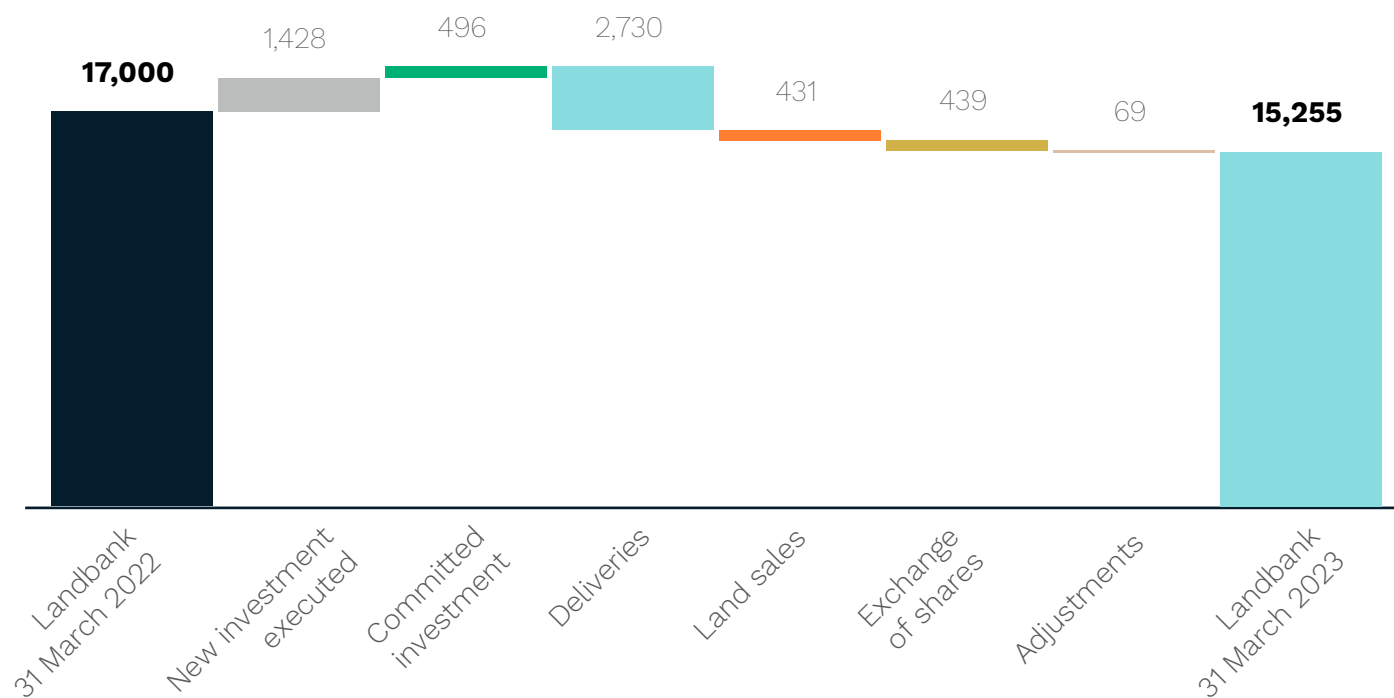
Land investment

The company identified and acquired land with development capacity of 1,428 units for €140 million in FY 2022-23. That figure includes the cost of acquiring the land, including the inherent transaction costs and the cost of the permitting steps needed to bring all of the sites to ready-to-build (RTB) status. Those new investments are focused on highly resilient pockets of demand. In some cases the company has arranged to defer some of the payments to boost the return on its investment.

The company also committed to an additional €58 million of investments (development capacity: 496 units); those agreements are expected to close in FY 2023-24.

Framed by its non-core asset turnover strategy, in FY 2022-23, the company sold 13 assets (development capacity: 431 units) for €30 million in total.

Landbank evolution



Jardines Hacienda Rosario Las Flores (Sevilla)

Earnings performance

The statement of profit or loss for the fiscal year ended 31 March 2023 evidences the level of progress made on execution of the company's Business Plan: revenue increased by 20% year-on-year to €920 million. Of the total, €885 million was generated by the delivery of homes, €30 million from the sale of land and €5 million by the Real Estate Services line.

AEDAS Homes brought in €920 million in revenue in FY 2022-23

In FY 2022-23, the company delivered 2,730 homes (excluding the homes delivered by the Real Estate Services line). Of the total, 610 of the homes delivered (22.3%) were BTR units and accounted for 12.7% of revenue from the delivery of homes (€112 million out of €885 million in total), at a gross development margin of 19.1% (compared to a gross development margin of 27.8% on the delivery of the BTS units). The company's overall gross profit amounted to €236 million, which is equivalent to 26.7% of revenue (the margin was affected by: (i) the change in product mix, particularly a higher share of BTR deliveries; (ii) bonuses paid to construction companies for achieving early delivery milestones; (iii) additional costs derived from improvements made to the end product; (iv) ad-hoc material cost revisions in certain contracts; and (v) exceptional lawsuits).

Framed by its strategy of boosting shareholder returns, the company periodically analyses the status of its portfolio of land in order to identify sites which are not expected to be activated in the short or medium term and/or sites expected to be less profitable to develop than the rest of its land bank on account of their location or soil type, among other factors. Any sites so identified are potential sale candidates if an interested buyer comes along.

As a result, in FY 2022-23, the company sold 13 non-core assets with development capacity of 431 units for €30 million in total. Those sales generated a gross profit of €2.4 million, equivalent to 8% of the sale proceeds.

Complementing its pure residential development business, since acquiring Áurea in July 2021, AEDAS Homes has been co-investing in certain opportunities and providing end-to-end value-added real estate services to different classes of customers so that they can carry out their real estate development activities efficiently and profitably and mitigate their risk by leveraging our experience, market know-how and execution capabilities. In FY 2022-23, our Real Estate Services line generated €5 million in revenue (+22% year-on-year) from the fees invoiced for the services provided to its various customers.



Plan VIVE Valdedebas (Madrid)

Note that the decrease in the Real Estate Services line's gross margin in FY 2022-23 (59% vs. 82% in FY 2021-22) is partly attributable to differing allocation of staff costs in both reporting periods: whereas in FY 2022-23, 100% of the staff costs accrued during the year attributable to this division were recognised as direct business costs, in FY 2021-22 those same costs were attributed as direct costs only between the Áurea acquisition date and 31 March 2022.

The gross profit generated from the delivery of homes, sale of land and by the Real Estate Services division therefore totalled €241 million in FY 2022-23 (+9% year-on-year), which is equivalent to 26.2% of total revenue.

Direct costs amounted to €45.2 million (+25% year-on-year): €33.3 million of sales and marketing costs (+13% year-on-year, due to growth in the number of units delivered and in the number of BTS developments put on the market) and €12.1 million of other operating expenses, a year-on-year increase of €5.3 million that is mainly attributable to higher taxes related with the company's developments as a result of the increased number of BTR units delivered in FY 2022-23 and also the mix of BTS units delivered (specifically, municipal capital gains tax and business tax).

The resulting net margin amounted to €196.1 million, equivalent to 21.3% of total revenue.

Overhead totalled €37.6 million (+7% year-on-year), shaped by implementation of the company's digital strategy and a higher average headcount (€23 million of total overhead relates to staff costs).

In addition, "Share-based payment transactions" increased by €1.4 million (or 41.3%) in FY 2022-23 to €4.8 million due to the company's long-term incentive plans.

EBITDA amounted to €155.5 million (+4% year-on-year). The EBITDA margin narrowed by 255 basis points from 19.5% in FY 2021-22 to 16.9% in FY 2022-23.

Nevertheless, in FY 2022-23, the company recognised a gain on strategic land holdings of €9 million following the restatement to fair value of sites acquired via the exchange of shareholdings in associates devoted to the management of strategic land in which the company held a minority interest. That means that those sites are now being carried at more than was paid to acquire them.

Gross profit came to €241 million (up 9%), which is equivalent to 26.2% of total revenue in FY 2022-23



Anzio (Pozuelo de Alarcón)

Adding that gain to the EBITDA generated (€155.5 million) yields an adjusted EBITDA figure of €164.2 million, which is 17.9% of total revenue (160 basis points lower than in FY 2021-22).

The company's net finance cost increased by 13% year-on-year to €22.4m, due mainly to higher borrowing costs associated with completed developments (those costs cannot be capitalised) and the drawdown of corporate debt whose cost is benchmarked against rates that climbed 389 basis points higher between April 2022 and March 2023.

Lastly, after the company's share of its associates' profit, impairment losses, depreciation charges and the accrual of €32.1 million of income tax, the company generated profit attributable to owners of the parent of €105.1 million in FY 2022-23, evidencing the company's strong earnings momentum last year.

Consolidated statement of profit or loss

	FY 2022-23	FY 2021-22	Change €m	Change%
Revenue - Property development	884.6	746.7	137.8	18%
Revenue - Land sales	30.2	14.7	15.5	105%
Revenue - Services rendered	5.1	4.2	0.9	22%
Revenue	919.8	765.6	154.2	20%
Cost of goods sold	(676.4)	(542.6)	(133.8)	25%
Cost of services	(2.1)	(0.7)	(1.3)	179%
Gross profit	241.3	222.3	19.1	9%
Gross margin, %	26.2%	29.0%	-	(279bp)
Sales and marketing costs	(33.1)	(29.4)	(3.7)	13%
Other development operating expenses	(12.1)	(6.8)	(5.3)	79%
Net margin	196.1	186.1	10.0	5%
Net margin, %	21.3%	24.3%	-	(120bp)
Overhead	(37.6)	(35.3)	(2.3)	7%
LTIP	(4.8)	(3.4)	(1.4)	41%
Other income and expenses	1.7	1.5	0.3	17%
EBITDA	155.5	148.9	6.6	4%
EBITDA margin, %	16.9%	19.5%	-	(255bp)
Gain on revaluation of strategic land	8.7	-	8.7	-
Adjusted EBITDA ^[5]	164.2	148.9	15.3	10%
Adjusted EBITDA margin, %	17.9%	19.5%	-	(160bp)
Depreciation and amortisation	(4.8)	(3.2)	(1.6)	49%
Net finance cost	(22.4)	(19.8)	(2.6)	13%
Share of profit of associates	1.5	0.4	1.1	272%
Impairment losses	(1.3)	(1.3)	0.0	(3%)
Profit before tax	137.4	125.0	12.3	10%
Income tax	(32.1)	(31.1)	(0.9)	3%
Profit for the year	105.3	93.9	11.4	12%
Net profit margin, %	11.4%	12.3%	-	(82bp)
Non-controlling interests	(0.2)	(0.8)	(0.6)	(73%)
Profit attributable to owners of the parent	105.1	93.1	11.9	13%

[5] Adjusted EBITDA: defined as EBITDA plus the strategic land margin, which is defined as the adjustment to the market value of the plots acquired via an exchange of shares in associated companies which focus on managing strategic land and in which the Company held a minority stake.

AEDAS Homes generated net profit attributable to owners of the parent of €105 million in FY 2022-23, beating the previous year by 12%

Balance sheet and cash flows

At 31 March 2023, AEDAS Homes was in good financial standing: nearly 75% of its land bank was active, leverage (net LTV ratio) was a healthy 14.2% and cash and cash equivalents stood at €245 million.

On the asset side:

The increase in inventories reflects: i) a 12% decrease in land to €567 million shaped by the company's sharp and selective land management strategy throughout the year and its ability to activate its land bank^[6] very quickly (close to 90% has already obtained Ready-to-Build^[7] permitting status, a strategy which helps lift business profitability). Note that the company is focused on having a land bank that covers 5 years of developments; ii) growth of 18% in developments in progress to €794 million due to new work started net of work completed; iii) growth of 23% in finished product to €226 million shaped by progress on construction work leading to growth in the volume of units ready for delivery (144

units pending First Occupancy Certificates and 757 units already with those certificates); and iv) growth of 17% to €24 million in advances to suppliers, a heading which recognises the amounts paid for land purchase rights, of which €17m corresponds to the investment in Castellana Norte.

As a result, at 31 March 2023, inventories amounted to €1.61 billion, broken down between land (35.2%); construction in progress (49.3%); finished product (14.0%); and advances to suppliers (1.5%).

At 31 March 2023, the appraisal carried out by Savills Aguirre Newman Valoraciones y Tasaciones, S.A. valued the company's portfolio of inventories (excluding advances to suppliers) at €2.09 billion.

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, at 31 March 2023, the company recognised inventory impairment losses in its consolidated financial statements of €7 million (€6 million at 31 March 2022), while unrealised gains stood at €492 million (31 March 2022: €551 million).

Trade receivables, meanwhile, decreased by €21.7 million in FY 2022-23 to end the year at €42.9 million.

Lastly, unrestricted cash (including cash equivalents) increased by €13.0 million in FY 2022-23 to end the fiscal year at €198.7 million.

Equity accounts:

The movement in equity was driven by the €105.1 million of profit generated (+12% year-on-year), which translates into earnings per share of €2.42, offset by the dividends paid, underpinned by the company's firm shareholder remuneration commitment.

Specifically, in FY 2022-23, the company paid out a final dividend of €1.34 per share against FY 2021-22 profits (on top of the interim dividend paid out the previous year for a total dividend from FY 2021-22 profits of €2.16 per share). At the end of March 2023, it also paid out an interim dividend against FY 2022-23 profits of €1.00 per share. The company expects to pay a final dividend of €1.15 per share if the board's motion is ratified at the upcoming Annual General Meeting, scheduled for 20 July 2023, which would imply a total dividend from FY 2022-23 profits of €2.15 per share.

Elsewhere, at 31 March 2023, the company carried own shares representing 7.06% of the total at €63.9 million (1.8% of the company's shares were bought back under the repurchase programme, with the remaining 5.3% bought back under the discretionary management programme and via block trades).

Since 8 August 2019, the company has bought back a total of 4,582,705 shares, at an average price of €19.42 per share, implying a total outlay of €89 million, of which €9.9 million corresponded to FY 2022-23 (672,230 shares).

In June 2022, the company delivered 86,933 own shares, acquired for a total of €1.8 million, to its employees as part of the commitments assumed under the long-term incentive plan (LTIP).

Unrestricted cash increased by €13 million in FY 2022-23, closing out the fiscal year at €198.7 million

[6] Calculated in terms of GAV.

[7] In terms of the value of the company's land bank, namely its gross asset value (GAV), gleaned from the appraisal conducted by Savills Aguirre Newman Valoraciones y Tasaciones S.A. as of 31 March 2023, plus the investments committed to as of 31 March 2023 valued at the cost of bringing them to Ready-to-Build status.

Liabilities that mature in the long term:

In FY 2021-22, AEDAS Homes modified its financing structure when it issued €325 million of green bonds due August 2026; those bonds are listed on the Irish Stock Exchange's Global Exchange Market. This issue locked in a very attractive fixed rate of interest for a significant percentage of the company's long-term borrowings. The green bonds have an associated €55 million revolving credit facility, provided by banks. That change in the company's financing structure injects visibility in terms of credit ratings^[8] and diversifies its sources of financing, increasing the company's exposure to long-term debt (90%) and to fixed rates (64%).

€319 million of non-current financial liabilities at amortised cost, carrying a fixed rate, corresponding to the green bonds issued in the capital markets. This issue has raised the company's profile and diversified its sources of financing.

Increase of €28.0 million in developer loan drawdowns to €132 million at year-end (stated at amortised cost).

Liabilities that mature in the short term:

- Customer down payments decreased by €21.5 million due to the high volume of deliveries consummated during the year.
- €33.5 million increase in trade payables to €218.5 million, reflecting the significant volume of developments in progress.
- €6.8 million increase in current financial liabilities corresponding to the commercial paper programme to €44.4 million at year-end (stated at amortised cost).

The variation in equity reflects the strong results achieved during the year and the company's firm commitment to remunerating its shareholders

[8] Corporate credit rating: S&P (B+), Moody's (Ba2) and Fitch (BB-). Green bond rating: S&P (BB-), Moody's (Ba2) and Fitch (BB). All ratings have a stable outlook.

Consolidated balance sheet

(€m)	31 Mar. 2023	31 Mar. 2022	Change €m	Change %
Other fixed assets	37.4	37.8	(0.5)	(1.2%)
Deferred tax assets	5.3	7.0	(1.6)	(23.7%)
Non-current assets	42.7	44.8	(2.1)	(4.7%)
Inventories	1,610.7	1,520.3	90.3	5.9%
Trade receivables	42.9	64.5	(21.7)	(33.6%)
Other current assets	28.0	29.0	(1.0)	(3.4%)
Unrestricted cash and cash equivalents	198.7	185.7	13.0	7.0%
Restricted cash	46.1	54.3	(8.3)	(15.2%)
Current assets	1,926.3	1,853.9	72.4	3.9%
Total assets	1,969.0	1,898.7	70.3	3.7%
Equity	969.6	976.3	(6.7)	(0.7%)
Of which: own shares	(63.9)	(55.9)	(8.0)	14.4%
Non-current borrowings	319.0	317.4	1.6	0.5%
Other non-current liabilities	2.8	1.2	1.6	131.3%
Deferred tax liabilities	0.3	0.3	0.0	0.0%
Non-current liabilities	322.0	318.9	3.1	1.0%
Development financing with long-term maturities	125.6	98.6	27.0	27.4%
Development financing with short-term maturities	6.4	5.4	1.0	18.5%
Commercial paper	44.4	37.5	6.8	18.4%
Trade payables	218.5	185.0	33.5	18.1%
Customer down payments	194.8	216.2	(21.5)	(9.9%)
Other current liabilities	87.7	60.7	26.9	44.4%
Current liabilities	677.3	603.5	73.8	12.2%
Total equity and liabilities	1,969.0	1,898.7	70.3	3.7%

Statement of cash flows

Cash and cash equivalents increased by €4.7 million in FY 2022-23 from €240 million at the start of the fiscal year to €244.7 million at year-end. That movement is attributable to net cash outflows from operating activities of €20.2 million, net cash inflows from investing activities of €4.1 million and net inflows from financing activities of €20.8 million.

The outflows from operating activities were mainly attributable to the €90.3 million increase in inventories, the €22.7 million decrease in trade receivables and other current assets and the €21.5 million decrease in customer down payments.

The €4.1 million of net cash from investing activities was mainly the result of the repayment of intragroup loans.

The €20.8 million of net cash from financing activities stemmed mainly from the drawdown of developer loans and the issuance of commercial paper. Under the scope of the new Commercial Paper Programme, renewed in June 2022, the company issued €155.1 million in FY 2022-23 and repaid €148.5 million, leaving an outstanding balance of €44.7 million due on several dates between the reporting date and June 2024.

AEDAS Homes had mortgage financing arranged over a total of 98 developments with an aggregate limit of €628.9 million, of which it had drawn down €130 million as of the March 2023 reporting date

Developer loan	
Financial entity	Formalised amount (€m)
Cajasur	25.8
Iberia Private Real Assets Credi, SCSp	67.3
Unicaja	19.0
Sabadell	153.9
BBVA	149.2
Abanca	11.1
La Caixa	19.2
Santander	82.7
Kutxabank	48.5
Targobank	12.5
Bankinter	13.5
Ibercaja	26.2
Total	628.9

As for its development financing, at 31 March 2023, the company had arranged mortgage financing (excluding land financing) over a total of 98 developments with an aggregate limit of €628.9 million. Of that authorised limit, it had drawn down €130.0 million as of the reporting date (excluding €93.5 million drawn down on behalf of development buyers).

As for the cash outflows in FY 2022-23, it is important to note the net amount of €9.9 million spent on buying back own shares and the payment of €102.7 million in dividends, of which €43.5 million correspond to an interim dividend from FY 2022-2023 profits.

Investment volumes			
(€m)	31 Mar. 2023	31 Mar. 2022	Change
Consolidated profit before tax	137.4	125.0	12.3
Adjustments for finance income/costs	22.4	19.8	2.6
Net finance cost	45.4	31.6	13.8
Borrowing costs capitalised in inventories	(23.5)	(11.8)	(11.7)
Change in fair value of financial instruments and exchange differences	0.5	0.0	0.5
Share of profit of associates	(1.5)	(0.4)	(1.1)
Impairment of inventories	1.3	1.3	0.0
EBIT	159.5	145.7	13.7
Depreciation/amortisation and impairment charges	4.8	3.2	1.6
Adjusted EBITDA	164.2	148.9	15.3
Other adjustments to profit	1.5	3.5	(1.9)
Other cash used in operating activities	(46.8)	(28.2)	(18.6)
Change in working capital excluding land purchases/sales	(17.7)	55.4	(73.0)
Change in working capital derived from land purchases/sales	(121.5)	(169.7)	48.2
(A) Net cash (used in)/from operating activities	(20.2)	9.9	(30.1)
Investments in group companies and associates	(13.8)	(55.0)	41.2
Investment in other PP&E and intangible assets	(5.9)	(2.9)	(3.0)
Investments in other financial assets	(17.0)	(7.4)	(9.6)
Proceeds from the sale of investments in group companies and associates	26.1	2.4	23.7
Proceeds from the sale of other financial assets	14.7	20.5	(5.9)
(B) Net cash from/(used in) investing activities	4.1	(42.4)	46.5
Repurchase/sale of own shares	(9.9)	(14.2)	4.3
Issuance and repayment of borrowings	133.3	198.8	(65.5)
Dividends and payments on other equity instruments	(102.7)	(98.3)	(4.3)
(C) Net cash from financing activities	20.8	86.3	(65.5)
Net increase in cash and cash equivalents (A+B+C)	4.7	53.9	(49.1)

Investment allocated to the buying back of own shares came to €9.9 million

Borrowings

At 31 March 2023, the company's gross financial liabilities (stated at amortised cost) stood at €495.3 million, made up essentially of €130.3 million of developer loans and land financing; €1.7 million of unsecured debt financing projects for institutional investors; and €363.4 million of corporate debt (€44.4 million via commercial paper and €319.0 million via the green bonds issued in 2021).

Net debt increased by €23.4 million in FY 2022-23 to €296.7 million, due mainly to the €25.9 million increase in developer loan drawdowns as a result of the growth in the volume of units under construction. Cash, meanwhile, increased by €4.7 million. As a result, the company's net LTV and net LTC ratios ended March 2023 at 14.2% and 18.4%, respectively, healthy levels that permit the distribution of an extraordinary dividend.

Financial leverage		
(€m)	At 31 March 2023	At 31 March 2022
Net debt (€ m)	296.7	273.3
Net LTC	18.4%	18.0%
Net LTV	14.2%	13.2%
Net debt/EBITDA	1.9x	1.8x

As for the debt maturity profile, it is worth pointing out that most of the company's current liabilities consist of loans that mature in the long term (€125.6 million, stated at amortised cost), specifically developer loans, land financing and financing tied to BTR developments, in addition to the company's short-term loans (€44.4 million of MARF-listed commercial paper and €6.4 million of developer loans and land financing due in the short term, all stated at amortised cost). Non-current liabilities comprise the green bonds issued in 2021, which are carried (at amortised cost) at €319.0 million. As a result, 90% of the company's total borrowings (at amortised cost) fall due in the long term.

The snapshot of the company's financial structure reveals a diversified mix of sources of financing and lenders, so that its financial risk is not concentrated.

At the March 2023 close, the average borrowing cost (on drawn borrowings) was 4.46% (up 85bp year-on-year due in part to the increase in benchmark rates of 389bp between 1 April 2022 and 31 March 2023). If the company were to draw down the entire limit (i.e., an additional €460.5 million), its borrowing cost would be 4.76% and the average cost of its development financing would be 6.43%.

Evolution of net financial debt

(€m)	31 march 2023	31 march 2022	Change
(A) Development financing	134.0	106.3	27.7
(B) Corporate debt	369.7	363.1	6.6
Commercial paper (MARF-listed)	44.7	38.1	6.6
Green bonds issued in 2021	325.0	325.0	-
(C) Financial liabilities at amortised cost	(8.4)	(10.4)	2.0
(D) Gross debt (A + B + C)	495.3	459.0	36.4
(E) Unrestricted cash	198.7	185.7	13.0
Net debt before down payments (D - E)	296.7	273.3	23.2
(F) Cash tied to down payments	46.1	54.3	(8.3)
(G) TOTAL CASH (E+F)	244.7	240.0	4.7
(H) Revolving credit facility	55.0	55.0	0.0
TOTAL LIQUIDITY (G+H)	299.7	295.0	4.7

The snapshot of the company's financial structure reveals a diversified mix of sources of financing and lenders, so that its financial risk is not concentrated

Asset valuation

At 31 March 2023, the company measured the realisable value of its inventories, understood as their estimated sale price less all of the estimated costs necessary to complete their construction. The fair value of its real estate asset portfolio was determined on the basis of appraisals performed by independent experts (Savills Aguirre Newman Valoraciones y Tasaciones, S.A.), excluding prepayments to suppliers. Those appraisals calculate fair value primarily using the dynamic residual method for land and the discounted cash flow method for developments in progress and finished developments, in keeping with the Valuation and Appraisal Standards published by the Royal Institute of Chartered Surveyors (RICS) of Great Britain, and the International Valuation Standards (IVS) published by the International Valuation Standards Committee (IVSC).

At 31 March 2023, the appraisal carried out by Savills Aguirre Newman Valoraciones y Tasaciones, S.A. valued the company's portfolio of inventories (excluding advances to suppliers) at €2.09 billion.



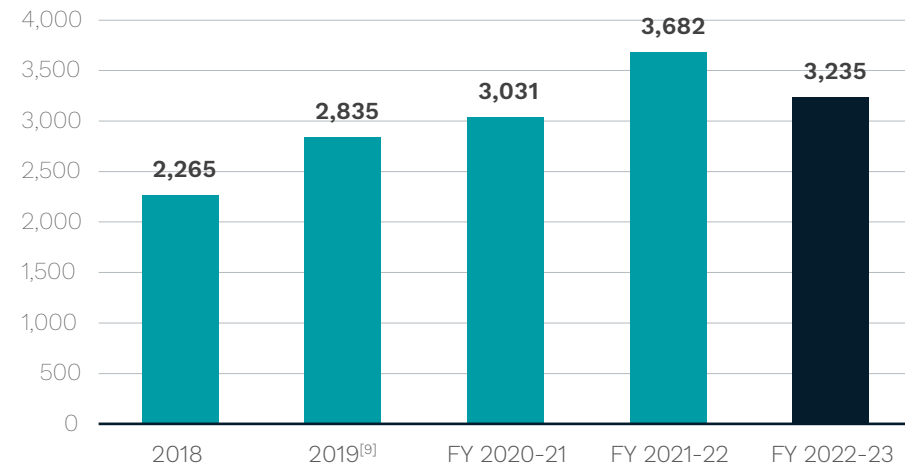
Zeta Valley (Málaga)

Key performance indicators

+ *More information about Alternative Performance Measures (APM) is available on the AEDAS Homes webpage for Investors, in the Investors Kit subsection (May 2023 Key Alternative Performance Measures).*

Units put on the market

Units



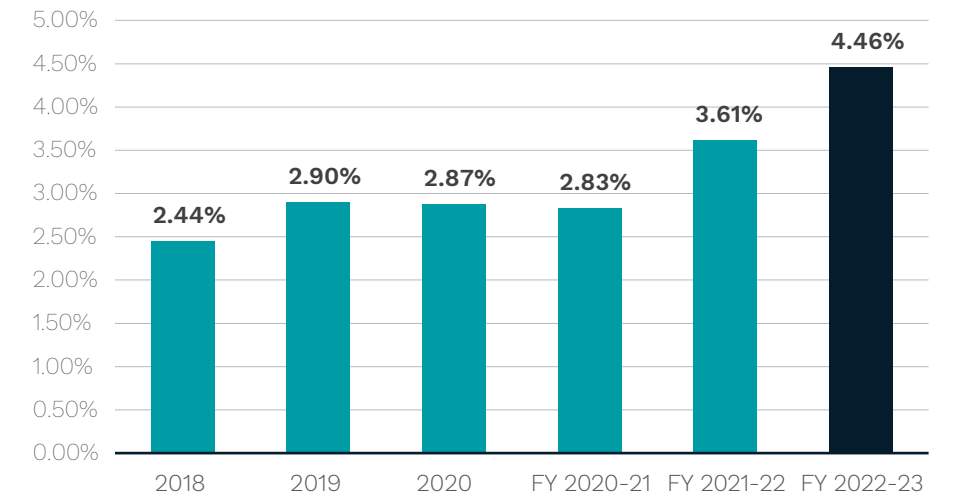
Dividend distribution

Fiscal year	FY 20-21	FY 21-22	FY 22-23 ^[10]	FY 23-24	FY 24-25	FY 25-26
Dividend per share (€)	1.40	2.16	2.15			
Total dividend (€m) ^[11]	62.2	95.2	93.5			

50% of net income + extraordinary dividend

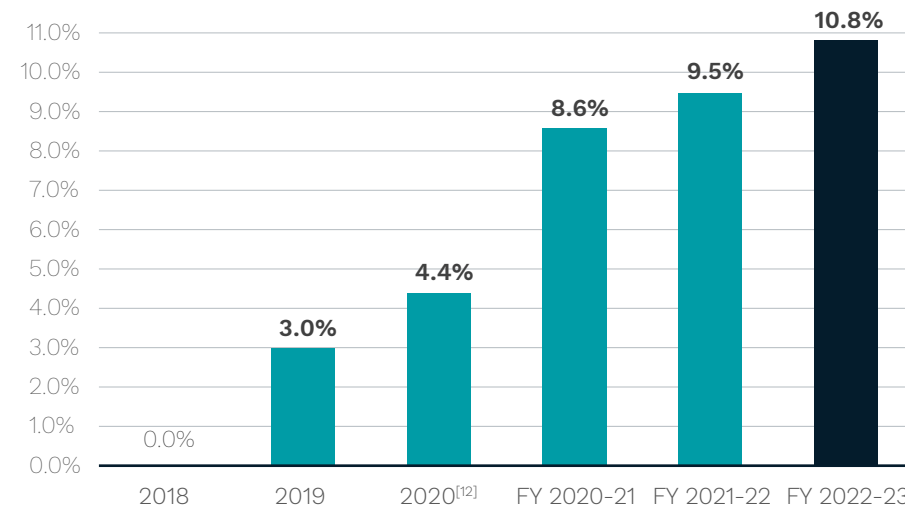
Average nominal cost of funding

%



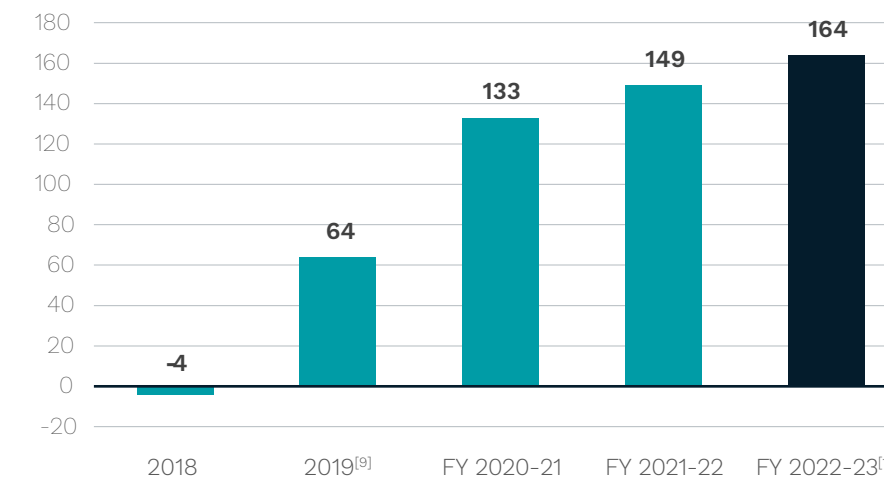
Return on Equity

%



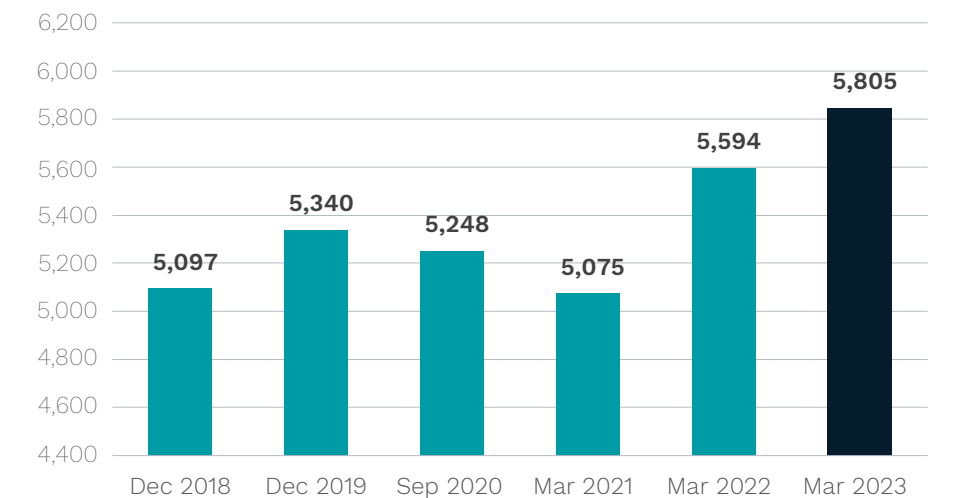
EBITDA

€m



Gross Development Value (GDV)

€m



[9] Here data in FY 2019 includes the activity that corresponds to FY 2020, which was a short period of 3 months ending 31 March 2020.

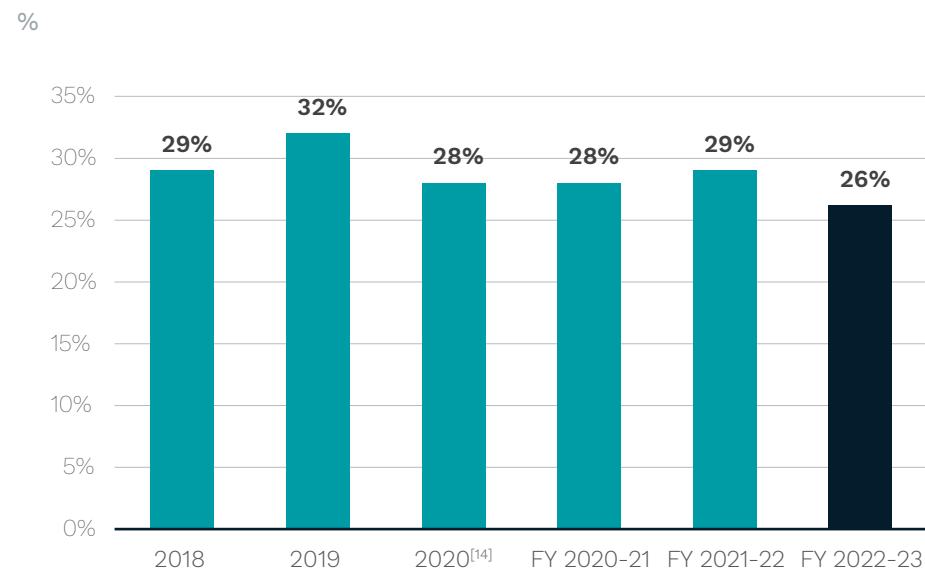
[10] Subject to approval at the Annual General Meeting.

[11] Treasury shares do not receive dividends.

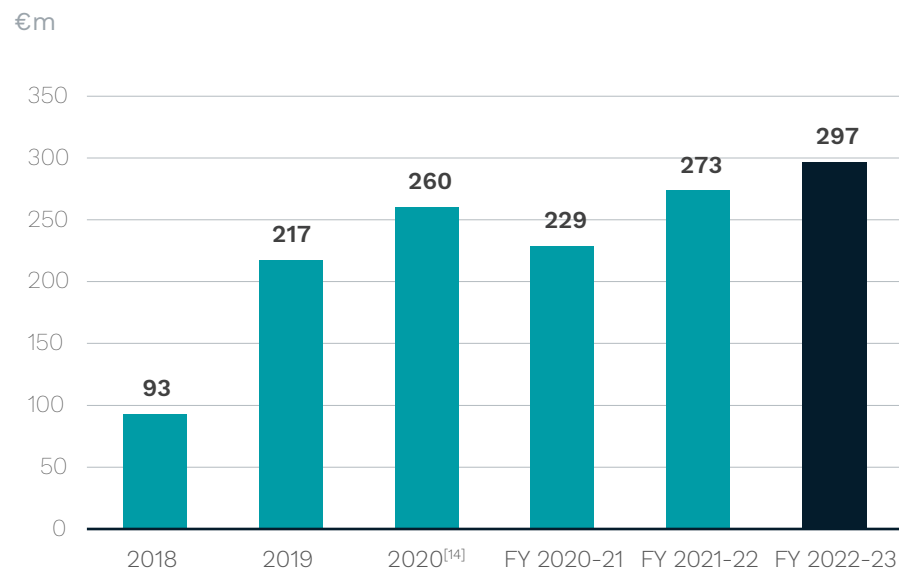
[12] FY 2020 corresponds to a short period of 3 months ending 31 March 2020.

[13] Adjusted EBITDA.

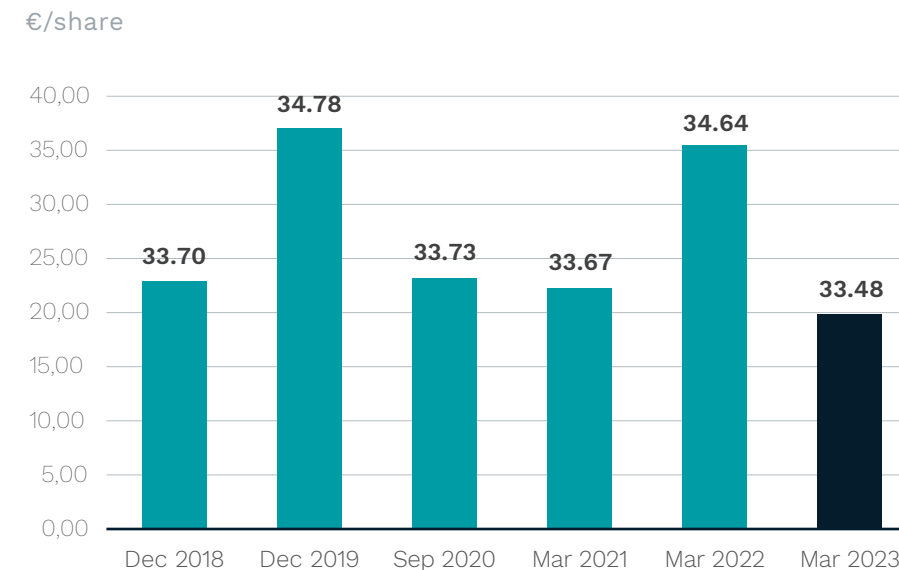
Gross margin



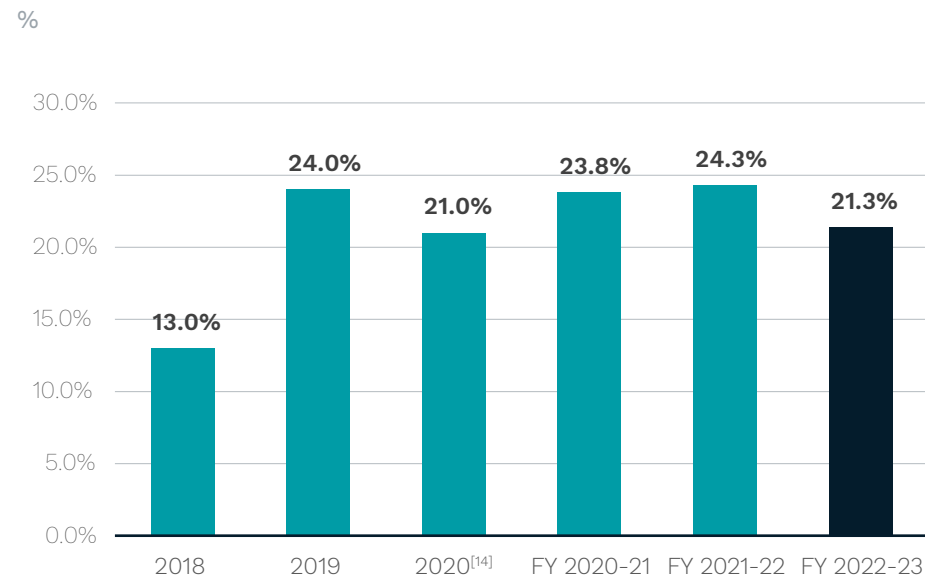
Net financial debt



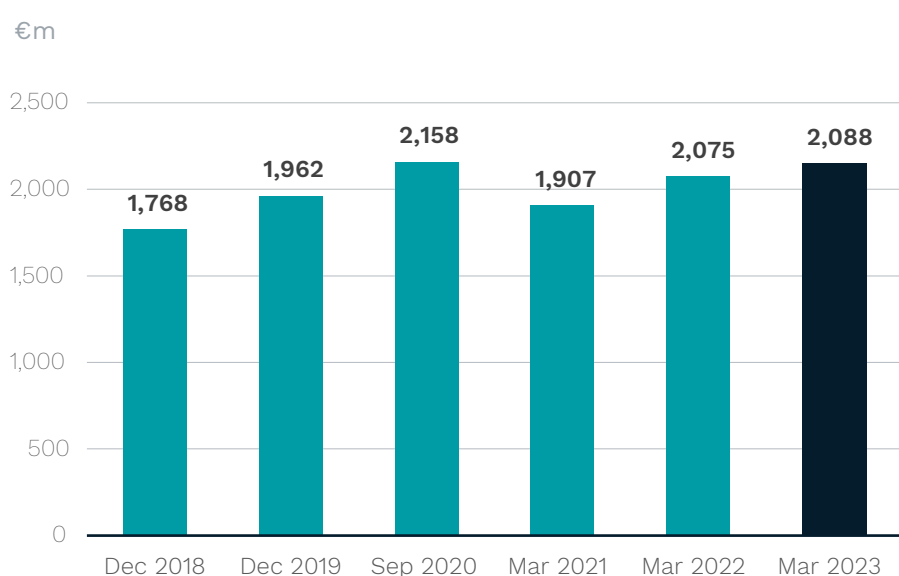
Net Asset Value (NAV)^[15]



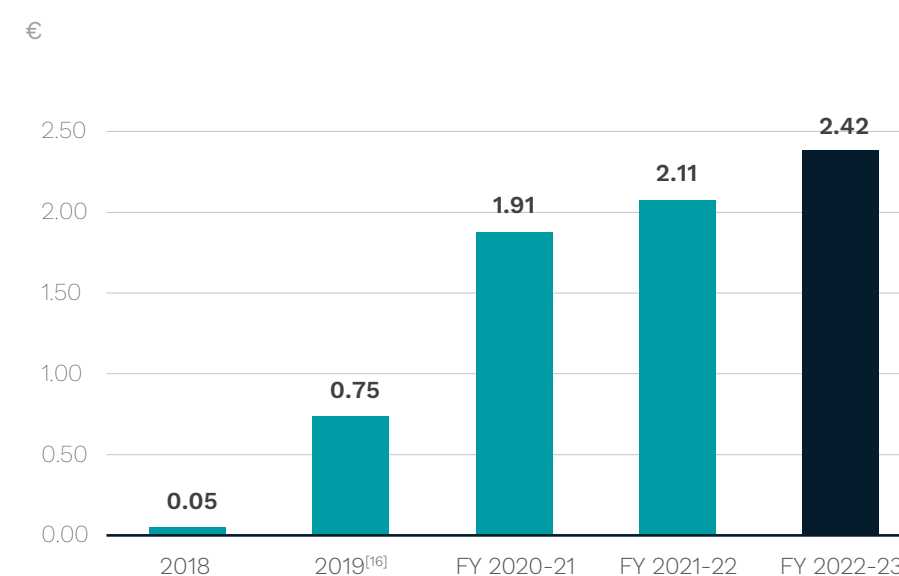
Net margin



Gross Asset Value (GAV)



Diluted earnings per share



[14] FY 2020 corresponds to a short period of 3 months ending 31 March 2020.

[15] NAV per share calculation excludes 3,305,632 own shares in March 2023; 2,720,335 treasury shares in March 2022; and 3,325,249 in March 2021.

[16] Here data in FY 2019 includes the activity that corresponds to FY 2020, which was a short period of 3 months ending 31 March 2020.

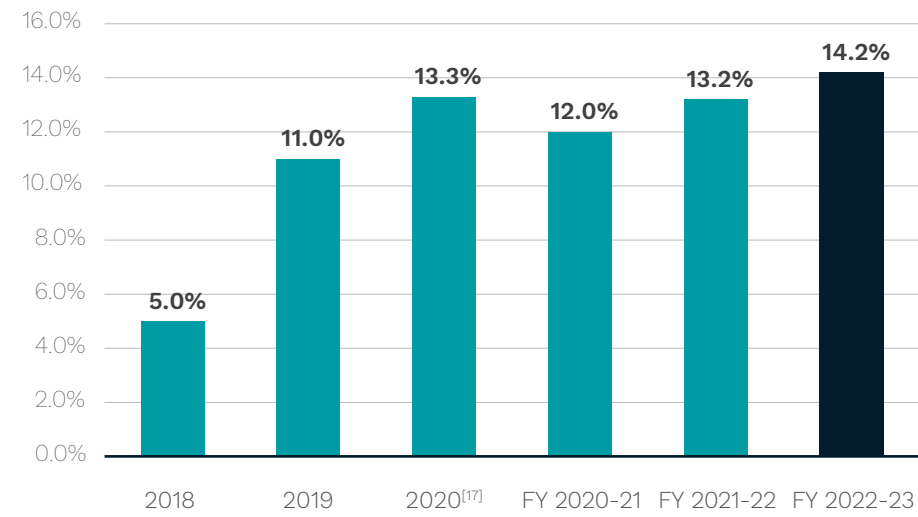
NFD / EBITDA

x



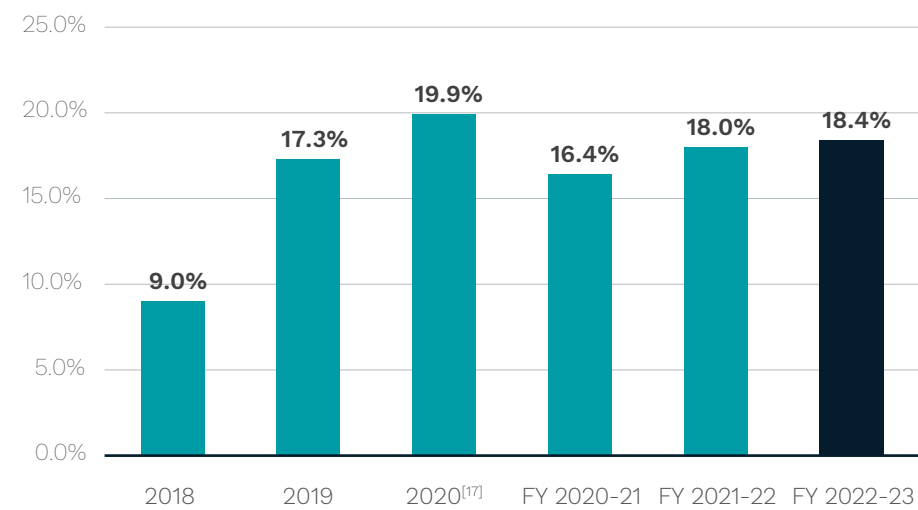
Net LTV

%



Net LTC

%



[17] FY 2020 corresponds to a short period of 3 months ending 31 March 2020.

A year creating value together

**Stakeholder
engagement**



**Our shareholders, key support
for our business**



**Our customers,
our inspiration to innovate**



**Our professionals,
the talent driving our growth**



**Our suppliers, allies
in our sustainable construction bid**



**Our contribution
to community development**



Stakeholder engagement

Here at AEDAS Homes, we are spearheading the residential development sector's sustainability transition with the financial support of our shareholders and valuable input from the rest of our stakeholders. We see them as co-creators of our value proposition, which is why it is essential to reach out to them consistently so as to boost our positive impact on society and our natural surroundings.



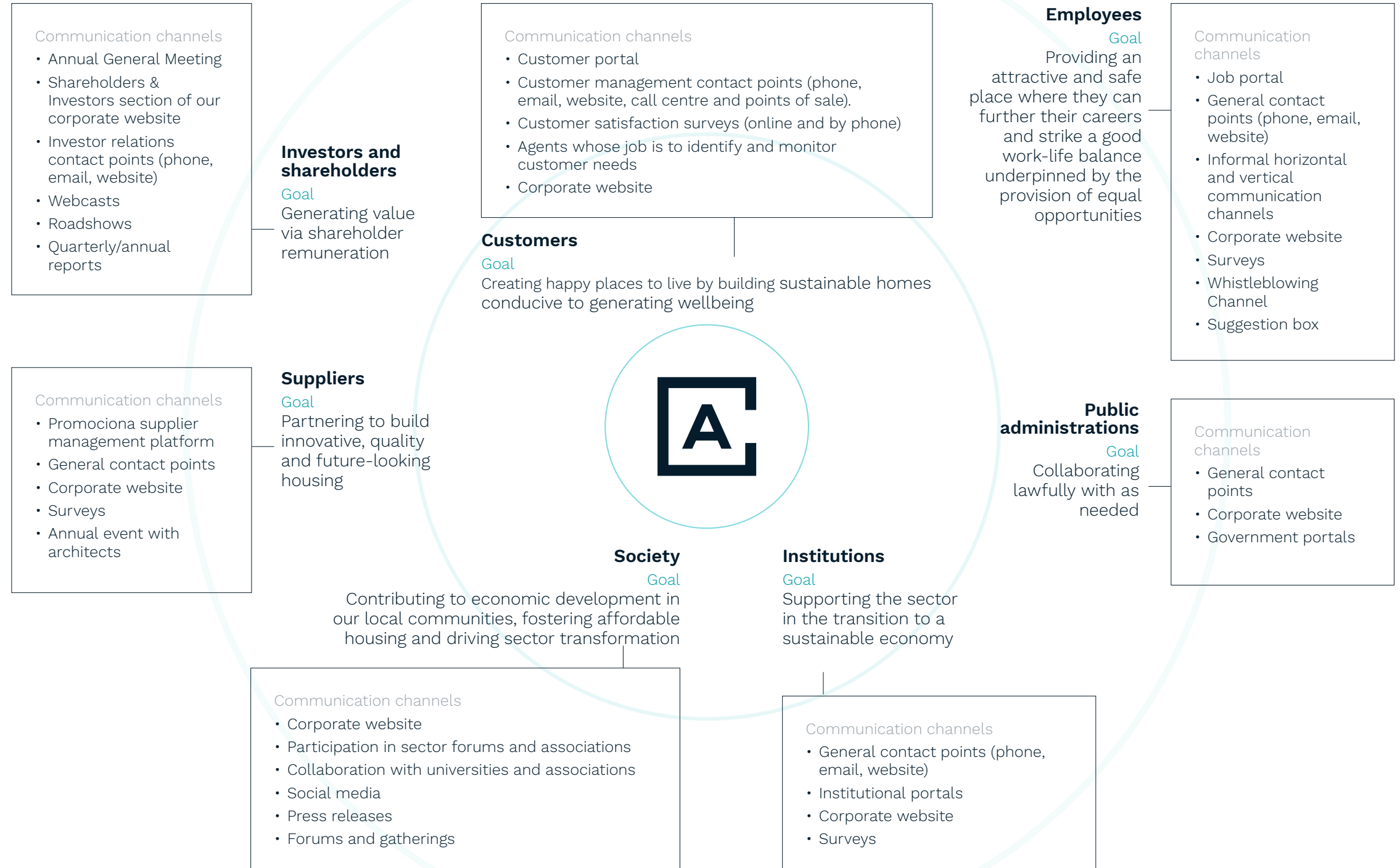
Escalonia III (Las Rozas)

We have identified seven stakeholder groups that contribute to our business development and by the same token are influenced by it: shareholders, customers, employees, suppliers, public administrations, institutions and society.

Certain that our long-term viability depends largely on satisfying their legitimate interests, we involve our stakeholders in our decision-making by means of constant dialogue through a range of channels. Thanks to those mechanisms, which are fully integrated into our management system, our stakeholders can request and receive information and make suggestions about how things could be done better.

This Integrated Annual Report is good example of our participative approach: it was drawn up considering the matters deemed relevant by our stakeholders based on a materiality assessment carried out in 2021.

Engaging with our stakeholders



Milestones

- Motion to pay out a dividend of up to €94 million, equivalent to ~90% of net profit, subject to approval by the Board of Directors and then by our shareholders at the Annual General Meeting.
- Rollover of the share buyback programme for up to €50 million or 2.5 million shares.
- Proposal for a reduction in capital through the amortisation of own shares, equivalent to 6.6% share capital.
- Named Best IR Team (Small Cap-Spain) for 2022 at the Iberian Equity Awards, organised by AERI (Spanish Association of Investor Relations), based on a global survey of financial professionals conducted by *Institutional Investor*.

Our shareholders, key support for our business

Our shareholders are the underpinnings of our business, providing the financial boon needed to transform and catalyse the home development sector in Spain. That is why we focus our management on strategies and initiatives designed to create value in the long term that help protect and maximise returns for our shareholders. We are constantly enhancing the information we report, disclosing recurring, transparent, objective and accurate information that helps them form an independent opinion and round out their knowledge of our business performance and prospects.

Shareholder structure

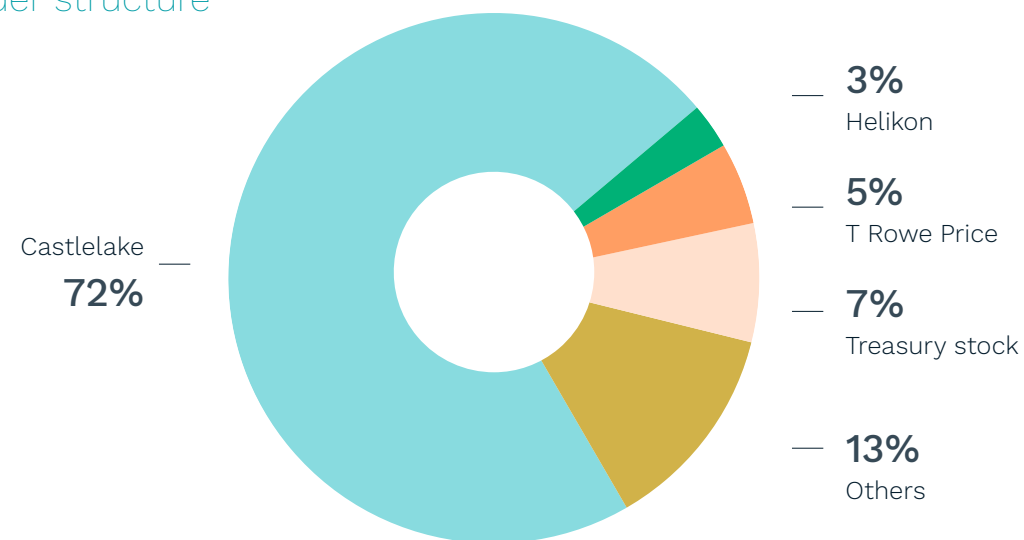
At 31 March 2023, AEDAS Homes' share capital comprised **46,806,537 ordinary shares**, each with a par value of €1, of the same class, fully subscribed and paid in, and all carrying the same voting and dividend rights.

AEDAS Homes' shares have been traded on the Madrid, Barcelona, Bilbao and Valencia stock exchanges since October 2017, with a market value at 31 March 2023 of €609 million. Since March 2018, AEDAS Homes' shares have been part of the IBEX Small Cap index, a composite equity index compiled by Bolsas y Mercados Españoles (BME) encompassing the small-cap companies listed on Spain's four stock exchanges that trade through the electronic trading platform (SIBE for its acronym in Spanish).

According to the most recent information reported to the Spanish securities market regulator, the CNMV, the company's core shareholder is the US fund, Castlake, through Hipoteca 43 Lux S.à.r.l., which holds 72% of the shares outstanding, followed the company itself, holding 7% of total outstanding shares treasury stock, T. Rowe Price Associates Inc., with a 5% ownership interest, and Helikon Long Short Equity Fund Master ICAV, an investor which maintains a total position equivalent to 3% of shares outstanding.

The remaining 13% of the company's shares are in the hands of over 2,000 shareholders. In short, a very significant percentage of our shares is in the hands of institutional investors (around 96%), the large majority of which are international investors (specifically, 87%).

Shareholder structure



Own shares

At 31 March 2023, AEDAS Homes held **3,305,632 own shares**, equivalent to 7.06% of its share capital.

The main developments in FY 2022-23 were the following:

- In July 2022, AEDAS Homes approved its third share buyback programme, following on from those initiated in 2019 and 2020. The new programme, which started on 27 September 2022 and runs for 36 months, contemplates the buyback of up to €50 million and no more than 2.5 million shares, which is equivalent to 5.34% of share capital, with three potential uses: (i) cancellation; (ii) coverage of the company's financial obligations under its convertible bonds; or (iii) delivery to employees under the umbrella

of the long-term incentive plan for senior management and key employees.

- In FY 2022-23, AEDAS Homes delivered 86,933 own shares to employees, fulfilling the commitment under the long-term incentive plan (LTIP) for its Senior Management Team and other key employees.
- Also during the reporting period, AEDAS Homes repurchased a total of 672,230 shares (of which, 73% correspond to the share buyback programme) at an average price of €14.64 per share, implying a total investment of €10 million.

The movements in own shares in FY 2022-23 are broken down in the table below:

	Purchased	Cancelled	LTIP	Total
Balance sheet at 1 April 2022				2,720,335
1Q 2022	23,337	-	(86,933)	(63,596)
2Q 2022	98,499	-	-	98,499
3Q 2022	243,372	-	-	243,372
4Q 2022	307,022	-	-	307,022
Balance sheet at 31 March 2023				3,305,632
Percentage of total outstanding				7.06%

Shareholder remuneration

In FY 2021-22, following approval of the Shareholder Remuneration Policy, we committed to paying out at least 50% of our net profit in dividends, with scope for topping that ordinary dividend up by an extraordinary dividend to the extent the additional payment does not push the net loan-to-value (LTV) ratio above 20%.

In FY 2022-23, the company paid out a total of €103m (€59m corresponding to FY 2021-22 earnings and €44m by way of interim dividend against FY 2022-23 profits).

At the company's upcoming Annual General Meeting, the AEDAS Homes Board of Directors will submit a motion for the distribution of a dividend of up to €94 million from FY 2022-23 earnings, of which €44 million (€1.00 per share) was already paid out on 31 March 2023.

That total dividend, if ratified, would imply a payout ratio of ~90% of net profit for FY 2022-23.

	FY 2020-21	FY 2021-22	FY 2022-23
Payout ratio	79%	102%	~90%
Interim	€0.90/share	€0.82/share	€1.00/share
Final	€0.50/share	€1.34/share	€1.15/share
Total dividend	€62m	€95m	€94m

Additionally, at the upcoming Annual General Meeting, the AEDAS Homes Board of Directors will propose a capital reduction for an amount equivalent to €3,106,537 through the redemption of 3,106,537 treasury shares acquired under the company's Share Buyback Programme. This capital reduction, which will not entail a return to shareholders as it involves the amortisation of shares owned by the company itself, will mean an increase in earnings per share and, therefore, in shareholder profitability.

Admission into Ibx Top Dividend index

In light of the company's healthy shareholder remuneration, having delivered a dividend yield of 15.67% in 2022 based on the closing price of 30 December 2022, the BME Group's Technical Advisory Committee decided on 26 July 2023 to include AEDAS Homes in its Ibx Top Dividendo index. That index tracks the 25 companies from the Ibx-35, Ibx Medium Cap and Ibx Small Cap indices offering the highest dividend yields.



Show Office Zeta Valley (Málaga)

Comparativa vs. IBEX 35 y EPRA

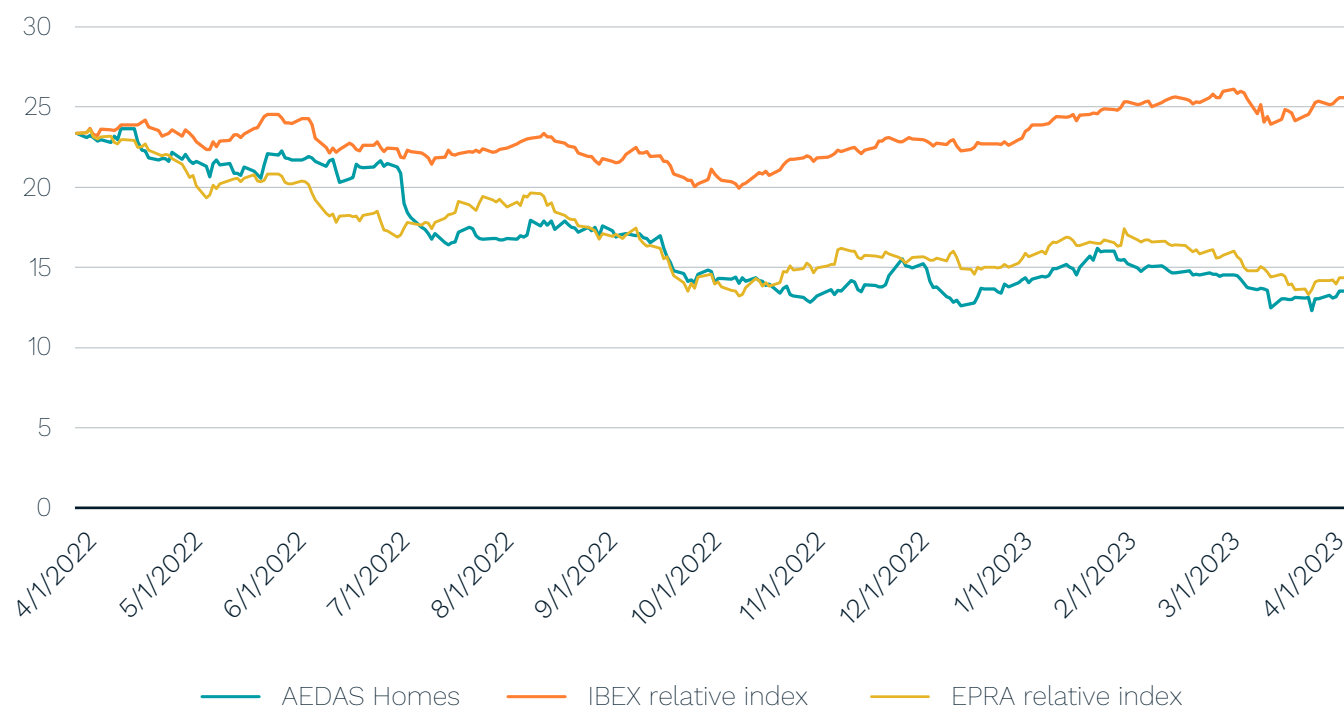
Share price performance

AEDAS Homes' share price ended 31 March 2023 at €13.02, down 43% year-on-year from the closing price on 31 March 2022 (€23.00/share), implying a discount to NAV of 61% (€33.48/share) at 31 March 2023.

The average daily trading volume in AEDAS Homes' shares was 25,000 in FY 2022-23 (down 31% year-on-year). In FY 2022-23 as a whole, 6,429,069 of the company's shares, equivalent to 14% of the total, traded hands (down 32% from the total volume traded in FY 2021-22).

Share price performance

VS. IBEX 35 and EPRA

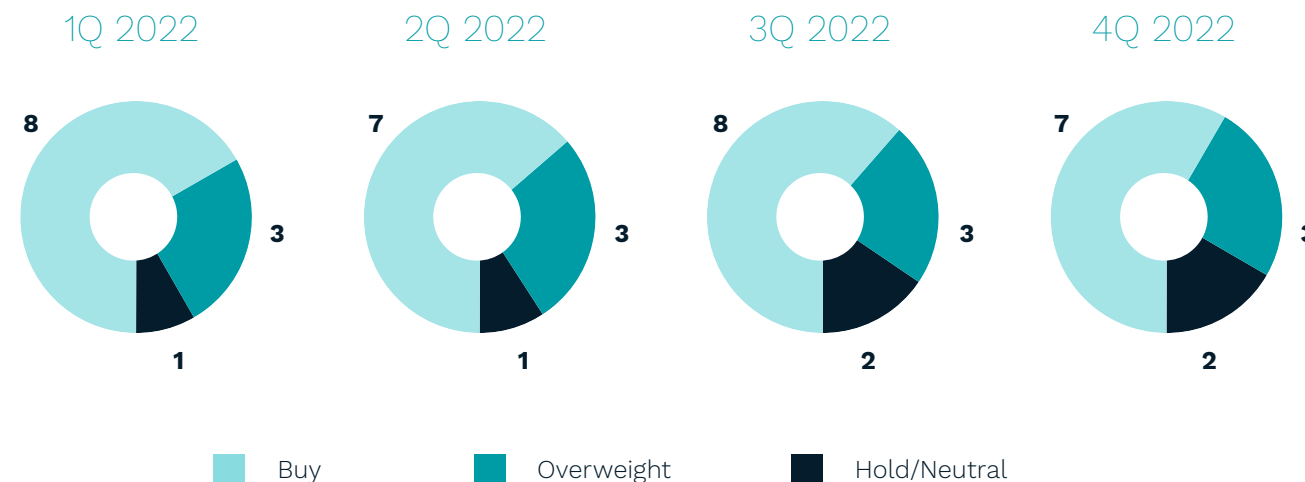


Stock market data		
	FY 2020-21	FY 2022-23
Number of shares at 31 March	46,806,537	46,806,537
Share price at 31 March (€)	23,0	13,0
High for the year	28,60	25,70
Low for the year	19,32	12,32
Market capitalisation at 31 March (€ m)	1,077	609
Average daily trading volume (000 shares)	36,000	25,000

On 31 March 2023, AEDAS Homes' share price closed at €13.02, implying a discount to NAV of 61%

Nevertheless, the 12 research analysts covering AEDAS Homes see upside in the company's share price underpinned by its business fundamentals. Their average target price is €21.82 per share, which is 68% above the closing price of 31 March 2023, with buy or overweight recommendations widespread among the pool of analysts.

Recommendations throughout FY 2022-23



The 12 research analysts covering AEDAS Homes see upside in the company's share price, with an average target price of €21.82 per share, 68% above the closing price at 31 March 2023, with buy or overweight recommendations widespread

Analyst target prices and recommendations		
Brokerage	Date last updated	Recommendation
ALANTRA EQUITIES	10 January 2023	Buy
BESTINVER	14 December 2022	Buy
CAIXA-BPI	23 January 2023	Buy
CITI	7 November 2022	Neutral
GOLDMAN SACHS	15 December 2021	Buy
JB CAPITAL	16 February 2023	Buy
KEPLER CHEUVREUX	4 November 2022	Buy
MIRABAUD	6 February 2023	Hold
ODDO BHF	1 December 2022	Overweight
RENTA 4	14 December 2022	Hold
SABADELL	14 June 2022	Buy
SANTANDER	7 December 2022	Overweight
Average		€21.82

Benchmark indices

In addition to the Ixex Small Cap and Ixex Top Dividend indices, mentioned above, AEDAS Homes' shares are traded in the following benchmark indices:

• EPRA Developers Research Benchmark

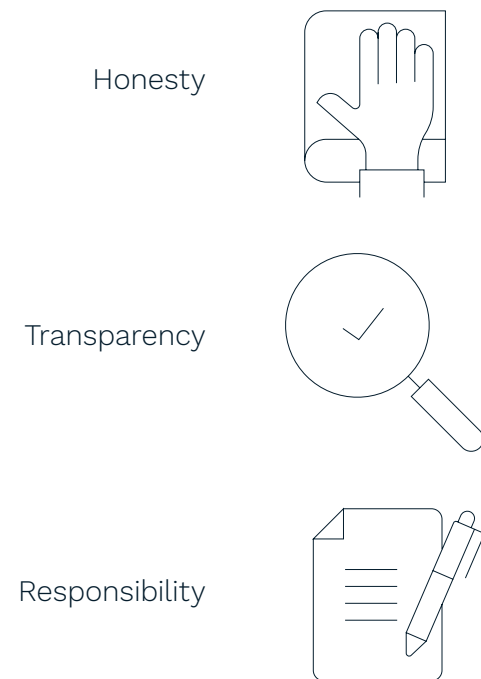
This is a non-commercial benchmark, designed in 2022 to allow its constituents, major developers, to assess themselves against each other. AEDAS Homes is one of its 29 European constituents. Those developers had an aggregated market capitalisation of €59.6 billion at the time of its creation.

Engagement with shareholders and investors

We strive to communicate constantly, transparently, comprehensively and accurately with our shareholders, framed by the principles and channels established in our [Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Advisors](#).

AEDAS Homes guarantees access to equal information for all via our corporate website (www.aedashomes.com). Under the “Shareholders & Investors” tab, interested parties can find the Investor Kit and Agenda, corporate presentations and information about the company’s financial and share price performance and corporate governance, all of which in keeping with its requirements under Spanish securities market law.

Shareholder communication principles



Investor Relations Department

AEDAS Homes’ IR Department is tasked with engaging with the financial community. Any investor with an interest in the company may contact the IR team at the following address:

Investor Relations

investor@aedashomes.com

Paseo de la Castellana 130, 5th Floor

Madrid, Spain

T. +34 917 880 000

One of the IR Department’s jobs is to disseminate the information required under securities market law and facilitate all shareholders’ right to be informed about, attend and participate at the Annual General Meeting (AGM).

To that end it reaches out to institutional investor proxy advisors to make sure that any voting recommendations they issue are as informed as possible.

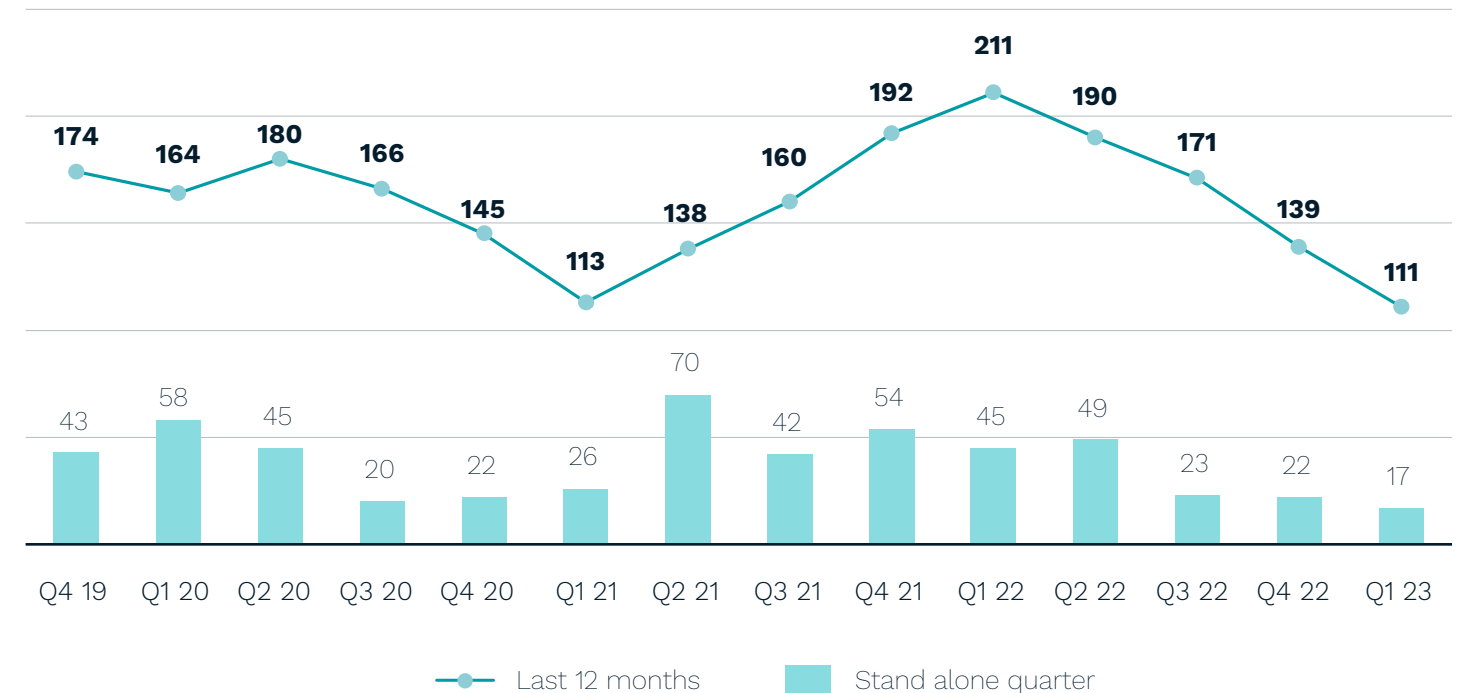
Every quarter, the IR Department presents the investor community with a report prepared with input from the Finance Department providing updates about the company’s business and financial performance, among other things. The company presents that report to the market by organising an earnings conference call, duly announced to the market as a price-sensitive notice, so ensuring that all interested parties have equal access to the relevant information.

In addition to its quarterly earnings reports, the IR Department participates in events and meetings organised to inform investors and analysts about the various matters of interest. The topics that came up most often were economic and financial in nature, including business performance updates, how the company is faring in the current climate of high inflation and rising interest rates, the profile of our customers, our share price performance, movements in our shareholder ranks, how we

generate cash flow, the company’s capital structure (especially the terms of the Green Bonds) and organic and M&A-led growth opportunities.

Those events also address ESG topics, specifically including matters related with affordable housing, building offsite, obtaining energy efficiency certifications and the company’s sustainability measures being implemented.

Meetings with Investors



Our customers, our inspiration to innovate

We innovate to make our customers' lives better by offering them comfortable, sustainable and quality homes suited for their chosen style or stage of life. To understand their needs, we use active listening tools based on smart data analysis and we work tirelessly to improve our housing proposition and their experience as buyers.

Milestones

- AEDAS Homes inaugurates its flagship showroom in Madrid
- New points of sale opened in Cantabria and Gerona
- Customisation team strengthened
- Launch of a smart online sales platform

Our customer approach

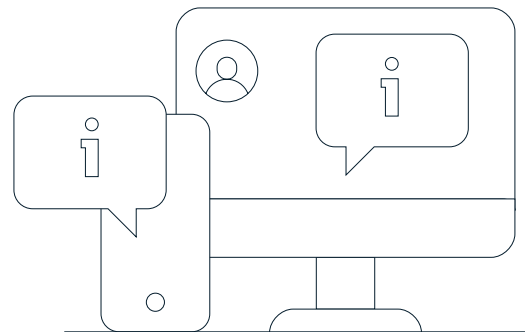
We offer our customers an omnichannel experience. That means they can visit our website, request information about our developments through our call centre, take a virtual tour of their future homes using the Live Virtual Tours platform or go to one of our points of sale to get assistance from one of our sales agents.

In FY 2022-23, we set up an exclusively online alternative sales channel.

In FY 2022-23, we set up an exclusively online alternative sales channel.

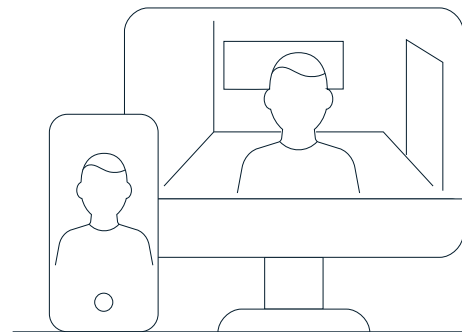
Omnichannel strategy

Phone assistance and Private Customer Area



We have a specialised and centralised team that handles requests for information submitted either by phone or through our Private Customer Area, the latter being the most popular among our potential customers. Last year, we fielded 15,634 enquiries throughout the entire customer journey; they were resolved within 2.4 days on average.

LIVE Virtual Tours platform



This innovative platform allows a potential buyer to connect live with a sales advisor who can resolve any questions while 'walking' them virtually through the development and its grounds, showing them the various rooms and finishes on offer. The LIVE team conducted a total of 140 virtual tours with customers and created six new experiences in FY 2022-23.

Sales network



Across our six regions, we have 65+ points of sale which are staffed by an extensive external sales network made up of 100+ local agents with unparalleled knowledge of each market.

Those establishments include multi-product on-street stores, sales offices erected on-site at our developments and our new flagship showroom in Madrid, inaugurated in 2022.

Through our sales offices, we attended 33,500+ potential new customers last year.

First homes sold 100% online



Customers using this new sales channel are offered an immersive experience comprising a virtual tour, replete with 3D images, views from the homes' balconies, an interactive map, videos, a virtual scale model and much more.

We continued to revolutionise the property market by launching a multi-device online platform last January which makes it possible to buy a new-build home totally online. The first pilot test of the online-only sales experience, involving no human contact, took place at the Aborda development in Alicante and was followed by the Faraday development in Madrid in March.

Customers using this new sales channel are offered an immersive experience comprising a virtual tour,

replete with 3D images, views from the homes' balconies, an interactive map, videos, a virtual scale model and much more. The browsing experience is pleasant, simple and intuitive.

Thanks to artificial intelligence, a virtual assistant can answer customers' questions at any time of the day and any moment of the visit.

During the purchase process customers are informed of every milestone along the way and

all their needs are covered thanks to automated marketing tools.

The two pilot tests have whetted the public's interest and are helping us better understand customer reactions at each phase of the process without the need for human contact.

By year-end, 8,660 people had used the smart platform and the first home sale had closed.

Improving the customer experience

Here at AEDAS Homes we are aware of how important purchasing a new-build home is to our customers. That is why we work so hard to constantly improve their journey throughout the entire process, which can be divided into three phases: search, wait and life.



An unforgettable first experience

During the initial search phase, we work to capture customers upstream, using digital (Google, social, etc.) and in-person tools (events, wayfinding, etc.). Once a customer contacts us, we activate our reception protocols so that they feel looked after and listened to as quickly as possible.

In FY 2022-23, we made important upgrades to our sales outlets and customer reception procedures.

Next-generation show office at building sites

To welcome our customers at our building sites we have created a new modular, sustainable and industrialised sales office concept. At these next-generation points of sale, customers can receive general information and personalise their homes.

The new offices have a floor area of around 120m² and comprise three metallic-structure modules with varying characteristics (possibly a lookout point, showroom area, or both). The first module has been designed as a show office for customer care

purposes and the other two have been conceived of as rooms for showcasing samples, finishes and layouts.

These innovative spaces are reusable and doubly sustainable: environmentally so (less waste) and financially (lower investment). By year-end, the company had installed three modular stores servicing 11 developments.

Perfecting the first visit

In parallel, we have improved our reception protocols, by increasing the number of questions we ask potential customers during their first visits so as to better meet their expectations.

Aware that we don't get a second chance to make a good first impression, we are monitoring compliance with the new protocols by multiplying our mystery shopper visits tenfold with the aim of detecting possible procedural deviations or errors.



Punto de venta industrializado (Mairena de Aljarafe)



Multiplying customisation opportunities

Last year, we dedicated significant effort to enhancing the customer experience during the ‘wait time’, the period of time elapsing between the purchase and delivery of their new homes. Specifically, we worked hard on one of the most critical aspects of that period, an area often neglected in the sector: home customisation.

In FY 2022-23, we multiplied the possibilities for customising our homes and communicated them better through two key initiatives: creation of a dedicated customisation team; and reinforcement of the customisation sales effort across the various regional sales offices and at the new flagship showroom in Madrid.

The new customisation team, made up of architects and interior decorators, works to create and specify all of the customisation opportunities available at each development to ensure they respond to what our customers are looking for.

For example, customers can choose how to configure the layout of their homes, select their kitchen materials, colours and other characteristics, among other possibilities. Other customisation possibilities are designed to make life easier for older people or people with disabilities, such as smart home systems, keyless entry and wide passageways.

If a customer wants to have everything handled by us, they can arrange interior design and decorating services and ask us to set up all their utilities ahead of their move (Wi-Fi, water, electricity, etc.)

Thanks to these initiatives, the average revenue generated by customisation options tripled last year.

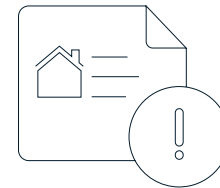


Product quality guarantees

Our after-sales service offers guarantees throughout the first year after delivery of our developments, with product quality experts on site to provide in-person assistance. AEDAS Homes also provides all the guarantees required under Spanish building law throughout the useful lives of its developments. We also have a dedicated Product Quality call centre to field any enquiries our customers may have after they move in.

During the courtesy visit and exchange of deeds, customers receive the Building Book, Home Guide and User Manual featuring tips for keeping their homes in optimum condition and making them as comfortable as possible.

Framed by our ambitious environmental commitments, that documentation includes very useful sections on water and energy savings.



Customer claims management

Every claim is fielded by the Customer Experience Manager assigned to each Regional Branch; those managers make initial contact with the customer in question to reassure them and make certain they know who is in charge of handling and resolving their claim. That first contact takes place within no more than a day of receipt of the claim.

The Customer Experience Manager has autonomy to manage and resolve the claim and analyses the situation with the professionals involved in the underlying issue. The customer receives a response within no more than 10 days. We classify incoming

claims according to a number of variables, most notably the maturity of the customer’s relationship with AEDAS Homes: claims received pending home delivery (waiting phase) and claims received after delivery (life phase).

In the event of claims received after delivery, the Customer Experience Manager follows up with the Product Quality department so as to ensure a rapid response.

The following table summarises the enquiries and claims received from customers during the wait phase and life phase:

Queries and complaints		
	FY 2021-22	FY 2022-23
Enquiries	8,079	15,368
Claims	600	735
- Closed:	551	655
- In progress	49	80
Response time	3.4 days	3.5 days

We've multiplied the possibilities for customising our homes and communicated them better by creating of a dedicated and reinforcing the customisation sales effort

New flagship showroom in Madrid

Customisation lies at the heart of the new flagship showroom we inaugurated in Madrid's Salamanca district last June.

In a spectacular space spanning 1,300 sqm, our customers can choose *in situ* how they want to customise their homes, with different options depending on whether it will be their primary or secondary residence.

The AEDAS Homes flagship is designed to offer an unbeatable home purchase experience by taking prospective buyers through a series of rooms: the lobby with a 3 sqm video wall, the 360° room providing an immersive experience, the dream area, bathroom, dressing room, wardrobe and kitchen displays, an interior design atelier, a 100 sqm pilot home and much more.

Buy a second home at the beach from Madrid

One of the radical new features offered by the flagship, unprecedented in the Spanish sector, is the possibility for home buyers who reside in Madrid to purchase a second home in one of our beach developments (East region, Mallorca, Costa del Sol, Laredo and Sanxenxo), selecting all the finishes from the showroom.



Flagship AEDAS Homes

Knowing our customers and listening actively

Our ultimate goal is to satisfy our customers and make them happier by offering them homes tailored for their needs. To achieve this, we need to understand them and listen to them actively and systematically.

AEDAS Homes' customer profile

Most often, an AEDAS Homes customer is a mid- to upper-income Spanish family looking to buy a home to live in. However, in the past year, the number of international customers has increased considerably: last year, we sold nearly one-third of our homes to international buyers (29%). We also saw growth in the number of individuals buying homes as a safe-haven investment (12%).

FY 2022-23 was also marked by the use of the internet as a purchase channel. 63% of AEDAS Homes buyers reached us through online channels, with the remaining 37% coming in via offline channels.

The following chart sums up the key characteristics of our home buyers.



Last year nearly one-third of our sales were to international buyers, and we also saw growth in the number of individuals buying homes as a safe haven investment.

AEDAS Homes' buyer profile. 2022-23

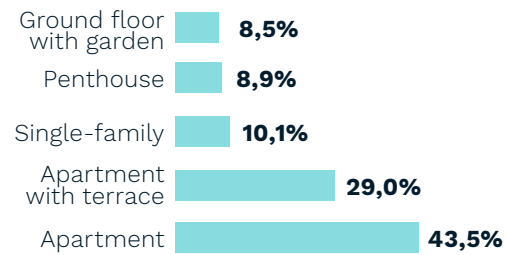
Average sales price
€383,000

Lorem ipsum

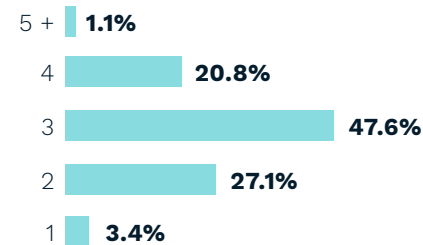


Type of home they buy

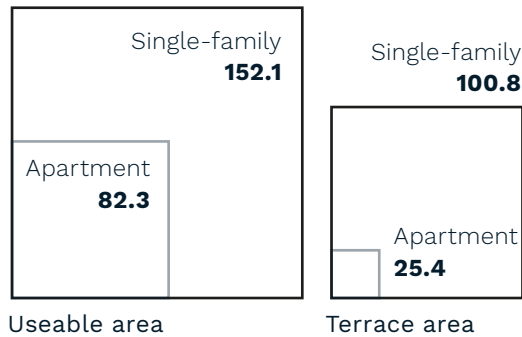
Type



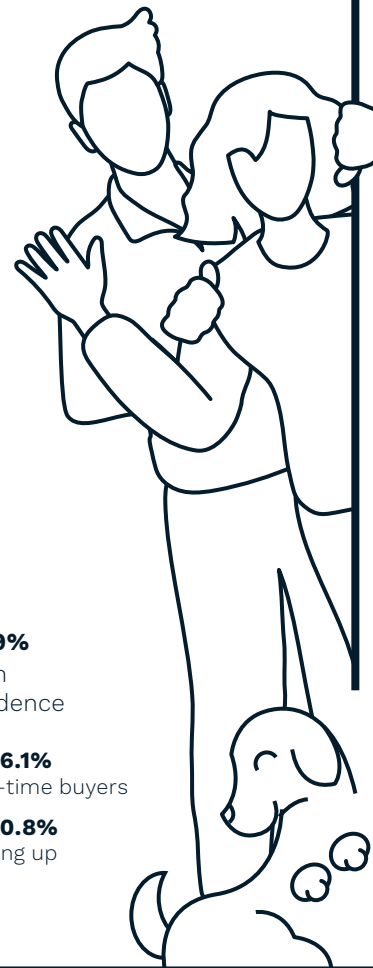
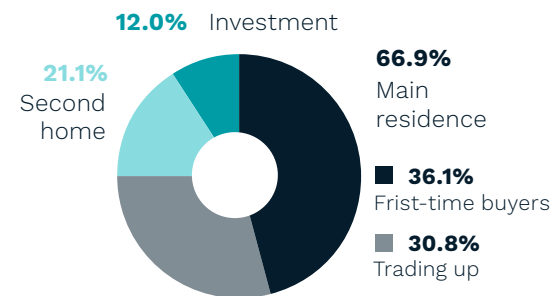
Number of bedrooms



Average floor area. m²

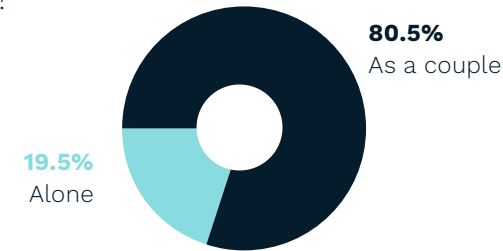


Purpose

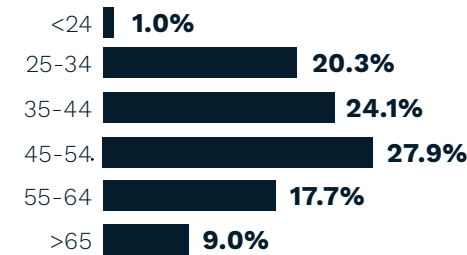


Who buys?

How they buy

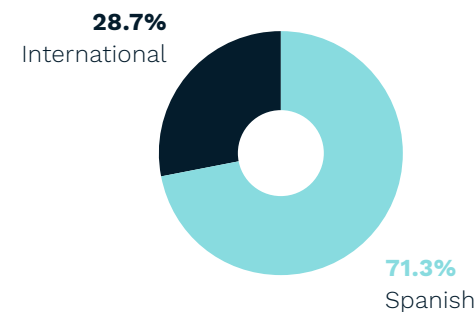


Who buys

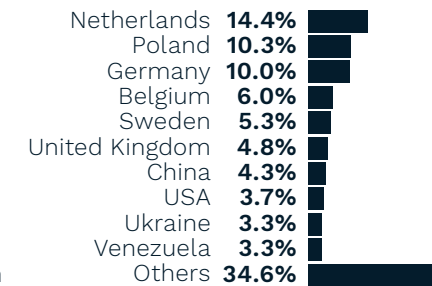


Average age
46.5 years old

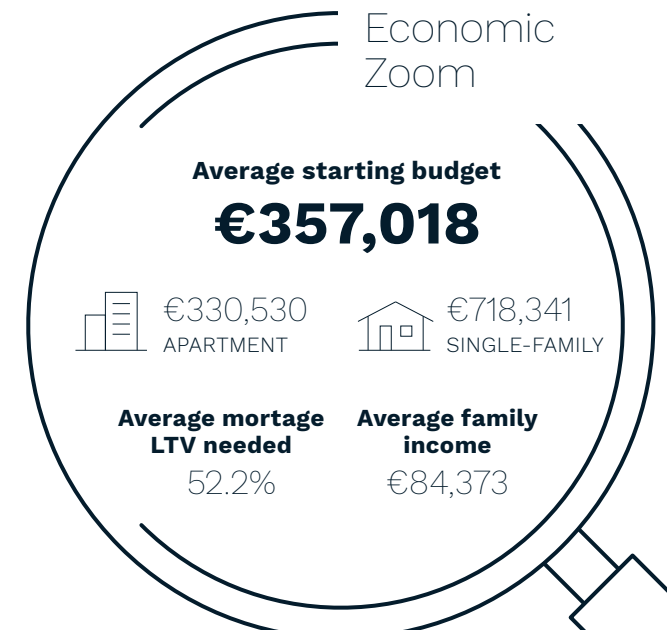
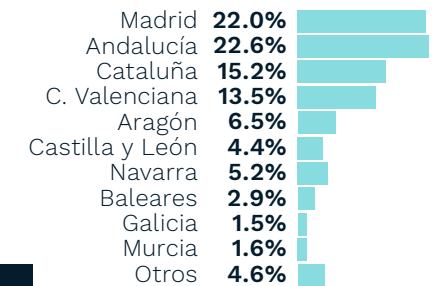
Where they come from



By country

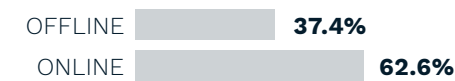


By CC.AA

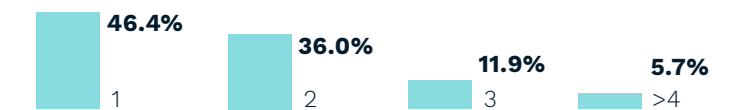


How they make their decision to buy

Sales channel origin



Number of visits to the point of sale until reservation



We also work for institutional clients, developing residential buildings turnkey for subsequent rental. These clients are a mix of well-capitalised Spanish and international institutional investors.

Current institutional clients in the build-to-rent line

Primevest Capital Partners

Azora

Ares

Grupo Lar



Active listening

At AEDAS Homes we track the data our customers provide us and our conversations with them in order to extract as much information as possible about their interests so as to continually fine-tune our product offering.

We have a database that houses all of the company's know-how, which enables us to take decisions on the basis of optimal information quickly and with minimal errors.

Data intelligence improves customer relations as better insight into market trends allows us to fine-tune our designs and align them with real needs.

Solid relationships with Tier One institutional clients who see AEDAS Homes as a trusted industrial partner to develop turnkey rental projects

Customer satisfaction surveys

To continually do better, it is essential to get feedback from our customers. That is why we send surveys to all our customers at key points during each of the three phases of the development life cycles, in line with our **Homeowner Survey Procedure**.

Our surveys assess our performance at six critical junctures of the customer journey:

- 1st After the first visit to a point of sale
- 2nd After the pre-sale signing
- 3rd After the presentation event
- 4th After the courtesy visit
- 5th After the formal exchange of deed
- 6th Eight months after delivery of the home

For the last survey, customers are asked to rate the condition of their home, the customer service they received, our brand image and to provide a Net Promoter Score (NPS). In FY 2022-23, the number of surveys completed by customers increased by 201%.

The surveys completed over the course of the last year reveal that the top-scoring aspects of our performance in our customers' eyes are the attention provided by the AEDAS Homes teams involved in the process, the general good condition of the overall development and homes when seen for the first time and, above all other aspects, the quality of the building work, along with the materials used, design features, the importance given to shared facilities and, lastly, the value for money.

Data protection

To safeguard our customers' data, we have a mature cybersecurity platform focused on 24x7 monitoring and defence, data protection, identity and permissions management, and automatic generation of evidence for auditing and compliance, all framed by our ITC Security Policy.

Oversight from the Board of Directors guarantees a strong underlying governance structure for cybersecurity management, and the Technology, Innovation and Cybersecurity Committee focuses on guiding the company to ensure that cybersecurity procedures and processes are in place to monitor

and respond to data breaches, cyberattacks and other threats as they evolve.

In FY 2022-23, we continued to carry out practice regular security audits, vulnerability assessments and penetration testing of our systems, products and practices that affect user data, carrying out this testing both internally and externally.

Furthermore, as educating and training employees is one of the key pillars in the company's cybersecurity strategy, the company has continued to offer courses for employees on cybersecurity best practices.



Safety at AEDAS Homes' developments

As is set down in our Health and Safety Policy, we are committed to ensuring that our homes are free from all risks.

To that end, we execute our Health and Safety Process during the design phase with the agents involved, analysing risks during the building work phase as well as the measures needed to ensure health and safety during the development maintenance phase. Special attention is paid to hazardous work performed on rooftops and balconies.

Moreover, all of the processes and procedures performed during the building process comply with prevailing legislation and previously identified best practices.

In the coming years we plan to devise a methodology for improving health and safety at the homes we develop.



Nisart (Sitges)

Our professionals, the talent driving our growth

We are a benchmark in residential development thanks to our excellent and passionate professionals. We have built a top-performing team by guaranteeing them quality work in a pleasant, safe and stimulating environment ripe for developing their talent. Thanks to our people management effort, we earned Great Place to Work certification for the second year in a row.



Milestones

- ESG target included in our short-term variable remuneration model
- ESG metric included in our long-term incentive plans
- Renewed certification as a Great Place to Work
- Membership of the Generation & Talent Observatory's Business Network and signature of the Code of Generational Diversity Practices

Employment and diversity

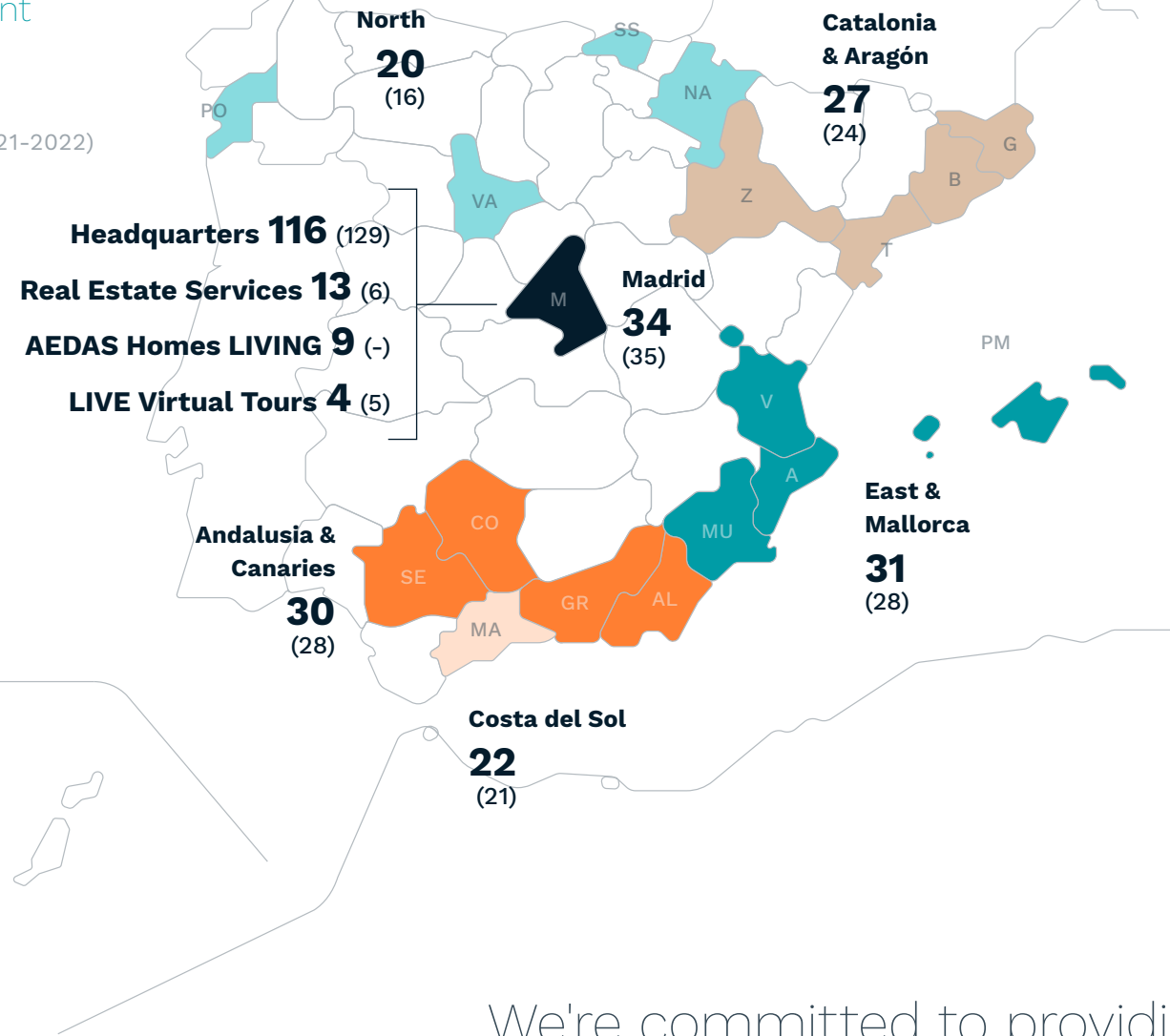
At 31 March 2023, AEDAS Homes employed 302 people across our head offices in Madrid, our six Regional Branches and the two offices from which two of our group companies, Live Virtual Tours and AEDAS Homes Living, operate.

Our team is the force behind our sustained growth and innovation. That is why we are committed to providing them with meaningful and stable work: 96% of our employees are on permanent contracts.

59 people joined the company in FY 2022-23.

Employment footprint

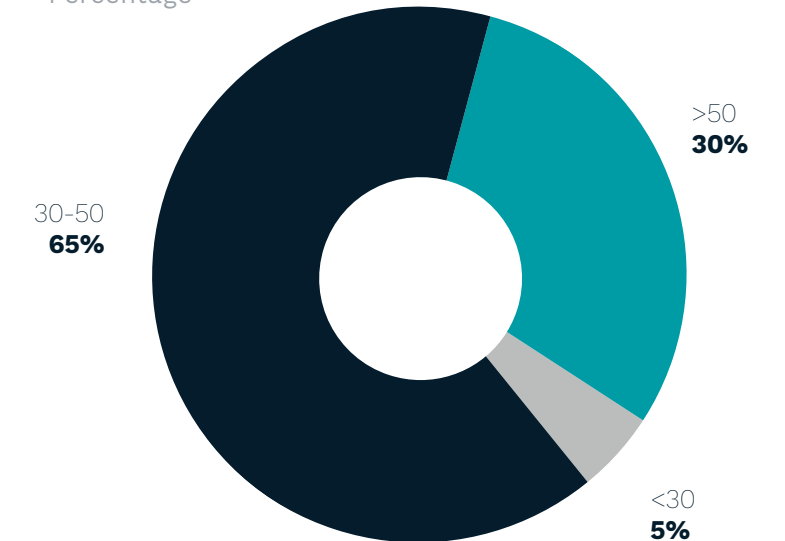
Employees
2022-2023 (2021-2022)



Our professionals are experienced and dynamic. Their average age is 44.

Headcount breakdown by age

Percentage



	FY 2021-22	FY 2022-23
Head offices	129	116
Madrid	35	34
Catalonia & Aragón	24	27
East & Mallorca	28	31
Andalusia & Canarias	28	30
Costa del Sol	21	22
North	20	16
Real Estate Services	6	13
AEDAS Homes LIVING*		9
LIVE Virtual Tours	5	4
TOTAL	303	302

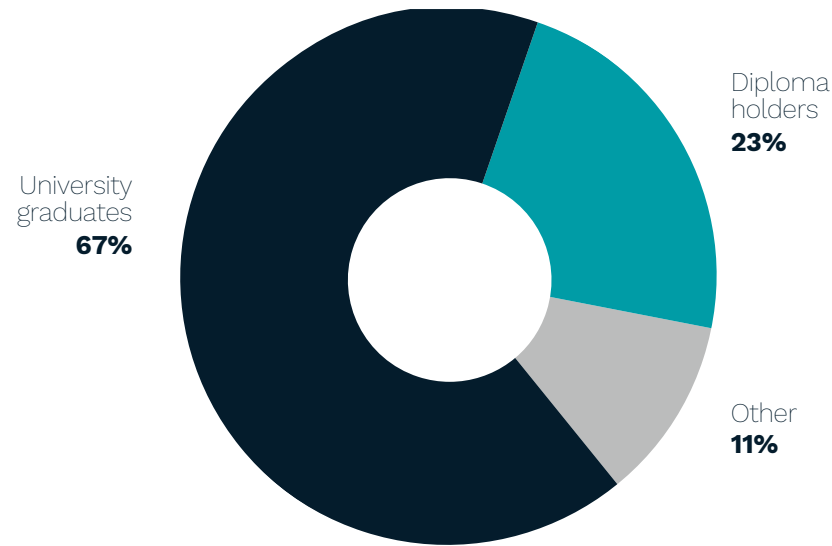
We're committed to providing our employees meaningful and stable work; 96% of our team is on a permanent contract.

*This company was set up in FY 2022-23. Its employees were included within the head office headcount in FY 2021-22.

Our employees are highly skilled and specialised. 67% have university degrees and 23% have diplomas.

Headcount breakdown by level of studies

Percentage



Framed by our commitment to gender diversity, men and women are equally represented in our headcount.

Headcount breakdown by gender

Percentage



Framed by our commitment to gender diversity, men and women are equally represented in our headcount

Gender diversity

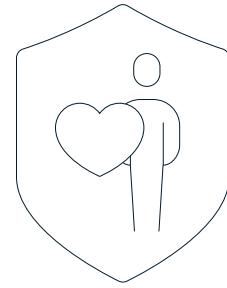
	FY 2021-22	FY 2022-23
Female employees	155	151
Female Board Members	2	2
Female executives	11	10

In keeping with our commitment to diversity, as of March 2023, two employees with disabilities were working for AEDAS Homes, whereas as of March 2022, one employee was differently-abled.

Management approach to human resources

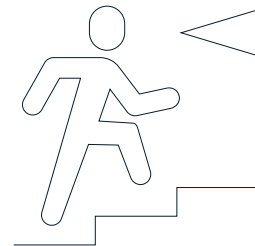
Our employee commitments are set down in our ESG Policy, which is managed and put into practice by our Corporate Resources Department.

Our commitments to our employees



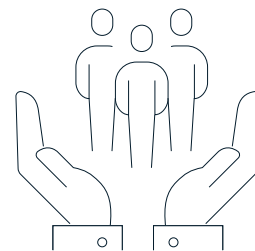
Health, safety and wellbeing

Ensuring compliance with prevailing legislation and the highest standards of occupational health and safety in order to provide our employees with a safe place to work, framed by a certified Occupational Health and Safety Management System.



Career development

Applying best practices in talent recruitment and retention to ensure we have the finest intellectual capital and guarantee our employees' professional development, fostering the provision of decent pay, recognising and rewarding performance and contribution to the company's results.



Equal opportunities and diversity

Providing a respectful place to work where there is no room for discrimination in any of its forms, one that provides fair and equal access to all of the company's activities by championing measures that facilitate work-life balance.

True to our business ethics and values and the 10 United Nations Global Compact principles, we uphold the human rights and other provisions laid down by the International Labour Organization in its guidelines on the provision of decent work. Specifically, we repudiate all forms of child and compulsory labour.

We are firmly committed to respecting the principles of fair treatment, non-discrimination and equal opportunities in all recruiting and selection processes. To that end we have an equality plan and a protocol for the prevention of workplace and sexual and/or gender harassment.

Collective bargaining agreements

Our employees are covered by collective bargaining agreements. Specifically, 99% are covered by the office workers agreement in force in each region, with the remaining 1% covered by the consultancy, market studies and public opinion sector agreement.

AEDAS Homes' employees are not unionised.

People management

We know that only a robust workforce can drive our growth, push innovation forward and elicit customer loyalty. That is why our approach to people management is based on creating a respectful and stimulating environment conducive to professional growth. We want our people to feel part of an uplifting endeavour.

Talent attraction and career development

The task of creating a pleasant workplace starts with our recruitment effort. We select candidates based on their expertise and experience, as well as their interpersonal skills, framed by the provision of equal opportunities.

As soon as candidates are hired, we start to nurture a sense of belonging thanks to an onboarding system designed to facilitate rapid integration of the newcomers with the rest of the team. As part of that process, someone from the Corporate Resources team welcomes the new employee and presents them to the rest of their colleagues, who give them a tour of the offices, get them all the IT clearances they need for their jobs and show them the corporate intranet so they learn how to find all the company information they may need.

We share our know-how with new hires and give them challenges and opportunities to encourage them to move outside their comfort zone and take on additional responsibilities. This approach is part of a culture of innovation which contributes to their

professional growth while furthering the company's development in parallel. We strive to inspire our professionals with an Innovation Newsletter on the Employee Portal and we organise Innovation Workshops with the aim of improving the company's processes and results. In FY 2022-23, 30 employees participated in two of those workshops.

We stay by our new hires' side as they settle into the company by means of a monitoring programme which includes regular meetings with the Corporate Resources Department. Those meetings are scheduled one week, one month, six months and one year after their hire. After they have been with the company for a year, those meetings are held annually. Employees are asked about their expectations, perceptions of the organisation, relationships with their colleagues and superiors and career development ambitions during those sessions.

Each manager organises meetings with their team members in order to evaluate their performance and provide them with feedback about their performance. In that way we contribute to our employees' professional and personal development by helping them acquire the skills they need to go further at the company.

In FY 2022-23, we promoted 11 employees and another six switched to new roles at the company, in a testament to our employees' hard work and our talent management and training programmes.



Fair pay

We strive to pay our professionals as generously as possible, in line with the compensation offered by our sector peers. All our employees earn a fixed salary and a bonus, which depends on the delivery of annual targets.

In addition to cash compensation, we offer our employees a series of company benefits designed to contribute to their wellbeing as well as that of their families.

In FY 2022-23, we analysed our gender pay gap, finding that: At the executive level, men and women enjoy virtually the same pay. In our middle management and technical positions, women earn 13% less than their male peers. In administrative positions, the gender pay gap is minimal, at 5%, and in sales, our female employees earn 6% more than their male counterparts.

Company benefits paid by AEDAS Homes



Private health insurance

Covers employees and all members of their households. This benefit sets us apart from our competitors.



Private life insurance



Parking

All mid-level managers and higher ranked employees are provided with a parking space.



Company car and fuel card

The company provides a selected group of executives with company cars and has a pool of cars for jobs involving driving.



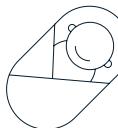
Loyalty club

We offer our employees a suite of discounts on a range of products and services, including dry-cleaning, hair-dressing, etc.



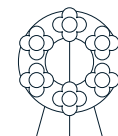
Gifts for hospital stays

We want our people to feel we are there for them. If any of our employees has to spend time in hospital, we send them a gift from the company.



Gift for birth of a child

All new parents receive a gift basket.



Funeral wreath for death of family member

At times like these we want our employees to feel our empathy.



Company benefits in the form of flexible remuneration

The company offers its employees a range of products that give them considerable tax benefits: childcare vouchers, food cards and transport passes.

In addition to cash compensation, we offer our employees a series of company benefits designed to contribute to their wellbeing as well as that of their families.

Variable remuneration tied to an ESG target

Once again in FY 2022-23, an ESG target was included in the company-wide variable remuneration scheme, based on the percentage of our developments with AA energy efficiency certification. This measure helps integrate ESG considerations into our procedures and improve our performance.

The weight of this target varies depending on employee responsibilities at the firm:

- For members of the Steering Committee, executives and middle managers, it represents 10% of their overall annual bonuses,
- For all other employees, it represents 5%.

In addition to this metric, the individual targets assigned to the CEO, the Chief Corporate Resources Officer (also the ESG Coordinator) and the Director of Sustainability include another metric tied to ESG achievement.

Lastly, one of the targets included in the long-term incentive plan (LTIP) for 2021-2026, targeted at senior management and key employees, is a metric tied to ESG criteria, specifically the environmental dimension.

For further information, refer to the Annual Report on Director Remuneration for FY 2022-23, which can be downloaded from the company's website.



Including an ESG target in the company-wide variable remuneration scheme helps to integrate environmental, social and good governance considerations into our procedures and improve our performance.

+ **For further information, refer to “Integration of ESG aspects into the risk model”**

”

Professional training

Our commitment to our professionals’ continuous development materialises in the provision of quality training. We invested €220,367 in training in FY 2022-23.

Following a needs assessment, a personalised Training Plan is put together for each employee every year. Those plans are design to develop talent at the company and respond to key identified needs: technical, language, digital and management skills.

In addition to this general training, every year we organise a number of *ad-hoc* training initiatives for key employees who we believe should rotate through our different departments to get a holistic vision of the company.

In FY 2022-23, that training effort translated in 75 training events entailing 5,412 hours of training, provided by first-class external training professionals. We also provided 8,312 hours of in-house training around young talent programmes during the year.

In parallel, we have a digital platform for the provision of specific courses targeted at all employees covering regulatory and compliance matters; 1,281 hours of training were imparted through that platform in FY 2022-23.

Training		
	FY 2021-22	FY 2022-23
Total training hours	6,077	15,005
Hours of training per employee	21	50
Total investment in training (€)	184,000	220,367

Hours of training by job category				
	FY 2021-22		FY 2022-23	
	Number of hours	Average	Number of hours	Average
Executives	1,201	22	1,794	34
Middle management	2,068	30	2,317	31
Other employees	2,808	16	10,894	62

Hours of training by gender		
	FY 2021-22	FY 2022-23
Men	2,802	5,133
Women	3,275	9,872
Total	6,077	15,005

Training provided FY 2022-23

Masters-level Courses

- Directors Programme
- Executive Master’s Degree In Finance
- Epre Executive Programme

Skills Training

- Professional Coaching
- Trainer Of Trainers
- Negotiation
- Recognition as a leadership tool

Digital Training

- Advanced, Medium-high and Medium Excel
- Power Bi: Advanced and Basic Level
- Revit Architecture Course from 0 To Advanced
- ITIL 4 Fundamentals
- PowerPoint
- Business Analytics
- Salesforce
- Word

Technical Training

- How to Design and Execute a Training Plan
- CISM Course
- Balance Sheet Analysis
- Basic Life Support and Defibrillators
- Town Planning Level(s)
- Cypetherm HE Plus
- Data Storytelling
- Technical Training on Urban Planning Laws in Andalusia
- Privileged Information and Securities Transactions
- Technical Conference on Urban Planning and Land Management
- Chief Accountant Best Practices
- Investment Module
- Accounting Policies and SCIIF
- Specialisation Programme in Real Estate
- Real Estate Financial Programme
- Treasury
- Urbanism in the Transaction
- Accounting Focused on Real Estate Sector

Mandatory Training

- Anti-Money Laundering and Financing of Terrorism training
- Health and Safety
- Quality and Environment
- Code of Conduct
- Equality
- Prevention of Workplace Harassment
- Data Protection
- Business Continuity Management System

One of the milestones of FY 2022-23 was the provision of ESG training to all employees.

This course, which was provided online, raises employee awareness by giving employees insight into the challenges facing society and how the real estate sector can tackle them.

The ESG training effort began in FY 2021-22 with the company's senior management. Those executives in turn transmitted the key messages to the rest of their teams. In FY 2022-23, we have continued this initiative, now reaching 100% of our employees.

Esg training

	FY 2021-22	FY 2022-23
Hours	17	604
Employees trained	17	302

Committed to young talent

We are committed to helping talented young professionals acquire skills and find work. That strategic and unique commitment has crystallised in two high-performer training programmes: “Development Managers in Training” and “Technical Architects in Training”.

Six graduates took part in those programmes in FY 2022-23. Of all the employees participating in those programmes to date, 78% stayed on at the company.

These development and training programmes run for two years. They consist of four distinct training blocks:

- **Upfront technical training**, which lasts for one week.
- **Hands-on training**. For two years a mentor teaches the students the ins and outs of the work of a development manager or technical architect. The Human Resources Department follows up with the students and tutors weekly.
- **Workshops**: Every six months the company organises a workshop given by experts from within the organisation.
- **Case studies**. The students work on a case study related with the company over a six-month period with the help of their mentors. When it is ready, they present it to a panel of experts made of up a number of company managers who provide them with the pertinent feedback. The students are evaluated for their knowledge, communication skills and case presentation.

Internships

For the fifth year in a row, in FY 2022-23, we collaborated with the work practice programme for students of the real estate degree course at UPM, Madrid's Polytechnic University, to foster job opportunities for talented youths. Every year we take in one of those students for a 6-month internship so they can see how a real estate developer operates for themselves. Those interns do work practice at the Madrid Regional Branch and round out their training by rotating through a number of different company departments. In the five years we have been collaborating with this university, 60% of our interns have then been hired at the company.

Helping young people get ready for the world of work

In parallel, our executives, including members of our Steering Committee, participated in 47 events, including debates and training courses, with the aim of sharing their experiences with the upcoming generations and improving their job prospects. Those initiatives included participation in job forums, teaching at a number of third-level education centres and coaching sessions.



Jornada AEDAS Homes por el Día de la Mujer

Equal opportunities and non-discrimination

We are convinced that creating and nurturing a diverse and inclusive workplace will help deliver our corporate targets. To that end we have launched a series of measures for bolstering gender diversity at the company, framed by our Equality Plan:

- **Review of job offers and employment contracts to eliminate any gender bias.** Every year we verify a random selection of published job offers to make sure there is no implicit discrimination in them. We likewise check employment contracts to ensure they contain no gender bias.
- **Women's Day:** we marked International Women's Day with a gathering of female executives at our flagship showroom. During a round table event titled 'The world and business analysed by four female executives', the speakers analysed the Spanish and international macroeconomic situation and the important role played by women in the business world. On 8 March 2023, we also launched a video highlighting the importance of female talent at the company, broadcasting internally and externally.
- **Training on equality and the prevention of workplace and sexual and/or gender harassment:** we organised two training courses, one on each topic, which were provided to all employees and continue to be imparted to new hires. The first addresses the importance of equality in the workplace and provides information about AEDAS Homes' Equality Plan. The second talks about the importance of preventing workplace harassment and the protocol in place at the company.

We are committed to integrating people with disabilities into the workplace. Our measures for supporting people with disabilities include the following:

- **Ensuring our offices are accessible at street level or in locations without architectural barriers:** We ensure accessibility for persons with disabilities. Whenever possible we locate our offices on the ground floor for easier access. Likewise, several of our Regional Branches have adapted entrances and wheelchair-friendly lifts.
- **Collaboration with Prodis:** We work with the Prodis Foundation's job centre for the employment of people with disabilities on the production of corporate materials.

We are aware that the right mix of experience and youth is necessary at the company, which is why we adhered to the Generation & Talent Observatory's Code of Generational Diversity Practices in March 2019 and joined that same organisation's Business Network in 2022. That taskforce's mission is to generate a network of know-how and good practices around active generational diversity policies.

As part of this observatory, we participated a first workshop on LGTBI+ diversity with the goal of defining, between all participating companies, a framework of best practices for implementation by businesses. All members of the Human Resources Department are receiving diversity training.

Work-life balance

Working hours and days are structured in keeping with the office worker collective bargaining agreements in force in each region where we do business.

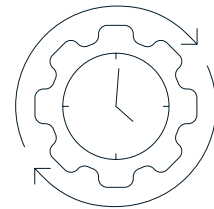
Work-life balance has always been an important aspect of the company’s management and we have rolled out successive measures for achieving our goals. As a result, we were distinguished with the Flexible Company Madrid Award in 2018.

We offer a number of flexibility and work-life balance initiatives, some of which have been implemented in response to employee feedback obtained through the Great Place to Work surveys.

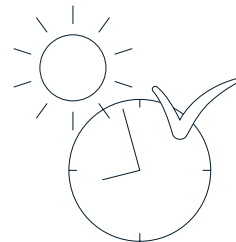
Work-life balance measures



Working from home: the company has a formal Working From Home Policy whereby employees can work from home one set day a week. In addition, employees can ask to work from home whenever they need to for a range of reasons. A number of employees in the Technology Department work from home three set days a week.



Flexible work start and end times: employees can choose to start at any time between 8.30 and 9.30am and enjoy a 1-hour lunch break. Depending on when they start their work day, they leave starting from 6pm. On Fridays, everyone works from 8am to 3pm.

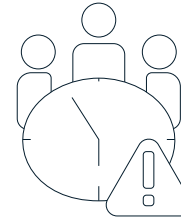


Shorter summer working hours: the workday runs from 8am to 3pm during the months of July and August.

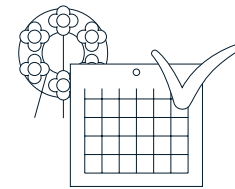


Remote working for women from their eighth month of pregnancy: female employees can elect to work from home once they are eight months pregnant to allow them avoid commutes and work more comfortably.

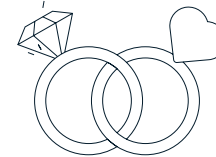
Right to disconnect from work



Meetings are scheduled to end before 6pm whenever possible.



One-day extension of the leave provided for in the collective bargaining agreements for the death of a close relative (parents, significant other or children). While this is the formal measure, the company is totally flexible in these situations, accommodating their absence for as long as they need.



Paid leave the day before one’s wedding day: We like to make this gesture on such as special day.

We offer a number of flexibility and work-life balance initiatives, some of which have been implemented in response to employee feedback obtained through the Great Place to Work surveys

Absenteeism

The absenteeism rate was calculated by dividing the number of hours of absenteeism by the average workforce times the total number of hours worked. In FY 2022-23, the number of hours lost to the inability to work totalled 18,544 hours.

The absenteeism rate increased last year due to a higher incidence of maternity leave and a higher number of days off for common illnesses.

Absenteeism

	Hours of absenteeism		Absenteeism index	
	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23
Work injury*	2,648	608	0.5%	0.1%
Common illness	6,368	9,152	1.2%	1.7%
Maternity/paternity leave	6,640	8,800	1.3%	1.6%
Total	15,656	18,560	3.1%	3.5%

*Includes leave for Covid

Sense of belonging

In order to create a pleasant work environment and foster a sense of belonging, we organise the following activities:

- **Christmas dinner and Summer “afterwork”:** All employees spend a day together before Christmas. Before the summer holidays we also organise a fun afterwork event in Madrid so employees get to know each other better, fostering a sense of belonging. Seasonal gift-giving (bottles of wine, cases, sunglasses and beach towels, for example) also sends the message that the company cares.
- **Celebration of targets:** We want to recognise our employees’ achievements. Each department head sets two milestones for their teams for the year ahead which are celebrated when they are met.
- **Participation in philanthropic work:** all employees are offered the chance to participate in charitable activities as volunteers, like the Race Against Cancer, at no personal cost.
- **Physical and mental wellbeing programme** encompassing a series of initiatives including: Health Week, Road Safety workshop and campaign, Healthy Cities challenge, monthly health campaigns, medical check-ups, flu shots, defibrillator training and a physiotherapy service at work. In all, we organised nine activities in FY 2022-23 in which 51% of our employees participated.
- **Health & Safety Awards:** each year the company names the best-managed development in health and safety terms. Last year’s competition resulted in a tie: the winners were the Qian development in Madrid and Jardines Hacienda Rosario RL-06 (BTR) in Seville. The prizes go to the development manager and technical architect at AEDAS Homes and to the onsite construction execution manager and health and safety coordinator, who are employees at external partner firms. In addition, the Regional Branch in question gets to select an NGO for a donation of €3,000.

- **Model Employee Awards:** each year the company rewards the employees voted by their peers as the best ambassadors for the following company values: enthusiasm for learning, adaptability to change and integrity. Now in its 4th edition, a total of 20 employees across the company have received this prize to date.

Digitalisation designed to lift employee productivity and satisfaction

Over the last few years we have designed and implemented a Digital Transformation Plan to free up employees’ time by automating repetitive, low-impact processes so that they can concentrate on more impactful tasks. This change leads to personal growth for our employees.

This digitalisation strategy also fosters a company-wide work culture, internally and externally, which boosts productivity and increases personal job satisfaction.

AEDAS Homes, a Great Place to Work for the second year running

Our approach to managing our people has made us a benchmark place to work. For the second year in a row, we have been named a Great Place to Work in Spain's real estate sector.

Results of the Great Place to Work survey

83% of respondents said they believe people at AEDAS Homes are willing to give more of themselves, which is five points above the real estate sector average.

82% said their superiors trust them to do a good job without having to supervise them.

83% said people are made to feel welcome when they join the company.

Based in San Francisco, Great Place to Work is a global consultancy whose mission is to help organisations identify, create and maintain exceptional workplaces by building high-trust cultures. Great Place to Work operates in more than 45 countries.



Sede corporativa AEDAS Homes

Our Model Employee Awards, awarded annually, recognise those employees who best embody the values of enthusiasm for learning, adaptability to change and integrity, chosen by their peers

Workplace health and safety

AEDAS Homes prioritises workplace health and safety. Our formal Health and Safety Policy states that one of AEDAS Homes' strategic targets is to ensure a safe workplace for its employees and partners, build safe and healthy housing, eliminate danger and minimise business risks by taking effective prevention and protection measures.

In this section we explain how we manage health and safety at our workplaces. For further information about how we manage health and safety at our developments, including onsite injury statistics for contractors and subcontractors, refer to "Health and safety at our developments" within the chapter titled "Our suppliers".

Our Chief Corporate Resources Officer is responsible for setting policy, strategic lines of initiative and general health and safety targets and is also tasked with fostering continuous improvement, all of which duly approved by our CEO.

There were two lost-time injuries in FY 2022-23, both of which were minor injuries and not caused by workplace activities.

Occupational Health and Safety Management System

At all of our workplaces, we have implemented an Occupational Health and Safety Management System, certified under ISO 45001:2018 (certificate number: SST-058/2020), made up of the Management Manual, Health and Safety Policy and our health and safety processes, procedures and protocols.

To date, 78% of our employees fall under the scope of that certified management system. That percentage reflects the start of business activities in new regions and the creation of new divisions (Real Estate Services and AEDAS Homes Living) last year. The scope of the management system will be expanded to include those new areas in FY 2023-24.

To make sure all our employees have access to current health and safety documentation, we have set up an area in the Employee Portal where all these non-confidential documents are housed.

Injury targets and results in FY 2022-23

Our Occupational Health and Safety Management System is aligned with our ESG Strategic Plan and the Sustainable Development Goals (SDGs), specifically with delivery of SDG 3 (good health and wellbeing), SDG 8 (Decent work and economic growth) and SDG 9 (Industry, innovation and infrastructure).

To measure our performance against our targets, we use a number of indicators, most importantly those related with injury statistics. Those statistics allow us to track our safety record and to benchmark ourselves against our sector peers. We carry out this analysis for our own employees and for all of the workers involved in our developments (contractors and subcontractors).

There were two lost-time injuries in FY 2022-23. They were both minor injuries, caused by tripping and poor posture, which aggravated pathologies those employees already had. In other words, they were accidents that took place at our workplaces but were not caused by their work activities.

We remain committed to zero lost-time accidents among our employees.

Injury statistics AEDAS Homes employees

Metrics	2020-21	2021-22	2022-23
Lost-time injuries (total)	0	0	2
Lost-time injuries (women)	0	0	1
Lost-time injuries (men)	0	0	1
Fatalities	0	0	0
Injury frequency rate (total)	0	0	3.07
Injury frequency rate (women)	0	0	3.07
Injury frequency rate (men)	0	0	3.07
Injury severity rate (total)	0	0	0.09
Injury severity rate (women)	0	0	0.17
Injury severity rate (men)	0	0	0.01
Injury incidence rate	0	0	6.6
Workplace-related illnesses	0	0	0

We assess risk at all our workplaces and for all jobs; this risk assessment informs our Programme for Preventive Activities for eliminating or minimising workplace risks

Monitoring

Our Health and Safety Committee is tasked with overseeing and monitoring AEDAS Homes' health and safety programme. It does this by monitoring a dashboard of health and safety performance indicators.

Across the rest of the organisation, this work is performed by regional health and safety committees.

- AEDAS Homes' Health and Safety Committee has the following duties:
- Driving policy implementation.
- Understanding, debating and approving proposals.
- Defining and approving the targets and milestones set down in the injury prevention plans.
- Approving training plans and programmes, inspections, audits, etc.
- Reviewing the management system in order to keep it current for changing circumstances and aligned with our continuous improvement commitment.
- Understanding and monitoring the prevention plans and any prevention or corrective initiatives.
- Ensuring the system's integrity in the face of changing circumstances.

Health and safety at AEDAS Homes

Here at AEDAS Homes we want to create safe places to work. We assess risk at all our workplaces and for all jobs, revisiting those assessments whenever the circumstances change.

That risk assessment informs our Programme for Preventive Activities for eliminating or minimising workplace risks. We have also implemented operational control programmes in order to check that working conditions remain optimal over time.

The risk assessment methodology used is articulated around the criteria recommended by Spain's national health and safety institute (INSHT).

One of the controls carried out is an analysis of hygiene and ergonomics by means of measurements and tests (in line with applicable legislation). That effort is set down in the Hygiene Conditions and Work Ergonomics Periodic Control Plan. More specifically, we take indoor air, temperature, lighting and noise quality measurements regularly across our workplaces.

Outside organisations also evaluate the psychosocial risks associated with each position.

We monitor our employees' health using the workplace medicine service provided by Cualtis. That service factors in the following considerations:

- The risks our employees are exposed to, as itemised in our workplace risk assessments.

- The results of the periodic working conditions controls.
- Epidemiological and other medical studies issued by prestigious entities.

We continue to provide new hires with health screening and all other employees with regular check-ups.

Last year, we also held coordination meetings with the medical unit engaged by AEDAS Homes.

We encouraged our employees to adopt healthy lifestyles by offering physiotherapy services at the office, nutrition workshops, providing fruit at work and installing showers at some of our offices to facilitate physical exercise. Lastly, we organised a flu shot drive in October.



Employee training on health and safety at work

Training is one of the pillars of our health and safety management system and is key to unlocking continuous improvement. In FY 2022-23, we continued to provide health and safety training to all employees.

We maintain a control panel, where all the training courses that our employees do is registered.

We also organised a road safety workshop with the AESLEME Foundation, which was held in-person and online, with a total of 21 employees participating.

With the aim of increasing awareness around workplace health and safety, we publish related news and other items on our social media handles regularly. Those tools not only raise employee awareness, they also reach our customers, shareholders, suppliers and society in general.

Emergency measures

Emergency procedures are clearly defined at all AEDAS Homes workplaces. We have appointed and trained emergency squads and we carry out drills annually to check the efficiency of those procedures and suggest how they could be improved.

Stakeholders

We have conducted SWOT analysis to analyse our health and safety threats and opportunities with input from the various identified stakeholders.

+ ***For further information about our stakeholders, refer to Chapter 4, A year of creating value together.***

Employee participation, enquiries, health and safety communication and job motivation

Below is a list of the health and safety activities and communications carried out in FY 2022-23:

1. Road safety training: Road Safety Workshop organised by the AESLEME Foundation
2. Knowledge pills on the Employee Portal:
 - a. Musculoskeletal disorders
 - b. Updated COVID protocol
 - c. Updated H&S Policy
3. Health Week
4. Healthy Cities
5. Road safety awareness campaigns
6. Annual Assembly
7. Health and Safety Awards
8. Health and Safety Committees

AEDAS Homes provides all of the official health and safety notices through its Health and Safety Committees and/or through the Employee Portal.

In order to engage all our employees, we hold an Annual Assembly in the month of April, where management presents an annual report and the latest targets and KPIs and reviews the main initiatives carried out.

We communicate with our shareholders through a number of channels, including AEDAS Homes' website and the notices filed with the CNMV.

Legal requirement identification and assessment

In FY 2022-23, we analysed developments in health and safety requirements to identify the need for any policy or procedure updates. That assessment is carried out periodically using the SALEM platform and did not detect any anomalies in FY 2022-23.

The assessment of our legal requirements is set down in two different documents: one for offices and one for construction sites, as their respective requirements are starkly different.

Internal, external and legal audits

In June 2022, our health and safety management system was audited by AENOR, which did not detect any incidents. We will recertify the system in June 2023, which is also when the legal audit is scheduled.

Nor did our internal system audits uncover any incidents. That audit was conducted by Bureau Veritas in April 2022.

Along with our Health and Safety training, we publish related news and other items on our social media handles regularly.

Milestones

- Developer Operating System built
- Held Tendering Workshops at our flagship showroom
- Updated our White Book, featuring two new manuals: Acoustics & Hermetic Seals and Technical Apartment
- 5th Annual Gathering of Architects

Our suppliers, allies in our sustainable construction bid

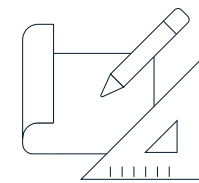
AEDAS Homes would not be able to develop its high-quality homes without the help of its suppliers. They are our allies in designing, building and selling sustainable homes designed for people. We value our suppliers and build trust-based with them, fostering their growth alongside ours so we can work together towards building more sustainably.

Supplier overview

At AEDAS Homes work with a select number of prestigious partners with a proven track record who are based locally in the areas where we operate. This select group of partners has demonstrated their fit with our company and their execution capabilities during our first few years in business, having been certified after a series of competitive tenders.

A significant percentage of these suppliers are considered critical; these are the suppliers that play key roles across the stages of the residential development process and whose work has a decisive impact on our developments and how they are perceived by our customers. Our critical suppliers are classified in four categories: architectural firms, contractors (construction companies) and real estate sales companies.

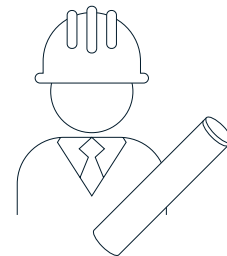
Four types of critical suppliers



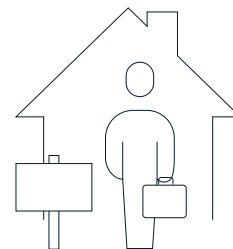
Architectural firms



Contractors (construction companies)



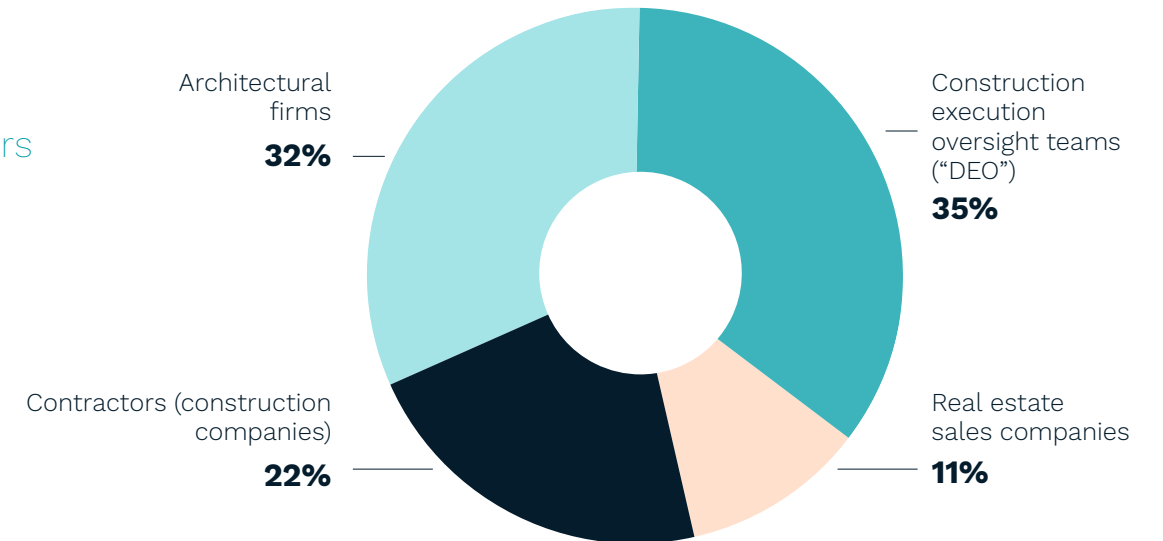
Construction execution oversight teams (“DEO”)



Real estate sales companies

Around two-thirds of our developments are handled by preferred architects and construction companies

Breakdown of critical suppliers in FY 2022-23



No. Of suppliers - FY 2022-23		
	No. of suppliers	No. of projects
Architectural firms	61	180
Construction execution oversight teams (“DEO”)	66	172
Contractors (construction companies)	41	122
Real estate sales companies	20	171

Around two-thirds of our developments are handled by preferred architects and construction companies, with just one-third being put out to tender.

With the aim of containing construction costs and speeding up project execution, we prefer to organise negotiated tendering procedures whereby the construction company and construction execution oversight teams are previously adjudicated so that they can participate in drawing up the initial plans. In FY 2022-23, 19 works contracts were negotiated using this method.

We generally put our developments out to tender when we want to build a development in a new location. We invite local firms to participate so as to benefit from their deeper knowledge of the local regulations and market, while also giving back to the local business community. In FY 2022-23, we adjudicated seven contracts via public tenders in five different locations.

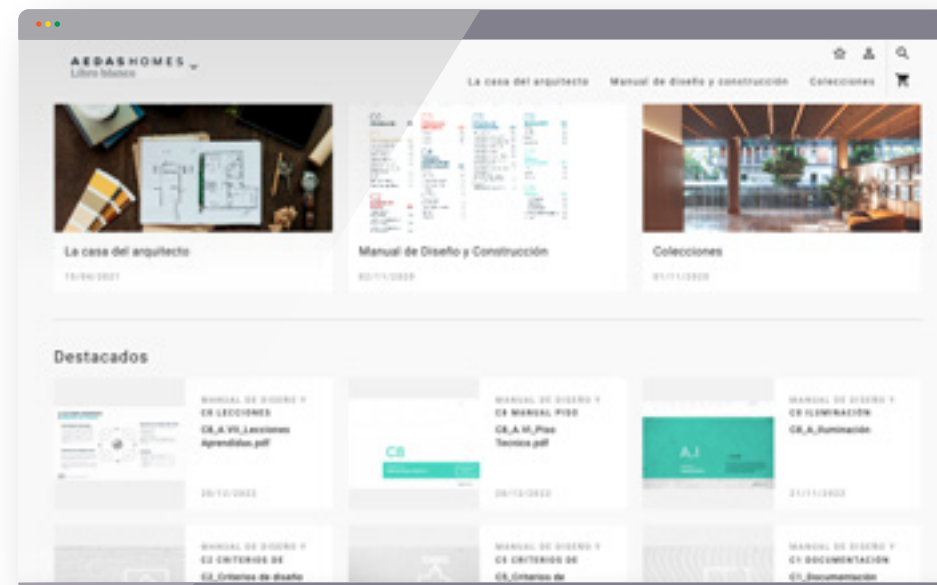
Efficient supply chain management

We implement integrated management processes designed to foster an effective and efficient value chain. To be able to deliver our corporate targets, each year we work on the following aspects: standardisation of our procedures, certification and assessment of our suppliers, improvement of our management tools and integration of ESG aspects.

Standardisation of procedures

Our developments must meet a series of requirements in relation to functionality, rational construction, comfort, flexibility, accessibility, sustainability, profitability, integration and fit with their surroundings and personal connection.

To guide our partners in applying our quality standards we provide them with two manuals which are continually updated for the latest regulations, technical requirements and sustainability criteria.



The AEDAS Homes White Book

This is the yardstick for all AEDAS Homes developments. Published for the first time in 2017 and updated annually, the **White Book** (Design and Construction Manual) sets out the rules our suppliers need to follow when developing new homes.

It is a repository of documents which are updated constantly. The various experts involved in a development can download topic-specific chapters through our Brand Centre. It has seven sections which detail the design, structuring, construction, facility, BIM model usage and sales plan criteria to be followed. It is complemented by five annexes covering lighting, signalling, accessibility, bathroom pods and construction execution oversight (“DEO”).

Notable changes in the past year include the addition of a manual on acoustics and hermetic seals, a standard for technical apartments and the use of industrialised elements in core building components, such as stairwells. The “Lessons learned” chapter was also expanded to address the issues raised at certain developments.

The AEDAS Homes Green Book 2.0

The **Green Book** 2.0, updated and published in 2021, is an open and flexible guide designed to assist all parties involved in the construction process with implementing our sustainability measures at our developments.

It encompasses the full range of sustainability measures that can be used at our developments. Depending on the measures selected for each development, its sustainability level may be rated as basic, mid-high, high or excellent.

The Green Book also details the procedure for defining and monitoring the environmental mitigation measures to be implemented at our building sites together with our suppliers.

+ For further information, refer to the section on the Green Book in the Environment section

In addition, AEDAS Homes has a **White Book on Accessibility**, a manual for safety, comfort and accessibility parameters in the built environment.



Supplier certification

We aspire to work with the best suppliers in order to honour our commitments. To that end, the suppliers looking to form part of our supply chain must undergo an exhaustive selection and certification process and agree to periodical assessments for quality assurance purposes.

When certifying **architectural firms**, we ask them to itemise the technical qualifications of their professionals, the projects worked on in recent years, their software acumen and any relevant publications. All that documentation is included in a file which is then scored. Over the course of FY 2022-23, we certified four suppliers.

It is the architectural firms we work with who then hire the structural and facility engineers from a list of firms previously certified by AEDAS Homes.

In that way we guarantee that the subcontracted engineering works meets our quality standards.

Construction execution oversight (“DEO”) is entrusted to professionals with proven experience in residential developments following a procedure akin to that used to select the architects. Construction execution oversight teams participate in each phase of the development process, collaborating on drawing up the detailed plans and also helping with after-sales service, providing monthly progress and incident reports.

When engaging **contractors (construction companies)**, we study two key aspects in detail: the company’s technical and financial capabilities and their proven construction execution experience. To do that we look at their annual financial statements,

the experience of their management team, the technical qualifications of their professionals, their management system certifications and the works completed in recent years. That analysis is backed up by the documents the construction companies are asked to provide and reference checking with customers, architects and project managers who have worked with them.

Elsewhere, our network of **real estate sales agents** is made up of experts with deep local market knowledge. They do their work unbranded from AEDAS Homes offices to take advantage of our sales procedures and IT systems. They are selected on the basis of their commitment to customer service and local knowledge.

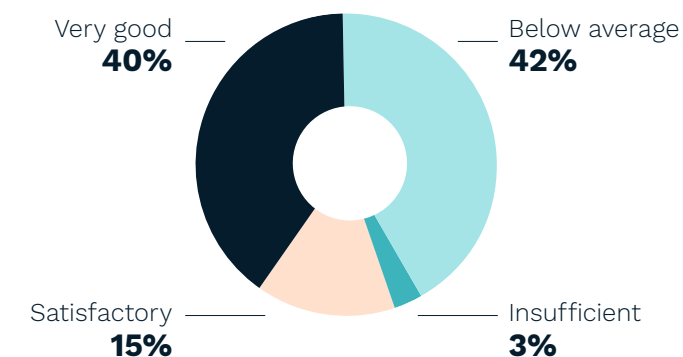
Supplier assessment

We monitor all our suppliers continuously, assessing the quality of the services they provide, as well as their ability to continue providing them. In most cases, this process is done through Promociona, where the criteria are collected and evaluation flows take place, as well as the Action Plan to be carried out according to the outcome. Over the course of FY 2022-23, we carried out 300+ critical supplier evaluations (of architectural firms, construction execution oversight teams, construction companies and real estate sales companies). 40% obtained an A rating (very good), 42% obtained a B (satisfactory), 15% a C (below average) and 3% a D (insufficient).



Plan VIVE (Tres Cantos, Madrid)

Supplier assessments - FY 2022-23



Continuous improvement of our management tools

We use a proprietary planning platform called Promociona to certify, assess and manage our suppliers. This software is designed to ensure correct execution and sale of each development, meeting the timing, resource and budget requirements laid down in each project's business plan.

We add new modules to the platform each year to facilitate project management. In FY 2022-23 we created the Tendering Platform, an area where the construction companies present their bids and plans, receive and respond to feedback. This platform compares the bids received and automatically creates the adjudication records so guaranteeing full traceability throughout the tendering process.

Promociona allows us to check the monthly work certificates as they are uploaded; monitor the projections for the months ahead; identify any deviations from budget; consult the possibilities for customising each development; and consult the selections made by each customer, etc. Supplier assessment also takes place through this platform.

Building a Developer Operating System to integrate all partners

We believe that digital transformation is crucial to the future of the home development business. We are building a cutting-edge **Developer Operating System** which, by digitalising business processes, will bring together the professionals involved across the residential development value chain (architects, construction companies, engineers, sales agents, lenders, etc.).

The end-to-end applications comprising the new operating system, which covers the process from site identification to delivery of the finished home, permit us to automatise and synchronise critical business data in real time.

The system will be connected to the APIs used by our technical experts, builders and sales agents (BIM 360, Dalux and Salesforce), so that our suppliers can integrate their processes with those of AEDAS Homes in a smooth and synchronised manner.

The operating system was unveiled at AEDAS Homes' first Technology Gathering, which was organised to share experiences and opinions around the digitalisation of the real estate development process

The event, which took place in September 2022, was attended by 80 stakeholders from the PropTech world, including Salesforce, Deloitte, Orange, Omega CRM, The Fringe/LABS, Akoios, LIS Data Solutions, Ozona Consulting and Inercya.



I Encuentro de Tecnología AEDAS Homes

Incorporation of ESG aspects into the supply chain

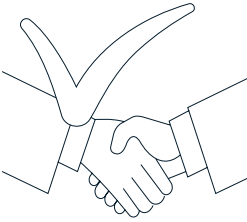
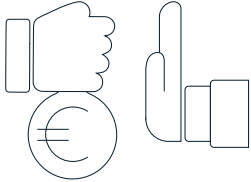




We are working to get our suppliers to embrace our environmental, social and governance criteria. Our **Code of Conduct for Third Parties** sets forth the minimum standards of conduct we expect from our suppliers, particularly of partners we view as key for our value chain: architects, quantity surveyors, construction companies and sales agents.

All of our critical suppliers must endorse that Code of Conduct for Third Parties which includes requirements in the areas of human rights, labour rights and health and safety. We reserve the right to end business dealings with partners who breach those requirements.

The Code of Conduct for Third Parties also reflects our environmental commitments and their role in ensuring we create homes that foster sustainable urban development and meet the highest standards of energy efficiency.

Lastly, with respect to our governance standards, all suppliers additionally sign a crime prevention compliance clause. Likewise, we take a zero-tolerance stance towards fraud and corruption.

Principles enshrined in the code of conduct for third parties

<p>Solvency</p> 	<p>Compliance</p> 	<p>Fair competition</p> 	<p>Zero tolerance of corruption</p> 	<p>Brand protection</p> 
<p>Equal opportunities</p> 	<p>Confidentiality</p> 	<p>Transparency</p> 	<p>Quality and technical excellence</p> 	<p>Sustainability</p> 

Although we have not audited our suppliers for ESG compliance, the supplier certification process and our continuous monitoring of how they manage projects, puts us in a position to be able to say that no transaction or provider with a significant risk of presenting cases of child labour, compulsory labour, mistreatment, discrimination or any other practice that puts profits ahead of social and/or environmental ends.

As we conduct all of our business in Spain, under the umbrella of Spanish law, we do not have any dealings with suppliers whose freedom to associate or right to collective bargaining could be in jeopardy.

All of our critical suppliers must endorse that Code of Conduct for Third Parties which includes requirements in the areas of human rights, labour rights and health and safety



Average supplier payment term

Below are the disclosures in relation to the average term of payment to trade supplier required under final provision two of Law 31/2014 (of 3 December 2014), prepared in accordance with the related Resolution issued by the Spanish Audit and Accounting Institute (ICAC) on 29 January 2016:

Average supplier payment term		
Days	FY 2022-23	FY 2021-22
Average supplier payment term	56.22	60.04
Paid transactions ratio	57.78	61.33
Outstanding transactions ratio	35.85	49.63
Total payments made	636.20 € m	465.6 € m
Total payments outstanding	48.76 € m	57.3 € m

As required under article 9 of Law 18/2022 (of 28 September 2022), the following additional disclosures are provided in respect of FY 2022-23:

Pago a proveedores	
	FY 2022-23
Monetary value of invoices paid within the legally stipulated deadline (€ m)	340.8
Percentage of total payments made	36%
Number of invoices paid within the legally stipulated deadline	50,510
Percentage of total invoices settled	80%

Health and safety during the construction phase

All the construction activity on AEDAS Homes developments is outsourced to construction companies.

The table shows the injury metrics for the construction companies that have worked on our developments over the last three years. The overall trend is positive, with current metrics well below the average for the construction sector. This performance is all the more remarkable considering the fact that the incidence of fatalities actually increased in the sector as a whole last year.

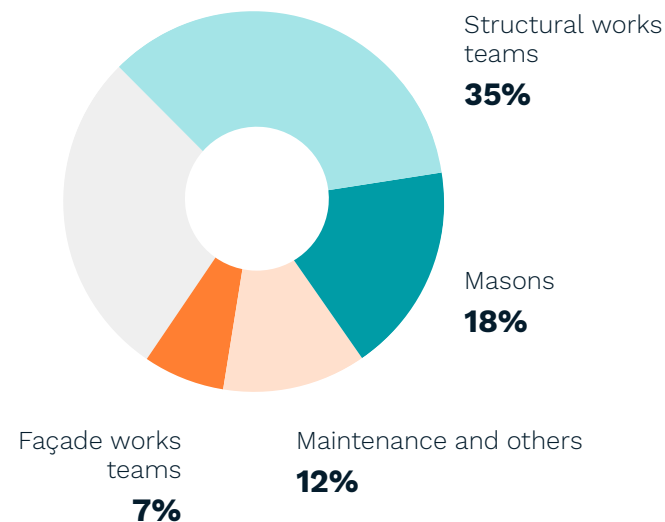
It is important to point out that there have been no fatal accidents on AEDAS Homes sites since the company was founded in 2016, which is all the more remarkable considering the significant increase in the number of developments we have broken ground on.

We are convinced that the implementation of Modern Methods of Construction (MMC), particularly in prefabricated structures and façades, will drive a reduction in the number of injuries during the masonry and structural works phases.

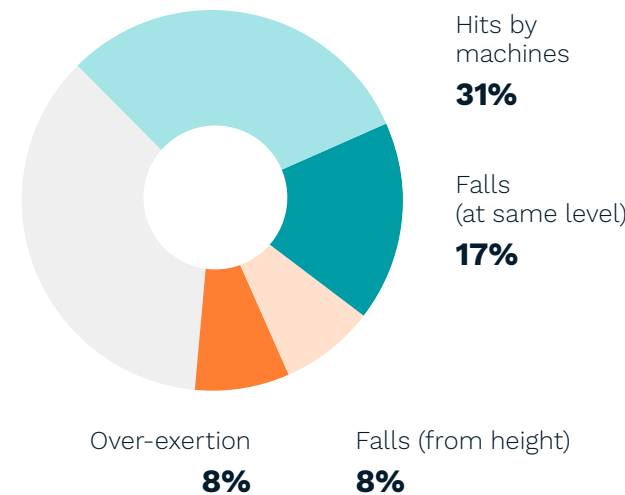
Contractor health and safety metrics

Injury metrics	FY 2020-21	FY 2021-22	FY 2022-23	YoY change, %
Injury frequency rate	12.1	17.69	16.39	-7%
Injury severity rate	0.16	0.24	0.18	-25%
Injury incidence rate	2.26	3.34	3.09	-7%

FY 2022-23 accident rate by contractor type



FY 2022-23 accident rate by accident cause



Supplier Certification and Evaluation of Health and Safety: Contractors

We certify and evaluate the key actors involved in the building of our developments: on-site Health and Safety Coordinators and contractors (construction companies).

The certification of the Health and Safety Coordinators is carried out based on their degree and experience in the sector, while the certification of the construction companies is carried out through a series of indicators. The main requirement is to hold ISO 45001:2018 certification to ensure they have a management system that is certified by an external body and compliant with Spanish legislation.

Their safety track record and, in particular, the number of fatal accidents suffered, are also taken into account during this approval process.

For this evaluation process, AEDAS Homes has developed a quantitative audit comprised of 13 blocks and 130 questions, through which the various aspects of Health and Safety of the development are evaluated.

During FY 2022-23, a total of 74 assessments were conducted; the average score was 74.24.

Health and Safety on site at our developments

AEDAS Homes has drawn up a specific procedure called “Health & Safety Specifications for Contractors”, which outlines and binds them to implementing the health and safety programme to be implemented at our construction sites, with an emphasis on health and safety training for all workers involved in our developments and the reports to be compiled to evidence compliance with that programme.

In turn, AEDAS Homes has designated a Health & Safety Coordinator at each of its developments, as stipulated in Royal Decree 1627/1996, using prestigious external firms who approve the health and safety plans presented by the contractors and follow up exhaustively on their execution.

With this aim in mind, the Health & Safety Process for the Construction Phase was implemented, in which the following activities are worth highlighting:

- Oversight of the Health & Safety Plan at the construction site (site visits)
- Coordination meetings (coordination of business activities, planning, etc.)
- Health & Safety coordination reports issued monthly
- Appendices to the Health & Safety plans

In turn, all the Health & Safety Coordinators designated by AEDAS Homes meet monthly to standardise criteria. Those coordinators have conducted over 3,600 site visits to our developments under construction.

Identification and compliance with legal requirements

In the health and safety studies that we prepare as developers, we identify the legal requirements that apply during construction.

Carrying out the ISO 45.001:2018 Certification Audits and the Health and Safety Legal Audit demonstrate compliance by AEDAS Homes, S.A.

and its subsidiaries, with strict compliance with all regulations on occupational risk prevention.



La Maquia (Alcalá de Henares)

Supplier communication

We build trust-based relationships with our suppliers, whom we treat with honesty and objectivity, as set down in our [ESG Policy](#). Likewise, we take a zero-tolerance stance towards fraud and corruption.

Putting a residential development on the market requires a significant degree of coordination among the various suppliers and an effort to reconcile all parties' interests. To listen to their ideas and foster collaboration, in 2022 we organised our first Tendering Workshops at our flagship showroom in Madrid.

During each of the three workshops, held in October, November and January, we brought together 40 preferred architects, engineers, site directors, contractors and sales agents to discuss the critical aspects of our property development process and how they might be improved.

To facilitate participation, in breakout groups of ten, these professionals followed dynamic methods for finding solutions for some of the issues raised. The key ideas emanating from that experience will be layered into the company's tendering processes.

AEDAS Homes 5th Annual Gathering of Architects

More than 100 architects from all over Spain participated in the fifth edition of the AEDAS Homes Gathering of Architects. Under the motto "Towards a More Humane and Sustainable Architecture", the architects debated about how their work should be transformed to meet the needs of contemporary society and make people's lives better, all of which reconciled with respect and care for the environment.

Our company's management extolled AEDAS Homes' strong relationship with its architects, looking back at the developments completed in FY 2021-22, and thanked them for their role in helping us achieve our corporate goals. We also used the time to listen to the architects' concerns in order to continue to improve mutual collaboration.



V Encuentro Nacional de Arquitectos AEDAS Homes

Our contribution to community development

We drive progress in our local communities by creating jobs, purchasing from suppliers and paying tax. Beyond the wealth we distribute to society, we are working to help young people find affordable housing solutions and configure future-proof housing through our commitment to modern methods of construction and our presence in sector forums. We also participate in a number of initiatives focused on social cohesion and urban regeneration.

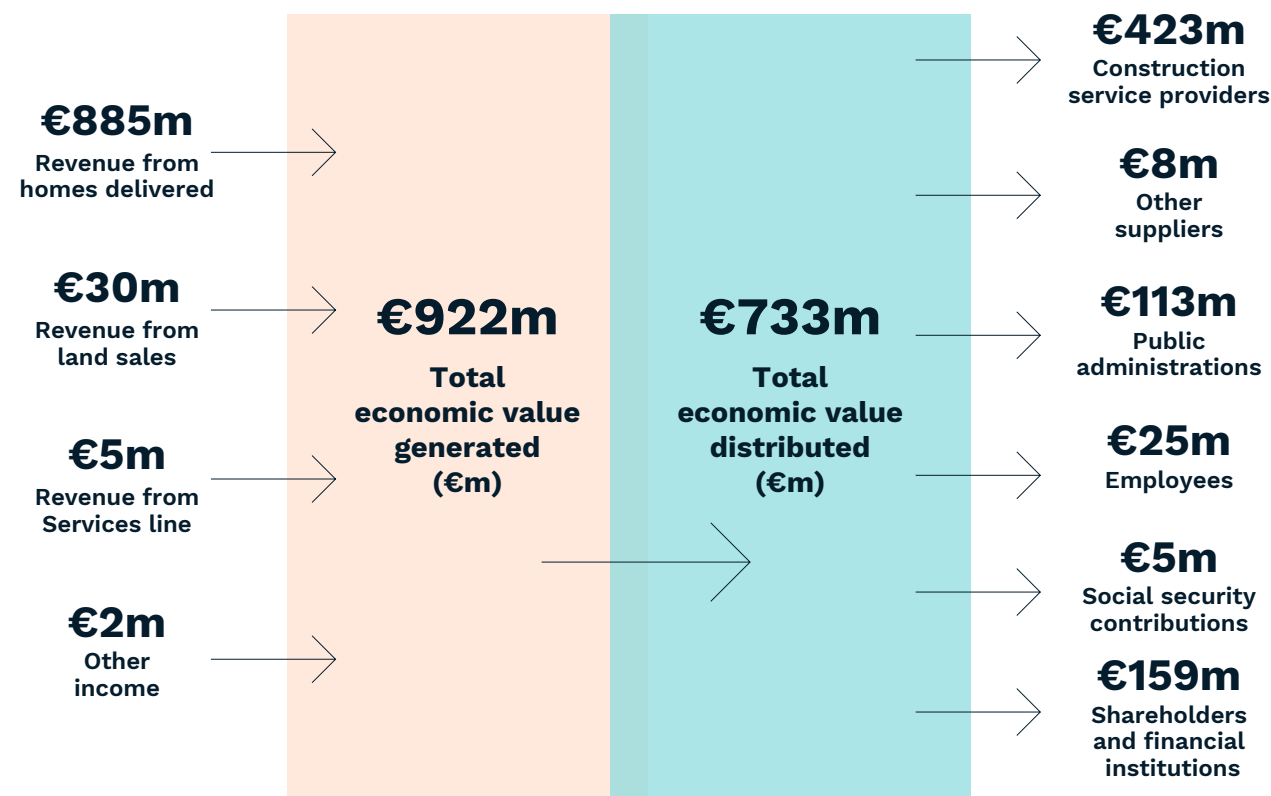
Milestones

- €113 million in taxes collected in FY 2022-23
- Broke ground on 2.497 affordable rental units through the Madrid Region's Plan VIVE scheme and delivered 63 affordable homes to individuals
- Definition of future-proof housing and cities through participation in sector forums and events
- Consolidation of our ConLasArtes Programme
- Execution of sport sponsorships and social action programmes

Value creation

Our residential development activity has a positive impact on society. We distributed €733 million to society in FY 2022-23 in the form of employee compensation, payments to suppliers, dividends and taxes.

Value generated and distributed



our tax contribution totalled €113 million, of which €47 million was borne by us and €66 million was collected and paid on behalf of third parties

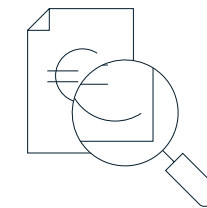
Tax paid

We believe that our tax payments constitute one of most important contributions to community prosperity. That conviction is embodied in our **Corporate Tax Policy**, approved in 2018, which sets out the principles governing our tax practices: transparency, integrity and prudence.

In FY 2022-23, our tax contribution totalled €113 million, of which €47 million was borne by us and €66 million was collected and paid on behalf of third parties.

To ensure alignment with best tax practices, we have established specific tax risk management controls within our control over financial reporting (ICFR) system.

AEDAS Homes' tax policy principles



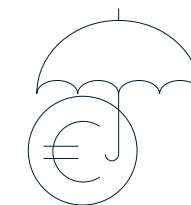
Transparency

We disclose relevant tax information concerning our activity and our stakeholders



Integrity

We observe tax law and collaborate in good faith with the tax authorities



Prudence

We weigh up the tax implications of our decisions before they are taken

Relations with public administrations

At AEDAS Homes, we engage with the local and regional authorities transparently, stringently respecting applicable legislation. Irreproachable conduct is key in land management processes, especially during the zoning, planning and construction permitting processes.

As set down in our [Code of Conduct](#), we never make any payments to public officials or political parties that are not permitted by law.

Government grants received

In FY 2022-23, we did not receive grants related to income, nor did we receive them in FY 2021-22.

Our contribution to affordable housing

Access to housing is one of Spain's most pressing social problems, one that affects young people and low-income households in particular. To be part of the solution, at AEDAS Homes we are developing affordable housing for sale and rental. Through our asset-light Real Estate Services arm we are participating as development managers in private-public partnerships where local public administrations provide land for the construction of affordable housing to be operated and rented out by institutional investors.

Participation in Plan Vive Madrid

A good example of AEDAS Homes' commitment to developing affordable housing is its participation in the Region of Madrid's Plan Vive scheme, in which AEDAS Homes is acting as the project manager for the development of 3,582 affordable units located on land provided by 10 municipalities for subsequent rental.

As of March 2023, we had broken ground on 2,497 units in 14 Plan Vive developments (out of a total of 23) located in: Madrid-Valdebebas (3), Alcalá de Henares (2), Colmenar Viejo (2), Getafe (1), Tres Cantos (1), Torrejon (1) and Alcorcón (4).

Total revenue derived in FY 2022-23 invoiced by our Real Estate Service line for their end-to-end project management services related to the affordable housing developments currently under construction for Plan Vive totalled €1.77 million.

The housing being built under the umbrella of Plan Vive is varied in nature but all complies with stringent sustainability standards: the BREEAM® seal and "A" energy ratings across the board.

Thanks to that programme, from the second half of 2024, young people and eligible low-income households will be able to rent those homes at affordable prices. Moreover, the growth in supply is expected to alleviate market rents.

Affordable housing

In addition to our role in Plan Vive, AEDAS Homes has close to 500 units of affordable housing within its portfolio, of which 63 were delivered to customers in FY 2022-23, generating €11.76 million in revenue.

We are also involved in the management and/or development of nearly 300 affordable housing units for other third party customers through our Real Estate Services line. In FY 2022-23, we delivered 199 affordable units through this line.

AEDAS Homes is acting as the project manager for the development of nearly 3,600 affordable rental units located in 10 municipalities in the Madrid Region

Imagining the houses of tomorrow

As developers we assume our responsibility and duty to spearhead the transition to a new productive model in the built environment that is less dependent, more competitive and more resilient to economic and environmental crises. In other words, smart construction which must be associated with digital design, modern methods of construction, innovation and sustainability.

We are aware, however, that this transition requires joint action on the part of all of the agents involved in the real estate process if we are to combat climate change, raise housing quality standards, reduce accidents and speed up delivery timeframes.

To that end, we are active in forums and taskforces run by sector and professional associations and we participate in debates and we outline our vision of what good housing should embody in the media.

A good example of this intense institutional activity is our participation in the Accessibility and Urban Regeneration Forum (CSIC, January 2023), the Urban Regeneration round table event (Peronda, May 2022) and the MCH Master In Collective Housing UPM – ETH master class (UPM, March 2023).

Prominent role at Rebuild

AEDAS Homes played a prominent role in the National Advanced Architecture and Construction 4.0 Congress organised by the Rebuild trade fair, which is presided by the company's CEO, David Martínez. For the 2022 edition, seven of the company's professionals participated in the conference cycle, sharing their vision for and knowledge about the sector's present and future, emphasising potential implied by offsite construction.

New living models

We are also part of the paradigm shift unfolding in how we live through our membership of the COWORD Association of Shared Real Estate Spaces from which we are championing new living arrangements such as coliving, cohousing and other formulas that address housing problems.

Association membership by aedas homes

Developer associations

Granada Contractors and Developers Association - ACP Granada

Seville Contractors and Developers Association - GAESCO

Alicante Real Estate Developers Association - PROVIA

Cadiz Real Estate Developers Association - FAEC

Malaga Contractors and Developers Association - ACP Malaga

Valencia Real Estate Developers Association APROVA

Zaragoza Contractors and Developers Association - ACPZ

Balearics Real Estate Developers Association - PROINBA

Madrid Real Estate Developers Association - ASPRIMA

Catalan Real Estate Developers Association - APRCE

Murica Real Estate Developers Association - APROVA

Las Palmas Contractors and Developers Association - AECPLPLA

Other associations

URBAN LAND INSTITUTE - ULI

WIRES (WOMEN IN REAL ESTATE SPAIN)

BUILDING CLUSTER

EPRA (European Public Real Estate Association)

MWCC (Madrid World Capital Construction)

EMISORES ESPAÑOLES (Spanish Issuers Association)

CIARE (Essential Know-How)

CUMPLEN (Compliance Professionals Association)

IAI - SPANISH INSTITUTE OF INTERNAL AUDITORS

ARCANO

ASVAL (Landlords Association)

ISMS FORUM SPAIN (Cybersecurity)

GENERATION AND TALENT OBSERVATORY

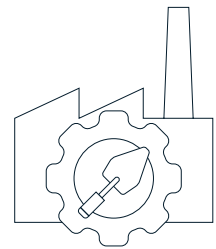
COWORD (Association of Shared Real Estate Spaces)

CSCAE 2030 OBSERVATORY

Championing future-proof housing

At these events, we help define what the homes of the future should look like and what the development sector needs to do to make them possible.

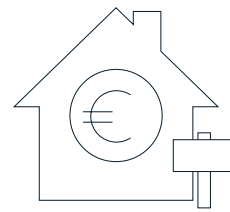
Our presentations are designed to push the sector, and by extension Spain's housing stock, forward by focusing on the following aspects:



Offsite construction

Offsite construction presents an opportunity to tackle some of the sector's problems as it instils environmental respect, reduces workplace accidents, attracts skilled labour and mitigates

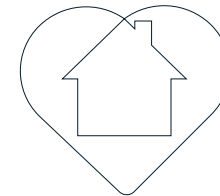
uncertainty around timing and prices. Although it is not expected to replace traditional construction methods in the short term, we see it as a solid alternative and expect specific elements to be incorporating into the homebuilding process in Spain over time. To promote these Modern Methods of Construction, in 2019, together with Urban Land Institute, we published our White Book on Offsite Construction and created a website - [Offsite](#) - to explain how it works to the uninitiated.



Affordable housing development

We participate in public-private partnerships to facilitate universal access to housing through affordable rental projects. The idea is for the authorities to

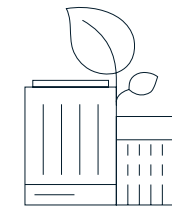
provide the land, leaving the housing development in the hands of institutional investors, with both sides benefitting. We also see a need for a design-to-cost approach, layering cost considerations in at the drawing board phase in order to build more affordable housing.



Emotional architecture

Architectural designs need to be about delivering not only physical but also emotional wellbeing. We believe that new builds should layer in the tenets of neuro-

architecture, which is the study of the psychological effects of living spaces depending on a range of aspects, including forms, colours and layouts. We devote some of our media columns to raising familiarity with this concept.

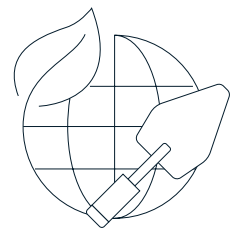


Urban regeneration

We seek to share our vision and expertise with public authorities underpinned by our belief that cities have to be regenerated if we are to deliver the SDGs. Such an ambitious task requires

public-private partnership. Our commitment to urban regeneration is tangible in several of our developments, including Cabot (Madrid), Ramon y Cajal (Seville) and Viria (Valencia).

At the Mesmer development in Badalona we will cede a commercial premises for use as a municipal library in response to residents demands, so creating a cultural nexus with the city.

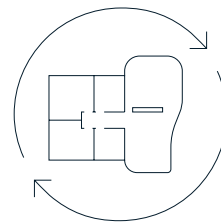


Incorporation of sustainable construction criteria

We urge residential developers to think about how they can rationalise the use of natural resources, embed energy efficiency measures and embrace

new technologies in their developments.

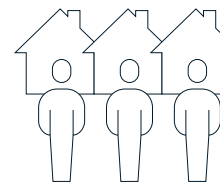
By doing so we can create a path to reducing the adverse effects of the construction sector which in Spain accounts for 25% of the total carbon footprint and around 30% of all waste.



Flexible living spaces

Already a trend in office development design, we defend the need to design more flexible living spaces that are readily adaptable to their inhabitants'

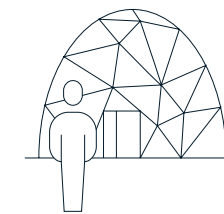
evolving needs throughout their lives. Developments should be designed from the beginning to make it simple for users to modify their spaces. Smart layouts and the use of mobile partitions are good solutions.



Universal housing accessibility

Housing accessibility cannot be limited to compliance with the ramp and passageway

requirements laid down in the Building Code. There are a number of situations or disabilities that should be addressed at the design phase in order to make people's lives easier by considering each owner's personal difficulties due to age or disability (blindness, restricted mobility, etc.). Developers need to offer personalisation catalogues with optional smart home solutions and keyless entry. We are already doing this at AEDAS Homes..



New ways of living

The development sector is helping to address the issue posed by population ageing and the housing access difficulties faced by young people by offering innovative living solutions already tried and tested

in other countries. For example, the senior housing concept for people aged 55 or older, an established model in the US, Australia and the UK, and co-living arrangements for young people getting started in the labour market. AEDAS Homes Real Estate Services is working to gather all the parties needed to create these kinds of opportunities and, together with a number of associations, we are lobbying the authorities to eliminate red tape that may be acting as a barrier.

Social action

We get involved in delivering economic, social and cultural progress in the communities where we build our developments. That commitment is articulated around three lines of initiative: artistic initiatives; sport sponsorships; and charity projects.

ConLasArtes by AEDAS Homes

This cultural initiative, which is unique in its sector, marries art and urban development. Our goal is to get behind initiatives that raise the profile of artistic works and, in parallel, integrate art and culture in the cities where we are present.

Created in 2021, the programme takes the form of a series of international competitions across a number of artistic disciplines, rewarding works that add value to the areas surrounding our developments. In FY 2022-23, we earmarked €186,000 to these initiatives, organised with the help of various town and city councils, universities and cultural institutions.

Besides these activities, we support other culture and leisure activities, such as the 'Magical Nights' of San Juan de Alicante, Christmas street lighting in Seville, the ice-skating rink in Plaza BiB-Rambla in Granada and the Cabaret Festival in Mairena de Aljarafe.

Conlasartes competitions, FY 2022-23

Photography contest titled 'People in Cities' Alcalá de Henares

This competition shone the lens on the people of Alcalá de Henares, while helping to raise the profile of up-and-coming talent. The photographs selected were then displayed at an exhibition set up at the university entranceway (CRAI). The local city hall and university both collaborated on this initiative.

Illustrated Short Story Competition titled 'Microtales from the Palace' Boadilla del Monte

Here we partnered with the Friends of Boadilla del Monte Palace Association, the magazine Solo Boadilla and Boadilla city hall to launch this writing competition with the palace as backdrop. The 30 finalists' stories were published in a book.

'Ceramic Sculptures in Quinta Alegre' competition Granada

The winning sculpture was given to Granada city council to decorate one of the rooms inside the Quinta Alegre Palace. We were helped for this competition by the city council of Granada and the local potters group.



ConLasArtes by AEDAS Homes

Ceramic mural '39 trees and a flower' competition

Terrassa

Competition for the design and crafting of a work of art made from ceramics for integration at the Herolt residential building in Terrassa. The winning mural is on permanent display on the building's north façade. It was organised with the help of the city council of Terrassa and the Catalan potters' association.

Song-writing competition '(D)Espacio Vital'

Valencia

Prize for emerging Spanish solo singers or bands who were asked to write a song with 'home' as its theme. The title of the competition is a play on words to evoke the concept of home but also an adverb to depict how time slowed down during lockdown, forcing us all to spend more time at home. Berklee Campus in Valencia and Valencia city hall collaborated with us on that contest.

International Urban Sculpture Contest in the city of Pamplona '1234'

Pamplona

In collaboration with Pamplona city council, we created a competition to mark the 60th anniversary Privilegio de la Unión, the deed that effectively created today's city. The goal was to transmit its residents' values: unity, cohesion, tolerance and brotherhood.

International Urban Art Competition Estepona-Jardín la Costa del Sol

Estepona (Malaga)

The idea behind this competition was to spur an artistic intervention applied to paving in a newly built square beside the city hall.

First International Short Film Competition - 'The Biodiversity Market'

Alicante

AEDAS Homes and Alicante city hall launched this international contest with the goal of commemorating the hundredth anniversary of the city's Central Market.

First International Prehistoric Urban Design Competition Rincón de la Victoria

Malaga

Call for artistic intervention for the paving and walls of the basketball courts located in the vicinity of the local caves and archaeological park.

First International Urban Sculpture Competition - 'The Best Donation'

L'Hospitalet de Llobregat

AEDAS Homes and L'Hospitalet de Llobregat city hall (Barcelona) asked artists to create a piece to pay homage to the altruism embodied by blood donors.



Jornada de voluntariado con empleados y familiares junto a la sociedad Ecoherencia

Charity projects

Each year, we carry out a Social Action Plan to support groups or communities in need by means of specific charity projects. Our involvement in these projects is not limited to making donations; we also involve people and businesses. In FY 2022-23, we earmarked €66,000+ to these projects.

Charity projects, FY 2022-23

Charity Challenge 8 peaks 1 cause

We organised a charity challenge consisting of climbing the eight highest peaks in the province of Andalusia in less than 48 hours to raise awareness and money for the Red Cross's local care programme for hospitalised children. The money raised is being used to upgrade the children's wings of the Red Cross hospitals in Andalusia.

Multiple sclerosis Seville

The Andalusia & Canaries Regional Branch, which won last year's edition of our Health & Safety Awards, chose to donate the resulting €3,000 to this charity.

AAESI - Association for Emotional Support for Gifted Children

The Madrid Regional Branch, also winners our Health & Safety awards last year, which ended in a tie, choose this charity for the donation of their €3,000 of winnings.

Third Charity Padel Tennis Tournament - Costa del Sol Real Estate Sector

The money raised through the Building the Future Association is helping to fund construction of a new pavilion for a school in Uganda.

AEDAS Homes Charity Challenge Passion for cycling

Charity challenge consisting of a bike race through Alcalá de Henares in order to encourage cycling as a sustainable mobility option and raise money for track bikes and indoor trainers for children from the Rodríguez Magro school who cannot afford them. We raised enough for 18 bikes and 6 trainers.

Collaboration with UNHCR to raise Money for Ukraine

Since the onset of the conflict in Ukraine, AEDAS Homes has been working with the UN's NGO for refugees, UNHCR, donating money to help with the humanitarian crisis. More specifically, the company is tripling the monthly donations which some employees have agreed to have deducted from their payrolls. By year-end, we had raised €39,000+ and that work remains ongoing.

L'Hospitalet de Llobregat Night Race

Night-time charity run in the city of Hospitalet de Llobregat with 3,600+ adults and 600 children participating.

The money raised is being used to upgrade the employee rest areas at HUB, the Bellvitge Teaching Hospital.



Reto solidario AEDAS Homes en Alcalá de Henares

Sport sponsorships

We believe in the transformational power of sport and we fully identify with its values: sacrifice, passion, teamwork, comradeship, respect and ambition. That is why we sponsor a number of different sports teams and events in the places we carry out our developments. In FY 2022-23, we earmarked €167,842 euros for sport sponsorships.

Thanks to our sponsorship work, we received the Cervantes Sport Award for supporting sports clubs and activities in Alcalá de Henares.

Sponsorship of sports events in fy 2022-23

RCD Mallorca Football team

Advertising sponsorship in the stadium during Liga Santander and Copa de S.M. El Rey matches in the period corresponding to the 2021-22 season.

Pozuelo Rugby Club

Sponsorship of the school teams and third team (approx. 300 players)

Schools Tournament, Under 6s, Under 8s, Under 10s and Under 12s. Participation by Pozuelo Rugby Club, Marbella Rugby Club and Olímpico.

Pozuelo Basketball Club

Sponsorship of 12 teams (160 players) under the name of Pozuelo Montegancedo Basketball Club.

Minibasket Montegancedo 2021 Tournament.

Pozuelo Hockey Club

Sponsorship of the women's first team.
Sponsorship of hockey schools (approx. 120 children)

Vilanova Sailing Club

Exclusive sponsorship of the Sailing School's activities.

Sponsorship of the 42nd Columbretes Regatta - AEDAS Homes Grand Prize and Interclub Tournament with the participation of the Garraf i Sitges Sailing Club.

Marbella Rugby Club

Sponsorship of the Under 6s, Under 8s, Under 10s, Under 12s, Under 14s, Under 16s, Under 18s and Seniors.

38Th Granada Half Marathon

Sponsorship of the half marathon organised by the Granada City Hall annually.

L'étape by le tour de France, Villanueva del Pardillo

Sponsorship of this cycling activity which is aligned with our sustainability focus, specifically the use of bikes as a green mode of transportation and the 15-minute city urban planning concept Lead sponsor of the Family Ride which brings together 100+ people for a bike race through the city of Villanueva del Pardillo





Patrocinio del Marbella Rugby Club

Hockey per Terrassa

Sponsorship of the Sports Association encompassing the four main hockey clubs in Terrassa with 9,000+ members in total and 1,200+ local and international matches a year.

The four clubs are home to a total of 164 teams from the youngest age categories to the first division. 2,000+ players in total.

Alcalá Rugby Club

Sponsorship of the Under 6s, Under 8s, Under 10s and Under 12s. 70 girls and boys play together in these categories.

Alcalá Basketball Club

Lead sponsor of the EBA Men's League and the Women's First Division Regional League (12 players)

15K Night Run in Valencia

Sponsorship of a 15k night run in Valencia organised by the Valencia Athletics Club Foundation which brings together 9,800+ runners each year to run 15k through the city centre.

Real Betis Football

Sponsorship of the football and basketball teams.

Youth Athletics Club Alcalá – AJALKALÁ

Purchase of 18 bikes for €4,842 for the cross country school bike racing challenge organised in Alcalá de Henares.

Granada Ice Rink

Sponsorship of the ice rink installed in the Plaza Bib-Rambla in Granada during the Christmas period. 23,000+ citizens and 1,500+ schoolchildren were able to enjoy this activity.

Club Murcia Challenge

Official sponsor of the Total Energies Marathon Murcia Costa Cálida, in which 7,000+ people participated.

Montemar Athletic Club

Official sponsor of the 27th Aguas de Alicante International Half Marathon & 10k. This race brings together 3,000+ runners.

RunRun For Your Life

Sponsorship of the 1st Prosolia Women's race in Alicante in 2023, with 800 runners participating.

Towards sustainable construction

Trailblazers in sustainable construction



Environmental footprint of our developments



Environmental footprint of AEDAS Homes



Trailblazers in sustainable construction

Milestones

- 100% of our development construction work carried out to specifications aligned with the Green Book or another prestigious seal
- 500+ units finalised built partially or entirely offsite in FY 2022/23
- Agreements for the use of more environmentally-friendly construction materials such as sustainable concrete and recycled aluminium
- Construction of our first multi-storey mass timber development

Since we started in the business in 2016, we have been strongly committed to protecting our natural surroundings and combatting climate change. That commitment translates into the use of Modern Methods of Construction (MMC) and application of the highest sustainability standards, as set down in our Green Book.

Offsite construction

We embed circular economy criteria into our housing designs and construction plans using Modern Methods of Construction (MMC). We have been championing large-scale offsite homebuilding since 2018, with close to 4,000 delivered units across 70+ developments built partially or entirely offsite to date.

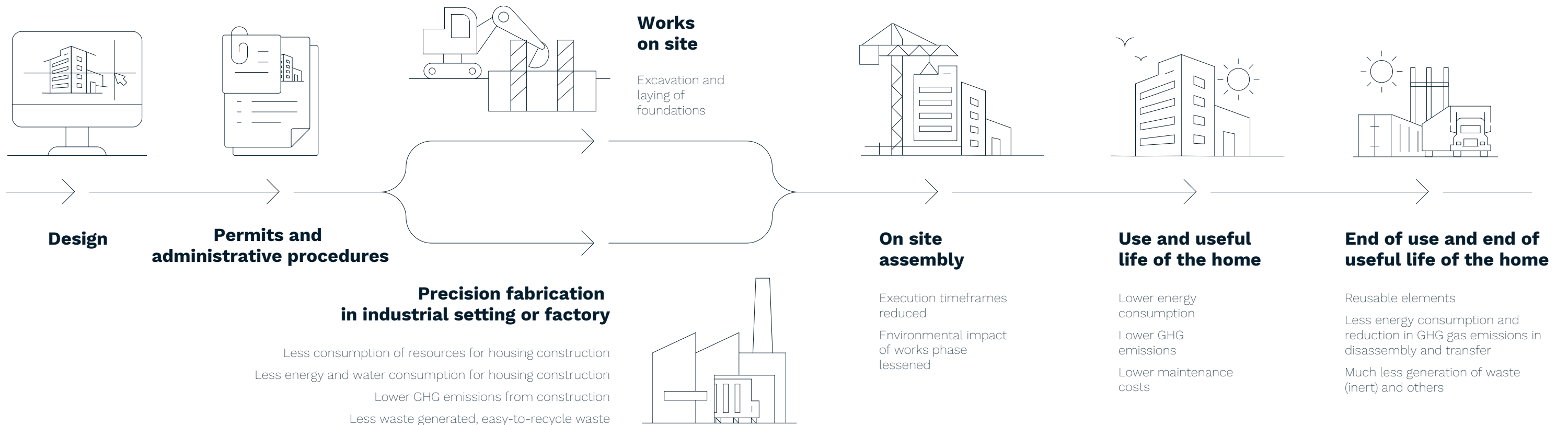
Offsite construction involves making some or all of a new home away from its final site, usually in a factory. The use of Modern Methods of Construction enhances construction processes and quality.

Offsite construction is more environmentally friendly as it virtually eliminates the use of water, slashes the volume of waste generated and lowers emissions. There are also multiple benefits for end

users, as offsite construction compresses delivery times while boosting execution standards. Workers also benefit as offsite construction leads to a drastic reduction in accidents and better working conditions as the units are built in controlled environments.

Thanks to the progress made in the past year, we have the ambitious target set out in our ESG Strategic Plan in sight, which is that 25% of the homes delivered from FY 2023-24 will be built partially or fully offsite.

Environmental benefits of offsite construction



First multi-storey development with a mass timber structure

2022 is a milestone year for sustainability at AEDAS Homes, since we broke ground on our first multi-storey development made with a mass timber structure: Fioresta. The development, designed by architect Iván Carpintero and executed by 011h in San Juan de Alicante, delivers a reduction in CO₂e emissions from the production of building materials of 38%. It is the first apartment building with a timber structure to go up in Valencia.

The Fioresta building is a landmark in our journey towards innovative and sustainable construction as it is the first of a number of developments that will use timber structurally. Specifically, the non-visible structure of several buildings will be made from timber, specifically cross-laminated timber (CLT) panels, beams and pillars to weave lightweight trusses that are solid and durable, creating optimal structural resilience.

Thanks to process digitalisation and offsites construction, the Fioresta development will take just 15 months to build, which is 30% shorter than using traditional construction methods.

Timber is the most environmentally-friendly construction material. It is made by nature, it is 100% recyclable and biodegradable and its carbon footprint is radically smaller than that of traditional materials. Not only does it not emit CO₂ during its manufacture, but it actually absorbs it. Moreover, it is resilient, durable and an excellent thermal insulator, making the resulting homes healthier and more comfortable to live in.



Fioresta (San Juan de Alicante)

Standardisation of environmental criteria at our developments

In 2020, we created the first sustainable housing seal in the Spanish residential development market: Ecoliving@. That seal certifies the sustainability measures implemented at each home, framed by the standards set down in our Green Book.

The Green Book is an open guide for the implementation of sustainability measures and requirements at our residential developments. Updated in 2021 and renamed the AEDAS Homes Green Book 2.0, it groups our environmental requirements into 10 categories: energy, health and wellbeing, water, waste, materials, mobility, biodiversity and integration, society, sustainable design and construction and offsite systems.

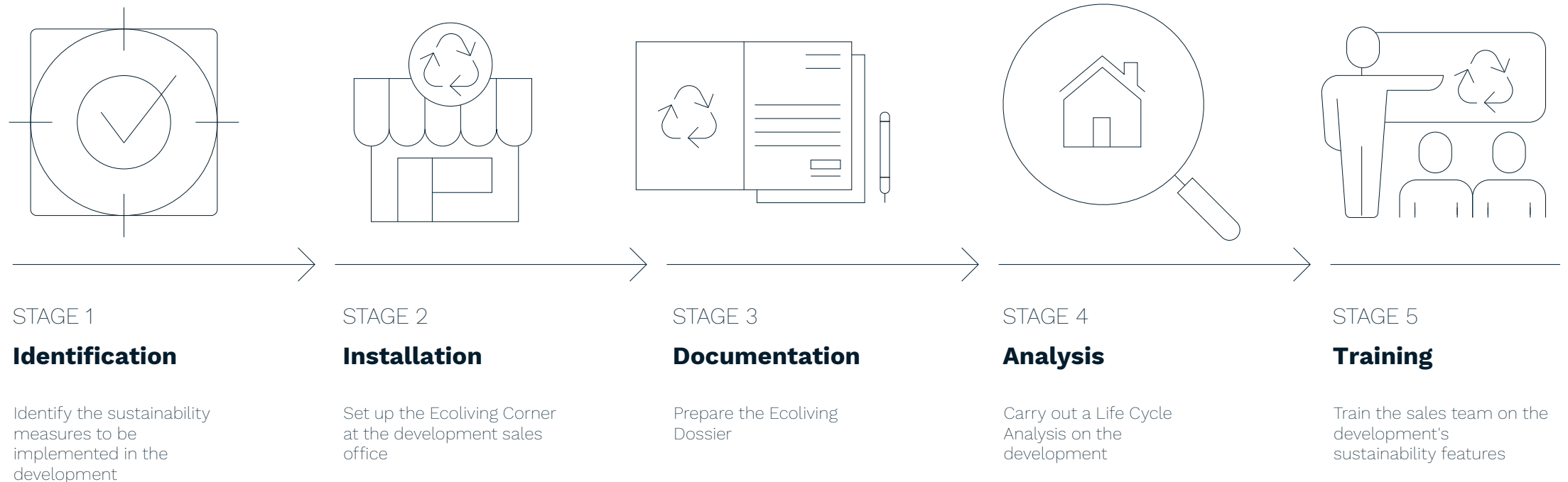
During the development design phase, the development manager has to select at least one measure from each category to obtain the Ecoliving@ seal. Depending on the number of measures implemented and their weightings, the development will receive one of the following sustainability ratings: basic, medium, high or excellent.

The measures implemented are set down in the Ecoliving Dossier, one of the documents delivered to our customers. In that way we impress upon our customers the benefits of living in a sustainable home.

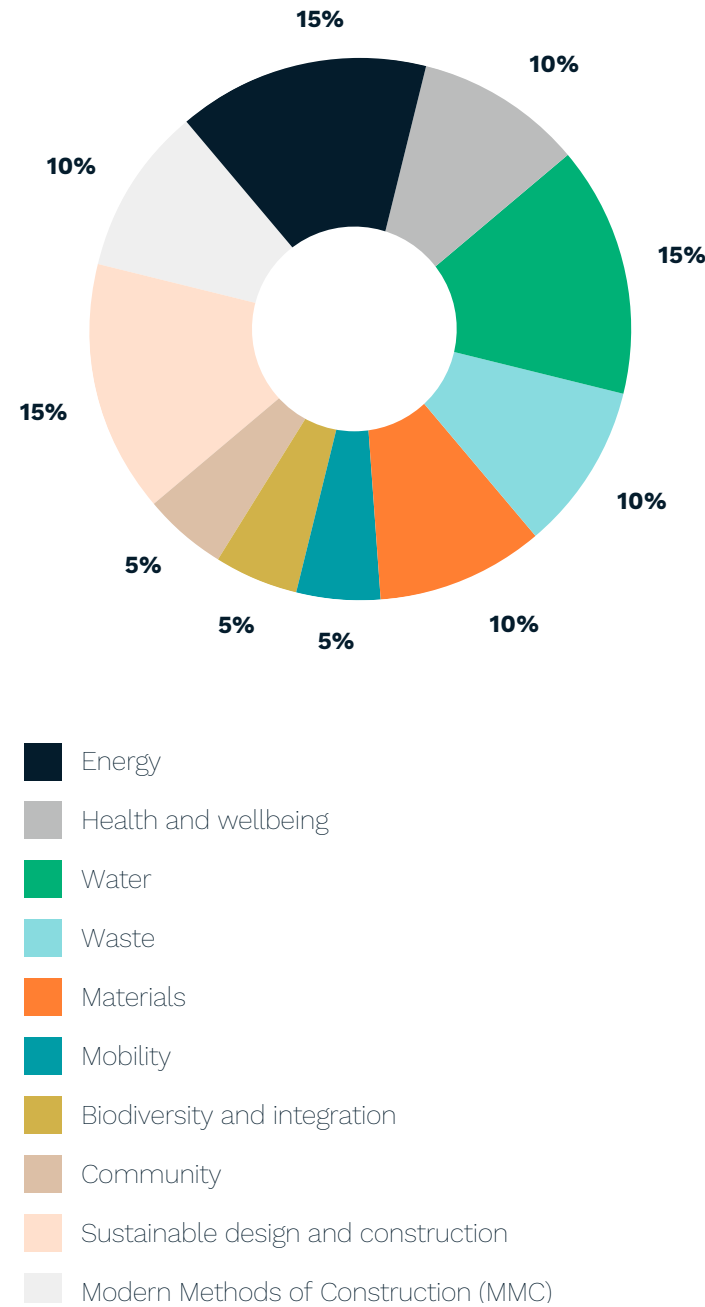
We also devote a section of the Building Specifications Book to describing the homes' sustainable, efficient and wellness features. That section highlights the environmental advantages of an AEDAS Homes home and provides tips as to how customers can keep their homes as comfortable, energy efficient and healthy as possible.

In FY 2022-23, for the second year running, we delivered our strategic target of building 100% of our developments to specifications aligned with the Green Book or another prestigious seal. Specifically, 83% of our finished developments meet the sustainability requirements set in the Green Book and 17% are BREEAM certified. Moreover, 18% of the total boast 'high' sustainability ratings.

How the Green Book is applied (stages)



Weight of each environmental aspect in AEDAS Homes Green Book



Use of sustainable materials to transition towards a circular economy

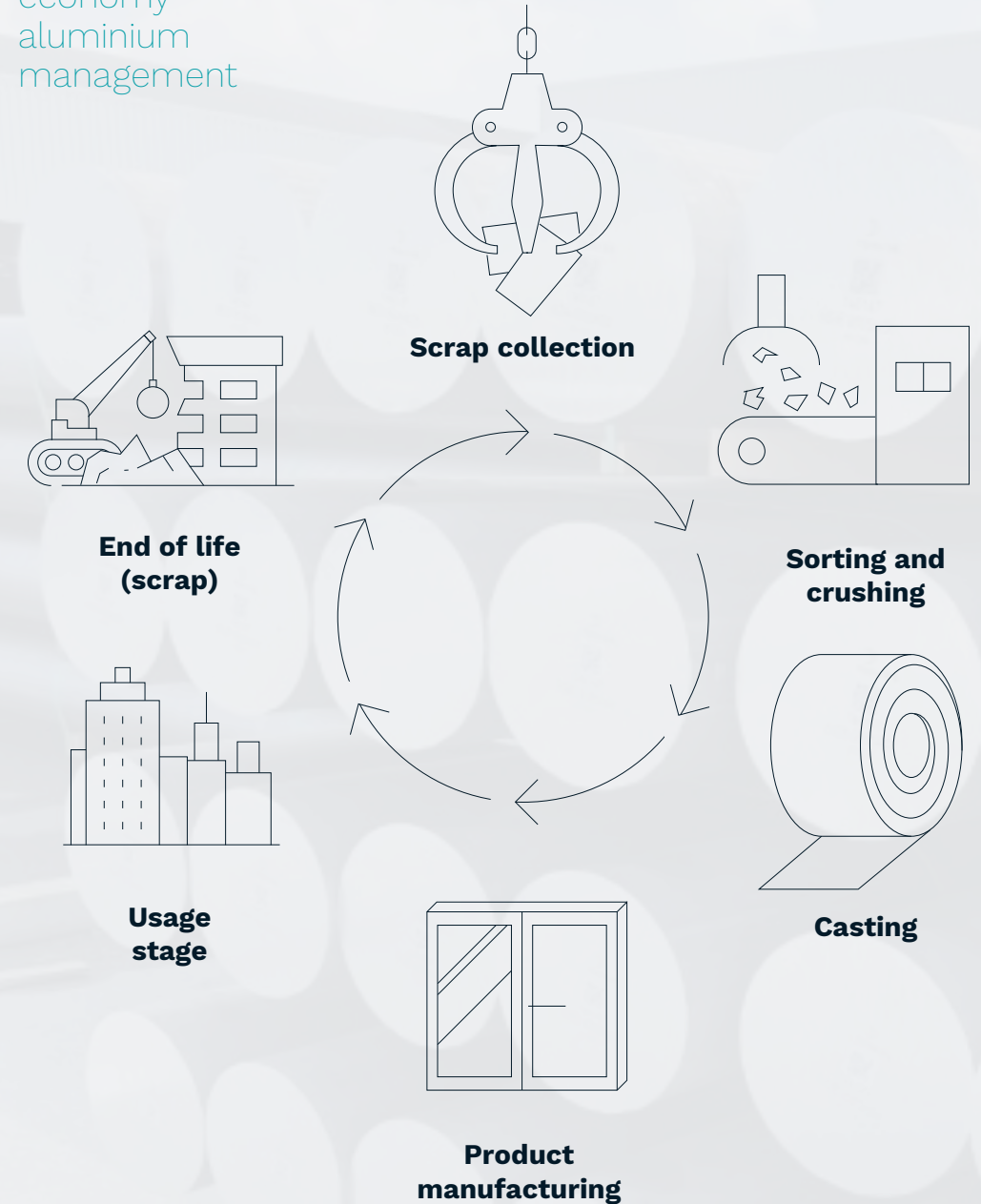
We are committed to using sustainable construction materials to reduce the environmental impact of our developments.

To select the most suitable and environmentally-friendly materials, we assess their environmental impact throughout their life cycle. We also encourage the use of materials produced locally in order to contribute to our local communities' economies and reduce emissions derived from their transportation.

Our interest in sustainable materials is evident in the agreement entered into in February 2023 with Holcim Spain for the construction of three developments with nearly 200 units using ECOPACT, low-carbon concrete which reduces CO_{2e} emissions by between 30% and 70% by comparison with traditional concrete and cement. It is also the first range of concrete to boast its own Environmental Product Declaration (EPD).

We also struck an agreement with Technal for the first residential development in Spain made from 100% post-consumption recycled aluminium, Soul Marbella Sunshine, which will reduce CO_{2e} emissions by 75% by comparison with traditional aluminium.

Circular economy aluminium management



Circular economy construction criteria

Construction of a residential building generates a vast amount of waste and materials can go to waste, many of which are harmful for the environment.

AEDAS Homes' concern for minimising the impact of its construction waste is evident in the chapter of the Green Book dedicated to offsite construction solutions. That same chapter encourages the installation of recycling facilities (during the usage stage) additional to those stipulated in building regulations, such as containers for the collection of used cooking oil, batteries and clothing.

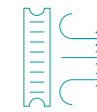
In addition, AEDAS Homes has implemented a rock wool (insulation) recovery and recycling service at the Fioresta development using the Rockcycle service provided by the manufacturer, Rockwool, thanks to which pallets and surplus rock wool at construction sites are collected and brought back to the factories for processing and recycling make a new, high-quality, durable insulation material, preserving its original properties and preventing that waste from ending up in a landfill.

Sustainable housing with the ecoliving® seal

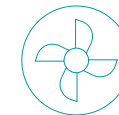
Widespread installation of air source heat pumps to harness the thermal energy in the air and transfer it inside the home so as to provide hot water and/or heating/cooling



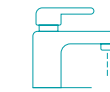
High-performance thermally insulated façades and highly efficient systems: annual energy consumption for efficient hot water production and heating/cooling.



Installation of heat recovery ventilation systems that harness the energy (temperature) present in the home by means of air renewal separate inflow and outflow circuits, so that occupants can enjoy clean air.



Water savings compared to standard levels thanks to the use of low-flow taps, sustainable drainage systems, drip irrigation systems and rainwater gauges.



Nearby public transport stops.



Bicycle parking spaces.



Salt water chlorine systems in swimming pools to reduce the amount of chlorine used.



Native plant species planted in green areas.





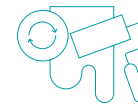
Maremma (Palma de Mallorca)



Common facilities configured to optimise energy efficiency and lower costs.



Common and garden areas: outdoor light sensors, indoor presence detectors and/or timers to reduce energy consumption.



Paint and external cladding with the Ecolabel seal, indicating low VOC levels which favour better indoor air quality.



Use of FSC or PEFC certified wood attesting to sourcing from sustainably managed forests.



Use of materials produced no more than 400 km away.



Pre-installation of electric vehicle charging stations.



'Smart home' systems that let occupants control lighting and/or blinds from their smartphones.



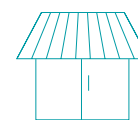
Energy performance certificates with an 'A' rating in terms of consumption of non-renewable primary energy and CO₂ emissions.



Common areas with natural lighting and ventilation.



Dedicated areas for recycling containers.



Optimised designs tailored for local climate conditions: incorporation of overhangs, trellises, carefully selected façade colours and cross-flow ventilation to reduce energy consumption.

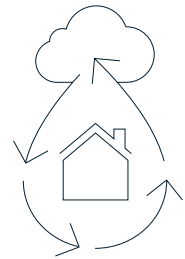
Environmental footprint of our developments

One of the goals set for 2030 in our ESG Strategic Plan is to neutralise 50% of the greenhouse gas emissions associated with the carbon embodied in our developments. Aware that we cannot improve what we do not measure, we measured our developments' impact using Life Cycle Assessment (LCA) methodology once again last year.

Milestones

- 59% of the developments completed in FY 2022-23 boast 'AA' energy performance certificates and 62% of developments activated this past year are targeting an 'AA' certificate
- Life Cycle Assessment (LCA) carried out on 100% of the developments completed in FY 2022-23 (delivering this milestone for the second year in a row)
- One tree planted for every home delivered
- Rainwater and/or grey water reusage systems installed at 32% of the developments completed by AEDAS Homes
- 37% of the developments completed in FY 2022-23 have been fitted with sustainable drainage systems

Our buildings stand apart for their respect for nature and their use of offsite construction methods, low-carbon materials and energy saving measures. Last year, we continued to make progress on execution of our ESG Strategic Plan by implementing the following initiatives:



Life Cycle Assessments (LCA) carried out at all developments

We completed LCAs at all of the 41 developments that completed construction in FY 2022-23. This analysis includes a calculation of the equivalent CO₂ corresponding to the different stages or phases evaluated during the life of the building (50 years), from extraction of the raw materials to manufacture of the materials and their distribution, construction, use and maintenance of the building, waste management (landfill vs. recycling) until demolition or deconstruction of the development (end of life). Those calculations are calculated using One Click LCA software and are aligned with the UNE EN 15978 standard.

Results of our Life Cycle Assessments

Phases	Emissions (kg CO ₂ e/m ² year*)
Embodied carbon (phases A1 to B5 and C1 to C4)	20,61
Operational carbon (phases B6-B7)	7,33

(*) The unit of reference used for the surface area is the useful interior floor area of the developments (as stipulated in LEVEL(s))



'AA' energy performance ratings obtained at 59% of the developments completed in FY 2022-23

In a country in which 70%+ of the housing stock has very poor energy ratings ('E', 'F' or 'G'), here at AEDAS Homes we attained 'AA' performance ratings at 59% of the developments completed last year, marking a significant increase compared to FY 2021-22, when 42% of the completed developments obtained an 'AA' rating.

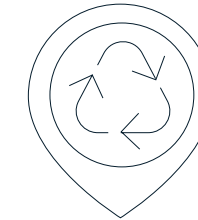
Likewise as part of our effort to reduce energy consumption and emissions, in October 2022, we struck an alliance with Iberdrola for the promotion of sustainability at residential developments, the first partnership of its kind between a developer and an electric utility in Spain. Under the agreement, Iberdrola is our key partner for the supply and installation of solar panels and EV chargers at our developments in Madrid area.



Sustainable drainage

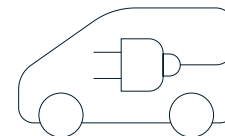
In 2022, we made progress on the installation of sustainable drainage systems, mainly green roofs and landscaped areas, which are designed to favour the natural water cycle. These systems reinject rainwater into the soil without contaminating it and capture water while it is still in optimal condition for reuse, stopping it from running off over paving. 37% of the developments completed in FY 2022-23 featured sustainable drainage systems, well above the 25% targeted in the ESG Strategic Plan.

Moreover, 32% of the developments finished in FY 2022-23 have water (rainwater and/or grey water) recovery or reuse systems to meet the gardens' watering requirements, similarly topping the target of 25% set down in our ESG Plan.



Installation of recycling facilities

39% of the developments we completed in FY 2022-23 have been fitted with recycling facilities with designated containers where occupants can deposit used clothing, cooking oil and batteries without having their leave the building, again topping the ESG Plan target of 25%. This circular economy measure also reduces emissions derived from transportation to other recycling stations.



In addition to these measures set out in our ESG Strategic Plan, our developments also feature novel sustainable services. At one of our developments we have set up a coworking facility. Another good example is the pioneering agreement with Activacar at our Soul Marbella Sunset development, the first residential complex in Spain where residents will be able to avail of a fully-electric mobility service by booking electric vehicles by the hour or day from a user-friendly mobile app. Soul Marbella will also have e-bikes.

Pollution

In addition to the measures rolled out to reduce the environmental impact of our developments during their useful lives, we require our contractors to have ISO 14001 certification to ensure that pollution during construction work, including noise and light pollution, does not exceed the limits set in applicable legislation.

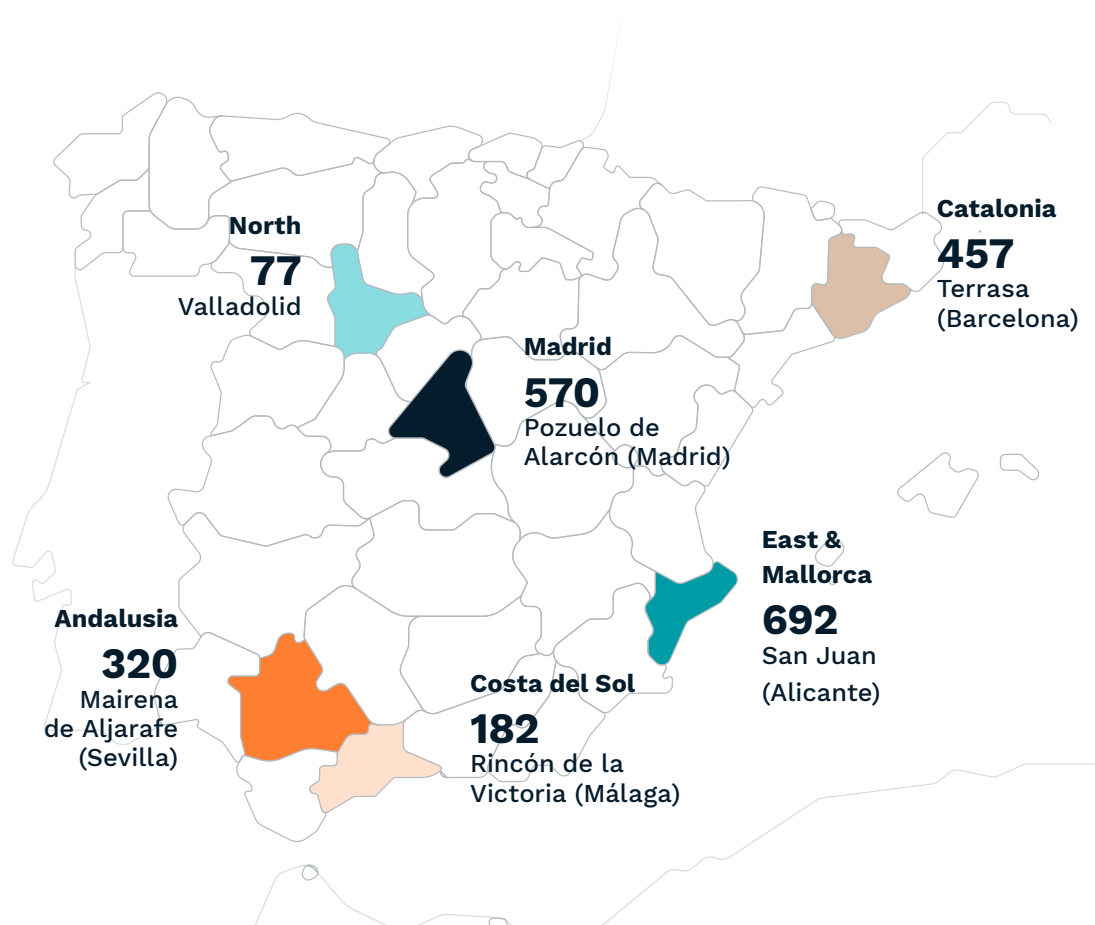
Our Green Book 2.0 urges development managers to check the developments' waste studies to assess the construction systems used and propose solutions to reduce its generation. That guide also encourages the reuse and recycling of waste and the prevention of toxic residues.

Offsets

We have pledged we will plant one tree for every home delivered. In FY 2022-23, we planted a total of 2,298 trees, one for every home delivered by each of the Regional Branches, selecting a variety of species to suit the local climate. Assuming that they all live for at least five years and that 50% live for 50 years, those trees stand to absorb 569.71 tonnes of CO₂ (using the absorption calculator recommended by Spain's Ministry of Green Transition).

The trees were planted by AEDAS Homes employees and their families during a volunteering day, with the help of professionals.

Tree planting 2022



Regional Branch	Location	Total saplings planted	Nº. of saplings planted on Volunteer Day	Nº. of saplings planted by professionals	Nº. of participants	Date of Volunteer Day	Sequestration (tonnes of CO ₂)
Catalonia	Terrasa (Barcelona)	457	72	385	16	26/11/2022	59.58
North	Valladolid	77	77	0	10	26/11/2022	4.86
Madrid	Pozuelo de Alarcón (Madrid)	570	300	270	24	26/11/2022	101.19
East	San Juan (Alicante)	692	43	649	24	26/11/2022	100.84
Andalusia	Mairena de Aljarafe (Sevilla)	320	School children: 52 Employees: 61	207	School children: 52 Employees: 21	Sch: 25/11/2022 Emp.: 26/11/2022	58.46
Costa del Sol	Rincón de la Victoria (Málaga)	182	28	154	15	26/11/2022	244.78
TOTAL		2,298	633	1,665	166	-	569.71

Environmental compliance

At AEDAS Homes we comply with and exceed our environmental legal requirements in the regions where we carry out our development work. Our Green Book, which is binding upon all developments, was updated in 2021 to reflect the latest regulatory developments and layer in other universally recognised environmental strategies.

We did not receive any fines for non-compliance with environmental laws or regulations in FY 2022-23.

No fines for noncompliance with environmental laws or regulations were received



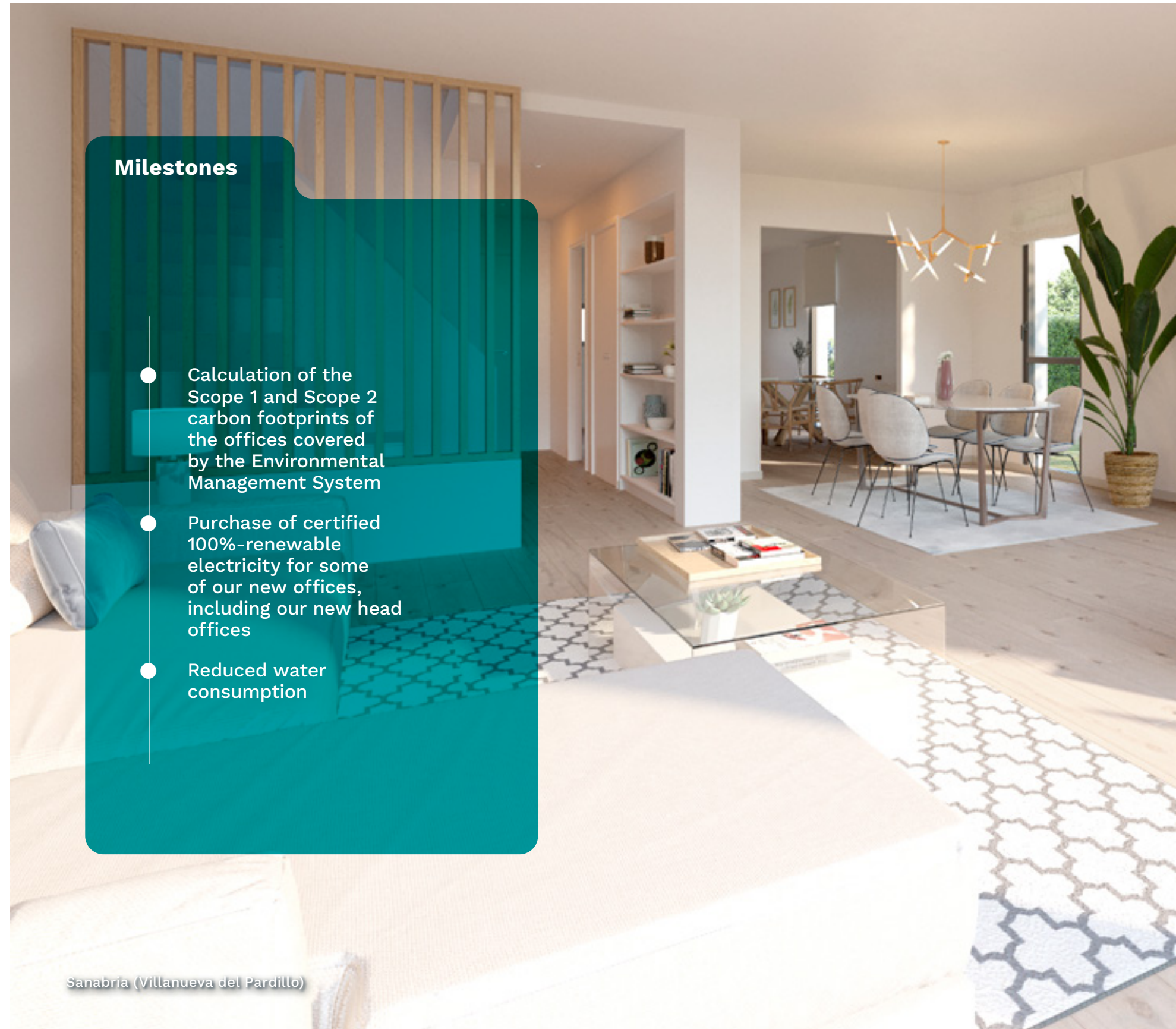
Lambot (Madrid)

Environmental footprint of AEDAS Homes

Our environmental commitments begin at our facilities. Although we are conscious that our offices and points of sale only have a limited impact on the environment, we are committed to energy efficiency, resource rationalisation and proper waste management in our everyday operations. We also encourage our employees to adopt responsible practices.

Milestones

- Calculation of the Scope 1 and Scope 2 carbon footprints of the offices covered by the Environmental Management System
- Purchase of certified 100%-renewable electricity for some of our new offices, including our new head offices
- Reduced water consumption



We monitor the impact of our activity on the environment by means of our UNE-EN ISO 14001:2015 certified Environmental Management System.

80% of the developments that were active in FY 2022-23 were covered by that system, a percentage which reflects the start of business activities in new regions and the creation of a new division (Real Estate Services) last year. The scope

of the management system will be expanded to include those new activities in FY 2023-24.

Environmental management at our facilities* is articulated around three lines of initiative: consumption (electricity, water and fuel), proper waste management and awareness.

AEDAS Homes has a Civil Liability Policy, which covers accidental environmental damage up to a total of €15m per claim.

Environmental Record (*)

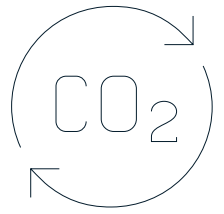
	2021-2022	2022-2023
Emissions (Scope 1 and Scope 2)**	-	147,279 tCO ₂ e (75,203 + 72.076)
Electricity consumption	312,198 kWh	314,742.3 kWh
Water consumption	1,642 m ³	1,301.38 m ³
Fuel consumption	Diesel: 22,475.55 l Gasoline: 1,901.44 l	Diesel: 27,496.7 l Gasoline: 2,629.41 l
Paper waste generated	2,322 kg	4,643 kg
Toner waste	69 kg	66.5 kg

(*) Calculated for the offices within the scope of the Environmental Management System(100% of AEDAS Homes Offices)

(**) Scope 1 and 2 data not available for FY 2021-22. Emissions factors utilized come from MITECO.



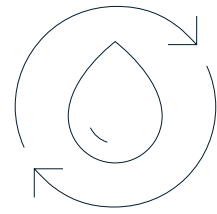
Gaetana III (Torrejón de Ardoz)



Carbon footprint

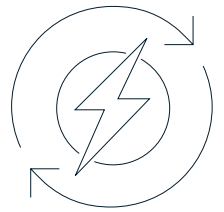
AEDAS Homes generated 147,279 tCO₂e of greenhouse gas (GHG) emissions in FY 2022-23.

This carbon footprint encompasses the emissions released by the company onsite as a result of the fuel consumed by leased vehicles (Scope 1), as well as the indirect emissions derived from the electricity it consumed (Scope 2), calculated using the methodology set down in the Green House Gas Protocol (GHG).



Water consumption

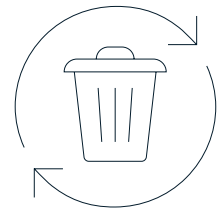
Our offices and points of sale used 1,301.38 m³ of water, which is 20% less than in FY 2021-22.



Electricity consumption

Electricity consumption at our head offices and the offices covered by our Environmental Management System amounted to 314,742.30 kWh in FY 2022-23, growth of 0.81%. The year-on-year growth in electricity consumption reflects the inclusion of new offices within the scope of that system.

In 2022-23, we arranged electricity supply contracts contemplating renewable energy only (for example at our new head offices and at the office in Vigo), which now cover 25% of total consumption at the offices within the boundary of the environmental management system.



Waste management

The waste generated at our offices and points of sale is largely urban waste managed in accordance with the regulations in place in each municipality.

To prevent environmental damage, we encourage selective waste collection by installing recycling bins for each material, thanks to which we facilitate the recycling of paper, board, plastic, batteries and toner, which is passed along to authorised handlers.

In FY 2022-23, we continued to use our electronic signature system for all documents that used to require physical signature, so generating environmental savings.

In FY 2022-23, we generated 4,643 kg of paper waste and 66.5 kg of toner waste.

Environmental savings at AEDAS Homes

GHG emissions reduced by **227,796 kg**

Water savings of **2,384,751 litres**

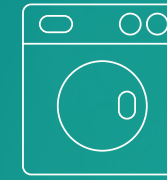
Timber savings of **97,049 kg**

15,770 kg of waste eliminated

That is equivalent to:



Taking **45 cars** off the road



Avoiding **454 wash cycles**



Preserving **641 trees**

Encouraging responsible practices among employees

To raise employee awareness about the need to save resources and recycle, we place posters with recycling guidelines and tips for saving natural resources in kitchens and bathrooms and on printers.

Managing climate change risks

The climate change crisis is one of AEDAS Homes' biggest challenges. The global warming caused by emissions is driving significant changes in the climate, including extreme climate events such as prolonged droughts and heatwaves, with grave consequences for the environment and human health.

Here at AEDAS Homes, we are aware of the sector's duty to contribute to the transition to a more sustainable economic, social and governance model. Our strategic commitments look beyond our regulatory requirements as we move out along the roadmap set by our ESG Strategic Plan 2021-2023.

In FY 2022-23, we began, with the involvement of all our business areas, the task of analysing our climate change risks in order to assess their significance on a company-wide basis and include the most relevant factors in our corporate risk map.

To conduct this analysis we are following the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD) in order to effectively identify, assess and report on our climate risks.

That climate risk management methodology entails:

Risk identification

Following the categories recommended by the TCFD, we are identifying our physical risks, related to the physical impacts of climate change, which may be event driven (acute) or longer-term shifts (chronic) in climate patterns, and our transition risks, derived from transition to a low carbon economy, including changes in regulations (policy and legal risks), public opinion (reputation risk), technology (technology risks) and stakeholder demands (market risks).

Risk assessment

Once we have identified our climate risks, we will assess their potential impacts on the organisation, contemplating reputational, operational and financial aspects, and their probability of occurrence.

Risk monitoring and oversight

We will establish a plan for regularly tracking and reviewing the risks so identified by establishing appropriate performance indicators and controls.

With input from all our business units, we have begun the task of analysing our climate change risks in order to assess their significance on a company-wide basis and include the most relevant factors in our corporate risk map

Corporate governance

Bienvenidos

Corporate governance model



Governing bodies



Business ethics



Risk management



Internal audit function



Integration of ESG aspects into the risk model



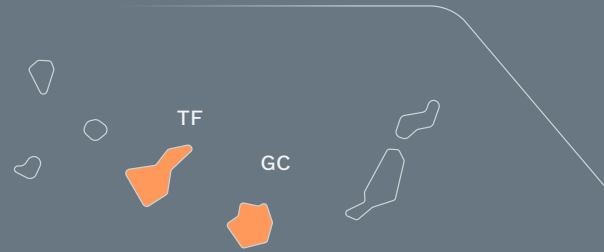
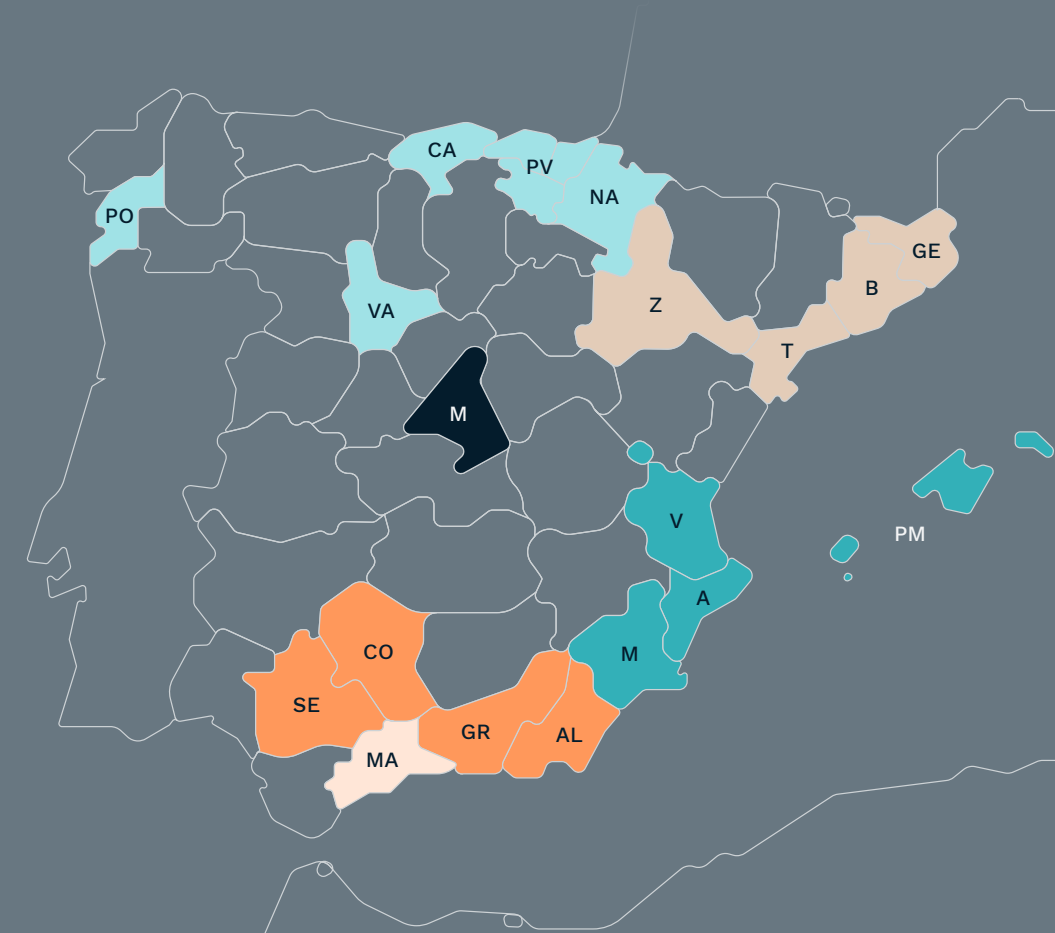
Corporate governance model

Our effective corporate governance model is articulated around delivering our corporate targets and generating stakeholder confidence. Underpinned by a code of ethics, prevailing legislation and best practices in governance, we have configured a set of internal rules and regulations to define how our governing bodies work, regulate our dealings with third parties and ensure appropriate risk management.

AEDAS Homes' corporate purpose is to acquire, permit, manage, market and develop properties of any kind for holding, use, management, sale or lease.

AEDAS Homes has its headquarters in Madrid and operates six Regional Branches, which are located in the key markets for new-build homes in Spain:

- Madrid Regional Branch**
- Catalonia & Aragon Regional Branch:** Barcelona, Tarragona, Girona and Zaragoza
- Andalusia & Canaries Regional Branch:** Seville, Cordoba, Granada, Almería and the Canary Islands
- East & Mallorca Regional Branch:** Valencia, Alicante, Murcia and Mallorca
- Costa del Sol:** Malaga
- North:** Valladolid, Pontevedra, Navarra, Cantabria and the Basque region

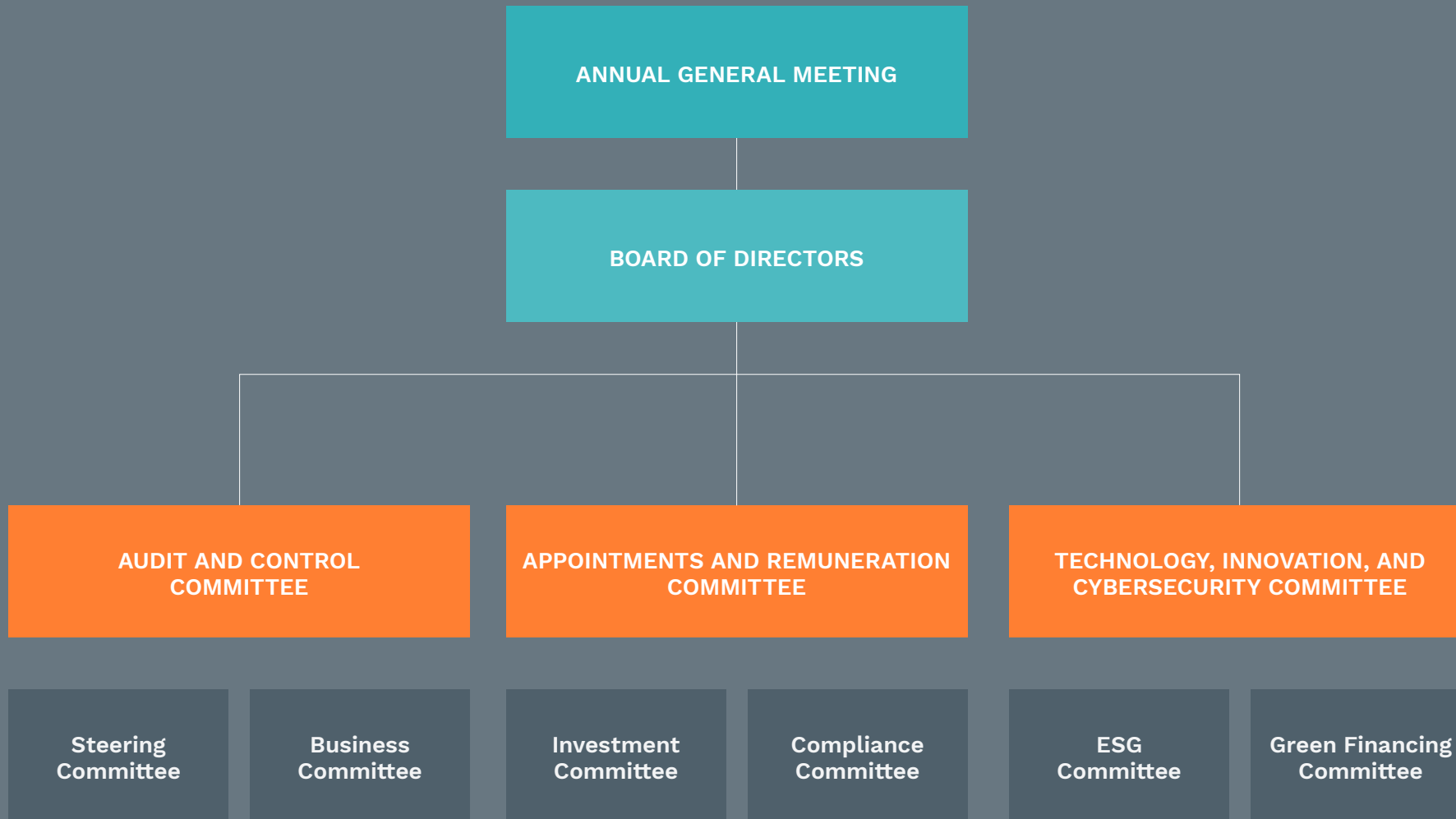


In FY 2022-23, AEDAS Homes continued to bolster its corporate governance model, defining two new corporate policies and certifying its compliance management system under UNE 19601.

Committed to strong governance and aligned with best practices, AEDAS Homes is already assessing its cybersecurity governance model in the wake of approval of the Cybersecurity Good Governance Code by Spain's National Cybersecurity Council on 14 March 2023. AEDAS Homes views cybersecurity as crucial to its resilience and sustainable growth.

Governing bodies

Our solid corporate governance structure facilitates strategic decision-making. At the top of this structure are our Annual General Meetings and Board of Directors, who diligently govern and administer the company, the latter through three committees, ably assisted by other committees.



The **Annual General Meeting** is the 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 AEDAS Homes' 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.

The Board of Directors is made up of nine members. Five are independent directors, two are proprietary, one is external and the ninth is an executive director.

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 itself.

AEDAS Homes has a Director Selection Policy, which was approved by the Board of Directors on 5 November 2019, at the recommendation of its Appointments and Remuneration Committee. This policy is specific and verifiable and ensures that proposals for the appointment or re-election of directors are based on prior analysis of the board's needs and foster a broad mix of knowledge and experiences, as well as gender diversity. That policy includes a description of the skills and expertise required of the company's directors. It is formulated to ensure that the Board of Directors is at all times made up of prestigious professionals with enough time to devote to the duties vested in them.

With this policy, the Board of Directors wants to likewise ensure that director appointment proposals are aligned with prevailing governance recommendations and lead to informed and substantiated decision-making. This document factors in the guidance provided in the securities market regulator's Technical Guide on nomination and remuneration committees (CNMV Technical Guide 1/2019).

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

- The **Audit and Control Committee**, made up of three directors, two of whom independent (one of whom chairs this committee) and the third, proprietary.

Article 14 of the Board Regulations regulates the Audit and Control Committee, its composition, its powers and its *modus operandi*.

- The **Appointments and Remuneration Committee**, made up of three directors, two of whom are independent (one of whom chairs this committee) and the third, proprietary.

Article 15 of the Board Regulations regulates the Appointments and Remuneration Committee, its composition, powers and *modus operandi*. That Committee also has its own regulations governing its composition, powers and rules of operation. For further information, refer to: <https://www.aedashomes.com/inversores/gobierno-corporativo/consejo-administracion>

- The **Technology, Innovation and Cybersecurity Committee**, made up of three directors, one of whom (the committee chairperson) is independent, one proprietary, and one executive, who is also part of the company's management team.

Likewise, there are specific regulations addressing the composition, powers and rules of operation of this committee.

AEDAS Homes has a Director Selection Policy, which was approved by the Board of Directors on 5 November 2019, at the recommendation of its Appointments and Remuneration Committee

The company also has a number of other committees:

- A **Steering Committee**, a **Business Committee** and an **Investment Committee**, all of which made up of company executives. The rules of operation, composition and powers of each of those committees are set down in regulations approved by the company's CEO.
- A **Compliance Committee**, made up of the heads of the Risk and Compliance, Legal and Corporate Resources Departments whose composition, powers and rules of operation are set down in the board-approved Compliance Policy and Manual. AEDAS Homes also has an Internal Control Body ("ICO") 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 ICO itself.
- An **ESG Committee**, created to ensure the correct implementation and supervision of the ESG Strategic Plan 2021-2023, made up of AEDAS Homes' CEO, CFO, Chief Technology and Communications Officer and Chief Corporate Resource Officer, who has in turn assumed the role of ESG Coordinator. The ESG Committee is tasked with reviewing the ESG Plan dashboard. It is also in charge of compiling and analysing a quarterly report on milestones and indicators associated with the ESG Plan and for driving and supporting the emanating initiatives.
- A **Green Financing Committee**, whose mission is to select and monitor the projects in which to invest the proceeds raised from the bonds issued in 2021. That committee is made up of AEDAS Homes' CEO, COO, CFO and Chief Corporate Resources Officer.

Annual General Meeting

As the highest decision-making and control body in respect of the matters within the shareholders' purview, the Annual General Meeting, duly called and convened, represents all of the company's shareholders, all of whom are bound by its resolutions, including any shareholders voting against them or not in attendance, notwithstanding their right to contest resolutions in certain circumstances under applicable company law, the AEDAS Homes' Bylaws or the AGM Regulations.

The FY 2021-22 Annual General Meeting was held in Madrid on 29 June 2022 with a quorum of 86.3% of share capital.



Sede corporativa AEDAS Homes

2021-22 AGM
agenda

Approval of the **separate and consolidated financial statements** for the year ended 31 March 2022

Approval of the **separate and consolidated management reports**, except for the non-financial information, for the year ended 31 March 2022

Approval of the **consolidated non-financial information included** in the consolidated management report for the year ended 31 March 2022

Grant of **discharge to the members of the Board of Directors** for their management and actions during the year ended 31 March 2022

Approval of the **motion for the appropriation of profit** for the year ended 31 March 2022

Re-election of Ms. Milagros Méndez Ureña as independent director for the statutory term of three years

Approval of a new director remuneration policy

Establishment of an overall cap on the remuneration of directors in their capacity as such

Approval of the delivery of company shares to the CEO for the purpose of implementing the company's new long-term incentive plan (2021-2026)

Delegation in the Board of Directors of the power to issue equity on the terms and conditions contemplated in article 297.1b) of the Corporate Enterprises Act during a period of no more than five years, including the power to waive pre-emptive subscription rights on an amount equivalent to up to 20% of share capital, as provided for in article 506 of the Corporate Enterprises Act

Delegation in the Board of Directors of the power to issue notes, bonds and other fixed-income securities convertible into shares, as well as warrants or any other financial instrument that could entitle their holders to subscribe for shares, directly or indirectly, during a period of no more than five years and in a maximum amount of €500,000,000 euros, including the power to increase share capital by the amount necessary and to waive pre-emptive subscription rights on an amount equivalent to up to 20% of share capital

Delegation of powers to formalise, place on public record and execute the resolutions ratified

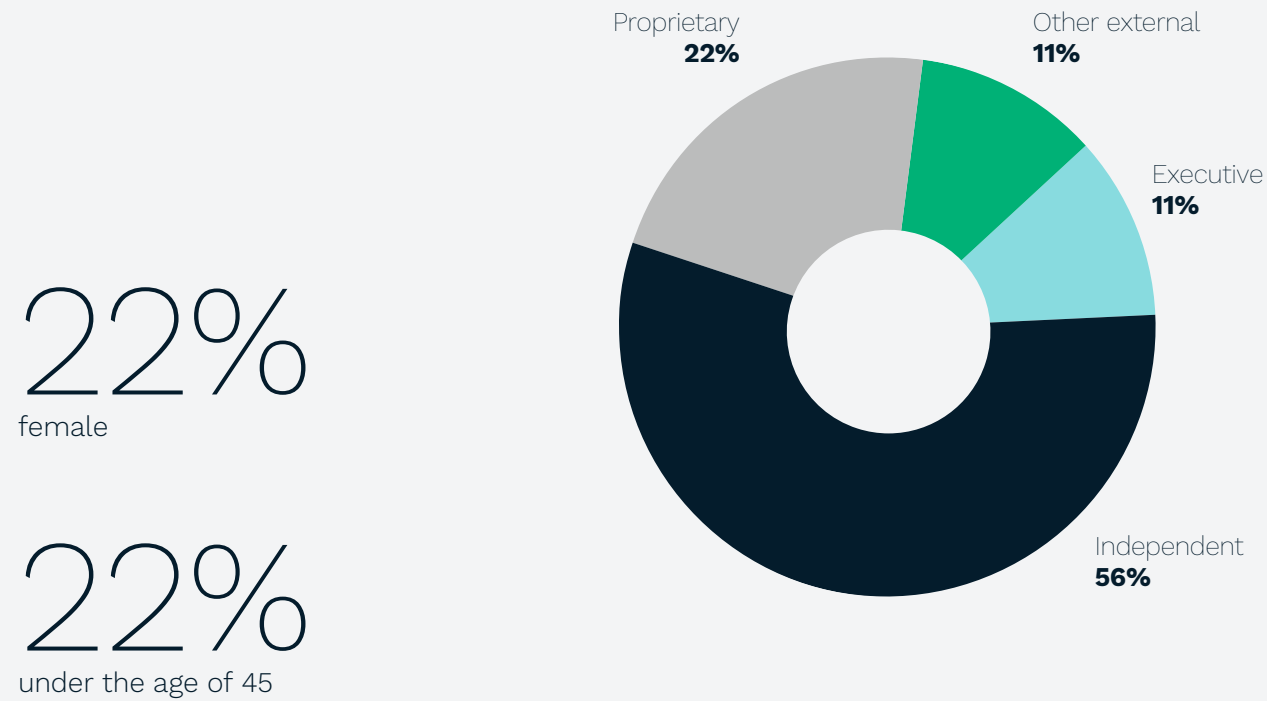
Advisory vote on the annual director remuneration report for the year ended 31 March 2022

The FY 2021-22 Annual General Meeting was held in Madrid on 29 June 2022 with a quorum of 86.3% of share capital

All 13 resolutions were carried.

Board of Directors

Composition of the Board of Directors



The members of the Board of Directors of AEDAS Homes were selected in keeping with the most stringent diversity, competence and suitability criteria.

Each director brings 20+ years of experience in their respective areas of expertise.

The members of the Board of Directors of AEDAS Homes were selected in keeping with the most stringent diversity, competence and suitability criteria

In FY 2022-23, the Board of Directors met on the following dates:

- 25 May 2022
- 28 June 2022
- 12 July 2022
- 27 July 2022 (in writing, no formal meeting)
- 18 October 2022
- 29 November 2022
- 14 February 2023
- 23 March 2023

The most important matters addressed at those meetings include:

Business update

Financial information

Financial statement issuance authorisation

Monitoring of the ESG Strategic Plan 2021-2023

Annual General Meeting (call, resolutions, reports)

Approval of the Business Plan update

Ratification of execution of the right to exchange and purchase certain plots of land

Approval of a related party transaction

Approval of certain opportunities and initiatives, such as investment in land and a co-investment

Approval of the distribution of an interim dividend

Renewal of the commercial paper programme

Debate about company strategy

Approval of the AML/CFT action plan

Follow-up on the corresponding cycles of the LTIP

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

Self-assessment of the performance of the board and its committees and the related action plans

Appointment of a new member to the Appointments and Remuneration Committee

Appointment of a new chair of the Audit and Control Committee

In turn, the board's committees met as follows:

- The **Audit and Control Committee** sat **seven times**: 25 May 2022, 28 June 2022, 12 July 2022, 18 October 2022, 29 November 2022, 14 February 2023 and 23 March 2023.
- The **Appointments and Remuneration Committee** also met **seven times**: 25 May 2022, 28 June 2022, 12 July 2022, 18 October 2022, 29 November 2022, 14 February 2023 and 23 March 2023.
- The **Technology, Innovation and Cybersecurity Committee** met **four times**, as follows: 23 June 2022, 26 October 2022, 13 December 2022 and 22 March 2023.

Santiago Fernández Valbuena - Chairman of the Board

Appointment to the Board and roles

Santiago Fernández Valbuena joined the AEDAS Homes Board of Directors in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. He has been Chairman of the Board since September 2017 and serves on the Audit and Control Committee, also since 2017.

Career and relevant experience

Santiago Fernandez Valbuena (1958) is Vice-president at EBN Bank and has been a Proprietary Director there since 2015. He has also been on the Board of Mapfre Brazil since 2019. From 2011-2014 he was President of Telefónica-Latin America. At Grupo Telefónica, he was General Director of Finance and Strategy (2010-2011) and General Director of Finance and Corporate Development (2002-2010). Prior to his tenure at Telefónica, he was CEO of Fonditel, General Director at Société Générale Valores and Head of Sales at Beta Capital.

Santiago brings unrivalled experience in the real estate and construction sectors. From 2008-2021 he was an Independent Director and member of the Auditing Committee at Ferrovial, S.A., a Spanish multinational company involved in the design, construction, financing, operation and maintenance of transport infrastructure and urban services. From 1999-2007, he was Vice-president at Metrovacesa, S.A., a major Spanish real estate company.

Santiago is a Professor at the Universidad Complutense (currently on leave) and was also Professor at the Universidad de Murcia. He has also taught at IE Business School. He holds a B.A. in Economics from the Universidad Complutense de Madrid, and an M.S. and Ph.D. in Economics from Northeastern University in Boston.

Santiago owns a total of 220,727 shares of AEDAS Homes stock. He has no purchase options over shares in the Company, nor does he have any prior relationship with any other Board Members or Company Directors.

David Martínez Montero Chief Executive Officer

Appointment to the Board and roles

David Martínez Montero has been Chief Executive Officer of AEDAS Homes since 2016 and was re-elected by the General Shareholders' Meeting in June 2020. He has served on the Technology, Innovation and Cybersecurity Committee since 2017.

Career and relevant experience

David Martínez Montero (1970) has been CEO of AEDAS Homes since the Company's founding in 2016. He has 25+ years of experience leading top real estate developments in Spain, including three landmark urban development projects in Madrid: Distrito Castellana Norte (2013-2016), Valdebebas (2005-2013) and Cuatro Torres Business Area (2001-2005). Prior to these leadership roles, he served as a Project Manager at Bovis and Construction Manager at Ferrovial.

Since 2019, David has been Chairman of REBUILD, Spain's leading event to drive innovation, sustainability and digitalization in the construction sector. He is a member of the Urban Land Institute Spain National Council, where he is actively involved in ULI's mentoring programme. He also teaches real estate development courses in numerous universities in Spain, including IE School of Architecture and Design, UPM and UNIR.

David holds an MSc in Civil and Structural Engineering from Universidad Politécnica de Madrid and an Executive MBA from IESE Business School.

David holds a total of 103,254 shares in AEDAS Homes. He has no purchase options over shares in the Company, nor does he have any prior relationship with any other Board Members or Company Directors.

Evan Carruthers Proprietary Director

Appointment to the Board and roles

Evan Carruthers joined the AEDAS Homes Board in September 2017 as a Proprietary Director, representing Hipoteca 43 Lux S.A.R.L, and was re-elected by the General Shareholders' Meeting in June 2020. He has served on the Appointments and Remuneration Committee since 2017.

Career and relevant experience

Mr. Carruthers co-founded Castllake in 2005, in partnership with Rory O'Neill. As managing partner, co-chief executive officer and chief investment officer, Mr. Carruthers is responsible for the firm's overall strategy, including all investment and operational activities, as well as guiding the firm's mission, culture and investment approach. Additionally, Mr. Carruthers is responsible for overseeing all investment teams at Castllake. Mr. Carruthers also serves as chair of Castllake's Executive Committee and Investment Review Committee.

Evan has deep sector expertise, spanning back to the year 2000. Under his guidance, Castllake has invested capital in 68 countries across multiple industries and he has been instrumental in the development of the firm's asset- and credit-based investment activities, including the development of its differentiated aviation platform. Before co-founding Castllake, he was an investment manager with CVI, responsible for corporate and asset-based investments in North America and the development of Cargill's global aircraft investing business, and before joining CVI, he worked in several capacities at Piper Jaffray.

Since May 2017, he has been an Independent Director at publicly listed Five Point Holdings, LLC, the largest owner and developer of mixed-use, master-planned communities in coastal California, thus sharing this experience in the residential development sector in the United States with AEDAS Homes.

He received his B.A. from the University of St. Thomas (Minneapolis) in business administration, with a specialty in finance.

Evan holds 27,000 shares of AEDAS Homes stock, and he has no purchase options over shares in the Company. He works with Eduardo D'Alessandro, Proprietary Director of AEDAS Homes and Partner at Castllake.

+ **For more information about our Board Members, please visit our [corporate website](#)**

Eduardo D'Alessandro Cishek Proprietary Director

Appointment to the Board and roles

Eduardo D'Alessandro Cishek joined the AEDAS Homes Board as a Proprietary Director, representing Hipoteca 43 Lux S.A.R.L, in September 2017 and was re-elected by the General Shareholders' Meeting in June 2020. He is also a member of the Audit and Control Committee and the Technology, Innovation and Cybersecurity Committee, serving on both Committees since 2017.

Career and relevant experience

Eduardo D'Alessandro Cishek (1980) has been a Partner at Castl lake since 2018 and a leader of its Global Real Assets team. His primary focus is on originating investment opportunities in transitional real estate, infrastructure, renewables and power stability, and sub- and non-performing loans. He is also a member of the firm's Investment Review Committee and Executive Committee. Previously, he led the firm's Spanish land banking investment strategy and was also responsible for executing its investment strategy in Portugal, Italy and Greece, the UK and Ireland. His expertise includes direct asset and non-performing loan opportunities as well as equity public offerings.

Before joining Castl lake in 2011, Eduardo was an investment consultant at Deutsche Bank in their special situations group, focusing on non-performing loan investments across Europe and an investment associate at CarVal Investors (CVI) within the Loan Portfolio Group, where he worked on non-performing loan and real estate investments in the United Kingdom, Germany and Spain. He graduated cum laude with a B.Sc. in finance from Manhattanville College (New York) and an MBA from the London School of Economics.

Eduardo owns no shares of AEDAS Homes stock, nor does he have any purchase options over shares in the Company. He works with Evan Carruthers, Proprietary Director of AEDAS Homes and Managing Partner and Chief Investment Officer at Castl lake.

Milagros Méndez Ureña Independent Director

Appointment to the Board and roles

Milagros Méndez Ureña joined the AEDAS Homes Board in April 2019 as an Independent Director and was ratified by the General Shareholders' Meeting in May 2019. She was re-elected by the General Shareholders' Meeting in June 2022. Since July 2022, she has served on the Appointments and Remuneration Committee.

Career and relevant experience

Milagros Méndez Ureña (1960) is Director of Investments at Mercer Consulting, bringing extensive expertise from her consolidated and successful career in the financial markets and experience in launching and developing new projects.

Before joining Mercer in 2019, Milagros was Senior Advisor to Innova Health Private Equity for Spain, Portugal and the United Kingdom (2017-2019) and Senior Advisor to Alma Capital Asset Management (2017-2018). In 2015, she started up Aldebaran Advisory as Founder and Managing Partner, working with Banco Sabadell on a project by project basis, after having joined Sabadell as Head of Business Development, New Markets and Agents in 2015. She was Director of Institutional Fixed Income Distribution, Equity and Derivatives at Interdin Sociedad de Valores y Bolsa (2005-2013), after having joined Afina Capital Management in 2000, creating a securities company as founder and managing director.

Her previous experience includes being Head of Treasury and Capital Markets at Banco Urquijo (1996-1999), being a founding member and Head of Fixed Income at FG Inversiones Bursátiles, Sociedad de Valores y Bolsa (1988-1996) and working in Capital Markets and Fixed Income Distribution at Continental Bank (1986-1988). She got her start as a pesetas broker at Intermoney (1982-1986) and at the same time published the book "A year in the currency market".

Milagros holds a bachelor's degree in Law and an associate's degree Business Administration / Economics from Comillas Pontifical University (ICADE E-1) and a master's degree in derivatives from San Diego State University.

Milagros owns 920 shares of AEDAS Homes stock. She has no purchase options over shares in the Company, nor does she have any prior relationship with any other Board Members or Company Directors.

Javier Lapastora Turpín Independent Director

Appointment to the Board and roles

Javier Lapastora Turpín joined the AEDAS Homes Board in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. Since 2017, he has been a member of the Audit and Control Committee and is the current Chairman of this Committee.

Career and relevant experience

Javier Lapastora Turpín (1966) was Partner at PwC from 2002 to 2015; he led PwC Spain's Construction and Real Estate area from 2007 to 2011 and was Managing Partner of the Audit and Assurance practice from 2011 to 2015.

He is currently an entrepreneur with interests in a range of companies focused on investment, project management, real estate and franchising, as well as being a member of the Economic Council.

Since 2021, Javier has been an Independent Director at Banco Alcalá (Crédit Andorrà Financial Group); since 2017, at Mostostal Warszawa, SA, a leading listed company in the construction sector in Poland, whose products include residential buildings and housing developments; and since 2016, at Servicios Financieros Carrefour EFC, SA.

He has been a Proprietary Director at Connemara Properties, SL, since 2018; at Westhill Investments, SL, since 2017; and at Glendalough Investments, SL, Clonmacnoise Developments, SL, Bazkariak Kalitate, SL, Kilmore Management Services, SL, and Tullamore Properties, SL, since 2015.

Javier earned a bachelor's degree in Economics and Business Administration from CUNEF (Universidad Complutense) and holds a PDD (Programa de Desarrollo Directivo, or advanced management programme) from IE Business School. He is a registered auditor in Spain (ROAC) and a member of the Institute of Chartered Accountants of Spain (ICJCE).

Javier owns 1,579 shares of AEDAS Homes stock. He has no purchase options over shares in the Company nor does he have any prior relation with any of the other Board members or Company Directors.

Miguel Temboury Redondo Independent Director

Appointment to the Board and roles

Miguel Temboury Redondo joined the AEDAS Homes Board in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. He has chaired the Appointments and Remuneration Committee since 2017.

Career and relevant experience

Miguel Temboury Redondo (1969) has extensive experience in the public and private sectors and in-depth knowledge of the Spanish and EU legal systems. He currently works as an attorney in private practice at his own firm, Temboury Abogados, and has been a Senior Advisor to Barclays Investment Bank since 2017.

Miguel was Deputy Secretary of Economy and Competitiveness for the Spanish government (2011-2016), a member of both the Governing Committee of FROB and the Board of Directors of SEPI (2012-2016), President of the Court of Arbitration of the Official Chamber of Commerce and Industry of Madrid (2007-2012), in private practice at his eponymous firm (2007-2011) and at Pérez-Llorca (2004-2007), Chief of Staff to the Minister of the Interior (2002-2004). He is a State's Attorney (1996-2002), currently on leave.

Miguel has served as an Independent Director of Singular Bank since 2019 and chairs its Appointments and Remuneration Committee.

He holds a dual bachelor's degree in Business Administration / Economics and Law from Universidad Pontificia Comillas (ICADE E-3).

Miguel owns no shares of AEDAS Homes stock, nor does he have any purchase option over shares in the Company. He has no prior relationship with any other Board Members or Company Directors.

Cristina Álvarez Álvarez Independent Director

Appointment to the Board and roles

Cristina Álvarez joined the AEDAS Homes Board in October 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. She has chaired the Technology, Innovation and Cybersecurity Committee since 2017.

Career and relevant experience

Cristina Álvarez (1969) is currently the Head of Technology and Operations in Spain and Europe at Banco Santander and previously was Global Chief Technology Officer (2019-2022). She is a senior executive with 25+ years of professional experience in the telecommunications sector, in companies such as Telefónica (2006-2017) where she was Chief Information Officer (CIO) and Managing Director of Services Development, as well as serving on the Executive Committee of Telefónica España (2009-2017); Vodafone (1996-2006) where she worked as Chief Information Officer (CIO) and Director of Product Engineering; and Alcatel (Nokia) (1992-1995).

Since May 2022, Cristina has served as a Proprietary Director on the Board of Banco Santander Portugal, and since January 2020, she has served as a Proprietary Director on the Board of Openbank. She was previously an Independent Director at Sacyr (2018-2019), a global infrastructure, services and industrial projects company.

Cristina graduated in Telecommunications Engineering from the Universidad Politécnica de Madrid (UPM) and holds a PDD from IESE. She has been awarded numerous prizes, including "Engineer of the year" by the COIT/AEIT (2016), the AUTELSI Award in recognition for her professional career in ITC (2017), and "Digital Leader" by Cionet (2016). She was the Academic Director for the Executive Master's in Digital Transformation and Innovation Leadership at IE Business School (2017-2022) and is currently a senior advisor to IE Business School.

Cristina owns no shares of AEDAS Homes stock, nor does she have any purchase option over shares in the Company. She has no prior relationship with any other Board Members or Company Directors.

Javier Martínez-Piqueras Barceló 'Other External' Director

Appointment to the Board and roles

Javier Martínez-Piqueras joined the AEDAS Homes Board as an Independent Director in October 2020 and was ratified by the General Shareholders' Meeting in June 2021. He currently serves as an 'Other External' Director (since November 2021).

Career and relevant experience

Javier Martínez-Piqueras (1973) has been Senior European Advisor to Castl lake since November 2021 and Strategy Advisor to Grupo Ibereólica Renovables since February 2021. He brings a wealth of experience from his 23+ year career in Investment Banking, specialising in Equity Capital Markets (ECM). He was Global Head of Equity Capital Markets & Corporate Solutions at UBS, leading a team of 120 professionals across the globe (2012-2019), and prior to his tenure at UBS, he was with Bank of America Merrill Lynch, becoming Managing Director Head of ECM and Corporate Equity Derivatives for Iberia (1997-2012).

Javier has wide-ranging experience advising large company boards at a global level on capital and equity related solutions and a deep understanding of the real estate sector. In July 2020, he joined the Board of Millenium Hospitality Real Estate, a listed company that specialises in developing and investing in luxury hotels; he is also a member of its Real Estate Executive Committee and chairs its Investment and Strategy Committee.

He holds a dual bachelor's degree in Business Administration / Economics and Law from Universidad Pontificia Comillas (ICADE E-3).

Javier holds no shares of AEDAS Homes stock, nor does he have purchase options over shares in the Company. Through his role as Senior European Advisor to Castl lake, he has a professional relationship with Evan Carruthers and Eduardo D'Alessandro, Proprietary Directors of AEDAS Homes (since the latter two are Castlake representatives). He has no other relationship with any other Board Members or Company Directors.

Board Committees

Appointments and Remuneration Committee**Duties and areas of expertise**

The Appointments and Remuneration Committee's organisation and responsibilities are set down in article 15 of the Board Regulations, the Appointments and Remuneration Committee Regulations, article 22 of the Bylaws and article 529 *quindecies* of Spain's Corporate Enterprises Act.

This committee provides the Board of Directors with information and advice on the company's appointments and remuneration obligations, framed by best practices in the corporate governance arena, and verifies that the remuneration policies established by the company are being upheld. It periodically reviews the company's director and officer remuneration policies, including the share-based payment schemes, and their application, ensuring that individual remuneration is aligned with each professional's contribution, without generating unsubstantiated imbalances between directors or between officers.

Other duties vested in the Appointments and Remuneration Committee include: evaluating the universe of skills, knowledge and experience needed on the Board of Directors; submitting proposals for the appointment, re-election or removal of independent directors to the Board of Directors and/or reporting on board proposals for the appointment, re-election or removal of independent directors and officers; and proposing a succession plan for the Chairman of the Board and CEO.

Main activities during the year

- The Appointments and Remuneration Committee met seven times in FY 2022-23. The main initiatives undertaken were:
- Acknowledging the Annual Corporate Governance Report for FY 2021-22 in relation to the matters falling under the purview of the committee.
- Acknowledging the Director Remuneration Report for FY 2021-22 in relation to the matters falling under the purview of the committee.
- Approving the Committee Activities Report for FY 2021-22.
- Approving the Committee Action Plan for FY 2022-23.
- Proposing and reporting to the Board on the re-election of Milagros Méndez Ureña as independent director for the statutory term of three years.
- Proposing a new Director Remuneration Policy.
- Proposing new remuneration for non-executive directors.
- Evaluating the CEO's performance in terms of bonus target delivery (FY 2021-22).
- Evaluating delivery of the targets associated with the second cycle of the LTIP.
- Providing an account, via the committee's chairman, of the committee's activities at the Annual General Meeting.
- Proposing the revision of the CEO's targets (metrics) for 2022-23 in respect of his bonus for submission to the Board for approval.
- Reporting to the Board on the third cycle of the first LTIP.
- Reporting to the Board on an additional LTIP in order to redistribute certain shares to certain beneficiaries.
- Reporting to the board on:
 - The key terms and conditions of the new CLO's contract (who is an officer)
 - The possible appointment of the new CLO as vice secretary of the board
 - The possible appointment of the new CLO as secretary of the Audit and Control Committee.
- Reporting to the board on the revision of two officers' remuneration.
- Monitoring compliance with the company's remuneration policy.
- Monitoring delivery of the LTIP.
- Self-assessment of the performance of the board and its committees: Launching the self-assessment of the board and of the Appointments and Remuneration Committee and supporting the Audit and Control Committee and the Technology, Innovation and Cybersecurity Committee with their self-assessments. As a result of those self-assessments, making proposals to the board regarding a series of actions / action plan for the continuous improvement of the effectiveness of the board and its committees.
- Reporting to the board on the possible appointment of Javier Lapastora Turpin as chairman of the Audit and Control Committee.
- Second long term incentive plan ("LTIP 2") – Second cycle metrics.
- Second cycle of LTIP 2 – Distribution of additional shares (Rollover)
- Officer pension plan.
- Monitoring the independence of the chairman of the company's board.
- Re-election of directors.

- Reporting on two demands for information received from the securities market regulator (CNMV) regarding an apparent inconsistency between a figure contained in the Annual Corporate Governance Report FY 2021-22 and the Annual Director Remuneration Report FY 2021-22, and certain errors contained in some sections of the Annual Director Remuneration Report FY 2021-22.

Members

At 31 March 2023, the committee was made up of the following three members:

Member	Position	Category on the Board of Directors
Miguel Temboury Redondo	Chairman	Independent
Milagros Méndez Ureña	Member	Independent
Evan Carruthers	Member	Proprietary

Cristina Álvarez Álvarez, an independent director, stepped down from the committee in 2022 and was replaced by Milagros Méndez Ureña, likewise an independent director, in July 2022.

Alfonso Benavides Grases, who is the non-director secretary of the Board of Directors, is also the secretary of the Appointments and Remuneration Committee.

Board Committees

Audit and Control Committee

Duties and areas of expertise

The Audit and Control Committee's organisation and responsibilities are set down in article 14 of the Board Regulations, article 22 of the Bylaws and article 529 *quaterdecies* of Spain's Corporate Enterprises Act.

The Audit and Control Committee assists the Board of Directors by supervising compliance with the company's Code of Conduct and corporate governance rules. It also ensures that the financial information presented to the board is reliable, oversees the internal control over financial reporting (ICFR) system and coordinates with the external auditor. It supervises the internal audit function, enterprise risk management and the compliance model, specifically including compliance with anti-money laundering and counter-terrorist financing legislation. Lastly, the Audit and Control Committee reports to the Board of Directors on related party transactions and monitors implementation of the ESG Strategic Plan 2021-2023.

Main activities during the year

The Audit and Control Committee met seven times in FY 2022-23. The main initiatives undertaken were:

In relation to the company's financial information and other information provided to the Board of Directors:

- Supervising the separate and consolidated financial statements and management reports for the year ended 31 March 2023 and the proposed appropriation of profit for subsequent authorisation by the Board of Directors.
- Supervising the quarterly financial disclosures.
- Issuing the Audit and Control Committee Activities Report for FY 2021-22.
- Reviewing the general spending budget.
- Reviewing the Business Plan projections.
- Reviewing the Annual Corporate Governance Report for FY 2021-22
- Issuing a committee report on related party transactions for FY 2021-22
- Issuing a committee report on auditor independence for FY 2021-22
- Authorising the auditor to provide certain non-audit services.

In relation to the internal audit function:

- Approving the internal audit function's activities report for FY 2021-22.
- Approving the internal audit strategic plan, 2023-2025.
- Approving the internal audit annual plan, FY 2023-24.

- Supervising the activities carried out by the internal audit function during the year ended 31 March 2023.
- Presenting the Board of Directors with the main conclusions from the internal audits undertaken during the year, notably including its annual report on the ICFR system and its audit of the AML/CFT model, the data and digital rights protection model and the ESG model.

In relation to the risk and compliance function:

- Approving the risk function's activities report for FY 2021-22.
- Approving the risk function's activities plan for FY 2022-23.
- Approving the compliance function's activities report for FY 2021-22.
- Approving the compliance function's activities plan for FY 2021-22.
- Presenting the Board of Directors with the results of the various reviews conducted by the risk and compliance areas during the reporting period, including their reviews of the corporate risk map and risk factors, the external expert report on AML/CTF controls and the controls performed in the areas of crime prevention and data protection.
- **Approving the company's Anti-Trust Compliance Policy**

The Audit and Control Committee issued reports approving certain related party transactions with investees of AEDAS HOMES and certain individuals.

The Audit and Control Committee, duly carrying out its duty to **oversee the ICFR system**, carried out the following activities during the year ended 31 March 2023:

- Supervising effectiveness of the company's internal controls, internal audit function and risk management systems, discussing the status of the ICFR system with the financial statement auditor.
- Supervising the process of preparing and presenting the financial information the company is required to disclose and making proposals and recommendations to the Board of Directors to safeguard the integrity of that information.
- Supervising the mechanism that allows staff to report, confidentially and anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the company.
- Reporting, ahead of the corresponding resolutions, to the Board of Directors on all matters contemplated in prevailing law, the Bylaws and the Board Regulations, particularly with respect to the company's mandatory financial disclosures and related-party transactions.

- Overseeing compliance with the company's codes of conduct, corporate governance rules and corporate social responsibility policy.
- Supervising the work of the internal audit function, specifically reviewing the ICFR system.
- Supervising the initiatives carried out by the risk and compliance function around the company's main risks and contingencies and the systems put in place to ensure their identification, management and control, framed by the Risk Plan FY 2022-23 and Compliance Plan FY 2022-23, both approved by the committee.
- Arranging for the financial statement auditor to give the committee and board an account of (i) the work performed by it; (ii) key accounting developments; and (iii) the company's risks.
- Supervising the FY 2022-23 Annual Corporate Governance Report before the board authorised its issuance.
- Providing an account at the Annual General Meeting of the matters within its purview, specifically the outcome of the financial audit statement for FY 2021-22, outlining how the audit contributed to the integrity of the resulting financial information and the duties performed by the committee during the audit work in FY 2022-23.
- The work of the Audit and Control Committee was set down in minutes duly signed by its chairman and secretary. Those minutes, which record the contents of each committee meeting, are safeguarded by the board secretary.

Members

At 31 March 2023, the committee was made up of the following three members:

Member	Position	Category on the Board of Directors
Javier Lapastora Turpín	Chairman	Independent
Santiago Fernández Valbuena	Member	Independent / Chairman of the Board
Eduardo D'Alessandro	Member	Proprietary

In November 2022, Santiago Fernández Valbuena stepped down as chairman of the Audit and Control Committee. The board named Javier Lapastora Turpín as his replacement, since more than one year had elapsed since Mr. Lapastora had stepped down from that same position. He chaired his first Audit and Control Committee meeting in February 2023.

Patxi Castaños Gil, the company's Chief Legal Officer and non-director vice secretary of the Board of Directors, is the secretary of the Audit and Control Committee.

Board Committees

Technology, Innovation and Cybersecurity Committee

Duties and areas of expertise

The Board of Directors created the Technology, Innovation and Cybersecurity Committee as a voluntary steering committee in 2017. The committee’s organisation and powers are set down in article 13.5 of the Board Regulations, the committee’s regulations, article 22 of the Bylaws and article 529 *terdecies* of Spain’s Corporate Enterprises Act.

Although the Board of Directors is responsible for cybersecurity and IT-related risks, it is the Technology, Innovation and Cybersecurity Committee that draws up and evaluates proposals related with technology, innovation and cybersecurity, reporting back to the board. This committee also plays an important role in setting the direction of the company’s Digital Strategy Plan, viewed as a lever for delivering the company’s broader business and financial targets.

Main activities during the year

The Innovation, Technology and Cybersecurity Committee met four times in FY 2022-23. The main initiatives undertaken were:

- Approving the committee’s activities report for FY 2021-22.
- Approving the committee’s activities plan for FY 2022-23.
- Executing the Digital Strategy Plan 2021-2023 and monitoring the main KPIs
- Presenting the App Map
- Executing the quarterly sprints and monitoring the main KPIs
- Executing the Cybersecurity Plan and monitoring the main KPIs
- Monitoring the Live Virtual Tours and other sales initiatives
- Presenting innovation pilot tests
- Assessing how technology contributes to the business in terms of hours saved, FTEs and reduced equivalent costs
- Drafting the licence OPEX reduction plan
- Preparing the technology budget for FY 2023-24

Members

At 31 March 2023, the CTIC was made up of the following four members:

Member	Position	Category on the Board of Directors
Cristina Álvarez Álvarez	Chairwoman	Independent
David Martínez Montero	Member	Chief Executive Officer
Eduardo D’Alessandro	Member	Proprietary
Javier Sánchez Gutiérrez	Member / Non-director	Technology and Communications Director

Alfonso Benavides Grases, who is the non-director secretary of the Board of Directors, is also the secretary of the Appointments and Remuneration Committee.

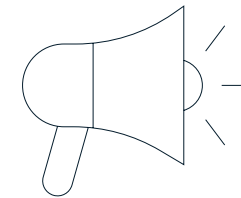
Steering Committee

	David Martínez	Alberto Delgado	David Botín	María José Leal	Esther Duarte	Patxi Castaños	Javier Sánchez
Steering Committee	●	●	●	●	●	●	●
Investment Committee	●	●		●		●	
Business Committee		●		●			
Compliance Committee					●	●	
ESG Committee	●			●	●		●
Green Financing Committee	●	●		●	●		

The AEDAS Homes Steering Committee is made up of seven members, each with 20+ years of experience in executive positions at a range of companies.

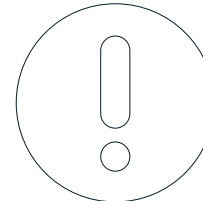
The Steering Committee meets monthly at the company's head offices and its main mission is to oversee delivery of AEDAS Homes' strategic targets in order to enable the company's long-term continuity.

Purpose of the steering committee



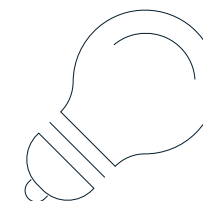
Report

The Steering Committee reports to the Board of Directors, through the company's CEO, on all relevant developments at the organisation and its various business areas.



Warn

The Steering Committee must warn of any circumstances that could jeopardise the company's ability to deliver its targets and/or budget, following up on such matters to stay ahead of potential deviations.



Propose

The Steering Committee must propose and apply any corrective action deemed necessary.

The duties of the Steering Committee include:

Ensuring compliance with the policies, processes and procedures established by the company, guaranteeing that all decisions are aligned with AEDAS Homes' mission, vision and values.

Coordinating and aligning strategies and initiatives across the various areas of the organisation.

Proposing ideas for enhancing processes and procedures to render them more efficient.

Proposing an organisational structure that responds efficiently to the targets set.

Proposing corrective measures in the event that actual results deviate from the targets set.

Defining and fostering the corporate culture. Prioritising people and their development and nurturing a positive workplace climate in which talent is minded, leadership safeguarded and fairness guaranteed.

Backgrounds of the members of the Steering Committee



David Martínez
Chief Executive Officer

David has been the CEO of AEDAS Homes since the company's founding in 2016. He has 25+ years of experience leading development

projects in Spain, including three landmark urban development projects in Madrid: Distrito Castellana Norte (2013-2016), Valdebebas (2005-2013) and Cuatro Torres Business Area (2001-2005). Before taking on those leadership roles, he worked as a project manager at Bovis and as an engineer at Ferrovial. David holds an MSc in Civil and Structural Engineering from Madrid's Polytechnic University and an Executive MBA from IESE Business School.



Esther Duarte
Chief Corporate Resources Officer

Esther is responsible for managing the human resources, internal communication, general services, health and safety, quality, processes, document

management and sustainability departments. Esther's academic qualifications include a diploma in educational sciences, the Garrigues' executive programme in labour relations, ESADE's Executive Development Programme in Human Resource Management and IESE's Executive Management Programme. She boasts 25 years of experience in executive positions at real estate, construction, industrial, infrastructure and services firms including Ferrovial Inmobiliaria and Grupo Aldesa. Esther joined AEDAS Homes in 2017.



Alberto Delgado
Chief Operating Officer

Alberto coordinates, runs and controls the company's key business departments: the Regional Branches and the sales and marketing, operations and product quality

areas. He sits on the board of several AEDAS Homes subsidiaries. He began his career at ACS and later joined Vallehermoso, where he first worked in business development before spending three years as CFO. He joined AEDAS Homes in 2016 and has been its COO since 2017. A civil engineering graduate from Madrid's Polytechnic University, Alberto has also completed the Management Development Program (PDD) at ESADE and the Directors' Programme at ESADE.



Patxi Castaños
Chief Legal Officer

Patxi brings extensive experience in real estate. He has held executive positions in legal advisory and business development at AQ Acentor, Grupo Avintia and Amenábar

Promociones. He has also been collaborating for years as an assistant professor in the real estate post-graduate programme at the San Pablo-CEU Business School and Madrid's Polytechnic University (UPM). A law graduate (specialised in economics) from Deusto University, Patxi also holds a Master's in Town Planning from the CEU San Pablo Business School and an Executive Master's in Company Law Practice from the Garrigues School of Studies. Patxi joined AEDAS Homes in 2022.



David Botín
Chief Real Estate Services Officer

David spearheads and drives AEDAS Homes' real estate services strategy and ensures its correct implementation and fit with the corporate

strategy and broader sector and market environment. David graduated in architecture, specialised in town planning, from Navarra University; he holds a Master's in Planning Management from UPC, the Polytechnic University of Catalonia, and has completed IESE's executive management programme. He brings 20+ years of experience in real estate, having held senior executive positions at prominent sector players, including Áurea Homes, ACR Promociones and Grupo Avanco, S.A. David joined AEDAS Homes in 2021.



Javier Sánchez
Chief Technology and Communications Officer

Javier is responsible for defining, leading and managing AEDAS Homes' technology and communication strategies. He sits on the board of Live Virtual

Tours. Javier holds a dual degree in business studies and law from ICADE (E-3) and ESSEC Business School (Paris) and has completed the Directors' Programme at ESADE. He began his career in strategic consulting in Spain and the US. After his stint in Silicon Valley, he gained a wide variety of professional experiences over two decades at big tech firms, internet players and television companies, including Orange and Vértice 360. In the real estate sector, Javier brings 7+ experience in the new-build housing development space. Javier joined AEDAS Homes in 2017.



María José Leal
Chief Financial Officer

María José heads up investor relations, capital markets activity and management control and runs the company's corporate finance and treasury functions, in keeping with

the applicable prevailing accounting, legal and tax frameworks, so as to provide a fair view of its financial strength. An economics graduate (specialised in business administration) from CUNEF, she has also completed the executive management programme at IESE, the directors programme at ESADE and PwC's Women to Watch programme. She has extensive experience at fast-growing, listed multinational enterprises, including her stints as Deputy CFO at high-profile listed companies such as AENA and PROSEGUR. She has been the CFO of AEDAS Homes since 2018.

Regional Branches

AEDAS Homes is present in the most dynamic new-build housing development markets in Spain. It relies on a decentralised, scalable business model, performing key activities in-house.

Each of the company's six Regional Branches is responsible for organising, planning and overseeing the residential development processes and land permitting processes in the areas within their purview, in keeping with the guidelines provided by AEDAS Homes to ensure a solid earnings performance and delivery of its quality and timing commitments. They are also responsible for identifying potential land acquisition opportunities. This decentralisation allows the company to manage each project in accordance with local needs and criteria, which translates into better developments and, ultimately, more satisfied customers and shareholders.

The Regional Branches are all represented on the Business Committee which sits monthly at the company's head offices with the overriding mission of ensuring delivery of the Business Plan.

The Regional Branches are responsible for organising, planning and overseeing the residential development processes and land permitting processes in the areas within their purview, in keeping with AEDAS Homes' guidelines

Regional Branch director profiles



Pablo Alonso
Madrid Regional Branch Director

A law graduate from León University, Pablo also holds an LLM in Business Law from Navarra University. Pablo has 20+ years' experience in the sector, specifically in housing development and property management at leading players like Vallehermoso and Testa (Sacyr Group) and Merlin Properties.



Juan López
East & Mallorca Regional Branch Director

A technical architect (Alicante University), Juan has also completed the IESE management development programme. He has been working in the residential development sector for 25+ years. Juan built his career at companies such as Solvia and Hansa Urbana prior to joining AEDAS Homes.



David Gómez
Catalonia and Aragon Regional Branch Director

A civil engineering graduate from the Catalan Polytechnic University, David also holds an MBA from ESADE. He boasts 20+ years' experience in the real estate sector, having worked at a range of companies including Banco Sabadell, Solvia and Vallehermoso's development division.



Ángel Fernández
Costa del Sol Regional Branch Director

An architecture graduate from CEU San Pablo University, Ángel has also completed post-graduate programmes at ESADE and IESE, where he took the management development programme. Ángel has 10+ years of experience in the sector, having worked at high-profile developments such as Valdebebas and Operación Chamartín in Madrid.



José Ignacio Fernández
Andalusia & Canaries Regional Branch Director

A law graduate from Seville University, José also holds an MBA from the San Telmo International Institute, a Master's in Town Planning and Management (Carlos III University) and a Master's in Town Planning and Design (Seville School of Architecture). He brings 20+ years' experience at firms such as Martinsa-Fadesa, Galia Grupo Inmobiliario and Guadalmina Golf and has also worked in the town planning department of Seville's City Hall.



Higinio Fernández
North Regional Branch Director

Higinio is a civil engineering graduate from Cantabria University. He brings 20+ years of experience, having worked at companies such as Ferrovial, Vallehermoso and CaixaBank before joining AEDAS Homes.

Remuneration policy

AEDAS Homes designed its Director Remuneration Policy for the Board of Directors in keeping with the company's size and financial situation, market standards for comparable companies and the amount of time devoted by its directors.

The overriding purpose of this Remuneration Policy is to define and control AEDAS Homes' remuneration practices vis-a-vis its directors. It also establishes a remuneration scheme that is deemed appropriate for the dedication and responsibilities assumed by the company's directors with the aim of attracting, retaining and motivating boardroom talent.

This Remuneration Policy is public and can be downloaded from AEDAS Homes' corporate website. Note additionally that the Annual Report on Director Remuneration, the Annual Corporate Governance Report and the annual financial statements (note 21) provide disclosure on remuneration for directors and company executives.

AEDAS Homes also has an Executive Remuneration Policy for the executives who report to the CEO. This policy is articulated around the following principles and goals:

Aligning their remuneration with shareholder interests and AEDAS Homes' sustainable profitability.

Financial reward: maximising our professionals' performance by rewarding them for their work quality, dedication, trajectories, responsibilities, business acumen and commitment to AEDAS Homes.

External competitiveness: attracting and retaining the finest professionals. Market trends at companies considered comparable to AEDAS Homes are factored into the amounts that executives earn.

Internal fairness: the policy and the amounts of compensation are both defined around the content of the positions held, the goal being to provide similar rewards for jobs with similar content but also to distinguish certain positions from others of different characteristics. The relative importance of the various positions for the company is also taken into consideration.

Equality and diversity: guaranteeing application of the principle of equal pay for work of equal value with no discrimination for gender or race.

Simplicity and transparency: the remuneration rules are worded clearly and concisely in order to simplify their description, calculation methods and vesting conditions as much as possible.

Time horizon: The remuneration of AEDAS Homes' professionals is articulated around the company's long-term interests and values as well as the provision of an incentive for the delivery of short-term goals.

Variable compensation: depending on the professionals' positions and the extent to which the latter impact and influence the company's results, the amount of their remuneration has a variable component tied to the company's performance (including a sustainability metric) and their individual performances and results.

The Remuneration Policy establishes a remuneration scheme that is deemed appropriate for the dedication and responsibilities assumed by the company's directors with the aim of attracting, retaining and motivating boardroom talent

Business ethics

Our ethical commitments are embodied in the codes of conduct and universe of corporate policies that guide and govern our activities. Our Compliance Programme and Crime Prevention Model also nurture our ethics culture.

AEDAS Homes' public corporate policies

AEDAS Homes publishes the universe of corporate policies that define how it conducts its everyday activities, along with the key governing principles:

DIRECTOR REMUNERATION POLICY	ESG POLICY	ANTI-TRUST COMPLIANCE POLICY	CORPORATE TAX POLICY	BOARD REGULATIONS
CORPORATE SOCIAL RESPONSIBILITY POLICY	ANTI-CORRUPTION POLICY	CORPORATE GOVERNANCE POLICY	SHAREHOLDER REMUNERATION POLICY	APPOINTMENTS AND REMUNERATION COMMITTEE REGULATIONS
QUALITY AND ENVIRONMENTAL MANAGEMENT POLICY	POLICY ON CONFLICTS OF INTEREST	SHAREHOLDER AND INVESTOR COMMUNICATION POLICY	CODE OF CONDUCT	TECHNOLOGY COMMITTEE REGULATIONS
HEALTH AND SAFETY POLICY	COMPLIANCE POLICY	INTERNAL SECURITIES MARKETS CODE OF CONDUCT	CODE OF CONDUCT FOR THIRD PARTIES	ANNUAL GENERAL MEETING RULES AND REGULATIONS

The company has updated a number of its codes and policies recently:

Code of Conduct

The section on *Equal opportunities and non-discrimination* was updated to align it with the principles laid down in International Labour Organisation (ILO) Convention #111 on Discrimination (Employment and Occupation).

Code of Conduct for Third Parties

The section on *Safety at work and labour and human rights* was updated to include the labour and human rights related principles our suppliers must abide by:

- Zero tolerance of child labour.
- Compliance with applicable minimum wage legislation.
- No forced and compulsory labour.
- Compulsory application of non-discrimination and equal opportunities criteria.
- Compulsory protection of the freedom and right to unionise.
- Unwavering respect for employees' human rights.
- No abuse or intimidation whatsoever of employees.

Anti-Corruption Policy

The wording was fine-tuned to broaden the scope of the corruption definition and the section on the *Whistleblowing channel* was updated.

In addition, the company formulated **two new policies** in FY 2022-23:

Anti-Trust Compliance Policy

The purpose of this policy is to ensure that the company complies with its anti-trust requirements, framed by the business ethics, principles and conduct guidelines embraced by AEDAS Homes.

Corporate Governance Policy

This policy is designed to set down AEDAS Homes' general corporate governance criteria and principles with a view to configuring a governance system aligned with application regulations and best practices.

All of the above-listed policies and regulations form part of the company's corporate governance framework and can be accessed on the company's Investors website:

Corporate policies

<https://www.aedashomes.com/en/investors/corporate-governance/corporate-policies>

Board of Directors

<https://www.aedashomes.com/en/investors/corporate-governance/directors-board>

Annual General Meeting

<https://www.aedashomes.com/en/investors/corporate-governance/shareholders-general-meeting>

In FY 2022-23, we formulated two new corporate policies.



Compliance Programme

AEDAS Homes has a Compliance Programme which aims to establish a culture of ethics while guaranteeing respect for applicable legislation. That Compliance Programme covers the relevant areas of risk and draws on best practices in the field.

More specifically, the Compliance Programme encompasses measures designed to guarantee compliance with:

- Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) legislation.
- The provisions contained in Spain’s Criminal Code regarding the criminal liability of legal persons, including anti-corruption legislation.
- Data protection regulations.
- Securities market conduct regulations.
- Anti-trust regulations.

As a residential developer, AEDAS Homes is bound by anti-money laundering and countering the financing of terrorism (AML/CFT) legislation. Under the scope of its AML/CFT programme, AEDAS Homes has strict measures in place for reducing the risk of doing business with sanctioned parties.



Internal Control Body (ICB)	Risk and Compliance Department	AML/CFT Technical Unit
Supervises compliance with applicable legislation	Responsible for managing the AML/CFT model	Assists the Head of Risk & Compliance with managing the model



AML/CFT Manual	Due diligence performed on 100% of the customers who buy one of the company’s homes.	Report from an outside AML/CFT expert
In-house policies and procedures applicable to all employees. Subject to an annual review.	The company’s procedures prohibit carrying out transactions without this approval. If a customer presents a higher risk profile, the company carries out more stringent due diligence.	Annual review by an outside AML/CFT expert. This report is presented to the Board of Directors within three months of issuance.
Annual training on AML/CFT for all employees	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.	Transaction analysis and referral to the authorities (SEPBLAC) as warranted.

Within the specific due diligence activities undertaken, it is worth highlighting the fact that AEDAS Homes checks the names of everyone involved in its transactions in order to verify that none of them are included on the sanctions lists kept by OFAC or the European Union, or any other list of relevance. The Company’s AML/CFT Manual prohibits transacting with sanctioned individuals.

Last year, AEDAS Homes engaged an external AML/CFT expert to carry out the above-mentioned annual review; that expert did not identify any issues of note.

Corporate Crime Prevention

AEDAS Homes has a Corporate Crime Prevention Model to ensure compliance with applicable criminal law.



In October 2022, AEDAS Homes earned UNE 19601 certification for its compliance management model, evidencing the company's firm commitment to the highest standards of regulatory compliance. That certification demonstrates the company's adoption of best practices in the field.

In October 2022, AEDAS Homes earned UNE 19601 certification for its compliance management model, evidencing the company's firm commitment to the highest standards of regulatory compliance.

AEDAS Homes also continued to make significant improvements to its crime prevention model. Specifically, it took the following steps:

- Revision and improvement of the relevant policies and manuals
- Publication of knowledge pills for employees addressing the Compliance Policy, Whistleblowing Channel, Conflicts of Interest Policy and Anti-Corruption Policy.
- Training the entire workforce on anti-corruption matters and getting employees to accept the contents of the Anti-Corruption Policy.
- Follow-up on the compliance model KPIs
- Having those employees who are more exposed under AEDAS Homes' compliance model sign a declaration specifically committing to the principles set down in the company's Code of Conduct and Compliance Policy, a pledge that extends to the internal policies implemented to comply with anti-corruption and anti-bribery legislation.
- Having key suppliers sign the Code of Conduct for Third Parties, which, following the modifications introduced in March 2022, includes specific clauses regarding the human rights standards they must comply with. Additionally, all suppliers sign a crime prevention compliance clause.
- Approval of an Anti-Trust Compliance Policy and the provision of training on the new policy to key employees.

The management of AEDAS Homes' **Whistleblowing Channel** includes a procedure whereby vested parties can report their suspicions confidentially. Notifications sent using the channel can be sent anonymously using the established procedures, which include measures designed to protect whistle-blowers by preventing retaliation against them. In order to maximise transparency around the channel and securely protect whistleblowers, AEDAS Homes uses an outside firm's notification management platform, with that firm recording the notifications and forwarding them to the company's Compliance Committee.

Employees can access the Whistleblowing Channel from the intranet. Channel usage has been explained and publicised using a number of knowledge pills.

As set down in the Whistleblowing Channel's notification management process, complaints received are reviewed by the Compliance Committee, which decides what steps to take to clarify the events and remedy any identified breaches of applicable legislation or the company's Code of Conduct. That committee's members are empowered to do whatever they then deem necessary, including taking statements from the whistleblower, the defendant and any witnesses and obtaining copies of any relevant information and documentation at the company.

Our policies and procedures require our employees to notify any suspected breaches of our rules and regulations using the Whistleblowing Channel. Specifically, the Anti-Corruption Policy stipulates that employees use the Whistleblowing Channel to report any breaches of that policy.

The company is planning to enable access to the Whistleblowing Channel from its website in April 2023. www.aedashomes.com

Just as in FY 2021-22, AEDAS Homes did not receive any notifications through its Whistleblowing Channel in FY 2022-23, nor did it receive any notifications related to Human Rights. Internal and external audits have verified that the Whistleblowing Channel is operational and working as intended. Internal and external audits have verified that the Whistleblowing Channel is operational and working as intended.

As already noted, the company has an Anti-Corruption Policy which all employees can access from the intranet.

In order to assess its anti-corruption risks, each year, as part of the broader evaluation of criminal risk, the company assesses the impact, probability of occurrence and level of management of identified crimes of corruption in both the public and private spheres, specifically including the illicit financing of political parties. Given the company's exposure to those crimes as a result of its business activity, in order to ensure they are being duly monitored, it verifies the effectiveness of the key anti-corruption controls annually and reports the findings to the Audit and Control Committee.

The Anti-Corruption Policy stipulates the maintenance of an adequate internal control system, to which end all transactions must be reported and reflected faithfully and accurately and in reasonable detail in the company's accounting records and ledgers. More specifically, it stipulates the following:

- The company's accounting records and financial information must not contain false or misleading entries or statements. Transactions must never be intentionally misrecorded in terms of line item, department, amount or accounting period.
- Accurate, appropriate and reasonably detailed supporting documentation must be kept for all transactions and safeguarded in keeping with the company's archiving policies.

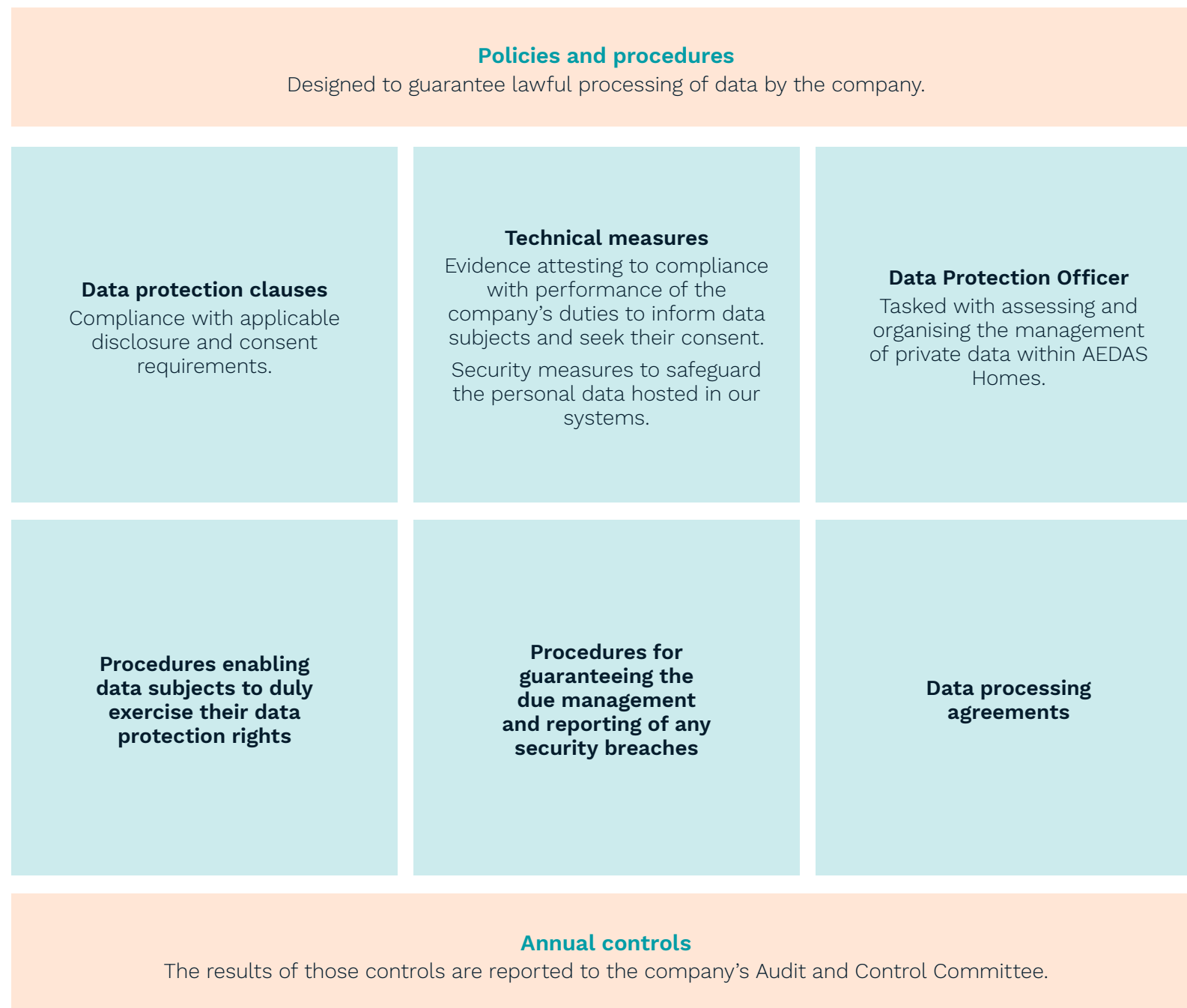
By way of example, in order to keep adequate accounting records, the company has a software application that records all employee expenses, including entertainment and travel expenses. Those expenses must be approved by their supervisors to prevent courtesies or gifts in breach of the Anti-Corruption Policy. Then, as part of the crime prevention controls carried out by the Compliance Department, AEDAS Homes reviews a sample of employee expense reports to verify that they have been properly approved and there are no policy breaches.

As a listed company, AEDAS Homes has an internal control over financial reporting (ICFR) system to safeguard the accuracy and integrity of its financial disclosures, as stipulated in its Anti-Corruption Policy.

As part of its effort to reduce the risk of breaches of anti-corruption and anti-bribery regulations, AEDAS Homes has made specific anti-corruption knowledge pills available to all employees. That communication effort was designed to boost employee familiarity with the company’s anti-corruption rules and reduce the risk of breaches of the relevant regulations.

Data protection regulations

AEDAS Homes has a specific model to ensure compliance with data protection requirements. That model is structured as follows:



Risk management

Our enterprise risk management (ERM) system is regulated by our board-approved Risk Management Policy. The purpose of our risk model is to identify, evaluate, manage and report the risk factors that could jeopardise delivery of our strategic, business and financial objectives.

Components of the Risk Management System



Identification

the risks of relevance to AEDAS Homes are duly identified by its Steering Committee. Risk prospecting is conducted annually with the aim of identifying potential new risk factors that could jeopardise the company’s ability to attain its strategic, business or financial objectives.

Assessment

the inherent 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 significant risks classified as “critical” and “under surveillance” are included in the management mechanism, which implies:

- Identifying specific risk events.
- Establishing monitoring KPIs for each risk event and assigning risk tolerance thresholds.
- Establishing action plans for any indicators that have breached the established tolerance thresholds.

AEDAS Homes' risk management model encompasses 28 risk categories

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

Board of Directors: its duty is to define, update and approve AEDAS Homes' Risk Control and Management Policy, as well as to 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. AEDAS Homes' internal audit function helps this committee carry out this duty.

Internal Audit function: responsible for supporting the Audit and Control Committee and management, playing an independent and objective assurance and advisory role to add value to and fine-tune the company's operations.

Steering Committee: its work involves allocating responsibilities for risk management, analysing the results of the risk assessments to determine their level of severity and approving attendant risk responses as necessary.

Risk and Compliance Department: responsible for helping the Audit and Control Committee and the Steering 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: identify and assess the risks that fall within their purviews. In addition, they recommend key performance indicators and report on them, as well as proposing and implementing risk mitigation plans and reporting on their effectiveness.

AEDAS Homes' risk management model encompasses the following 28 risk categories:



- Fall in demand for new-build housing
- Land bank
- Customer satisfaction
- Availability of financing
- Reputation
- Share price performance
- Political risk
- Sector consolidation risk
- Falling short of ESG expectations



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



- Interest rates
- Liquidity
- Availability of financing for customers
- Asset valuations
- Reliability of the financial information



- Anti-money laundering legislation
- Criminal law
- Securities market law
- Tax law
- Environmental regulations

In FY 2022-23, AEDAS Homes continued to monitor and manage the risks deemed critical in line with the assessment conducted by the members of its Steering Committee in July 2022. Following that assessment, the risk factors currently deemed critical by the company are:

- Land bank
- Project execution (particularly cost and delivery time slippage in the construction of AEDAS Homes' developments)
- Customer satisfaction
- Talent management
- Fall in demand for new-build housing
- Cybersecurity
- Availability of financing for AEDAS Homes and for its customers
- Sales

In FY 2022-23, AEDAS Homes took the following measures with a view to monitoring and managing the risk factors itemised above:

- Identification of the adequate monitoring indicators, such as:
 - Customer satisfaction levels.
 - Sales levels relative to target (quarterly and year-to-date).
 - Works delays.
 - Works started before the related financing has been secured.
 - Cybersecurity indicators (password changes, number of insiders, patching and updates, etc.)
 - Works cost overruns.
 - Trends in macroeconomic indicators.
 - Staff turnover.
- 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.
- Regular reporting of the status of the indicators to the Audit and Control Committee.

The risks deemed critical were tracked quarterly and action plans were set in motion for those indicators which exceeded stipulated tolerance thresholds.

With regard to risks that materialised during the reporting period, the company sustained considerable growth in construction costs. In addition, the company's borrowing cost increased last year in the wake of the rate increases implemented by the European Central Bank (ECB).



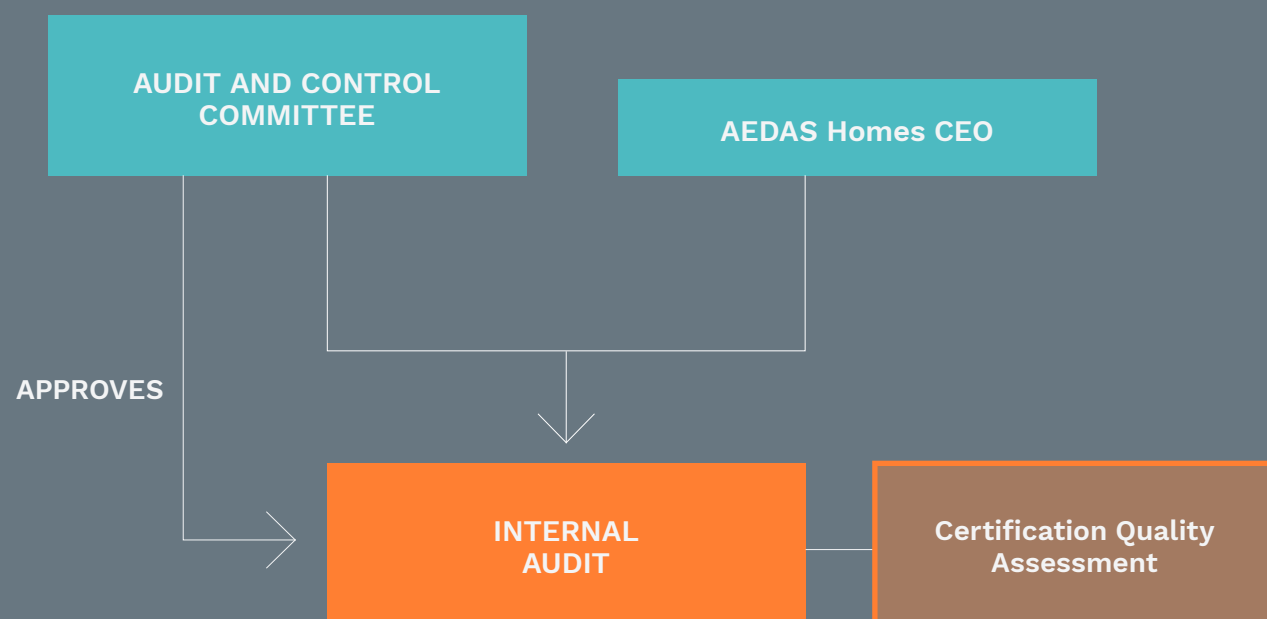
Marina Real III (Denia)

Internal audit function

Our internal audit function is regulated by our Internal Audit Statute, duly approved by the Audit and Control Committee, as it reports functionally to the latter and hierarchically to the company's CEO.

The overriding mission of AEDAS Homes' internal audit function is to provide management and the Audit and Control Committee with reasonable assurance that the company is position to attain its business targets. To do so, it takes a systematic and disciplined approach to assessing and improving the effectiveness of the company's risk management and internal control processes, making suggestions and recommendations about how they can be improved with the ultimate goal of strengthening AEDAS Homes' control environment and governance.

AEDAS Homes' internal audit function obtained the Quality Assessment certification awarded by the Institute of Internal Auditors, in June 2020, evidencing compliance with that organisation's International Standards for the Professional Practice of Internal Auditing and Code of Ethics.



Integration of ESG aspects into the risk model

How companies govern themselves is coming under scrutiny from several angles. Regulators, investors and the boards of directors themselves are redefining corporate responsibility to include new competences that go beyond those defined in the traditional governance frameworks. All this is being strengthened by a paradigm shift in which sustainability and non-financial considerations are becoming an increasingly important to stakeholders. In lines with these trends, here at AEDAS Homes, we have set our sights on developing a unique business model in which over 75% of our stakeholders consider us the benchmark developer in Spain for ESG practices.

Certifying the compliance system under UNE 19601

Improving the company's ESG risk rating score

Incorporating ESG targets and milestones into the company's communication plans

ESG POLICY

ESG performance metric in the 3-year incentive plan for senior management and key employees

Inclusion of an ESG performance metric in company-wide remuneration targets

Integration of ESG risk factors into the risk map

To achieve that goal, in FY 2022-23, AEDAS Homes rolled out the following governance initiatives:

Certifying the compliance system under UNE 19601

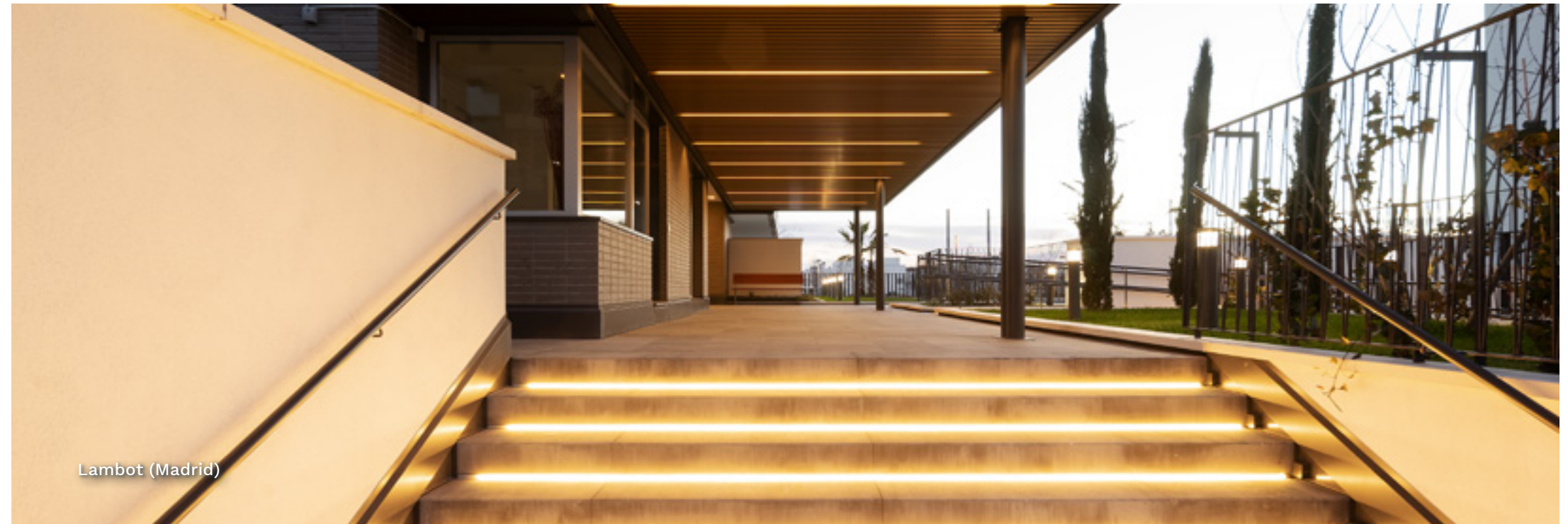
UNE 19601 establishes the requirements for implementing, maintaining and continually upgrading management systems for criminal compliance within organisations so as to prevent the commission of crime and reduce attendant risks.

The text of the standard not only implements requirements in response to the contents of the Criminal Code for crime prevention and management models, but it also embraces globally accepted best practices in compliance.

Improving the company's ESG risk rating score

In May 2021, AEDAS Homes obtained its first ESG risk rating from Sustainalytics, a leading independent ESG and corporate governance research, ratings and analytics firm. That first score was 15.7. In FY 2022-23, Sustainalytics carried out its second study of the company's exposure to common ESG risks in the real estate development sub-industry, assessing the company's management of those risks, once again rating it as "low risk", with a score of 13.2, an annual improvement of 2.5 points.

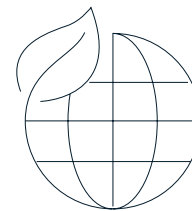
At the time of writing, the company ranked in the third percentile in its sub-industry within the Sustainalytics universe. As the company continues to execute its ESG Strategic Plan it expects to further improve its annual scores.



Incorporating ESG targets and milestones into the company's communication plans

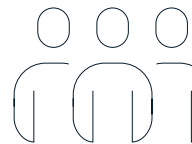
AEDAS Homes has integrated sustainability considerations into its various communication plans to better communicate its ESG efforts to its stakeholders.

In total, it recorded 357 communication items in FY 2022-23:



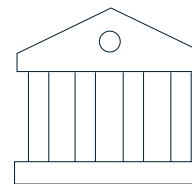
Environmental

93 communication items, notably highlighting the sustainability initiatives and characteristics of some of its developments (dual-flow ventilation, etc.)



Social

70 communication items covering the company's community work initiatives, sponsorships and agreements with associations.



Governance

85 communication items related to the company's earnings, agreements with third parties, speeches and interviews with the CEO and other executives and, in general, the most relevant issues for the company and its stakeholders.

This communication effort mainly took the form of press releases, participation in conferences and written responses to media enquiries.

The company also laid the foundations for implementing an internal and external communication strategy covering the environmental and social dimensions of its Strategic Plan with the aim of showcasing all the initiatives it undertakes in both areas.

The above initiatives are additional to those pursued in recent years around the corporate governance dimension.

ESG Policy

The ESG Policy officially sets down specific lines of initiative in corporate governance, in line with our mission and values and the promises made to our stakeholders. This policy also assigns duties and identifies the specific resources for ensuring that the new policy is upheld.

Among other commitments, this policy includes the company's health, safety and wellbeing pledges, its equal opportunities and employee and partner diversity promises and its social development and environmental protection undertakings. It also specifies the responsible practices that must be upheld by all our suppliers, including compliance with prevailing legislation, the Code of Conduct for Third Parties and AEDAS Homes' internal rules and regulations. It stipulates that the company actively foster the use of suppliers that are aligned with its ESG strategy and health and safety standards.

The policy is framed by the United Nations Sustainable Development Goals (SDGs) adopted by the World Green Building Council, as well as the United Nations Global Compact principles.

Inclusion of an ESG performance metric in the 3-year incentive plan for senior management and key employees: the goal is to obtain AA energy ratings for at least 60% of our developments activated (with Project Launch Certificates) during the period elapsing between 1 April 2021 and 31 March 2024.

Inclusion of an ESG performance metric in company-wide remuneration targets: remuneration has been tied to our environmental performance by including an ESG target in our employees' variable remuneration regime for the second year in a row. For FY 2022-23, that target, which had been met at year-end, was to have 45% of our developments attain AA certification.

Integration of ESG risk factors into the risk map: Following reassessment of its corporate risk map, the company added two specific ESG risks: talent attraction and retention and customer satisfaction (for the second year in a row).

The ESG Policy is framed by the United Nations Sustainable Development Goals (SDGs) adopted by the World Green Building Council, as well as the United Nations Global Compact principles





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Where to find disclosures required under Spanish Law 11/2018 +

Methodology

The FY 2022-23 Integrated Annual Report provides complete, relevant and accurate information about the business model and the economic, social, environmental and governance performance of AEDAS Homes S.A. and all its subsidiaries during the fiscal year elapsed between 1 April 2022 and 31 March 2023.

This document constitutes the non-financial statement (NFS) which accompanies the annual consolidated financial statements, in conformity with Spanish Law 11/2018. For detailed information about where to find the non-financial information required under that piece of legislation, refer to the “Where to find disclosures required under Spanish Law 11/2018” section in the following pages.

The report was prepared using the Foundation 2021 version of the GRI Standards as a reference, the Integrated Reporting Framework and the Global Compact principles.

To provide a holistic vision of the company’s reality and expound on the material topics, the Corporate Resources Department collaborated on the report, with the Finance Department taking responsibility for its preparation.

This report has been independently assured by Ernst & Young, the group’s financial statement auditor. Following that assurance process, the Board of Directors, which is ultimately responsible for the report, validated and approved its issuance at a meeting held on 30 May 2023.

For additional insight into the company’s performance, the reader is also referred to the following official reports, which are accessible from its corporate website: the annual financial statements, Annual Corporate Governance Report and Annual Report on Director Remuneration. The Annual Corporate Governance Report and Annual Report on Director Remuneration form part of this report and are accessible on the CNMV website.

Materiality

The material topics addressed throughout this report were defined around the company’s map of identified financial and non-financial risks and the materiality assessment conducted in 2021.

In carrying out that assessment, starting from an initial raft of external and internal sources, the team came up with a preliminary list of material topics which were then submitted to AEDAS Homes’ main departments for endorsement with the aim of prioritising them in order of importance, the level to which they are already being adequately addressed and their relevance in relation to the reporting legislation and frameworks analysed. For each topic, a descriptive file was then put together setting out the key aspects, risk factors and trends, as well as their impacts in relation to the Sustainable Development Goals.

Material topics	Priority	ESG Dimension
Developing property for sustainability and wellbeing	High	Environmental
Climate change	High	Environmental
Environmental management	High	Environmental
Customer experience and quality	Medium	Social
Shareholder value	Medium	Governance
Ethics and compliance	Medium	Governance
Generation of quality employment	Medium	Social
Risk management	Medium	Governance
Corporate governance and sustainability	Medium	Governance
Talent attraction, retention and development	Medium	Social
Brand and reputation	Medium	Governance
Digitalisation and innovation	Medium	Governance
Diversity and equality	Medium	Social
Transparency and stakeholder engagement	Medium	Governance
Sustainable finance	Medium	Governance
Circular economy	Medium	Environmental
Biodiversity	Medium	Environmental
Community engagement	Medium	Social

Contact information

Company name	AEDAS Homes, S.A.
Headquarters address	Paseo de la Castellana, 130 5th floor 28046 Madrid, Spain
Telephone	+34 917 880 000
General email contact	info@aedashomes.com
Corporate website	www.aedashomes.com
Capital social	€46,806,537
Share capital	46,806,537
Share face value	€1.00/share
Business activity	Residential development
Market	Spain

Events after the reporting period

No events have taken place since the end of the reporting period March 31, 2023, that could have a material impact on the information presented in the consolidated financial statements authorised for issue by the directors or that are worthy of disclosure on account of their materiality, other than that disclosed below:

- During the month of April 2023, the AEDAS Group **amortised developer loans for a total of €17.80 million.**
- During the months of April and May 2023, the AEDAS Group **signed developer loans with a mortgage guarantee for a total of €73.68 million,** in order to finance seven developments in progress. The interest rate on these loans is EURIBOR plus a spread of between 225 and 300 basis points..
- At 25 May 2023, the **total treasury stock** held by AEDAS Homes at close of market was 3,402,709 securities representing **7.27% of the capital acquired at an average price of €19.17/share.** The total number of securities acquired through Discretionary Management was zero; the total number of securities acquired through the Buyback Programme was 97,077 securities representing 0.21% of the capital at an average price of €13.60/share and the total number of securities acquired in the block market was zero.
- On May 25, 2023, AEDAS Homes was **recognised at the 20th ASPRIMA-SIMA 2023 Awards,** taking home the prize for "**Best ESG Progress**", highlighting the company's ESG Strategic Plan. The jury especially valued the continuity that the ESG Strategic Plan gives to the numerous ESG initiatives that the company has focused on since its founding, while allowing it to reflect on, measure and strengthen its sustainability, social and good governance commitments, which were already evident with its adherence to the United Nations Global Compact in 2019.
- On May 30, 2023, the Board of Directors **proposed the distribution of a Complementary Dividend** (in addition to the Interim Dividend), to be charged to the profit for the year ended 31 March 2023 of **€1.15/share** by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed Complementary Dividend the same number of treasury shares of the Parent is maintained as at 31 March 2023 (3,305,632 shares), the **maximum Dividend to be distributed** (Interim Dividend + Complementary Dividend) would be **€93,534,946,** leaving an unallocated income of €2,630,701 (see Notes 3 and 14 of Consolidated Financial Statements for the year ending 31 March 2023).
- On 30 May 2023, the Board of Directors **proposed a share capital reduction of the Company for an amount equal to €3,106,537 through the redemption of 3,106,537 treasury shares,** with a par value of one euro each, corresponding to **6.64% of the share capital** of the Company, and acquired under the Share Buyback Programme.

External verification report

Independent Limited Assurance Report of the Consolidated Non-Financial Statement for the year ended March 31, 2023
AEDAS HOMES S.A. and SUBSIDIARIES



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INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Shareholders of AEDAS HOMES S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended March 31, 2023, of AEDAS HOMES S.A. and subsidiaries (hereinafter, the Group), which is part of accompanying Consolidated Management Report of AEDAS HOMES S.A.

The content of the Management Report includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in the annex "Traceability Law 11/2018" of the accompanying Management Report.

Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Management Report of AEDAS HOMES S.A. and its content is the responsibility of the Board of Directors of the Group. The NFS was prepared in accordance with the content required by current commercial regulation and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in table "Traceability Law 11/2018" the accompanying Management Report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine as necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality management

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality and professional behaviour.

Dominio Social: Calle de Raimundo Fernández Villaverde, 65, 28003 Madrid - inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, B.1.30 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.
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Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work. Our review has been performed in accordance with the requirements established in the current International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the 2023 NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meetings with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analysis of the scope, relevance and integrity of the content included in the NFS for the year 2022/2023 based on the materiality analysis made by the Group and described in the section "Materiality", considering the content required by prevailing mercantile regulations.
- ▶ Analysis of the processes for gathering and validating the data included in the 2022/2023 Non-Financial Statement.
- ▶ Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2022/2023 NFS.
- ▶ Check, through tests, based on a selection of a sample, the information related to the content of the 2022/2023 NFS and its correct compilation from the data provided by the information sources.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

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Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended March 31, 2023 has not been prepared, in all material respects, in accordance with the contents required by current commercial regulation and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the table "Traceability Law 11/2018" of the Consolidated Management Report.

Use and distribution

This report has been prepared as required by current commercial regulation in Spain, thus it may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Elena Fernández García

May 30th, 2023

A member firm of Ernst & Young Global Limited.

GRI content index

Declaration of use

AEDAS Homes presents the information cited in this GRI Content Index for its FY 2022-23 (1 April 2022 - 31 March 2023), using the GRI Standards as a reference.

GRI Standard used

GRI 1: Foundations 2021

GRI STANDARD	DISCLOSURES	LOCATION	PAGE
GRI 2: General Disclosures 2021	2-1 Organisational details	AEDAS Homes at a glance Contact information	10-11 176
	2-2 Entities included in the organisation’s sustainability reporting	Background	20
	2-3 Reporting period, frequency and contact point	Methodology Contact information	175 176
	2-4 Restatements of information	Methodology	175
	2-5 External assurance	External verification report	178
	2-6 Activities, value chain and other business relationships	Background Our lines of business Our business model Our suppliers, allies in our sustainable construction bid	16-20 21-26 27-33 106-115
	2-7 Employees	Our professionals, the talent driving our growth Appendix - Data tables	90-92 194-196
	2-9 Governance structure and composition	Governing bodies	144-160

GRI STANDARD	DISCLOSURES	LOCATION	PAGE
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	Governing bodies	145
	2-11 Chair of the highest governance body	Governing bodies	150
	2-12 Role of the highest governance body in overseeing the management of impacts	Committed to sustainable development	38
	2-13 Delegation of responsibility for managing impacts	Committed to sustainable development	38
	2-14 Role of the highest governance body in sustainability reporting	Methodology	175
	2-19 Remuneration policies	Governing bodies	160
	2-22 Statement on sustainable development strategy	Chairman's statement	3-5
	2-23 Policy commitments	Committed to sustainable development	34-39
	2-24 Embedding policy commitments	Integration of ESG aspects into the risk model	171-173
	2-25 Processes to remediate negative impacts	Risk Management	167-169
	2-27 Compliance with laws and regulations	Business ethics	163-165
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	2-29 Approach to stakeholder engagement	Stakeholder engagement	71,72
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality	175
	3-2 List of material topics	Materiality	175
	3-3 Management of material topics	Materiality Towards sustainable construction Our customers, our inspiration to innovate Our shareholders, key support for our business Business ethics Our professionals, the talent driving our growth Risk Management Stakeholder engagement Our contribution to community development	175 126-141 79-89 116 161-166 90-105 167-169 71-72 116-125
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Our contribution to community development	117
	201-4 Financial assistance received from government	Our contribution to community development	118
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GRI 205: Anti-corruption 2016	Anti-corruption and bribery	Business ethics	161-166
GRI 207: Tax 2019	207-1 Approach to tax	Our contribution to community development	117

GRI STANDARD	DISCLOSURES	LOCATION	PAGE
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Environmental footprint of AEDAS Homes offices	139
	302-4 Reduction of energy consumption	Environmental footprint of AEDAS Homes offices	139
GRI 303: Water and Effluents 2018	303-5 Water consumption	Environmental footprint of AEDAS Homes offices	139
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental footprint of AEDAS Homes offices	139
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental footprint of AEDAS Homes offices	139
	305-5 Reduction of GHG emissions	Environmental footprint of AEDAS Homes developments	134-137
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Environmental footprint of AEDAS Homes offices	139
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Our suppliers, allies in our sustainable construction bid	109

GRI STANDARD	DISCLOSURES	LOCATION	PAGE
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Our professionals, the talent driving our growth	103,104
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our professionals, the talent driving our growth	105
	403-5 Worker training on occupational health and safety	Our professionals, the talent driving our growth	105
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	403-10 Work-related ill health	Our professionals, the talent driving our growth	103
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our professionals, the talent driving our growth	97
	404-2 Programs for upgrading employee skills and transition assistance programs	Our professionals, the talent driving our growth	97
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our professionals, the talent driving our growth Governing bodies	92 148
	405-2 Ratio of basic salary and remuneration of women to men	Appendix - Data tables	194-196



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GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Business ethics	161-162
GRI 412: Human Rights Assessment 2016	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Business ethics	165
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Our contribution to community development	121-125
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Our suppliers, allies in our sustainable construction bid le	109



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Geographical presence	2-1	AEDAS Homes at a glance Contact information	10-11 176
Objectives and strategies of the organisation	2-22	Chairman's statement Our strategy	3-5 40-43
Main factors and trends that may affect its future evolution	- 2-25	Economic and market dynamics Risk management	45-48 167-169
General			
Mention in the report of the national, European or international reporting framework used for the selection of key indicators of non-financial results included in each of the sections	GRI 1: Foundations 2021	Methodology GRI Content Index	175 178

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A description of the policies applied by the Group regarding said issues	3-3 2-23	Trailblazers in sustainable construction	127-133
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The main risks related to those topics or issues	-	Climate change risk management	14
Detailed information			
On current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	-	Environmental footprint of our developments Environmental footprint of AEDAS Homes offices	134-137 138-141
Regarding the environmental evaluation or certification procedures	-	Environmental footprint of our developments Environmental footprint of AEDAS Homes offices	135 142
On the resources dedicated to the prevention of environmental risks	-	During the past fiscal year, the company earmarked expenses and investments amounting to €814,216.10 for environmental purposes. In the previous year, the budget allocated to environmental purposes was €432,101, up 88% over the prior year.	
On the application of the Precautionary Principle	3-3	Trailblazers in sustainable construction	127-132
On the amount of provisions and guarantees for environmental risks	-	Environmental footprint of AEDAS Homes offices	139
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	306-2	Environmental footprint of AEDAS Homes offices Food waste is not a material topic for the company	138
● Sustainable use of resources			
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Measures taken to improve energy efficiency	302-4	Environmental footprint of AEDAS Homes offices	138-140
Use of renewable energy	302-4	Environmental footprint of AEDAS Homes offices	140
● Climate change			
Significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	-	We do not have proprietary equipment that generates emissions of substances that deplete the ozone layer (ODS), nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions into the air.	
Measures taken to adapt to the consequences of climate change	-	Climate change risk management	141
Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose	305-5	Environmental footprint of our developments	134-137
● Biodiversity protection			
Measures taken to preserve or restore biodiversity	-	Environmental footprint of our developments	136
		Trailblazers in sustainable construction	130
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Total number and breakdown of employees according to criteria representative of diversity (sex, age, country, etc.)	2-6 2-7 405-1	Our professionals, the talent driving our growth Appendix - Data tables	91-92 194-196
Total number and distribution of types of employment contracts, annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification	2-7	Appendix - Data tables	194-196
Number of dismissals by sex, age and professional classification	401-1	Appendix - Data tables	194-196
Average remuneration and its trend broken down by sex, age and professional classification or equal value	405-2	Appendix - Data tables	194-196
Salary gap, remuneration for equal or average jobs in society	405-1	Appendix - Data tables	194-196
Average remuneration of Directors and company executives, including variable remuneration, per diems, indemnities, payment to long-term savings pension systems and any other kind of payment, broken down by sex	405-2	Remuneration policy	160
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Health and safety conditions at work	403-1	Our professionals, the talent driving our growth	103-105
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● Labour relations			
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List of collective agreements, particularly in the field of occupational health and safety	403-4	Our professionals, the talent driving our growth	105
● Training			
Training policies implemented	-	Our professionals, the talent driving our growth	97
Total number of training hours by job category	404-1	Our professionals, the talent driving our growth	97
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Promotion of and compliance with the provisions contained in the International Labour Organisation's fundamental conventions on the freedom of association and the right to collective bargaining; the elimination of workplace discrimination; the elimination of forced or compulsory labour; the effective abolition of child labour.	414-1	Our suppliers, allies in our sustainable construction bid	109

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The results of these policies	3-3	Commitment to sustainable development Business ethics See Anticorruption Policy	34-36 161-165 161-162
The main risks related to those topics or issues	-	Commitment to sustainable development Business ethics See Anticorruption Policy	34-36 161-165 161-162
Detailed information			
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Contributions to non-profit entities	-	Contributions to foundations and non-profit entities: €72,168	
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General information			
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The results of these policies	3-3	Our contribution to community development	116-125
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Appendix

Data tables

Headcount at year-end		
	2021-2022	2022-2023
Men	148	151
Women	155	151
Total	303	302

Headcount at year-end		
	2021-2022	2022-2023
Under 30	18	15
From 30 to 50	212	197
Over 50	73	90
Total	303	302

Headcount at year-end		
	2021-2022	2022-2023
Permanent contract	263	289
Temporary contract	40	13
Total	303	302

Headcount at year-end		
	2021-2022	2022-2023
Executives	55	52
Middle managers	68	74
Other roles	180	176
Total	303	302

Headcount at year-end

	2021-22		2022-23	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Men	136	12	148	3
Women	127	28	141	10
Total	263	40	289	13

Note that the company does not have part-time contracts.

Headcount at year-end

	2021-22		2022-23	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Under 30	11	7	10	5
From 30 to 50	182	30	190	7
Over 50	70	3	89	1
Total	263	40	289	13

Headcount at year-end

	2021-22		2022-23	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Executives	55	-	52	
Middle managers	62	6	74	
Other roles*	146	34	163	13
Total	263	40	289	13

Contract termination by gender

	2021-2022	2022-2023
Men	13	8
Women	10	16
TOTAL DISMISSALS	23	24

Contract termination by age

	2021-2022	2022-2023
Under 30	1	2
From 30 to 50	17	15
Over 50	5	7
Total	23	24

Contract termination by category

	2021-2022	2022-2023
Executives	6	3
Middle managers	2	4
Other roles*	15	17
Total	23	24

* Technical, administrative and other roles

Average salary* by Category (€)

	2021-22			2022-23		
	Men	Women	Percentage	Men	Women	Percentage
Executives	111.616	110.218	1,3%	109.836	109.040	0,7%
Middle managers	57.431	49.496	13,8%	56.744	49.462	12,8%
Technical roles	43.156	37.941	12,1%	44.510	39.385	11,5%
Sales roles	21.000	22.028	-4,9%	21.000	22.313	-6,3%
Administrative roles	26.354	23.106	12,3%	25.686	24.347	5,2%

* Data from 31/3/2022- 31/3/2023 Annual Gross Salary

Average salary* by age range (€)

	2021-22			2022-23		
	Men	Women	Percentage	Men	Women	Percentage
Under 30	28.333	28.800	-1,6%	34.667	29.545	14,8%
From 30 to 45	45.852	35.225	23,2%	51.350	37.869	26,3%
Over 45	78.764	54.140	31,3%	74.132	52.634	29,0%

* Data from 31/3/2022- 31/3/2023 Annual Gross Salary

Absenteeism

	Hours of absenteeism		Absenteeism index	
	2021-2022	2022-2023	2021-2022	2022-2023
Work injury	2.648	608	0,5%	0,1%
Common illness	6.368	9152	1,2%	1,7%
Maternity or paternity leave	6.640	8800	1,3%	1,6%
Total	15.656	18.560	3,1%	3,5%

**AEDAS
HOMES**

FY 2022-23 Integrated Annual Report

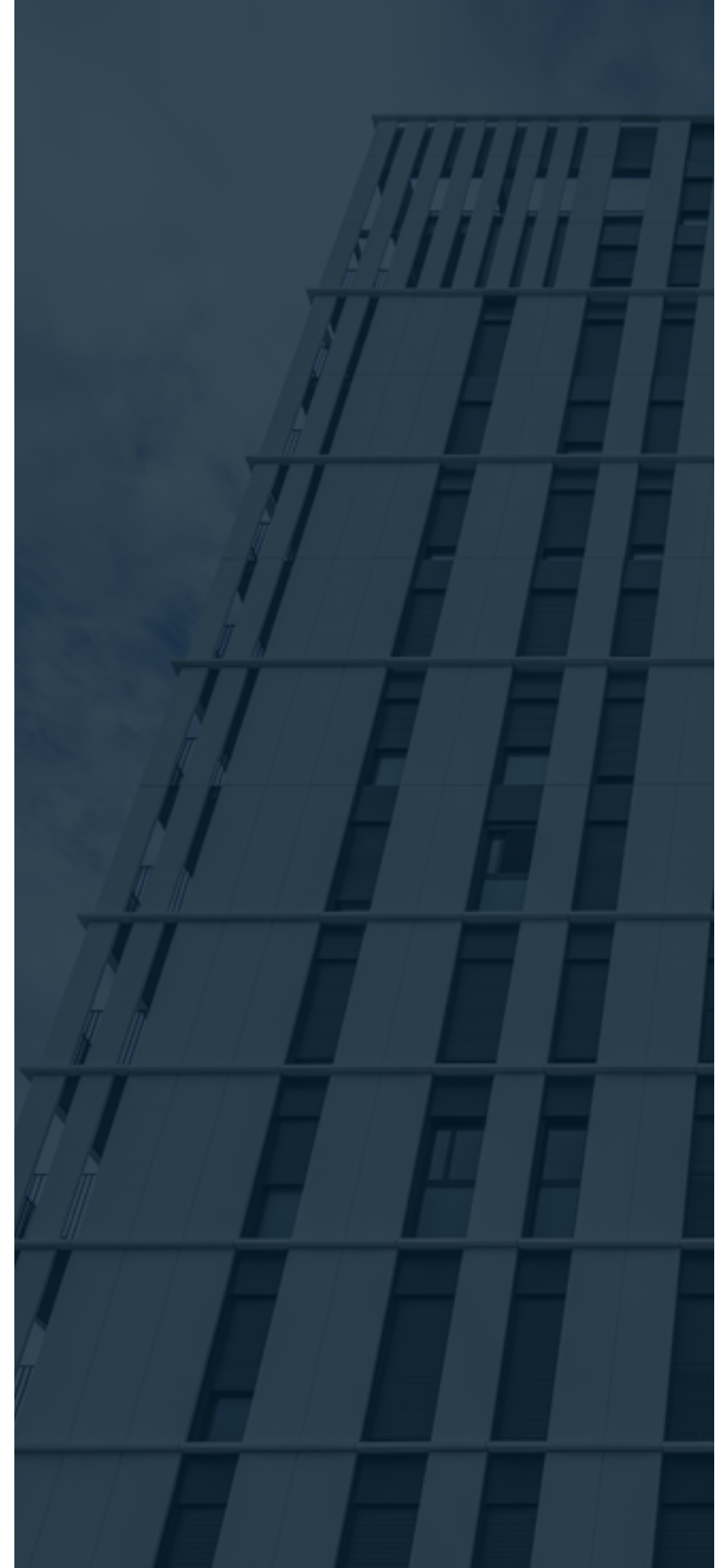


AEDAS HOMES

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**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, las Cuentas Anuales consolidadas de Aedas Homes, S.A. y sus sociedades dependientes, correspondientes al ejercicio anual terminado el 31 de marzo de 2023 han sido elaboradas 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:

D. Santiago Fernández Valbuena
Presidente

D. David Martínez Montero
Consejero Delegado

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 consolidated Annual Accounts of Aedas Homes, S.A. and its subsidiaries, corresponding to financial year ended March 31, 2023, 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:

Mr. Santiago Fernández Valbuena
Chairman

Mr. David Martínez Montero
Chief Executive Officer

Mr. Eduardo D'Alessandro Cishek
Board Member

D. Evan Andrew Carruthers
Consejero

D. Evan Andrew Carruthers
Board Member

D. Javier Lapastora Turpín
Consejero

Mr. Javier Lapastora Turpín
Board Member

D. Miguel Temboury Redondo
Consejero

Mr. Miguel Temboury Redondo
Board Member

Dña. Milagros Méndez Ureña
Consejera

Mrs. Milagros Méndez Ureña
Board Member

Dña. Cristina Álvarez Álvarez
Consejera

Mrs. Cristina Álvarez Álvarez
Board Member

D. Francisco Javier Martinez-Piqueras Barceló

Consejero

Mr. Francisco Javier Martinez-Piqueras
Barceló
Board Member

30 de mayo de 2023
Madrid

May 30th, 2023
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.

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
30 de mayo de 2023

Madrid
May 30th, 2023

D. Alfonso Benavides Grases
Secretario del Consejo de Administración

D. Alfonso Benavides Grases
Secretary of the Board of Directors