ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE:	**31/03/2021**

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

COMPANY NAME
AEDAS HOMES, S.A.

REGISTERED OFFICE
Paseo de la Castellana, 42 28046 Madrid.

ANNUAL REPORT ON THE REMUNERATION OF THE DIRECTORS OF AEDAS HOMES, S.A.

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

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

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

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

- **Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.**
- **Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.**
- **Information on whether any external advisors took part in this process and, if so, their identity.**

On 23 June 2020, the Company updated its Director Remuneration Policy, which did not, however, change significantly with respect to the previous policy. The new policy is applicable for FY 2020-21, FY 2021-22 and FY 2022-23.

The new Remuneration Policy modifies the executive directors' long-term incentive plan ("LTIP") scheme to align its term of effectiveness with the Company's new financial year, which runs from 1 April each year until 31 March the following year, so that the overlapping cycles of the LTIP now coincide with the end of each financial year: (i) the first cycle, which started on the date of the Company's IPO (20 October 2017), runs until 31 March 2021; (ii) the second cycle, which began on 1 January 2019, runs until 31 March 2022; and (iii) the third cycle, which began on 1 April 2020, runs until 31 March 2023.

The new Remuneration Policy leaves the CEO's fixed remuneration intact at €500,000 but empowers the Board of Directors to increase it to €1,000,000 during the term of effectiveness thereof. The Board of Directors is similarly entitled to increase that ceiling by up to 20% if prevailing circumstances so warrant (that percentage used to be 25%). Elsewhere, the new Remuneration Policy leaves the CEO's annual variable remuneration at 20% of his fixed remuneration but empowers the Board of Directors to increase that percentage to 50% during the term of effectiveness thereof. That percentage will be decided by the Board of Directors for each financial year during the first five months thereof; should the Board fail to do so within that timeframe, the percentage awarded for the previous financial year shall apply.

Duly exercising the powers vested in it under the new Remuneration Policy, the Board of Directors, at a meeting held on 28 July 2020 agreed to establish the executive director's fixed salary at €850,000 per annum and to set his annual bonus at 30% of that salary. The Board also agreed to increase the LTIP corresponding to the executive director in 2020 by €100,000. In addition, the executive director receives the in-kind remuneration outlined in section A.1 (four paragraphs below). The Company's sole executive director at present is its Chief Executive Officer (CEO).

In making the above decisions, the Board of Directors relied on two independent expert reports, one related to 2019 and the other corresponding to 2020. In financial year 2020-21, it was also agreed that the surplus of shares of the 1st Cycle of the LTIP should be rolled over into the 2nd Cycle for the same beneficiaries, with the aim of incentivising the good performance observed since the IPO.

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

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

As stipulated in article 17 of the Company's Bylaws, the office of Company director is remunerated and, as a general rule, that remuneration shall consist of a fixed annual stipend, determined as follows:

(i) The total maximum amount of remuneration to be paid to the directors as a group in their capacity as such must be approved at the Annual General Meeting.
(ii) The Board of Directors is responsible for allocating that fixed stipend to each director for their work on the Board, in keeping with the Remuneration Policy.

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

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

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

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

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

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

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

The amount and nature of the fixed components earned by the CEO are itemised in section A.1. The proprietary directors do not receive any remuneration; the independent directors received €600,210 between 1 April 2020 and 31 March 2021.

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

The pre-tax annual salary accrued between 1 April 2020 and 31 March 2021 for the performance of duties specific to the position of CEO amounted to of €736,250.

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

The LTIP is a variable remuneration scheme under which the beneficiaries receive shares after a specific vesting period, subject to delivery of certain performance targets and continued employment at the Company.

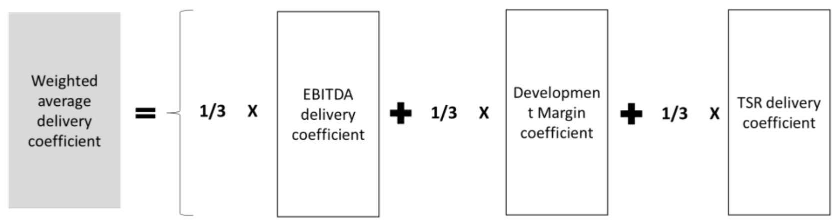
More specifically, the LTIP is made up of three overlapping cycles of approximately three years each, the first being a little longer. The shares corresponding to each cycle will be delivered net of payment of the applicable taxes and beneficiaries who receive shares will be subject to a lock-up arrangement. The Company's CEO, David Martinez Montero, must continue to hold 100% of any shares received under the LTIP for at least one year after their receipt. The only director beneficiary of the LTIP is the Company's sole executive director, namely its CEO, David Martinez Montero. The target amounts in euros (100% target delivery) awarded to the CEO are €734,000 for the first cycle, €381,000 for the second cycle and €353,000 for the third. The maximum amounts in euros (150%) awarded to the CEO are €1,100,000 for the first cycle, €572,000 for the second cycle and €529,000 for the third. The target number of shares (100% target delivery) to be allocated to the CEO are 23,170 for the first cycle, 17,289 for the second cycle and 17,383 for the third. The maximum number of shares (150%) to be allocated to the CEO are 34,755 for the first cycle, 25,934 for the second cycle and 26,075 for the third.

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

Agenda item seven, ratified at the Annual General Meeting held on 23 June 2020, was the proposal submitted by the Appointments and Remuneration Committee to amend the term of duration of the LTIP by virtue of which shares of the Company are granted to the CEO.

The details of the different LTIP cycles and metrics:

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



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

The CEO did receive, by way of in-kind remuneration, health insurance, life insurance and the use of a company car during the year ended 31 March 2021, valued at €3.600.96, €7,097.64 and €1,892.10, respectively.

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

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

Due to the change of financial year in 2020, the Company decided that the CEO's variable remuneration corresponding to the financial year elapsing between 1 January and 31 March 2020 would accumulate throughout the year ended 31 March 2021 such that the bonus payable at 31 March 2021 will, exceptionally, have have accrued over a 15-month period. At the time of writing, notwithstanding the foregoing, the structure of the CEO's variable remuneration for the year ended 31 March 2021 remains unchanged, as follows:

(A) 30% is discretionary.

(B) 40% is accrued on the basis of the level of delivery of the Company's targets. More specifically, up to 10% for each of the following four targets: (i) 10% for attainment of the targeted number of home deliveries; (ii) 10% for delivery of the revenue target; (iii) 10% for delivery of the EBITDA target; and (iv) 10% for delivery of the gross development margin target.

(C) The remaining 30% accrues on the basis of delivery of targets specific to the CEO. More specifically, up to 9% for delivery of the sales target; up to 9% for delivery of the 'start of construction work' target; up to 9% for delivery of the net development margin target; and up to 3% for delivery of the target related with implementation of the sustainability and and energy efficiency measures.

Delivery of the above targets in full (100%) translates into the payment of an amount equivalent to 20% of the CEO's pre-tax salary for the above-mentioned 15-period for the period elapsing between 1 January 2020 and 27 July 2020 (until the terms of the Remuneration Policy were changed). And it translates into the payment of an amount equivalent to 30% of the CEO's pre-tax salary after the changes to the remuneration regime - between 28 July 2020 and 31 March 2021 - i.e., €229,625 in total. The sum accrued in respect of the year elapsed between 1 April 2020 and 31 March 2021 is €173,931 (cash), which corresponds to 17% of the potential maximum variable remuneration until 27 July 2020 and 26% thereof between 28 July 2020 and 31 March 2021.

During the year ended 31 March 2021, the CEO, David Martinez Montero, did not receive any variable remuneration under the LTIP.

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

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

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- **Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms**

provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

The CEO is the only potential beneficiary of payments of this kind, as outlined below.

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

The key terms and conditions of the executive director's contract, for both the year ended 31 March 2021 and in prior years, are as follows:

(i) Duration: indefinite.

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

(iii) Grounds for termination and termination benefits: the CEO's contract can be terminated on the following grounds: (i) by mutual agreement between the parties; (ii) unilateral termination by the director providing three months' notice; in the event of non-compliance with the notice period, he would have to pay the Company a sum equivalent to the fixed remuneration applicable at the time of termination for the length of the notice period not complied with; (iii) unilateral termination by the director in the event of a change in control when: (a) a third party acquires, directly or indirectly, more than 50% of the Company's voting rights; or (b) a third party names half plus one of the members of its Board of Directors; (iv) at the unilateral will of the Company: (a) upon a Board resolution; (b) in the event of his dismissal or non-renewal as director at the Annual General Meeting; or (c) in the event of full or partial revocation of the powers vested in the CEO by the Company; or (v) the CEO's death; legal incapacitation, official total or severe permanent incapacity or the temporary inability or impossibility to perform his duties for more than 12 months.

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

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

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

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

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

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

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

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

The Company modified the terms of the Remuneration Policy applicable in FY 2020-21, FY 2021-22 and FY 2022-23 on 23 June 2020. The specific changes are outlined below: (i) alignment of the the LTIP cycles with the new financial year; (ii) technical fine-tuning considering that the prior policy was approved at the time of the Company's IPO; (iii) empowerment of the Board of Directors to increase the CEO's fixed annual remuneration by a specific amount during the term of effectiveness of the Remuneration Plan; (iii) empowerment of the Board of Directors to increase the CEO's percentage of variable remuneration over fixed remuneration to 50% during the term of effectiveness of the Remuneration Policy; and (iv) modification of the duration of the LTIP to align its term of effectiveness with the Company's new financial year-end. All of which in keeping with that disclosed in section A.1 above.

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

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

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

Item thirteen on the agenda for the Annual General Meeting of 23 June 2020 was "Consultative vote on the annual director remuneration report corresponding to the three-months financial year ended 31 March 2020". As a result of that advisory vote, the annual director remuneration report for the three months ended 31 March 2020 was approved, having been made available to the Company's shareholders along with the rest of the AGM documentation from the date of publication of the corresponding call notice. The Chairman declared the 2020 remuneration report duly approved, by means of advisory vote. The motion was carried with the favourable votes of shareholders representing 99.983% of the votes cast (0.017% against; 0.00% abstentions; and 0 votes cast blank).

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

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

Total director remuneration increased in the year from 1 April 2020 to 31 March 2021 due specifically to the increase in the executive director's remuneration.

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

- Proprietary directors do not receive any remuneration;
- Independent directors only receive fixed remuneration. By bringing their remuneration into line with the market, the risk of losing one or more directors has diminished. Further, as they do not receive any variable remuneration, the Company ensures against excessive risk-taking by directors that could affect the business according to Recommendation 57 of the Good Governance Code of Listed Companies.
- The sole executive director: Does receive variable remuneration as explained in Section A.1 above. The amount of remuneration was determined based on market standards, engaging an independent external for assistance. The aim was to ensure that the amount was sufficient to retain the executive director and that the variable remuneration components were aligned with the business's core targets and sustainability over time.

B.3 Explain how the remuneration accruing and vested during the year complies with the provisions of the current remuneration policy.

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

- Remuneration accrued by independent directors is within the maximum limits approved at the Annual General Meeting. Remuneration of independent directors only has a fixed component, which does not vary with the Company's performance.
- The executive director's remuneration components (fixed salary, variable remuneration, and LTIP) are set out in his employment contract (drawn up considering the remuneration policy in force) and in line with the components listed in A.1. The contract is also in line with the Company's existing remuneration policy.
- The variable components of his remuneration are considered more suitable for creating long-term value for the Company bearing in mind the specific nature of its industry.
- Executive director David Martínez Montero received the following remuneration in kind: health insurance, life insurance and a company car, valued at €3,600.96, €7,097.64 and €1,892.10, respectively.

B.4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes against, if any:

	Number	% of total
Votes cast	38,260,476	100

	Number	% of votes cast
Votes against	6,656	0.017
Votes in favour	38,253,820	99.983
Abstentions	0	0.000

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

Considerations regarding fixed remuneration of directors:

- Proprietary directors do not receive any remuneration;
- Independent directors only receive fixed remuneration. Remuneration was benchmarked by a prestigious independent consultant (see section B.1); and
- For the sole executive director (the CEO): His fixed remuneration was agreed when he was hired, which was before the Company's IPO. Therefore, the Appointments and Remuneration Committee was not involved. However, as explained in section A.1. above, the Company engaged specialist independent consultants to conduct a series of studies with a view to confirming that the CEO's remuneration (fixed, variable and LTIP) was in line with the market. Based on the findings, the CEO's fixed remuneration was increased during the year.

Regarding changes in fixed remuneration in the year from 1 April 2020 to 31 March 2021, proprietary directors do not receive any remuneration.

- Independent directors were paid €600,208.25 in the year from 1 April 2020 to 31 March 2021.
- The CEO (the sole executive director) received fixed remuneration of €736,250 in the year from 1 April 2020 to 31 March 2021.

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

There were changes in the CEO's remuneration during the year from 1 April 2020 to 31 March 2021. His remuneration was determined according to the procedure described in Section A.1.

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

- **Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.**

- **In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.**
- **Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).**
- **Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.**

Explain the short-term variable components of the remuneration systems
Only the executive director receives variable remuneration. Proprietary directors do not receive any remuneration and independent directors only receive fixed remuneration, no variable remuneration. The CEO's variable remuneration is linked to three types of objectives: company performance metrics, objectives inherent to the post, and personal performance. Achievement of 100% of the targets entitles him to 20% of his pre-tax salary from 1 January 2020 to 27 July 2020 (exceptionally, a 15-month period is used for target delivery assessment) and 30% of his pre-tax salary from 28 July 2020 to 31 March 2021. In assigning variable remuneration, the Appointments and Remuneration Committee and the Board of Directors considered his outstanding performance and that of his team during a particularly challenging year because of the effects of COVID-19.

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

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

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

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

Independent director Emile K. Haddad's independent director contract was terminated on 27 September 2020. Emile K.Haddad did not receive any termination benefit for this dismissal.

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

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B.12 Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

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

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

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

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

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B.16 Explain any item of remuneration other than the foregoing, whatever its nature or the group company paying it, especially when this is considered a related party transaction or its settlement distort the true and fair picture of the total remuneration accrued by the director.

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C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in FY 2020-21
DAVID MARTINEZ MONTERO	Executive director (CEO)	From 1 April 2020 to 31 March 2021
SANTIAGO FERNÁNDEZ VALBUENA	Independent director	From 1 April 2020 to 31 March 2021
JAVIER LAPASTORA TURPiN	Independent director	From 1 April 2020 to 31 March 2021
MIGUEL TEMBOURY REDONDO	Independent director	From 1 April 2020 to 31 March 2021
CRISTINA ÁLVAREZ ÁLVAREZ	Independent director	From 1 April 2020 to 31 March 2021
MILAGROS MENDEZ UREÑA	Independent director	From 1 April 2020 to 31 March 2021
EMILE K. HADDAD	Independent director	From 1 April 2020 to 27 September 2020

JAVIER MARTÍNEZ-PIQUERAS BARCELÓ	Independent director	From 21 October 2020 to 31 March 2021

C.1 Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indem-nification	Other items (health insurance, life insurance and company car)	Total for the year from 1/4/2020 to 31/03/2021
DAVID MARTINEZ MONTERO	€736	N/A	€0		174	€0		13	€923
SANTIAGO FERNÁNDEZ VALBUENA	€140	N/A	€15	€125	N/A	N/A	N/A	N/A	€140
JAVIER LAPASTORA TURPíN	€100	N/A	€25	€75	N/A	N/A	N/A	N/A	€100
MIGUEL TEMBOURY REDONDO	€100	N/A	€25	€75	N/A	N/A	N/A	N/A	€100
CRISTINA ÁLVAREZ ÁLVAREZ	€115	N/A	€40	€75	N/A	N/A	N/A	N/A	€115
MILAGROS MENDEZ UREÑA	€75	N/A	€0	€75	N/A	N/A	N/A	N/A	€75
EMILE K. HADDAD	€37	N/A	€0	€37	N/A	N/A	N/A	N/A	€37
JAVIER MARTÍNEZ-PIQUERAS BARCELÓ	€34	N/A	€0	€34	N/A	N/A	N/A	N/A	€34

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

Name	Name of plan	Financial instruments at start of FY 2020-21 (01/04/2020-31/03/2021)	Financial instruments granted during FY 2020-21 (01/04/2020-31/03/2021)	Financial instruments vested during the year	Instruments matured but not exercised	Financial Instruments at end of year n

		No. of instruments	No. of equivalent shares:	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares / vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
DAVID MARTINEZ MONTERO	1st Cycle (2017-2021)		34,755 (150%)									34,755 (150%)
	2nd. Cycle (2019-2022)		25,934 (150%)									25,934 (150%)
	3rd. Cycle (2020-2023)		26,075 (150%)									26,075 (150%)

Remarks
The long-term variable remuneration scheme (LTIP) comprises three overlapping cycles of approximately three years each, as follows: • First cycle: Started on the date of the Company's IPO (20 October 2017) and ended at the end of the reporting period (31 March 2021). • Second cycle: Started on 1 January 2019 and ends on 31 March 2022. • Third cycle: Started on 1 April 2020 and ends on 31 March 2023.

iv) Long-term savings schemes

Name	Remuneration from vesting of rights to savings schemes
-	-

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		FY 2020-21 (01/04/2020-31/03/2021)		FY 2020 (31/3/2020)	
	FY 2020-21 (01/04/2020-31/03/2021)	FY 2020 (31/03/2020)	FY 2020-21 (01/04/2020-31/03/2021)	FY 2020 (31/03/2020)	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
-	-	-	-	-	-	-	-	-

Remarks
-

v) Details of other items

Name	Item	Amount of remuneration

Remarks
N/A

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

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total for the year from 1/4/2020 to 31/03/2021	Total for FY 2020 (01/01/2020 to 31/03/2020)
-	-	-	-	-	-	-	-	-	-	-

Remarks
N/A

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

Name	Name of plan	Financial instruments at end of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instruments matured but not exercised	Financial Instruments at end of year n	
		No. of instruments	No. of equivalent shares:	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares / vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

Remarks
N/A

iii) Long-term savings schemes

Name	Remuneration from vesting of rights to savings schemes
-	-

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		FY 2020-21 (01/04/2020-31/03/2021)		FY 2020 (31/3/2020)	
	FY 2020-21 (01/04/2020-31/03/2021)	FY 2020 (31/03/2020)	FY 2020-21 (01/04/2020-31/03/2021)	FY 2020 (31/03/2020)	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
-	-	-	-	-	-	-	-	-

Remarks
N/A

iv) Details of other items

Name	Item	Amount of remuneration
-	-	-

Remarks
-

c) Summary of remuneration (thousands of euros):

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

	Remuneration accruing in the Company (thousands of euros)					Remuneration accruing in group companies (thousands of euros)				
Name	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration (*)	Total for FY 2020-21 (01/04/2020 to 31/03/2021)	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Total for FY 2020-21 (01/04/2020 to 31/03/2021)
DAVID MARTINEZ MONTERO	€910	N/A	N/A	€13	€923	N/A	N/A	N/A	N/A	N/A

Remarks
The table above only presents the remuneration of the executive director. Remuneration of the other directors is presented in the table in section C.1

D OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

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This annual remuneration report was approved by the Board of Directors of AEDAS Homes at its meeting held on 7 May 2021.

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

Yes ☐ **No** ☒

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