Report on Limited Review

AEDAS HOMES, S.A. AND SUBSIDIARIES
Interim Condensed Consolidated Financial Statements
and Interim Consolidated Management Report
for the six-month period ended
September 30, 2023

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REPORT ON LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

To the Shareholders of AEDAS HOMES, S.A. at the request of Management:

Report on the interim condensed consolidated financial statements

Introduction

We have carried out a limited review of the accompanying interim condensed consolidated financial statements (hereinafter the interim financial statements) of AEDAS HOMES, S.A. (hereinafter the Parent Company) and subsidiaries (hereinafter the Group), which comprise the balance sheet at September 30, 2023, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and the notes thereto, all of them condensed and consolidated, for the six-month period then ended. The parent's directors are responsible for the preparation of said interim financial statements in accordance with the requirements established by IAS 34, "Interim Financial Reporting," adopted by the European Union for the preparation of interim condensed financial reporting as per article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope

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

Conclusion

During the course of our limited review, which under no circumstances can be considered an audit of accounts, no matter came to our attention which would cause us to believe that the accompanying interim condensed consolidated financial statements for the six-month period ended September 30, 2023 have not been prepared, in all material respects, in accordance with the requirements established in International Accounting Standard (IAS) 34, "Interim Financial Reporting," as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim condensed financial statements.

Emphasis of matter paragraph

We draw attention to the matter described in the accompany interim condensed explanatory Note 2.a, which indicates that the abovementioned accompanying interim financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended March 31, 2023. This matter does not modify our conclusion.

Report on other legal and regulatory requirements

The accompanying interim consolidated management report for the six-month period ended September 30, 2023 contains such explanations as the parent's directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six-month period ended on September 30, 2023. Our work is limited to verifying the interim consolidated management report in accordance with the scope described in this paragraph, and does not include the review of information other than that obtained from the accounting records of AEDAS HOMES, S.A., and its subsidiaries.

Paragraph on other issues

This report has been prepared at the request of Management with regard to the publication of the semi-annual financial report required by article 100 of Royal Legislative Decree 6/2023, of March 17, on Securities Markets and Investment Services.

ERNST & YOUNG, S.L.

(Signed in the original version)

Alfonso Balea López

November 28, 2023

Aedas Homes, S.A. and subsidiaries

Interim condensed consolidated financial statements for the six months ended 30 September 2023.

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

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2023 AND 31 MARCH 2023

(Euros)

ASSETS	Note	30 Sept. 2023 (*)	31 Mar. 2023	EQUITY AND LIABILITIES	Note	30 Sept. 2023 (*)	31 Mar. 2023
NON-CURRENT ASSETS:				**EQUITY**:			
Intangible assets		**6,228,981**	**6,634,322**	**Capital**		**43,700,000**	**46,806,537**
Patents, licences and trademarks		2,486,878	2,486,878	Share capital		43,700,000	46,806,537
Software		3,054,055	3,139,282	**Share premium**		**421,568,843**	**478,534,502**
Other intangible assets		688,048	1,008,162	**Parent company reserves**		**(299,460,818)**	**(299,721,536)**
Property, plant and equipment		**7,661,343**	**8,298,792**	**(Own equity instruments)**		**(7,712,283)**	**(63,922,166)**
Land and buildings		6,184,907	6,507,113	**Retained earnings**		**6,263,015**	**2,144,748**
Plant and other PP&E		922,692	1,036,156	**Reserves at fully-consolidated companies**		**2,933,221**	**(4,610,861)**
PP&E in progress and prepayments		553,744	755,523	**Other shareholder contributions**		**740,071,256**	**740,071,256**
Investment properties		**7,766,528**	**7,828,733**	**Profit for the period attributable to equity holders of the parent**		**3,566,215**	**105,071,928**
Land		1,771,676	1,771,676	**Interim dividend**		**-**	**(43,508,905)**
Buildings		5,994,852	6,057,057	**Other equity instruments**		**8,469,698**	**8,236,447**
Non-current investments in group companies and associates		**9,714,264**	**12,856,893**	**Non-controlling interests**		**543,490**	**541,939**
Investments in associates		5,097,265	8,295,794	**Total equity**	**4**	**919,942,637**	**969,643,889**
Loans to associates	7	4,616,999	4,561,099				
Non-current financial assets		**3,764,047**	**1,750,994**	**NON-CURRENT LIABILITIES:**			
Other non-current financial assets		3,764,047	1,750,994	**Non-current borrowings**	5	**320,847,839**	**321,759,646**
Deferred tax assets	6	**7,293,881**	**5,304,792**	Notes and other marketable securities		319,825,522	318,994,440
Total non-current assets		**42,429,044**	**42,674,526**	Other financial liabilities		1,022,317	2,765,206
CURRENT ASSETS:				**Deferred tax liabilities**	6	**260,416**	**260,416**
Inventories	**3**	**1,857,734,224**	**1,610,671,024**	**Total non-current liabilities**		**321,108,255**	**322,020,062**
Trade and other receivables		**53,166,458**	**52,205,744**				
Trade receivables		40,181,680	41,149,759				
Trade receivables, associates	**7**	311,646	1,000,155	**CURRENT LIABILITIES:**			
Other receivables		719,484	712,844	**Current provisions**	3	**13,930,170**	**21,407,715**
Receivable from employees		21,165	1,588	**Project finance with long-term maturities**	5	**240,550,994**	**125,561,716**
Current tax assets		1,198,053	104,201	**Current borrowings**	5	**101,017,172**	**57,829,696**
Taxes receivable		10,734,430	9,237,197	Notes and other marketable securities		59,778,544	49,279,073
Current investments in group companies and associates	**7**	**786,544**	**1,007,341**	Bank borrowings		38,813,504	7,522,890
Loans to associates		786,544	1,007,341	Other financial liabilities		2,425,124	1,027,733
				Trade and other payables		**518,027,224**	**472,495,990**
Current financial assets		**5,068,202**	**3,558,315**	Trade and other payables		230,305,659	187,661,219
Other current financial assets		5,068,202	3,558,315	Trade payables		12,413,753	9,426,962
Current prepayments and accrued income		**18,995,881**	**14,109,258**	Employee benefits payable		2,422,009	3,924,768
Cash and cash equivalents		**136,396,099**	**244,732,860**	Current tax liabilities		3,282,487	28,653,718
Cash		136,396,099	234,732,860	Taxes payable		27,768,646	48,068,853
Cash equivalents		-	10,000,000	Customer prepayments	10	241,834,670	194,760,470
Total current assets		**2,072,147,408**	**1,926,284,542**	**Total current liabilities**		**873,525,560**	**677,295,117**
TOTAL ASSETS		**2,114,576,452**	**1,968,959,068**	**TOTAL EQUITY AND LIABILITIES**		**2,114,576,452**	**1,968,959,068**

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 September 2023. (*) Unaudited

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 AND 30 SEPTEMBER 2022

(Euros)

	Note	Six months ended 30 September 2023 (*)	Six months ended 30 September 2022 (*)
Revenue from the delivery of developments sold	8	228,591,234	211,238,040
Direct costs of developments sold		(173,827,894)	(153,384,043)
Gross profit from development		**54,763,340**	**57,853,997**
Gross margin on development		**23.9%**	**27.4%**
Revenue from services	8	1,447,110	3,234,457
Direct costs of services provided		(644,127)	(774,342)
Gross profit from services	2.f	**802,983**	**2,460,115**
Gross margin on services		**55.5%**	**76.1%**
Revenue	8	230,038,344	214,472,497
Cost of goods sold and services rendered		(174,472,021)	(154,158,385)
GROSS PROFIT		**55,566,323**	**60,314,112**
GROSS MARGIN		**24.2%**	**28.1%**
Marketing	2.f	(7,141,054)	(7,596,142)
Sales		(4,920,216)	(6,540,690)
Other direct development costs	2.f	(1,600,659)	(953,263)
Taxes related with developments		(2,946,854)	(4,603,224)
NET PROFIT		**38,957,540**	**40,620,793**
NET MARGIN		**16.9%**	**18.9%**
General expenses		(21,566,547)	(19,780,180)
General expenses - LTIP		(2,224,335)	(1,417,599)
General expenses - Other		(19,342,212)	(18,362,581)
Other operating income		678,603	437,823
Other operating expenses		(256,031)	(242,363)
EBITDA		**17,813,565**	**21,036,073**
EBITDA MARGIN		**7.7%**	**9.8%**
Depreciation, amortisation and impairment charges		(2,459,427)	(2,331,419)
Impairment of inventories	3	-	-
OPERATING PROFIT		**15,354,138**	**18,704,654**
Finance income	7	381,360	301,614
Finance costs - Borrowings from group companies	7	-	-
Finance costs - Bank borrowings, net of capitalised borrowing costs		(11,290,631)	(9,534,043)
Change in fair value of financial instruments		-	(490,151)
Exchange gains/(losses)		-	-
Impairment of and gains/(losses) on disposal of financial instruments		-	-
NET FINANCE COST		**(10,909,271)**	**(9,722,580)**
Share of profit/(loss) of associates		**491,631**	**582,842**
PROFIT BEFORE TAX		**4,936,498**	**9,564,916**
Income tax	6	(1,366,421)	(2,309,481)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**3,570,077**	**7,255,435**
PROFIT FROM DISCONTINUED OPERATIONS			
PROFIT FOR THE PERIOD		**3,570,077**	**7,255,435**
Attributable to non-controlling interests	4	3,862	197,333
Attributable to equity holders of the parent		3,566,215	7,058,102
Basic earnings per share		0.08	0.15
Diluted earnings per share		0.08	0.16

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 September 2023. (*) Unaudited

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 AND 30 SEPTEMBER 2022

(Euros)

	Note	Six months ended 30 September 2023 (*)	Six months ended 30 September 2022 (*)
PROFIT FOR THE PERIOD (I)		**3,570,077**	**7,255,435**
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)		**3,570,077**	**7,255,435**
Total recognised income and expense attributable to equity holders of the parent		3,566,215	7,058,102
Total recognised income and expense attributable to non-controlling interests		3,862	197,333

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 September 2023. (*) Unaudited

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 AND 30 SEPTEMBER 2022

(Euros)

	Capital (note 4.a)	Share premium (note 4b)	Reserves of the parent (notes 4.c, 4.d & 4.e)	(Own equity instruments) (note 4.f)	Retained earnings	Reserves at fully-consolidated companies (notes 4.d & 4.e)	Shareholder contributions (note 4.h)	Profit for the period attributable to equity holders of the parent	(Interim dividend) (note 4.i)	Other equity instruments (note 4.j)	Non-controlling interests (note 4.k)	TOTAL
OPENING BALANCE AT 1 APRIL 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	-	-	-	-	-	-	-	7,058,102	-	-	197,333	7,255,435
Distribution of prior-period earnings	-	-	-	-	13,140,326	(15,326,239)	-	(93,125,034)	36,153,300	-	-	(59,157,647)
Transactions with shareholders	-	-	(10,996)	(385,876)	-	-	-	-	-	-	-	(396,872)
Consolidation scope and other changes	-	-	65,685	-	-	-	-	-	-	(1,735,504)	(75,000)	(1,744,819)
CLOSING BALANCE AT 30 September 2022 (*)	**46,806,537**	**478,534,502**	**(299,680,352)**	**(56,254,831)**	**2,144,750**	**(1,806,595)**	**740,071,256**	**7,058,102**	**-**	**4,882,284**	**533,629**	**922,289,282**
Total recognised income and expense	-	-	-	-	-	-	-	98,013,826	-	-	8,310	98,022,286
Distribution of prior-period earnings	-	-	-	-	-	-	-	-	(43,508,905)	-	-	(43,508,905)
Transactions with shareholders	-	-	(41,184)	(7,667,335)	-	-	-	-	-	-	-	(7,708,519)
Consolidation scope and other changes	-	-	-	-	-	-2,804,268	-	-	-	3,354,163	-	549,895
OPENING BALANCE AT 1 April 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**
Total recognised income and expense	-	-	-	-	-	-	-	3,566,215	-	-	3,861	3,570,076
Distribution of prior-period earnings	-	-	-	-	4,118,267	7,544,082	-	(105,071,928)	43,508,905	-	-	(49,900,674)
Transactions with shareholders	(3,106,537)	(56,965,659)	(22,998)	56,209,883	-	-	-	-	-	(1,991,083)	-	(5,876,394)
Capital decreases	(3,106,537)	(56,965,659)	-	60,072,196	-	-	-	-	-	(1,991,083)	-	(1,991,083)
Own share transactions (net)	-	-	(22,998)	(3,862,313)	-	-	-	-	-	-	-	(3,885,311)
Consolidation scope and other changes	-	-	283,716	-	-	-	-	-	-	2,224,335	(2,310)	2,505,740
CLOSING BALANCE AT 30 SEPTEMBER 2023 (*)	**43,700,000**	**421,568,843**	**(299,460,818)**	**(7,712,283)**	**6,263,015**	**2,933,221**	**740,071,256**	**3,566,215**	**-**	**8,469,698**	**543,490**	**919,942,637**

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 September 2023. (*) Unaudited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 AND 30 SEPTEMBER 2022

(Euros)

	Note	Six months ended 30 September 2023 (*)	Six months ended 30 September 2022 (*)
1. OPERATING ACTIVITIES			
Profit before tax		**4,936,498**	**9,564,916**
Adjustments for finance income/costs		**10,909,272**	**9,722,580**
(Gains)/losses on derecognition and disposal of financial instruments		-	-
Finance income		(381,360)	(301,614)
Finance costs		20,982,291	17,477,479
Borrowing costs capitalised in inventories		(9,691,659)	(7,943,436)
Change in fair value of financial instruments		-	490,151
Exchange gains/(losses)		-	-
Share of profit/(loss) of associates		**(491,631)**	**(582,842)**
Operating profit		**15,354,138**	**18,704,654**
Depreciation, amortisation and impairment charges		2,459,427	2,331,419
Impairment of inventories	3	-	-
EBITDA		**17,813,565**	**21,036,073**
Other adjustments to profit		**(263,154)**	**1,830,098**
Provisions		2,224,335	1,417,599
Realised finance gains/losses (fair value and exchange differences)		-	-
Unrealised share of profit/(loss) of associates		491,631	582,842
Other gains/(losses)		-	-
Net increase/(decrease) in other non-current assets and liabilities		(2,979,120)	(170,343)
Other cash used in operating activities		**(40,906,725)**	**(27,061,361)**
Interest received		202,157	256,942
Interest paid		(13,730,478)	(12,518,122)
Income tax received/(paid)		(29,212,677)	(15,528,999)
Other receipts/(payments)		1,834,273	728,818
Change in working capital (excluding land purchases/sales during the period)		**(119,683,035)**	**(107,811,549)**
Increase/(decrease) due to inventories		(183,731,972)	(142,501,856)
Increase/(decrease) due to trade receivables		28,272,312	9,483,621
Increase/(decrease) due to trade payables		62,463,384	50,968,159
Increase/(decrease) due to net change in other current assets and current liabilities		(26,686,759)	(25,761,473)
Change in working capital attributable to land purchases/sales during the period	3	**(93,045,542)**	**(63,082,800)**
Net cash flows used in operating activities (1)		**(236.084.891)**	**(175,089,539)**
2. INVESTING ACTIVITIES			
Investments | disposals		**(2,879,573)**	**(6,618,855)**
Group companies and associates		1,124,123	3,085,269
Intangible assets		(736,314)	(662,436)
Property, plant and equipment		(647,039)	(1,551,537)
Other financial assets		(2,620,344)	(7,490,151)
Business unit	1	-	-
Net cash flows used in investing activities (2)		**(2,879,573)**	**(6,618,855)**
3. FINANCING ACTIVITIES			
Proceeds from and payments for equity instruments		**(3,601,596)**	**(2,182,860)**
Buyback of own equity instruments		(3,601,596)	(2,182,860)
Issue and repayment of financial liabilities	5	**184,119,345**	**123,369,845**
Issue of notes and other marketable securities		107,399,468	47,041,285
New financing obtained from banks		266,000,353	186,713,402
New borrowings from related parties		-	-
Redemption of notes and other marketable securities		(96,900,000)	(52,800,000)
Repayment of bank borrowings		(92,380,476)	(57,584,842)
Repayment of borrowings from related parties		-	-
Dividends and payments on other equity instruments		**(49,890,046)**	**(59,157,647)**
Dividends	**4**	(49,890,046)	(59,157,647)
Net cash flows from financing activities (3)		**130,627.703**	**62,029,338**
4. Effect of changes in exchange rates on cash and cash equivalents (4)			
5. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3+4)		**108,336,761**	**(119,679,056)**
Cash and cash equivalents - opening balance		**244,732,860**	**240,021,141**
Cash and cash equivalents - closing balance		**136,396,099**	**120,342,085**

The accompanying notes 1 to 13 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 September 2023. (*) Unaudited

Aedas Homes, S.A. and subsidiaries

Notes to the interim condensed consolidated financial statements for the six months ended 30 September 2023

1. **<u>Parent and Group activities</u>**

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

The Parent's registered office is located in Madrid, Spain, at Paseo de la Castellana, 130. It is registered with the Madrid Companies Register.

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 Company 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 exclusively 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 those interests on 5 July 2016. The Parent's name was changed to Aedas Homes Group, S.L.U. on 18 July 2016. It assumed its current name in the wake of the restructuring transaction outlined in note 1.a.

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

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

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

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

Changes in the Group's composition

At 30 September 2023, the Company was the parent of a group of companies. Appendix I itemises the Group companies consolidated by the Parent and provides their salient information as at 30 September 2023, before making the corresponding standardisation adjustments, as appropriate, to their separate financial statements in order to adapt them for IFRS-EU reporting purposes. The figures disclosed in Appendix I were provided by the Group entities and their equity positions are those stated in their accounting records as of the reporting date.

On 6 June 2022, Aedas Homes Opco, S.L.U. acquired 20% of Proyectos Inmobiliarios Algedi Madrid, S.L. by means of the purchase of 600 shares from Proyectos Inmobiliarios Lucida Navarra, S.L.U. for 1,745,094 euros, as set down in the share purchase agreement notarised by Francisco Javier Monedero San Martín (under entry #1,498 of his protocol).

On 23 June 2022, Aedas Homes, S.A., in its capacity as sole shareholder of Aedas Homes Opco, S.L.U., resolved to merge eight subsidiaries of Aedas Homes Opco, S.L.U. (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.), together, the "Transferors", into their parent, Aedas Homes Opco, S.L.U. ("Transferee"). The agreement was notarised on 12 September 2022 by Francisco Javier Monedero San Martín (entry #2,243 of his protocol) and filed with the Madrid Companies Register on 11 November 2022.

The merger by absorption implied: (i) the dissolution and extinguishment of the Transferors; and (ii) the *en bloc* transfer of all the latter companies' assets and liabilities to the Transferee, which has acquired all of their rights and obligations by universal succession, with effect for tax and accounting purposes from 1 April 2022.

Note that the above transaction is covered by the special tax neutrality regime for mergers, divisions, transfers of assets, exchanges of shares and changes of the registered address of a European company or a European cooperative society from one European Union member state to another provided for in Title VII of Chapter VII of Spain's Corporate Income Tax Act (Legislative-Royal Decree 27/2014, of November 27, 2014).

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

a) *Basis of presentation*

The interim condensed consolidated financial statements of the Group comprising Aedas Homes S.A. and its subsidiaries for the six months ended 30 September 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 Group has drawn up the accompanying interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34. The related disclosures accordingly do not include all of the information and disclosures required when preparing annual consolidated financial statements under IFRS-EU. As a result, these interim condensed consolidated financial statements should be read together with the annual consolidated financial statements for the year ended 31 March 2023.

The accounting standards used to prepare the accompanying interim condensed consolidated financial statements are the same as those used to prepare the Group's annual consolidated financial statements for the year ended 31 March 2023.

However, given that the accounting principles and measurement criteria used to prepare the Group's interim condensed consolidated financial statements for the six months ended 30 September 2023 may differ from those used by some of the entities comprising the Group, during the consolidation process, the Group made the adjustments and reclassifications needed to ensure uniform principles and criteria and to align them with the International Financial Reporting Standards adopted by the European Union.

The Group uses certain alternative performance measures (APMs) that are not defined in IFRS as those additional measures contain essential information for assessing the Group's performance.

In the consolidated statement of profit or loss, the APMs used are GROSS MARGIN, NET MARGIN and EBITDA, and they are defined as follows:

- GROSS MARGIN: the difference between revenue from the sale of developments and provision of services and the cost of goods sold and services rendered. The percentage GROSS MARGIN is calculated by dividing the absolute GROSS MARGIN by revenue from sales and services.
- NET MARGIN: the difference between the GROSS MARGIN and other costs, namely: marketing, sales, other direct development costs and taxes related with developments. The percentage NET MARGIN is calculated by dividing the absolute NET MARGIN by revenue from sales and services.

- EBITDA: the difference between the NET MARGIN and other expenses/income, namely: general expenses, other operating income and other operating expenses. The percentage EBITDA margin is calculated by dividing EBITDA by revenue from sales and services.

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

b) *Functional and presentation currency*

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

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

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

The Group's interim condensed consolidated financial statements for the six months ended 30 September 2023 make occasional use of estimates made by the executives of the Group and of its consolidated companies, later ratified by their respective directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations recognised therein. Essentially, those estimates refer to:

The estimation of the net realisable value of the Group's inventories: at each year-end, the Group measures the realisable value of its inventories, understood as their estimated sale price less all of the estimated costs necessary to complete their construction. Their fair value is determined on the basis of appraisals performed by independent experts. Savills Aguirre Newman Valoraciones y Tasaciones, S.A. appraised the Group's asset portfolio as at 31 March 2023 (without considering prepayments to suppliers). The assets were appraised using the 'market value' assumption, in keeping with the Valuation - Professional Standards and Guidance notes published by Great Britain's Royal Institution of Chartered Surveyors (RICS) (note 3).

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

Although these estimates were made on the basis of the best information available at 30 September 2023, considering the above observations, regarding the facts analysed, future events could make it necessary to revise these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with IAS 8, recognising the effects of the change in estimates in the related consolidated statement of profit or loss.

d) *Principles of consolidation*

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

The universe of companies included in the consolidation scope in the reporting periods ended 30 September 2023 and 31 March 2023 is itemised 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. Non-controlling interests in:

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

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

   The income and expenses of subsidiaries acquired or disposed of during the period are included in the interim condensed consolidated statement of profit or loss 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

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

The Parent has notified all the companies in which it has ownership interests of 10% or more, directly or indirectly through subsidiaries, of this fact, in keeping with article 155 of Spain's Corporate Enterprises Act.

Reporting date uniformity adjustments

All of the Group companies share the same reporting date, i.e., 31 March, except for 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 reporting date is 31 December.

The consolidation of the financial statements of the companies whose reporting date is different from that of the Group is done by making uniformity adjustments to include transactions related to the same date and periods as the consolidated financial statements since, under IFRS 10, the Group is not obliged to issue interim financial statements for those investees as of the same date and periods as the difference between those companies' and the Group's reporting dates is not more than three months. There were no significant transactions or events at those companies between the two reporting dates.

e) Goodwill

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

f) Comparative information

The information contained in these interim condensed consolidated financial statements for the six months ended 30 September 2023 is presented, for comparative purposes, alongside the information as at 31 March 2023 for each heading of the consolidated balance sheet and alongside the figures for the six months ended 30 September 2022 for each heading of the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows.

The reader should note that the structure of the consolidated statement of profit or loss for the six months ended 30 September 2023 has changed from that corresponding to the six months ended 30 September 2022:

- The costs related with the long-term incentive plans (LTIP) are now disclosed as a separate line item. To make a like-for-like comparison, note that the cost of the LTIP in the six months ended 30 September 2023 was 1,853,963 euros; that amount was included within “General expenses”.

In making a comparison the reader should note the changes in the Group’s financial structure disclosed in note 1 above.

3. Inventories

The breakdown of the Group’s inventories at 30 September 2023 and 31 March 2023 is as follows:

	Euros	
	30 Sept. 2023	**31 Mar. 2023**
Land and sites	568,827,261	566,765,626
Developments in progress (*)	1,108,256,671	794,244,978
Completed buildings	156,842,588	226,014,965
Prepayments to suppliers	23,807,704	23,645,455
Total	**1,857,734,224**	**1,610,671,024**

(*) At 30 September 2023, "Developments in progress" included the cost of the land on which the developments are being carried out in the amount of 464,923,085 euros (373,733,749 euros at 31 March 2023).

An analysis of the movement under inventories in the six months ended 30 September 2023:

Euros	31 Mar. 2023	Prepayments	Land purchases	Cost of sales	Amounts derecognised	Capitalised borrowing costs	30 Sept. 2023
Inventories	1,610,671,024	162,249	63,331,229	347,705,958	(173,827,894)	9,691,659	**1,857,734,225**

The Group purchased 63,331,229 euros of land during the six months ended 30 September 2023, of which 48,710,945 euros corresponded to purchases committed to in previous reporting periods, with the remaining 14,620,284 euros related to new acquisitions.

Deferred payments on land recognised on the consolidated balance sheet at 30 September 2023 amounted to 41,022,690 euros, of which 9,135,655 euros corresponds to land newly acquired during the six months ended 30 September 2023. The current balance of deferred land payments is 28,598,137 euros, with the remaining 12,424,552 euros due more than 12 months from the reporting date.

At 30 September 2023, the Group held options for the acquisition of land in the amount of 40,069,210 euros, of which it had paid 10,694,998 euros by way of down payments and deposits, which are recognised within current assets on the balance sheet. In addition, at 30 September 2023, the Group recognised prepayments to land suppliers in the amount of 24,476,895 euros, of which 18,861,897 euros relates to Chamartín Norte.

The Group was not contractually committed to any land sales at 30 September 2023.

The net cash outflow attributable to the purchase and sale of land in the six months ended 30 September 2023 amounted to 93,045,542 euros, broken down as follows:

Land purchases committed to during the previous reporting period	(48,710,945)
Land purchases derived from to new acquisitions	(14,620,284)
Deferred payments for land purchased during the period	9,135,655
Prepayments to suppliers and deposits for call options arranged in prior reporting periods	(1,167,935)
Deferred payments for land purchased in prior reporting periods	(31,887,035)
Prepayments to suppliers and call options arranged during the reporting period	(5,794,998)
Payments made during the six months ended 30 September 2023 for the purchase of land	**(93,045,542)**
Land sold during the period	-
Deferred payments for land sold during the period	.
Deferred payments received for land sold in previous reporting periods	-
Payments received during the six months ended 30 September 2023 from the sale of land	**-**
Change in working capital attributable to land purchases/sales during the six months ended 30 September 2023	**(90,045,542)**

The Group capitalised 9,691,659 euros of borrowing costs within inventories during the six months ended 30 September 2023.

During the reporting period, the Group derecognised inventories carried at 173,827,894 euros as a result of the delivery of finished homes for 228,591,234 euros, so generating a gross margin of 23.9%.

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

Regional Branch	Euros	
	30 Sept. 2023	**31 Mar. 2023**
Madrid	511,220,172	453,548,071
North	85,150,244	119,736,158
Catalonia & Aragon	284,357,676	261,832,423
Costa del Sol	280,681,323	229,911,255
Rest of Andalusia & Canaries	332,477,398	246,282,322
East & Mallorca	340,039,707	275,715,340
Total	**1,833,926,520**	**1,587,025,569**

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

The Parent's directors have decided to have the Group's property portfolio appraised by an external expert as at 31 March each year, which is the end of its reporting period, based on its belief that the risk of additional impairment losses in the interim is not significant in view of the scant volatility in prior assessments and prevailing residential sector trends. Savills Aguirre Newman Valoraciones y Tasaciones, S.A. appraised the Group's asset portfolio as at 31 March 2023, setting down its findings in a report issued on 10 May 2023.

At 30 September 2023, the net realisation value of the Group's inventories amounted to 2.29 billion euros. That value was arrived at on the basis of the net realisation value as at 31 March 2023 (2.09 billion euros), adjusted for (i) the inventories whose purchase closed during the six months elapsing between 1 April and 30 September 2023; (ii) the movement in developments under construction during the same period (without considering prepayments to suppliers), and (iii) the net realisation value at 31 March 2023 of homes delivered during the reporting period. On that basis, the Group did not have to recognise any new inventory impairment losses in these condensed interim consolidated financial statements for the six months ended 2023 (it recognised 6,948,035 euros of inventory impairment losses as at 31 March 2023). Unrecognised unrealised gains amounted to 439 million euros at 31 September 2023 (492 million euros at 31 March 2023).

At 30 September 2023, there were assets recognised under "Inventories" with a gross cost of 912 million euros (726 million euros at 31 March 2023) that guarantee developer loans arranged by the Group (note 5).

At 30 September 2023, the Group had recognised current provisions totalling 13,930,170 euros, of which 13,306,353.14 euros corresponded to provisions for the completion of works and 623,817 euros corresponded to provisions for lawsuits (21,407,715 euros at 31 March 2023, of which 20,783,898 euros related to the provision for works completion and 623,817 euros to coverage of lawsuits).

4. <u>Capital and reserves</u>

a) Share capital

At 30 September 2023, the Parent Company's share capital consisted of 43,700,000 shares with a unit par value of 1 euro, fully subscribed and paid in.

The Parent officially registered the reduction of its share capital by 3,106,537 euros on 25 September 2023, cancelling 3,106,537 own shares (unit par value: 1 euro), which represented approximately 6.637% of its share capital at the time; that transaction was ratified at the Annual General Meeting held on 20 July 2023.

None of the Company's shares was pledged at 30 September 2023.

Based on the disclosures made to the Spanish securities market regulator by each of the Parent's significant shareholders (those with a shareholding of more than 3%), the list of those significant shareholders and their ownership interest as at 30 September 2023 was as follows:

		% voting rights attributed to the shares		% voting rights held via financial instruments	
	% of total	Direct	Indirect	Direct	Indirect
HIPOTECA 43 LUX S.A.R.L.	79.02%	79.02%	-	-	-
O'NEILL, RORY JOSEPH	79.02%	-	79.02%	-	-
T. ROWE PRICE ASSOCIATES, INC.	5.41%	-	5.41%	-	-

b) Share premium

The share premium account amounted to 421,568,843 euros at 30 September 2023.

As a result of the cancellation of own shares on 25 September 2023 (note 4.a)), the Group recognised a reduction in the share premium account of 56,965,659 euros, which is equivalent to the difference between the par value of the shares cancelled and their average acquisition price.

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 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.

Parent company reserves

At 30 September 2023 and 31 March 2023, the Parent’s legal reserve amounted to 9,593,317 euros, which is more than the legally-stipulated minimum threshold following the capital reduction outlined in note 4.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 in the six months ended 30 September 2023 was shaped by the purchase and sale of own shares (refer to section f) below) in the amount of 22,998 euros and also the 283,716-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 j) below.

The movement under this heading in the year ended 31 March 2023 was shaped primarily by the purchase and sale of own shares (refer to section f) below) in the amount of 52,180 euros (increase) and also the 65,685-euro-impact (decrease) on reserves of the delivery of Parent company shares to AEDAS employees, framed by the commitments assumed in the incentive plans described in section j) below.

Reserves at fully-consolidated companies

The movement under this heading during the six months ended 30 September 2023 related primarily to the appropriation of the earnings of the consolidated investees for the year ended 31 March 2023.

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

e) Capitalisation reserve

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

At 30 September 2023, the AEDAS Homes Group had set aside a capitalisation reserve of 5,385,232 euros, of which 893,761 euros was allocated by the Parent and 4,491,471 euros, by AEDAS HOMES OPCO, S.L.U. (31 March 2023: 4,597,296 euros, 893,761 euros set up by the Parent and the remaining 3,703,535 euros, by Aedas Homes Opco, S.L.U.).

f) Own shares

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

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

On 12 July 2022, the Company decided to renew the buyback programme, lowering the limit from 150 to 50 million euros. The new buyback programme got underway on 27 September 2022, following completion of the previously effective programme.

Since 8 August 2019, the Company has bought back 4,032,311 shares representing 8.62% of its capital at an average price of 20.17 euros per share (i.e., for 81,336,223 euros in total), 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 (i.e., for 3,019,989 euros); 1,739,112 shares (3.72%) were bought back under the Repurchase Programme at an average price of 20.77 euros per share (i.e., for 36,126,150 euros); and 2,144,475 shares (4.58%) were bought back via block trades at an average price of 19.67 euros per share (i.e., for 42,190,083 euros).

In June 2021, the Parent delivered 30,090 own shares to its employees as part of the commitments assumed under the first cycle of the first long-term incentive plan (LTIP) described in note 4 j). Those shares were acquired for 593,134 euros.

On 27 July 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 4a) and 4b)).

In July and August 2023, the Parent delivered 52,631 own shares to its employees as part of the commitments assumed under the second cycle of the first LTIP and the New Incentive, implying a decrease in “Other equity instruments” of 1,991,083.71 euros (note 4 f)).

On 25 September 2023, the Parent formally reduced its share capital by 3,106,537 euros by cancelling 3,106,537 own shares (unit par value: 1 euro), which represented approximately 6.636% of its share capital at the time.

In June 2022, the Parent delivered 86,933 own shares to its employees as part of the commitments assumed under the second cycle of the first LTIP and New Incentive described in note 4 j). Those shares were acquired for 1,785,988 euros.

At 30 September 2023, the Company’s own share account (acquired under the Discretionary Programme, the Repurchase Programme and block trades) amounted to 7,712,283 euros, corresponding to 456,022 shares representing 1.04% of share capital; the average purchase price was 16.91 euros (31 March 2023: 63,922,166 euros; 3,305,632 shares; 7.06% and 19.34 euros, respectively).

h) Owner contributions

The Company did not receive any new owner contributions during the six months ended 30 September 2023 or the year ended 31 March 2023.

At 30 September 2023, total contributions by the Parent's Majority Shareholder amounted to 740,071,256 euros (same balance at 31 March 2023).

i) Dividend distribution

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.

At a meeting held on 23 March 2023, the Parent's Board of Directors resolved to pay an interim dividend against profits for the year ended 31 March 2023 of 1 euro per share (before withholding tax), which was paid on all shares carrying dividend rights. That dividend was paid on 31 March 2023 and totalled 43,508,905 euros. In March 2022, it paid a dividend of 36,153,300 euros (0.82 euros per share before withholding tax).

On 20 July 2023, AEDAS HOMES, S.A.'s shareholders resolved, in general meeting, to pay an additional dividend (final dividend) from earnings for the year ended 31 March 2023 of 1.15 euros per share on all shares other than own shares as of the ex-dividend date, as had been proposed by the Board of Directors following a meeting held on 30 May 2023. As a result, assuming that on the date of distributing the proposed dividend the number of own shares of the Parent was the same as at 31 March 2023, i.e., 3,305,632 shares (2,720,335 shares at 31 March 2022), the maximum dividend payable (interim plus final dividend) would have been 93,534,946 euros, so that 2,630,701 euros was allocated to retained earnings. The final dividend of 1.15 per share was paid on all shares carrying dividend rights on 1 August 2023; the payout (before withholding tax) totalled 49,923,673 euros (59,157,647 euros in July 2022); the retained earnings balance was accordingly increased by 2,766,695 euros.

The Board of Directors, at a meeting held on 21 July 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, there were no limits on the distribution of dividends other than those contemplated in company law and the Green Bond debenture (note 5) as at 30 September 2023 or 31 March 2023.

j) Other equity instruments

On 26 September 2017, the Parent's Majority Shareholder approved a long-term incentive plan (the first LTIP) payable entirely in shares for the CEO, the Company's executives and certain key employees, structured into three overlapping three-year periods or cycles (the first cycle was settled in June 2021; the second cycle was settled in June 2022 and the third cycle runs from 1 April 2020 until 31 March 2023). The metrics to be used to measure delivery of the targets for the third cycle are, in equal parts: (i) EBITDA; (ii) the 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 is determined by the price of the shares in each three-year cycle (the average trading price during the 20 trading sessions prior to the start of the cycle in the case of the third cycle) and the level of target delivery. All of the shares received by the CEO and 50% of those received by key management personnel will be subject to a one-year lock-up from when they are received. In the case of the CEO and members of the Management Committee, this bonus is subject to clawback under certain circumstances. The cost of the LTIP is borne by the Group. The maximum aggregate amount receivable by its beneficiaries is 6,107,201 euros (which is below the initially contemplated 11 million euros, as target delivery fell short of 150% in the first and second cycles, already paid). The LTIP was endorsed by the Parent's Appointments and Remuneration Committee on 27 February 2018. On 28 June 2020, the Parent's Board of Directors approved a new share-based scheme (the New Incentive). Its beneficiaries are again the CEO, the Company's key management personnel and certain key employees and it is subject to delivery of the same targets as were set for the second cycle of the LTIP. In the case of the CEO and members of the Management Committee, this bonus is subject to clawback under certain circumstances. The New Incentive was paid out in June 2022 in the amount of 1,198,658 euros. On 18 October 2022, the Parent's Board of Directors approved a new share-based scheme (the New Incentive) tied to the LTIP third cycle metrics. Its beneficiaries are again the CEO, the Company's key management personnel and certain key employees and it is subject to delivery of the same targets as were set for the third cycle of the LTIP. In the case of the CEO and members of the Management Committee, this bonus is subject to clawback under certain circumstances. At the close of the financial year ended 31 March 2023, the Parent calculated the level of delivery of the metrics associated with the third cycle of the first LTIP.

In June 2022, the Parent delivered 86,933 own shares to its employees as part of the commitments assumed under the second cycle of the first LTIP and the New Incentive, implying a decrease in "Other equity instruments" of 3,153,103 euros (note 4 f)).

In July and August 2023, the Parent delivered 52,631 own shares to its employees as part of the commitments assumed under the second cycle of the first LTIP and the New Incentive, implying a decrease in "Other equity instruments" of 1,991,083 euros (note 4 f)).

On 23 November 2021, the Parent's Board of Directors approved a second LTIP payable entirely in shares for the CEO, the Company's key management personnel and certain key employees, structured into three overlapping three-year periods or cycles (from 1 April 2021 to 31 March 2024; from 1 April 2022 to 31 March 2025; and from 1 April 2023 until 31 March 2026). The metrics to be used to measure delivery of the targets for the first cycle are: 30% EBITDA; 30% the net development margin; 20% the absolute shareholder return; 10% the relative shareholder return (5% the sector index and 5% the IBEX small cap index); and 10% a sustainability indicator. For each there are minimum thresholds below which the bonuses do not accrue; there is also scope for outperformance. The number of units to be received by each participant will be determined by the price of the shares in each three-year cycle (the average trading price during the 20 trading sessions prior to the start of the cycle) and the level of target delivery. The total number of shares to be received by the CEO and the Company's key management personnel cannot be sold for two years from receipt and 50% of the remaining beneficiaries' shares will be likewise locked up for two years from receipt. In the case of the CEO and members of the Management Committee, this bonus is subject to clawback under certain circumstances. The cost of this incentive plan will be assumed by the Group. The maximum amount receivable by the plan beneficiaries is 30 million euros. The LTIP was endorsed by the Parent's Appointments and Remuneration Committee on 23 November 2021.

On 25 September 2023, the Parent formally reduced its share capital by 3,106,537 euros by cancelling 3,106,537 own shares (unit par value: 1 euro), which represented approximately 6.636% of its share capital at the time.

At 30 September 2023, the Company's own share account (acquired under the Discretionary Programme, the Repurchase Programme and block trades) amounted to 7,712,283 euros, corresponding to 456,022 shares representing 0.85% of share capital; the average purchase price was 16.91 euros (31 March 2023: 63,922,166 euros; 3,305,632 shares; 7.06% and 19.34 euros, respectively).

k) *Non-controlling interests*

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

The reconciliation, by subsidiary, of the opening and closing balances of non-controlling interests during the six months ended 30 September 2023:

	Ownership interest attributable to the Parent	Euros			
		31 Mar. 2023	Profit/(loss) attributable to NCI	Other changes	30 Sept. 2023
SPV SPAIN 2, S.L.	87.5%	77,164	1,227	-	78,391
DOMUS AVENIDA, S.L.	52%	464,775	2,634	(2,310)	465,099
Total		**541,939**	**3,861**	(2,310)	**543,490**

No dividend payments were agreed between 1 April 2023 and 30 September 2023.

The reconciliation, by subsidiary, of the opening and closing balances of non-controlling interests during the year ended 31 March 2023:

	Ownership interest attributable to the Parent	Euros			
		31 Mar. 2022	Profit/(loss) attributable to NCI	Other changes	31 Mar. 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 30 June 2022, SPV Spain 2, S.L.'s shareholders agreed, in general meeting, to pay out 600,000 euros of dividends against profit for the year ended 31 March 2023. That dividend was paid on 29 July 2022, with the non-controlling interests receiving 75,000 euros.

5. **<u>Borrowings and other financial liabilities</u>**

The Group had the following borrowings at 30 September 2023:

	Euros				
	31 March 2023				
	Limit	Current liabilities		Non-current	Total
		Due in the long term	Due in the short term	liabilities	
Land financing	785.868.977	207.755.482	1.082.107	-	208.837.589
Corporate debt	1.223.878	-	1.223.878	-	1.223.878
BTR development financing (**)	112.152.000	22.408.512	-	-	22.408.512
Total development financing	**899.244.855**	**230.163.994**	**2.305.985**	_	**232.469.979**
Green bond issue	325.000.000	-	**-**	319.825.522	319.825.522
Revolving credit facility	55.000.000	-	15.000.000	-	15.000.000
Commercial paper (*)	250.000.000	-	54.867.434	-	54.867.434
Overdraft credit facility	10.000.000	-	-	-	-
Developer loans	30.400.000	10.387.000	19.900.000	-	30.287.000
Lease liabilities (*)	-	-	2.520.019	918.257	3.438.276
Total corporate debt	**670.400.000**	**10.387.000**	**92.287.453**	**320.743.779**	**423.418.232**
Interest on development financing	-	-	1.607.519	-	1.607.519
Interest on corporate debt	-	-	4.911.110	-	4.911.110
Other liabilities	-	-	(94.895)	104.060	9.165
Total other liabilities	-	-	**6.423.734**	**104.060**	**6.527.794**
Total borrowings and other liabilities	**1.569.644.855**	**240.550.994**	**101.017.172**	**320.847.839**	**662.416.005**

(*) Unsecured debt *(**) Mortgage loans*

The Group had the following borrowings at 31 March 2023:

	Euros				
	31 March 2023				
	Limit	Current liabilities		Non-current	Total
		Due in the long term	Due in the short term	liabilities	
Developer loans	567,609,370	122,487,749	3,202,989	-	125,690,738
Land financing	4,657,858	1,381,084	3,208,207	-	4,589,291
BTR development financing (**)	112,152,000	1,692,883	-	-	1,692,883
Total development financing	**678,419,228**	**125,561,716**	**6,411,196**	**-**	**131,972,912**
Green bond issue	325,000,000	-	-	318,994,440	318,994,440
Revolving credit facility	55,000,000	-	-	-	-
Commercial paper (*)	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 development financing	-	-	1,111,694	-	1,111,694
Interest on corporate debt	-	-	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	**1,208,419,228**	**125,561,716**	**57,829,696**	**321,759,646**	**505,151,058**

(*) Unsecured debt   (**) Mortgage loans

At 30 September 2023, non-current debt accounted for 84.75% of the total (88.63% at 31 March 2023).

Developer loans

At 30 September 2023, the AEDAS Group had arranged mortgages in an aggregate amount of 785,868,977 euros in order to finance 97 developments (31 March 2023: 561,609,370 euros financing 88 developments). The balance recognised at 30 September 2023 using the amortised cost method was 208,837,589 euros (31 March 2023: 125,690,738 euros). The mortgages carry interest at Euribor plus spreads ranging between 199 and 300 basis points.

The Group has arranged developer loans totalling 786 million euros, which it has drawn down by 209 million euros (26.59% of the total available); it has also drawn down 129 million euros which are secured by the buyers' account, leaving 448 million euros available for drawdown.

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 30 September 2023, the progress made on the Group's developments qualified it to draw down an additional 49.6 million euros corresponding to supplier invoices authorised and not drawn as they are not yet due.

Land financing

At 30 September 2023, the Group recognised a mortgage to fund the acquisition of land with a face value of 1,223,878 euros; that mortgage accrues interest at 12-month Euribor plus a spread of 250 basis points.

Corporate debt

At 30 September 2023, the Group recognised two corporate loans that fund the recovery of land costs with a total face value of 30,400,000 euros; they accrue interest at 3-month Euribor plus a spread of between 200 and 300 basis points. These loans are not secured. The balance recognised at 30 September 2023 using the amortised cost method was 30,287,000 euros.

Build-to-rent (BTR) development financing

On 22 July 2021, Group subsidiary Aedas Homes Rental, S.L.U. (formerly, Facornata Servicios y Gestiones, S.L.U.) closed a financing agreement with investment firm Iberia Private Real Assets Credit, SCSp in the amount of 112,152,000 euros in order to partially finance the construction cost 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).

At 30 September 2023, five of the financed developments were finished and had been delivered so that the effective limit is 67,321,503 euros. Those conditions had been met at 30 September 2023 and the facility was drawn down by a nominal amount of 22,726,346 euros.. The balance recognised at 30 September 2023 using the amortised cost method was 22,408,512 euros.

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.

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.):

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 30 September 2023.

Loans classified as current liabilities that fall due in the long term

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

Maturity	**Euros**	
	Current	
	30 Sept. 2023	31 Mar. 2023
H2 2023/24	3,342,117	
FY 2024/25	12,968,992	8,341,707
FY 2025/26	47,220,891	7,553,005
FY 2026/27	14,760,394	4,208,519
FY 2027/28	7,623,262	3,318,403
FY 2028/29 and beyond	154,635,338	102,140,082
	240,550,994	**125,561,716**

Green bonds

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

The bonds carry a coupon of 4%, payable six-monthly.

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 will be used by the subsidiary for general corporate purposes, including to repay existing corporate borrowings, bolster liquidity and pay the fees and charges related with the issue. That subsidiary has committed to use 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 matures on 21 May 2026. That facility accrues 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 30 September 2023, the facility was drawn down by a nominal amount of 15,000,000 euros.

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. Compliance with those covenants at 30 September 2023 was as follows:

	30 Sept. 2023	**31 Mar. 2023**
Pari Passu Senior Secured Loan to Value Ratio	11.8%	12.10%
Net Total Loan to Value Ratio	25.8%	15.10%
Net Secured Total Loan to Value Ratio	21.2%	12.10%
Fixed Charge Coverage Ratio	6.5%	6.9%

Commercial paper

On 27 June 2023, the Parent arranged a new AEDAS HOMES 2023 Commercial Paper Program on Spain's alternative fixed income market (MARF for its acronym in Spanish), substituting the commercial paper programme arranged on 23 June 2022. Under the new programme, it can issue up to 150,000,000 euros of commercial paper with terms of up to 24 months. The aim is to diversify the Group's sources of financing.

The Parent issued a total of 107.6 million euros of commercial paper under the programme during the six months ended 30 September 2023 and it repaid 96.8 million euros of commercial paper at maturity, leaving an outstanding balance of 55.4 million euros due on several dates between the reporting date and June 2024. The effective annual cost of the commercial paper issues is 5.25%.

On 7 August 2023, the Parent registered another new commercial paper programme with AIAF, another Spanish alternative fixed income market, under which it can issue up to 100,000,000 euros of paper with terms of between three and 364 calendar days, similarly in order to diversify the Group's sources of financing.

The Parent had not issued any commercial paper under that programme as at 30 September 2023.

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. The commercial paper issued by the Group was carried, using the effective interest rate method, at 54,867,434 euros at 30 September 2023.

Overdraft credit facility

On 10 August 2023, Group company AEDAS HOMES OPCO, S.L.U. arranged an overdraft credit facility with SOCIÉTÉ GÉNÉRALE, SUCURSAL EN ESPAÑA for up to 10 million euros, due 10 August 2024.

That overdraft accrues a variable rate of interest on the amount drawn of Euribor plus a spread of 2.7%, subject to a floor of 0% if Euribor is negative. The facility additionally accrues an annual commitment fee of 0.10% of the average undrawn balance.

Lastly, the facility comes with an arrangement fee of 0.20% calculated over the overdraft limit which is paid for once, upfront.

At 30 September 2023, the overdraft facility was fully undrawn.

Changes in liabilities arising from financing activities

Below is an account of the changes in liabilities resulting from the Group's financing activities during the six months ended 30 September 2023, distinguishing between those that gave rise to inflows and outflows of cash and those that did not:

	Non-current bank borrowings	Non-current commercial paper and bonds	Other non-current liabilities	Current bank borrowings	Current commercial paper and bonds	Other current liabilities	TOTAL
Balance at 1 April 2023	**-**	**318,994,440**	**2,765,206**	**133,084,607**	**49,279,073**	**1,027,733**	**505,151,059**
Changes derived from financing cash flows (1)	-	-	-	173,619,877	10,499,468	-	184,119,345
Changes arising from obtaining or losing control of subsidiaries or other businesses	-	-	-	-	-	-	-
Assumption of developer loans	-	-	-	(27,835,810)	-	-	(27,835,810)
Interest accrued without an impact on financing cash flows	-	831,082	-	495,825	2	-	1,326,909
Amounts transferred to 'current' without an impact on financing cash flows	-	-	-	-	-	-	-
Other changes	-	-	(300)	-	-	642,052	623,752
Fixed asset suppliers Lease agreements	-	-	(1,742,589)	-	-	773,338	(969,251)
Balance at 30 September 2022	**-**	**319,825,522**	**1,022,317**	**279,364,499**	**59,778,544**	**2,425,124**	**662,416,004**

(1) *During the six months ended 30 September 2023, the net cash inflow via bank borrowings derived from: net new developer loans of 173,619,877 euros (drawdowns of 266,000,353 euros, offset by repayments on delivery of housing units of 92,380,476 euros); and the drawdown of 65,400,000 euros of corporate debt, offset by the repayment of 20,000,000 euros of corporate debt.*
During the six months ended 30 September 2022, the net cash inflow related with bank borrowings amounted to 129,128,560 euros, made up of developer loan drawdowns of 151,713,402 euros, offset by developer loan repayments on delivery of housing units of 47,584,842 euros, the drawdown of 35,000,000 euros of corporate debt and the repayment of 10,000,000 euros of corporate debt.

6. Taxes payable and receivable and tax matters

a) Applicable legislation and years open to inspection

In accordance with prevailing tax legislation, tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period has elapsed. At 30 September 2023, the Parent and other Group companies had all their tax returns open to inspection for all required years.

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

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

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

	Euros	
	Six months ended 30 Sept. 2023	Six months ended 30 Sept. 2022
Profit before tax	4,936,498	9,564,916
Consolidation adjustments	1,224,117	(537,425)
Permanent differences	(680,847)	231,876
Temporary differences	(261,803)	(4,091,723)
50% cap on offsetting tax group tax losses (Law 38/2022)	8,204,075	-
Taxable income/(tax loss) before utilisation of tax losses/credits	**13,422,040**	**5,167,644**
Reduction of taxable income for tax losses		(684,966)
Taxable income/(tax loss)	**13,422,040**	**4,482,678**
Tax rate	25%	25%
Tax accrued	(3,355,510)	(1,120,670)
Utilisation of recognised tax losses from prior years	-	(170,326)
Recognition/(utilisation) of deductible temporary differences - current year	(61,930)	(1,022,931)
Adjustment for prior-year corporate income tax	-	-
Other adjustments	-	4,445
Tax credits generated during the reporting period not recognised	2,051,019	-
Current income tax income/(expense)	(3,355,510)	**(1,121,585)**
Deferred income tax income/(expense)	**1,989,089**	**(1,187,896)**

c) Deferred tax

The breakdown of the tax credits recognised by the various Group companies at 30 September 2023 and 31 March 2023:

	Euros	
	30 Sept. 2023	31 Mar. 2023
AEDAS HOMES S.A.	2,201,920	2,085,859
Other Group companies	5,901,961	3,218,933
TOTAL	**7,293,881**	**5,304,792**

The reconciliation of the movement in deferred tax assets and liabilities during the six months ended 30 September 2023 is shown below:

	Euros			
	1 April 2023	Changes recognised in		30 Sept. 2023
	Opening balance	Statement of profit or loss	Equity	Closing balance
Deferred tax assets	-	-	-	**-**
Unused tax losses	401,568	2,051,019	-	2,452,587
Deductible temporary differences	4,903,224	(61,930)	-	4,841,294
Total deferred tax assets	**5,304,792**	**1,989,089**	**-**	**7,293,881**
Deferred tax liabilities	-	-	-	**-**
Taxable temporary differences	-	-	-	**-**
Total deferred tax liabilities	(260,416)	**-**	**-**	**(260,416)**
Total net deferred tax assets	**5,044,376**	**1,989,089**	**-**	**7,033,465**

The change in deferred tax assets and liabilities in the six months ended 30 September 2023 relates mainly to the temporary measure introduced via final provision 5 of Spanish Law 38/2022 (27 December

2022) establishing temporary levies on the energy and banking sectors and creating the temporary solidarity tax on large fortunes, also modifying certain tax rules. One of those modifications is a temporary measure affecting the calculation of taxable income under the tax consolidation regime with effect in tax periods beginning in 2023, whereby the taxable income of the tax group is calculated as stipulated in article 62 of Spain's corporate income tax act except that, in relation to the aggregation of individual company tax bases, that figure will comprise the sum of taxable profits but just 50% of the tax losses of the individual companies making up the tax group. In future years, the amount of individual tax losses not added to the taxable income of the tax group as a result of application of the above modification will be added to taxable income in equal amounts in each of the 10 tax years beginning from 1 January 2024, even in the event that any of the tax group members with individual tax losses are removed from the group. The tax asset recognised due to individual tax losses not added in to the calculation of the tax group's taxable income in 2023 amounts to 2,051,019 euros. Application of taxable and deductible temporary differences amounted to a negative 61,930 euros and stemmed from differences between the carrying amount and tax bases of certain assets and the provisions for the Parent's two LTIPs.

On 27 December 2017, the Board of Directors resolved to avail of the consolidated tax regime (contemplated in article 55 *et seq.* of the Spanish Corporate Income Tax - Law 27/2014) in 2018 and thereafter, Aedas Homes, S.A. being the parent of the tax group.

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

- The projections drawn up by the Group for FY 2021/22 to FY 2025-26.
- The appraisal of its inventories, which indicates a gross asset value (GAV) of 2,288 million euros, implying unrealised capital gains of 492 million euros (note 3).

On the basis of the foregoing, the Parent's directors expected that it will be able to utilise all of the tax assets recognised in respect of unused tax credits in 2023.

7. **Related-party transactions**

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

The main transactions completed with related parties in the six-month period ended 30 September 2023:

- Shareholder contributions and loans extended to associates.
- Contracts entered into with associates: provision of management, monitoring and sale-marketing services.
- On 5 May 2023, Winslaro ITG, S.L. made two separate payments of 166,591 euros to Aedas Homes Opco, S.L. in order to cancel its debt under the invoice for management fees corresponding to annex 2.1.1. of the contract between the two parties.
- On 5 April 2023, Espacio Aurea Residencial, S.L. paid 446,934 euros to Aedas Homes Servicios Inmobiliarios, S.L. in order to cancel a loan of 400,000 euros and settle the interest accrued on that loan in the amount of 46,934 euros.

The main transactions completed with related parties in the six-month period ended 30 September 2022:

- Shareholder contributions and loans extended to associates.
- Contracts entered into with minority shareholders: sales agreements.
- Contracts entered into with associates: provision of management, monitoring and sale-marketing services.

The table below discloses the transactions completed with related parties during the six months ended 30 September 2023 and the resulting related-party balances at 30 September 2023:

Six months ended 30 September 2023	Euros			
	Income		Expenses	
	Revenue from services rendered	Finance income	Sales-marketing	Finance costs
Winslaro ITG, S.L.	137,679	237,147	-	-
Serv. Inmobiliarios Licancabur, S.L.	50,000	-	-	-
Urbania Lamatra II, S.L.	-	-	-	-
Espacio Aurea Residencial, S.L.	183,788	-	-	-
Residencial Henao, S.L.	148,687	-	-	-
Nature Este, S.L.	19,342	-	-	-
Varia ACR Móstoles Fuensanta, S.L.	-	-	-	-
Áurea Etxabakoitz, S.L.	-	-	-	-
Allegra Nature, S.L.	-	-	-	-
Non-controlling interests	-	-	-	-
	539,496	**237,147**	**-**	-

Related-party balances at 30 September 2023	Euros			
	Trade and other receivables	Loans	Borrowings from shareholders	Trade and other payables
Winslaro ITG, S.L.	137,679	5,403,543	-	-
Serv. Inmobiliarios Licancabur, S.L.	-	-	-	-
Urbania Lamatra II, S.L.	-	-	-	-
Espacio Aurea Residencial, S.L.	173,759	-	-	-
Residencial Henao, S.L.	86	-	-	-
Nature Este, S.L.	106	-	-	-
Varia ACR Móstoles Fuensanta, S.L.	106	-	-	-
Residencial Ciudadela Uno, S.L.U.	125	-	-	-
Áurea Etxabakoitz, S.L.	134	-	-	-
Allegra Nature, S.L.	(349)	-	-	-
Non-controlling interests	-	-	-	-
	311,646	**5,403,543**	**-**	**-**

The table below discloses the transactions completed with related parties during the six months ended 30 September 2022 and the related-party balances at 31 March 2023:

	Euros			
	Income		Expenses	
Six months ended 30 September 2022	Revenue from services rendered	Finance income	Sales-marketing	Finance costs
Winslaro ITG, S.L.	-	102,141	-	-
Serv. Inmobiliarios Licancabur, S.L.	50,000	101,657	-	-
Urbania Lamatra II, S.L.	42,000	49,011	-	-
Espacio Aurea Residencial, S.L.	5,929	10,522	-	-
Residencial Henao, S.L.	263,357	-	-	-
Nature Este, S.L.	120,309	-	-	-
Varia ACR Móstoles Fuensanta, S.L.	310,379	31,424	-	-
Áurea Etxabakoitz, S.L.	570,720	-	-	-
Allegra Nature, S.L.	182,498	4,506	-	-
Non-controlling interests	-	-	(74,120)	-
	1,545,192	**299,261**	**(74,120)**	-

	Euros			
31 March 2023	Trade and other receivables	Loans	Dividend receivable	Trade and other current accounts payable
Non-controlling interests	-	-	-	-
Winslaro ITG, S.L.	333,182	5,109,751	-	-
Serv. Inmobiliarios Licancabur, S.L.	(10,083)	-	-	-
Urbania Lamatra II, S.L.	-	-	-	-
Espacio Áurea Residencial, 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**	**-**	**-**

8. Revenue

The revenue breakdown for the six-month periods ended 30 September 2023 and 30 September 2022:

	Euros	
	Six months ended 30 September 2023	Six months ended 30 September 2022
By business segment		
Sale of developments	228,321,350	210,560,362
Revenue from the provision of real estate services	1,447,110	3,234,457
Rental income	269,884	677,678
Total	**230,038,344**	**214,472,497**

Revenue from the sale of developments, corresponding to the delivery of houses at 77 residential developments, amounted to 228,321,350 euros in the six months ended 30 September 2023 (210,560,362 euros and 69 developments, respectively, in the six months ended 30 September 2022).

Revenue from the provision of real estate services stemmed from the provision of management and sales-marketing services, management services under *Plan Vive* and land management and monitoring services during the permitting and planning phases of development.

The rental income recognised in the six months ended 30 September 2023 was generated by 40 homes (46 homes in the six months ended 30 September 2022) at developments carried out by the Group that have been rented out with options to buy and, accordingly, have been transferred from inventories to investment properties. The purchase options in those lease agreements can be exercised after between one and four years; the rent paid until the exercise date will be discounted at different percentages depending on the year of exercise. Their amount is not material with respect to total revenue.

All revenue from sales and services was generated in Spain.

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

The members of the Board of Directors at 30 September 2023:

- Santiago Fernández Valbuena
- David Martínez Montero
- Eduardo Edmundo D'Alessandro Cishek
- Milagros Méndez Ureña
- Javier Lapastora Turpin
- Cristina Álvarez Álvarez
- Javier Martínez Piqueras Barceló

Disclosures regarding director conflicts of interest

None of the Parent's serving directors transacted with the Company or any of its Group companies other than in the ordinary course of business or other than on an arm's length basis during the six months ended 30 September 2023.

During that same period, neither those directors nor the persons related to them, as defined in the Corporate Enterprises Act, had any relationships with non-Group companies whose business activities could imply a conflict of interest for them or for the Company; accordingly, none of the reports required in article 229 of the Corporate Enterprises Act were notified to any of the competent bodies during the reporting period, which is why there are no related disclosures in these interim condensed consolidated financial statements.

Director remuneration and other benefits

The members of the Parent's Board of Directors accrued 1,744,743 euros of remuneration during the six months ended 30 September 2023 (1,268,422 euros during the six months ended 30 September 2022).

Key management personnel remuneration and other benefits

The remuneration earned by the Company's key management personnel during the six-month periods ended 30 September 2023 and 30 September 2022:

No. of People	Euros				
	Six months ended 30 September 2023			Prepayments	
30 Sept. 2023	Fixed and variable remuneration	Other remuneration	Total	Number	Amount
7	855,358	913,001	1,768,359	-	-

No. of People	Euros				
	Six months ended 30 September 2022			Prepayments	
30 Sept. 2022	Fixed and variable remuneration	Other remuneration	Total	Number	Amount
6	912,099	549,363	1,461,463	-	-

At 30 September 2023, the Parent had assumed pension obligations to its key management personnel, having had no such obligations in the previous reporting period. Elsewhere, it had not extended its key management personnel any loans or guarantees at 30 September 2023 or 2022 other than as disclosed in note 4j).

Auditor fees

The fees accrued by the Company's auditor, Ernst & Young, S.L., during the interim reporting periods:

	Euros	
	Six months ended 30 September 2023	Six months ended 30 September 2022
Audit and related services		
Audit services	-	-
Other assurance services	25,515	25,515
Total	**25,515**	**25,515**

10. Risk management

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

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

Credit risk

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

No accounts receivable from Group companies, related parties or third parties were past due at 30 September 2023.

Liquidity risk

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

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

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

Developer loans

The Group has arranged developer loans totalling 786 million euros, which it has drawn down by 209 million euros (25.59% of the total available); it has also drawn down 129 million euros which are secured by the buyers' account, leaving 448 million euros available for drawdown.

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 30 September 2023, the progress of the Group's developments qualified it to draw down an additional 49.6 million euros corresponding to supplier invoices already paid and, therefore, tied to delivery of the milestones indicated above.

Customer prepayments

At 30 September 2023, the Group recognised 242 million euros of customer down payments for housing units (pre-sales and private contracts), of which 29 million euros correspond to payment commitments set up as direct debits. Those advances are equivalent to roughly 20% of the sale price of the associated units. Unilateral cancellation by the customer is subject to a penalty of 50% of the down payment made.

Although much of the prepayment balance has been used to build the houses, 60 million euros has been set aside exclusively for execution of the corresponding developments.

This arrangement implies a liquidity risk insofar as contract termination would trigger the requirement to reimburse 50% of the down payments received. In the first half of 2023, contract terminations obliged the Group to refund 121,335 euros (2,556,765 euros at 31 March 2023).

In addition to the above construction-specific financing mechanisms, as outlined in note 5, the Group has a build-to-rent (BTR) development finance facility with a limit of 67 million euros, a revolving credit facility with a limit of 55 million euros and an overdraft credit facility with a limit of 10 million euros, for an aggregate of 132 million euros. At 30 September 2023, the Group had drawn down 23 million euros under the BTR facility and 15 million euros under the revolving credit facility. The overdraft credit facility was fully undrawn.

Elsewhere, the Group has registered a 150-million-euro commercial paper programme with Spain's alternative fixed-income exchange, MARF (note 5). The balance of commercial paper outstanding under that programme stood at 55.4 million euros at the reporting date. The overriding purpose of the programme is to diversify the Group's sources of financing, providing an alternative to bank credit with terms of up to 24 months. It is also making the fixed-income investor community familiar with the Company in preparation for potentially tapping the capital markets for longer-dated paper in the future. Insofar as the commercial paper programme can involve the issuance of debt due within 12 months of the reporting date, the Group analyses it with respect to the sum of (i) developer loans immediately drawable due to invoice milestones; and (ii) unrestricted cash. At 30 September 2023, the commercial paper due within 12 months of the reporting date amounted to million euros (face value), while unrestricted cash stood at 60.1 million euros and the amount available for immediate drawdown under developer loans amounted to 49.6 million euros, for a total of 109.7 million euros, which is 54.3 million euros more than the commercial paper due in the short term.

In addition, on 7 August 2023, the Parent registered another new commercial paper programme with AIAF, another Spanish alternative fixed income market, under which it can issue up to 100 million euros of paper with terms of between three and 364 calendar days, similarly to diversify the Group's sources of financing.
The Parent had not issued any commercial paper under that programme as at 30 September 2023.

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

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

Market risk: interest rate risk

The Group’s cash balances and certain of its borrowings expose it to interest rate risk, which could have an adverse impact on its net finance expense and cash flows. Note, however, that the green bonds carry a fixed coupon and are therefore not exposed to interest rate risk. As a result, 47% of the Group’s total borrowings (considering the amounts drawn) carried fixed interest rates at 30 September 2023, significantly limiting its exposure to variability in benchmark interest rates.

A 100 basis point movement in interest rates would have increased finance costs by 1,330,000 euros in the six months ended 30 September 2023 (and by 709,509 euros in the six months ended 30 September 2022).

11. Information about reportable segments

The criteria used to assess the Group's reportable segments were the same as those described in the annual consolidated financial statements for the year ended 31 March 2023.

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

12. Other relevant information

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

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

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

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

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

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

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

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

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

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

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

13. Events after the reporting period

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

- Between 1 October 2023 and the date of authorising these interim condensed consolidated financial statements for issue, the AEDAS Group has arranged mortgages in an aggregate amount of 25,324,000 euros in order to finance two developments in progress. The mortgages carry interest at Euribor plus spreads ranging between 200 and 250 basis points.

- At the close of trading on 20 November 2023, AEDAS Homes held 491.292 own shares (acquired under the discretionary programme, the Repurchase programme and the block trades), representing 1.12% of its capital; they were bought back at an average price of 16.82 euros per share.

14. Additional note for English translation

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

Appendix I - Subsidiaries included in the scope of consolidation at 30 September 2023

Company	Registered office	Business	Ownership interest		Shareholder	Auditor	Consolidation method
			30 September 2022				
AEDAS HOMES OPCO, S.L.U.	Madrid	Development	100%	Direct	AEDAS HOMES, S.A.	ERNST & YOUNG, S.L.	Full consolidation
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	Madrid	Property services	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation
LIVE VIRTUAL TOURS, S.L.U.	Madrid	Audiovisual distribution	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
AEDAS HOMES CANARIAS, S.L.U. (formerly, 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
SPV SPAIN 2, S.L.	Madrid	Development	87.5%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
AEDAS HOMES RENTAL, S.L.U. (formerly, FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
AEDAS HOMES COLMENAR VIEJO, S.L.U. (formerly, TURNKEY PROJECTS DEVELOPMENT, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
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
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
AEDAS HOMES LIVING, S.L.U. (formerly, PARKER DESARROLLOS INMOBILIARIOS, S.L.U.)	Madrid	Decoration and interior design services	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
DOMUS AVENIDA, S.L.	Madrid	Holdco	52%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Full consolidation
VARIA ACR MÓSTOLES FUENSANTA, S.L.	Madrid	Development	15.6%	Indirect	AEDAS HOMES, S.A. through DOMUS AVENIDA, 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	-	Equity method

					SERVICIOS INMOBILIARIOS, S.L.U.		
RESIDENCIAL HENAO, S.L.	Vizcaya	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

Subsidiaries included in the scope of consolidation at 31 March 2023

Company	Registered office	Business	Ownership interest		Shareholder	Auditor	Consolidation method
			31 March 2023				
AEDAS HOMES OPCO, S.L.U.	Madrid	Development	100%	Direct	AEDAS HOMES, S.A.	ERNST & YOUNG, S.L.	Full consolidation
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	Madrid	Property services	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation
LIVE VIRTUAL TOURS, S.L.U.	Madrid	Audiovisual distribution	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation
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
AEDAS HOMES CANARIAS, S.L.U. (formerly, 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
SPV SPAIN 2, S.L.	Madrid	Development	87.5%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
AEDAS HOMES RENTAL, S.L.U. (formerly, FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
AEDAS HOMES COLMENAR VIEJO, S.L.U. (formerly, TURNKEY PROJECTS DEVELOPMENT, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
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
FALCON DESARROLLOS	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation

INMOBILIARIOS, S.L.U.							
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
AEDAS ESTE, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation
DOMUS AVENIDA, S.L.	Madrid	Holdco	52%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	-	Full consolidation
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 Service, S.L.	Equity method
RESIDENCIAL HENAO, S.L.	Vizcaya	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 30 September 2023 (euros) (*)							
	Capital	Share premium	Reserves	Retained earnings	Profit/(loss) for the period	Other shareholder contributions	(Interim dividend)	Total equity
AEDAS HOMES OPCO, S.L.U.	44,807,030	387,236,299	(307,693,952)	-	(9,134,793)	63,175,332		178,389,916
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.	3,000	-	600	-	1,147,526	4,190,676		5,341,802
LIVE VIRTUAL TOURS, S.L.U.	3,000	-	259	(310,368)	(25,305)	316,005		(16,409)
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	3,010	-	249	(3,357,589)	(478,903)	8,000,000		4,166,767
AEDAS HOMES CANARIAS, S.L.U. (formerly, ESPEBE 18, S.L.U.)	3,000	-	142	(2,433,983)	(2,638,630)	3,840,000		(1,229,471)
SPV SPAIN 2, S.L.	100,000	-	437,522	-	(97,848)	-		439,674
AEDAS HOMES RENTAL, S.L.U. (formerly, FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	4,991,549	42,163,415	1,550,478	-	(1,383,787)	-		47,321,655
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	3,000	-	69,311	(10,322)	10,556	-		72,546
AEDAS HOMES COLMENAR VIEJO, S.L.U. (formerly, TURNKEY PROJECTS DEVELOPMENT, S.L.U.)	3,000	-	182,710	-	2,412,017	1,134,600		3,732,326
WINSLARO ITG, S.L.	3,000	-	(371)	(1,996,991)	(1,144,599)	12,805,371		9,666,410
EGON ASSET DEVELOPMENT, S.L.U.	3,000	-	(1,404)	(85,809)	(4,928)	172,400		83,259
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	3,000	-	(1,575)	-29,008	36,500	(8,533)		384
AEDAS HOMES LIVING, S.L.U. (formerly, PARKER DESARROLLOS INMOBILIARIOS, S.L.U.)	3,000	-	600	-	2,463,816	(42,951)		2,424,465
DOMUS AVENIDA, S.L.	100,500	-	253,450	-	-	(867)		353,084
VARÍA ACR MÓSTOLES FUENSANTA, S.L.	(3,000)	-	(438,472)	-	(671,390)	(15,407)		(1,128,269)
ESPACIO ÁUREA, S.L.	723,000		219,078	(531,094)		2,580,069	(1,940,000)	1,051,052
ALLEGRA NATURE, S.L.	3,000	-	600	(3,706,621)	31,405	-	2,755,000	(916,617)
RESIDENCIAL HENAO, S.L.	42,000	-	-	2,018,199	(24,566)		(2,009,799)	25,834
ÁUREA ETXABAKOITZ, S.L.	40,500	-	-	1,267,454	-2,789	-	(1,200,000)	105,165
RESIDENCIAL CIUDADELA UNO, S.L.	152,118	240,000	12,826	(341,126)		2,042,153	(1,658,534)	447,437
NATURE ESTE, S.L.	386,000	-	-	(244,010)	3,601,166		(2,000,000)	1,743,156

Company	Equity at 31 March 2023 (euros) (*)							
	Capital	Share premium	Reserves	Retained earnings	Profit/(loss) for the period	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	61,175,332	(73,400,000)	195,819,109
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. (formerly, ESPEBE 11, S.L.)	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)	(174,194)	316,005	-	8,895
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	3,010	-	249	(3,357,588)	222,054	8,000,000	-	4,867,725
AEDAS HOMES CANARIAS S.L.U. (formerly, 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, FACORNATA SERVICIOS Y GESTIONES, S.L.U.)	4,991,549	42,163,415	40,007	(1,899,860)	12,910,331	-	(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, 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. (formerly, PARKER DESARROLLOS INMOBILIARIOS, 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
ÁUREA 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

(*) Unaudited figures, except for the annual financial statements for the year ended 31 March 2023 of AEDAS HOMES OPCO, S.L.U., which were audited by ERNST & YOUNG, S.L.

Mara Views (Alicante)

Consolidated Management Report **for the First Half of 2023**

AEDAS HOMES

1 April - 30 September 2023

aedashomes.com

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

Table of Contents

At a glance

Land bank:
15,333 units
(vs. March 2023: 15,255 units)

9,074 units
on the market
(vs. September 2022: 9,264 units)

Order book:
4,280 units
(€1.45bn)
(vs. September 2022: 4,789 units | €1.49bn)

ASP of BTS sales:
€444k
(vs. FY 2022: €385k)

5,891 units
under construction
(vs. September 2022: 5,926 units)

01. H1 2023: Executive summary

1.1. Statement from the CEO, David Martínez

During the first half of 2023, AEDAS Homes' business proved resilient thanks to our strong positioning, product quality, efficient model and solvent financial position. Despite heightened uncertainty, our business fundamentals remain strong and the pace of sales means the company is on track to deliver our targets in the coming years.

Stabilisation in sales

AEDAS Homes' Order Book, valued at €1.45 billion as of 30 September 2023, gives us good visibility into revenue and cash flow growth and consolidation in the years ahead.

Between April and September 2023, we sold a total of 1,214 units for €451 million, including the sale of two Build-to-Rent (BTR) developments to an institutional investor. By the September close, we had already sold 90% of the homes slated for delivery in 2023, 48% of those due delivery in 2024 and 24% of the 2025 target.

The average sales price (ASP) of our Build-to-Sell (BTS) product reached €444,000 during the six-month period, evidencing our positioning in the mid-high segment of the market. Our customers tend to be families in mid-to-upper income brackets looking for quality homes that are also sustainably built and energy-efficient. Growth in the sales of second homes accounted for a third of our revenue in the period, largely driven by foreign buyers of different nationalities.

This solvent customer base is more resilient in the current context of rising interest rates and slowing growth rates.

The BTS sales absorption ratio has stabilised at around 3.5%, implying an average of 25-30 months to fully sell a development, a level we view as optimal as it coincides with the average length of time it takes us to build a new development.

"Our business fundamentals remain strong, and the company is on track to achieve our goals."

David Martínez,
Chief Executive Officer

Earnings performance and key business metrics

H1 2023 revenue came to €230 million, primarily from the delivery of 637 units to individual buyers at an average price of €358,000.

Despite the prevailing uncertainty and level of interest rates, we reported a gross margin of 24.2%, EBITDA of €17.8 million and attributable profit of €3.6 million, highlighting the strength of our business model in the face of cyclical fluctuations.

Thanks to that performance, we ended the reporting period in a position of financial strength: inventories valued at €1.86 billion (evidencing advanced progress on the construction of our developments, as well as the purchase of new land in H1 2023), total cash of €136 million and a leverage ratio (LTV) of 25.2%.

AEDAS Homes remains highly solvent thanks to our cash position and undrawn working capital facilities, coupled with the fact that most of our financing is long-term at interest rates locked in under optimal conditions.

As of the September close, we had around 9,100 units on the market, of which close to 5,900 were under construction and another 1,100 were complete.

“Land coinvestment is destined to become a growth driver in the years to come.”

Selective investment

We remain committed to a strategy of selective and efficient investment in land, mainly structuring our purchases with deferred payments and purchase options.

Going forward we intend to stick with this cautious and highly selective approach, with the peace of mind provided by our existing land bank, the vast majority of which is ready to build. As currently sized (development capacity of 15,333 units, including our committed investments), we are fully covered for the deliveries targeted for the years to come.

We are also of the view that co-investing in land, which allows us to multiply our capabilities, is destined to become a growth driver in the years to come.

Commitment to affordable housing

We are proud of our commitment to affordable housing initiatives through public-private partnership arrangements. Here let me highlight the role AEDAS Homes plays in Madrid’s Plan Vive, for which our Real Estate Services division is providing end-to-end development services for close to 3,600 units for affordable rental. With over 90% of those developments already under construction as of 30 September, the first units will be ready for tenants next year.


Mara Views (Alicante)

Good visibility around guidance delivery

The strength of our business model, marked by a solid earnings performance and good visibility into future revenue and cash flows, leaves us confident about our ability to meet our delivery targets for the coming years. At our current cruising speed, we are on track to achieve our goal of generating annual revenue of over €1 billion.

Outlook

In the current context of macroeconomic uncertainty, prospects in the Spanish real estate sector remain positive, underpinned by solid fundamentals:

› A structural imbalance between strong demand and limited supply of new-build homes

› Limited production capacity and a scarcity of ready to build land

"Despite the uncertainty of the current context, we are confident in our capacity to fulfil our strategic plans and achieve our targets in the coming years."

› Household savings at very good levels

› Continuity in financing from the financial sector; and

› Healthy debt levels among homebuilders thanks to disciplined investing in land.

However, the future is not without its risks. In the mid-term, the prospect of high interest rates for a protracted period of time, coupled with slowing economic growth and rising unemployment, could impact demand, with the potential to affect our business performance in terms of sales, margins and operating targets.

Nevertheless, we are ready. Solid underlying market fundamentals, combined with our track record, experience and leadership position, mean that we are confident about our ability to deliver our strategic targets and financial projections in the coming years, although we will continue to monitor market trends closely in order to adapt to new realities.

Solum (Guía de Isora)

1.2. Market indicators

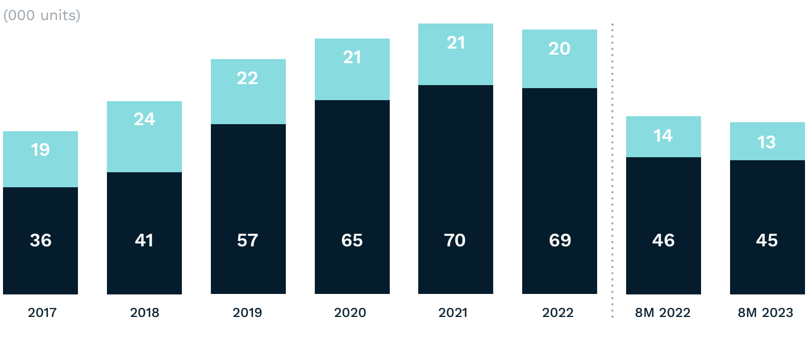
The new-build development sector in Spain continues to prove resilient in the current environment. That resilience is underpinned by solid **long-term social and demographic fundamentals** and favourable **sector dynamics** that are driving sustained and healthy sector development.

According to the latest **demographic projections** publish by Spain's statistics office, the INE, the current Spanish population of 47 million is expected to increase by over 4 million between 2022 and 2037. That growth, coupled with ongoing gradual reduction in the average household size, spells an expected increase of more than 2.7 million new households, almost 70% of which will be concentrated between Madrid, Catalonia, Andalusia and Valencia.

According to the experts, based on the current stock of housing in Spain and the demographic dynamics projected for the coming years, the supply of new housing would need to increase at an **annual rate of between 120,000 and 150,000** units. However, Ministry of Housing figures reveal that the number of new houses completed in the last three years **averaged fewer than 90,000 units per annum** (and under 70,000 excluding self-developed homes). In the first eight months of 2023, new home completions are running slightly lower year-on-year (58k vs. 60k in 8M22). The **shortage of new-build homes** could be exacerbated further by the growth of 29% in construction costs accumulated since 2020. Note, however, that construction costs increased by just 3% year-on-year in the first eight months of 2023, pointing to a degree of stabilisation.

Solid social and demographic fundamentals, coupled with low new-build production volumes, are driving an imbalance between supply and demand.

Trend in new home completions in Spain

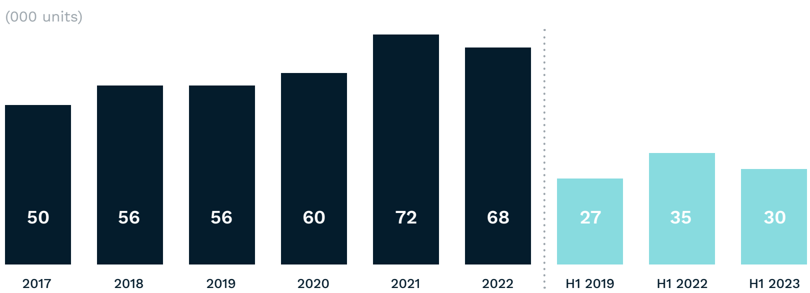


Source: Spanish Ministry of Transport, Mobility and Urban Agenda

Scarce supply coupled with rising pent-up demand points to a **structural imbalance** which translates into the absorption of new-build homes developed by third parties, mitigating the risk of building up a stock of unsold housing and favouring price appreciation or at least price stability at current levels for new-build housing.

New-build housing transactions averaged just under 67,000 units per annum in the last three years and although transaction volumes dipped year-on-year in the first half of 2023, the level observed was still higher than that recorded during the same period of 2019 (the last year considered truly comparable as it was not affected by the extraordinary developments derived from the COVID-19 pandemic).

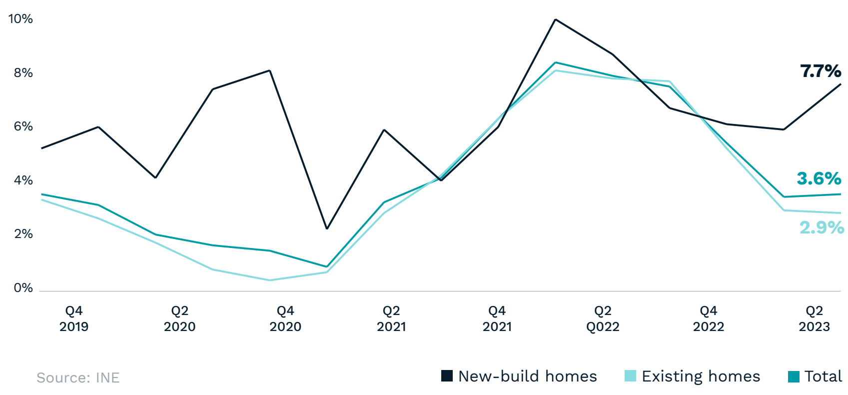
Trend in new-build home sale transactions in Spain



Source: Spanish Ministry of Transport, Mobility and Urban Agenda

Meanwhile, new-build house **prices remain strong** relative to the existing home market. In the second quarter of 2023, new-build house prices registered year-on-year growth of close to 8% (vs. growth of 3% in existing house prices).

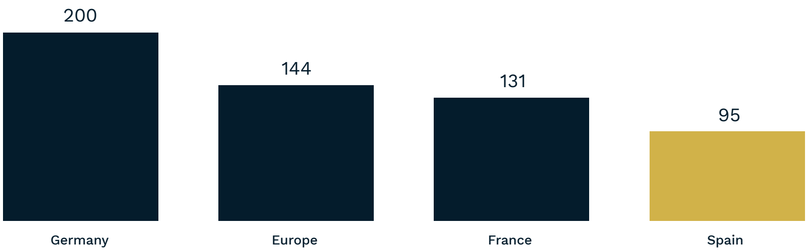
Trend in house prices in Spain (%)



Source: INE

Nevertheless, these house price increases are not expected to result in a bubble as an analysis of the overall trend in prices in Spain reveals that housing has yet to revisit the levels observed more than 15 years ago. That contrasts with the pattern unfolding in other European countries where housing has appreciated significantly in recent years.

Comparison between house prices in 2022 relative to 2007 levels (rebased to 2007 = 100)



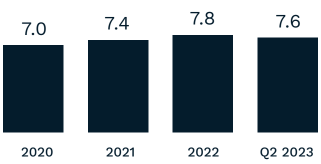
Source: Eurostat

Nevertheless, the recent trend in house prices, coupled with the increase in market interest rates on the back of successive increases in benchmark rates by the European Central Bank since 21 July 2022 in an attempt to curb inflation, have pushed 12-month Euribor to 4.5%, triggering a **slight increase in the debt servicing burden of Spanish households**. Current **levels are still reasonable**, however, and far from the figures observed at the onset of the Great Financial Crisis of 2008. Moreover, **the financial situation of Spanish households has improved** thanks to the lengths they have gone to in recent years to deleverage: as of June 2023, Spanish household debt was equivalent to 50% of its GDP, down 17 percentage points from March 2016 and below the European average (55% of GDP), according to Bank of Spain and Eurostat statistics.

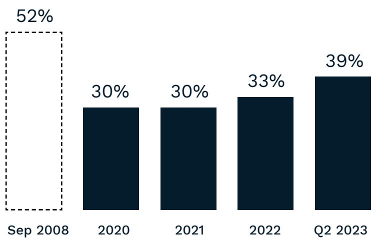
Price appreciation in Spain is below the European average, keeping housing affordability at reasonable levels.

Housing affordability indicators for Spain

House price-to-income (gross disposable income per household), in years



Debt servicing burden (%)

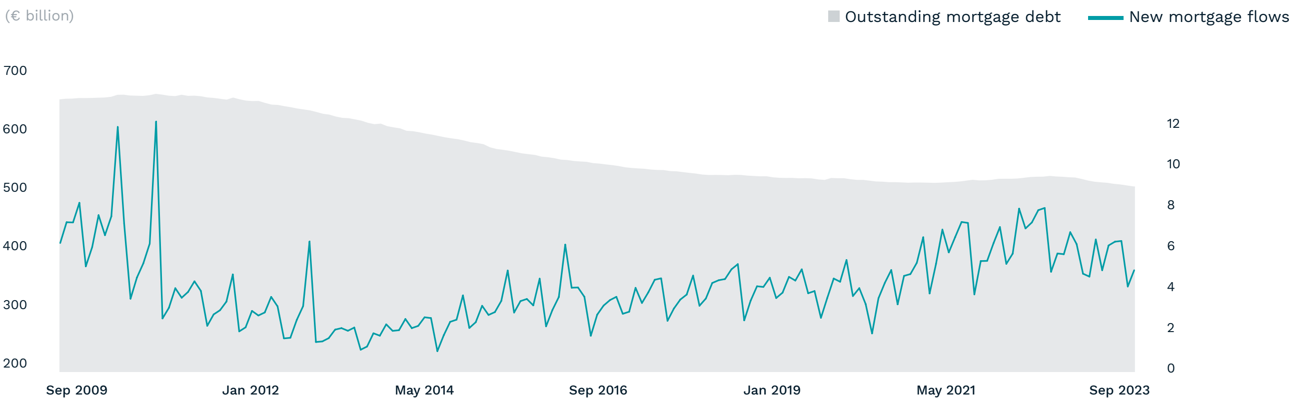


Source: Bank of Spain

Mara Views (Alicante)

Slow but steady household deleveraging, healthier lending metrics (the LTV on new mortgages arranged in Q2 2023 was 63%) and a drop in the number of new mortgages have combined to drive a **decrease in the stock of outstanding mortgage debt** in Spain, which had fallen **below €500 billion** for the first time since June 2006 by September 2023. That situation is heating up competition in the mortgage segment so that, despite reversal of the upward trend in the arrangement of fixed-rate mortgages and the fact that the average rate of interest applied to new mortgages increased by 1.3 percentage points between August 2022 and August 2023, the Spanish banks remain keen to offer **customers with strong credit profiles attractive loan terms and conditions**.

Mortgage market



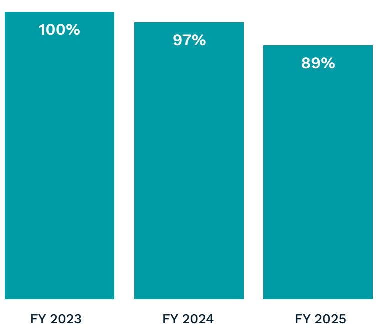
Source: Bank of Spain

1.3. Business performance

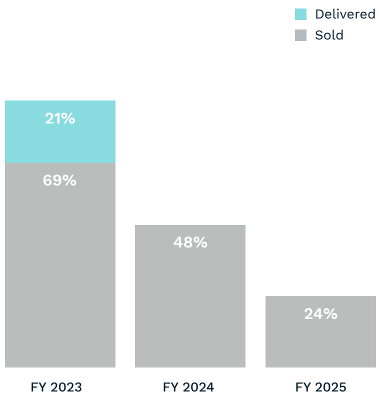
The unique characteristics of the residential development business make it possible to predict with a good degree of accuracy the revenue generation capacity of a sector player's land bank. Specifically in the case of AEDAS Homes, whose land bank mainly comprises **high-quality** and **liquid** sites, favouring **natural and steady turnover** of that land, the timespan between the purchase of ready-to-build land and delivery of the final product is usually just over three years.

That revenue generation visibility is reflected in the company's coverage ratios for the next three years (including FY 2023) in terms of developments on the market, sales and the level of construction progress on the units scheduled for delivery in each of those years. Against that backdrop, the **coverage ratios as of the end of the first half of 2023** (i.e., the period elapsing between 1 April and 30 September 2023) signal **good visibility** into delivery of the targets set by the company and mark progress on the goal of booking **over €1 billion of annual revenue**.

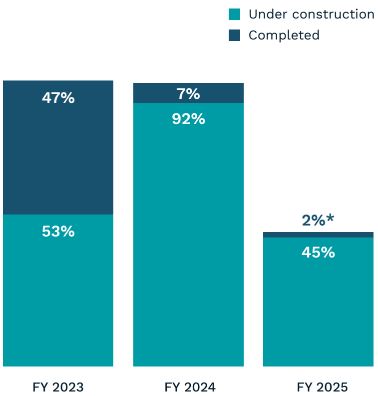
Delivery coverage: units on the market



Delivery coverage: sales



Delivery coverage: construction



* 40 units correspond rent-to-buy units

The following sections offer a deeper analysis into trends in the parameters underlying these coverage ratio calculations.

Active units

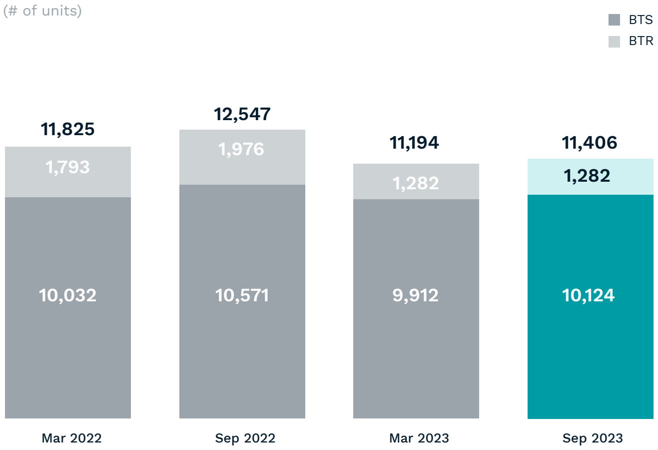
Units are considered 'active', or under development, from when they enter the design phase until their delivery. This metric is relevant as it provides a proxy for the scope for monetising the company's land bank in the short and medium term.

As of 30 September 2023, the company's **land bank** (excluding those units corresponding to committed transactions as of the reporting date) continued to be characterised by its **liquidity**: the number of **active units** remains **stable** at close to **77% of the land bank**. The process of monetising the land bank is also advanced, as borne out by the fact that over 60% of all of the **11,406 units that are active** are already under construction or finished.

As for the trend in the number of active units, despite growth from year-end 2023 (+2%), the current volume is down 9% by comparison with the year-earlier figure, due largely to the decrease in the number of active units in the BTR segment, an opportunistic business line being pursued by the company which, in the current context of high interest rates, is experiencing a widespread cooldown in new transactions with institutional investors.

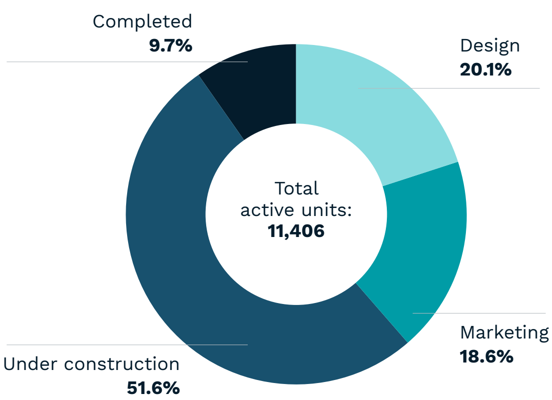
Trend in active units

(# of units)



Breakdown of active units as of 30 September 2023

(# of units)

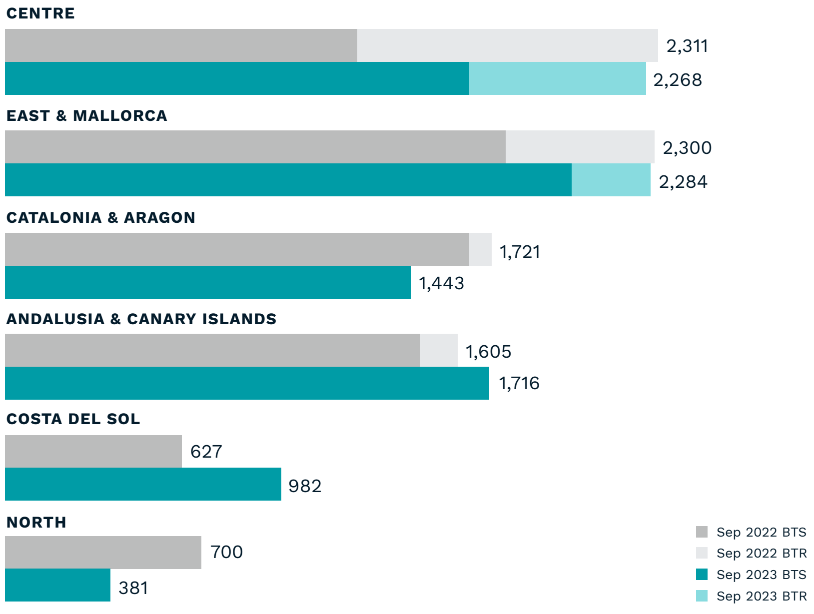


Units on the market

Once the design phase is complete, a development's marketing phase is kicked off, which is when units become available for sale, and from that moment, they are categorised as **'units on the market'**. This means, therefore, that all units on the market fall under the umbrella of active units. In **H1 2023**, the company put **1,200+ BTS units on the market**, 75% of which were put on sale in Q2 2023.

As of 30 September 2023, the company had a total of **9,074 units on the market**, a figure that is very similar on aggregate to the September 2022 equivalent, albeit underpinned by significant differences in the breakdown between the BTS and BTR segments. Specifically, while the number of BTR units on the market decreased by 899 units to 894 during that timeframe, the number of **BTS units** on the market **increased by 9**% to 8,180 units as of the September close, with an average sales price (ASP) **of €421k** (**+12%** vs. the ASP as of September 2022), driven mainly by the Centre, Costa del Sol, Andalusia & Canary Islands and East & Mallorca Regional Branches.

Units on the market (broken down by Regional Branch)



Units on the market as of 30 September 2023

9,074

(vs. September 2022: 9,264 units)

The current volume of units on the market is deemed sufficient to cover the company's **BTS** and **BTR delivery targets** for the **next three years**.

Sales and deliveries

The sale of a unit begins with execution of a pre-sale agreement. Once the company has a building permit for a pre-sold unit, 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 construction works are finalised, although these amounts may vary depending on the type of housing sold. When construction is complete and the **First Occupancy Permit** has been granted, the customer is asked to pay the remainder when signing the deed of purchase, upon which keys to the house are delivered immediately.

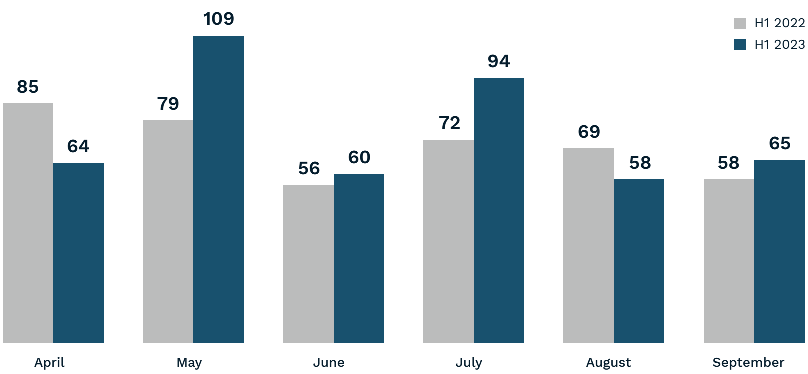
The company saw **demand patterns stabilise in H1 2023** with appetite for the available stock following **very similar patterns to those observed in 2019** (the last year not affected by the extraordinary developments ensuing the health crisis and so considered 'normal'). The **net absorption rate in the BTS segment was close to 3.5%**, which translates into a period of 25-30 months on average from when a development is put on the market to its full sale, a length of time that generally coincides with the average period needed to complete the entire new-build housing development process.

Note that the product AEDAS Homes produces and sells is focused primarily on the mid-to-high segment of the residential market, where demand tends to be **more resilient** in the face of economic slowdowns. This product positioning strategy is helping the company keep its private sale contract cancellation rates at under 1%, stable sales levels in the BTS segment of close to **150 units/months** (net) and an average sales price (**ASP**) per unit of **€444k** (**+15%** vs. the ASP in FY 2022); the growth in ASP is enabling the company to offset the slower volume of unit sales. Moreover, the company expects that the ASP of future BTS sales will be above the €400,000 mark, since the ASP of the BTS units pending sale at the end of H1 2023 stood at €448,000.

As for sales activity in the **BTR segment**, despite the current economic context, in H1 2023, the company closed the sale of two BTR projects for the development of **327 units** in Madrid and Alicante for a total sum of **€57 million**. Following those two transactions, the company no longer has any unsold developments on the market, with just four developments at the design phase with capacity for 388 units.

In short, the company ended H1 2023 with **total net sales of 1,214 units** (+15% vs. H1 2022) for a total amount of **€451 million** (+7% vs. H1 2022).

Net sales of homes (€m)



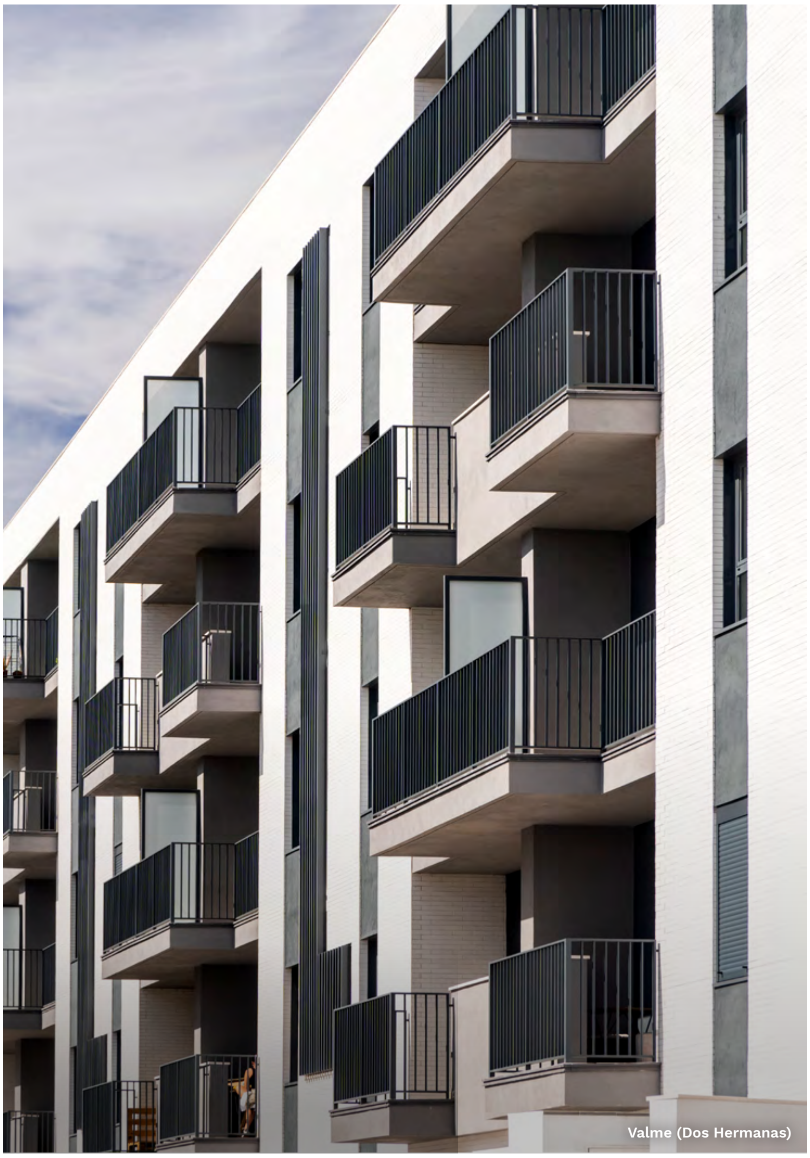
Net sales

€451m

(vs. H1 2022: €419m)

In **H1 2023**, the company **delivered** a total of **637 units** (+113 units vs. H1 2022), implying revenue from the delivery of units of €228 million (+8% vs. H1 2022) and an ASP of €358k (down 11% vs. the ASP on the units delivered in H1 2022 due to a shift in the delivered product mix). In line with the development construction schedule, most of the deliveries programmed for FY 2023 will be concentrated in the second half of the year. Note that as of the September close, 620 units were complete, sold and pending delivery (excluding the rent-to-buy units).

In sum, given the volumes of deliveries and net new sales recorded in H1 2023, the company ended the reporting period with an **Order Book** of **4,280 units**, equivalent to 47% of the units on the market, valued at **€1.45 billion** (i.e., €339k per unit sold vs. €311k per unit sold in H1 2022), with **81%** of the total under sale agreement.


Valme (Dos Hermanas)

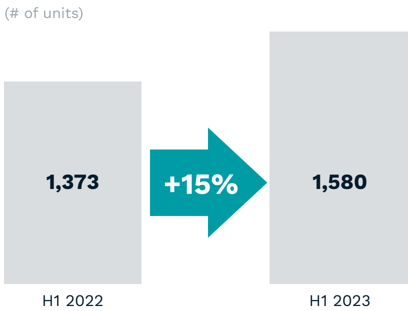
Construction

In addition to the sales metric, the company's ability to meet its delivery targets can also be gauged by the progress made on the **construction process**. The construction process starts when the company **applies for a building permit**, which is awarded by the municipal authorities in Spain. Permit applications include the architectural plans which must necessarily comply with municipal planning and zoning requirements and the municipal authorities are obliged to grant building permits to the extent the plans meet those 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 **H1 2023**, the company applied for new permits for the development of close to 900 units and was granted permits for the development of **1,580** units. Adding in the permits obtained in H2 2022, the company has been granted permits for the development of **3,473 units in the last 12 months**, putting it in a privileged position for achieving its delivery targets.

This permitting activity leaves the stock of units pending permits at **2,099** units spread over 38 developments, of which 73% have been in process for a year or less (78% excluding the BTR project that is 12+ months into the permitting process).

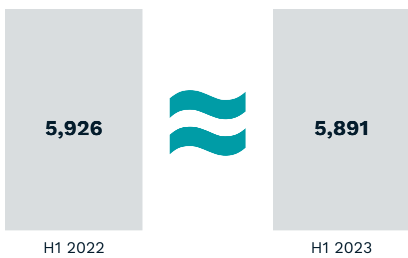
Building permits secured at reporting date



Healthy momentum securing building permits enabled the company to **break ground** on almost **1,000 units** in H1 2023, in line with forecasts. In parallel, the company secured Work Completion Certificates for **837 units**, marking significant growth from the number of units completed in H1 2022 (477 units), and obtained First Occupancy Permits for 434 units.

As of 30 September 2023, the company had a total of **5,891 units under construction** (and 1,200+ units already permitted pending start-up) and a total of 1,101 finished units, of which 40 units correspond rent-to-buy units; of the remaining 1,061 units, around 50% were pending receipt of their First Occupancy Permits. These business metrics demonstrate the company's strong visibility into its ability to achieve its delivery targets in the next few years.

Units under construction at reporting date



As for construction costs, following constant increases in raw material prices in recent years, the company is seeing some stability in contractor prices in recent months, leaving it optimistic than its profit margins will improve with the passage of time.

Investments and disposals

The company is highly selective and diligent when it comes to analysing potential investments. It determines the viability of a given opportunity from the standpoint of both business and financial efficiency.

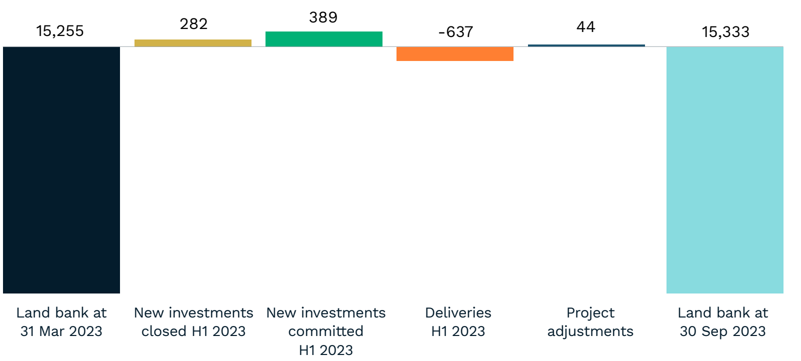
In H1 2023, the company completed or committed to new acquisitions with development capacity of **671 new units** (mainly ready-to-build land) for a total of **€51 million** (in terms of the cost of bringing them to ready-to-build (RTB) status). Of these 671 units, the company has only closed the acquisition of 282 units at an investment of €15 million (again expressed in terms of RTB cost) and the remaining 389 units are investments committed to but not yet complete. These investments are concentrated in the East & Mallorca (47%), Centre (27%), Catalonia & Aragon (18%) and Andalusia & Canary Islands (8%) Regional Branches.

In addition, in H1 2023, the company closed the acquisition of **two developments** that it had already committed to at 31 March 2023. Those two transactions add **373 new units** to the company's balance sheet at a total amount in terms of RTB cost of €49 million between them. Therefore, the transactions closed in H1 2023 (including the completion of newly arranged transactions and the transactions committed to in prior years but excluding the new acquisitions that are still commitments) implied a total investment in terms of RTB cost of €64 million; **34% of the acquisition cost** has been deferred, excluding a committed transaction (with purchase option) at the end of March 2023 that was formalised in H1 2023.

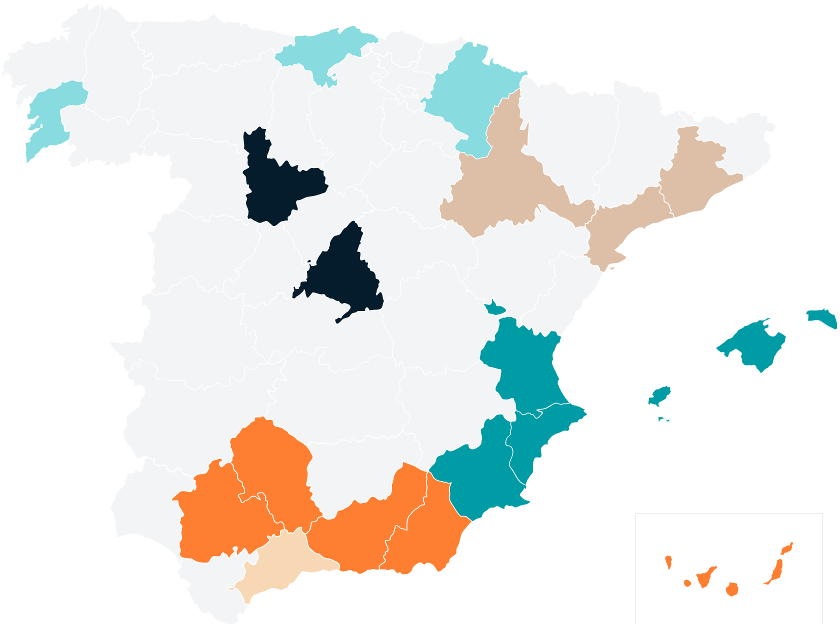
As for the company's **natural asset turnover policy**, the company expects to generate an **average margin of 17%** on the disposal of (i) 13 plots for €2 million, which will close when the urban infrastructure works in question are complete; and (ii) the sale of a site zoned for commercial use which is expected to close in Q3 2023.

Over **80%** of land invested during H1 2023 is ready-to-build, in line with highly selective investment approach.

Evolution of land bank (# of units)



Selective approach to land investments



15,333* units

* Land bank as of March 2023 (15,255 units) + new investments closed in H1 2023 (282) + new investment commitments made in H1 2023 (389) - deliveries in H1 2023 (637) + adjustments (44) = 15,333

CATALONIA & ARAGON
14%
2,206 units

EAST & MALLORCA
22%
3,396 units

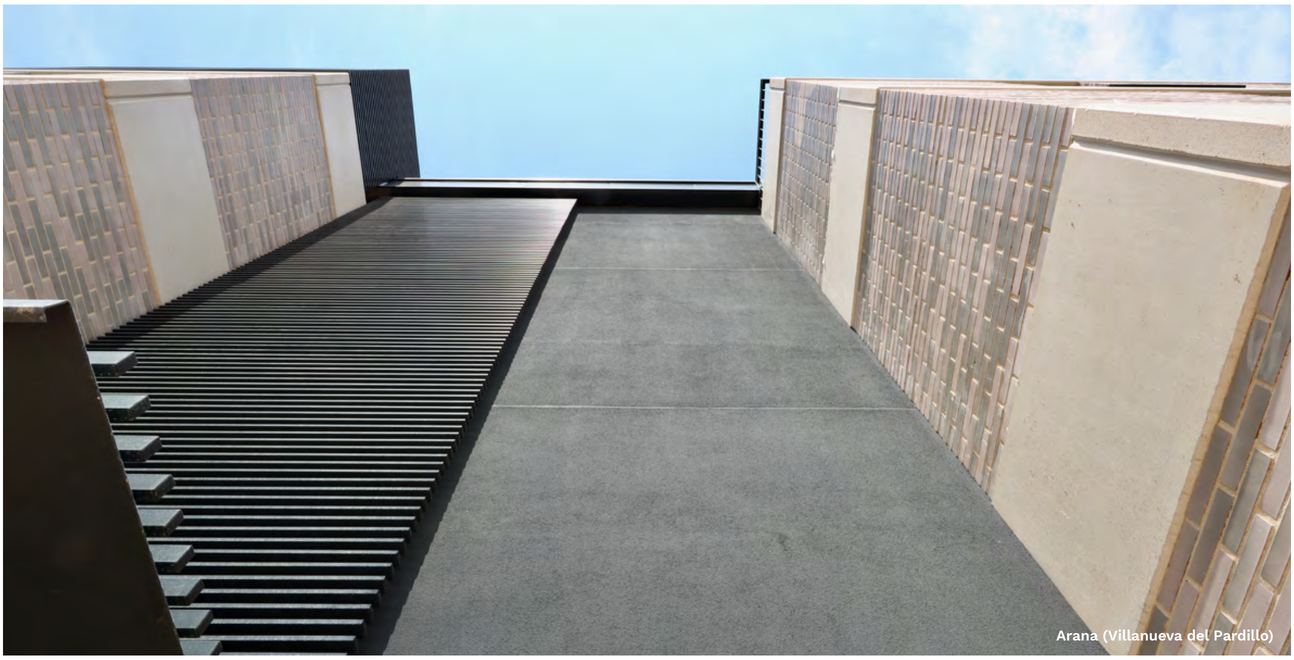
CENTRE
27%
4,098 units

ANDALUSIA & CANARY ISLANDS
20%
3,019 units

COSTA DEL SOL
14%
2,129 units

NORTH
3%
485 units

The **implied net development margin** on AEDAS Homes' land bank is **over 20%**



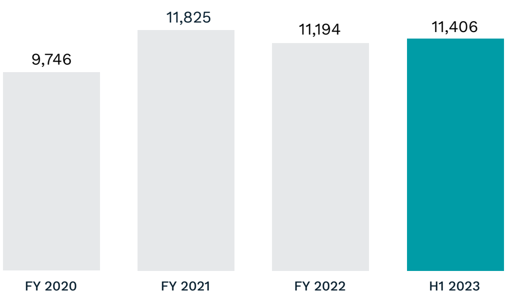
Arana (Villanueva del Pardillo)

1.4. Key performance indicators

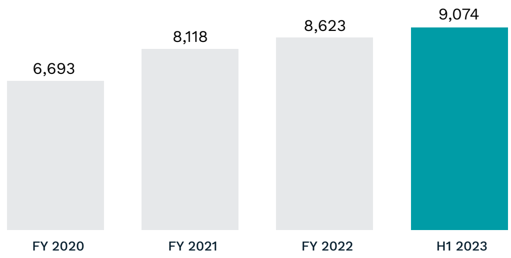
The alternative performance measures (APMs) used by the company are defined and the rationale for their use explained on the company's website here.

BUSINESS KPIS

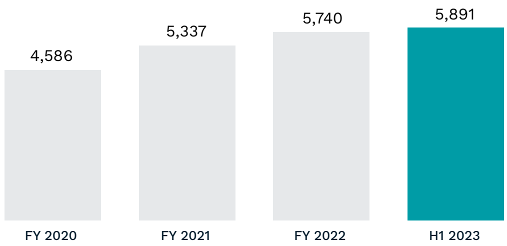
Active units (#)



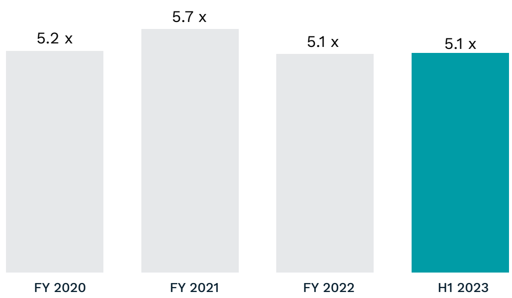
Units on the market (#)



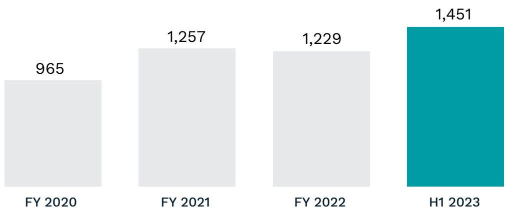
Units under construction (#)



Land bank coverage ratio (x)

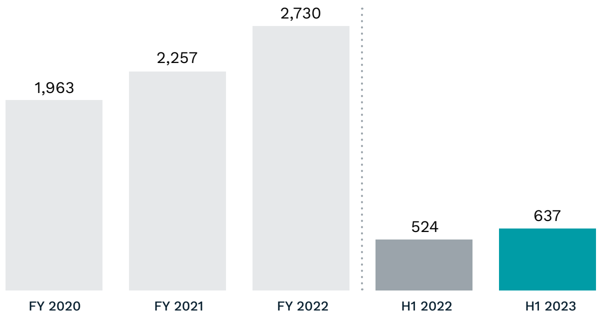


Order Book value (€m)*



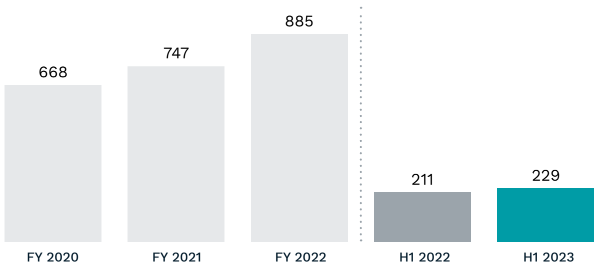
*Adjusted for one development for which an MOU was signed, but not an SPA

Units delivered (#)

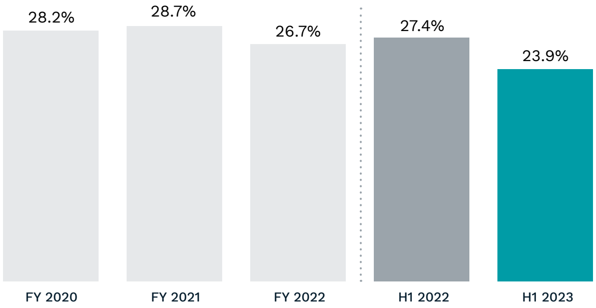


FINANCIAL KPIS

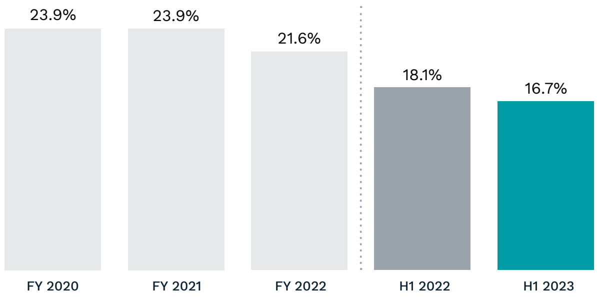
Total revenue from developments (€m)



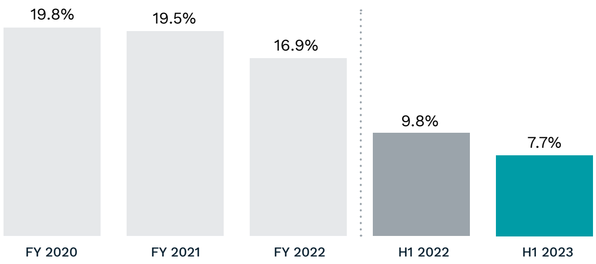
Gross development margin (%)



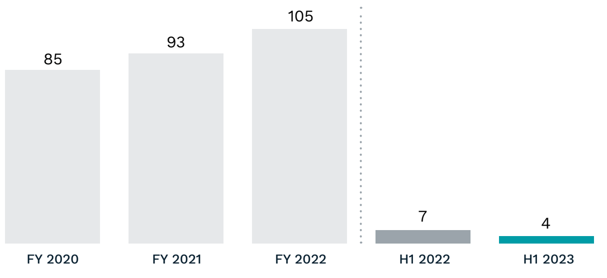
Net development margin (%)



EBITDA margin (%)

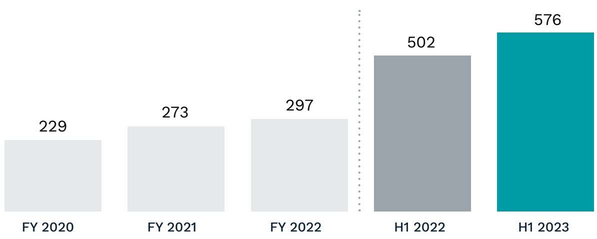


Attributable profit (€m)

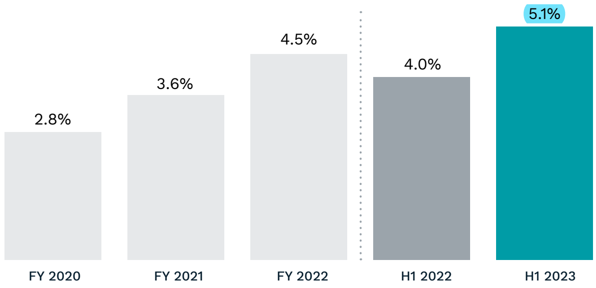


SOLVENCY KPIS

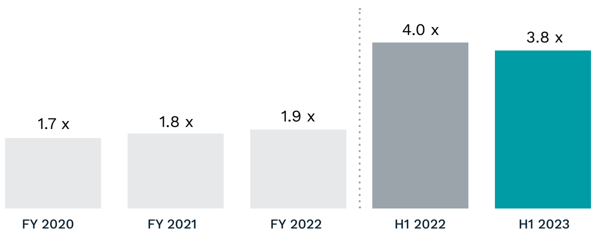
Net debt (€m)



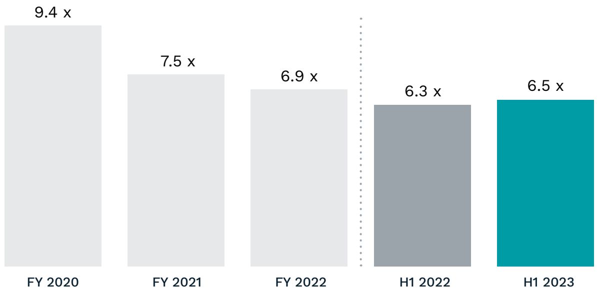
Nominal average borrowing cost (%)



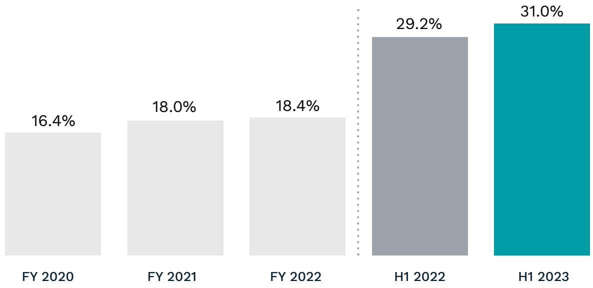
Net debt / EBITDA (x)



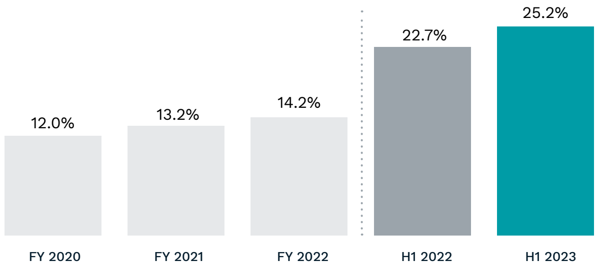
Interest coverage ratio (x)



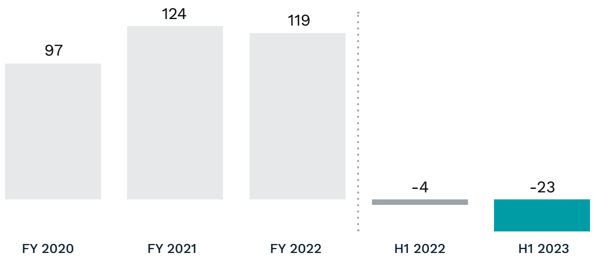
LTC (%)



LTV (%)

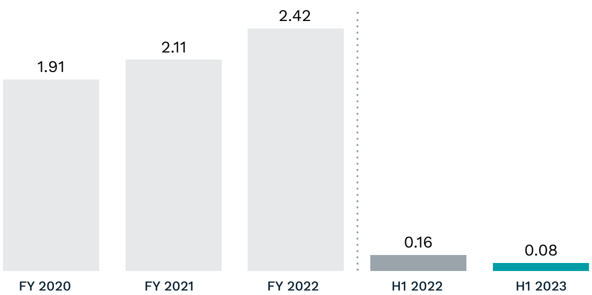


Funds from operations (€m)

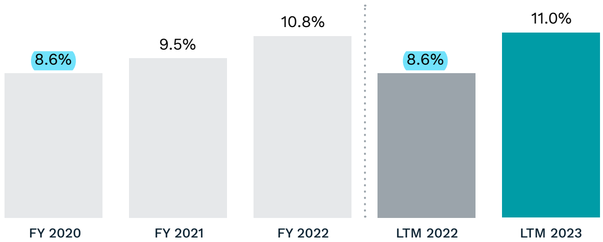


SHAREHOLDER REMUNERATION KPIS

Diluted earnings per share (€/share)



ROE (%)



Tinné (Boadilla del Monte)

02. Non-financial information

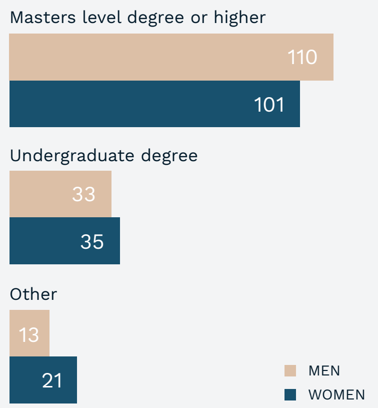
2.1. Human capital

Employees

We know that only a solid team can drive our growth, push innovation forward and elicit customer loyalty. To that end our people management effort is designed to create a respectful and stimulating environment and provide an appealing place to work by generating quality work, nurturing talent development, facilitating continuous learning and fostering wellbeing, work-life balance and health and safety.

Our workforce stood at 313 professionals at 30 September 2023, **split evenly between women and men**. The average age of our employees is 44 and the average length of service stands at 3.4 years. The headcount averaged 308 during the reporting period.

Headcount breakdown by level of studies



Headcount breakdown

By gender

	30 Sep 2022	30 Sep 2023
Men	155	156
Women	153	157
Total	**308**	**313**

By type of contract broken down by gender

	30 Sep 2022			30 Sep 2023		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
Men	140	15	155	150	6	156
Women	133	20	153	153	4	157
Total	**273**	**35**	**308**	**303**	**10**	**313**

By job category

	30 Sep 2022	30 Sep 2023
Executives	51	54
iddle management	73	73
Other[1]	184	186
Total	**308**	**313**

(1) Technical experts, administrative staff and similar

By type of contract broken down by age bracket

	30 Sep 2022			30 Sep 2023		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
<30	11	3	14	14	5	19
30-50	186	29	215	186	4	190
+50	76	3	79	103	1	104
Total	**273**	**35**	**308**	**303**	**10**	**313**

By contract type

	30 Sep 2022	30 Sep 2023
Permanent	273	303
Temporary	35	10
Total	**308**	**313**

By type of contract broken down by seniority

	30 Sep 2022			30 Sep 2023		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
Executives	51	-	51	54	-	54
Middle management	70	3	73	73	-	73
Other[1]	152	32	184	176	10	186
Total	**273**	**35**	**308**	**303**	**10**	**313**

(1) Technical experts, administrative staff and similar

Health and safety

AEDAS Homes is committed to providing a safe and healthy work environment for its employees. Its ISO 45001-certified occupational health and safety management system has been in place since the Company's incorporation in 2017.

There were no workplace injuries or occupational illnesses at AEDAS Homes in the first half of 2023.

Considering the building work performed during the first half of 2023, the injury frequency rate (no. of lost-time injuries / no. of hours worked x 1,000,000) was 14.07.

The table shows the trend in the lost-time injury frequency rate in FY 2020, FY 2021 and FY 2022 and the first half of 2023.

FY 2020	FY 2021	FY 2022	H1 2023
12.1	17.69	16.39	14.07

In the first half of 2023, the injury severity rate (no. of days lost / no. of hours worked x 1,000) was just 0.22, which is well below the national average of 1.32.

FY 2020	FY 2021	FY 2022	H1 2023
0.16	0.24	0.18	0.22

The key health and safety performance indicators - the injury frequency and severity rates - are presented regularly to the Company's Steering Committee.

The main tool used to control the safety management system is the performance of assessments at 30% and 70% of completion of building work. A total of 33 assessments with an average outcome of 76.32% were conducted during the first half of 2023.

Mara Views (Alicant

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 the first half of 2023, absenteeism due to the inability to work totalled 9,464 hours.

	Hours of absenteeism		Absenteeism rate	
	H1 2022	H1 2023	H1 2022	H1 2023
Workplace injuries	3	0	0%	0%
Common illnesses	358	5,096	0.1%	1.7%
Maternity/paternity leave	681	4,368	0.2%	1.5%
Total	**1,042**	**9,464**	**0.4%**	**3.2%**

Helping our employees to grow

AEDAS Homes is committed to the continuous development of its professionals. Following a needs assessment, a personalised training plan is put together for each employee every year. Those plans are designed to develop talent at the company and respond to key identified needs: technical, language, digital and management skills.

In addition, every year we organise a number of training initiatives for key employees who we believe should rotate through our different departments to get a holistic vision of the company.

As part of their development, we offer coaching sessions to professionals whose activities have a significant impact on the organisation (members of the Steering Committee, executives and middle managers). Those sessions address different skills with the idea of creating a work environment in which managers can be agents of change and benchmarks for their colleagues' development.

During the first half of 2023, the company imparted 46 training courses (totalling 2,227 hours) provided by top-notch coaches. We also provided 4,584 hours of in-house training around young talent programmes during the past year.

In parallel, we have a digital platform for the provision of specific courses covering regulatory and compliance matters; 308 hours of training were imparted through that platform in H1 2023.

Hours of training by job category

Category	Hours
Executives	647
Middle management	882
Other	698
Total	**2,227**

Hours of online training by job category

Category	Hours
Executives	44
Middle management	66
Other	198
Total	**308**

2.2. Environmental management

During the first half of 2023, the Company completed the following initiatives under the scope of its ESG Master Plan:

- **Approval of the Climate Change Policy.** This policy sets out the framework for articulating the company's strategy for combatting climate change from within its business model. This new policy is available for consultation on our website here.
- **Conducting LCAs on all developments.** The company conducted Life Cycle Assessments (LCAs) for the 18 developments finalised between April and September 2023. That analysis includes a calculation of the equivalent CO_2 emissions corresponding to the different stages or phases evaluated during the life of the buildings, i.e., 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), all of which framed by the UNE EN 15978 standard and using the One Click LCA software.
- **Achieving an 'AA' energy rating for at least 60% of the company's developments**.
- Of the seven developments activated between April and September 2023, 71% have been designed with the aim of obtaining an AA rating.
- **Following Green Book standards** (or those of an equivalent prestigious green building seal) at **100%** of the Company's developments.

Since it was created in 2019, AEDAS Homes has been constantly fine-tuning its **Green Book**, a tool of the utmost importance to the company as it sets down the sustainability standards that all AEDAS Homes developments must adhere to, while giving development managers the choice of taking additional measures. It is an open document, as the concept of sustainability is evolving all the time; it is flexible, as it lends itself to tailoring for regional customer preferences; and it is user-friendly.

In addition to the Green Book, in 2020 the company developed a proprietary Ecoliving® sustainability seal with which it seeks to communicate the sustainability initiatives embedded in its homes that are good for the environment and for customer health. The seal is the trademark AEDAS Homes uses to evidence compliance with the standards itemised in the Green Book

71% of the developments activated in H1 2023 are targeting an A-A energy rating.

and with minimum standards of sustainability in the following areas: energy; water; materials, waste; health and wellbeing; landscape integration; community, good practices; and economy.

AEDAS Homes reports on the benefits of the Ecoliving® seal in its Sustainability Dossier, which itemises a development's specific sustainability measures and current and future customer advantages and cost savings.

During the first half of 2023, AEDAS Homes met this target in full: **100% of developments carried the Ecoliving®** (Green Book) **seal and/or BREEAM certification**. Specifically, of the 18 developments completed, 17 boast the Green Book seal and one was completed to PASSIVHAUS specifications.

Nesea (Palmanova)

2.3. Society

AEDAS Homes' firm commitment to offering its customers high-quality homes means that getting customer feedback is key. To that end it completes customer satisfaction surveys at all its developments, as indicated in the Owner Survey Procedure.

Those surveys provide useful information for orienting our activities around meeting customers' needs and expectations so as to have a positive impact on them. AEDAS Homes views a customer claim as an opportunity for change, a chance to do things better. To that end, it has formulated an in-house protocol for speeding up the analysis, internal management and follow-up of such claims. Customers are provided access to a private area of our website and an e-mail address to which they can send any complaints or claims.

Communications received, H1 2022 vs H1 2023:

	H1 2022	H1 2023
Enquiries	2,058	2,064
Claims	283	564
Claims resolved	263	518
Claims in process	20	46
Average response time	4.3 days	2.4 days

Leblich (Barcelona)

2.4. Risk management

The reader will find information about the company's risk management effort in its financial statements for the first half of 2023.

03. Financial information

3.1. Statement of profit or loss

In the first half of 2023, AEDAS Homes' **residential development business** reported year-on-year **growth** in revenue of **8%** to **€229 million** thanks to the delivery of 637 BTS units at an ASP at €358k. That revenue, coupled with the revenue generated by the Real Estate Services division and the sale of two sites during the period (pending formal registration), left total reported **revenue at €230 million**.

The first-half **gross profit** totalled **€56 million**, down 8% year-on-year despite the growth in revenue, due mainly to the mix of deliveries, as around 45% of the revenue from development related to units delivered with margins that were, as anticipated, below the level observed in prior years. As a result, the H1 2023 gross margin came in at **24.2%,** which translated into a **net margin** of **16.9%,** thanks to savings in other operating expenses and marketing costs coming from a lower weight of deliveries by the Costa del Sol Regional Branch and having moved up a number of marketing kickoffs in previous periods.

Overhead (excluding provisions related to the long-term incentive plan, or LTIP) was flat by comparison with H2 2022 equivalent (namely, **€19 million**). Starting from the net profit, deducting overhead, the €2 million provision for the LTIP and other non-material expenses related with contract terminations and adding in the net profit generated by other Group divisions, the company reported EBITDA of **€18 million**, implying an EBITDA margin of 8%.

637 homes delivered to private customers in the first half, with revenues generated by developments delivered up 8% year-on-year.


Valme (Dos Hermanas)

The increase in finance costs was primarily attributable to the benchmark rate increases implemented by the European Central Bank since July 2022 (which directly impact price-setting for debt instruments in the capital markets), as well as increased use of corporate debt as part of the company's liquidity management strategy, including the commercial paper programme (which was drawn down by €55 million at the September close vs. €33 million as of September 2022) and the arrangement of two corporate loans to finance the recovery of land costs and development loans against finished developments, the cost of which is not capitalised.

As a result, the company generated **attributable profit** of close to **€4 million** in H1 2023, a figure expected to increase in H2 2023 as the company delivers the units scheduled for the remainder of this year.

Consolidated statement of profit or loss

			Change	
(€m)	H1 2023	H1 2022	€m	%
Revenue derived from housing units delivered	228.6	211.2	17.4	8.2%
Revenue derived from land sales	-	-	-	-
Revenue derived from services	1.4	3.2	(1.8)	(55.3%)
TOTAL REVENUE	**230.0**	**214.5**	**15.6**	**7.3%**
Cost of goods sold	(173.8)	(153.4)	(20.4)	13.3%
Cost of services	(0.6)	(0.8)	0.1	(16.8%)
GROSS MARGIN	**55.6**	**60.3**	**(4.7)**	**(7.9%)**
% Gross margin	*24.2%*	*28.1%*	-	*(397) bps*
Sales and marketing costs	(12.1)	(14.1)	2.1	(14.7%)
Other operating expenses	(4.5)	(5.6)	1.0	(18.2%)
NET MARGIN	**39.0**	**40.6**	**(1.7)**	**(4.1%)**
% Net margin	*16.9%*	*18.9%*	-	*(200) bps*
Overheads	(19.3)	(18.4)	(1.0)	5.3%
Provision for LTIP	(2.2)	(1.4)	(0.8)	56.9%
Other income and expenses	0.4	0.2	0.2	116.2%
EBITDA	**17.8**	**21.0**	**(3.2)**	**(15.3%)**
% EBITDA margin	*7.7%*	*9.8%*	-	*(206) bps*
Depreciation and amortisation	*(2.5)*	*(2.3)*	*(0.1)*	*5.5%*
Financial result	(10.9)	(9.7)	(1.2)	12.2%
Share of profit/(loss) of associates	0.5	0.6	(0.1)	(15.6%)
EARNINGS BEFORE TAXES	**4.9**	**9.6**	**(4.6)**	**(48.4%)**
Corporate tax	(1.4)	(2.3)	0.9	(40.8%)
CONSOLIDATED NET INCOME	**3.6**	**7.3**	**(3.7)**	**(50.8%)**
% Net income margin	*1.6%*	*3.4%*	-	*(183) bps*
Minority interests	(0.0)	(0.2)	0.2	(98.0%)
NET INCOME ATTRIBUTABLE TO PARENT COMPANY	**3.6**	**7.1**	**(3.5)**	**(49.5%)**
% Net attributable margin	*1.6%*	*3.3%*	-	*(174) bps*

3.2. Balance sheet

On the asset side

The company's inventories (which exclude the investments committed to as of September 2023) stood at **€1.86 billion** as of 30 September 2023, up 15% from the amount at which the company carried its inventories at 31 March 2023. That increase (despite the delivery of 637 units in H1 2023) is attributable to the company's **healthy progress on the construction** of its developments, having incurred almost €360 million of costs, as well as a **selective investment policy** under which the company closed the purchase of land with development capacity of 655 units for €63 million, excluding acquisition costs (of that figure, 373 units stem from transactions that were either under option or structured as commitments as of 31 March 2023).

Elsewhere, the company's **unrestricted cash** balance decreased by €122 million between March and September 2023. Cash tends to decrease during the first half of the financial year (e.g. in H1 2022, unrestricted cash decreased by €125 million) as most of the deliveries are concentrated in the second half of the year, framed by the company's business plans and projections. Also, the company has to cover a range of **recurring payments** such as payment of the final dividend (specifically, €50 million in July 2023) and corporate income tax (€29 million in April). In addition, in H1 2023, the **company had to pay for**: (i) the buyback of own shares; (ii) investments closed during H1 2023 for which payment was not deferred (€54 million); (iii) the costs associated with developments under construction for which development loans have yet to be secured; and (iv) deferred payments on investments closed in prior years that were structured that way to make more efficient use of the company's funds (€32 million in H1 2023); and (v) down payments associated with transactions committed to but not closed (€7 million in H1 2023).


Tinné (Boadilla del Monte)

In short, the company boasts a **healthy liquidity position**, boosted by an **undrawn facility** which was **increased in size by €10 million** over the past year to stand at **€40 million** at 30 September 2023 (fully undrawn).

Equity accounts

The €50 million **decrease** in the company's **equity** was mainly the result of the **final dividend** paid out against 2022 profits in July 2023.

In H1 2023, the company acquired a total of 306,259 new shares under its **share buyback programme** and delivered 52,631 own shares to employees under the LTIPs. However, the most important transactions in terms of its impact on the company's treasury stock was the execution of the capital decrease approved at the Annual General Meeting held on 20 July 2023, whereby the company cancelled 3,106,537 own shares (with a unit par value of €1) representing 6.64% of its share capital at the time. In the wake of that transaction, the company held 456,022 **own shares** representing **1.04%** of its share capital with a carrying amount of close to €8 million as at 30 September 2023.

On the liability side (current and non-current)

Between July and August 2023, the three **credit rating agencies** that cover the company (**Fitch, Moody's and S&P**) reiterated their opinions of the **company's strong creditworthiness** (BB- | Ba2 | B+, respectively). All three agencies highlighted the predictability of the company's revenue pipeline and its prudent financing policy, based on good diversification in terms of sources and maturities, with a solid percentage of its borrowings locked in at fixed rates (around 50% of gross debt at amortised cost as of September corresponds to the green bonds issued in 2021 at a fixed coupon of 4.0%).

Strength of creditworthiness reiterated by all three rating agencies.

As for the company's development financing, as already noted, the healthy progress made on the construction of its developments

Jarcia (Aicante)

has enabled it to continue to make drawdowns within the limits approved on its **developer loans**, so that the total amount drawn down **increased** by close to **€100 million** by comparison with 31 March 2023, when the company reported €232 million of drawn development financing (stated at amortised cost).

As of 30 September 2023, the borrowings classified within current liabilities, other than the company's developer loans, consisted of: (i) the €15 million revolving credit facility associated with the green bond issue; (ii) €55 million of commercial paper issues; and (iii) €30 million of debt associated with two new corporate loans arranged to finance the recovery of land costs.

Lastly, accounts payable and customer prepayments increased by €85 million as a result of the momentum in construction activity and the interim payments made on account of the units already sold, all of which injects **significant visibility** into the company's earning potential in the years to come.

Consolidated statement of financial position

			Change	
(€m)	30 Sep 2023	31 Mar 2023	€m	%
Other fixed assets	35	37	(2)	(6%)
Deferred tax assets	7	5	2	37%
NON-CURRENT ASSETS	42	43	(0)	(1%)
Inventories	1,858	1,611	247	15%
Trade receivables	41	43	(2)	(4%)
Other current assets	37	28	9	31%
Unrestricted cash	76	199	(122)	(62%)
Restricted cash	60	46	14	30%
CURRENT ASSETS	2,072	1,926	146	8%
TOTAL ASSETS	**2,115**	**1,969**	**146**	**7%**
EQUITY	920	970	(50)	(5%)
Of which: own shares	*(8)*	*(64)*	*56*	*(88%)*
Non-current borrowings	320	319	1	0%
Other non-current liabilities	1	3	(2)	(63%)
Deferred tax liabilities	0	0	-	-
NON-CURRENT LIABILITIES	321	322	(1)	(0%)
Development financing due in the long term	230	126	105	83%
Development financing due in the short term	2	6	(4)	(64%)
Non-current borrowings	10	0	10	-
Current borrowings	90	44	45	102%
Trade and other payables and provisions	257	219	38	17%
Customer down payments	242	195	47	24%
Other current liabilities	42	88	(45)	(52%)
CURRENT LIABILITIES	874	677	196	29%
TOTAL EQUITY AND LIABILITIES	**2,115**	**1,969**	**146**	**7%**

3.3. Statement of cash flows

The company started the year with total (restricted + unrestricted) cash totalling €245 million; that balance decreased by a little over €100 million in H1 2023 to end September at €136 million.

The decrease in unrestricted cash is explained in "Section 3.2 Balance sheet – On the asset side". Note, however, that the decrease in the overall cash balance was smaller than the decrease in unrestricted cash due to a net increase of €14 million in restricted cash related with restricted amounts collected from BTS buyers, as well as the arrangement of corporate financing for treasury management purposes (drawdown of €15 million under the revolving credit facility, net issuance of commercial paper in the amount of €11 million and the arrangement of €30 million of additional corporate finance).

Consolidated statement of cash flows

(€m)	30 Sep 2023	30 Sep 2022	Change
EBITDA	**18**	**21**	**(3)**
Other adjustments to profit	(0)	2	(2)
Other cash used in operating activities	(41)	(27)	(14)
Change in working capital excluding land purchases/sales	(120)	(108)	(12)
Change in working capital derived from land purchases/sales	(93)	(63)	(30)
(A) Net cash used in operating activities	**(236)**	**(175)**	**(61)**
Investments in group companies and associates	-	-	-
Investments in other PP&E and intangible assets	(1)	(2)	1
Investments in other financial assets	(3)	(7)	5
Proceeds from the sale of investments in group companies and associates	1	3	(2)
Proceeds from the sale of other financial assets	-	-	-
(B) Net cash from/(used) in investing activities	**(3)**	**(7)**	**4**
Repurchase/sale of own shares	(4)	(2)	(1)
Issuance and repayment of borrowings	184	123	61
Dividend payments	(50)	(59)	9
(C) Net cash from financing activities	**131**	**62**	**69**
Net decrease in cash and cash equivalents (A+B+C)	**(108)**	**(120)**	**11**

3.4. Borrowings, liquidity and capital resources

As of 30 September 2023, the company's **gross borrowings** (not at amortised cost) stood at **€662 million**, up €158 million from 31 March 2023.

The **breakdown** of that debt is as follows: (i) €213 million of **secured development loans** (+€81 million vs. 31 March 2023); (ii) €23 million of **unsecured development loans** (note that this debt refers to the borrowings arranged with INCUS to finance BTR developments) (+€21 million vs. 31 March 2023); and (iii) €426 million of **corporate debt** (+€56 million vs. 31 March 2023).

The increased drawdown of borrowings coupled with the decrease in unrestricted cash drove net debt up to **€576 million**. As explained in earlier sections, that increase is attributable to greater construction activity during the period, which is boosting the company's coverage ratios vs. levels in previous years, especially in relation to two years out (the FY 2025 coverage ratio stood at 47% at 30 September 2023 vs. FY+2 coverage of 29% at 30 September 2022).

As a result of the foregoing, and given the concentration of deliveries scheduled for H2 2023, in line with the plans for the developments under construction, at 30 September 2023, the company's LTV ratio stood at 25.2%, its debt-to-EBITDA ratio was 3.8x and the interest coverage ratio (EBITDA to interest expense) stood at 6.5x.

Financial leverage

	30 Sep 2023	30 Sep 2022	30 Sep 2021
Net debt (€m)	576	502	484
Net LTC	31.0%	29.2%	30.3%
Net LTV	25.2%	22.7%	23.9%
Net debt/EBITDA (LTM)	3.8x	4.0x	2.7x
Interest coverage	6.5x	6.3x	10.1x

This 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**. Note, additionally, that **over 85%** of the company's borrowings mature in the **long term** and approximately **50%** carry **fixed rates**, injecting relative **certainty, stability and visibility around finance costs**: the average nominal cost of the company's borrowings was 5.1% at 30 September 2023.

Lastly, the company was very active arranging new development loans in H1 2023, closing a total of **23 new loans** totalling **€308 million** with terms and conditions that are very similar to those secured in FY 2022. That sum, together with the limit on the loans already in place, implies **maximum developer borrowings** in the BTS segment of **€786 million**, of which €341 million has already been drawn down, either via direct loan drawdowns or the use of the customer prepayment accounts.

Trend in net debt

(€m)	30 Sep 2023	31 Mar 2023	Change
(A) Development financing	**236**	**134**	**102**
(A) Secured development financing	213	132	81
(A) Unsecured development financing	23	2	21
(B) Corporate debt	**426**	**370**	**56**
Unsecured corporate borrowings	30	-	30
Commercial paper (MARF-listed)	55	45	11
Green bonds	325	325	-
Revolving credit facility	15	-	15
(C) Financial liabilities at amortised cost	**(9)**	**(9)**	**(1)**
(D) Gross debt at amortised cost (A + B + C)	**652**	**495**	**157**
(E) Unrestricted cash	76	199	(122)
Net debt (D - E)	**576**	**297**	**279**
(F) Cash tied to down payments	60	46	14
TOTAL CASH (E+F)	**136**	**245**	**(108)**

Solum (Guía de Isora)

3.5. Events after the reporting period

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

- Between 1 October and 20 November 2023, the company arranged secured developer loans in a total amount of €37 million; those loans finance 5 developments. The interest rate agreed on those mortgages is 3- and 12-month Euribor plus spreads ranging between 250 and 300 basis points.
- The capital decrease approved at the Annual General Meeting held on 20 July 2023, in the amount of €3,106,537 euros, by means of the cancellation of 3,106,537 own shares with a unit par value of €1, was filed with the Companies Register on 11 October 2023. After that decrease, the company's share capital amounts to €43,700,000 euros represented by 43,700,000 shares with a unit par value of €1 and the company's treasury stock decreased to 470,180 shares on 11 October 2023.
- At the close of trading on 20 November 2023, the company held 491,292 own shares, representing 1.12% of its capital; they were bought back at an average price of €16.82 per share.


Bayeu (Zaragoza)


Arana (Villanueva del Pardillo)

aedashomes.com

DILIGENCIA DE FIRMAS

Diligencia que levanta el Secretario no consejero del Consejo de Administración para hacer constar que los miembros del mencionado Consejo de Administración de la sociedad AEDAS HOMES, S.A. han procedido a suscribir los Estados Financiero Intermedios Resumidos Consolidados de Aedas Homes, S.A. y sus sociedades dependientes, correspondientes al periodo de seis meses terminado el 30 de septiembre de 2023, constitutivas del Balance de Situación consolidado, la Cuenta de Pérdidas y Ganancias consolidado, el Estado de Cambios en el Patrimonio Neto consolidado(estado de ingresos y gastos reconocidos y estado total de cambios en el patrimonio neto), el Estado de Flujos de Efectivo consolidado, la Memoria consolidada y el Informe de Gestión consolidado (incluyendo la información no financiera). A continuación, se firma de conformidad por todos los Administradores, en cumplimiento del artículo 253 de la Ley de Sociedades de Capital.

28 de noviembre de 2023

El Secretario no Consejero

Alfonso Benavides Grases

SIGNATURE DILIGENCE

Diligence raised by the non-director Secretary of the Board of Directors to record that the members of the Board of Directors of the company AEDAS HOMES, S.A. have proceeded to subscribe the the Interim Condensed Consolidated Financial Statements of Aedas Homes, S.A. and its subsidiaries, corresponding to the six months period ended November 30th, 2023, constituent of the consolidated Balance Sheet, the consolidated Income Statement, the consolidated Statement of Changes in Equity(statement of recognized income and expense and statement of changes in total equity), the consolidated Statement of Cashflows, the notes to the interim Condensed Consolidated Financial Statements and the Management Report. Then, it is signed in accordance, by all the member of the Board of Directors, in compliance with article 253 of the Companies Act.

28th of November 2023

D. Santiago Fernández Valbuena

D. David Martinez Montero

D.Eduardo D' Alessandro Cishek

D. Milagros Méndez Ureña

D. Javier Lapastora Turpín

Dña. Cristina Álvarez Álvar

D. Francisco Javier Martínez-Piqueras Barceló