Audit Report on Financial Statements
issued by an Independent Auditor

AEDAS HOMES, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
March 31, 2022

Building a better
working world

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of AEDAS HOMES, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at March 31, 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at March 31, 2022 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

Measurement of inventories	
Description	At March 31, 2022, the Group carried inventories at 1,520,346,571 euros, which mainly comprise land and sites, as well as various developments in progress and completed buildings that are being held for the purpose of selling the homes being built. The disclosures pertaining to these assets can be found in Note 11 to the accompanying consolidated financial statements. As detailed in note 4.4, the Group's inventories are measured at their acquisition cost, grossed up primarily by the cost of any development works, related purchase costs, construction cost, and capitalized borrowing costs, or their estimated market value, if lower. At each reporting date, the parent's directors test these inventories for indications of impairment. Impairment losses are recognized when their carrying amount exceeds their recoverable amount. To determine the inventories recoverable amount, the parent's directors rely primarily on the appraisals provided by an independent expert in keeping with the valuation standards prescribed by the Royal Institution of Chartered Surveyors (RICS). The risk of the incorrect initial recognition of these assets, the incorrect capitalization of eligible costs and the possible impairment of these assets, as well as the materiality of the amounts involved, have led us to conclude that the measurement of the Group's inventories constitutes the key audit matter.
Our response	In this regard, our audit procedures included the following, among others: ▶ Understanding Group management´s processes to determine the inventories recoverable amount the inventory, including evaluation of the design and implementation of the relevant controls. ▶ Reviewing the purchase deeds for real estate assets and analyzing a sample of costs capitalized as an increase in inventories. ▶ Reviewing, in collaboration with our valuation experts, the valuation methodology used by the independent expert for a sample of the properties appraised by the latter, which encompassed a mathematical assessment of the model, an analysis of the projected cash flows, and a review of the discount rates used. ▶ Reviewing the disclosures included in the notes to the accompanying consolidated financial statements in conformity with the applicable regulatory financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2022 consolidated management report, the preparation of which is the responsibility of the parent company’s directors and is not an integral part of the consolidated financial statements.

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

a. Checking only that the non-financial statement certain information included in the Corporate Governance Report and the Annual Report on the Remunerations of Directors, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2022 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of AEDAS HOMES, S.A. and subsidiaries for the 2022 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of AEDAS HOMES S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Corporate Governance Report and the Annual Report on the Remunerations of Directors have been incorporated by reference in the consolidated management report.

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

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

Additional report to the audit and control committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit and control committee on May 25, 2022.

Term of engagement

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

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

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

(signed in the original version)

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

May 25, 2022

Aedas Homes, S.A. and subsidiaries

Consolidated financial statements for the year ended March 31, 2022 prepared under the International Financial Reporting Standards (IFRS) adopted by the European Union, Group Management Report and Independent Auditor's Report

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

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED BALANCE SHEET AT MARCH 31, 2022 AND MARCH 31, 2021

(Euros)

ASSETS	Note	March 31, 2022	March 31, 2021	EQUITY AND LIABILITIES	Note	March 31, 2022	March 31, 2021
NON-CURRENT ASSETS:				**EQUITY**:			
Intangible assets	7	5,991,992	1,494,841	**Capital**		46,806,537	47,966,587
Patents, licences and trademarks		2,486,878	-	Share capital		46,806,537	47,966,587
Software		2,294,916	1,463,379	**Share premium**		478,534,502	500,076,721
Other intangible assets		1,210,198	31,462	**Parent company reserves**		(299,735,041)	(307,095,363)
Property, plant and equipment	8	3,468,164	3,241,899	**(Own Parent Company shares and equity holdings)**		(55,868,955)	(65,075,384)
Land and buildings		2,129,417	2,487,202	**Retained earnings (Prior period losses)**		(10,995,576)	(10,744,632)
Plant and other PP&E		791,616	732,523	**Reserves at fully-consolidated companies**		13,519,644	(2,293,916)
Work in progress and prepayments		547,131	22,174	**Other owner contributions**		740,071,256	740,071,256
Investment property	9	5,941,195	1,704,313	**Profit/(loss) for the year attributable to equity holders of the parent**		93,125,034	85,104,149
Land		1,175,970	286,114	**(Interim dividend)**		(36,153,300)	-
Buildings		4,765,225	1,418,199	**Other equity instruments**		6,617,788	4,406,966
Non-current investments in Group companies and associates	10	21,058,130	11,421,975	**Non-controlling interests**		411,296	1,889,489
Investments in associates		12,156,376	3,964,799	**Total Equity**	14	976,333,185	994,305,873
Loans to associates		8,901,754	7,457,176				
Non-current financial Investments	10	1,381,427	1,088,049	**NON-CURRENT LIABILITIES**			
Other financial assets		1,381,427	1,088,049	**Non-current payables**	15	318,612,309	89,511,657
Deferred tax assets	17	6,952,661	13,803,058	Bonds and other marketable securities		317,416,728	32,354,834
Total non-current assets		44,793,569	32,754,135	Debt with credit institutions		-	56,078,404
CURRENT ASSETS:				Other financial liabilities		1,195,581	1,078,419
Inventories	11	1,520,346,571	1,394,499,790	**Deferred tax liabilities**	17	260,416	-
Trade and other receivables	10, 12	71,497,514	51,144,420	**Total non-current liabilities**		318,872,725	89,511,657
Trade receivables		63,104,592	45,262,865				
Trade receivables from associates	20	708,799	78,833	**CURRENT LIABILIITIES**			
Sundry receivables		721,851	652,618	**Current provisions**	10,11	13,236,445	13,666,026
Personnel		-	12,913	**Development loans classified as current due in the long**	15	98,599,126	165,006,520
Current tax assets	17	179,014	75,498	**Current borrowings**	15	51,287,073	100,942,788
Other receivables from public authorities	17	6,783,258	5,061,693	Bonds and other marketable securities		42,460,562	22,301,428
Current investments in Group companies and associates	10	4,542,723	620,939	Debt with financial institutions		6,897,412	77,175,037
Loan to associates		4,218,723	620,939	Other financial liabilities	10	1,929,099	1,466,323
Current Financial Assets		324,000	-	**Current borrowings from related companies and associates**	16	440,379,366	323,553,275
Current Financial Investments	10	5,588,112	15,090,450	Suppliers		164,670,033	140,339,246
Other current financial assets		5,588,112	15,090,450	Payable for services received		7,088,316	6,159,782
Prepayments and accrued income	10	11,918,290	6,708,671	Employee benefits payable		4,009,964	3,516,780
Cash and cash equivalents	13	240,021,141	186,167,734	Current tax liabilities	17	15,915,738	19,237,338
Cash		220,113,259	186,167,734	Other payables to public authorities	17	32,472,311	22,509,962
Cash equivalents		19,907,882	-	Customer prepayments		216,223,004	131,790,167
Total current assets		1,853,914,351	1,654,232,004	**Total current liabilities**		603,502,010	603,168,609
TOTAL ASSETS		1,898,707,920	1,686,986,139	**TOTAL EQUITY AND LIABILITIES**		1,898,707,920	1,686,986,139

The accompanying notes 1 to 24 are an integral part of the consolidated balance sheet at March 31, 2022.

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

(Euros)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue - property development	**19.a**	746,731,285	667,605,815
Cost of goods sold - property development		(532,368,795)	(479,438,078)
Gross margin - Property development		**214,362,490**	**188,167,737**
Gross margin % - Property development		**28,7%**	**28,2%**
Revenue - Land sales	**11 & 19.a**	14,728,540	4,340,287
Cost of goods sold - Land sales		(10,260,402)	(3,535,157)
Gross margin - Land sales		**4,468,138**	**805,130**
Gross margin % - Land sales		**30,3%**	**18,6%**
Revenue from provision of services	**19.a**	4,160,381	-
Direct cost of provision of services		(741,478)	-
Gross margin – Provision of services		**3,418,903**	**-**
Gross margin % - Provision of services		**82,2%**	**-**
Revenues from sales and provision of services	**19.a & 20**	765,620,206	671,946,102
Cost of sales and provision of services	**11 & 19.b**	(543,370,675)	(482,973,235)
GROSS MARGIN		**222,249,531**	**188,972,867**
GROSS MARGIN %		**29,0%**	**28,1%**
Marketing	**2.g**	(12,045,356)	(7,871,092)
Sales commissions		(17,338,637)	(12,518,978)
Other direct development costs	**2.g**	(2,311,658)	(1,539,169)
Taxes related with developments		(4,452,021)	(6,828,404)
NET MARGIN		**186,101,859**	**160,215,224**
NET MARGIN %		**24,3%**	**23,8%**
General expenses	**19.c**	(38,647,258)	(29,442,506)
Other operating income		1,470,649	2,649,029
Other operating expenses		(195,568)	(199,919)
Negative difference arising on business combinations	**6**	203,393	-
EBITDA		**148,933,075**	**133,221,828**
EBITDA %		**19,5%**	**19,8%**
Depreciation and amortisation	**7, 8 & 9**	(3,203,123)	(2,196,613)
Impairment of inventories	**11**	(1,298,365)	(2,852,204)
OPERATING PROFIT/(LOSS)		**144,431,587**	**128,173,011**
Finance income	**20**	636,377	410,525
Finance costs - borrowings from group companies	**19.d**	-	(25,468)
Finance costs - bank borrowings, net of capitalised borrowing costs	**19.d**	(20,440,891)	(15,013,162)
Change in fair value of financial instruments		(19,835)	399,243
Exchange differences		(1,519)	(3,968)
NET FINANCE COST		**(19,825,868)**	**(14,232,830)**
Share of profit/(loss) of associates	**10**	598,336	(415,034)
Impairment and result due to loss of significant influence of equity-accounted investments	**10**	(181,802)	-
PROFIT/(LOSS) BEFORE TAX		**125,022,253**	**113,525,147**
Income tax	**17**	(31,141,044)	(28,471,045)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**93,881,209**	**85,054,102**
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS		**-**	**-**
PROFIT/(LOSS) FOR THE PERIOD		**93,881,209**	**85,054,102**
Attributable to non-controlling interests		756,175	(50,047)
Attributable to equity holders of the parent		93,125,034	85,104,149
Basic earnings per share		1.99	1.77
Diluted earnings per share		2.11	1.91

The accompanying notes 1 to 24 are an integral part of the consolidated income statement for the year ended March 31, 2022.

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

(Euros)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
PROFIT/(LOSS) FOR THE PERIOD (I)	**3**	**93,881,209**	**85,054,102**
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)		**93,881,209**	**85,054,102**
Total recognised income and expense attributable to equity holders of the Parent		93,125,034	85,104,149
Total recognised income and expense attributable to non-controlling interests		756,175	(50,047)

The accompanying notes 1 to 24 are an integral part of the consolidated statement of comprehensive income for the year ended March 31, 2022.

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

(Euros)

	Capital (Note 14.a)	Share premium (Note 14.b)	Reserves of the Parent	(Own Parent Company shares and equity holdings)	Retained earnings (prior-period losses)	Reserves at fully-consolidated companies	Shareholder/owner contributions (Note 14.g)	Profit/(loss) for the year	(Interim dividend) (Note 14.h)	Other equity instruments (Note 14.i)	Non-controlling interests	TOTAL
OPENING BALANCE AT APRIL 1, 2020	**47,966,587**	**500,076,721**	**(307,929,668)**	**(36,940,235)**	**(11,811,332)**	**(3,546,171)**	**740,071,256**	**3,157,875**	**-**	**2,535,363**	**2,401,732**	**935,982,128**
Total recognised income and expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**85,104,149**	**-**	**-**	**(50,047)**	**85,054,102**
Distribution of prior-period profit	**-**	**-**	**935,882**	**-**	**1,066,700**	**1,155,293**	**-**	**(3,157,875)**	**-**	**-**	**-**	**-**
Transactions with shareholders	**-**	**-**	**(101,577)**	**(28,135,149)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(28,236,726)**
Transactions with own shares and equity holdings (net)	-	-	(101,577)	(28,135,149)	-	-	-	-	-	-	-	(28,236,726)
Distribution of dividends and repayment of equity contributions	-	-	-	-	-	-	-	-	-	-	-	-
Consolidation scope and other changes	**-**	**-**	**-**	**-**	**-**	**96,962**	**-**	**-**	**-**	**1,871,603**	**(462,196)**	**1,506,369**
CLOSING BALANCE AT MARCH 31, 2021	**47,966,587**	**500,076,721**	**(307,095,363)**	**(65,075,384)**	**(10,744,632)**	**(2,293,916)**	**740,071,256**	**85,104,149**	**-**	**4,406,966**	**1,889,489**	**994,305,873**
Total recognised income and expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**93,125,034**	**-**	**-**	**756,175**	**93,881,209**
Distribution of prior-period profit	**-**	**-**	**7,339,273**	**-**	**(250,944)**	**15,843,548**	**-**	**(85,104,149)**	**-**	**-**	**-**	**(62,172,272)**
Transactions with shareholders	**(1,160,050)**	**(21,542,219)**	**(72,087)**	**9,206,429**	**-**	**-**	**-**	**-**	**(36,153,300)**	**-**	**(1,940,144)**	**(51,661,371)**
Capital reductions	(1,160,050)	(21,542,219)	(895)	22,702,269	-	-	-	-	-	-	-	(895)
Transactions with own shares and equity holdings (net)	-	-	(71,192)	(13,495,840)	-	-	-	-	-	-	-	(13,567,032)
Distribution of dividends and repayment of equity contributions	-	-	-	-	-	-	-	-	(36,153,300)	-	(1,940,144)	(38,093,444)
Consolidation scope and other changes	**-**	**-**	**93,136**	**-**	**-**	**(29,988)**	**-**	**-**	**-**	**2,210,822**	**(294,224)**	**1,979,746**
CLOSING BALANCE AT MARCH 31, 2022	**46,806,537**	**478,534,502**	**(299,735,041)**	**(55,868,955)**	**(10,995,576)**	**13,519,644**	**740,071,256**	**93,125,034**	**(36,153,300)**	**6,617,788**	**411,296**	**976,333,185**

The accompanying notes 1 to 24 are an integral part of the consolidated statement of changes in equity for the year ended March 31, 2022.

AEDAS HOMES, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

(Euros)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**125,022,253**	**113,525,147**
Adjustments for finance income/costs		**19,825,868**	**14,232,830**
Finance income		(636,377)	(410,525)
Finance costs	**19.d**	32,199,842	27,495,666
Borrowing costs capitalised in inventories	**11**	(11,758,951)	(12,457,036)
Change in fair value of financial instruments		19,835	(399,243)
Exchange differences		1,519	3,968
Share of profit/(loss) of associates		**(416,534)**	**415,034**
Operating profit/(loss)		**144,431,587**	**128,173,011**
Depreciation and amortisation charges	**7,8 & 9**	3,203,123	2,196,613
Impairment of inventories	**11**	1,298,365	2,852,204
EBITDA		**148,933,075**	**133,221,828**
Other adjustments to profit		**3,456,904**	**(22,456,426)**
Provisions		3,376,977	1,871,605
Realised finance gains/losses (fair value and exchange differences)		(1,519)	(3,968)
Unrealised share of profit/(loss) of associates		416,534	(415,034)
Net increase/(decrease) in other non-current assets and liabilities		(131,696)	(23,938,601)
Impairment of balances for commercial operations		-	29,572
Other income and expenses		(203,392)	-
Other cash flows used in operating activities		**(28,173,655)**	**(13,662,297)**
Interest received		473,511	119,016
Interest paid		(12,731,429)	(13,781,313)
Income tax received/(paid)		(15,915,737)	-
Changes in working capital (excluding purchases or sales of land during the financial year)		**55,388,643**	**(88,393,376)**
(Increase)/decrease in inventories	**11**	102,623,035	42,405,741
(Increase)/decrease in trade receivables	**12**	(12,019,809)	(21,524,085)
(Increase/(decrease) in trade payables	**16**	75,533,952	(7,490,658)
(Increase)/decrease of other current assets less current liabilities	**10**	(110,748,535)	(101,784,374)
Changes in working capital arising from purchases and sales of land during the financial year	**11, 12 & 16**	**(169,656,642)**	**(63,202,056)**
Net cash used in operating activities (1)		**9,948,325**	**(54,492,327)**
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Investments | disposals		**(42,409,681)**	**(4,332,079)**
Payments for Group companies and associates		(5,490,506)	(3,231,080)
Investment in business unit	**6**	(49,547,039)	-
Payments for intangible assets	**7**	(1,925,203)	(882,449)
Payments for property, plant and equipment	**8**	(986,153)	(218,550)
Payments for other financial assets		(7,406,475)	-
Proceeds from Group companies and associates		2,399,258	-
Proceeds from other financial assets		20,546,437	-
Net cash from/(used in) investing activities (2)		**(42,409,681)**	**(4,332,079)**
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments for equity instruments		**(14,161,063)**	**(24,265,619)**
Acquisition of own equity instruments		(14,161,063)	(24,265,619)
Proceeds from and repayment of financial liabilities	**15**	**198,801,398**	**133,144,508**
Issue of bonds and other marketable securities		351,177,825	58,810,883
New financing obtained from banks		238,866,778	399,356,225
Repayment of bonds and other marketable securities		(53,700,000)	(67,400,000)
Repayment of debt with financial institutions		(337,543,205)	(257,041,260)
Repayment of debt with related parties		-	(581,340)
Dividends and payments on other equity instruments		**(98,325,572)**	-
Dividends		(98,325,572)	-
Net cash from financing activities (3)		**86,314,763**	**108,878,889**
4. Effect of changes in exchange rates on cash and cash equivalents (4)		-	-
5. NET INCREASE IN CASH AND CASH EQUIVALENTS (1+2+3+4)		**53,853,407**	**50,054,483**
Cash and cash equivalents at beginning of year	**13**	**186,167,734**	**136,113,251**
Cash and cash equivalents, closing balance	**13**	**240,021,141**	**186,167,734**

The accompanying notes 1 to 24 are an integral part of the consolidated statement of cash flows for the year ended March 31, 2022.

1. ***The Aedas Homes Group's business***

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

The Parent Company is a company incorporated in Spain, with registered office at Paseo de la Castellana, 42, Madrid (Spain); it is registered in the Commercial Register of Madrid, Spain.

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

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

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

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

The Group operates only in Spain.

The Parent was incorporated under the name of SPV Spain 19, S.L.U. as a result of the subscription and payment of 3,000 indivisible equity interests (*participaciones sociales)*, numbered sequentially, with a unit par value of 1 euro. They were paid for in cash. Hipoteca 43 Lux, S.A.R.L. purchased 100% of these interests on July 5, 2016. The Company's name was changed to Aedas Homes Group, S.L.U. on July 18, 2016. It assumed its current name in the wake of the restructuring transaction agreed on May 23, 2017.

On September 12, 2017, the Company's legal form of incorporation was changed to that of a public limited company (*sociedad anónima*) so that it took the name of Aedas Homes, S.A. (*Sociedad Unipersonal)*. Since then, the Company has not changed its corporate name.

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

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

On March 30, 2020, the Shareholders' Meeting of the Parent Company, at the proposal of the Board of Directors, agreed to change the Company’s fiscal year to the twelve-month period from April 1 to March 31 the following year, except for the first fiscal year following the change, which would run from 1 January 2020 until 31 March 2020. These consolidated financial statements therefore relate to the twelve-month period from April 1, 2021 until March 31, 2022.

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

2. ***Basis of presentation of the consolidated financial statements***

a) *Basis of presentation*

The consolidated financial statements of the Group comprising Aedas Homes, S.A. and its subsidiaries for the year ended March 31, 2022 were prepared from the accounting records of the Parent and the other companies comprising the Group (refer to Appendix I) in keeping with the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

The consolidated financial statements were prepared under the IFRS-EU in effect on the date of their issuance. They take into consideration all of the accounting principles and standards and measurement criteria that are mandatorily applicable under IFRS-EU such that they present fairly the Group's equity and financial position as at March 31, 2022 and its financial performance, the changes in its equity and in cash flows, all on a consolidated basis, for the year then ended.

However, given that the accounting principles and measurement criteria used to prepare the Group's consolidated financial statements for the year ended March 31, 2022 may differ from those used by certain of the Group entities, the appropriate adjustments and reclassifications have been made upon consolidation in order to standardize the various principles and criteria and bring them in line with IFRS-EU.

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

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

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

- GROSS MARGIN: the difference between the Revenues and Cost of goods sold. Detailed information if provided in Notes 19 a) and 19 b) regarding these items of the income statement. The Percentage GROSS MARGIN is calculated by dividing the GROSS MARGIN in absolute terms by the Revenues.

- NET MARGIN: the difference between the GROSS MARGIN and other costs: Marketing, Sales commissions, Other direct development costs and Taxes related with developments. The percentage NET MARGIN is calculated by dividing the NET MARGIN in absolute terms by the Revenues.

- EBITDA: the difference between the NET MARGIN and other costs/revenues: General expenses, Other operating income and Other operating expenses. The percentage EBITDA is calculated by dividing the EBITDA in absolute terms by the Revenues.

b) *Adoption of the International Financial Reporting Standards*

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (IFRS-EU) pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, which were effective as at March 31, 2022.

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

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

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

The accounting standards used to prepare these consolidated financial statements correspond are those used to prepare the consolidated financial statements for the year ended March 31, 2021, except the following:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2, applicable for annual reporting periods beginning on or after January 1, 2021

- Amendments to IFRS 16: Covid19 - related Rent Concessions beyond 30 June 2021, applicable for annual reporting periods beginning on or April 1, 2021. Earlier application is permitted.

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

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

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

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

Mandatory Implementation: effective for periods beginning on or after January 1, 2022

- Amendments to IAS 37 - Cost of Fulfilling a Contract.

- Amendments to IFRS 3 - Reference to the Conceptual Framework.

- Amendments to IAS 16 - Proceeds before Intended Use.

- Annual Improvements 2018-2021 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).

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

- IFRS 17 Insurance Contracts.

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current – effective date deferred from January 1, 2022.

- Amendments to IAS 1 - Disclosure of Accounting Policies.

- Amendments to IAS 8 - Definition of Accounting Estimates.

- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities Arising from a Single Transaction.

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

c) *Functional and presentation currency*

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

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

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

The Group's consolidated financial statements for the year ended March 31, 2022 make occasional use of estimates made by the senior executives of the Group and of its consolidated companies, later ratified by their respective directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations recognised therein. Essentially, these estimates refer to:

- Evaluation of the net realisable value of the Group's inventories: the Group has assessed, as of the reporting date, the realisable value of its inventories, understood as their estimated sale price less all of the estimated costs necessary to complete their construction. The market value of the Group's properties, has been determined on the basis of an assessment carried out by independent expert appraisers. Specifically, Savills Aguirre Newman Valoraciones y Tasaciones, S.A. appraised the Group's portfolio of real estate assets as at March 31, 2022, and without taking supplier prepayments into consideration. The assets were appraised using the 'market value' assumption, in keeping with the Valuation - Professional Standards and Guidance notes published by Great Britain's Royal Institution of Chartered Surveyors (RICS) (see Note 11).

- The probability of obtaining future taxable income when recognising deferred tax assets (refer to Note 4.10).

Although these estimates were made on the basis of the best information available at March 31, 2022 regarding the facts analysed, future events could make it necessary to revise these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with IAS 8, recognising the effects of the change in estimates in the related consolidated income statement.

e) *Basis of consolidation*

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

The universe of companies included in the consolidation scope in the year ended March 31, 2022, and the year ended March 31, 2021 is listed in Appendix I.

Subsidiaries

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

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

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

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

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

   The income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the acquisition date or until the date of change in control, as warranted.

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

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

Investments in associates and joint ventures

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

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

Temporary homogenisation

The consolidated financial statements are drawn up for the same date and for the same period as the individual financial statements of the company, which is obliged to consolidate, i.e. AEDAS Homes, S.A. These financial statements relate to the twelve-month period beginning on April 1, 2021 and ending on March 31, 2022.

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

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

f) First-time consolidation differences

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

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

g) Comparative information

For comparative purposes, the information contained in the accompanying consolidated financial statements for the year ended March 31, 2022 is presented alongside the information at March 31, 2021 in respect of the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows.

It should be noted that the structure of the consolidated profit and loss account for the ended March 31, 2022 has been modified with regards to the consolidated profit and loss account for the previous year:

- The gross margin has been broken down and includes a new business line corresponding to Revenue from provision of services (real estate services). To make a comparison, during the previous period, the gross margin for this business line was 568,317 euros which was recorded under the heading “Other operating income”.

- The heading Other direct development costs includes, among others, costs of external advisors directly attributable to developments. To make a comparison, during the previous period direct expenses incurred from external consultancy amounted to 219,135 euros, which were recorded under the heading “General expenses”.

- Under the heading Marketing the costs of using online portals directly attributable to the developments have been included. To make a comparison, during the previous period, this cost amounted to 500,172 euros which was recorded under the heading “General expenses”.

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

3. ***Distribution of profit/(loss)***

At a meeting held on May 25, 2022, the directors of the Parent proposed the following distribution of the result for the year ended March 31, 2022, a proposal expected to be ratified by the General Shareholders’ Meeting:

Distribution Base:

Balance of the profit and loss account (Profit): 109,368,115 euros.

Allocation:

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

i. 36,153,300 euros ("*Interim Dividend*") corresponding to an interim dividend out of the profit for the year ended March 31, 2022 equivalent to 0.82 euros per share for the number of shares that were not direct treasury shares on the corresponding date, as approved by the Board of Directors at the meeting held on March 23, 2022 in accordance with the accounting statement prepared and in accordance with the legal requirements, which evidenced the existence of sufficient liquidity for the distribution of such interim dividend out of the profit for the year ended March 31, 2022. The dividend was paid on March 31, 2022.

ii. The amount resulting from multiplying 1.34 euros per share by the number of shares that are not direct treasury shares on the date specified, on which the registered holders entitled to the dividend ("Complementary *Dividend*") are to receive this. The aforementioned dividend will be paid to shareholders as of July 8, 2022.

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

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

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

Total allocated: 109,368,115 euros.

This proposal for the appropriation of the profit made by the Board of Directors for approval by the General Shareholders' Meeting includes the payment of a Complementary Dividend of 1.34 euros by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed Complementary Dividend the same number of treasury shares of the Parent is maintained as at March 31, 2022 (2,720,335 shares), the maximum Dividend to be distributed (Interim Dividend and Complementary Dividend) would be 95,228,811 euros, leaving an unallocated income of 14,139,304 euros.

4. ***Recognition and measurement standards***

The following accounting principles, policies and measurement criteria were used to draw up the Group's consolidated financial statements for the year ended March 31, 2022:

4.1 Intangible assets

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

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

a) Software

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

b) *Trademarks*

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

c) Other intangible assets

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

4.2 *Property, plant and equipment*

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

Acquisition or production cost for items of property, plant and equipment that require more than one year to ready for use (qualifying assets) include borrowing costs accrued prior to readying the assets for use when such expenses have been invoiced by the supplier or correspond to specific or generic loans or other external financing directly allocable to the acquisition, manufacture or construction of the asset.

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

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

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

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

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

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

Buildings are depreciated over the useful lives of the leases agreements.

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

Impairment of intangible assets and property, plant and equipment

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

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

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

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

4.3 Investment property

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

4.4 Inventories

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

1. Hold for sale in the ordinary course of their businesses

2. Have in the process of production, construction or development to this end

3. Expect to consume in the production process or in the provision of services

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

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

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

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

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

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

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

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

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

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

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

Note that the appraisals took the form of individual asset-by-asset analysis, factoring in the building standards planned for each, which in term determine the associated contracting costs and sales price ranges. An individual assessment was also made of the average length of time expected to be needed to obtain the various planning permits and requirements and the average length of time needed to build each development as function of its nature and density.

4.5 Trade receivables

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

For the impairment calculation of trade receivables as of March 31, 2022, the Group applies the simplified approach under IFRS 9 *Financial Instruments* (loss allowance at an amount equal to lifetime expected credit losses). Although, it causes no impact in the consolidated financial statements, mainly due to the fact that the agreements signed with customers are terminable if they fail to comply with their payment commitments.

4.6 Customer prepayments

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

4.7 Financial instruments by category

4.7.1 Financial assets

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

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

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

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

4.7.2 Financial liabilities and equity

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

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

4.7.3 Equity instruments

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

4.7.4 Bank loans

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

4.7.5 Trade payables

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

4.8 Own shares of the Parent Company

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

4.9 Provisions and contingent liabilities

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

a. <u>*Provisions*</u>: liabilities recognised to cover a present obligation arising from past events, of uncertain timing and/or amount, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

b. *Contingent liabilities*: a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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

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

Provisions (which are estimated using the best information available regarding the consequences of the event giving rise to their recognition and re-estimated at each reporting date) are used to cover the specific obligations for which they were initially recognised; they are reversed, in full or in part, when these obligations cease to exist or diminish.

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

Provisions for completion of construction project

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

There were no contingent liabilities, contingent assets or penalties for delays in delivering houses at either reporting date, March 31, 2022 and March 31, 2021, except those outlined in Note 18.

4.10 Income tax

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

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

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

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

However:

1. Deferred tax assets are only recognised to the extent that it is probable that the consolidated entities will generate sufficient taxable profit in the future against which these assets can be utilised.

2. Under no circumstances are deferred taxes recognised in connection with goodwill arising in a business combination.

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

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

4.11 Revenue and expenses

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

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

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

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

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

Expenses are recognised on an accrual basis.

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

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

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

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

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

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

4.12 Borrowing costs

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

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

4.13 Operating profit/(loss)

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

4.14 Redundancy payments

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

No provision has been recognised in the accompanying consolidated financial statements in this connection at either March 31, 2022 or March 31, 2021 as no workforce restructuring is currently contemplated.

4.15 Director and key management personnel remuneration

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

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

4.16 Environmental assets and liabilities

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

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

4.17 Related-party transactions

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

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

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

4.18 Distinction between current and non-current

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

Likewise, the following liabilities are classified as current liabilities: those related with the normal operating cycle; financial liabilities held for trading other than financial derivatives due for settlement more than 12 months from the reporting date; and, in general, all liabilities that fall due or will be extinguished within 12 months of the reporting date. All other liabilities are presented as non-current.

The breakdown of short and long-term inventories is included in Note 11.

4.19 Business combinations

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

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

The cost of a business combination is the aggregate of:

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

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

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

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

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

4.20 Share-based payments

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

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

4.21 Leases

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

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

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

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

4.22 Segment information

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

4.23 Investments in associates

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

5, *Earnings/(loss) per share*

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

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

Accordingly:

	Euros	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(loss) for the period attributable to equity holders of the Parent	93,125,034	85,104,149
Number of shares outstanding (Note 14.a)	46,806,537	47,966,587
Basic earnings/(loss) per share	**1.99**	**1.77**

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

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

As of March 31, 2022, the Parent held 2,720,335 own shares (3,325,249 at March 31, 2021), not holding any other dilutive equity instrument, so the diluted earnings per share amounts to 2.11 euros (the diluted earnings per share was 1.91 euros at the end of the year ended March 31, 2021).

6. ***Changes in the Group's composition***

At March 31, 2022, the Company was the parent of a group of companies. Appendix I itemizes the Group companies consolidated by the Parent and provides their salient information as at March 31, 2022, before making the corresponding standardization adjustments, as appropriate, to their separate financial statements in order to adapt them for IFRS-EU reporting purposes. The figures disclosed in Appendix I were provided by the Group entities and their equity positions are those stated in their accounting records as of the reporting date.

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

- On July 29, 2021, AEDAS HOMES OPCO, S.L.U. exchanged its 10% interest in Urbania Lamatra I, S.L. for land in Mairena del Aljarafe (Sevilla), in execution of the right to exchange under the shareholders agreement. As a result of this exchange, AEDAS HOMES OPCO, S.L.U. acquired 62.35% of a plot of land in Mairena del Aljarafe (Sevilla) in exchange for the return of shares amounting to 204 thousand euros and partial repayment of the loan granted to the company for the amount of 875 thousand euros. The remaining 37.65% of the plot of land was acquired by a cash payment of 652 thousand euros (Note 11).

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

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

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

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

- On November 8, 2021, AEDAS HOMES OPCO, S.L.U. acquired a 20% equity interest in ESPEBE 11, S.L. (now known as AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.) from Promociones y Propiedades Inmobiliarias Espacio, S.L.U. As a result of that acquisition, AEDAS HOMES OPCO, S.L.U. became the sole shareholder of this company. On that same date, AEDAS HOMES OPCO, S.L.U. resolved to change the name of ESPEBE 11, S.L.U. to AEDAS HOMES SERVICIOS INMOBILIARIOS,S.L.U. The latter hereinafter would be the entity that provides real estate management services within the AEDAS Homes Group, duly equipped with the resources needed to do so.

- On November 17, 2021, AEDAS HOMES OPCO, S.L.U. transferred interests in the companies that are presently party to management agreements to AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U., specifically equity interests of 52% in Domus Avenida, S.L., 50% in Espacio Áurea, S.L., 20% in Allegra Nature, S.L., 22.5% in Residencial Henao, S.L., 14.81% in Aurea Etxabakoitz, S.L. and 17.13% in Residencial Ciudadela Uno, S.L. In addition, on that same date, AEDAS HOMES OPCO, S.L.U. transferred 100% ownership interest in AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. to AEDAS HOMES, S.A.

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

The description of the main changes, during the year ended March 31, 2021, in the investments in Group companies and associates, is as follows:

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

- On February 23, 2021, SPV REOCO 1, S.L.U. acquired shares representing 5.3% of the share capital of the company FACORNATA SERVICIOS Y GESTIONES, S.L., owned by the company Taller de Estudios de Inversión, S.L. As a result of that acquisition, SPV REOCO 1, S.L.U. is now the sole shareholder of FACORNATA SERVICIOS Y GESTIONES, S.L.

7. ***Intangible assets***

The reconciliation of the movements under this heading during the years ended March 31, 2022 and March 31, 2021 is as follows:

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

	Euros		
	Software Applications	Advances for intangible assets	Total
Cost:			
Balance at April 1, 2020	1,760,518	74,476	1,834,994
Additions	882,449	-	882,449
Reclassifications	43,014	(43,014)	-
Balance at March 31, 2021	**2,685,981**	**31,462**	**2,717,443**
Accumulated amortization:			
Balance at April 1, 2020	(590,380)	-	(590,380)
Charges	(632,222)	-	(632,222)
Derecognitions	-	-	-
Total accumulated depreciation at March 31, 2021	**(1,222,602)**	-	(1,222,602)
Carrying amount at March 31, 2021	**1,463,379**	**31,462**	**1,494,841**

The main additions recognised in the year ended March 31, 2022 and the year ended March 31, 2021 are related to the outsourced development of computer applications in order to accelerate and increase the efficiency and improvement of administrative and business processes. The amounts stated under "Advances for intangible assets" correspond to investments in the development of applications currently being carried out.

No items of intangible assets had been pledged as collateral at either March 31, 2022 or March 31, 2021.

As of March 31, 2022 there are fully amortised intangible assets and still in use for a total amount of 620,897 euros (352,478 euros as of March 31, 2021).

8. ***Property, plant and equipment***

The reconciliation of the movements under this heading during the years ended March 31, 2022 and March 31, 2021 is as follows:

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

	Euros						
	Buildings	Other plant	Furniture & fittings	Computer equipment	Other items of PP&E	Prepayments for PP&E	Total
Cost:							
Balance at April 1, 2020	562,505	63,717	288,779	580,377	80,266	322	1,575,966
Additions	50,810	8,910	10,951	64,016	2,070	56,793	193,550
Derecognitions	-	-	-	-		-	-
Reclassifications	-	-	33,834	1,107	-	(34,941)	-
Balance at March 31, 2021	**613,315**	**72,627**	**333,564**	**645,500**	**82,336**	**22,174**	**1,769,516**
Accumulated depreciation:							
Balance at April 1, 2020	(180,778)	(28,561)	(69,598)	(315,998)	(33,921)	-	(628,856)
Charges	(103,156)	(13,320)	(31,470)	(141,185)	(15,730)	-	(304,861)
Derecognitions	-	-	-			-	-
Total accumulated depreciation at March 31, 2021	**(283,934)**	**(41,881)**	**(101,068)**	**(457,183)**	**(49,651)**	**-**	**(933,717)**
Carrying amount at March 31, 2021	**329,381**	**30,746**	**232,496**	**188,317**	**32,685**	**22,174**	**835,799**

The main additions recognised in the years ended March 31, 2022 and March 31, 2021 relate to the purchase of computer equipment and capital expenditure on the new office facilities.

As of March 31, 2022, there are items of property, plant and equipment that are fully depreciated and still in use for a total amount of 504,622 euros (185,548 euros as of March 31, 2021).

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

No item of property, plant and equipment had been pledged as collateral at March 31, 2022 and March 31, 2021.

The Group had no contractual commitments for the purchase of property, plant and equipment at March 31, 2022 and March 31, 2021.

Additionally, right of use assets are recognised under "Property, plant and equipment" heading for a total amount of 1,811,412 euros at March 31, 2022 (2,406,100 euros at March 31, 2021). Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right of use assets			Lease Liabilities
	Buildings	**Plant and other PP&E**	**TOTAL**	
Balance at April 1, 2020	**2,258,155**	**175,658**	**2,433,813**	**2,491,769**
Additions	909,068	127,862	1,036,930	1,036,930
Depreciation expense	(1,193,468)	(61,364)	(1,254,832)	-
Interest Expense	-	-	-	104,928
Modification to lease terms – other adjustments	184,065	6,124	190,189	190,189
Lease Payments	-	-	-	(1,348,339)
Balance at March 31, 2021	**2,157,820**	**248,280**	**2,406,100**	**2,475,476**
Additions	872,185	132,383	1,004,568	1,004,568
Depreciation expense	(1,432,351)	(104,420)	(1,536,771)	-
Interest Expense	-	-	-	97,745
Modification to lease terms – other adjustments	(57,119)	(5,366)	(62,485)	(62,485)
Lease Payments				(1,654,171)
Balance at March 31, 2022	**1,540,535**	**270,877**	**1,811,412**	**1,861,133**

For the year ended March 31, 2022, the Group has recognised leases of low-value assets and short-term lease payments, for a total amount of 337,157 euros (161,919 euros for the year ended March 31, 2021).

For the lease liabilities recognised at March 31, 2022, an amount of 762,241 euros is due within one year, and an amount of 1,098,891 euros is due within one to five years (for the lease liabilities recognised at March 31, 2021, an amount of 1,429,457 euros was due within one year, and an amount of 1,046,019 euros was due within one to five years).

9. ***Investment property***

The reconciliation of the movements under this heading during the years ended March 31, 2022 and March 31, 2021 is as follows:

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

	Euros		
	Land	Buildings	Total
Cost:			
Balance at April 1, 2020	-	-	-
Additions	-	-	-
Derecognitions	-	-	-
Transfers of inventories to investment property	286,114	1,423,053	1,709,167
Balance at March 31, 2021	**286,114**	**1,423,053**	**1,709,167**
Accumulated depreciation:			
Balance at April 1, 2020	-	-	-
Charges	-	(4,854)	(4,854)
Derecognitions	-	-	-
Balance at March 31, 2021	**-**	**(4,854)**	**(4,854)**
Carrying amount at March 31, 2021	**286,114**	**1,418,199**	**1,704,313**

The transfers from inventories to investment property in the financial years ended March 31, 2022 and March 31, 2021 related to homes developed by Group companies that have been rented under a lease with an option to purchase.

10. ***Current and non-current financial assets and liabilities***

The breakdown of the Group's financial assets and liabilities at March 31, 2022 and March 31, 2021 is provided in the table below:

	Euros			
	March 31, 2022		March 31, 2021	
	Non-current	Current	Non-current	Current
Investments in associates	12,156,376	-	3,964,799	-
Loans to associates	8,901,754	4,218,723	7,457,176	620,939
Guarantees and deposits extended	1,381,427	-	1,088,049	-
Trade receivables (Nota 12)	-	63,104,592	-	45,262,865
Trade receivables from associates (Nota 12)	-	708,799	-	78,833
Sundry receivables (Nota 12)	-	721,851	-	652,618
Personnel (Nota 12)	-	-	-	12,913
Current financial assets	-	5,588,112	-	15,090,450
Dividend receivable from associated companies	-	324,000	-	-
Current provisions	-	(13,236,445)	-	(13,666,026)
Borrowings from related parties (Note 15)	-	-	-	-
Financial debts (Note 15)	(318,612,309)	(51,287,073)	(89,511,657)	(100,942,788)
Bank borrowings in the long term (Note 15)	-	(98,599,126)	-	(165,006,520)
Suppliers (Note 16)	-	(164,670,033)	-	(140,339,246)
Payable for services received (Note 16)	-	(7,088,316)	-	(6,159,782)
Employee benefits payable (Note 16)	-	(4,009,964)	-	(3,516,780)
Customer prepayments (Note 16)	-	(216,223,004)	-	(131,790,167)
Prepayments and accrued income	-	11,918,290	-	6,708,671
Total	**(296,172,752)**	**(468,529,594)**	**(77,001,633)**	**(492,994,020)**

- "Current financial assets" on the accompanying consolidated balance sheet includes fixed-term deposits that mature less than one year after the reporting date, A total amount of 514,639 euros of those fixed-term deposits have been pledged to secure sureties and surety insurance extended to house buyers at March 31, 2022 (13,859,668 euros at March 31, 2021).

- Provisions for completing building work are recorded for 77 developments under the heading of "Current provisions" (Note 11). Said provision includes the amounts from invoices pending receipt for the related development, as well as the estimated after sales costs under industry experience.

- "Investments in associates" on the accompanying consolidated balance sheet includes investments in associates and joint ventures, accounted for using the equity method. Summarised financial information of the associates, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

March 31, 2022

	Euros										
	Year ended March 31, 2022										
	WINSLARO ITG, S.L.	SERV. INMOBILIARIOS LICANCABUR, S.L.	URBANIA LAMATRA I, S.L.	URBANIA LAMATRA II, S.L.	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.
Summarised statement of financial position of associates											
Non-current assets	489,128	524,704	-	560,484	-	-	1,487	4,194	8,416	7,095,846	38,091
Current assets	42,307,854	23,549,665	-	68,083,346	29,924,327	14,160,214	17,821,136	18,854,080	3,104,040	61,156	22,879,419
Non-current liabilities	19,254,969	17,159,453	-	42,404,468	-	4,979,900	-	-	-	-	-
Current liabilities	14,828,732	258,165	-	8,125,346	25,799,060	6,191,670	17,410,631	14,579,160	2,802,837	42,834	16,032,950
Equity	**8,713,281**	**6,656,751**	**-**	**18,114,016**	**4,125,267**	**2,988,644**	**411,992**	**4,279,114**	**309,619**	**7,114,168**	**6,884,560**
Ownership interest attributable to the Parent	*20%*	*25%*	-	*10%*	*30%*	*50%*	*20%*	*22,5%*	*14,81%*	*17,13%*	*17,13%*
Group's share in equity	1,742,656	1,664,188	-	1,811,402	1,237,580	1,494,322	82,398	962,801	45,855	1,218,657	2,895
Goodwill	332	-	-	10,035	-	-	-	-		-	-
Adjustment to fair value (business combination – Note 6)	-	-	-	-	11,628	576,571	696,768	257,031	165,843	175,414	-
Group's carrying amount of the investment	**1,742,988**	**1,664,188**	**-**	**1,821,437**	**1,249,208**	**2,070,893**	**779,166**	**1,219,832**	**211,698**	**1,394,071**	**2,895**
			-								
Other operating expenses	(77,045)	(56,785)	-	(544,814)	(1,581,867)	(247,616)	(1,605,264)	(329,421)	(1,034,863)	(874)	(272,683)
Finance income	-	-	-	-	487,009	-	377,305	88,049	229,546	-	180,071
Finance costs	(744,050)	(767,106)	-	(119,400)	(487,009)	(66,400)	(414,021)	(88,049)	(182,598)	-	(186,826)
Profit/(loss) before tax	**(821,056)**	**(823,891)**	**-**	**(169,767)**	**1,874,666**	**(314,016)**	**2,865,878**	**(1,349)**	**1,959,791**	**(874)**	**(21,191)**
Income tax	205,264	205,973	-	(36,043)	(485,639)	-	(751,584)	4,194	(488,433)	(42,604)	38,091
Profit/(loss) for the period from continuing operations	**(615,792)**	**(617,918)**	**-**	**(205,810)**	**1,389,026**	**(314,016)**	**2,114,294**	**2,845**	**1,471,359**	**(43,478)**	**16,900**
Profit/(loss) generated prior to integration into the Group	**-**	**-**	**-**	**-**	**(2,283)**	**(45,839)**	**(3,083)**	**(15,427)**	**(6,061)**	**171,291**	**-**
Group's share of profit/(loss) loss for the period	**(123,158)**	**(154,479)**	**-**	**(20,581)**	**416,708**	**(157,008)**	**422,859**	**640**	**217,908**	**(7,448)**	**2,895**
Result due to loss of significant influence	**-**	**-**	**(181,802)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

March 31, 2021

	Euros			
	Year ended March 31, 2021			
	WINSLARO ITG, S.L.	SERV. INMOBILIARIOS LICANCABUR, S.L.	URBANIA LAMATRA I, S.L.	URBANIA LAMATRA II, S.L.
Summarised statement of financial position of associates				
Non-current assets	213,864	318,732	251,339	593,649
Current assets	18,149,633	24,274,278	8,826,811	53,339,851
Non-current liabilities	(10,625,265)	(15,303,598)	(6,599,727)	(41,814,457)
Current liabilities	(2,655,281)	(2,600,992)	(36,328)	(2,232,212)
Equity	**5,082,951**	**6,688,420**	**2,442,095**	**9,886,832**
Ownership interest attributable to the Parent	*20%*	*25%*	*10%*	*10%*
Group's share in equity	1,016,590	1,672,105	244,210	988,683
Goodwill	332	-	32,844	10,035
Group's carrying amount of the investment	**1,016,922**	**1,672,105**	**277,054**	**998,718**
Other operating expenses	(43,545)	(44,925)	(30,491)	(1,039,752)
Finance costs	(307,851)	(804,583)	(235,317)	(1,084,180)
Profit/(loss) before tax	**(351,396)**	**(849,508)**	**(265,808)**	**(2,123,932)**
Income tax	87,867	212,377	65,327	293,952
Profit/(loss) for the period from continuing operations	**(263,529)**	**(637,131)**	**(200,481)**	**(1,829,980)**
Group's share of profit for the period	**(52,706)**	**(159,282)**	**(20,048)**	**(182,998)**

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- "Loans to associates" on the accompanying consolidated balance sheet includes loans to associates and joint ventures. The breakdown at March 31, 2022 and March 31, 2021 is as follows:

March 31, 2022

	Limit	Principal	Maturity date	Interest
SERV, INMOBILIARIOS LICANCABUR, S.L.	5,300,000	3,820,073	July 29, 2025	Euribor + 5.5%
URBANIA LAMATRA II, S.L.	3,140,000	1,518,610	July 26, 2025	Euribor + 6.5%
WINSLARO ITG, S.L.	4,520,000	2,274,540	June 11, 2025	Euribor + 5.5%
WINSLARO ITG, S.L.	4,520,000	1,288,531	July 31, 2027	Euribor + 5.5%
VARÍA ACR MÓSTOLES FUENSANTA, S.L.	2,388,600	1,726,769	November 30, 2021	4%
ESPACIO ÄUREA, S.L.	2,600,000	400,000	August 28, 2022	Euribor + 5.5%
ALLEGRA NATURA, S.L.	2,320,000	864,000	April 30, 2022	4%
Total	**24,788,600**	**11,892,523**		

March 31, 2021

	Limit	Principal	Maturity date	Interest
SERV, INMOBILIARIOS LICANCABUR, S.L.	5,300,000	3,547,886	July 29, 2025	Euribor + 5.5%
URBANIA LAMATRA I, S.L.	1,000,000	593,840	December 14, 2023	Euribor + 5.5%
URBANIA LAMATRA II, S.L.	3,140,000	1,329,510	July 26, 2025	Euribor + 6.5%
WINSLARO ITG, S.L.	4,520,000	1,985,940	June 11, 2025	Euribor + 5.5%
Total	**13,960,000**	**7,457,176**		

Additionally, the amount of accrued interest pending collection, for the aforementioned loans to associates and joint ventures, amounts to 1,227,954 euros as of March 31, 2022 (620,939 euros as of March 31, 2021).

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

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

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

Variation in other current assets and liabilities during the year ended March 31, 2021 are broken down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	March 31, 2021	March 31, 2020	Variation	Transfer to cash flows	Others
Current interest on loans	-	56,838	(56,838)	-	56,838
Current deposits	13,859,668	6,209,780	7,649,888	(7,649,888)	-
Guarantees extended	366,667	6,353,003	(5,986,336)	2,015,230	3,971,106
Deposits extended	864,115	455,000	409,115	(409,115)	-
Prepayments and accrued income	6,708,671	9,939,916	(3,231,245)	3,231,245	-
Total other current assets	**21,799,121**	**23,014,537**	**(1,215,416)**	**(2,812,528)**	**4,027,944**
Bonds and other marketable securities	(22,301,428)	(59,522,751)	37,221,323	364,269	(37,585,592)
Debt with financial institutions	(242,181,557)	(285,685,186)	43,503,629	(105,201,862)	61,698,233
Derivatives	-	(2,615,457)	2,615,457	(2,216,214)	(399,243)
Other financial liabilities	(1,466,323)	(1,365,398)	(100,925)	(1,046,731)	1,147,656
Current provisions	(13,666,026)	(4,537,334)	(9,128,692)	9,128,692	-
Total other current liabilities	**(279,615,334)**	**(353,726,125)**	**74,110,792**	**(98,971,846)**	**24,861,054**
Total other current assets less current liabilities	**(257,816,213)**	**(330,711,588)**	**72,895,376**	**(101,784,374)**	**28,888,998**

11. ***Inventories***

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

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

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

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

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

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

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

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

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

The cash flows in the year ended March 31, 2022 arising from the purchase and sale of land in the current year and as a result of the price deferred in previous years amount to the net sum of 169,656,642 euros of net cash consumption, without including the acquisition cost of land via the purchase of equity and credit investments in ÁUREA (Note 6), broken down as follows:

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

The composition and variation in the Group's inventories at March 31, 2021 and March 31, 2020 were as follows:

	Euros		
	March 31, 2021	March 31, 2020	Variation
Land and sites	582,439,385	617,511,672	(35,072,287)
Developments in progress	581,043,918	626,812,052	(45,768,134)
Completed buildings	213,667,797	80,188,609	133,479,188
Prepayments to suppliers	17,348,690	19,427,175	(2,078,485)
Total	**1,394,499,790**	**1,343,939,508**	**50,560,282**

(*) At March 31, 2021, "Developments in progress" includes the cost of the land on which the developments are being carried out in the amount of 275,650,335 euros (292,025,960 euros at March 31, 2020).

The reconciliation of the movement of inventory balances during the year ended March 31, 2021 is as follows:

Euros	March 31, 2020	Prepayments	Land purchases	Cost of sales	Derecognitions (Note 19.b)	Capitalized borrowing costs	Impairment (Note 19.b)	March 31, 2021
Inventories	**1,343,939,508**	(2,078,485)	101,867,681	425,848,656	(484,682,402)	12,457,036	(2,852,204)	**1,394,499,790**

Variation in inventories during the year ended March 31, 2021 are broken down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	Variation	Transfer to Cash Flows	Transfers	Impairment	Other
Land and sites	(35,072,287)	(125,520,028)	157,740,111	2,852,204	-
Developments in progress	(45,768,134)	(410,104,759)	456,242,210	-	(369.317)
Completed buildings	133,479,188	480,503,133	(613,982,321)	-	-
Prepayments to suppliers	(2,078,485)	-	-	-	2.078.485
Total	**50,560,282**	**(55,121,654)**	**-**	**2,852,204**	**1.709.168**
Changes in working capital arising from purchases and sales of land – Inventories		**(97,527,395)**			
Changes in inventories excluding purchases or sales of land – Inventories		**42,405,741**			

In the year ended March 31, 2021, the variation in the heading ‘Land and sites’ relates to land purchases for the sum of 101,867,681 euros, a decrease due to reclassification the sum of 157,740,111 euros to Developments in progress, land sales amounting to 3,535,157 euros, impairment of inventories amounting to 2,852,204 euros and the rest to investments in work undertaken on them. Additionally, during the year ended March 31, 2021 the Group completed the works on 40 housing developments developed by subsidiaries, which implied the transfer of a balance of 613,982,321 euros from "Developments in progress" to "Completed buildings".

The variation in inventories during the year ended March 31, 2021 generated a net cash outflow of 55,121,654 euros, of which 97,527,395 euros relates to the purchase and sale of land and a net cash generation of 42,405,741 euros consisting of changes in working capital without taking purchases and sales of land into consideration.

The cash flows in the year ended March 31, 2021 arising from the purchase and sale of land in the current year and as a result of the price deferred in previous years amount to the net sum of 63,202,056 euros of net cash consumption, broken down as follows:

Purchase of land (year ended March 31, 2021)	(101,867,681)
Deferred Price for Land Purchase 2021	13,068,539
Purchase of land paid in kind (Note 20)	8,655,232
Purchase of land as payment of debt	2,284,356
Deferred Payment of Previous Purchases	(3,457,787)
Land Purchase Payments in the year ended March 31, 2021	**(81,317,341)**
Sale of land (year ended March 31, 2021)	4,340,286
Deferred Price for Land Sales (year ended March 31, 2021)	-
Deferred Receipt of Price of Previous Sales	13,774,999
Receipts from the Sale of Land in the year ended March 31, 2021	**18,115,285**
Changes in working capital arising from purchases and sales of land during the financial year	**(63,202,056)**

The outstanding amount of land acquired by the Group amounted to 35,822,211 euros at March 31, 2022 and 13,142,353 euros at March 31, 2021, of which 31,359,837 euros relate to land acquisitions made during the year ended March 31, 2022 (13,068,539 euros to land acquisitions made during the year ended March 31, 2021) (refer to Note 16). Of said total outstanding amount of land, as of March 31, 2022, an amount of 30,646,259 euros is due in the short term (as of March 31, 2021, an amount of 8,679,979 euros was due in the short term).

In the year ended March 31, 2022, the Group capitalized 11,758,951 euros (12,457,036 euros in the year ended March 31, 2021) of borrowing costs in inventories (Note 4.4). The average cost of the borrowings capitalised was approximately 2.51% (1.78% in the year ended March 31, 2021).

The Group derecognised inventories in the amount of 542,629,197 euros during the year ended March 31, 2022: 532,368,795 euros related to completed housing units sold and 10,260,402 euros to land sold (484,682,402 euros in the year ended March 31, 2021, corresponding an amount of 479,438,078 euros to completed housing units sold and 3,535,157 euros to land sold) (Note 19.a).

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

	Euros	
	March 31, 2022	March 31, 2021
Centre	446,638,470	363,603,615
North	105,907,480	55,660,685
Catalonia and Aragon	244,886,050	215,012,936
Costa del Sol	236,658,003	273,304,435
Rest of Andalusia and Canary Islands	210,744,261	174,758,597
East Region	255,233,545	294,810,832
Total	**1,500,067,809**	**1,377,151,100**

As of March 31, 2022, there are contractual commitments to the purchase of plots for an amount of 47,471,826 euros (52,623,200 euros as of March 31, 2021), of which an amount of 1,228,889 euros have been paid, as advances (2,130,000 euros as of March 31, 2021), and which are included as Prepayments to Suppliers under the Current Assets on the Balance Sheet. In addition, as of March 31, 2022, there are advances to land suppliers amounting to 17,840,997 euros, of which 16,840,997 euros correspond to “Chamartín Norte”.

Of the total amount recognised under “Trade and other accounts payable - Customer prepayments” within Current Liabilities on the consolidated balance sheet at March 31, 2022, an amount of 216,223,004 euros (131,790,167 euros at March 31, 2021) corresponds to down payments from customers for house unit reservations and private house contracts.

At March 31, 2022, and March 31, 2021, there are no sales commitments.

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

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

Lastly, the appraisal exercise entailed the calculation of a discount rate for each project, which was then stressed depending on the state of progress of the various developments. The discount rates used vary depending on the state of development of the asset (untransformed land, developments under construction, developments being sold from plan and finished developments). They range between 6% and 16%, the weighted average discount rate being 11.10%.

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

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

- It has been assumed that off-plan sales will not be made before construction of the developments begins.
- As a general rule, it has been assumed that approximately 70% - 75% of sales (off-plan sales under private sale-purchase agreements) take place during construction of the various developments, with the rest of the units being sold in the three to nine months following their completion.
- The estimates do not assume any increase in sales prices with respect to market prices as of the reporting date, in general. The average sale price assumed was 2,835 euros per square meter.

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

The net realizable value assigned to the portfolio of inventories amounts to 2,075 million euros at March 31, 2022 (1,907 million euros at March 31, 2021). Said value has been determined on the basis of the valuation carried by the independent appraiser Savills Aguirre Newman Valoraciones y Tasaciones, S.A.as of March 31, 2022, and without considering advances from suppliers. On the basis of the external appraiser's methodology, the key valuation hypotheses are the discount rate and selling prices (refer to Note 4.4). As a result of the above, the Group recognised an impairment loss of 5,689,907 euros at March 31, 2022 (4,395,147 euros at March 31, 2021), and tacit unrecorded capital gains amounting to 551 million euros (512 million euros at March 31, 2021).

The inventory impairment charge breaks down as follows by region:

	Euros	
	March 31, 2022	March 31, 2021
Centre	(2,319,158)	(1,192,020)
North	-	(865,046)
Catalonia and Aragon	(209,458)	-
Costa del Sol	(127,587)	(1,379,948)
Rest of Andalusia and Canary Islands	(2,219,313)	(911,440)
East Region	(814,391)	(46,693)
Total	**(5,689,907)**	**(4,395,147)**

The breakdown of the inventory impairment charge by inventory category:

	Euros	
	March 31, 2022	March 31, 2021
Land and sites	(3,751,460)	(4,395,147)
Developments in progress	(1,885,368)	-
Completed buildings	(53,079)	-
Total	**(5,689,907)**	**(4,395,147)**

The sensitivity analysis performed as of March 31, 2022 is as follows:

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

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

The sensitivity analysis was run keeping all other variables constant.

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

	Thousands of euros	
Assumption	Discount rate	
	+1%	-1%
	Increase/(decrease)	
Change in carrying amount (*)	**(2,793)**	**1,652**

Assumption	Thousands of euros					
	Sale price					
	-1%	+1%	-5%	+5%	-10%	+10%
	Increase/(decrease)					
Change in carrying amount (*)	**(851)**	**1,742**	**(16,785)**	**3,945**	**(66,880)**	**4,459**

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

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

- A 100 basis point reduction in the discount rate would increase the valuation by 44 million euros, while a 100 basis point increase would decrease it by 42 million euros.
- A 1% decrease in sales prices would decrease the expert's valuation by 36 million euros, while a 1% increase would increase it by 36 million euros.
- A 5% decrease in sales prices would decrease the expert's valuation by 182 million euros, while a 5% increase would increase it by 178 million euros.
- A 10% decrease in sales prices would decrease the expert's valuation by 364 million euros, while a 10% increase would increase it by 355 million euros.

At March 31, 2022, "Inventories" includes assets with a gross carrying amount of 631 million euros (596 million euros at March 31, 2021) that have been pledged as collateral to secure the development loans obtained by the Group (Note 15).

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

As of March 31, 2022, the Group has recognised current provisions for a total amount of 13,236,445 euros, corresponding to provisions for the completion of construction projects (13,666,026 euros at March 31, 2021) (Note 10).

The Group has certain assets and liabilities that are recognised within current assets or current liabilities, respectively, but are expected to be realized or settled more than 12 months from the reporting date. Specifically:

	Euros	
	March 31, 2022	March 31, 2021
Inventories (long production cycle) before impairment	903,835,855	815,059,827
Inventories (short production cycle) before impairment	601,921,860	566,486,419
Total current assets	**1,853,914,351**	**1,654,232,004**
Borrowings secured to finance inventories (long cycle) – note 15	98,599,126	165,006,520
Total current liabilities	**603,502,010**	**603,168,609**

12. *Trade and other receivables*

"Trade and other receivables" broke down as follows at March 31, 2022 and March 31, 2021:

	Euros	
	March 31, 2022	March 31, 2021
Trade receivables	63,104,592	45,262865
Trade receivables from associates	708,799	78,833
Sundry receivables	721,851	652,618
Personnel	-	12,913
Current tax asset (Note 17.b)	179,014	75,498
Taxes payable (Note 17.b)	6,783,258	5,061,693
Total	**71,497,514**	**51,144,420**

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

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

As can be seen in the table, the increase of 20.4 million euros in total trade and other receivables has led to the consumption of 12,0 million euros in net cash which is due to the increase in customer for sales of developments (18 million euros).

The heading “Customers for sales of developments - remittances” includes the sums receivable from customers as a result of signing private sales contracts for homes, which represent between 15% and 25% of the total price of the sale, which is charged monthly in linear instalments until the estimated date of delivery of the development, during the construction phase, which lasts an average of 18 months. The cash obtained from a private sales contract is generated over the following time scale: 5% upon signing the private contract, 15%-25% in monthly instalments until the property is delivered and 80%-70% on signing the deed of sale when the customer takes physical possession of the property. The amounts received from customers prior to signing the deed of sale are deposited in a special account that is held separately from any other type of funds belonging to the Group, and can only be used for the construction of developments (see Note 13).

The change in trade and other receivables during the year ended March 31, 2021 breaks down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	March 31, 2021	March 31, 2020	Variation	Transfer to cash flows	Others
Customers for sales of land	-	13,775,000	(13,775,000)	13,775,000	-
Customers for sales of developments – remittances	24,236,487	24,956,748	(720,261)	720,261	-
Sundry customers	21,026,378	44,416	20,981,962	(21,011,534)	29,572
Trade receivables from associates	78,833	234,556	(155,723)	155,723	-
Sundry receivables	652,618	590,377	62,241	(62,241)	-
Personnel	12,913	10,576	2,337	(2,337)	-
Current tax asset (Note 17.b)	75,498	1,802	73,696	(99,056)	25,360
Taxes payable (Note 17.b)	5,061,693	3,836,791	1,224,902	(1,224,902)	-
Total Trade and other receivables	**51,144,420**	**43,450,266**	**7,694,154**	**(7,749,085)**	**54,932**
Changes in working capital arising from purchases and sales of land – Trade receivables				**13,775,000**	
Changes in working capital excluding purchases or sales of land – Trade receivables				**(21,524,085)**	

As can be seen in the table, the increase of 7.7 million euros in total trade and other receivables led to the consumption of 7.7 million euros in net cash which was mainly due to the collection of deferred payments of land sold in previous years (13.7 million euros) and the increase in customer for sales of developments (21 million euros).

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

Under “Trade receivables” a balance of 41,951,219 euros (24,236,487 euros at March 31, 2021) has been recognised for trade bills, which includes customer remittances falling due in the short term in the amount of 38,856,239 euros (21,294,892 euros at March 31, 2021).

In order to calculate the impairment of accounts receivable at March 31, 2022 and March 31, 2021, the Group has applied the simplified approach under IFRS 9 Financial Instruments (loss allowance at an amount equal to lifetime expected credit losses). However, this has no impact on the consolidated financial statements, mainly due to the fact that the agreements signed with customers can be terminated if they fail to comply with their payment commitments.

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

13. ***Cash and cash equivalents***

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

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

The carrying amount of these assets approximates their fair value:

	Euros	
	March 31, 2022	March 31, 2021
Cash	220,113,259	186,167,734
Cash equivalents	19,907,882	-
Total	**240,021,141**	**186,167,734**

The amount pledged at March 31, 2022 to cover guarantees delivered to customers is 1,495,014 euros (zero euros at March 31, 2021), zero euros to cover corporate financing costs amounts (2,230,220 euros at March 31, 2021) and to cover sureties amounts to 270,742 euros (250,258 euros at March 31, 2021).

There were no restrictions on the use of the Group's cash at March 31, 2022 except for the fact, as required under Spanish Law 20/2015, that down payments received in connection with residential developments must be deposited in a special account separate from the rest of the Group's funds and may only be used to cover expenses deriving from the construction of the developments. The balance subject to this restriction amounted to 54,319,672 euros at March 31, 2022 (60,159,700 euros at March 31, 2021). The amount of cash that was restricted at March 31, 2022 accordingly totalled 56,085,428 euros (62,640,178 euros at March 31, 2021).

Cash and cash equivalents include receipts from customers in the form of banker’s cheques not credited to account amounting to 3,159 thousand euros at March 31, 2022 (14,250 thousand euros at March 31, 2021).

14. *Equity*

a) Share capital

At March 31, 2022, the Parent's share capital accordingly consisted of 46,806,537 shares, with a par value of one euro each (47,966,587 shares at March 31, 2021, with a par value of one euro each). The shares are fully subscribed and paid in.

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 represented approximately 2.418% of the Company's share capital at the time.

None of the Parent's shares was pledged at either March 31, 2022 or March 31, 2021.

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

		% Voting rights attached to shares		% Voting rights through financial instruments
	Total shareholding %	Direct shareholding %	Indirect shareholding %	
HIPOTECA 43 LUX S.A.R.L.	71.52	71.52	-	-
T. ROWE PRICE ASSOCIATES, INC	4.93	-	4.93	-
T. ROWE PRICE INTERNATIONAL FUNDS, INC.	3.51	-	2.51	1.00

The breakdown of the Parent's significant shareholders (those with equity interests of 3% or more) at March 31, 2021, according to the information reported to Spain's securities market regulator, the CNMV, by the shareholders themselves was as follows:

		% Voting rights attached to shares		% Voting rights through financial instruments
	Total shareholding %	Direct shareholding %	Indirect shareholding %	
HIPOTECA 43 LUX S.A.R.L.	60.64	60.64	-	- -
HELIKON LONG SHORT EQUITY FUND MASTER ICAV	5.04	5.04	-	- -
T. ROWE PRICE ASSOCIATES, INC	4.93	-	4.93	- -
T. ROWE PRICE INTERNATIONAL FUNDS, INC.	3.73	-	3.73	-

b) Share premium

The share premium account amounted to 478,534,502 euros at March 31, 2022 (500,076,721 euros at March 31, 2021).

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

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

c) Legal reserve

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

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

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

As at 31 March 2022 and 31 March 2021, the Parent’s legal reserve was endowed with 9,593,317 euros and 3,561,218 euros, respectively, and will be fully funded at the close of the financial year ended 31 March 2022, after application of the profit of 6,032,099 euros for the year ended 31 March 2021 to said reserves.

d) Voluntary reserves

<u>Parent company reserves</u>

This reserve came about as a result of the difference between the fair value at which the real estate development business was contributed by the then Sole Shareholder in 2017 and the amounts at which that business was carried in the latter's financial statements at the time.

The movement under this heading during the year ended March 31, 2022 relates mainly to the appropriation of profit for the year ended 31 March 2021, in the amount of 1,307,173 euros, of which 325,602 euros correspond to undistributed dividends corresponding to the own shares acquired between the date of the resolution and effective payment, as outlined in section h) below. It was also shaped by the purchase and sale of own shares (refer to section f) below) in the amount of 71,192 euros, by the registration of invoices related to the capital reduction described in section a) for an amount of 895 euros and a 93,136 euro-impact on reserves of the delivery of Parent company shares to AEDAS employees, framed by the commitments assumed in the long-term incentive plan described in section i) below.

The movement during the year ended March 31, 2021 primarily corresponded to the net impact of the purchase and sale of own shares (section f) below).

<u>Reserves of fully-consolidated companies</u>

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

The movement during the year ended March 31, 2021 was mainly due to the changes in the Group's composition (buyback by SPV Reoco 15, S.L.U. of treasury stock representing 20% of its share capital from Promociones y Propiedades Inmobiliarias Espacio, S.L.U.) and the purchase by AEDAS HOMES OPCO, S.L.U. of shares representing 5.3% of the capital stock of the company FACORNATA SERVICIOS Y GESTIONES, S.L. which were previously owned by Taller de Estudios de Inversión, S.L.).

e) Capitalisation reserve

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

At March 31, 2022, the AEDAS Homes Group has set aside a capitalisation reserve of 3,611,844 euros, of which 893,761 euros was allocated by the Parent and 2,718,083 euros, by AEDAS HOMES OPCO, S.L.U. (formerly known as SPV REOCO 1, S.L.U.) (31 March 2021: 893,761 euros, set up exclusively by the Parent).

f) Own shares

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

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

The Parent suspended the liquidity agreement on December 28, 2018 due to a shortfall in the cash and shares allocated to the contract account pursuant to CNMV Circular 1/2017. It renewed the contract on January 24, 2019, having replenished the corresponding balances, as stipulated in the CNMV rules. On March 20, 2019, the contract was terminated, the underlying objectives having been met. While in effect, 94,178 shares were bought at an average price of 22.7610 euros per share and 92,784 shares were sold at an average price of 22.9339 per share, leaving an outstanding balance of 28,031 shares, which were sold as a block on March 29, 2019 for 22.80 per share.

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

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

Since August 8, 2019, the Company has bought back 3,910,475 shares representing 8.36% of its capital at an average price of 20.24 euros per share for a total amount of 79,164,359 euros, of which: 148,724 shares (0.32% of capital) were purchased under the Discretionary Programme at an average price of 20.31 euros per share for a total amount of 3,019,990 euros; 1,617,279 shares (3.46%) were bought back under the Repurchase Programme at an average price of 20.99 euros per share for a total amount of 33,954,286 euros; and 2,144,475 shares (4.58%) were bought back via block trades at an average price of 19.67 euros per share for a total amount of 42,190,083 euros.

On January 8, 2020, the Parent entered into an equity swap agreement with Goldman Sachs International (GSI) covering a notional amount of up to 50 million euros and a maximum of 2,400,000 shares. The settlement date is 8 January 2021. On the date it was arranged the Company sold GSI 236,406 shares for 4,999,987 euros under the scope of that agreement. Given the Company's obligation to repurchase those shares, they compute as indirectly held treasury stock. On October 5, 2020, the Parent Company proceeded to liquid this equity swap by the repurchase of 236,406 shares for an amount of 4,999,987 euros. The Company did not sell any other treasury stock during the year ended March 31, 2021.

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

On 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 14.a) and 14.b)).

At March 31, 2022, the Company's own share account (acquired under the Discretionary Programme, the Repurchase Programme and block trades) amounted to 55,868,955 euros, corresponding to 2,720,335 shares representing 5.81% of share capital; the average purchase price was 20.54 euros (31 March 2021: 65,075,384 euros; 3,325,249 shares; 6.93% and 19.57 euros, respectively).

g) Owner contributions

The Parent did not receive any new owner contributions during the year ended March 31, 2022 or the year ended March 31, 2021.

At March 31, 2022 and March 31, 2021, the Parent's Majority Shareholder had contributed a total of 740,071,256 euros.

h) *Dividend distributions*

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

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

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

On the date of approval of the interim dividend, the Parent had the necessary liquidity to proceed with its payment in accordance with the provisions of the Capital Companies Act. The accounting liquidity statement prepared by the Directors on March 23, 2022 was as follows:

	(in thousand euros)
Profit after tax at February 28, 2022	51,133
Reserves to be allocated	-
Negative results from previous years	-
Maximum amount distributable as interim dividend (art. 277 LSC)	**51,133**
Projected interim dividend payment for fiscal year 2021-22	**36,000**
Cash and cash equivalents	90,895

On May 25, 2022, the Board of Directors proposes the distribution of an additional dividend to the interim dividend (Complementary dividend), charged to the profit for the year ended March 31, 2022 of 1.34 euros per share by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed complementary dividend the same number of treasury shares of the Parent is maintained as at March 31, 2022 (2,720,335 shares), the maximum Dividend to be distributed (including the interim dividend and the complementary dividend) would be 95,228,811 euros, leaving an unallocated income of 14,139,304 euros (see Notes 3 and 24).

No dividends were paid out during the year ended March 31, 2021.

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

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

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

Nevertheless, at March 31, 2022 there are no limits on the distribution of dividends other than those contemplated in company law and the Green Bond debenture (Note 15). As of March 31, 2021, there were no limits on the distribution of dividends other than those contemplated in company law.

i) Other equity instruments

On September 26, 2017, the Majority Shareholder approved a long-term incentive plan payable entirely in shares for the CEO, Senior Management and certain key personnel, structured into three overlapping three-year periods or cycles (the first cycle was paid in June 2021, the second cycle from January 1, 2019 to March 31, 2022 and the third cycle from April 1, 2020 to March 31, 2023). The metrics to be used to measure delivery of the targets for the second cycle are, in equal parts: (i) EBITDA; (ii) the net development margin; and (iii) the shareholder return. For each there are minimum thresholds below which the bonuses do not accrue; there is also scope for outperformance. The number of shares to be received by each participant will be determined by the price of the shares in each three-year cycle (the average trading price during the 20 trading sessions prior to the start of the second and third cycles) and the level of target delivery. All of the shares received by the CEO and 50% of those received by the Senior Management cannot be sold for a year after they are received, In the case of the CEO and members of the Management Committee, this bonus is subject to repayment under certain circumstances. The cost of this incentive plan will be assumed by the Group. The maximum amount receivable by the plan beneficiaries is 8,345,388 euros (this amount is less than the 11 million euros initially foreseen, since 150% was not achieved in the First Cycle, and has already been paid).The plan was endorsed by the Appointments and Remuneration Committee on February 27, 2018.

On July 28, 2020, the Parent Company's Board of Directors approved the New Incentive Plan payable entirely in shares, with the CEO, members of Senior Management and certain key employees as beneficiaries. It is a variable remuneration consisting of the handing over of shares after a period of time, subject to the achievement of the objectives established for the second cycle of the Long-Term Incentive Plan. Specifically, the shares corresponding to the New Incentive will be handed over at the close of the fiscal year ending March 31, 2022. Minimum amounts below which they will not yield are established, as well as the possibility of an additional bonus payment. The number of shares to be received by each participant will be determined by the reference share price used for Cycle 1. None of the shares received by the CEO and no more than 50% of the shares received by the members of Senior Management may be sold for one year after receipt of the same. In the case of the CEO and members of the Management Committee, this incentive is subject to a clawback clause in the event of certain circumstances. The cost of this new incentive will be borne by the Group and the maximum added amount to be received by the beneficiaries will amount to 2,654,612 euros.

In June 2021, the Parent delivered 30,090 own shares to its employees as part of the commitments assumed under the long-term incentive plan, implying a decrease in “Other equity instruments” of 1,166,129 euros (Note 14.f)).

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

At March 31, 2022, the amount recognised under "Other equity instruments" in respect of the commitment assumed under the long-term incentive plan by the Parent vis-a-vis its key management personnel stood at 6,617,788 euros (4,406,966 euros at March 31, 2021).

j) *Non-controlling interests*

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

The reconciliation, by subsidiary, of the opening and closing balances of non-controlling interests in the year ended March 31, 2022 is as follows:

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

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

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

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

The reconciliation, by subsidiary, of the opening and closing balances of non-controlling interests in the year ended March 31, 2021 is as follows:

	Ownership interest attributable to the Parent	**Euros**			
		March 31, 2020	Profit/(loss) attributable to non-controlling interests	Other changes	March 31, 2021
SPV REOCO 15, S.L.U	100 %	337,737	-	(337,737)	-
SPV SPAIN 2, S.L.	87.5%	1,574,575	(30,395)	-	1,544,180
ESPEBE 11, S.L. (now known as AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.)	80%	364,960	(19,652)	1	345,309
FACORNATA SERVICIOS Y GESTIONES, S.L.	100%	124,460	-	(124,460)	-
Total		**2,401,732**	**(50,047)**	**(462,196)**	**1,889,489**

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

On February 23, 2021, AEDAS HOMES OPCO, S.L.U. acquired shares representing 5.3% of the share capital of the company FACORNATA SERVICIOS Y GESTIONES, S.L., which were owned by the company Taller de Estudios de Inversión, S.L. As a result of that acquisition, SPV REOCO 1, S.L.U. is now the sole shareholder of FACORNATA SERVICIOS Y GESTIONES, S.L.

15. ***Borrowings and other financial liabilities***

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

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

(*) Unsecured debt.

The Group had the following borrowings at March 31, 2021:

	Euros				
	March 31, 2021				
	Limit	Current liabilities		Non-current liabilities	Total
		Due in the long term	Due in the short term		
Mortgage loans secured by inventories	492,409,633	165,006,520	2,325,091	-	167,331,611
Total developer loans	**492,409,633**	**165,006,520**	**2,325,091**	**-**	**167,331,611**
Commercial paper issued (*)	56,700,000	-	22,301,428	32,354,834	54,656,262
Syndicated loan (*)	100,000,000	-	49,434,679	49,434,678	98,869,357
Corporate credit facilities (*)	31,500,000	-	24,812,149	6,643,726	31,455,874
Lease liabilities	-	-	1,429,457	1,046,019	2,475,476
Total corporate debt	**188,200,000**		**97,977,713**	**89,479,257**	**187,456,969**

Interest on developer loans	-	-	548,625	-	548,625
Interest on corporate credit facilities	-	-	54,494	-	54,494
Other assets	-	-	36,866	32,400	69,266
Total other assets	**-**	**-**	**639,985**	**32,400**	**672,385**
Total borrowings and other liabilities	**680,609,633**	**165,006,520**	**100,942,789**	**89,511,657**	**355,460,965**

(*) Unsecured debt.

At March 31, 2022, 89.05% of total recognised debt (71.60% at March 31, 2021) was due in the long term.

Development loans

At March 31, 2022, the AEDAS Group had arranged development loans in an aggregate amount of 537,705,750 euros (540,226,673 euros at March 31, 2021) in order to finance 75 developments (75 developments at March 31, 2021). These loans, measured at amortised cost, amounts to 99,605,529 euros at March 31, 2022 (167,331,611 euros at March 31, 2021). The development loans carried interest at Euribor plus spreads ranging between 100 y 300 basis points.

The Group currently has in place developer loan agreements for an amount of 538 million euros, with a nominal drawn down amount of 102 million euros (representing 19.05%), to which must be added 87 million euros drawn down from the buyers' account, leaving a maximum amount available of 451 million euros.

This amount can be drawn down as conditions are fulfilled: (i) When a specific volume of sales contracts is achieved in each development (percentage of sale required around 30%), (ii) Execution and invoicing of each milestone of the project.

As of March 31, 2022, the conditions were met to access an additional 13.23 million euros, of which 3.36 million euros consist of the undrawn down land tranche freely available to the AEDAS Group and 9.87 million euros relating to supplier invoices already paid and therefore linked to compliance with the conditions described in the previous paragraph.

Loans taken on to purchase land

On February 23, 2016, Group subsidiary SPV Spain 7, S.L.U. acquired a plot of land which it financed by assuming the mortgage which the seller had taken out over the site. That mortgage amounted to 11,500,000 euros and was due on February 23, 2018. It was partially cancelled (in the amount of 2,002,919 euros) on February 15, 2018 and on February 22, 2018 its terms were amended to extend its maturity to February 23, 2020. During the year ended March 31, 2021, said loan was fully repaid before maturity. During the three months ended March 31, 2020, an 18-month extension was agreed, with the new expiration date being August 23, 2021. It carried interest at 12-month Euribor plus a spread of 3.25%.

At March 31, 2022, the Group recognised, as a result of its acquisition of the development business of Áurea (Note 6), two mortgages financing the acquisition of land totalling 4,380,000 euros (zero euros at March 31, 2021), of which a balance of 3,180,000 euros accrues interest at 12-month EURIBOR plus a spread of 300 basis points and the sum of 1,200,000 euros accrues interest at 12-month EURIBOR plus a spread of 250 basis points.

The above loan agreement did not entail any covenants. The loan agreement did not contain any change of control clauses.

Build-to-rent project financing

On July 22, 2021, Group subsidiary Facornata Servicios y Gestiones, S.L. 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 refinance 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 March 31, 2022, that subsidiary had not drawn the facility down.

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 in the company 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 March 31, 2022.

	March 31, 2022
Loan to Cost ratio	0%
Loan to Value ratio	0%
Cash balance	8,405,857

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

The breakdown of the due dates of the loans classified as short-term but falling due in the long term is as follows:

	Euros	
	Current	
Year	March 31, 2022	March 31, 2021
March 31, 2023	-	3,086,141
March 31, 2024	3,182,959	4,324,007
March 31, 2025	3,322,484	4,787,639
March 31, 2026	3,023,686	4,395,609
March 31, 2027 and subsequent	89,069,997	148,413,124
	98,599,126	**165,006,520**

Green bonds

On May 21, 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 for general corporate purposes, including to repay existing corporate borrowings, bolster liquidity and pay the fees and charges related with the issue. The Group 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 mature on 15 August 2026. It accrues a fixed rate of 3% on any amounts drawn and a rate of 0.9% on the undrawn balance. At March 31, 2022, the balance drawn on this line of credit is zero.

The facility includes certain covenants that limit certain operations different from the ordinary traffic of the Group. At March 31, 2022, detail of financial covenants is as follows:

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

Promissory notes

On June 14, 2021, the Parent arranged the AEDAS HOMES 2021 Commercial Paper Program on Spain's alternative fixed income market (MARF for its acronym in Spanish). Under the new programme, it can issue up to 150,000,000 euros of commercial paper with terms of up to 24 months, with the aim of continuing to diversify the Group's sources of financing. It substitutes the commercial paper programme arranged on June 12, 2020.

The Parent issued a total of 35.1 million euros of commercial paper under the programme during the year ended March 31, 2022 and it repaid 53.7 million euros of commercial paper at maturity, leaving an outstanding balance of 38.1 million euros due on several dates between the reporting date and September 2022. The effective annual cost of the commercial paper issues is 3.33%.

During the year ended March 31, 2021, the Parent completed several issues under the scope of the new programme with an aggregate face value of 61.8 million euros, notably including the issue on September 15, 2020 of 34.1 million euros, 70% of the face value of which is secured by the Kingdom of Spain as part of its COVID-19 surety lines; this issue has been rated BBB by Axesor. Also during the year ended March 31, 2021, the Parent repaid 67.4 million euros of commercial paper at maturity, leaving a balance of 56.7 million euros outstanding at March 31, 2021 due in several tranches by September 2022 at the latest. The effective annual cost of the commercial paper issues was 3.16%.

The commercial paper is initially recognised at the fair value of the consideration received plus directly attributable transaction costs. Subsequently, the implicit interest on the paper is accrued using the effective interest rate on the transaction so that the carrying amount of these borrowings is adjusted for the interest accrued. At March 31, 2022, the commercial paper recognised on the Group's balance sheet using the effective interest rate method amounted to 37,549,452 euros (54,656,262 euros at March 31, 2021).

Syndicated loan

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

The proceeds from the green bonds issued on May 21, 2021 were used to repay the outstanding balance of the syndicated loan, i.e., 100 million euros, in full.

During the year ended March 31, 2021, a nominal amount of 50 million euros was repaid, of which 30 million euros were repaid before maturity, on February 19, 2021.

The balance drawn down at March 31, 2021 was 100 million euros and the amount recognised at amortised cost was 98,869,357 euros. The interest payable at March 31, 2021 was zero euros.

Corporate credit facilities

During the year ended March 31, 2021, the Parent arranged four credit lines totalling 38 million euros to complement its developer loans. Three of the loans, arranged with different banks that had already provided developer loans, had state-backed guarantees. The credit lines bore fixed (2% - 2.5% - 3.5%) and variable rates of interest (EURIBOR plus a spread of 2.50%); they all had grace periods of at least 10 months and maturities between 12 and 24 months.

During the year ended March 31, 2021, a nominal amount of 6.5 million euros was repaid. The balance drawn down at March 31, 2021 was 31.5 million euros and the amount recognised at amortised cost was 31,455,874 euros. The interest payable at March 31, 2021 amounted to 54,494 euros.

And during the year ended March 31, 2022, the Parent prepaid 31.5 million of corporate credit facilities, so repaying them in full.

Changes in liabilities arising from financing activities

Information is given below on the changes in liabilities derived from financing activities during the years ended March 31, 2022 and March 31, 2021, including both those that are derived from cash flows, and those which are not:

	Non-current debt with credit entities	Non-current commercial paper and bonds	Other non-current debts	Current debt with credit entities	Current debt with related parties	Commercial paper current debt and bonds	Other current debt	TOTAL
Balance at April 1, 2020	**-**	**2,546,914**	**1,434,845**	**285,685,186**	**1,680,843**	**59,522,751**	**3,980,855**	**354,851,394**
Changes from financing cash flows (2)	36,507,500	46,139,891	-	105,807,465	(581,340)	(54,729,009)	-	133,144,507
Changes in fair values	-	-	-	-	-	-	(2,615,457)	(2,615,457)
Subrogation of development loans	-	-	-	(132,752,008)	-	-	-	(132,752,008)
Accrued interest without effect on financing cash flows	787,347	811,446	-	2,224,472	(12,739)	364,269	(3,065)	4,171,730
Other changes	(25,000,000)	-	32,400	25,000,000	(1,086,764)	-	(18,543)	(1,072,907)
Property, plant and equipment suppliers - Lease contracts	-	-	(388,826)	-	-	-	372,532	(16,294)
Short-term transfer without effect on financing cash flows	43,783,557	(17,143,417)	-	(43,783,557)	-	17,143,417	-	-
Dividends to be paid to third parties	-	-	-	-	-	-	(250,000)	(250,000)
Balance at March 31, 2021	**56,078,404**	**32,354,834**	**1,078,419**	**242,181,558**	**-**	**22,301,428**	**1,466,322**	**355,460,965**
Changes from financing cash flows (1)	(55,467,740)	316,098,851		(42,655,248)		(18,621,025)	(553,440)	198,801,398
Changes from gaining or losing control of subsidiaries or other businesses	-	-	250,814	4,379,990	180,890	-	1,559,760	6,371,454
Subrogation of development loans	-	-	-	(100,843,377)	-	-	-	(100,843,377)
Accrued interest without effect on financing cash flows	575,816	1,818,835	(18,924)	1,247,134	-	5,924,367	-	9,547,228
Other changes	-	-	62,800	-	(180,890)	-	(255,945)	(374,035)
Property, plant and equipment suppliers - Lease contracts	-	-	52,872	-	-	-	(517,997)	(465,125)
Short-term transfer without effect on financing cash flows	(1,186,480)	(32,855,792)	(230,400)	1,186,481		32,855,792	230,399	-
Balance at March 31, 2022	**-**	**317,416,728**	**1,195,581**	**105,496,538**	**-**	**42,460,562**	**1,929,099**	**468,498,508**

(1) In the year ended March 31, 2022, the outflow of net cash relating to debt with credit institutions amounted 98,676,428 euros, and consists of loan drawdowns amounting to 238,866,778 euros and loan repayments amounting to 337,543,205 euros.

(2) In the year ended March 31, 2021, the generation of net cash relating to debt with credit institutions amounted to 142,314,965 euros and consisted of drawdowns on developer loans amounting to 399,356,225 euros and repayments of developer loans on the delivery of homes amounting to 257,041,260 euros.

16. ***Trade and other payables***

The following table provides the breakdown of this heading at March 31, 2022 and March 31, 2021:

	Euros	
	March 31, 2022	March 31, 2021
Suppliers	164,670,033	140,339,246
Accrued for services received	7,088,316	6,159,782
Employee benefits payable	4,009,964	3,516,780
Current tax liabilities (Note 17)	15,915,738	19,237,338
Other accounts payable to public authorities (Note 17)	32,472,311	22,509,962
Customer advances (Note 11)	216,223,004	131,790,167
Total	**440,379,366**	**323,553,275**

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

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

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

Suppliers and other accounts payable includes deferred payments, purchase of land as described in Note 11 and retentions levied on contractors as guarantee of fulfillment of contract obligations, for the amount of 36,984,002 euros (35,196,231 euros at March 31, 2021).

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

The variation in trade creditors and other payables during the year ended of March 31, 2021 is broken down between the amount shown in the cash flow statement and other items, as follows:

	Euros				
	March 31, 2021	March 31, 2020	Variation	Transfer to cash flows	Others
Suppliers	140,339,246	103,772,527	36,566,719	34,966,474	1,600,245
Accrued for services received	6,159,782	9,899,528	(3,739,746)	(3,739,746)	-
Employee benefits payable	3,516,780	1,045,182	2,471,598	2,471,598	-
Current tax liabilities (Note 17)	19,237,338	6,552,255	12,685,083	(6,536,486)	19,221,569
Other accounts payable to public authorities (Note 17)	22,509,962	6,716,386	15,793,576	15,793,576	-
Customer advances (Note 11)	131,790,167	161,685,902	(29,895,735)	(29,895,735)	-
Total	**323,553,275**	**289,671,780**	**33,881,495**	**13,059,681**	**20,821,814**
Changes in working capital arising from purchases and sales of land – Trade payables				**20,550,339**	
Changes in working capital excluding purchases or sales of land – Trade payables				**(7,490,658)**	

The variation in trade creditors and other payables during the year ended of March 31, 2021 generated a net cash generation of 13,059,681 euros, of which 20,550,339 euros of net cash generation correspond to the purchase and sale of land and a net cash outflow of 7,490,658 euros correspond to changes in current capital without considering purchases or sales of land.

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

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

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

	Year ended March 31, 2022	**Year ended March 31, 2021**
	Days	Days
Average supplier payment term	60.04	61.45
Ratio of paid transactions	61.33	63.28
Ratio of outstanding transactions	49.63	48.71
	Euros	Euros
Total payments made	465,634,358	442,141,268
Total payments outstanding	57,282,859	63,493,458

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

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

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

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

17. ***Taxes payable and receivable and tax situation***

a) Applicable legislation and years open to inspection

In accordance with prevailing tax legislation, tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period has elapsed. As of March 31, 2022, all the taxes to which the Parent and other Group companies are subject were open to inspection for all the years that have not become statute-barred

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

b) Taxes payable and receivable

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

	Euros			
	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Taxes payable:				
VAT payable (and IGIC)	(16,384,539)	-	(15,890,869)	-
Payable in respect of withholdings	(7,426,687)	-	(547,461)	-
Other taxes payable to the tax authorities	(8,275,430)	-	(5,760,181)	-
Social security contributions payable	(385,655)	-	(311,451)	-
Taxes payable (Note 16)	**(32,472,311)**	**-**	**(22,509,962)**	**-**
Current tax liabilities	**(15,915,738)**	**-**	**(19,237,338)**	**-**
Taxes receivable:				
Tax rebates receivable from the tax authorities – VAT (and IGIC)	5,980,736	-	4,261,693	-
Tax rebates receivable from the tax authorities – withholding and prepayments	2,522	-	-	-
Social security contributions receivable	800,000	-	800,000	-
Taxes receivable (Note 12)	**6,783,258**	**-**	**5,061,693**	**-**
Current tax assets	**179,014**	**-**	**75,498**	**-**
Deferred tax asset	-	6,952,661	-	13,803,058
Deferred tax liabilities	-	(260,416)	-	-
Net deferred tax assets	**(41,425,777)**	**6,692,245**	**(36,610,109)**	**13,803,058**

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

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

	Euros	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(loss) before tax	125,022,253	113,525,147
Permanent differences	5,385,797	481,406
Temporary differences	(9,242,365)	(13,988,535)
Taxable income/(tax loss) before utilization of tax losses/credits	**121,165,685**	**100,018,018**
Capitalization reserve	(985,452)	(2,506,759)
Non-capitalised tax credits applied	-	(675)
Capitalised tax credits applied	(26,187,474)	(20,459,793)
Taxable income/(tax loss)	**93,992,759**	**77,050,791**
Tax rate	25%	25%

Tax accrued (expense)	(23,498,190)	(19,262,698)
Capitalised tax credits applied	(6,546,869)	(5,114,948)
Capitalisation) of tax credits generated in the financial year	267,216	-
Capitalisation) of tax credits generated in previous years	793,527	343,852
Capitalisation (application) of deductible temporary differences generated in the financial year	(2,310,591)	(4,446,573)
Previous year income tax adjustment (current expense)	153,864	9,912
Previous year income tax adjustment (deferred expense)	-	-
Other adjustments	-	(590)
Current income tax (expense)/income	**(23,344,326)**	**(19,252,786)**
Deferred tax (expense)/income	**(7,796,718)**	**(9,218,259)**

The settlement of the Income Tax is as follows:

	Euros	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(loss) before tax	125,022,253	113,525,147
Permanent differences	5,385,797	481,406
Temporary differences	(9,242,365)	(13,988,535)
Taxable income/(tax loss) before utilization of tax losses/credits	**121,165,685**	**100,018,018**
Capitalization reserve	(985,452)	(2,506,759)
Tax credits applied (generated before the incorporation to the tax group)	-	(20,460,468)
Tax credits applied (tax group)	(26,187,474)	-
Taxable income/(tax loss)	**93,992,759**	**77,050,791**
Tax rate	25%	25%
Tax at 25 % on the Taxable Base	**23,498,190**	**19,262,698**
Deductions	-	-
Tax credits	-	-
Tax charge	**23,498,190**	**19,262,698**
Withholdings	(199,752)	(25,360)
Payments on account	(7,382,700)	-
Tax payable (+) / refundable (-)	**15,915,738**	**19,237,338**

d) Unrecognised deferred taxes

The breakdown of tax losses not capitalised as tax assets at March 31, 2022 and at March 31, 2021 is:

	Euros	
	March 31, 2022	March 31, 2021
AEDAS HOMES S.A.	-	-
Other Group companies	-	3,174,110
TOTAL	**-**	**3,174,110**

The Group has analysed the scope for applying its tax credits as a function of its business plan and, consequently, considers reasonable to capitalize all the tax credits resulting from tax loss carryforwards.

e) Deferred taxes

The breakdown of tax losses recognised as tax assets by the various Group companies at March 31, 2022 and March 31, 2021 is as follows:

	Euros	
	March 31, 2022	March 31, 2021
AEDAS HOMES S.A.	1,669,045	1,675,676
Other Group companies	5,283,616	12,127,382
TOTAL	**6,952,661**	**13,803,058**

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

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

In the financial year ended March 31, 2022, the variation in deferred tax assets and liabilities related mainly to the application of 6,546,869 euros of tax losses, the capitalization of tax loss carryforwards in the amount of 1,060,743 euros, the decrease due to the application and net reversal of deductible temporary differences in the amount of 2,305,667 euros (mainly relating to differences between the book and tax value of certain assets, as well as to the long-term incentive plan provision) and the recognition of the net deferred tax assets derived from the acquisition of Áurea (Note 6) for the difference between its fair value and its tax value of a net amount of 685,905 euros.

The reconciliation of deferred tax assets at the beginning and end of the year ended March 31, 2021 is shown below:

	Euros			
	March 31, 2020	**Changes recognised in**		**March 31, 2021**
	Opening balance	**Income statement**	**Equity**	**Closing balance**
Deferred tax assets				
Tax loss carryforwards	12,108,518	(4,771,686)	-	7,336,832
Deductible temporary differences	10,912,799	(4,446,573)	-	6,466,226
Total	**23,021,317**	**(9,218,259)**	**-**	**13,803,058**

In the financial year ended March 31, 2021, the variation in deferred tax assets related mainly to offsetting tax loss carry forwards of 5,114,948 euros, the capitalisation of tax loss carry forwards in the amount of 343,852 euros, other adjustments to tax loss carry forwards in the amount of 590 euros, the increase due to the capitalisation of taxable temporary differences of 470,756 euros, the application of the tax asset of the capitalisation reserve of 949,440 euros, the application of the tax credit for the difference between the book value and the tax value of certain assets amounting to 3,867,969 euros and the application of other temporary differences amounting to 99,920 euros.

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

The Company's directors believe there are no indications that the deferred tax assets recognised are impaired. Their opinion is based on:

- The projections drawn up by the Group for 2021/22-2025/26

- The appraisal of its inventories provided by Savills Aguirre Newman Valoraciones y Tasaciones, S.A. which indicates a gross asset value (GAV) of 2,075 million euros assuming a 100% ownership interest (Note 11).

On the basis of the foregoing, the Parent Company's directors believe that it will be able to utilize the tax assets recognised by 2023, at the latest.

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

The balance of sureties extended to customers to guarantee their down payments stood at 106,437,456 euros at March 31, 2022 (148,695,927 euros at March 31, 2021). The total limit on surety lines extended stood at 353,937,524 euros at March 31, 2022 (439,514,520 euros as of March 31, 2021). In addition, surety insurance has been taken out for the same reason, the amount of which was 61,878,403 euros as of March 31, 2022 (37,333,255 euros as of March 31, 2021). The total limit of the insurance line formalized is 112,971,750 euros as of March 31, 2022 (81,847,507 euros as of March 31, 2021).

Performance bonds amounted to 40,026,032 euros at March 31, 2022 (20,917,898 euros at March 31, 2021).

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

As of March 31, 2022 and in relation to the remaining open disputes, after an in-depth analysis of the claims, the amount provided for this concept amounts to 1,731 thousand euros, corresponding to those considered probable, of which 1,203 thousand euros are recognized under the heading Suppliers, and the remaining amount under Provisions. In the year ended March 31, 2022, provisions totaling 1,375 thousand euros have been recorded for this item, charged to the Group's gross margin.

19. ***Income and expenses***

a) Revenues from sales and provision of services

The breakdown of “Revenues from sales and provision of services” in the income statements for the years ended March 31, 2022 and March 31, 2021 is provided below:

	Euros	
	Year ended March 31, 2022	Year ended March 31, 2021
Land sales	14,728,540	4,340,287
Development sales	746,033,900	667,487,731
Development rental (Note 5)	697,385	118,084
Provision of real estate services (Note 2.g)	4,160,381	-
Total	**765,620,206**	**671,946,102**

Sales of developments in the year ended March 31, 2022 amounted to 746,033,900 euros, corresponding to the delivery of 2,257 homes of the 84 developments (667,487,731 euros in the year ended March 31, 2021, corresponding to the delivery of 1.963 homes of the 56 developments).
Income from real estate services corresponds to the provision of management and marketing services for projects acquired from ÁUREA (see Note 6), management services for the *Vive Plan*, as well as management and monitoring services for land in the development phase.

In the year ended March 31, 2022, the Group companies sold land for 14,728,540 euros (4,340,286 sales were made in the year ended March 31, 2021) (see Note 11).

All reported revenue was generated in Spain.

b) Cost of sales and provision of services

The breakdown of the cost of sales and provision of services in the income statements for the years ended March 31, 2022 and March 31, 2021 is shown below:

	Euros	
	Group total	
	Year ended March 31, 2022	Year ended March 31, 2021
Changes in inventories of finished products and work in progress	54,189,851	77,012,763
Consumption of inventories	(629,037,860)	(527,716,337)
Changes in land inventories	32,107,176	(32,269,661)
Depreciation applied to land sales	111,636	-
Total direct costs of sales	**(542,629,197)**	**(482,973,235)**
Direct costs of providing services	**(741,478)**	**-**
Total direct costs of sales and provision of services	**(543,370,675)**	**(482,973,235)**

c) General expenses and average workforce

The breakdown of "General expenses" is provided below:

	Euros	
	Year ended March 31, 2022	Year ended March 31, 2021
Employee expenses	(25,761,438)	(21,334,545)
Rent and fees	(335,557)	(161,919)
Repairs and upkeep	(1,439,155)	(1,256,575)
Independent professional services	(6,522,067)	(3,658,647)
Insurance premiums	(195,763)	(100,557)
Publicity and public relations	(1,641,165)	(1,532,277)
Utilities	(46,664)	(26,916)
Other services and taxes	(2,325,317)	(1,134,307)
Banking and similar services	(380,132)	(236,763)
Total General expenses	**(38,647,258)**	**(29,442,506)**

The average number of people employed by the various Group companies in the year ended March 31, 2022 was 290 (year ended March 31, 2021: an average of 237).

The breakdown, by job category, of the headcounts at March 31, 2022 and March 31, 2021 is shown below:

	March 31, 2022			March 31, 2021		
	Women	Men	Total	Women	Men	Total
Graduates	103	96	199	76	85	161
Diploma holders	32	30	62	18	28	46
Other	14	29	43	22	12	34
Total	**149**	**155**	**304**	**116**	**125**	**241**

One employee with a disability of a severity of 33% or higher is employed by the Group at March 31, 2022 and March 31, 2021.

d) Finance costs

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

	Euros	
	Year ended March 31, 2022	Year ended March 31, 2021
Finance costs, borrowings from minority shareholder	-	(25,468)
Finance costs, other borrowings	(32,199,842)	(27,470,198)
Borrowing costs capitalised in inventories	11,758,951	12,457,036
Total	**(20,440,891)**	**(15,038,630)**

20. ***Related-party transactions***

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

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

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

The main transactions with related parties in the year ended March 31, 2021 were the following:

- Contracts entered into with minority shareholders: loan, management and sales agreements.

- Owner contributions and loans extended to Winslaro ITG, S.L., Servicios Inmobiliarios Licancabur, S.L., Urbania Lamatra I, S.L. and Urbania Lamatra II, S.L.
- Monitoring agreement entered into by and between SPV Reoco 1, S.L., on the one hand, with Urbania Lamatra I, S.L. and Urbania Lamatra II, S.L., on the other
- Services agreement entered into by and between SPV Reoco 1, S.L., on the one hand, and Winslaro ITG, S.L. and Servicios Inmobiliarios Licancabur, S.L., on the other.
- Agreement for the purchase of inventories by a minority shareholder.
- Termination of a land sale agreement with a minority shareholder and payment by means of the delivery of land, sale of shares and repayment of loans extended by that same shareholder (Note 11).

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

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

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

The transactions in the year ended March 31, 2021 with parties related and the balances outstanding with parties related to the Group at March 31, 2021 are shown in the tables below:

Year ended March 31, 2021	Euros					
	Income			Expenses		
	Revenue					
	Revenue from sales	Services rendered	Finance income	Cost of sales – Supplies	External services	Finance costs
Minority shareholders	471,000	-	-	(8,655,232)	(17,258)	(25,468)
Winslaro ITG, S.L.	-	149,024	61,584	-	-	-
Serv. Inmobiliario Licancabur, S.L.	-	251,293	199,999	-	-	-
Urbania Lamatra I, S.L.	-	84,000	23,710	-	-	-
Urbania Lamatra II, S.L.	-	84,000	63,052	-	-	-
	471,000	**568,317**	**348,346**	**(8,655,232)**	**(17,258)**	**(25,468)**

March 31, 2021	Euros				
	Trade and other receivables	Loans	Prepaid Expenses	Trade and other current accounts payable	Customer prepayments
Minority Shareholders	-	-	745,617	(2,966,070)	(244,000)
Winslaro ITG, S.L.	36,250	2,125,053	-	-	-
Serv. Inmobiliarios Licancabur, S.L.	42,583	3,824,831	-	-	-
Urbania Lamatra I, S.L.	-	660,022	-	-	-
Urbania Lamatra II, S.L.	-	1,468,209	-	-	-
	78,833	**8,078,115**	**745,617**	**(2,966,070)**	**(244,000)**

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

The Board of Directors of the Parent consists of the following members at March 31, 2022:

- Cristina Álvarez,
- Evan Andrew Carruthers
- Eduardo Edmundo D'Alessandro Cishek
- Santiago Fernandez Valbuena
- Javier Martínez – Piqueras
- Javier Lapastora Turpín
- David Martinez Montero
- Milagros Méndez Ureña
- Miguel Temboury Redondo

Disclosures regarding director conflicts of interest

Neither the current nor former directors of the Parent carried out transactions with the Parent or any of its Group companies other than in the ordinary course of business or other than on an arm's length basis during the year ended March 31, 2022.

Nor did the members of the Parent's Board of Directors or their related parties, as defined in Spain's Corporate Enterprises Act, engage in relations with other companies whose business activities could represent a conflict of interest for them or the Parent during the year ended March 31, 2022, on the basis that none of the notices required under article 229 of that Act have been filed with the competent authorities. Accordingly, there are no related disclosures in these consolidated financial statements.

Director remuneration and other benefits

The remuneration accrued by the members of the Company's Board of Directors amounted to 2,494,699 euros in the year ended March 31, 2022 and 1,930,116 euros in the year ended March 31, 2021.

Key management personnel remuneration and other benefits

The remuneration paid to the Parent's key management personnel during the years ended March 31, 2022 and March 31, 2021 was as follows:

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

No, of individuals March 31, 2021	Euros			Advances	
	Year ended March 31, 2021				
	Fixed and Variable remuneration	Other remuneration	Total	No,	Amount
7	1,330,902	609,712	1,940,614	-	-

The Parent has no pension obligations to its key management personnel nor has it extended these professionals any advances, loans or guarantees and there were no special incentive plans over shares of Aedas Homes, S.A. at March 31, 2022 and March 31, 2021, except the incentive described in Note 14.i).

Auditor fees

The fees accrued in respect of services provided by the Company's auditor, Ernst & Young, S.L. in the years ended March 31, 2022 and March 31, 2021 is as follows:

	Euros	
	Year ended March 31, 2022	Year ended March 31, 2021
Audit and related services		
Audit services	214,230	182,250
Other assurance services	113,350	60,700
Total	**327,580**	**242,950**

22. *Environmental disclosures*

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

23. ***Risk management***

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

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

Credit risk:

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

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

Liquidity risk:

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

In order to ensure ongoing liquidity and the ability to service all the payment commitments arising from its business operations, the Group holds the cash balances shown on the balance sheet as well as the credit lines and financing agreements detailed in Note 15.

Apart from access to general credit markets, the Group has two specific mechanisms for financing construction: development loans and customer prepayments. Once the land has been purchased, these mechanisms cover all the financing needs for this period.

Development loans

As stated in Note 15, the Group currently has in place developer loan agreements for an amount of 538 million euros, with a nominal drawn down amount of 102 million euros (representing 19.05%), to which must be added 87 million euros drawn down from the buyers' account, leaving a maximum amount available of 451 million euros.

This amount can be drawn down as conditions are fulfilled: (i) When a specific volume of sales contracts is achieved in each development (percentage of sale required around 30%), (ii) Execution and invoicing of each milestone of the project.

As of March 31, 2022, the conditions were met to access an additional 13.23 million euros, of which 3.36 million euros consist of the undrawn down land tranche freely available to the AEDAS Group and 9.87 million euros relating to supplier invoices already paid and therefore linked to compliance with the conditions described in the previous paragraph.

Customer prepayments

At March 31, 2022, the Group recognised 216.2 million euros of customer down payments for housing units (pre-sales and private contracts), of which 41.9 million euros consist of payment commitments in the form of direct debits. These advances are close to 20% of the sale price of the homes concerned. Unilateral cancellation by the client is subject to a penalty of 50% of the advance paid.

Having used a significant part of the advance payments to finance construction of the homes, 54.3 million euros remains in special accounts for exclusive use in the execution of the developments concerned, as stated in Note 13.

There is a certain liquidity risk due to the possible cancellation of purchase contracts, with the subsequent reimbursement of 50% of the advance payments made. In the last 12 months, cancellations have made it necessary to reimburse 9,980,077 euros.

In addition to these specific construction financing mechanisms, as disclosed in Note 15, the Group has in place a build-to-rent (BtR) finance agreement for a maximum available amount of €112 million and a revolving credit facility for a maximum available amount of €55 million. As of March 31, 2022, no amounts had been drawn down in relation to these sources of financing.

Additionally, the Group has registered a note issuance facility on the MARF for 150 million euros, as stated in Note 15, with an outstanding balance of issues as of March 31, 2022 of 38.1 million euros. The purpose of this facility is mainly to diversify the Group's sources of financing, to provide it with alternatives to bank funding with terms of up to 24 months, and to make the company better known to credit investors in order to prepare for possible access to capital markets in the longer term. To the extent that this activity introduces debt maturities of less than 12 months, the Group compares them with the sum of the immediate availability of development loans for invoices already paid and freely available cash funds. As of March 31, 2022, nominal amount of promissory notes maturing in less than 12 months stood at 38.1 million euros. In comparison, as of March 31, 2022, freely available cash amounted to 183.9 million euros, and the immediate availability of development loans amounted to 13.23 million euros, so the sum (197.13 million euros) exceeds the amount of short-term promissory notes due by 159.03 million euros.

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

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

Market risk: interest rate risk

Both the Group’s cash balances and certain borrowings are exposed to interest rate risk, which could have an adverse impact on its net financial results and cash flows. However, it should be noted that the green bond and promissory notes issued by the Group, and the revolving facility, accrue fixed interest rates, so are therefore not exposed to market risk associated with interest rates. Thus, the percentage of financial debt drawn down by the Group subject to fixed interest rates as of March 31, 2022, and therefore not exposed to market risk associated with interest rates, represents 77% of its total financial debt drawn down. For this reason, the Parent's directors have not deemed it necessary to arrange interest rate hedging instruments.

Changes of 100 basis points in interest rates would have increased financial expenses by 2,616,036 euros in the year ended March 31, 2022 (and by 4,501,416 euros in the year ended March 31, 2021).

Risks associated with Covid-19

In relation to the risks associated with the Covid-19 pandemic, as noted in prior reports, the Group has been carefully monitoring certain risks deemed relevant to identifying and managing potential threats to AEDAS Homes as a result of the pandemic. In 2021, the measures taken by the Group included an extraordinary assessment of the corporate risk map, activation of the Crisis Committee, implementation of remote working arrangements and establishment of a capital preservation policy.

In recent months, the Group has continued to monitor the main risks associated with the Covid-19 pandemic, observing a degree of dissipation. Nevertheless, the Group will continue to monitor the key management risks posed by the pandemic with a view to taking additional mitigating measures as required.

24. ***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 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:

- On May 25, 2022, the Board of Directors agreed to transfer the registered office of the Parent to Paseo de la Castellana 130.

- During the month of April 2022, the AEDAS Group has amortized developer loans for an amount of 5.47 million euros. These cancelations represent a risk reduction of 16.58 million euros of principal.

- During the months of April and May 2022, the AEDAS Group has signed developer loans with a mortgage guarantee for a total of 48.19 million euros, in order to finance 5 developments in progress. The interest rate on these loans is EURIBOR plus a spread of between 225 and 250 basis points.

- At May 16, 2022, the total treasury stock held by AEDAS Homes at close of market was 2,734,474 securities representing 5.842% of the capital acquired at an average price of 20.54 €/share. The total number of securities acquired through Discretionary Management was zero securities; the total number of securities acquired through the Buyback Programme was 14,139 securities representing 0.03% of the capital at an average price of 22.06 €/share and the total number of securities acquired in the block market was zero.

- On May 25, 2022, the Board of Directors proposes the distribution of an additional dividend to the interim dividend (Complementary dividend), charged to the profit for the year ended March 31, 2022 of 1.34 euros per share by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed complementary dividend the same number of treasury shares of the Parent is maintained as at March 31, 2022 (2,720,335 shares), the maximum Dividend to be distributed (including the interim dividend and the complementary dividend) would be 95,228,811 euros, leaving an unallocated income of 14,139,304 euros (see Notes 3 and 14).

25. ***Translation of financial statements***

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

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

Company	Registered office	Business activity	Shareholding		Shareholder	Auditor	Consolidation method
			March 31, 2022				
AEDAS HOMES OPCO, S.L.U.	Madrid	Development	100%	Direct	AEDAS HOMES, S.A.	ERNST & YOUNG, S.L.	Full consolidation method
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. (formerly known as ESPEBE 11, S.L.)	Madrid	Real estate services	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation method
LIVE VIRTUAL TOURS, S.L.U.	Madrid	Audiovisual distribution	100%	Direct	AEDAS HOMES, S.A.	-	Full consolidation method
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
ESPEBE 18, S.L.U.	Las Palmas, Gran Canary Island	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SPV REOCO 15, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SPV SPAIN 2, S.L.	Madrid	Development	87.5%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
FACORNATA SERVICIOS Y GESTIONES, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SERVICIOS INMOBILIARIOS LICANCABUR S.L.	Madrid	Development	25%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Equity method
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
TURNKEY PROJECTS DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
WINSLARO ITG, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Equity method
EGON ASSET DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
URBANIA LAMATRA II, S.L.	Madrid	Development	10%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Equity method
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
AEDAS HOMES LIVING, S.L.U (formerly known as 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 method
AEDAS ESTE, S.L.U. (formerly known as ALLEGRA ESTE, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
DOMUS AEDAS RESIDENCIAL, S.L.U. (formerly known as DOMUS AUREA RESIDENCIAL, S.L.U.)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A. through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method

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

Subsidiaries included in the scope of consolidation at March 31, 2021

Company	Registered office	Business activity	Shareholding		Shareholder	Auditor	Consolidation method
			March 31, 2021				
AEDAS HOMES OPCO, S.L.U. (formerly known as SPV REOCO 1, S.L.U.)	Madrid	Development	100%	Direct	AEDAS HOMES S.A.	ERNST & YOUNG, S.L.	Full consolidation method
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
ESPEBE 18, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SPV REOCO 15, S.L.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U..	-	Full consolidation method
SPV SPAIN 2, S.L.	Madrid	Development	87.50%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
ESPEBE 11, S.L. (now known as AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.)	Madrid	Development	80%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
FACORNATA SERVICIOS Y GESTIONES, S.L.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
SERVICIOS INMOBILIARIOS LICANCABUR S.L.U.	Madrid	Development	25%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Equity method
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
TURNKEY PROJECTS DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
WINSLARO ITG, S.L.	Madrid	Development	20%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Equity method
EGON ASSET DEVELOPMENT, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U..	-	Full consolidation method
LIVE VIRTUAL TOURS, S.L.U.	Madrid	Audiovisual distribution	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
URBANIA LAMATRA I, S.L.	Madrid	Development	10%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Equity method
URBANIA LAMATRA II, S.L.	Madrid	Development	10%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Equity method
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method
PARKER DESARROLLOS INMOBILIARIOS, S.L.U. (now known as AEDAS HOMES LIVING, S.L.U)	Madrid	Development	100%	Indirect	AEDAS HOMES, S.A., through AEDAS HOMES OPCO, S.L.U.	-	Full consolidation method

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

Company	Equity at March 31, 2022 (euros) (*)							
	Capital	**Share premium**	**Reserves**	**Retained earnings (prior-year losses)**	**Profit/(loss) for the year**	**Other owner contributions**	**(Interim dividend)**	**Total equity**
AEDAS HOMES OPCO, S.L.U.	44,807,030	387,236,299	(306,057,800)	-	85,836,749	61,533,015	(80,600,000)	192,755,293
AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U. (formerly known as ESPEBE 11, S.L.)	3,000	-	426,445	(101,524)	2,329,322	4,190,676	-	6,847,919
LIVE VIRTUAL TOURS, S.L.U.	3,000	´-	259	(76,347)	(86,827)	137,839	-	(22,076)
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	3,010	-	(353)	(6,141,029)	2,784,042	8,000,000	-	4,645,670
ESPEBE 18, S.L.U.	3,000	-	141	(1,172,079)	(385,598)	1,540,000	-	(14,536)
SPV REOCO 15, S.L.U.	3,000	-	(324,095)	(1,379,516)	(317,737)	2,555,125	-	536,777
SPV SPAIN 2, S.L.	100,000	-	20,000	(243,171)	4,473,050	-	(3,212,357)	1,137,522
FACORNATA SERVICIOS Y GESTIONES, S.L.	4,991,549	44,896,912	40,006	(24,813)	(1,875,046)	2,300,000	-	50,328,608
SERVICIOS INMOBILIARIOS LICANCABUR S.L.	3,000	-	(215)	(957,465)	(617,918)	8,229,349	-	6,656,751
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	3,000	-	600	-	2,718,711	-	(2,000,000)	722,311
TURNKEY PROJECTS DEVELOPMENT, S.L.U.	3,000	-	(1,264)	(198,232)	(231,615)	334,600	-	(93,511)
WINSLARO ITG, S.L.	3,000	-	(371)	(641,478)	(615,792)	9,967,922	-	8,713,281
EGON ASSET DEVELOPMENT, S.L.U.,	3,000	-	(1,405)	(24,841)	(111,023)	172,400	-	38,131
URBANIA LAMATRA II, S.L.	3,000	-	(333)	(2,089,191)	(205,810)	21,044,900	-	18,752,566
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	3,000	-	(1,575)	(212)	(14,555)	21,500	-	8,158
AEDAS HOMES LIVING, S.L.U (formerly known as PARKER DESARROLLOS INMOBILIARIOS, S.L.U.)	3,000	-	(1,402)	-	(14,965)	21,500	-	8,133
AEDAS ESTE, S.L.U. (formerly known as ALLEGRA ESTE, S.L.U.)	3,000	-	-	(1,002)	(111,731)	9,715,600	-	9,605,867

DOMUS AEDAS RESIDENCIAL, S.L.U. (formerly known as DOMUS AUREA RESIDENCIAL, S.L.U.)	3,000	-	-	(80,635)	(95,369)	6,314,105	-	6,141,101
PROYECTOS INMOBILIARIOS ATRIA MADRID, S.L.	3,000	-	-	(92,840)	(153,725)	10,499,546	-	10,255,981
PROYECTOS INMOBILIARIOS LUCIDA NAVARRA, S.L.	3,000	-	-	(4,287)	(9,789)	1,772,448	-	1,761,372
PROYECTOS INMOBILIARIOS ALGEDI MADRID, S.L.	3,000	-	-	(7,882)	(237,178)	8,722,983	-	8,480,923
PROYECTOS BALMES 89, S.L.	3,000	-	-	(65,356)	(28,386)	2,329,121	-	2,238,379
AEDAS MUTILVA PROMOCIÓN, S.L.U. (formerly known as AUREA MUTILVA PROMOCIÓN, S.L.U.)	20,000	-	-	(308,079)	(3,533)	510,000	-	218,388
DOMUS AVENIDA, S.L.	100,500	-	4,635	-	(4,908)	-	-	100,227
VARÍA ACR MÓSTOLES FUENSANTA, S.L.	2,775,000	-	-	(38,759)	1,389,026	-	-	4,125,267
ESPACIO ÁUREA, S.L.	723,000	1,160,000	219,078	(159,418)	(314,016)	1,360,000	-	2,988,644
ALLEGRA NATURE, S.L.	3,000	-	600	(5,902)	2,114,294	300,000	(2,000,000)	411,992
RESIDENCIAL HENAO, S.L.	42,000	-	-	(69,281)	2,845	4,303,550	-	4,279,114
ÁUREA ETXABAKOITZ, S.L.	40,500	-	-	(102,518)	1,471,637	-	(1,100,000)	309,619
RESIDENCIAL CIUDADELA UNO, S.L.	152,118	240,000	-	(283,954)	(43,478)	7,049,482	-	7,114,168
NATURE ESTE, S.L.	386,000	-	-	(254,747)	16,900	6,736,407	-	6,884,560

Company	Equity at March 31, 2021 (euros) (*)							
	Capital	Share premium	Reserves	Retained earnings (prior-year losses)	Profit/(loss) for the year	Other owner contributions	(Interim dividend)	Total equity
AEDAS HOMES OPCO, S.L.U. (formerly known as SPV REOCO 1, S.L.U.)	44,807,030	403,236,299	(321,618,002)	(4,801,688)	76,361,890	61,533,015	(56,000,000)	203,518,544
DAMALANA SERVICIOS Y GESTIONES, S.L.U.	3,010	-	(353)	(4,763,598)	(1,377,431)	8,000,000	-	1,861,628
ESPEBE 18, S.L.U.	3,000	-	142	(1,431,013)	258,934	1,540,000	-	371,063
SPV REOCO 15, S.L.	3,000	-	(324,095)	(889,167)	(490,350)	2,555,125	-	854,513
SPV SPAIN 2, S.L.	100,000	978,848	8,204,620	-	(243,172)	4,124,175	-	13,164,471
ESPEBE 11, S.L. (now known as AEDAS HOMES SERVICIOS INMOBILIARIOS, S.L.U.)	3,000	-	1,126,446	(3,271)	(98,253)	-	-	1,027,922
FACORNATA SERVICIOS Y GESTIONES, S.L.	3,010	-	70,079	(5,242)	(19,571)	-	-	48,276
SERVICIOS INMOBILIARIOS LICANCABUR, S.L.U.	3,000	-	(215)	(320,333)	(637,131)	7,643,099	-	6,688,420
SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.	3,255,768	1,443,152	(3,520)	(357,084)	2,940,251	1,500	(1,900,000)	5,380,067
TURNKEY PROJECTS DEVELOPMENT, S.L.U.	3,000	-	(1,264)	(3,696)	(194,536)	264,600	-	68,104
WINSLARO ITG, S.L.	3,000	-	(371)	(377,949)	(263,529)	5,721,800	-	5,082,951
EGON ASSET DEVELOPMENT, S.L.U.,	3,000	-	(1,405)	(2,037)	(22,804)	162,400	-	139,154
LIVE VIRTUAL TOURS, S.L.U.	3,000	-	258	-	(76,347)	87,839	-	14,750
URBANIA LAMATRA I, S.L.	3,000	-	(292)	(492,405)	(265,808)	3,197,600	-	2,442,095
URBANIA LAMATRA II, S.L.	3,000	-	(333)	(259,212)	(1,829,980)	12,611,900	-	10,525,375
FALCON DESARROLLOS INMOBILIARIOS, S.L.U.	3,000	-	(1,575)	-	(211)	1,500	-	2,714
PARKER DESARROLLOS INMOBILIARIOS, S.L.U. (now known as AEDAS HOMES LIVING, S.L.U)	3,000	-	(1,582)	-	180	1,500	-	3,098

(*) Unaudited figures, with the exception of the financial statements for the years ended March 31, 2022 and March 31, 2021 of AEDAS HOMES OPCO, S.L.U., audited by ERSNT & YOUNG, S.L.

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

Name of the reporting entity or other forms of identification	Aedas Homes, S.A.
Domicile of entity	Paseo de la Castellana, 42, Madrid (Spain)
Legal form of entity	Sociedad Anónima
Country of incorporation of the entity	Spain
Address of entity's registered office	Paseo de la Castellana, 42, Madrid (Spain)
Main center of activity	Paseo de la Castellana, 42, Madrid (Spain)
Description of the nature of the entity's operations and its main activities	The acquisition, promotion and rehabilitation of any real estate, for the possession, enjoyment, sale and lease of the same. The acquisition, possession, enjoyment, exchange, sale and administration of national or foreign securities as well as any type of securities or rights, such as shares in limited liability companies, which grant a share in companies, all on their own and no brokerage activity. The acquisition, promotion and rehabilitation of any real estate, for the possession, enjoyment, sale and lease of the same.
Name of the Parent company	Aedas Homes, S.A.
Name of ultimate parent of group	Aedas Homes, S.A.

AEDAS HOMES

Integrated Annual Report FY 2021/22

Consolidated Management Report

Table of Contents

Jardins de Castellarnau (Sabadell)

1. Who we are

Monier (Madrid)

1.1. AEDAS Homes at a glance

AEDAS Homes is a next-generation residential developer whose shares have been publicly traded in Spain since October 2017.

Since its founding, the Company has relied on a decentralised, scalable organisational structure, which has proven to be a highly efficient approach.

This decentralised structure comprises six Regional Branches that operate with a good deal of autonomy. By leveraging on the local know-how and experience of these regional teams, AEDAS Homes can offer customers a product that is tailored to each micro market and generate loyalty among its partners and suppliers.

Critical business functions are carried out in-house, while non-critical functions are outsourced. As a result, the Company's team, made up of professionals with extensive experience in the sector, is highly efficient and capable of responding to market trends and scaling up objectives with ease and agility. Despite a substantial degree of externalisation, the Company builds long-term relationships with its partners, generating significant loyalty and mutual trust.

The Company has three business lines which differ primarily by customer type.

AEDAS Homes' core business, its Build-to-Sell (BTS) line, focuses on the development of new-build homes for individuals who are buying their primary or second residence or as an investor.

Through its Build-to-Rent (BTR) line, the Company develops turnkey projects designed specifically for the rental segment for institutional investors.

Lastly, the newly-created Real Estate Services line provides development and management services to third parties, potentially co-investing with them on occasion.

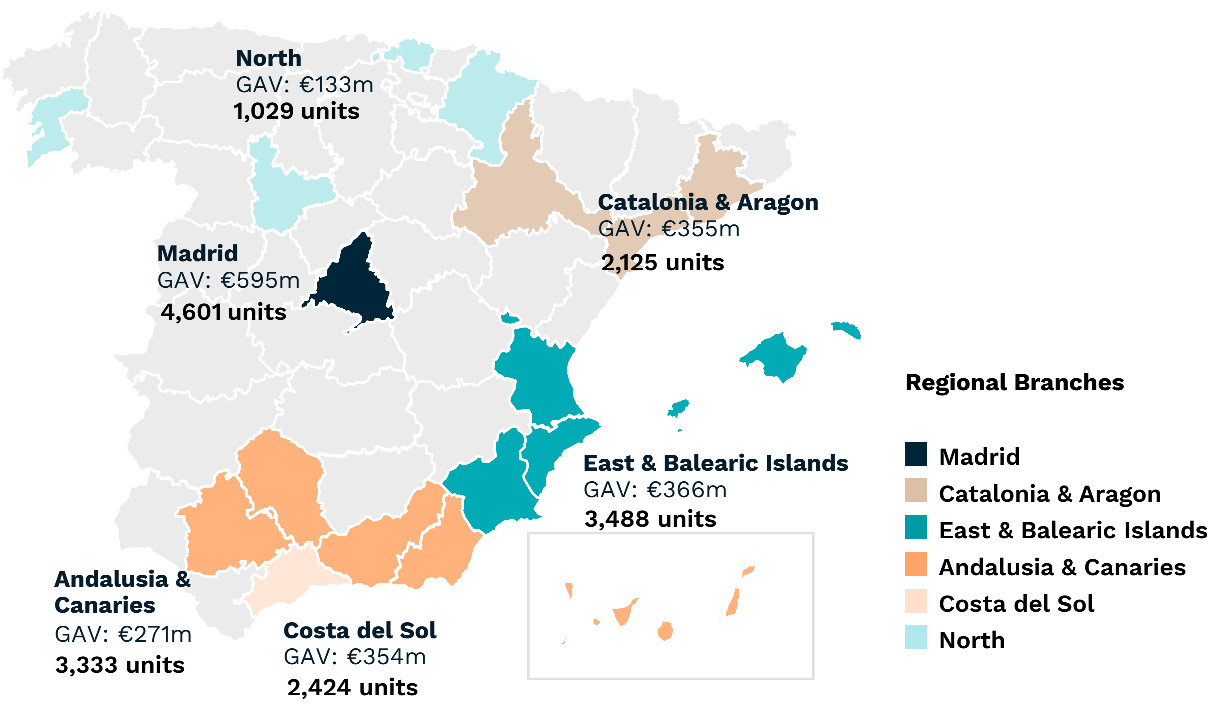
The AEDAS Homes product is defined by its focus on people and how they really live, meaning that it adapts not only to their current lifestyle but also to their future needs. These homes, in residential buildings that stand out for their modern, balanced and rational architecture, feature flexible layouts intended for high intensity use throughout their entire life cycle.

This "design for all" concept simplifies life, providing comfort and convenience for every kind of person, and places special emphasis on acoustic, thermal and lighting comfort, given how important and influential these factors are on our health and well-being. The aim is to evoke a sense of home, with spaces open to nature with large windows and terraces that connect with gardens and carefully landscaped green areas. And, of course, these are homes that respect the environment in their design and construction and that make use of innovative technological systems in the interest of sustainability.

This product definition meets the high expectations of the typical AEDAS Homes' customer, who generally has already been through the homebuying process before and therefore has become very discerning. These customers draw on their prior experience and informed by their personal perspective and specific needs as current homeowners, have a better understanding of what they really need for their wellbeing. They are perfectly able to identify the unique attributes, both indoors and outdoors, in the homes the Company develops. They are seeking very high quality specifications not only in the core aspects of their future home, but also in the scope for personalisation. They are also sensitive to environmental and sustainability considerations and value the fact that the nearly all the Company's homes developments have Energy Performance Certificates of A or B. A second unique characteristic is that most AEDAS Homes customers share the purchase decision with someone else. This is a significant consideration as it brings a second or even a third opinion into the homebuying equation, increasing expectations and requirements.

As for its investment policy, the Company has consistently been very selective and disciplined, sticking to very high return thresholds and relying on its Regional Branches to identify the most interesting investment opportunities that fit with targets, customer profile and product type. After exhaustive analysis, the Investment Committee reviews each opportunity and determines the final offer. As a result, AEDAS Homes has been able to maintain a truly high-quality land bank, located across its six Regional Branches which operate in a total of 18 provinces, as shown below, with scope for the development of 17,000 units as of 31 March 2022.

AEDAS Homes in Spain



The quality of the AEDAS Homes land bank is tangible not only because virtually all its plots are ready-to-build, but also due to its high level of liquidity and the strong commercial interest in the assets that comprise the land bank, thanks to their excellent location.

As shown below, over 70% of the land bank is already active (in either the design, marketing or construction phases), giving the Company very strong visibility on its delivery targets over the next four years.

	March 2021	March 2022
LAND BANK (UNITS)	15,484	17,000
ACTIVE (UNITS)	9,746	12,473
NET SALES (UNITS) (*)	2,480	3,084
ORDER BOOK (UNITS)	3,428	4,255
UNDER CONSTRUCTION (UNITS)	4,586	5,337
DELIVERIES (UNITS)	1,963	2.298**
EMPLOYEES	240	303

(*) Includes sales from BTS (2,885 units) and BTR (199 units) business lines
(**) Includes 41 units attributed to Áurea Homes

The AEDAS Homes team, comprised of a group of highly experienced, multidisciplinary professionals, are fully committed to their targets and the Company's unique way of doing things. This approach is grounded in the values of rigour, transparency and integrity and provides the foundation of the relationships the Company has built with a select group of partners who work with the Regional Branches. This ethic is underpinned by a commitment to adding value to the communities where AEDAS Homes develops homes and to sharing its goals and modus operandi with its partners (architects, builders, sales agents, etc.). Moreover, this approach has enabled the Company to achieve success by relying on the local know-how and experience of its regional teams and their partners, who see the Company as a trusted strategic partner.

This approach, based on integrity, transparency and rigour, is every bit as applicable on the financial front. In the same way, the Company has worked to build long-term relationships with the various entities that provide its financing, locking in optimal and highly diversified sources of financing for its business activity.

AEDAS Homes has financed its corporate development and land investment needs from own funds and corporate debt, including the issuance in May 2021 of a fixed-rate green bond due in August 2026.

To finance its new-build developments, the Company has a range of developer loans with leading Spanish banks. To avail of these loans, banks typically require a level of pre-sales sufficient to ensure the commercial viability of the development, and the property is pledged as collateral. As a result, construction costs are financed from drawdowns against those loans and customer down payments.

When the development is finished and the keys are handed over to the customer, the buyer can choose to assume the Company's position in the mortgage on highly favourable terms; if not, that tranche of the loan is cancelled. Developer loans are considered current debt due in the long term. To finance its turnkey BTR developments which are targeted at institutional investors, in July 2021, the Company decided to raise an alternative financing line whose drawdown depends fundamentally on the level of execution of the related developments.

Lastly, to finance its working capital needs, the Company can either issue short-term commercial paper (up to 24 months) or draw down a credit facility in place until February 2026 with an undrawn balance of €55 million.

A unique approach to residential development

Land investment

Focus on regions with proven long-term demand, mainly in Spain’s six largest regions.

Regional teams’ deep knowledge of local land markets facilitates the search for off-market investment opportunities.

Due diligence, negotiations and closings are centralised.

Ability to originate, analyse and execute opportunities of different sizes, which leads to a high-quality land bank and, ultimately, improved margins and shareholder returns.

Decentralised, scalable and sustainable business model

Flexible, agile organisational structure.

Leveraging on the local know-how and rich experience of regional teams.

Centralised supervision with key functions performed in-house.

Design, sales and construction outsourced to trusted partners.

Limited fixed-cost base.

In-house Green Book, coupled with the Ecoliving® seal.

Sales strategy

Customer-centred marketing approach.

In-depth market studies to optimise product definition.

Focus on sales to individual buyers, complemented by a growing business in the turnkey Build-to-Rent segment.

Bottom-up approach

Risk control via investment/project management.

Continuous fine-tuning of the capital structure.

Responsibility: results-oriented remuneration.

Focus on preserving margins and ROE.

01

Trailblazers in sustainable residential development

AEDAS Homes assures a standard level of environmental impact mitigation across all its developments, depending on the specifications selected and each location's unique environmental conditions, in keeping with the Company's Green Book.

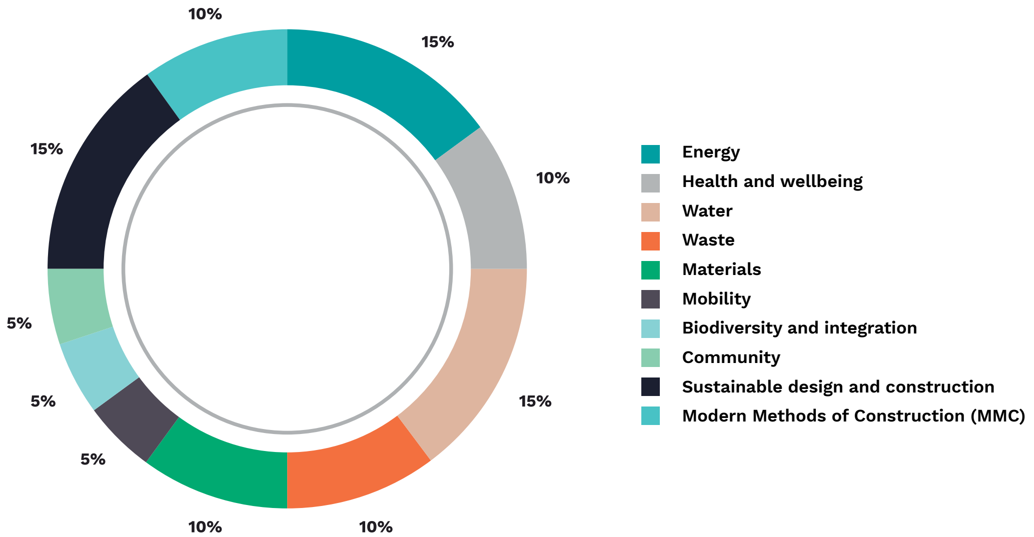
AEDAS Homes calculates emissions throughout the building's entire life cycle and offers its customers information and tips for minimising their potential carbon footprint over the useful life of their homes.

How developments are rated for sustainability

AEDAS Homes' goal is to advance towards construction models that have a minimum impact on the environment along with positive impacts for the wellbeing of the people who live in the homes it builds. To that end it has developed the first sustainable home seal in the Spanish real estate market - Ecoliving® - to certify the environmental impact of each home. By means of the corresponding software application, project managers can determine the optimal energy rating for each development, shaped by the selection of environmentally-friendly materials, foster occupant health and wellbeing and install efficient and renewable energy facilities.

It is the first seal of its kind in the real estate market and was created exclusively by AEDAS Homes in 2020.

Each environmental aspect is weighted differently



In addition, carrying out Life Cycle Assessments (LCAs) on all developments makes it possible to identify potential improvements on the energy-efficiency front which can then be applied in future developments.

<u>Educating customers about the sustainability credentials of their new home</u>

All AEDAS Homes points of sale devote an area to the Ecoliving seal, where customers can learn more about sustainability in that particular development and understand what makes it stand out.

In FY 2021/22, the Company carried out Life Cycle Assessments (LCAs) on all completed developments.

How AEDAS Homes developments contribute to a more sustainable future

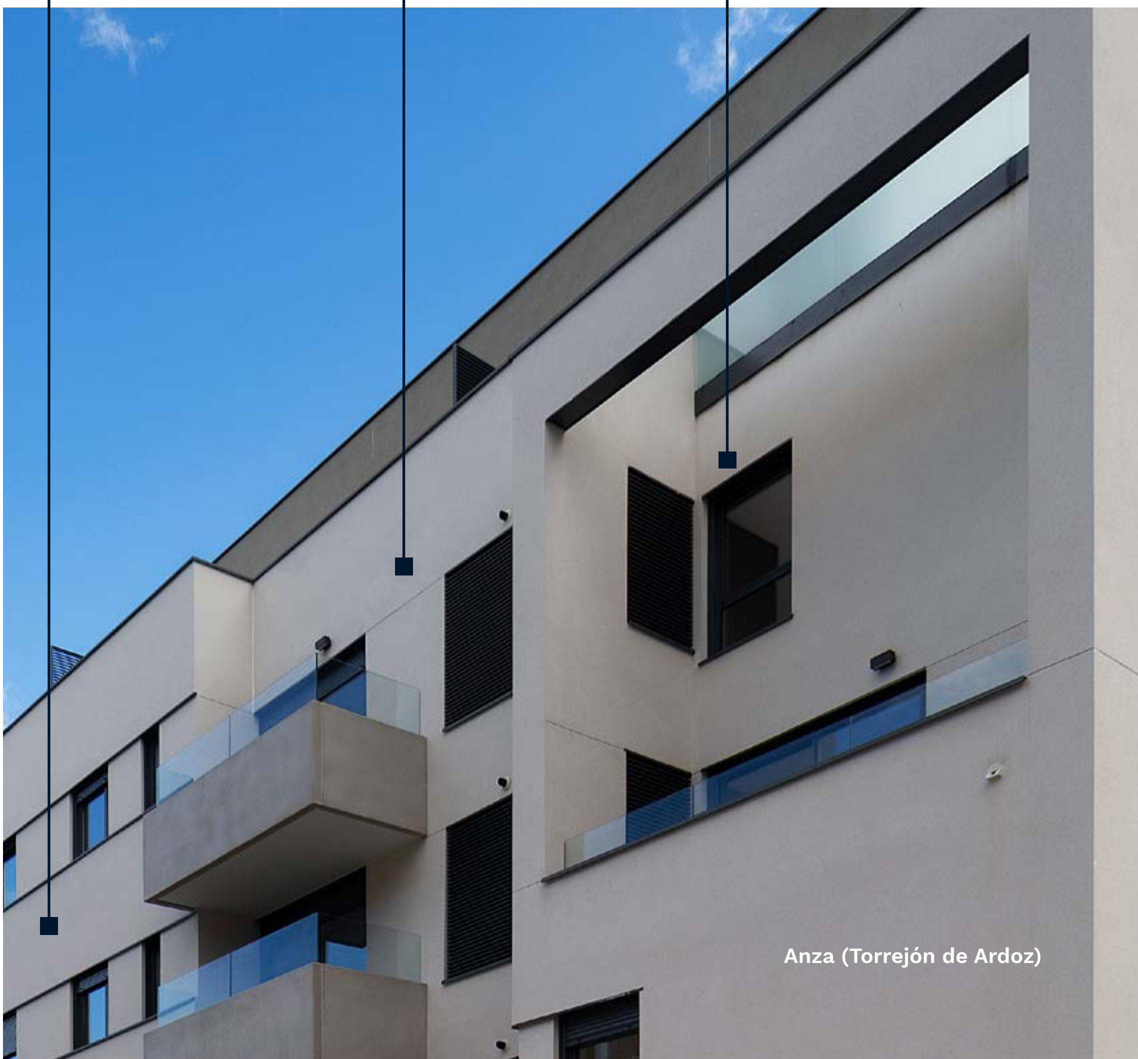
AEDAS Homes offers its customers homes that have a low environmental impact; moreover, it doesn't cut ties once the keys are handed over to customers.

AEDAS Homes wants to provide the market with homes that are sustainable and environmentally responsible throughout their useful lives, to which end it provides its customers with a user manual with recommendations and guidance designed to foster the sustainable use of their homes in all of the aspects, as set out in the underlying principles of the Ecoliving® seal:

Widespread installation of air source heat pumps to harness thermal energy in the air and transfer it inside the home to provide hot water and/or heating/cooling.

High-performance thermally insulated façades and highly efficient systems: annual energy consumption for efficient hot water product and heating/cooling.

Installation of heat recovery ventilation systems that harness the energy (temperature) present in the home by means of separate inflow and outflow air renewal circuits, so that occupants can enjoy clean air.


Anza (Torrejón de Ardoz)

Water: Occupants save 10 to 20% by comparison to a standard home thanks to:

- Dual-flush toilets that consume 3 to 4.5 litres.
- Bathroom and sink taps with maximum flow of 5 l/min.
- Kitchen taps with maximum flow of 9 l/min.
- Shower taps with a maximum flow of 9 l/min.
- Installation of drip watering systems programmed by area with sprinklers in lawn areas only.
- Installation of watering programmers fitted with humidity sensors to prevent watering on rainy days or when the soil doesn't need any more water.

Nearby public transport stops.

Bicycle parking spaces.

Anza (Torrejón de Ardoz)

Saltwater electrolysis systems in swimming pools to reduce the amount of chlorine used.

Native plant species planted in green areas.

Common facilities in the development are configured to optimise energy efficiency and lower costs.

Common areas and green spaces: outdoor light sensors, indoor presence detectors and/or timers to reduce energy consumption.

Paint and external cladding with the Ecolabel seal, indicating low VOC levels which favour better indoor air quality.

Use of FSC or PEFC certified wood attesting to sourcing from sustainably managed forests.

Use of materials produced no more than 400 km away.

Pre-installation of electric vehicle charging stations.

"Smart home" systems that let occupants control lighting and/or blinds from their smartphones.

Energy Performance Certificates with an "A" rating in terms of consumption of non-renewable primary energy and CO_2 emissions

Common areas with natural lighting and ventilation.

Dedicated areas for recycling containers.

Installation of recycling stations within common areas of the building for managing waste such as vegetable oil, batteries and used clothing.

Optimised designs tailored for local climate conditions: incorporation of overhangs, trellises, carefully-chosen façade colours and cross-flow ventilation to reduce energy consumption.

1.2. Chairman's Statement

Santiago Fernández Valbuena

Dear Fellow Shareholders:

FY 2021/22 has been a year of standout performance at AEDAS Homes. Your Company has delivered close to 2,300 high-quality homes to customers, generated **record revenue and EBITDA** and once again, thanks to its committed team, is providing **best-in-class margins.**

On **total revenue of €766 million**, the Company is **delivering €149 million in EBITDA**. This **EBITDA margin of 19.5%** reflects both the implicit quality of the landbank and the efficient operational performance of the AEDAS Homes team, confirming the Company's capacity to keep achieving its goals and creating value for shareholders.

Shareholder remuneration

Net profit after taxes for FY 2021/22 comes to **€93.1 million**. In line with this result and the Dividend Policy approved by the Company in July 2021, which stipulates an ordinary dividend payout equivalent to 50% of net profit and the potential distribution of extraordinary dividends if financial conditions permit, the AEDAS Homes Board of Directors will propose to the Annual General Meeting a dividend distribution up to a maximum of €95.2 million out of FY 2021/22 results, of which €36.1 million (0.82 euros per share) was already paid to shareholders 31 March 2022.

Laying the foundation for a low-carbon future

In the last Annual Report, I announced that the Board of Directors had passed the **three-year ESG Strategic Plan** in early April 2021, just after the FY 2020/21 close. This Plan lays out long-term goals and clearly articulates a series of short and mid-term priority initiatives, as well as the governance and monitoring model for its compliance and supervision.

By approving this Plan, the Board has **recognised the risks related to climate change** and has pledged to dedicate the resources to make the Plan a success. Through this framework **aligned with the UN Sustainable Development Goals**, the Company will make a measurable difference in the areas where we operate, with a focus on building sustainable cities and communities, fostering opportunities for decent work and economic growth, and making contributions to industry, innovation and infrastructure.

The Company has been successfully rolling out the Plan this past year, and the Board believes that this **commitment to sustainable development** will correspond to a **reduction in downside risk**, ensure access to **advantageous financing** and safeguard the Company's **long-term success** while **creating value for all its stakeholders**.

Macroeconomic context and housing market outlook

With the exception of the first few months of the pandemic in 2020, when lockdown measures essentially stopped the economy in its tracks, the residential development market has enjoyed supportive underlying dynamics for several years now. This expansive cycle is being driven by the imbalance between demand for high-quality, sustainable housing in major metro areas and the real lack of supply.
Long-term, this **structural asymmetry** will continue to **make homebuilding in Spain a very attractive business proposition** for companies that have the scale, financial strength and diversification and well-honed strategy to stay the course, especially during periods of volatility.

The past several months have seen soaring energy prices and spikes in the price of steel, cement, glass and other energy-intensive products, as well as supply chain bottlenecks and shortages of raw materials. This situation has been exacerbated by Russia's invasion of Ukraine in late February and the prospect of a long war on Europe's doorstep. While for the moment the global economy is resisting the impact of the war, with this backdrop of **volatility, uncertainty and potential economic constraints**, the homebuilding industry may be facing a context of sustained cost inflation for some time to come.

The Company is **well-positioned to face such a context** for a number of reasons. First, its high-quality product in major metro areas targeting customers in the mid-to-mid high segment of the market, who generally enjoy greater solvency and affordability, has so far allowed it to capture healthy price increases and thus better protect margins. Second, in an inflationary context, investing in property in major cities that can be put on the rental market can offer savings protection. And finally, the post-Covid recovery of the second residence market on the coast and increases in sales to customers coming from Eastern Europe have the potential to bolster sales.

Board activity

The AEDAS Homes Board is experienced, committed and above all, independent. The Board believes that **effective corporate governance** is the cornerstone of a successful, sustainable business that creates long-term value creation for all stakeholders.

In line with the Spanish Capital Corporations Law and the CNMV Corporate Governance Code, the Board carried out its **annual self-assessment** this year, with all directors taking part in the process and making constructive contributions for improvement. As a result of this process, the Board expects to deepen its commitment to matters related to strategy, the competitive environment and ESG implications for the business in the coming year.

The Board also voted to **amend its Regulations** to adapt them to reflect updates to the Spanish Companies Act regarding **related-party transactions** and to include the supervision of the process for preparing and presenting financial information and non-financial information as a Board responsibility.

Finally, in November 2021, Javier Martínez-Piqueras, who was appointed as an Independent Director in October 2020 and ratified by the Annual General Meeting in June 2021, became an External Director upon assuming a new role as Senior European Advisor to Castelake, the Company's main shareholder.

Annual General Meeting

We will be holding our Annual General Meeting on **Wednesday, 29 June 2022**. At present, we are planning to host a hybrid event in Madrid and as the date approaches, we will be sharing further details.

Looking ahead

With the current level of deliveries and operational optimisation, the Company is now closing in on maturity. Over the past year, this solid evolution has been better reflected in the media and the capital markets, and we expect to continue to have a very compelling story to tell in the years to come, even in the current context of volatility and uncertainty.

As a shareholder, you can have every confidence that with the firm guidance of your Board and the proven capacity of your Management Team, AEDAS Homes is in very good hands and will continue to deliver excellent long-term value. Once again, thank you for your trust.

Santiago Fernández Valbuena
Chairman of the Board of Directors

1.3 Year-end interview with David Martínez, CEO of AEDAS Homes

Looking back on FY 2021/22, what stands out?

At AEDAS Homes, our 2021/22 fiscal year has been defined by **unparalleled levels of operational performance** across all areas of our business: land investment, sales, construction and deliveries.

While earlier in the year there were a few residual operational challenges related to the pandemic, our team managed these very successfully and as a result, we've achieved all the targets we committed to. The Company also reached a key milestone this year—well over one billion euro in forward sales that will be delivered in the coming years—putting the Company in an enviable position in terms of our visibility over future revenues and cash flows.

To put some numbers around this, we've made **investment commitments** this year that will allow us to develop **4,101 additional units**, with a quarter of these units in Madrid. We used our investment capacity to take advantage of some opportunities in excellent locations with the potential to deliver very attractive margins, and this investment volume means that AEDAS Homes now has the land we need to cover all of our FY 2024 and over 70% of our FY 2025 revenue goals, and the landbank now stands at 17,000 units.

We've continued to see strong, sustained demand coming from customers who are looking for well-located homes that are high-quality and energy-efficient, and this demand is driving our extraordinary sales levels. We closed out the year with **3,084 net sales (€1,038 million)**, which works out to an average of over 250 units sold a month and puts our **Order Book at 4,255 units (€1,281 million)**. These figures include the Build to Rent (BTR) developments that we've sold to institutional investors.

In terms of launches and construction, in the last twelve months we've put 3,682 units on the market and broken ground on 2,853 units, bringing our **total units on the market to 8,118 and total units under construction to 5,337.** And finally, this year AEDAS Homes has delivered 2,298 units, a figure which includes 41 units attributed to Áurea Homes, the developer that AEDAS Homes acquired earlier in the year.

How do this year's financial results stack up against last year's?

Earnings-wise, we are reporting total **revenues of €765.6 million**, up 14% over last year, with the lion's share coming from the delivery of these homes to customers, along with revenues from the sale of some plots of land that weren't strategic for the Company and from our newly-launched Real Estate Services line.

We are reporting gross margin of 29% (versus 28.1% last year), a **very healthy EBITDA of €148.9 million (19.5% margin)**, and €93.1 million in net income, up 9% over last year.

We closed out the fiscal year in a **very solid financial position**, with €1,520 million in inventories, €240 million in cash, net financial debt of €273 million and a net LTV of 13.2%.

Without a doubt, FY 2021/22 has been the **best year, both operationally and financially, in the six-year history of AEDAS Homes**. Despite the current inflationary context, we're delivering an extraordinary set of results. I put this down to the excellent management and execution capacity of our team which has, once again, **fulfilled the ambitious commitments made to our customers and shareholders.**

How has the Company strengthened its financial position in the last year?

This past year we've taken the opportunity to **diversify and optimise our sources of financing to further solidify our strong financial position**. Last spring we issued a green bond for €325 million at very advantageous terms and as part of the bond issuance process, we were assigned corporate credit ratings by S&P (B+), Fitch (BB-) and Moody's (Ba2). We extended our €150 million Commercial Paper Programme and are continuing to make very efficient use of its extremely advantageous financial terms. Finally, last July we signed a financing agreement for up to €112 million with a private lender to finance construction on our Build-to-Rent projects.

Any other significant milestones?

In terms of shareholder remuneration, the Board of Directors approved a **Dividend Policy** last July, based on the three pillars of net income, visibility on future cash generation, and the key debt ratios and liquidity we need to maintain organic growth. Per this Policy, the Company will **distribute 50% of annual net income as ordinary dividends**, with the potential to supplement ordinary dividends with extraordinary dividends. We distributed the **first dividend** to shareholders last July as a **€62 million** cash payment out of FY 2020/21 results and paid an **interim dividend** of **€36 million** corresponding to FY 2021/22 in March 2022.

With regards to **share buyback activity**, the company amortised 1,160,050 own shares (equivalent to 2.42% of capital) in August, and as of the end of March 2022, the Company's treasury stock stood at 2.72 million shares (at an average purchase price of €20.54 per share), which is equivalent to 5.81% of capital.

We also demonstrated our **organisation's capacity to scale up** when we **acquired a selection of assets** from the real estate division of Spanish construction company ACR Group, which marketed its residential products under the Áurea Homes brand. Through this transaction, we acquired a selection of excellent ready-to-build plots and works in progress for a total of 679 units, and we were able to **seamlessly integrate the Áurea Homes team**, which has contributed towards our growth and has allowed us to **expand our capacity**, especially in the north of Spain where we opened up our sixth Regional Branch early in FY 2021/22.

AEDAS Homes launched its BTR line in 2019, and in the past year, the appetite for turnkey rental developments has really heated up. How is this business line evolving?

It's true that we've seen tremendous appetite from Private Rental Sector (PRS) investors this past year. We delivered our second BTR development in 2021, and at the end of the fiscal year, we had 993 BTR units sold and under construction and an additional 800 units pending the final sales agreement. This **considerable growth in our Build-to-Rent line** is a clear confirmation that institutional investors see AEDAS Homes as a trusted industrial development partner for their rental projects in Spain.

What about public-private partnerships for providing affordable homes for rent?

We've also taken concrete steps towards addressing one of the great challenges that society is facing today, which is **providing access to quality affordable housing**, especially to young people. Availability of accessible housing is one of the critical drivers for the UN's Sustainable Development Goals, and at AEDAS Homes, we see public-private partnerships as a viable way forward to meet this need. For this reason, we are proud to be taking part in the **Community of Madrid's Plan VIVE scheme**, a public-private collaboration scheme that makes publicly owned land in consolidated urban environments available for development.

The first phase of Plan VIVE aims to put 5,400 affordable new-build rental apartments on the market between 2024 and 2025, and through our Real Estate Services line, AEDAS Homes is providing development services to deliver 3,600 of these new affordable rental units. Once construction is complete on these turnkey developments, which are all high-quality architectural projects with an "A" energy rating, they will be delivered to a property management company.

Last April the Board of Directors passed the Company's 3-year ESG Strategic Plan. What progress has the Company made in its rollout?

Since our founding in 2016, sustainable development has been fundamental to the AEDAS Homes strategy, as we **aim to deliver value to all our stakeholders: our customers, employees, suppliers and shareholders, as well as the wider community.** The Company has always been focused on ensuring that our business makes a net positive impact on both the environment and society, and to that end, we codified this strategy in our three-year ESG Plan which was approved last April. Since then, we have made great strides towards implementing the 27 concrete actions outlined in this roadmap.

In terms of our commitment to green building and our long-term target of neutralizing 50% of our greenhouse gas emissions by 2030, I'd like to highlight a few key actions in particular. First, over 40% of the developments we've delivered this year have an A-A energy rating, and more than **60% of the developments that we've launched this year are targeting an A-A energy rating**, which will provide the maximum level of energy efficiency and comfort to homeowners.

Second, we are making excellent progress in terms of carrying out **Life Cycle Assessments on all our developments** and ensuring that **100% of them comply to the standards set out in our in-house Green Book or other recognised seal**. Third, in our ongoing commitment to educating our customers, we're implementing a **sustainability section in the Building Book** that customers receive when their new home is delivered, so they can maximise all of its eco-efficiency features. And finally, we have **tied compensation to environmental performance** by including an ESG objective in the Annual Variable Compensation model for all eligible employees and establishing an ESG metric in the 3-year Long-Term Incentive Programme for senior management and key employees.

In terms of the **social commitments** outlined in the Plan, this year we've focused heavily on our exceptional multidisciplinary team made up of of 300+ respected, skilled professionals. Through their expertise and dedication, the Company has become a benchmark for quality and innovation, and this past year, to support our employees, we have prioritised **talent retention, work-life balance initiatives, and physical and mental wellbeing.** In fact, in recognition of the Company's programmes, we were awarded the prestigious seal of approval from **Great Place to Work®.**

Underpinning all these initiatives is our continued focus on **strong corporate governance.** Among other actions, this past year the Company has defined and approved an **ESG Policy**, updated the risk map to **integrate ESG risks**, and is currently working towards **obtaining certification of the Compliance system according to UNE 19601**, expected in the coming months. Additionally, the Company secured an ESG Risk Rating of 15.7 from Sustainalytics, putting us in the top percentiles of our sector, and which we expect to continue improving.

Our **Audit and Control Committee** is **actively supervising** the achievement of the ESG Strategic Plan, and I feel we are well on track to achieve the ambitious goals outlined in the plan by the end of FY 2023.

Post-pandemic, demand for new-build homes has boomed. How do you see the market evolving this year and next?

No one can predict the future, but at present, Spain is enjoying very **solid housing market fundamentals** and the underlying **structural conditions are favourable for the residential development business.**

The number of new-build homes on the market in the key metro areas where we operate is still well below demand, and in these locations, we're seeing positive trends in both population growth and consolidation and household creation. I would expect this structural imbalance between demand and supply to continue supporting an upward trend in prices.

According to the IMIE TINSA report that came out in early April 2022, average house prices in Spain (both second hand and new-build homes) are up 6.8% over last year but are still 23.5% below their pre-crisis historic maximums in 2007. With average house prices still below peak, along with good home affordability and household savings rates and a scenario of low interest rates, we see **continued room for growth down the road.**

How do the war in Ukraine and the current context of inflation and supply chain disruption factor into your view?

As you are well aware, the war in Ukraine and the ongoing disruption in the supply chain have put the **construction industry under stress**.

Energy prices are reaching unsustainable levels, and this caused production to be halted at many steel mills, tile factories and cement plants, and truckers to go on strike for a period in March. This, along with very sharp increases in the cost of raw materials over the past several months, has impacted construction sites all across Spain, ours included. This situation has been aggravated by the war, the cascading effects of the humanitarian crisis in Europe, and the uncertainty surrounding rising inflation all across the world.

However, as a company, we have been **actively working to control and minimise the impact of this situation on our business** as far as possible with the goal of preserving margins. We have implemented a series of measures, which include stepping up our monitoring of construction companies and their subcontractors and working closely with them to ensure their financial solvency, while keeping our in-house construction management team ready to deploy if needed and negotiating national agreements with suppliers to guarantee supply and stabilise prices, among others.

What about cost inflation related to the scarcity of qualified tradesmen? How are you approaching that?

The construction industry in Spain has been hampered for years by a shortage of qualified workforce, and this is a significant factor in cost inflation. Industrialized solutions, or **Modern Methods of Construction**, which is where some of the construction components, like bathrooms pods, are produced in specialized factories and delivered to the site, can **cut down the number of on-site workers**. Implementing these industrialized solutions also allows developers like AEDAS Homes deliver higher-quality projects faster, and since 2018, we have been leading this charge to modernise the sector.

Back when we launched our offsite line, we envisioned being able to build in a faster, greener, more efficient way and four years later, it's a reality across many of our sites. To date, AEDAS Homes has implemented Modern Methods of Construction in over 50 projects (2,000 units) and through the offsite line, has delivered over 100 high-quality, fully modular homes that were precision built in a factory, with close to 200 additional offsite units under development. In fact, in our ESG Strategic Plan, we've committed to ensuring that 25% of our deliveries by FY 2023 will be built partially or fully offsite, and we are well on track to meet this goal.

How would you sum up the success of FY 2021/22?

In the past twelve months, we've really focused on **cementing our core strengths**. We've reinforced our already privileged financial position, invested in quality land that will give us significant coverage on deliveries four years out, and deepened our commitment to sustainable development. We have the right product in the right location and a strong focus on our customers, and **this is a formula that translates into success**. I'm confident that the AEDAS Homes team will continue to generate significant value for our shareholders in the years to come.

1.4 Market indicators

Sustained economic recovery and rising inflation

2021 was shaped by the gradual normalisation and recovery of the Spanish economy after the pronounced contraction sustained in 2020 on account of the fallout from the Covid19 pandemic. That recovery is palpable in the growing momentum observed in the quarterly indicators in parallel with the increase in vaccination coverage, a factor that buoyed the recovery in trade and tourism, sectors that are key for the Spanish economy. That burgeoning quarterly momentum ultimately translated into growth of 5.1% in Spanish GDP, which was slightly below the global average of 5.9%. According to the International Monetary Fund's latest forecasts (updated at the end of April 2022), the Spanish economy is still expected to grow by 4.8% in 2022, which is above the forecast global average of 3.6%. The fact that the Spanish economy is expected to register above average growth is primarily attributable to the lag in normalisation post-Covid, which is in turn due to Spain's greater exposure to economic activities related with personal mobility, as well as the relatively bigger impact of the Next Generation EU funds on the Spanish economy. The purpose of the NGEU funds is to repair the economic and social damage caused by the pandemic. Spain is set to receive €140 billion in the coming years.

Another noteworthy aspect of the economic panorama in 2021 was the sharp uptick in inflation. In 2021, both the energy and commodity markets sustained sharp price growth, increases that started to spill over to core inflation towards the end of 2021, putting the monetary authorities on alert. The price growth was beginning to stabilise in some materials at the start of 2022, but that trend was truncated when the armed conflict broke out in Ukraine.

Against that backdrop, the IMF is forecasting inflation of 5.3% in Spain in 2022.

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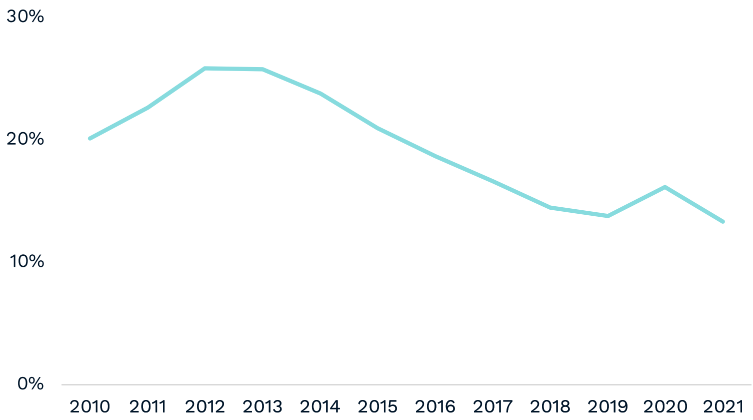
Escalonia (Las Rozas)

Recovery in employment

Turning to the job market, according to the INE, unemployment was already back below the level observed prior to the onset of the Covid-19 pandemic by the end of 2021, when the rate of joblessness stood at 13.8%. By December 2021, that figure had fallen to 13.3%, which was 0.5 percentage points better than two years previously. The number of Social Security contributors at year-end 2021 stood at 19,842,427, the highest reading in the series and 362,613 above the number of job holders recorded in February 2020, the month before the onset of the Covid19 health crisis.

Unemployment ended 2021 below the levels observed in the run-up to the pandemic



Source: INE

Moderate population growth, concentrated around the main cities

In terms of demographics, the pandemic also slowed the growth being etched out by the Spanish population since 2016, shaped by negative organic growth due to the increase in mortality induced by Covid-19 and a reduced inflow of immigrants due to health-driven mobility restrictions. According to the INE, the Spanish population stood at over 47.3 million people as of December 2021, of which 11% (over five million people) were overseas residents.

In terms of the population breakdown by region, internal migratory movements in Spain have been concentrated around the major cities, which, on account of their relative economic buoyancy, act as population magnets, driving the need for and development of new housing in the main recipient urban areas.

In addition, the widespread adoption of working from home across some areas of the economy means that a good part of the population has decided upon or is weighing up a potential move to a different area, further from city centres, which can offer healthier, more spacious, energy efficient and, in short, better equipped homes. That new source of demand dovetails perfectly with the types of locations and homes AEDAS Homes traditionally offers, specifically units in gated communities with green spaces nearby, developments equipped with more and better facilities, larger floor areas, home studies, etc. Those are the types of locations AEDAS Homes selects to carry out its developments.

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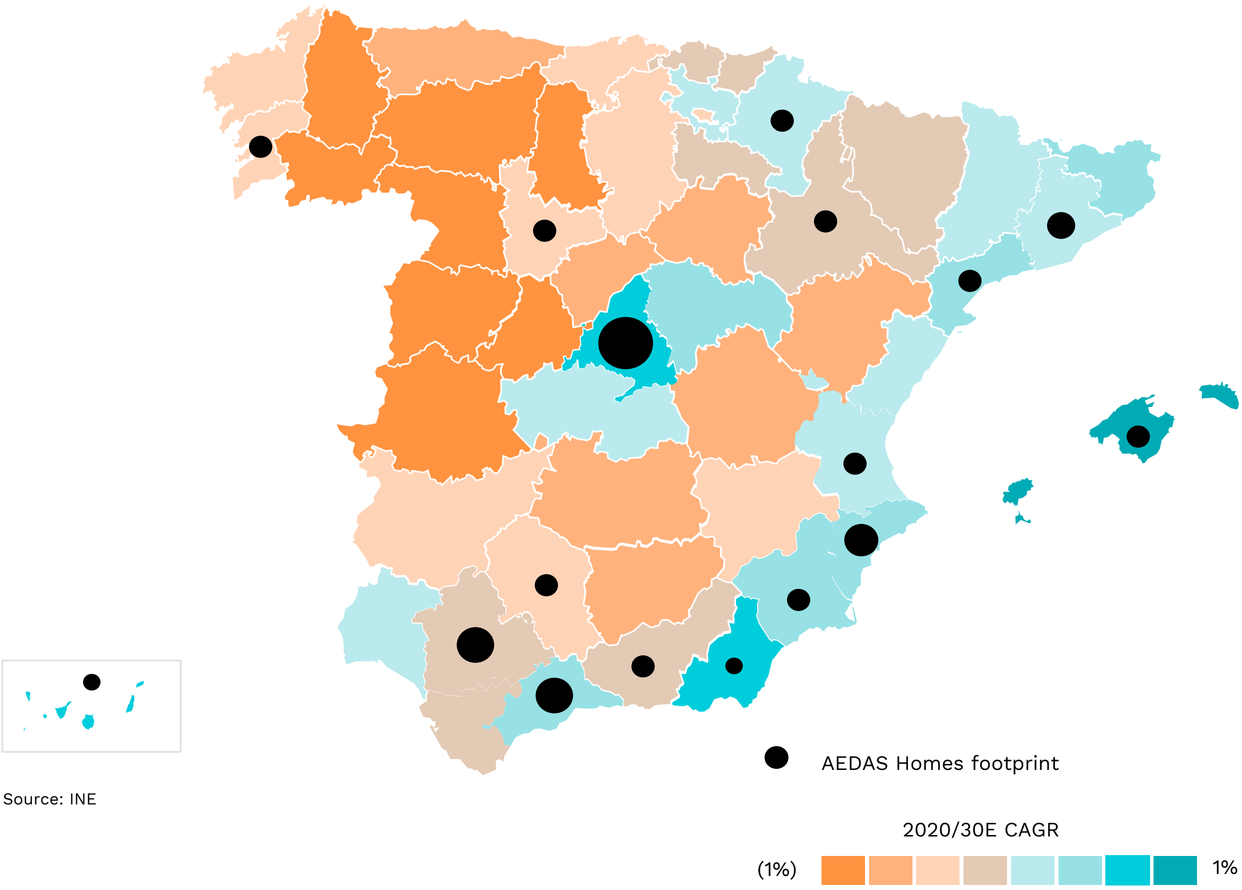
AEDAS Homes' developments are concentrated in the Spanish provinces expected to experience the strongest population growth and with the most dynamic housing markets



Source: INE

According to the INE, the regions in which AEDAS Homes is present are expected to post annual population growth of 0.2% over the coming decade, in contrast to most Spanish regions whose populations are expected to shrink.

2021 marked by high savings levels, low interest rates and stronger demand for new-build housing

Another important economic effect of the pandemic is the considerable increase observed in the Spanish savings rate, which stood at 15% in 2020 and 11% in 2021. Those figures contrast with the Spanish average over the past decade (between 7% and 10%) and most starkly with the savings rate observed during the last property cycle, when it dipped as low as 4% for a time.

The trend in the savings rate clearly evidences the improvement in the population's financial health. The healthier market situation is also tangible in improved affordability metrics: the number of years of pre-tax earnings needed to buy a home has fallen to 7.6 years according to the Bank of Spain, down significantly from 9 years back in 2007. All of the above attests to the robust nature of demand for housing today, which is underpinned principally by direct demand from end customers with real housing needs, i.e., structural rather than circumstantial demand.

Meanwhile, the rate climate has remained propitious for the buy versus rent trade-off, with rents remaining tight in some regions.

As for the rental market, underpinned by the goal of helping young people rent a first home, there are signs of healthier appetite on the part of institutional investors who are committing to a model that is more widespread and developed in other European markets and which in recent years has been gaining weight in Spain. The rental market is expected to sustain strong development in the coming years.

Against that backdrop, AEDAS Homes is positioning itself in this new Build-to-Rent (BTR) business line, which provides it with the chance to accelerate the development of certain sites, which, on account of their size and location characteristics, are apt for development for this segment in parallel to the core Build-to-Sell (BTS) business. The simultaneous development of BTS and BTR projects accelerates asset monetisation, while significantly reducing asset-specific sales risks.

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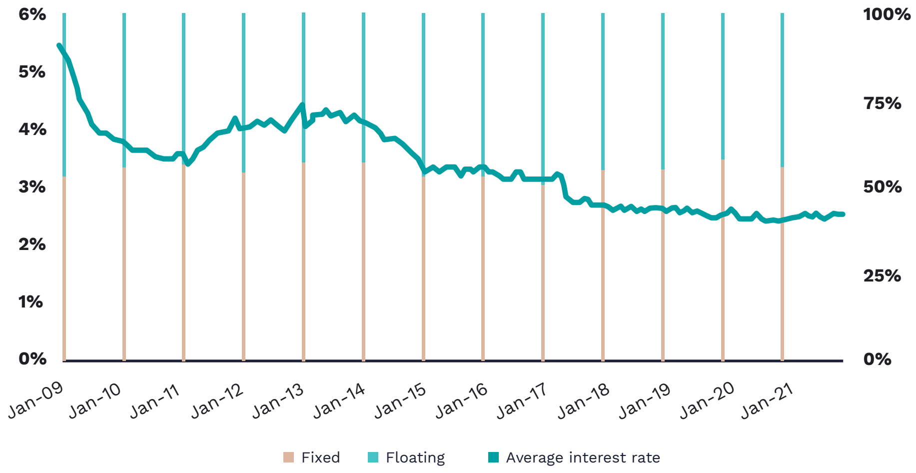
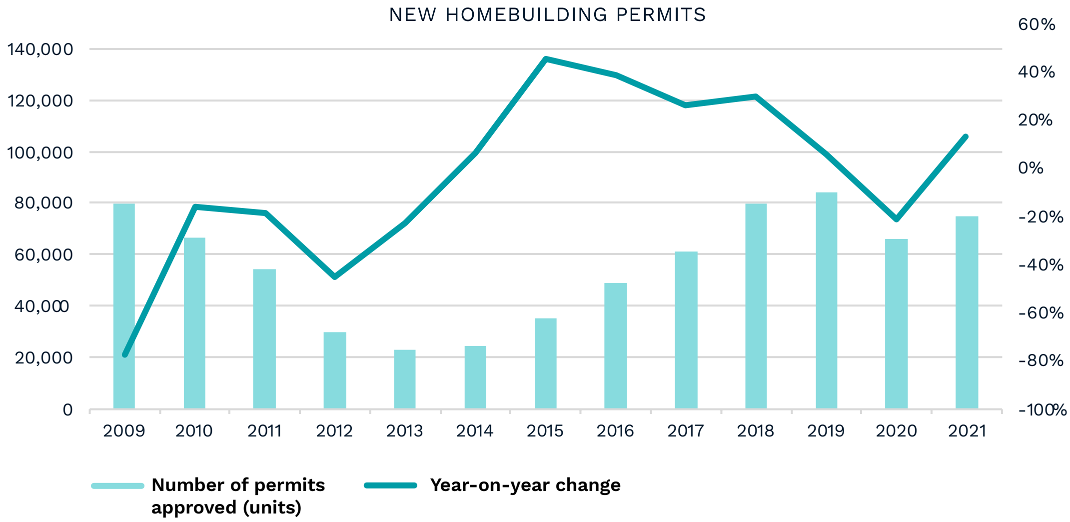
Interest rates have been advantageous for home-buying



The chart above depicts the trend in average rates on financed home purchases since 2009, which remained at lows throughout 2021 at close to 2.50%. Low prevailing rates have made it far more attractive to arrange mortgages at fixed rather than floating rates, with the former accounting for nearly 70% of the total arranged in 2021. It is foreseeable that when the European Central Bank withdraws its monetary stimulus measures the trend in rates could shift. In the case of an average AEDAS Homes customer (LTV of 60% and 25-year mortgage), we estimate than a 50bp increase in interest rates could increase the annual mortgage burden by around €700 (€59 a month).

The number of approvals for new residential development projects is on the rise but remains far from covering structural demand for new-build housing



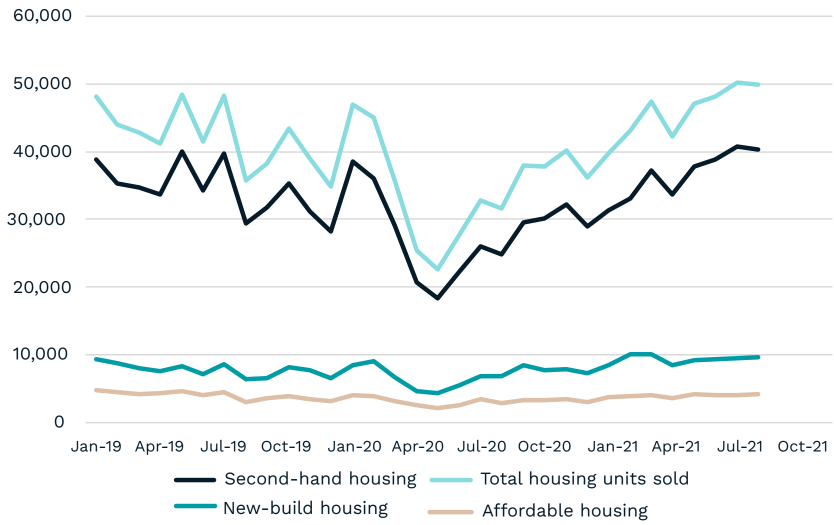
Source: Spanish Ministry of Transport, Mobility and Urban Agenda

Demand for new-build housing remained buoyant throughout all of FY 2021/22. It is important to stress that current market supply still does not fully cover existing demand. In 2021 new housing permits reached 82,000, a figure close to pre-Covid-19 levels but still far from structural demand, which is estimated for a population of the size of Spain's at around 120,000 units per annum, factoring in demand from non-residents.

Transaction volumes rising, evidencing buoyant demand

House sales in Spain totalled 566,000 in 2021, 20% of which were new builds. New-build housing transactions were up 35% versus 2020, evidencing strong market appetite and the structural need for housing, as supply is not sufficient to fully cover existing demand.

MONTHLY TRANSACTION VOLUMES



Source: INE

Price rebound is more pronounced in new-build housing

As for average house prices, the European Central Bank has flagged the growth being observed in some European markets, with inflation averaging 9% in the eurozone. However, in Spain, house prices increased by less, etching out far more balanced growth: of 4.2%, according to Spain's national statistics office, the INE, and of 6.8% according to the IMIE TINSA report of April 2022.

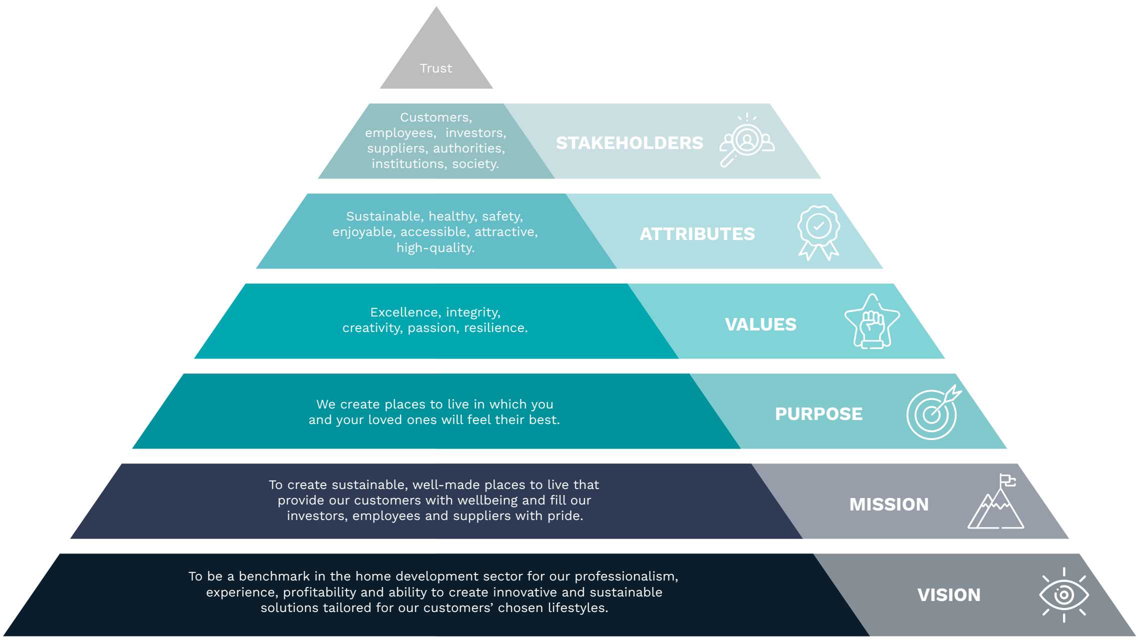
Going into detail, the price of new-build housing was up 6% in 2021, which truly reflects the significant shortage of supply of new-build housing in the market in relation to demand. In the same period, the price of second-hand homes showed a more moderate upward trend, up 3% year-on-year.


Taracea (Granada)

1.5 Key tenets of our corporate culture

Ever since its creation, the Company has been firmly committed to creating economic, social and environmental value for each of its stakeholders with the overriding aim of having a net positive impact on the environment and contributing to progress in society, framed by the conviction that it has an important role to play as a catalyst in the residential property market. That conviction and sense of duty has led it to become a benchmark home developer in a short period of time.

Its fundamental purpose gives it credibility vis-a-vis its various stakeholders. To achieve that goal of creating wellbeing in the broadest sense, the Company is guided in its decision-making by a solid set of principles and values:



AEDAS Homes' **values** are the essence of the Company's culture and the guide for its everyday conduct.

Excellence

We strive unwaveringly to attain excellence by paying attention to the small details.

Integrity

Our conduct must be irreproachable, upstanding, flawless and respectful of our customers, partners, shareholders and employees.

Creativity

We draw on creativity, daring and positive thinking to resolve the challenges we face so as to deliver the best possible results.

Passion

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

Resilience

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

Attributes: our product - the homes we build - is recognised and recognisable in the property market. In a nutshell, an AEDAS Homes home is:

High quality

Materials, structure, fittings, guarantees.

Beautiful

Cutting-edge design inside and out, balance, timelessness.

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Sustainable

Energy efficiency, certification, industrialisation, circular economy.

Healthy

Bright, clean air, pure water, acoustically comfortable.

Safe

Surveillance, sensors, alarms, access controls.

Entertaining

Location, common areas, play areas, terraces.

Accessible

Corridors, lifts, ramps, garages.

AEDAS Homes works daily to generate the trust of its **stakeholders:**

Accompanying our customers on one of the most important decisions in their lives...

The purchase of a home, a unique moment for most families.

Innovating in construction, sales formulae and user experience...

By using digital tools that ensure quality and make way for life experiences in the new home.

Defending sustainability...

Turning our developments into environmental beacons.

Configuring a safe work environment...

For all employees of AEDAS Homes and for those of our partners, framed by stringent standards such as ISO 45001.

Building a team made up of the finest professionals...

Underpinned by our search for the best talent and recognition of their excellence.

Achieving a positive impact on the communities in which we live and work...

Working for the benefit of our stakeholders: customers, employees, investors, suppliers, governments, institutions and society in general and considering the ramifications of our activities in every community where we develop our homes.

1.6 Corporate strategy

AEDAS Homes has a **solid long-term growth plan**, which translates into a **strategy** defined by robust commitments that is based on four **pillars**.

Commitments to society and the real estate sector

In the years to come, AEDAS Homes plans to continue to invest in land to lock in future business opportunities, framed at all times by its return thresholds, planning requirements and location preferences, which have thus far enabled it to build the finest land bank in Spain.

The Company expects to reach cruising speed in the coming years, with the aim of generating annual revenue in the order of €1 billion, as well as stable and recurring cash flow that will pave the way for attractive shareholder remuneration. Thanks to the experience accumulated and a solid track record underpinned by rigour, professionalism and transparency, AEDAS Homes aspires to set itself apart as the leading developer of high-quality new housing in Spain.

To achieve that aspiration, AEDAS Homes will continue to proactively tackle, as it has done this far, the major challenges facing the sector: it will continue to layer sustainability criteria into the design, construction and use of the homes it builds with the aim of shrinking their carbon footprint gradually to zero; it will consolidate its leadership of offsite development and the use of modern methods of construction; it will continue to roll out its build-to-rent and real estate services business line, fostering public-private collaboration to help young people find affordable housing; and it will explore new opportunities for the sector driven by innovation and social responsibility.

AEDAS Homes is aware that the construction industry (most particularly the building segment) is suffering endemic problems shaped by a number of factors: ageing of the working population, lack of skilled workers, slim margins and scant investment in R&D. With this in mind, AEDAS Homes is spearheading the introduction of modern methods of construction (MMC) designed to reduce prevailing risks and provide greater visibility, quality and certainty with regard to planned delivery of our homes to customers. Those methods additionally help to reduce the business's environmental impact and reduce building execution timeframes, so having a positive impact on returns.

Elsewhere, the lack of new, quality product in the booming institutional build-to-rent market is creating a business opportunity for the Company. By dedicating a team to this segment of the market, the Company will continue to develop apartment blocks designed and sold specifically for rental by specialist property managers. Build-to-rent transactions eliminate sales risk and pin down the organisation's revenue and earnings targets.

In addition, the Company has set up a new business line, AEDAS Homes Real Estate Services, to provide end-to-end property management services to third parties, specifically assistance throughout the entire process, from land origination, design, permitting and construction to delivery of the end product and after-sales service, including the sale and marketing of the homes built.

The Company may contemplate taking a minority shareholding in some of those projects in order to align interests. The new business is currently managing a stock of 3,600 houses under the scope of the regional government of Madrid's affordable rental housing scheme - Plan Vive - for an international investor, and another 1,100 homes for other local investors.

Strategic pillars: foundations for a positive impact

Relentless focus on what customers need

Relentless focus on what customers need

AEDAS Homes believes in the value of data as a source of differentiation by providing in-depth and timely knowledge of consumer preferences so that it can adapt to market trends flexibly and speedily. Having a database that houses all of the Company's know-how enables decisions to be made - quickly - on the basis of the best information, with minimal errors.

The importance of data as a means of anticipating market trends is underpinned by forecasting models that make use of artificial intelligence and automated analysis; oversight of the progress being made on construction work; and constant listening to customers, among other tools.

Data analytics can improve customer relations as better insight into market trends allows us to fine-tune our product designs and align them with real demand needs.

Innovative use of technology

A good example of AEDAS Homes' innovative use of technology is its Live Virtual Tours platform which allows it to connect potential buyers with a sales advisor who can resolve any questions while 'walking' them virtually through the development and its grounds, showing them the various rooms and finishes on offer.

The platform offers a number of terrific advantages: it creates a relationship of trust between the customer, advisor and Company; it enables detailed observation so that buyers can be certain of what they are buying, leaving nothing to the imagination; and it shortens the time between on-site visits and the purchase decision.

Decentralised approach: single strategy and decentralised execution

Highly-experienced regional in-house teams with key local market know-how

During its early years in the business, AEDAS Homes focused on setting up a network of fully-functioning local offices led by professionals with ample experience and local market knowledge. That has led to the creation of a multidisciplinary team of over 230 professionals, distributed among the various regional units that cover the areas of Spain in which housing demand is most dynamic.

That decentralised approach allows the Company to manage each project in a more tailored manner on the basis of local needs and criteria, albeit aligned at all times with a shared common strategy, guaranteeing optimal results.

Centralised oversight

AEDAS Homes is firmly committed to local talent across its regional markets, while at the same time maintaining centralised oversight from its Madrid headquarters.

In this way, key teams in the Company’s head office can track, control and monitor progress on developments, directly supporting each regional management team.

Scalable business model: nimble and flexible structure

The essential functions are kept in-house relying on lean and locally scalable teams and processes

Each of the regional units is responsible for organising, running and planning the housing developments and land permitting processes in the areas within their purview, in keeping with the guidelines provided by AEDAS Homes to ensure delivery of the Company's earnings guidance and its quality and timing commitments, specifically including delivery of the corresponding sustainability criteria. That decentralisation allows it to manage each project in accordance with local needs and criteria, which translates into better developments and, ultimately, more satisfied customers, shareholders and other stakeholders.

Contractors, architects and sales agents are outsourced

AEDAS Homes has a pool of trusted partners - architects, engineering firms, builders and project managers - with which it can work repeatedly. It is also working to identify reliable subcontractors and industrial suppliers so as to tighten control of its works even further. AEDAS Homes wants to keep two-thirds of its developments in the hands of its preferred architects and builders, putting just one-third out to tender. In parallel, it reduces tendering turnaround times by using negotiated procedures 50% of the time.

Preserving margins and ROE: selective investment and efficient development

Selective investment

AEDAS Homes stands out for its ability to identify new investment opportunities (over 1,000 each year) and to analyse and close those that meet the Company's stringent investment guidelines (the Company's investment activity translates into the completion of a new investment every seven days on average). One of the investment guidelines AEDAS Homes has stuck to since it was set up is a net development margin hurdle of 20% of estimated revenue from the related build-to-sell development on the site being analysed. As for the target size of its land bank, AEDAS Homes is taking a proactive approach, staying ahead of general market trends, identifying and originating off-market investment opportunities in order to guarantee a strategic reserve of land and high margins on future residential developments. As for the coverage provided by its land bank, AEDAS Homes takes a dynamic stance depending on the timing of the residential market cycle, increasing or decreasing its target coverage ratio in response. In recent years the Company's coverage ratio has varied within the targeted range of between four and five years' coverage of future deliveries.

Efficient development

One of the keys to boosting margins during a development is its efficient and proactive management end to end. That effort ranges from execution cost streamlining and controls to sales policy and process fine-tuning, aimed at delivering continual and accelerating revaluation of a property as the development advances, and extends to after-service sales and product quality, all with the aim of offering our customers top quality.

The Company also takes steps to optimise its capital structure and sources of financing (lowering its average cost of capital and broadening and/or diversifying the latter).

Elsewhere, AEDAS Homes bases its employee remuneration policy on 360-degree performance assessments and the delivery of business targets, so aligning the interests of the Company's shareholders and professionals.

Those policies and processes have enabled AEDAS Homes to post above sector average margins on a recurring basis, thus delivering the strategic target of being able to offer its shareholders higher returns. As for shareholder returns, the Company has been lifting its return on equity year after year, providing a return of 10% in FY 2021/22, putting it on track to deliver the targeted ROE of close to 18% by the end of the 2021-2025 business plan.

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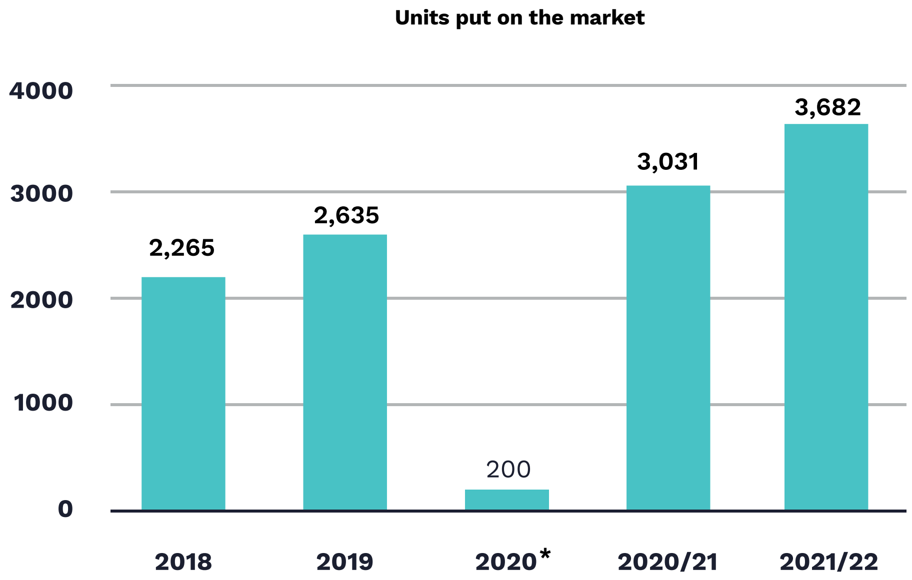
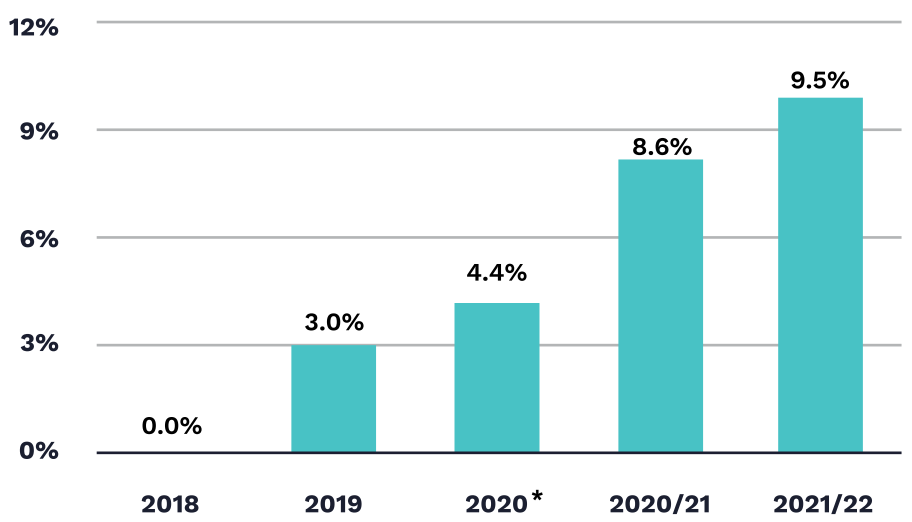
1.7 Key performance indicators

See KPIs Glossary for definitions and explanations of each indicator

Growth (2020)



ROE (%) (2020)



* FY 2020 corresponds to the three-month period ended 31 March 2020.

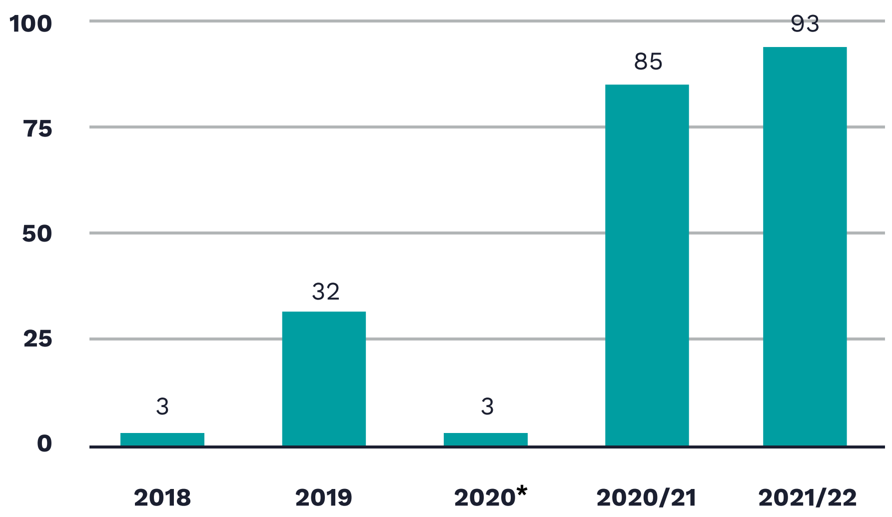
Dividend distribution

Payout

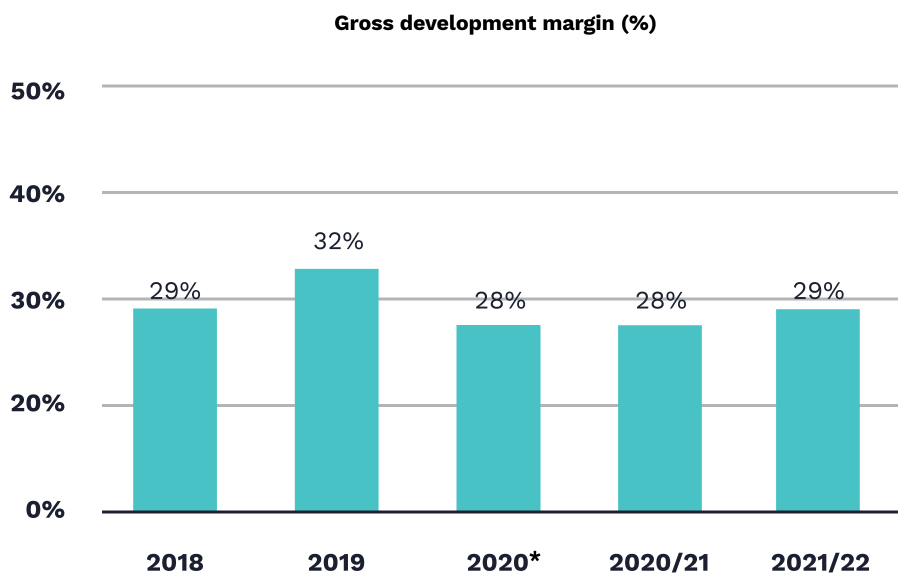
<table>
<tr><th></th><th>2020/21</th><th>2021/22</th><th>2022/23</th><th>2023/24</th><th>2022/24</th><th>2023/25</th></tr>
<tr><td>Dividend per share (€)</td><td>1.40</td><td>2.16</td><td colspan="4" rowspan="2">50% net income + extraordinary dividend</td></tr>
<tr><td>Total dividend (€m)[1]</td><td>62.2</td><td>95.2</td></tr>
</table>

[1] Company's treasury shares are not entitled to dividends

Net profit (€m)

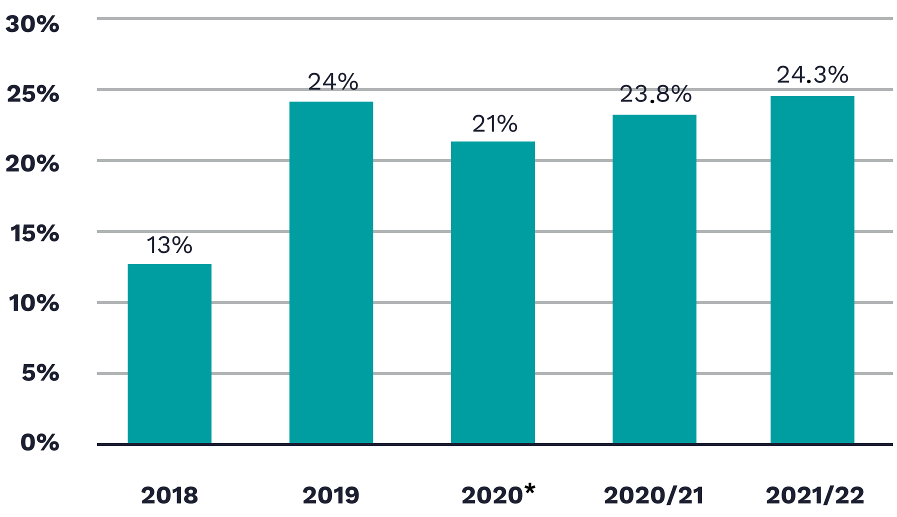


Alternative performance measures



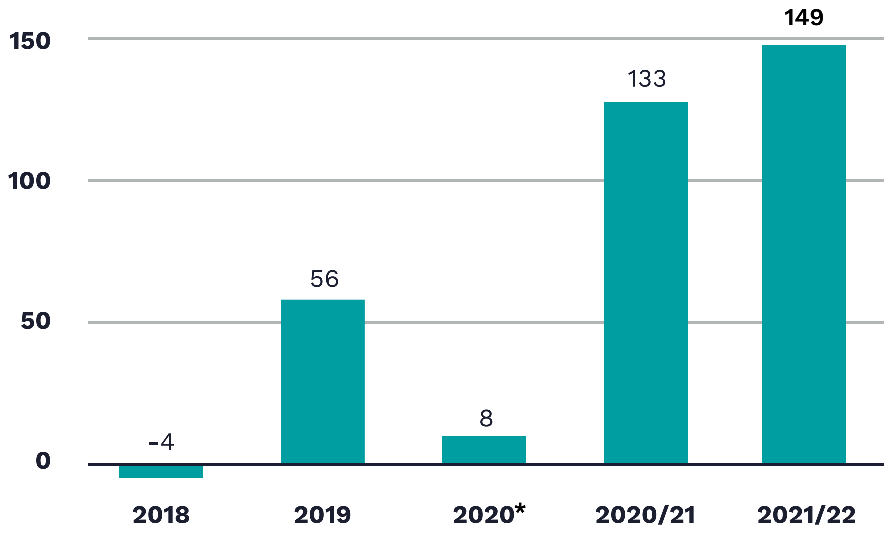
* FY 2020 corresponds to the three-month period ended 31 March 2020.

Net development margin (%)

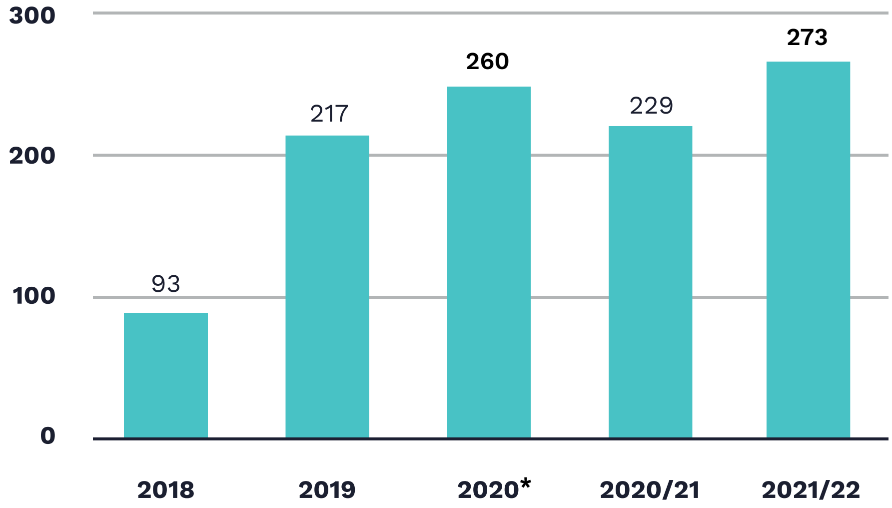


* FY 2020 corresponds to the three-month period ended 31 March 2020.

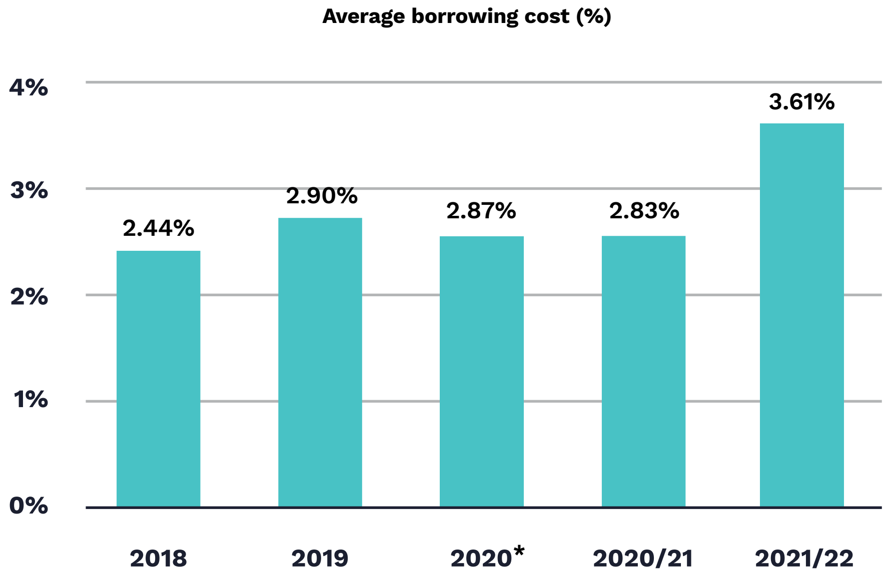
EBITDA (€m)



Net debt (€m)

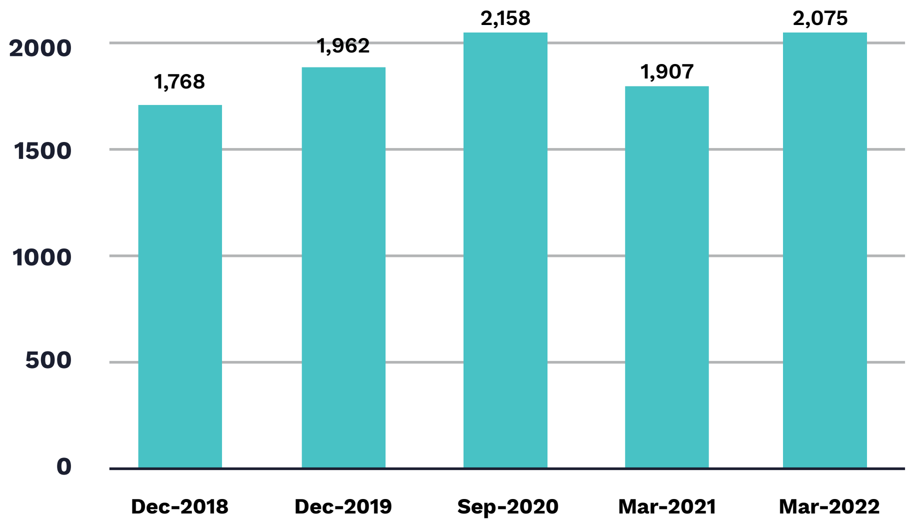


* FY 2020 corresponds to the three-month period ended 31 March 2020.

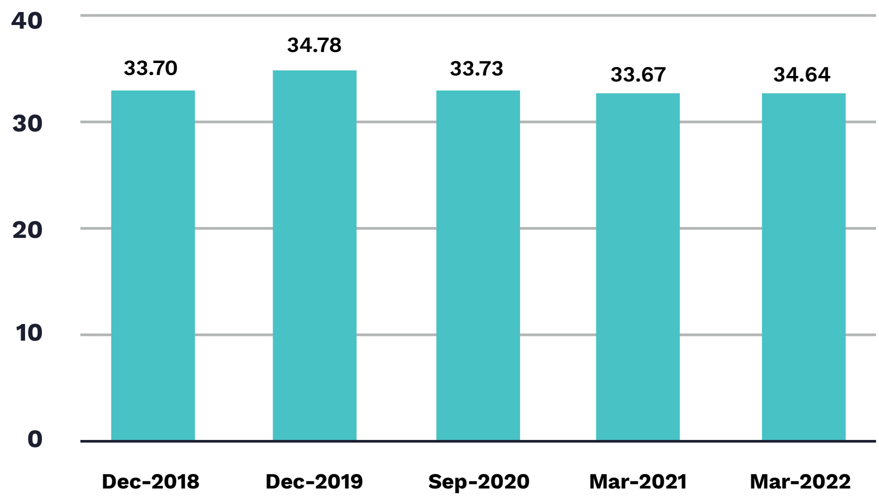


* FY 2020 corresponds to the three-month period ended 31 March 2020.

Gross Asset Value - GAV (€m)

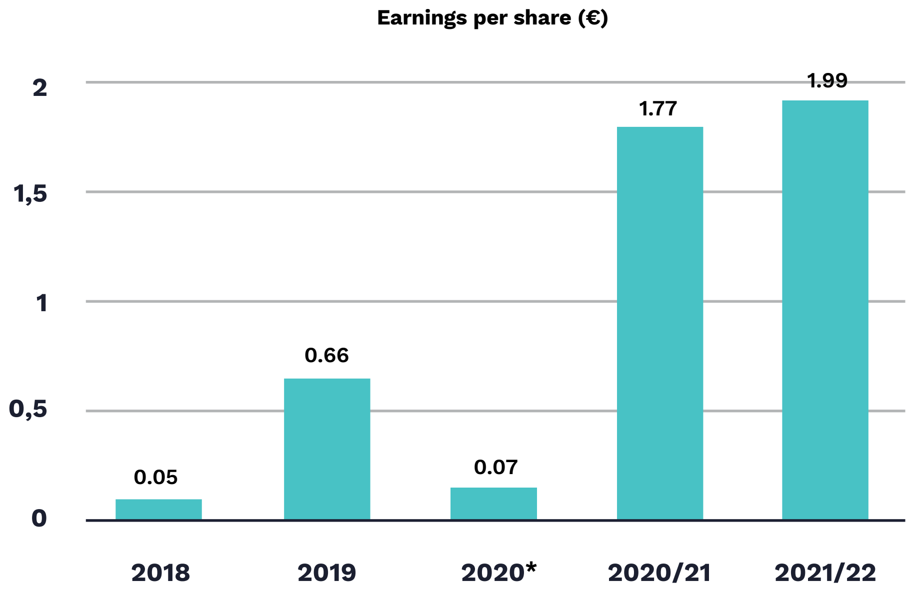


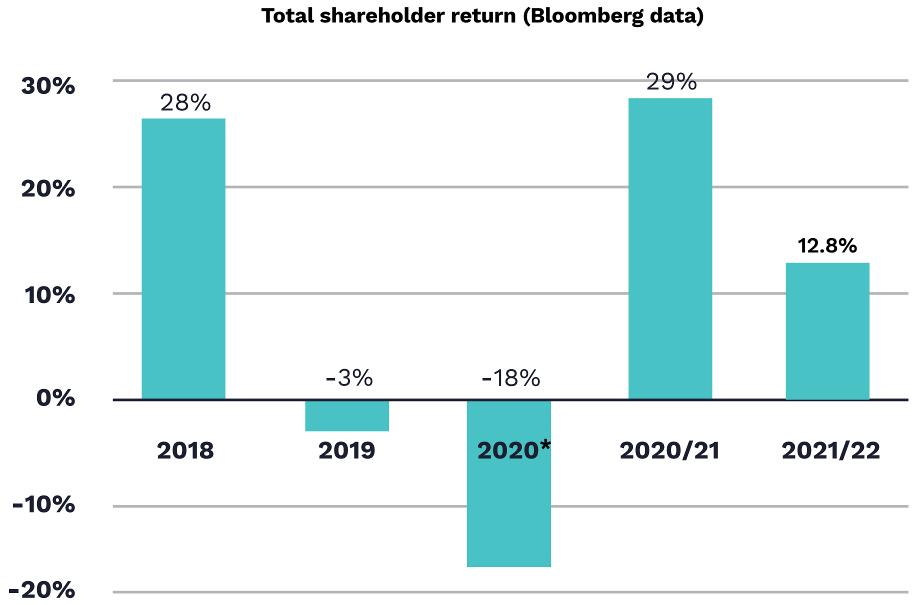
Net Asset Value (NAV) per share (€)




Gross Development Value - GDV (€m)
6000
4500
3000
1500
0
5,097
5,340
5,248
5,075
5,594
Dec-2018
Dec-2019
Sep-2020
Mar-2021
Mar-2022

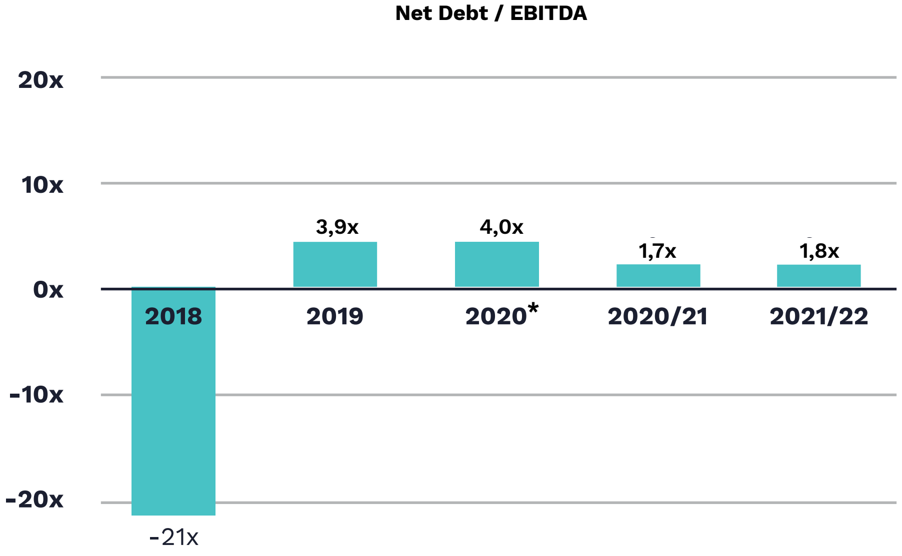
Shareholder return

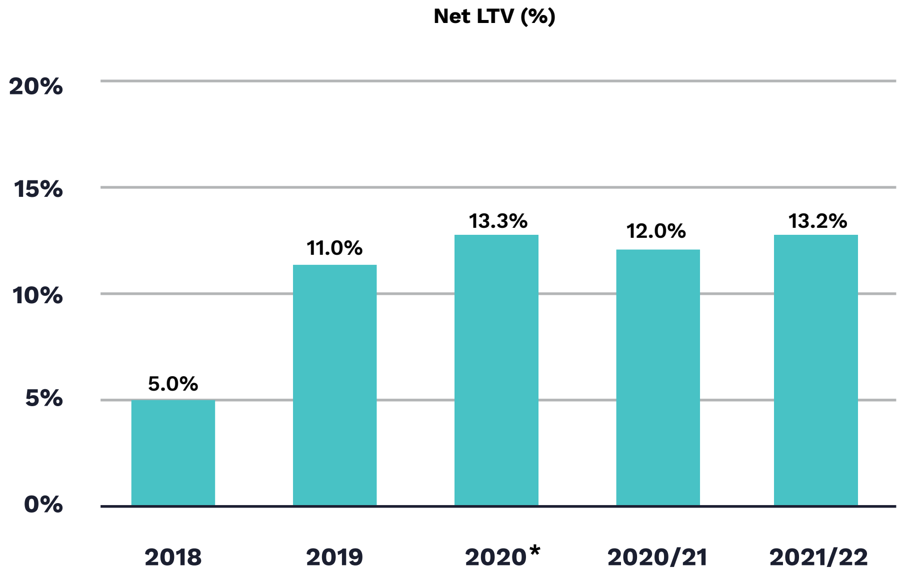




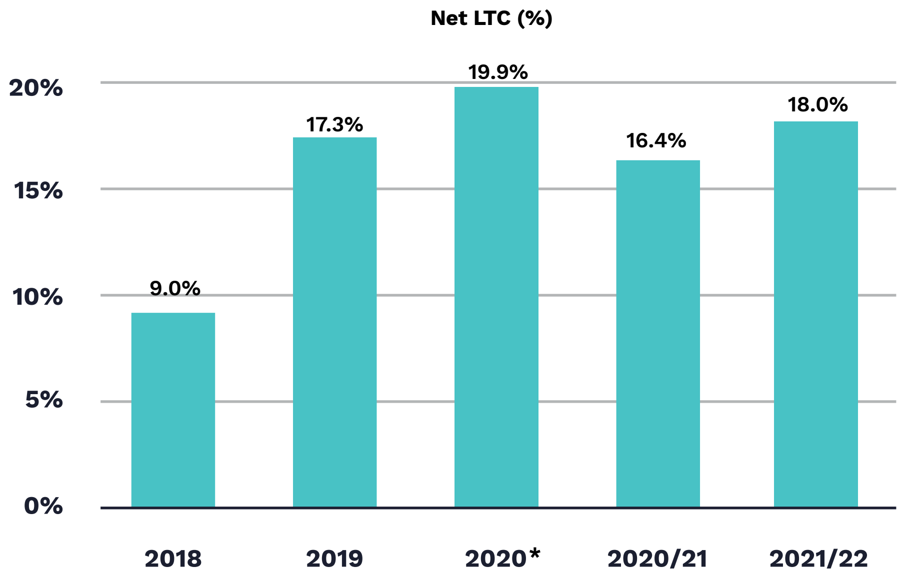
* FY 2020 corresponds to the three-month period ended 31 March 2020.

Leverage





* FY 2020 corresponds to the three-month period ended 31 March 2020.



* FY 2020 corresponds to the three-month period ended 31 March 2020.

2. Governing bodies and organisational structure

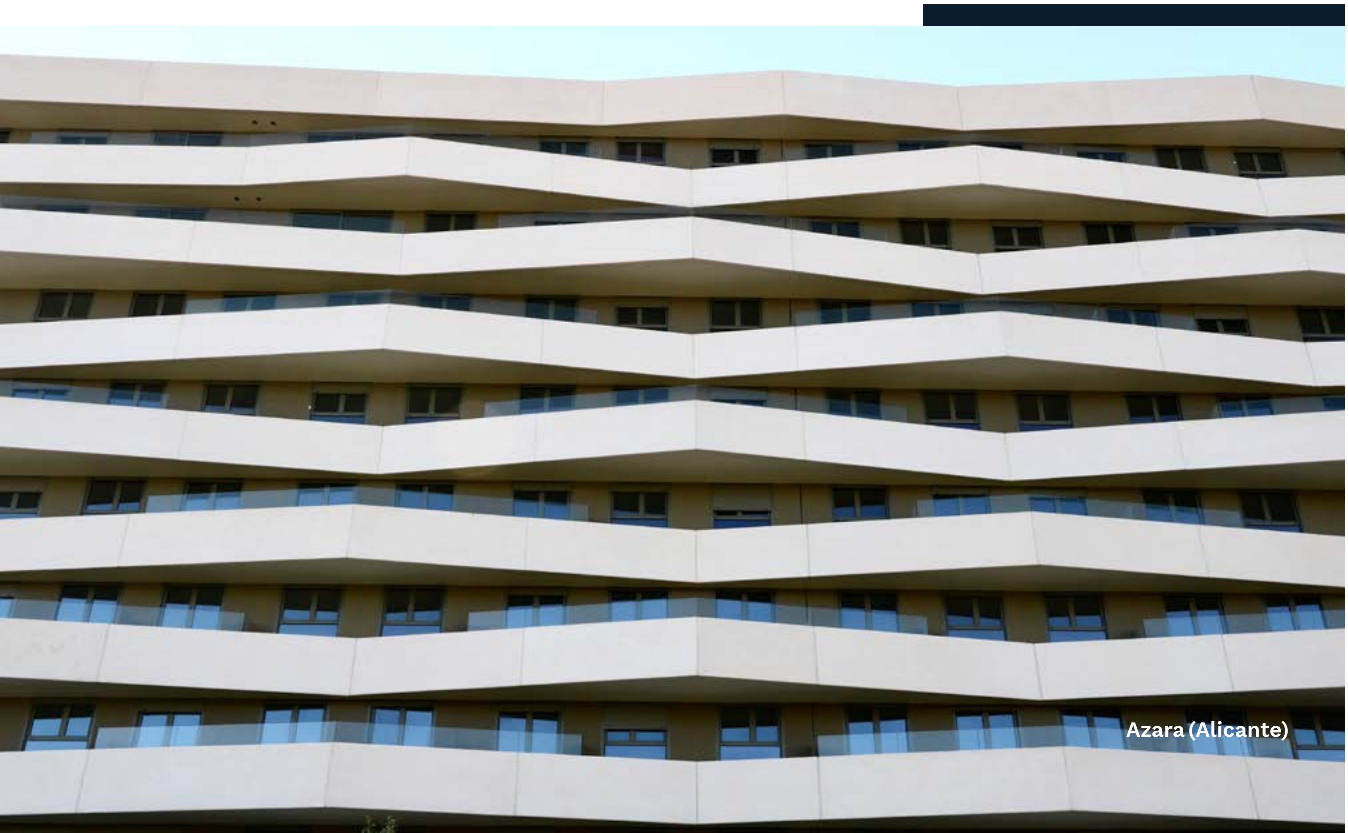
Escalonia (Las Rozas)

2.1. Organisational structure

AEDAS Homes' corporate purpose is to acquire, permit, manage, market and develop properties of any kind for holding, use, management, sale or lease.

AEDAS Homes has its headquarters in Madrid and operates six Regional Branches which are located in the key markets for new-build homes in Spain:

Madrid	North: Valladolid, Pontevedra, Navarre and Basque Country.	Andalusia & Canaries: Seville, Granada and the Canary Islands
Costa del Sol: Malaga	East: Valencia, Alicante, Murcia and Mallorca	Catalonia & Aragon: Barcelona, Tarragona and Zaragoza



Azara (Alicante)

Main governance bodies

The Company's governance structure is depicted below:

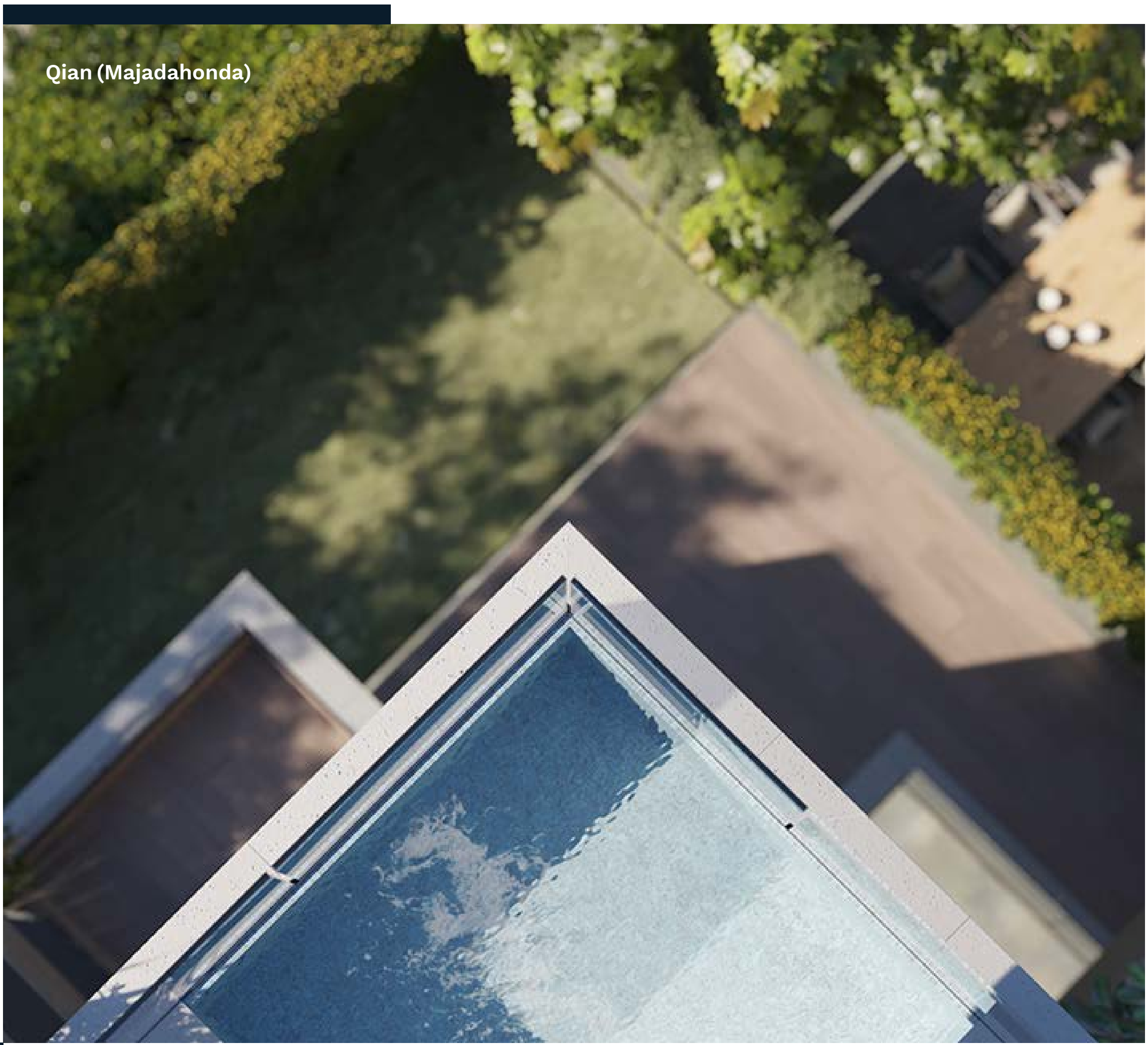
- Annual General Meeting
  - Board of Directors
    - Audit and Control Committee
    - Appointments and Remuneration Committee
    - Innovation, Technology and Cybersecurity Committee

- Management Committee
- Business Committee
- Investment Committee
- Investment Committee
- ESG Committee
- Green Financing Committee

Sanabria (Madrid)

02

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


Qian (Majadahonda)

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

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

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

- The Audit and Control Committee, made up of three directors, two of whom are independent (one of whom chairs this committee) and the third, proprietary. Article 14 of the Board Regulations regulates the Audit and Control Committee, its composition, its powers and its modus operandi.

- The Appointments and Remuneration Committee, made up of three directors, two of whom are independent (one of whom chairs this committee) and the third, proprietary.

  Article 15 of the Board Regulations regulates the Appointments and Remuneration Committee, its composition, its powers and its modus operandi.

- The Technology, Innovation and Cybersecurity Committee, made up of three directors, one of whom (the committee chairperson) is independent, one proprietary, and one executive, who is also part of the Company's management team. There are specific regulations addressing the composition, powers and rules of operation of this committee.

02

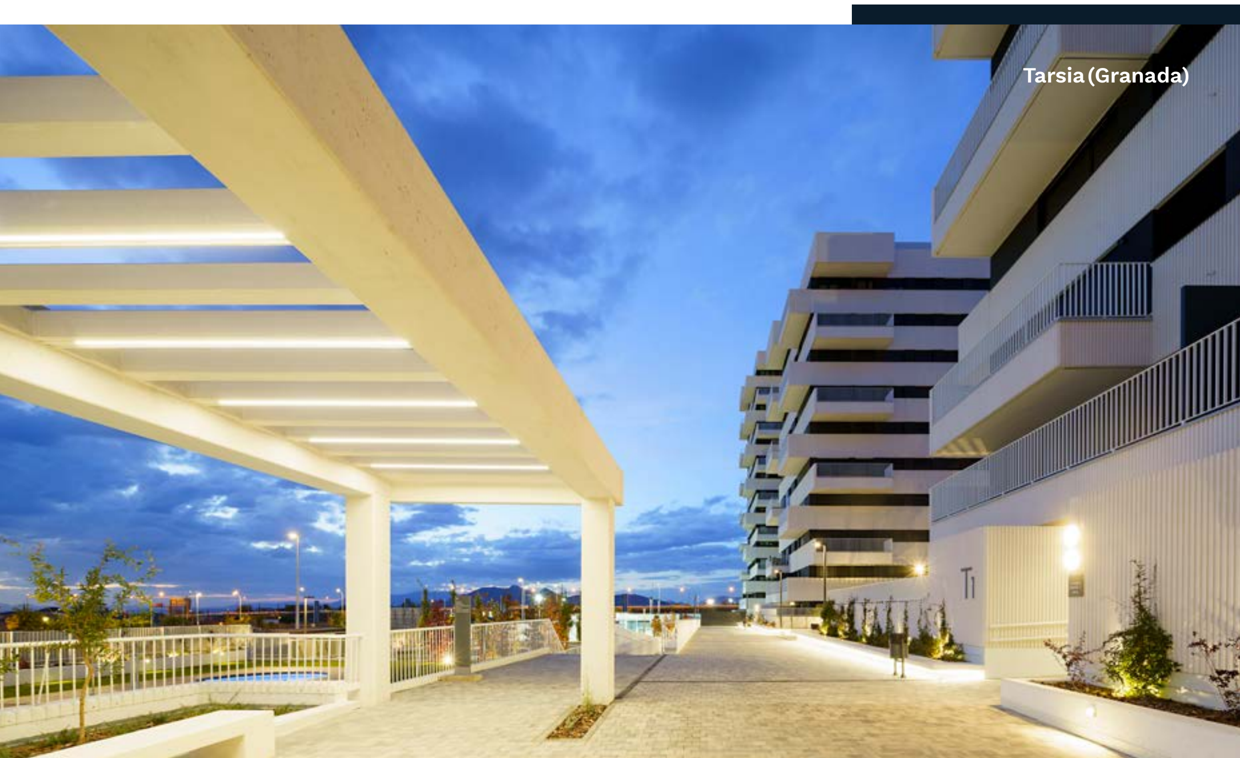
The Company also has a number of other **committees**:

- A Management Committee, a Business Committee and an Investment Committee, all of which are made up of Company executives. The rules of operation, composition and powers of each of those committees are set down in regulations approved by the Company's CEO.

- A Compliance Committee, made up of the heads of the Risk and Compliance, Legal and Corporate Resources Departments whose composition, powers and rules of operation are set down in the Board-approved Compliance Policy and Manual. AEDAS Homes additionally has an Internal Control Body ("ICO") which oversees anti-money laundering and counter terrorism financing ("AML/CTF") matters whose composition, powers and rules of operation are set down in the AML/CTF Manual approved by the ICO itself.

- An ESG Committee, created to ensure the correct implementation and supervision of the Strategic ESG Plan (2021-2023) and made up of the Company's CEO, CFO, Chief Technology and Communications Officer and Director of Corporate Resources, who has in turn assumed the role of ESG Coordinator. The ESG Committee is tasked with reviewing the ESG Plan dashboard. It is also in charge of compiling and analysing a quarterly report on milestones and indicators associated with the ESG Plan and for driving and supporting the initiatives, led by the ESG Coordinator.

- A Green Financing Committee, whose mission is to select and monitor the projects in which to invest the proceeds raised from the a bond issued in 2021. That committee is made up of the Company's CEO, its Chief Operating Officer, its CFO and its Director of Corporate Resources.



Tarsia (Granada)

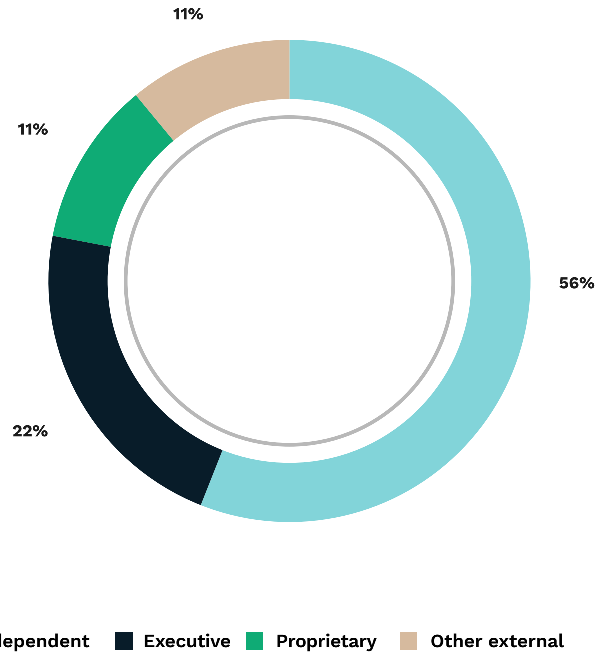
2.2. Board activities and director profiles

The members of the Board of Directors of AEDAS Homes were selected in keeping with the most stringent diversity, competence and suitability criteria.

22% female
22% under the age of 45

Each director brings more than 20 years' experience

Composition of the Board of Directors



02

In FY 2021/22, the Board of Directors met on eight occasions: 20 April 2021, 7 May 2021, 17 June 2021, 21 July 2021, 19 October 2021, 23 November 2021, 8 February 2022 and 23 March 2022. The most important matters addressed at those meetings:

- **Business update**
- **Financial information**
- **Financial statement issuance authorisation**
- **Annual General Meeting (call, resolutions, reports)**
- **Reports from the chairs of the Audit and Compliance Committee, Appointments and Remuneration Committee and Innovation, Technology and Cybersecurity Committee on the items discussed at their respective meetings**
- **Risk indicators**
- **ESG Strategic Plan**
- **Dividend policy**
- **2021-2026 Business Plan**


Vasco de Gama (Palma de Mallorca)

The Board's committees in turn met as follows:

- The **Audit and Control Committee sat seven times:** 7 May 2021, 17 June 2021, 21 July 2021, 19 October 2021, 23 November 2021, 8 February 2022 and 23 March 2022.
- The **Appointments and Remuneration Committee** met **seven times:** 7 May 2021, 17 June 2021, 21 July 2021, 19 October 2021, 23 November 2021, 8 February 2022 and 23 March 2022.
- The **Innovation, Technology and Cybersecurity Committee** met **four times**, as follows: 8 June 2021, 5 November 2021, 14 December 2021 and 10 March 2022.

Jardins de Castellarnau (Sabadell)

Santiago Fernández Valbuena

Chairman of the Board

Appointment to the Board and roles

Santiago Fernández Valbuena joined the AEDAS Homes Board of Directors in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. He has been Chairman of the Board since September 2017 and serves on the Audit and Control Committee, which he has chaired since November 2021.

Career and relevant experience

Santiago Fernandez Valbuena (1958) is Vice-president at EBN Bank and has been a Proprietary Director there since 2015. From 2011-2014 he was President of Telefónica-Latin America, and at Grupo Telefónica, he was General Director of Finance and Strategy (2010-2011) and General Director of Finance and Corporate Development (2002-2010). Prior to his tenure at Telefónica, he was President at Fonditel, General Director at Société Générale Valores and Stock Director at Beta Capital.

Santiago brings unrivalled experience in the real estate and construction sectors. From 2008-2021 he was an Independent Director and member of the Auditing Committee at Ferrovial, S.A., a Spanish multinational company involved in the design, construction, financing, operation and maintenance of transport infrastructure and urban services. From 1999-2007, he was Vice-president at Metrovacesa, S.A., a major Spanish real estate company.

Santiago is an Associate Professor at the Universidad Complutense (currently on leave) and at the Universidad de Murcia, and he has also taught at IE Business School. He holds a B.A. in Economics from the Universidad Complutense de Madrid, and an M.S. and Ph.D. in Economics from Northeastern University in Boston.

Santiago owns a total of 220,727 shares of AEDAS Homes stock. He has no purchase options over shares in the Company, nor does he have any prior relationship with any other Board Members or Company directors.

David Martínez Montero

Chief Executive Officer

Appointment to the Board and roles

David Martínez Montero has been Chief Executive Officer of AEDAS Homes since 2016 and was re-elected by the General Shareholders' Meeting in June 2020. He also serves on the Technology, Innovation and Cybersecurity Committee.

Career and relevant experience

David Martínez Montero (1970) has been CEO of AEDAS Homes since the Company's founding in 2016. He has over 25 years of experience leading top real estate developments in Spain, including three landmark urban development projects in Madrid: Distrito Castellana Norte (2013-2016), Valdebebas (2005-2013) and Cuatro Torres Business Area (2001-2005). Prior to these leadership roles, he served as a Project Manager at Bovis and Construction Manager at Ferrovial.

Since 2019, David has been Chairman of REBUILD, an annual event now in its fifth year that drives innovation, sustainability and digitalization in construction. He is a member of the Urban Land Institute Spain National Council, where he is actively involved in ULI's mentoring programme. He also gives masters-level courses in greenfield development at IE School of Architecture and Design.

David holds an MSc in Civil and Structural Engineering from Universidad Politécnica de Madrid and an Executive MBA from IESE Business School.

David holds a total of 82,907 shares in AEDAS Homes. He has no purchase options over shares in the Company, nor does he have any prior relationship with any other Board Members or Company Directors.

Evan Carruthers

Proprietary Director

Appointment to the Board and roles

Evan Carruthers joined the AEDAS Homes Board in September 2017 as a Proprietary Director, representing Hipoteca 43 Lux S.A.R.L, and was re-elected by the General Shareholders' Meeting in June 2020. He also serves on the Appointments and Remuneration Committee.

Career and relevant experience

Evan Carruthers (1979) co-founded Castlelake in 2005, in partnership with Rory O'Neill (CEO and Managing Partner at Castlelake). As Managing Partner and Chief Investment Officer, Evan is responsible for setting the firm's global investment strategy and activities across all asset classes, guiding the firm's relationship-driven approach and overseeing all investment teams at Castlelake. He also serves as chair of Castlelake's Investment Review Committee.

Evan has deep sector expertise, spanning back to the year 2000. Under his guidance, Castlelake has invested capital in 68 countries across multiple industries and he has been instrumental in the development of the firm's asset- and credit-based investment activities, including the development of its differentiated aviation platform.

Before co-founding Castlelake, he was an investment manager with CarVal Investors (CVI), responsible for corporate and asset-based investments in North America and the development of Cargill's global aircraft investing business, and before joining CVI, he worked in several capacities at Piper Jaffray.

Evan sits on the Board of Directors for each of Castlelake's aircraft securitizations and on the Board of Directors of Ibitu Energia, a leading renewable energy platform in Brazil. Since May 2017, he has been an Independent Director at publicly listed Five Point Holdings, LLC, the largest owner and developer of mixed-use, master-planned communities in coastal California, thus sharing this experience in the residential development sector in the United States with AEDAS Homes.

He received his B.A. from the University of St. Thomas (Minneapolis) in business administration, with a specialty in finance.

Evan holds 27,000 shares of AEDAS Homes stock, and he has no purchase options over shares in the Company.
He works with Eduardo D'Alessandro, Proprietary Director of AEDAS Homes and Partner at Castlelake.

Eduardo D'Alessandro Cishek

Proprietary Director

Appointment to the Board and roles

Eduardo D'Alessandro Cishek joined the AEDAS Homes Board as a Proprietary Director, representing Hipoteca 43 Lux S.A.R.L, in September 2017 and was re-elected by the General Shareholders' Meeting in June 2020. He also serves on the Audit and Control and Technology, Innovation and Cybersecurity Committees.

Career and relevant experience

Eduardo D'Alessandro Cishek (1980) has been a Partner at Castlelake since 2018 and a leader of its Real Assets team. His primary focus is on originating investment opportunities in transitional real estate, infrastructure, renewables and power stability, and sub- and non-performing loans. He is also a member of the firm's Investment Review Committee. Previously, he led the firm's Spanish land banking investment strategy and was also responsible for executing its investment strategy in Portugal, Italy and Greece, the United Kingdom and Ireland. His expertise includes direct asset and non-performing loan opportunities as well as equity public offerings.

Before joining Castlelake in 2011, Eduardo was an investment consultant at Deutsche Bank in their special situations group, focusing on non-performing loan investments across Europe and an investment associate at CarVal Investors (CVI) within the Loan Portfolio Group, where he worked on non-performing loan and real estate investments in the United Kingdom, Germany and Spain.

He graduated cum laude with a B.Sc. in finance from Manhattanville College (New York) and an MBA from the London School of Economics.

Eduardo owns no shares of AEDAS Homes stock, nor does he have any purchase options over shares in the Company. He works with Evan Carruthers, Proprietary Director of AEDAS Homes and Managing Partner and Chief Investment Officer at Castlelake.

02

Milagros Méndez Ureña

Independent Director

Appointment to the Board and roles

Milagros Méndez Ureña joined the AEDAS Homes Board in April 2019 as an Independent Director and was ratified by the General Shareholders' Meeting in May 2019.

Career and relevant experience

Milagros Méndez Ureña (1960) is a Principal at Mercer Investments who brings extensive expertise from her consolidated and successful career in the financial markets and experience in the launching and development of new projects.

Before joining Mercer in 2019, Milagros was Senior Advisor to Innova Health Private Equity for Spain, Portugal and the United Kingdom (2017-2019) and Senior Advisor to Alma Capital Asset Management (2017-2018). In 2015, she started up Aldebaran Advisory as Founder and Managing Partner, working with Banco Sabadell on a project by project basis, after having joined Sabadell as Head of Business Development, New Markets and Agents in 2015. She was Director of Institutional Fixed Income Distribution, Equity and Derivatives at Interdin Sociedad de Valores y Bolsa (2005-2013), after having joined Afina Capital Management in 2000, creating a securities company as founder and managing director.

Her previous experience includes being Head of Treasury at Banco Urquijo (1996-1999), being a founding member and Head of Fixed Income at FG Inversiones Bursátiles, Sociedad de Valores y Bolsa (1988-1996) and working in Capital Markets and Fixed Income Distribution at Continental Bank (1986-1988). She got her start as a pesetas broker at Intermoney (1982-1986) and at the same time published the book "A year in the currency market".

Milagros holds a bachelor's degree in Law and an associate's degree Business Administration / Economics from Comillas Pontifical University (ICADE E-1) and a master's degree in derivatives from San Diego State University.

Milagros owns 420 shares of AEDAS Homes stock. She has no purchase options over shares in the Company, nor does she have any prior relationship with any other Board Members or Company Directors.

Javier Lapastora Turpin

Independent Director

02

Appointment to the Board and roles

Javier Lapastora Turpin joined the AEDAS Homes Board in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. He serves on the Audit and Control Committee, which he chaired from 2017 to November 2021.

Career and relevant experience

Javier Lapastora Turpin (1966) was Partner at PwC from 2002 to 2015; he led PwC Spain's Construction and Real Estate area from 2007 to 2011 and was Managing Partner of the Audit and Assurance practice from 2011 to 2015.

He is currently an entrepreneur with interests in a range of companies focused on investment, project management, real estate and franchising, as well as being a member of the Economic Council and Chairman of the Audit Committee of the Archdiocese of Madrid.

Since 2021, Javier has been an Independent Director at Banco Alcalá (Crèdit Andorrà Financial Group); since 2017, at Mostostal Warzawa, SA, a leading listed company in the construction sector in Poland, whose products include residential buildings and housing developments; and since 2016, at Servicios Financieros Carrefour EFC, SA.

He has been a Proprietary Director at Connemara Properties, SL, since 2018; at Westhill Investments, SL, since 2017; and at Glendalough Investments, SL, Clonmacnoise Developments, SL, Bazkariak Kalitate, SL, Kilmore Management Services, SL, and Tullamore Properties, SL, since 2015.

Javier earned a bachelor's degree in Economics and Business Administration from CUNEF (Universidad Complutense) and holds a PDD (Programa de Desarrollo Directivo, or advanced management programme) from IE Business School. He is a registered auditor in Spain (ROAC) and a member of the Institute of Chartered Accountants of Spain (ICJCE).

Javier owns 1,579 shares of AEDAS Homes stock. He has no purchase options over shares in the Company nor does he have any prior relation with any of the other Board members or Company Directors.

Miguel Temboury Redondo

Independent Director

Appointment to the Board and roles

Miguel Temboury Redondo joined the AEDAS Homes Board in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. He chairs the Appointments and Remuneration Committee.

Career and relevant experience

Miguel Temboury Redondo (1969) is a State's Attorney (on leave) with extensive experience in the public and private sectors and in-depth knowledge of the Spanish and EU legal systems. He currently works as an attorney in private practice at his own firm, Temboury Abogados, and has been a Senior Advisor to Barclays Investment Bank since 2017.

Miguel was Deputy Secretary of Economy and Competitiveness for the Spanish government (2011-2016), a member of both the Governing Committee of FROB and the Board of Directors of SEPI (2012-2016), President of the Court of Arbitration of the Official Chamber of Commerce and Industry of Madrid (2007-2012), in private practice at his eponymous firm (2007-2011) and at Pérez-Llorca (2004-2007), Chief of Staff to the Minister of the Interior (2002-2004) and State's Attorney (1996-2002).

Miguel has served as an Independent Director of Singular Bank, as well as chairing its Appointments and Remuneration Committee, since 2019. He holds a dual bachelor's degree in Business Administration / Economics and Law from Universidad Pontificia Comillas (ICADE E-3).

Miguel owns no shares of AEDAS Homes stock, nor does he have any purchase option over shares in the Company. He has no prior relationship with any other Board Members or Company Directors.

Cristina Álvarez Álvarez

Independent Director

Appointment to the Board and roles

Cristina Álvarez joined the AEDAS Homes Board in October 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. She chairs the Technology, Innovation and Cyber-security Committee and also serves on the Appointments and Remuneration Committee.

Career and relevant experience

Cristina Álvarez (1969) is currently the Head of Technology and Operations in Spain and Europe at Banco Santander and previously was Global Chief Technology Officer (2019-2022). She is a senior executive with over 25 years of professional experience in the telecommunications and technology sectors, in companies such Cast, a software intelligence company, where she was Global Advisor (2018-2019); Telefónica (2006-2017) where she worked as Director of Investment and General Director of Service Development, as well as serving on the Executive Committee of Telefónica España (2009-2017); Vodafone (1996–2006) where she worked as director of Product Engineering Investments; and Alcatel (Nokia) (1992–1995).

Since January 2020, Cristina has served as a Proprietary Director on the Board of Openbank and was previously an Independent Director at Sacyr (2018-2019), a global infrastructure, services and industrial projects company.

Cristina graduated in Telecommunications Engineering from the Universidad Politécnica de Madrid (UPM) and holds a PDD from IESE. She has been awarded numerous prizes, including "Engineer of the year" by the COIT/AEIT (2016), the AUTELSI Award in recognition for her professional career in ITC (2017), and "Digital Leader" by Cionet (2016). She has been the Academic Director for the Executive Master in Digital Transformation and Innovation Leadership at IE Business School since 2017.

Cristina owns no shares of AEDAS Homes stock, nor does she have any purchase option over shares in the Company. She has no prior relationship with any other Board Members or Company Directors.

Javier Martínez-Piqueras Barceló

"Other External" Director

Appointment to the Board and roles

Javier Martínez-Piqueras joined the AEDAS Homes Board as an Independent Director in October 2020 and was ratified by the General Shareholders' Meeting in June 2021. He currently serves as "Other External" Director (since November 2021).

Career and relevant experience

Javier Martínez-Piqueras (1973) has been Senior European Advisor to Castlelake since November 2021 and Strategy Advisor to Grupo Ibereólica Renovables since February 2021. He brings a wealth of experience from his 22-year career in Investment Banking, specialising in Equity Capital Markets (ECM). He was Global Head of Equity Capital Markets & Corporate Solutions at UBS, leading a team of 120 professionals across the globe (2012-2019), and prior to his tenure at UBS, he was with Bank of America Merrill Lynch, becoming Managing Director Head of ECM and Corporate Equity Derivatives for Iberia (1997-2012).

Javier has wide-ranging experience advising large company boards at a global level on capital and equity related solutions and a deep understanding of the real estate sector. In July 2020, he joined the Board of Millenium Hospitality Real Estate, a listed company that specialises in developing and investing in luxury hotels; he is also Chairman of the Strategy committee and member of its Real Estate Executive Committee. Additionally, he has been on the Board of OMEGA 93 S.L., a family-owned real estate company, since 1993.

He holds a dual bachelor's degree in Business Administration / Economics and Law from Universidad Pontificia Comillas (ICADE E-3).

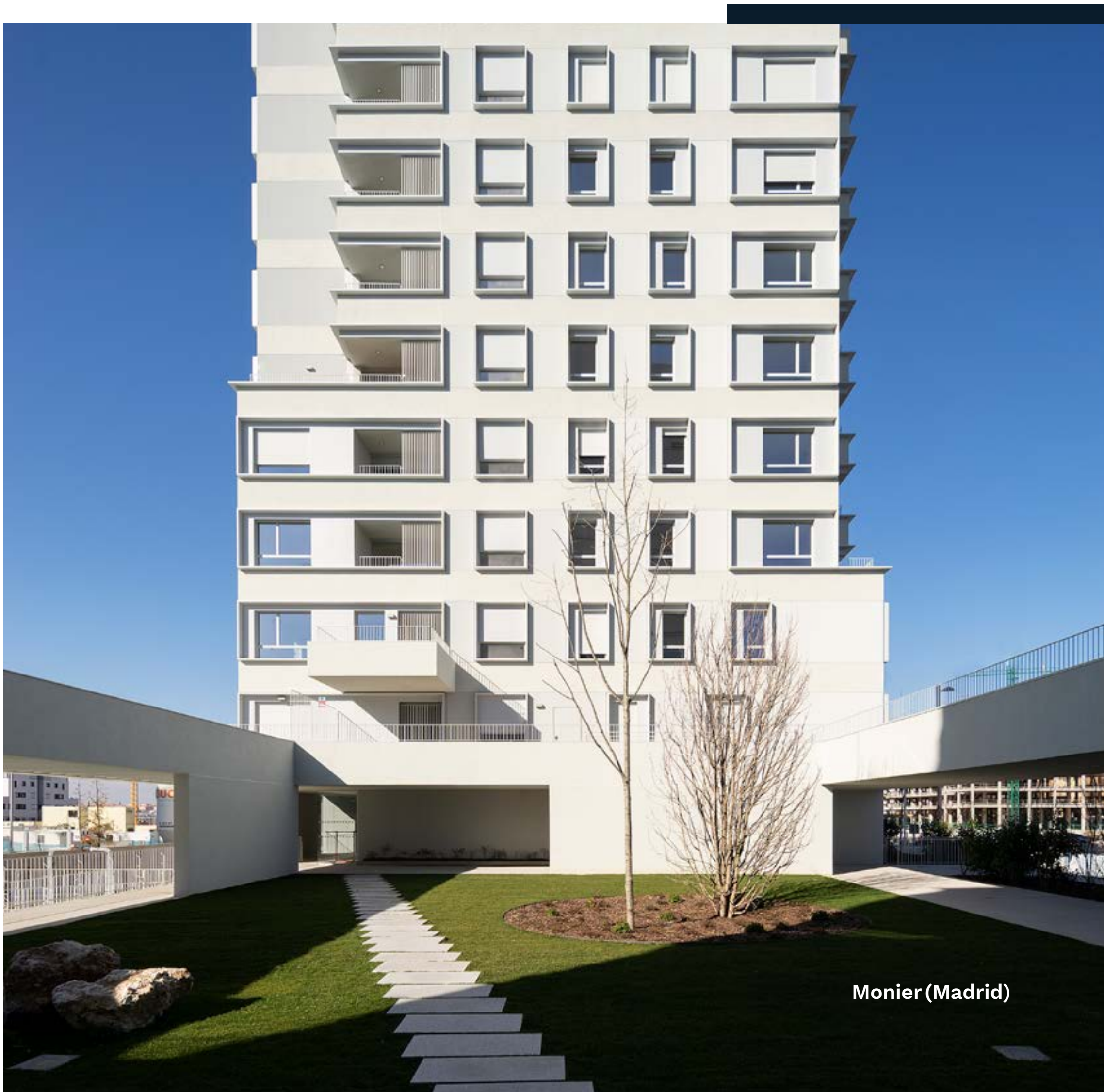
Javier holds no shares of AEDAS Homes stock, nor does he have purchase options over shares in the Company. Through his role as Senior European Advisor to Castlelake, he has a professional relationship with Evan Carruthers and Eduardo D'Alessandro, Proprietary Directors of AEDAS Homes (since the latter two are Castelake representatives). He has no other relationship with any other Board Members or Company Directors.

2.3. Director remuneration policy

AEDAS Homes designed its director Remuneration Policy in keeping with the Company's size and financial situation, market standards for comparable companies and the amount of time devoted by its directors.

The overriding purpose of the Remuneration Policy is to define and control AEDAS Homes' remuneration practices vis-a-vis its directors. It also establishes a remuneration regime that is deemed appropriate for the dedication and responsibilities assumed by the Company's directors with the aim of attracting, retaining and motivating boardroom talent.

The Remuneration Policy is public and can be downloaded from AEDAS Homes' corporate website. Note additionally that the Annual Report on Director Remuneration, the Annual Corporate Governance Report and the annual financial statements (note 21) provide director and officer remuneration disclosures.



Monier (Madrid)

2.4. Appointments and Remuneration Committee

Statement by the Chairman of the Appointments and Remuneration Committee

Dear Shareholders,

On behalf of the Board of Directors of AEDAS Homes, I am pleased to introduce this report on the activities of the Appointments and Remuneration Committee (hereinafter, the Committee) in FY 2021/22.

The purpose of this document it to inform you about the duties and purview of this Committee and provide an account of the work we did last year.

The Committee provides the Board of Directors with information and advice on the Company's appointments and remuneration obligations, framed by best practices in the corporate governance arena, and verifies that the remuneration policies established by the Company are being upheld. The Committee periodically reviews the Company's director and senior management team remuneration policies, including the share-based payment schemes, and their application, ensuring that individual remuneration is aligned with each professional's contribution, without generating unsubstantiated imbalances between directors or between members of the senior team.

The Committee's duties additionally include: assessing the skills, knowledge and experience needed in the boardroom; establishing a target for female representation on the Management Committee; submitting proposals for the appointment, re-election or removal of independent directors or officers to the Board of Directors; and studying and organising Chairman and CEO succession matters.

The Appointments and Remuneration Committee met seven times in FY 2021/22. The main initiatives undertaken were:

- **Approving the Committee Activities Report for FY 2020/21.**
- **Approving the Committee Action Plan for FY 2021/22.**
- **Evaluating the CEO's performance in terms of bonus target delivery.**
- **Reporting on the bonuses accrued by the key management personnel (members of the Management Committee) in respect of FY 2021/22.**
- **Designing a possible director training programme and selecting suppliers. Organising four director trading sessions (ESADE).**
- **Selecting external consultants for the self-assessment of the Board and its committees Monitoring the self-assessment of the Board and of the Committee and supporting the Audit and Control Committee and the Technology and Cybersecurity Committee with their self-assessments. As a result, making proposals to the Board regarding a series of actions / action plan for the continuous improvement of the effectiveness of the Board and its committees.**
- **Making a proposal to the Board on a Long-Term Incentive plan ("LTIP") for the five years between FY 2021/22 and FY 2025/26 in respect of the CEO so that the Board could formulate it as a resolution to be submitted at the Annual General Meeting.**
- **Making a proposal to the Board on a Long-Term Incentive plan ("LTIP") for the five years between FY 2021/22 and FY 2025/26 in respect of the rest of the Plan beneficiaries.**
- **Proposing the modification of key management personnel employment terms and conditions (members of the Management Committee) ahead of potential M&A activity.**

Miguel Temboury
Chairman of the Appointments and Remuneration Committee

Duties

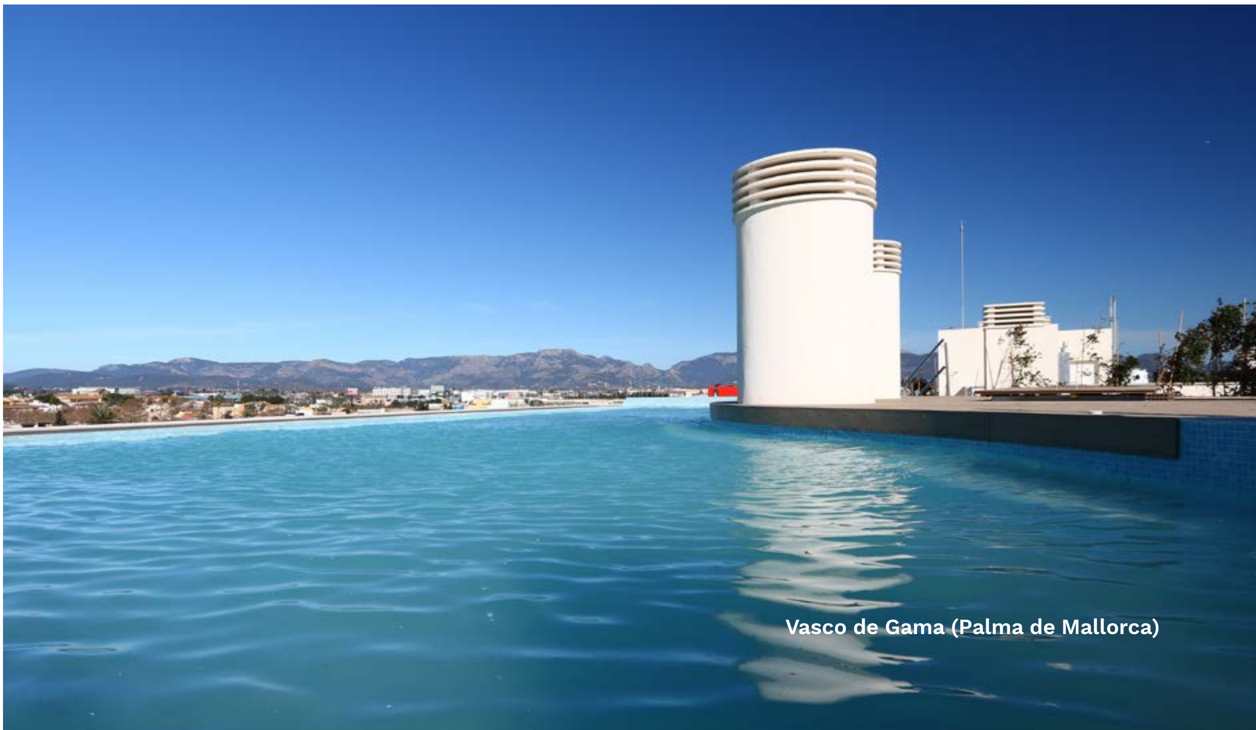
The Committee's organisation and responsibilities are set down in article 15 of the Board Regulations, the Appointments and Remuneration Committee Regulations, article 22 of the Bylaws and article 529 quindecies of Spain's Corporate Enterprises Act.

Members and areas of expertise

As at 31 March 2022, the Committee was made up of the following three members:

MEMBER	POSITION	CATEGORY ON THE BOARD OF DIRECTORS
Miguel Tembury Redondo	Chairman	Independent
Cristina Álvarez	Member	Independent
Evan Carruthers	Member	Proprietary

Alfonso Benavides Grases, who is the non-director Secretary of the Board of Directors, is also the Secretary of the Appointments and Remuneration Committee.



Vasco de Gama (Palma de Mallorca)

2.5. Audit and Control Committee

Statement from the Chair of the Audit and Control Committee

Dear Shareholders:

On behalf of the Board of Directors, I am pleased to present a summary of the key activities of the Audit and Control Committee ("the Committee") for the year ended 31 March 2022. This summary explains the Committee's responsibilities and areas of focus, as well as the work that it carried out in 2021/22.

The Committee collaborates with the Board by supervising compliance with the Company's Code of Conduct and with the rules regarding corporate governance. It also monitors the reliability of the financial information presented to the Board, including the internal control system for financial information (SCIIF). In addition, the Committee is responsible for supervising the functioning of the internal audit, as well as the control of corporate risks and the regulatory compliance model, which expressly includes compliance with anti-money laundering and countering the financing of terrorism (AML/CFT) legislation.

The Regulations of the Board of Directors state that the Chairman of the Audit and Control Committee will hold his or her post for a maximum of four years. As such, in October 2021 the Board acknowledged the expiry of the maximum term of Mr. Javier Lapastora Turpin, who had ably chaired the Committee since 2017, and appointed me as Chairman of the Committee. I take this opportunity to congratulate Javier on his expert guidance of the Committee over the past four years.

The Audit and Control Committee met seven times during the 2021/22 period to monitor the Company's financial information and supervise Internal Audit, Risk and Compliance, and the SCIIF. In addition, after the Board approved the Company's three-year ESG Strategic Plan last April, the Committee began supervising its implementation, ensuring that the Company was achieving its stated ESG targets. It also favourably informed the Board on the modification to the Company's Code of Conduct, Third Party Code of Conduct and Anti-Corruption Policy and proposed modifications to the Regulations of the Board of Directors with the aim of adapting them to current legislation.

Santiago Fernández Valbuena
Chair of the Audit and Control Committee

2.6. Technology, Innovation and Cybersecurity Committee

Statement from the Chair of the Technology, Innovation and Cybersecurity Committee

On behalf of the Board of Directors, I am pleased to present a summary of the key activities of the Technology, Innovation and Cybersecurity Committee ("CTIC") for the year ended 31 March 2022.

Since its founding, AEDAS Homes has nurtured a culture of innovation and successfully harnessed technology to quickly scale up its residential development business. This embrace of innovation and technology has been one of the key drivers of the Company's success—it has transformed the Company's relationship with customers and other key stakeholders and given it a distinct competitive advantage—and it will play an outsized role over the next two years as the Company works to achieve its ambitious goals by FY 2025/26.

While the Board oversees risks related to cybersecurity and IT, it is the CTIC that creates and evaluates proposals related to technology, innovation and cybersecurity and reports to the Board on these. The Committee also plays an important part in guiding the evolution of the Company's Digital Strategy Plan, which can be thought of as a digital lever to achieve operational and financial goals.

The CTIC met four times between April 2021 and March 2022 to offer the Company's Technology area guidance on its five transversal axes of work: hyperintegration; business APIs; phygital experiences; Digital DNA; and robust cybersecurity.

By adopting a hyperintegration mindset, AEDAS Homes is simplifying, automating and synchronising business processes within the organisation by tightly integrating all enterprise applications in its ecosystem for a seamless experience—this is happening across departments and at each step of the residential development process.

At the same time, the Company is creating a technological platform based on APIs to allow external partners to integrate their business processes seamlessly with AEDAS Homes, by letting them interface with AEDAS Homes' enterprise tools or by mutually connecting and synchronising.

The Company is also focusing on phygital experiences, where it connects the physical and online worlds to create superior, personalised and satisfying experiences for customers and external partners. These technological solutions will bridge the digital and the physical to provide immediate, immersive and interactive user experiences, making the most the best aspects from each environment.

By embedding digital into its DNA, AEDAS Homes is redesigning the way it operates, is organised and behaves, facilitating people and partners an efficient path towards an authentic digital transformation that is fully aligned with its business goals and will deliver value to stakeholders.

The Digital Strategy Plan is underpinned by a mature cybersecurity platform focused on 24x7 monitoring and defence, data protection, identity and permissions management, and automatic generation of evidence for auditing and compliance. Information is one of the Company's most critical assets, essential to carrying out commercial and operational functions successfully, and the Company's robust cybersecurity programme ensures it can safeguard this vital asset and fulfil obligations to stakeholders.

In FY 2020/21, the Board unanimously approved the Company's updated ITC Security Policy, designed according to best market practices and in line with ISO 27001. This ITC Security Policy provides the foundation for the Company's robust cybersecurity management system.

Oversight from the Board of Directors guarantees a strong underlying governance structure for cybersecurity management, and the CTIC focuses on guiding the Company to ensure that cybersecurity procedures and processes are in place to monitor and respond to data breaches, cyberattacks and other threats as they evolve.
Within the framework of its cybersecurity management system, in FY 2021/22 the Company continued its practice of regular security audits, vulnerability assessments and penetration testing of its systems, products and practices that affect user data, carrying out this testing both internally and externally. Furthermore, as educating and training employees is one of the key pillars in the Company's cybersecurity strategy, the Company has continued to offer courses for employees on cybersecurity best practices.

The world saw an alarming 105% surge in ransomware cyberattacks last year. The increase in ransomware was linked to the rise in remote work and company employees working outside their office networks. It's a trend that will continue in 2022 and beyond, and it will be a key element that the Company has monitored and will continue to monitor closely.

As this fiscal year drew to a close, the CTIC determined that the Company's commitment to reinforcing the Technology area, which has included attracting highly motivated team members to create talent density, developing a new relationship model with long-term strategic partners, and implementing new methodology and tools, means that it has the digital levers in place to continue to scale and achieve the ambitious five-year Business Plan.

Cristina Álvarez Álvarez
Chair of the Technology, Innovation and Cybersecurity Committee

02

2.7. Management team

	David Martínez	Alberto Delgado	Sergio Gálvez	María José Leal	Esther Duarte	Estíbaliz Pérez	Javier Sánchez	David Botín
MANAGEMENT COMMITTEE	■	■	■	■	■	■	■	■
INVESTMENT COMMITTEE	■	■	■	■		■		
BUSINESS COMMITTEE		■	■	■				
COMPLIANCE COMMITTEE					■	■		
ESG COMMITTEE	■			■	■		■	
GREEN FINANCING COMMITTEE	■	■		■	■			

Management Committee

AEDAS Homes' Management Committee is made up of eight members, each with more than 20 years' experience in executive positions at a range companies.

The Management Committee meets monthly at the Company's head offices and its main mission is to oversee delivery of AEDAS Homes' strategic targets so as to enable its long-term continuity.

Its purpose is to:

Report

The Management Committee reports to the Board of Directors, through the Company's CEO, on all relevant developments at the organisation and its various business areas.

Warn

The Management Committee must warn of any circumstances that could jeopardise the Company's ability to deliver its targets and/or budget, following up on such matters to stay ahead of potential deviations.

Propose

The Management Committee must propose and apply any corrective action deemed necessary.

The duties of the Management Committee include:

- Ensuring compliance with the policies, processes and procedures established by the Company, guaranteeing that all decisions are aligned with AEDAS Homes' mission, vision and values.
- Proposing an organisational structure that responds efficiently to the targets set.
- Proposing corrective measures in the event that actual results deviate from the targets set.
- Proposing ideas for enhancing processes and procedures to render them more efficient.
- Coordinating and aligning strategies and initiatives across the various areas of the organisation.
- Defining and bolstering the corporate culture. Prioritising people and their development and nurturing a positive workplace climate in which talent is minded, leadership safeguarded and fairness guaranteed.

02

Backgrounds of the members of the Management Committee

Chief Executive Officer

David Martínez Montero (1970) has been AEDAS Homes' CEO since the Company's creation in 2016. undertaken were: Distrito Castellana Norte (2013-2016), Valdebebas (2005-2013) and Cuatro Torres Business Area (2001-2005). Before taking on those leadership roles, he worked as a project manager at Bovis and a site engineer at Ferrovial. David holds an MSc in Civil and Structural Engineering from Madrid's Polytechnic University and an Executive MBA from IESE Business School.

Chief Operating Officer

Alberto coordinates, runs and controls the Company's key business departments: the regional units and the sales and marketing, operations, customer relations and product quality areas. He sits on the board of several AEDAS Homes subsidiaries. He began his career at ACS and later joined Vallehermoso, where he first worked in business development before spending the last three years of his time there as CFO. He joined AEDAS Homes in 2016 and has been its COO since 2017. A civil engineering graduate from Madrid's Polytechnic University, Alberto has also completed the Management Development Program (PDD) at ESADE and the Directors' Programme at ESADE.

02

Sergio Gálvez

Chief Strategy, Investment and Alternative Developments Officer

Sergio is responsible for continually analysing market dynamics (demand, supply, price, competition, etc.), identifying opportunities and anticipating and mitigating potential threats over the medium- and long-term horizons. An industrial engineering graduate from ICAI, Sergio has more than 20 years' experience in real estate in Spain, having worked at firms such as Hansa Urbana and Deloitte. He began his career in Arthur Andersen's real estate division. He joined AEDAS Homes as Director of Business Development in 2016 and in 2017 he was named Chief Investment Officer.

David Botín

Chief Real Estate Services Officer

David spearheads and drives AEDAS Homes' real estate services strategy and ensures its correct implementation and fit with the corporate strategy and broader sector and market environment. David graduated in architecture, specialised in town planning, from Navarra University; he holds a Master's in Planning Management from UPC, the Polytechnic University of Catalonia, and has completed IESE's executive management programme. He brings over 20 years' experience in real estate, having held senior executive positions at prominent sector players, including Áurea Homes, ACR Promociones and Grupo Avanco, S.A. David joined AEDAS Homes in 2021.

Chief Financial Officer

María José heads up investor relations and runs the Company's corporate finance functions, in keeping with the applicable prevailing accounting, legal and tax frameworks, so as to provide a fair view of its financial strength. A business administration graduate from CUNEF, María José has also completed the executive management programme at IESE, the directors programme at ESADE and PwC's Women to Watch programme. She has extensive experience at fast-growing, listed multinational enterprises, including the role of Deputy CFO at high-profile listed companies such as AENA and PROSEGUR. She has been AEDAS Homes' CFO since November 2018.

Chief Corporate Resources Officer

Esther runs the HR, health & safety, sustainability, process, quality, internal communication, general services and document management departments. Esther's academic qualifications include a diploma in educational sciences, the Garrigues' executive programme in labour relations, ESADE's Executive Development Programme in Human Resource Management and IESE's Executive Management Programme. She boasts 25 years' experience in executive positions in human resource management at real estate and construction firms such as Ferrovial Inmobiliaria and Grupo Aldesa. Esther joined AEDAS Homes in 2017.

Chief Legal Officer

Estíbaliz heads up the legal advisory service to which the risk and compliance department reports. She is the non-member Vice-Secretary of the Board of Directors of AEDAS Homes and the non-member Secretary of all of the subsidiaries of AEDAS Homes. A law graduate from Deusto University, Estíbaliz holds CESCOM compliance certification from Spain's Compliance Association, ASCOM. She was named Best Lawyer in corporate governance and compliance practice in 2020 and 2021. She has worked at law firms, including Cuatrecasas and PwC Tax&Legal, and at the Sacyr Group, where she headed up the legal advisory area at Vallehermoso División Promoción S.A.U. and then the corporate legal advisory area at Sacyr S.A. She also served as vice-secretary of the latter company's board. Estíbaliz joined AEDAS Homes in January 2022.

Chief Technology and Communications Officer

Javier is responsible for defining, leading and managing AEDAS Homes' technology and communication strategies. He sits on the board of Live Virtual Tours. Javier holds a dual degree in business studies and law from ICADE (E-3) and ESSEC Business School (Paris) and has completed the Directors' Programme at ESADE. He began his career in strategic consulting in Spain and the US. After his stint in Silicon Valley, he gained a wide variety of professional experiences over two decades at big tech firms, internet players and television companies. In the real estate sector, Javier brings more than five years' experience in the new home development segment.

2.8. Regional branches

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

In FY 2021/22, AEDAS Homes cemented its presence in its key operating regions, particularly in northern Spain, where it continued to expand in Valladolid, Pamplona, Bilbao and Pontevedra. The Company decided on that direction having identified specific markets that present healthy liquidity, pockets of demand in the mid-upper segment and solid economic fundamentals, which could yield attractive returns for AEDAS Homes.

In those specific markets, the strategy is based on the acquisition of the best plots in locations that lend themselves to targeting buyers with medium-high purchasing power. AEDAS Homes has a competitive advantage in those markets, where there tends to be less competition, giving the Company stronger purchase price bargaining power.

In tandem, the Andalusia & Canaries regional branch last year continued to grow in the Canary Islands, a relatively new market for the Company.

The Company is currently active in the following parts of Spain: Madrid; Catalonia (Barcelona, Tarragona and Zaragoza); Andalusia (Seville, western Andalusia and the Canaries); Costa del Sol (Malaga); East and Mallorca (Valencia, Alicante, Murcia and Mallorca); and the North (Valladolid, Pontevedra, Navarre and Bilbao).

Each of the regional branches is responsible for organising, running and planning the developments and land permitting processes in the areas within their purview, in keeping with the guidelines provided by AEDAS Homes to ensure a healthy earnings performance and delivery of its quality and timing commitments. They are also responsible for identifying potential land acquisition opportunities. This **decentralisation allows the Company to manage each project in accordance with local needs and criteria**, which translates into better developments and, ultimately, more satisfied customers and happier shareholders.

02

Regional branches

Madrid Regional Branch Director

A law graduate from León University, Pablo also holds an LLM in Business Law from Navarra University. Pablo has 23 years' experience in the sector, specifically in housing development and property management at leading players like Vallehermoso and Testa (Sacyr Group) and Merlin Properties.

Catalonia and Aragon Regional Branch Director

A civil engineering graduate from the Catalan Polytechnic University, David also holds an MBA from ESADE.

He boasts over 20 years' experience in the real estate sector, having worked at a range of companies including Banco Sabadell, Solvia and Vallehermoso's development division.

02

Diego Chacón

Andalusia & Canaries Regional Branch Director

A civil engineering graduate from Granada University, Diego also holds an MBA from EOI and has completed the management development programme at San Telmo Business School and the executive management programme at IESE.

He has been working in the sector for 20 years. Before joining AEDAS Homes, he worked at Hansa Urbana.

José Ignacio Fernández

Costa del Sol Regional Branch Director

A law graduate from Seville University, José also holds an MBA from the San Telmo International Institute, a Master's in Town Planning and Management (Carlos III University) and a Master's in Town Planning and Design (Seville School of Architecture). He brings 22 years' experience at firms such as Martinsa-Fadesa, Galia Grupo Inmobiliario and Guadalmina Golf and has also worked in the town planning department of Seville's City Hall.

East and Mallorca Regional Branch Director

A technical architect (Alicante University), Juan has also completed the IESE executive development programme. Juan has extensive experience in real estate, having worked at Solvia and Hansa Urbana prior to joining AEDAS Homes.

North Regional Branch Director

Higinio is a civil engineering graduate from Cantabria University. He brings ample sector experience thanks to a career built at Ferrovial, Vallehermoso and CaixaBank.

3. Risk management

Anza (Torrejón de Ardoz)

3. Risk management

AEDAS Homes has an enterprise risk management (ERM) system which is regulated by its Board-approved Risk Management Policy.

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

The risk management model comprises the following elements:

Risk management policy >> Board of Directors

Identification
↓
Assessment
↓
Management
↓
Reporting

>>

Audit and Control Committee

Management Committee

Risk and Compliance Department

Officers and other risk owners

1. **Identification:** the risks of relevance to AEDAS Homes are duly identified by the Company's senior management. Risk prospecting is conducted annually with the aim of identifying potential new risk factors that could jeopardise the Company's ability to attain its strategic, business or financial objectives.

2. **Assessment:** the inherent probability, the inherent impact and the robustness of the control environment are assessed for each of the relevant risks. AEDAS Homes' risk map contemplates three categories of risk: “critical”, “under surveillance” and “under monitoring”.

3. **Management:** the significant risks classified as "critical" and "under surveillance" are included in the management mechanism, which implies:
   a. Identifying specific risk events.
   b. Establishing monitoring KPIs for each risk event and assigning risk tolerance thresholds.
   c. Establishing action plans for any indicators that have breached the established tolerance thresholds.

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

1. **Board of Directors:** Its duty is to define, update and approve AEDAS Homes' Risk Control and Management Policy, as well as to establish prevailing risk tolerance levels.

2. **Audit and Control Committee:** Its task is to supervise the internal control and risk management systems, making sure that the key risks are identified, managed and maintained within the planned levels.

3. **Management Committee:** Its work involves allocating responsibilities for risk management, analysing the results of the risk assessments to determine their level of severity and approving attendant risk responses as necessary.


Azara (Alicante)

4. **Risk and Compliance Department:** Responsible for helping the Audit and Control Committee and the Management Committee fulfil their mandates, mainly by coordinating the activities defined in the Risk Management and Control Policy, ensuring that the risk management system works correctly and compiling relevant reports.

5. **Officers and other risk owners:** They identify and assess the risks that fall within their purviews. In addition, they recommend and report indicators for monitoring, as well as proposing and implementing risk mitigation plans and reporting on their effectiveness.

Operational risks

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

Financial risks

- Interest rates
- Liquidity
- Availability of financing for customers
- Asset valuations
- Reliability of the financial information

AEDAS Homes' risk management model groups its risks into 28 risk categories. Three new risk categories were added in FY 2021/22: political risk; sector consolidation risk; and the risk of failing to meet ESG expectations. As a result, the following risks are monitored annually under the scope of AEDAS Homes’ ERM:

Strategic risks

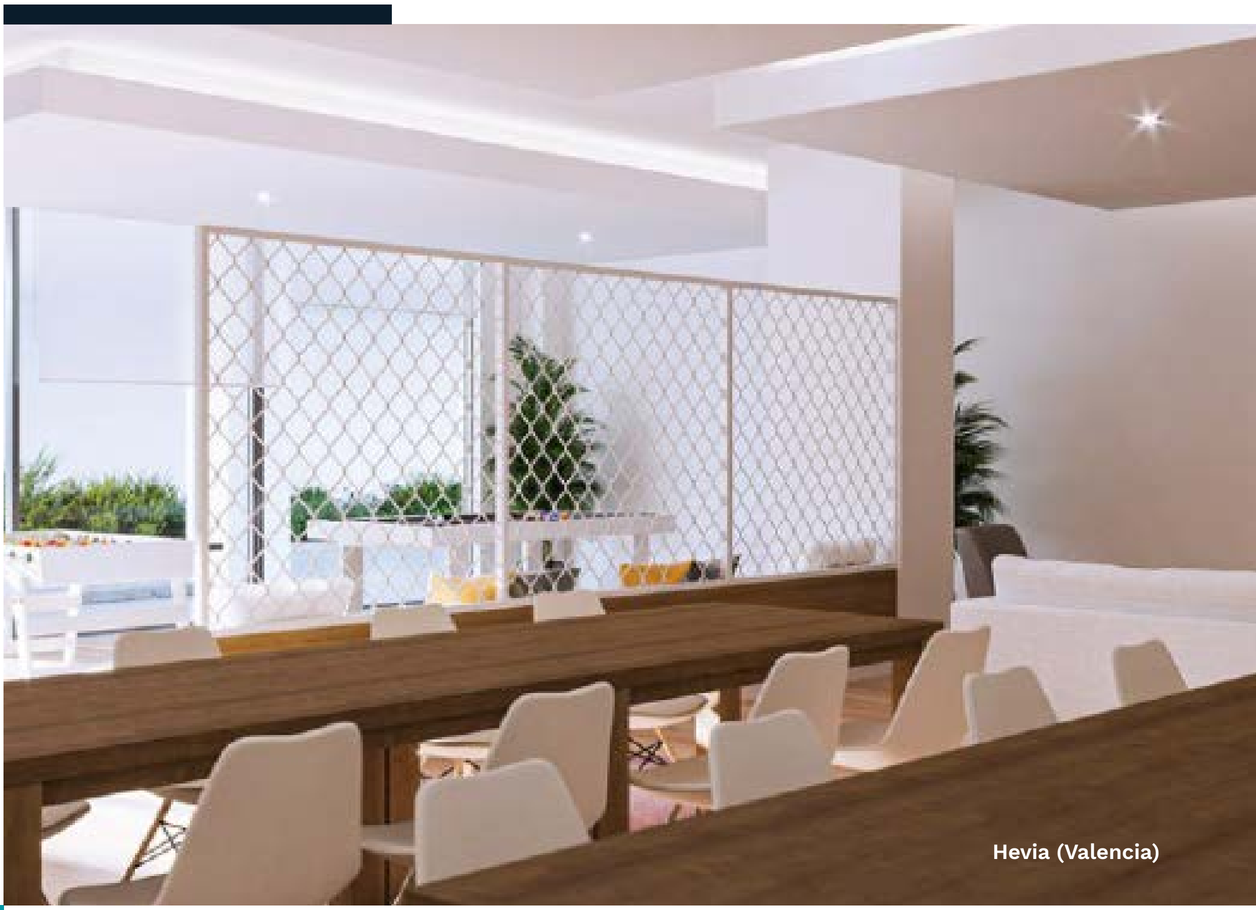
- Fall in demand for new-build housing
- Land bank
- Customer satisfaction
- Availability of financing
- Reputation
- Share price performance
- Political risk
- Sector consolidation risk
- Risk of failing to meet ESG expectations

Compliance risks

- Anti-money laundering legislation
- Criminal law
- Securities market law
- Tax law
- Environmental regulations

In FY 2021/22, AEDAS Homes continued to monitor and manage the risks deemed critical in line with the assessment conducted by the members of its Management Committee in July 2021. Following that assessment, the risk factors currently deemed critical by the Company are:

- Land bank
- Project execution
- Customer satisfaction
- Talent management
- Workplace safety
- Share price performance relative to an internal benchmark index
- Cybersecurity
- Availability of financing
- Sales


Hevia (Valencia)

In FY 2021-22, AEDAS Homes took the following measures with a view to monitoring and managing the risk factors itemised above:

- Identification of the adequate monitoring indicators, such as:
  - Customer satisfaction levels.
  - Sales levels relative to target (quarterly and year-to-date).
  - Works delays.
  - Conversion metrics (the number of visits needed per development to secure a booking).
  - Works started before the related financing has been secured.
  - Cybersecurity indicators (password changes, number of insiders, patching and updates, etc.)
  - Works cost overruns.
  - Average length of time taken to fill non senior management vacancies.
- Establishment of tolerance thresholds that reflect the Company's risk appetite in relation to each risk category.
- Regular monitoring of the status of the risk indicators so identified.
- Implementation and oversight of action plans designed to mitigate the risk factors.
- Regular reporting of the status of the indicators to the Audit and Control Committee.

The risks deemed critical were tracked quarterly and action plans were set in motion for those indicators in excess of the stipulated tolerance thresholds. As regards the risks that materialised during the reporting period, it is important to highlight that at year-end the Company started to observe a rise in construction costs, which could have an impact on the cost of the developments currently under construction by AEDAS Homes; however, so far, those increases in construction costs are being neutralised by increases in the prices of the houses we are developing.

Note on the risks associated with the Covid-19 pandemic

In FY 2021/22, the Company continued to monitor the main risks associated with the Covid-19 pandemic, observing an improvement as the year unfolded.

Although the Company will continue to monitor the key management risks posed by the pandemic with a view to taking additional mitigating measures as required, it is clear that the pandemic is abating, reducing the probability that the associated risks will materialise.

03


Hevia (Valencia)

4. Non-financial information

Gaetana (Torrejón de Ardoz)

04

4. Non-financial information

AEDAS Homes is firmly convinced that society and large enterprises must commit to safeguard the future of the planet, and as such, the residential development industry should take a leading role in sustainable development in the short and medium term to actively foster the transformation of the built environment.

CO_2 emissions from the building sector are at the highest levels ever recorded, representing 38% of total energy-related CO_2 emissions, according to the Global Status Report for Buildings and Construction (2020) published by the Global Alliance for Buildings and Construction, a United Nations organisation.

Since its founding, AEDAS Homes has consistently focused on sustainable development, framed and has been guided by the UN's Global Compact and the 10 principles covering human rights, labour rights, environmental protection and anti-corruption efforts. All of which has materialised. These sustainability initiatives were codified in the Company's ambitious **ESG Strategic Plan 2021/23**, approved by the Board of Directors in April 2021.

This roadmap, aligned with the Sustainable Development Goals (SDGs) for 2030, sets challenging targets. Its overarching goal is to go beyond the Company's purely financial performance and give visibility to all of the initiatives (both planned and currently underway) with its various stakeholders, prioritising the goals in the UN's 2030 Agenda where the Company contribute most significantly:

With the firm goal of being the leading residential developer in ESG terms, the Strategic Plan identifies three key levers and establishes well-defined long-term targets for 2030:

Differential business

Over 75% of our stakeholders should view us as the benchmark for ESG in the Spanish residential development sector.

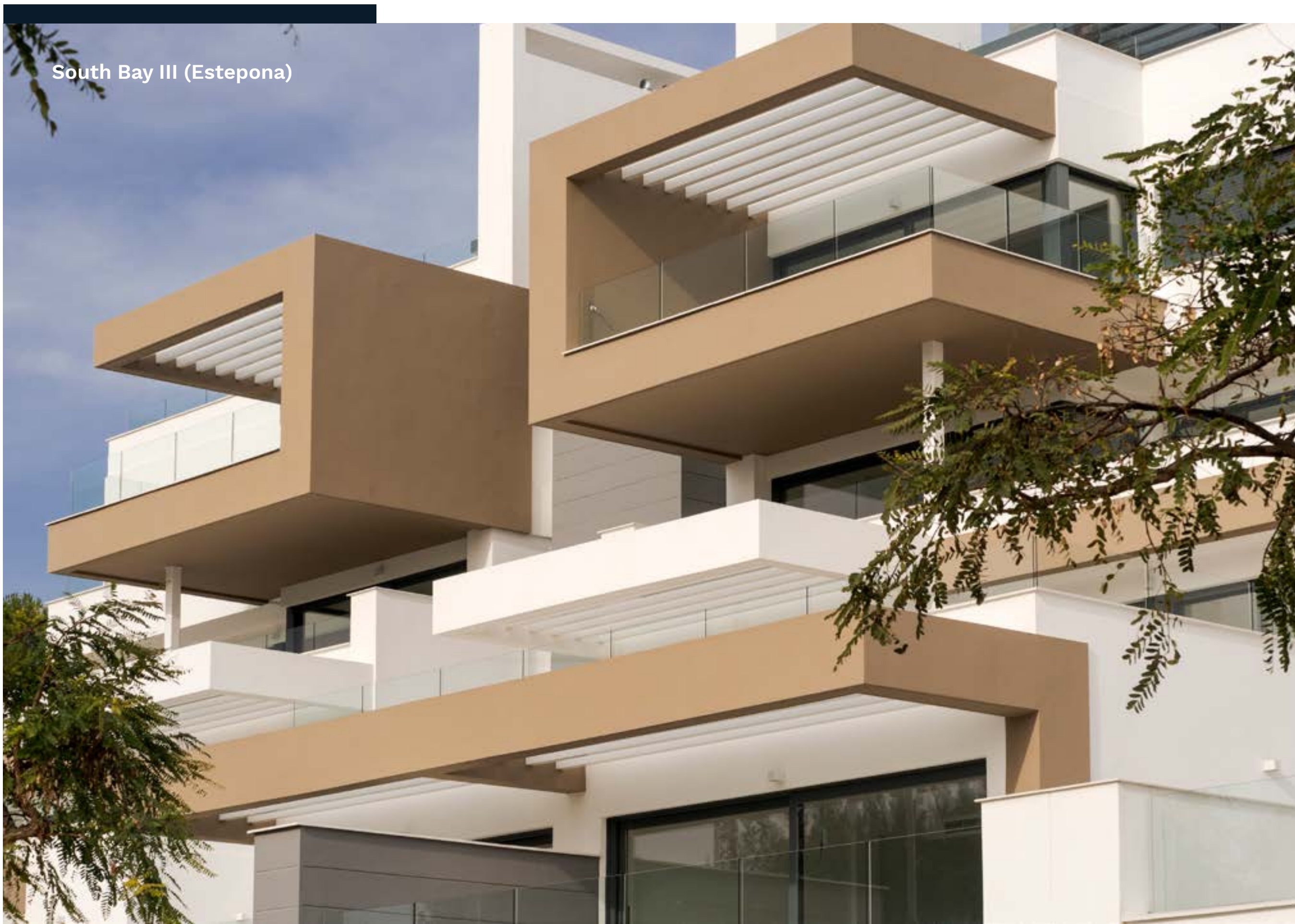
Environmental neutrality

50% of greenhouse gas (GHG) emissions will be offset.

Win-win relations

Hold a leadership position in the Great Place to Work® ranking for the real estate sector in Spain.

04

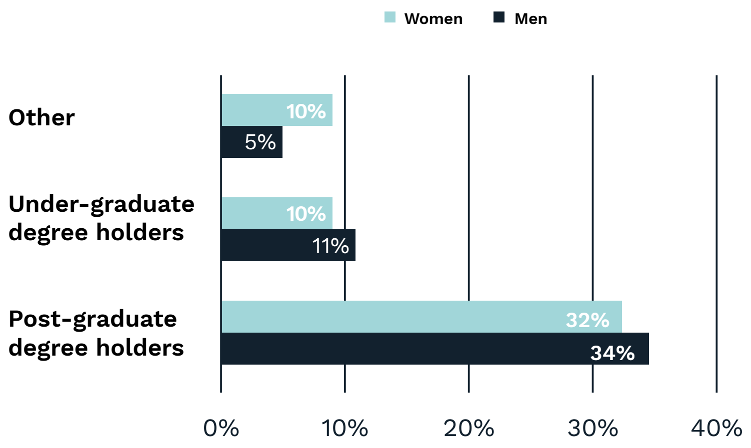


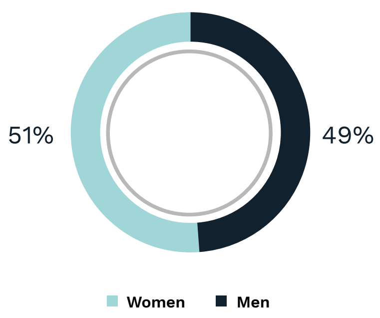
South Bay III (Estepona)

4.1. People

AEDAS Homes believes that only a strong work force can drive strategic growth, push innovation forward and elicit customer loyalty. That is why it places its people front and centre, offering them an appealing work environment by generating quality work, nurturing talent development, facilitating continuous learning and fostering wellbeing, work-life balance and health and safety.

Since its creation in 2016, the Company has experienced exponential growth in terms of new development launches and the number of homes delivered to its customers, emerging as the benchmark for the sector in Spain. This growth in activity has been accompanied by growth in the AEDAS Homes team, which stood at 303 employees at the end of FY 2021/22, with a breakdown of **51% women and 49% men**, average employee age of 43, and average length of service of 2.65 years. The average headcount over the 12-month period came to 289.





Year-end headcount

	2020/21	2021/22
Men	124	148
Women	116	155
Total	**240**	**303**

	2020/21	2021/22
Permanent	218	263
Temporary	22	40
Total	**240**	**303**

	2020/21	2021/22
Executives	44	55
Middle management	57	68
Other*	139	180
Total	**240**	**303**

	2020/21	2021/22
<30	17	18
30 - 50	193	212
+50	30	73
Total	**240**	**303**

* Technical and administrative staff

	2020/21		2021/22	
	Permanent	Temporary	Permanent	Temporary
Men	117	7	136	12
Women	101	15	127	28
Total	**218**	**22**	**263**	**40**

	2020/21		2021/22	
	Permanent	Temporary	Permanent	Temporary
<30	12	5	11	7
30 - 50	177	16	182	30
+50	29	1	70	3
Total	**218**	**22**	**263**	**40**

	2020/21		2021/22	
	Permanent	Temporary	Permanent	Temporary
Executives	43	1	55	-
Middle management	53	4	62	6
Other*	122	17	146	34
Total	**218**	**22**	**263**	**40**

* Technical and administrative staff

Dismissals

	2020/21	2021/22
Men	8	13
Women	9	10
Total	**17**	**23**

	2020/21	2021/22
<30	1	1
30 - 50	9	17
+50	7	5
Total	**17**	**23**

	2020/21	2021/22
Executives	2	6
Middle management	5	2
Other*	10	15
Total	**17**	**23**

* Technical and administrative staff

At AEDAS Homes 100% of our employees are covered by collective bargaining agreements, with 98% covered by the collective agreement for office workers in force in each of the regions where we have staff (with the exception of two employees who are covered by the construction sector agreement and five who are covered by the consultancy and market studies agreement). AEDAS Homes' employees are not unionised.

These collective bargaining agreements address aspects such as employee health and safety, including the measures required to identify and assess workplace risks; requirements regarding employee information, consultation, training and participation; emergency protocols; health surveillance; and the planning and organisation of the occupational health and safety effort.

Health and safety

AEDAS Homes is committed to providing a safe working environment for its employees. Its ISO 45001-certified occupational health and safety management system has been in place since the Company's founding in 2017. This system was audited by AENOR in June 2021; the outcome was satisfactory, with no shortcomings detected.

There were no workplace injuries at AEDAS Homes in FY 2021/22. There were just two commute-related accidents (one man and one woman); no work-related illnesses were recorded.

With regard to work carried out on construction sites during the year, the injury frequency rate in FY 2021/22 (no. of lost-time injuries / no. of hours worked x 1,000,000) was 17.69.

2019	2020/21	2021/22
14.7	12.1	17.69

The table shows the trend in the lost-time injury frequency rate in FY 2019, FY 2020/21 and FY 2021/22.

In FY 2021/22, the injury severity rate (no. of days lost / no. of hours worked x 1,000) was just 0.24, which is well below the national average of 1.32.

2019	2020/21	2021/22
0.19	0.16	0.24

During the period, the Company implemented new workplace safety tools such as the AEDAS Manual of Best Practices in Health & Safety and improved accident prevention processes, whereby risks are analysed at the design phase for the purpose of mitigating or eliminating them at the execution phase.

The key health and safety performance indicators - the injury frequency and severity rates - are presented regularly to the Company's Management Committee. The main tool used to control the safety management system is the performance of assessments when construction completion on developments reaches 30% and then again when it reaches 70%. In FY 2021/22 a total of 50 such assessments were carried out, yielding an average score of 77%, which is above the target of 75%.

The Company also took steps to tighten health and safety coordination at its developments by monitoring application of the measures developed and approved in the health and safety studies and plans using the DALUX tool.

Employee health and safety

The physical and mental wellbeing of AEDAS Homes employees is crucial for the Company and as such, the Company carried out a psychosocial factor survey.

The purpose of the study was to engage with employees and learn more about certain psychosocial conditions at the Company. The questionnaire, which was made up of 44 questions designed to yield information about nine factors, was evaluated independently.

The study was designed to identify and measure employee exposure to the following psychosocial dimensions: work hours, autonomy, workloads, psychological demands, variety/content, participation/supervisions, employee interest/compensation, work performance and social relations and support.

Additionally, in FY 2021/22 an assessment of the various points of sale was carried out in order to verify that they are safe spaces for the sales team. In parallel, the Company reactivated the rollout of emergency measures at all workplaces.

A Joint Occupational Health and Safety Service was set up in early January 2022 to provide services to AEDAS Homes, Live Virtual Tours S.L. and AEDAS Homes Servicios Inmobiliarios S.L.U. That service is responsible for the following disciplines:

- Occupational safety
- Industrial hygiene
- Ergonomics and applied psycho-sociology

Health oversight is carried out by a duly certified external service provider. The health and safety model is available for consultation by employees and the labour authorities.

In FY 2021/22 the Company purchased equipment (to measure temperature, lighting, air quality, humidity, noise, etc.) in order to analyse industrial hygiene in our places of work. Obtaining those measurements is one of the Company's targets for the coming year under the umbrella of its ESG Strategic Plan, through the execution of an Employee Physical and Mental Wellbeing Improvement Plan.

Although there were two commute-related lost-time injuries in FY 2021/22 (1,480 hours), no lost-time injuries occurred within the Company's places of work. The remaining work hours lost in FY 2021/22 are attributable to Covid-related sick leave.

Absenteeism

	Hours of absenteeism		Absenteeism index	
	2020/21	2021/22	2020/21	2021/22
Work injury	752	2,648	0.2%	0.5%
Common illness	2,584	6,368	0.6%	1.2%
Maternity/paternityleave	5,520	6,640	1.3%	1.2%
Total	**8,856**	**15,656**	**2.1%**	**2.9%**

The absenteeism rate was calculated by dividing the number of hours of absenteeism by the average number of employees multiplied by the total number of hours worked. In FY 2021/22 a total of 15,656 hours was lost due to the inability to work.

The absenteeism rate rose last year due to an increase of the number of employees taking maternity and paternity leave, as well as the incidence of the pandemic, particularly three especially long leaves of absence.

In addition, to guarantee the safety of all its employees, AEDAS Homes offers health insurance to them and their families (spouses and children) and life insurance coverage equivalent to two years of individual pre-tax earnings.

A culture of health and safety

With the aim of fostering a culture of health and safety, AEDAS Homes provides online health and safety training to all new hires during onboarding, in line with article 19 of Spain's Workplace Health and Safety Act. It also has an Employee Portal where all of the Company's policies, processes, procedures, manuals and protocols are uploaded to facilitate access to related health and safety related information to all employees.

In addition, to highlight the importance of health and safety for everything AEDAS Homes does, in FY 2021/22 the Company organised the third edition of its health and safety prizes, which are awarded to the outstanding development from the previous year. Last year's winner was Anza, a development located in the town of Torrejón de Ardoz, which was managed by the Madrid Regional Branch.

The Regional Branch which manages the winning development gets to choose a charity to which to donate €3,000. Last year the Madrid Regional Branch chose to donate its prize money to AESLEME.

Management of the Covid19 crisis

Throughout the year the Company maintained and updated its Covid19 protocols, throughout the year, ensuring compliance with prevailing health criteria at all times. AEDAS Homes continued to screen employees by means of rapid antigen tests and provide, while providing them with all the required protective gear, such as masks, hand gels, etc.

In addition, there are specific Covid19 protocols in place at the various points of sale and on construction sites which have been developed by the corresponding contractors in line with recommendations from the Spanish Ministry of Health.

The Company, for its part, has continued to work tirelessly to adapt to the new ways of working ushered in by the pandemic and in fact, last year a hybrid work system was set up, so that employees can work from home one day a week.

Focused talent management to build the best team

AEDAS Homes is a benchmark in the residential development sector thanks to the excellence, passion, resilience, creativity and integrity of its team of professionals. Therefore, it is vital to offer our team an attractive place to further their careers, find a balance between work and home life, and ensure the provision of equal opportunities.

One of the most noteworthy aspects of the AEDAS Homes corporate culture is the pleasant and respectful work environment where employees can realise their full potential and give the best of themselves. This exceptional work environment and a sense of belonging is created the moment an employee joins the Company and is framed by a fair selection process in which all candidates are offered the same opportunities, a process which takes their hard skills, experience and soft skills into account. New hires are made to feel welcome during onboarding.

Employee talent is a top priority for AEDAS Homes. For this reason, the Company is committed to further developing its employees' know-how and offering them new challenges and opportunities that bring them outside of their comfort zones and foster their professional growth. Framed by this philosophy, AEDAS Homes promoted 17 employees in FY 2021/22 and moved another seven laterally into new roles at the Company.

The Company's talent management plans include an employee monitoring programme which consists of periodic meetings with the HR department during their first year and annually thereafter.

Our solid team is the driving force behind our strategic growth, constant push for innovation and customer loyalty. We manage and incentivise our employees effectively with a variable remuneration package that is considered attractive by market standards; this gives us an edge when it comes to attracting talent and maximising operational efficiency. Management-employee relations at AEDAS Homes are conflict-free.

The Company's decisive commitment to employee development and the tremendous quality of the team makes them attractive to other companies, which is why voluntary turnover stood at 6.6% last year.

Developing young talent

AEDAS Homes is committed to developing and fostering young talent and encouraging their job prospects. Young professionals are very important ambassadors for the Company as they help position it as a differential company where you can build a career.

The high-performer training programme dubbed 'Development Managers in Training', which entered its fourth edition in 2021, provides new graduates with a well-rounded three-year development plan that provides them with the knowledge needed to pursue careers as Development Managers. The goal is to select top graduates in civil engineering, architecture, industrial engineering, economics and law from the best universities who already have one to two years' experience in positions related to construction management and then provide them with the end-to-end training they need to become AEDAS Homes Development Managers. Fifteen young professionals participated in the last four editions of the programme and 87% of them have since been employed by AEDAS Homes as Development Managers in its offices across Spain.

On the basis of the success of the Development Managers in Training initiative, the Company recently launched a 'Technical Architects in Training' programme. The goal of this new programme is to select the finest technical architects the best universities with two years' experience in positions related with the technical management of construction projects and provide them with comprehensive training that will benefit their careers.

AEDAS Homes also collaborates with the work practice programme for students of the real estate degree course of at UPM, Madrid's Polytechnic University which fosters job opportunities for skilled young people. In 2021, for the fourth year in row, the Company took on one of students from that programme for a 6-month internship, giving him the opportunity to get to know the various departments that make up the Company. Since the start of that collaboration, AEDAS Homes has hired 75% of the students that have completed these internships.

Helping our employees to grow

Employee talent is one of AEDAS Homes' top priorities and to this end, the Company has made a strategic commitment to the continuous development of its employees, which is outlined in the Annual Training Plan. This Plan, which takes into account the Company's overall needs, sets out the training needs of all employees to improve their technical, digital, management and language skills.

The Company also proactively rotates professionals working in certain positions through several AEDAS Homes departments, in an effort to provide an overall vision of the Company and enrich its employees' everyday work.

04

Training Plan 2021

78 courses in 2021

5,080 hours of training provided by top-notch coaches

Coaching sessions for professionals whose activities have a significant impact at the organisation (members of the Management Committee, directors and development managers). These sessions address different skills, aiming to foster a working environment in which managers can drive change and serve as a reference for the development of their collaborators.

E-LEARNING PLATFORM

8 courses

997 hours

- Anti-money laundering
- Health and safety
- Quality and environment
- Code of Conduct
- Equality
- Prevention of workplace harassment
- Data protection
- Business continuity management system

Total investment: €184,000

01/04/2021 to 31/03/2022

# OF IN-PERSON COURSES ORGANISED IN 2021	78
# OF ONLINE TRAINING COURSES	8
# OF HOURS OF TRAINING FY 2021/22	5,080
# TYPES OF ONLINE TRAINING FY 2021/22	997

	# OF HOURS OF IN-PERSON TRAINING BY JOB CATEGORY
Executives	1,072
Middle management	1,869
Other*	2,139
Total	**5,080**

	# OF HOURS OF ONLINE TRAINING BY JOB CATEGORY
Executives	129
Middle management	199
Other*	669
Total	**997**

	# OF HOURS OF TRAINING BY CATEGORY FY 2021/22
Executives	1,201
Middle management	2,068
Other*	2,808
Total	**6,077**

* Technical and administrative staff

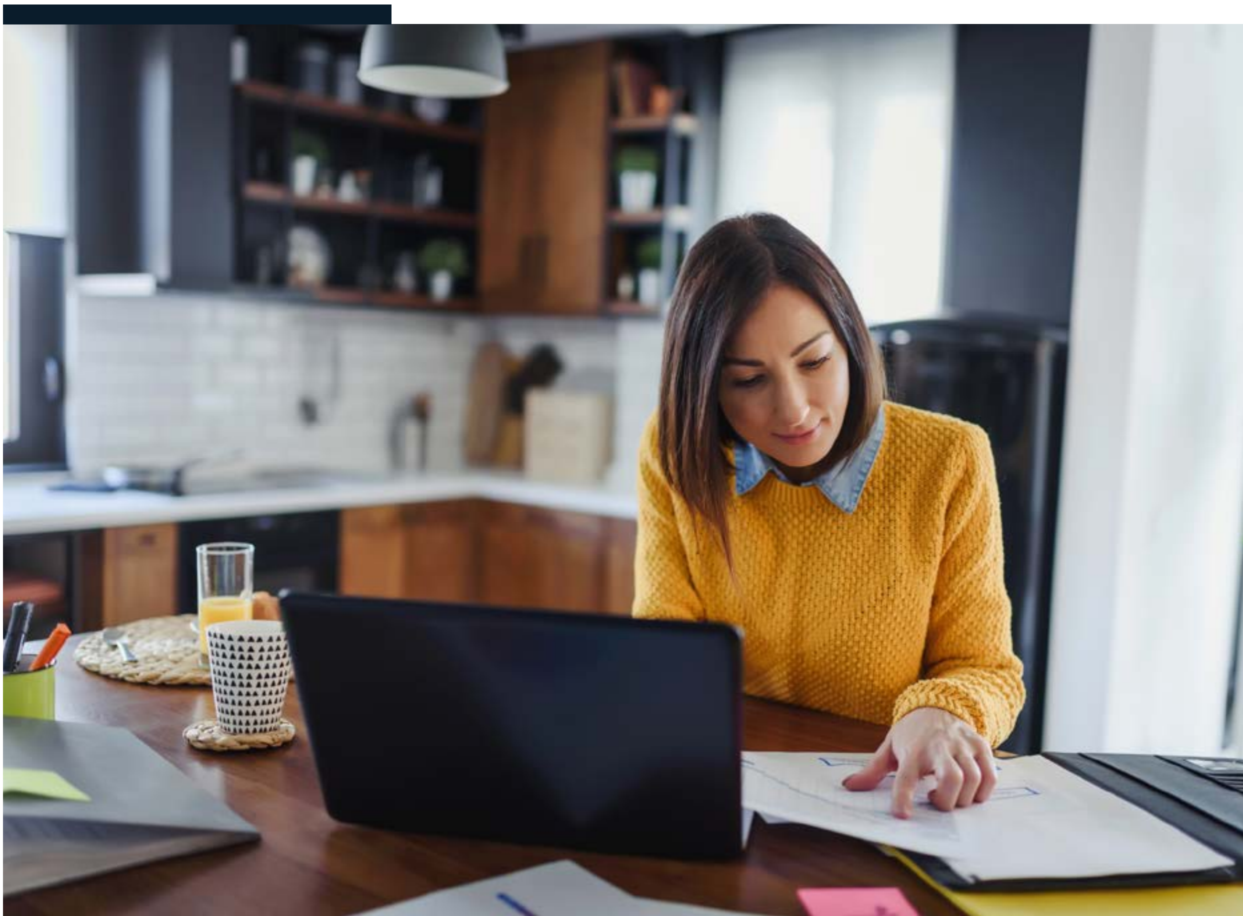
Equality

AEDAS Homes is firmly committed to the development of talent and the principles of fair treatment, non-discrimination and equal opportunities when applying for any kind of position within the organisation with the aim of creating a pleasant and respectful work environment where employees can realise their full potential and give their very best.

Creating and fostering a diverse and inclusive environment contributes to the Company's attainment of its strategic targets and boosts overall performance. Since its founding, AEDAS Homes has worked to raise employee awareness of the value of diversity within the team and its management.

To that end it has also developed an Equality Plan with the mission of rolling out measures that foster equal opportunities and boost diversity at the firm.

As part of that plan, it has devised a specific mentoring programme for women with the aim of shining the spotlight on female talent at the firm and helping increase the number of women in management positions. The first edition of this mentoring programme has a dual objective: (i) helping the mentees acquire the skills needed to generate opportunities for promotion throughout their careers; and (ii) teaching them how their mentors overcame the various obstacles to arrive at management positions. Three women have been selected for mentoring in the first edition.



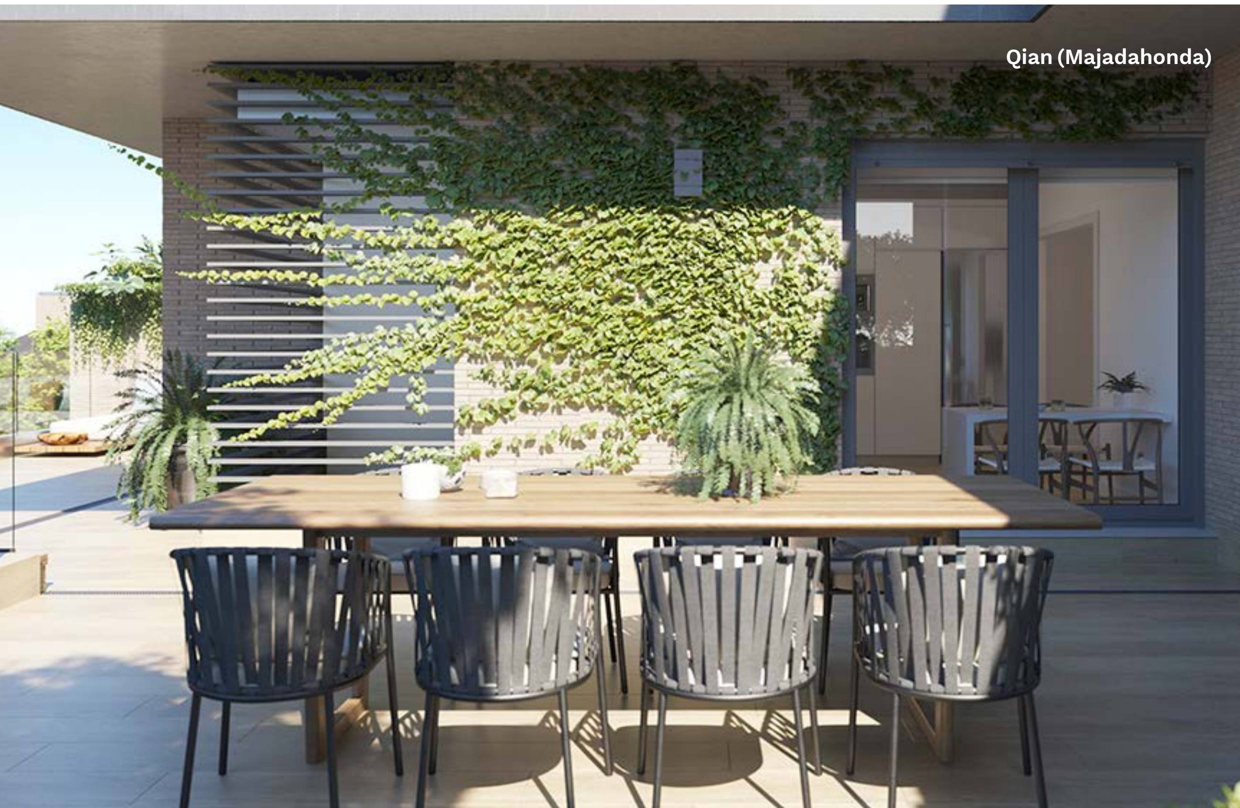
Measures have also been taken to ensure that women and men have access job opportunities on equal terms by guaranteeing that the Company's selection and recruitment processes are free from direct or indirect bias.

Those steps entail the elimination of any form of discrimination in the job postings published by means of random annual verification of the listings actually posted on external channels and on the Company's own website to ensure no collective is left out. Likewise, a message has been added to all job listings stating that the Company is an equal opportunities employer committed to diversity. The terms and language used in all listings and new employment contracts have also been revised to ensure they are inclusive and free from gender bias, while always respecting the grammar rules established by the Spanish Royal Academy.

A clause has also been added to supplier agreements to reflect the Company's commitment to the provision of fair treatment and equal opportunities.

Every year the Company organises activities around International Women's Day, including workshops, conferences and employee surveys regarding perceived equality and work-life balance. Last year the Company launched a self-assessment focused on discrimination and implicit stereotypes.

AEDAS Homes also has a protocol in place to prevent workplace and sexual and/or gender harassment. The purpose of that protocol is to investigate any harassment complaints reported and take action as required. There were no reports of harassment in FY 2021/22.


Qian (Majadahonda)

At AEDAS Homes we strongly believe in **integration and inclusion**, and that diversity of all kinds is enriching and adds value; one of our colleagues is differently-abled and holds a role at the Company which touches all departments. We also collaborate with the Prodis Foundation's job centre for the employment of people with disabilities in the production of corporate materials.

AEDAS Homes guarantees Universal Access for people with disabilities, with a wheelchair ramp and a special lift at its Madrid headquarters. Several of the regional offices likewise have adapted entrances and wheelchair-friendly lifts. Whenever possible we locate our offices on the ground floor for easier access.

In FY 2021/22, AEDAS Homes knocked down a social inclusion barrier by introducing Braille and an audio book, by way of catalogue, into its sales dossiers. The Braille text includes a QR code that links to the audio version of the dossier and the technical specifications of the development in question. We used Ilunion, part of the ONCE non-profit group, to translate those texts into Braille.

Last year, AEDAS Homes also wrote its White Book on Accessibility, a manual for safety, comfort and accessibility.

Tarsia (Granada)

Culture of employee wellbeing

Employee wellbeing is of great importance to AEDAS Homes. Last year, the Company rolled out a series of **initiatives designed to improve its employees' physical and mental wellbeing.**

Work-life balance is an important aspect of the Company's human resource management effort, and as such, we have been introducing specific flexibility measures from the outset. AEDAS Homes received special mention in the Madrid Flexible Company Awards, providing an endorsement for its engagement and practices in this field.

Working hours and workdays are organised in line with the collective bargaining agreement for office workers in force in each region where the Company operates. Moreover, AEDAS Homes has introduced a series of measures to help employees disconnect from work, such as encouraging all meetings to finish by 6:00PM, starting and ending the workday earlier in July and August and sending an email reminder every day to employees letting them know the workday has finished.

Last year we made progress on our commitment to work-life balance by approving a dedicated **Working from Home Policy**, a measure that has been widely applauded by our employees and allows them to work from home one day a week.

This new measure comes on the heels of others already in place, which include:

- A flexible schedule.
- Shorter working hours in July and August and every Friday of the year
- The option to work from home during the last month of pregnancy.

We also introduced new **work-life balance measures** last year in response to specific employee suggestions and feedback, which included:

- As far as possible, avoiding scheduling work meetings that end after 6:00 PM.
- In the case of hospitalisation, AEDAS Homes likes to express its support by providing its employees with a small gift.
- A one-day extension of the leave provided for in the collective bargaining agreements for the death of a close relative.
- Paid leave the day before one's wedding.
- End of workday at 3pm on the eve of a holiday (maximum of three days a year).

The Company feels that it is important to recognise excellence and for that reason, it gives out **Model Employee Awards** on an annual basis. These awards single out those employees who have been praised by their own colleagues for their enthusiasm for learning, ability to adapt or integrity. The prizes have been running for three years and have been awarded to 13 employees in total.

04

Berganza (Valladolid)

Employee benefits

The Company has introduced a number of **flexible remuneration programmes with tax benefits** for its employees, such as deductible daycare, restaurant and transport vouchers. It also offers health insurance for the entire family and life insurance for its employees.

Digitalisation

AEDAS Homes believes in the transformational power of technology and innovation as a competitive advantage that holds the key to scaling up the new build development business and making it more efficient.

To that end, it has devised a Digital Strategic Plan that:

- **Automates repetitive processes** that add little value for the business, freeing up employees to focus on tasks that have a bigger impact on the Company, while enhancing their professional growth.
- Provides AEDAS Homes with a **Digital DNA** that fosters a transversal work culture, internally and externally, thus boosting productivity and increasing individual satisfaction levels.

AEDAS Homes, a Great Place to Work in the real estate sector by 2030

As noted earlier in this report, AEDAS Homes is aiming to be a benchmark place to work in its sector by offering quality work its employees can feel proud of.

The Company was certified as a Great Place to Work® last year, making it one of the best places to work in Spain, scoring 74% on the Trust Index, which is nine points above the threshold for classifying as a Great Place to Work.

In general, AEDAS Homes' employees rated the Company highly on all the work attributes evaluated for Great Place to Work certification purposes, with 81% of the workforce highlighting the strong levels of collaboration and shared responsibility and 84% expressing the belief that AEDAS Homes employees are willing to put more of themselves into their work.

In addition, as outlined in the ESG Strategic Plan, AEDAS Homes carried out a series of initiatives:

- Adding questions about sustainability perceptions to customer satisfaction surveys.
- Developing an ESG training plan for all professionals.
- Facilitating the development and job prospects of young talent.
- Updating the annual variable remuneration scheme applicable to all employees by adding an ESG target.
- Approving a Working from Home policy.
- Developing a physical and mental wellbeing programme for employees.
- Designing an annual community action plan for specific groups or communities in need.
- Developing an annual corporate volunteering programme to promote a culture of philanthropy on the part of employees.
- Developing an annual programme to promote and support local artists in communities where our developments are located.

- **Adding questions about sustainability perceptions to customer satisfaction surveys** (target: a result that shows that 50% of customers view AEDAS Homes as a sustainable developer). We also polled our other stakeholders in order to learn how sustainable they perceive us to be. The results of those surveys were very positive:

- **Developing an ESG training plan for all professionals.** Last year marked the start of our employee ESG Training Plan. The first step was to train the Company's senior management team so that they reinforce our headline ESG messages when engaging with the rest of the Company's teams.

- **Facilitating the development and job prospects of young talent.** Last year the Company participated in **57 events** targeted at young people in which a range of executives, including the CEO and other members of the Management Committee, took part. These initiatives included participation in job forums, teaching at a number of third-level education centres and coaching sessions.

- **Updating the annual variable remuneration scheme applicable to all employees with the addition of an ESG target.** The addition of sustainability targets in employee remuneration helps embed ESG considerations into everyday activities and improves the Company's performance. Last year for the first time we included a sustainability target in the remuneration model, specifically that of at least 40% of our developments must obtain an "A" energy rating.

- **Approving a working from home policy.** The Company approved its Working from Home Policy last year. It allows our professionals to work from home one day a week.

- **Developing a physical and mental wellbeing programme for employees.** The Company encourages healthy lifestyle values and habits, an effort that takes the form of a number of specific programmes and initiatives. In FY 2021/22, **43% of our employees** participated in those activities. One good example is Health Week, which we organise annually, publishing tips for healthy living and running internal campaigns and workshops promoting healthy habits. One of the highlights of this year's activities was the Stress Management Workshop. We also resumed the physiotherapy service provided in our offices, which had been suspended on account of Covid, and extended it to our premises in Barcelona and Seville. Along those same lines we offered all of our employees the possibility of getting a flu shot during their medical check-ups.

Caetana (Torrejón de Ardoz)

- **Designing an annual community action plan for specific groups or communities in need.** This plan included the following initiatives:
  - **AEDAS Homes Charity Challenge for AUPA:** AEDAS Homes was the lead sponsor of a race to raise money for this association of parents of children with cancer. This race took runners 105km from the sea to the mountains of Granada in less than 20 hours, and their aim was to bring attention to the cause while raising funds. The Director of our Andalusia & Canaries Regional Branch was one of the runners.
  - **Sponsorship of sports teams:** This year we sponsored the women's senior basketball team in Alcalá and the Alcalá Rugby Club in the under-6, under-8, under-10 and under-12 categories. The rugby club actively fosters inclusion and one of its teams includes a boy with Down syndrome.
  - **DogPoint:** AEDAS Homes financed the training, delivery and monitoring of a dog to assist a young boy with autism and help to facilitate his social inclusion.

- **Race Against Cancer:** AEDAS Homes joined the Spanish Cancer Society, the AEC, as a Bronze class sponsor of the ninth edition of its race against cancer, in Madrid. As part of that sponsorship, 30 of our employees were able to participate in the race. They were delighted with the experience as they were able to contribute to a good cause in the Company of their colleagues.

- **Ukraine:** In the wake of the humanitarian crisis in Ukraine, AEDAS Homes has rolled out two initiatives with its employees. We collected products (non-perishable food, hygiene and health products, powdered baby milk, nappies, etc.) for donation to a number of associations. The Company also offered its employees the chance to deduct a small fixed amount from their monthly pay for donation to the UNCHR to help refugees.

4.2. Environmental performance

Respect for the environment is a cornerstone of AEDAS Homes' everyday work. The Company is constantly getting behind new projects that accelerate the essential transformation of the homebuilding sector, a transformation it has been spearheading since 2018, when it set up its offsite business line.

On the environmental front, the sector's top priority is reducing its carbon footprint. The Global Warming of 1.5ºC report compiled by the UN's Intergovernmental Panel on Climate Change (IPCC) in 2018 warned of the drastic consequences that a rise in average temperatures of 2ºC - instead of 1.5ºC - would have on ecosystems.

AEDAS Homes is therefore aiming to become environmentally neutral - reducing its greenhouse gas (GHG) emissions by 50% - by 2030.

To achieve that target, in FY 2021/22 we completed the following actions, under the umbrella of our ESG Strategic Plan:

- **Carrying out Life Cycle Assessments (LCAs)**

  AEDAS Homes carried out life cycle assessments (LCAs) for all 35 developments completed in FY 2021/22.

  This analysis includes a calculation of the equivalent CO2 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). It is in line with the UNE EN 15978 standard and is carried out using One Click LCA software.

  The results obtained were approximately 20 kg CO_{2e}/m^2/year for phases A1-B5 and C1-C4 (embodied carbon) and approximately 8 kg CO_{2e}/m^2/year for phases B6-B7 (operational carbon), using the useful interior floor area of the developments as the unit of reference (as stipulated in LEVEL(S)).

  The pollution directly associated with AEDAS Homes' office activities is not considered material.

- **Definition of a Climate Action Policy**

  At AEDAS Homes we are keenly aware of the climate emergency we are facing and that decarbonisation is the most effective means of mitigating the adverse effects of climate change. To that end, we are currently working on the definition of a policy that will encompass all of the climate-related principles and actions that will govern our business activities.

- **Including a section devoted to sustainability, efficiency and health matters in the Building Specifications Book.**

  This section highlights the environmental advantages of an AEDAS Homes home and provides tips as to how customers can keep their homes as comfortable, energy efficient and healthy as possible. In FY 2021/22, this section was added to the Building Specifications Book for our Escalonia development. It is provided to customers along with the keys to their new home. It provides highly graphic and user-friendly information about how to consumer less energy and save money.

- **Achieving an 'A' energy rating for at least 60% of the Company's developments.**

  Of the 35 developments completed in 2021, 42% obtained energy ratings of A-A, 14% achieved B-A ratings and the remaining 44% got other scores.

- Of the 82 developments launched in 2021, 62% are targeting energy ratings of A-A, 7% are targeting a B-A and the remaining 31% are targeting another rating.

- **Ensuring that 100% of the Company's developments comply with our Green Book standards (or those of an equivalent prestigious green building seal).**

  Since first publishing our **in-house Green Book** in 2019, AEDAS Homes has been constantly fine-tuning, the contents, creating a tool of the utmost importance to the Company as it sets down the minimum sustainability standards that all AEDAS Homes developments must meet, while at the same time giving development managers a range of choices about different measures to implement.

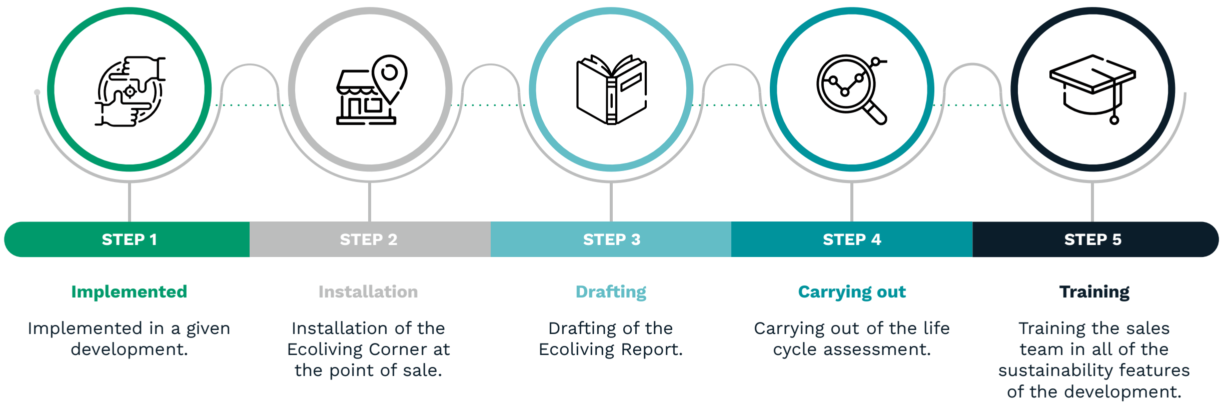
It is an open document, as the concept of sustainability is evolving all the time; it is flexible, as it lends itself to tailoring for regional customer preferences; and it is user-friendly.

The Green Book is proof of AEDAS Homes' respect for the environment and the planet's natural resources. Indeed, it is not merely a tool for implementing specific measures, yet also a vehicle through which the entire Company can reflect on how to approach the future of our planet.

That is why the Green Book seeks to streamline the use of natural resources, promote innovation and energy efficiency through the use of Modern Methods of Construction (MMC) and foster the use of new technology in development design.

In short, the Green Book is the Company's flagship document and a driver of change in professional practices, with sustainability as its cornerstone.

The key steps in the Green Book



In addition to the Green Book, in 2020 the Company developed a proprietary **Ecoliving® sustainability seal** to convey 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 show a development meets the minimum standards in the Green Book in: energy; water; materials, waste; health and wellbeing; landscape integration; community; best practices; and economy.

AEDAS Homes explains the benefits of the Ecoliving® seal in its Sustainability Dossier, which details each development's specific sustainability measures and current and future advantages and cost savings for customers.

In FY 2021/22, **100% of AEDAS Homes developments has achieved the Ecoliving® (Green Book) seal and/or BREEAM** (Building Research Establishment Environmental Assessment Methodology) certification.

Among the 35 developments completed in FY 2021/22:

- 31 developments were built according to Green Book standards.
- 4 developments were certified BREEAM and also achieved Green Book standards.

Planting a tree for every home delivered.

The United Nations Framework Convention on Climate Change acknowledges that it is vital to plant more trees - carbon sinks - in order to remove, or sequester, GHGs from the atmosphere.

Therefore, over the course of FY 2021/22, AEDAS Homes contributed to the reforestation of a number of areas by planting 1,963 saplings selected to suit the climate conditions in each region – one tree for every home delivered in FY 2020/21.

The tree-planting in each location took the form of a volunteering day involving AEDAS Homes employees and their families, with the remaining trees planted by professionals:

Regional branch	Nº of homes delivered	Nº of saplings	Nº of saplings lanted during volunteering days	Nº of saplings planted by professionals	CO_2 sequestered over 50 years (tonnes)*
Madrid	843	843	230	613	131.32
Catalonia	246	246	166	120	60.45
Andalusia	253	253	36	217	34.58
East	374	374	40	334	157.20
Costa del Sol	208	208	26	182	160.31

***Carbon sequestration calculations estimated using the CO_2 Calculator provided by the Ministry of Ecological Transition and Demographic Challenges, assuming that all of the trees will live for at least five years and that 50% of them will live for 50 years.**

In addition to all the initiatives outlined in its ESG Strategic Plan, AEDAS Homes has had its Environmental Management System certified under ISO 14001 since 2017. This system encompasses the activities its residential development business: design, construction management and sales management.

AEDAS Homes has Civil Liability Insurance which covers accidental environmental damage of up to €15,000,000 per claim. The Company has not received any environmental sanctions.

AEDAS Homes has a dedicated environmental management department managed by the Director of Sustainability, who reports to the Director of Corporate Resources. In FY 2021/22 the Company earmarked €432,101 for environmental expenditure and capex.

In the previous fiscal year's budget, €250,380 was earmarked for sustainability, which implies a year-on-year increase of 73%.

Azara (Alicante)

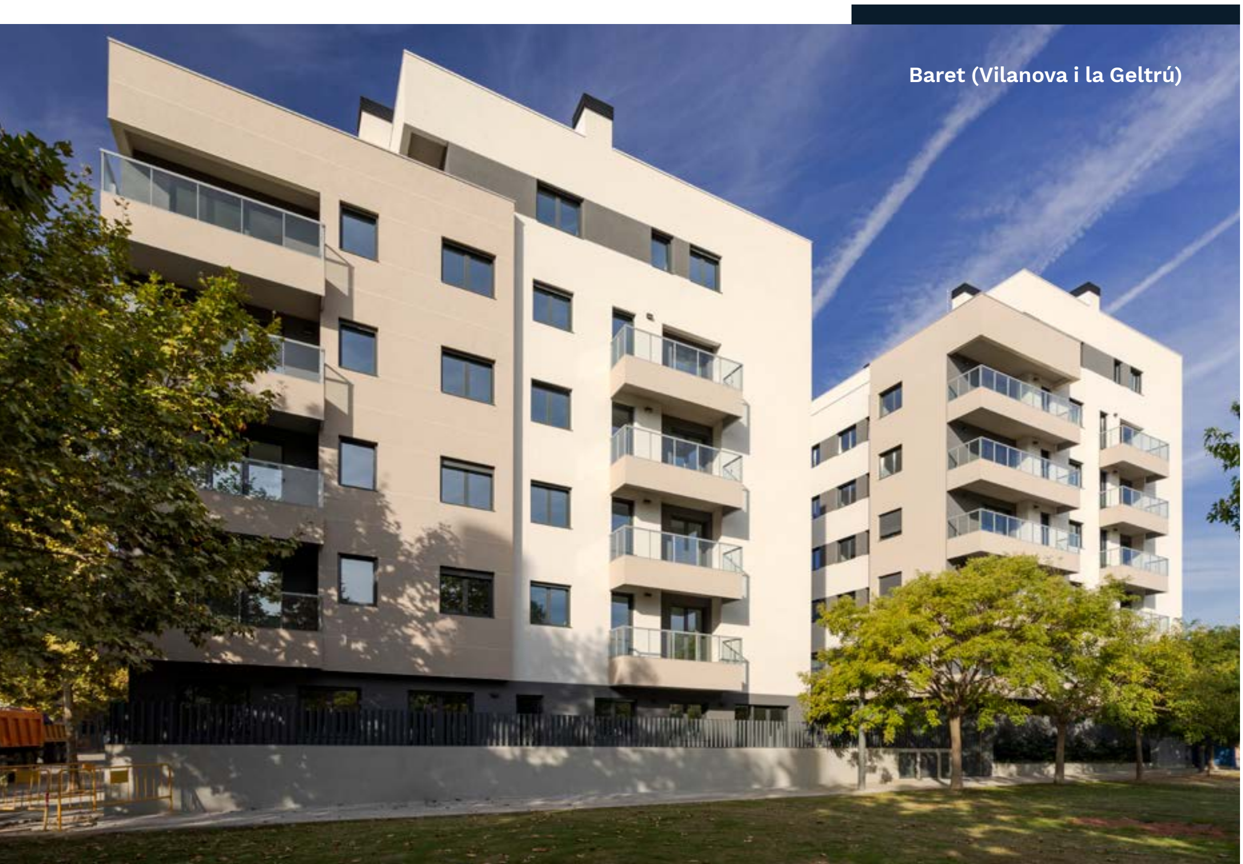
AEDAS Homes has a number of initiatives for integrating environmental targets its developments, including:

The **White Book of Modern Methods of Construction**, which the Company uses to help lay people to understand offsite construction and the implementation of Modern Methods of Construction in a detailed yet user-friendly and didactic manner. Offsite construction is still a nascent industry Spain, and this pioneering publication marks another milestone in the Company's efforts to help create momentum around this construction system, ever since it became the first developer to back large-scale offsite developments in 2018.

The White Book contains a series of conclusions about offsite construction in residential development, a ground-breaking movement that is destined to gain traction. It highlights how offsite construction can improve quality, delivery times, sustainability, professionalism, responsibility and equality.

The publication is the foundation on which the entire sector can help to make greater use of Modern Methods of Construction, giving the residential development sector the power to shorten execution times, while offering equivalent or higher standards of quality compared to traditional construction methods and the scope for substantial economies of scale in costs.

04



Baret (Vilanova i la Geltrú)

The **White Book (Design and Construction Manual):** this book establishes the common design and construction standards for all AEDAS Homes developments. With the first version dating back to 2017, it is a living document that is continuously updated and fine-tuned in order to benefit from the Company's growing experience and to address areas for improvement. The White Book aims to:

- Analyse and fine-tune the finished product
- Systematise technical aspects, optimise execution times and technical solutions
- Minimise errors, thus reducing related costs
- Generate brand attributes associated with quality
- Define energy certification levels

The White Book is designed to provide a reference manual for general use across all AEDAS Homes development, while still being flexible enough to accommodate each development's specific sales or regulatory considerations.

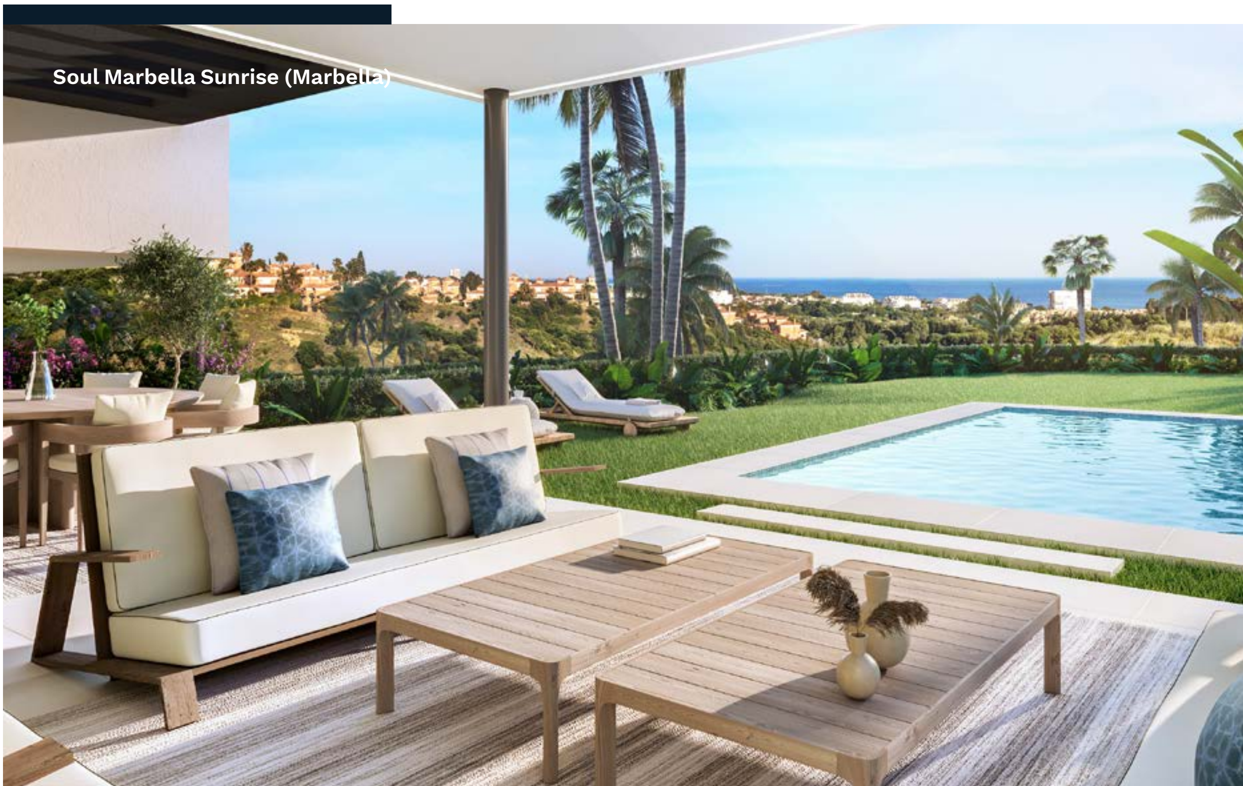
AEDAS Homes aims to establish a quality standard that underpins all its residential developments, ensuring that each one meets all the requirements set out in the White Book related to functionality, construction rationale, comfort, flexibility, accessibility, sustainability, profitability, innovation, integration with its surroundings and elicitation of an emotional response.


Soul Marbella Sunrise (Marbella)

Last year, AEDAS Homes went a step further in its commitment to innovation in construction and sustainable building, by beginning to use timber as a core building material in some developments. Timber will comprise the invisible load-bearing structure in some of its buildings, through the use of resistant **cross-laminated timber (CLT) panels** or beams capable of competing with traditional cement or steel structures in terms of resilience, durability and solidity, while lending the buildings the same consistency.

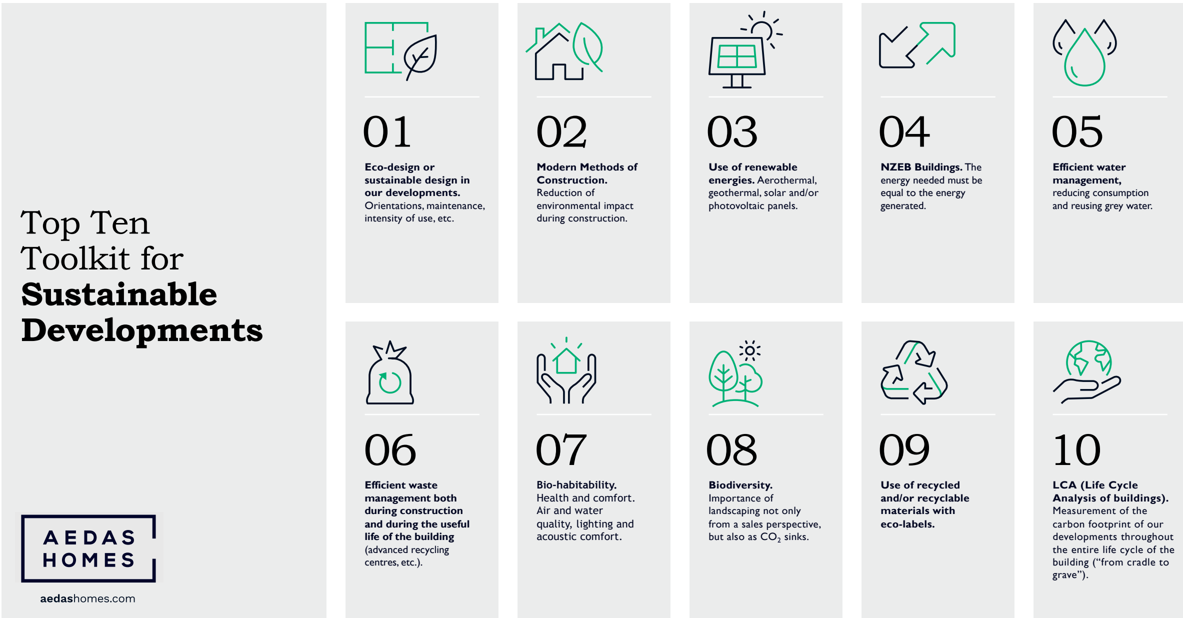
The Company is increasing the use of timber in its projects to accelerate the transformation of the homebuilding sector, a transformation it has been leading since the launch of its offsite line in 2018. Using timber in construction has multiple advantages, as it is a sustainable, structurally resistant, flexible and durable material. Timber also provides excellent thermal, electric and acoustic isolation, and in terms of the health of future occupants, it stands out for its ability to regulate relative humidity and therefore increase comfort.

AEDAS Homes' first development made from timber is Fioresta, in San Juan de Alicante. Fioresta will feature a structure made primarily from CLT panels and will also be fitted with factory-built bathrooms pods.



Soul Marbella Sunrise (Marbella)

In 2021, AEDAS Homes drew up a **Top Ten Toolkit for Sustainable Developments**, which already applies to all our developments and encompasses the following principles:



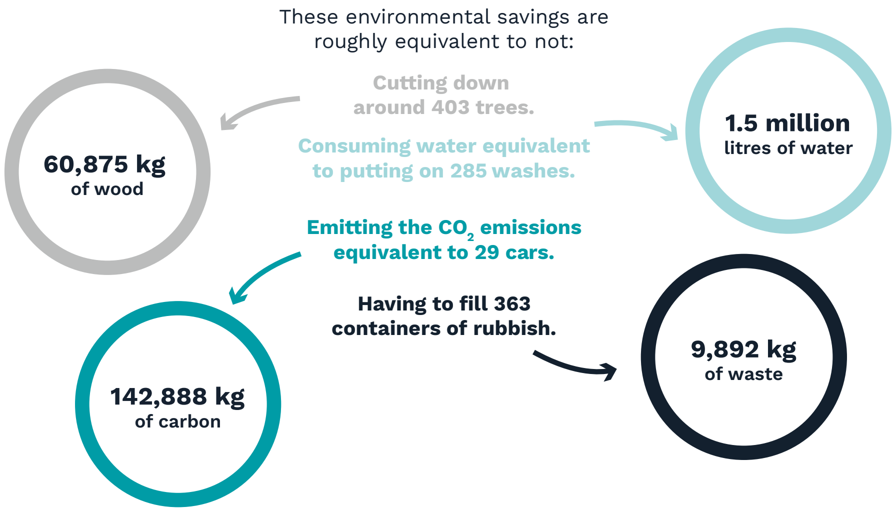
The waste generated by AEDAS Homes offices is largely urban waste which is managed in accordance with the regulations in place in each municipality. In FY 2021/22 the Company generated 2,322 kilograms of confidential paper, 69 kilograms of toner and approximately 24,376.99 litres of fuel.

Lastly, water consumption in our offices totalled approximately 1,642 cubic metres[1] and electricity consumption totalled approximately 312,198 kWh. No gas is consumed in AEDAS Homes offices.

[1] Water and electricity consumption in FY 2021-22 associated with offices with leases that include utility payments was estimated on the basis of real consumption at the rest of the Company's offices and the number of employees at those offices.

	FY 2020/21	FY 2021/22
Paper waste	1,662kg	2,322kg
Toner waste	47kg	69kg
Fuel	17,022l	24,377l
Water	459m³	1,642m³
Electricity	301,625kWh	312,198kWh

The year-on-year growth in waste is due to the fact that the analysis compares a year marked by the interruption of in-person activity due to Covid19 with a year in which normal business activity resumed. In 2021, the Company rolled out an **electronic signature** system for all documents that used to require physical signature, an initiative that implied the following estimated environmental savings:



AEDAS Homes is working hard to **encourage all its employees to recycle**. All of our office kitchens are fitted with recycling bins. Posters explaining recycling rules and sharing tips for carefully using natural resources have been placed in kitchens, bathrooms and on printers. We have also entered into an agreement with an official waste handler to manage our battery waste.

In order to stay at the forefront of sustainability and contribute collectively to having a positive impact, AEDAS Homes participates in the most important debate forums. To that end, in FY 2021/22, it joined the **2030 Observatory of the Upper Council of Spain's Schools of Architects (CSCAE)** to promote the development sector's commitment to urban regeneration. As a sponsoring member, it can participate in the seven lines of initiative (Fair Cities and Regions, Sustainability, Health, Quality, Digital, Productivity, and Transition). AEDAS Homes mainly offers advice and shares its know-how in order to boost CSCAE projects and initiatives, which, under the scope of the 2030 Observatory, are related to improving access to housing in Spain via refurbishment, urban regeneration or new build development, with all actions designed to combat the effects of the climate emergency, framed by the Paris Agreement and related European guidelines.

AEDAS Homes is also a member of the **World Green Building Council (WGBC)**, a non-profit association that is pursuing two major targets for 2030 and 2050:

- By 2030, a 40% reduction in CO_2 emissions related to the production of materials (net embodied carbon) and in total emissions throughout a building's useful life (net operational carbon).
- By 2050, the goal is to reduce net embodied carbon and net operational carbon to zero.

4.3. Society

In FY 2021/22 AEDAS Homes carried out a number of initiatives with the aim of lending assistance and support to a range of groups and communities, thereby extending its impact to broader society.

At AEDAS Homes we want our positive impact to reverberate beyond our employees to society at large. To that end in FY 2021/22 we organised a series of initiatives that clearly demonstrate our commitment to our business communities, with a priority focus on respect for our cultural heritage and urban regeneration.

A good example can be found in our **Rovella development** in the heart of the city of Valencia. For that residential development we are **restoring the architectural remains of a 9th century Andalusian gristmill**: Molí Califal de Roteros.

The mill, which would have been activated by the water drawn from the Rovella canal and is the oldest material testament of the orchards of Valencia, will be located on the ground floor of the building, which will be turned into a museum inside our development.

Also in Valencia, our **Viria development**, which is being built on a site located in what is currently an area of very degraded industrial buildings. The Company will demolish the existing warehouses and build two new residential buildings and a new pedestrian street that will link up with existing streets to significantly **regenerate the neighbourhood**.

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How the 9th century mill at the Rovella development in Valencia will look when restored

4.3.1. Firmly committed to sustainable development

AEDAS Homes endorsed the United Nations Global Compact in 2019 in order to formally express its support for its 10 principles on human rights, labour rights, environmental protection and the need to fight corruption.

The Company thereby undertakes to respect and enforce those principles and to contribute to delivery of the Sustainable Development Goals (SDGs).

Demonstrating our commitments

The 10 principles	Where they're explained	Examples of how they're rolled out
Businesses should support and respect the protection of internationally proclaimed human rights.	2.9. Anti-money laundering and anti-corruption	Code of Conduct ISO 45001 certification Participation in Plan VIVE, a public-private scheme designed to help young people access housing in Madrid IT Security Policy Digital Strategy Plan
Businesses should make sure they are not complicit in human rights violations.	3. Risk management 4.1. People	
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	4.1. People	Code of Conduct for Third Parties Equality Plan Self-assessment about discrimination and implicit stereotypes. Protocol for the prevention of workplace and sexual and/or gender harassment.
Businesses should uphold the elimination of all forms of forced and compulsory labour.	4.1. People 4.4. Good governance	
Businesses should uphold the effective abolition of child labour.		
Businesses should uphold the elimination of discrimination in respect of employment and occupation.		
Businesses should support a precautionary approach to environmental challenges.	4.2. Environmental performance	ISO 14001 certification Green Book White Book of Industrialisation White Book (Design and Construction Manual) Life cycle assessments Ecoliving® seal Use of CLT in some developments
Businesses should undertake initiatives to promote greater environmental responsibility.		
Businesses should encourage the development and diffusion of environmentally friendly technologies.		
Businesses should work against corruption in all its forms, including extortion and bribery.	2.9. Anti-money laundering and anti-corruption 4.4. Good governance	Code of Conduct Code of Conduct for Third Parties Annual financial statements audited Anti-Corruption Policy

Noteworthy contributions to the SDGs in FY 2021/22

3 GOOD HEALTH AND WELL-BEING

Employee wellbeing programme.

Safety culture.

Ecoliving® seal and/or BREEAM certification for 100% of developments.

8 DECENT WORK AND ECONOMIC GROWTH

87% of employees on permanent contracts.

Code of Conduct updated to strengthen anti-discrimination stance.

Code of Conduct for Third Parties.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Technology platform for external partners.

Introduction of phygital experiences.

Cybersecurity audits and training.

10 REDUCED INEQUALITIES

Updating of Codes of Conduct.

Collaborating in the development of more than 3,600 affordable rental homes through the Plan VIVE scheme.

Voluntary collaboration with third-sector organisations

11 SUSTAINABLE CITIES AND COMMUNITIES

Programme in support of local artists.

LCAs carried out on the 35 developments completed in FY 2021/22.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Employees trained on best environmental practices and codes of conduct.

100% of developments achieving Green Book standards and/or BREEAM certification

13 CLIMATE ACTION

'A' energy rating on 69% of the Company's developments launched in FY 2021/22.

One tree planted for every home delivered in the previous year.

17 PARTNERSHIPS FOR THE GOALS

Internship collaboration with UPM to help young graduates find work.

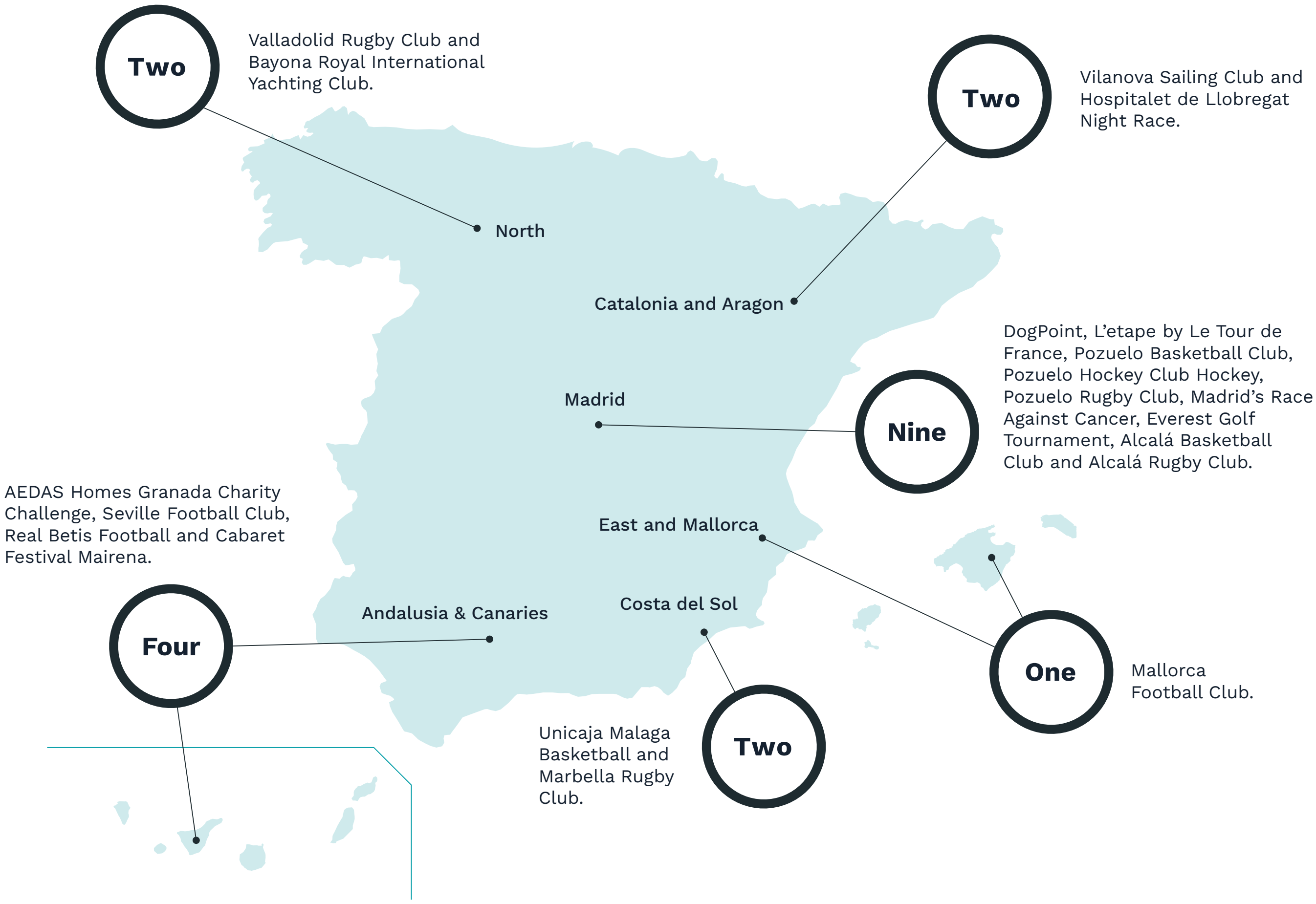
Public-private collaboration for the supply of affordable housing (Plan VIVE).

Those principles have been embedded into AEDAS Homes' strategy, culture and everyday activities. The Company also gets involved in corporate projects that help contribute those goals.

4.3.2. Sponsorship strategy

AEDAS Homes has a corporate sponsorship strategy in the regions where it operates, encouraging the practice of sport at a young age and supporting women's teams across various disciplines. In FY 2021/22 the Company was involved in a total of 20 sponsorships, of which 17 were newly undertaken last year.

By Regional Branch, these sponsorships are:



4.3.3. Committed to the development of affordable housing

One of the biggest challenges facing the development sector is access to housing, particularly for young people. AEDAS Homes has sought to show its commitment to contributing to housing accessibility by offering affordable and sustainable homes for purchase and rent.

Indeed it has several projects underway encompass almost 500 affordable units for sale, of which 140 were delivered in FY 2021/22, bringing in revenue of €25,782,643.

AEDAS Homes, as a benchmark homebuilder in the private residential development sector, views public-private collaboration as an outstanding opportunity to respond to this critical need. For this reason, AEDAS Homes is taking part in the Plan VIVE Madrid scheme, a large-scale public-private collaboration project which kicked off in autumn 2021 with one clear aim: to increase the supply of affordable rental housing in the Community of Madrid (CAM) by putting 5,400 new-build apartments on the market in 10 municipalities that will be available for rent between 2024 and 2025. Of these, AEDAS Homes will be developing 3,600 units.

These developments are high-quality architectural projects, with varied layouts to satisfy the demand of diverse family sizes. The apartments being built through the Plan VIVE scheme under have high sustainability standards (BREEAM® "Good" seal) and an "A" energy rating. They will be offered at affordable prices below market rate in line with the income levels of the future tenants.

04

The Company is also involved in the management and/or development of 850 affordable/social housing units for a number of customers:

- Management of 400 homes for affordable rent in El Cañaveral (Madrid).
- Development and management of 150 affordable homes in Valladolid.
- Development and management of 150 affordable homes in Luchana (Baracaldo-Vizcaya).
- Development and management (build-to-rent) of 150 homes for affordable rent in Móstoles (Madrid).

Likewise, through its Alternative Developments business line, AEDAS Homes is developing 3 turnkey developments with a total of 225 homes for an institutional investor, which will be rented out at affordable prices. These developments, which are currently ongoing, are located in Madrid and Villanueva del Pardillo (Madrid region).

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Sanabria (Madrid)

4.3.4. Keeping customers front and centre

AEDAS Homes' firm commitment to offering its customers high-quality homes means that getting customer feedback is key. To this end, the Company carries out customer satisfaction surveys (or occupier satisfaction surveys) for all of its developments, as outlined in the **Homeowner Survey Procedure.**

This survey procedure is framed by three broad phases of the Customer Journey. There are multiple milestones at which customer satisfaction is surveyed, with the **most important** requests for feedback taking place at the walk through before delivery, at the closing (Deed of Sale), and **after the homeowner has moved in and has occupied their new home for a period of time, at the eight-month mark.**

The surveys that are carried out once the homeowner has lived in their new home for a period of time focus on the physical condition of the home; the attention from the After-Sales company (if used), or the in-house Product Quality department; the construction company; and Net Promoter Score (NPS) and brand image.

All customers receive these surveys, which are designed to focus on two key aspects: (i) asking about all dimensions that could have an impact on the level of satisfaction with the product or service evaluated; and (ii) finding out about any aspects in which the Company could intervene in order to improve the quality of its products or serves.

These 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. That is why we have 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.

Claims are fielded by the Customer Experience Manager assigned to each of AEDAS Homes' regional branches; these managers make initial contact with the customer in question so that they know who at AEDAS Homes is in charge of handling and resolving the claim. The aim is to put the customer at ease and reduce anxiety levels if needed.

This first contact takes place within no more than a day of receipt of the claim. The designated Customer Experience Manager has the autonomy to manage and resolve the claim and analyses the situation with the professionals involved in the underlying issue. The customer receives a response within no more than 10 days.

We sort claims by a number of variables, most notably the maturity of the customer's relationship with AEDAS Homes: claims received pending home delivery and claims received after delivery.

In the event of claims during the occupation and living phase, i.e., subsequent to delivery, the Customer Experience Manager follows up on its resolution with the product quality department so as to ensure a rapid response.

Communications received in FY 2021/22:

Enquiries	Claims		Average response time
8,079	600		3.4 days
	Resolved	In process	
	551	49	

AEDAS Homes offers its customers two customisation services: **Select** and **Benefits**. The Select service lets customers personalise multiple aspects of their new homes and make them more comfortable by adding technology devices or enhancing the lighting features in their new home. The Benefits service offers customers voice-controlled options (HVAC, entertainment and cleaning).

4.3.5. Corporate volunteering

AEDAS Homes organises an annual Corporate Volunteering Programme to promote a culture of employee collaboration (2 initiatives per year). It encourages philanthropy on the part of its employees, framed by its corporate principles and values, thereby further contributing to their rounded development. Five corporate volunteering events were organised in FY 2021/22:

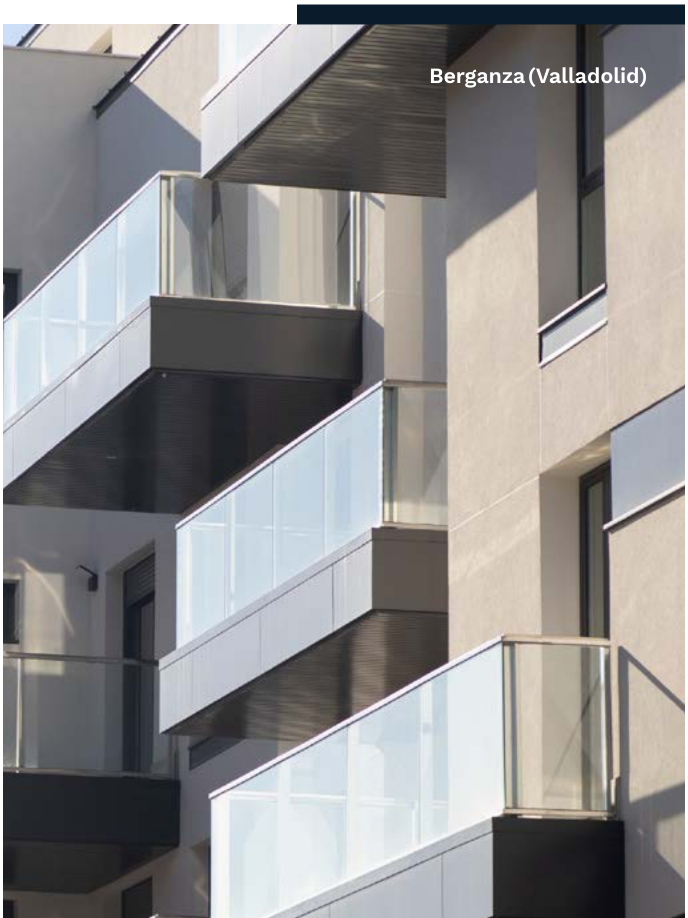
- Down Madrid Inclusive Football Tournament, in which our volunteers, for the fourth year running, played a tournament to raise money for the Down Madrid Foundation.
- Two workshops with the San Rafael Foundation under the slogan "Getting the job I'm looking for". At those workshops, Esther Duarte, Director of Corporate Resources, worked with women from the association on techniques, tips and tricks for preparing job interviews. Each session wrapped up with a role play.
- AEDAS Homes participated for the fourth year in a row in the International Cooperation Charity Day for Businesses, with our volunteers delivering charity breakfasts in Madrid and Seville.
- Tree-planting: AEDAS Homes organised several volunteering tree-planting days around Spain, in which more than 50 employees participated, to give them first-hand experience of translating our environmental commitments into action.

4.4 Good governance

How companies govern themselves is coming under scrutiny from several angles. Regulators, investors and boards of directors themselves are redefining corporate responsibility to include new responsibilities that go beyond those defined in the traditional governance frameworks.

All this is strengthened by the paradigm shift in which sustainability and non-financial considerations are becoming increasingly important to stakeholders. In line with these trends, AEDAS Homes has set its sights on developing a differential business model in which more than 75% of its stakeholders will consider the Company to be the benchmark developer in terms of ESG in Spain.

To achieve that goal, in FY 2021/22, AEDAS Homes rolled out the following governance initiatives:



Berganza (Valladolid)

- **Defining an ESG policy, including the governance model and stakeholder map:** AEDAS Homes has formulated and approved a dedicated ESG Policy to officially set down specific lines of initiative for embedding environmental, social and governance considerations into the Company's governance, in line with its mission and values and the promises made to its stakeholders. It has also assigned duties and identified the specific resources to ensure that the new policy is upheld.

  Among other commitments, that policy includes the Company's health, safety and wellbeing pledges, its equal opportunities and employee and partner diversity promises and its social development and environmental protection undertakings. It also specifies the responsible practices that must be upheld by all our suppliers, including compliance with prevailing legislation, the Code of Conduct for Third Parties and AEDAS Homes' internal rules and regulations. It states that the Company will actively foster business relationships with suppliers that are aligned with its ESG strategy and its health and safety standards.

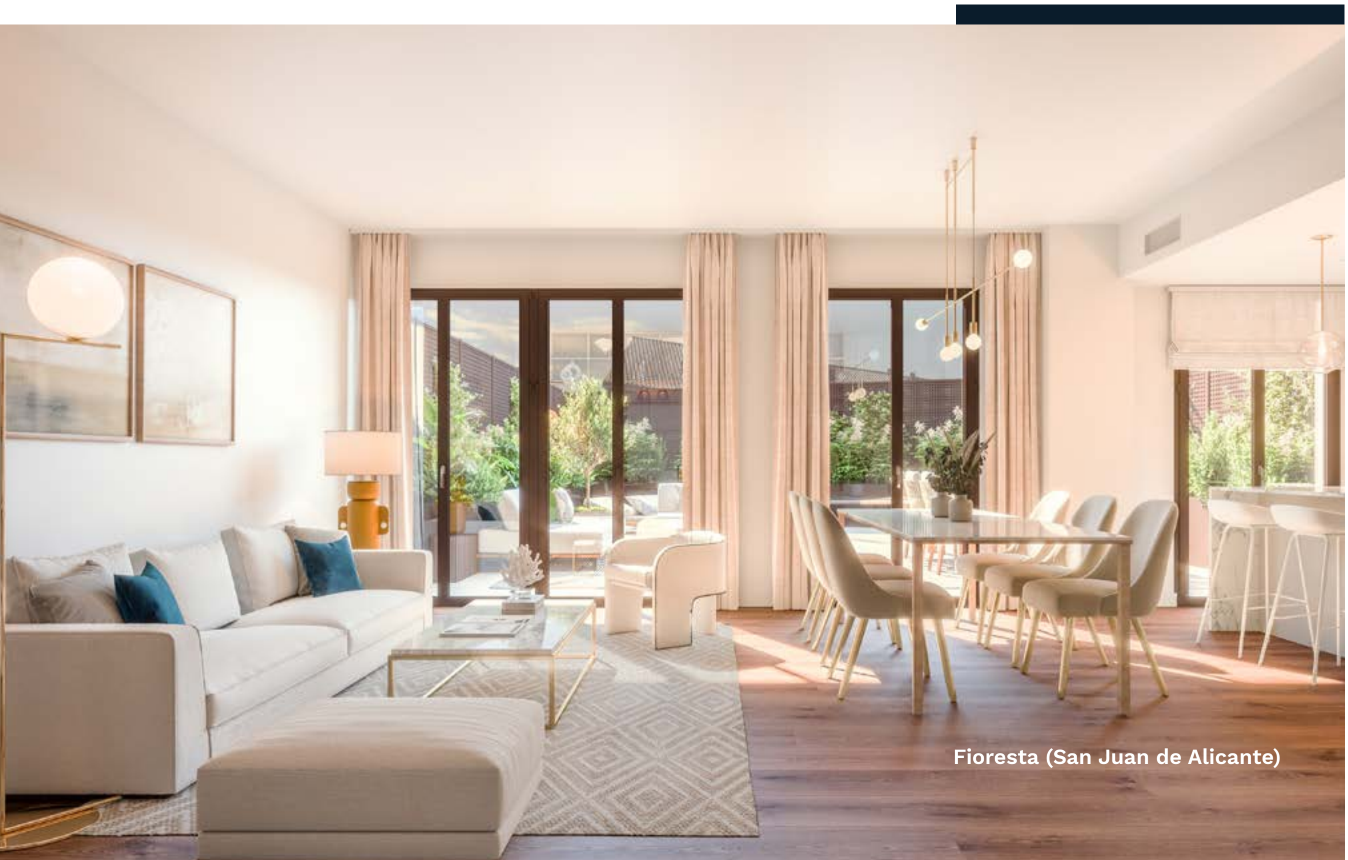
  The policy is framed by the United Nations Sustainable Development Goals (SDGs) adopted by the World Green Building Council, as well as the United Nations Global Compact principles.

- **Establishing a specific ESG performance metric for inclusion in the three-year incentive plan for senior management and key employees:** The goal is to obtain AA energy ratings for at least 60% of the developments launched between 1 April 2021 and 31 March 2024.

- **Updating the risk map to integrate ESG risks:** The Company re-analysed its corporate risk map in FY 2021/22, adding two specific ESG risks: talent attraction and retention and customer satisfaction. The steps taken to mitigate these risks are outlined in the following sections: *Health and safety; Focused talent management to build the best team; and Culture of employee wellbeing.*

- **Certifying the compliance system under UNE 19601:** Last year the Company embarked on the process of certifying its compliance system under the UNE 19601 standard, which it expects to obtain in May, after the publication of this Integrated Annual Report. UNE 19601 establishes the requirements for implementing, maintaining and continually upgrading criminal risk management systems within organisations so as to prevent crime and reduce attendant risks.

  The text of the standard not only implements requirements in response to the contents of the Criminal Code for crime prevention and management models, but it also embraces globally accepted best practices in compliance.


Fioresta (San Juan de Alicante)

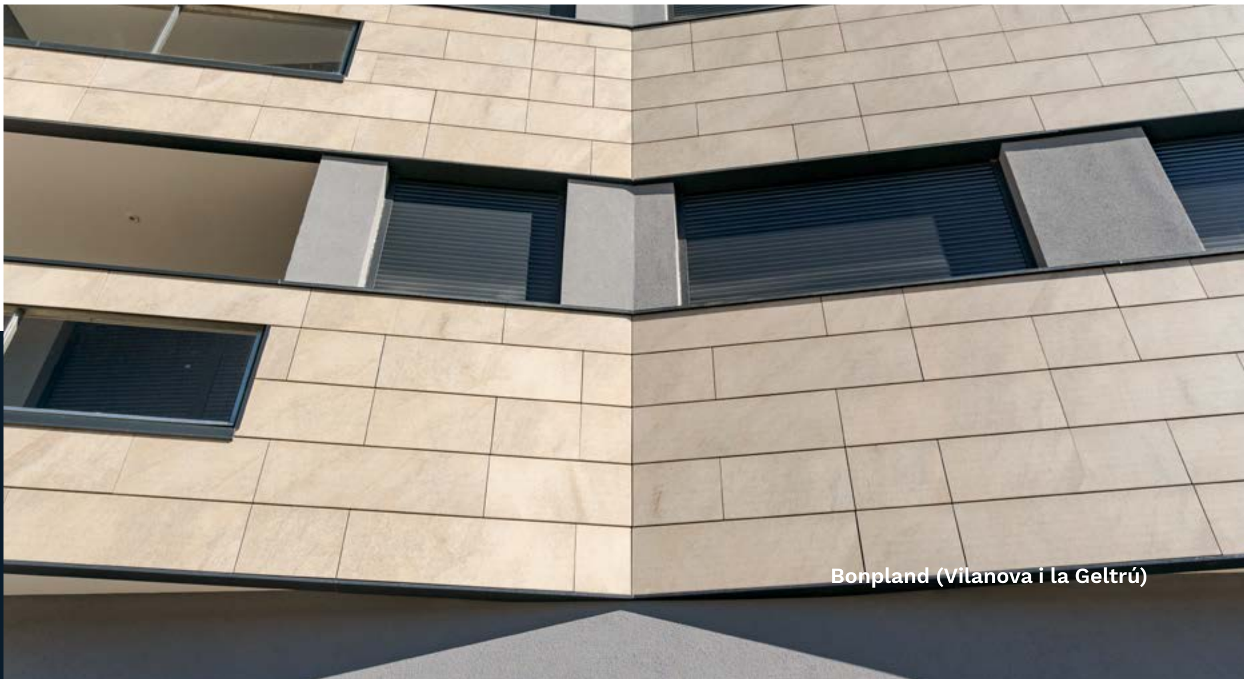
- **Securing and maintaining an ESG rating for the Company that positions it among the top three Spanish developers:** In June 2021, AEDAS Homes obtained its first Comprehensive ESG Risk Rating from Sustainalytics, a research firm which covers the ESG performance of 20,000 companies across the globe. Sustainalytics examined the Company's exposure to material ESG risks in the real estate development subindustry and assessed how well the Company was managing those risks, giving the Company an overall ESG Risk Rating of 15.7 and deeming it to be low risk.

  At the time of publication of this report, the Company was in the 4th percentile in its subindustry in the global Sustainalytics research universe and expects to incrementally improve its ESG Risk Rating on an annual basis with the implementation of the ESG Strategic Plan.

- **Incorporating the ESG targets and milestones into the Company's various internal and external communication plans:** AEDAS Homes has integrated sustainability considerations into its various communication plans to better communicate with stakeholders. In total, the Company has undertaken 1,234 ESG-focused communication items in FY 2021/22:

  - Environmental: 80 communication items, notably highlighting the sustainability initiatives and characteristics of some of its developments (dual-flow ventilation, etc.)
  - Social: 68 communication items, with a focus on housing access for young people
  - Governance: 86 communication items, related to the appointment of directors, Company earnings, agreements with third parties (BTR), speeches and interviews with the CEO and other executives and, in general, the most relevant issues for the Company and its stakeholders.

  This communication primarily took place as press releases, participation in conferences and written responses to media enquiries.



Bonpland (Vilanova i la Geltrú)

Last year the Company also revised a number of codes and policies:

- **Code of Conduct:** the section on *Equal opportunities and non-discrimination* was updated to align it with the principles espoused in the World Labour Organisation (WLO) Convention #111 on Discrimination (Employment and Occupation).
- **Code of Conduct for Third Parties:** the section on *Safety at work and labour and human rights* was updated to include the labour and human rights related principles our suppliers must abide by:
    - Zero tolerance of child labour.
    - Compliance with applicable minimum wage legislation.
    - No forced and compulsory labour.
    - Compulsory application of non-discrimination and equal opportunities criteria.
    - Compulsory protection of the freedom and right to unionise.
    - Unwavering respect for employees' human rights.
    - No abuse or intimidation whatsoever of employees.
- **Anti-Corruption Policy:** the definition of the term corruption was broadened, and the section on the Whistle-blowing channel was updated.

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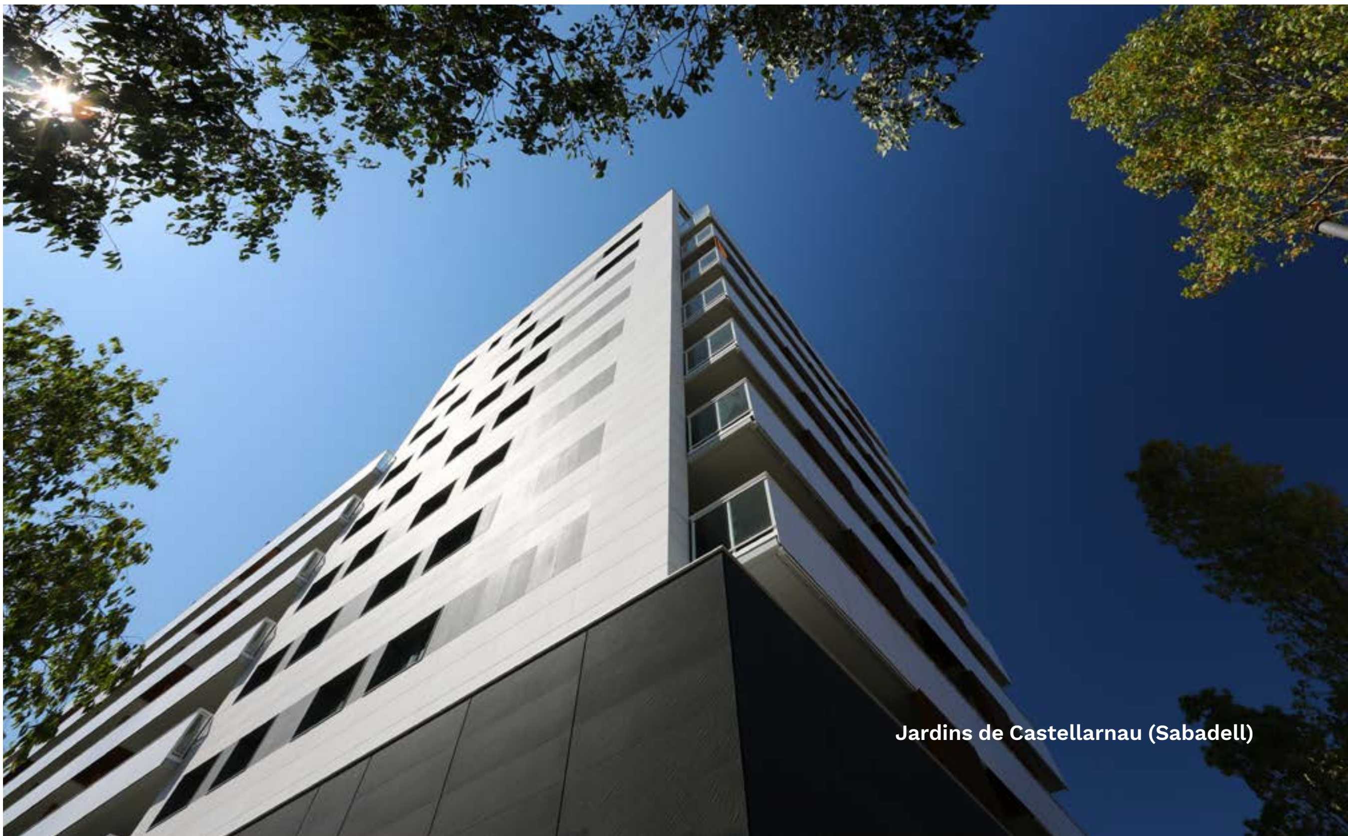
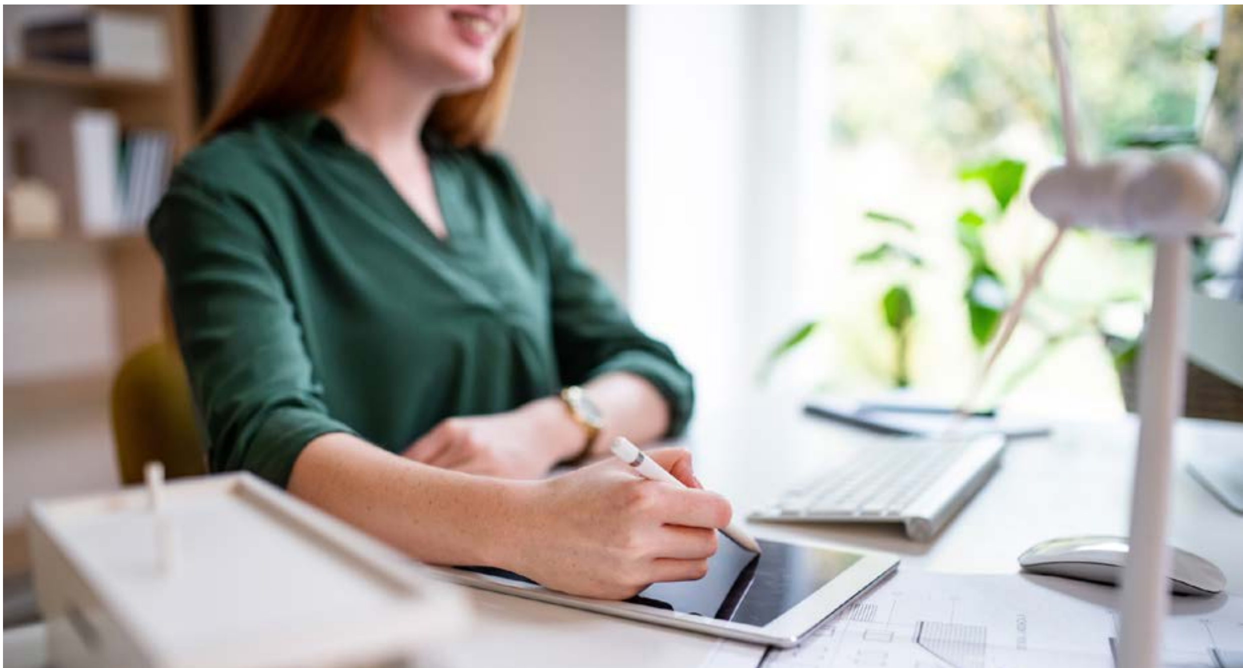


Jardins de Castellarnau (Sabadell)

AEDAS Homes publishes those corporate policies that define how the Company conducts its everyday business activities and its guiding principles:

- Anti-Corruption Policy
- Code of Conduct
- Internal Securities Markets Code of Conduct
- Code of Conduct for Third Parties
- Shareholder Remuneration Policy
- Appointments and Remuneration Committee Regulations
- Shareholder and Investor Communication Policy
- Technology, Innovation and Cybersecurity Committee Regulations
- Director Remuneration Policy
- Quality and Environmental Management Policy
- Corporate Social Responsibility Policy
- Health and Safety Policy
- Board of Directors Regulations
- Annual General Meeting Rules and Regulations
- Compliance policy
- Conflicts of Interest Policy
- ESG Policy
- Fiscal policy

All of the above-listed policies form part of the corporate governance framework and can be accessed at http://www.aedashomes.com.



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Supplier oversight and evaluation

AEDAS Homes has a Policy dedicated to selecting, hiring and evaluating suppliers, which states that the Company will evaluate key suppliers on a regular basis to monitor the quality of the services provided and their ability to continue providing them.

These assessments are conducted after the corresponding services have been performed by the following providers: architecture firms, external sales providers, construction companies, site management service providers, project management service providers and health and safety coordinators.

As a result of these evaluations, or at any other time, suppliers may lose their accreditation in the event of breach of or failure to renew certifications or standards, negative internal audit reports, breach of business agreements, or failure to provide the expected standards of quality or uphold other commitments made. These evaluations are reviewed and signed off on by the management of each department.

In FY 2021/22 the Operations Department developed a software add-on to carry out these assessments digitally, making them much faster to perform. This program includes the evaluation criteria and flows and the action plans to be put in place with the various suppliers, depending on the outcome of each evaluation.

In FY 2021/22 the Company carried out 248 such evaluations, with the following results:

Very good	63
Good	138
Neutral	41
Poor	6

Additionally, in order to monitor occupational health and safety management, construction companies are evaluated when site works completion levels reach 30% and then again when they reach 70%. In FY 2021/22, a total of 50 such evaluations were carried out, yielding an average score of 77%, which is above the target of 75%.

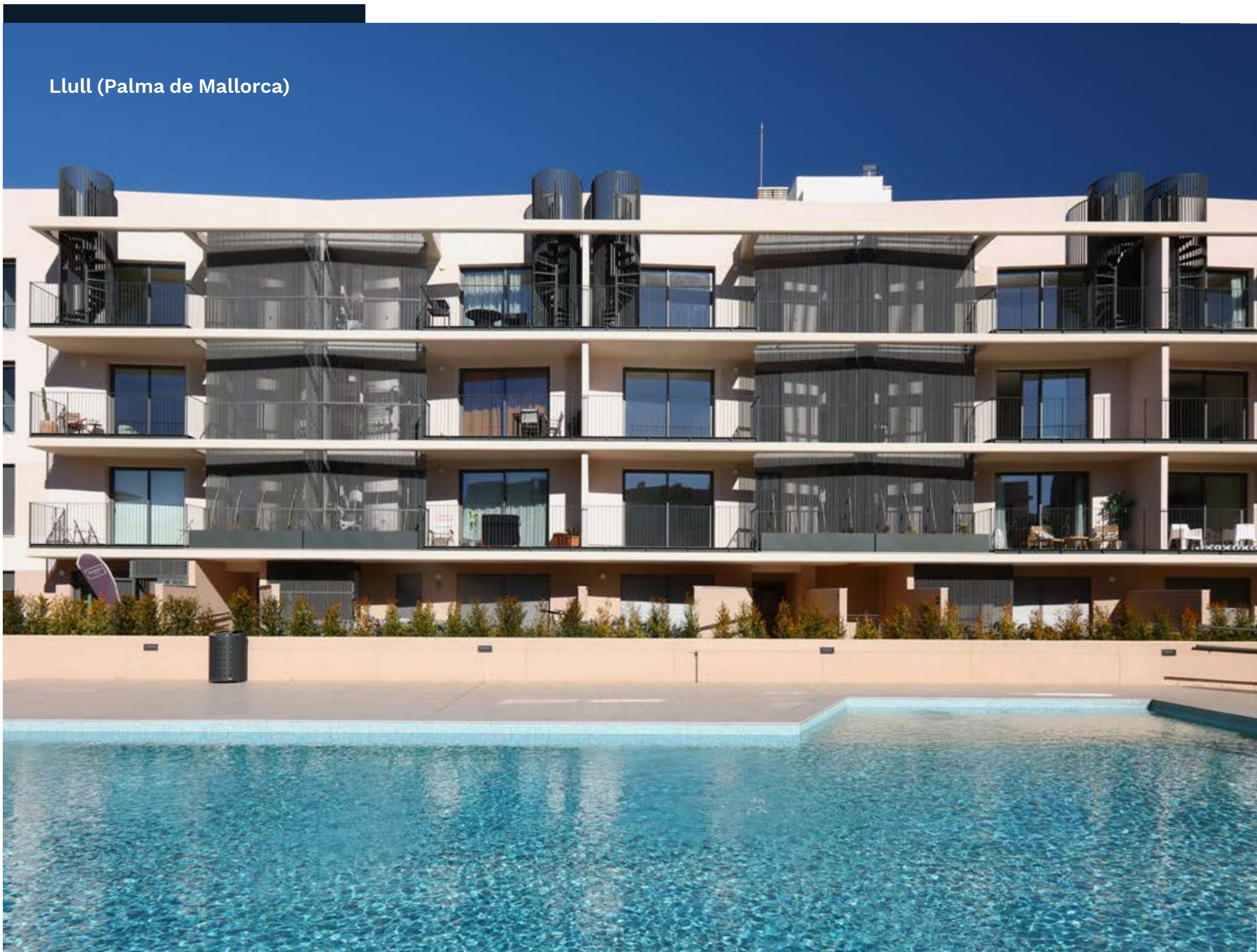
Llull (Palma de Mallorca)

Governance of the 2021/23 ESG Strategic Plan

The 2021/23 ESG Strategic Plan is driven, supervised and implemented by the ESG Committee, which is comprised of the Company's CEO, CFO, Chief Technology and Communications Officer and Director of Corporate Resources, who also has the role of ESG Coordinator. The ESG Committee is tasked with reviewing the ESG Strategic Plan dashboard and consolidating and analysing the effort to report on the milestones and indicators associated with it.

Progress on the achievement of targets set out in the Strategic Plan is reported on a regular basis to the Audit and Control Committee and to the Board of Directors.

All these measures help to integrate the ESG Strategic Plan into the Company's business strategy.


Llull (Palma de Mallorca)

4.4.1. Anti-money laundering and anti-corruption

AEDAS Homes has a compliance programme which aims to foster a culture of ethics within the Company while guaranteeing compliance with all applicable legislation. This compliance programme covers the relevant areas of risk and draws on best practices in the field.

More specifically, the compliance programme encompasses measures designed to guarantee compliance with:

- Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) legislation.
- The provisions contained in Spain's Criminal Code regarding the criminal liability of legal persons, including anti-corruption legislation.
- Data protection regulations.

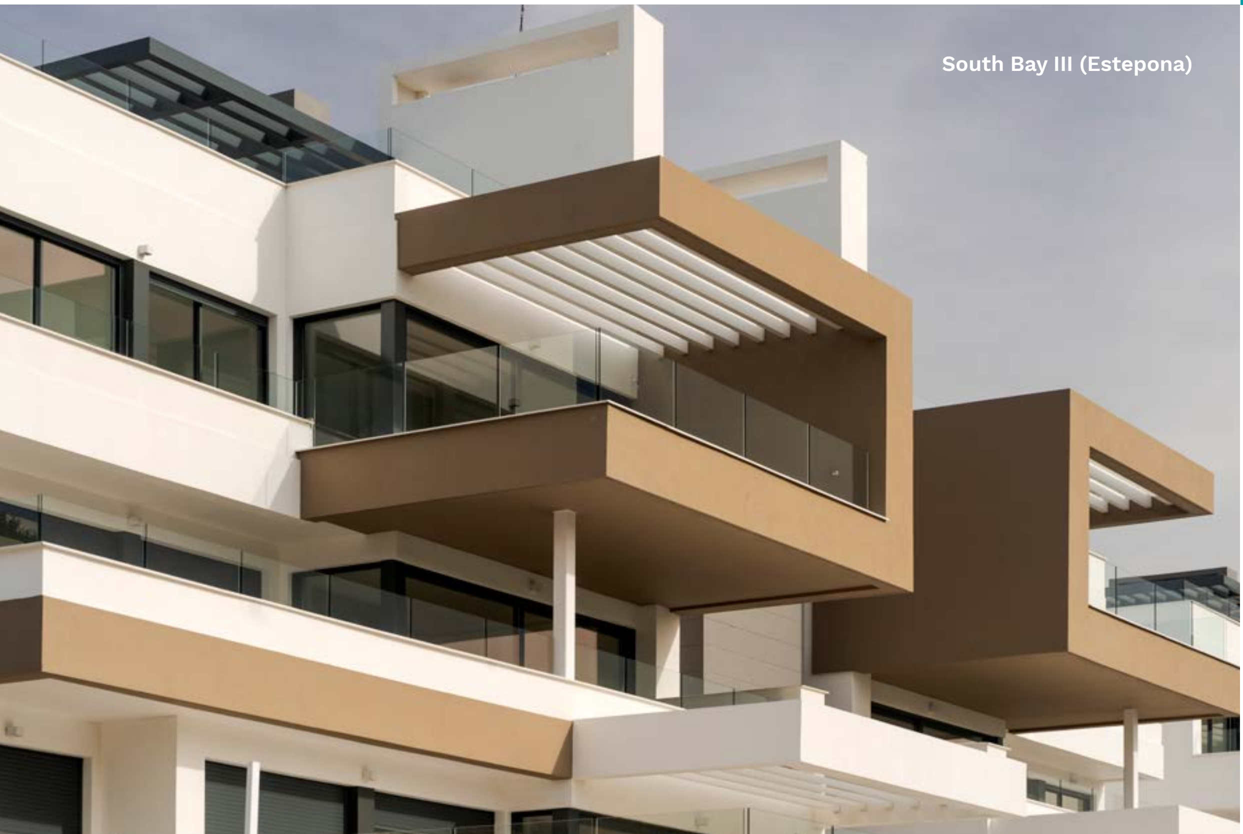
As a residential developer, AEDAS Homes is bound by anti-money laundering and countering the financing of terrorism (AML/CFT) legislation. Under the scope of its AML/CFT programme, AEDAS Homes has strict measures in place that reduce the risk of the Company of doing business with sanctioned parties.

Measures in place

Internal Control Body (ICB)	Risk and Compliance Department	AML/CFT Technical Unit
Supervises compliance with applicable legislation.	Responsible for managing the AML/CFT model.	Assists the Head of Risk & Compliance with managing the model.

AML/CFT Manual In-house policies and procedures applicable to all employees. Subject to an annual review.	**Due diligence performed on 100% of customers who buy one of the Company's homes** The Company's procedures prohibit carrying out transactions without this approval. If a customer fits a high risk profile, the Company carries out more stringent due diligence.	**Report from an outside AML/CFT expert** Annual review by an outside AML/CFT expert. That report is presented to the Board of Directors within three months of issuance.
Annual training on AML/CFT for all employees	**Internal Audit review** The Internal Audit function analyses the effectiveness of the AML/CFT framework annually and reports its findings to the Audit and Control Committee.	**Transaction analysis and referral to the authorities (SEPBLAC) as warranted.**

Within the specific due diligence activities undertaken, it is worth highlighting the fact that AEDAS Homes checks the names of everyone involved in its transactions in order to verify that none of them are included on sanctions lists kept by OFAC or the European Union, or any other list of relevance. The Company's AML/CFT Manual prohibits transacting with sanctioned individuals.


South Bay III (Estepona)

4.4.2. Corporate crime prevention

AEDAS Homes has a Corporate Crime Prevention Framework, which is articulated around the following structures:

Compliance Committee

Responsible for supervising regulatory compliance and coordinating the measures needed to that end.

Code of Conduct

Embodies the Company's values and specifies the types of conduct it does not tolerate. All employees must accept the Code of Conduct when they join the Company.

Code of Conduct for Third Parties

This code, which must be signed by all key suppliers before starting to do business with the Company, commits them to abiding by AEDAS Homes' values and rules of conduct.

Compliance Manual and Policy

Establishes the ground rules for the Corporate Crime Prevention Framework.

Anti-Corruption Policy

Establishes the rules applicable to employees with respect to gifts and hospitality vis-a-vis the public and private sectors.

Risk and Compliance Department

Tasked specifically with managing corporate crime prevention efforts.

Criminal risk map	**Risk and control matrix** 125 controls identified	**Whistle-blowing channel**
Annual budget	**Annual controls** The results of the controls and the action plans devised to remedy areas in need of improvement are reported to the Audit and Control Committee.	**Training**

Performance indicators

COMPLIANCE COMMUNICATION PLAN

Designed to boost employee familiarity with compliance matters

In March 2022, the Board of Directors of AEDAS Homes approved the updated versions of the following documents:

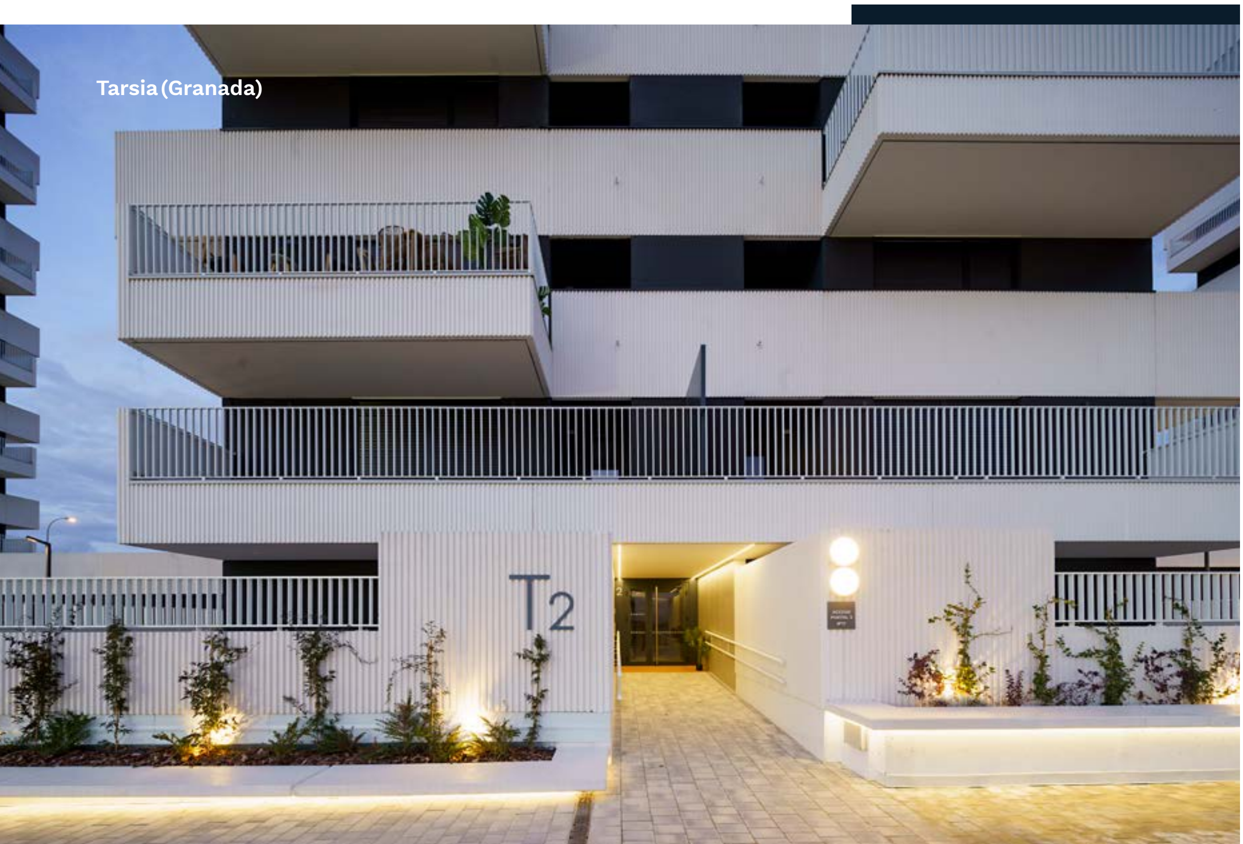
- Code of Conduct: the Company has strengthened its resolve against all types of discrimination
- Code of Conduct for Third Parties: the Company has set new binding rules for suppliers in the areas of competition law and workers' human and labour rights
- Anti-Corruption Policy: the definition of "corruption" has been broadened

In FY 2021/22 AEDAS Homes reviewed its criminal risk map. This process involved the reassessment of the impact, probability of occurrence and control environment for all crimes of relevance to the Company, specifically including public corruption, business corruption and illegal financing of political parties.

In FY 2021/22 the Company reviewed the effectiveness of the relevant anti-corruption and anti-bribery controls as part of the annual revision of its crime prevention controls. Specifically, it revised the mechanisms for approving business entertainment and travel expenses for a sample of employees with the aim of verifying that they are correctly registered in the Company's systems and were duly approved by the established chain of command. These controls play a key role in complying with the record-keeping requirements in the Anti-Corruption Policy. The outcome of those control tests was satisfactory.

AEDAS Homes also made significant improvements to its crime prevention model in order to adapt it for best practices in the compliance field. Specifically, it took the following steps:

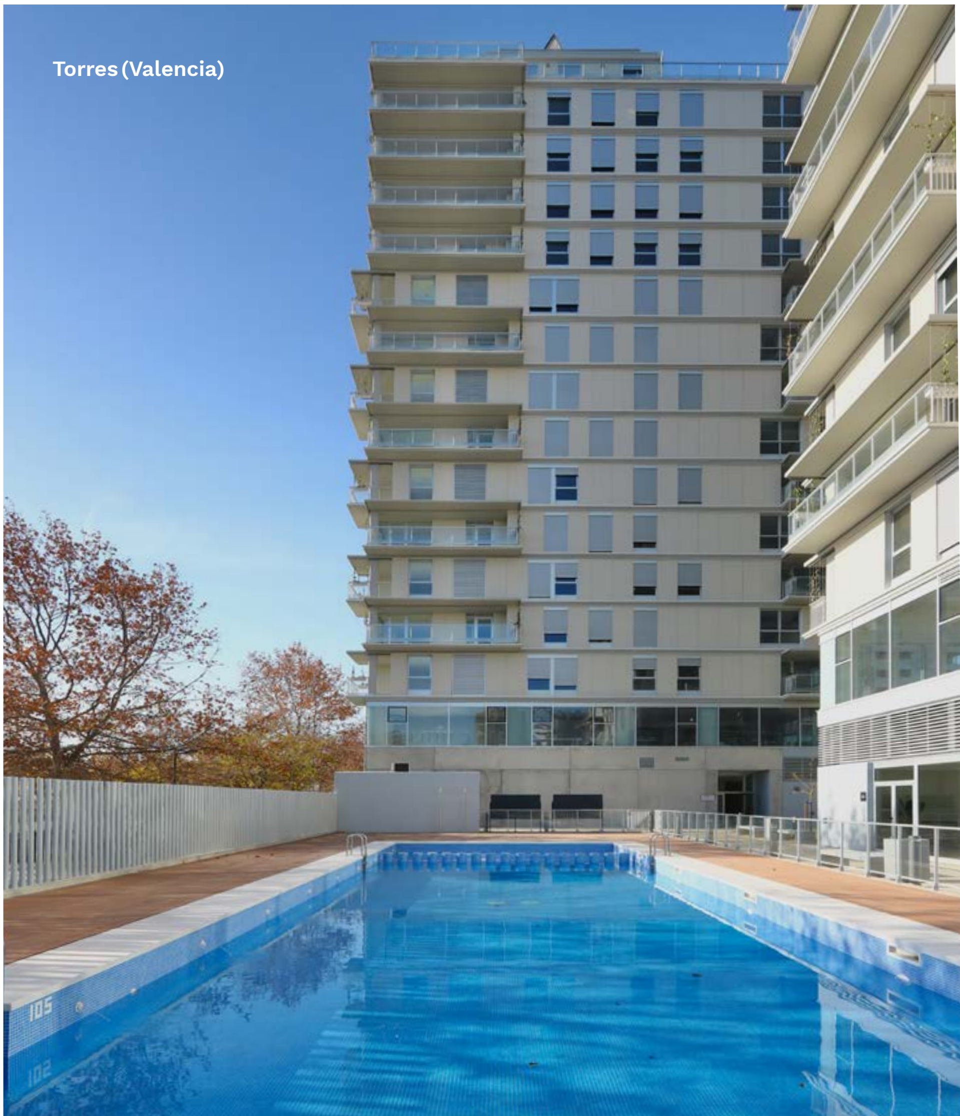
- Revision and improvement of the Compliance Manual and Policy
- Drawing up new Compliance Committee Regulations
- Formulation and execution of a communication plan, publishing a series of internal communication campaigns to educate them about the Compliance Policy, Whistle-Blowing Channel, Conflicts of Interest Policy and Anti-Corruption Policy.
- Training the entire workforce on the prevention of corporate crimes, specifically including content addressing the risks related with public and business corruption related crimes.
- Introducing model monitoring indicators
- Having those employees who are more exposed under AEDAS Homes' compliance model sign a declaration specifically committing to the principles set down in the Company's Code of Conduct and Compliance Policy, a pledge that extends to the internal policies implemented to comply with anti-corruption and anti-bribery legislation.
- Devising a third-party due diligence procedure which will be introduced in early FY 2022/23. In addition, all key suppliers are signing the Code of Conduct for Third Parties, which, following the modifications introduced in March 2022, includes specific clauses regarding the human rights standards they must comply with. Additionally, all suppliers sign a crime prevention compliance clause.



Tarsia (Granada)

The management of the AEDAS Homes Whistle-Blowing Channel includes a procedure whereby parties can report their suspicions confidentially. Notifications sent using the channel can be communicated anonymously using the established procedures, which include measures to protect whistle-blowers.

In order to make the Whistle-Blowing Channel as independent as possible, it is managed by a third party, which notifies the AEDAS Homes Compliance Committee of any complaints received. Any such complaints are then reviewed by the Compliance Committee, which decides what steps to take to clarify the events and remedy any identified breaches of applicable legislation or the Company's Code of Conduct. All employees were reminded of the requirement to use the Whistle-Blowing Channel during the compliance training sessions provided during the year and our policies and procedures include express references to its existence. Specifically, the Anti-Corruption Policy stipulates employees must use the Whistle-Blowing Channel to report any breaches of the Policy.


Torres (Valencia)

AEDAS Homes did not receive any reports of human rights violations through its Whistle-Blowing Channel in FY 2021/22. In order to encourage use of the channel, the Company ran a communication campaign last year to remind employees of its existence and of their obligation to report any breaches they may become aware of.

Among the steps taken to mitigate the risk of non-compliance with applicable anti-corruption and anti-bribery legislation, it is worth noting that AEDAS Homes has set a specific compliance programme target for FY 2022-23 which consists of educating employees about internal anti-corruption and anti-bribery rules in order to raise their awareness of these topics and thereby reduce the risk of compliance breaches.

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4.4.3. Data protection regulations

AEDAS Homes has a specific model to ensure compliance with data protection requirements. That model is structured as follows:

Policies and procedures

Designed to guarantee lawful processing of data by the Company.

Data protection clauses

Compliance with applicable disclosure and consent requirements.

Technical measures

Evidence attesting to compliance with performance of the Company's duties to inform data subjects and seek their consent.

Security measures to safeguard the personal data hosted in our systems.

Data Protection Officer

Procedures enabling data subjects to duly exercise their data protection rights

Procedures for guaranteeing the due management and reporting of any security breaches

Data processing agreements

Annual controls

The results of those controls are reported to the Company's Audit and Control Committee.

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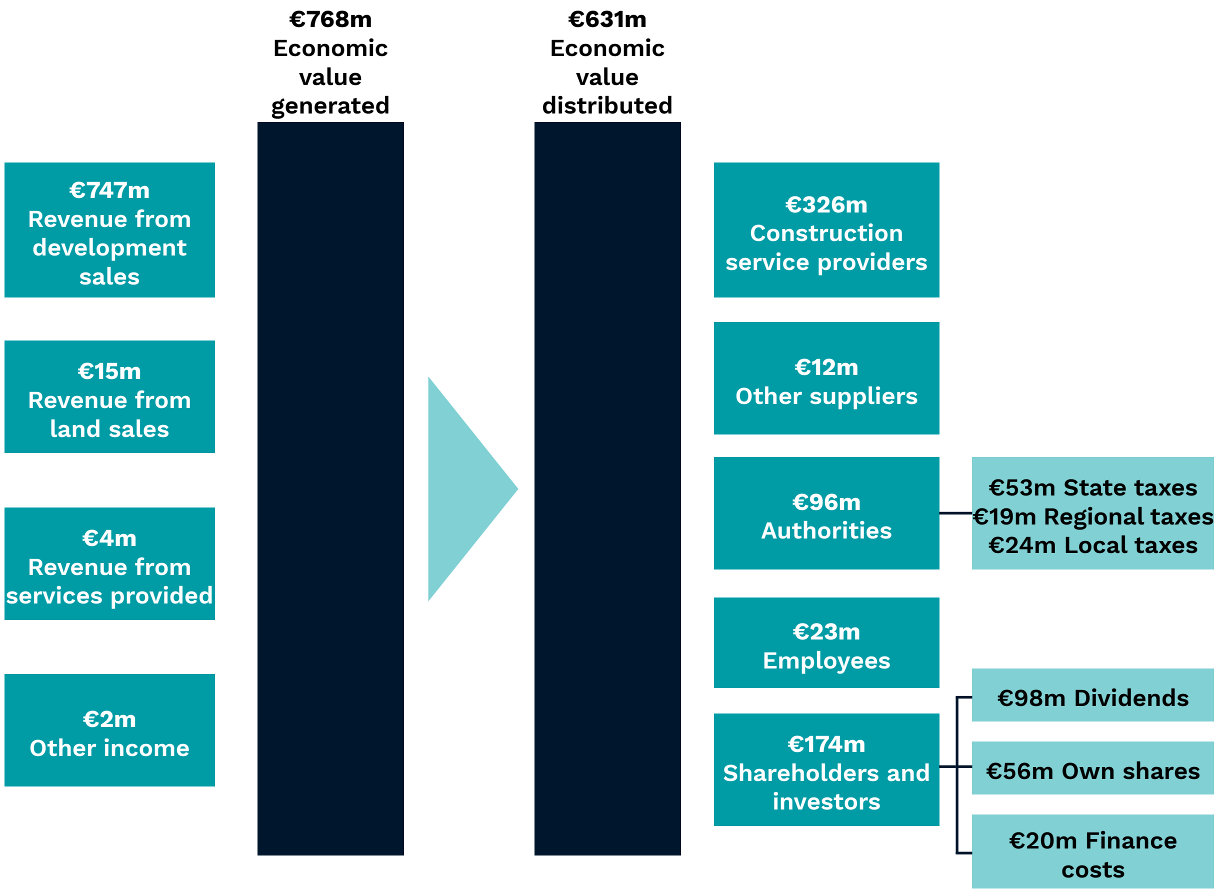
4.5 Value creation

The Company is firmly committed to creating wealth and distributing the economic value it generates fairly. The main beneficiaries of the value it generates are: its construction service providers (52%); the shareholders and investors (28%) and authorities (15%). By extension, AEDAS Homes' business activities benefit its investors and shareholders, and society at large.



4.6. Engaging with our stakeholders

Stakeholder	Materiality	Communication channels
Investors and shareholders	The reactions of the Company's shareholders are an important indicator of its credibility and financial health	Annual General Meeting Investor relations website Email communication Press releases Corporate presentations and earnings releases
Customers	AEDAS Homes is passionate about creating places to live in which its customers can find happiness and wellbeing	Points of sale Satisfaction surveys, including occupier satisfaction surveys Direct mail Website
Employees	AEDAS Homes is a benchmark company in the homebuilding sector thanks to the excellence, passion, resilience, creativity and integrity of its team. It is therefore vital the Company offers its employees an attractive place to develop their careers and find a balance between work and home life, underpinned by the provision of equal opportunities	Job portal Suggestion box Whistle-blowing channel CEO breakfast sessions Conoce+ programme Surveys
Suppliers	AEDAS Homes works with a pool of trusted partners - architects, engineering firms, builders and project managers. It also identifies reliable subcontractors and industrial suppliers so as to further tighten control over its works in order to offer the highest standards of quality	Code of Conduct for Third Parties
Society	AEDAS Homes' activities have significant positive impact on society, by creating jobs, directly and indirectly, and contributing to the economic and social development of the places where it builds its homes	Corporate website Participation in sector forums and associations Collaboration with universities and associations Social media Press releases Media coverage Forums and gatherings

5. Financial information

Soul Marbella Sunrise (Marbella)

5.1. Business performance

The Company's healthy business performance and execution capabilities, coupled with strong sector demand, led to a strong performance and delivery of targets in FY 2021/22.

In addition to high levels of achievement, it is important to highlight that in the current inflationary environment, the strength of demand enabled AEDAS Homes to preserve its margins and, thereby, ensure compliance with the targets AEDAS Homes set and communicated to the market in June 2021, when it updated its strategic plan. As a result, the Company has continued to earn credibility around its ability to deliver, having scrupulously met its targets since it went public in October 2017.

In order to highlight the level of visibility on its key targets for the next three years, the table below provides information about existing coverage of those metrics, specifically in relation to launches, sales and construction.

In terms of development launches, the numbers reveal almost full coverage of the next two years' targets.

As for sales, AEDAS Homes has already sold 82% of the FY 2022/23 delivery target, with 80% under construction and 20% already finished. Note in relation to the deliveries targeted for FY 2023/24, the Company has 86% under construction and 2% are already finished.

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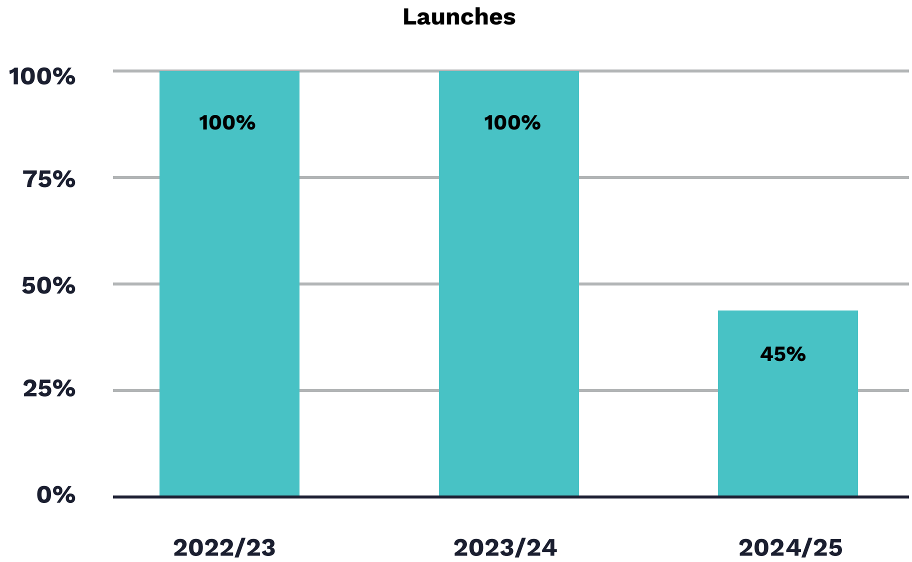
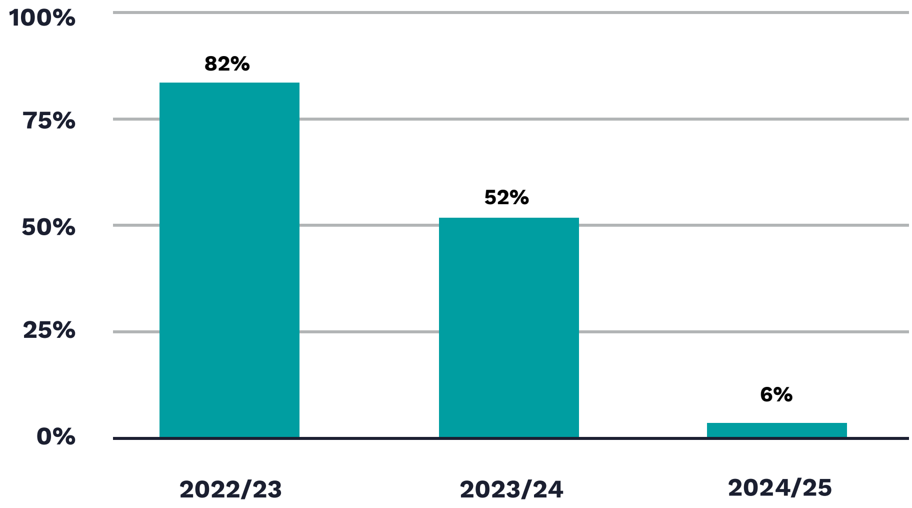
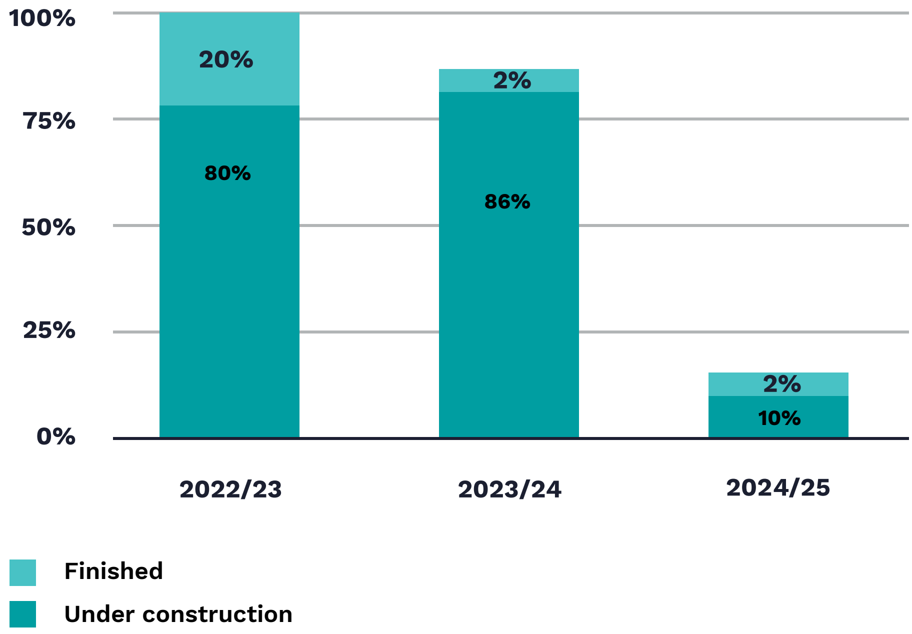


Sales



Construction



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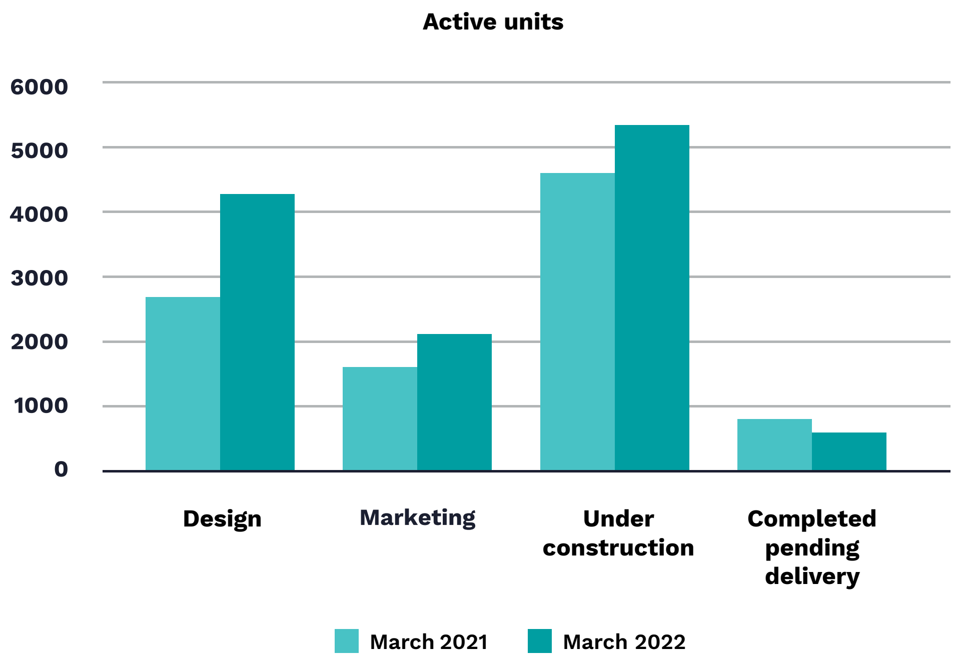
Active units

Units are considered active from when they enter the design phase until their delivery.

At **31 March 2022**, of the 17,000 homes comprising its land bank, the Company had **a total of 12,473 active units,** implying year-on-year growth of 28%.

The breakdown of these 12,471 active units by phase of development is as follows: 34% at the design stage; 18% in the marketing phase; 43% under construction; and 5% finished (of which 4% had obtained occupancy permits).



Launches

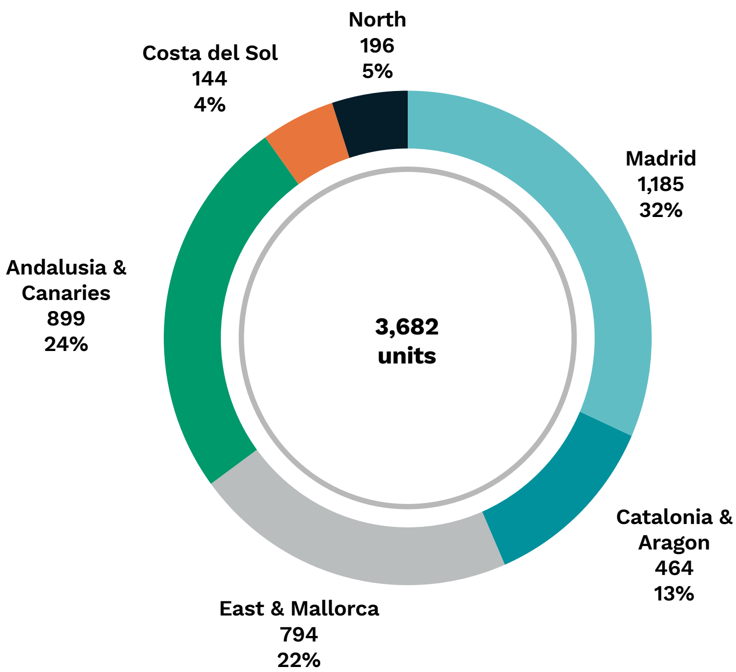
Housing units are considered launched once marketing is underway, i.e., they are classified as 'launched' subsequent to the design phase, once they are put up for sale.

During FY 2021/22, the Company launched 59 residential developments encompassing 3,682 units in total. That marks growth of 28% in the number of developments and of 22% in the units launched with respect to the respective prior-year figures.

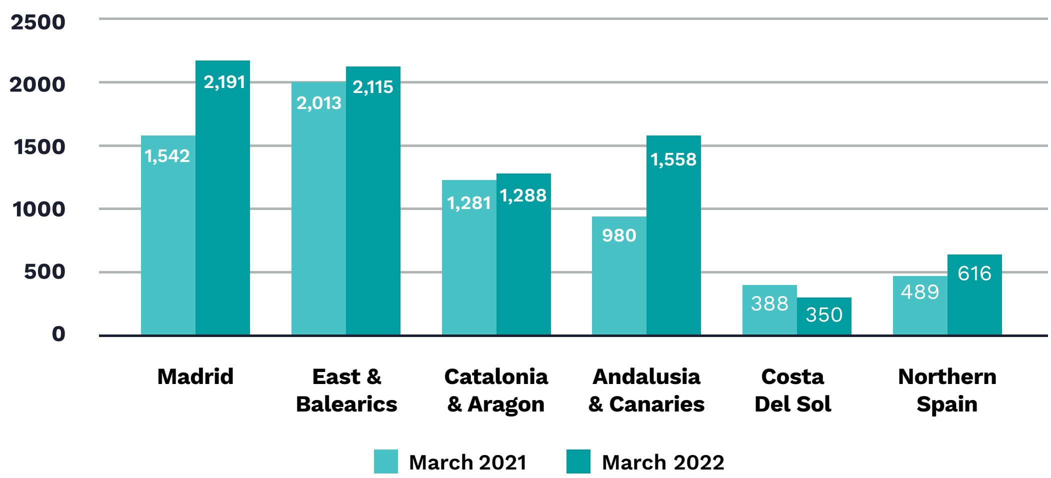
The GDV of the 3,682 units launched in FY 2021/22 is €1,149m, implying an average sales price per unit of €312,100 (subject to upward adjustment as the sale process advances).

At 31 March 2022, the number of homes on the market (a figure that excludes the homes already delivered) totalled 8,118, 52% of which have been pre-sold.

Breakdown of launches by region



Regional breakdown of units on the market



As for the trend in other key business metrics, the number of leads sustained healthy growth (+34%), with conversion of those leads into in-person visits also registering strong momentum (+700bp), topping the levels recorded by the Company pre-Covid19. That conversion rate has continued, extending the trend observed in 2021, attaining the targeted run rate of 3,000 units per year.

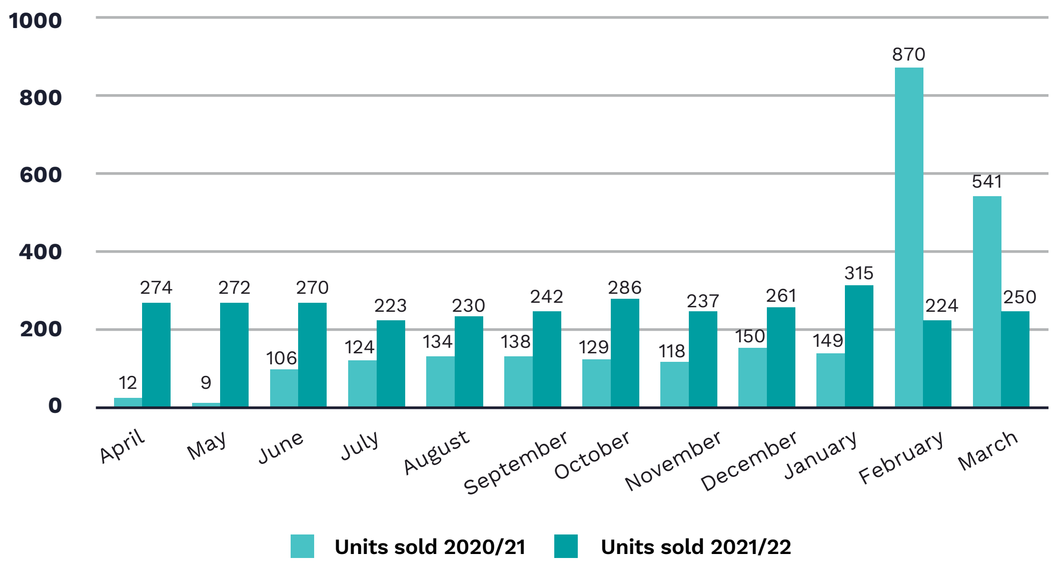
Sales

The sale of a unit begins with execution of a pre-sale agreement. Once the Company has a building permit for a pre-sold house, the buyer is asked to execute a sale contract and provide a down payment of 10% of the total price; buyers continue to pay instalments of 10% at regular intervals until the building work is complete. Lastly, when the building work is complete and the certificate of occupancy has been obtained, the customer is asked to pay the remaining 80% (plus applicable VAT) when signing the deed of purchase, upon which keys to the house are delivered immediately.

In FY 2021/22 the Company sold or pre-sold a total of 3,084 units (of which 199 units correspond to the build-to-rent (BTR) segment, which were sold at an average price of €200,000, with the remaining 2,885 corresponding to the build-to-sell (BTS) segment, sold at an average price of €345,969, year-on-year growth of 24% (FY 2020/21 sales: 2,480 units). The **value of that record volume of pre-sales in FY 2021/22 was €1.04bn,** implying an average sales price of €336,446/unit (before VAT).

The monthly breakdown of those sales is provided below and illustrates the strong momentum being observed in demand.

Revenue from home sales



In FY 2021-22, the Company delivered a total of 2,257 homes that brought in revenue of €746m, implying an average sales price of €330,527/unit.

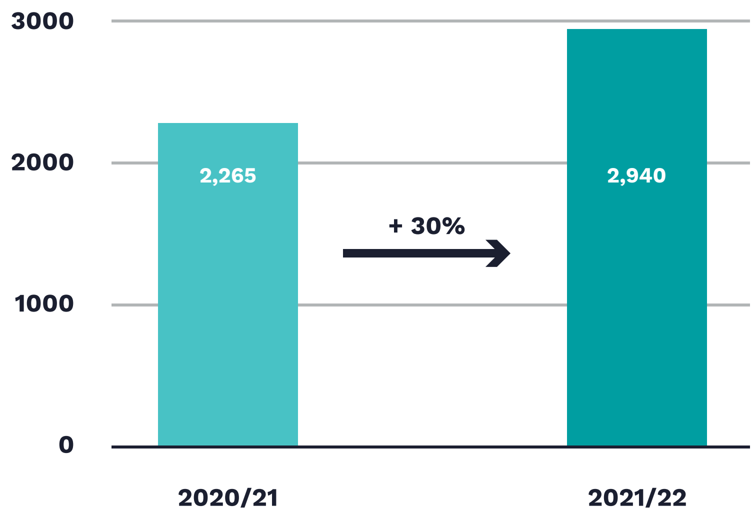
As of 31 March 2022, the Company had sold an accumulated (in 2017, 2018, 2019, FY20 {1 January to 31 March}, FY 2020/21 and FY 2021/22) 9,722 units representing sales revenue of €3.13bn. Of that total, 5,467 units, valued at €1.85bn, have been delivered. As a result, **the order book at 31 March 2022 amounted to 4,255 units worth €1.28bn, 78% of which are under a sales agreement and 22% of which constitute pre-sales.**

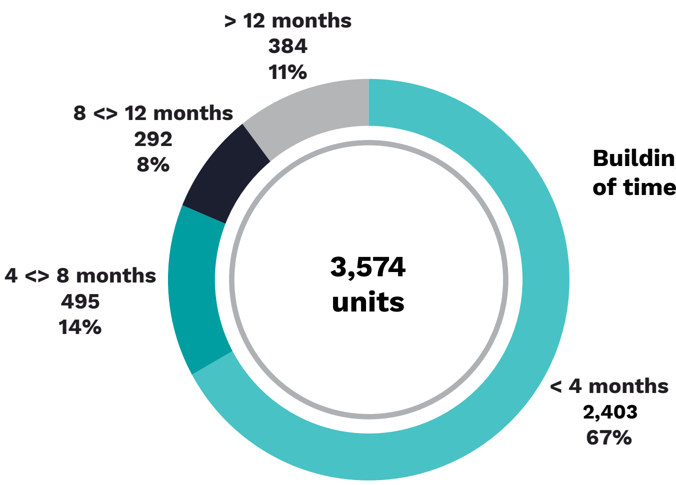
Building permits

Building permits are awarded by the municipal authorities. Permit applications include the architectural plans which must necessarily comply with municipal planning and zoning requirements. Municipal authorities are obliged to grant building permits to the extent the plans meet municipal regulatory requirements. The permitting period depends on each authority's responsiveness and can take anything from a few months to more than one year.

In FY 2021/22, the Company obtained a total of 2,940 building permits, up 30% year-on-year. That means that the Company has so far obtained building permits for 12,189 homes in total, with a further 3,574 in process, of which 384 are already 12 months into the permitting process.

Trend in building permits obtained





Building permits - length of time in process

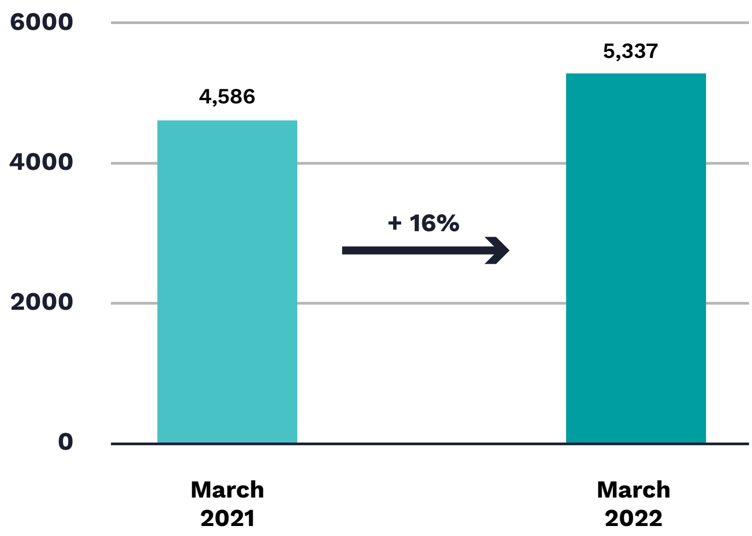
Construction

The Company broke ground on 2,853 units in FY 2021/22 and obtained work completion certificates for 2,102 homes. **At 31 March 2022, the Company had a total of 5,337 units under construction,** marking growth of 16% from the number of homes that were under construction 12 months earlier. In turn it had 118 homes completed and pending receipt of the corresponding occupancy certificates and another 554 units finished and already certified. In short, at 31 March 2022, the Company had a total of 6,009 homes under construction or finished, providing significant visibility into its ability to achieve its deliveries guidance over the next two years.

As for the home delivery target for FY 2022/23, despite the delays in starting construction work during the pandemic, the scarcity of some materials and the recent truckers' strike, which will affect delivery volumes slightly, 80% are under construction and 20% are already finished.

The units under construction for delivery in FY 2023/24 are also suffering slight delays in construction start-up and progress as a result of the truckers' strike in March and the uncertainty and extra costs around the procurement of some raw materials. However, the Company is working to minimise the impact of those factors, specifically entering into framework agreements with several of its most important contractors to ensure supply on preferential terms.

Homes under construction at reporting date



Investments

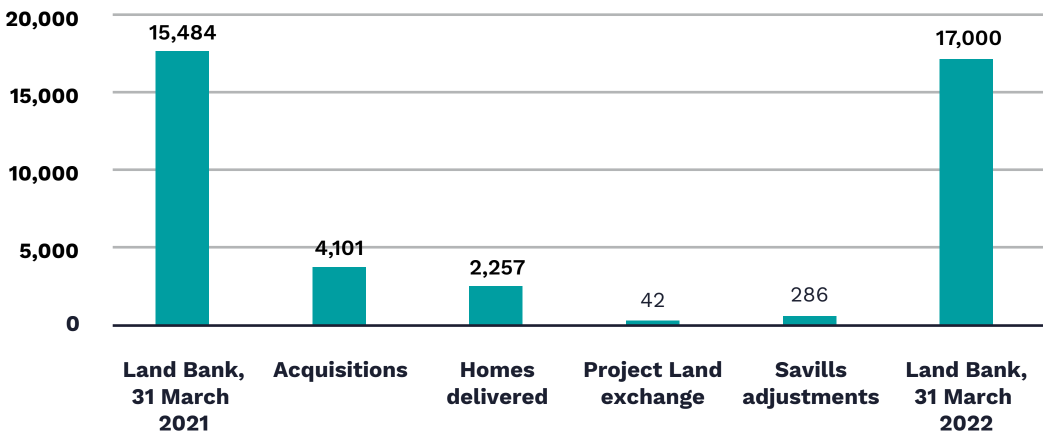
In anticipation of possible land price increases, AEDAS Homes stepped up its investment plan in FY 2021/22, positioning the Company has one of the leading land buyers in Spain last year. In FY 2021/22, it invested €303m in land with scope for the development of 4,101 units, topping up the land needed to execute its 2021/25 Strategic Plan.

Specifically, the Company acquired sites for 46 new housing developments. Of those acquisitions, 39 projects are located on Ready-to-Build (RTB) sites, 5 are located on sites classified as Fully-Permitted Land, 1 is zoned as land apt for development and 1 stems from the Land Feeder arrangement. In addition, the Company has committed investments with a development potential of 849 units which have yet to close.

The volume of investments (closed and outstanding) amounted to €303m, which includes the cost of acquiring the land, including the inherent transaction costs and the cost of the permitting steps needed to bring all of the sites to RTB status. The average acquisition cost once all of the land is brought to RTB permitting status is €74,000/unit.

As for land sales, in FY 2021/22 the Company sold 7 sites, 3 in La Zagaleta (Benahavis), 2 in Granada, 1 in Denia and 1 in Seville, for a total amount of €14.7m. The land sold had scope for the development of 236 housing units.

Land bank reconciliation (units)



5.2. Statement of profit or loss

The Company's FY 2021/22 statement of profit or loss clearly evidences the progress made on execution of the business plan committed to with its shareholders: revenue increased by 14% year-on-year to €766m, with €747m generated by home deliveries, €15m by land sales and €4m by the new service business, mainly revenue related with the management of affordable housing projects. That revenue growth was accompanied by a very significant year-on-year increase of €33.4m in gross profit, with the gross margin widening by 90 basis points to 29%.

Direct costs amounted to €36.1m (+25% year-on-year), of which €29.4m were sales and marketing costs. Indeed, sales and marketing expenses increased by 44% due to the significant growth in the number of developments launched to meet the rising number of deliveries projected under the 2021/25 Strategic Plan. It is important to note that this heading recognises the marketing costs associated with all of the developments launched in FY 2021/22 irrespective of whether or not they were actually delivered during the reporting period.

Overheads increased by 32% to €38.7m, driven by the need to add resources to enable delivery of the targets committed to and the launch of the Company's Digital Strategy Plan, which will make all of its processes more efficient and enable it to reach out to its customers in a new and higher-impact manner.

EBITDA was a significant 12% higher year-on-year, at €148.9m, implying a margin of 19.5%, which is very close to the targeted margin of 20%.

Financing costs increased by 39% to €19.8m, due to the change in financing structure, with more long-term, fixed-rate corporate debt and the borrowing cost incurred on developments after completion.

As a result, after accruing €31.1m of income tax (effective tax rate of 25%), the Company posted consolidated net profit of €93.9m in FY 2021/22 (€93.1m attributable to equity holders of the parent and €0.8m to non-controlling interests), evidencing the Company's excellent business performance last year.

STATEMENT OF PROFIT OR LOSS

			Change	
	2021/22	2020/21	€	%
REVENUE - PROPERTY DEVELOPMENT	746.7	667.6	79.1	12%
REVENUE - LAND SALES	14.7	4.3	10.4	242%
REVENUE - SERVICES RENDERED	4.2	-	4.2	-
REVENUE	**765.6**	**671.9**	**93.7**	14%
COST OF GOODS SOLD	(542.6)	(482.9)	(59.7)	12%
COST OF SERVICES	(0.7)	-	(0.7)	-
GROSS PROFIT	**222.3**	**188.9**	**33.4**	18%
GROSS MARGIN, %	***29.0%***	***28.1%***	-	***90bp***
SALES AND MARKETING COSTS	(29.4)	(20.4)	(9.0)	44%
OTHER OPERATING EXPENSES	(6.7)	(8.4)	1.7	(20%)
NET DEVELOPER MARGIN	**186.1**	**160.2**	**25.9**	16%
NET DEVELOPER MARGIN, %	***24.3%***	***23.8%***	-	***50bp***
OVERHEAD	(38.7)	(29.4)	(9.3)	32%
OTHER INCOME AND EXPENSES	1.5	2.5	(1.0)	40%
EBITDA	**148.9**	**133.2**	**15.7**	12%
EBITDA MARGIN, %	***19.5%***	***19.8%***	-	***(30bp)***
DEPRECIATION AND AMORTISATION	(3.2)	(2.2)	(1.0)	45%
NET FINANCE COST	(19.8)	(14.2)	(5.6)	39%
SHARE OF PROFIT/(LOSS) OF ASSOCIATES	0.4	(0.4)	0.8	(200%)
IMPAIRMENT LOSSES	(1.3)	(2.9)	1.6	55%
PROFIT BEFORE TAX	**125.0**	**113.5**	**11.5**	10%
INCOME TAX	(31.1)	(28.5)	(2.6)	9%
PROFIT FOR THE YEAR	**93.9**	**85.1**	**8.8**	10%
NET PROFIT MARGIN, %	***12.3%***	***12.7%***	-	***(40bp)***
NON-CONTROLLING INTERESTS	0.8	(0.0)	0.8	-
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**93.1**	**85.1**	**8.0**	9%

5.3. Balance sheet and cash flow statement

Balance sheet

At 31 March 2022, the health of the Company's capital structure stands out: the LTV ratio stood at 13.2%, while cash and cash equivalents amounted to €240m.

On the asset side:

Drilling down into the trend in inventories, the increase reveals:

I) growth in land of 11% to €644.4m due to the Company's burgeoning investments in land, in line with the guidance provided to the market last June (the Company has astutely anticipated residential market dynamics, giving it the foresight to invest in high-quality land expected to deliver excellent margins);

II) the balance of construction in progress increased by 16% to €672.4m shaped by the start of new construction work net of the completion of other projects;

III) the finished product balance declined by 14% to €183.3m due to deliveries during the period, net of the recognition of newly completed housing units (118 units without occupancy permits and 552 with such permits);

IV) growth of 17% in advances to suppliers to €20.3m, a heading which recognises the amounts paid for land purchase rights, of which €16.8m corresponds to the investment in Castellana Norte and the remaining €3.5m to prepayments made in the course of the execution of certain developments.

As a result, at 31 March 2022, inventories amounted to €1.52bn, broken down between land (42%); construction in progress (45%); finished product (12%); and advances to suppliers (1%).

Trade receivables, meanwhile, increased by €18.5m in FY 2021/22 to end the year at €64.5m.

Lastly, unrestricted cash increased a considerable €42.3m from 31 March 2021 to €165.8m, evidencing the Company's strong treasury management and the development financing terms achieved.

Equity accounts:

The movement in equity reflects the Company's **strong earnings** in FY 2021/22, as well as its **firm commitment to remunerating its shareholders.**

In FY 2021/22 AEDAS paid out a dividend of €1.40 per share from FY 2020/21 profits and an interim dividend against FY 2021/22 profits of €0.82 per share, for a total outlay of €98m. It also expects to pay out a final dividend of €1.34 per share after the Company's Annual General Meeting, scheduled for 29 June 2022.

At 31 March 2022, the Company carried own shares representing 5.81% of the total at €55.9m, of which shares equivalent to 0.9% of the total correspond to the buyback programme, with the rest attributable to block trades and discretionary management.

The Company formally recorded the previously announced capital reduction, by way of shareholder remuneration, on 11 August 2021. To that end, it cancelled 1,160,050 own shares, equivalent to 2.42% of share capital, to leave the total number of AEDAS Homes shares outstanding at 46,806,537.

Since 8 August 2019, the Company has bought back a total of 3,910,475 shares, representing 8.36% of its share capital, at an average price of €20.24 per share, implying a total outlay of €79m, of which €14.2m corresponded to FY 2021/22 (585,226 shares).

In June 2021, the Company delivered 30,090 own shares to its employees as part of the commitments assumed under the long-term incentive plan (LTIP); those shares were purchased for €593,134.

Liabilities that mature in the long term:

In FY 2021/22, AEDAS Homes **modified its financing structure** by issuing a €325m green bond due August 2026, listed on the Irish Stock Exchange's Global Exchange Market. The proceeds were used to repay the remaining outstanding syndicated loan balance, of €100m. The green bond has an associated revolving credit facility, provided by banks, of €55.0m. That change in the Company's financing structure **injects visibility** in terms of credit ratings[2] and **diversifies its sources of financing**, with corporate debt gaining weight, extending the maturity profile and increasing the Company's exposure to fixed rates.

- €229.0m came from non-current borrowings, which increased significantly from €88.4m at 31 March 2021 to €317.4m, due to the Company's new financial structure following the issue of €325m of green bonds on the capital markets. That issue has raised the Company's profile and diversified its sources of financing.

- €66.4m came from developer loans, drawdown of which declined to €98.6m, again reflecting the change in financing structure thanks to the proceeds from the green bond issue; €17.9m of developer loans correspond to finished product pending delivery.

Liabilities that mature in the short term:

- €55.9m related to the reclassification of borrowings from non-current to current.

- €84.4m stemmed from customer down payments, which increased from €131.8m at year-end to €216.2m at the March 2022 close, mirroring the Company's stellar sales performance and giving it significant earnings visibility for the next three years.

[2] Corporate/issuer ratings: S&P (B+), Moody's (Ba2) and Fitch (BB-). Bond/issue ratings: S&P (BB-), Moody's (Ba2) and Fitch (BB). All of which with stable outlooks.

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Balance sheet

(€m)	31 marzo 2022	31 marzo 2021	Change €	Change %
OTHER FIXED ASSETS	37.8	19.0	18.8	99%
DEFERRED TAX ASSETS	7.0	13.8	(6.8)	-49%
NON-CURRENT ASSETS	44.8	32.8	12.0	37%
INVENTORIES	1,520.3	1,394.5	125.8	9%
TRADE RECEIVABLES	64.5	46.0	18.5	40%
OTHER CURRENT ASSETS	29.0	27.6	1.4	5%
UNRESTRICTED CASH	165.8	123.5	42.3	34%
Board of Directors Regulations	54.3	62.6	(8.3)	-13%
OTHER CASH EQUIVALENTS	19.9	-	-	-
CURRENT ASSETS	1,853.9	1,654.2	199.7	12%
TOTAL ASSETS	**1,898.7**	**1,687.0**	**211.7**	**13%**
EQUITY	976.3	994.3	(18.0)	-2%
OF WHICH: OWN SHARES	(55.9)	(65.1)	9.2	-14%
NON-CURRENT BORROWINGS	317.4	88.4	229.0	259%
OTHER NON-CURRENT LIABILITIES	1.2	1.1	0.1	9%
DEFERRED TAX LIABILITIES	0.3	-	0.3	-
NON-CURRENT LIABILITIES	318.9	89.5	229.4	256%
DEVELOPER LOANS DUE IN THE LONG TERM	98.6	165.0	(66.4)	-40%
CURRENT BORROWINGS	42.9	98.9	(55.9)	-57%
TRADE PAYABLES	185.0	160.2	24.8	15%
CUSTOMER DOWN PAYMENTS	216.2	131.8	84.4	64%
OTHER CURRENT LIABILITIES	60.7	47.3	13.4	28%
CURRENT LIABILITIES	603.5	603.2	0.3	0%
TOTAL EQUITY AND LIABILITIES	**1,898.7**	**1,687.0**	**211.7**	**12%**

Statement of cash flows

Cash and cash equivalents stood at €186.2m at 31 March 2021.
At 31 March 2022, that figure had risen by €53.9m to €240.0m. That increase is attributable to net cash inflows from operating activities of €9.9m, net cash outflows from investing activities of €42.4m and net inflows from financing activities of €86.3m.

The inflows from operating activities were mainly attributable to the €125.8m increase in the balance of inventories, the €18.5m increase in trade receivables and other current assets and the €84.4m increase in customer down payments, in line with the Company's strong sales momentum.

The main drivers of the net cash used in investing activities - of €42.4m - were the investment in Áurea Homes (payment of €49.5m) and a cash inflow of €20.5m as a result of the cancellation of term deposits.

As for the net cash flows from financing activities, in FY 2021/22, AEDAS Homes adapted its financing structure, taking out the €100.0m syndicated loan with the proceeds from the issuance of the €325.0m green bonds due August 2026.

As part of that green bond issue, the Company has undertaken to earmark the proceeds to certain qualifying developments that meet certain sustainability criteria. The traits of those eligible developments are:

- Developments already delivered during the three years prior to the green bond issue.
- Developments delivered during the two years after the green bond issue.
- The homes delivered must have associated life cycle assessments (LCAs) and obtained an energy rating of B or higher.

The Company's website provides information about the level of compliance with those commitments as of the end of the reporting period.

In addition, under the scope of the new Commercial Paper Programme, renewed in June 2021, the Company issued €35.1m and repaid €53.7m, leaving an outstanding balance of €38.1m due on several dates between the reporting date and September 2022.

As for its mortgaged developer loans, at 31 March 2022. The Company had 85 signed contracts for developer loans (including BTR financing) for a maximum total mortgage principal of €649.9m.

Lender bank	Amount arranged	Amount drawn
	Developer mortgage loans	
Cajasur	0.13	0.13
Iberia Private Real Estate[1]	112.2	0.0
Unicaja	15.6	0.0
Sabadell	81.1	9.9
BBVA	80.9	16.6
Abanca	42.2	5.5
Caixa	32.2	19.3
Santander	147.0	34.2
Kutxabank	69.2	2.8
Bankinter	15.0	1.7
Ibercaja	54.3	12.3
Total	**649.9**	**102.4**

(1) Without mortgage guarantee

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As for cash outflows, it is important to note the net amount of €14.2m spent on buying back own shares and the payment of €98.3m of dividends, of which €36.2m correspond to an interim dividend from FY 2021/22 profits.

(€m)	FY 2021/22	FY 2020/21	Change
Group profit before tax	125.0	113.5	11.5
Adjustments for finance income/costs	19.8	14.2	5.6
Net finance cost	31.6	27.1	4.5
Borrowing costs capitalised in inventories	(11.8)	(12.5)	0.7
Change in fair value of financial instruments and exchange differences	0.0	(0.4)	0.4
Share of profit/(loss) of associates	(0.4)	0.4	(0.8)
Asset impairment losses (net)	1.3	2.9	(2.9)
EBIT	145.7	128.2	17.5
Depreciation/amortisation and impairment charges	3.2	4.9	(1.7)
EBITDA	148.9	133.2	15.7
Other adjustments to profit	3.5	(22.5)	26.0
Other cash used in operating activities	(28.2)	(13.7)	(14.5)
Change in working capital excluding land purchases/sales	55.4	(88.4)	143.8
Change in working capital derived from land purchases/sales	(169.7)	(63.2)	(106.5)
(A) Net cash used in operating activities	9.9	(54.5)	64.4
Investments in group companies and associates	(55.0)	(3.2)	(51.8)
Investments in other PP&E and intangible assets	(2.9)	(1.1)	(1.8)
Investments in other financial assets	(7.4)	-	-
Proceeds from the sale of investments in group companies and associates	2.4	-	-
Proceeds from the sale of other financial assets	20.5	-	-
(B) Net cash used in investing activities	(42.4)	(4.3)	(38.1)
Repurchase/sale of own shares	(14.2)	(24.3)	10.1
Issuance and repayment of borrowings	198.8	133.1	65.7
Dividends and payments on other equity instruments	(98.3)	-	-
(C) Net cash from financing activities	86.3	108.9	(22.6)
Net increase in cash and cash equivalents (A+B+C)	**53.9**	**50.1**	**3.8**

5.4. Borrowings, liquidity and capital resources

At 31 March 2022, **the Company's gross borrowings stood at €459.0m:** €104.0m (amortised cost) of bank loans (mortgages used to finance work in progress; note that €17.9m finances developments that are ready for delivery) and €354.9m of corporate debt (amortised cost), made up of €37.5m of outstanding commercial paper and €317.4m of capital markets issues.

Likewise, there has been an increase in net financial debt amounting to €44.5 from the end of the 2020/21 financial year to €273.3m mainly due to an increase in corporate debt of €174.9m. Unrestricted cash, meanwhile, increased by €62.2m, due to the high volume of deliveries made during the year, in line with guidance, so releasing the customer deposits associated with the associated developer loans. As a result, the Company's LTV and LTC ratios ended March 2022 at 13.2% and 18.0%, respectively, healthy levels that permit the distribution of an extraordinary dividend.

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Financial leverage

	31 March 2022	31 March 2021
Net debt (€ m)	273.3	228.8
LTC	18.0%	16.4%
LTV	13.2%	12.0%
Net debt/EBITDA	1.8x	1.7x

On 22 July 2021, the Company arranged a new €112.2m corporate financing facility, due 2025, with Iberia Private Real Assets Credi, SCSp to fund the development of 10 build-to-rent projects encompassing 1,350 homes in total. At 31 March 2022, that alternative financing facility was fully undrawn.

In terms of the debt maturity profile, it is worth noting that the Company's current liabilities primarily include €99m of developer loans that mature in the long term and €42.8m of short term MARF-listed commercial paper, while non-current liabilities amount to €317.4m. As a result, 92% of the Company's total borrowings fall due in the long term.

The face value of the undrawn limit on the borrowings arranged by the Company stands at €930.3m, €567.4m of which consists of developer loans.

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

At the March 2022 close, the Company's average borrowing cost (on drawn borrowings) was 3.61%. If the Company were to draw down the entire limit, its borrowing cost would be 3.70% and the average cost of its developer loans would be 3.39%. Framed by the current financing structure, the sensitivity of interest expense in respect of developer loans is equivalent to a change of close to €1m for every 50bp increase in the average benchmarked EURIBOR rate, which in relative terms constitutes very limited exposure to interest rate risk.

TREND IN NET DEBT

(€m)	31 March 2022	31 March 2021	CHANGE
(A) SECURED DEBT	106.3	169.4	(63.1)
(B) CORPORATE DEBT	363.1	188.2	174.9
SYNDICATED LOAN + ICO FACILITY	-	131.5	(131.5)
COMMERCIAL PAPER (MARF-LISTED)	38.1	56.7	18.6
CAPITAL MARKETS ISSUE	325.0	-	325.0
(C) AMORTISED COST EFFECT	(10.4)	(5.3)	(5.1)
(D) GROSS DEBT (A + B + C)	459.0	352.3	106.6
(E) UNRESTRICTED CASH	185.7	123.5	62.2
NET DEBT BEFORE PREPAYMENTS (D - E)	273.3	228.8	44.5
(F) CASH TIED TO DEVELOPMENT PREPAYMENTS	54.3	62.6	(8.3)
TOTAL CASH (E+F)	**240.0**	**186.2**	**53,9**

Dividend policy

AEDAS Homes has based its shareholder remuneration policy on three cornerstones: (i) net profit; (ii) visibility into cash generation; and (iii) leverage metrics and the liquidity needed to fund organic growth.
The dividend payment motions submitted by the Board of Directors for approval at the Annual General Meeting will at any rate comply with applicable legislation and corporate governance practices, including benchmark international corporate governance recommendations on shareholder remuneration.
The Company's Board of Directors agreed the following on 21 July 2021:

- 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%.

Payment method: The dividend will be paid in cash or via the delivery of own shares.
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.
In FY 2021/22, the Company paid out a total of €98m (€62m from 2020/21 earnings and €36m by way of interim dividend against FY 2021/22 profits). The AEDAS Homes Board of Directors will propose to the Annual General Meeting a dividend distribution up to a maximum of €95.2 million out of FY 2021/22 results, of which €36.1 million (0.82 euros per share) was already paid to shareholders 31 March 2022. Company's treasury shares are not entitled to dividends.

Own shares

The **number of shares bought back** between the start of the repurchasing effort on 7 August 2019 and 31 March 2022 totals **3,910,475**, which is equivalent to **8.36% of the company's capital;** those shares were bought back for **€79,164,358.60**, i.e., at an average price of **€20.24/share.**

In June 2021, the Company delivered 30,090 own shares (purchased for €593,134) to employees, so honouring its commitment under the long-term incentive plan.

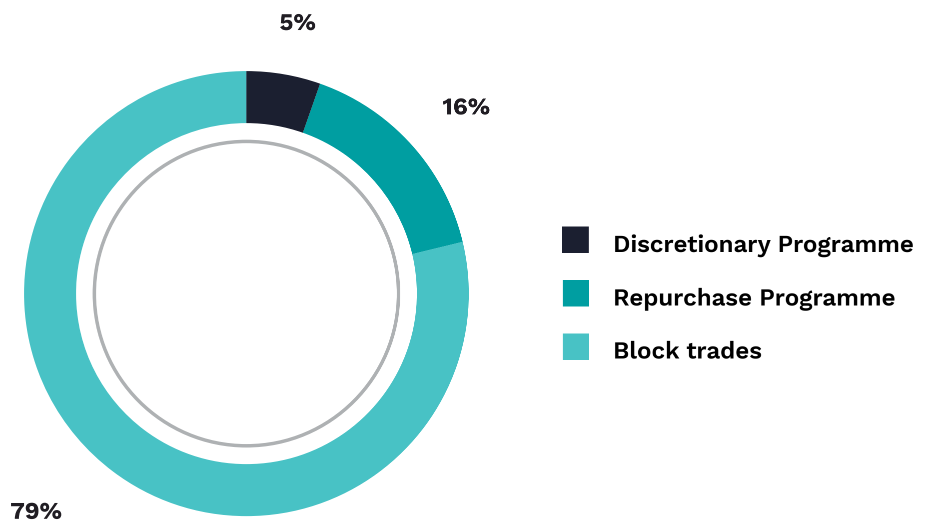
The Company placed a capital reduction on public record on 27 July 2021. Specifically, it cancelled 1,160,050 shares (2.42% of share capital) which had been purchased for €22,702,269; those shares ceased trading on 24 August 2021.

Factoring in the cancellation of those 1,160,050 shares and the delivery of the 30,090 under the LTIP, the **number of own** shares held at 31 March 2022 was 2,720,335, which is equivalent to 5.81% of capital; those shares were bought for **€55,868,955**, i.e., at an average price of **€20.54/share.**

The breakdown of the Company's treasury stock at 31 March 2022:

TOTAL OWN SHARE, 2021/22	SHARES	% OF CAPITAL
DISCRETIONARY PROGRAMME	148,724	0.32%
BLOCK TRADES	2,144,475	4.58%
REPURCHASE PROGRAMME	427,136	0.91%
TOTAL	**2,720,335**	**5.81%**

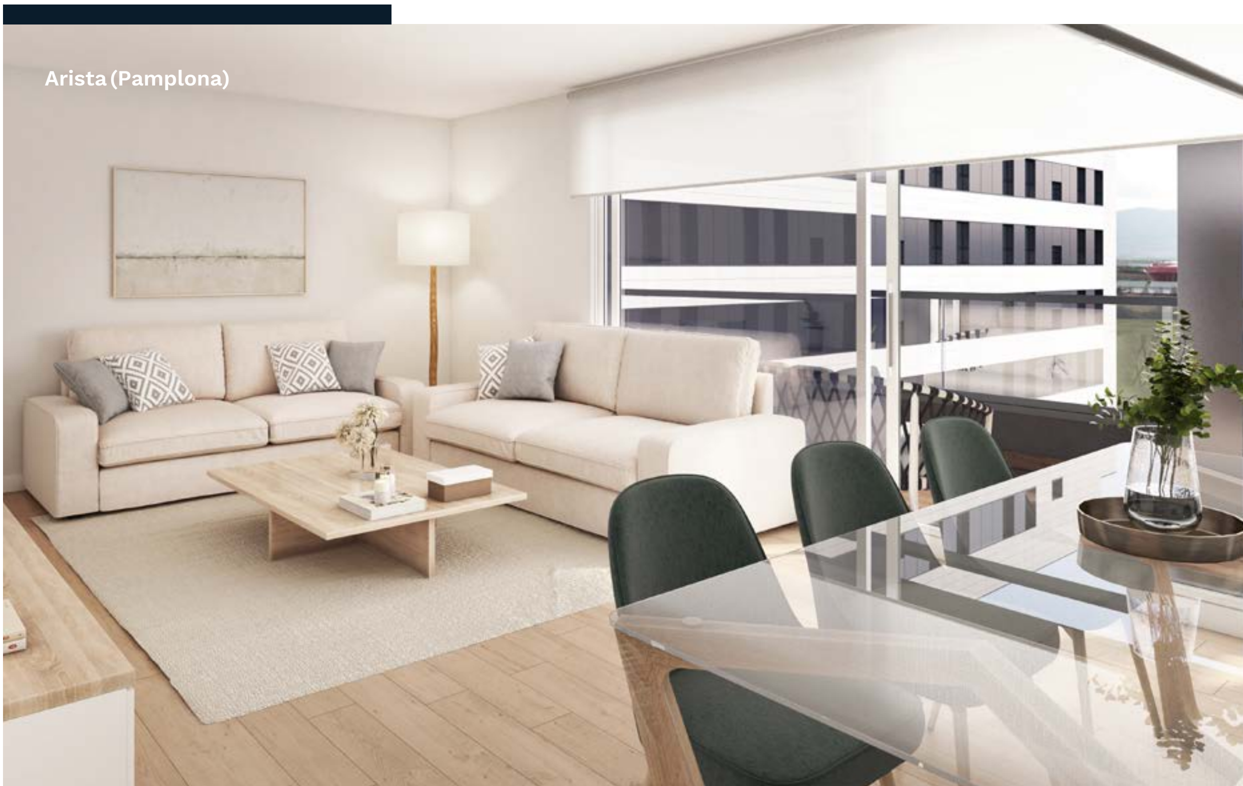
Portfolio of own shares by acquisition route

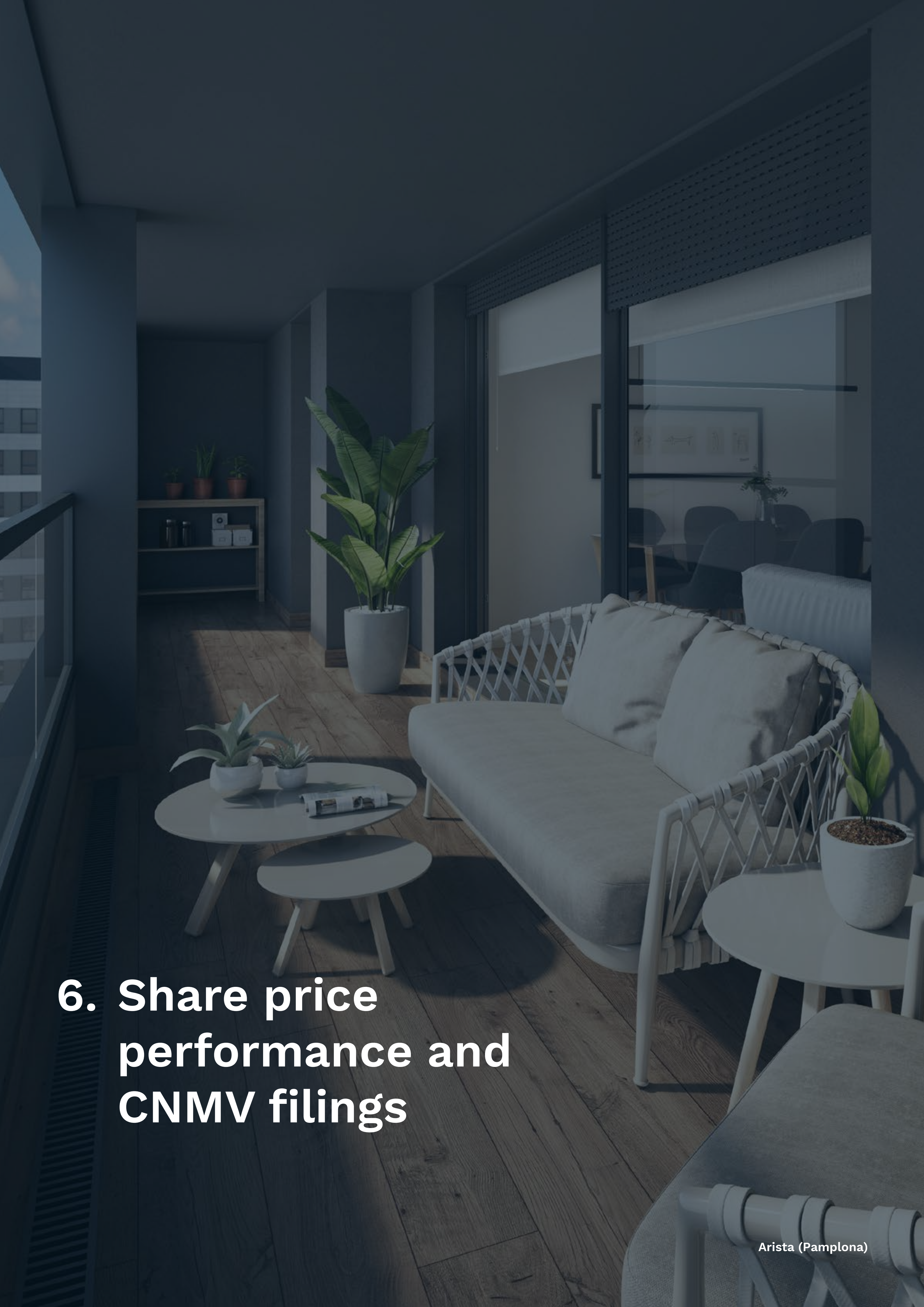


Average supplier payment term

Suppliers were paid at 60 days on average in FY 2021/22, which is within the legally-stipulated deadline.

AVERAGE SUPPLIER PAYMENT TERM	2021/22	2020/21	2020 (1 Jan/31 Mar)	2019
	Days			
AVERAGE SUPPLIER PAYMENT TERM	60.04	61.45	46.39	56.01
PAID TRANSACTIONS RATIO	61.33	63.28	57.46	58.64
OUTSTANDING TRANSACTIONS RATIO	49.63	48.71	32.18	39.06


Arista (Pamplona)



6. Share price performance and CNMV filings

Arista (Pamplona)

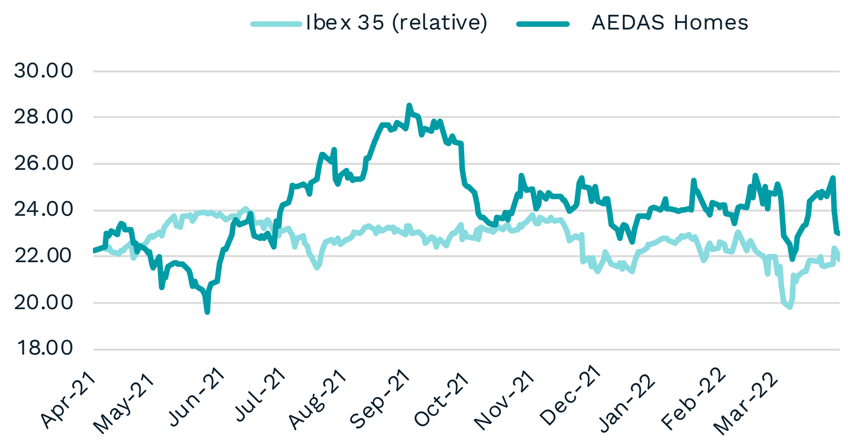
6. Share price performance and CNMV filings

At 31 March 2022, AEDAS Homes' share price was trading at a discount of 34% to the NAV reported as of 31 March 2022. AEDAS Homes' share price started the reporting period at €22.25/share, reaching a high for the year of €28.60/share on 2 September and marking a low of €19.32/ share on 26 May.

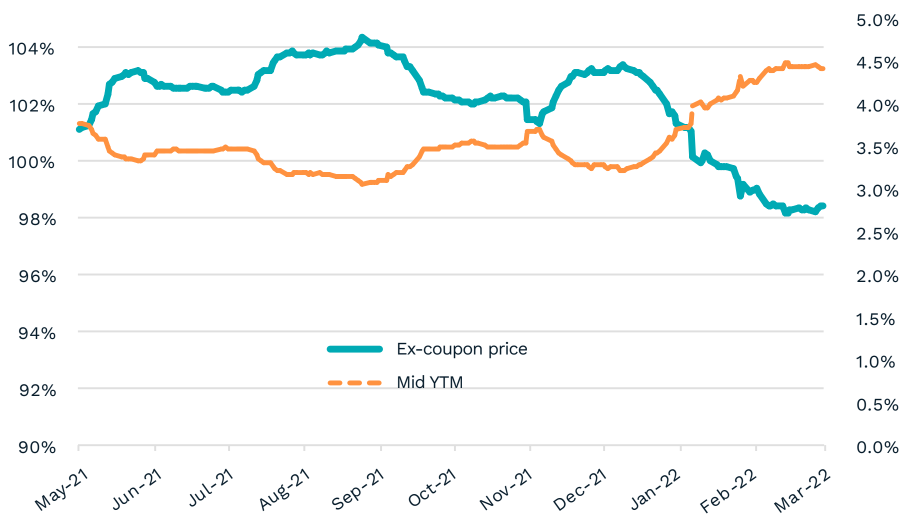
It ended March 2022 at €23.00, implying a gain of 3% in FY 2021-22. The number of shares traded in FY 2021/22 was equivalent to 20% of total Company shares outstanding.

06

AEDAS' SHARE PRICE PERFORMANCE vs. IBEX-35



Green Bond: Price and yield chart



A total of 14 analysts cover the Company. Their target prices averaged €31,6 per share as of 25 May 2022, which is up 36% from the start of the financial year.

The Company's shares currently boast 10 "Buy", 3 "Overweight" and 1 "Hold" recommendations.

The shareholder structure is as follows:

Shareholder	% shareholding
HIPOTECA 43 LUXU S.A.R.L.	71.5%
Own shares	5.8%
T.ROWE PRICE ASSOCIATES, INC	4.9%

06

For the list of notices submitted by AEDAS Homes to the securities market regulator, refer to the following link: https://www.cnmv.es/portal/Consultas/DatosEntidad.aspx?nif=A87586483

The Annual Corporate Governance Report and the Annual Director Remuneration Report are part of this report and can be downloaded from the following links:

https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?nif=A87586483&lang=en
https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=6&nif=A87586483

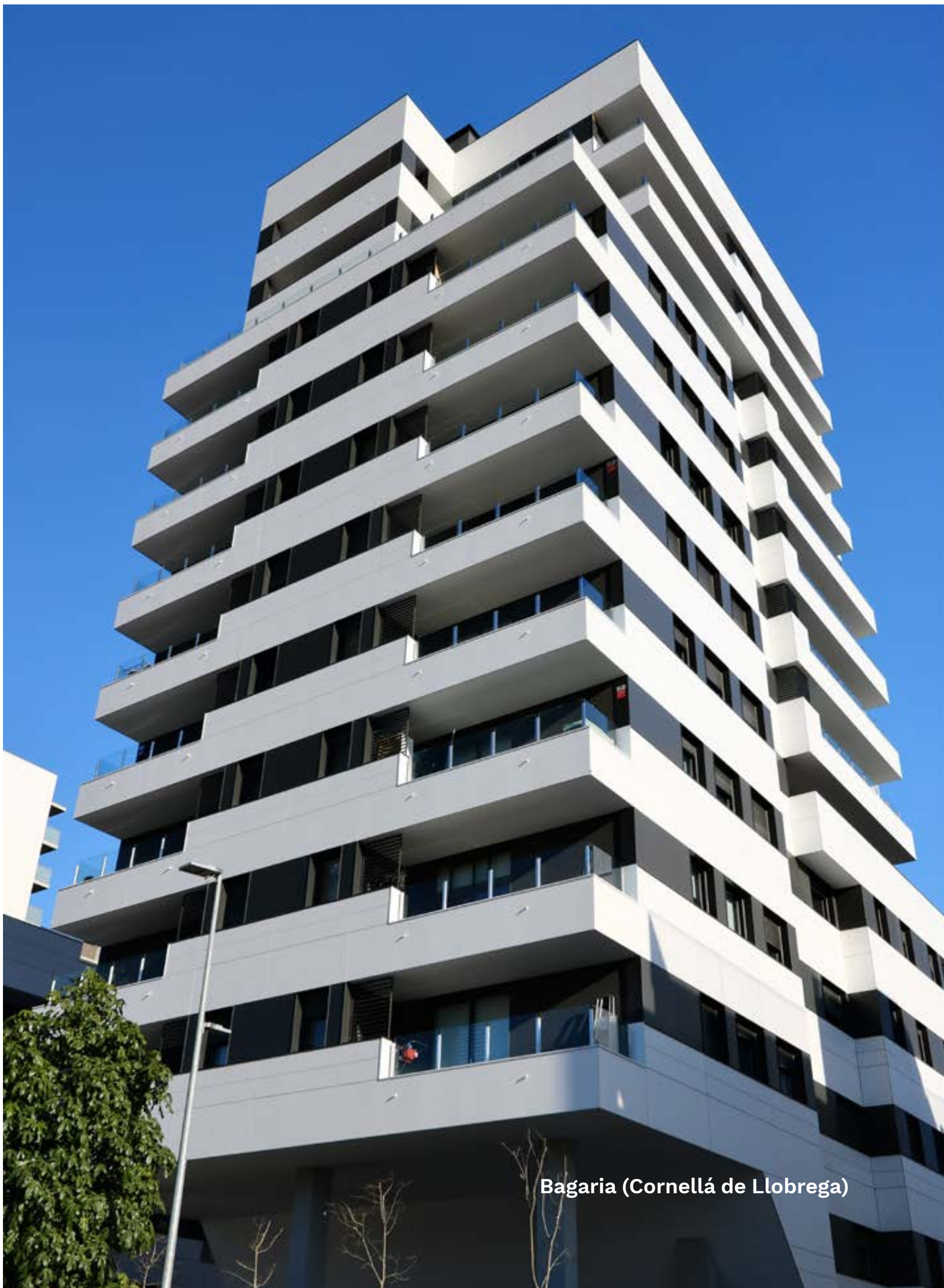
7. Events after the reporting period

Bagaria (Cornellá de Llobrega)

7. 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 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:

- On May 25, 2022, the Board of Directors agreed to transfer the registered office of the Parent to Paseo de la Castellana 130.
- During the month of April 2022, the AEDAS Group has amortized developer loans for an amount of 5.47 million euros. These cancelations represent a risk reduction of 16.58 million euros of principal.



Bagaria (Cornellá de Llobrega)

- **During the months of April and May 2022, the AEDAS Group has signed developer loans with a mortgage guarantee for a total of 48.19 million euros, in order to finance 5 developments in progress. The interest rate on these loans is EURIBOR plus a spread of between 225 and 250 basis points.**

- **At May 16, 2022, the total treasury stock held by AEDAS Homes at close of market was 2,734,474 securities representing 5.842% of the capital acquired at an average price of 20.54 €/share. The total number of securities acquired through Discretionary Management was zero securities; the total number of securities acquired through the Buyback Programme was 14,139 securities representing 0.03% of the capital at an average price of 22.06 €/share and the total number of securities acquired in the block market was zero.**

- **On May 25, 2022, the Board of Directors proposes the distribution of an additional dividend to the interim dividend (Complementary dividend), charged to the profit for the year ended March 31, 2022 of 1.34 euros per share by the number of shares that are not direct treasury shares on the date on which the registered shareholders entitled to receive the dividend. In this regard, in the event that at the time of distribution of the proposed complementary dividend the same number of treasury shares of the Parent is maintained as at March 31, 2022 (2,720,335 shares), the maximum Dividend to be distributed (including the interim dividend and the complementary dividend) would be 95,228,811 euros, leaving an unallocated income of 14,139,304 euros (see Notes 3 and 14).**

8. Appendices

Taracea (Granada)

I. I. About this report

AEDAS Homes complies with the requirements of Spanish Law 11/2018 (of 28 December 2018) by including this non-financial statement within the Integrated Report that accompanies its consolidated financial statements for the year ended 31 March 2022.

In a bid to boost the transparency and uniformity of how organisations report on their performance, that legislation requires companies to report on a series of minimum aspects to the extent material to their business activities. The non-financial reporting legislation does not specify compliance with any specific reporting standard or framework. AEDAS Homes has elected, as it is free to do, to report on its performance along non-financial criteria on the basis of the Global Reporting Initiative (GRI), the IT Reporting Framework and the Global Compact principles.

It relied on its map of identified financial and non-financial risks and the materiality assessment conducted in 2021 to identify its material topics.
In carrying out that assessment, starting from an initial raft of external and internal sources, the team came up with a preliminary list of material topics which were then submitted to AEDAS Homes' main departments for endorsement with the aim of prioritising them in order of importance, the level to which they are already being adequately addressed and their relevance in relation to the reporting legislation and frameworks analysed. For each topic, a descriptive file was then put together setting out the key aspects, risk factors and trends, as well as their impacts in relation to the Sustainable Development Goals.

On that basis, the list of material topics for AEDAS Homes is as follows:

MATERIAL TOPICS	PRIORITY	DIMENSION
Developing property for sustainability and wellbeing	High	Environmental
Climate change	High	Environmental
Environmental management	High	Environmental
Customer experience and quality	Medium	Social
Shareholder value	Medium	Governance
Ethics and compliance	Medium	Governance
Job quality	Medium	Social
Risk management	Medium	Governance
Corporate governance and sustainability	Medium	Governance
Talent attraction, retention and development	Medium	Social
Brand and reputation	Medium	Governance
Digitalisation and innovation	Medium	Governance
Diversity and equality	Medium	Social
Stakeholder engagement and transparency	Medium	Governance
Sustainable finance	Medium	Governance
Circular economy	Medium	Environmental
Biodiversity	Medium	Environmental
Community engagement	Medium	Social

II. Index of the disclosures required under Spanish Law 11/2018

Index of the content required under Spanish Law 11/2018, of 28 December 2018, amending the Code of Commerce, the consolidated text of the Corporate Enterprises Act enacted by Royal Decree-Law 1/2010, of 2 July 2010, and Law 22/2015, of 20 July, on financial statement audits, as regards non-financial and diversity reporting

Description of the business model

Legally stipulated matters	Where to find in the document | Direct response	Related GRI content
Business environment	1.4. Market indicators 1.6. Corporate structure 1.1. AEDAS Homes at a glance 1.5. Strategy, principles and cultural hallmarks 1.4. Market indicators	102-2 102-6 102-15 102-16 102-18 103-2
Organisation and structure		
Operating markets		
Objectives and strategies		
Factors and trends that could affect the undertaking's future development		

Description of the policies applied by the undertaking

Legally stipulated matters	Where to find in the document | Direct response	Related GRI content
Due diligence processes undertaken to identify, assess, prevent and mitigate risks	3. Risk management	102-15
Material impacts and risk oversight and control measures. Measures adopted		102-44

Principal risks related to those matters linked to the undertaking's operations

Legally stipulated matters	Where to find in the document | Direct response	Related GRI content
Business relationships, products or services which are likely to cause adverse impacts	3. Risk management Appendix I. About this report	102-15 103-1
How the undertaking manages those risks		
Processes used to identify and assess risks		
Information about impacts detected, providing a breakdown, in particular on short, medium and long-term principal risks		

Environmental matters

<table>
<tr><th colspan="2">Legally stipulated matters</th><th>Where to find in the document | Direct response</th><th>Related GRI content</th></tr>
<tr><td>Information on the actual and potential impacts of operations on the environment</td><td></td><td rowspan="3">4.2. Environmental performance

4.1. People. Refer to Health and safety

4.2. Environmental performance</td><td rowspan="3">102-15
103-2</td></tr>
<tr><td>Information on the actual and potential impacts of operations on health and safety</td><td></td></tr>
<tr><td>Environmental assessment and certification processes</td><td></td></tr>
<tr><td>Resources dedicated to preventing environmental risks</td><td></td><td>4.2. Environmental performance</td><td>103-2</td></tr>
<tr><td>Precautionary principle.</td><td></td><td>1.5. Strategy, principles and cultural hallmarks

4.2. Environmental performance</td><td>102-11</td></tr>
<tr><td>Amount of provisions and guarantees covering environmental risks.</td><td></td><td>4.2. Environmental performance</td><td>103-3</td></tr>
<tr><td rowspan="2">Pollution</td><td>Measures taken to prevent, reduce or remedy the carbon emissions that gravely harm the environment.</td><td>4.2. Environmental performance</td><td rowspan="2">103-2
103-3</td></tr>
<tr><td>Any form of atmospheric pollution specific to the business, including noise and light pollution.</td><td>The steps taken to prevent pollution during the life cycle of the homes sold by the Company are reported on in the section on Environmental performance. The pollution directly associated with AEDAS Homes' office activities is not considered material.</td></tr>
<tr><td rowspan="2">Circular economy, prevention and waste management</td><td>Measures taken to prevent, recycle, reuse, recover and eliminate waste.</td><td>The steps taken to reduce and correctly handle the waste associated with the homes sold by the Company are reported on in the section on Environmental performance.</td><td>306-2</td></tr>
<tr><td>Initiatives undertaken to eliminate food waste</td><td>Food waste is not a material matter for the Company.</td><td></td></tr>
</table>

Sustainable use of resources	Water consumption and water supply in keeping with local limitations.	4.2. Environmental performance	
	Consumption of raw materials and measures taken to use raw materials more efficiently.	This is not a material matter for the Company, which provides services. Nevertheless, the steps taken to reduce the consumption of materials associated with the homes sold by the Company are reported on in the section on Environmental performance.	
Climate change	Direct and indirect energy consumption.	4.2. Environmental performance	302-1 103-2
	Measures taken to improve energy efficiency.		
	Use of renewable sources of energy.		
	Important aspects of the greenhouse gas (GHG) emissions generated as a result of the activities of the undertaking and the use of the goods and services it produces.	4.2. Environmental performance	305-1 305-2 305-3
	Measures taken to adapt for the consequences of climate change.		
	Medium and long-term GHG emission-cutting targets voluntarily adhered to and measures taken to that end.		
Biodiversity protection	Measures taken to preserve or restore biodiversity.	4.4. Good governance	103-2
	Impacts caused by activities or operations in protected areas.	AEDAS Homes does not have any assets in protected areas.	

Social and employee matters

<table>
<tr><th colspan="2">Legally stipulated matters</th><th>Where to find in the document | Direct response</th><th>Related GRI content</th></tr>
<tr><td rowspan="10">Employment
NOTE: if possible, provide data for the last year and the previous year</td><td>Total employees and breakdown by gender, age, country and job category.</td><td rowspan="8">2.3. Director remuneration policy

4.1. People

Appendix V. Social and employee matters.

The Company does not disclose average annual compensation as it is not common practice to do so in its sector.</td><td rowspan="8">102-8
103-3</td></tr>
<tr><td>Total number of employment contracts and breakdown by contract type.</td></tr>
<tr><td>Annual average number of permanent contracts, temporary contracts and part-time contracts by gender, age and job category.</td></tr>
<tr><td>Number of dismissals by gender, age, country and job category.</td></tr>
<tr><td>Average earnings and trend broken down by gender, age, job category or equivalent metric.</td></tr>
<tr><td>Gender pay gap.</td></tr>
<tr><td>Remuneration for similar work or average remuneration.</td></tr>
<tr><td>Average remuneration for directors and executives, including bonuses, attendance fees, termination benefits, long-term savings/pension benefits and any other compensation, broken down by gender.</td></tr>
<tr><td>Implementation of right-to-disconnect policies</td><td>4.1. People. Refer to Culture of employee wellbeing</td><td>103-2</td></tr>
<tr><td>Employees with disabilities.</td><td>4.1. People. Refer to Equality</td><td>103-3</td></tr>
</table>

Organisation of work	Organisation of working hours Absenteeism (in hours)	4.1. People. Refer to *Culture of employee wellbeing*	103-2 103-3
	Measures taken to facilitate work-life balance and encourage responsible use of those measures by both parents.	4.1. People. Refer to *Health and safety* 4.1. People. Refer to *Culture of employee wellbeing*	
Occupational health and safety	Health and safety at work Workplace accidents, specifying their frequency and severity and work-related illnesses, broken down by gender.	4.1. People. Refer to *Health and safety*	103-2 403-1 403-9
Labour relations	How management-employee dialogue is organised, including procedures for informing and consulting employees and negotiating with them. Percentage of employees covered by collective bargaining agreements by country. List of collective bargaining agreements, particularly in the field of occupational health and safety.	4.1. People	103-2 103-3
Training	Training policies implemented. Total number of training hours by job category.	4.1. People. Refer to *Training*	103-2 404-1
Accessibility for persons with disabilities		Refer to Strategy section in relation to the homes sold by the Company. For information about AEDAS Homes' offices, refer to the section on *Integration and inclusion* in chapter 4.1. People	103-2

Equality	Measures taken to foster the equal treatment of men and women and the provision of equal opportunities to all.	4.1. People. Refer to *Equality* 4.1. People. Refer to *Development of young talent* 4.4. Good governance	103-2
	Equality plans (Chapter III of Organic Law 3/2007, of 22 March 2007, on effective gender equality).		
	Measures taken to foster employment.		
	Anti-sexual/gender harassment protocols and workplace integration and accessibility for persons with disabilities.		
	Policies against discrimination in all its forms and for the management of diversity.		

Human rights matters

Legally stipulated matters	Where to find in the document | Direct response	Related GRI content
Human rights due diligence procedures	4.4. Good governance 4.3. Society 4.4.1. Anti-money laundering and anti-corruption	102-16 102-17 103-2 406-1 414-1
Processes and arrangements for preventing human rights abuses and any measures taken to mitigate, manage and repair possible abuses that have materialised		
Claims of humans rights abuses		
Promotion of and compliance with the provisions contained in the International Labour Organisation's fundamental conventions on the freedom of association and the right to collective bargaining		
The elimination of workplace discrimination		
The elimination of forced or compulsory labour		
Effective abolition of child labour		

Compliance and transparency

Legally stipulated matters	Where to find in the document | Direct response	Related GRI content
Measures taken to prevent corruption and bribery	4.4.1. Anti-money laundering and anti-corruption	205-2
Measures taken to combat money laundering		
Contributions to non-profit entities	122.000€	103-3

Society matters

Legally stipulated matters		Where to find in the document | Direct response	Related GRI content
Commitment to sustainable development	The impact of the undertaking's activities on local employment and development.	1.5. Strategy, principles and cultural hallmarks 4.3. Society	103-2 413-1
	The impact of the undertaking's activities on local populations and territories.		
	Engagement with local community representatives; communication channels in place.		
	Membership of associations and sponsorships.		
Outsourcing and suppliers	Inclusion of social, gender equality and environmental matters in procurement policies.	4.4.1. Anti-money laundering and anti-corruption 4.1. People. Refer to *Equality* 4.4. Good governance Suppliers declare that they will comply with the code of ethics when signing contracts but effective compliance is not subsequently monitored.	103-2 308-1 416-1
	How social and environmental responsibility is factored into relations with suppliers and subcontractors.		
	Supplier oversight and audit systems and related outcomes.		

Consumers	Consumer health and safety measures. Consumer claims, complaints and remediation systems.	1.5. Strategy, principles and cultural hallmarks 3. Risk management 4.2. Environmental performance 4.3. Society. Refer to *Always with the customer in mind*	103-2 103-3 416-1
Tax information	Profits earned country by country. Corporate income tax paid. Government grants received.	5.3. Balance sheet and cash flow statement	103-3 201-1

III. Wage gap

Average wages* by job category

	Men	Women	Share**
Executives	111,616	110,218	1.3%
Middle management	57,431	49,496	13.8%
Technical experts	43,156	37,941	12.1%
Sales	21,000	22,028	-4.9%
Clerical staff	26,354	23,106	12.3%

* Average wages considering the fixed components
** Average salary for men, less average salary for women compared to average salary for men.

Average wages* by age category

	Men	Women	Share**
<30	28,333	28,800	-1.6%
30 - 50	45,852	35,225	23.2%
+45	78,764	54,140	31.3%

* Average wages considering the fixed components
** Average salary for men, less average salary for women compared to average salary for men.

IV. External Verification Report

Independent limited assurance report on the Consolidated Non-Financial Statement for the year ended March 31, 2022

AEDAS HOMES, S.A. AND ITS SUBSIDIARIES

Building a better working world

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

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

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Statement (hereinafter NFS) for the year ended March 31, 2022, of AEDAS HOMES, S.A. and its subsidiaries (hereinafter, the Group), which is part of the Consolidated Management Report of the Group.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in the "Appendix II: Content Index", included in the accompanying NFS.

Directors' Responsibility

The Directors of AEDAS HOMES, S.A. are responsible for the approval and content of the NFS included in the Consolidated Management Report of the Group. The NFS has been prepared in accordance with the contents established in prevailing mercantile regulations and following Sustainability Reporting Standards selected criteria of the Global Reporting Initiative (GRI standards), as well as other criteria described in accordance with that indicated for each subject in the "Appendix II: Content Index", included in the accompanying NFS.

This responsibility also includes the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

The Directors of AEDAS HOMES, S.A. are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our Firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

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The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our work has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Guidelines on assurance engagements on the Non-Financial Statement issued by the Spanish Institute of Chartered Accountants.

The procedures carried out in a limited assurance engagement vary in nature and timing and are less in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Group personnel to gain understanding of the business model, policies and management approaches applied, and of the main risks related to these matters, and obtaining the necessary information for our external review.
- Analysing the scope, relevance and integrity of the content included in the NFS for the year ended March 31, 2022 based on the materiality analysis made by the Group and described in section "Appendix I: About this Report", considering the content required by prevailing mercantile regulations.
- Analysing the processes for gathering and validating the data included in the NFS for the year ended March 31, 2022.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the NFS for the year ended March 31, 2022.
- Checking, through tests, based on a selection of a sample, the information related to the content of the NFS for the year ended March 31, 2022 and its correct compilation from the data sources.
- Obtaining a representation letter from the Board of Directors and Management.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, no matter has come to our attention that would lead us to believe that the NFS of the Group for the year ended March 31, 2022 has not been prepared, in all material respects, in accordance with the contents established in prevailing mercantile regulations and following the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in section "Appendix II: Content Index", included in the NFS.

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Use and distribution

This report has been prepared to comply with prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(signed on the original version In Spanish)

Alberto Castilla Vida

May 25th, 2022

V. 2021 Annual General Meeting

The Company held its 2021 Annual General Meeting on 18 June 2021 (first and only shareholder meeting held in FY 2021/22) at which it submitted the following resolutions, all of which were ratified:

1. Approval of the individual and consolidated financial statements for the fiscal year ended 31 March 2020.

2. Approval of the management reports accompanying the separate and consolidated FY 2021 financial statements.

3. Grant of discharge to management and the Board of Directors for their performance in the fiscal year ended 31 March 2021.

4. Approval of the proposed distribution of profit for the fiscal year ended 31 March 2021.

5. Ratification of the appointment and re-election of Mr. Francisco Javier Martínez-Piqueras Barceló as independent director for the bylaw-stipulated term of three years.

6. Acknowledgement of the arrangement by the Company of a Financial Transaction and the execution by it of certain related financial documents .

7. Approval, for the purposes of the provisions of article 160.f) of the Corporate Enterprises Act, of the grant of physical collateral in connection with the Financial Transaction.

8. Approval of a capital reduction via the cancellation of 1,160,050 shares and the attendant amendment of article 5 of the Company's Bylaws.

9. With respect to the following articles of the Bylaws:

- Amendment of article 12 ("Attendance and representation at the General Meeting"), in order to introduce the possibility of holding the General Meeting entirely remotely. - Amendment of article 14 ("Board of Directors. Responsibilities") in order to remove the possibility of legal persons sitting on the Board (along with the corresponding transitory provision)
- Amendment of article 17 ("Remuneration") to align it with the new wording of the Corporate Enterprises Act.

10. With respect to the following articles of the General Meeting Regulations:

- Amendment of articles 9 ("Call notice"), 18 ("Planning, resources and Meeting venue"), 22 ("Shareholder register"), 33 ("Minutes to the General Meeting") and the Additional Provision ("Telematic attendance at the General Meeting") to introduce the possibility of holding the Meeting entirely remotely and to align their wording with the recast version of the Corporate Enterprises Act, along with other technical fine-tuning
- Amendment of article 10 ("Information available on the corporate website as from the call date") to exclude the possibility of legal persons sitting on the Board
- Amendment of articles 17 ("Representation through financial intermediaries") and 28 ("Remote voting") to align their wording with the recast version of the Corporate Enterprises Act, along with other technical fine-tuning.

11. Delegation of powers for the formalisation, placement on public record and execution of the above resolutions.

12. Advisory vote on the annual report on director remuneration for FY 2020/21.

VI. KPIs Glossary

Growth

Metric	Definition	Rational of usage
Homes launched	Housing units are considered launched once marketing is underway, i.e., they are classified as 'launched' subsequent to the design phase, once they are put up for sale.	This KPI is used by the Company's directors to monitor its activity and growth. It is a leading indicator insofar as it foreshadows the Group's ability to generate revenue.

ROE

Metric	Definition	Rational of usage
ROE (%)	Calculated as operating profit divided by average equity.	This yardstick is used to analyse the Company's profitability and to ensure the efficient and effective use of its own funds.

Dividend policy

Metric	Definition	Rational of usage
Payout	Percentage of profits earmarked to dividend payments.	Provides a measure of shareholder remuneration via dividends.

Net profit

Metric	Definition	Rational of usage
Net profit (€m)	Group net profit after tax and including non-controlling interests	Used in the Company's financial statements; it is calculated based on net profit, factoring in the net finance cost and tax expense.

Alternative performance measures

Metric	Definition	Rational of usage
Gross development margin (%)	Revenue from sales – Change in inventories – Cost of sales (without factoring in provisions for the impairment of inventories).	The Company's directors use the Gross Development Margin to measure its performance as this yardstick provides information about how its development projects are performing by starting from thirdparty sales and subtracting the costs incurred to make such sales. Calculation of this APM factors in the impairment charges applied to real estate assets sold during the reporting period. Note that the Gross Development Margin does not include any gains realised on the sale of land. In short, the Gross Development Margin is tracked by the Company's directors in order to monitor the performance and profitability of its property development business.
Net development margin (%)	Gross Development Margin – Sales & marketing expenses (included within Other operating expenses in the statement of profit or loss).	The Net Development Margin is used by the Company's directors as a yardstick for its performance as it provides information about the net margin generated on the developments that generated sales revenue during the reporting period. The Net Development Margin is calculated based on the Gross Development Margin, net of certain expenses associated with the marketing effort. Note that the Net Development Margin does not include any gains realised on the sale of land.
EBITDA (€m)	Net Development Margin – Impairment of inventories + Revenue from services + Other operating income – Employee benefits expense – Other operating expenses other than sales & marketing expenses.	The Company's directors use EBITDA to measure its performance as it provides information for analysing profitability (before interest, tax, depreciation and amortisation) by approximating the operating flows that generate cash. It is also a measure that is widely used by the investment community to appraise enterprises' performance; it is further used by the rating agencies and creditor community to evaluate leverage and interest coverage by comparing EBITDA with an entity's net debt and debt service obligations.

Net debt	Gross debt – unrestricted cash	Net Debt measures an enterprise's net financial position. It is also a metric that is widely used by investors to analyse companies' net leverage and by rating agencies and creditors to assess net debt.
Average Borrowing Cost	Weighted average cost of the Company's borrowings on a given date, factoring in corporate debt and developer loans.	
GAV	The value of the Company's assets, and, by extension, its GAV, is calculated by an independent appraiser, specifically Savills Aguirre Newman. That appraiser uses the RICS methodology to calculate the market value of properties. The RICS defines market value as the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion. To calculate GAV, the appraiser uses a series of assumptions informed by its own criteria.	One of the Company's asset valuation methods.
NAV	The market value of the Company's equity or net worth, i.e., the total value of its assets minus the total value of its liabilities.	
GDV	A measure of what the Company's assets are expected to be worth once all development work has been completed.	

Returns

Metric	Definition	Rational of usage
Earnings per share	Net profit attributable to equity holders of the parent divided by the number of shares outstanding.	This metric is also used as a benchmark for the dividend per share. It is used to analyse the Company's profitability for shareholder remuneration purposes.
Total shareholder return* *Bloomberg data	Calculated as the sum of the dividends received by the Company's shareholders, the share price gain/correction during the year and other payments such as the delivery or buyback of shares.	This financial indicator is used by investors and financial analysts to evaluate the remuneration earned by shareholders over the course of the year in exchange for the capital they put up.

Leverage

Metric	Definition	Rational of usage
Net debt/ EBITDA	Calculated by dividing net debt by EBITDA.	Leverage provides a measure of the Company's indebtedness. It is widely used by investors to analyse real estate companies' leverage and by rating agencies and creditors to assess their net debt.
Net LTV	Net Debt/(Cash) / (Market value of appraised assets (GAV) + Sale options over inventories) Calculated at the end of the period.	LTV provides a measure of the Company's indebtedness relative to the market value of its properties. It is widely used by investors to analyse real estate companies' leverage and by rating agencies and creditors to assess their net debt.
Net LTC	Net Debt/(Cash) / (Inventories - Prepayments to suppliers) Calculated at the end of the period.	The LTC ratio provides another measure of the Company's indebtedness. It is widely used by investors to analyse real estate companies' leverage and by rating agencies and creditors to assess their net debt.

VII. Corporate structure

The following chart depicts the corporate structure of AEDAS Homes, which is headquartered in Madrid Spain:

AEDAS HOMES

AEDAS Homes, S.A.

100%

AEDAS Homes OPCO, S.L.U.

WHOLLY-OWNED INVESTEES

- PARKER DESARROLLOS INMOBILIARIOS, S.L.U.
- FALCON DESARROLLOS INMOBILIARIOS, S.L.U.
- ESPEBE 18, S.L.U.
- DAMALANA SERVICIOS Y GESTIONES, S.L.U.
- SERVICIOS INMOBILIARIOS MAUNA LOA, S.L.U.
- EGON ASSET DEVELOPMENT, S.L.U.
- TURNKEY PROJECTS DEVELOPMENT, S.L.U.
- SPV REOCO 15, S.L.U.
- FACORNATA SERVICIOS Y GESTIONES, S.L.U.
- PROYECTOS INMOBILIARIOS ATRIA MADRID, S.L.U.
- DOMUS AEDAS RESIDENCIAL, S.L.U.
- PROYECTOS INMOBILIARIOS ALGEDI MADRID, S.L.
- AEDAS ESTE, S.L.U.
- PROYECTOS BALMES 89, S.L.U.
- AEDAS MUTILVA PROMOCIÓN, S.L.U.
- PROYECTOS INMOBILIARIOS LUCIDA NAVARRA, S.L.U.

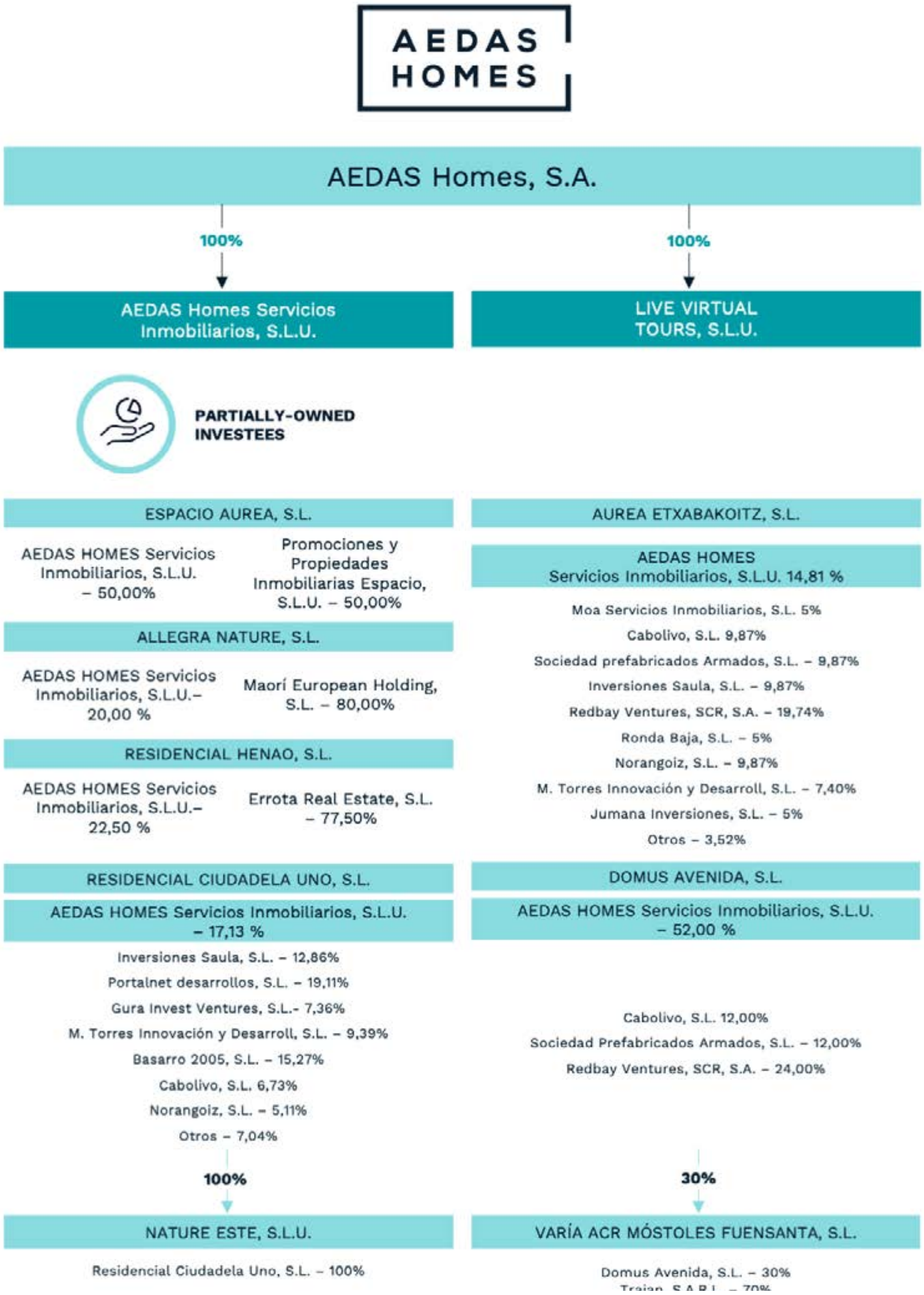
PARTIALLY-OWNED INVESTEES

SPV SPAIN 2, S.L.	
AEDAS HOMES OPCO, S.L.U. – 87,50%	Promociones y Propiedades Inmobiliarias Espacio, S.L.U. – 12,50%

WINSLARO ITG, S.L.	
AEDAS HOMES OPCO, S.L.U. – 20,00 %	Reoco Miradola, S.L. – 80,00%

SERVICIOS INMOBILIARIOS LUCANCABUR, S.L.	
AEDAS HOMES OPCO, S.L.U. – 25,00 %	Reoco Miradola, S.L. – 75,00%

URBANIA LAMATRA II, S.L.	
AEDAS HOMES OPCO, S.L.U. – 10,00 %	Urbania Lamatra Holding, S.L. – 90,00%


AEDAS HOMES
AEDAS Homes, S.A.
100%
100%
AEDAS Homes Servicios Inmobiliarios, S.L.U.
LIVE VIRTUAL TOURS, S.L.U.
PARTIALLY-OWNED INVESTEES
ESPACIO AUREA, S.L.
AEDAS HOMES Servicios Inmobiliarios, S.L.U. – 50,00%
Promociones y Propiedades Inmobiliarias Espacio, S.L.U. – 50,00%
ALLEGRA NATURE, S.L.
AEDAS HOMES Servicios Inmobiliarios, S.L.U.– 20,00 %
Maorí European Holding, S.L. – 80,00%
RESIDENCIAL HENAO, S.L.
AEDAS HOMES Servicios Inmobiliarios, S.L.U.– 22,50 %
Errota Real Estate, S.L. – 77,50%
RESIDENCIAL CIUDADELA UNO, S.L.
AEDAS HOMES Servicios Inmobiliarios, S.L.U. – 17,13 %
Inversiones Saula, S.L. – 12,86%
Portalnet desarrollos, S.L. – 19,11%
Gura Invest Ventures, S.L.- 7,36%
M. Torres Innovación y Desarroll, S.L. – 9,39%
Basarro 2005, S.L. – 15,27%
Cabolivo, S.L. 6,73%
Norangoiz, S.L. – 5,11%
Otros – 7,04%
100%
NATURE ESTE, S.L.U.
Residencial Ciudadela Uno, S.L. – 100%
AUREA ETXABAKOITZ, S.L.
AEDAS HOMES Servicios Inmobiliarios, S.L.U. 14,81 %
Moa Servicios Inmobiliarios, S.L. 5%
Cabolivo, S.L. 9,87%
Sociedad prefabricados Armados, S.L. – 9,87%
Inversiones Saula, S.L. – 9,87%
Redbay Ventures, SCR, S.A. – 19,74%
Ronda Baja, S.L. – 5%
Norangoiz, S.L. – 9,87%
M. Torres Innovación y Desarroll, S.L. – 7,40%
Jumana Inversiones, S.L. – 5%
Otros – 3,52%
DOMUS AVENIDA, S.L.
AEDAS HOMES Servicios Inmobiliarios, S.L.U. – 52,00 %
Cabolivo, S.L. 12,00%
Sociedad Prefabricados Armados, S.L. – 12,00%
Redbay Ventures, SCR, S.A. – 24,00%
30%
VARÍA ACR MÓSTOLES FUENSANTA, S.L.
Domus Avenida, S.L. – 30%

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AEDAS HOMES

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T. +34 917 88 00 00

aedashomes.com

DECLARACIÓN DE RESPONSABILIDAD DE AEDAS HOMES, S.A.

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

Que, hasta donde alcanza su conocimiento, las Cuentas Anuales consolidadas de AEDAS HOMES, S.A. y sus sociedades dependientes, correspondientes al ejercicio anual terminado el 31 de marzo de 2022, han sido elaboradas con arreglo a los principios de contabilidad aplicables; ofrecen, tomadas en su conjunto, la imagen fiel del patrimonio, de la situación financiera y de los resultados de Aedas Homes, S.A. y sus sociedades dependientes; y el Informe de Gestión consolidado incluye unanálisis fiel de la evolución y los resultados empresariales y de la posición de Aedas Homes, S.A. y sus sociedades dependientes, junto con la descripción de los principales riesgos e incertidumbres a que se enfrentan.

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

DECLARATION OF LIABILITY OF AEDAS HOMES, S.A.

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

That, to the best of their knowledge, the consolidated Annual Accounts of Aedas Homes, S.A. and its subsidiaries, corresponding to financial year ended March 31st, 2022, have been prepared in accordance with applicable accounting principles; they offer, taken as a whole,the true image of the Equity, the financialsituation and the results of Aedas Homes, S.A. and its subsidiaries; and the consolidated Management Report includes a faithful analysis of the evolution and business results and of the position of Aedas Homes, S.A. and its dependent companies, together with the description of the main risks and uncertainties that they face.

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

____

D. Santiago Fernández Valbuena
Presidente

____

D. David Martínez Montero
Consejero Delegado

____

D. Eduardo E. D'Alessandro Cishek
Consejero

____

D. Evan A. Carruthers
Consejero

____

D. Javier Lapastora Turpín
Consejero

____

D. Miguel Beltrán Temboury Redondo
Consejero

Dña. Milagros Méndez Ureña
Consejera

Dña. Cristina Álvarez Álvarez
Consejera

D. Francisco Javier Martínez-Piqueras Barceló
Consejero

25 de mayo de 2022
Madrid

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

Madrid
25 de mayo de 2022

May 25th, 2022
Madrid

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

Madrid
May 25th, 2022

D. Alfonso Benavides Grases
Secretario no consejero del Consejo de Administración